



**Metropolitan
Transit
System**

Agenda

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 10, 2022

9:00 a.m.

Meeting will be held via webinar

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ACTION RECOMMENDED

1. Roll Call
2. Approval of Minutes - September 15, 2022 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.



CONSENT ITEMS

6. [Authorization of Remote Teleconferenced Meetings](#) Approve
Action would authorize remote teleconferenced meetings for any public meetings held by MTS, including all Brown Act committees, for the next thirty (30) days pursuant to Assembly Bill (AB) 361 and make the following findings: 1) The MTS Board has considered the current circumstances of the COVID-19 pandemic and its impact in San Diego County; and 2) State or local officials continue to recommend measures to promote social distancing. On September 23, 2021, County of San Diego Public Health Officer, Wilma J. Wooten, M.D., M.P.H., issued a recommendation supporting the use of teleconferencing for attendance at public meetings as “a social distancing measure that may help control transmission of the SARS-CoV-2 virus.”
7. [Janitorial Services \(E Street Restroom, Fashion Valley Restroom & San Diego Metropolitan Transit System \(MTS\) Mills Building 8th, 9th & 10th Floor Appliances\) – Contract Award](#) Approve
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G2621.0-22 with Nova Commercial Co. Inc. (Nova), for the provision of janitorial services for the E Street Restroom (Group 1), Fashion Valley Restroom (Group 2), and MTS Mills Building 8th, 9th, and 10th Floor (Group 3) Appliances for six (6) years in the amount of \$200,064.00.
8. [Roadway Worker Protection \(RWP\) Safety Training Services – Contract Award](#) Approve
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L1622.0-22 with Jacobs Engineering Group (“Jacobs”), for RWP Safety Training Services for five (5) years.
9. [Background Investigation Services – Contract Award](#) Approve
Action would authorize the Chief Executive Officer (CEO) to: 1) Execute MTS Doc. No. G2646.0-22 with Kristy Investigative Services Inc. for Background Investigation Services for five (5) base years and five (5) 1-year options for a total cost of \$358,500.00; and 2) Exercise each option year at the CEO’s discretion.
10. [Procurement Thresholds and Signature Authority Levels – Policy Revisions](#) Approve
Action would 1) Adopt the revisions to MTS Board Policy No. 52, “Procurement of Goods and Services”; 2) Authorize the Chief Executive Officer (CEO) to modify MTS Board Policy No. 52 Exhibit A relating to MTS’s Statutory and Regulatory Requirements; 3) Adopt the revisions to MTS Board Policy No. 41, “Signature Authority”; and 4) Adopt the revisions to MTS Board Policy No. 64, “Inventory Controls and Signature Authority Policy”
11. [Board Policy No. 30, Investment Policy – Policy Revision](#) Approve
Action would approve and adopt the updated Board Policy No. 30, “Investment Policy.”

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| 12. | <u>Quarter Ending September 30, 2022 – Investment Report</u> | Informational |
| 13. | <u>ACE Parking Lot Improvements – Work Order</u>
Action would authorize the Chief Executive Officer (CEO) to execute Work Order MTSJOC347-03 to MTS Doc. No. PWG347.0-22 with ABC General Contractor, Inc. (ABCGC) in the amount of \$140,183.26 for the upgrade of fencing, gates, lighting, striping, card reader, and cameras at the parking lot located at 1341 National Avenue, San Diego, CA (ACE Parking Lot). | Approve |
| 14. | <u>Adoption of 2022 Conflict of Interest Code – Amendment</u>
Action would 1) Adopt Resolution No. 22-16 amending the MTS Conflict of Interest Code pursuant to the Political Reform Act of 1974; 2) Adopt the amended 2022 MTS Conflict of Interest Code; and 3) Forward the amended 2022 MTS Conflict of Interest Code to the County of San Diego (the designated code-reviewing body). | Approve |
| 15. | <u>Adoption of the 2023 San Diego Metropolitan Transit System (MTS) Executive Committee and Board of Directors Meeting Schedule</u>
Action would adopt the 2023 Executive Committee and Board of Directors meeting schedule. | Approve |
| 16. | <u>San Diego and Arizona Eastern (SD&AE) Railway Company Quarterly Reports and Ratification of Actions Taken by the SD&AE Board of Directors at Its Meeting on October 27, 2022</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 of Directors. | Approve |
| 17. | <u>Davra Networks Ruban Software Support and Licenses – Contract Amendment</u>
Action would authorize the Chief Executive Officer (CEO) to execute Amendment No. 5 to MTS Doc. No. G2071.0-18, with Davra Networks, increasing the contract value in the amount of \$239,200.00, bringing the contract total to \$2,455,600.00. | Approve |
| 18. | <u>Fire Alarm Monitoring and Maintenance Services – Contract Amendment</u>
Action would 1) Ratify the addition of Sapphire fire suppression system monitoring services at the UTC bus transit center to the Johnson Controls Fire Protection, LP (JCI) fire alarm monitoring services contract, MTS Doc. No. PWG329.0-21, at a cost of \$4,080.00, including option years; and 2) Authorize the Chief Executive Officer (CEO) to execute Amendment No. 1 to the JCI fire alarm monitoring services contract, MTS Doc. No. PWG329.0-21, to add five Mid-Coast locations to the fire alarm monitoring and maintenance services locations for the remaining duration of the contract, in the amount of \$350,976.40 including option years. | Approve |

19. [Uninterruptible Power Supply \(UPS\) Maintenance and Battery Refresh – Contract Amendment](#) Approve
Action would authorize the Chief Executive Officer (CEO) to execute Amendment No. 5 to MTS Doc. No. G2009.0-17, with Schneider Electric Information Technology (IT) Corporation (Schneider Electric), increasing the contract value in the amount of \$386,612.35, bringing the contract total to \$1,418,263.76.
20. [Gas Service Provider – Contract Award](#) Approve
Action would authorize the Chief Executive Officer (CEO) to: 1) Execute MTS Doc. G2627.0-22 with Clean Energy Renewable Fuels, LLC for Gas Service Provider (GSP) services for a six (6) year base period with one (1) 4-year option period; and 2) Exercise the option years at the CEO's discretion.
21. [E Street Transit Station - City of Chula Vista And Mts Joint Transit-Oriented Development \(TOD\)](#) Approve
Action would authorize the Chief Executive Officer to execute a three-party Exclusive Negotiation Agreement with the City of Chula Vista (City) and Bayview Point, LLC (Developer) for an E Street Transit-Oriented Development Project (ENA).

CLOSED SESSION

24. None.

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS

30. [Fiscal Year 2022 Annual Comprehensive Financial Report \(ACFR\) \(Erin Dunn And Larry Marinesi; Ken Pun and Coley Delaney of the Pun Group\)](#) Informational
31. [Fiscal Year \(FY\) 2022 Final Budget Comparison \(Gordon Meyer\)](#) Approve
Action would approve the programming of excess revenues less expenses as follows: 1) Allocate \$3,067,000 to the Capital Improvement Program (CIP) to fund the Clean Transit Advancement Campus (CTAC) project; and 2) Allocate \$2,444,000 to contingency reserve to achieve the 12.5% Board-recommended target for FY 2023.

REPORT ITEMS

45. [2022 Special Events Update \(Brent Boyd\)](#) Informational
46. [PRONTO Roadmap Update \(Israel Maldonado\)](#) Informational

OTHER ITEMS

- | | | |
|-----|---|---------------|
| 60. | <u>Chair Report</u> | Informational |
| 61. | <u>Chief Executive Officer's Report</u> | Informational |
| 62. | <u>Board Member Communications</u> | Informational |
| 63. | <u>Additional Public Comments Not on the Agenda</u>
If the limit of 5 speakers is exceeded under No. 3 (Public Comments) on this agenda, additional speakers will be taken at this time. If you have a report to present, please furnish a copy to the Clerk of the Board. Subjects of previous hearings or agenda items may not again be addressed under Public Comments. | |
| 64. | <u>Next Meeting Date:</u> December 8, 2022 at 9:00 a.m. | |
| 65. | <u>Adjournment</u> | |

DRAFT MINUTES

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 20, 2022

[Clerk's note: Except where noted, public, staff and board member comments are paraphrased. Note that the meeting was conducted via webinar to comply with public health orders].

