

MINUTES

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

July 14, 2015

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 14, 2015, at 9:00 a.m.

The following persons, constituting the Board of Directors, were present: Blake C. Jones, Matt Domen, and Wayne Terry. Also in attendance were members from:

San Diego Metropolitan Transit System:	Tim Allison, Karen Landers, Erin Dunn, Traci Wutke
Pacific Southwest Railway Museum:	Diana Hyatt, Michael Edwards
Pacific Imperial Railroad, Inc.:	Don Stoecklein, Arturo Alemany
Corrizo Gorge Railway:	Charles McHaffie
SD Freight Rail Consulting:	John Hoegemeier
Trains Magazine:	Don Jones

1. Approval of Minutes

Mr. Terry moved to approve the Minutes of the April 14, 2014, SD&AE Railway Board of Directors meeting. Mr. Domen seconded the motion, and it was unanimously approved.

2. Statement of Railway Finances

Erin Dunn reviewed the financial statement for the second quarter of 2015 (attached to the agenda item).

Action Taken

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

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

Matt Domen reviewed the report of activities for the second quarter of 2015 (attached to the agenda item).

Action Taken

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

4. Report on Pacific Southwest Railway Museum Operations

Diana Hyatt reviewed the third quarter of 2015 report (attached to the agenda item).

Ms. Landers asked that Ms. Hyatt submit a written report regarding the railroad tie and disposal issue that PSRM is dealing with.

Action Taken

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

5. Report on the Desert Line

Chas McHaffie and Arturo Alemany reviewed the third quarter of 2015 report (attached to the agenda item).

Mr. McHaffie notified the committee that Donald Stoecklein has stepped down from PIR and will be working on operations in Coyote Wells.

After Mr. Stoecklein reviewed the report on Coyote Wells, Mr. Domen asked if there was a projected number of trains PIR was going to run. Mr. McHaffie commented that they were building trains up to 100 cars in length, but didn't have a definitive number.

Ms. Landers notified the committee that the new milestones were recommended by the MTS Executive Committee and will be going on front of the board for approval July 16, 2015.

Action Taken

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

6. Real Property MattersA. Summary of SD&AE Documents Issued since April 14, 2015

Since the April 14, 2015, SD&AE Railway Company Board of Directors meeting, the documents described below have been processed by staff.

- S200-15-608: Right of Entry Permit to Black and Veatch Construction, Inc. to construct the SDG&E Substation on the Coronado Branch in the City of Chula Vista.
- S200-15-617: Right of Entry Permit to the U.S. Navy for the 2015 Navy Bridge Run / Walk event.
- S200-15-619: Right of Entry Permit to Portillo Concrete, Inc. to construct the U.S. Fish and Wildlife Service Bayside Birding and Walking Trail in Imperial Beach.
- S200-15-622: Right of Entry Permit to RDS Contracting, Inc. to refurbish the exterior of a warehouse at 1300 Wilson in National City.
- S200-15-623: Right of Entry Permit to the City of National City for graffiti removal along various segments of the South Line in National City.
- S200-15-624: Right of Entry Permit to Shillings Paradise Corporation to construct underground electric facilities in south Lemon Grove along the Orange Line.

B. License for Private Crossings – D and E Streets in Chula Vista on the Coronado Branch

Tim Allison submitted and reviewed an informational report regarding a license for private crossings – D and E Street in Chula Vista on the Coronado Branch (attached to the agenda item).

Action Taken

Mr. Jones moved to approve issuing a license to City of Chula Vista Property, LLC for two proposed private at-grade crossings across SD&AE tracks located between D and E Streets west of Bay Boulevard in Chula Vista, CA. Mr. Domen seconded the motion, and it was unanimously approved.

C. Easement for Underground Gas Pipeline Crossing

Tim Allison submitted and reviewed an informational report regarding an easement for an underground gas pipeline crossing (attached to the agenda item). Ms. Landers commented that this is the typical case where eminent domain could be used against SD&AE.

Action Taken

Mr. Domen moved to approve issuing an easement to San Diego Gas & Electric Co. (SDG&E) for an underground gas pipeline crossing the SD&AE right of way at 65th Street in the City of San Diego. Mr. Jones seconded the motion, and it was unanimously approved.

7. Board Member Communications

None.

8. Public Comments

None.

9. Next Meeting Date

The next meeting of the SD&AE Railway Company Board of Directors is on October 13, 2015.

10. Adjournment

The meeting was adjourned at 9:22 a.m.

President



General Counsel

