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Agenda

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

May 4, 2017

Executive Conference Room
9:00 a.m.

ACTION RECOMMENDED

- A. ROLL CALL
- B. APPROVAL OF MINUTES - April 6, 2017 Approve
- C. COMMITTEE DISCUSSION ITEMS
 - 1. Assembly Bill 805 (Sharon Cooney) Informational
 - 2. Fare Collection Update (Sharon Cooney) Informational
- D. REVIEW OF DRAFT May 11, 2017 BOARD AGENDA
- E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA Possible
Action
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.
- F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS
- G. PUBLIC COMMENTS
- H. NEXT MEETING DATE: June 1, 2017
- I. ADJOURNMENT



DRAFT

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

April 6, 2017

MINUTES

A. ROLL CALL

Chairman Mathis called the Executive Committee meeting to order at 9:02 a.m. A roll call sheet listing Executive Committee member attendance is attached.

CHAIRMAN'S COMMENT

Chairman Mathis stated that staff is requesting to add a Closed Session Item (C3) to the agenda. He said that a motion and vote needs to be taken to allow this item to be included in the agenda.

Action Taken

Mr. McClellan moved to allow agenda item C3 to be included in the agenda. Mr. Roberts seconded the motion, and the vote was 5 to 0 in favor.

B. APPROVAL OF MINUTES

Ms. Rios moved for approval of the minutes of the February 2, 2017, MTS Executive Committee meeting. Mr. McClellan seconded the motion, and the vote was 5 to 0 in favor.

C. COMMITTEE DISCUSSION ITEMS

1. Assembly Bill 805 (Sharon Cooney)

Sharon Cooney, Chief of Staff, provided a presentation on Assembly Bill (AB) 805. She reviewed the details of the bill including changes being proposed for the San Diego Association of Governments (SANDAG), North County Transit District (NCTD) and MTS. Ms. Cooney discussed the proposed changes to MTS including authorizing the Board to levy a sales tax for transit purposes; maintaining a 15 member Board; eliminating the Board-appointed chair and making the Mayor of the most populous city the chair; adding a second Chula Vista Board member; and requiring that all primary Board members be Mayors of the member cities (except for the three additional San Diego representatives and the second Chula Vista representative would be councilmembers). She reviewed the proposed changes to the voting stating that all Board actions would require a weighted vote of members present; removing the cap on the City of San Diego's weighted vote; removing the requirement that an affirmative vote must achieve 51% plus 3 separate jurisdictions; and splitting the Chula Vista weighted vote evenly between the City's two representatives. Ms. Cooney reviewed the items in the bill that still need clarification. She also reviewed the next steps for the bill and stated that the bill has been triple-referred to the committees on Local Government, Transportation, and Appropriations. Ms. Cooney reviewed the potential options that the Executive Committee could recommend to the Board for action and asked for feedback and direction.

PUBLIC COMMENTS

Diane Takvorian – Ms. Takvorian commented on behalf of the Environmental Health Coalition. She stated that they are in support of AB 805 and they believe that it will help bring additional revenue to MTS. Ms. Takvorian said that this will give MTS greater control and the ability to improve and grow the transit system in San Diego. She said that they would recommend postponing any action at this time and meeting with the author to get the clarification needed for the appropriate representation. Chairman Mathis asked Ms. Takvorian what her thoughts were on the proposed governance changes. Ms. Takvorian said that discussions should be made with the author for clarification purposes, but she believes a per capita weighted vote seems fair. She also noted that they do not want to see the other cities silenced or have their vote diminished, but she does believe that a per capita weighted vote seems fair.

Carolina Rodriguez-Adjunta – Ms. Rodriguez-Adjunta commented on behalf of the Climate Action Campaign. She said that they are in support of AB 805 and for MTS to run its own sales tax measures to help put more resources into improving transit and the climate. She urged the committee to hold off on taking any action at this time and to continue discussions with the author to get needed clarifications.

Jack Shu – Mr. Shu commented on behalf of the Cleveland National Forest Foundation. He commented that SANDAG is set up differently than other Metropolitan Planning Organizations (MPOs) around the state and that causes it to suffer. He said that AB 805 looks to correct issues with SANDAG by making it a more representative MPO. Mr. Shu asked for the committee to look to the future and how this bill addresses the changing transportation needs in the region. He stated that people will better know and recognize the representation of the SANDAG Board by having Mayors sit on the Board.

Julio Rivera – Mr. Rivera stated that he is a field representative for Assemblymember Gonzalez Fletcher. He read a letter from the Assemblymember which is attached in the final meeting packet. In summary, the letter stated that the Assemblymember is requesting for the committee to hold off on taking a position on the bill until it can be amended to incorporate feedback she has received. She also discusses the desire to provide MTS the ability to approach voters for a transit-related tax increase. She also thanked the members of the Board who have reached out to her with questions and encourages more discussion to help amend the bill in the future.

Michelle Krug – Ms. Krug commented that as a daily transit user, she supports the bill and the fact that it gives MTS the authority to put out its own tax measure for transit purposes.

Gretchen Newsom – Ms. Newsom commented on behalf of IBEW 569. She stated that they are in support of the bill and encourage the committee to delay any action until discussions are made with the Assemblymember regarding clarifications and questions about the bill. She said that they would like to have the members of IBEW 569 have access to a great transit system.

Randy Van Vleck – Mr. Van Vleck commented on behalf of the City Heights Community Development Corporation. He stated that they would like to see MTS empowered to pursue its own sales tax measure to receive more funding to put towards improved

transit service. He encouraged the committee to not take action at this time and to continue the dialogue with the author to evolve the bill.

COMMITTEE COMMENTS

Mr. Roberts commented that he is in support of giving MTS the authorization to issue its own tax measure. He stated that he is not in support of the proposed governance changes. Mr. Roberts said that he would make a motion to support the sales taxing proposals and take opposition to the other proposals in the bill related to governance changes.

Ms. Gomez commented that she does not have a position on the bill at this time and would recommend that the committee have a neutral position and seek clarification on the questions brought up by staff.

Ms. Rios commented that she agrees the committee stay neutral at this time and seek clarification with the author. She stated that she spoke with the author and voiced concerns related to the governance structure. Ms. Rios noted that the author has heard from other people regarding the governance structure issue too. She stated that she would make a motion to delay bringing this item to the Board and seek clarification from the author and possible amendments to the bill related to MTS. Ms. Gomez stated that she would second that motion. Mr. Jablonski commented that staff will need more specific direction related to the substance of the bill and what position the policy makers have on requesting amendments. Ms. Gomez stated that she would be in support of taking this item to the full Board for further discussion and clarify what motion the Board would like to take.

Mr. McClellan commented that he believes the other member cities will not support the governance proposals made in the bill.

Ms. Rios commented that this item should be brought to the Board for further discussion and for clarification on how staff should move forward.

Actions Taken

Ms. Rios made a motion to bring this item to the Board for additional clarification for amendments and request for Assemblymember Gonzalez Fletcher to be invited to attend the Board meeting. Ms. Gomez seconded the motion and the vote was 2 to 3 with Ms. Gomez and Ms. Rios in favor and Mr. Mathis, Mr. McClellan and Mr. Roberts in opposition.

Mr. Roberts then moved to recommend that the Board oppose Assembly Bill 805 (Gonzalez Fletcher) unless amended to remove everything related to MTS except the sales tax authority. Mr. McClellan seconded the motion, and the vote was 3 to 2 with Mr. Mathis, Mr. McClellan and Mr. Roberts in favor and Ms. Gomez and Ms. Rios in opposition.

2. Joint Development Properties Inventory Update (Tim Allison)

Tim Allison, Manager of Real Estate Assets, provided a presentation on the inventory of joint development properties. He discussed the details of the following highlighted

properties: Grantville Trolley Station, Euclid Avenue Transit Station, Iris Avenue Transit Station, 14th and Imperial, and the Riverwalk property. Mr. Allison reviewed the details of the Grantville property and discussed next steps and direction related to this property including to hire a development services consultant to assist staff with procuring a developer to construct a mixed use project at the station; investigate possible development partnerships with surrounding owners; coordinate potential SDSU involvement; and bring site specific decisions back to the Executive Committee for direction.

Mr. Allison reviewed the details of the Euclid Avenue Transit Station property and discussed next steps and direction related to this property including to negotiate an agreement with Jacobs Center for Neighborhood Innovation (JCNI) to lead a joint development procurement for the Euclid Station in coordination with JCNI assets; and bring site specific decisions back to the Executive Committee for direction. Mr. Roberts commented that staff should discuss options with JCNI, but not commit to anything to leave options open to go out to bid for development.

He reviewed the details of the Iris Avenue Transit Station property and discussed next steps and direction related to this property including to continue vetting the project concept; and return to the Executive Committee with a detailed presentation for further direction to formally consider unsolicited offers.

Mr. Allison reviewed the details of the 14th Street and Imperial Avenue property and discussed next steps and direction related to this property including to conduct a planning study for Transit Center expansion alternatives; and conduct a development feasibility study on various build scenarios including any potential up-zoning. Mr. Roberts commented that staff should move forward on trying to rezone this property and to also focus on the Imperial Avenue Division (IAD) property. Mr. Jablonski noted that staff will bring the IAD property study results back to the Executive Committee for review and discussion.

Ms. Landers reviewed the details of the Riverwalk property and discussed next steps related to this property including that the golf course lease rent requirement starts December 2017 and the golf course tenant has rights to terminate the lease with one month notice; and that there has been renewed activity on the Levi-Cushman Specific Plan Project Area.

Action Taken

No action taken. Informational item only.

D. REVIEW OF DRAFT April 13, 2017 BOARD AGENDA (TAKEN BEFORE CLOSED SESSION)

Recommended Consent Items

6. Investment Report - February 2017

7. Lease Agreement with Infinity Investments, LLC at 1695 Main Street, San Diego

Action would authorize the Chief Executive Officer (CEO) to execute a Lease Agreement with Infinite Investments, LLC for a lease at 1695 Main Street, San Diego (MTS Doc. No. G2002.0-17).

8. Amended and Restated Lease Agreement with San Diego Sports Entertainment Center, LLC at 1699 Main Street, San Diego
Action would authorize the Chief Executive Officer (CEO) to execute an amended and restated lease agreement with San Diego Sports Entertainment Center, LLC for a lease at 1699 Main Street, San Diego (MTS Doc. No. L1221.3-15).
9. California Office of Emergency Services (CalOES) Designation of Applicant's Agent Resolution for Non-State Agencies (CalOES Form 130)
Action would adopt the Designation of Applicant's Agent Resolution for Non-State Agencies (CalOES Form 130) to authorize the Chief Executive Officer (CEO), or designated representative, to execute all required documents for the purpose of obtaining certain federal financial assistance under Public Law 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the California Disaster Assistance Act.
10. Batteries for Buses - Contract Award
Action would: (1) Authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0665.0-17 with Battery Systems, Inc., and B0667.0-17 with Battery Power, Inc., for batteries for buses for three (3) base years with two (2) 1-year options; and (2) Authorize the CEO to exercise option years, in his discretion.
11. Americans with Disabilities Act (ADA) Paratransit Service - Contract Amendment No. 3
"Action would authorize the Chief Executive Officer (CEO) to: (1) Execute Amendment No. 3 to MTS Doc. No. G1205.0-10 (in substantially the same format as Attachment A) with First Transit, Inc. (FTI) to exercise option period 2 (contract years 8 and 9); (2) Reallocate \$1,271,139.00 originally encumbered and included under Amendment No. 1 from the Mobile Data Terminal System (MDTS) and OnBoard Vehicle Video Event Recorder (OBVVER) services to the operational budget; and (3) Increase the contract expenditure authority by \$7,777,264.86 to support services needed for increased ridership and demands in ADA/paratransit services.
12. Federal Legislative Representation - SANDAG Partial Assignment
Action would authorize the Chief Executive Officer (CEO) to execute the Partial Assignment 1 of Agreement for San Diego Association of Governments (SANDAG) Federal Representation Services for a fifty (50) month period effective May 1, 2017.
13. Contract with the City of National City for Taxicab Administration
Action would authorize the Chief Executive Officer (CEO) to enter into an agreement for Taxicab Administration with the City of National City in substantially the same format as in Attachment A.
14. Drug and Alcohol Policy for All San Diego Metropolitan Transit System (MTS) Employees
Action would adopt Resolution No. 17-6, which will implement MTS's updated Drug and Alcohol Policy, in order to comply with Federal Transit Administration regulations and further public safety.
15. Text Messaging Services for Go MTS Short Code
Action would: (1) Ratify previous Purchase Order (PO) 4500001379 award of \$79,750.00 with MIS Sciences, Inc. which was previously issued under MTS's Board Policy Section 41.4.2 "Stand-Alone Purchase Orders"; and (2) Authorize the Chief Executive Officer (CEO) to execute a sole source extension to the PO with MIS Sciences, Inc. (MIS Sciences) through July 31, 2017 and increase capacity by \$55,500.00 for a revised total PO value of \$135,250.00.

E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA (TAKEN BEFORE CLOSED SESSION)

There was no SANDAG Transportation Committee agenda discussion.

F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS (TAKEN BEFORE CLOSED SESSION)

There was no Committee Member Communications and Other Business discussion.

G. PUBLIC COMMENTS (TAKEN BEFORE CLOSED SESSION)

There were no Public Comments.

The Executive Committee convened for Closed Session at 11:10 a.m.

C3. CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to California Government Code Section 54956.8

Property: Assessors Parcel Number (APN) 451-690-55-00 (Southeasterly of Vine Street and California Street, San Diego)

Agency Negotiators: Paul Jablonski, Chief Executive Officer; Karen Landers, General Counsel; and Tim Allison, Manager of Real Estate Assets

Negotiating Parties: San Diego Gas and Electric Company

Under Negotiation: Price and Terms of Payment

The Executive Committee reconvened from Closed Session at 11:23 a.m.

Oral Report on Final Actions Taken in Closed Session

C3. The Executive Committee received a report from staff and gave instructions.

H. NEXT MEETING DATE

The next Executive Committee meeting is scheduled for May 4, 2017, at 9:00 a.m. in the Executive Committee Conference Room.

I. ADJOURNMENT

Chairman Mathis adjourned the meeting at 11:23 a.m.

Chairman

Attachment: A. Roll Call Sheet

EXECUTIVE COMMITTEE
SAN DIEGO METROPOLITAN TRANSIT SYSTEM

ROLL CALL

MEETING OF (DATE) April 6, 2017

CALL TO ORDER (TIME) 9:02 a.m.

RECESS _____

RECONVENE _____

CLOSED SESSION 11:10 a.m.

RECONVENE 11:23 a.m.

ADJOURN 11:23 a.m.

BOARD MEMBER (Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
COLE <input type="checkbox"/> (Gomez) <input checked="" type="checkbox"/>	9:02 a.m.	11:23 a.m.
MATHIS <input checked="" type="checkbox"/>	9:02 a.m.	11:23 a.m.
MCCLELLAN <input checked="" type="checkbox"/> (McWhirter) <input type="checkbox"/>	9:02 a.m.	11:23 a.m.
RIOS <input checked="" type="checkbox"/> (Salas) <input type="checkbox"/>	9:02 a.m.	11:23 a.m.
ROBERTS <input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:02 a.m.	11:23 a.m.
Transportation Committee Rep Slot (Mathis)		

SIGNED BY THE CLERK OF THE BOARD: Julia Tuer

CONFIRMED BY THE GENERAL COUNSEL: Kathy Lanan



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Agenda Item No. C1

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

May 4, 2017

SUBJECT:

ASSEMBLY BILL 805 (SHARON COONEY)

INFORMATIONAL ONLY

Budget Impact

None.

DISCUSSION:

On February 15, 2017, Assembly Member Gonzalez Fletcher introduced Assembly Bill 805: San Diego Consolidated Transportation Agency: governance. AB 805 made minor, non-substantive changes to San Diego Association of Governments' (SANDAG's) enabling legislation and was considered a placeholder for future substantive legislation. On March 23, 2017, and then again on April 6, 2017, AB 805 was amended to include substantive changes to SANDAG, MTS and North County Transit District (NCTD) governance and voting. The Board of Directors received a report on the bill at its April 13, 2017 meeting and approved, by a weighted vote, to support the bill with amendments as discussed at the meeting related to the chair and vice chair, the weighted vote, and the mayoral requirement for membership.

Following the Board of Directors meeting on April 13, amendments to AB 805 were published on April 20 (Attachment A). The substantive changes made pertaining to MTS include:

- The City of San Diego would continue to have four Board Members, one of which must be the Mayor and the other three must be Councilmembers.



- The City of Chula Vista would have two members, one of which must be the Mayor and the other must be a Councilmember.
- Elimination of an outside Board-appointed chair. The chairperson would be selected by a two-thirds vote of the Board. The chairperson would be selected from one of the current sitting Board members and serve a four year term.
- The mayoral representative requirement for the Cities of Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway and Santee was removed, allowing the member to be appointed by each city council.