1. Roll Call

Chair Fletcher called the Board meeting to order at 9:00 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Chair Fletcher moved to approve the minutes of the September 15, 2022, MTS Board of Directors meeting. Board Member Elo-Rivera seconded the motion, and the vote was 13 to 0 in favor with Board Member Gastil and Board Member Hall absent.

3. Public Comment

Sam Kaplan-Pettus – Provided a statement to the Board prior to the meeting. The written comment is provided in the [October 20, 2022 Final Meeting Packet](#).

Blake Herrington – Provided a statement to the Board prior to the meeting. The written comment is provided in the [October 20, 2022 Final Meeting Packet](#).

David Aeschlimann – Provided a statement to the Board prior to the meeting. The written comment is provided in the [October 20, 2022 Final Meeting Packet](#).

Emanuel RB – Provided a statement to the Board prior to the meeting. The written comment is provided in the [October 20, 2022 Final Meeting Packet](#).

Leif Gensert – Provided a statement to the Board prior to the meeting. The written comment is provided in the [October 20, 2022 Final Meeting Packet](#).

Matthew R – Provided a statement to the Board prior to the meeting. The written comment is provided in the [October 20, 2022 Final Meeting Packet](#).

Connor Proctor – Provided a written and verbal statement to the Board during and prior to the meeting. The written comment is provided in the [October 20, 2022 Final Meeting Packet](#). Proctor encouraged changes to the PRONTO app to facilitate loading funds onto the app. Proctor acknowledged the coalition of riders called Ride SD that advocate for a better transit experience and cited the open letter submitted as written public comment. The coalition asks to 1) expedite support for a tap and pay feature, 2) that MTS add support for loading virtual PRONTO cards onto mobile phone wallets in lieu of the QR code that PRONTO currently uses, and 3) improve ease of signing up.

Alex Wong – Provided a verbal statement to the Board during the meeting. Wong noted the agency's success with post-COVID ridership recovery and commended its frequency for its quick recovery. Wong advocated for higher frequency and reliability, rather than no-cost fare.

Zack Defazio Farwell – Representing Ride SD, made a verbal statement to the Board during the meeting. Defazio Farwell supported the open letter written to the agency and encouraged the Board to adopt the recommendations enclosed in the letter.

Rusty Krumm – Provided a written and verbal statement to the Board both during and prior to the meeting. The written comment is provided in the [October 20, 2022 Final Meeting Packet](#). Krumm read the communication exchange enclosed in the meeting packet and advocated for non-in person interviews as part of the Paratransit Services application process.

Zack Thompson – Provided a verbal statement to the Board during the meeting. Thompson supported the Ride SD open letter.

COMMITTEE COMMENTS

Chair Fletcher asked staff to agendaize an item to address the PRONTO platform at the upcoming November 10, 2022 Board of Director's meeting.

4 CONSENT ITEMS:

6. Authorization of Remote Teleconferenced Meetings
Action would authorize remote teleconferenced meetings for any public meetings held by MTS, including all Brown Act committees, for the next thirty (30) days pursuant to Assembly Bill (AB) 361 and make the following findings: 1) The MTS Board has considered the current circumstances of the COVID-19 pandemic and its impact in San Diego County; and 2) State or local officials continue to recommend measures to promote social distancing. On September 23, 2021, County of San Diego Public Health Officer, Wilma J. Wooten, M.D., M.P.H., issued a recommendation supporting the use of teleconferencing for attendance at public meetings as “a social distancing measure that may help control transmission of the SARS-CoV-2 virus.”
7. Fiscal Year (FY) 2023 Transportation Development Act (TDA) Claim
Action would adopt Resolution Nos. 22-09, 22-10, and 22-11 approving FY 2023 TDA Article 4.0, 4.5, and 8.0 claims.
8. Innovations in Transportation, Inc. (INIT) Automated Passenger Counting (APC) Software – Sole Source
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G2685.0-23 with INIT, in the amount of \$143,533.76 for 5 years of APC software and maintenance support.
9. Hewlett Packard Enterprise (HPE) Server Equipment Purchase and Maintenance Support– Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G2641.0-22 with Nth Generation Computing, Inc., in the amount of \$603,967.01, for a period of five (5) years for the provision of HPE server equipment and maintenance support.
10. Traction Power Substation (TPSS) Yard #2 And Yard #4 – Engineering Design Services – Work Order
Action would authorize the Chief Executive Officer (CEO) to execute Work Order No. WOA354-AE-04 under MTS Doc. No. PWL354.0-22 with Mott MacDonald (MM) in the amount of \$224,069.22 to provide design services for electrical load capacity analysis to address the underlying causes, and prevent future recurrences of thermal overload failures to the TPSS Yard # 2 and Yard # 4.

11. Americans With Disabilities Act (ADA) Paratransit Client Certification Services – Contract Award
Action would authorize the Chief Executive Officer (CEO) to: 1) Execute MTS Doc. No. B0742.0-22 with Medical Transportation Management, Inc. (MTM), a Woman Owned Business Enterprise (WBE), for the provision of ADA paratransit client certification services for eight (8) years, for a total of \$5,124,750.47; and 2) Authorize the CEO to exercise at their discretion the option for an additional Customer Care Representative (CCR) position during the term of the contract at a cost of \$430,043.67, for an overall contract total not-to-exceed \$5,554,794.14.
12. 2022 Transit and Intercity Rail Capital Program (TIRCP) Grant Award: Zero-Emission Transit Enhancement Project
Action would adopt Resolution No. 22-12 authorizing the following: 1) Acceptance of the 2022 Transit Intercity Rail Capital Program Grant Award for the Zero Emission Transit Enhancement Project, which includes the Orange Line Improvement Project, the 12th and Imperial Transit Center Rehabilitation Project, and the Electrification of the Imperial Avenue Division Project; 2) Determining each of the three projects is exempt from environmental review under the California Environmental Quality Act (“CEQA”); and 3) Approving the Orange Line Improvement Project, the 12th and Imperial Transit Center Rehabilitation Project, and the Electrification of the Imperial Avenue Division Project.
13. Approve Fiscal Year 2021-22 State Transit Assistance (STA) Claim Amendment
Action would adopt Resolution No. 22-13 approving the Fiscal Year (FY) 2021-22 STA claim amendment.
14. Federal Lobbying Services – Contract Award
Action would authorize the Chief Executive Officer (CEO) to 1) Execute MTS Doc. No. G2619.0-22 with Peyser Associates LLC for Federal Lobbying Services for a three (3) year base period and two (2) 1-year options for a total cost of \$462,000.00; and 2) Exercise each option year at the CEO’s discretion.
15. Additional Staffing – One (1) Capital Projects - Project Engineer and Two (2) Procurement Department - Procurement Specialists
Action would authorize the Chief Executive Officer (CEO) to add one (1) Project Engineer and two (2) Procurement Specialists to the position tables previously approved in the Fiscal Year 2022 budget.

COMMITTEE COMMENTS

Board Member Sandke commented on Agenda Item number 7’s funding for next year’s commuter ferry service. He encouraged the Board to think of the ferry service as an innovative transportation method as the Board thinks about alternative transportation.

Board Member Goble commended the projects in Agenda Item number 12 as exemplary and was enthusiastic to see the project, once implemented.

