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Agenda

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

November 3, 2016

Executive Conference Room
(Immediately Following the Audit Oversight Committee Meeting)

ACTION RECOMMENDED

- | | | |
|----|--|--------------------|
| A. | ROLL CALL | |
| B. | APPROVAL OF MINUTES - September 8, 2016 | Approve |
| C. | COMMITTEE DISCUSSION ITEMS | |
| | 1. <u>Stored Value Update (Paul Jablonski)</u> | Information |
| D. | REVIEW OF DRAFT November 10, 2016 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 1, 2016 | |
| I. | ADJOURNMENT | |

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Metropolitan Transit System (MTS) is a California public agency comprised of San Diego Transit Corp., San Diego Trolley, Inc. and San Diego and Arizona Eastern Railway Company (nonprofit public benefit corporations). 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.



DRAFT

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

September 8, 2016

MINUTES

A. ROLL CALL

Chairman Mathis called the Executive Committee meeting to order at 9:03 a.m. A roll call sheet listing Executive Committee member attendance is attached.

B. APPROVAL OF MINUTES

Ms. Bragg moved for approval of the minutes of the July 21, 2016, MTS Executive Committee meeting. Mr. McWhirter seconded the motion, and the vote was 4 to 0 in favor with Mr. Roberts absent.

D. REVIEW OF DRAFT September 15, 2016 BOARD AGENDA (TAKEN OUT OF ORDER)

Recommended Consent Items

6. Adoption of Amended 2016 Conflict of Interest Code

Action would: (1) adopt Resolution No. 16-19 amending the MTS Conflict of Interest Code pursuant to the Political Reform Act (PRA) of 1974; (2) adopt the amended 2016 MTS Conflict of Interest Code; and (3) forward the amended 2016 MTS Conflict of Interest Code to the County of San Diego (the designated code-reviewing body).

7. New Board Policy: Inventory Controls and Signature Authority Policy

Action would adopt new Board Policy No. 64 "Inventory Controls and Signature Authority Policy".

8. Semiannual Uniform Report of Disadvantaged Business Enterprise (DBE) Awards or Commitments and Payments

9. Federal Transit Administration Section 5310 Grant Application

Action would: (1) Adopt Resolution No. 16-20 agreeing to comply with all terms and conditions of the Federal Transit Administration (FTA) Section 5310 Enhanced Mobility for Seniors and Individuals with Disabilities program as set forth by the FTA and the San Diego Association of Governments (SANDAG); (2) Authorize the Chief Executive Officer (CEO) to submit the following applications and execute any grant agreements awarded by SANDAG: a. \$432,000 in federal fiscal year 2015 FTA Section 5310 Enhanced Mobility for Seniors and Individuals with Disabilities funding for paratransit vehicle replacement; b. \$432,000 in federal fiscal year 2016 FTA Section 5310 Enhanced Mobility for Seniors and Individuals with Disabilities funding for paratransit vehicle replacement; and (3) Authorize the commitment of up to \$466,476 in local matching funds to full fund the purchase of 12 paratransit vehicles.

10. Investment Report - June 2016
11. Investment Report - July 2016
12. San Diego Metropolitan Transit System Orange Line Track Improvements - Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWL211.0-16, with Herzog Contracting Corporation for the provision of services and materials for Orange Line Track Improvements.
13. Proposed Revisions to MTS Policy No. 42, "Transit Service Evaluation and Adjustment"
Action would approve the proposed revisions to MTS Policy No. 42, "Transit Service Evaluation and Adjustment".
14. Helix Water District Utility Relocation Reimbursement Agreement for Hill Street Slope Repair
Action would authorize the Chief Executive Officer (CEO) to execute an Memorandum of Understanding (MOU) with the Helix Water District for cost reimbursement to relocate water mains and fire hydrants required for slope reconstruction by MTS in the vicinity of Hill Street in El Cajon.
15. Janitorial Services - Sole Source Contract Extension
Action would: (1) Ratify Amendment 4 and Amendment 5 to MTS's contract with NMS Management, Inc. (NMS) (MTS Doc. No. G1387.0-11) for \$95,134.38, which were previously issued under the Chief Executive Officer's (CEO) authority, for janitorial services at MTS Buildings and on Light Rail Vehicles; and (2) Authorize the CEO to execute Amendment 6, with NMS, for a three (3) month sole source extension of janitorial services at MTS Buildings and on Light Rail Vehicles.
16. Diesel Vehicle Wet-Hose Fueling Services - Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0658.0-17 with Dion & Sons, Inc. for the provision of Diesel Vehicle Wet-Hose Fueling Services for MTS's Rapid Express Commuter and Rural buses located at the East County Division, for a nine month term.
17. San Diego Metropolitan Transit System (MTS) Sole Source Award for Regional Transit Management System (RTMS) Hardware Maintenance Services to Xerox Transportation Solutions
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1941.0-16 with Xerox Transportation Solutions, Inc. (Xerox) for the provision of RTMS software and vehicle hardware maintenance services for a five year period with two (2) one year options, exercisable at the CEO's discretion.
18. Regional Transit Management System (RTMS) Radio Maintenance Services - Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1887.0-16 with Motorola Solutions, Inc. (Motorola) for the provision of RTMS radio system maintenance services for a three year period.

DRAFT BOARD AGENDA COMMENTS

Karen Landers, General Counsel, noted that there are a few consent items that will be mailed out with the Board packet as well as two additional Closed Session Items.

C. COMMITTEE DISCUSSION ITEMS

1. Transit Optimization Plan (TOP) Agreement – Contract Award (Denis Desmond)

Denis Desmond, Manager of Planning, provided a presentation on the Transit Optimization Plan (TOP). He provided a background on the previous Comprehensive Operational Analysis (COA) that took place from 2004 to 2007. He noted that there have been changes since the COA took place and the TOP will consist of updating the COA. The TOP will consist of public outreach, data collection/review, a service implementation plan, and minor and major changes. Mr. Desmond reviewed the procurement process that took place to select the TOP consultant. He noted that the recommended consultant is Transportation Management & Design (TMD), and they had previously worked on MTS's COA. Mr. Desmond introduced Russ Chisolm and Melissa Davidson from TMD. Mr. Chisolm stated that he is looking forward to working with MTS staff again and working on updating the previous COA. Sharon Cooney, Chief of Staff, noted that the TOP is not a full COA, but it will re-evaluate the system to see if any updates or changes are needed. Mr. Jablonski reviewed a few of the areas that the TOP will focus on, including the MidCoast area, cut services from 2008, and decreased ridership.

Mr. Gloria asked how much the COA cost ten years ago. Mr. Desmond replied that the COA cost approximately \$700,000, and the TOP will cost approximately \$430,000. Mr. Gloria stated that although the TOP is not a full COA, it is still a substantial study. He asked how public input will be implemented into this update. Mr. Desmond stated that staff has already begun public outreach and will continue to do public outreach once we receive proposals for possible changes. He also said that any major proposals will go through the public hearing process at the Board meetings. Mr. Gloria asked what the best practice is for conducting this type of study. Mr. Chisolm replied that it is standard to conduct these studies about every ten years.

Action Taken

Mr. Gloria moved to forward a recommendation to the Board of Directors to authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1922.0-16 with Transportation Management & Design, Inc. (TMD), for the provision of TOP Services from October 2016 to June 30, 2017, and authorize the optional tasks, in the CEO's discretion. Ms. Bragg seconded the motion, and the vote was 5 to 0 in favor.

2. MTS Bus Division Study (Denis Desmond)

Mr. Desmond provided a presentation on the recent MTS Bus Division Study. He stated that TMD was hired to assist with identifying ideal locations for a replacement division and/or an expansion division. Mr. Desmond reviewed new services and stated that existing services will need some expansion capacity for organic system growth. He also noted that SANDAG's regional transportation plan as well as the proposed Measure A

will require new and expanded services. Mr. Desmond reviewed the current five bus divisions and their respective sizes and capacity limits. He discussed details regarding the Imperial Avenue Division (IAD) and why this division may need to be relocated. Mr. Desmond presented a map of the existing IAD service area and displayed the best area options for a relocation site. He also displayed a map which showed the future expanded service as well as an additional expansion division. Mr. Desmond stated that TMD analyzed results for two different hypothetical sites, including a Rosecrans/Pacific Highway location and a SR-15/SR-94 junction location. He reviewed the weekday cost analysis results for the two different test sites. Mr. Desmond also reviewed the conclusions for the IAD replacement facility as well as the expansion facility. Ms. Cooney noted that this was strictly a feasibility study.

Mr. Gloria stated that he appreciates the effort that has been put into this study. He inquired about the cost differences for the two test sites. Mr. Desmond responded that the closer the site is to the central service location, the less expensive the costs will be. He noted that the biggest factor for the cost is the deadhead costs, as well as supervision and maintenance. Mr. Gloria also commented on looking into developing a stopover location as a possible option.

Ms. Bragg commented on the future growth of ADA ridership. She asked if we could deploy those buses from other areas. Mr. Jablonski replied that a separate analysis would need to be conducted to determine a possible impact.

Action Taken

No action taken.

E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA

There was no SANDAG Transportation Committee agenda discussion.

F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS

Mr. Jablonski noted that next Wednesday, September 14, 2016, will be the FTA Full Funding Grant Agreement signing for MidCoast, which will take place at Lyman Lane adjacent to Pepper Canyon at UCSD.

G. PUBLIC COMMENTS

Margot Tanguay – Ms. Tanguay commented that she thinks the IAD facility should stay in downtown at its current location. She also commented that transportation network companies (TNCs) are not releasing their ADA results to the state.

H. NEXT MEETING DATE

The next Executive Committee meeting is scheduled for October 6, 2016, at 9:00 a.m. in the Executive Committee Conference Room.

I. ADJOURNMENT

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

Chairman

Attachment: A. Roll Call Sheet

EXECUTIVE COMMITTEE
SAN DIEGO METROPOLITAN TRANSIT SYSTEM

ROLL CALL

MEETING OF (DATE) September 8, 2016

CALL TO ORDER (TIME) 9:03am

RECESS _____

RECONVENE _____

CLOSED SESSION _____

RECONVENE _____

ADJOURN 10:10am

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
BRAGG	<input checked="" type="checkbox"/> (Rios) <input type="checkbox"/>	9:03am	10:10am
MCCLELLAN	<input type="checkbox"/> (McWhirter) <input checked="" type="checkbox"/>	9:03am	10:10am
GLORIA	<input checked="" type="checkbox"/> (Cole) <input type="checkbox"/>	9:03am	10:10am
MATHIS	<input checked="" type="checkbox"/>	9:03am	10:10am
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:10am	10:10am
Transportation Committee Rep Slot (Mathis)			

SIGNED BY THE CLERK OF THE BOARD:

Julia Tiller

CONFIRMED BY THE GENERAL COUNSEL:

Paul Cade



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Agenda Item No. C1

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 3, 2016

SUBJECT:

STORED VALUE UPDATE (PAUL JABLONSKI)

INFORMATIONAL ITEM

Budget Impact

None.

DISCUSSION:

The San Diego Association of Governments, North County Transit District, and MTS transitioned from paper fare products to the Compass Card smart card in 2009. One of the planned capabilities of this smart card system was stored value, which is the ability for customers to add funds to their smart card to be utilized as they needed. Staff will provide an update on the effort underway to implement stored value capabilities using the current Compass Card fare collection system.


Paul C. Jablonski
Chief Executive Officer

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





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DRAFT

Agenda

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 10, 2016

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 13, 2016 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 2017 (Sharon Cooney) Approve
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 2017.

Please SILENCE electronics
during the meeting

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CONSENT ITEMS

- | | | |
|-----|--|-------------|
| 6. | <u>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 11, 2016</u>
Action would: (1) receive the San Diego and Imperial Valley Railroad (SD&IV), Pacific Southwest Railway Museum Association (Museum), and Pacific Imperial Railroad, Inc. (PIR) quarterly reports for information; and (2) ratify actions taken by the SD&AE Board at its quarterly meeting on October 11, 2016. | Ratify |
| 7. | <u>Investment Report - September 2016</u> | Information |
| 8. | <u>Light Rail Vehicle (LRV) Remote Diagnostics System and Public Address System Integration with Variable Message Sign System - Contract Award</u>
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1966.0-17, a Sole Source agreement, with Davra Networks (Davra), for the integration of the remote diagnostics and telematics information and the public address (PA) system, with the variable message sign (VMS) system located at each of the trolley stations. | Approve |
| 9. | <u>Authorization to Increase Legal Service Contract with Tyson & Mendes, LLP to Pay Projected Expenses</u>
Action would authorize the Chief Executive Officer (CEO) to approve increasing the Tyson & Mendes, LLP contract by \$200,000 to cover anticipated legal expenses. | Approve |
| 10. | <u>Work Order Contract Approval for Beech and Middletown Trackwork and Signaling Preliminary Engineering</u>
Action would authorize the Chief Executive Officer (CEO) to execute Work Order 13.05 to MTS Doc. No. G1494.0-13 with Pacific Railway Enterprises, Inc. to perform Design Engineering Services for the Beech and Middletown Double Crossover project. | Approve |
| 11. | <u>HASTUS Timekeeping Implementation for Non Driving Employees</u>
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1883.1-16 with GIRO, Inc., for the purchase of additional licensing for Roster and Daily Crew with SignIn/SignOut and FMLA; and the options to exercise Employee Performance Management (EPM) and SelfService modules for non-driving employees. | Approve |
| 12. | <u>Janitorial Services for San Diego Trolley, Inc. (SDTI) & San Diego Transit Corporation (SDTC) Buildings and Light Rail Vehicle (LRV) Fleet - Contract Award</u>
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1931.0-16 with NMS Management, Inc. (NMS), a Disadvantaged Business Enterprise (DBE), for the provision of janitorial services for SDTI & SDTC buildings and the LRV fleet for three (3) base years with three (3) 1-year options, exercisable at MTS's sole discretion. | Approve |
| 13. | <u>Centralized Train Control System Maintenance Services</u>
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G0930.17-04.29.2 with San Diego Association of Governments (SANDAG), for the provision of preventative maintenance services on software and equipment for the Centralized Train Control (CTC) System. | Approve |

- | | | |
|-----|--|---------|
| 14. | <u>Additional Funding for the Catenary Improvements to the Orange Line from 12th & Imperial to Main Street El Cajon, Broadway Wye</u>
Action would authorize the Chief Executive Officer (CEO) to approve additional funding of \$2,950,000 for the installation of catch cable for Orange Line and Broadway Wye. | Approve |
| 15. | <u>Proposed Revisions to MTS Board Policy No. 59, "Natural Gas and Energy Commodity Hedge Policy"</u>
Action would approve the proposed revisions to MTS Board Policy No. 59, "Natural Gas and Energy Commodity Hedge Policy". | Approve |
| 16. | <u>Trust Fund Administrator Position</u>
Action would authorize the Chief Executive Officer (CEO) to add one (1) Trust Fund Administrator position to the FY17 budget, increasing the total Full Time Equivalent (FTE) position from 0 to 1. | Approve |
| 17. | <u>SD8 Procurement Project - Funding Transfer</u>
Action would approve the transfer of \$4,550,000 from the SD100 Light Rail Vehicle (LRV) Replacement project (MTS CIP No. 20020027) to the SD8 Procurement project (MTS CIP No. 20021029). | Approve |
| 18. | <u>Proposed Revisions to MTS Board Policy No. 22</u>
Action would approve the proposed revisions to MTS Board Policy No. 22, "Rules of Procedure for the San Diego Metropolitan Transit System (MTS) Board of Directors". | Approve |

CLOSED SESSION

- | | | |
|-----|---|-----------------|
| 24. | CLOSED SESSION - CONFERENCE WITH LABOR NEGOTIATORS Pursuant to California Government Code Section 54957.6
<u>Agency:</u> San Diego Trolley, Inc. (SDTI)
<u>Employee Organization:</u> Public Transit Employees Association (Representing SDTI Train Operators, Electromechanics, Servicers and Clerical Staff)
<u>Agency-Designated Representative:</u> Jeff Stumbo

<u>Oral Report of Final Actions Taken in Closed Session</u> | Possible Action |
|-----|---|-----------------|

NOTICED PUBLIC HEARINGS

- | | | |
|-----|---|---------|
| 25. | PUBLIC HEARING: Route 950 (Denis Desmond) | Approve |
|-----|---|---------|

DISCUSSION ITEMS

- | | | |
|-----|--|---------|
| 30. | <u>Fiscal Year 2016 Comprehensive Annual Financial Report (Erin Dunn, Larry Marinesi and Kenneth Pun of Pun & McGeady)</u>
Action would receive the Fiscal Year (FY) 2016 Comprehensive Annual Financial Report (CAFR). | Receive |
|-----|--|---------|

REPORT ITEMS

- | | | |
|-----|--|-------------|
| 45. | <u>Year End Operations Report (Denis Desmond, Bill Spraul & Wayne Terry)</u> | Information |
|-----|--|-------------|

- | | | |
|-----|---|-------------|
| 46. | <u>Stored Value Update (Larry Marinesi and Rob Schupp)</u> | Information |
| 60. | <u>Chairman's Report</u> | Information |
| 61. | <u>Chief Executive Officer's Report</u> | Information |
| 62. | <u>Board Member Communications</u> | |
| 63. | <u>Additional Public Comments Not on the Agenda</u>
If the limit of 5 speakers is exceeded under No. 3 (Public Comments) on this agenda, additional speakers will be taken at this time. If you have a report to present, please furnish a copy to the Clerk of the Board. Subjects of previous hearings or agenda items may not again be addressed under Public Comments. | |
| 64. | <u>Next Meeting Date:</u> December 8, 2016 | |
| 65. | <u>Adjournment</u> | |



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Agenda Item No. 4

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 10, 2016

SUBJECT:

APPOINTMENT OF AD HOC NOMINATING COMMITTEE FOR RECOMMENDING
APPOINTMENTS TO MTS COMMITTEES FOR 2017 (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 2017.

Budget Impact

None.

DISCUSSION:

Each year, the Board makes appointments to various committees, including the Budget Development Committee, Public Security Committee, Audit Oversight Committee, Executive Committee, Joint Committee on Regional Transit (JCRT), Taxicab Advisory 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 2016.

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, Gloria, Bragg and Minto.

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

Attachments: A. Board Policy No. 22
B. Table of MTS Committees for 2016



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Policies and Procedures No. 22

Board Approval: 2/12/15

SUBJECT:

RULES OF PROCEDURE FOR THE SAN DIEGO METROPOLITAN TRANSIT
SYSTEM (MTS) BOARD OF DIRECTORS

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. The Board is established and governed by the Mills-Deddeh Transit Development Act, set forth in the Sections 120000 through 120702 of the California Public Utilities Code ("MTS Enabling Legislation"). Section 120101 requires to the Board to "establish rules for its proceedings." In the event the rules of procedure set forth herein conflict with the MTS Enabling Legislation, or other applicable law, the applicable law shall supersede these rules.

22.1 Membership and Organization

22.1.1 Membership in this Board is established by Sections 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.
- 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 schedule of the meetings shall be published in the local newspaper of general circulation prior to the next regular meeting. The schedule of meetings shall also be published on the MTS website and posted at the MTS Executive Offices.

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 at other than a regular meeting or at an adjourned regular meeting. However, an urgency ordinance may be passed at a 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 Consistent with Section 120109 of the MTS Enabling Legislation, 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 22.4.4, 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.

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 by the City of San Diego 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 22.8.2 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 and such other individuals as the Board may appoint at the first MTS Board meeting each calendar year. The Chairman of the Audit Oversight Committee shall be a voting member. The Chairman of the Audit Oversight Committee shall not be the member who serves as the Executive Committee Chairman. The Board may

also 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 voting members who are appointed to serve on the Audit Oversight Committee. 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 any applicable laws or regulations (including, but not limited to, the Brown Act, Government Code section 1090 and the Political Reform Act) and is not intended to supersede 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.

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.
 Policy revised 2/12/15.

2016 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
Audit Oversight Committee	Ernie Ewin – Chair Harry Mathis – Committee Representative Ron Roberts – County Representative (Alternate: Greg Cox) Todd Gloria – City of San Diego Representative (Alternate: Myrtle Cole) Lorie Bragg – South Bay Representative (Alternate: Mona Rios) Bob McClellan – East County Representative (Alternate: Guy McWhirter)
Budget Development Committee	Harry Mathis – Committee Representative Myrtle Cole – Committee Representative Bob McClellan – Committee Representative John Minto – Committee Representative Ron Roberts – Committee Representative
Executive Committee	Harry Mathis – Chair Ron Roberts – County Representative (Alternate: Greg Cox) Todd Gloria – City of San Diego Representative (Alternate: Myrtle Cole) Lorie Bragg – South Bay Representative (Alternate: Mona Rios) Bob McClellan – East County Representative (Alternate: Guy McWhirter)
Joint Committee on Regional Transit (JCRT)	Harry Mathis – Committee Representative Jim Cunningham – Committee Representative George Gastil – Committee Representative
Los Angeles - San Diego Rail Corridor Agency (LOSSAN)	George Gastil – Committee Representative Lorie Bragg – Alternate
Public Security Committee	Harry Mathis – Committee Representative Jim Cunningham – Committee Representative George Gastil – Committee Representative John Minto – Committee Representative Mona Rios – Committee Representative Lorie Zapf – Committee Representative
SANDAG Board	Harry Mathis – Advisory Representative Mona Rios – Alternate
SANDAG Regional Planning Committee	Mona Rios – Committee Representative Myrtle Cole – Alternate
SANDAG Transportation Committee	Harry Mathis – Committee Representative Lorie Bragg – Alternate (Chosen by the Executive Committee)
Taxicab Advisory Committee	Lorie Zapf – Chair George Gastil – Alternate
Vice Chair Chair Pro Tem	Ron Roberts – Vice Chair Todd Gloria – Chair Pro Tem



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Agenda Item No. 6

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 10, 2016

**Draft for
Executive Committee
Review Date: 11/3/16**

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 11, 2016

RECOMMENDATION:

That the Board of Directors:

1. receive the San Diego and Imperial Valley Railroad (SD&IV), Pacific Southwest Railway Museum Association (Museum), and Pacific Imperial Railroad, Inc. (PIR) quarterly reports (Attachment A) for information; and
2. ratify actions taken by the SD&AE Board at its quarterly meeting on October 11, 2016.