The April 20, 2017 amendments did not include amendments related to weighted voting; however the Assemblywoman's legislative staff has indicated they will include changes related to voting structure in the next amendments.

AB 805 has passed out of the Assembly Local Government Committee and the Assembly Transportation Committee. The bill is presently residing in the Assembly Appropriations Committee.

Staff will provide a presentation to the Executive Committee regarding the recent amendments and status of the bill.

/s/ Paul C. Jablonski
 Paul C. Jablonski
 Chief Executive Officer

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

Attachments: A. AB 805, as amended (Gonzalez Fletcher)

AMENDED IN ASSEMBLY APRIL 20, 2017

AMENDED IN ASSEMBLY APRIL 6, 2017

AMENDED IN ASSEMBLY MARCH 23, 2017

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL

No. 805

Introduced by Assembly Member Gonzalez Fletcher

February 15, 2017

An act to amend Sections 120050.2, 120051, 120051.6, 120102.5, ~~125050~~, 125102, 132351.1, 132351.2, 132351.4, 132352.3, 132354.1, and 132360.1 of, to add Article 11 (commencing with Section 120480) to Chapter 4 of Division 11 of, to add Article 9 (commencing with Section 125480) to Chapter 4 of Division 11.5 of, and to repeal Sections 120050.5 and 120051.1 of, the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 805, as amended, Gonzalez Fletcher. County of San Diego: transportation agencies.

(1) Existing law provides for the consolidation of certain regional transportation planning, programming, and related functions in San Diego County from various existing agencies including the San Diego Association of Governments (SANDAG), the San Diego Metropolitan Transit Development Board, also known as the San Diego Metropolitan Transit System (MTS), and the North County Transit District (NCTD).

Existing law provides for the consolidated agency, commonly known as SANDAG, to be governed by a board of directors of 21 city and county members selected by the governing body of each member agency.

This bill would require ~~the mayor of each city to serve on the board of directors, except in the case of the City of San Diego, where the mayor and the president of the city council would serve.~~ *of the City of San Diego to serve on the board.* The bill would require the ~~chairperson~~ *chair* of the County of San Diego ~~board of supervisors~~ *Board of Supervisors* to serve on the board as one of the 2 members ~~on the board~~ from the county board of ~~supervisors~~ *supervisors*. The bill would also revise the selection of alternate members of the board.

Existing law, in order for the SANDAG board to act on any item, generally requires a majority vote of the members present on the basis of one vote per agency as well as a weighted vote pursuant to a specified process, except in the case of consent items.

This bill would instead require a majority of the weighted vote of the board members present in order for the board to act on any item. The bill would also modify the weighted vote process.

Existing law provides for SANDAG to have 4 standing policy advisory committees named the executive, transportation, regional planning, and borders committees.

This bill would additionally provide for an audit committee with specified responsibilities, including the appointment of an independent performance auditor. The bill would require SANDAG to submit an annual report to the Legislature, developed by its transportation committee, that outlines various matters related to public transit.

Existing law provides for the consolidated agency to prepare a regional comprehensive plan containing various elements, as specified.

This bill would require the regional comprehensive plan to address greenhouse gas emissions reduction ~~rules and regulations adopted by the State Air Resources Board and associated emissions limits.~~ The bill would also require the plan to identify disadvantaged communities. ~~The bill targets set by the State Air Resources Board and~~ would require the plan to include strategies ~~relative to those matters, that provide for mode shift to public transportation.~~

(2) Existing law creates MTS and NCTD, with various public transit responsibilities in the southern and northern parts of the County of San Diego, respectively. Existing law provides for MTS to be governed by a board of 15 members, ~~while NCTD is governed by a board of 9 members, with each board generally consisting of city and county representatives selected by member agencies.~~ Existing law provides that the chairperson of the MTS board is a resident of the County of San Diego selected by the board, as specified.

~~This bill would generally require the city representatives on each board to be the mayor of the city, except in the case of the City of San Diego, where 3 of the 4 members other than the mayor would be selected by the city council. The bill would provide for the city council of the City of Chula Vista to appoint a 2nd member. The bill would provide for the chairperson of the MTS board to alternate between the mayors of the 2 largest cities. This bill would require one of the 4 San Diego City Council members on the MTS board to be the mayor. The bill would grant to the City of Chula Vista a 2nd member, who would be the mayor. The bill would require the chairperson of the MTS board to be selected by the board.~~ The bill would require the member of the board of supervisors to be the member representing the district with the greatest percentage of its area within the incorporated area of the county within the MTS jurisdiction. The bill would also revise the process for selecting alternate members of the MTS board.

Existing law generally provides that official acts of the MTS or NCTD board require the affirmative vote of the majority of the members of the board, except that a weighted vote of the MTS board may be requested pursuant to a specified process.

This bill would create a similar weighted voting process for NCTD. The bill would require all official acts of the MTS or NCTD boards to require the affirmative vote of the majority of the weighted vote of the board members present.

Existing law authorizes various transportation agencies, including SANDAG, to impose a transactions and use tax for transportation purposes within its jurisdiction, subject to approval of $\frac{2}{3}$ of the voters and various other requirements. Existing law provides for issuance of bonds backed by these tax revenues, as specified.

This bill would additionally authorize MTS and NCTD to individually impose a transactions and use tax within their respective portions of the County of San Diego, with revenues to be used for public transit purposes, as specified, serving their jurisdictions, and to issue bonds backed by these tax revenues, subject to similar requirements.

(3) By imposing additional requirements on local agencies, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state,

reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 120050.2 of the Public Utilities Code is
2 amended to read:

3 120050.2. The board consists of 15 members selected as
4 follows:

5 (a) One member of the County of San Diego Board of
6 Supervisors, appointed by the board of supervisors.

7 (b) ~~The mayors of~~ *One member of each city council appointed*
8 *individually by the city councils of the Cities of Chula Vista,*
9 *Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove,*
10 *National City, Poway, San Diego, and Santee.*

11 (c) ~~Three~~ *Four* members of the City Council of the City of ~~San~~
12 ~~Diego and one member~~ *San Diego, one of whom shall be the*
13 *mayor, and two members of the City Council of the City of Chula*
14 ~~Vista, each Vista, one of whom shall be the mayor, each~~ appointed
15 by their respective city council.

16 (d) ~~The mayors of the largest city and the second largest city~~
17 ~~shall alternate between serving as the chairperson and vice~~
18 ~~chairperson of the board every four years.~~

19 (d) *The chairperson of the board shall be selected by a*
20 *two-thirds vote of the board, a quorum being present. The*
21 *chairperson shall serve for a term of four years, except that he or*
22 *she is subject to removal at any time by a two-thirds vote of the*
23 *board, a quorum being present.*

24 SEC. 2. Section 120050.5 of the Public Utilities Code is
25 repealed.

26 SEC. 3. Section 120051 of the Public Utilities Code is amended
27 to read:

28 120051. The member of the board of supervisors appointed
29 pursuant to subdivision (a) of Section 120050.2 shall represent the
30 supervisorial district with the greatest percentage of its area within
31 the incorporated area of the County of San Diego within the area
32 under the jurisdiction of the transit development board as defined
33 in Section 120054.

1 SEC. 4. Section 120051.1 of the Public Utilities Code is
2 repealed.

3 SEC. 5. Section 120051.6 of the Public Utilities Code is
4 amended to read:

5 120051.6. The alternate members of the board shall be
6 appointed as follows:

7 (a) The County of San Diego Board of Supervisors shall appoint
8 a county supervisor, *not already appointed under Section 120051*,
9 who represents one of the two supervisorial districts with the
10 greatest percentage of its area within the incorporated area of the
11 County of San Diego within the area, ~~not already appointed under~~
12 ~~Section 120051~~, under the jurisdiction of the transit development
13 board as defined in Section ~~120054~~ *120054*, to serve as an alternate
14 member of the transit development board.

15 (b) The city councils of the cities specified in subdivision (b)
16 *or (c)* of Section 120050.2 shall each individually appoint a
17 member of their respective city councils not already appointed
18 pursuant to subdivision (b) or (c) of Section 120050.2 to serve as
19 an alternate member of the transit development board for each
20 member of the city on the board.

21 (c) At its discretion, a city council or the county board of
22 supervisors may appoint a second alternate member, in the same
23 manner as first alternates are appointed, to serve on the board in
24 the event that neither a member nor the alternate member is able
25 to attend a meeting of the board.

26 (d) An alternate member and second alternate member shall be
27 subject to the same restrictions and shall have the same powers,
28 when serving on the board, as a member.

29 SEC. 6. Section 120102.5 of the Public Utilities Code is
30 amended to read:

31 120102.5. (a) A majority of the members of the board
32 constitutes a quorum for the transaction of business. All official
33 acts of the board require the affirmative vote of the majority of the
34 weighted vote of the members present. However, any reference in
35 this division to a two-thirds vote of the members of the board shall
36 be deemed to mean the affirmative vote of two-thirds of the
37 weighted vote of the members present.

38 (b) In the case of a weighted vote, there shall be a total of 100
39 votes. Each member agency shall have that number of votes
40 annually determined by the following apportionment formula,

1 provided that each agency shall have at least one vote, and that
2 there shall be no fractional votes:

3 (1) Compute, consistent with subdivision (d), the total population
4 of the cities and the county, and compute the percentage of this
5 total for each agency.

6 (2) Boost percentage fractions in the case of each agency where
7 the total is less than one, to one, and then add to that number only
8 the whole numbers, excluding fractions, for all other agencies.

9 (3) If the total cumulative number under paragraph (2) is less
10 than 100, add one vote each to the agencies that, prior to exclusion
11 under paragraph (2), had the highest fractional amounts, but
12 exclude from this allocation any agency whose fraction was
13 boosted under paragraph (2), until a total of 100 votes is reached.

14 (4) If the total cumulative number under paragraph (2) is more
15 than 100, subtract one vote each from the agencies that, prior to
16 exclusion under paragraph (2), had the lowest fractional amounts,
17 until a total of 100 votes is reached, but in no case shall an agency
18 have less than one vote.

19 (c) The City of San Diego shall allocate half of its weighted
20 vote to the mayor of the City of San Diego, and the other half shall
21 be divided equally between the three city council members. The
22 City of Chula Vista shall allocate its weighted vote evenly between
23 its two members.

24 (d) For purposes of subdivision (b), the population of the County
25 of San Diego is the population in the unincorporated area of the
26 county within the area of jurisdiction of the transit development
27 board pursuant to Section 120054.

28 (e) The board shall adopt a policy and procedure to implement
29 this section.

30 SEC. 7. Article 11 (commencing with Section 120480) is added
31 to Chapter 4 of Division 11 of the Public Utilities Code, to read:

32
33 Article 11. Transactions and Use Tax
34

35 120480. (a) A retail transactions and use tax ordinance
36 applicable in the incorporated and unincorporated territory within
37 the area of the board pursuant to Section 120054 shall be imposed
38 by the board in accordance with Section 120485 and Part 1.6
39 (commencing with Section 7251) of Division 2 of the Revenue
40 and Taxation Code, and Section 2 of Article XIII C of the California

1 Constitution. The tax ordinance shall take effect at the close of the
2 polls on the day of election at which the proposition is adopted.
3 The initial collection of the transactions and use tax shall take
4 place in accordance with Section 120483.

5 (b) If, at any time, the voters do not approve the imposition of
6 the transactions and use tax, this chapter remains in full force and
7 effect. The board may, at any time thereafter, submit the same, or
8 a different, measure to the voters in accordance with this chapter.

9 120481. (a) The board, in the ordinance, shall state the nature
10 of the tax to be imposed, the tax rate or the maximum tax rate, the
11 purposes for which the revenue derived from the tax will be used,
12 and may set a term during which the tax will be imposed. The
13 purposes for which the tax revenues may be used shall be limited
14 to public transit purposes serving the area of jurisdiction of the
15 board, as determined by the board, including the administration
16 of this division and legal actions related thereto. These purposes
17 include expenditures for the planning, environmental reviews,
18 engineering and design costs, and related right-of-way acquisition.
19 The ordinance shall contain an expenditure plan that shall include
20 the allocation of revenues for the purposes authorized by this
21 section.

22 (b) As used in this section, “public transit purposes” includes
23 the public transit responsibilities under the jurisdiction of the board
24 as well as any bikeway, bicycle path, sidewalk, trail, pedestrian
25 access, or pedestrian accessway.

26 120482. (a) The county shall conduct an election called by
27 the board pursuant to Section 120480.

28 (b) The election shall be called and conducted in the same
29 manner as provided by law for the conduct of elections by a county.

30 120483. (a) Any transactions and use tax ordinance adopted
31 pursuant to this article shall be operative on the first day of the
32 first calendar quarter commencing more than 110 days after
33 adoption of the ordinance.

34 (b) Prior to the operative date of the ordinance, the board shall
35 contract with the State Board of Equalization to perform all
36 functions incident to the administration and operation of the
37 ordinance. The costs to be covered by the contract may also include
38 services of the types described in Section 7272 of the Revenue
39 and Taxation Code for preparatory work up to the operative date

1 of the ordinance. Any disputes as to the amount of the costs shall
2 be resolved in the same manner as provided in that section.

3 120484. The revenues from the taxes imposed pursuant to this
4 article may be allocated by the board for public transit purposes
5 consistent with the applicable regional transportation improvement
6 program and the applicable regional transportation plan.

7 120485. The board, subject to the approval of the voters, may
8 impose a maximum tax rate of one-half of 1 percent under this
9 article and Part 1.6 (commencing with Section 7251) of Division
10 2 of the Revenue and Taxation Code. The board shall not levy the
11 tax at a rate other than one-half or one-fourth of 1 percent unless
12 specifically authorized by the Legislature.

13 120486. The board, as part of the ballot proposition to approve
14 the imposition of a retail transactions and use tax, may seek
15 authorization to issue bonds payable from the proceeds of the tax.

16 120487. Any action or proceeding wherein the validity of the
17 adoption of the retail transactions and use tax ordinance provided
18 for in this article or the issuance of any bonds thereunder or any
19 of the proceedings in relation thereto is contested, questioned, or
20 denied, shall be commenced within six months from the date of
21 the election at which the ordinance is approved; otherwise, the
22 bonds and all proceedings in relation thereto, including the adoption
23 and approval of the ordinance, shall be held to be valid and in
24 every respect legal and incontestable.

25 120488. The board has no power to impose any tax other than
26 the transactions and use tax imposed upon approval of the voters
27 in accordance with this article.

28 ~~SEC. 8. Section 125050 of the Public Utilities Code is amended~~
29 ~~to read:~~

30 ~~125050. There is hereby created, in that portion of the County~~
31 ~~of San Diego as described in Section 125052, the North County~~
32 ~~Transit District. The district shall be governed by a board of~~
33 ~~directors. As used in this division, "board" means the board of~~
34 ~~directors of the district. The board shall consist of members~~
35 ~~selected as follows:~~

36 ~~(a) One member of the San Diego County Board of Supervisors~~
37 ~~appointed by the board of supervisors, which member shall~~
38 ~~represent, on the board of supervisors, the largest portion of the~~
39 ~~area under the jurisdiction of the district.~~

1 ~~(b) The mayors of the Cities of Carlsbad, Del Mar, Encinitas,~~
2 ~~Escondido, Oceanside, San Marcos, Solana Beach, and Vista, and~~
3 ~~each new city that incorporates within the district boundaries.~~

4 ~~SEC. 9.~~

5 SEC. 8. Section 125102 of the Public Utilities Code is amended
6 to read:

7 125102. (a) A majority of the members of the board constitutes
8 a quorum for the transaction of business. All official acts of the
9 board require the affirmative vote of the majority of the weighted
10 vote of the members of the board present. However, any reference
11 in this division to a two-thirds vote of the members of the board
12 shall be deemed to mean the affirmative vote of two-thirds of the
13 weighted vote of the members present.

14 (b) In the case of a weighted vote, there shall be a total of 100
15 votes. Each member agency shall have that number of votes
16 annually determined by the following apportionment formula,
17 provided that each agency shall have at least one vote, and that
18 there shall be no fractional votes:

19 (1) Compute, consistent with subdivision (c), the total population
20 of the cities and the county, and compute the percentage of this
21 total for each agency.

22 (2) Boost percentage fractions in the case of each agency where
23 the total is less than one, to one, and then add to that number only
24 the whole numbers, excluding fractions, for all other agencies.

25 (3) If the total cumulative number under paragraph (2) is less
26 than 100, add one vote each to the agencies that, prior to exclusion
27 under paragraph (2), had the highest fractional amounts, but
28 exclude from this allocation any agency whose fraction was
29 boosted under paragraph (2), until a total of 100 votes is reached.

30 (4) If the total cumulative number under paragraph (2) is more
31 than 100, subtract one vote each from the agencies that, prior to
32 exclusion under paragraph (2), had the lowest fractional amounts,
33 until a total of 100 votes is reached, but in no case shall an agency
34 have less than one vote.