Action on Recommended Consent Items

Board Member Sandke moved to approve Consent Agenda Item Nos. 6 – 14. Chair Fletcher seconded the motion, and the vote was 14 to 0 in favor with Board Member Hall absent.

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS:

30. Site Selection, Approval/Adoption of Mitigated Negative Declaration and a Mitigation Monitoring and Reporting Program, Approval of Project, and Direction to Prepare a Workforce Development Plan for The Clean Transit Advancement Campus (CTAC) Project (Denis Desmond)

Denis Desmond, MTS Director of Planning presented on site selection, approval/adoption of mitigated negative declaration and a mitigation monitoring and reporting program, approval of project, and direction to prepare a workforce development plan for the CTAC project. He outlined the following items: community engagement and communication, Community Feedback prior to draft MND, project site selection, site considerations, California Environmental Quality Act (CEQA) mitigated negative declaration, comments received on draft MND, draft MND comment: residential character, draft MND comment Chollas Creek impacts, mitigated negative declaration, and CEQA recommendation. Karen Landers, MTS General Counsel spoke about the workforce development plan resolution and MTS recommendations.

PUBLIC COMMENT

Corinna Contreras – Representing Climate Action Campaign made a verbal statement to the Board during the meeting. Contreras thanked the agency for its early advancements towards the project. Contreras acknowledged that due to the nature of the current stormwater drainage, the Chollas Creek would experience better circumstances with the construction site. Contreras supported a workforce development plan and the building of the site.

Leslie Reynolds – Representing Groundworks San Diego, Chollas Creek made a verbal statement to the Board during the meeting. Reynolds expressed that their organization did not have an opportunity to participate in the process. They opposed the CTAC facility build in the Webster community and claimed the San Diego Canyon letter was spam blocked during the public comment period. Reynolds expressed disappointment for the agency to build at the site due to the pollution burdens, parks and transportation opportunities.

Gretchen Newsom – Representing IBEW 569 made a verbal statement to the Board during the meeting. Newsom supported the staff recommendation.

Daniel Laman – Provided a verbal statement to the Board during the meeting. Laman asked where the additional traffic signal would be placed on Federal Boulevard and also asked about the parking lot on the northern part of Site 3 where trash used to be burned.

Kristen Hurst – A resident of the Webster community, made a verbal statement to the Board during the meeting. Hurst opposed the CTAC site at Site 7 due to traffic and pollution concerns. Hurst suggested announcement mechanisms and meetings scheduled in the afternoon to allow more public participation.

Barry Pollard – Representing Urban Collaborative made a verbal statement to the Board during the meeting. Pollard disclosed his previous poor working relationship with MTS and acknowledged improvements in recent years. He noted the disinvestment in the community, thus their excitement for this area to be re-fortified and explained the favorable traffic patterns he anticipates. He stated that if he had any objections to the project, he would vocalize them.

Nicole Burgess – Representing Ground Work Chollas Creek Coalition, made a verbal statement to the Board during the meeting. Burgess was concerned about water run-off capture and alerted the Board of an alternative site option and asked about the work trips to access the site.

Patrice Baker – A resident of District 4, made a verbal statement to the Board during the meeting. Baker listed the various benefits but was concerned about the traffic and pollution increases and summarized opposition.

Richard Diaz – Representing Oak Park Community Council, made a verbal statement to the Board during the meeting. Diaz encouraged the Board to approve the development of Site 5 or 6. Diaz hoped the City downzoned the site for local commercial that would make the area more residential. Diaz expressed concerned that stormwater runoff would be directed to the creek and encouraged the Board to have runoff sent to Federal Boulevard or kept on site.

Carolina Martinez – Representing the Environmental Health Coalition, made a verbal statement to the Board during the meeting. Martinez supported the staff recommendation but asked about the land use and compatibility proximity to the nearby school at Site 2 that was not an obstacle for the Site 7 selection. Martinez also asked why the CalEnviroScreen tool was not used to compare the sites.

COMMITTEE COMMENTS

Ms. Landers responded to a public speaker that claimed the agency had not received other letters. She confirmed that there were no additional letters that the agency could verify receiving within the comment period.

Board Member Montgomery Steppe thanked community members for participation and advocacy on the item. She acknowledged the importance of the workforce development plan to assure local hire. While she agreed that the community deserved outdoor space and development, she supported the staff recommendation. She summarized comments and concerns from public comment and asked staff where the traffic signal is slated to be placed. Mr. Desmond replied that the signal would be placed at the lower portion of the project in the current driveway to the Nob Hill Industrial Park. She also asked about the school proximity differences between Site 2 and Site 7. Mr. Desmond explained that Site 2 would have the bus yard built directly in front of the school. However, at Site 7, the office building and parking lot would provide a buffer between the bus yard and school. Board Member Montgomery Steppe asked about the Chollas Creek enhancement plan along with the stormwater system concerns. Mr. Desmond explained that Site 7 borders the Chollas Creek. There are current warehouses that are not shown in the aerial view depiction of the picture in the presentation and stated that a full water quality review will be made. With the acquisition, the agency would adopt modern water quality standards so that water is pre-treated before being disposed, along with rebuilding drainage structures that might currently funnel to the creek. He also acknowledged an open space easement that exists on the edge of the parcels and stated that the agency would not encroach into the creek. The agency's commitment would be to continue working with interested parties to assure there are no negative impacts to the creek or Little League fields.

Board Member Montgomery Steppe was happy to hear the agency's dedication to working with the community and the informal discussions with City staff about the project. Ms. Landers added that City staff did not express concerns about this project. Later in the design, the agency will explore landscaping along the creek edge to add a buffer between the facility and the open space. Board Member Montgomery Steppe appreciated that the mitigation monitoring and reporting program will have an archeological and Kumeyaay Native American monitor as part of the process. Board Member Montgomery Steppe explained that the intent of the workforce development plan was to formalize and assure local commitment to hiring.

Chair Fletcher added that the agency has to build a CTAC facility to move towards zero emission buses in order to meet requirements set on the agency and the agency's personal goals. He noted the difficulties finding large parcels of land in urban environments and long-standing efforts to find a facility location. He was confident the agency selected the best possible location. He also stated that Board Member Montgomery Steppe captured public comments, questions and concerns noting the environmental benefits and limited impact to existing walking paths. He expressed excitement for the site as a resident of the area and the jobs it would create.

Board Member Elo-Rivera commended the agency's community outreach efforts. He noted community compliments for the project are impactful. He noted the importance of community engagement with the City Council District and MTS. He was confident about the agency's decision to benefit the community. He hoped that youth could have a seat at the table for a Workforce Development Plan.

Board Member Aguirre agreed with previous Board member comments and community participation. She encouraged staff to exceed stormwater best management practices to address community concerns, such as adding biofilters for pollution mitigation.

Board Member Shu asked if the agency would be proactive in the restoration of Chollas Creek. Mr. Desmond confirmed that the agency would be working closely in the design of the project with community stakeholders. Ms. Cooney added that the agency is under its own MS4 permit and therefore, heavily regulated for stormwater. Board Member Shu agreed with Board Member Aguirre that the agency should be exceeding baseline regulations. He commended the agency for working closely with community stakeholders.

Board Member Whitburn expressed excitement about moving forward with the infrastructure necessary for the zero emission busses and reduction of carbon in the San Diego area. He thanked staff, Board members and community leaders for their participation.

Board Member Sandke asked about power grid challenges and meeting power needs for this property and how these needs were factored into the selection of Site 7. Mr. Desmond noted MTS's collaboration with SDG&E on this type of issue and acknowledged the partnership with SDG&E would need to continue as the agency rolls out fleet electrification.

Vice Chair Sotelo-Solis echoed Board Member Montgomery Steppe's community engagement efforts acknowledgements and thanked staff. She was eager to support the workforce development plan and the future prospects this site would bring to the community.

