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## Agenda

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

November 13, 2014

Executive Conference Room  
 9:00 a.m.

	<u>ACTION RECOMMENDED</u>
A. ROLL CALL	
B. APPROVAL OF MINUTES - October 23, 2014	Approve
C. COMMITTEE DISCUSSION ITEMS	
1. <u>Mid-Coast Corridor Transit Project Station Design (John Haggerty of SANDAG)</u> Action would receive a report regarding the Mid-Coast Corridor Transit Project Station Designs and provide comment.	Possible Action
2. <u>Chula Vista Transit Update (Paul Jablonski)</u>	Information
D. REVIEW OF DRAFT November 20, 2014 BOARD AGENDA	
E. <u>REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA</u> 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: December 4, 2014	
I. ADJOURNMENT	



# DRAFT

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
EXECUTIVE COMMITTEE  
1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101

October 23, 2014

## MINUTES

### A. ROLL CALL

Karen Landers stated that Chairman Mathis and Vice Chairman Roberts were both absent, and an interim Chairman needed to be assigned for this meeting. Mr. Gloria accepted the duty to act as interim Chairman. Mr. Gloria called the Executive Committee meeting to order at 9:29 a.m. A roll call sheet listing Executive Committee member attendance is attached.

### B. APPROVAL OF MINUTES

Mr. Ovrom moved for approval of the minutes of the August 22, 2014, MTS Executive Committee meeting. Mr. McClellan seconded the motion, and the vote was 4 to 0 in favor, with Mr. Mathis absent.

### C. COMMITTEE DISCUSSION ITEMS

#### 1. Trolley Renewal Project Update

Bruce Schmith of SANDAG provided a presentation on the Trolley Renewal Program update. He discussed the Blue Line stations and rail construction including the Barrio Logan station, Harborside station, Pacific Fleet station, 8<sup>th</sup> Street station, 24<sup>th</sup> Street station, E Street station, H Street station, Palomar Street station and Iris Avenue station. Mr. Schmith discussed the other competitively bid projects, job order contracts and future projects. He also reviewed the traction power substation (TPSS) construction update and stated that the light rail vehicle procurement was now complete.

Karen Landers, General Counsel, referenced agenda item number 13 in the draft Board agenda, stating that MTS is holding approximately \$8,700,000 in retention for the benefit of Siemens Industry, in case of any issues with the procurement of ultrashort low-floor vehicles. Ms. Landers stated that MTS will be releasing \$4,000,000 in retention with Siemens Industry, leaving \$4,700,000 in retention, which will be enough to resolve any issues that may occur in the close out process.

Mr. Gloria inquired if there will be construction on the Blue Line stations located further south, near San Ysidro. Mr. Schmith stated that those stations will be under construction in the future and will be included in work group A.

#### Action Taken

Informational item only. No action taken.

2. Amended and Restated MTS-BNSF-NCTD San Diego Subdivision Shared-Use Agreement

Paul Jablonski reviewed the background of the MTS-Burlington Northern Santa Fe Railway (BNSF)-North County Transit District (NCTD) San Diego Subdivision Shared Use Agreement. He stated that this shared use agreement defines each party's respective roles and liability. Ms. Landers continued the presentation and discussed the reasons for the amended shared use agreement, which include the confusing indemnification and liability provisions. She reviewed the restated and amended items of the shared use agreement, including MTS-NCTD project coordination; derailments for all parties; third party liability; insurance; good-faith negotiations and the removal of arbitration provisions. Lastly, Ms. Landers reviewed the restated and amended items relating only to the NCTD and BNSF portion of the shared use agreement.

Action Taken

Mr. McClellan moved to forward a recommendation to the Board of Directors to approve the Amended and Restated Shared-Use Agreement between MTS, Burlington Northern Santa Fe (BNSF), and North County Transit District (NCTD). Mr. Cox seconded the motion, and the vote was 4 to 0 in favor, with Mr. Mathis absent.

D. REVIEW OF DRAFT OCTOBER 30, 2014 BOARD AGENDA

Recommended Consent Items

6. Adoption of the 2015 San Diego Metropolitan Transit System (MTS) Executive Committee and Board of Directors Meeting Schedule  
Action would adopt the 2015 Executive Committee and Board of Directors meeting schedule.
7. Number Not Used
8. Adoption of Amended 2014 Conflict of Interest Code  
Action would: (1) adopt Resolution No. 14-12 amending the MTS Conflict of Interest Code pursuant to the Political Reform Act (PRA) of 1974; (2) adopt the amended 2014 MTS Conflict of Interest Code; and (3) forward the amended 2014 MTS Conflict of Interest Code to the County of San Diego (the designated code-reviewing body).
9. Investment Report - August 2014  
Informational only.
10. Centralized Train Control (CTC): SDSU Fire Life Panel System Upgrade and Technical Support - Addendum 17 Project Scope of Work Amendment 24.1  
Action would approve an amendment to Addendum 17 Project Scope of Work (MTS Document No. G0930.17-04.24.1) for the flagging and Construction Management services for the SDSU Fire Life Panel System Upgrade project.

11. Procurement and Installation of Replacement Coupler and Draft Gear for SD-100 Light Rail Vehicles (LRV) - Contract Award  
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L1192.0-14 with Dellner, Inc. for the procurement and installation of 104 buffer couplers, plus four spare coupler and draft gears for SD-100 LRVs.
12. Green Line Closed-Circuit Television (CCTV) System Upgrades - Contract Award  
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWL155.0-14 with Kratos Public Safety & Security Solutions, Inc. (Kratos) for the procurement and installation of MTS Green Line CCTV systems upgrades.
13. Siemens Industry, Inc. - 11th Amendment to Contract No. L0914.0-10 - Procurement of Ultrashort Low-Floor Vehicles  
Action would authorize the Chief Executive Officer to execute the 11th Amendment to MTS Doc. No. L0914.0-10 documenting contract close out agreements and authorizing a one-time partial release of retention.
14. Revisions to Board Policy No. 51 Regarding Claims Against the San Diego Metropolitan Transit System, a California Public Agency, or its Subsidiaries, San Diego Transit Corporation or San Diego Trolley, Inc.  
Action would approve and adopt the updated Board Policy No. 51.
15. Clarifier Waste Transportation and Recycling Services - Contract Award  
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWG157.0-14 with Asbury Environmental Services for the provision of clarifier waste removal, transportation and recycling services.
16. San Ysidro Radio Tower Lease with the City of San Diego  
Action would authorize the CEO to execute MTS Doc. No. G1757.0-15 with the City of San Diego for a lease of space at their Moody Canyon radio site in San Ysidro.

#### Draft Board Agenda Comments

Mr. Jablonski commented that there will be a Desert Line Report brought to the Board meeting on October 30, 2014. He stated that this report will review the negotiations that have been occurring between Pacific Imperial Railroad (PIR) and Baja California Railroad.

Sharon Cooney, Chief of Staff, commented that after MTS receives direction from the San Diego City Council, a taxicab agenda item will be brought to the Board.

#### E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA

No discussion for this agenda item.

#### F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS

Mr. Gloria inquired about MTS's commercial advertisement policy. He commented that he has observed posted advertisements that conflict with the current policy. Ms. Landers stated that currently there are groups of advertisements MTS is allowed to post. She said that if MTS allowed issue advertisements, it would then create a First Amendment public forum for the MTS

advertisement space, which would result in almost every type of advertisement being accepted. The only way to not create a First Amendment public forum is to enforce only commercial-type advertisements, MTS related advertisements and public agency sponsored advertisements. Ms. Landers stated that she is currently working on amendments to the current advertising policy to add clarification and minimize confusion. She commented that staff has made a concerted effort to look at every advertisement that comes through MTS. Ms. Landers noted that MTS has followed a pattern and practice over the past several years of not allowing issue advertisements. Mr. Gloria asked if there will be an action to approve the amendments to the advertisement policy. Ms. Landers replied that she is anticipating completing the policy amendments and forwarding those to the Board potentially in December.

G. PUBLIC COMMENTS

There were no public comments.

H. NEXT MEETING DATE

The next Executive Committee meeting is scheduled for November 13, 2014, at 9:00 a.m. in the Executive Committee Conference Room.

I. ADJOURNMENT

Mr. Gloria adjourned the meeting at 10:33 a.m.

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Chairman

Attachment: A. Roll Call Sheet

**EXECUTIVE COMMITTEE  
SAN DIEGO METROPOLITAN TRANSIT SYSTEM**

ROLL CALL

MEETING OF (DATE) October 23, 2014

CALL TO ORDER (TIME) 9:29 a.m.

RECESS \_\_\_\_\_

RECONVENE \_\_\_\_\_

CLOSED SESSION \_\_\_\_\_

RECONVENE \_\_\_\_\_

ADJOURN 10:33 a.m.

BOARD MEMBER (Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
GLORIA <input checked="" type="checkbox"/> (Emerald) <input type="checkbox"/>	9:29 a.m.	10:33 a.m.
MATHIS <input type="checkbox"/>		
OVROM <input checked="" type="checkbox"/> (Bragg) <input type="checkbox"/>	9:29 a.m.	10:33 a.m.
ROBERTS <input type="checkbox"/> (Cox) <input checked="" type="checkbox"/>	9:29 a.m.	10:33 a.m.
CUNNINGHAM <input type="checkbox"/> (McClellan) <input checked="" type="checkbox"/>	9:29 a.m.	10:33 a.m.
Transportation Committee Rep Slot (Mathis)		

SIGNED BY THE CLERK OF THE BOARD:

*Julia Johnson*

CONFIRMED BY THE GENERAL COUNSEL:

*Carroll*



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## Agenda Item No. C1

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

November 13, 2014

#### SUBJECT:

MID-COAST CORRIDOR TRANSIT PROJECT STATION DESIGN (JOHN HAGGERTY  
OF SANDAG)

#### RECOMMENDATION:

That the Executive Committee receive a report regarding the Mid-Coast Corridor Transit Project Station Designs and provide comment.

#### Budget Impact

None.

#### DISCUSSION:

The Mid-Coast Corridor Transit Project is being developed by the San Diego Association of Governments (SANDAG) with MTS's assistance. The Mid-Coast Project will extend Trolley service from Santa Fe Depot in Downtown San Diego to the University City community, serving major activity centers such as Old Town, the University of California, San Diego (UCSD), and Westfield University Town Center. The proposed project would be funded by SANDAG and the Federal Transit Administration (FTA) New Starts Program. SANDAG staff and the design team will provide an update on the project along with some refinements of station concepts initially presented to the MTS Executive Committee in October 2013 and April 2014.

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

Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)





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## Agenda Item No. C2

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

November 13, 2014

#### SUBJECT:

CHULA VISTA TRANSIT UPDATE (PAUL JABLONSKI)

#### INFORMATIONAL ONLY

##### Budget Impact

None. MTS currently funds the full operational cost of Chula Vista Transit (CVT).

#### DISCUSSION:

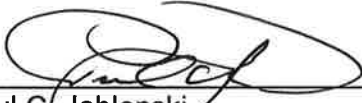
In April 2006, MTS completed the Comprehensive Operations Analysis which analyzed all public transportation services provided by MTS and its various operators, and concluded that enhanced bus services could be provided in Chula Vista by combining Chula Vista Transit (CVT) services into a new contract to be bid by MTS. In 2006 MTS awarded a contract for bus services which included services within Chula Vista to Veolia (now Transdev). Following the contract award, staff began discussions with CVT staff regarding consolidating the operation of services within Chula Vista under the new MTS/Veolia contract. A Memorandum of Understanding was prepared and negotiated between the parties and approved in 2007. Total consolidation of CVT under MTS was not finalized at that time, however, due to the continued need for the maintenance facility at the City's Public Works Facility. Nevertheless the City Manager indicated the City's intent to assume full control of the facility for City use in the near future, and MTS began to seek an alternative.

MTS determined that the South Bay Bus Maintenance Facility (SBBMF), also in Chula Vista, could be expanded to accommodate the addition of both CVT vehicles and the





South Bay Bus Rapid Transit vehicles. The expansion project was completed in September 2014 and MTS has indicated to the City that it will transition the operation of the current CVT services to SBBMF in January. With the resolution of this last need to maintain a separate CVT operation, MTS staff is negotiating final consolidation of CVT into MTS.



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Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)



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DRAFT

## Agenda

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 20, 2014

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 two 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.