35 (c) For purposes of subdivision (b), the population of the County
36 of San Diego is the population in the unincorporated area of the
37 county within the area of jurisdiction of the board pursuant to
38 Section 125052.

39 (d) The board shall adopt a policy and procedure to implement
40 this section.

1 ~~SEC. 10.~~

2 *SEC. 9.* Article 9 (commencing with Section 125480) is added
3 to Chapter 4 of Division 11.5 of the Public Utilities Code, to read:

4
5 Article 9. Transactions and Use Tax
6

7 125480. (a) A retail transactions and use tax ordinance
8 applicable in the incorporated and unincorporated territory within
9 the area of the board pursuant to Section 125052 shall be imposed
10 by the board in accordance with Section 125485 and Part 1.6
11 (commencing with Section 7251) of Division 2 of the Revenue
12 and Taxation Code, and Section 2 of Article XIII C of the California
13 Constitution. The tax ordinance shall take effect at the close of the
14 polls on the day of election at which the proposition is adopted.
15 The initial collection of the transactions and use tax shall take
16 place in accordance with Section 125483.

17 (b) If, at any time, the voters do not approve the imposition of
18 the transactions and use tax, this chapter remains in full force and
19 effect. The board may, at any time thereafter, submit the same, or
20 a different, measure to the voters in accordance with this chapter.

21 125481. (a) The board, in the ordinance, shall state the nature
22 of the tax to be imposed, the tax rate or the maximum tax rate, the
23 purposes for which the revenue derived from the tax will be used,
24 and may set a term during which the tax will be imposed. The
25 purposes for which the tax revenues may be used shall be limited
26 to public transit purposes serving the area of jurisdiction of the
27 board, as determined by the board, including the administration
28 of this division and legal actions related thereto. These purposes
29 include expenditures for the planning, environmental reviews,
30 engineering and design costs, and related right-of-way acquisition.
31 The ordinance shall contain an expenditure plan that shall include
32 the allocation of revenues for the purposes authorized by this
33 section.

34 (b) As used in this section, “public transit purposes” includes
35 the public transit responsibilities under the jurisdiction of the
36 district as well as any bikeway, bicycle path, sidewalk, trail,
37 pedestrian access, or pedestrian accessway.

38 125482. (a) The county shall conduct an election called by
39 the board pursuant to Section 125480.

1 (b) The election shall be called and conducted in the same
2 manner as provided by law for the conduct of elections by a county.

3 125483. (a) Any transactions and use tax ordinance adopted
4 pursuant to this article shall be operative on the first day of the
5 first calendar quarter commencing more than 110 days after
6 adoption of the ordinance.

7 (b) Prior to the operative date of the ordinance, the board shall
8 contract with the State Board of Equalization to perform all
9 functions incident to the administration and operation of the
10 ordinance. The costs to be covered by the contract may also include
11 services of the types described in Section 7272 of the Revenue
12 and Taxation Code for preparatory work up to the operative date
13 of the ordinance. Any disputes as to the amount of the costs shall
14 be resolved in the same manner as provided in that section.

15 125484. The revenues from the taxes imposed pursuant to this
16 article may be allocated by the board for public transit purposes
17 consistent with the applicable regional transportation improvement
18 program and the applicable regional transportation plan.

19 125485. The board, subject to the approval of the voters, may
20 impose a maximum tax rate of one-half of 1 percent under this
21 article and Part 1.6 (commencing with Section 7251) of Division
22 2 of the Revenue and Taxation Code. The board shall not levy the
23 tax at a rate other than one-half or one-fourth of 1 percent unless
24 specifically authorized by the Legislature.

25 125486. The board, as part of the ballot proposition to approve
26 the imposition of a retail transactions and use tax, may seek
27 authorization to issue bonds payable from the proceeds of the tax.

28 125487. Any action or proceeding wherein the validity of the
29 adoption of the retail transactions and use tax ordinance provided
30 for in this article or the issuance of any bonds thereunder or any
31 of the proceedings in relation thereto is contested, questioned, or
32 denied, shall be commenced within six months from the date of
33 the election at which the ordinance is approved; otherwise, the
34 bonds and all proceedings in relation thereto, including the adoption
35 and approval of the ordinance, shall be held to be valid and in
36 every respect legal and incontestable.

37 125488. The board has no power to impose any tax other than
38 the transactions and use tax imposed upon approval of the voters
39 in accordance with this article.

1 ~~SEC. 11.~~

2 ~~SEC. 10.~~ Section 132351.1 of the Public Utilities Code is
3 amended to read:

4 132351.1. (a) A board of directors consisting of 21 members
5 shall govern the consolidated agency.

6 (b) For purposes of this chapter, “governing body” means the
7 board of supervisors, council, council and mayor where the mayor
8 is not a member of the council, authority, trustees, director,
9 commission, committee, or other policymaking body, as
10 appropriate, that exercises authority over an entity represented on
11 the board of the consolidated agency.

12 (c) All powers, privileges, and duties vested in or imposed upon
13 the consolidated agency shall be exercised and performed by and
14 through a board of directors provided, however, that the exercise
15 of all executive, administrative, and ministerial power may be
16 delegated and redelegated by the board, to any of the offices,
17 officers, or committees created pursuant to this chapter or created
18 by the board acting pursuant to this chapter.

19 (d) The board shall be composed of one primary representative
20 *selected by the governing body* of each city in the county and the
21 chair of the San Diego County Board of Supervisors. However,
22 the City of San Diego and the County of San Diego shall each
23 have a primary and secondary representative, which for the City
24 of San Diego shall be the mayor of the City of San Diego and the
25 president of the city council. ~~Except in the case of the City of San~~
26 ~~Diego and the County of San Diego, each director shall be the~~
27 ~~mayor of the governing body of his or her city. Each director shall~~
28 ~~be a mayor, councilperson, or supervisor, as applicable, of the~~
29 ~~governing body that selected him or her. Vacancies shall be filled~~
30 ~~in the same manner as originally selected.~~ Each city or county
31 shall also select one alternate to serve on the board when the
32 primary or secondary representative, if applicable, is not available.
33 The alternate shall be subject to the same restrictions and have the
34 same powers, when serving on the board, as the representative for
35 whom he or she is substituting. The alternate shall be a
36 ~~councilperson~~ mayor, councilperson, or supervisor, as applicable,
37 of his or her governing body.

38 (e) Notwithstanding subdivision (d), in those years when the
39 chair of the San Diego County Board of Supervisors is from a
40 district that is substantially an incorporated area, a supervisor who

1 represents a district that is substantially an unincorporated area
2 shall be appointed to the board as the secondary representative.
3 Alternatively, in those years when the chair of the San Diego
4 County Board of Supervisors is from a district that is substantially
5 an unincorporated area, a supervisor who represents a district that
6 is substantially an incorporated area shall be appointed to the board
7 as the secondary representative.

8 (f) At its discretion, each city or county may select a second
9 alternate, in the same manner as the first alternate, to serve on the
10 board in the event that neither the primary representative nor the
11 first alternate is able to attend a meeting of the board. This alternate
12 shall be subject to the same restrictions and have the same powers,
13 when serving on the board, as the primary representative.

14 (g) The board may allow for the appointment of advisory
15 representatives to sit with the board but in no event shall those
16 representatives be allowed a vote. The current advisory
17 representatives to the San Diego Association of Governments may
18 continue their advisory representation on the consolidated agency
19 at the discretion of their governing body. The governing bodies of
20 the County of Imperial and the cities in that county may
21 collectively designate an advisory representative to sit with the
22 board.

23 ~~SEC. 12.~~

24 *SEC. 11.* Section 132351.2 of the Public Utilities Code is
25 amended to read:

26 132351.2. (a) A majority of the member agencies constitute
27 a quorum for the transaction of business. In order to act on any
28 item, the affirmative vote of the majority of the weighted vote of
29 the members present is required.

30 (b) The governing body of the City of San Diego and the County
31 of San Diego shall allocate their weighted votes equally between
32 their primary and secondary members.

33 (c) For the weighted vote, there shall be a total of 100 votes,
34 except additional votes shall be allowed pursuant to subdivision
35 (f). Each member agency shall have that number of votes
36 determined by the following apportionment formula, provided that
37 each agency shall have at least one vote and there shall be no
38 fractional votes:

39 (1) Compute the total population of the San Diego region and
40 compute the percentage of this total for each agency.

(2) Boost percentage fractions in the case of each agency where the total is less than one, to one, and then add to that number only the whole numbers, excluding fractions, for all other agencies.

(3) If the total cumulative number under paragraph (2) is less than 100, add one vote each to the agencies that, prior to exclusion under paragraph (2), had the highest fractional amounts, but exclude from this allocation any agency whose fraction was boosted under paragraph (2), until a total of 100 votes is reached.

(4) If the total cumulative number under paragraph (2) is more than 100, subtract one vote each from the agencies that, prior to exclusion under paragraph (2), had the lowest fractional amounts, until a total of 100 votes is reached, but in no case shall an agency have less than one vote.

(d) The weighted vote formula under subdivision (c) shall be recomputed every July 1.

(e) Any newly incorporated city shall receive one vote under the weighted vote procedure until the next recomputation of the weighted vote formula under subdivision (c), at which time the new agency shall receive votes in accordance with the recomputed formula. Until this recomputation, the total weighted vote may exceed 100.

~~SEC. 13.~~

SEC. 12. Section 132351.4 of the Public Utilities Code is amended to read:

132351.4. (a) The consolidated agency shall have five standing policy advisory committees named the executive, transportation, regional planning, borders, and audit committees. The responsibilities of the committees shall be established by the board. Committee membership may be expanded by the consolidated agency, and shall be selected in accordance with a process established by the consolidated agency. The membership shall be as follows:

(1) The executive committee shall consist of six voting members with board members representing east county, north county coastal, north county inland, south county, and the representative, or the representative's alternate in their absence, from the City of San Diego and the county. The chairperson and the vice chairperson of the consolidated agency shall each be one of the six voting members.

1 (2) (A) The transportation committee shall consist of nine voting
2 members with board members or alternates representing east
3 county, north county coastal, north county inland, south county
4 and the mayor or a council member from the City of San Diego,
5 a supervisor from the County of San Diego, a member of the board
6 of the MTDB appointed by the board of the MTDB, a member of
7 the board of the NCTD appointed by the board of the NCTD, and
8 a member of the San Diego County Regional Airport Authority
9 appointed by the airport authority.

10 (B) Among its transportation responsibilities, the transportation
11 committee shall provide a strong focus and commitment to meeting
12 the public transit needs of the San Diego region, set transit funding
13 criteria and recommend transit funding levels, and undertake transit
14 responsibilities resulting from consolidation, as delegated by the
15 board.

16 (C) The board shall provide a report, developed by the
17 transportation committee, to the Legislature on or before July 1 of
18 each year that outlines the public transit needs, transit funding
19 criteria, recommended transit funding levels, and additional work
20 on public transit, as delegated to the transportation committee by
21 the board. The report shall specify the funds spent explicitly on
22 public transportation. The report shall be submitted consistent with
23 Section 9795 of the Government Code.

24 (3) The regional planning committee shall consist of six voting
25 members with board members or alternates representing east
26 county, north county coastal, north county inland, south county,
27 and the mayor or a council member from the City of San Diego,
28 and a supervisor from the County of San Diego.

29 (4) The borders committee shall consist of seven voting
30 members with board members or alternates representing east
31 county, north county coastal, north county inland, south county,
32 the mayor or a council member from the City of San Diego, a
33 supervisor from the County of San Diego, and a mayor, council
34 member, or supervisor from the County of Imperial.

35 (5) The audit committee shall consist of five voting members
36 with two board members and three members of the public to be
37 appointed by the board. The audit committee shall recommend to
38 the board the contract of the firm conducting the annual financial
39 statement audits and the hiring of the independent performance
40 auditor and approve the annual audit plan after discussion with the

1 independent performance auditor pursuant to subdivision (b) of
2 Section 132354.1.

3 (b) The board may appoint other standing and ad hoc working
4 groups to advise it in carrying out its responsibilities.

5 (c) No board member may serve as a member of more than two
6 standing policy advisory committees at any one time, except those
7 board members serving on the audit committee.

8 ~~SEC. 14.~~

9 *SEC. 13.* Section 132352.3 of the Public Utilities Code is
10 amended to read:

11 132352.3. The officers of the board are the chairperson and
12 the vice chairperson. The mayors of the largest city and the
13 second-largest city shall alternate between serving as chairperson
14 and vice chairperson for four-year terms. The board may create
15 additional officers and elect members to those positions. However,
16 no member may hold more than one office. The term of office for
17 any officers of the board other than the chairperson and the vice
18 chairperson shall be established by the board.

19 ~~SEC. 15.~~

20 *SEC. 14.* Section 132354.1 of the Public Utilities Code is
21 amended to read:

22 132354.1. (a) The board shall arrange for a post audit of the
23 financial transactions and records of the consolidated agency to
24 be made at least annually by a certified public accountant.

25 (b) (1) The audit committee shall appoint an independent
26 performance auditor, subject to approval by the board, who may
27 only be removed for cause by a vote of at least two-thirds of the
28 audit committee and the board.

29 (2) The independent performance auditor shall have authority
30 to conduct or to cause to be conducted performance audits of all
31 departments, offices, boards, activities, agencies, and programs of
32 the consolidated agency. The auditor shall prepare annually an
33 audit plan and conduct audits in accordance therewith and perform
34 those other duties as may be required by ordinance or as provided
35 by the California Constitution and general laws of the state. The
36 auditor shall follow government auditing standards. All officers
37 and employees of the consolidated agency shall furnish to the
38 auditor unrestricted access to employees, information, and records,
39 including electronic data, within their custody regarding powers,
40 duties, activities, organization, property, financial transactions,

1 contracts, and methods of business required to conduct an audit
2 or otherwise perform audit duties. It is also the duty of any
3 consolidated agency officer, employee, or agent to fully cooperate
4 with the auditor, and to make full disclosure of all pertinent
5 information.

6 (3) The auditor shall have the power to appoint, employ, and
7 remove assistants, employees, and personnel as deemed necessary
8 for the efficient and effective administration of the affairs of the
9 office and to prescribe their duties, scope of authority, and
10 qualifications.

11 (4) The auditor may investigate any material claim of financial
12 fraud, waste, or impropriety within the consolidated agency and
13 for that purpose may summon any officer, agent, or employee of
14 the consolidated agency, any claimant, or other person, and
15 examine him or her upon oath or affirmation relative thereto. All
16 consolidated agency contracts with consultants, vendors, or
17 agencies will be prepared with an adequate audit provision to allow
18 the auditor access to the entity's records needed to verify
19 compliance with the terms specified in the contract. Results of all
20 audits and reports shall be made available to the public in
21 accordance with the requirements of the California Public Records
22 Act (Chapter 3.5 (commencing with Section 6250) of Division 7
23 of the Title 1 of the Government Code).

24 (c) The board shall develop and adopt internal control guidelines
25 to prevent and detect financial errors and fraud based on the internal
26 control guidelines developed by the Controller pursuant to Section
27 12422.5 of the Government Code and the standards adopted by
28 the American Institute of Certified Public Accountants.

29 (d) The board shall develop and adopt an administration policy
30 that includes a process to conduct staff performance evaluations
31 on a regular basis to determine if the knowledge, skills, and abilities
32 of staff members are sufficient to perform their respective
33 functions, and shall monitor the evaluation process on a regular
34 basis.

35 ~~SEC. 16.~~

36 *SEC. 15.* Section 132360.1 of the Public Utilities Code is
37 amended to read:

38 132360.1. In preparing and updating the regional
39 comprehensive plan, it is the intent of the Legislature that:

1 (a) The regional comprehensive plan preserve and improve the
2 quality of life in the San Diego region, maximize mobility and
3 transportation choices, and conserve and protect natural resources.

4 (b) The regional comprehensive plan shall address the
5 greenhouse gas emissions reduction rules and regulations adopted
6 ~~by the State Air Resources Board pursuant to Section 38560 of~~
7 ~~the Health and Safety Code and the statewide greenhouse gas~~
8 ~~emissions limit set forth in Section 38566 of the Health and Safety~~
9 ~~Code and include strategies in that regard, including the~~
10 ~~establishment of aggressive nonautomobile modal share targets~~
11 ~~for the region; targets set by the State Air Resources Board as~~
12 ~~required by Section 65080 of the Government Code and include~~
13 ~~strategies that provide for mode shift to public transportation.~~

14 (c) The regional comprehensive plan shall identify
15 disadvantaged communities as designated pursuant to Section
16 39711 of the Health and Safety Code and include transportation
17 strategies to reduce pollution exposure in these communities.