Action Taken

Board Member Montgomery Steppe moved to 1) Approve “Site 7” as the Preferred Site for the CTAC Project, as supported by the Facility Siting Title VI & Social Equity Analysis in Attachment A and the Preferred Site Analysis; 2) Adopt Resolution 22-14 Approving and Adopting a Mitigated Negative Declaration and a Mitigation Monitoring and Reporting Program for the CTAC Project under the California Environmental Quality Act and Approving the CTAC Project; and 3) Adopt Resolution 22-15 Directing Staff to Prepare a Clean Transit Advancement Campus Workforce Development Plan. Chair Fletcher seconded the motion, and the vote was 14 to 0 in favor and Board Member Hall absent.

45. Fiscal Year (FY) 2022 Annual Performance Monitoring Report and Service Performance Reports (Denis Desmond, Neomi Woods, Mike Wygant, Wayne Terry)

Denis Desmond, MTS Director of Planning presented on FY 2022 annual performance monitoring report. He presented on: Policy 42 evaluation criteria, total passengers, weekday average, monthly passengers, passengers per revenue hour, on-time performance, other metrics, farebox recovery and youth opportunity pass. Mike Wygant Chief Operating Officer of Bus outlined transit services safety, ZEB pilot project, fleet highlights, MTS access services, support services highlight and bus on shoulder projects (BOS). Wayne Terry, Chief Operating Officer of Rail presented on statewide rail accidents, master concessionaire services FY 2022, Friars road crossing replacement, Vernon Way crossing replacement at El Cajon, Hill street crossing replacement at El Cajon, 25th & Commercial street track switch and crossing replacement, crossover switch and National Avenue Replacement, San Ysidro/Beyer track replacement, rail grinding program, Chollas Creek bridge structural reinforcement, snooper truck for bridge inspection, taxi building retrofit, LRV bogie shop, LRV maintenance facility C – catwalks, catwalks required for overhead maintenance, shop doors & flood protection, impedance bond protection, San Ysidro/Beyer Blvd. Landscape project, El Cajon terminal station landscaping project, 47th street station artwork, Massachusetts avenue station artwork, Euclid avenue transit center artwork and several significant projects needing completion before Mid-Coast extension start-UP, Mid-Coast Extension, student ridership, donations to Mendoza, Imperial double track project and El Cajon third track project.

COMMITTEE COMMENT

Board Member Montgomery Steppe suggested that the agency reconsider the Transportation Development Act (TDA) requirements and asked the agency to address the Board on efforts to pursue changes to TDA requirements.

Board Member Gastil commended Mr. Terry for his achievements at MTS.

Action Taken

No action taken. Informational item only.

46. Operations Budget Status Report for August 2022 (Gordon Meyer)

The Board waived the staff report for this item.

OTHER ITEMS (TAKEN OUT OF ORDER):

63. Additional Public Comments on Items Not on the Agenda

Jessica Kramer – Representing REACH made a verbal statement to the Board during the meeting. Kramer expressed logging in difficulties and ADA compliance concerns. Kramer also added that the organization has received several complaints because constituents have been denied Paratransit services.

Rachel Graham – Representing Ride SD made a verbal statement to the Board during the meeting. Graham thanked the Chair for agendaizing a PRONTO update.

Nicole Burgess – Representing Ride SD made a verbal statement to the Board during the meeting. Burgess thanked the Chair for agendaizing a PRONTO update and showed appreciation to staff for their efforts to improve facilities. Burgess expressed difficulties navigating the PRONTO system.

Jason – Representing Ride SD made a verbal statement to the Board during the meeting. Jason expressed frustration with the QR code validation and asked for a tap to pay system.

60. Chair Report

There was no Chair report.

61. Chief Executive Officer's Report

There was no Chief Executive Officer's Report.

62. Board Member Communications

Board Member Campillo added about the PRONTO card reader program issues.

64. Next Meeting Date

The next regularly scheduled Board meeting is November 10, 2022 at 9:00 a.m.

CLOSED SESSION:

24. Closed Session Items

The Board convened to Closed Session at 11:25 a.m.

- a. Closed Session - Conference with Labor Negotiators Pursuant to California Government Code Section 54957.6
Agency: San Diego Trolley, Inc. (SDTI)
Employee Organization: Transit Enforcement Officers Association (TEOA) (Representing SDTI Code Compliance Inspectors)
Agency- Designated Representative: Jeffrey M. Stumbo, Chief Human Resources Officer (EEO Officer)

The Board reconvened to Open Session at 11:34 a.m.

Oral Report of Final Actions Taken in Closed Session

Karen Landers, General Counsel, reported the following:

- a. The Board unanimously voted to approve a tentative agreement, with 10 members voting including Fletcher, Aguirre, Elo-Rivera, Mullin, Gastil, Whitburn, Goble, Montgomery Steppe, Campillo and Sandke voting in favor and with Sotelo-Solis, Galvez, Hall, Salas and Shu absent.

65. Adjournment

The meeting was adjourned at 11:36am.

Chairperson
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

Clerk of the Board
San Diego Metropolitan Transit System

General Counsel
San Diego Metropolitan Transit
System

Attachment: Roll Call Sheet

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS
ROLL CALL

MEETING OF (DATE):	<u>October 20, 2022</u>	CALL TO ORDER (TIME):	<u>9:00am</u>
RECESS:	<u> </u>	RECONVENE:	<u> </u>
CLOSED SESSION:	<u>11:25am</u>	RECONVENE:	<u>11:34am</u>
PUBLIC HEARING:	<u> </u>	RECONVENE:	<u> </u>
ORDINANCES ADOPTED:	<u> </u>	ADJOURN:	<u>11:36am</u>

JURISDICTION	BOARD MEMBER		(Alternate)		PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
County of San Diego (Chair)	FLETCHER	<input checked="" type="checkbox"/>	(Vargas)	<input type="checkbox"/>	9:00am	11:36am
City of National City (Vice Chair)	SOTELO-SOLIS	<input checked="" type="checkbox"/>	(Bush)	<input type="checkbox"/>	9:01am	11:23am
City of Imperial Beach	AGUIRRE	<input checked="" type="checkbox"/>	(Leyba- Gonzalez)	<input type="checkbox"/>	9:00am	11:36am
City of San Diego	ELO-RIVERA	<input checked="" type="checkbox"/>	(LaCava)	<input type="checkbox"/>	9:00am	11:36am
City of Poway	FRANK	<input type="checkbox"/>	(Mullin)	<input checked="" type="checkbox"/>	9:00am	11:36am
City of Chula Vista	GALVEZ	<input checked="" type="checkbox"/>	(Cardenas)	<input type="checkbox"/>	9:00am	11:01am
City of Lemon Grove	GASTIL	<input checked="" type="checkbox"/>	(Mendoza)	<input type="checkbox"/>	9:03am	11:36am
City of San Diego	GLORIA	<input type="checkbox"/>	(Whitburn)	<input checked="" type="checkbox"/>	9:00am	11:36am
City of El Cajon	GOBLE	<input checked="" type="checkbox"/>	(Ortiz)	<input type="checkbox"/>	9:00am	11:36am
City of Santee	HALL	<input type="checkbox"/>	(McNelis)	<input type="checkbox"/>	ABSENT	ABSENT
City of San Diego	MONTGOMERY STEPPE	<input checked="" type="checkbox"/>	(Von Wilpert)	<input type="checkbox"/>	9:00am	11:36am
City of San Diego	MORENO	<input type="checkbox"/>	(Campillo)	<input checked="" type="checkbox"/>	9:00am	11:36am
City of Chula Vista (Chair Pro Tem)	SALAS	<input checked="" type="checkbox"/>	(Cardenas)	<input type="checkbox"/>	9:00am	10:53am
City of Coronado	SANDKE	<input checked="" type="checkbox"/>	(Donovan)	<input type="checkbox"/>	9:00am	11:36am
City of La Mesa	SHU	<input checked="" type="checkbox"/>	(Arapostathis)	<input type="checkbox"/>	9:00am	10:58am