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 2016 (Attachment A).


Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Copy of Final Meeting Materials from 10/11/16

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Metropolitan Transit System (MTS) is a California public agency comprised of San Diego Transit Corp., San Diego Trolley, Inc. and San Diego and Arizona Eastern Railway Company (nonprofit public benefit corporations). 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 & ARIZONA
EASTERN RAILWAY
COMPANY**

A NEVADA NONPROFIT
CORPORATION

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BOARD OF DIRECTORS
PAUL JABLONSKI, CHAIRPERSON
MATT DOMEN
JARED GOOCH

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

LEGAL COUNSEL
KAREN LANDERS

AGENDA

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

October 11, 2016

9:00 a.m.

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

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

	<u>ACTION RECOMMENDED</u>
1. <u>Approval of the Minutes of July 19, 2016</u> Action would approve the SD&AE Railway Company Minutes of July 19, 2016.	Approve
2. <u>Statement of Railway Finances (Erin Dunn)</u> Action would receive a report for information.	Receive
3. <u>Report on San Diego and Imperial Valley (SD&IV) Railroad Operations (Matt Domen)</u> Action would receive a report for information.	Receive
4. <u>Report on Pacific Southwest Railway Museum (Diana Hyatt)</u> Action would receive a report for information.	Receive
5. <u>Report on the Desert Line (Arturo Alemany)</u> Action would receive a report for information.	Receive
6. <u>Real Property Matters (Tim Allison)</u>	
a. <u>Summary of SD&AE Documents Issued July 19, 2016</u> Action would receive a report for information.	Receive
b. <u>License for Community Dog Park in Imperial Beach</u> Action would approve issuing a license to the City of Imperial Beach for the portion of the proposed community dog park within SD&AE right-of-way located approximately between the intersection of 11 th Street and Cherry Avenue and the intersection of Florida Street and Boulevard Avenue in Imperial Beach, CA.	Approve
c. <u>License Amendment for Bayshore Bikeway Bike Path Connection in Imperial Beach</u> Action would approve issuing a license amendment to the City of Imperial Beach for the proposed Bayshore Bikeway bike path connection located northwest of the intersection of 7 th Street and Boulevard Avenue in Imperial Beach, CA.	Approve

7. Approval of the 2017 SD&AE Board of Directors Meeting Schedule (Karen Landers) Approve
Action would approve the 2017 SD&AE Board of Directors meeting schedule.
8. Board Member Communications
9. Public Comments
10. Next Meeting Date: Tuesday, January 17, 2017 (pending approval of Agenda Item No. 7 on this agenda).
11. Adjournment

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

July 19, 2016

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 19, 2016, at 9:04 a.m.

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

MTS staff:	Karen Landers, Tim Allison, Erin Dunn, Wayne Terry
Pacific Southwest Railroad Museum:	Diana Hyatt, Mike Edwards
Pacific Imperial Railroad (PIR):	Arturo Alemany
Baja Railroad (BJRR):	Manuel Hernandez, Roberto Romandia
Public:	Reena Deutsch

1. Approval of Minutes

Mr. Domen moved to approve the Minutes of the April 12, 2016, SD&AE Railway Board of Directors meeting. Mr. Jablonski seconded the motion, and it was unanimously approved.

2. Statement of Railway Finances

Erin Dunn reviewed the Statement of Railway Finances for the second quarter (see the attachment to the agenda item). Ms. Landers pointed out that MTS has a contract with RailPros and Dan Davis to oversee the Desert Line reconstruction, and those expenses will be showing up on future reports.

Action Taken

Mr. Jablonski moved to receive a report. Mr. Domen seconded the motion, and it was unanimously approved.

3. Report on SD&IV Operations

Mr. Domen reviewed the SD&IV Periodic Report for activities for the second quarter of 2016 (see the attachment to the agenda item). Ms. Landers stated that SD&IV's lease has periodic rent evaluations and lease increases written into it, which may never have been done. She stated that it is time for an evaluation, and she will pull the information for review and then schedule a meeting.

Mr. Jablonski noted a healthy increase in the number of carloads and asked if those numbers can be sustained. Mr. Domen responded affirmatively and added the recent numbers are due to increased petroleum production in Mexico and also business from a steady transload customer. Mr. Gooch clarified that the fourth quarter typically sees the highest number of carloads quarterly due to higher demand for LPG.

Mr. Jablonski asked about the status of the spur on the Blue Line Improvement Project. Mr. Terry responded that the infrastructure is complete, and final signal testing is being conducted. The Federal Railroad Administration (FRA) will do an inspection. MTS received a five-year waiver from the FRA with a caveat that a supplement be submitted for special operations for the lockdown between the Yard and Palomar siding. Once testing is complete, the supplement will be prepared and submitted.

Mr. Domen reported that SD&IV will be running a test locomotive tomorrow night to that siding and test the interlocking. Mr. Jablonski requested that going forward, feedback be included in the quarterly report on the operational benefits of the expenditures for this project to report to SANDAG. Discussion ensued regarding the status of remaining projects for the Yard, potential customers, and the benefits of the enhancements to the Yard.

Mr. Domen added that the west Palomar siding was used to switch a customer and it worked great. He reported that the new signals are a great improvement, and they also speed up operations.

Action Taken

Mr. Jablonski moved to receive a report. Mr. Domen seconded the motion, and it was unanimously approved.

4. Report on Pacific Southwest Railway Museum Operations

Diana Hyatt reviewed the Second Quarter 2016 Pacific Southwest Railway Museum (PSRM) report. She provided the amounts for the incomplete passenger train counts in the quarterly report: the Museum ran 48 passenger trains carrying 1,945 passengers in the second quarter of 2016.

Ms. Hyatt requested an update from the last meeting regarding the Jacumba Depot. Tim Allison responded that the lease is still under Carrizo Gorge Railway (CZRY). Ms. Landers added that there is a meeting right after this meeting regarding PSRM's lease, and it will be discussed at that meeting.

Mr. Allison stated that Caltrans has been working with MTS about the work that Caltrans has to do at the crossing by the Stone Store on Highway 94. He added that there have been a number of ongoing meetings with representatives from multiple agencies. Mr. Allison stated that Caltrans hired a contractor, but no right of entry permit has been submitted to date. Mr. Allison clarified that the project involves an emergency contract to replace the bridge in its entirety because Caltrans identified a scour problem north of an SD&AE crossing. He stated that the emergency contract was written with minimal plans and no strategy to deal with railroad approaches, so Caltrans is not ready to begin the project. Mr. Allison added that Dan Davis is our expert on the project, and he will be at the meeting on Friday. He stated that it is being made clear that the Museum's trains are not to be impacted and must be able to operate. Ms. Hyatt added that they want to ensure that the signaling will not be altered.

Action Taken

Mr. Jablonski moved to receive a report. Mr. Domen seconded the motion, and it was unanimously approved.

5. Report on Desert Line

Arturo Alemany reviewed the PIR Periodic Report for the second quarter of 2016 and he gave a status update of the reconstruction plans. Mr. Alemany reported that PIR is in contact with possible operating partners and that information will be released once there is a nondisclosure statement. Mr. Alemany reviewed a detailed plan for the disposition of rolling stock that is stored on the Desert Line. He added that he has been working with Roberto Romandia of Baja Rail and Ms. Hyatt, who has been very helpful. He added that the Museum will have the pick of the unclaimed inventory. He also reported on security and a minor locomotive/railcar collision.

- Public Speaker – Reena Deutsche: Ms. Deutsche requested an update on the status of plans to build a new multimodal facility in Coyote Wells. Mr. Alemany gave a brief response and then agreed to address it further with Ms. Deutsche after the meeting.

Mr. Jablonski asked if an operational analysis has been conducted to understand what infrastructure improvements might be done to the sidings, etc. to maximize the capacity on the line. Mr. Romandia responded that engineers have been doing studies based on FRA requirements and there are different options available. Discussion continued and Ms. Landers added that Dan Davis has been designated to address any technical issues (with any infrastructure improvements). Mr. Alemany clarified that Baja Rail activities will be included within PIR's quarterly reports.

Action Taken

Mr. Jablonski moved to receive a report. Mr. Domen seconded the motion, and it was unanimously approved.

6. Real Property Mattersa. Summary of SD&AE Documents Issued Since April 12, 2016

Tim Allison stated that since the April 12, 2016, SD&AE Railway Company Board of Directors meeting, the documents described below have been processed by staff. Mr. Allison stated that things are heating up with Caltrans' project and permit submittals by Baja Rail for Desert Line work.

- S200-16-636: Right of Entry Permit to the City of La Mesa for the La Mesa Flag Day Parade.
- S200-16-637: Right of Entry Permit to Navy Region Southwest for the Navy Bay Bridge Run.
- S200-16-639: Right of Entry Permit to Palm Engineering Construction Co. for a City of La Mesa sewer rehabilitation project east of the Grossmont Trolley Station.

Action Taken

The Board received a report for information.

7. Election to Fill Vacant Board Member Position

Ms. Landers stated that this request is to approve replacing Board member Blake Jones with Jared Gooch and to forward a recommendation to the MTS Board of Directors to ratify this action. She added that the recommendation should also reflect that the SD&AE Board allowed Mr. Gooch to serve as Mr. Jones' alternate for this meeting.

Mr. Jablonski moved to: (1) elect Jared Gooch from Genesee and Wyoming as an SD&AE Board member to replace Blake Jones (effective as of the beginning of this meeting); and (2) forward a recommendation for approval to the MTS Board of Directors. Mr. Domen seconded the motion, and it was unanimously approved.

8. Ratification of Corrections to July 14, 2015, Meeting Minutes

Ms. Landers informed Board members of a change in Committee clerks. Traci Wutke is no longer with MTS, and Jan Gardetto will be her replacement. Ms. Landers added that two items from the July 14, 2015, Meeting Minutes need Board approval for minor corrections to the actions.

1. Agenda Item 6b: License for Private Crossings – D and E Streets in Chula Vista on the Coronado Branch

The recommended action was 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. The final meeting minutes reflected that the Board received a report when in fact the Board approved the action.

2. Agenda Item 6c: Easement for Underground Gas Pipeline Crossing

The recommended action was 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. The final meeting minutes reflected that the Board received a report when in fact the Board approved the action.

Mr. Jablonski moved to: (1) approve corrections to the final meeting minutes of the July 14, 2015, SD&AE meeting for two prior actions taken on Agenda Items 6b and 6c; and (2) forward a recommendation to the MTS Board of Directors to ratify the corrected actions. Mr. Domen seconded the motion, and it was unanimously approved.

9. Board Member Communications

There were no Board member communications.

10. Public Comments

There were no additional public comments.

11. Next Meeting Date

The next meeting of the SD&AE Board of Directors is on October 11, 2016, at 9:00 a.m.

12. Adjournment

The meeting was adjourned at 9:45 a.m.



President

Legal Counsel

Agenda Item No. 2

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

October 11, 2016

SUBJECT:

STATEMENT OF RAILWAY FINANCES

RECOMMENDATION:

That the SD&AE Railway Company Board of Directors receive a financial report for the year ending June 30, 2016, and period ending August 31, 2016.

Budget Impact

None.

DISCUSSION:

Attached are SD&AE's financial results for the year ending June 30, 2016, as well as the period ending August 31, 2016.

Fiscal year 2016 ended with revenues totaling \$1.1 million and expenses totaling \$1.0 million. The \$1.0 million in Desert Line revenue was contributed to MTS capital projects and \$12,000 in interest was allocated to SD&AE resulting in a \$30,000 increase to reserves for the year.

As of August 31, 2016, fiscal year-to-date revenues are \$249,000 favorable to budget primarily due to the Desert Line lease revenue not included in the budget.

Expenses are \$13,000 favorable to budget primarily due to a favorable variance in Personnel Costs.

The net income for the period ending August 31, 2016, was \$257,000.

Attachments: SD&AE Operating Statement Fiscal Year 2016
SD&AE Operating Statement for period ending August 31, 2016

SD&AE Operating Statement FY2016-15

	FY 2016							FY 2015	
	Q1 Actual	Q2 Actual	Q3 Actual	Q4 Actual	YTD - Actual	YTD Budget	Variance	Q1 -Q4 Actual	Variance
Revenues									
Right of Entry Permits	\$ 750	\$ 4,150	\$ 1,750	\$ 6,058	\$ 12,708	\$ 35,000	\$ (22,292)	\$ 18,206	\$ (5,498)
Lease Income	16,529	19,904	24,973	25,479	86,885	70,000	16,885	85,334	1,551
Desert Line Lease Revenue	250,000	250,000	250,000	250,000	1,000,000	-	1,000,000	1,000,000	(0)
Operator Income - SD&IV 1%									
Freight Fee	8,500	8,500	6,203	8,500	31,703	30,000	1,703	28,725	2,978
Other Income - Easement	-	-	-	-	-	-	-	25,500	(25,500)
Total Revenue	275,779	282,554	282,926	290,037	1,131,296	135,000	996,296	1,157,765	(26,469)
Expenses									
Personnel Costs	16,642	9,975	2,061	9,455	38,133	70,981	32,848	102,593	64,460
Outside Services	422	17,010	3,642	29,480	50,554	65,000	14,446	68,067	17,513
Risk Management	3,347	3,762	3,762	3,762	14,633	16,000	1,367	15,401	768
Misc. Operating Expenses	250	156	287	9,060	9,753	500	(9,253)	309	(9,444)
Total Expense	20,661	30,903	9,752	51,757	113,072	152,481	39,408	186,370	73,297
Net Income/(Loss)	\$ 255,118	\$251,651	\$273,174	\$238,280	\$1,018,224	\$(17,481)	\$1,035,704	\$ 971,395	\$46,828

Reserve Balance July 1, 2015 \$1,553,150

Allocated Interest Earnings for
FY16 11,865
Operating Profit/(Loss) - YTD 1,018,224
Contributed Operating Capital
to MTS (1,000,000)

Reserve Balance as of June 30, \$1,583,239

SD&AE Operating Statement FY2017-16

	FY 2017			FY 2016	
	Jul - Aug Actual	Jul - Aug Budget	Variance	Q1 Actual	Variance
Revenues					
Right of Entry Permits	\$ 3,000	\$ 5,000	\$ (2,000)	\$ 750	\$ 2,250
Lease Income	12,599	11,667	932	16,529	(3,930)
Desert Line Lease Revenue	250,000	-	250,000	250,000	(0)
Operator Income - SD&IV 1%					
Freight Fee	5,667	5,833	(166)	8,500	(2,833)
Other Income - Easement		-	-	-	-
Total Revenue	271,265	22,500	248,765	275,779	(4,514)
Expenses					
Personnel Costs	1,361	17,264	15,903	16,642	15,281
Outside Services	9,514	7,622	(1,892)	422	(9,092)
Risk Management	2,646	2,668	22	3,347	701
Misc. Operating Expenses	1,146	84	(1,062)	250	(896)
Total Expense	14,667	27,638	12,971	20,661	5,994
Net Income/(Loss)	\$ 256,598	\$ (5,138)	\$ 261,736	\$ 255,118	\$ 1,480

Reserve Balance July 1, 2016 **\$1,583,239**

Allocated Interest Earnings -
Estimated 1,667
Operating Profit/(Loss) - YTD 256,598

Reserve Balance as of
Aug 31, 2016 **\$1,841,504**

Agenda Item No. 3

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

October 11, 2016

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 2016



a Genesee & Wyoming Company

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

September 30, 2016

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 2016 are listed as follows:

1. Labor

At the end of September 30, 2016 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 increased 28% as compared to 2015. Bridge traffic into Mexico had a 40% increase, primarily driven by increases in LPG. Traffic terminating or originating on the SDIY flat.

3. Reportable Injuries/Environmental

Days through year to date, Sept 30, 2016, there were no FRA Reportable injuries or Environmental incidents on the SDIY Railroad.

Days FRA Reportable Injury Free: 7,119

4. Summary of Freight

	2016	2015	2014
Total rail carloads that moved by SDIY Rail Service in the quarter.	1385	1086	912
Total railroad carloads Terminating/Originating Mexico in the quarter.	1058	756	
Total railroad carloads Terminating/Originating El Cajon, San Diego, National City, San Ysidro, California in the quarter.	327	330	207
Total customers directly served by SDIY in the quarter	10	10	10
Regional Truck trips that SDIY Railroad Service replaced in the quarter	4155	3258	2736

Respectfully,

Matt Domen
General Manager

San Diego & Imperial Valley Railroad

San Ysidro Transload Information



October 11, 2016



San Ysidro yard improvements

- Main driveway realignment allows trucks safer and easier access
- Security gates and fencing control entry



San Ysidro yard improvements

- Two remote-control, solar-powered switches located immediately off of mainline, along with a powered derail and mainline switch, allow for exit off of main without stopping, also allow the same for entering the main, saving approximately 20-30 minutes



San Ysidro yard improvements

- Additional new tracks and lengthened existing tracks increase railcar capacity from 100 to 200 cars, also cut “turn-around” time for jobs by half
- Designated crossing allows access to both sides of yard



San Ysidro yard improvements

- Lighting and cameras provide safety and security
- Drip pans at locomotive servicing area provide spill containment
- Portable unloading ramps for boxcars allow for flexibility in staging of railcars for transloading

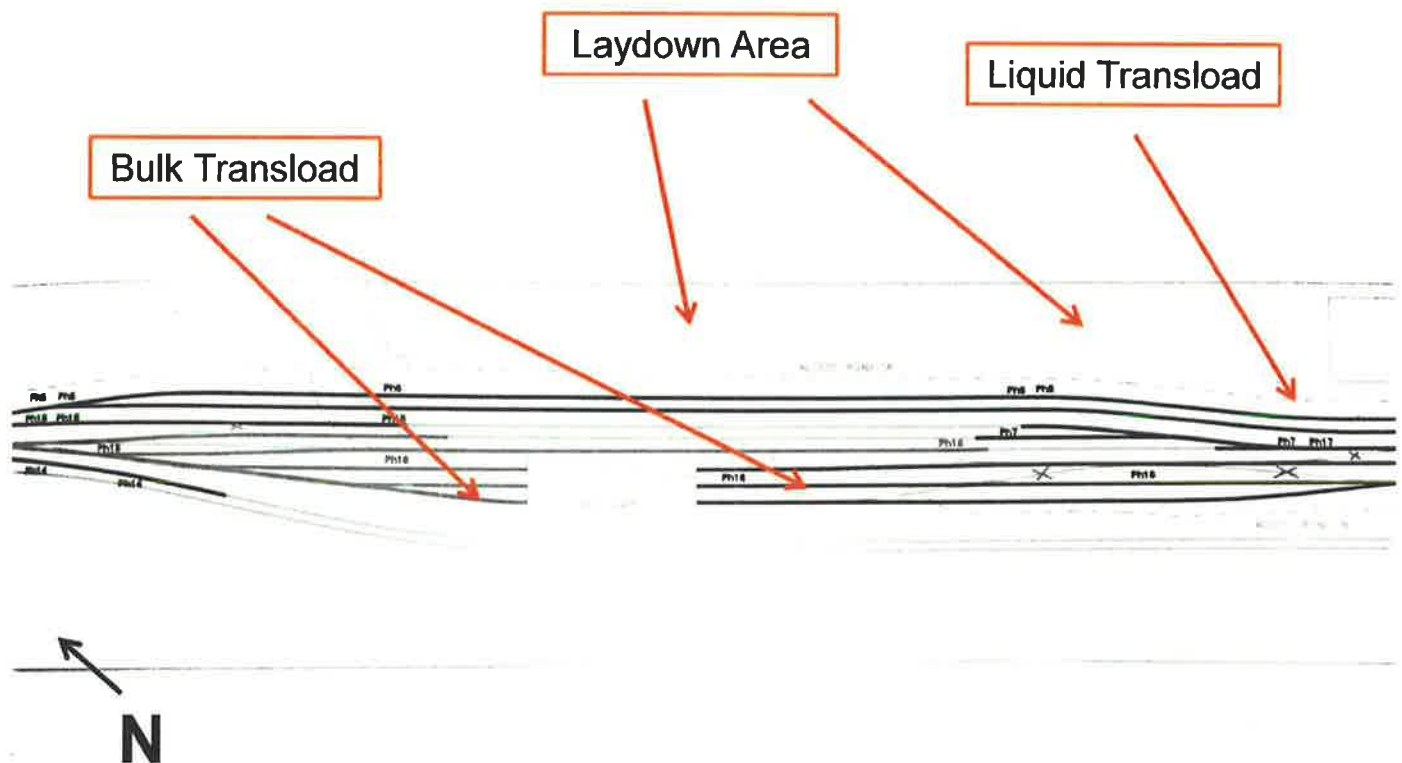


San Ysidro yard improvements

- Drainage control prevents flooding during storms, keeping the railroad operational



Transload Operations



Current Transload Operations

Liquid Materials



Planned Transload Operations

Bulk Materials



SDIV Choice Terminal Marketing

A Bulk Transload Solution to Reduce Transportation Costs and Help Grow Your Business

San Diego & Imperial Valley Railroad



The answer to direct requests from area businesses, **San Diego & Imperial Valley Railroad's new Choice Terminal™** allows you to tap into the value of rail economics, while continuing to receive trucks at your facility as always. By decreasing the distance of the truck haul, delays and shortages are reduced or eliminated. Having inventory closer to your facility at all times means a very short truck haul to get more product.