18 (d) In formulating and maintaining the regional comprehensive
19 plan, the consolidated agency shall take account of and shall seek
20 to harmonize the needs of the region as a whole, the plans of the
21 county and cities within the region, and the plans and planning
22 activities of organizations that affect or are concerned with planning
23 and development within the region.

24 (e) The consolidated agency shall engage in a public
25 collaborative planning process. The recommendations resulting
26 from the public collaborative planning process shall be made
27 available to and considered by the consolidated agency for
28 integration into the draft regional comprehensive plan. The
29 consolidated agency shall adopt a procedure to carry out this
30 process including a method of addressing and responding to
31 recommendations from the public.

32 (f) In formulating and maintaining the regional comprehensive
33 plan, the consolidated agency shall seek the cooperation and
34 consider the recommendations of all of the following:

35 (1) Its member agencies and other agencies of local government
36 within the jurisdiction of the consolidated agency.

37 (2) State and federal agencies.

38 (3) Educational institutions.

39 (4) Research organizations, whether public or private.

40 (5) Civic groups.

1 (6) Private individuals.

2 (7) Governmental jurisdictions located outside the region but
3 contiguous to its boundaries.

4 (g) The consolidated agency shall make the regional
5 comprehensive plan, policies, and objectives available to all local
6 agencies and facilitate consideration of the regional comprehensive
7 plan in the development, implementation, and update of local
8 general plans. The consolidated agency shall provide assistance
9 and enhance the opportunities for local agencies to develop,
10 implement, and update general plans in a manner that recognizes,
11 at a minimum, land use, transportation compatibility, and a
12 jobs-to-housing balance within the regional comprehensive plan.

13 (h) The consolidated agency shall maintain the data, maps, and
14 other information developed in the course of formulating the
15 regional comprehensive plan in a form suitable to assure a
16 consistent view of developmental trends and other relevant
17 information for the availability of and use by other government
18 agencies and private organizations.

19 (i) The components of the regional comprehensive plan may
20 include, but are not limited to, transportation, housing, water
21 quality and supply, infrastructure, air quality, energy, solid waste,
22 economy, and open space, including habitat. Performance standards
23 and measurable criteria shall be established through a public
24 process to ensure that the regional comprehensive plan is prepared
25 consistent with these measures as well as in determining
26 achievement of the regional comprehensive plan goals throughout
27 its implementation.

28 (j) Any water supply component or provision of the regional
29 infrastructure strategy regarding water supply contained in the
30 regional comprehensive plan shall be consistent with the urban
31 water management plan and other adopted regional water facilities
32 and supply plans of the San Diego County Water Authority.

33 ~~SEC. 17.~~

34 *SEC. 16.* If the Commission on State Mandates determines that
35 this act contains costs mandated by the state, reimbursement to
36 local agencies and school districts for those costs shall be made
37 pursuant to Part 7 (commencing with Section 17500) of Division
38 4 of Title 2 of the Government Code.

O



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Agenda Item No. C2

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

May 4, 2017

SUBJECT:

FARE COLLECTION UPDATE (SHARON COONEY)

INFORMATIONAL ONLY

Budget Impact

None.

DISCUSSION:

The San Diego Association of Governments (SANDAG), MTS, and the North County Transit District transitioned from paper fare products to the Compass Card electronic fare collection system in 2009. MTS assumed responsibility for management of Compass Card from SANDAG in 2014. MTS staff immediately began to review the current system's status, correct system deficiencies, and begin the process for modernization and replacement of components of the system that was originally procured in 2003.

Staff will provide a report on progress on several Compass initiatives including mobile ticketing, stored value implementation, Webtix, and creation of a Concept of Operations for system modernization.

/s/ Paul C. Jablonski

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

May 11, 2017

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 - April 13, 2017 Approve
3. Public Comments - Limited to five speakers with three minutes per speaker. Others will be heard after Board Discussion items. If you have a report to present, please give your copies to the Clerk of the Board.

Please SILENCE electronics
during the meeting

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Metropolitan Transit System (MTS) is a California public agency comprised of San Diego Transit Corp., San Diego Trolley, Inc. 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.



CONSENT ITEMS

- | | | |
|-----|--|--------------------|
| 6. | <u>San Diego Metropolitan Transit System (MTS) Sale of 2014 Ford E450 Starcraft Paratransit Bus to First Transit, Inc.</u>
Action would authorize the negotiated sale of MTS Vehicle No. 3910 (2014 Ford E450 Starcraft, VIN #1FDFE4FS2EDB10510) to First Transit, Inc. | Approve |
| 7. | <u>California Department of Transportation (Caltrans) Program of Projects for Federal Transit Administration (FTA) Section 5311 Funding, Federal Fiscal Year (FY) 2017 and FY 2018</u>
Action would approve Resolution No. 17-7, authorizing the use of and application for \$275,000 of FY 2017 and \$275,000 of FY 2018 Section 5311 funds for operating assistance. | Approve |
| 8. | <u>California Department of Transportation (Caltrans) Program of Projects for Federal Transit Administration Section 5311(f) Funding, Fiscal Year 2017</u>
Action would approve Resolution No. 17-8, authorizing the use of, and application for, \$203,500 of Federal Transit Administration (FTA) Section 5311(f) funds for operating assistance in non-urbanized areas. | Approve |
| 9. | <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 April 18, 2017</u>
Action would: (1) Receive the San Diego and Imperial Valley Railroad (SD&IV), Pacific Southwest Railway Museum Association (Museum), and Desert Line quarterly reports for information; and (2) Ratify actions taken by the SD&AE Board at its quarterly meeting on April 18, 2017. | Receive/
Ratify |
| 10. | <u>Courthouse Station Construction - Contract Award</u>
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. Nos. PWL222.0-17 and PWL232.0-17 with West Coast General/HMS Construction, Inc., a Joint Venture, for construction of the Orange Line Courthouse Station. | Approve |
| 11. | <u>Investment Report - March 2017</u> | Informational |
| 12. | <u>Orange Line Track Improvements - Add Alternate (Optional Items) Award</u> | Approve |
| 13. | <u>Paint Services for San Diego Transit Corporation (SDTC) and San Diego Trolley, Inc. (SDTI) - Contract Award</u>
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWL216.0-17 with Anemos Enterprises Inc. for the provision of paint services, materials, equipment and supplies at MTS's Trolley Yard Building B and the Kearny Mesa Division (KMD). | Approve |
| 14. | <u>Mobile On Board Video Surveillance System for the Minibus and Paratransit Fleets - Contract Amendment</u> | Approve |

Action would authorize the Chief Executive Officer (CEO) to execute Amendment No. 9 to MTS Doc. No. B0521.0-09, with Apollo Video Technology (Apollo) for the reallocation of \$281,856.00 originally encumbered and included under Amendment No. 8 as Optional Items to original agreement, for in-scope On Board Video Surveillance System (OBVSS) installation related services of the minibuses and paratransit fleets.

15. Courthouse Station - Motorized Switch Machines and Controllers

Approve

CLOSED SESSION

24. None.

Oral Report of Final Actions Taken in Closed Session

NOTICED PUBLIC HEARINGS

25. Proposed Fiscal Year 2018 Operating Budget (Mike Thompson)

Enact/
Adopt

DISCUSSION ITEMS

30.

31.

32.

33.

34.

REPORT ITEMS

45.

46.

47.

48.

49.

- | | | |
|-----|---|-------------|
| 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> June 8, 2017 | |
| 65. | <u>Adjournment</u> | |



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Agenda Item No. 6

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

May 11, 2017

**Draft for
Executive Committee
Review Date: 5/4/17**

SUBJECT:

SAN DIEGO METROPOLITAN TRANSIT SYSTEM (MTS) SALE OF 2014 FORD E450
STARCRAFT PARATRANSIT BUS TO FIRST TRANSIT, INC.

RECOMMENDATION:

That the MTS Board of Directors authorize the negotiated sale of MTS Vehicle No. 3910 (2014 Ford E450 Starcraft, VIN #1FDFE4FS2EDB10510) to First Transit, Inc.

Budget Impact

Proceeds from the sale of the MTS vehicle will be recorded to the MTS revenue account 901010-440200.

DISCUSSION:

On February 1, 2017, MTS paratransit vehicle no. 3910 was involved in a collision resulting in major damage to the vehicle. The bus, owned by MTS, is operated by First Transit, Inc., as part of MTS's paratransit service contract. Under the First Transit contract, First Transit is responsible for maintaining and operating the vehicles. First Transit is responsible for repairing any MTS vehicles damaged during First Transit's operations.

First Transit obtained a fair market valuation from Creative Bus Sales for this vehicle in its condition prior to collision. The estimated fair market value of the vehicle prior to collision was \$34,000. First Transit also obtained an estimated minimum cost to repair the vehicle from Property Damage Appraisal. The estimated cost to repair was \$30,256.43. First Transit has offered to purchase this vehicle from MTS at the fair market value of \$34,000.

Board Policy No. 33 states that "capital assets with an individual value in excess of \$10,000 or an aggregate value in excess of \$25,000 may be disposed of on a negotiated



sale basis provided a finding by the MTS Board of Directors by a two-thirds vote that special circumstances exist that make it in the best interest of the Board.” In accordance with Board Policy No. 33, alternatives to the proposed negotiated sale would include a competitive sale or internet auction. Given the current state of the vehicle, the highest return would be realized by a negotiated sale price based on the value of the vehicle prior to the collision.

Therefore, MTS staff recommends that the MTS Board of Directors authorize the negotiated sale of MTS Vehicle No. 3910 (2014 Ford E450 Starcraft, VIN #1FD4E4FS2EDB10510) to First Transit, Inc.

/s/ Paul C. Jablonski

Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. First Transit Offer Letter to MTS



7490 Copley Park Pl
San Diego, CA 92111
Tel: 858 277 1496
Fax: 858 737 7897

March 29, 2017

Jay Washburn
Manager Paratransit and Minibus
Metropolitan Transit System
100 16th Street
San Diego, CA 92001

Dear Mr. Washburn:

On February 1, 2017, MTS Paratransit vehicle 3910 was involved in collision resulting in major damage to the vehicle. First Transit has obtained the attached fair market valuation from Creative Bus Sales for this vehicle at \$34,000.00. First Transit has obtained a Property Damage Appraisal from PDA Riverside with an estimated minimum cost to repair of \$30,256.43 and declaring the vehicle a Total Loss. Due to the estimated cost of repair, nature of damage and vehicle value, it is not cost effective to attempt to repair this vehicle. Therefore, First Transit will offer to purchase this vehicle at the fair market value of \$34,000.

The following is a summary identifying the vehicle, repair costs and fair market value:

Vehicle Number	3910
Vin	1FDFE4FS2EDB10510
Odometer	72,147
Year	2014
Make	Ford
Model	E450 Starcraft
Fair Market Value	\$34,000.00
Repair cost to exceed:	\$30,256.43

I would like to thank you for your consideration and believe this offer represents a fair equitable resolution to this matter. Please feel free to contact me at your convenience.

Sincerely,

John Lewis,
General Manager

Enc: Fair Market Valuation – Creative Bus Sales
Estimate to Repair – PDA Riverside



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Agenda Item No. 7

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

May 11, 2017

**Draft for
Executive Committee
Review Date: 5/4/17**

SUBJECT:

CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS) PROGRAM OF
PROJECTS FOR FEDERAL TRANSIT ADMINISTRATION (FTA) SECTION 5311
FUNDING, FEDERAL FISCAL YEAR (FY) 2017 AND FY 2018

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors approve Resolution No. 17-7, (Attachment A) authorizing the use of and application for \$275,000 of FY 2017 and \$275,000 of FY 2018 Section 5311 funds for operating assistance.

Budget Impact

The 5311 program has a 44.67% non-federal match requirement. MTS will be required to provide non-federal matching funds in the amount of \$222,018 for FY 2017 and \$222,018 for FY2018 non-federal matching funds.

DISCUSSION:

The FTA provides funding for capital and operating assistance to agencies providing rural transportation through the Section 5311 Non-Urbanized Area Formula Program. These funds do not come directly to the region but are apportioned to the states. In turn, Caltrans, on behalf of the State of California, reapportions the funds to the region based solely on the regional rural population as a share of the state total rural population. San Diego Association of Governments (SANDAG) allocates the region's funds to both North County Transit District (NCTD) and MTS based on the relative rural population in each service area.



MTS uses these Section 5311 formula funds to fund Routes 888, 891, 892 and 864.

Rural Area



Caltrans has decided to conduct a multi-year Call for Projects which includes programming both FY 2017 and FY 2018 5311 apportionments in one application cycle. The FY 2017 includes a carryover amount from prior years.

For FY 2017, MTS' apportionment of 5311 funds is \$419,984, inclusive of funds carried forward from FY 2016. Of this amount \$275,000 will be used for FY 2018 rural operations. The remaining \$144,984 will carry forward as part of the FY 2018 apportionment.

For FY 2018, MTS's apportionment of 5311 funds is \$440,172, inclusive of funds carried forward from FY2017. Of this amount, \$275,000 will be used for FY 2019 rural operations. \$165,172 in excess funds will be carried forward and applied with the future FY 2019 apportionment.

Therefore, staff recommends that the MTS Board of Directors approve Resolution No. 17-7, (Attachment A) authorizing the use of and application for \$275,000 of FY 2017 and \$275,000 of FY 2018 Section 5311 funds for operating assistance.

/s/ Paul C. Jablonski
Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Board Resolution No. 17-7

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Resolution No. 17-7

Resolution Authorizing Federal Funding Under FTA Section 5311(49 U.S.C. Section 5311)
with the California Department of Transportation

WHEREAS, the U.S. Department of Transportation is authorized to make grants to states through the Federal Transit Administration (FTA) to support capital and operating assistance projects for nonurbanized public transit services under Section 5311 of the Federal Transit Act; and

WHEREAS, the California Department of Transportation has been designated by the Governor of the State of California to administer Section 5311 grants for transportation projects for the general public for the rural transit and intercity bus; and

WHEREAS, the San Diego Metropolitan Transit System (MTS) desires to apply for said financial assistance to operate rural transit service and support capital improvements in San Diego County; and

WHEREAS, MTS has, to the maximum extent feasible, coordinated and consulted with other transportation providers and users in the region (including social service agencies);

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED that MTS does hereby authorize the Chief Executive Officer, or designated representative, to file and execute any actions necessary on behalf of MTS with the California Department of Transportation to aid in the financing of operating or capital assistance projects pursuant to Section 5311 of the Federal Transit Act of 1964, as amended; that the designated representatives are:

1. The Chief of Staff is authorized to file and execute any actions necessary on behalf of MTS with the California Department of Transportation to aid in the financing of operating or capital assistance projects pursuant to Section 5311 of the Federal Transit Act of 1964, as amended.

2. The General Counsel is authorized to file and execute any actions necessary on behalf of MTS with the California Department of Transportation to aid in the financing of operating or capital assistance projects pursuant to Section 5311 of the Federal Transit Act of 1964, as amended.

3. The Chief Financial Officer is authorized to provide additional information as the California Department of Transportation may require in connection with the application for Section 5311 projects.

PASSED AND ADOPTED, by the Board of Directors this 11th day of May 2017, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

Chairperson
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

Clerk of the Board
San Diego Metropolitan Transit System
System

Office of the General Counsel
San Diego Metropolitan Transit



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Agenda Item No. 8

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

May 11, 2017

**Draft for
Executive Committee
Review Date: 5/4/17**

SUBJECT:

CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS) PROGRAM OF
PROJECTS FOR FEDERAL TRANSIT ADMINISTRATION SECTION 5311(f)
FUNDING, FISCAL YEAR 2017

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors approve Resolution No. 17-8, (Attachment A) authorizing the use of, and application for, \$203,500 of Federal Transit Administration (FTA) Section 5311(f) funds for operating assistance in non-urbanized areas.