SIGNED BY THE CLERK OF THE BOARD:

/S/ Dalia Gonzalez

Dalia Gonzalez

From: Rebecca Satrom <rfs92021@gmail.com>
Sent: Thursday, November 10, 2022 7:16 AM
To: ClerkoftheBoard
Cc: Cesar Buenaventura
Subject: El Cajon Transit Bus Driver's Break Room / MTS Executive Board Mtg Nov. 10, 2022

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Hello ,

My name is Rebecca Satrom and I am a bus driver for Transdev who operates MTS buses out of the El Cajon Transit Center (ECTC). I've been a bus operator for 15 years here in El Cajon. I am here today to ask members to consider the urgent need for an employee break room for the bus drivers that are required by law (w/o 9) to take rest breaks and meal breaks at ECTC while away from the main facility on 544 Vernon Way.

As I am sure you are aware, California Meal and Rest Rules Section 11090 of Article 9 (Transport Industry)... Meal periods in part reads as follows:

(E) "In all places of employment where employees are required to eat on the premises, a suitable place for that purpose shall be designated."

The photos I've included are snapshots that have been taken over the years of coworkers who sit outside A-mart on the steps to take their break and many eat their food at this location. As you can see, these steps are the same ones that addicts and the homeless sleep on and often compete for the space and then drivers have no where to go other than a trailer located in the parking lot that the Union Local 1309 has provided for the drivers. Not all drivers will use this trailer since it has multiple times now been broken in and used by the homeless. The trailer is located in the ECTC parking lot where the future Affordable Housing Development is being considered.

I come here before the Board to not just complain but to enlighten everyone of our situation and to encourage the members of the Board to help find a solution in providing all drivers that are employees of Contractors for MTS be provided with an adequate space to eat and relax while on assignment at ECTC.

On behalf of all bus drivers I would like to thank you for this opportunity to ask that the Board consider providing a break room either in the new construction taking place or even to consider using the building where A-Mart currently stands if A-Mart will be relocating to the retail portion of the new development. I'm asking MTS to highly consider this need as URGENT so that drivers feel respected and appreciated for the long hours of service we provide to MTS and I believe that a break room at ECTC will also show new drivers joining our team that MTS cares in providing a comfortable place to work, eat, and relax on their much deserved breaks away from the public eye.

8:23

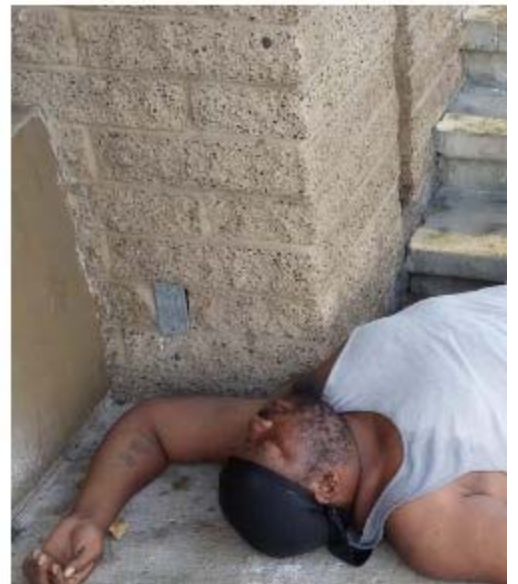
Transportation Industry” hereafter: “8 C
or “section 11090.” ^[1] Section 11090(11)
reads as follows:

“(A) No employer shall employ any person
period of more than five (5) hours without
not less than 30 minutes, except that when
of not more than six (6) hours will compensate
the meal period may be waived by mutual
employer and the employee.”

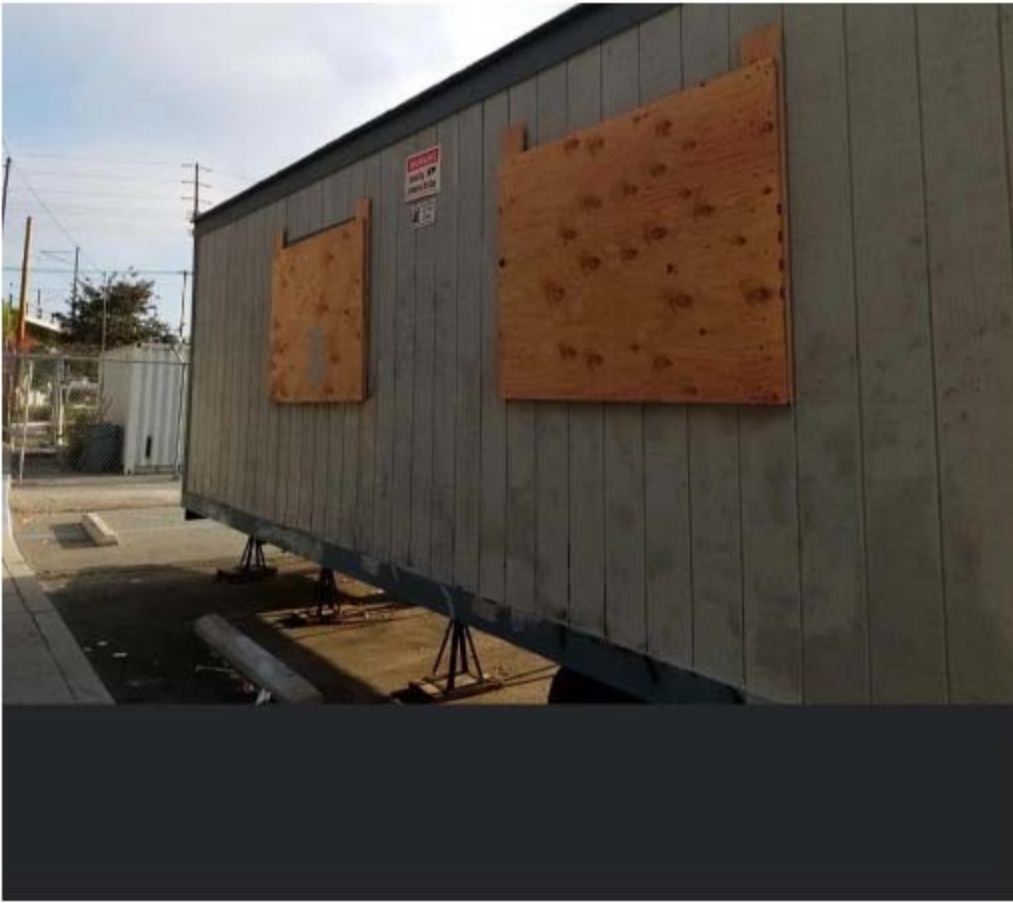
“(B) An employer may not employ an employee
period of more than ten (10) hours per day
providing the employee with a second meal
less than 30 minutes, except that if the t



UNIT







Thank you for your consideration in this matter.
Rebecca Satrom



Agenda Item No. 6

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 10, 2022

SUBJECT:

AUTHORIZATION OF REMOTE TELECONFERENCED MEETINGS

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize remote teleconferenced meetings for any public meetings held by MTS, including all Brown Act committees, for the next thirty (30) days pursuant to Assembly Bill (AB) 361 and make the following findings:

- 1) The MTS Board has considered the current circumstances of the COVID-19 pandemic and its impact in San Diego County; and
- 2) State or local officials continue to recommend measures to promote social distancing. On September 23, 2021, County of San Diego Public Health Officer, Wilma J. Wooten, M.D., M.P.H., issued a recommendation supporting the use of teleconferencing for attendance at public meetings as “a social distancing measure that may help control transmission of the SARS-CoV-2 virus.” (Attachment A)

Budget Impact

None with this action.