The Choice Terminal also provides your business with access to local and international markets via connections with BNSF Railway and the adjacent Tijuana border crossing.

San Diego & Imperial Valley Railroad is a subsidiary of Union Pacific Corporation. Union Pacific is an Equal Opportunity Employer. Minorities and women are encouraged to apply. The Company is an Equal Opportunity Employer. Minorities and women are encouraged to apply. The Company is an Equal Opportunity Employer. Minorities and women are encouraged to apply.

SDIV Choice Terminal features:

- One centralized transload location at SDIV's recently expanded San Ysidro rail yard
- Inventory management
- Transload services from conveyor, forklift or pump
- 50 paved railcar transload spots
- Open truck access
- Experienced transload contractor on site
- Flexible hours
- Security fences and camera

For more information on how the SDIV Choice Terminal can meet your transportation needs, contact Jared Goetz, Director of Sales and Marketing for SDIV, at 480-308-8532 or Jared.Goetz@sdivr.com.

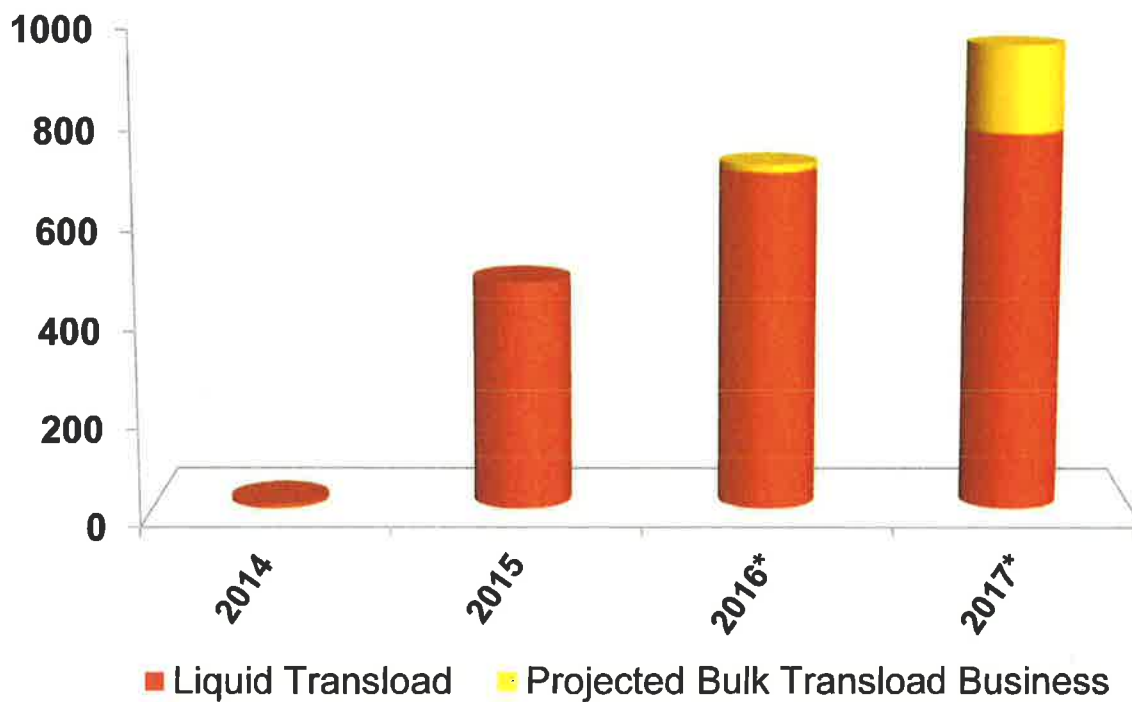


- Press Release in various industry publications
- Used Hoover Company Profile Data to identify over 250 potential new rail users within 50-mile radius
- Sales Blitz in San Diego market area to advertise and determine transload need
- Cold calls
- Referrals from existing customers

Railcar Transload Volume on SDIY

Number of Transloads Performed at San Ysidro

San Diego & Imperial
Valley Railroad



*Projected Volumes Q4 2016 and Q1-4 2017

**Zero
Injuries**

Our Goal Every Day

Agenda Item No. 4

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

October 11, 2016

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 was not submitted in time for the mail-out.

Attachment: To be provided at the meeting



Pacific Southwest Railway Museum

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

October 9, 2016

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

Re: Third Quarter 2016

Dear SD&AE Board:

During the third quarter of 2016, utilizing all volunteer crews, the Pacific Southwest Railway Museum ran 88 Valley Flyer passenger trains carrying 183 passengers during 16 operating days. There were no FRA reportable accidents or injuries during the third quarter, 2016. Total income from SD&AE property for third quarter, 2016 was \$7,160.85. Our check for \$143.22 will follow under separate cover. By comparison, PSRM carried 658 passengers during the third quarter of 2015 and total income from SD&AE property was \$14,160.

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

658 passengers during the third quarter of 2015
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

When planning the operating schedule for 2016, a decision was made to extend our summer schedule into the beginning of October when in past years the summer schedule ended on Labor Day weekend. Additionally, trains were operated on Sundays only during the summer season schedule as opposed to Saturdays only during the summer for the two previous years. The train rides operated during the third quarter of this year were two mile round-trip caboose trains, within the Campo Valley at a lower fare. The results of this experiment did not yield favorable results in some areas and the data will be used in determining the 2017 summer schedule. The last day of the summer schedule was Sunday, October 2. Pumpkin Trains will operate every

Saturday and Sunday through the end of October. Every Saturday and Sunday from November 5 through the 20th, the museum will operate caboose trains. Every Friday and Saturday evening beginning Friday, November 25, 2016 through Saturday, December 17th the museum will operate its popular North Pole trains; pre-sales are strong with first class sold out.

PSRM continues to maintain both signalized railroad crossings within our right of way limits performing the monthly and quarterly inspections. PSRM also performs routine track inspections between MP 59.9 and 66.77. Our volunteer track crew continues to perform track maintenance tasks, particularly tie replacement on the mainline.

I would like to invite the members of this board and staff, Pacific Imperial Railroad and Baja Railroad to join us on one of two North Pole train rides on the private Pullman Robert Peary Friday, December 16, 2016 at the 5:00 pm or 7:00 pm departure. Both time slots have been reserved for you with a capacity of twenty persons per train departure.

Sincerely,

A handwritten signature in cursive script that reads "Diana Hyatt". The signature is written in dark ink and has a fluid, connected style.

Diana Hyatt
President

Agenda Item No. 5

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

October 11, 2016

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



Full Rail Service



www.dlg.com.mx

Exhibit 1

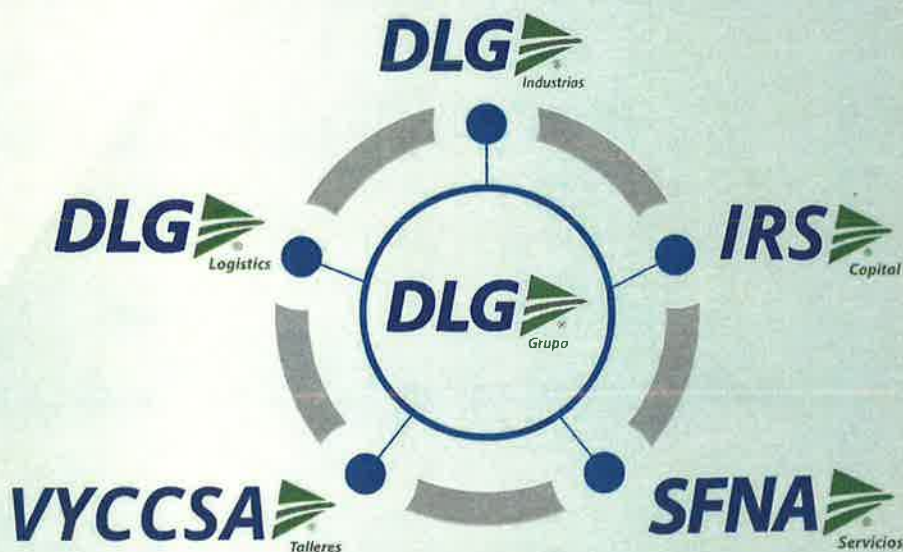




About Us

Since its foundation in 1962, DLG has actively participated in the development of the Mexican Railway Industry.

DLG Group has evolved from a car repair shop to become a group that offers complete rail services to the North American market with quality products and reliable services, covering all areas of the Railroad Industry.



**DLG
81249**

LIM. CGA 91200 KGS
TARA 28100 KGS

CAPACIDAD DE CARGA
110249 KGS

DLG Industrias

It has the AAR M-1003 quality certification for reconstruction and maintenance of freight cars and components. We do track design, construction and maintenance as well. Also manufacturing of steel structures.

Infraestructure

- Track Maintenance.
- New Track construction.
- Manufacturing of metal structures and bridges.

Mechanical Repairs AAR

- Light, medium and heavy repairs to all types of rolling stock.
- Reconstruction and modification of cars.
- Side frame and bolsters reconditioning.
- Manufacture of box car sliding doors.
- Blast, paint and cleaning.
- Mobile units.





VYCCSA Talleres



Company with over 40 years of experience in manufacturing turnouts, switches and special track work.

Products

- Manufacture of all types of switches.
- Reconditioning of used switches.
- Track components and accessories.





SFNA Servicios

Company founded in 1995, it has full AAR M-1003 certification which guarantees the quality of our products and services.

Main Services

- Axles machining.
- New wheels.
- U-TUBE overhaul.





DLG Logistics



Logistic services company with national coverage.

The objective is to assure the delivery of products and services on time and with quality.

Main Services

- Logistics specialized in the rail industry.
- Public Transport Services.



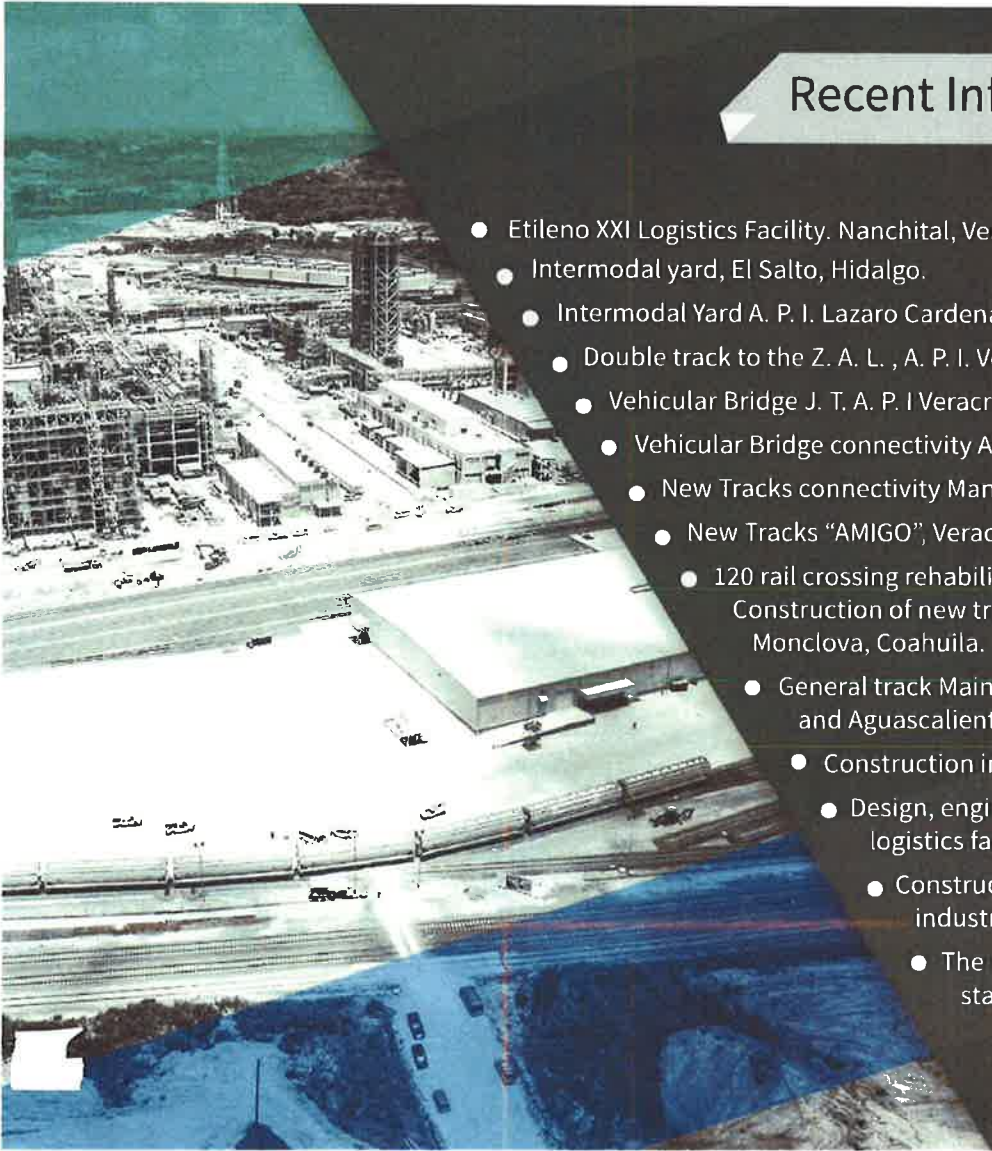
IRS Capital

Financial company,
registered in CONDUSEF and CNBV
designed primarily to finance
commercial, industrial and personal
projects.

Services

- Financing of track construction and rolling stock maintenance projects.
- Financing DLG Group's employees, customers and suppliers.
- Leasing of machinery and equipment.





Recent Infrastructure Projects

- Etileno XXI Logistics Facility. Nanchital, Veracruz.
- Intermodal yard, El Salto, Hidalgo.
- Intermodal Yard A. P. I. Lazaro Cardenas.
- Double track to the Z. A. L. , A. P. I. Veracruz.
- Vehicular Bridge J. T. A. P. I Veracruz.
- Vehicular Bridge connectivity Area North Manzanillo, Colima.
- New Tracks connectivity Manzanillo, Colima.
- New Tracks "AMIGO", Veracruz.
- 120 rail crossing rehabilitation and signaling for S. C. T. Construction of new tracks, FenixProject, ICAFluor, Monclova, Coahuila.
- General track Maintenance Cemexplants in Ciudad Valles and Aguascalientes.
- Construction in 1.3 km of new track for ROCLA.
- Design, engineering and construction of the logistics facility in EtilenoXXI.
- Construction of minerals tracks and at the industrial port of Altamira, Tams.
- The new NBA line of Celaya bypass; in the state of Guanajuato.



Our Locations



Pesquería, N.L. - Monterrey, N.L. - Monclova, Coah. - Chihuahua, Chih. - Manuel, Tamps.
Atamira, Tamps. - Valle de México, Edo. de Mex.

DLG
Grupo



Carretera Pesquería - Dulces Nombres km 4 #1000.
Col. Pesquería. Pesquería, NL, MX 66650.
Tel. +52 (81) 8196 - 4200 | 01 800 0000 DLG
contacto@grupodlg.com.mx



EMPRESA 100% MEXICANA



ASSOCIATION OF
AMERICAN RAILROADS

AREMA



COBERTURA NACIONAL



SUMMARY REPORT OF VISIT TO THE DESERT LINE FROM AUGUST 9TH TROUGH AUGUST 18TH 2016

Introduction:

On August 9th of 2016 a team composed of the following people initiated a visit to survey "The Desert Line" from Mile Post 59.6 to Mile Post 129.6:

- **Robert Smith (Certified Speeder and Hi-Rail Operator)**
- **Eliot Almada (Project Director for Baja California Railroad)**
- **Fernando Osorio Rodriguez (Senior Rail Engineer DLG)**
- **Fernando Osorio Gallardo (Rail Engineer DLG)**
- **Ulises Uribe Villanueva (Survey Analyst for DLG)**

The purpose of the visit was to evaluate The Desert Line, its railway, bridges and tunnels and present to BJRR a comprehensive Reconstruction Plan including labor and material costs that is to be submitted to PIR and MTS in compliance with section 1.3.1 of the **CALI-BAJA JOINT VENTURE SUBLEASE AND OPERATING AGREEMENT** that was executed by Pacific Imperial Railroad Inc., and BAJA CALIFORNIA RAILROAD INC. on June 9th, 2016.

All proper authorities were advised of the presence of the team in and near The Desert Line, including CBP, MTS and PIR. The proper Right of Entry (ROE) was in place prior to the visit.

Legal entry to the United States was done through the Tecate Port of Entry by team members. To transit the line, a BJRR Hi-Rail was used. The unit has \$1 million dollar Liability Insurance in place and is in full compliance (Blue Card) with FRA.

Track Warrants and Dispatching was done by Mr. J. LEVISH from The San Diego & Arizona Railway. During the length of the visit, operating of the BJRR Hi-Rail was provided by Mr. Robert Smith.

DAY BY DAY SUMMARY REPORT				
Date	Estimated Time spent	Traveling		Survey Evaluation
		From	to	
Tuesday Aug-09/2016	9 hrs	Jacumba MP 92.35	Tunnel No. 4 (USA side) at Division MP 60.00	<ul style="list-style-type: none"> • General rail track conditions. • Bridge MP 66.77 • Tunnel No. 4. • Bridge MP 60.08
Wednesday Aug-10/2016	8 hrs	Jacumba MP 92.35	MP 96.00	<ul style="list-style-type: none"> • General rail track conditions. • Bridge MP 93.68 • Bridge MP 95.08 • Bridge MP 95.88 • Bridge MP 95.86
Thursday Aug-11/2016	5 hrs	Jacumba MP 92.35	Campo 66.00	<ul style="list-style-type: none"> • One-mile rail track inspection from MP 68.00 to MP 69.00.
Friday Aug-12/2016	7 hrs	Ocotillo MP 120	MP 96.00	<ul style="list-style-type: none"> • Tunnel No. 5 • Bridge MP 96.11
Saturday Aug-13/2016	9 hrs	Jacumba MP 92.35	Ocotillo MP 120	<ul style="list-style-type: none"> • Bridge MP 97.33 • Bridge MP 97.39 • Bridge MP 97.68 • Bridge MP 97.89 • Bridge MP 97.94 • Bridge MP 98.31 • Tunnel No. 6 • Bridge MP 98.42
Sunday Aug-14/2016	7 hrs	Jacumba MP 92.35	Ocotillo MP 120	<ul style="list-style-type: none"> • Tunnel No. 8 • Tunnel No. 9 (MP 100.0)
Monday Aug-15/2016	8 hrs	Jacumba MP 92.35	Ocotillo MP 120	<ul style="list-style-type: none"> • Tunnel No. 10 (MP 100.17) • Bridge MP 100.37 • Tunnel No. 11 (MP 100.34) • Tunnel No. 12 (MP 100.95) • Tunnel No. 13 (MP 101.19) • Tunnel No. 14 (MP 101.46) • Tunnel No. 15 (MP 102.20) • Bridge MP 102.29 • Tunnel No. 16 (MP 102.41)
Tuesday Aug-16/2016	7 hrs	Jacumba MP 92.35	Ocotillo MP 120	<ul style="list-style-type: none"> • Tunnel No. 17 (MP 102.80) • Bridge MP 103.05 • Bridge MP 103.35 • Tunnel No. 18 (MP 103.63) • Bridge MP 103.76 • Bridge MP 103.97 • Bridge MP 104.27 • Bridge MP 104.32 • Bridge MP 104.37 • Tunnel No. 19 (MP 104.74) • Tunnel No. 20 (MP 105.55) • Tunnel No. 21 (MP 106.11)
Wednesday Aug-17/2016	8 hrs	Jacumba MP 92.35	Ocotillo MP 120	<ul style="list-style-type: none"> • Bridge MP 107.12 • Bridge MP 108.00 • Bridge MP 108.26 • Bridge MP 109.25 • Bridge MP 115.73 • Bridge MP 117.38 • Bridge MP 118.41 • Bridge MP 118.60 • Bridge MP 118.96 • Bridge MP 119.36 • Bridge MP 119.57 • Bridge MP 119.80 • Bridge MP 119.99 • Bridge MP 120.37

PHOTOGRAPHIC REPORT

Day 1 Tuesday Aug-09/2016



Day 2 Wednesday Aug-10/2016



Day 3 Thursday Aug-11/2016

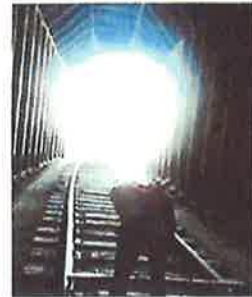


PHOTOGRAPHIC REPORT

Day 4 Friday Aug-12/2016



Day 5 Saturday Aug-13/2016



Day 6 Sunday Aug-14/2016



PHOTOGRAPHIC REPORT

Day 7 Monday Aug-15/2016



Day 8 Tuesday Aug-16/2016



PHOTOGRAPHIC REPORT

Day 9 Wednesday Aug-17/2016



Additional Comments:

During the entire visit, there were no major incidents to report. On day one of the visit, the team was approached by Border Patrol agents near Division for routine inspection. As the team exited The Desert Line through the Tecate Port of Entry, **no materials or assets were brought back to Mexico.**



EXHIBITS

- 1. Email confirmation from CBP of knowledge of the visit**
- 2. BJRR Right of Entry Permit for the Desert Line**
- 3. Picture of Hi-Rail**
- 4. Proof of Liability Insurance of Hi-Rail**
- 5. Hi-Rail Blue Card**
- 6. Registration of Hi-Rail**
- 7. Track Warrant expedited by SAN DIEGO & ARIZONA RAILWAY**

Manuel Hernandez

De: SILVA, CARLOS NMI <CARLOS.NMI.SILVA@cbp.dhs.gov>
Enviado el: Friday, August 5, 2016 9:09 AM
Para: Antonio Otanez
CC: 'rromandia'; 'Manuel Hernandez'; ROBLES, CARLOS F; ROMERO, JUAN J
Asunto: RE: RECORRIDO VIA DEL DESIERTO

Lic. Antonio R. Otañez,

Antonio,

Buen día, me da gusto saludarlo y extendiendo me agradecimiento por la información del personal que estará realizando inspecciones de las vías en lado Norteamericano.