#### ACTION RECOMMENDED

- 1. Roll Call
- 2. Approval of Minutes - October 30, 2014 Approve
- 3. Public Comments - Limited to five speakers with three minutes per speaker. Others will be heard after Board Discussion items. If you have a report to present, please give your copies to the Clerk of the Board.
- 4. Appointment of Ad Hoc Nominating Committee for Recommending Appointments to MTS Committees for 2015 (Sharon Cooney) Appoint  
Action would appoint an Ad Hoc Nominating Committee to make recommendations to the Board with respect to the appointment of members of the Board to serve as Vice-Chair, Chair Pro-Tem and on MTS and non-MTS committees for 2015.

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.

## CONSENT ITEMS

6. San Diego and Arizona Eastern (SD&AE) Railway Company Quarterly Reports and Ratification of Actions Taken by the SD&AE Board of Directors at its Meeting on October 21, 2014 Information
7. Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency Joint Powers Agreement Approve  
Action would approve the proposed amendments to the 2013 Amendment to the Joint Powers Agreement Concerning the Los Angeles - San Diego - San Luis Obispo Corridor Rail Agency (LOSSAN) to ensure that the official agency name is correctly stated as the Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency throughout the document.
8. Investment Report - September 2014 Information
9. Increased Authorization for Legal Services - Opper & Varco, LLP Approve  
Action would authorize the Chief Executive Officer (CEO) to: (1) execute Amendment No. 2, MTS Doc. No. G1429.2-12 with OPPER & VARCO, LLP to pay current and future legal expenses through the remainder of fiscal year 2015; and (2) ratify one prior contract amendment entered into under the CEO's authority.
10. Colocation Data Center Facility Services - Contract Award Approve  
Action would authorize the Chief Executive Officer (CEO) to: (1) execute MTS Doc. No. G1765.0-15 with American Internet Services, LLC (AIS) for colocation data center facility services for a two-year base period with two one-year options periods (for a total of 4 years); and (2) exercise each option year at the CEO's discretion.
11. San Diego Metropolitan Transit System (MTS) Website Replacement Project Approve  
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1694.0-14 with Steer, Davies, Gleave for replacement of the MTS website.
12. Addition of the Following Positions: One (1) F/T HR Representative II; Two (2) F/T Bus Operator Training Instructors; One (1) P/T Administrative Assistant Approve  
Action would authorize the CEO to add: One (1) HR Representative II to the FY15 budget, increasing the total Full Time Equivalent (FTE) position from 3 to 4 at Grade #7 (\$47,531 - \$74,391); Two (2) Bus Operator Training Instructors to the FY15 budget, increasing the total Full Time Equivalent (FTE) position from 6 to 8 at Grade #6 (\$41,512 - \$64,970); and One (1) P/T Administrative Assistant to the FY15 budget at \$15.00 per hour.

## CLOSED SESSION

24.

Oral Report of Final Actions Taken in Closed Session

## NOTICED PUBLIC HEARINGS

25. None.

## DISCUSSION ITEMS

30. Fiscal Year 2014 Comprehensive Annual Financial Report (CAFR) (Erin Dunn and Larry Marinesi; Kenneth Pun and Gary Caporicci of Pun & McGeady) Receive  
Action would receive the Fiscal Year (FY) 2014 Comprehensive Annual Financial Report (CAFR).
31. MTS Joint Agency Task Force MOU (Bill Burke) Approve  
Action would approve the MTS Joint Agency Task Force Memorandum of Understanding.

## REPORT ITEMS

45. Year-End FY 2014 Report Information
46. Fiscal Year 2014 Final Budget Comparison (Mike Thompson) Information
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: December 11, 2014
66. Adjournment



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## Agenda Item No. 4

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 20, 2014

#### SUBJECT:

APPOINTMENT OF AD HOC NOMINATING COMMITTEE FOR RECOMMENDING  
APPOINTMENTS TO MTS COMMITTEES FOR 2015 (SHARON COONEY)

#### RECOMMENDATION:

That the Board of Directors appoint an Ad Hoc Nominating Committee to make recommendations to the Board with respect to the appointment of members of the Board to serve as Vice-Chair, Chair Pro-Tem and on MTS and non-MTS committees for 2015.

#### Budget Impact

None.

#### DISCUSSION:

Each year, the Board makes appointments to various committees, including the Budget Development Committee, Ad Hoc Public Security Committee, Audit Oversight Committee, Executive Committee, Joint Committee on Regional Transit (JCRT), Taxicab Committee, Los Angeles-San Diego-San Luis Obispo Rail Corridor Agency (LOSSAN), and the Accessible Services Advisory Committee (ASAC). The Executive Committee membership is governed by MTS Board Policy 22.8. The Executive Committee appoints the representative to the San Diego Association of Governments (SANDAG) Transportation Committee. Attachment B is a table of committee appointments for 2014.

MTS Board Policy No. 22 (Attachment A) specifies that on or before the Board's first meeting in November, the Board shall appoint less than a quorum of members to an Ad Hoc Nominating Committee. Last year's Ad Hoc Nominating Committee included Board members Mathis, Roberts, Rios, Ewin and Zapf.

The Ad Hoc Nominating Committee shall review the list of MTS committees and make recommendations to the Board with respect to the appointment of members of the Board



to serve on each committee. The Ad Hoc Nominating Committee is also tasked with reviewing the list of outside boards and/or committees and making recommendations to the Board with respect to the appointment of members of the Board to represent MTS on each outside board or committee, except for the Board representative appointed to the SANDAG Transportation Committee, which is appointed by the Executive Committee.

The Ad Hoc Nominating Committee forwards its recommendations for appointments of officers and committee members on or before the first Board meeting in January.

The election procedures to appoint an Ad Hoc Nominating Committee pursuant to Robert's Rules of Order are as follows:

1. The Chairman of the Board opens the agenda item.
2. The Chairman requests nominations from the floor. Nominations do not require a second.
3. The Chairman closes the nominations.
4. The Chairman invites the candidate(s) to address the Board for three minutes.
5. The Chairman asks for any Board discussion.
6. The Chairman calls for the vote on each motion for each candidate.
7. A vote is taken on the motion(s) for each candidate based upon the order in which they were nominated. The vote continues until a candidate is elected.



Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)

Attachment: A. Board Policy 22  
B. Table of MTS Committees for 2014



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## Policies and Procedures

No. 22

Board Approval: 12/11/08

**SUBJECT:**

RULES OF PROCEDURE FOR THE METROPOLITAN TRANSIT SYSTEM (MTS)

**PURPOSE:**

To define and clarify Board Rules of Procedure and incorporate them in Board Policy.

**BACKGROUND:**

In 1977, the Board adopted Rules of Procedure by resolution and from time to time amendments have been adopted. The Rules shall be contained in Board Policy for ease of reference and periodic updating.

**22.1 Membership and Organization**

22.1.1 Membership in this Board is established by Division 11, Chapter 1, Section 120050 through 120051.6 of the California Public Utilities Code.

22.1.2 The Board consists of 15 members selected as follows:

- a. One member of the County of San Diego Board of Supervisors appointed by the Board of Supervisors.
- b. Four members of the City Council of the City of San Diego, one of whom may be the mayor, appointed by the City Council.
- c. One member of each city council appointed individually by the City Councils of the Cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, and Santee.



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

- d. One person, a resident of San Diego County, elected by a two-thirds vote of the Board, a quorum being present, who shall serve as chairperson of the Board.
- 22.1.3 Any person who is a member of the Board may be appointed by his or her appointing authority to continue to serve as a member of the Board after the termination of his or her term of office for a period not to exceed four years after the date of termination of his or her term of elected office.
- 22.1.4 Alternate members of the Board shall be appointed as follows:
- a. The County of San Diego Board of Supervisors shall appoint any other county supervisor who qualifies for appointment to serve as an alternate member.
  - b. The City Council of the City of San Diego shall appoint a member of the City Council not already appointed to serve as an alternate member.
  - c. The City Councils of the Cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, and Santee shall each individually appoint a member of their respective city councils not already appointed to serve as an alternate member.
- 22.1.5 This Board shall exercise all powers authorized by the laws of the State of California.
- 22.1.6 Only the duly selected official representative, or in his or her absence his or her duly selected alternate, shall be entitled to represent a member agency in the deliberations of the Board.
- 22.1.7 Names of the official representatives and alternates shall be communicated in writing to the Board by each participating member agency and shall thereafter be annually communicated or reaffirmed prior to the February meeting of the Board and at such other times as changes in representation are made by member agencies.
- 22.1.8 The Board shall have the authority to appoint committees or subcommittees and may provide for the appointment of alternates to these committees or subcommittees.
- 22.1.9 Standing committees shall be appointed by the Board as may be required to carry out general and continuing functions and shall be abolished only upon specific action by the Board.
- 22.1.10 Ad hoc specialized subcommittees may be appointed by the Board as the need arises to accomplish specific tasks. Upon completion of its assignment, each ad hoc subcommittee shall disband.



22.1.11 Board members serving on such subcommittees shall be compensated as provided by Board ordinance. The Chief Executive Officer is authorized to enter into agreements to compensate individuals who were Board members at the time of their appointments to such subcommittees and who continue to serve on such subcommittees after their terms of office as Board members, subject to the same limitations as exist for compensation of Board members, and subject to replacement by the Board.

22.2 Meetings

22.2.1 On or before the first regular meeting of the Board in December of each year, the Board shall adopt a schedule of its meetings by date, time, and location for the coming year. The Board shall conduct at least one regular meeting in each of the subsequent twelve months. The schedule of the meetings shall be published in the local newspaper of general circulation prior to the next regular meeting.

22.2.2 The Board may, when necessary, change the time and place of regular meetings. Notice of such change shall be posted pursuant to the Ralph M. Brown Act.

22.2.3 The Clerk of the Board shall forward written notice of the annual schedule of regular meetings and any changes thereto stating the dates, times, and locations to each member's agency and to the respective members and alternates of the Board and the standing committees.

22.2.4 Special meetings may be called and noticed under the provisions of the Ralph M. Brown Act as applicable and, specifically, Section 54956 of the California Government Code. The call and notice shall be posted in an area accessible to the public at least 24 hours prior to the meeting.

Special meetings normally shall be called by a majority of the Board or Executive Committee only upon a finding that extraordinary circumstances require Board action prior to the next scheduled Board meeting, such as to discuss a work stoppage or significant litigation, or that a special meeting is necessary to hold a workshop, a joint meeting with another agency, or for other special purposes at a future date beyond the next Board meeting. The Chair may call such meetings only when such extraordinary circumstances arise after the last Board or Executive Committee meeting and Board action is required prior to the next regularly scheduled Board or Executive Committee meeting.

22.2.5 A majority of the members of the Board shall constitute a quorum for the transaction of business, and all official acts of the Board

shall require the affirmative vote of a majority of the members of the Board.

- 22.2.6 Parliamentary procedure at all meetings shall be governed by Robert's Rules of Order Newly Revised except as otherwise modified herein.
  - 22.2.7 Prior to each regular meeting, the Clerk of the Board shall forward a copy of the agenda to each member in accordance with the schedule adopted by the Board. The agendas shall also be mailed to each person or entity previously requesting such in writing. The Clerk shall post the agenda in an area accessible to the public at least 72 hours before the meeting in accordance with the Ralph M. Brown Act. Agenda materials shall be available as public record in accordance with the Ralph M. Brown Act and, specifically, Section 54957.5 of the California Government Code.
  - 22.2.8 The Board may take action on items of business not appearing on the posted agenda in accordance with the Ralph M. Brown Act.
  - 22.2.9 Requests for Board action may be initiated by any member of the Board or any staff officer.
  - 22.2.10 Communication requests may be initiated by an individual and submitted to the Clerk by letter or on forms provided by the Clerk and must state the subject matter and the action which the writer wishes the Board to take. The Clerk shall review all communication requests so received and shall list them on the Board's docket under those items which the Clerk deems to be proper areas of discussion or action by the Board. When a Communications item is listed on the docket, it is not debatable and must be referred to an appropriate committee, other public agency, or to staff to prepare a report or response.
  - 22.2.11 Any permanent rule of the Board as set forth herein and unless otherwise established by law may be suspended temporarily by a two-thirds vote of the members present.
- 22.3 Amendments
- 22.3.1 The Board shall be responsible for making all amendments to these rules.
  - 22.3.2 Proposed amendments may be originated by the Board, or any member of such, or by the Chief Executive Officer.
  - 22.3.3 Each proposed amendment shall be considered by the Board and a copy thereof forwarded by the Clerk of the Board to the official representative of each member agency.