DISCUSSION:

On March 17, 2020, Governor Newsom issued Executive Order N-29-20, suspending the teleconferencing rules set forth under the Ralph M. Brown Act (Brown Act), Government Code Section 54950 et seq. On June 11, 2021, Governor Newsom issued Executive Order N-08-21, clarifying the suspension of the teleconferencing rules set forth in the Brown Act, noting that those provisions would remain suspended through September 30, 2021. On September 16, 2021, Governor Newsom signed AB 361, which allows legislative bodies subject to the Brown Act to continue meeting by teleconference, provided they make certain findings, including that meeting in person would present imminent risks to the health or safety of attendees. AB 361 requires that certain findings be made by the legislative body every 30 days.



The purpose of this agenda item is for the MTS Board of Directors to make findings supporting the continuation of a teleconference option for Board or committee members and for teleconference attendance by members of the public at MTS Board and committee meetings consistent with the requirements of AB 361.

AB 361 added subdivision (e) to Government Code section 54953 (emphasis added), providing for streamlined teleconference attendance at public meetings subject to the Brown Act, subject to the governing board making specified findings:

(e) (1) A local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in any of the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.

(B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:

(A) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(B) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3. In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(C) The legislative body shall conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body of a local agency.

(D) In the event of a disruption which prevents the public agency from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control which prevents members of the public from offering public comments using the call-in option or internet-based service option, the body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption which prevents the public agency from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(G) (i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph (F), to provide public comment until that timed public comment period has elapsed.

(ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph (F), or otherwise be recognized for the purpose of providing public comment.

(iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to subparagraph (F), until the timed general public comment period has elapsed.

(3) If a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 30 days after teleconferencing for the first time pursuant to subparagraph (A), (B), or (C) of paragraph (1), and every 30 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.

(B) Any of the following circumstances exist:

(i) The state of emergency continues to directly impact the ability of the members to meet safely in person.

(ii) State or local officials continue to impose or recommend measures to promote social distancing.

(4) For the purposes of this subdivision, “state of emergency” means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).

The circumstances set forth in Government Code section 54953(e)(1)(A) and (e)(3) still apply and support the continuation of a teleconference option for Board or committee members and for teleconference attendance by members of the public at MTS Board and committee meetings for the upcoming 30-day period. Staff recommends that the Board make the following findings:

- 1) The MTS Board has considered the current circumstances of the COVID-19 pandemic and its impact in San Diego County; and
- 2) State or local officials continue to recommend measures to promote social distancing. On September 23, 2021, County of San Diego Public Health Officer, Wilma J. Wooten, M.D., M.P.H., issued a recommendation supporting the use of teleconferencing for attendance at public meetings as “a social distancing measure that may help control transmission of the SARS-CoV-2 virus.” (Attachment A) That recommendation remains in effect.

/S/ Sharon Cooney
Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachment: A. September 23, 2021 County of San Diego Health Officer Teleconferencing Recommendation



County of San Diego

NICK MACCHIONE, FACHE
AGENCY DIRECTOR

HEALTH AND HUMAN SERVICES AGENCY
PUBLIC HEALTH SERVICES

WILMA J. WOOTEN, M.D.
PUBLIC HEALTH OFFICER


HEALTH OFFICER TELECONFERENCING RECOMMENDATION

COVID-19 disease prevention measures, endorsed by the Centers for Disease Control and Prevention, include vaccinations, facial coverings, increased indoor ventilation, handwashing, and physical distancing (particularly indoors).

Since March 2020, local legislative bodies—such as commissions, committees, boards, and councils—have successfully held public meetings with teleconferencing as authorized by Executive Orders issued by the Governor. Using technology to allow for virtual participation in public meetings is a social distancing measure that may help control transmission of the SARS-CoV-2 virus. Public meetings bring together many individuals (both vaccinated and potentially unvaccinated), from multiple households, in a single indoor space for an extended time. For those at increased risk for infection, or subject to an isolation or quarantine order, teleconferencing allows for full participation in public meetings, while protecting themselves and others from the COVID-19 virus.

Utilizing teleconferencing options for public meetings is an effective and recommended social distancing measure to facilitate participation in public affairs and encourage participants to protect themselves and others from the COVID-19 disease. This recommendation is further intended to satisfy the requirement of the Brown Act (specifically Gov't Code Section 54953(e)(1)(A)), which allows local legislative bodies in the County of San Diego to use certain available teleconferencing options set forth in the Brown Act.

September 23, 2021


Wilma J. Wooten, M.D., M.P.H.
Public Health Officer
County of San Diego



Agenda Item No. 7

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 10, 2022

SUBJECT:

JANITORIAL SERVICES (E STREET RESTROOM, FASHION VALLEY RESTROOM & SAN DIEGO METROPOLITAN TRANSIT SYSTEM (MTS) MILLS BUILDING 8TH, 9TH & 10TH FLOOR APPLIANCES) – 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. G2621.0-22 (in substantially the same format as Attachment A) with Nova Commercial Co. Inc. (Nova), for the provision of janitorial services for the E Street Restroom (Group 1), Fashion Valley Restroom (Group 2), and MTS Mills Building 8th, 9th, and 10th Floor (Group 3) Appliances for six (6) years in the amount of \$200,064.00.

Budget Impact

The total cost of this project shall not exceed \$200,064.00. The project will be funded as follows:

Year	GROUP 1 MTS Mills 8 th , 9 th , and 10 th Floor Appliances 902010-571250	GROUP 2 Fashion Valley Restroom 840012-571140	GROUP 3 E Street Restroom 791010-571250	Total Amount
Year 1	\$1,362.00	\$10,344.00	\$20,430.00	\$32,136.00
Year 2	\$1,374.00	\$10,446.00	\$20,640.00	\$32,460.00
Year 3	\$1,416.00	\$10,656.00	\$21,048.00	\$33,120.00
Year 4	\$1,440.00	\$10,872.00	\$21,468.00	\$33,780.00
Year 5	\$1,452.00	\$10,980.00	\$21,684.00	\$34,116.00
Year 6	\$1,464.00	\$11,088.00	\$21,900.00	\$34,452.00
GRAND TOTAL:				\$200,064.00



DISCUSSION:

Janitorial Services are required for the E Street Restroom, Fashion Valley Restroom, and MTS 8th, 9th, and 10th Floor Appliances (appliances in various staff lounges in the Mills Building administrative offices).

The Fashion Valley transit center restroom is a single unisex restroom for exclusive use by MTS bus operators. In order to maintain on-time performance for MTS transit services operating out of this transit center, this restroom cannot be shared with the public. The scope of work includes twice daily cleaning, seven days a week, including basic restroom supplies (toilet paper, paper towels, soap, seat covers, lights, air fresheners).

The E Street transit center restroom has two restrooms. It is inside the Cool Down Coffee building, which is owned by MTS. It is open to the public during the same hours as the business, which is currently open Monday through Saturday, 7:30am to 3:00pm. The scope of work includes twice daily cleaning, six days a week, including basic restroom supplies (toilet paper, paper towels, soap, seat covers, trashcan liners).

The restroom scope of work does not include repairs to the bathrooms as a result of malfunctions, vandalism, or other incidents.

The current janitorial contract for these facilities is due to expire on December 31, 2022. This agreement ensures that the restrooms and MTS' appliances are maintained to provide a clean environment.

MTS Policy No. 52, "Procurement of Goods and Services", requires a formal competitive process for procurements and service contracts over \$100,000.00. In order to maximize open competition, the solicitation was divided into three (3) groups (Groups 1 – 3). The basis of award will be the lowest responsive, responsible bidder. MTS could award all three (3) groups to a single bidder, each group to a different bidder, or a combination of groups to multiple bidders.

