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.

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
San Diego and Arizona Eastern Railway Company

4/18/2017

Sign-in Sheet (VOLUNTARY)

<table>
<thead>
<tr>
<th>Name</th>
<th>Company</th>
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<tbody>
<tr>
<td>1. DAVE JOMERAASEN</td>
<td>Pacific S.W. Railway Museum</td>
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<td>2. Diana Hyatt</td>
<td>Pacific SW Railway</td>
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<td>3. James Caestecker</td>
<td>Pacific Southwest Railway</td>
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<td>4. Antony Nash</td>
<td>Mintz Levin</td>
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<td>5. Matt Breen</td>
<td>SDIV</td>
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<td>6. Jared Good</td>
<td>SDIV</td>
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<td>7. Vitor Constantin</td>
<td>RR2</td>
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<td>8. John Hoegemeier</td>
<td>SD Freight, BNSF</td>
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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.

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.
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.

[Signatures]

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

<table>
<thead>
<tr>
<th></th>
<th>FY 2017</th>
<th></th>
<th>FY 2016</th>
<th></th>
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<tbody>
<tr>
<td></td>
<td>Q1 Actual</td>
<td>Q2 Actual</td>
<td>Q3 Actual</td>
<td>YTD Actual</td>
</tr>
<tr>
<td>Right of Entry Permits</td>
<td>$ 3,000</td>
<td>$ 12,999</td>
<td>$ 750</td>
<td>$16,749</td>
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<tr>
<td>Lease Income</td>
<td>19,103</td>
<td>19,019</td>
<td>10,344</td>
<td>46,466</td>
</tr>
<tr>
<td>Desert Line Lease Revenue</td>
<td>250,000</td>
<td>250,000</td>
<td>166,667</td>
<td>666,667</td>
</tr>
<tr>
<td>Operator Income - SD&amp;AE 1%</td>
<td>8,500</td>
<td>8,500</td>
<td>5,700</td>
<td>22,700</td>
</tr>
<tr>
<td>Freight Fee</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>280,603</td>
<td>290,518</td>
<td>183,460</td>
<td>754,581</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
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<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Costs</td>
<td>2,752</td>
<td>4,347</td>
<td>4,222</td>
<td>11,321</td>
</tr>
<tr>
<td>Outside Services</td>
<td>14,059</td>
<td>1,830</td>
<td>15,151</td>
<td>31,040</td>
</tr>
<tr>
<td>Risk Management</td>
<td>3,762</td>
<td>4,177</td>
<td>2,231</td>
<td>10,170</td>
</tr>
<tr>
<td>Misc. Operating Expenses</td>
<td>1,146</td>
<td>-</td>
<td>-</td>
<td>1,146</td>
</tr>
<tr>
<td><strong>Total Expense</strong></td>
<td>21,719</td>
<td>10,354</td>
<td>21,604</td>
<td>53,677</td>
</tr>
<tr>
<td><strong>Net Income/(Loss)</strong></td>
<td>$ 258,884</td>
<td>$280,163</td>
<td>$161,857</td>
<td>$700,904</td>
</tr>
</tbody>
</table>

### 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 SDIV 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**

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

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
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 Flyer 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 Cabesas:

**AT CAMPO**
House Track

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

**AT JACUMBA**

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

Desert Line – Rolling Stock Inventory

AT TITUS SIDING

<table>
<thead>
<tr>
<th>Car Number</th>
<th>Description</th>
<th>Ownership Claim</th>
</tr>
</thead>
<tbody>
<tr>
<td>UP 6992/SWPC65</td>
<td>steel hopper car</td>
<td></td>
</tr>
<tr>
<td>UP 17649</td>
<td>steel hopper car</td>
<td></td>
</tr>
<tr>
<td>CZRY 2098</td>
<td>86’ steel flat car</td>
<td></td>
</tr>
<tr>
<td>SP ?</td>
<td>steel flat car, built 1948-friction bearing</td>
<td>believed to be owned by SDAE NOT IN DISPUTE</td>
</tr>
</tbody>
</table>

AT DUBBERS SPUR

<table>
<thead>
<tr>
<th>Car Number</th>
<th>Description</th>
<th>Ownership Claim</th>
</tr>
</thead>
<tbody>
<tr>
<td>CZRY 7773</td>
<td>bi-level gallery passenger car, ex-Chicago Metra</td>
<td></td>
</tr>
<tr>
<td>CZRY 7779</td>
<td>bi-level gallery passenger car, ex-Chicago Metra</td>
<td></td>
</tr>
<tr>
<td>CZRY 8728</td>
<td>bi-level gallery passenger car, ex-Chicago Metra</td>
<td></td>
</tr>
<tr>
<td>CZRY 7774</td>
<td>bi-level gallery passenger car, ex-Chicago Metra</td>
<td></td>
</tr>
<tr>
<td>CZRY 7784</td>
<td>bi-level gallery passenger car, ex-Chicago Metra</td>
<td></td>
</tr>
<tr>
<td>SP 43969</td>
<td>flat car with tunnel inspection platform</td>
<td>owned by SDAE NOT IN DISPUTE</td>
</tr>
</tbody>
</table>