22.4 Ordinances

- 22.4.1 Every ordinance shall be signed by the Chairman of the Board and attested by the Clerk of the Board.
- 22.4.2 On the passage of all ordinances, the votes of the several members of the Board shall be entered on the minutes.
- 22.4.3 Ordinances shall not be passed within five days of their introduction nor at other than a regular meeting or at an adjourned regular meeting. However, an urgency ordinance may be passed immediately upon introduction either at a regular or special meeting. Except when, after reading the title, further reading is waived by regular motion adopted by unanimous vote of the Board members present, all ordinances shall be read in full either at the time of introduction or passage. When ordinances, other than urgency ordinances, are altered after introduction, they shall be passed only at a regular or at an adjourned regular meeting held at least five days after alteration. Corrections of typographical or clerical errors are not alterations within the meaning of this section.
- 22.4.4 The Clerk of the Board shall cause a proposed ordinance or proposed amendment to an ordinance, and any ordinance adopted by the Board, to be published at least once, in a newspaper of general circulation published and circulated in the Board's area of jurisdiction.
- 22.4.5 The publication of an ordinance, as required by subdivision, may be satisfied by either of the following actions:
- a. The Board may publish a summary of a proposed ordinance or proposed amendment to an ordinance. The summary shall be prepared by the Clerk of the Board and General Counsel. The summary shall be published and a certified copy of the full text of the proposed ordinance or proposed amendment shall be posted in the office of the Clerk of the Board at least five (5) days prior to the Board meeting at which the proposed ordinance or amendment is to be adopted. Within 15 days after adoption of the ordinance or amendment, the Board shall publish a summary of the ordinance or amendment with the names of those Board members voting for and against the ordinance or amendment, and the Clerk of the Board shall post in the office of the clerk a certified copy of the full text of the adopted ordinance or amendment along with the names of those Board members voting for and against the ordinance or amendment.
  - b. If the person designated by the Board determines that it is not feasible to prepare a fair and adequate summary of the proposed ordinance or amendment, and if the Board so

orders, a display advertisement of at least one-quarter of a page in a newspaper of general circulation in the Board's area of jurisdiction shall be published at least five (5) days prior to the Board meeting at which the proposed ordinance or amendment is to be adopted. Within 15 days after adoption of the ordinance or amendment, a display advertisement of at least one-quarter of a page shall be published. The advertisement shall indicate the general nature of, and provide information regarding, the adopted ordinance or amendment, including information sufficient to enable the public to obtain copy of the complete text of the ordinance or amendment and the name of those Board members voting for and against the ordinance amendment.

- 22.4.6 Ordinances shall take effect thirty days after their final passage. An ordinance takes effect immediately, if it is an ordinance for the immediate preservation of the public peace, health, or safety, containing a declaration of the facts constituting the urgency and is passed by a four-fifths vote of the Board.

## 22.5 Public Comment

- 22.5.1 At a public hearing of the Board, persons wishing to provide comment and testimony shall be permitted to address the Board after submitting a written request to speak to the Clerk identifying the person and the subject agenda item. The Chairman may limit the time for each presentation and may permit additional time to speakers representing a group of individuals or organizations to avoid duplicative testimony. Ordinarily, each speaker will be allowed no more than three minutes.
- 22.5.2 Persons wishing to comment on agenda items other than a public hearing must submit a written request to speak in advance to the Clerk identifying the person and the subject agenda item. Comments must be limited to issues relevant to the particular agenda item. The Chairman may limit the time for each presentation and may permit additional time to speakers representing a group of individuals or organizations to avoid duplicative testimony. Ordinarily, each speaker will be allowed no more than three minutes.
- 22.5.3 Public comment on matters not on the agenda will be permitted on items of interest to the public that are within the subject matter jurisdiction of the Board. Persons wishing to comment must submit a written request in advance to the Clerk identifying the person and subject matter. The Chairman may limit the time for each speaker. Ordinarily, each speaker will be allowed no more than three minutes.

22.6 Chairperson

Prior to the expiration of a Chairperson's term, the Executive Committee shall make a recommendation to the Board on whether to reelect the current Chairperson. In the event that the Board does not reelect a chairperson, or in the event of a vacancy in the position of Chairperson, the Executive Committee shall create an ad hoc nominating committee that shall, by whatever means it deems appropriate, recommend to the Board a candidate or candidates for the position of Chairperson. The Board shall then vote to elect a Chairperson.

22.7 Election of Board Officers and Appointments to Committees

22.7.1 On or before the Board's first meeting in November, the Board shall appoint less than a quorum of members to an Ad Hoc Nominating Committee. The Ad Hoc Nominating Committee shall review the list of MTS committees and make recommendations to the Board with respect to the appointment of members of the Board or former Board members to serve on each MTS committee.

22.7.2 The Ad Hoc Nominating Committee shall also review the list of outside boards and/or committees and make recommendations to the Board with respect to the appointment of members of the Board to represent MTS on each outside board or committee, except for the Board representative appointed to the San Diego Association of Governments (SANDAG) Transportation Committee, which shall be appointed by the Executive Committee.

22.7.3 The Ad Hoc Nominating Committee shall also make a recommendation to the Board with respect to the appointment of the Vice Chairman and the Chair Pro Tem and any other board officers.

22.7.4 The Ad Hoc Nominating Committee shall forward its recommendations for appointments of officers and committee members on or before the first Board meeting in January.

22.7.5 At its first meeting in January, the Board shall elect a Vice Chairman and a Chair Pro Tem from amongst its members. The Vice Chairman shall preside in the absence of the Chairman. In the event of the absence or inability to act by the Chairman and Vice Chairman, the Chair Pro Tem shall preside.

22.7.6 The Board shall then vote on the recommendations made by the Ad Hoc Nominating Committee with respect to all other committee appointments.

22.7.7 In the event that a Board member vacates his or her position on the Board, at the next meeting, the Chairperson shall take nominations from the floor to fill any opening in any Committee positions vacated by that Board member.

22.8 Executive Committee

22.8.1 The Executive Committee of the Board shall consist of the Chairman, the Vice Chairman (if he or she is not already a voting member) a member from the County of San Diego, a member from the City of San Diego, the Transportation Committee Representative (if he or she is not already a voting member), one member who represents the cities of Chula Vista, National City, Coronado, and Imperial Beach (the "South Bay Cities' representative"), and one member who represents the cities of Lemon Grove, La Mesa, El Cajon, Poway, and Santee (the "East County Cities' representative"). The South Bay Cities' representative and the East County Cities' representative shall serve as members of the Executive Committee for a term of two years each. The terms of these two members shall be staggered so as to avoid replacement of both members at the same time.

22.8.2 The East County and South Bay representatives shall serve in the following order:

East County: El Cajon, La Mesa, Lemon Grove, Santee, Poway—each serving a two-year term.

South Bay: Chula Vista, Coronado, Imperial Beach, National City—each serving a two-year term; however, the representative must have been the primary Board member for two years in order to serve as the Executive Committee representative. In the event that the South Bay representative has not been the primary Board member for two years, the rotation schedule shall be adjusted so that the next city in the rotation serves as the representative, and the city whose member has not yet served two years as the primary Board member would serve the term immediately thereafter; i.e., if Imperial Beach lacked two years of experience, National City would serve first, then Imperial Beach and then the rotation would continue on as set forth above. The requirement for two years of service as the primary Board member shall only apply to the South Bay representative.

After each member has served as either the East County or South Bay representative, the rotation schedule shall repeat.

22.8.3 The alternates to the Executive Committee members shall be as follows:

22.8.3.1 The alternate for the County of San Diego shall be the alternate appointed by the County of San Diego to serve as the alternate for the Board.

2.8.3.2 The alternate for the City of San Diego shall be selected from amongst the three remaining City of San Diego Board members.

- 2.8.3.3 The alternates for the East County Cities' and the South Bay Cities' representatives shall be the representative from the city that is next in the rotation order set forth in section 22.8.3 above (for example, if the City of El Cajon is currently the primary Executive Committee member, then the City of La Mesa member shall be the alternate Executive Committee member). Alternates shall be appointed for a term of two years or such lesser term as necessary to coincide with the term of the member for whom the alternate is appointed.
- 22.8.4 The Vice Chairman shall attend each Executive Committee meeting as a voting member. The Vice Chairman shall serve as the alternate to the Chairman in his or her absence and as a second alternate at large for any of the Executive Committee representatives and shall be a voting member when serving in this capacity.
- 22.8.5 On or before its first meeting in January, the Executive Committee shall appoint one of its members to serve as the representative and one of its members to serve as the alternate to the San Diego Association of Governments (SANDAG) Transportation Committee to serve for a term of one year. In the event that the Executive Committee feels a member of the Board who does not serve on the Executive Committee is their preferred representative or alternate for the SANDAG Transportation Committee, the Executive Committee shall have the ability to select the representative or alternate from the full Board. In that instance, the SANDAG Transportation Committee representative, or the alternate in his or her absence, shall attend the Executive Committee meetings as a voting member.
- 22.8.6 The primary purpose of the Executive Committee shall be to review and recommend consent items for the agenda of the next MTS Board of Directors meeting; add or delete items as appropriate; and provide input and direction on emerging policies, plans, and issues, in advance, for Board consideration. The Executive Committee shall have the authority to create ad hoc subcommittees for purposes of carrying out its duties and responsibilities.
- 22.8.7 Three members shall constitute a quorum of the Executive Committee, and a majority vote of the members present shall be required to approve any item. In the absence of a quorum, the Chairman may review and recommend consent items for the agenda, establish the order of items, and add or delete items.
- 22.8.8 The Executive Committee shall adopt operating procedures as are necessary for the conduct of its business.

22.9 Audit Oversight Committee

- 22.9.1 The Audit Oversight Committee shall be comprised of the same members that make up the Executive Committee. The Chairman of the Audit Oversight Committee shall be appointed from amongst its members at the first meeting held during each calendar year. The Chairman of the Audit Oversight Committee shall be another member other than the member who serves as the Executive Committee Chairman. Additional members of the MTS Board may be appointed on an annual basis at the first MTS Board meeting in January at the discretion of the MTS Board. The Board may appoint individuals who are not members of the Board to serve as non-voting advisory members to the Audit Oversight Committee.
- 22.9.2 No additional compensation shall be paid to the members of the Audit Oversight Committee unless a meeting takes place on a day other than a regularly scheduled MTS Board meeting or MTS Executive Committee meeting. Compensation shall be paid to any additional members of the MTS Board who are appointed to serve on the Audit Oversight Committee meeting. No compensation shall be paid to any non-voting advisory member appointed by the MTS Board.
- 22.9.3 The primary duties and responsibilities of the Audit Oversight Committee shall be to ensure that management is maintaining a comprehensive framework of internal control, to ensure that management's financial reporting practices are assessed objectively, and to determine to its own satisfaction that the financial statements are properly audited and that any problems disclosed in the course of the audit are properly resolved.
- 22.9.4 The tasks to be performed by the Audit Oversight Committee shall be as follows:
- a. Review the appropriate scope of the annual independent audit and any other audit the committee feels is appropriate.
  - b. Review the appropriate scope of nonaudit services to be performed by the independent auditor.
  - c. Oversee the procurement of outside auditor services with final approval by the Board.
  - d. Review and oversee the preparation of annual financial statements, the annual financial reporting process, internal controls, and independent auditors using an appropriate degree of professional skepticism.
  - e. Assess the performance of any independent auditors.



- f. Provide a forum for MTS internal auditors to report findings.
- g. Provide at least an annual written and oral report to the Board on how the committee discharged its duties and responsibilities.
- h. Establish a procedure for receipt, retention, and treatment of complaints regarding accounting, internal controls, or auditing matters.

22.9.5 The annual scheduled functions to be performed by the Audit Oversight Committee shall be as follows:

- a. In June of each year or as soon as reasonably practicable, review the independent audit engagement letter.
- b. In March or April of each year or as soon as reasonably practicable, establish a plan for review of the audits with independent auditor.
- c. In September of each year or as soon as reasonably practicable, receive report on the status of any audit(s).
- d. In October of each year or as soon as reasonably practicable, receive a report on the preliminary audit findings.
- e. In December of each year or as soon as reasonably practicable, receive a report and provide feedback on financial and compliance statements to Board, and provide the annual report to the Board on the committee's activities.
- f. In March of each year or as soon as reasonably practicable, review the management letter and management's response to the letter.

22.9.6 On a periodic basis the Audit Oversight Committee shall perform the following functions:

- a. Establish procedure for handling complaints.
- b. Receive reports from MTS internal auditor.
- c. Report to the Board in addition to annual report.
- d. Review the appropriate scope of any nonaudit services recommended for performance by the independent auditor.
- e. Review the procurement of independent auditor services and make a recommendation to the Board.