On July 27, 2022, MTS issued an Invitation for Bid (IFB). A total of nine (9) bids were received by the deadline of September 21, 2022, and are summarized in Attachment B.

Nova is deemed to be the lowest responsive and responsible Bidder for all groups. Based on the bids received, and in comparison, with the MTS Independent Cost Estimate (ICE) of \$317,076.48, staff has determined Nova's price to be fair and reasonable.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute MTS Doc. No. G2621.0-22 (in substantially the same format as Attachment A) with Nova Commercial Co. Inc., for the provision of janitorial services for the E Street Restroom, Fashion Valley Restroom, and MTS Mills Building 8th, 9th, and 10th Floor Appliances for six (6) years in the amount of \$200,064.00.

/S/ Sharon Cooney
Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachments: A. Draft Agreement, MTS Doc. No. G2621.0-22
B. Bid Summary



**Metropolitan
Transit
System**

**STANDARD AGREEMENT
FOR**

MTS DOC. NO. G2621.0-22

**JANITORIAL SERVICES (E STREET RESTROOM, FASHION VALLEY RESTROOM & MTS 8TH,
9TH & 10TH FLOOR APPLIANCES)**

THIS AGREEMENT is entered into this _____ day of _____, 2023 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: Nova Commercial Co., Inc. Address: PO Box 759

Hayward, CA 94543

Form of Business: Corporation
(Corporation, Partnership, Sole Proprietor, etc.)

Email: sophia@novacommercial.us

Telephone: 925-719-3360

Authorized person to sign contracts Sophia Silva CEO
Name Title

The Contractor agrees to provide services as specified in the conformed Scope of Work/Minimum Technical Specification (Exhibit A), Contractor's Bid/Pricing Form (Exhibit B), and in accordance with the Standard Agreement, including Standard Conditions (Exhibit C), and Forms (Exhibit D).

The contract term is for six (6) years effective January 1, 2023 through December 31, 2028.

Payment terms shall be net 30 days from invoice date. The total cost of this contract shall not exceed \$200,064.00 without the express written consent of MTS.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM	NOVA COMMERCIAL CO., INC.
By: _____ Sharon Cooney, Chief Executive Officer	By _____
Approved as to form:	
By: _____ Karen Landers, General Counsel	Title: _____



G2621.0-22**Janitorial Services (E Street Restroom, Fashion Valley Restroom & MTS 8th, 9th & 10th Floor Appliances)**

MTS Building		Fashion Valley Restroom		E Street Restroom	
Bidder	Total Bid Amount	Bidder	Total Bid Amount	Bidder	Total Bid Amount
NOVA Commercial Co., Inc	\$ 8,508.00	NOVA Commercial Co., Inc	\$ 64,386.00	NOVA Commercial Co., Inc	\$ 127,170.00
A&G Professional Services LLC	\$ 9,288.00	Prizm Janitorial Services, Inc.	\$ 69,688.08	Prizm Janitorial Services, Inc.	\$ 143,520.48
Glow Up Cleaning Services	\$ 9,792.00	Glow Up Cleaning Services	\$ 76,104.00	T & T Janitorial, Inc	\$ 144,000.00
Prizm Janitorial Services, Inc.	\$ 10,618.56	T & T Janitorial, Inc	\$ 151,200.00	Glow Up Cleaning Services	\$ 147,600.00
Premier Property Preservation, LLC	\$ 19,577.04	A&G Professional Services LLC	\$ 165,349.44	Premier Property Preservation, LLC	\$ 177,288.36
Eco Bear	\$ 25,920.00	Premier Property Preservation, LLC	\$ 209,081.28	A&G Professional Services LLC	\$ 186,048.00
T & T Janitorial, Inc	\$ 36,000.00	Eco Bear	\$ 240,216.00	Aztec Landscaping, Inc.	\$ 233,064.00
NMS Management, Inc.	\$ 39,797.04	Aztec Landscaping, Inc.	No Bid	Eco Bear	\$ 411,840.00
Aztec Landscaping, Inc.	\$ 136,200.00	NMS Management, Inc.	No Bid	NMS Management, Inc.	No Bid

Lowest Bidder for all three groups

NOVA Commercial Co., IncTotal Contract Amount for 6 years for
all 3 locations

\$ 200,064.00

Bidder	Disadvantage Business Enterprise (DBE)/Small Business (SB)/Minority Business Enterprise (MBE)/Woman Business Enterprise (WBE)/ Disabled Veteran Business Enterprise (DVBE)
A&G Professional Services LLC	DVBE, MBE, SB, WBE
Aztec Landscaping, Inc.	N/A
Eco Bear	SB
Glow Up Cleaning Services	N/A
NMS Management, Inc.	DBE, MBE, SB
NOVA Commercial Co., Inc	WBE
Premier Property Preservation, LLC	SB
Prizm Janitorial Services, Inc.	N/A
T & T Janitorial, Inc	DBE



Agenda Item No. 8

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 10, 2022

SUBJECT:

ROADWAY WORKER PROTECTION (RWP) SAFETY TRAINING SERVICES – 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. L1622.0-22 (in substantially the same format as Attachment A) with Jacobs Engineering Group (“Jacobs”), for RWP Safety Training Services for five (5) years.

Budget Impact

There is no cost impact to MTS. Each Contractor will pay for their own employees' training. MTS's employees are trained internally by San Diego Trolley Inc. (SDTI) staff, but should the services be required for MTS staff, the contracted cost per student would apply.

DISCUSSION:

The Federal Railroad Administration (FRA) and California Public Utilities Commission (CPUC) requires railroads and/or the Contractors to provide RWP Safety Training to any worker whose job duties include inspection, construction, maintenance or repair of track, bridges, roadway, signal and communication systems, roadway facilities or maintenance machinery on or near the track.

MTS provides the San Diego Trolley Roadway Worker Protection Plan, and Contractor implements and maintains the RWP Safety Training program, conducts safety training for the MTS contractors, San Diego Association of Governments (SANDAG) contractors, third-party firm's contractors (e.g. Herzog Construction, San Diego Gas & Electric (SDG&E), HMS Construction, Downtown San Diego Partnership, etc.), designers, inspectors, or construction personnel who need access to MTS's right-of-way, or are working adjacent/within the operating envelop.



MTS Policy No. 52, "Procurement of Goods and Services", require a formal competitive process for procurements and service contracts over \$100,000.00. On June 21, 2022, MTS and SANDAG, collectively the "Agencies", issued a Joint Request for Proposals (RFP) seeking proposals from qualified proposers to provide RWP Safety Training for five (5) years. MTS was the lead agency for this solicitation.

On July 27, 2022, a total of two proposals were received from:

1. RailPros, Inc. ("RailPros"), Irvine, CA 92618
2. Jacobs, San Diego, CA 92101

Both RailPros' and Jacobs' proposals were deemed responsive and responsible.

An evaluation committee consisting of MTS Finance, Transportation, and SANDAG Transportation departments met and scored the proposals based on the following evaluation criteria:

Evaluation Criteria	Possible Points
Qualifications of the Firm	20
Staffing, Organization, and Management Plan	20
Work Plan	20
Cost and Price	40
Total Score	100

The table below represents each proposer's initial scores and rankings:

Proposer Name	Initial Cost	Technical Score	Cost Score	Total Score (Maximum total score: 100)	Ranking
Jacobs	\$1,314,000.00	53.33	34.22	87.55	1
RailPros	\$1,124,220.00	44.00	40.00	84.00	2

After the initial review, the evaluation team requested both proposers to respond to questions and clarifications related to its proposal and submit a Revised Proposal. The evaluation team then reviewed and re-scored the revised proposals.