"TEMPORARY" SPUR AT W/E TUNNEL 8

<table>
<thead>
<tr>
<th>Car Number</th>
<th>Description</th>
<th>Ownership Claim</th>
</tr>
</thead>
<tbody>
<tr>
<td>TPHX 801</td>
<td>passenger car, former Canadian commuter car</td>
<td></td>
</tr>
<tr>
<td>TPHX 817</td>
<td>passenger car, former Canadian commuter car</td>
<td></td>
</tr>
<tr>
<td>TPHX 835</td>
<td>passenger car, former Canadian commuter car</td>
<td></td>
</tr>
</tbody>
</table>

TUNNEL 16 SPUR (E/E Goat Canyon Trestle)

<table>
<thead>
<tr>
<th>Car Number</th>
<th>Description</th>
<th>Ownership Claim</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATSF 77041</td>
<td>ballast car</td>
<td></td>
</tr>
</tbody>
</table>
REQUEST TO SPEAK

PLEASE SUBMIT THIS COMPLETED FORM (AND ANY WRITTEN STATEMENTS) TO THE CLERK OF THE COMMITTEE PRIOR TO DISCUSSION OF YOUR ITEM.

1. INSTRUCTIONS
   This Request to Speak form must be filled out and submitted in advance of the discussion of your item to the Clerk of the Committee (please attach any written statement to this form). Communications on hearings and agenda items are generally limited to three (3) minutes per person unless the Committee authorizes additional time. However, the Chairperson may limit comment to one or two minutes each if there are multiple requests to speak on a particular item. General public comments on items not on the agenda are limited to three (3) minutes. Please be brief and to the point. No yielding of time is allowed. Subjects of previous hearings or agenda items may not again be addressed under General Public Comments.

<table>
<thead>
<tr>
<th>NAME</th>
<th>Antony Nash</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>3580 Carmel Mountain Road, Suite 300</td>
</tr>
<tr>
<td>Telephone</td>
<td>858-314-1500</td>
</tr>
<tr>
<td>Organization</td>
<td></td>
</tr>
<tr>
<td>Represented (if any)</td>
<td></td>
</tr>
<tr>
<td>Subject of your remarks</td>
<td>Request for Notice</td>
</tr>
<tr>
<td>Regarding Agenda Item No.</td>
<td>56</td>
</tr>
<tr>
<td>Your comments are presenting a position of:</td>
<td>[ ] SUPPORT [ ] OPPOSITION</td>
</tr>
</tbody>
</table>

2. TESTIMONY AT NOTICED PUBLIC HEARINGS
   At public hearings of the Committee, persons wishing to speak shall be permitted to address the Committee on any issue relevant to the subject of the hearing.

3. DISCUSSION OF AGENDA ITEMS
   The Chairman may permit any member of the public to address the Committee on any issue relevant to a particular agenda item.

4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA
   Public comment on matters not on the agenda will be limited to five (5) speakers with three (3) minutes each under the Public Comment agenda item. Additional speakers will be heard at the end of the Committee's agenda.

REMEMBER: Subjects of previous hearings or agenda items may not again be addressed under General Public Comments.
Agenda
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
EXHIBIT "B"

LINE TABLE

<table>
<thead>
<tr>
<th>LINE NO.</th>
<th>DIRECTION</th>
<th>LENGTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>L1</td>
<td>S 73°52'50&quot; W</td>
<td>1.04'</td>
</tr>
</tbody>
</table>

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.

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
City of La Mesa – Spring Street
Easement for Street Improvements

April 18, 2017

North Spring Street Easement
North Spring Street Easement

Recommendation:
- Approve easement for existing and proposed street improvements
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
AT&T California
Aerial Fiber Crossing

April 18, 2017

Crossing West of Sheridan Road
**Recommendation:**

- Approve licenses for existing and proposed aerial fiber
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
The map below shows the new 138 transmission line routing across the SDMTS rail right-of-way.
Archer Cleantech Inc.
Campo Band of Mission Indians

Renewable Energy Project Proposal

April 18, 2017
Recommendation:

- Receive report and provide direction to staff