- f. Request procurement of outside independent advisor(s) with Board concurrence.
- g. Meet with the independent auditor without MTS management present.

22.9.7

At a minimum, the Audit Oversight Committee shall ask the following questions of MTS Staff, the Internal Auditor and/or the independent auditors:

- a. What is the name of the audit firm performing the audit, and how long has such firm been under contract to perform such audits?
- b. Was the audit performed in accordance with generally accepted auditing standards (AICPA GAAS standards) or generally accepted government-auditing standards (GAO GAGAS)? If not, why?
- c. Has the independent auditor(s) prepared an unqualified opinion regarding the financial statements? If not, what type of opinion was issued and why?
- d. Was the audit performed independently? The Audit Oversight Committee should ask how the audit firm maintained its independence during the course of the audit.
- e. The Audit Oversight Committee should have the independent auditor(s) describe, in general, the audit procedures performed.
- f. The Audit Oversight Committee should have the independent auditor(s) discuss whether any new accounting principles were adopted, whether any changes were made, or whether the independent auditor(s) recommends any changes in the accounting policies used or their application. In particular, the relevant issue is whether the audit applied best or merely permissible principles.
- g. The Audit Oversight Committee should have the independent auditor(s) describe any significant accounting adjustments affecting the financial statements (prior year as well as current year).
- h. Did the independent auditor(s) encounter any difficulties in dealing with management in performing the audit, including whether there were any disagreements with management regarding any accruals, estimates, reserves, or accounting

principles? Did the independent auditor(s) have the full cooperation of MTS management and staff?

- i. The Audit Oversight Committee should ask the audit firm about the quality of the component unit's accounting, internal controls, and the competency of staff. Did the independent auditor(s) issue a management letter? What nonmaterial weaknesses or reportable conditions has the independent auditor(s) noted?
- j. Were there any accounting issues on which the audit firm sought the advice of other audit firms or regulatory bodies?
- k. The Audit Oversight Committee should ask the audit firm whether there are new pronouncements and/or areas of potential financial risk affecting future financial statements of which the Audit Oversight Committee should be aware.

22.9.8 Three members shall constitute a quorum of the Audit Oversight Committee, and a majority vote of the members present shall be required to approve any item. In the absence of a quorum, the Chairman may review and recommend consent items for the agenda, establish the order of items, and add or delete items.

22.9.9 The Audit Oversight Committee shall adopt operating procedures as are necessary for the conduct of its business.

#### 22.10 Board Member Standards of Conduct

22.10.1 The purpose of this policy is to emphasize that each Board member occupies a position of public trust that demands the highest moral and ethical standard of conduct.

22.10.2 This policy shall be supplemental and in addition to the Conflict of Interest Code of the Board and is not intended to supersede such Code or any provisions thereof.

22.10.3 Board members shall not engage in any business or transaction or have a financial or other personal interest, actual, potential, or apparent, which is incompatible with the proper discharge of his or her official duties or would tend to impair his or her independence of judgment or action in the performance of such duties. Such business, transaction, or interest shall constitute a conflict of interest.

22.10.4 No Board member shall engage in any enterprise or activity that shall result in any of the following:

- a. Using the prestige or influence of the Board office for private gain or advantage of the member or another person.

- b. Using time, facilities, equipment, or supplies of the Board for the private gain or advantage of the member or another person.
- c. Using official information not available to the general public for private gain or advantage of the member or another person.
- d. Receiving or accepting money or other consideration from anyone other than the Board for the performance of acts done in the regular course of duty.
- e. Receiving or accepting, directly or indirectly, any gift or favor from any one doing business with the Board under circumstances from which it could reasonably be inferred that such was intended to influence such person in such person's duties or as a reward for official action.
- f. Soliciting any gift or favor in such person's official capacity, either directly or indirectly, when such solicitation might reasonably be inferred as to have a potential effect on such person's duties or decision, or when the individual's position as a Board member would in any way influence the decision of the person being solicited.
- g. Engaging in or accepting private employment or rendering services for private interest, direct or indirect, which may conflict with such person's responsibility or duty, or which, because of that person's position, may influence a decision to the benefit of the organization in which such person has an interest.

22.10.5 If a Board member has an actual, potential, or apparent conflict of interest in the subject of an agenda item, and the Board will make a decision regarding this agenda item during an open session meeting, the Board member must recuse himself or herself or, in the case of uncertainty, request a binding determination from the Board's General Counsel. If the Board member has a conflict, he or she may observe, but not participate, in the decision-making process.

22.10.6 If a Board member has an actual, potential, or apparent conflict of interest in the subject of an agenda item to be discussed during a closed session meeting, the Board member shall be disqualified and not present during such discussion so as not to make, participate in making, or in any way attempt to use his or her official position to influence the discussion or decision. In such case, the Board member must recuse himself or herself or, in the case of uncertainty, request a binding determination from the Board's General Counsel. In accordance with the Brown Act, the Board member would be entitled to any information that is publicly reported. The Board member would not, however, be privy to any

confidential or privileged information or communications pertaining to the closed session agenda item.

- 22.10.7 No Board member shall disclose to any person, other than members of the Board and other Board staff designated to handle such confidential matters, the content or substance of any information presented or discussed during a closed session meeting unless the Board authorizes such disclosure by the affirmative vote by a majority of the Board.
- 22.10.8 No Board member may disclose confidential or privileged information or communications to any person other than a Board member, General Counsel to the Board, or other Board staff designated to handle such matters, unless disclosure is mandated by law or the Board authorizes such disclosure by the affirmative vote of a majority of the Board.
- 22.10.9 A Board member shall not be privy to confidential or privileged information or communications concerning threatened, anticipated, or actual litigation affecting the Board where the Board member has an actual, potential, or apparent conflict of interest. In the case of uncertainty as to whether a conflict of interest exists, the Board's General Counsel shall issue a binding determination.
- 22.10.10 No Board member shall represent a position on an issue to be the Board's unless the Board has formally adopted such position at a public meeting.
- 22.10.11 Any violation of this policy shall constitute official misconduct if determined by an affirmative vote of the majority of the Board in an open and public meeting. The Board may elect to censure the Board member and the violation may be subject to criminal and/or civil penalties as provided for by applicable law.

FEB21-08.31.AttB.POLICY 22.TLOREN.doc

Original Policy approved on 4/5/84.

Policy revised on 1/12/84.

Policy revised on 7/11/85.

Policy revised on 1/8/87.

Policy revised on 1/11/90.

Policy revised on 8/23/90.

Policy revised on 1/10/91.

Policy revised on 3/24/94.

Policy revised on 1/14/99.

Policy revised on 6/14/01.

Policy revised on 1/10/02.

Policy revised on 1/24/02.

Policy revised on 5/8/03.

Policy revised 2/26/04.

Policy revised 1/12/06.

Policy revised 3/9/06.

Policy revised 3/23/06.

Policy revised 6/14/07.

Policy revised 7/19/07.

Policy revised 2/21/08.

Policy revised 12/11/08.

**2014 SLATE OF MTS COMMITTEES AND OUTSIDE AGENCY APPOINTMENTS**

Accessible Services Advisory Committee (ASAC)	Lorie Bragg – Chair
Airport Authority Advisory Committee	Harry Mathis – Committee Representative Ron Roberts - Alternate
Public Security Committee	Jim Cunningham – Committee Representative Harry Mathis – Committee Representative John Minto – Committee Representative David Alvarez – Committee Representative Mona Rios– Committee Representative
Audit Oversight Committee	Ernie Ewin – Committee Representative Harry Mathis – Committee Representative Ron Roberts – County Representative (Alternate: Greg Cox) Sherri Lightner – City of San Diego Representative (Alternate: Marti Emerald) Al Ovrom– South Bay Representative (Alternate: Lorie Bragg) Jim Cunningham – East County Representative (Alternate: Bob McClellan)
Budget Development Committee	Harry Mathis – Committee Representative Bob McClellan– Committee Representative Ron Roberts – Committee Representative Myrtle Cole – Committee Representative John Minto– Committee Representative
Executive Committee	Harry Mathis – Chair Ron Roberts – County Representative- Vice Chair (Alternate: Greg Cox) Sherri Lightner – City of San Diego Representative (Alternate: Marti Emerald) Al Ovrom– South Bay Representative (Alternate: Lorie Bragg) Jim Cunningham– East County Representative (Alternate: Bob McClellan)
Joint Committee on Regional Transit (JCRT)	Jim Cunningham – Committee Representative Harry Mathis – Committee Representative George Gastil – Committee Representative
Los Angeles - San Diego Rail Corridor Agency (LOSSAN)	Ernie Ewin – Committee Representative Mona Rios – Alternate
SANDAG Board	Harry Mathis – Advisory Representative Al Ovrom – Alternate
SANDAG Regional Planning Committee	Mona Rios - Committee Representative Al Ovrom– Alternate
SANDAG Transportation Committee	Harry Mathis – Committee Representative Al Ovrom – Alternate (Chosen by the Executive Committee January 9)
Taxicab Advisory Committee	Myrtle Cole – Chair Bob McClellan – Alternate
Ad Hoc Committee for Taxicab Contract Negotiations	Ron Roberts George Gastil John Minto Jim Cunningham Lorie Bragg



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

## Agenda Item No. 6

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 20, 2014

**Draft for  
Executive Committee  
Review Date: 11-13-14**

**SUBJECT:**

SAN DIEGO AND ARIZONA EASTERN (SD&AE) RAILWAY COMPANY QUARTERLY  
REPORTS AND RATIFICATION OF ACTIONS TAKEN BY THE SD&AE BOARD OF  
DIRECTORS AT ITS MEETING ON OCTOBER 21, 2014

**INFORMATIONAL ONLY**

Budget Impact

None.

**DISCUSSION:**

Pursuant to the Agreement for Operation of Freight Rail Services, SD&IV, Museum, and PIR have provided operations reports during the third quarter of 2014 (Attachment A).

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

Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)

Attachment: A. SD&AE Meeting Agenda and Materials



# AGENDA

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

October 21, 2014

9:00 a.m.

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



**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  
PAUL JABLONSKI, CHAIRPERSON  
MATT DOMEN  
BLAKE JONES**

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

**LEGAL COUNSEL  
KAREN LANDERS**

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**

- |   |   |
|---|---|
| <ol style="list-style-type: none"> <li>1. <u>Approval of the Minutes of July 15, 2014</u><br/>Action would approve the SD&amp;AE Railway Company Minutes of July 15, 2014.</li> <li>2. <u>Statement of Railway Finances (Erin Dunn)</u><br/>Action would receive a report for information.</li> <li>3. <u>Report on San Diego and Imperial Valley (SD&amp;IV) Railroad Operations (Matt Domen)</u><br/>Action would receive a report for information.</li> <li>4. <u>Report on Pacific Southwest Railway Museum (Diana Hyatt)</u><br/>Action would receive a report for information.</li> <li>5. <u>Report on the Desert Line (Chas McHaffie)</u><br/>Action would receive a report for information.</li> <li>6. <u>Real Property Matters (Tim Allison)</u> <ol style="list-style-type: none"> <li>a) <u>Summary of SD&amp;AE Documents Issued Since July 15, 2014</u><br/>Action would receive a report for information.</li> <li>b) <u>CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54956.8</u><br/><u>PROPERTY:</u> APNs 555-090-13 and unnumbered parcel 555-01, SAN DIEGO, CA<br/><u>AGENCY NEGOTIATORS:</u> KAREN LANDERS, MTS GENERAL COUNSEL; TIM ALLISON, MTS MANAGER OF REAL ESTATE ASSETS<br/><u>NEGOTIATING PARTIES:</u> San Diego Gas and Electric<br/><u>UNDER NEGOTIATION:</u> PRICE AND TERMS OF PAYMENT</li> </ol> </li> </ol> | <p>Approve</p> <p>Receive</p> <p>Receive</p> <p>Receive</p> <p>Receive</p> <p>Receive</p> |
|---|---|



7. Approval of the 2015 SD&AE Board of Directors Meeting Schedule      Approve  
Action would approve the 2015 SD&AE Board of Directors meeting schedule.
8. Board Member Communications
9. Public Comments
10. Next Meeting Date: January 27, 2015 (pending approval of Agenda Item No. 7).
11. Adjournment

Time stamped  
Agenda removed  
From board.