Budget Impact

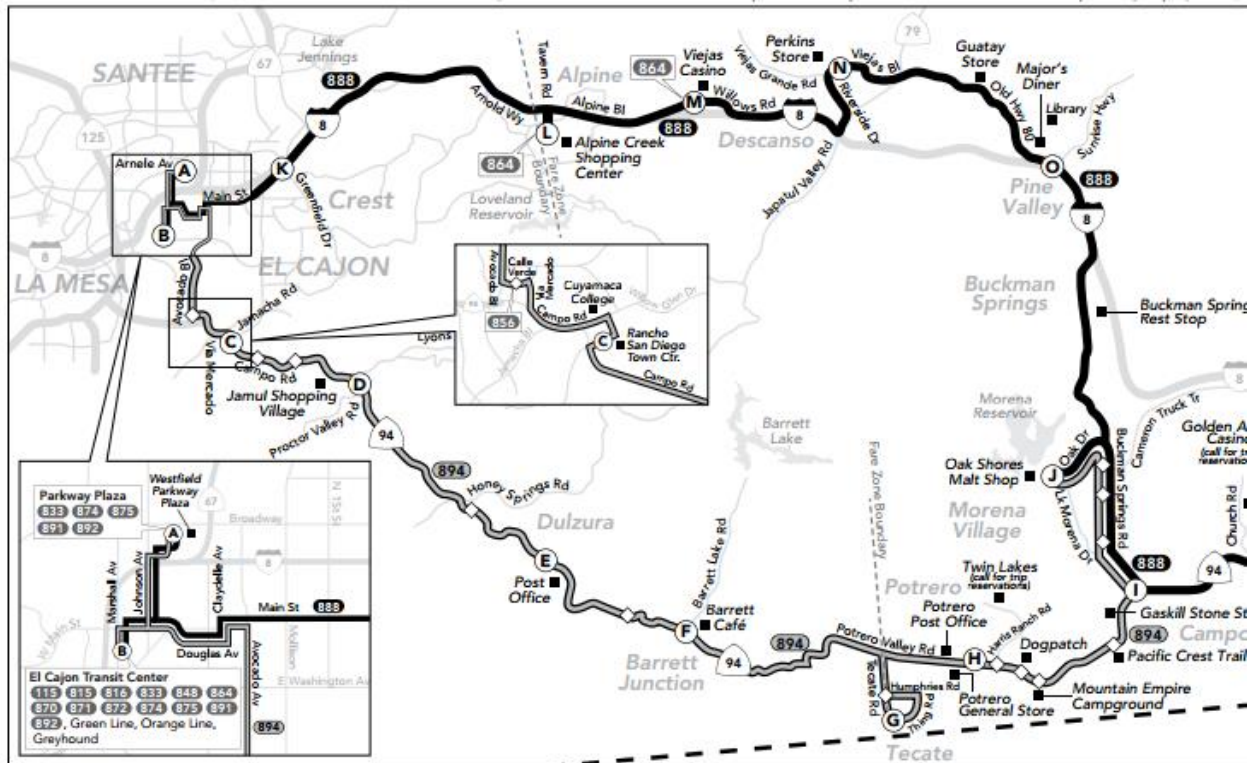
If awarded, MTS will receive federal fiscal year 2017 5311(f) funds in the amount of \$203,500 for operating assistance. Based on the maximum 55.33% federal share of eligible expenditures, MTS will be required to provide non-federal matching funds in the amount of \$164,294, or 44.67% of the total project costs.

DISCUSSION:

Caltrans administers a statewide competitive grant program wherein transit agencies and non-profit organizations are eligible to apply for up to \$300,000 in financial assistance for operations serving areas outside of the federally defined urban boundary. Eligible projects can include existing operations, new services or service expansion. However, projects must be consistent with the state-adopted objectives and meet federal certifications and assurance guidelines. MTS already meets the federal guidelines as an eligible recipient of other federal funds.



MTS uses these Section 5311(f) funds to fund Route 894 (Tecate – Campo – Morena Village – El Cajon) (a rural route that connects to inter-city bus networks).



Caltrans requires the submission of a resolution by agency Board of Directors authorizing the submission of a grant application and project programming. Staff has also requested the San Diego Associations of Governments (SANDAG) certify that it will amend the Regional Transportation Improvement Program in the event of a grant award, as per Caltrans requirements.

Therefore, staff recommends that the MTS Board of Directors approve Resolution No. 17-8, (Attachment A) authorizing the use of, and application for, \$203,500 of Federal Transit Administration (FTA) Section 5311(f) funds for operating assistance in non-urbanized areas.

/s/ Paul C. Jablonski
Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Board Resolution No. 17-8

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Resolution No. 17-8

Resolution Authorizing Federal Funding Under FTA Section 5311(f)
with the California Department of Transportation

WHEREAS, the U.S. Department of Transportation is authorized to make grants to states through the Federal Transit Administration (FTA) to support capital and operating assistance projects for nonurbanized public transit services under Section 5311(f) of the Federal Transit Act; and

WHEREAS, the California Department of Transportation has been designated by the Governor of the State of California to administer Section 5311(f) grants for public transportation projects; and

WHEREAS, San Diego Metropolitan Transit System (MTS) desires to apply for said financial assistance to operate rural transit service in San Diego County; and

WHEREAS, MTS has, to the maximum extent feasible, coordinated and consulted with other transportation providers and users in the region, including consultation with San Diego County Health and Human Services;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED that MTS does hereby authorize the Chief Executive Officer, or designated representative, to file and execute any actions necessary on behalf of MTS with the California Department of Transportation to aid in the financing of operating or capital assistance projects pursuant to Section 5311(f) of the Federal Transit Act of 1964, as amended; that the designated representatives are:

1. The Chief of Staff is authorized to file and execute any actions necessary on behalf of MTS with the California Department of Transportation to aid in the financing of operating or capital assistance projects pursuant to Section 5311(f) of the Federal Transit Act of 1964, as amended.

2. The General Counsel is authorized to file and execute any actions necessary on behalf of MTS with the California Department of Transportation to aid in the financing of operating or capital assistance projects pursuant to Section 5311(f) of the Federal Transit Act of 1964, as amended.

3. The Chief Financial Officer is authorized to provide additional information as the California Department of Transportation may require in connection with the application for Section 5311(f) projects.

PASSED AND ADOPTED, by the Board of Directors this 11th day of May 2017, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

Chairperson
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

Clerk of the Board
San Diego Metropolitan Transit System
System

Office of the General Counsel
San Diego Metropolitan Transit



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Agenda Item No. 9

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

May 11, 2017

**Draft for
Executive Committee
Review Date: 5/4/17**

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 APRIL 18, 2017

RECOMMENDATION:

That the Board of Directors:

- 1) receive the San Diego and Imperial Valley Railroad (SD&IV), Pacific Southwest Railway Museum Association (Museum), and Desert Line quarterly reports (Attachment A) for information; and
- 2) ratify actions taken by the SD&AE Board at its quarterly meeting on April 18, 2017.

Budget Impact

None.

DISCUSSION:

Pursuant to the Agreement for Operation of Freight Rail Services, SD&IV and Museum, have provided operations reports during the first quarter of 2017 (Attachment A).

/s/ Paul C. Jablonski

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 4/18/2017 SD&AE Meeting





SAN DIEGO & ARIZONA
EASTERN RAILWAY
COMPANY

A NEVADA NONPROFIT
CORPORATION

1255 IMPERIAL AVE., STE. 1000
SAN DIEGO, CA
92101-7490
(619) 231-1466

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

April 18, 2017

9:00 a.m.

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

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

**ACTION
RECOMMENDED**
Approve

1. Approval of the Minutes of January 17, 2017
Action would approve the SD&AE Railway Company Minutes of January 17, 2017.
2. Statement of Railway Finances (Shiela Dilayre) Informational
3. Report on San Diego and Imperial Valley (SD&IV) Railroad Operations (Matt Domen) Informational
4. Report on Pacific Southwest Railway Museum (Diana Hyatt) Informational
5. Report on the Desert Line
 - a. Desert Line Lease Activities Informational
 - b. Identification and Disposal of Abandoned Personal Property / Rolling Stock on the Desert Line (Karen Landers) Approve
Action would authorize staff to take all necessary and appropriate steps to identify and remove abandoned property on the Desert Line.
6. Real Property Matters (Tim Allison)
 - a. Summary of SD&AE Docs. Issued Since January 17, 2017 Informational
 - b. Easement For Street Improvements for the City of La Mesa Approve
Action would approve issuing an easement to the City of La Mesa for sidewalk and retaining-wall improvements along Spring Street just south of Interstate 8 (I-8).
 - c. Licenses for Aerial Fiber East of Campo Approve
Action would approve licenses for aerial fiber-crossing within the SD&AE right-of-way east of Campo.
 - d. Campo Indian Band Renewable Energy Project Possible Action
Action would receive a report and provide direction to staff.

7. Board Member Communications
8. Public Comments
9. Next Meeting Date: July 11, 2017
10. Adjournment

MINUTES

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

January 17, 2017

A meeting of the Board of Directors of the San Diego & Arizona Eastern (SD&AE) Railway Company, a Nevada corporation, was held at 1255 Imperial Avenue, Suite 1000, San Diego, California 92101, on January 17, 2017, at 9:04 a.m.

The following persons, constituting the Board of Directors, were present: Paul Jablonski, Matt Domen, and Jared Gooch. Also in attendance were members from:

San Diego Metropolitan Transit System:	Tim Allison, Erin Dunn, Karen Landers, Wayne Terry
Pacific Southwest Railway Museum:	Diana Hyatt
RailPros	Dan Davis

1. Approval of Minutes

Mr. Domen moved to approve the Minutes of the October 11, 2016, SD&AE Railway Board of Directors meeting. Mr. Gooch seconded the motion, and it was unanimously approved.

2. Statement of Railway Finances

Erin Dunn reviewed Statement of Railway Finances for the period ending November 30, 2016 (attached to the agenda item). Ms. Dunn stated that after the report was produced, approximately \$8,000 in additional expenses were located that pertain to this reporting period. These expenses will be added to the next quarterly report. Due to these additional expenses, the Year-to-Date Actual for July through November reflects \$449k but should be adjusted downward to \$441k. Ms. Landers reminded the Board to anticipate expenses paid to RailPros in the next quarter for Desert Line reconstruction fees.

Action Taken

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

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

Matt Domen reviewed the SD&IV Periodic Report for activities for the fourth quarter of 2016 (attached to the agenda item).

Action Taken

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

4. Report on Pacific Southwest Railway Museum Operations

Diana Hyatt reviewed the Pacific Southwest Railway Museum (PSRM) report for the fourth quarter of 2016 (attached to the agenda item). Ms. Hyatt noted corrections to the ticket revenue amount in the quarterly report for the fourth quarter 2016: the original amount of \$234,413 was revised to \$259,360, and a check in the amount of \$5,187.20 was submitted to MTS. Ms. Hyatt added that the recent heavy rains have affected the fire-damaged areas of Potrero, particularly in the area of Division.

Action Taken

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

5. Report on the Desert Line

Karen Landers noted there were no representatives from PIR, and she gave a report. Ms. Landers stated that PIR filed for Chapter 11 reorganization, and there is an action in the bankruptcy court currently to sell assets, including the Desert Line Lease. An entity that Baja Rail, the sublessee, is a part of has put in what is called a Stalking-Horse Bid to take over. Under the lease, Baja Rail currently has the first 60 miles for which it is responsible for performing the milestones. Baja Rail submitted an updated Reconstruction Plan to MTS last Friday. Dan Davis with RailPros will begin reviewing the plan and dialoging with Baja Rail regarding any questions or additional information that he needs. It is hopeful that by the next meeting, there will be a better idea of when construction can begin (if it hasn't already by then). Ms. Landers stated that MTS has bankruptcy counsel representation. She noted that PIR is technically in default under some of its performance milestones for the 10 miles of rails and bridges that were supposed to be completed first. It is concerning that due to the bankruptcy action, PIR is not taking any action to perform its lease obligations, which could jeopardize Baja Rail's performance. MTS is reviewing its options with bankruptcy counsel in the matter. Ms. Landers stated that if policy changes are needed, it would have to be done in closed session. She added that the MTS Board will be given a briefing.

Ms. Landers stated that there is a renewed management fight for control within PIR and its shareholders. One group is saying that the transfer of majority shareholder interests that happened last fall is invalid, and they've rescinded it and are back in control of PIR. Randall Polcyn is saying that he has been appointed by the group as back in control. Ms. Landers has reviewed this information with the bankruptcy attorney and until the bankruptcy court takes any action, MTS is not accepting any new direction in regard to a change in control of PIR. Everything that PIR does now is somewhat supervised by the bankruptcy court. MTS is pursuing its options and making sure that its rights are protected. Under the sublease, if PIR is in default, then Baja Rail has the right to come in and cure that default. MTS wants this process to move smoothly to get the line operating.

Ms. Hyatt asked who is authorized to request track warrants over the Museum's portion of the line. Ms. Landers responded that the Museum should be working with Baja Rail. She explained that under the sublease, Baja Rail has the first 60 miles and has somewhat exclusive rights to operate there. Ms. Landers requested that she be informed if PIR requests any independent access to do anything on the line.

Ms. Landers informed the Board that there is another separate lawsuit between Gary Sweetwood and PIR, which was recently stayed for a few months due to the pending bankruptcy action.

SD&AE Railway Company Board Meeting Minutes

Action Taken

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

6. Real Property Matters

a. Summary of SD&AE Documents Issued Since October 11, 2016

Since the October 11, 2016, SD&AE Railway Company Board of Directors meeting, the documents described below have been processed by staff.

- S200-16-635: Right of Entry Permit to the HP Communications Inc. to install aerial fiber at 32nd Street and Harbor Drive in the City of San Diego.
- S200-17-647: License to Crown Castle NG West LLC for aerial fiber at 32nd Street and Harbor Drive in the City of San Diego.
- S200-17-648: Right of Entry Permit to AirX Utility Surveyors, Inc. for utility location at Elm Street in the City of San Diego.

Action Taken

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

7. Board Member Communications

Ms. Landers responded to a comment about allowing Board members to call in remotely to meetings as opposed to physically attending. She explained that Board members can call in remotely and would need to make their location and call-in information public in the event that anyone from the public would like to sit in on that call at that location.

8. Public Comments

There were no public comments.

9. Next Meeting Date

The next meeting of the SD&AE Railway Company Board of Directors is on Tuesday, April 11, 2017.

10. Adjournment

The meeting was adjourned at 9:21 a.m.



President



General Counsel

Agenda Item No. 2

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

April 18, 2017

SUBJECT:

STATEMENT OF RAILWAY FINANCES

RECOMMENDATION:

That the SD&AE Railway Company Board of Directors receive a financial report for the period ending February 28, 2017.

Budget Impact

None.

DISCUSSION:

Attached are SD&AE's financial results for the period ending February 28, 2017.

As of February 28, 2017, fiscal year-to-date revenues are \$665,000 favorable to budget primarily due to the Desert Line Lease revenue not included in the budget.

Fiscal year-to-date expenses are \$55,000 favorable to budget due to a favorable variance in Personnel Costs.

The Net Income for the period ending February 28, 2017, was \$701,000.

Attachment: SD&AE Operating Statement for period ending 2/28/17

SD&AE Operating Statement FY2017-16

	FY 2017						FY 2016	
	Q1 Actual	Q2 Actual	Q3 Actual (Jan - Feb)	YTD Actual (Jul - Feb)	YTD Budget (Jul - Feb)	Variance	Q1 - Q3 Actual (Jul - Feb)	Variance
Revenues								
Right of Entry Permits	\$ 3,000	\$ 12,999	\$ 750	\$ 16,749	\$ 20,000	\$ (3,251)	\$ 6,650	\$10,099
Lease Income	19,103	19,019	10,344	48,466	46,664	1,802	42,563	5,903
Desert Line Lease Revenue	250,000	250,000	166,667	666,667	-	666,667	666,667	(0)
Operator Income - SD&IV 1% Freight Fee	8,500	8,500	5,700	22,700	23,336	(636)	20,403	2,297
Total Revenue	280,603	290,518	183,460	754,581	90,000	664,581	736,283	18,298
Expenses								
Personnel Costs	2,752	4,347	4,222	11,321	67,941	56,620	28,046	16,725
Outside Services	14,059	1,830	15,151	31,040	29,997	(1,043)	21,074	(9,966)
Risk Management	3,762	4,177	2,231	10,170	10,672	502	9,755	(415)
Misc. Operating Expenses	1,146	-	-	1,146	336	(810)	693	(453)
Total Expense	21,719	10,354	21,604	53,677	108,946	55,269	59,568	5,891
Net Income/(Loss)	\$ 258,884	\$280,163	\$161,857	\$700,904	\$ (18,946)	\$719,850	\$ 676,715	\$24,189

Reserve Balance July 1, 2016	\$1,581,452
-------------------------------------	--------------------

Allocated Interest Earnings	
- Estimated	6,667
Operating Profit/(Loss) - YTD	700,904

Reserve Balance as of Feb 28, 2017	\$2,289,023
---	--------------------

Agenda Item No. 3

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

April 18, 2017

SUBJECT:

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

RECOMMENDATION:

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

Budget Impact

None.

DISCUSSION:

An oral report will be given during the meeting.

Attachment: Periodic Report for the 1st Quarter of 2017



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

April 3, 2017

Periodic Report

In accordance with Section 20 of the Agreement for Operational Freight Service and Control through Management of the San Diego and Arizona Eastern Railway Company activities of interest for the 1st Quarter of 2017 are listed as follows:

1. Labor

At the end of March 31, 2017 the San Diego & Imperial Railroad had 10 employees:

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

2. Marketing

Volume in the 1st Quarter had a slight 2% decrease as compared to the same quarter in 2016. Bridge traffic into Mexico had a 9% decrease due to lower volumes of grain and LPG. Traffic terminating or originating on the SDIY was up 27% versus last year, mainly due to the increase in traffic handled at the San Ysidro transload facility.