Asimismo, estaremos pendientes en dado caso que ocuparan algún permiso inmigratorio durante su estancia en EEUU.

Le daremos aviso a nuestros compañeros de la Patrulla Fronteriza (Border Patrol) para que así estén enterados que habrá movimientos en las próxima dos semanas en esa área que a ellos les corresponde patrullar.

Sin más por el momento, atentamente,

Carlos Silva

Port Director
OFO Chaplain
Customs & Border Protection
Tecate Port of Entry
Tecate, California
(619) 938-8301 Office
(619) 938-8304 Fax

From: Antonio Otanez [mailto:aotanez@bajarr.com]
Sent: Thursday, August 04, 2016 10:15 AM
To: ROBLES, CARLOS F <CARLOS.ROBLES@CBP.DHS.GOV>; ROMERO, JUAN J <JUAN.J.ROMERO@CBP.DHS.GOV>; SILVA, CARLOS NMI

[Número de página]

<CARLOS.NMI.SILVA@cbp.dhs.gov>
Cc: 'rromandia' <rromandia@bajarr.com>; 'Manuel Hernandez' <mhernandez@bajarr.com>
Subject: RECORRIDO VIA DEL DESIERTO

Chief Carlos Robles/ Carlos Silva

Buenos días, por medio del presente les envío un cordial saludo y así mismo les informo que a partir del próximo día Lunes 08 de Agosto, se contará con la presencia de la empresa DLG quienes vendrán a realizar una inspección de dos semanas a la vía del desierto específicamente de Division a Plaster City, por lo que me permito informarles los nombres de las personas que estarán realizando la inspección para que tengan conocimiento de esta situación.

Ing.. Ulises Uribe Villanueva -----Inspector de Vía
Ing.. Fernando Osorio Rodríguez---Ingeniero en Jefe del Proyecto
Ing.. Fernando Osorio Gallardo ---- Inspector de Vía
Arq. Eliot Almada Olea. -----Gerente de Proyectos BJRR
Sr. Robert Smith-----Conductor del High Rail
Lic. Antonio Otañez-----Gerente de Operaciones BJRR

En caso de requerir cualquier tipo de información adicional favor de solicitar por este medio y con todo gusto se las hare llegar a la brevedad posible.

Saludos...



Lic. Antonio R. Otañez
Gerente de Operaciones
Baja California Railroad Inc.

Office in Tijuana (01152-664-607-5168)
US Line in Tijuana (619) 207-4607
US Office (619) 934-3146
bajarr.com

[Número de página]

METROPOLITAN TRANSIT SYSTEM
AND SAN DIEGO AND ARIZONA EASTERN RAILWAY COMPANY

RIGHT OF ENTRY PERMIT

1. Permission is hereby granted by the San Diego Metropolitan Transit System (MTS), a California Public Agency, and/or the San Diego and Arizona Eastern Railway Company, Inc. (SD&AE) (hereinafter called "Permitter"), to ***Baja California Railroad, Inc.*** or its/their designee (Permittee) to enter upon MTS and/or SD&AE property (as described within Exhibit A site map attached hereto and made a part thereof) for the purpose(s) of ***conducting pre-construction field investigations and survey work under the direction of Pacific Imperial Railroad, Inc. at railroad milepost 59.94 to 130.0.***

This permission is granted with the understanding that the Permittee agrees to release MTS, SD&AE, and its contract operator(s) San Diego Trolley, Inc. (SDTI), and San Diego and Imperial Valley (SD&IV) Railroad from any liability arising out of Permittee's operations under this agreement. Furthermore, Permittee agrees to assume responsibility for any damages caused by reason of Permittee's operations under this agreement and will, at SD&AE's and/or MTS's option, either repair or pay for such damage.

2. Prior to beginning work, Permittee shall have provided MTS with satisfactory certification by a properly qualified representative of the Insurer(s) that the Permittee's insurance complies with this section.

Permittee shall include the MTS Document number and/or brief description of project including type of construction and location on all insurance-related correspondence, i.e., the insurance certificate itself.

All policies required shall be issued by companies who are licensed to do business in the State of California and hold a current policyholder's alphabetic and financial-size category rating of not less than A-VI, in accordance with A.M. Best.

A. COVERAGE REQUIRED - ALL PERMITS

(1) Liability

- (a) Commercial General Liability. At all times during this contract and, with respect to Products and Completed Operations Liability, for 12 months following the acceptance of the work by MTS, Permittee agrees to maintain Commercial General Liability Insurance for bodily injury and property damage in an occurrence form and with insurance companies acceptable to MTS. Commercial General Liability Insurance must include coverage for the following:

- Premises/Operations Liability
- Per Project Aggregate
- Products/Completed Operations Liability
- No Explosion, Collapse, and Underground (XCU) exclusion
- Contractual Liability, with respect to this agreement
- Personal Injury Liability

- Broad Form Property Damage
- Independent Contractors

All such policies shall name in the endorsement as additional insureds the following entities including their directors, officers, agents, and employees as their interests may appear:

- San Diego Metropolitan Transit System (MTS),
- San Diego Trolley, Inc. (SDTI),
- San Diego Vintage Trolley, Inc. (SDVTI)
- San Diego and Arizona Eastern Railway (SD&AE),
- San Diego and Imperial Valley Railroad (SD&IV),
- San Diego Transit Corporation (SDTC),
- Pacific Southwest Railway Museum, Assoc., Inc. (PSRM) and
- Pacific Imperial Railroad (PIR)

- (b) Automobile Liability. At all times during this contract, Permittee agrees to maintain Automobile Liability Insurance for bodily injury and property damage including coverage for all owned, nonowned, and hired vehicles.
- (c) Workers' Compensation/Employer Liability. At all times during this contract, Permittee agrees to maintain Workers' Compensation and Employers' Liability Insurance in compliance with the applicable statutory requirements.

B. ADDITIONAL COVERAGES REQUIRED (AS INDICATED)



(1) Railroad Protective or Equivalent
REQUIRED

Any exclusions relating to performance of operations within the vicinity of any railroad, bridge, trestle, track, roadbed, tunnel, underpass, or crossing must be deleted. Option: purchase separate Railroad Protective Liability Policy as required.



(2) Pollution Liability
REQUIRED

At all times during this contract, and for 24 months following, Permittee agrees to maintain Pollution Legal Liability Insurance with respect to services or operations under this agreement. The extended discovery period must be no less than 24 months.



(3) Primary and Non-Contributory Insurance
REQUIRED

Permittee agrees that all general liability coverages required under this insurance section are PRIMARY insurance and that any insurance of MTS, SDTI, SDVIT, SD&AE, SDTC, PSRM, and PRI shall be excess and noncontributory (endorsement required).

C. MINIMUM POLICY LIMITS REQUIRED

	Combined Single Limit (CSL)
Commercial General Liability (Per Occurrence)	\$2,000,000
General Aggregate	\$4,000,000
Automobile Liability	\$1,000,000
Federal Employers Liability Act (FELA)	\$10,000,000
FELA will be accepted in lieu of Worker's Compensation Employer's Liability	

Additional Coverages (as indicated under Section B, Additional Coverages Required):

<input checked="" type="checkbox"/> B (1) Railroad Protective (Per Occurrence)	\$3,000,000
General Aggregate	\$6,000,000
<input type="checkbox"/> B (2) Pollution Liability	\$

D. POLICY PROVISION REQUIRED

All policies and coverages shall contain a provision for 30 days written notice by the Insurer(s) to MTS Contracts Specialist of any cancellation or material reduction of coverage. A ten-day notice is required for non-payment of premium.

E. SPECIAL PROVISIONS

The foregoing requirements as to the types and limits of insurance coverage to be maintained by Permittee, and any approval of said insurance by MTS, SDTI, SD&AE, PIR, SD&IV, SDTC, CZRY and PSRM or their insurance Contractor(s) are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by Permittee pursuant to this agreement, including but not limited to the provisions concerning indemnification.

MTS reserves the right to stop Permittee work in the event of material noncompliance with the insurance requirements outlined above.

3. Permittee shall at all times, defend, indemnify, and save harmless Permitter against, and pay in full, all loss, damage, or expense, including attorney's fees, that Permitter may sustain, incur, or become liable for, resulting in any manner from the construction, maintenance, use, state of repair, or presence of Permittee's facilities and all necessary and proper fixtures and equipment for use in connection therewith, including any such loss, damage, or expense arising out of (a) loss of or damage to property and (b) injury to or death of persons, excepting any loss, damage, or expense and claims for loss, damage, or expense resulting from the sole negligence or willful act of the Permitter, its contractors, officers, agents, or employees.


4. The following condition(s) apply if checked:

- A. ☒ Permittee agrees to coordinate on a daily basis a reasonable access to all MTS/SD&AE facilities and with heavy rail operators Pacific Imperial Railroad (PIR), San Diego and Imperial Valley Railroad (SD&IV), and Pacific Southwest Railway Museum (PSRM). Freight and passenger trains operate on varying schedules.
- B. ☒ Permittee agrees to restore all facilities, improvements, landscaping, etc., to their original condition by the completion of work.
- C. ☒ Permittee agrees that no work by itself or its authorized agent will interfere with Railroad operations.
- D. ☒ Permittee shall deposit with Permitter the sum of **zero dollars (\$0.00)** representing the permit fee in connection with said work.
- E. ☒ Permittee shall provide written notice to MTS a minimum of 5 business days prior to the start of work on subject property and within 24 hours after completion of work to schedule and complete inspections.
- F. ☒ Permittee shall provide written notice to MTS of project changes or field plan revision that is related or impacts railroad property to review and accept prior to installing or beginning modified work plan.
- F. ☒ Permittee shall arrange a preconstruction and project progress meetings with MTS Right of Way Services at (619) 557-4501 to review procedure and possible facility conflicts in the vicinity of the proposed work. No work shall begin without holding the preconstruction meeting.
- G. ☒ Permittee shall obtain approval from MTS/SDA&E upon completion of work that all facilities have been restored to original or better condition. Permittee shall submit in writing a notice of completion of work per Section 4.E when work is completed in the right-of-way.
- H. ☒ Permittee shall maintain, at Permittee's expense, competent flagmen to protect and control movement of vehicles and equipment of Permittee while upon Permitter's premises. Work that involves personnel or equipment within 25 feet of the centerline of any active track or as deemed necessary by Trainmaster of operations must have a railway flagperson for the duration of the work. Permittee shall coordinate flagperson with PIR Trainmasters minimum of three (3) business days prior to the beginning of work.
- I. ☒ Permittee shall not store equipment, tools, and materials within 25 feet from the centerline of any operable track. No vehicular crossing over Permitter's tracks shall be installed or used by Permittee without prior written permission of Permitter.

- J. ☒ Permittee shall remove all of Permittee's tools, equipment, and materials from railroad premises promptly upon completion of work, restoring railroad premises to the same state and condition as when Permittee entered thereon.
- K. ☒ Permittee shall reimburse Permitter for all cost and expense incurred by Permitter in connection with said work, plan review and approval, and permit processing including without limitation the expense of furnishing such inspectors, watchmen, and rail flagmen as Permitter deems necessary, and restoration of Permitter's property to the same condition as when Permittee entered thereon, or a condition satisfactory to Permitter's representative.
- L. ☒ Permittee shall perform all work in accordance with applicable California Public Utilities Commission, OSHA regulations, AREMA standard guidelines and MTS/SDIV/PIR operations and safety policies.
- M. ☒ Permittee shall provide MTS updated project progress schedules and notice or subcontractors, construction detail plans, material certificates of compliance from manufactures or suppliers a minimum of 14 days prior to the start of work on subject property for review and acceptance as Permittee deems necessary.
- N. ☒ Permittee shall maintain safe access to all rail and public pedestrian facilities at all times. A minimum five-foot-wide accessible pedestrian path through the construction site shall be maintained at all times. The construction boundary shall consist of OSHA plastic mesh, or approved equal. Yellow caution tape is not acceptable.
- O. ☒ Permittee shall provide MTS upon request with project records, reports and set of as-built plans, to be submitted electronic pdf format, signed by a licensed engineer in the State of California within 30 days of work acceptance by MTS.
- P. ☒ Permittee shall maintain a copy of the executed Right of Entry permit at the site during this work.
- Q. ☒ Permittee shall contact Dig-Alert at (800) 422-4133 and Cable Pipe and Leak ("CPL") at (619) 574-0171 prior to any excavation in the Right-of-Way. (PIR) and or (SD&IV) representative personnel shall accompany CPL for any markout of railway facilities.

5. This permission is non-transferable and shall remain in force for one (1) year from the date signed by MTS if all options to the PIR operation agreement are exercised. MTS reserves the right to suspend and/or terminate this permission at any time.

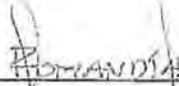
SAN DIEGO AND ARIZONA EASTERN
RAILWAY COMPANY



Paul C. Jablonski
President

Date: 7/15/16

BAJA CALIFORNIA RAILROAD, INC.



Signature

Name/Title: Roberto Romandia T.

Date: 19 JUL 2016

Baja California Railroad, Inc.
3065 Beyer Blvd. Suite B 103
San Diego, CA 92154

Phone Number: (619) 207-4607
Manuel Hernandez

Attachment(s): Exhibit A- Site Map

cc:

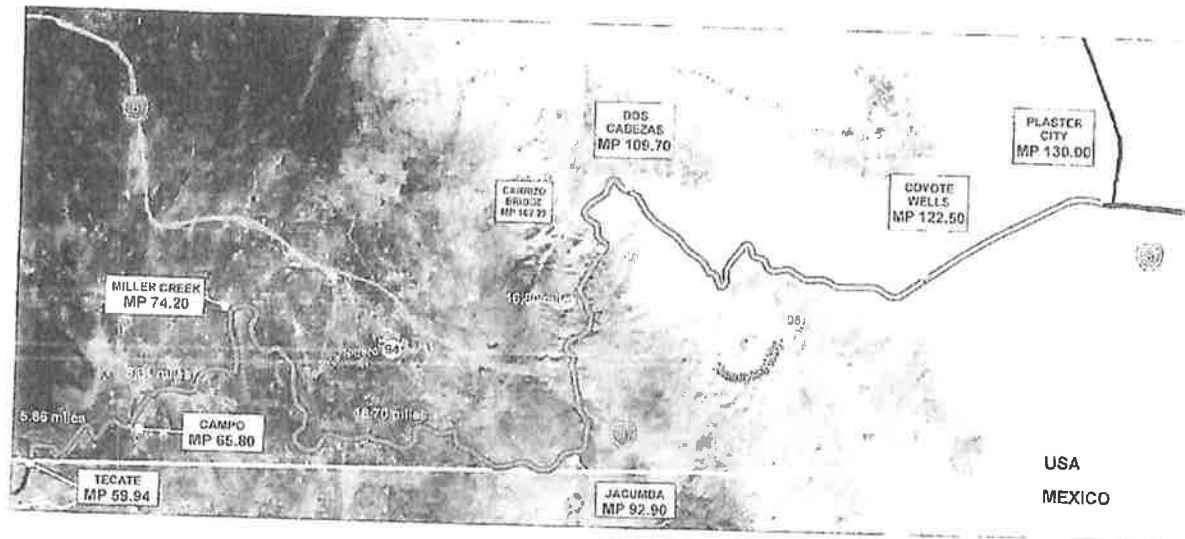
Tim Allison (MTS)

Arturo Alemany (PIR)

Exhibit A



DESERT LINE TRACK FROM MP 59.94 TO MP 130.00





Your ID Cards

Keep these cards handy—in your wallet or glove compartment—and contact us anytime you have a question or need to report a claim.

If you have a claim, we'll get you back on the road as soon as possible. And while you'll always have a choice where to repair your vehicle, when you use a shop in our preapproved network, we'll guarantee your repair for as long as you own or lease your vehicle.

Thank you for choosing Progressive.

Progressive Customer



PROGRESSIVE

FOLD PAGE ALONG PERFORATION AND TEAR

INSURANCE IDENTIFICATION CARD - California

Policy Number: 03653080-0 NAIC Number: 11770
 Effective Date: 07/14/2016 Expiration Date: 07/14/2017
 Policy Type: Commercial
 Insurer: United Financial Casualty Company 1-800-444-4487
 PO Box 94739 Cleveland, OH 44101
 Named Insured(s):
 BADA CALIFORNIA RAILROAD
 INC.
 Your Agent:
 LINCOLN TRANS INS 1-315-768-6110
 9920 AIRPORT RD
 ORISKANY, NY 13424
 Year: 2008 Make: Chevrolet Model: Silverado C2500 VIN: 1GCHK23K18F225719

THIS CARD LEFT BLANK INTENTIONALLY

Your policy meets the requirements of Section 16056.

FOLD PAGE ALONG PERFORATION AND TEAR

**Annual Hi-Rail Safety Inspection Checklist
FRA § 214.523**

Owner: BAJA CALIFORNIA RAILROAD INC Date: 6-18-2016
Vehicle Make: CHEVROLET Model: 2500 HD Year: 2008
VIN: 1G0K23K18F225719 License Tag - State & Number: (DCF) ZJB-866-L Mileage: 94542
Hi-Rail gear installed (Make & Model) Front HARSCO HRO307 SERIES A
Rear HARSCO HRO307 SERIES A

☒ Manufacturers Installation and/or Maintenance Manual (as applicable) Available

	<u>Sat</u>	<u>Unsat</u>
<input checked="" type="checkbox"/> Inspect Hi-Rail Assemblies for loose or missing parts.	<u> </u>	<u>✓</u>
<input checked="" type="checkbox"/> Inspect guide wheels wear per manufacturer's limits	<u> </u>	<u>✓</u>
<input checked="" type="checkbox"/> Inspect Tram or Alignment in accordance with manufacturer's limits & procedures	<u> </u>	<u>✓</u>
<input checked="" type="checkbox"/> Guide wheel gage within manufacturer's limits	<u> </u>	<u>✓</u>

Gage Front Axle: 56" Gage Rear Axle: 56"

REQUIRED ON NEW HI-RAIL VEHICLES

FRA § 214.7 Definitions

Hi-Rail vehicle, new means a hi-rail vehicle that is ordered after December 26, 2003 or that is completed after September 26, 2004.

- ☒ Back up alarm meeting FRA § 214.523 (c)(1) Installed.
- ☒ Warning light or Beacon meeting FRA § 214.523 (c)(1) Installed

Comments:

Signature: _____

1. A copy of this inspection report shall be kept on the hi-rail vehicle.

2. The hi-rail gear of this vehicle shall be inspected for safety at least annually and with no more than 14 months between inspections.

 Estados Unidos Mexicanos. Gobierno del Estado de Baja California Secretaría de Planeación y Finanzas Recaudación de Rentas					
TARJETA DE CIRCULACIÓN VEHICULAR			SERVICIO PARTICULAR  16497459		
Placas Número		Trámite			
ZJB866L		ALTA			
Oficina Expedidora		Número de Licencia			
REC. AUXILIAR VIA RAPIDA					
Fecha de Expedición	Entidad Federativa	Vigencia			
07/07/2016 13:39	BAJA CALIFORNIA	31/03/2017			
R.F.C.	Municipio				
BCR090209 IE3	TIJUANA				
Nombre del Propietario o Razón Social					
BAJA CALIFORNIA RAILROAD SA DE CV					
Titular o Usuario					
BAJA CALIFORNIA RAILROAD SA DE CV					
Localidad, Delegación o Población		Número de REPUVE			
TIJUANA					
Marca, Línea y Versión					
CHEVROLET TRUCKS SILVERADO REGULAR C					
Observaciones					
Clase y Tipo					
CAMION PICKUP					
Modelo	Puertas	Cilindros	Combustible		
2008	4	8	GASOLINA		
Capacidad		Número de Motor			
500 KG		25719			
No. de Identificación Vehicular					
1GCHK23K18F225719					
No. de Registro o Certificación de Propiedad					
164030516005704					
Color		Vehículo Origen			
BLANCO		FRONTERIZO			
Folio SCT	El Secretario de Planeación y Finanzas				
16497459	 ANTONIO VALADEZ RODRIGUEZ				

**SAN DIEGO & ARIZONA RAILWAY
TRACK WARRANT**

NO: **2016-089**

DATE: **August 9, 2016**

TO: **MOW - R. SMITH**

AT: **Miller Creek**

1. ☒ TRACK WARRANT NO(S) **2016-088** IS VOID.

2. ☐ PROCEED FROM _____ TO _____
ON _____ TRACK, _____ SUBDIVISION.

3. ☐ WORK BETWEEN _____ TO _____
ON _____ TRACK, _____ SUBDIVISION.

4. ☒ WORK BETWEEN **MP-74.0** AND **MP-59.9**
ON **MAIN** TRACK, **DESERT** SUBDIVISION.

5. ☒ NOT IN EFFECT UNTIL **07:00**

6. ☒ THIS AUTHORITY EXPIRES AT **19:00**

7. ☐ NOT IN EFFECT UNTIL AFTER ARRIVAL OF _____ AT _____

8. ☐ HOLD MAIN TRACK AT LAST NAMED POINT.