# San Diego and Arizona Eastern Railway Company

October 21, 2014

Sign-in Sheet (VOLUNTARY)

Name	Company
1. DON STOECKLEIN	Pacific Imperial Railroad
2. MAT DORRAN	SDRV
3. Blake C. Jones	SDV
4. Don Jones	TRAINS MAGAZINE
5. Lizzeth Sabido	Admicarga
6. Diana Hyatt	Pacific Southwest Rwy
7. CHAT McFARLANE	CZRY
8. MICHAEL EDWARDS	PSR M-
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MINUTES OF THE  
BOARD OF DIRECTORS MEETING OF THE  
SAN DIEGO & ARIZONA EASTERN RAILWAY COMPANY

July 15, 2014

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 July 15, 2014, at 9:00 a.m.

The following persons, constituting the Board of Directors, were present: Matt Domen, Paul C. Jablonski, and Blake Jones. Also in attendance were:

MTS staff:	Erin Dunn, Tim Allison, Karen Landers, Wayne Terry, Mark Olson
Pacific Southwest Railroad Museum:	Diana Hyatt
Pacific Imperial Railroad (PIR):	Chas McHaffie, Donald Stoecklein
El Lindero:	Victor Celis
Trains Magazine:	Don Jones
Baja Rail:	George Gonzalez

1. Approval of Minutes

Mr. Domen moved to approve the Minutes of the April 15, 2014, SD&AE Railway Board of Directors meeting with one correction to add Diana Hyatt as in attendance representing the Pacific Southwest Railroad Museum. Mr. Jones seconded the motion, and it was unanimously approved.

2. Statement of Railway Finances

Erin Dunn presented the statement of railway finances for fiscal year ending June 30, 2014 (see the attachment to the agenda item). She stated that the audit will be ongoing for the next several months, so the numbers are subject to change.

Mr. Jablonski asked about the drainage problems on the Main Line Drainage Improvement Project (Orange Line at Hill Street) and if staff has contacted Enterprise about issues with reconstruction on the wall. Ms. Landers responded that there are concerns about Enterprise's construction not accommodating Cooper freight-loading capacity. She added that it may not provide any benefit to us—we may still have to go in and do our project. Tim Allison added that the carport has been removed. He stated that SANDAG engineers are working on what is still needed structurally, and Ms. Landers has given direction to outside attorneys to deal with this issue. Mr. Jablonski instructed staff to keep the Board apprised of this situation.

Action Taken

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

July 15, 2014

## SD&amp;AE Railway Board Meeting Minutes

3. Report on SD&IV Operations

Mr. Domen presented the Periodic Report of the SD&AE Railway Company for activities for the 2<sup>nd</sup> quarter of calendar year 2014 (see the attachment to the agenda item).

Mr. Jablonski asked if there are any issues with the work being done at San Ysidro. Mr. Domen responded that there are no issues and the project is moving very smoothly with no effect on operations. He added that he is very impressed with the contractor and the job being done. Mr. Jablonski requested that MTS be kept informed of all progress.

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

Diana Hyatt submitted a report for the Museum at the meeting (attached). Ms. Hyatt noted one correction within the Museum's report on page 1 in the second sentence. It should read "Total income from SD&AE property for second quarter ..." (not "first" quarter).

During the second quarter of 2014, utilizing all volunteer crews, the Pacific Southwest Railway Museum ran 50 passenger trains carrying 2,794 passengers with no FRA reportable accidents or injuries. Total income from SD&AE property for first quarter, 2014 was \$44,533.00. Our check for \$891 will follow under separate cover. By comparison, PSRM carried 1,901 passengers during the second quarter of 2013 and total income from SD&AE property was \$18,781.96.

In reference to the last paragraph on page 2 (shown below) of the Museum's report, Ms. Landers requested that Ms. Hyatt forward a copy in writing of the interim 24-hour dispatching procedures that were agreed upon between the Museum and Pacific Imperial Railroad (PIR).

At the meeting of this board in April of this year I referenced that PSRM's operating agreement with SD&AE expired in December, 2012 and currently self-renews on a monthly basis. From that meeting Karen Landers encouraged PIR and I to meet and discuss our plans for mutual cooperation pertinent to the use of the railroad. PSRM's Director of Operations Mike Edwards, Don Stocklein and I met in May. At that meeting it was determined that PSRM was ready and capable of establishing 24 hour dispatching that would serve the museum in the interim and that was fully capable of serving the needs of PIR in the future if they so desired. From the agreements reached at that meeting, PSRM began issuing its own track warrants through its dispatching department. PSRM has also installed proper signage at both Highway 94 grade crossings with a toll free number that forwards directly to the dispatcher on call. The previously posted phone number had been maintained and answered by CZRY Police Department personnel.

Action Taken

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

July 15, 2014

## SD&amp;AE Railway Board Meeting Minutes

5. Report on Desert Line

Chas McHaffie reviewed PIR's report (attached to the agenda item). Donald Stoecklein added that PIR continues to have a good working relationship with Mexico—specifically the Lindero property owners. Mr. Stoecklein noted that Victor Celis was present at the meeting. He stated that PIR's intention is to move forward with a transaction with Lindero to do whatever is necessary to operate train cars on those two miles of the Desert Line. Mr. Stoecklein also noted that George Gonzalez, representative with Baja Rail, was present and that they have had numerous conversations. He stated that PIR will now focus on the repairing the bridges with the goal of moving trains on the Desert Line to the extent that PIR can interact with Mexico and if they can't, they will find alternatives.

Mr. McHaffie stated that PIR submitted a Desert Line Reconstruction Plan Supplement, and Ms. Landers responded that MTS is reviewing that Plan. Mr. McHaffie added that PIR tendered a \$500,000 payment to MTS last week. He reviewed the remainder of the report.

Mr. Stoecklein referenced the last item in PIR's report ("c. Rent/Lease Payment" on page 5-6 of the agenda item). Mr. Stoecklein stated that people were curious as to why PIR delayed its quarterly payment to MTS, and that it was due to the letter to MTS from Congressman Duncan Hunter's office suggesting that MTS may not have had legal right to create the lease. Based on that, Mr. Stoecklein stated that PIR was concerned about writing a check for \$500,000 without analyzing that allegation to determine whether to make that payment. He reported that is why PIR delayed making the payment. Based on a letter in response to the missed payment from Ms. Landers to PIR and PIR's own analysis, PIR concluded that it would make the payment. Ms. Landers added that PIR's contract is currently in good standing.

Mr. Jablonski reiterated that MTS will be reviewing the Desert Line Reconstruction Plan Supplement and hopefully approving it so that work can begin. Mr. Stoecklein added that PIR will be meeting with J. L. Patterson because PIR has spent \$601,000 with J. L. Patterson so far and was to receive some additional materials as it relates to J. L. Patterson's report. He added that there is an outstanding balance of \$42,000 that PIR will withhold until it gets the balance of the J. L. Patterson report.

Action Taken

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

6. Real Property Matters➤ Summary of SD&AE Documents Issued Since April 15, 2014

Since the April 15, 2014, SD&AE Railway Company Board of Directors meeting, the documents described below have been processed by staff.

- S200-14-590: Right of Entry Permit to Helix Water District to perform various inspection and maintenance activities on SD&AE right-of-way.
- S200-14-596: Right of Entry Permit to Flatiron/H&H (a joint venture) to construct the South Line Freight Improvement Project.

July 15, 2014

SD&AE Railway Board Meeting Minutes

- S200-14-597: Right of Entry Permit to the City of La Mesa for its Flag Day Parade.
- S200-14-598: Right of Entry Permit to Navy Region Southwest Morale, Welfare and Recreation Department for its 28th Annual Bay Bridge Run/Walk event.
- S200-14-599: Right of Entry Permit to BriceHouse, Inc. to construct a temporary shuttle drop-off location at the south end of the San Ysidro Yard.

Action Taken

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

7. Board Member Communications

There were no Board member communications.

8. Public Comments

There were not public comments.

9. Next Meeting Date

The next meeting of the SD&AE Board of Directors is on Tuesday, October 21, 2014.

10. Adjournment

The meeting was adjourned at 9:20 a.m.

  
President

  
Legal Counsel

Attachment: Report on Pacific Southwest Railway Museum Operations (submitted at the meeting)



# Pacific Southwest Railway Museum

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

July 10, 2014

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

Re: Second Quarter 2014

Dear SD&AE Board:

During the second quarter of 2014, utilizing all volunteer crews, the Pacific Southwest Railway Museum ran 50 passenger trains carrying 2,794 passengers with no FRA reportable accidents or injuries. Total income from SD&AE property for first quarter, 2014 was \$44,533.00. Our check for \$891 will follow under separate cover. By comparison, PSRM carried 1,901 passengers during the second quarter of 2013 and total income from SD&AE property was \$18,781.96.

Passenger ridership by comparison to the same quarter in previous years:

- 2,882 passengers during the second quarter of 2012
- 2,434 passengers during the second quarter of 2011
- 1,977 passengers during the second quarter of 2010
- 1,606 passengers during the second quarter of 2009
- 2,541 passengers during the second quarter of 2008

Passenger ridership figures have significantly improved over last year's and are on par with those of 2012. This is attributed partially to one special event during this quarter, the museum's annual Bunny Trains which attracts a large number of families with young children. The spring weather this year was also very agreeable and attracted a number of visitors. The other special event held during this time period was the Chef's Fire Up the Iron Horse event however, since this event does not include a train ride in the base ticket price it was only a minor contributor to train ridership.

PSRM continues to maintain both signalized railroad crossings within our right of way limits performing the monthly and quarterly inspections. PSRM also performs twice weekly track

# Agenda

# Item No. 2

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

October 21, 2014

SUBJECT: STATEMENT OF RAILWAY FINANCES

## RECOMMENDATION:

That the SD&AE Railway Company Board of Directors receive a financial report for the quarter ending September 30, 2014.

### Budget Impact

None.

## DISCUSSION:

Attached are the financial results for the first quarter of fiscal year (FY) 2015, which includes the periods ended September 30, 2014 and 2013.

The current year-to-date revenues are \$232,000 favorable to budget primarily due to the Desert Line Lease revenue not included in the budget. This is partially reduced by Right of Entry Permit revenue under budget by \$19,000 due to writing off \$14,000 in uncollectable invoices to the Port of San Diego. Income has decreased by \$20,000 compared to the same period last year, primarily due to the uncollectable Port of San Diego invoices.

Expenses are \$12,000 unfavorable to budget primarily due to an unfavorable variance in Personnel Costs and Outside Services. Expenses have increased by \$10,000 compared to last year, primarily due to an increase in Outside Services.

The Net Income for the first quarter of FY 2015 was \$222,000 compared to net income of \$251,000 for the same period in FY 2014.

Attachment: SD&AE Operating Statement 1<sup>st</sup> Quarter FY 2015



**SD&AE Operating Statement FY2015-14**

	FY 2015			FY 2014	
	Q1 Actual	Q1 Budget	Variance	Q1	Variance
<b>Revenue</b>					
Right of Entry Permits	\$ (11,800)	\$ 7,500	\$ (19,100)	\$ 13,250	\$ (24,850)
Lease Income	18,881	17,499	1,382	13,081	5,800
Desert Line Lease Revenue	250,000	-	250,000	250,000	-
SD&IV 1% Freight Fee	9,000	8,751	249	9,704	(704)
<b>Total Revenue</b>	<b>266,281</b>	<b>33,750</b>	<b>232,531</b>	<b>286,035</b>	<b>(19,754)</b>
<b>Expense</b>					
Personnel Costs	32,925	23,371	(9,554)	30,885	2,240
Outside Services	8,050	5,042	(3,008)	515	7,535
Risk Management	3,480	4,251	771	3,336	144
Misc. Operating Expenses	284	126	(158)	284	-
<b>Total Expense</b>	<b>44,739</b>	<b>32,790</b>	<b>(11,949)</b>	<b>34,820</b>	<b>9,919</b>
<b>Net Income/(Loss)</b>	<b>\$ 221,542</b>	<b>\$ 960</b>	<b>\$ 220,582</b>	<b>\$ 251,215</b>	<b>\$ (9,835)</b>

**Reserve Balance 2014** \$ 1,576,036

Allocated Interest Earnings - Estimated 1,250  
 Operating Profit/(Loss) 221,542

**Reserve Balance 2015 - Estimated** \$ 1,798,828

## Agenda Item No. 3

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

October 21, 2014

**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 3rd Quarter of 2014



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

Oct 6, 2014

## 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 3rd Quarter of 2014 are listed as follows:

### 1. Labor

At the end of Sept 30, 2014 the San Diego & Imperial Railroad had 9 employees:

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

## 2. Marketing

Volume in the 3rd Quarter declined 25% as compared to 2013. Bridge traffic had a 28% decrease, primarily driven by a decrease in LPG going into Mexico. Traffic terminating or originating on the SDIY was down 11% versus last year.