3. Reportable Injuries/Environmental

Days through year to date, March 31, 2017, there were no FRA Reportable injuries or Environmental incidents on the SDIV Railroad.

Days FRA Reportable Injury Free: 7301

4. Summary of Freight

	2017	2016	2015
Total rail carloads that moved by SDIY Rail Service in the quarter.	1450	1483	906
Total railroad carloads Terminating/Originating Mexico in the quarter.	1092	1202	621
Total railroad carloads Terminating/Originating El Cajon, San Diego, National City, San Ysidro, California in the quarter.	358	281	285
Total customers directly served by SDIY in the quarter	10	11	12
Regional Truck trips that SDIY Railroad Service replaced in the quarter	4350	4449	2718

Respectfully,

Matt Domen

General Manager

Agenda Item No. 4

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

April 18, 2017

SUBJECT:

REPORT ON PACIFIC SOUTHWEST RAILWAY MUSEUM

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: Quarterly Report



Pacific Southwest Railway Museum

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

April 7, 2017

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

Re: First Quarter 2017

Dear SD&AE Board:

During the first quarter of 2017, utilizing all volunteer crews, the Pacific Southwest Railway Museum ran 26 Golden State passenger trains to the international border and return and 76 Valley Fiyer passenger trains within the Campo Valley carrying 1,185 passengers during 22 operating days. There were no FRA reportable accidents or injuries during the first quarter, 2017. Ticket revenue from SD&AE property for first quarter, 2017 was \$18,950; our check for \$379 is enclosed.

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

2,380 passengers during the first quarter of 2016; \$40,316
2,333 passengers during the first quarter of 2015; \$36,462
2,223 passengers during the first quarter of 2014; \$36,566
3,081 passengers during the first quarter of 2013; \$20,932
3,001 passengers during the first quarter of 2012; \$27,281
924 passengers during the first quarter of 2011; \$19,192

Passenger ridership declined significantly during this quarter due to two main factors. The primary factor was the weather element; there were multiple rainstorms throughout January and into early February dumping several inches of rain at a time. An entire operating weekend was cancelled in expectation of one of these large storms and visitors dwindled as people were deterred from driving in the poor weather conditions. The secondary fallout from the weather was an immense amount of rocks and silt falling onto the tracks. The extreme amounts of water

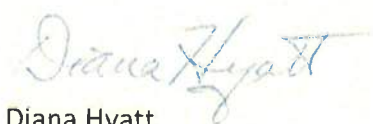
caused the railroad ties to swell and become saturated. As the rain ceased and the days warmed, the ties dried out and in one particular area, spikes were not holding the rail in gauge. This created the secondary factor leading to our reduced ridership during the quarter: on Sunday, February 19, 2017 while westbound from Campo shoving two coaches, our 70-ton locomotive derailed at MP 64.85 due to spread gauge. At the point of derailment, the train was traveling at 8 MPH. There were no injuries as the passengers felt nothing and there was no damage to the track, rail or locomotive. To bring the track back into gauge in this section, a total of twelve ties were replaced and several gauge rods installed. Because the damage fell considerably below the \$10,000 threshold and there were no injuries, this derailment is not considered by the FRA as necessary to be reported to them. During the time needed for track repairs, PSRM operated Valley Flyer passenger trains within the Campo Valley. Some passengers, especially those with small children enjoy the short ride, but most are disappointed when the full train ride is not available; some reservations were held until our guests could visit Campo and ride the Golden State train.

PSRM continues to maintain both signalized railroad crossings within our right of way limits performing the monthly and quarterly inspections. PSRM also performs bi-weekly track inspections between MP 59.9 and MP 66.77. Our contract weed sprayer paid us a visit and was taken on an inspection trip of the railroad. He will return soon to spray a concoction of pre-emergent and other herbicides along the right of way to keep down the vegetation.

PSRM is happy to announce that it has progressed towards another goal laid out in the past several years' strategic plans and has hired an Administrator of Fund Development. She is tasked with a tall order that will lay the foundation for an expanded fund-raising and grant-writing program for PSRM. We are pleased to welcome her as part of our team.

PSRM's Bunny Trains are presently in full swing and will be offered on Saturday, April 8th Sunday, April 9th and Saturday, April 15th with train departure times at 10:00 am, 12:15 pm and 2:30 pm each day. All staff from our sister organizations are invited to join us as our guests during this event or any weekend for a visit and a train ride. Come on out to Campo and see the improvements!

Sincerely,



Diana Hyatt
President

Agenda Item No. 5a

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

April 18, 2017

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 was not submitted in time for the mail-out.

Attachment: To be provided at the meeting.

Agenda Item No. 5b

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

April 18, 2017

SUBJECT:

IDENTIFICATION AND DISPOSAL OF ABANDONED PERSONAL PROPERTY /
ROLLING STOCK ON THE DESERT LINE

RECOMMENDATION:

That the SD&AE Board of Directors authorize staff to take all necessary and appropriate steps to identify and remove abandoned property on the Desert Line.

Budget Impact

None.

DISCUSSION:

The Desert Line lease with Pacific Imperial Railroad, Inc. (PIR) was executed in December 2012. Since that time, MTS staff and representatives of PIR, Baja California Railroad (BJRR), and Pacific Southwest Railroad Museum (PSRM) have identified several pieces of rolling stock that are stored throughout the Desert Line (see Attachment A).

In order to accommodate the upcoming repair and renewed operation of the Desert Line, any equipment that is not necessary for Desert Line freight operations needs to be removed. MTS staff could not locate any SD&AE records identifying the owners of the rolling stock. There are no agreements with SD&AE allowing the property to be stored on the Desert Line. Some of the rolling stock may be owned by the prior Desert Line tenant, Carrizo Gorge Railway Co. (CZRY) or its individual shareholders, officers, or clients. Therefore, MTS staff proposes that a Notice of Right to Reclaim Abandoned Property be sent to all individuals MTS can reasonably locate that might claim an ownership interest in the listed rolling stock.

Staff proposes the following schedule and process:

April 21:	Mail Notice to Service List
May 18:	Deadline to Submit Claim/Proof of Ownership
June 1:	Deadline to remove rolling stock from SD&AE property

Rolling stock that is capable of being removed by truck must be removed by truck. SD&AE does not agree to grant permission for rolling stock to be removed by rail.

If the only safe method for removal of a claimant's rolling stock is by rail, then the claimant must present a plan for removal to SD&AE by the June 1, 2017, deadline. If SD&AE agrees, in its sole discretion, that the only safe removal option for the rolling stock is by rail, SD&AE will work with the claimant to accommodate the removal, at the claimant's sole cost and expense, at a time when the railroad is in a sufficient state of repair to allow the movement of the rolling stock by rail.

Property that is not promptly claimed and removed will then be identified for disposal or reuse as follows: (1) donated to a nonprofit that preserves historic railroad rolling stock; (2) incorporated into SD&AE's official rolling stock inventory and used for freight railroad operations on the Desert Line; or (3) disposed of pursuant to Section 1993.07 of the Civil Code.

If the property is sold at a public auction pursuant to Section 1993.07 of the Civil Code, it will be done so after notice of the sale has been given by publication. After the property is sold, and the cost of storage, advertising, and sale is deducted, the remaining money, if any, will be paid over to the county. The undisputed owner may claim the remaining money (upon proof of ownership) at any time within one year after the county receives the money.

Attachment: A. Desert Line Rolling Stock Inventory

Attachment A

Desert Line – Rolling Stock Inventory

Railroad rolling stock inventory along the Desert Line between Division and Dos Cabezas:

AT CAMPO

House Track

Car Number	Description	Ownership Claim
CZRY 8758	bi-level gallery passenger car, ex-Chicago Metra	
SP tank car	formerly at Ocotillo for decades	owned by SDAE NOT IN DISPUTE
SDAE box cars (2)	acquired from SDTI	owned by PSRM NOT IN DISPUTE

AT JACUMBA

Car Number	Description	Ownership Claim
WCRC 100	EMD F7A locomotive	
WCRC 101	EMD F7B locomotive	
WCRC 102	EMD F7A locomotive	
UP 669	EMD GP 40M-2 locomotive	
ex-SP 1465	ALCO S-2 locomotive	
TMRX1	steel, wide-vision cupola caboose	
CZRY 1195	baggage car, ex-NYC	
Amtrak 4462	chair car, ex-ATSF 2960	
CZRY MOW01	heavy duty utility flat car (sitting in dirt)	
GW 39500	Ford hi-rail boom truck	
SP tank car	fire suppression car located at tunnel 16 for decades	owned by SDAE NOT IN DISPUTE
SP 1335	circa late 1870's-early 1880's wooden passenger coach, no trucks	owned by SDAE NOT IN DISPUTE
SP 8169?/1693?	circa late 1870's-early 1880's wooden passenger coach, no trucks	owned by SDAE NOT IN DISPUTE
SP tank car	formerly at Ocotillo for decades	owned by SDAE NOT IN DISPUTE
SDAE box cars (2)	acquired from SDTI	owned by PSRM NOT IN DISPUTE

Attachment A

Desert Line – Rolling Stock Inventory

AT TITUS SIDING

Car Number	Description	Ownership Claim
UP 6992/SWPC65	steel hopper car	
UP 17649	steel hopper car	
CZRY 2098	86' steel flat car	
SP ?	steel flat car, built 1948-friction bearing	believed to be owned by SDAE NOT IN DISPUTE

AT DUBBERS SPUR

Car Number	Description	Ownership Claim
CZRY 7773	bi-level gallery passenger car, ex-Chicago Metra	
CZRY 7779	bi-level gallery passenger car, ex-Chicago Metra	
CZRY 8728	bi-level gallery passenger car, ex-Chicago Metra	
CZRY 7774	bi-level gallery passenger car, ex-Chicago Metra	
CZRY 7784	bi-level gallery passenger car, ex-Chicago Metra	
SP 43969	flat car with tunnel inspection platform	owned by SDAE NOT IN DISPUTE

"TEMPORARY" SPUR AT W/E TUNNEL 8

Car Number	Description	Ownership Claim
TPHX 801	passenger car, former Canadian commuter car	
TPHX 817	passenger car, former Canadian commuter car	
TPHX 835	passenger car, former Canadian commuter car	

TUNNEL 16 SPUR (E/E Goat Canyon Trestle)

Car Number	Description	Ownership Claim
ATSF 77041	ballast car	

Agenda

Item No. 6a

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

April 18, 2017

SUBJECT:

SUMMARY OF SD&AE DOCUMENTS ISSUED SINCE JANUARY 17, 2017

RECOMMENDATION:

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

Budget Impact

None.

DISCUSSION:

Since the January 17, 2017, SD&AE Railway Company Board of Directors meeting, the documents described below have been processed by staff.

- S200-16-643: Right of Entry Permit to the Earth Mechanics, Inc. to perform geotechnical studies for the Bayshore Bikeway Segment 8B in Chula Vista.
- S200-17-644: Right of Entry Permit to San Diego Charter Co. for running shuttle service from the Spring Street Trolley Station.
- S200-17-645: Right of Entry Permit to Park N Play for running shuttle service from the Spring Street Trolley Station.
- S200-17-654: Right of Entry Permit to SC Valley Engineering, Inc. to perform storm drainage repair in the City of El Cajon.
- S200-17-655: Right of Entry Permit to Vailston Company, Inc. for sidewalk repair in the City of San Diego along the Orange Line in the Encanto neighborhood.

Agenda Item No. 6b

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

April 18, 2017

SUBJECT:

EASEMENT FOR STREET IMPROVEMENTS FOR THE CITY OF LA MESA

RECOMMENDATION:

That the SD&AE Railway Company Board of Directors approve issuing an easement to the City of La Mesa for sidewalk and retaining-wall improvements along Spring Street just south of Interstate 8 (I-8).

Budget Impact

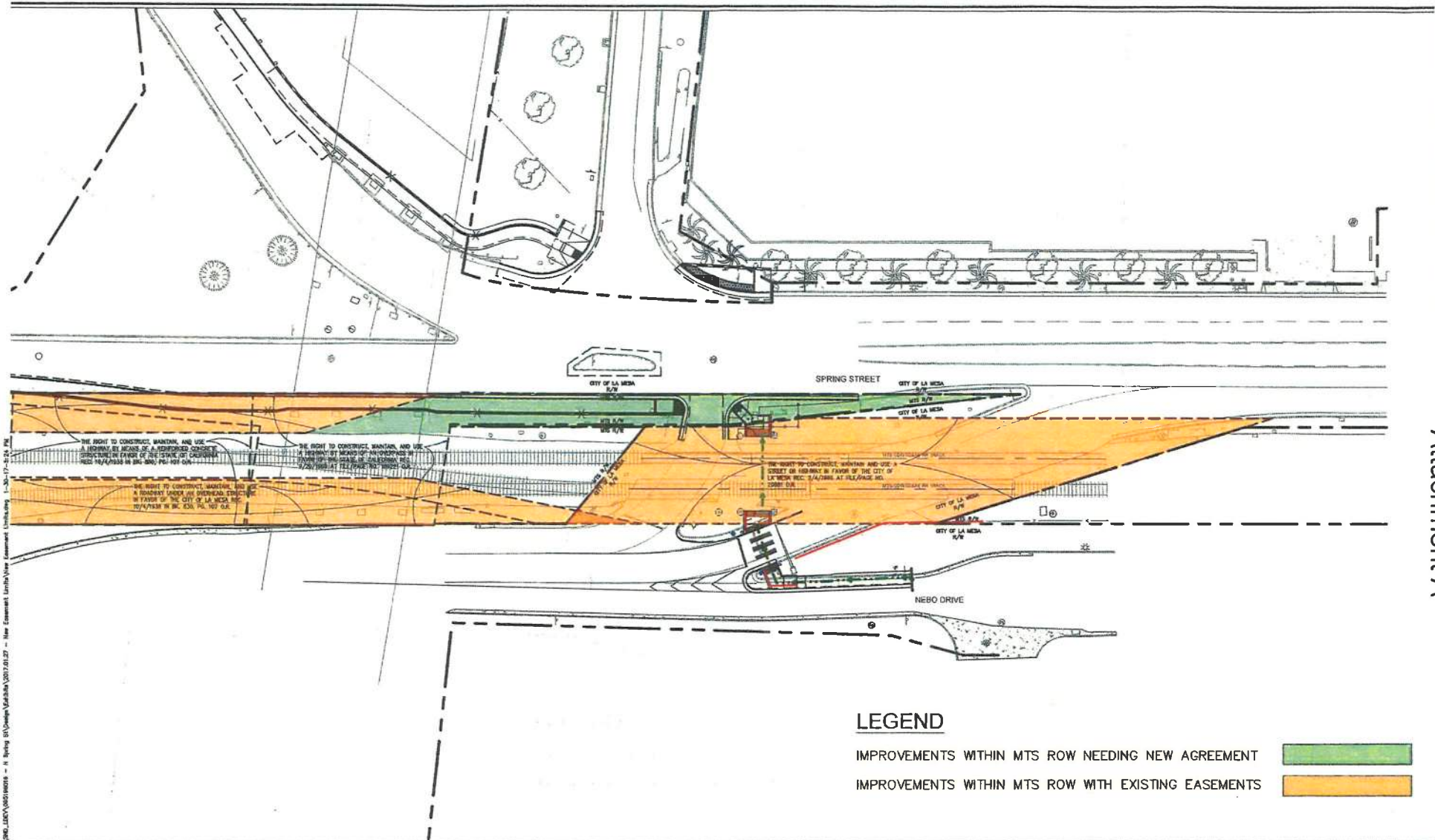
The easement will be issued for no fee. MTS and the City of La Mesa have a reciprocal fee-waiver agreement in place.

DISCUSSION:

The City of La Mesa is improving Spring Street in the area just south of I-8. As part of the improvements, the City of La Mesa plans to construct a sidewalk and retaining wall on the west side of Spring Street just north of the trolley grade crossings. After researching the entitlements granted for previous freeway and local street improvements, staff couldn't find any agreement that would cover the work. Staff determined that to be on the safe side, SD&AE should issue an easement to cover the intended work.

Attachment A is an exhibit showing the area which would be covered by the new easement. Attachment B is the plat for the easement area totaling 3,276 square feet (0.08 acres).

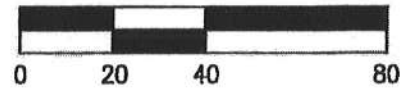
Attachments: A. Easement Vicinity Map
B. Easement Plat



Attachment B

EXHIBIT "B"

LINE TABLE		
LINE NO.	DIRECTION	LENGTH
L1	S 73°52'50" W	1.04'



AN EASEMENT FOR THE CONSTRUCTION, MAINTENANCE, AND USE OF A STREET IN FAVOR OF THE CITY OF LA MESA REC. 7/22/1948 AS DOC. NO. 72896 O.R.

MTS RIGHT-OF-WAY

NEBO DRIVE

INTERSTATE 8

SPRING STREET



LEGEND



PUBLIC IMPROVEMENT EASEMENT
AREA = 3,276 SQ. FT.