9. ☐ DO NOT FOUL LIMITS AHEAD OF _____

10. ☐ CLEAR MAIN TRACK AT LAST NAMED POINT.

11. ☐ BETWEEN _____ AND _____ MAKE ALL MOVEMENTS
AT RESTRICTED SPEED. LIMITS OCCUPIED BY TRAIN.

12. ☐ BETWEEN _____ AND _____ MAKE ALL MOVEMENTS
AT RESTRICTED SPEED. LIMITS OCCUPIED BY MEN OR EQUIPMENT.

13. ☐ DO NOT EXCEED _____ MPH BETWEEN _____ AND _____

14. ☐ DO NOT EXCEED _____ MPH BETWEEN _____ AND _____

15. ☒ FLAG PROTECTION NOT REQUIRED AGAINST FOLLOWING TRAINS ON THE SAME TRACK.

16. ☒ TRACK BULLETINS IN EFFECT: **A-080801**, , , , , , , , ,

17. ☐ OTHER SPECIFIC INSTRUCTIONS: _____

18. ☒ JOINT WITH: **MOW - G. ROGERS** BETWEEN **MP-65.1** AND **MP-59.9**
BETWEEN _____ AND _____

TRACK WARRANT HAS **7** BOXES MARKED: **1, 4, 5, 6, 15, 16, 18**, , , , , , ,

OK: **06:26** (TIME) DISPATCHER: **J. LEVISH - JAL**

RELAYED TO: _____ COPIED BY: _____

LIMITS REPORTED CLEAR AT _____ BY: _____

(Mark "X" in box for each item instructed)

Agenda

Item No. 6a

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

October 11, 2016

SUBJECT:

SUMMARY OF SD&AE DOCUMENTS ISSUED SINCE JULY 19, 2016

RECOMMENDATION:

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

Budget Impact

None.

DISCUSSION:

Since the July 19, 2016, SD&AE Railway Company Board of Directors meeting, the documents described below have been processed by staff.

- S200-16-638: Right of Entry Permit to the San Diego Bicycle Coalition for the Bike the Bay bike-ride event.
- S200-17-640: Right of Entry Permit to Like a Shot Entertainment for the filming of a documentary segment at the Goat Canyon Trestle on the Desert Line.
- S200-17-641: Right of Entry Permit to Baja California Railroad for Desert Line reconstruction-related activities.
- S200-17-642: Right of Entry Permit to Flatiron West, Inc. for reconstructing the SR 94 Campo Creek Bridge in Campo.

Agenda

Item No. 6b

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

October 11, 2016

SUBJECT:

LICENSE FOR COMMUNITY DOG PARK IN IMPERIAL BEACH

RECOMMENDATION:

That the SD&AE Railway Company Board of Directors approve issuing a license to the City of Imperial Beach for the portion of the proposed community dog park within SD&AE right-of-way located approximately between the intersection of 11th Street and Cherry Avenue and the intersection of Florida Street and Boulevard Avenue in Imperial Beach, CA.

Budget Impact

MTS expenses would be reimbursed for review, approval, processing, and construction oversight. No annual license fee is proposed.

DISCUSSION:

The attached letter dated September 6, 2016, (Attachment A) from the City of Imperial Beach (City) requests a license agreement for the portion of the proposed community dog park that would be in SD&AE railroad right-of-way. The attached location map (Attachment B) from the City shows the proposed boundary of the dog park, and the portion of the dog park that would be in SD&AE right-of-way is highlighted.

The improvements to the site would include a perimeter fence, park-like features, and landscaping. The existing railroad track within the SD&AE right-of-way in the proposed dog park would be covered and protected in place. There are no permanent structures proposed to be in the SD&AE right-of-way.

Attachments: A. Letter dated 9/6/16 from the City of Imperial Beach
B. Community Dog Park Location Map



City of Imperial Beach, California

OFFICE OF THE CITY MANAGER

825 Imperial Beach Blvd., Imperial Beach, CA 91932 Tel: (619) 423-8615 Fax: (619) 628-1395

Attachment A

September 6, 2016

San Diego Metropolitan Transit System
Attn: Paul C. Jablonski, CEO
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490

Dear Mr. Jablonski:

This City of Imperial Beach has identified a preferred location to establish a Community Dog Park that is on City owned vacant property east of the Imperial Beach Public Works facility at 495 10th Street. This proposed location also includes a section of the right-of-way for the San Diego & Arizona Eastern Railway Company. This letter is to initiate the formal request for a license agreement for the City of Imperial Beach to use this section of the San Diego & Arizona Eastern Railway Company right-of-way for the purpose of a Community Dog Park. Attachment 1 to this letter provides a map of the location for the Community Dog Park.

The proposed Community Dog Park will provide a safe and appropriate location for dog owners to recreate with their pets in a social and neighborhood environment. The establishment of a Dog Park will transform an unmaintained vacant lot into the City's first established neighborhood park facility for pet owners. The improvements to the site will include a perimeter fence, park like features, and landscaping. The existing railroad track on the property will be covered and protected in place. There are no permanent structures proposed for the railway right-of-way.

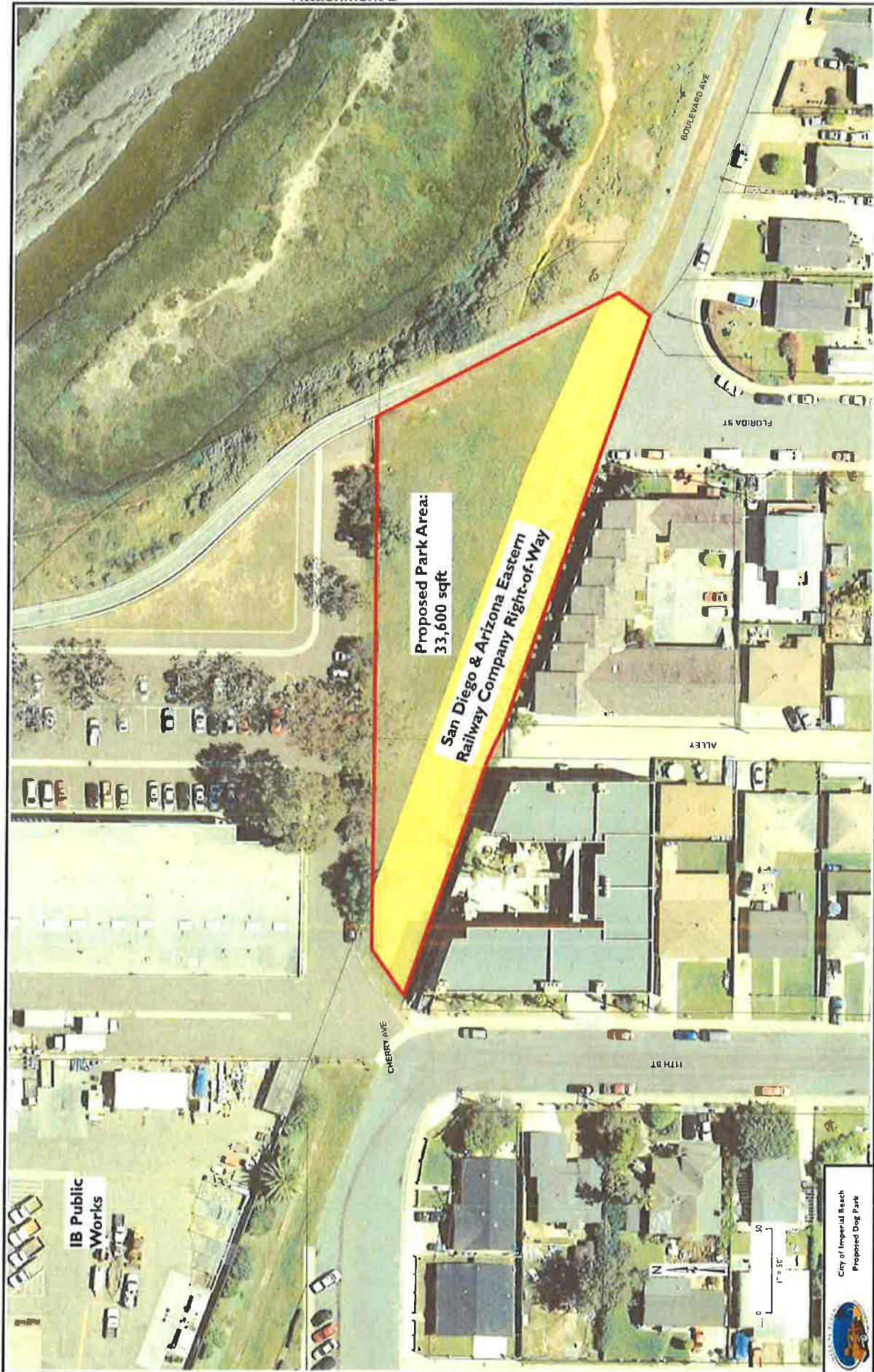
The establishment of a Community Dog Park is a priority for the City and we hope that this request for a license agreement is granted at the October 11, 2016 San Diego & Arizona Eastern (SD&AE) Railway Company Board of Directors meeting. Please let us know if you need additional information to fulfill this request.

Sincerely,

Andy Hall, AICP
Imperial Beach City Manager

Attachment 1: Community Dog Park Location Map

cc. Richard Rose
Tim Allison



Agenda

Item No. 6C

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

October 11, 2016

SUBJECT:

LICENSE AMENDMENT FOR BAYSHORE BIKEWAY BIKE PATH CONNECTION IN
IMPERIAL BEACH

RECOMMENDATION:

That the SD&AE Railway Company Board of Directors approve issuing a license amendment to the City of Imperial Beach for the proposed Bayshore Bikeway bike path connection located northwest of the intersection of 7th Street and Boulevard Avenue in Imperial Beach, CA.

Budget Impact

MTS expenses would be reimbursed for review, approval, processing, and construction oversight. No annual license fee is proposed.

DISCUSSION:

The attached letter with exhibits dated September 21, 2016, (Attachment A) from the City of Imperial Beach (City) requests a license agreement for a Bayshore Bikeway bike path connection to the existing bike path traversing the south side of San Diego Bay on the north side of the City of Imperial Beach. SD&AE previously approved a license for a portion of the Bayshore Bikeway bike path (MTS Doc. No. S200-00-093) dated August 18, 1999 (Attachment B).

The proposed bike path connection will extend from a City-approved, nearby residential project located northeast of State Route 75 and Rainbow Drive, then north to the Bayshore Bikeway located in the SD&AE right-of-way west of 7th Street. The improvements for the bike path connection would be comprised of asphalt concrete pavement and a 42" post and rail fencing.

Staff is proposing an amendment to the existing license to add the connection. The City will pay for all MTS expenses to review, approve, and process plans and the license amendment, and for all construction oversight costs. Consistent with other license agreements issued for the Bayshore Bikeway and consistent with the existing license, no annual license fee is proposed.

- Attachments:
- A. Letter dated September 21, 2016, from the City of Imperial Beach
 - B. Existing License Agreement (MTS Doc. No. S200-00-093)

Attachment A



City of Imperial Beach, California

COMMUNITY DEVELOPMENT DEPARTMENT

825 Imperial Beach Blvd., Imperial Beach, CA 91932 Tel: (619) 628-1356 Fax: (619) 424-4093

September 21, 2016

San Diego Metropolitan Transit System
Attn: Paul C. Jablonski, CEO
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490


RE: CITY OF IMPERIAL BEACH REQUEST FOR LICENSE AGREEMENT FOR BAYSHORE BIKEWAY BIKE PATH CONNECTION

Dear Mr. Jablonski:

On December 3, 2014 the City of Imperial Beach City Council adopted Resolution 2014-7529 approving a project application for a Conditional Use Permit, Design Review Case, Site Plan Review, Tentative Map, and Mitigated Negative Declaration for the redevelopment of an existing 124-space adult recreational vehicle park located at 500 Highway 75 into to a residential community of 190 townhomes and 3 detached single-family houses, for a total of 193 dwelling units, and related facilities ("Phase 1"), as well as the construction of a Class I Bike Path ("Bike Path") connecting the San Diego Bayshore Bikeway through the proposed residential community to Highway 75 ("Phase 2"). Phase 1 would feature a 100-foot buffer zone along Pond 10A of the South San Diego Bay Unit of the San Diego Bay National Wildlife Refuge, which would include an outer 50 feet of wetland creation and transition into an inner 50 feet that would contain the proposed Bike Path, bioretention areas, and associated Highway 75 improvements. Phase 2 would extend the Bike Path connection to the Bayshore Bikeway along the eastern boundary of Pond 10A. In addition, on August 13, 2015, the California Coastal Commission approved a coastal development permit for the project, including the Bike Path, although the amount of residential units was reduced from 193 units to 187.

Connecting the Bike Path to the Bayshore Bikeway would require traversing right-of-way owned by the San Diego & Arizona Eastern Railway Company. The City of Imperial Beach requests a license agreement for the railroad right-of-way crossing location. The improvements for the crossing location would be comprised of asphalt concrete pavement and 42" post and rail fencing. We appreciate your attention to the matter. Please contact me with any questions or concerns.

Sincerely,


Steve Dush

Assistant City Manager/Community Development Director
City of Imperial Beach
825 Imperial Beach Blvd.
Imperial Beach, CA 91932
Phone: (619) 628-1354 | E-Mail: sdush@imperialbeachca.gov

Bike Path Connection Exhibits



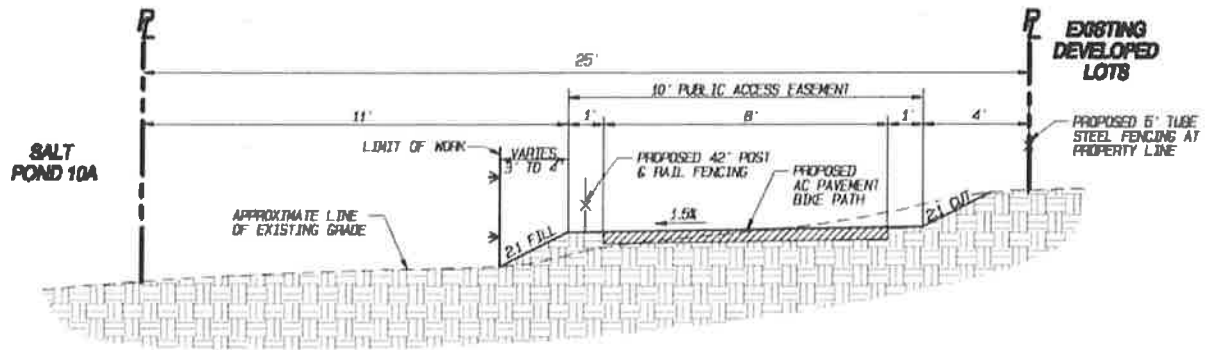
EXISTING ABANDONED
RAILROAD TRACKS

CONNECT TO
EXISTING BIKE PATH
EX FS 7.7 ±



APN 626-010-36

BIKE PATH



TYPICAL SECTION PROPOSED BIKE PATH

NOT TO SCALE

Attachment B

DWhite

MTDB/SD&AE Doc. No. S200-00-093
SDAE 700 (PC 40099)

**LICENSE TO PLACE PERMANENT IMPROVEMENTS
IN MTDB/SD&AE RIGHT-OF-WAY**

THIS LICENSE, made this 18th day of August 1999, between the San Diego and Arizona Eastern Railway Company (hereinafter referred to as "LICENSOR") and City of Imperial Beach (hereinafter referred to as "LICENSEE").

WITNESSETH, that LICENSOR, in consideration of zero dollar(s) (\$0), paid by LICENSEE to LICENSOR, covenant and agree as follows:

1. Subject to the terms and conditions hereinafter set forth, LICENSOR licenses LICENSEE to construct and maintain the following improvements (hereinafter IMPROVEMENTS) across, under, over, or along the right-of-way of LICENSOR of the type and at the location described below:

A bike path between 7th Street and 13th Street in Imperial Beach.

The exact location and description of the IMPROVEMENTS identified above are shown on the drawing marked Exhibit "A" consisting of 4 pages, attached hereon and part a part hereof, and subject to termination for future railway purposes at no expense or liability to LICENSOR.

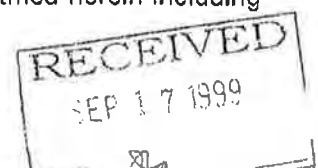
2. LICENSEE shall use the IMPROVEMENTS solely for the following purpose:

Operation and maintenance of bike path for recreation and shall not use it for any other purpose whatsoever.

3. LICENSEE shall, at its own cost and subject to the supervision and control of LICENSOR'S appointed representative - engineer, locate, construct, and maintain the IMPROVEMENTS in such a manner and of such material that it will not at any time be a source of danger or interference with the present or future operation of any facilities owned and/or operated by LICENSOR with LICENSOR'S right-of-way.

4. In cases where LICENSEE is permitted under Paragraph 2 hereof to use facilities considered potentially dangerous to facilities owned and operated by LICENSOR, special installation, construction, and maintenance requirements shall followed by LICENSEE as identified on Exhibit "B" attached hereto and made a part hereof. If at any time LICENSEE shall, in the judgment of LICENSOR, fail to perform properly its obligations under this paragraph, LICENSOR may, at its option, itself perform such work as it deems necessary for the safe operation of its facilities, and in such event LICENSEE agrees to pay, within fifteen (15) days after invoicing for such work performed, the cost so incurred by LICENSOR, but failure on the part of LICENSOR to perform the obligations of LICENSEE shall not release LICENSEE from liability hereunder for loss or damage occasioned thereby.

5. LICENSEE shall reimburse LICENSOR for any expenses incurred by LICENSOR during the installation, construction or maintenance of the IMPROVEMENTS identified herein including



but not limited to falsework to support LICENSOR'S tracks and for flagmen to protect its traffic.

6. LICENSEE shall at all times indemnify and hold harmless LICENSOR from any and all losses, damage, expenses, or liabilities that LICENSOR may incur as a result of the installation, construction, maintenance, use, existence, or state of repair of the IMPROVEMENTS identified herein.
7. If at any time LICENSEE fails or refuses to comply with or carry out any or all of the covenants herein, LICENSOR may, at its election, revoke this license in accordance with the provisions of Paragraph 8.
8. THIS LICENSE is given by LICENSOR and accepted by LICENSEE upon the express condition that the same may be terminated at any time by either party upon thirty (30) days notice in writing to be served upon the other party, stating therein the date that such termination shall take place, and that upon the termination of this license in this or any other manner herein provided, LICENSEE, upon demand of LICENSOR, shall abandon the use of the IMPROVEMENTS and remove the same and restore the right-of-way and any other improvements or facilities within said right-of-way whether owned by LICENSOR or others to their original condition in which they were prior to the installation of the IMPROVEMENTS. In case LICENSEE fails to restore LICENSOR'S right-of-way and improvements or facilities as aforementioned within ten (10) days after the effective date of termination, LICENSOR may proceed with such work at the expense of LICENSEE. No termination hereof shall release LICENSEE from any liability or obligation hereunder, whether of indemnity or otherwise, resulting from any acts, omissions, or events happening prior to the date the IMPROVEMENTS are removed and the right-of-way of LICENSOR restored as above provided.
9. In the case of eviction of LICENSEE by anyone owning or obtaining title to the right-of-way on which the IMPROVEMENTS are located, or the sale or abandonment by LICENSOR of said right-of-way, LICENSOR shall not be liable to LICENSEE for any damage of any nature whatsoever or refund any payment made by LICENSEE to LICENSOR hereunder, except the proportionate part of any recurring rental charge which may have been paid hereunder in advance.
10. All notices to be given hereunder shall be given in writing, by depositing same in the United States mail duly registered or certified, with postage prepaid, and addressed to the LICENSEE or LICENSOR as the case may be at the addresses shown on the signature page hereof, or addressed to such other address as the parties hereto may from time to time designate.
11. In the event that two or more parties execute this instrument as LICENSEE, all the covenants and agreements of LICENSEE in this license shall be the joint and several covenants and agreements of such parties.
12. All the covenants and provisions of this instrument shall be binding upon and inure to the benefit of the successors, legal representatives and assigns of the parties to the same extent and effect as the same are binding upon and inure to the benefit of the parties hereto, but no assignment hereof by LICENSEE, its successors, legal representatives or

assigns, or any subsequent assignee, shall be binding upon LICENSOR without the written consent of LICENSOR in each instance.

13. Any work performed on LICENSOR'S right-of-way by LICENSEE or LICENSEE'S contractor shall be done in a satisfactory workmanlike manner and in accordance with plans and specifications approved by LICENSOR, and no work shall be permitted until said plans and specifications have been approved by LICENSOR.
14. LICENSEE shall obtain a valid RIGHT OF ENTRY permit from LICENSOR as a part of this license prior to entering upon LICENSOR'S right-of-way at any time whether to install, inspect, maintain, or remove the IMPROVEMENTS and shall comply with the terms, conditions, and requirements of said permit, including the insurance requirements, as a part of this license.

THIS LICENSE DOES NOT GRANT UNLIMITED ACCESS TO LICENSOR'S RIGHT-OF-WAY. FAILURE TO OBTAIN AND COMPLY WITH THE REQUIREMENTS OF A VALID RIGHT-OF-WAY PERMIT WILL BE SUFFICIENT REASON FOR LICENSOR TO TERMINATE THIS LICENSE.

15. Any contractor or subcontractor performing work on or in connection with the IMPROVEMENTS shall for the purpose of this agreement, and particularly for the purposes of Section 6 of this instrument, be conclusively deemed to be the servant and agent of LICENSEE acting on behalf and within the scope of such contractor's or subcontractor's employment for LICENSEE.