## 3. Reportable Injuries/Environmental

Days through year to date, September 30, 2014, there were no FRA Reportable injuries or Environmental incidents on the SDIV Railroad.

Days FRA Reportable Injury Free: 6388 .

## 4. Summary of Freight

	2014	2013	2012
Total rail carloads that moved by SDIY Rail Service in the quarter.	912	1219	1305
Total railroad carloads Terminating/Originating Mexico in the quarter.	705	985	1077
Total railroad carloads Terminating/Originating El Cajon, San Diego, National City, San Ysidro, California in the quarter.	207	234	228
Total customers directly served by SDIY in the quarter	10	10	9
Regional Truck trips that SDIY Railroad Service replaced in the quarter	2736	3657	3915

Respectfully,

Matt Domen

General Manager

## Agenda Item No. 4

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

October 21, 2014

**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: Not Provided



## Pacific Southwest Railway Museum

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

October 10, 2014

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

Re: Third Quarter 2014

Dear SD&AE Board:

During the third quarter of 2014, utilizing all volunteer crews, the Pacific Southwest Railway Museum ran 32 passenger trains carrying 1,031 passengers with no FRA reportable accidents or injuries. Total income from SD&AE property for third quarter, 2014 was \$11,421.00. Our check for \$228 will follow under separate cover. By comparison, PSRM carried 1,254 passengers during the third quarter of 2013 and total income from SD&AE property was \$26,538.

Passenger ridership for third quarter by comparison:

1,031 passengers during the third quarter of 2014  
1,254 passengers during the third quarter of 2013  
1,012 passengers during the third quarter of 2012  
1,294 passengers during the third quarter of 2011  
1,468 passengers during the third quarter of 2010

Passenger ridership figures have declined over last year's and additionally, discretionary spending has decreased dramatically with our visitors. There were no special events during this quarter and we operated two trains on Saturday evening only during the months of July and August. The museum is looking forward to a prosperous fourth quarter with two of its most popular events occurring during this time period: The Pumpkin Express Trains and the North Pole Trains.

PSRM continues to maintain both signalized railroad crossings within our right of way limits. I am pleased to report that the electric meters for both crossings at Highway 94 have been transferred into the museum's name. PSRM performs twice-weekly track inspections between

MP 59.9 and 66.77. Likewise, our volunteer track crew regularly performs track maintenance tasks.

Sincerely,

A handwritten signature in cursive script, appearing to read "Diana Hyatt", with a long horizontal flourish extending to the right.

Diana Hyatt  
President

## Agenda Item No. 5

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

October 21, 2014

**SUBJECT:**

**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: Quarterly Report**





## PERIODIC REPORT

October 8, 2014

The periodic report to the SD&AE Railway Company is produced quarterly by the Pacific Imperial Railroad, 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.

**Pacific Imperial Railroad, Inc.**

## **Third Quarter 2014**

### **CONTENTS**

- I. CHANGES IN MANAGEMENT**
- II. GOVERNMENTAL RELATIONS**
- III. DESERT LINE**
- IV. REPORTABLE INJURIES / ACCIDENTS /  
ENVIRONMENTAL INCIDENTS MARKETING**
- V. FREIGHT ACTIVITY**
- VI. MTS OPERATING AGREEMENT REQUIREMENTS**

**I. CHANGES IN MANAGEMENT**

- a. Mr. Jory, acting as President and Mr. Stoecklein acting as CEO are continuing their positions in the company.

**II. GOVERNMENTAL RELATIONS**

- a. PIR still maintains that the Mexican side of the rail is a crucial piece to this operation. As such, PIR has been working with attorneys with Baja Rail to effectuate a relationship with Mexico.

**III. DESERT LINE**

**a. Reconstruction Plan**

- i. **Inspections-** PIR submitted its Desert Line Reconstruction Plan Supplement (DLRPS) during the previous quarter and MTS Approved the DLRPS on August 28, 2014.
- ii. **Approval-** Karen Landers of MTS submitted a letter to PIR Approving the Desert Line Reconstruction Plan and Initiation of Initial Repair Milestones.

**b. Commencement of Reconstruction-**

- i. As a result of the recent approval on August 8, 2014 of the Reconstruction Plan, PIR is now in discussions with contractors to commence reconstruction of the bridges.

**IV. REPORTABLE INJURIES/ ACCIDENTS/  
ENVIRONMENTAL INCIDENTS**

- i. There have not been any reportable accidents
- ii. There have not been any reportable injuries.
- iii. There have not been any reportable environmental incidents.

**V. MARKETING**

- a. PIR is continuing its efforts to obtain the freight logistics needs of the approximately 658 companies in the Maquiladoras region that are potential rail customers for PIR.

**VI. FREIGHT ACTIVITY**

- a. Currently, PIR has not commenced revenue generation pending completion of the Inspections and Construction above.

**VII. MTS OPERATING AGREEMENT REQUIREMENTS**

- a. Pursuant to the Amended and Restated Desert Line Lease and Operating Agreement between PIR, San Diego and Arizona Eastern Railways Company and the San Diego Metropolitan Transit System,

no Performance Milestone Requirements fell within Third Quarter 2014.

- b. Initial Repairs:** Initial Repairs shall be completed within 12 months after approval, by SD&AE of the Desert Line Reconstruction Plan ("DLRP"). The DLRP was approved on August 28, 2014 commencing a 12 month window in which to complete the Initial Repairs. PIR is in the process of obtaining bids to determine costs of repairs to commence test train operations.
- c. Rent/Lease Payment:** PIR shall pay SD&AE semi-annually, a lump sum payment of \$500,000.
1. The July 1, 2014 \$500,000 payment was made to SD&AE.

## Agenda

Item No. 6a

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

October 21, 2014

### SUBJECT:

SUMMARY OF SD&AE DOCUMENTS ISSUED SINCE JULY 15, 2014

### RECOMMENDATION:

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

#### Budget Impact

None.

### DISCUSSION:

Since the July 15, 2014, SD&AE Railway Company Board of Directors meeting, the documents described below have been processed by staff.

- S200-13-593.2: Right of Entry Permit Amendment to Ramona Paving & Construction Corp. to construct street improvements at Cesar Chavez Parkway in San Diego.
- S200-14-591: License to Cox Communications for an underground fiber optic crossing on the Coronado Branch north of the Salt Works in Chula Vista.
- S200-14-595: Right of Entry Permit to the State of California Parks and Recreation for invasive species monitoring and eradication near Jacumba on the Desert Line.
- S200-14-598: Right of Entry Permit to Navy Region Southwest Morale, Welfare and Recreation Department for its 28<sup>th</sup> Annual Bay Bridge Run / Walk event.
- S200-15-600: Right of Entry Permit to the San Diego County Bicycle Coalition for the 7<sup>th</sup> annual Bike the Bay Bike ride along various locations on the Blue Line and the Coronado Branch.

- S200-15-601: Right of Entry Permit to SDG&E for various electrical service upgrades along the Blue Line for the South Line Freight Improvement Project.
- S200-15-602: Right of Entry Permit to The Fishel Company to construct underground fiber for the San Ysidro Yard Improvement Project impacts to US Sprint.
- S200-15-603: Right of Entry Permit to The Fishel Company to construct underground fiber for the San Ysidro Yard Improvement Project impacts to Level 3.
- S200-15-604: Right of Entry Permit to SDG&E for various electrical service upgrades for the San Ysidro Yard Improvement Project.
- S200-15-605: Right of Entry Permit to Copp Contracting, Inc. to perform street paving at J Street and Palomar Street in Chula Vista.
- S200-15-606: Right of Entry Permit to Anza-Borrego Desert Natural History Association for several hikes on the Desert Line in the vicinity of the Carrizo Gorge.

## Agenda Item No. 7

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

October 21, 2014

**SUBJECT:**

APPROVAL OF THE 2015 SD&AE BOARD OF DIRECTORS MEETING SCHEDULE

**RECOMMENDATION:**

That the SD&AE Board of Directors approve the 2015 SD&AE Board of Directors meeting schedule.

Budget Impact

None.

**DISCUSSION:**

The SD&AE Board of Directors customarily meets once each quarter to discuss business and receive reports from its contract operators. The following meeting schedule is recommended for 2015:

Tuesday, January 27, 2015	9:00 a.m.	(Fourth Quarter 2014 Reports)
Tuesday, April 14, 2015	9:00 a.m.	(First Quarter 2015 Reports)
Tuesday, July 14, 2015	9:00 a.m.	(Second Quarter 2015 Reports)
Tuesday, October 13, 2015	9:00 a.m.	(Third Quarter 2015 Reports)

Upon approval of the above meeting dates, additional information regarding materials due dates and mail-outs are as follows:

Materials Due to Clerk

Friday, January 16, 2015  
Friday, April 3, 2015  
Thursday, July 2, 2015  
Friday, October 2, 2015

Materials Mailed

Wednesday, January 21, 2015  
Wednesday, April 8, 2015  
Wednesday, July 8, 2015  
Wednesday, October 7, 2015





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

## Agenda Item No. 7

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 20, 2014

**Draft for  
Executive Committee  
Review Date: 11-13-14**

**SUBJECT:**

LOS ANGELES – SAN DIEGO – SAN LUIS OBISPO RAIL CORRIDOR AGENCY  
JOINT POWERS AGREEMENT

**RECOMMENDATION:**

That the Board of Directors approve the proposed amendment to the 2013 Amendment to the Joint Powers Agreement Concerning the Los Angeles – San Diego – San Luis Obispo Corridor Rail Agency (LOSSAN) to ensure that the official agency name is correctly stated as the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency throughout the document.

Budget Impact

None

**DISCUSSION:**

The Board of Directors is asked to approve a minor amendment to the 2013 Amendment to the Joint Powers Agreement Concerning the Los Angeles – San Diego – San Luis Obispo Corridor Rail Agency to ensure that the official agency name is correctly stated as the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency (LOSSAN).

On April 18, 2013, the MTS Board of Directors (Board) approved the 2013 Amendment to the Joint Powers Agreement (JPA) Concerning the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Corridor Rail Agency (Agency). At that time, the LOSSAN JPA was amended to include significant changes that reflected the provisions in Senate Bill (SB) 1225 (Chapter 802, Statutes of 2012), which permits the LOSSAN Agency to assume administrative responsibility for the state-supported Pacific Surfliner intercity passenger rail service.



Recently, LOSSAN Agency legal counsel discovered a discrepancy between the official, historical name of the LOSSAN Agency and the name stated on the most recent LOSSAN JPA document that had been approved by all member agencies. The transposition of the words "rail" and "corridor" in the 2013 amendment to the LOSSAN JPA effectively changed the legal name of the LOSSAN Agency from "LOSSAN Rail Corridor Agency" to "LOSSAN Corridor Rail Agency."

It appears that the name change was an inadvertent mistake; however, the ambiguity in naming has created a number of issues that must be resolved, including statutory reporting issues with the state due to the conflicting agency names. In order to be statutorily compliant with reporting requirements and to avoid future ambiguity, the LOSSAN Board voted unanimously at its August 14, 2014 meeting, to direct staff to work with all member agencies to prepare and execute an amendment to the LOSSAN JPA to ensure that the official agency name is correctly stated as the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency throughout the document.

Once approval is received from each member agency to amend the LOSSAN JPA, the LOSSAN Board will be asked to make similar amendments to the LOSSAN Agency bylaws.

The Board of Directors is asked to approve a minor amendment to the 2013 Amendment to the Joint Powers Agreement Concerning the Los Angeles – San Diego – San Luis Obispo Corridor Rail Agency to correct an administrative error regarding the official agency name.