P.O.C. POINT OF COMMENCEMENT

T.P.O.B. TRUE POINT OF BEGINNING

△ CONTROL POINT PER ROS 16575

MTS



Metropolitan Transit System

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

Agenda Item No. 6C

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

April 18, 2017

SUBJECT:

LICENSES FOR AERIAL FIBER EAST OF CAMPO

RECOMMENDATION:

That the SD&AE Railway Company Board of Directors approve licenses for aerial fiber crossing within the SD&AE right-of-way east of Campo.

Budget Impact

License fees will be deposited to the SD&AE budget.

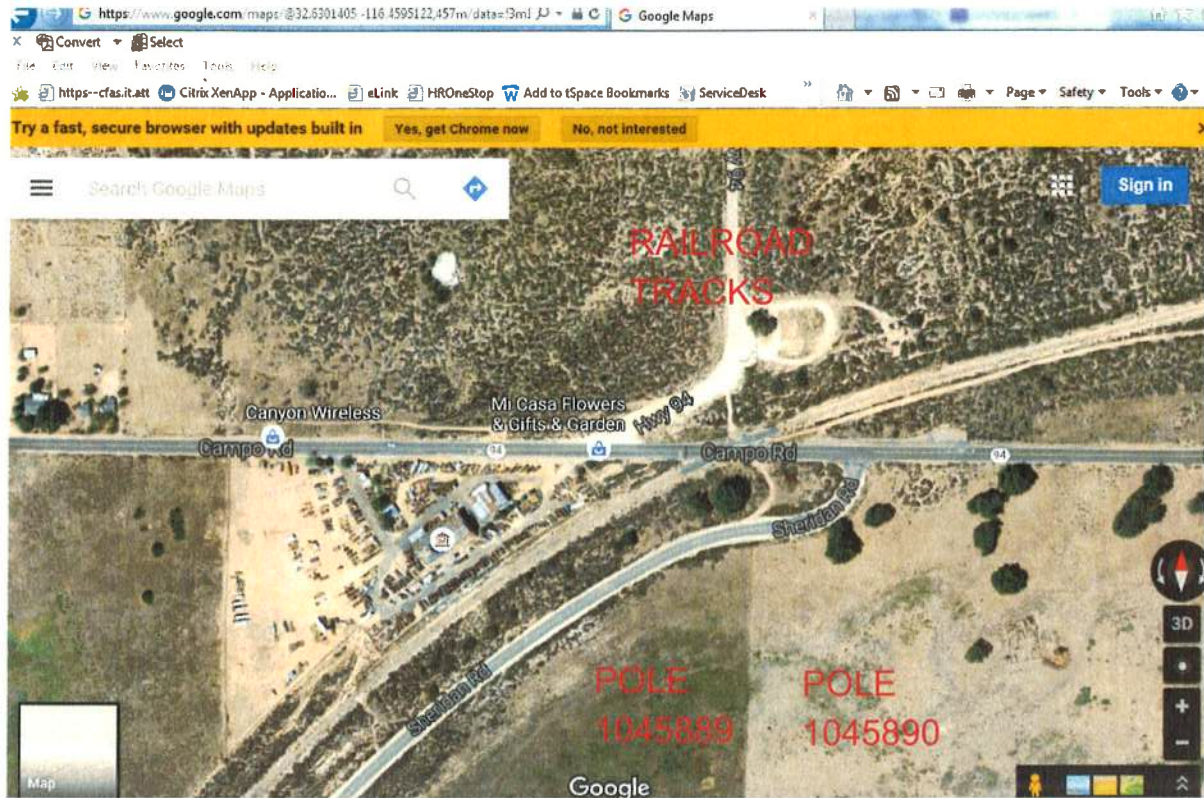
DISCUSSION:

AT&T is the successor in interest to several existing aerial telephone encroachments to SD&AE right-of-way east of Campo. The first is at Sheridan Road just east of the Motor Transport Museum, and the second is at La Posta Road. AT&T determined that additional communication capacity is needed in the area and proposes to overlash new aerial fiber-optic cables to the existing crossings.

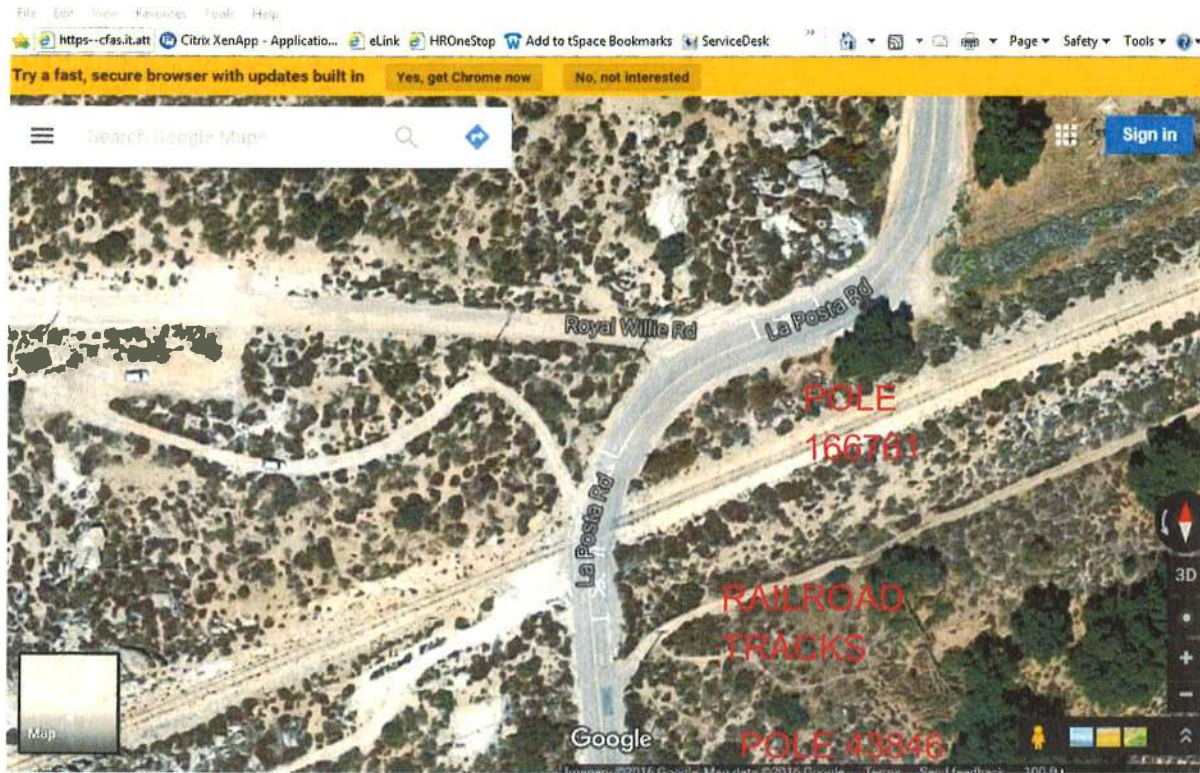
Attachments A and B are exhibits of the locations for the new facilities at Sheridan Road and La Posta Road, respectively. New licenses will be issued to add the new facilities and replace the existing agreements.

Attachments: A. Sheridan Road
B. La Posta Road

Attachment A



Attachment B



Agenda Item No. 6d

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

April 18, 2017

SUBJECT:

CAMPO INDIAN BAND RENEWABLE ENERGY PROJECT

RECOMMENDATION:

That the SD&AE Railway Company Board of Directors receive a report and provide direction to staff.

Budget Impact

None at this time.

DISCUSSION:

Archer Cleantech Inc. (Archer) and the Campo Band of Mission Indians (Campo) have partnered to develop a new 90 megawatt (MW) renewable-energy project on Campo tribal lands in the east part of San Diego County east of Campo. A key component of the project is a new 138 kV transmission line required to deliver the energy generated by the project to market using San Diego Gas and Electric (SDG&E) electric lines. The new transmission line would be optimally routed on the existing Desert Line right-of-way. A similar proposal was brought to the SD&AE Board in 2012. That project did not move forward.

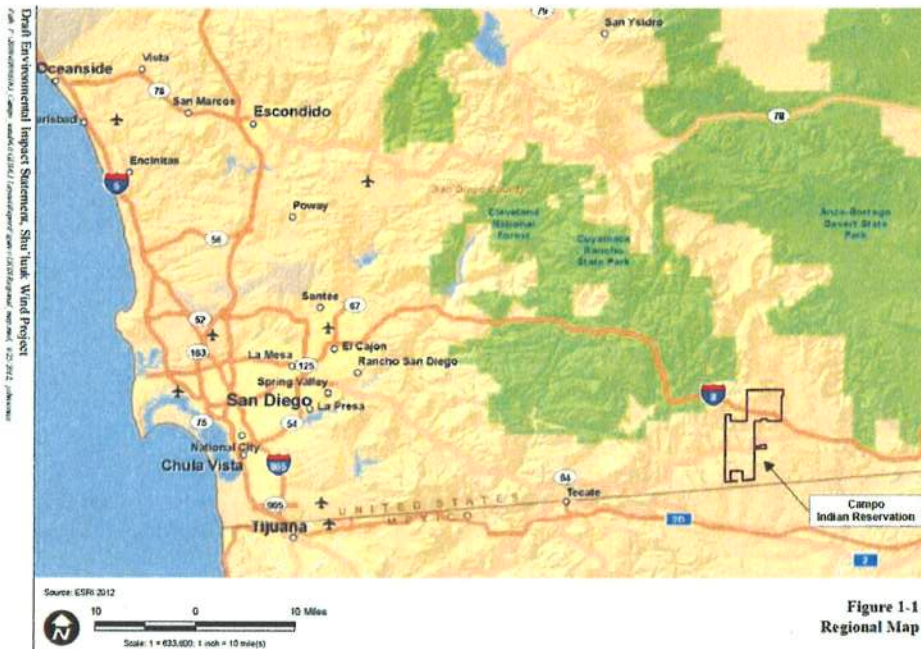
Archer is a privately held Canadian utility-scale renewable-energy developer firm. Archer and its partner Campo are developing a 90 MW renewable energy project on Campo lands. The renewable-energy project will include a 50 MW wind farm and a 40 MW solar PV farm, which will all collect into a new substation located on Campo lands and also connect into the southern California high-voltage 500 kV collection system for use within the state of California.

Campo, as a cooperating agency, applied to the Bureau of Indian Affairs (BIA) for the approval of a lease agreement in 2013 and will be pursuing a similar lease agreement between Campo and Archer to develop the proposed Campo Wind/Solar Project (to be named later). All facilities proposed through the lease would be contained within the Campo lands. Attachment A is an exhibit showing the location of the project and potential utility-line route along the Desert Line.

Archer and Campo request to engage in discussions and negotiations of the terms for a Right-of-Way Use Agreement. The Agreement would set out access and commercial terms enabling a new 138 kV power transmission line to be built on the SDMTS rail right-of-way and operated over a 20- to 25-year period following construction completion. Depending upon SD&AE Board member direction to staff, this item would be forwarded to the MTS Board for further approval as the project concept is further determined.

Attachment: A. Vicinity Map

Attachment A



The map below shows the new 138 transmission line routing across the SDMTS rail right-of-way.





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

May 11, 2017

**Draft for
Executive Committee
Review Date: 5/4/17**

SUBJECT:

COURTHOUSE STATION CONSTRUCTION – CONTRACT AWARD

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. Nos. PWL222.0-17 (in substantially the same format as Attachment A) and PWL232.0-17 (in substantially the same format as Attachment B) with West Coast General/HMS Construction, Inc., a Joint Venture, for construction of the Orange Line Courthouse Station.

Budget Impact

The value of PWL222.0-17 is \$6,097,748.36, and PWL232.0-17 is \$397,143.46, for a project total not to exceed \$6,494,891.82. This is funded under the MTS Capital Improvement Project budget account 2004007503.

DISCUSSION:

On March 12, 2015, the MTS Board of Directors approved Resolution No. 15-5 authorizing the CEO to submit an application for a proposed downtown Courthouse Station Project to provide expanded capacity on the MTS trolley system. At that time, the project was in the conceptual development phase only.

As a result of the future Mid-Coast Trolley operations plan, and the necessity to relieve trolley congestion at the Santa Fe Depot station, the downtown Courthouse Station project will relocate the existing westerly terminus of the Orange Line from Santa Fe Depot to a new station within the C Street corridor between State Street and Union Street.



The construction work includes new track, signaling, catenary, station platform, underground utilities, shelters, VMS signs, security cameras, curb extensions, traffic signaling, drainage upgrades, curb and gutter, sidewalk, and signage.

MTS Policy No. 52, "Procurement of Goods and Services", requires a formal competitive bid process for procurements exceeding \$100,000.

On January 10, 2017 MTS issued a Notice Requesting Prequalification Packages under MTS No. G1986.0-17 to prequalify prime contractors experienced in site work, trackwork, overhead catenary system and railroad signaling. Seven (7) firms submitted prequalification packages: Shimmick Construction, Hazard Construction, Kiewit Infrastructure West, West Coast General Corporation, Balfour Beatty Infrastructure, Inc., Mass Electric and HMS Construction, Inc. All with the exception of Hazard Construction were prequalified.

After prequalification, on February 14, 2017 MTS issued an Invitation for Bids (IFB) for construction of the station. The IFB identified two schedules:

- Schedule A (Base Bid)
- Schedule B (work North of C Street)

One (1) bid was received on the due date of April 14, 2017 from West Coast General Corporation/HMS Construction, Inc., a Joint Venture, two of the firms on the pre-qualified list. The project will be completed within 210 days from Notice to Proceed date.

A comparison to the engineer's estimate is as follows:

	Bid	Engineer's Estimate	MTS Savings
Schedule A (PWL222.0-17)	\$6,097,748.36	\$6,383,854.80	\$286,106.44
Schedule B (PWL232.0-17)	\$397,143.46	\$394,153.20	\$(2,990.26)
Total	\$6,494,891.82	\$6,778,008.00	\$283,116.18

Therefore, staff recommends that the San Diego MTS Board of Directors authorize the CEO to execute MTS Doc. Nos. PWL222.0-17 (in substantially the same format as Attachment A) and PWL232.0-17 (in substantially the same format as Attachment B), with West Coast General Corporation / HMS Construction, Inc., a Joint Venture for construction of the new Orange Line Courthouse Station.

/s/ Paul C. Jablonski
Paul C. Jablonski
Chief Executive Officer

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

Attachments: A. Draft MTS Doc. No. PWL222.0-17
B. Draft MTS Doc. No. PWL232.0-17
C. Cost Summary

STANDARD CONSTRUCTION AGREEMENT

PWL222.0-17
CONTRACT NUMBER

FILE NUMBER(S)

THIS AGREEMENT is entered into this _____ day of _____ 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: West Coast General Corporation/HMS Construction, Inc. Address: 13700 Stowe Drive, Ste. 100
Poway, CA 92064

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

Telephone: (619) 561-4200

Email Address: ddavey@wcgcorp.com

Authorized person to sign contracts: Dave E. Davey Managing Partner
Name Title

The specified Contract Documents are part of this Agreement. The Contractor agrees to furnish to MTS services and materials, as follows:

SCHEDULE A (Base Bid) - Contractor shall furnish all necessary management, supervision, labor, materials, tools, supplies, equipment, services, and testing as specified in the Scope of Work (attached as Exhibit A), West Coast General Corporation/HMS Construction, Inc., a Joint Venture's bid document dated April 14, 2017 (attached as Exhibit B) and the Standard Construction Agreement and Special Conditions (attached as Exhibit C).

The term of this Agreement shall commence as specified in the NTP and shall be completed in not less than two hundred and ten (210) days for "in-line Light Rail Vehicle (LRV) trackwork, and new LRV station buildout along C Street between Front and Columbia Streets in the downtown portion of the City of San Diego, CA; track construction including removal of existing track, special trackwork fabrication and construction and installation of "Iron Horse" track system; modification to overhead catenary system including removal and replacement of catenary poles and installation of new catenary poles including foundations; modification to signaling and communication systems; roadwork improvements including paving, curb and gutter, sidewalk and drainage facilities; LRV station work and station amenities including shelter installation, signage and signage structures fabrication and installation, and decorative paving; traffic signal modifications, traffic control including traffic signage, striping and marking; planting and plant establishment work; and performing all other work necessary to complete the work, including receipt and installation of owner furnished material and procuring all other materials." This work excludes Schedule B scope of work for improvements north of C Street, between State and Union St.