IN WITNESS WHEREOF:

SAN DIEGO AND ARIZONA EASTERN RAILWAY
COMPANY

LICENSEE (Name and Address)
please print

Barry Johnson
City Manager
City of Imperial Beach
825 Imperial Beach Boulevard
Imperial Beach, CA 91932


Signature

Date: 8/18/99

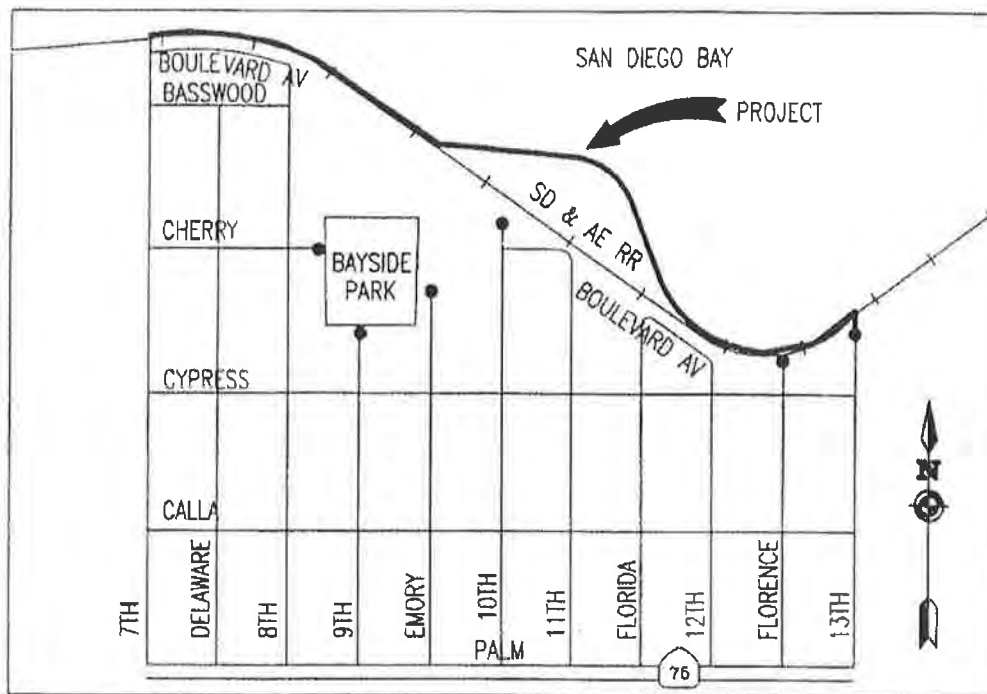
Date: 9-15-99

Phone: (619) 423-8303

PSmith/LIC-IMPBCH.DWHITE - 8/6/99

Attachments: Engineering Plan Vicinity Map, page 1
Page 2-4 Strip Map

POST



VICINITY MAP
NO SCALE

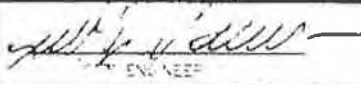


ON



7/23/96
DATE

94-48
JOB NO.

CITY OF IMPERIAL BEACH, CALIFORNIA ENGINEERING DEPARTMENT SHEET 1 OF 11 SHEETS					W.O. NO. _____
 33 10/96 ENGINEER DATE					
DESCRIPTION	BY	APPROVED	DATE	FILED	
ORIGINAL	B.D.S.				SEE CIV. ENGINEER
A CHANGE	B.D.S.				SEE CIV. COORDINATES
					SEE CIV. COORD. NOTES
CONTRACTOR _____ DATE STARTED _____ INSPECTOR _____ DATE COMPLETED _____					96-02-1-D

A CHANGE SHEETS 4 & 5

Agenda Item No. 7

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

October 11, 2016

SUBJECT:

APPROVAL OF THE 2017 SD&AE BOARD OF DIRECTORS MEETING SCHEDULE

RECOMMENDATION:

That the SD&AE Board of Directors approve the 2017 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 2017:

Tuesday, January 17, 2017	9:00 a.m.	(Fourth Quarter 2016 Reports)
Tuesday, April 11, 2017	9:00 a.m.	(First Quarter 2017 Reports)
Tuesday, July 18, 2017	9:00 a.m.	(Second Quarter 2017 Reports)
Tuesday, October 10, 2017	9:00 a.m.	(Third Quarter 2017 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 6, 2017
*Thursday, March 30, 2017
Friday, July 7, 2017
Friday, September 29, 2017

Materials Mailed

Wednesday, January 11, 2017
Wednesday, April 5, 2017
Wednesday, July 12, 2017
Wednesday, October 4, 2017

*Day changed due to Cesar Chavez holiday on March 31



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 10, 2016

SUBJECT:

INVESTMENT REPORT – SEPTEMBER 2016

**Draft for
Executive Committee
Review Date: 11/3/16**

INFORMATIONAL ONLY

Budget Impact

None.

DISCUSSION:

Attachment A comprises a report of the San Diego Metropolitan Transit System (MTS) investments as of September 30, 2016. The combined total of all investments has increased month to month from \$80.8 million to \$121.1 million. This \$40.3 million increase is attributable to \$52.3 million in Federal Transit Administration (FTA) preventive maintenance funds, partially offset by \$7.3 million in capital expenditures, the retention release of \$4.8 million to Siemens, as well as normal timing differences in other payments and receipts.

The first column provides details about investments restricted for capital improvement projects.

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

A handwritten signature in black ink that reads 'Sharon Cooney for'.

Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Investment Report for September 2016



**San Diego Metropolitan Transit System
Investment Report
September 30, 2016**

	Restricted	Unrestricted	Total	Average rate of return
Cash and Cash Equivalents				
JP Morgan Chase - concentration account	-	16,140,324	16,140,324	0.00%
Total Cash and Cash Equivalents	-	16,140,324	16,140,324	
Cash - Restricted for Capital Support				
San Diego County Investment Pool				
Proposition 1B TSGP grant funds	7,144,851	136,177	7,281,029	
Total Cash - Restricted for Capital Support	7,144,851	136,177	7,281,029	
Investments - Working Capital				
Local Agency Investment Fund (LAIF)	13,963,485	83,667,680	97,631,165	0.634%
Total Investments - Working Capital	13,963,485	83,667,680	97,631,165	
 Total cash and investments	 \$ 21,108,337	 \$ 99,944,181	 \$ 121,052,518	



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Agenda Item No. 8

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 10, 2016

**Draft for
Executive Committee
Review Date: 11/3/16**

SUBJECT:

LIGHT RAIL VEHICLE (LRV) REMOTE DIAGNOSTICS SYSTEM AND PUBLIC
ADDRESS SYSTEM INTEGRATION WITH VARIABLE MESSAGE SIGN SYSTEM –
CONTRACT AWARD

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1966.0-17, a Sole Source agreement, (in substantially the same format as Attachment A) with Davra Networks (Davra), for the integration of the remote diagnostics and telematics information and the public address (PA) system, with the variable message sign (VMS) system located at each of the trolley stations.

Budget Impact

Funding for the project is funded by capital improvement project (CIP) as shown below:

	CIP	Amount
Public Address System	2008101701	\$299,600
LRV Remote Diagnostics System	2008101601	\$299,950
Total Project		\$599,550

DISCUSSION:

In May 2015, MTS entered into a pilot project with Presidio Networked Solutions Group, LLC (Presidio) as the result of a competitive procurement process for the Next Train Arrival (NTA) project. The goal of MTS's NTA pilot was to develop a solution which would accurately display next train arrival information on the VMS located at each of the train stations. In addition, the system would also let passengers know:



- Route and Destination
- Updates on current travel disruptions
- Emergency messages

The pilot used Global Positioning System (GPS) latitude and longitude coordinates to pinpoint the location of each trolley. This information was used in combination with the train's unique route code to successfully create an algorithm which accurately predicts and displays on the VMS when the train will arrive at each station. Under the pilot project, Presidio engaged sub-contractor Davra for software development services using Davra's RuBAN™ software platform.

In November 2015, upon successful completion of the pilot, MTS entered into a another project with Presidio to implement the NTA solution system wide for all train lines (blue, green, and orange) which successfully went live in September 2016. Presidio used Davra's RuBAN™ platform for the system-wide engagement.

MTS plans to expand the availability of this information to the PA system by leveraging the RuBAN™ software platform upon which the NTA system was created and integrating this platform with the PA system by:

- Building an integration between the NTA and PA systems
- Transforming the NTA data feed for use with the PA system
- Creating a web based management interface for staff so that they can, from a single interface, easily manage both the VMS and PA platforms; including scheduling messages, turning off/on VMS and/or PA, performing remote system diagnostics
- Ensuring ADA compliance

MTS plans to expand the availability of this information to the Remote Diagnostics system by leveraging the RuBAN™ software platform upon which the NTA system was created and integrating this platform with the Remote Diagnostics system including, but not limited to the following:

- Allowing single point of contact and process for the entire LRV Fleet, regardless of vehicle type or technical problem
- Monitoring each LRV remotely by transmitting onboard diagnostic's information to the RuBAN™ database and application at MTS
- Capturing LRV Status and health, building out historic fault data or each vehicle, providing real-time location and condition reporting, trend analysis and reporting and also the potential to automatically create work orders in SAP system
- Efficient trouble fault analysis and troubleshooting by using remote monitoring and diagnostics capabilities
- Helping predict service costs year-over-year by determine recurring equipment and vehicle problems
- Allowing the maintenance schedule to reflect real world environmental data

In order to provide the most cost effective, efficient, and sustainable solution MTS had to work within already established equipment standards. MTS utilizes Daktronics signs at the trolley stations and Cisco technology for its network infrastructure, and Davra's RuBAN™ software as the NTA platform. Therefore, any proposed solution must integrate with the existing equipment and software in use at MTS.

While MTS successfully partnered with Presidio to deliver the desired solution during the pilot, and again for the production project, Presidio in turn sub-contracted the work directly to Davra to create and implement the NTA solution using Davra's RuBAN™ software. In the interest of cost, efficiency, and system knowledge, MTS wishes to engage directly with Davra for the Remote Diagnostics System project and the PA System Integration project as these projects will leverage existing RuBAN™ software implemented at MTS.


Considering that a significant amount of work has already been done under both the NTA pilot and production systems, and given that codes and programs used during the pilot are exclusive intellectual property, it is not expected that a separate competitive procurement will be of benefit to the agency so this project is recommended as a sole source.

Further, holding a competitive procurement process that could yield a different contractor would be considerably more expensive due to the significant mobilization period needed by the successor to become familiar with MTS's needs and the concepts behind the project. Staff recommends that MTS enters into a contract directly with Davra to facilitate a system-wide integration of MTS's NTA System with MTS's Remote Diagnostics system and MTS' PA system.

The table below shows the negotiated savings by a comparison of Davra's initial proposal and final proposal.

	MTS ICE	Davra's Initial Proposal	Davra's Final Proposal	MTS Negotiated Savings (Initial-Final proposal)
Public address system	\$331,550	\$437,000	\$299,600	\$137,400
LRV remote diagnostics system	\$325,660	\$599,200	\$299,950	\$299,250
Total Project	\$657,210	\$1,036,200	\$599,550	\$436,650

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute G1966.0-17, a Sole Source agreement, (in substantially the same format as Attachment A) with Davra Networks for the integration of the remote diagnostics system and the PA platform, with the VMS platform located at each of the trolley stations.


Paul C. Jablonski
Chief Executive Officer

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

Attachments: A. Draft Standard Services Agreement; Contract G1966.0-17
B. Cost Proposal Summary

G1966.0-17
CONTRACT NUMBER

FILE/PO NUMBER(S)

**STANDARD SERVICES AGREEMENT
FOR
LRV REMOTE DIAGNOSTICS SYSTEM & PA SYSTEM
INTEGRATION WITH VMS SYSTEM AT TROLLEY STATIONS**

THIS AGREEMENT is entered into this ____ day of _____, 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: Davra Networks Ltd. Address: 440 North Wolf Road

Form of Business: Corporation Sunnyvale, CA 94085

(Corporation, partnership, sole proprietor, etc.)

Telephone: (925) 918-5166

Telephone: (619) 425-0440 Email Address: brian.mcglynn@davranetworks.com

Authorized person to sign contracts: Brian McGlynn COO
Name Title

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

LRV remote diagnostics system and public address system integration with variable message sign system at trolley stations as specified in the Scope of Work (attached as Exhibit A), Davra Networks' cost proposal dated October 5, 2016 (attached as Exhibit B), and in accordance with the Standard Services Agreement, including Standard Conditions Services (attached as Exhibit C).

Payment terms shall be net 30 days from invoice date. The total cost of this contract shall not exceed \$599,550 without the express written consent of MTS.

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
\$299,600	2008101701
\$299,950	2008101601
By: _____	FISCAL YEAR
Chief Financial Officer	FY 17
(____ total pages, each bearing contract number)	FY 17
	Date
	SA-SERVICES

**ATTACHMENT B
TASKS AND COST**

Number of Hours/Days	Description of Work	Estimated Cost Per Day	Total Cost
Public Address System			
10 Days (80 Hours)	Load Testing Data Centre Environment	\$1,400	\$14,000
10 Days (80 hours)	DVS Server Integration –Modes switching	\$1,400	\$14,000
11.25 Days (90 hours)	Dynamic Templates	\$1,400	\$15,750
62.5 Days (500 Hours)	Operations PA Ad hoc messages UI	\$1,400	\$87,500
3.75 Days (50 Hours)	Scheduler Interface	\$1,400	\$8,750
3.75 Days (40 Hours)	Station Selection Wizard	\$1,400	\$7,000
3.75 Days (30 Hours)	Volume	\$1,400	\$5,250
3.75 Days (30 Hours)	Live announcements	\$1,400	\$5,250
10 Days (80 Hours)	IP7 Configuration	\$1,400	\$14,000
31.25 Days (250 Hours)	Singlewire Configuration on CUCM	\$1,400	\$43,750
18.75 Days (150 Hours)	RuBAN Singlewire integration – multicast/broadcast	\$1,400	\$26,250
5.6 Days (42 Hours)	Audio message administration	\$1,400	\$7,350
2.5 Days (20 Hours)	Ad hoc message safety	\$1,400	\$3,500
3.75 Days (30 Hours)	Text to Speech	\$1,400	\$5,250
10 Days (70 Hours)	Due train announcement	\$1,400	\$12,250
5 Days (30 Hours)	Active Directory	\$1,400	\$5,250
7.5 Days (60 Hours)	Solution Monitoring	\$1,400	\$10,500
(80 Hours)	Knowledge Transfer and Training	\$1,400	\$14,000
Sub Total Cost (Public Address System)			\$299,600
LRV Remote Diagnostics System			
10 Days (80 Hours)	Commission Data Centre Environment	\$1,400	\$14,000
10 Days (80 hours)	IOX Application	\$1,400	\$14,000
12 Days (100 hours)	Sibas16 Integration	\$1,400	\$17,500
25 Days	Sibas32 Integration	\$1,400	\$35,000

Number of Hours/Days	Description of Work	Estimated Cost Per Day	Total Cost
(200 Hours)			
42 Days (330 Hours)	Incident Management	\$1,400	\$57,750
10 Days (80 Hours)	Active Directory Integration	\$1,400	\$14,000
18 Days (144 Hours)	Web based remote Sibas16/32 troubleshooting	\$1,400	\$25,200
28 Days (230 Hours)	Fault Code Trend Analysis	\$1,400	\$40,250
15 Days (120 Hours)	Application health monitoring	\$1,400	\$21,000
14 Days (110 Hours)	SAP Integration	\$1,400	\$19,250
22 Days (176 Hours)	Timeseries sensor data	Phase 2	Phase 2
15 Days (360 Hours)	Driver Speed Analysis	Phase 2	Phase 2
30 Days (240 Hours)	Knowledge Transfer and Manuals	\$1,400	\$42,000
87.5 Days (700 Hours)	Predictive Maintenance	Phase 2	Phase 2
Sub Total Cost (LRV Remote Diagnostics System)			\$299,950
Grand Total (Public Address System & LRV Remote Diagnostics System)			\$599,550



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

Agenda Item No. 9

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 10, 2016

**Draft for
Executive Committee
Review Date: 11/3/16**

SUBJECT:

AUTHORIZATION TO INCREASE LEGAL SERVICE CONTRACT WITH TYSON &
MENDES, LLP TO PAY PROJECTED EXPENSES

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to approve increasing the Tyson & Mendes, LLP contract by \$200,000 to cover anticipated legal expenses.

Budget Impact

Sufficient funding has been programmed to pay these expenses in the FY 2017 operating budget. Payments will be drawn against the Risk Department legal services line item of the operating budget.

DISCUSSION:

MTS has an existing contract with the Tyson & Mendes, LLP law firm to defend MTS in the Calderon v. MTS lawsuit. The Calderon case is currently set for trial in January 2017. Today's action would increase the funding authorization on the Tyson & Mendes, LLP contract by \$200,000 to cover anticipated fees and costs through trial.


Paul C. Jablonski *for*
Chief Executive Officer

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

Attachment: A. Draft MTS Doc. No. G1824.2-15



DRAFT

November 10, 2016

MTS Doc. No. G1824.2-15
LEG 491 (PC 50633)

Tyson & Mendes, LLP
Mr. Robert Tyson, Jr.
Managing Partner
5661 La Jolla Blvd.
San Diego, CA 92037

Dear Mr. Tyson:

Subject: AMENDMENT NO. 2 TO MTS DOC. NO. G1824.0-15; LEGAL SERVICES – SPECIAL
LITIGATION (*CALDERON V MTS, et al*)

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

STATEMENT OF WORK

Continue to represent MTS as attorney of record in the Calderon v MTS, et al (SD case No. 37-2014-00019527-CU-PO-CTL) litigation, including all post-trial or appellate work, if any.

SCHEDULE

There shall be no changes to the contract schedule.

PAYMENT

This contract amendment shall authorize additional costs not to exceed \$200,000 for legal services. The total value of this contract including this amendment shall be in the amount of \$500,000. 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

Robert Tyson, Managing Partner
Tyson & Mendes, LLP

NOV2016.G1824.2-15.TYSON&MENDES.LEGAL.doc

Date: _____

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



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

Agenda Item No. 10

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 10, 2016

**Draft for
Executive Committee
Review Date: 11/3/16**

SUBJECT:

WORK ORDER CONTRACT APPROVAL FOR BEECH AND MIDDLETOWN
TRACKWORK AND SIGNALING PRELIMINARY ENGINEERING

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute Work Order 13.05 to MTS Doc. No. G1494.0-13 (in substantially the same format as Attachment A) with Pacific Railway Enterprises, Inc. to perform Design Engineering Services for the Beech and Middletown Double Crossovers project.

Budget Impact

The value of this Work Order will not exceed \$121,198 and will be funded by FY 2017 Capital Improvement Project (CIP) Nos. 2006101101 Middletown Double Crossover, and 2006101201, Beech Street Double Crossover.

DISCUSSION:

MTS currently operates with limited flexibility during emergencies/special operations between Santa Fe Depot and Washington Street due to the manual nature of the double crossover switches located between Beech Street and Ash Street. The Old Town Extension was constructed in the early 1990's and utilizes an automatic block signaling system with only one powered double crossover located just south of Old Town Transit Center Station.

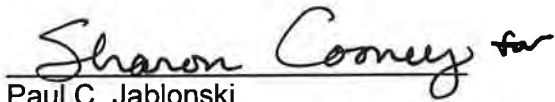
The Mid-Coast Project being constructed by SANDAG will extend the Blue Line from Santa Fe Depot to University Town Center with a goal of operating trolleys at 7.5-minute headways. However, access to the railroad corridor is very constrained and much of the maintenance of the line will be restricted to periods when tracks are taken out of service.



During the 2011 Orange Line and 2013 Blue Line Trolley Renewal projects, MTS and SANDAG designed the track, signaling, and overhead contact system (OCS) systems on the respective lines to facilitate single tracking to increase construction and maintenance work windows. As a result, work windows were extended from approximately 3 hours to 8 hours and the weekend single tracking operations were utilized providing 48 hour work windows.

In October 2012, MTS awarded a general engineering contract (MTS Doc. No. G1494.0-13) to Pacific Railway Enterprises, Inc. (PRE) for on-call environmental planning, engineering, and architectural services for the San Diego Trolley. The objective of this work order is to bring the same single tracking capability that was implemented in 2011 and 2013 to the Orange Line and Blue Lines, respectively, to the Old Town Corridor. This requires design engineering services to power and signal the Beech Street double crossover and construct a new Middletown Double Crossover to provide operating flexibility consistent with the other line segments. The proposed improvements will provide greater operational flexibility to accommodate special events, maintenance and unforeseen track outages to ensure service reliability.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to approve Work Order 13.05 to MTS Doc. No. G1494.0-13 with PRE to perform Design Engineering Services for the Beech and Middletown Double Crossover project.


Paul C. Jablonski
Chief Executive Officer

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

Attachments: A. Draft Work Order No. 13.05 (MTS Doc. No. G1494.0-13)
B. PRE Fee Proposal

November 10, 2016

MTS Doc. No. G1494.0-13
Work Order No. 13-05

Ms. Jennifer Purcell
President/CEO
Pacific Railway Enterprises, Inc.
3560 University Avenue, Suite F
Riverside, CA 92501

Dear Ms. Purcell:

Subject: MTS DOC. NO. G1494.0-13, WORK ORDER 13-05; BEECH AND MIDDLETOWN
TRACKWORK AND SIGNALING PRELIMINARY ENGINEERING

This letter shall serve as Work Order 13.05 to our agreement MTS Doc. No. G1494.0-13 for professional services under the General Construction Support Consultant Agreement, as further described below.

SCOPE OF SERVICES

Provide preliminary engineering concept documents, a funding estimate to complete improvements, survey data, environmental clearance, and 30% design documents for Beech and Middletown Double Crossovers Project in accordance with the attached Scope of Services (Attachment A and B).