---

Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)

Attachment: A. 2014 Amendment to the Joint Powers Agreement Concerning LOSSAN

2014 AMENDMENT TO THE  
**JOINT POWERS AGREEMENT**  
**CONCERNING THE LOS ANGELES-SAN DIEGO-SAN LUIS OBISPO**  
**CORRIDOR RAIL AGENCY**

**INTRODUCTION**

This Amendment to the 2013 Joint Powers Agreement Concerning the Los Angeles – San Diego– San Luis Obispo Corridor Rail Agency (Agreement) is made and entered into in the State of California by and among the following entities that are parties to the Agreement:

Los Angeles County Metropolitan Transportation Authority;

Orange County Transportation Authority;

Riverside County Transportation Commission;

North County Transit District;

San Diego Metropolitan Transit System;

California Department of Transportation;

Southern California Association of Governments;

San Diego Association of Governments;

Ventura County Transportation Commission;

Santa Barbara County Association of Governments;

San Luis Obispo Council of Governments;

National Railroad Passenger Corporation;

California High-Speed Rail Authority;

**RECITALS**

WHEREAS, on or about February 1989, some, but not all of the entities listed above first entered into a certain joint exercise of powers agreement to establish the Los Angeles – San Diego Rail Corridor Agency (Agency); and

WHEREAS, on or about October 2001, the member agencies approved an amendment to the joint exercise of powers agreement to make various changes, including, but not limited to, changing the name of the Agency to the "Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency"; and

WHEREAS, on or about June 2013, the joint exercise of powers agreement was once again amended to its current form in response to the provisions of SB 1225; and

WHEREAS, it was later discovered that an inadvertent transposition of the words "rail" and "corridor" were included in the name of the Agency throughout the Agreement, including the title such that the name of the Agency was inadvertently changed from " Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency" to the "Los Angeles – San Diego – San Luis Obispo Corridor Rail Agency"; and

WHEREAS, the member agencies wish to correct this inadvertent transposition so that the joint exercise of powers agreement correctly reflects the historical name of the Agency as the "Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency."

NOW THEREFORE, in consideration of the recitals, the parties to this Agreement agree to the following:

1. All references contained in the 2013 Amendment to the Joint Powers Agreement Concerning the Los Angeles – San Diego – San Luis Obispo Corridor Rail Agency which state "Corridor Rail Agency" shall hereinafter be amended and interpreted to read as "Rail Corridor Agency".
2. All other terms, provisions and conditions of the Agreement remain in full force and effect.
3. This Amendment may be executed in counterparts, each of which shall constitute an original and all of which together shall constitute on and the same agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment by authorized officials on the dates indicated below.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

---

Chair

---

Date

I HEREBY CERTIFY that the attached is a true and correct copy of the original document approved by the Board of Directors:

---

Clerk of the Board

---

Date

ORANGE COUNTY TRANSPORTATION AUTHORITY

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Date

I HEREBY ATTEST that the attached is a true and correct copy of the original document approved by the Board of Directors:

\_\_\_\_\_  
Clerk of the Board

\_\_\_\_\_  
Date

RIVERSIDE COUNTY TRANSPORTATION COMMISSION

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Date

I HEREBY ATTEST that the attached is a true and correct copy of the original document approved by the Board of Directors:

\_\_\_\_\_  
Clerk of the Board

\_\_\_\_\_  
Date

NORTH COUNTY TRANSIT DISTRICT

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Date

I HEREBY ATTEST that the attached is a true and correct copy of the original document approved by the Board of Directors:

\_\_\_\_\_  
Clerk of the Board

\_\_\_\_\_  
Date



SAN DIEGO METROPOLITAN TRANSIT SYSTEM

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Date

I HEREBY ATTEST that the attached is a true and correct copy of the original document approved by the Board of Directors:

\_\_\_\_\_  
Clerk of the Board

\_\_\_\_\_  
Date

SAN DIEGO ASSOCIATION OF GOVERNMENTS

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Date

I HEREBY ATTEST that the attached is a true and correct copy of the original document approved by the Board of Directors:

\_\_\_\_\_  
Clerk of the Board

\_\_\_\_\_  
Date

VENTURA COUNTY TRANSPORTATION COMMISSION

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Date

I HEREBY ATTEST that the attached is a true and correct copy of the original document approved by the Board of Directors:

\_\_\_\_\_  
Clerk of the Board

\_\_\_\_\_  
Date

SANTA BARBARA COUNTY ASSOCIATION OF GOVERNMENTS

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Date

I HEREBY ATTEST that the attached is a true and correct copy of the original document approved by the Board of Directors:

\_\_\_\_\_  
Clerk of the Board

\_\_\_\_\_  
Date

SAN LUIS OBISPO COUNCIL OF GOVERNMENTS

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Date

I HEREBY ATTEST that the attached is a true and correct copy of the original document approved by the Board of Directors:

\_\_\_\_\_  
Clerk of the Board

\_\_\_\_\_  
Date

AMTRAK

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Date

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CALIFORNIA HIGH-SPEED RAIL AUTHORITY

---

Chief Executive Officer

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Date

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Date

I HEREBY ATTEST that the attached is a true and correct copy of the original document approved by the Board of Directors:

\_\_\_\_\_  
Clerk of the Board

\_\_\_\_\_  
Date



CALIFORNIA DEPARTMENT OF TRANSPORTATION

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Date

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Metropolitan Transit System

1255 Imperial Avenue, Suite 1000  
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# Agenda Item No. 8

## MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

NOVEMBER 20, 2014

**Draft for  
Executive Committee  
Review Date: 11-13-14**

**SUBJECT:**

INVESTMENT REPORT – SEPTEMBER 2014

INFORMATIONAL ONLY

Budget Impact

None.

**DISCUSSION:**

Attachment A comprises a report of the San Diego Metropolitan Transit System (MTS) investments as of September 30, 2014. The combined total of all investments has decreased month to month from \$231.2 million to \$230.0 million. This \$1.2 million decrease is attributable to expenditures of \$2.8 million for acquisition of capital assets, as well as normal timing differences in other payments and receipts.

The first column provides details about investments restricted for capital improvement projects and debt service, 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. These restricted funds will be liquidated to satisfy the outstanding debt obligation in full by the end of the calendar year 2015.

The second column, unrestricted investments, reports the working capital for MTS operations allowing payments for employee payroll and vendors' goods and services.

  
\_\_\_\_\_  
Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)

Attachment: A. Investment Report for September 2014



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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.

**San Diego Metropolitan Transit System  
Investment Report  
September 30, 2014**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>	<b>Average rate of return</b>
Cash and Cash Equivalents				
JP Morgan Chase - concentration account	86,440	67,738,230	67,824,670	0.00%
Total Cash and Cash Equivalents	<u>86,440</u>	<u>67,738,230</u>	<u>67,824,670</u>	
Cash - Restricted for Capital Support				
US Bank - retention trust account	8,758,582	-	8,758,582	N/A *
San Diego County Investment Pool Proposition 1B TSGP grant funds	<u>3,899,230</u>	<u>-</u>	<u>3,899,230</u>	
Total Cash - Restricted for Capital Support	<u>12,657,812</u>	<u>-</u>	<u>12,657,812</u>	
Investments - Working Capital				
Local Agency Investment Fund (LAIF)	19,745,588	13,490,795	33,236,383	0.246%
Total Investments - Working Capital	<u>19,745,588</u>	<u>13,490,795</u>	<u>33,236,383</u>	
Investments - Restricted for Debt Service				
US Bank - Treasury Strips - market value (Par value \$39,474,000)	39,435,612	-	39,435,612	
Rabobank - Payment Undertaking Agreement	<u>76,816,295</u>	<u>-</u>	<u>76,816,295</u>	7.69%
Total Investments Restricted for Debt Service	<u>116,251,907</u>	<u>-</u>	<u>116,251,907</u>	
 Total cash and investments	 <u><u>\$ 148,741,747</u></u>	 <u><u>\$ 81,229,025</u></u>	 <u><u>\$ 229,970,772</u></u>	

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



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## Agenda Item No. 9

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 20, 2014

**Draft for  
Executive Committee  
Review Date: 11-13-14**

#### SUBJECT:

INCREASED AUTHORIZATION FOR LEGAL SERVICES – OPPER & VARCO, LLP

#### RECOMMENDATION:

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

- 1) execute Amendment No. 2, MTS Doc. No. G1429.2-12 (in substantially the same format as Attachment A) with OPPER & VARCO, LLP to pay current and future legal expenses through the remainder of fiscal year 2015; and
- 2) ratify one prior contract amendment entered into under the CEO's authority (Attachment B).

#### Budget Impact

Approval of this contract amendment would increase the full contract value with OPPER & VARCO, LLP by \$50,000 from \$100,000 to \$150,000. Sufficient funding for the recommended \$50,000 contract increase is included in the current operating budget.

#### DISCUSSION:

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

On December 8, 2011, the Board established a panel of qualified law firms to assist the San Diego Metropolitan Transit System (MTS), San Diego Trolley, Inc. (SDTI) and San Diego Transit Corporation (SDTC) with various legal matters on an as-needed basis. Thereafter, MTS began contracting with eighteen of the approved firms for designated amounts. The firms provide different specialties of law, such as tort liability, workers'



compensation, employment practices, real estate, environmental, etc. Thirteen of these firms received contract increases at the July 17, 2014 Board meeting to pay current and anticipated legal expenses through June 30, 2015. An increase was not requested for Opper & Varco, LLP at that time, as the anticipated legal services provided by this firm did not substantiate the need for an increase over the existing balance.

Due to new and anticipated matters that have arisen in recent months, it has been determined that adding \$50,000 to the current contract would be prudent to ensure there is enough funding to pay this contractor through the end of the current fiscal year. OPPER & VARCO, LLP represents MTS on real estate, right-of-entry and environmental related litigation.



Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)

Attachment: A. Draft MTS Doc. No. G1429.2-12  
B. MTS Doc. No. G1429.1-12

November xx, 2014

MTS Doc. No. G1429.2-12  
LEG 490 (PC 50121)

Opper & Varco, LLP  
Ms. Linda C. Beresford  
Attorney  
225 Broadway, Suite 1900  
San Diego, CA 92101-3542

Dear Ms. Beresford:

Subject: AMENDMENT NO. 2 TO MTS DOC. NO. G1429.0-12; LEGAL SERVICES –  
ENVIRONMENTAL & REAL ESTATE

This shall serve as Amendment No. 2 to our agreement for the legal services as further described below.

#### STATEMENT OF WORK

Pursuant to the scope of work of MTS RFP No. G1389.0-11, Opper & Varco, LLP agrees to continue to provide legal services as directed by the General Counsel regarding environmental and real estate law in accordance with the terms and conditions as stated on MTS Doc No. G1429.0-12.

#### SCHEDULE

There is no change to the term of this agreement.

#### PAYMENT

This contract amendment shall authorize additional costs not to exceed \$50,000 for legal services. The total value of this contract including this amendment shall be in the amount of \$150,000. This amount shall not be exceeded without written approval from MTS.

Please sign and return the copy marked "Original" to the Contracts Specialist at MTS. All other terms and conditions shall remain the same and in effect. Retain the other copy for your records.

Sincerely,

Agreed:

Paul C. Jablonski  
Chief Executive Officer

\_\_\_\_\_  
Linda C. Beresford, Attorney  
Opper & Varco, LLP

Date: \_\_\_\_\_

G1429.2-12.OPPER&VARCO.11.2014

Cc: S. Lockwood, K. Landers, C. Aquino, Procurement File



Metropolitan Transit System

Att. B, AI 9, 11/20/14

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ORIGINAL

December 18, 2012

MTS Doc. No. G1429.1-12  
LEG 490 (PC 50121)

Opper & Varco, LLP  
Ms. Linda C. Beresford  
Attorney  
225 Broadway, Suite 1900  
San Diego, CA 92101-3542

Dear Ms. Beresford:

Subject: AMENDMENT NO. 1 TO MTS DOC. NO. G1429.0-12; LEGAL SERVICES – ENVIRONMENTAL & REAL ESTATE

This shall serve as Amendment No. 1 to our agreement for the legal services as further described below.

STATEMENT OF WORK

Pursuant to the scope of work of MTS RFP No. G1389.0-11, Opper & Varco, LLP agrees to continue to provide legal services as directed by the General Counsel regarding environmental and real estate law in accordance with the terms and conditions as stated on MTS Doc No. G1429.0-12.

SCHEDULE

There is no change to the term of this agreement.

PAYMENT

This contract amendment shall authorize additional costs not to exceed \$50,000 for legal services. The total value of this contract including this amendment shall be in the amount of \$100,000. This amount shall not be exceeded without written approval from MTS.

Please sign and return the copy marked "Original" to the Contracts Specialist at MTS. All other terms and conditions shall remain the same and in effect. Retain the other copy for your records.

