

# MINUTES

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

April 9, 2019

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 April 9, 2019, at 9:00 a.m.

The following persons, constituting the Board of Directors, were present: Wayne Terry (for Paul Jablonski who was absent), Matt Domen, and Jared Gooch. Also in attendance were members from:

San Diego Metropolitan Transit System:	Tim Allison, Erin Dunn, Karen Landers
Baja California Railroad (BJRR):	Manuel Hernandez and Jorge Izquierdo

1. Approval of Minutes

Mr. Domen moved to approve the Minutes of the January 29, 2019, SD&AE Railway Board of Directors meeting. Mr. Terry seconded the motion, and it was unanimously approved.

2. Statement of Railway Finances

Ms. Dunn reviewed Statement of Railway Finances for the period ending February 2019 (attached to the agenda item). Ms. Dunn clarified that reserve funds for the track-removal project at F, Cleveland, and Commercial Streets would be transferred when the expenses are incurred. She stated that the reserves are typically reflected at the end of the fiscal year. Ms. Landers added that the estimated cost will be in the \$900k range.

Action Taken

Informational item only. No action taken.

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

Mr. Domen reviewed the SD&IV Periodic Report for activities for the first quarter of 2019 (attached to the agenda item).

Mr. Terry stated that he directed Fred Byle to arrange with the FRA in the next month or so to conduct a light-engine test at night on the absolute block in San Ysidro. Mr. Domen responded that a test is scheduled for Friday, April 26, and a pretest will be done before the FRA arrives. Mr. Terry added that after testing, a subsequent supplemental waiver will be filed.

Action Taken

Informational item only. No action taken.

4. Report on Pacific Southwest Railway Museum Operations

Diana Hyatt was not in attendance due to illness and submitted the Pacific Southwest Railway Museum (PSRM) report for the first quarter of 2019 via e-mail to the clerk the morning of the meeting. The report was distributed at the meeting and is also attached.

Action Taken

Informational item only. No action taken.

5. Report on the Desert Line

Mr. Izquierdo gave a verbal report. Mr. Izquierdo stated that there have been no operations on the Desert Line. There will be a site visit with Servicio de Administración Tributaria (SAT) and Customs and Border Patrol (CBP) authorities. A facility preliminary report was presented to SAT by BJRR, and SAT will respond by Friday. Mr. Izquierdo added that there have been a couple of meetings at CBP's office with Pete Flores and SAT authorities. SAT gave authorization to BJRR to locate nonintrusive equipment on Mexican soil. After SAT provides feedback to BJRR, a full report will be presented to MTS.

Mr. Izquierdo stated that in regard to the environmental survey, BJRR is working with a private company called CBIZ to submit a status report that is anticipated to be completed in a month and will address environmental and permitting issues.

Mr. Hernandez further explained that Allen Matkins is no longer retained by BJRR and therefore CBIZ was contacted. Anita Sokolsky with CBIZ will be handling the legal aspects of the environmental issues and lobbying. A quote for about \$600k was obtained from Dudek to survey the whole line. CBIZ is reviewing everything that Allen Matkins started and is looking at how to best work collaboratively with MTS. Mr. Hernandez is supposed to meet with Ms. Sokolsky this week.

Mr. Hernandez informed the Board that there are about 80 LPG hauls coming inbound from Mexico, and he anticipates a little more movement on rail for LPG. He added that the situation with the compost out of the south gate in LA could possibly produce 100 cars per month.

Ms. Landers stated that she will have a call this week with CBP to close the loop and make sure that CBP and SAT are in agreement with what is being reported and everyone is on the same page.

Action Taken

Informational item only. No action taken.

6. Real Property Mattersa. Summary of SD&AE Documents Issued Since January 29, 2019

Mr. Allison stated that since the January 29, 2019, SD&AE Railway Company Board of Directors meeting, the documents described below have been processed by staff.

- S200-19-690: Right of Entry Permit to AT&T California for underground telephone-line construction at Petree Street in the City of El Cajon.
- S200-19-693: Right of Entry Permit to Navy Region Southwest Morale, Welfare and Recreation Department for the Navy's 31<sup>st</sup> Annual Bay Bridge Run/Walk.
- S200-19-700: Right of Entry Permit to Par Electric Contractors to install an aerial transmission electric line at Palomar Street in the City of Chula Vista.

Action Taken

Informational item only. No action taken.

b. License for Water Main Replacement at Euclid Avenue

Mr. Allison presented a PowerPoint slide showing a schematic of where the new pipe would be installed.

Action Taken

Mr. Domen moved to approve a license for a 16" water main replacement at Euclid Avenue in the City of San Diego. Mr. Terry seconded the motion, and it was unanimously approved.

c. License for Underground Fiber-Optic Line Southwest of Smythe Avenue

Mr. Allison presented a PowerPoint slide showing a schematic of the proposed underground work.

Action Taken

Mr. Domen moved to approve a license for an underground 18" casing pipe and fiber-optic conduits southwest of Smythe Avenue in the City of San Diego. Mr. Terry seconded the motion, and it was unanimously approved.

d. License for Aerial Fiber-Optic Line at Lemon Avenue

Mr. Allison presented a PowerPoint slide showing a schematic of the proposed aerial fiber-optic cable at Lemon Avenue.

Action Taken

Mr. Domen moved to approve a license for an aerial fiber-optic cable at Lemon Avenue in the City of La Mesa. Mr. Terry seconded the motion, and it was unanimously approved.

7. Board Member Communications

Ms. Landers informed Board members that there may be an agreement for approval at the next meeting in relation to the Bayshore Bikeway along the Coronado Branch outside of the right-of-way. MTS is working with SANDAG and the County of San Diego on the project.

8. Public Comments

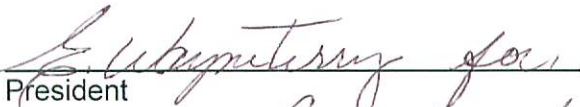
There were no public comments.

9. Next Meeting Date

The next meeting of the SD&AE Railway Company Board of Directors is on Tuesday, July 9, 2019.

10. Adjournment

The meeting was adjourned at 9:15 a.m.

  
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President  
*Paul C. Jablonski*

  
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General Counsel

Attachment: PSRM Quarterly Report (distributed during the meeting)



# Pacific Southwest Railway Museum

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

April 8, 2019

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

Re: First Quarter 2019

Dear SD&AE Board:

During the first quarter of 2019 and utilizing all volunteer crews, the Pacific Southwest Railway Museum operated 57 Golden State trains, 32 Valley Flyer trains and 2 mid-week School trains, carrying a total of 1,665 passengers during 26 operating days. There were no FRA reportable accidents or injuries during the first quarter, 2019. Earned revenue from SD&AE property for the first quarter, 2019 was \$25,418.99 our check for \$508.38 is enclosed.

Several of the rainstorms during the quarter created havoc along the right of way. Several boulders fell down that needed to be broken up and the 2/14/19 rainstorm produced enough water to wash out the tracks west of Chicken Ranch. The two weekends following the washout caused our Golden State trains to be shortened until volunteer crews were able to reroute the waterway and repair the damage. PSRM continues to maintain both signalized railroad crossings within our right of way limits; PSRM signal maintainers perform the monthly, quarterly and annual inspections.

Thank you for your continued support.

Sincerely,

Diana Hyatt  
President