SCHEDULE

The Scope of Services, as described above, shall extend through May 30, 2017, unless otherwise extended through an Amendment to this Work Order Agreement.

PAYMENT

Payment shall be based on actual costs, not to exceed \$121,198 without prior authorization.

If you agree with the above, please sign below, and return the document 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,

Accepted:

Paul C. Jablonski
Chief Executive Officer

Jennifer Purcell
President/CEO

Date: _____

CL-G1494.0-13.WO13.04.PRE.TNGUYEN

Attachments: Attachment A, Scope of Services
Attachment B, Fee Proposal

Task Order Title: **Beech and Middletown Trackwork and Signaling Preliminary Engineering**Prime Consultant: **Pacific Railway Enterprises, Inc.**Contract No.: **5001913**Task Order No.: **TBD**Amendment No.: **0**

Project No.:

Table 1 - Tasks Summary

Task Item No	WBS Cost - Code	Tasks Description	Labor Hrs	ODC ¹	Total Costs
1	0690-0255	Task Order Management	144	\$0.00	\$22,991
2	0600-0255	Field Survey and Investigation	60	\$52.00	\$9,875
3	0600-0255	Signaling Concept Development	232	\$0.00	\$28,668
4	0600-0255	Trackwork/OCS Development	310	\$177.00	\$42,714
5	0700-0270	Enviromental Clearance	120	\$225.00	\$16,951
Totals =			866	\$454.00	\$121,198

Table 2 - Consultant/Subconsultant Summary (Costs & Hours)

Select with "x" if applicable					Consultant	Labor Hrs	ODC ¹	Total Costs	% of Task Order
BENCH	DBE	UDBE	SB	OTHER					
x	x	x	x		Pacific Railway Enterprises, Inc.	344	\$0.00	\$45,464	37.5%
					HDR, Inc	494	\$454.00	\$70,671	58.3%
x	x				Aguirre & Associates	28	\$0.00	\$5,064	4.2%
Totals =						866	\$454.00	\$121,198	100%



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Agenda Item No. 11

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 10, 2016

**Draft for
Executive Committee
Review Date: 11/3/16**

SUBJECT:

HASTUS TIMEKEEPING IMPLEMENTATION FOR NON DRIVING EMPLOYEES

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1883.1-16 (in substantially the same format as Attachment A) with GIRO Inc., for the purchase of additional licensing for Roster and Daily Crew with SignIn/SignOut and FMLA; and the options to exercise Employee Performance Management (EPM) and SelfService modules for non-driving employees.

Budget Impact

The total value of this agreement shall not exceed \$242,000.00 for the purchase and implementation of:

- Roster and Daily Crew with SignIn/SignOut and FMLA Modules
- Employee Performance Management Module (Optional)
- Self Service Module (Optional)

Description	<i>Roster and DailyCrew with SignIn/SignOut and FMLA Modules</i>	<i>Employee Performance Management Module (optional)</i>	<i>SelfService Module (optional)</i>
License - Up to 500 non-driving employees	\$52,200	\$5,760	\$11,520
Professional Services	\$133,110	\$11,595	\$17,335
Travel Expenses	\$5,500	\$2,500	\$2,500
Total	\$190,810	\$19,855	\$31,335



This project is funded by Capital Improvement Project (CIP) No. 1007003101.

DISCUSSION:

Background

MTS currently uses GIRO's HASTUS scheduling system for scheduling, blocking, run-cutting, daily operations, payroll, and bus stop inventory purposes. Since its upgrade from HASTUS 2004 to HASTUS 2014, its functionalities have been expanded to include timekeeping capabilities in SignIn/SignOut, along with tracking FMLA and EPM through additional modules.

In April of 2015, SignIn/SignOut was implemented for all San Diego Transit Corporation (SDTC) and San Diego Trolley, Inc. (SDTI) operators as a timekeeping solution.

In October of 2016, HASTUS EPM and FMLA were implemented to track employee performance (discipline) and FMLA usage for SDTC and SDTI operators.

MTS currently uses Stromberg Enterprise version 4.1 for timekeeping of non-driving employees. Non-driving employees are defined as Light Rail Vehicle (LRV) mechanics, Maintenance of Way (MOW) and Track, MTS Facilities, MTS Revenue, MTS Security, MTS Stores, MTS Bus mechanics, MTS Telephone Information and MTS Bus Servicers.

Over the last decade, Stromberg has been acquired by various companies. The most notable acquisition was when Kronos acquired Stromberg in October 2009. Since then, new development on the Stromberg 4.1 application has been halted, leaving MTS with a legacy product. Stromberg is also running on a Windows Operating System that is no longer supported by Microsoft. Furthermore, Kronos has announced that it will end all support of the ATS Cyber time clocks, which are in use at MTS, on July 31, 2017.

In an effort to consolidate timekeeping systems and maintain a single system to support, MTS Management has collectively agreed to utilize and expand HASTUS timekeeping capabilities for the remaining non-driving employees that still interface with the legacy Stromberg timekeeping application.

Centralizing the management of FMLA is also a driving factor with implementing HASTUS as a timekeeping solution. MTS Human Resources currently maintains FMLA usage via multiple excel spreadsheets, which has proven to be extremely cumbersome and labor intensive.

Other departments such as Payroll would also benefit from implementing HASTUS timekeeping solution of Roster and Daily Crew with SignIn/SignOut. Payroll coordinators would interface with a single system, and generating the payroll files would become much more efficient.

GIRO also offers the SelfService website module of HASTUS, currently in use by SDTC Bus Operators, which allows employees to track their payroll reports, absences, see work calendars, bid for vacations and work, and many other features. If the module is

determined to be beneficial for non-driving employees, MTS would exercise the option to license and configure this module for these employees.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute MTS Doc. No. G1883.1-16 (in substantially the same format as Attachment A) with GIRO Inc., for the purchase of additional licensing for Roster and Daily Crew with SignIn/SignOut and FMLA for non-driving management employees; and the options to exercise Employee Performance Management (EPM) and SelfService modules for non-driving employees.

A handwritten signature in black ink that reads "Sharon Cooney for". The signature is written in a cursive, flowing style.

Paul C. Jablonski
Chief Executive Officer

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

Attachments: A. Draft Amendment No. 1 (G1883.1-16)
B. Giro Proposal

DRAFT

November 10, 2016

Doc. No. G1883.1-16

GIRO, Inc.
François Carignan
75 Rue De Port Royal-East, Suite 500
Montreal Quebec, Canada J3L3T1

Subject: AMENDMENT NO. 1 TO MTS DOC. NO. G1883.0-16; HASTUS

This shall serve as Amendment No. 1 to our agreement for the HASTUS Scheduling System Software as further described below.

SCOPE OF SERVICES

The scope of work is amended to add licensing for modules of the MTS HASTUS suite for use in support of MTS non-driving personnel management, and services to configure the modules as shown in Giro's proposal attached as Exhibit A.

SCHEDULE

There shall be no changes to the schedule provision of this agreement.

PAYMENT

The total cost for this amendment is \$190,810 as shown in Exhibit A.

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

François Carignan
GIRO, Inc.

Date: _____

Typist
DS- G1883.1-16.GIRO

Cc: J.M.Reyes, D. Braun, D. Singleton, Contract File

ATTACHMENT B

G1883.1-16

November 10, 2016

Cost summary

Table 4 outlines the cost summary for the processing of MTS agencies non-driving personnel in *HASTUS* using the modules as indicated.

Description	<i>Roster and DailyCrew with SignIn/SignOut and FMLA</i>	<i>EPM (optional)</i>	<i>SelfService (optional)</i>
License (Up to 500 non-driving employees)	\$ 52,200	\$ 5,760	\$11,520
Work and services	\$133,110	\$11,595	\$17,335
Expenses	\$ 5,500	\$ 2,500	\$ 2,500
Total	\$190,810	\$19,855	\$31,335

Table 4 – Cost summary – Addition of up to 500 non-driving personnel to *HASTUS* (year 2016).

Expenses include air fare, transportation, hotel, meals, and incidentals for on-site visits.



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Agenda Item No. 12

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 10, 2016

**Draft for
Executive Committee
Review Date: 11/3/16**

SUBJECT:

JANITORIAL SERVICES FOR SAN DIEGO TROLLEY, INC. (SDTI) & SAN DIEGO
TRANSIT CORPORATION (SDTC) BUILDINGS AND LIGHT RAIL VEHICLE (LRV)
FLEET – CONTRACT AWARD

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1931.0-16 (in substantially the same format as Attachment A) with NMS Management, Inc. (NMS), a Disadvantaged Business Enterprise (DBE), for the provision of janitorial services for SDTI & SDTC buildings and the LRV fleet for three (3) base years with three (3) 1-year options, exercisable at MTS's sole discretion.

Budget Impact

The amount for the base years is \$3,990,618.63 and the optional years is \$4,111,539.10, exercisable at MTS's sole discretion, for a not to exceed total of \$8,102,157.73.

The project will be funded as follows:

See chart on next page.



		BASE YEARS			TOTAL PER CATERGORY
	COST CENTER	YEAR 1	YEAR 2	YEAR 3	
LRV Fleet	350016-536150	\$1,084,636.23	\$1,095,482.59	\$1,106,437.45	\$3,286,556.27
SDTI Buildings	350016-571210	\$67,754.82	\$68,432.22	\$69,116.94	\$205,303.98
IAD Buildings	331014-536400	\$95,473.52	\$96,429.44	\$97,393.76	\$289,296.72
KMD Buildings	331014-536400	\$69,127.06	\$69,818.22	\$70,516.38	\$209,461.66
TOTAL		\$1,316,991.63	\$1,330,162.47	\$1,343,464.53	\$3,990,618.63

		OPTION YEARS			TOTAL PER CATERGORY
	COST CENTER	YEAR 4	YEAR 5	YEAR 6	
LRV Fleet	350016-536150	\$1,117,501.54	\$1,128,676.80	\$1,139,963.68	\$3,386,142.02
SDTI Buildings	350016-571210	\$69,807.66	\$70,505.90	\$71,211.00	\$211,524.56
IAD Buildings	331014-536400	\$98,367.64	\$99,351.32	\$100,344.92	\$298,063.88
KMD Buildings	331014-536400	\$71,221.62	\$71,933.80	\$72,653.22	\$215,808.64
TOTAL		\$1,356,898.46	\$1,370,467.82	\$1,384,172.82	\$4,111,539.10

OVERALL TOTAL FOR 6 YEARS **\$8,102,157.73**

DISCUSSION:

MTS requires regular janitorial services for the following properties and LRV fleet:

SDTC:

- Imperial Avenue Division (IAD)
- Kearny Mesa Division (KMD)

SDTI:

- Buildings A, B, C, LRV Maintenance Trailer and Trolley Yard Tower
- Entire Light Rail Vehicle Fleet (including PCC cars)
- 12th and Imperial Station (LRVs only)
- Santa Fe Depot Station (LRVs only)
- San Ysidro Station (LRVs only)

Janitorial services are provided seven days a week, every calendar day, with many buildings receiving multiple cleanings per day.

LRV fleet cleaning includes an average of 60 cleaned each daytime and an average of 110 cleaned each night.

The 12th and Imperial Station, Santa Fe Depot Station and San Ysidro Station will each have one individual to clean LRVs as they layover, for cleaning duties such as trash removal, liquid spill cleanup or mop floors on rainy days, as vehicles wait for extended periods (minutes) in between schedules.

MTS Policy No. 52, "Procurement of Goods and Services", requires a formal competitive process for procurements and service contracts over \$100,000. On July 22, 2016, MTS

issued a Request for Proposals for janitorial services. Five proposals were received by the due date of September 6, 2016 from the following:

1. Aztec Janitorial Services, Lemon Grove, CA 91915
2. NMS Management, Inc, (DBE), National City, CA 91950
3. Nova Commercial Co., Inc, National City, CA 91950
4. Pride Industries, Roseville, CA 95747
5. T&T Janitorial, Inc, (DBE), San Diego, CA 92196

All five proposals were deemed responsive and responsible and were evaluated by a committee comprised of representatives from MTS Finance, SDTC and SDTI. On September 16, 2016 the proposals were evaluated on the following:

- | | |
|--|-------------|
| 1. Qualifications of the Firm or Individual | 15% |
| 2. Staffing, Organization, and Management Plan | 20% |
| 3. Work Plan | 35% |
| 4. Cost/Price | 30% |
| Total | 100% |

The following table illustrates the total scores and ranking of each:

Proposer	Total Avg. Tech. Score	Initial Price Proposal	Cost Score	Total Avg Score Total Possible:100	Ranking
NMS (DBE)	63.00	\$8,102,157.73	30.00	93.00	1
Nova	45.00	\$9,514,605.87	25.55	70.55	2
Aztec	40.40	\$8,526,321.21	28.51	68.91	3
Pride Industries	44.00	\$12,180,671.68	19.95	63.95	4
T&T Janitorial (DBE)	28.80	\$8,506,836.00	28.57	57.37	5

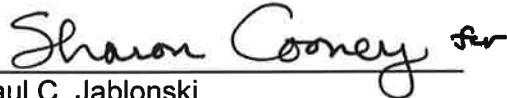
The evaluation committee unanimously decided that NMS's proposal presented the best overall value to MTS. Therefore, based on the superior initial scoring, the evaluation committee invited NMS for oral presentations, interviews and discussions. On October 11, 2016, NMS submitted a revised proposal with confirmation on adherence to minimum wage requirements.

By comparison of the initial proposal to MTS's Independent Cost Estimate (ICE), the table below shows MTS savings:

Year	MTS ICE	NMS	MTS Savings
Year 1	\$1,350,513.13	\$1,316,991.63	\$33,521.50
Year 2	\$1,394,699.16	\$1,330,162.47	\$64,536.69
Year 3	\$1,440,394.27	\$1,343,464.53	\$96,929.74
Year 4	\$1,487,652.97	\$1,356,898.46	\$130,754.51
Year 5	\$1,536,531.78	\$1,370,467.82	\$166,063.96
Year 6	\$1,587,089.42	\$1,384,172.82	\$202,916.60
Total	\$8,796,880.74	\$8,102,157.73	\$694,723.01

Based on the objectives of this procurement, consideration of the evaluation criteria and NMS's technical and price proposals, the evaluation team determined that NMS presented the best overall value to MTS.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute MTS Doc. No. G1931.0-16 (in substantially the same format as Attachment A) with NMS Management, Inc. (NMS), a DBE, for the provision of Janitorial Services for SDTI/SDTC buildings and Light Rail Vehicle (LRV) fleet for three (3) base years with three (3) 1-year options, exercisable at MTS's sole discretion.

A handwritten signature in cursive script that reads "Sharon Cooney" followed by a small "for" in a separate word.

Paul C. Jablonski
Chief Executive Officer

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

Attachments: A. Draft Standard Services Agreement; Contract G1931.0-16
B. Cost Proposal Summary

G1931.0-16
CONTRACT NUMBER

FILE/PO NUMBER(S)

**STANDARD SERVICES AGREEMENT
FOR
JANITORIAL SERVICES FOR SDTI & SDTC BUILDINGS
AND LRV FLEET**

THIS AGREEMENT is entered into this 1st day of January 2017, 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: NMS Management, Inc Address: 155 West 35th Street, Suite A

Form of Business: Corporation National City, CA 91950
(Corporation, partnership, sole proprietor, etc.)

Telephone: (858) 336-8837

Telephone: (619) 425-0440 Email Address: nmsmanagement@msn.com

Authorized person to sign contracts: David Guaderrama President
Name Title

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

Janitorial services for SDTI & SDTC buildings and LRV fleet as specified in the Scope of Work (attached as Exhibit A), NMS Management's cost proposal dated September 6, 2016 (attached as Exhibit B), and in accordance with the Standard Services Agreement, including Standard Conditions Services (attached as Exhibit C) and Federal Requirements (attached as Exhibit D).

The contract term is for up to a three (3)-year base period and three (3) 1-year option terms, exercisable at MTS' sole discretion, for a total of six years. Base period shall be effective January 1, 2017 through December 31, 2019, and option years shall be January 1, 2020 through December 31, 2022, if exercised by MTS.

Payment terms shall be net 30 days from invoice date. The total cost of this contract shall not exceed \$ \$3,990,618.63 for the base years and \$ \$4,111,539.10 for the option years, for a total not to exceed \$8,102,157.73 without the express written consent of MTS.

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

AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
\$3,286,556.27	350016-536150	FY 17-FY 19
\$205,303.98	350016-571210	FY 17-FY 19
\$498,758.38	331014-536400	FY 17-FY 19

By: _____
Chief Financial Officer Date
(____ total pages, each bearing contract number) SA-SERVICES

Attachment B

JANITORIAL SERVICES (SDTI, SDTC & LRVs)

G1931.0-16

TOTAL COST SUMMARY

ADDENDUM NO. 2	BASE YEARS			OPTION YEARS		
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
LRV's	\$ 1,084,636.23	\$ 1,095,482.59	\$ 1,106,437.45	\$ 1,117,501.54	\$ 1,128,676.80	\$ 1,139,963.68
SDTI BUILDINGS	\$ 67,754.82	\$ 68,432.22	\$ 69,116.94	\$ 69,807.66	\$ 70,505.90	\$ 71,211.00
IAD BUILDINGS	\$ 95,473.52	\$ 96,429.44	\$ 97,393.76	\$ 98,367.64	\$ 99,351.32	\$ 100,344.92
KMD BUILDINGS	\$ 69,127.06	\$ 69,818.22	\$ 70,516.38	\$ 71,221.62	\$ 71,933.80	\$ 72,653.22
TOTAL PER YEAR	\$ 1,316,991.63	\$ 1,330,162.47	\$ 1,343,464.53	\$ 1,356,898.46	\$ 1,370,467.82	\$ 1,384,172.82
TOTAL FOR 3 YEARS	\$ 3,990,618.63			\$ 4,111,539.10		

OVERALL TOTAL 6 YEARS

\$ 8,102,157.73

PROPOSER'S NAME:

NMS Management, Inc



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

Agenda Item No. 13

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 10, 2016

**Draft for
Executive Committee
Review Date: 11/3/16**

SUBJECT:

CENTRALIZED TRAIN CONTROL SYSTEM MAINTENANCE SERVICES

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G0930.17-04.29.2, (in substantially the same format as Attachment A) with San Diego Association of Governments (SANDAG), for the provision of preventative maintenance services on software and equipment for the Centralized Train Control (CTC) System.

Budget Impact

The funding for this maintenance agreement is budgeted in the Information Technology operations budget and will not exceed \$1,246,419.00 for calendar years 2017 through 2021.

Description	Cost
Calendar Year 2017 - Base Contract	\$ 220,021.00
Calendar Year 2018 - Base Contract	\$ 225,340.00
Calendar Year 2019 - Base Contract	\$ 230,663.00
Calendar Year 2020 - Base Contract	\$ 237,018.00
Calendar Year 2021 - Base Contract	\$ 243,377.00
Total Base Contract 5 year Cost	\$1,156,419.00

Administration Expenses	
SANDAG Administration Hours 2017	\$ 18,000.00
SANDAG Administration Hours 2018	\$ 18,000.00
SANDAG Administration Hours 2019	\$ 18,000.00
SANDAG Administration Hours 2020	\$ 18,000.00



SANDAG Administration Hours 2021	\$ 18,000.00
Total Administration Expenses 5 year Cost	\$90,000.00

Grand Total	\$1,246,419.00
--------------------	-----------------------

DISCUSSION:

In December 2007, SANDAG awarded ARINC a contract to design and install a new CTC system for light rail transit operations in greater San Diego for the MTS Rail Operations of San Diego Trolley, Inc.

ARINC implemented a new CTC system with centralized train control, routing and tracking, monitoring and controlling of 53 miles of track, substations, feeders and overhead catenary. The project was accepted and signed off in 2012. As the system was under warranty for that calendar year, a maintenance agreement was not required until 2013.

Under the master memorandum of understanding (MOU) with SANDAG (MTS Doc. No. G0930.17-04, SANDAG Addendum 17), in June 2014 MTS entered into MTS Doc. No. G0930.17-04.29 for CTC maintenance, (performed by ARINC as SANDAG's contractor), for calendar years 2013 – 2015, in an amount, not to exceed \$1,152,229.00.

In July 2016, MTS executed amendment MTS Doc. No. G0930.17-04.29.1, CTC System and Customer Information System (CIS) in the amount of \$353,467.00 for calendar year 2016.

An agreement with SANDAG for calendar year 2017 through 2021 is now required to reimburse SANDAG for the full and actual cost for maintenance services performed by ARINC. MTS Doc. No. G0930.17-04.29.2 will cover the services below:

Scope of Work to be Performed by SANDAG:

SANDAG will provide overall project management and procurement services for the ARINC contract.

Scope of Work to be Performed by ARINC:

ARINC will provide the following:

1. Maintenance of the system software (including operating system, networking software, and software utilities).
2. Third-party software package updates.
3. Software version support.
4. Phone and on-site support.

MTS agrees to reimburse SANDAG for the full and actual cost for maintenance services in an amount not to exceed \$1,246,419.00 over the term of the agreement. This amount shall include eligible costs for the software and hardware maintenance, quality

assurance/control, testing and update services available from ARINC. In the event that this amount will be exceeded, MTS will meet with SANDAG to discuss the need for additional hours. In no event shall MTS have the responsibility to move forward until the parties are able to identify sufficient funding for hours associated with out of scope tasks.

Therefore, staff recommends that the Board of Directors authorize the CEO to execute MTS Doc. No. G0930.17-04.29.2, (in substantially the same format as Attachment A), for the provision of preventative maintenance services on software and equipment for the Centralized Train Control (CTC) System for calendar year 2017 through 2021.