Sincerely,

Paul C. Jablonski  
Chief Executive Officer

Agreed:

Linda C. Beresford, Attorney  
Opper & Varco, LLP

Date: Jan. 7, 2013

LMARQUIS-CL  
CL-G1429.1-12.OPPER&VARCO.CAQUINO.121812

Cc: S. Lockwood, K. Landers, C. Aquino, Procurement File



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## Agenda Item No. 10

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 20, 2014

**Draft for  
Executive Committee  
Review Date: 11/13/14**

**SUBJECT:**

COLOCATION DATA CENTER FACILITY SERVICES – CONTRACT AWARD

**RECOMMENDATION:**

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

- 1) execute MTS Doc. No. G1765.0-15 (in substantially the same format as Attachment A) with American Internet Services, LLC (AIS) for colocation data center facility services for a two-year base period with two one-year option periods (for a total of 4 years); and
- 2) exercise each option year at the CEO's discretion.

Budget Impact

The total cost of this agreement would not exceed \$198,438.00 for the base period and \$190,560.00 for the two option years for a grand total of \$388,998.00. The project will be funded through the Compass Card operating budget account 532-53910.

**DISCUSSION:**

In July 2014, MTS took over responsibilities of managing the regional Compass Card fare collection program from the San Diego Association of Governments (SANDAG) which included all relevant technology maintenance and support. The Compass Card back office servers, network and storage are physically located in the AIS Lightwave Data Center colocation facility (Facility) in Kearny Mesa, and these systems have been at that location for over five years.





Colocation facilities provide space, power, cooling and physical security for the server, storage, and networking equipment for companies who desire this service and connect them to a variety of telecommunications and network service providers.

Several years ago, SANDAG entered into an agreement with AIS to build server racks for the Compass Card program and included additional SANDAG technical equipment for their other projects. As part of the continued transition of Compass Card program management from SANDAG to MTS, it is necessary for MTS to separate Compass Card equipment from SANDAG's equipment. This includes moving Compass Card equipment into a separate and secure area within the facility. This newly formed area will provide physical security to the Compass Card program systems and provides physical access to MTS staff while eliminating physical access to SANDAG staff.

The Compass Card program systems are critical and necessary for the day-to-day fare collection requirements for the region. The AIS location has in place all necessary data center infrastructure and network circuits to support the program, and continuing the partnership with AIS at the existing facility assures MTS the least risk to downtime and associated costs with migrating the equipment. Based upon these reasons, this agreement requires a sole source procurement.

	One Time Setup	Monthly Recurring	Annual Recurring Cost	Total Annual Cost
Base Year 1	\$ 7,878	\$ 7,940	\$ 95,280	\$ 103,158
Base Year 2	\$ -	\$ 7,940	\$ 95,280	\$ 95,280
Option Year 1	\$ -	\$ 7,940	\$ 95,280	\$ 95,280
Option Year 2	\$ -	\$ 7,940	\$ 95,280	\$ 95,280
<b>Total Cost Of Agreement</b>				<b>\$ 388,998</b>



Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)

Attachment: A. Draft Standard Services Agreement; Contract G1765.0-15

STANDARD SERVICES AGREEMENT

G1765.0-15  
CONTRACT NUMBER  
FILE NUMBER(S)

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2014, in the state of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following, hereinafter referred to as "Contractor":

Name: American Internet Services, LLC Address: 9305 Lightwave Avenue  
 Form of Business: Limited Liability Company San Diego, CA 92123  
 (Corporation, partnership, sole proprietor, etc.) Telephone: 858-537-0709

Authorized person to sign contracts: Dominic Miraglia VP of Sales  
 Name Title

**The attached Standard Conditions are part of this agreement. The Contractor agrees to furnish to MTS the following:**  
 Data Warehouse Services as specified in the AIS Master Services Agreement (attached as Exhibit A), Pricing and Service Level Agreement (attached as Exhibit B) and the MTS Standard Conditions, Services, (attached as Exhibit C).

The base term of the contract shall be from December 1, 2014 through November 30, 2016. Option periods, if exercised at the sole discretion of MTS, shall be from December 1, 2016 through November 30, 2017 for Option Year 1 and from December 1, 2017 through November 30, 2018 for Option Year 2 respectively. Such optional service periods may be exercised individually, all at once, or not at all, at MTS's sole determination.

The total contract amount shall not exceed \$198,438.00 for the base period; \$95,280.00 for Option Year 1; and \$95,280.00 for Option Year 2 if exercised by MTS for a grand total of \$388,998.00 unless otherwise stipulated in writing by MTS.

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

AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
<u>\$198,438.00</u>	<u>532-53910</u>	<u>2015-2016</u>

By: \_\_\_\_\_  
 Chief Financial Officer  
 (\_\_\_ total pages, each bearing contract number)



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## Agenda Item No. 11

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 20, 2014

**Draft for  
Executive Committee  
Review Date: 11/13/14**

#### SUBJECT:

SAN DIEGO METROPOLITAN TRANSIT SYSTEM (MTS) WEBSITE REPLACEMENT  
PROJECT

#### RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1694.0-14 (in substantially the same format as Attachment A) with Steer, Davies, Gleave for replacement of the MTS website.

#### Budget Impact

The total estimated cost of this agreement would not exceed \$130,398.06. The funding of this expense will be funded through the fiscal year (FY) 2015 Capital Improvement Project 11370.

#### DISCUSSION:

MTS Policy No. 52, governing procurement of services, requires a formal competitive process for procurements exceeding \$100,000.

On April 7, 2014, MTS issued a Request for Proposals (RFP) for the MTS website replacement project. The services include creation of a contemporary and dynamic ADA compliant website that is responsive to all platforms. The new website will fully integrate with external applications, both in-house and third party, including trip planning and schedule applications, alert and advisory information feeds, improve usability and accessibility of information for our customers as well as business and technology partners, improve timeliness and efficacy of communication to the public about important issues related to Bus and Trolley services and operations, and enable customers to easily purchase tickets, passes (both physical and electronic) and other merchandise.



On June 6, 2014, MTS received a total of six (6) proposals from the following:

1. AmericanEagle.com, Los Angeles, CA 90067
2. Civic Resource Group, Los Angeles, CA 90017
3. GlobeSherpa, Inc., Portland, OR 97209
4. Mobile Programming, LLC., Carlsbad, CA 92008
5. Soft Clouds, San Diego, CA 92127
6. Steer, Davies, Gleave, Denver, CO 80202

A selection committee consisting of representatives from the MTS Finance, Marketing, IT and Transportation departments met and rated the proposals. The ratings were based on the following criteria:

- |   |                   |
|---|-------------------|
| 1. Qualifications of the Firm or Individual   | 40%               |
| 2. Staffing, Organization and Management Plan | 30%               |
| 3. Work Plan                                  | 20%               |
| 4. Cost and Price                             | 10%               |
|   | <u>Total 100%</u> |

All proposals were deemed responsive and responsible. After the evaluation, Civic Resource Group and Steer, Davies, Gleave were considered to be within the competitive range and advanced to the next step of the evaluation process which included interviews and negotiations.

Based on the evaluation panel's analysis of the technical proposal, discussions, interviews, and evaluation of price (Attachment B), MTS staff has determined that Steer, Davies, Gleave's proposal is fair and reasonable and represents the best overall value for MTS.

The following table represents the final scores and rankings for all proposers:

PROPOSER NAME	TOTAL AVG. TECH. SCORE	AVG. COST SCORE	TOTAL SCORE (Tech + Cost) Total Possible Points: 100	RANKING
<b>AmericanEagle.com</b>	64.6	6	<b>70.6</b>	3
<b>Civic Resource Group</b>	76	5.4	<b>81.4</b>	2
<b>GlobeSherpa</b>	47.2	4	<b>48</b>	4
<b>Mobile Programming</b>	32.6	3.6	<b>36.2</b>	5
<b>Soft Clouds</b>	19.2	3	<b>22.2</b>	6
<b>Steer, Davies, Gleave</b>	80.4	9.4	<b>89.8</b>	1

  
Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)

Attachments: A. Draft Standard Services Agreement; Contract G1694.0-14  
B. Cost Summary

STANDARD SERVICES AGREEMENT

G1694.0-14  
CONTRACT NUMBER

DRAFT

FILE NUMBER(S)

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2014, in the state of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following contractor, hereinafter referred to as "Contractor":

Name: Steer, Davies, Gleave Address: 1900 Wazee St., Suite 250

Form of Business: Corporation Denver, CO 80202  
(Corporation, partnership, sole proprietor, etc.)

Telephone: 213-337-6791

Authorized person to sign contracts: Chris Proud Project Director  
Name Title

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

Provide MTS Website Replacement as set forth in the MTS Scope of Work (attached as Exhibit A), Steer, Davies, Gleave's Proposal (attached as Exhibit B), in accordance with the Standard Services Agreement, including Standard Conditions Services (attached as Exhibit C).

The total contract cost shall not exceed \$130,398.06.

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

AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
\$130,398.06	CIP11370	2015

By: \_\_\_\_\_ Date  
Chief Financial Officer

Purchasing Department  
1255 Imperial Ave., Suite 1000  
San Diego, CA 92101  
619.231.1466 FAX 619.696.7084

## COST SUMMARY

MTS WEBSITE REPLACEMENT RFP  
MTS DOC. NO. G1694.0-14

COMPANY NAME	TOTAL COST
AmericanEagle.com	\$ 198,000.00
Civic Resource Group	\$ 139,235.00
GlobeSherpa	\$ 396,025.00
Mobile Programming	\$ 97,720.00
Soft Clouds	\$ 190,703.20
<b>Steer, Davies, Gleave*</b>	<b>\$ 130,398.06</b>

**\*Steer, Davies, Gleave's offer was found to be the most advantageous and of greatest value to MTS.**



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## Agenda Item No. 12

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 20, 2014

**Draft for  
Executive Committee  
Review Date: 11-13-14**

#### SUBJECT:

#### ADDITION OF THE FOLLOWING POSITIONS:

- One (1) F/T HR Representative II
- Two (2) F/T Bus Operator Training Instructors
- One (1) P/T Administrative Assistant

#### RECOMMENDATION:

That the Board of Directors authorize the CEO to add:

- 1) One (1) HR Representative II to the FY15 budget, increasing the total Full Time Equivalent (FTE) position from 3 to 4 at Grade #7 (\$47,531 - \$74,391);
- 2) Two (2) Bus Operator Training Instructors to the FY15 budget, increasing the total Full Time Equivalent (FTE) position from 6 to 8 at Grade #6 (\$41,512 - \$64,970); and
- 3) One (1) P/T Administrative Assistant to the FY15 budget at \$15.00 per hour.

#### Budget Impact

Approximately \$159,603.00 in salary and benefits total.

- \$77,000.00 in salary and benefits charged to Human Resources.
- \$82,603 in salary and benefits charged to MTS Bus Operations. This total offsets a savings of \$107,397 from the proposed elimination of five (5) P/T Bus Operating Training Instructors positions.

#### DISCUSSION:

MTS Human Resources and MTS Bus Operations have been working hard to hire and train a sufficient number of Bus Operators to respond the recent increase in demand for full-time, properly trained Bus Operators, but have not been able to do so with the current level of hiring

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and training resources. MTS Bus Operations has continued to meet daily service levels, but are doing so by using excessive overtime and mandatory call-backs. Therefore, MTS must significantly increase the number of full-time Bus Operators in order to effectively service our existing routes and improve the working conditions of our current Bus Operators. The current increased demand for Bus Operators stems from three (3) primary factors:

1. The addition and expansion of the Bus Rapid Transit lines have strained MTS's current resources, with respect to both staffing and operational efficiency.
2. There has been a significant increase in attrition rate. Individuals who deferred retirement during the recession are retiring at record rates. Consequently, new employees forced to work overtime are resigning due to burnout and fatigue.
3. MTS Bus Operations is experiencing higher absenteeism levels and Family and Medical Leave applications for intermittent leave are at record levels, which is a further strain on our current staffing levels.

Currently, MTS Human Resources does not have the necessary staffing to adequately respond to this increased demand for Bus Operators and produce the high numbers of quality candidates necessary to maintain effective MTS Bus operations. Therefore, an HR Representative II hired for the sole purpose of recruiting Bus Operators is vital.

Furthermore, two full-time Bus Operator Training Instructors will be needed to maintain the increased training demands for new hires, as well as ongoing refresher training for current Bus Operators. The part-time Bus Operator Training Instructors positions, currently filled by retired Bus Operators, will be phased out once they work 960 hours in a year, which is the maximum allowable limit permitted by the Public Employee's Retirement Law ("PERL").

Finally, one part-time Administrative Assistant is necessary to support the functions of the Bus Operator Training Instructors, manage the administrative and clerical tasks, and allow the Bus Operator Training Instructors to focus on field work. Currently, the position is handled through a temp agency, which is less cost-effective than a direct hire.



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Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)