Total contract amount shall not exceed \$6,097,748.36, without express written consent of MTS.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CONTRACTOR AUTHORIZATION

By: _____
Chief Executive Officer

Approved as to form:

By: _____
Office of General Counsel

Firm: West Coast General Corporation/HMS Construction, Inc., a Joint Venture

By: _____
Signature

Title: _____

AMOUNT ENCUMBERED

BUDGET ITEM

FISCAL YEAR

\$6,097,748.36

2004007503

2017-2018

By:

Chief Financial Officer

Date

(____ total pages, each bearing contract number)

STANDARD CONSTRUCTION AGREEMENT

PWL232.0-17
CONTRACT NUMBER

FILE NUMBER(S)

THIS AGREEMENT is entered into this _____ day of _____ 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: West Coast General Corporation/HMS Construction, Inc. Address: 13700 Stowe Drive, Ste. 100
Poway, CA 92064

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

Telephone: (619) 561-4200

Email Address: ddavey@wcgcorp.com

Authorized person to sign contracts: Dave E. Davey Managing Partner
Name Title

The specified Contract Documents are part of this Agreement. The Contractor agrees to furnish to MTS services and materials, as follows:

SCHEDULE B (Work North of C Street) - Contractor shall furnish all necessary management, supervision, labor, materials, tools, supplies, equipment, services, and testing as specified in the Scope of Work (attached as Exhibit A), West Coast General Corporation/HMS Construction, Inc., a Joint Venture's bid document dated April 14, 2017 (attached as Exhibit B) and the Standard Construction Agreement and Special Conditions (attached as Exhibit C).

The term of this Agreement shall commence as specified in the NTP and shall be completed in not less than sixty (60) calendar days for work north of C Street, between State and Union Street, as shown on the plans for curb extensions, roadwork improvements including paving, curb and gutter, sidewalk and drainage facilities; signage and signage structures fabrication and installation, traffic signal modifications, traffic control including traffic signage, striping and marking; planting modifications, and performing all other work necessary to complete the work, including procuring all materials.

Total contract amount shall not exceed \$397,143.46, without express written consent of MTS.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM		CONTRACTOR AUTHORIZATION
By: _____		Firm: <u>West Coast General Corporation/HMS Construction, Inc., a Joint Venture</u>
Chief Executive Officer		
Approved as to form:		By: _____
By: _____		Signature
Office of General Counsel		Title: _____
AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
<u>\$397,143.46</u>	<u>2004007503</u>	<u>2017-2018</u>

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

ATTACHMENT C
ORANGE LINE COURTHOUSE STATION
West Coast General Corporation/HMS Construction, Inc., A Joint Venture

SCHEDULE A (BASE BID) - MTS DOC. NO. PWL222.0-17	
	TOTAL
Subtotal General	\$ 702,481.00
Subtotal Site Work	\$ 379,703.40
Subtotal Exterior Improvements	\$ 817,546.36
Subtotal Drainage Facilities	\$ 64,002.00
Subtotal Site Improvements	\$ 276,786.00
Subtotal Signage	\$ 11,745.00
Subtotal Trackwork	\$ 1,521,597.60
Subtotal Special Structures	\$ 57,728.00
Subtotal Electrical and Communication	\$ 361,464.00
Subtotal Overhead Contact System	\$ 686,281.00
Subtotal Transportation Signaling and Control	\$ 1,173,613.00
Subtotal Plant Establishment Work	\$ 4,800.00
Subtotal Bonds	\$ 40,001.00
Subtotal	6,097,748.36

SCHEDULE B (WORK NORTH OF C STREET) - PWL232.0-17	
Subtotal General	\$ 26,544.00
Subtotal Site Work	\$ 32,459.46
Subtotal Site Improvements	\$ 94,548.00
Subtotal Signage	\$ 1,350.00
Subtotal Drainage Facilities	\$ 2,448.00
Subtotal Transportation Signaling and Control	\$ 236,793.00
Subtotal Bonds	\$ 3,001.00
Subtotal	397,143.46

OVERALL TOTAL	6,494,891.82
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Agenda Item No. 11

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

May 11, 2017

**Draft for
Executive Committee
Review Date: 5/4/17**

SUBJECT:

INVESTMENT REPORT – MARCH 2017

INFORMATIONAL ONLY

Budget Impact

None.

DISCUSSION:

Attachment A comprises a report of the San Diego Metropolitan Transit System (MTS) investments as of March 31, 2017. The combined total of all investments has decreased month to month from \$118.5 million to \$108.0 million. This \$10.5 million decrease is attributable to \$4.8 million in capital expenditures, 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.

/s/ Paul C. Jablonski

Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Investment Report for March 2017



**San Diego Metropolitan Transit System
Investment Report
March 31, 2017**

	Restricted	Unrestricted	Total	Average rate of return
Cash and Cash Equivalents				
JP Morgan Chase - concentration account	-	20,162,667	20,162,667	0.00%
Total Cash and Cash Equivalents	-	20,162,667	20,162,667	
Cash - Restricted for Capital Support				
US Bank - retention trust account	2,303,606	-	2,303,606	N/A*
San Diego County Investment Pool				
Proposition 1B TSGP grant funds	5,047,904	605,416	5,653,320	
Total Cash - Restricted for Capital Support	7,351,510	605,416	7,956,926	
Investments - Working Capital				
Local Agency Investment Fund (LAIF)	11,323,891	68,546,125	79,870,016	0.821%
Total Investments - Working Capital	11,323,891	68,546,125	79,870,016	
Total cash and investments	\$ 18,675,401	\$ 89,314,208	\$ 107,989,609	



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Agenda Item No. 12

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS

May 11, 2017

**Draft for
Executive Committee
Review Date: 5/4/17**

SUBJECT:

ORANGE LINE TRACK IMPROVEMENTS – ADD ALTERNATE (OPTIONAL ITEMS)
AWARD

AGENDA ITEM WILL BE
PROVIDED AT
EXECUTIVE COMMITTEE
MEETING





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Agenda Item No. 13

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

May 11, 2017

**Draft for
Executive Committee
Review Date: 5/4/17**

SUBJECT:

PAINT SERVICES FOR SAN DIEGO TRANSIT CORPORATION (SDTC) AND SAN
DIEGO TROLLEY, INC. (SDTI) - 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. PWL216.0-17 (in substantially the same format as Attachment A) with Anemos Enterprises Inc. for the provision of paint services, materials, equipment and supplies at MTS's Trolley Yard Building B and the Kearny Mesa Division (KMD).

Budget Impact

The total value of this agreement will not exceed \$107,350.00 and will be funded through MTS cost center 380016-545400 for fiscal year (FY) 2017.

DISCUSSION:

SDTI (Group A):

MTS Rail is requesting to repaint the exterior of the Facilities/Stores/Revenue building located at 1341 Commercial St., San Diego, CA 92113 (Building B). This building has not been painted for 28 years and is in need of painting. All exterior doors, railings and window frames will be painted.

SDTC (Group B):

The KMD bus yard opened in 1989. It has been in service since then and has never been repainted. The trim, building numbers, doors and door frames are fading and peeling due to exposure from surface rust. Aside from the visual improvements to



maintain MTS facility standards, repainting is also required to avoid further damage from surface rust.

Included in this project is the repainting of the wrought iron surrounding the KMD parking garage. It has significant surface rust and also requires professional surface preparation and complete repainting. Postponing this maintenance work will ultimately increase costs in the long term as the rusted areas will only deteriorate further.

MTS Policy No. 52, "Procurement of Goods and Services", requires a formal competitive process for procurements exceeding \$100,000.

An Invitation for Bids (IFB) was issued on February 28, 2017 for Paint Services. Four (4) bids were received by the due date of April 4, 2017 as follows:

PAINT SERVICES				
COMPANY NAME	BID AMOUNT GROUP A	BID AMOUNT GROUP B	TOTAL	MEETS BUY AMERICA REQUIREMENTS
<i>Anemos</i>	\$39,550.00	\$67,800.00	\$107,350.00	Y
Color New	\$46,000.00	\$80,000.00		Y
Industrial Coating	\$47,375.00	\$137,294.00		Y
K2 Painting	\$76,650.00	\$194,750.00		Y
<i>MTS ICE</i>	\$61,000.00	\$61,707.00	\$122,707.00	

After conducting price reasonability analysis and reviewing all bids received for responsiveness, Anemos was found to be the lowest responsive and responsible bidder at \$107,350.00. In addition, by comparison to MTS Independent Cost Estimate (ICE), the Anemos bid was determined to be fair and reasonable.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute MTS Doc. No. PWL216.0-17 (in substantially the same format as Attachment A), with Anemos, Inc. for Paint Services at SDTI and SDTC at MTS's Building B and the Kearny Mesa Division (KMD).

/s/ Paul C. Jablonski

Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Draft MTS Doc. No. PWL216.0-17

SECTION 4.0 SAMPLE OF STANDARD CONSTRUCTION AGREEMENT AND GENERAL CONDITIONS

**STANDARD CONSTRUCTION AGREEMENT
FOR
PAINT SERVICES FOR SAN DIEGO TRANSIT
& SAN DIEGO TROLLEY**

PWL216.0-17

CONTRACT NUMBER

FILE/PO NUMBER(S)

THIS AGREEMENT is entered into this _____ day of _____, 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: Anemos Enterprises, Inc.Address: 12464 Brickellia St.,
San Diego, CA 92129Form of Business: Corporation
(Corporation, Partnership, Sole Proprietor, etc.)

Telephone: _____

Email Address: _____

Authorized person to sign contracts: Demetrios Capous
NameProject Manager
Title

The specified Contract Documents are part of this Agreement. The Contractor agrees to furnish to MTS services and materials, as follows:

Contractor shall furnish all necessary management, supervision, labor, materials, tools, supplies, equipment, plant, services, engineering, testing and/or any other act or thing required to diligently and fully perform and complete the Project as specified in the Scope of Work (Exhibit A), Bid Proposal (Exhibit B), and in accordance with the Standard Construction Agreement and Special Conditions (Exhibit C), and Federal Requirements (Exhibit D).

SCOPE OF WORK. Contractor, for and in consideration of the payment to be made to Contractor as hereinafter provided, shall furnish all plant, labor, technical and professional services, supervision, materials and equipment, other than such materials and equipment as may be specified to be furnished by MTS, and perform all operations necessary to complete the Work in strict conformance with the Contract Documents (defined below) for the following public work of improvement:

**PAINT SERVICES FOR SAN DIEGO TRANSIT (KMD) & SAN DIEGO TROLLEY
(BUILDING B)**

Contractor is an independent contractor and not an agent of MTS. The Contractor and its surety shall be liable to MTS for any damages arising as a result of the Contractor's failure to comply with this obligation.

CONTRACT TIME. Time is of the essence in the performance of the Work. The Work shall be commenced by the date stated in MTS's Notice to Proceed. The Contractor shall complete all Work required by the Contract Documents within Sixty (60) Calendar days for Group A and Ninety (90) for Group B days from the commencement date stated in the Notice to Proceed. By its signature hereunder, Contractor agrees the Contract Time is adequate and reasonable to complete the Work.

CONTRACT PRICE. MTS shall pay to the Contractor as full compensation for the performance of the Contract, subject to any additions or deductions as provided in the Contract Documents, and including all applicable taxes and costs, the sum of **\$107,350.00** Payment shall be made as set forth in the General Conditions.

COMPONENT PARTS OF THE CONTRACT. The "Contract Documents" include the following:

- Invitation for Bids (IFB)
- Information and Instructions for Bidders
- Contractor's Bid Forms
- Bid Bond
- Designation of Subcontractors
- Designation of Other Third Party Contractors
- Information Required of Bidders
- Non-Collusion Declaration Form
- Iran Contracting Act Certification
- Public Works Contractor Registration Certification
- Performance Bond
- Payment (Labor and Materials) Bond
- General Conditions
- Special Provisions (or Special Conditions)
- Federal Requirements (Federal Transit Administration)
- Technical Specifications prepared by _____, dated ____
- Standard Specifications (Excluding sections 1-9 in their entirety)
- Addenda
- Plans prepared by _____, dated _____
- Change Orders as executed by MTS

The Contractor shall complete the Work in strict accordance with all of the Contract Documents.

This Contract shall supersede any prior agreement of the parties.

PROVISIONS REQUIRED BY LAW. Each and every provision of law required to be included in these Contract Documents shall be deemed to be included in these Contract Documents. The Contractor shall comply with all requirements of the California Labor Code applicable to this Project.

INDEMNIFICATION. Contractor shall provide indemnification as set forth in the General Conditions.

PREVAILING WAGES. Contractor shall be required to pay the prevailing rate of wages in accordance with the Labor Code which such rates shall be made available at MTS's Administrative Office or may be obtained online at <http://www.dir.ca.gov> and which must be posted at the job site

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

AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
\$ 107,350.00	380016- 545400	

By: _____ Chief Financial Officer (___ total pages, each bearing contract number)	Date _____
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SA-CONSTRUCTION (REV 1-17)



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Agenda Item No. 14

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

May 11, 2017

**Draft for
Executive Committee
Review Date: 5/4/17**

SUBJECT:

MOBILE ON BOARD VIDEO SURVEILLANCE SYSTEM FOR THE MINIBUS AND
PARATRANSIT FLEETS - CONTRACT AMENDMENT

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute Amendment No. 9 to MTS Doc. No. B0521.0-09 (in substantially the same format as Attachment A), with Apollo Video Technology (Apollo) for the reallocation of \$281,856.00 originally encumbered and included under Amendment No. 8 as Optional Items to the original agreement, for in-scope On Board Video Surveillance System (OBVSS) installation related services of the minibus and paratransit fleets.

Budget Impact

The aggregate expense will not increase from the previous amended total of \$6,981,388.53, inclusive of all Amendments to date. This project will be funded by Capital Improvement Project (CIP) 1007001504 CCTV for ADA Buses.

DISCUSSION:

On July 15, 2010, the MTS Board authorized the CEO to execute MTS Doc No. B0521.0-09 with Apollo to procure, install and provide on board video surveillance equipment, which would support back-office systems and wireless network equipment, for MTS buses.

As a result, the OBVSS project has provided significant support to staff in regards to investigating customer complaints, tracking vehicle accidents, and assisting in litigation of criminal cases claims/lawsuits. Due to the resulting effectiveness of the system, its use has been extended to both MTS fixed bus fleets as well as the paratransit and minibus fleets.



The last action taken under Board approved Amendment No. 8, revised the overall capacity of the Agreement from \$4,790,606.26 to \$6,981,388.53 and included "Optional Items" identified in Table 1 below.

However, the Optional Items are no longer required under the Apollo's contract, MTS Doc. No B0521.0-09, as the support and warranty services for the OBVSS are included under a separate, competitively awarded OBVSS maintenance contract.

As such, approval of this amendment will reallocate the capacity associated with the services identified in Table 1, totaling \$281,856.00, to the CIP project to support in-scope OBVSS installation related services of the minibuss and paratransit fleets. The re-designation of these funds will provide contract capacity for various contract services, including transferring existing cameras from buses that are being retired to incoming new fleet.

Table 1

Optional Items- Per Amendment No. 8	
Onsite Support YR 3	\$48,792.00
Extended Equipment Warranty YR 4	\$40,950.00
Onsite Support YR 4	\$48,972.00
Extended Equipment Warranty YR 5	\$40,950.00
Onsite Support YR 5	\$48,972.00
ViMSoftware Maintenance YR 4	\$26,520.00
ViMSoftware Maintenance YR 5	\$26,520.00
Options Total	\$281,856.00

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute Amendment No. 9 to MTS Doc. No. B0521.0-09 (in substantially the same format as Attachment A), with Apollo for the reallocation of \$281,856.00 originally encumbered and included under Amendment No. 8 as Optional Items to the original agreement, for in-scope OBVSS installation related services of the minibuss and paratransit fleets.

/s/ Paul C. Jablonski
Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Draft Amendment No. 9 to MTS Doc. No. B0521.0-09

May 11, 2017

MTS Doc. No. B0521.9-09

Apollo Video Technology
Mr. Rodell Notbohm
General Manager
24000 35th Ave SE
Bothell, WA 98021

Subject: AMENDMENT NO. 9 TO MTS DOC. NO. B0521.0-09; MOBILE ON BOARD VIDEO
SURVEILLANCE SYSTEM (OBVSS)

Dear Mr. Notbohm:

This shall serve as Amendment No. 9 to our agreement for the mobile on board video surveillance system as further described below.

STATEMENT OF WORK

There shall be no changes to the statement of work provision of this contract.

SCHEDULE

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

PAYMENT

MTS elects to reallocate and exercise Optional Item capacities authorized under Amendment No. 8, in the amount of \$281,856.00, to support installation OBVSS related services.

As a result of this Amendment, the total contract value will remain at \$6,428,080.50.

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

Rodell Notbohm
General Manager / Apollo Video Technology

Date: _____



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Agenda Item No. 15

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS

May 11, 2017

**Draft for
Executive Committee
Review Date: 5/4/17**

SUBJECT:

COURTHOUSE STATION – MOTORIZED SWITCH MACHINES AND CONTROLERS

**AGENDA ITEM WILL BE
PROVIDED AT
EXECUTIVE COMMITTEE
MEETING**