A handwritten signature in black ink that reads "Sharon Cooney for". The signature is written in a cursive, flowing style.

Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Addendum 17 Project Scope of Work

ATTACHMENT A
Addendum 17 Project Scope of Work

MTS File No.	G0930.17-04.29.2	SANDAG Reference No.	5000710 SOW 6_
CIP Title:	Centralized Train Control Maintenance		
CIP No.	1142500	Project Managers:	MTS – Sandra Bobek SANDAG – Francine Jimenez
Lead Agency:	MTS	Operating Agency:	MTS
Estimated Start Date:	January 1, 2017	Original SOW ____ Budget	\$1,246,419
Estimated Completion Date:	December 31, 2021	Additional SOW ____ Budget (this amendment)	N/A
Total CIP Budget	\$1,246,419	Total SOW Budget (value of work to be invoiced between SANDAG/MTS):	\$1,246,419

Intended Source of Funds: (Describe types and amounts of local, state and/or federal funding and attach any unique pass-through requirements): MTS will be utilizing local MTS operations funding

Describe Any Necessary Transfers of Project Funds Between the Parties:

MTS shall transfer \$\$1,246,419 in funding to SANDAG for services described herein.

Project Description:

This project is for the productive and preventative maintenance services of software and hardware equipment through the end of Calendar Year (CY) 2021 for the Centralized Train Control (CTC) System. SANDAG will confirm with MTS annually that MTS desires to renew the agreement for that calendar year and upon receipt of confirmation, SANDAG will issue a task order to the vendor for that calendar year only.

Scope of Work to be Performed by MTS:

MTS agrees to reimburse SANDAG for the full and actual cost for maintenance services in an amount not to exceed \$1,246,419. This amount shall include eligible costs for the software and hardware maintenance, quality assurance & control, testing, and system update services available from the SANDAG vendor (ARINC) and annual SANDAG Administration in an amount not to exceed 120 hours. In the event that SANDAG notifies MTS that this will be exceeded, MTS will meet with SANDAG to discuss the need for additional hours. In no event shall SANDAG have the responsibility to move forward until the parties are able to identify sufficient funding for hours associated with out of scope tasks.

Scope of Work to be Performed by SANDAG Consultant (ARINC):

1. Maintenance and upgrading of the system software including operating system, networking software and software utilities.
2. Third-party software package updates (such as database managers).
3. Software version support (as described above).
4. Development of new application software (estimated time and material, with minimum service charge).
5. Phone and on-site support for system installation of new revision level software (including parts and labor).

The estimated cost for services can be found in Attachment 1.

Scope of Work to be Performed by SANDAG:

SANDAG will provide overall project management services for the Project maintenance and provide funding as approved by the SANDAG Board of Directors.

Any Additional Project-Specific Conditions:

None

APPROVED BY:
SANDAG

METROPOLITAN TRANSIT SYSTEM

Jim Linthicum
Director of Mobility Management and
Project Implementation

Date

Paul Jablonski
Chief Executive Officer

Date

Attachment 1

Additional Services to be provided by ARINC

Description	Cost
Calendar Year 2017 - Base Contract	\$ 220,021.00
Calendar Year 2018 - Base Contract	\$ 225,340.00
Calendar Year 2019 - Base Contract	\$ 230,663.00
Calendar Year 2020 - Base Contract	\$ 237,018.00
Calendar Year 2021 - Base Contract	\$ 243,377.00
Total Base Contract 5 year Cost	\$1,156,419.00

Administration Expenses	
SANDAG Administration Hours 2017	\$ 18,000.00
SANDAG Administration Hours 2018	\$ 18,000.00
SANDAG Administration Hours 2019	\$ 18,000.00
SANDAG Administration Hours 2020	\$ 18,000.00
SANDAG Administration Hours 2021	\$ 18,000.00
Total Administration Expenses 5 year Cost	\$90,000.00

Grand Total	\$1,246,419.00
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The tasks and/or elements corresponding to this amount are listed in the table.



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Agenda Item No. 14

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 10, 2016

**Draft for
Executive Committee
Review Date: 11/3/16**

SUBJECT:

ADDITIONAL FUNDING FOR THE CATENARY IMPROVEMENTS TO THE ORANGE
LINE FROM 12th & IMPERIAL TO MAIN STREET EL CAJON, BROADWAY WYE

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to approve additional funding of \$2,950,000 for the installation of catch cable for Orange Line and Broadway Wye.

Budget Impact

This funding requested does not impact the current Fiscal Year 2017 budget; the added funds will be included in the upcoming FY18 Capital Improvement Program (CIP). The total estimate construction cost for installation of catch cable for the Orange Line and Broadway Wye is \$6,380,000, with \$3,430,000 currently available in SANDAG CIP # 1129200 – OCS Catch Cable & Broadway Wye, an additional \$2,950,000 will need to be funded in MTS's FY18 CIP.

DISCUSSION:

The catenary improvements project is funded by MTS's CIP and implemented by SANDAG. The purpose of the project is for the installation of catch cables at all balance weight locations to comply with General Order 95 and resetting of balance weight heights along the Orange Line from 12th and Imperial to Main Street in El Cajon. The project also includes improvements to the catenary at the Broadway Wye which will add additional supports to the current system.

SANDAG is the lead on this project. A full cost estimate for the project (\$6,380,000) was recently provided by SANDAG and its contractor, HMS (Attachment A). MTS staff had



previously allocated \$3,430,000 to this project in FY11 – FY15 CIP, with the understanding that additional funds would be allocated once the scope and budget were more certain. Today's action would authorize the remaining \$2,950,000 in CIP funding and the execution of SOW 27.2 with SANDAG to complete the project (Attachment B).

A handwritten signature in cursive script that reads "Sharon Cooney for". The signature is written in black ink and is positioned above a horizontal line.

Paul C. Jablonski
Chief Executive Officer

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

Attachments: A. Cost Summary
B. SANDAG Addendum 17, 5000710 SOW 27.2

SANDAG Project - 112900 OCS Insulator/Catch Cable Replacement

	OCS - Orange Line Cost to Complete	Broadway Wye Cost to Complete
Administration	141,490	14,853
Communications	25,000	-
DSDC	70,745	24,000
Flagging	142,454	17,313
CM	778,196	37,133
Baltimore Junction Rent (3K per mo	54,000	
Professional Services	1,123	-
Construction	3,537,253	371,332
Construction Contingency	530,588	55,700
Project Contingency	528,085	52,033
Total Cost	5,808,934	572,364
Remaining Budget	3,150,000	280,484
	2,658,934	291,880

FY18 Total Request 2,950,814

Addendum 17 Project Scope of Work

MTS File No.	G0930.17-04.27	SANDAG Reference No.	5000710 SOW 27.2
CIP Title:		OCS Insulator & Catch Cable Replacement	
CIP No.	1129200	Project Managers:	MTS – Thang Nguyen SANDAG - Dale Neuzil
Lead Agency:	SANDAG	Operating Agency:	MTS
Estimated Start Date:	July 2013	Original SOW 27.1 Budget:	\$375,000
Estimated Completion Date:	July 2019	Additional SOW 27.2 Budget (this amendment):	\$2,950,000
Total CIP Budget:	\$4,321,000 (\$7,646,000)	Total SOW Budget (value of work to be invoiced between SANDAG/MTS):	\$3,325,000

Intended Source of Funds:

FTA Section 5307, FTA Section 5309, and Transportation Development Act (TDA) funds

Describe Any Necessary Transfers of Project Funds Between the Parties:

MTS shall reimburse SANDAG via purchase order(s) for services described herein.

Project Description:

Provides for the installation of catch cables at all balance weight locations to comply with General Order 95 and the resetting of balance weight heights along the Orange Line from 12th and Imperial to Main Street in El Cajon. This project also provides funds to support design and construction of Broadway Wye.

Scope of Work to be Performed by MTS:

- Flagging services by San Diego Trolley, Inc. (SDTI) personnel in the MTS right-of-way during construction. Any work which involves personnel or equipment within 15 feet of the center line of any active track must have at least 2 SDTI supplied flagpersons per location for the duration of the work.
- Maintenance of Way (MOW) services to de-energize and re-energize substation and catenary around the work to be performed. Work typically includes, but is not limited to, opening electrical vault, operating disconnect switches, coordinating with SDG&E, and running feeder cables.
- Reimbursement of costs associated with SANDAG's award and management of Catenary and Broadway Wye Improvements Project.

Scope of Work to be Performed by SANDAG:

Provide project management from award through completion, construction, construction management, design services during construction, and claims management.

Any Additional Project-Specific Conditions:

None

APPROVED BY:
SANDAG

METROPOLITAN TRANSIT SYSTEM

Jim Linthicum
Director of Mobility Management
and Project Implementation

Date

Paul Jablonski
Chief Executive Officer

Date



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Agenda Item No. 15

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 10, 2016

**Draft for
Executive Committee
Review Date: 11/3/16**

SUBJECT:

PROPOSED REVISIONS TO MTS BOARD POLICY NO. 59, "NATURAL GAS AND ENERGY COMMODITY HEDGE POLICY"

RECOMMENDATION:

That the Board of Directors approve the proposed revisions to MTS Board Policy No. 59, "Natural Gas and Energy Commodity Hedge Policy" (Attachment A).

Budget Impact

None.

DISCUSSION:

MTS Board Policy No. 59 governs MTS's Natural Gas and Energy Commodity Hedge Policy. This policy allows MTS to purchase energy commodities on the direct market, allowing MTS to better manage its energy costs.

The proposed revisions are intended to address a gap in express authority related to the sale of energy credits. Most of the energy credits generated by MTS are covered by formal contracts for the purchase of energy commodities – the purchase of the commodity and the transfer of any credits generated by that transaction are governed by the same contract. However, from time to time, MTS generates energy credits that are not governed by an existing contract.

Because the market for the sale of energy credits fluctuates substantially on a day-to-day, month-to-month and year-to-year basis, new section 59.5 authorizes the Chief Executive Officer (CEO) to sell any unallocated energy credits on the open market, using his discretion. This will allow MTS to capture the best price in a fluctuating market.

Any sales under this new provision will be reported at the next applicable Board meeting as part of the monthly Operations Budget Status Report.



This proposal was discussed and recommended by the Budget Development Committee at its meeting on October 27, 2016.

for

Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Proposed Revisions to MTS Board Policy No. 59



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Policies and Procedures

No. 59

| SUBJECT:

Board Approval: ~~2/18/2010~~ 11/10/2016

Natural Gas and Energy Commodity Hedge Policy

PURPOSE

The purpose of this policy (the "Policy") is to establish guidelines for the execution and management of the Metropolitan Transit System's ("MTS") use of hedging instruments and related transactions in connection with the purchase of natural gas and electrical energy for MTS's transit operations.

Specific objectives of the Policy are as follows:

1. Achieve a high degree of budget certainty in the purchase of natural gas and energy commodities.
2. Maintain a high degree of fuel and energy supply reliability.
3. Ensure no adverse operational impacts.
4. Ensure no adverse impacts on MTS's credit rating.
5. Ensure that all hedging instruments are acquired through competitive bidding with credit-worthy counterparties.

This policy confirms the commitment of MTS management to adhere to sound financial and risk management practices. The Policy shall govern the execution and management of all hedging instruments and activities carried out in connection with natural gas and energy purchases for MTS's transit operations.

59.1 AUTHORIZATIONS AND APPROVALS

The Chief Executive Officer and Chief Financial Officer are the designated administrators of the Policy ("Hedge Administrators") and are authorized to execute hedges in accordance with this Policy without further approval of the Board.



59.2 CONDITIONS FOR THE USE OF HEDGING PRODUCTS

59.2.1 General Usage

Financial commodity swaps may be used to lock in a fixed price for natural gas and energy commodities in accordance with the conditions and restrictions set forth below. Should MTS elect to purchase gas or electricity from a qualified energy services provider ("ESP"), MTS may accomplish its commodity hedging objectives by converting the price of an ESP-provided energy supply from a variable market price to a fixed price so long as the competitive bidding and other provisions of this Policy are met.

59.2.2 Maximum Transaction Volume

The maximum aggregate transaction volume for all financial commodity swaps entered into for any budget year shall be equal to the volume of natural gas or energy forecast to be used in connection with the transit fleet during that year. If, at any time prior to or during the fiscal year being hedged, the projected volumes change by more than 10% below or above the amount hedged, additional hedges may be entered into, or termination of existing hedges may be executed in order to account for the change in projected volume.

59.2.3 Hedge Frequency

The number of hedge transactions for any fiscal year shall be no greater than four as determined by the Hedge Administrators except as may be required in response to a change in the volume of fuel or energy projected as provided in Section 59.1 above.

59.2.4 Hedge Timing

Hedging instruments shall be entered into no sooner than 30 months in advance of the first business day of the fiscal year being hedged. All hedges for any fiscal year will be in place in advance of the annual budget submission to the Board of Directors for that fiscal year.

59.2.5 Hedge Termination

The Hedge Administrators may terminate any and all hedges in whole or in part in response to changes in the projected volume of fuel or energy in any fiscal year as provided in Section 59.1 above or if required due to any action by the California Public Utilities Commission or the San Diego Gas and Electric Company, which impacts the effectiveness of the hedge. Under no circumstance will hedges be terminated for the sole purpose of generating a profit.

59.2.6 Hedge Term

All hedging instruments will be limited in term to 24 months.

59.2.7 Prohibited Commodity Swap Features

The MTS will not use commodity swaps that: (i) involve any purpose other than hedging natural gas or energy commodity prices as set forth in this Policy; (ii) lack adequate liquidity to terminate without incurring a significant bid/ask spread; (iii) provide insufficient price transparency to allow reasonable valuation; or (iv) are used as investments.

59.3 HEDGE INSTRUMENT FEATURES

59.3.1 Hedge Agreement

The International Swap and Derivatives Association, Inc. ("ISDA") Master Agreement shall be used as the basis for the documentation of commodity swaps. The swap agreement between the MTS and each counterparty shall include payment, term, security, collateral, default, remedy, termination, and other terms, conditions, provisions and safeguards as MTS, in consultation with its legal counsel, and/or hedge advisor deems necessary or desirable.

If MTS takes part in SDG&E's CAT Program for natural gas purchases, or becomes a Direct Access customer for electric energy purchases, the hedging objectives of this policy may be met by execution of an appropriate amendment to the relevant Purchase and Sale Agreement entered into with a qualified ESP.

59.3.2 Commodity Swap Counterparty Credit Criteria

Qualified commodity swap counterparties will be those having, at the time of execution, a general credit rating not lower than "A3" or "A-" by at least two of the nationally recognized rating agencies, unless such party provides a guaranty from a parent or other guarantor rated "A3" or "A-". The nationally recognized rating agencies are Moody's Investors Services, Inc., Standard and Poor's, and Fitch Ratings.

59.3.3 Collateral Requirements

Threshold collateral amounts shall generally be established in accordance with the guidelines set forth below.

Counterparty Credit Rating	Threshold
Aa3/AA- or better	Unlimited
A3/A- to A1/A+	\$25 million
Baa1/BBB+	\$15 million
Baa2/BBB	\$10 million
Baa3/BBB-	\$2.5 million

Collateral shall be deposited with a third-party custodian or as mutually agreed upon between MTS and the counterparty. A list of acceptable securities that may be posted as collateral and the valuation of such collateral will be determined and mutually agreed upon during negotiation of the swap agreement with each swap counterparty. Once collateral has been posted, the market value of the collateral shall be determined at

least weekly.

59.3.4 Security and Source of Repayment

Commodity swaps will be payable from any lawfully available funds of MTS. Whenever possible, language will be included in the swap agreement specifying that with respect to farebox revenues, swap obligations of the MTS are payable on a basis subordinate to the payment of MTS taxable pension obligation bonds, certificates of participation, or any other obligation secured on a parity therewith.

59.4 SELECTING AND PROCURING COMMODITY SWAPS

59.4.1 Counterparty Selection

Commodity swap counterparties will be selected by the Hedge Administrators consistent with the credit and performance criteria set forth in this Policy.

59.4.2 Competitive Bidding

All hedge instruments will be procured through a competitive bidding process that will provide the lowest commodity price. The nature and timing of the bidding process will be determined by the Hedge Administrators.

59.5 SALE OF ENERGY CREDITS

59.5.1 Energy Credit Sales on Open Market

MTS's use of energy sometimes results in the generation of energy credits such as California Air Resources Board (CARB) Low Carbon Fuel Standard (LCFS) credits, federal Renewable Fuel Standards credits and other existing or future credit programs. The disposition and sale of such credits is often the subject of a formal contract for the purchase of energy commodities (e.g., electric, diesel, gas). However, from time to time, MTS may be in possession of credits that are not the subject of an existing agreement. The market for energy credits fluctuates substantially on a day-to-day, month-to-month and year-to-year basis.

In order to capture the best price in a fluctuating market, the CEO has the authority and discretion to sell unallocated energy credits on the open market.

59.6 MONITORING, REPORTING, AND DISCLOSURE

59.6.1 Quarterly Reporting

The hedge program will be monitored to ensure consistency with this Policy. Annual and quarterly reports will be provided to the MTS Board of Directors in written form which shall include, but not be limited to, the following:

- (a) A description of all outstanding commodity swaps, including terms, rates paid and received, and current termination value.
- (b) Current counterparty credit ratings.
- (c) Collateral required and posted by MTS and each commodity swap counterparty, if any.
- (d) Any material event involving outstanding swap agreements, including a default by a commodity swap counterparty, counterparty downgrade, or termination.
- (e) Updated projection of the volume of fuel or energy expected to be required for operational purposes and compared to the volume hedged.
- (f) Description of any regulatory changes, including changes in the energy-pricing methodology of the California Independent Systems Operator (CAISO) or changes to San Diego Gas and Electric's hedging practices, which may impact the hedge program.

59.56.2 Disclosure and Financial Reporting

Steps will be taken to ensure that there is full and complete disclosure of all commodity swaps to the Board. With respect to its financial statements, MTS adheres to the guidelines for the financial reporting of commodity swaps as set forth by the Government Accounting Standards Board.

59.6.3 Disclosure of Energy Credit Sales

Any sale of energy credits by the CEO under the authority granted in Section 59.5 shall be reported as part of the monthly Operations Budget Status Report at the next applicable Board of Directors meeting.



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Agenda Item No. 16

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 10, 2016

**Draft for
Executive Committee
Review Date: 11/3/16**

SUBJECT:

TRUST FUND ADMINISTRATOR POSITION

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to add one (1) Trust Fund Administrator position to the FY17 budget, increasing the total Full Time Equivalent (FTE) position from 0 to 1.

Budget Impact

None. Salary, benefits and overhead for this position will be paid by the Health and Welfare Trusts ("Trust") for the Amalgamated Transit Union, Local 1309 ("ATU") and the International Brotherhood of Electrical Workers, Local 465 ("IBEW").

DISCUSSION:

San Diego Transit Corporation ("SDTC") jointly manages two Health and Welfare Trusts, one with the ATU and with the IBEW to provide health, dental and vision insurance for the Bus Operators, Mechanics and other positions they represent.

The trust funds have contracted out day-to-day administration to a private company, Associated Third Party Administrators ("ATPA") for many years. Unfortunately, ATPA has been experiencing challenges that cause the Trustees to question whether they can meet the Trust's needs in the future. The firm has recently been sold, they have eliminated the local staff servicing our account, and they have struggled to meet our expectations on customer service issues.

The ATU and IBEW trustees have asked SDTC to take over the administration of the Trust and have agreed to pay SDTC for all costs associated with this work. Due to the volume of work, SDTC needs to hire a dedicated Trust Fund Administrator, who would



be responsible for conducting open enrollment, counseling employees on benefits issues, processing benefits transactions and payment, and ensuring compliance with the Affordable Care Act. The Trust Fund Administrator will also keep records of meeting minutes, financial statements, among other duties.

The proposed position will report to the Human Resources Supervisor and will be in Salary Grade #7 (\$50,383 to \$79,879).

Hiring an in-house Trust Fund Administrator is recommended to improve overall management of the Trust and customer service to our employees.

A handwritten signature in black ink that reads "Sharon Cooney" followed by a small flourish.

Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, Sharon.Cooney@sdmst.com



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Agenda Item No. 17

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 10, 2016

**Draft for
Executive Committee
Review Date: 11/3/16**

SUBJECT:

SD8 PROCUREMENT PROJECT – FUNDING TRANSFER

RECOMMENDATION:

That the Board of Directors approve the transfer of \$4,550,000 from the SD100 Light Rail Vehicle (LRV) Replacement project (MTS CIP No. 20020027) to the SD8 Procurement project (MTS CIP No. 20021029).

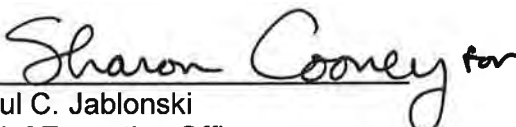
Budget Impact

The SD100 Replacement (MTS CIP No. 20020027) currently has a budget of \$32,935,562. Of this available amount, \$4,550,000 will be transferred to the SD8 Procurement project (MTS CIP No. 20021029).

DISCUSSION:

MTS recently issued a Notice to Proceed to Siemens for the procurement of 45 SD8 LRVs, of which 36 are being funded by the SANDAG Mid-Coast project and nine are being funded by MTS as part of the SD8 Procurement project. Of the nine LRVs being funded by MTS, only eight are currently funded through two Cap and Trade grants.

Staff recommends transferring \$4,550,000 from the SD100 Replacement project (MTS CIP No. 20020027) to the SD8 Procurement project (MTS CIP No. 20021029) to fund the ninth MTS funded vehicle.


Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4515, Sharon.Cooney@sdmts.com