The table below reflects the final scores and rankings:

Proposer Name	Revised Cost	Technical Score	Cost Score	Total Score (Maximum total score: 100)	Ranking
Jacobs	\$1,245,300.00	53.33	36.11	89.44	1
RailPros	\$1,124,220.00	44.00	40.00	84.00	2

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

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute MTS Doc. No. L1622.0-22 (in substantially the same format as Attachment A) with Jacobs for RWP Safety Training Services for five (5) years.

/S/ Sharon Cooney_____

Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachments: A. Draft Agreement, MTS Doc. No. L1622.0-22
B. Scope of Work
C. Cost Form



Metropolitan Transit System

STANDARD AGREEMENT

FOR

MTS DOC. NO. L1622.0-22

ROADWAY WORKER PROTECTION (RWP) SAFETY TRAINING SERVICES

THIS AGREEMENT is entered into this _____ day of _____, 2023 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: Jacobs Engineering Group Inc. Address: 401 B Street, Suite 1560

Form of Business: Corporation San Diego CA 92101
(Corporation, Partnership, Sole Proprietor, etc.) City State Zip
Email: trevor.williams@jacobs.com

Telephone: 714-659-1141

Authorized person to sign contracts Hany Haroun Vice President
Name Title

The Contractor agrees to provide services as specified in the conformed Scope of Work/Technical Specification (Exhibit A), Contractor's Cost/Pricing Form (Exhibit B), and in accordance with the Standard Agreement, including Standard Conditions (Exhibit C), Federal Requirements (Exhibit D), and Forms (Exhibit E).

The contract term is for five (5) base years effective February 1, 2023 through January 31, 2028.

The cost per student is \$156.20 for year 1, \$161.00 for year 2, \$166.00 for year 3, \$171.00 for year 4, and \$176.00 for year 5. The cost per student shall not exceed the contracted amount without the express written consent of MTS.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM	JACOBS ENGINEERING GROUP INC.
By: <u>Sharon Cooney, Chief Executive Officer</u>	By _____
Approved as to form:	Title: _____
By: <u>Karen Landers, General Counsel</u>	



1. SCOPE OF WORK/TECHNICAL SPECIFICATIONS

1.1 INTRODUCTION

The Federal Railroad Administration (FRA) and California Public Utilities Commission (CPUC) requires railroads and/or the Contractors to provide Roadway Worker Protection (RWP) safety training to any worker whose job duties include inspection, construction, maintenance or repair of track, bridges, roadway, signal and communication systems, roadway facilities or maintenance machinery on or near the track.

Additional information is found under FRA 49 CFR 214 & General Order 118-A. MTS's RWP process is located at the link below:

<https://www.sdmts.com/business-center-permits/safety-training>.

MTS and the San Diego Association of Governments (SANDAG), collectively "Agencies", are jointly issuing this RFP seeking proposals from qualified and responsible Proposers to provide RWP safety training for five (5) years. MTS is the lead agency for this solicitation. MTS is issuing this solicitation that will cover training services provided to MTS and the third-party firms. SANDAG will issue a separate contract, based on the terms and conditions of this RFP.

1.2 SCOPE OF WORK

As described in detail under ATT 2 (San Diego Trolley Roadway Worker Protection Plan), Contractor shall implement and maintain MTS's RWP Safety Training program, conduct safety training for the Agencies' contractors, third-party firm's contractors (e.g. Herzog Construction, SDG&E, HMS Construction, Downtown San Diego Partnership, etc.), miscellaneous consultants, designers, inspectors, or construction personnel who need access to MTS's right-of-way, or are working adjacent/within the operating envelope. The RWP safety training program must meet all state, federal, and local regulatory requirements and must be in accordance with MTS's standards and operating procedures.

The new contract starts February 1, 2023. Should MTS select a new Contractor for these services, Contractor shall be available for a thirty (30) day transition period as detailed in Section 5.9 (Disentanglement).

Whenever MTS deems as necessary, Contractor's training staff will attend training provided by MTS staff. Specifically, all Contractors' RWP trainers must be trained and approved by MTS's Transportation Department Training Supervisor, or designee.

When the Agencies or the third-party contractors require training, they will be provided with the selected contractor's information including name, address, telephone number, cost and website. The participants will then contact the selected Contractor to schedule training.

1.3 CONTRACTOR RESPONSIBILITIES:

- A. Provide all educational resources, training room, materials and handouts needed to ensure the Agencies' contractors and third-party contractors are properly trained per the scope of work.

- B. Provide a website for class scheduling and registration. Once registered, trainees must receive within 24 hours an email confirmation with cost, registration date, time and location. Website must have reporting ability, and designated MTS staff shall be given access log-in access. MTS's website below remains the main web page for MTS's RWP training. A link to contractor's website will be added to the MTS website below:

<https://www.sdmts.com/business-center-permits/safety-training>

- C. Create and maintain a database of all active and expired safety training certifications, class roster/sign in sheets, and completed tests.
- D. Be responsible for record keeping of all test material in electronic and paper form for the duration of the contract. Designated MTS staff must be emailed test reports from that month and an updated report showing the running tally.
- E. Be available for any regulatory audits, will be responsible for all RWP training record keeping, and must supply any documents requested by MTS or any regulatory agencies such as the CPUC or FRA within the given timeframe.
- F. Participate in an annual review at MTS facilities and if needed, update RWP safety training program. Contractor must comply with all updates and MTS's safety requirements.

All training records, presentation materials, unused decals and ID's with MTS logo are property of MTS.

1.4 CONTRACTOR REPORTING REQUIREMENTS

- A. Provide MTS a monthly report of all training that has taken place that month in MS Excel. At a minimum, the report shall include the individual's name, training date and firm name. Should MTS request it, Contractor shall also provide a print format.
- B. Under the website mentioned in 5.3.B above, Contractor shall make the website accessible by designated MTS staff. The training database, calendar and records must be on the website for MTS review at any time.
 - i. The database must be updated no later than a day after an RWP training session and MTS should have access to the database at all times (24 hours a day, 7 days a week). Contractor must have a backup for the database in the event there are technical or connectivity issues.
 - ii. The calendar must provide training dates for students to select. The website must have the ability for students to register online, and receive email confirmation within 24 hours with the cost, registration date, time and location.
 - iii. MTS must be able to access training records to verify training dates and certification expiration dates.
- C. MTS reserves the right to request documentation at any time regarding all aspects of the RWP safety training program including accounting records. The contractor will have 3 business days to supply the material for non-regulatory audits. If regulatory agency request material for any aspects of the RWP safety training program, the requested RWP related documents must be supplied within the given timeframe.

- D. The Contractor will need to be available and have all supporting documents ready for any impromptu audit from a regulatory agency. The Contractor must be available to attend such audits at the MTS facility unless other arrangements are made by MTS staff.

1.5 CONTRACTOR TRAINING REQUIREMENTS

- A. Must be available to provide four (4) hour classroom annual instruction which includes; testing and certifications at least once a week or as needed. The proposed classroom should not exceed a maximum of twenty-five (25) miles from MTS headquarters located at 1255 Imperial Ave, Suite 1000, San Diego, CA 92101.
- B. Should the Agencies or third parties request training at offsite/their requested locations within San Diego County, Contractor shall be able to provide such training as requested.
- C. Issue ID photo badges and stickers for hardhats. MTS must approve these items. Any feedback from MTS must be implemented within the notice provided by MTS.
- D. Contractor's trainers must be approved by an MTS Transportation Department Training Supervisor. Contractor must always have an alternate trainer available at all times. If MTS has to intervene and conduct training sessions because of lack of instructors MTS must be reimbursed for the staff time at fully burdened rates of the MTS trainer.
- E. Issue current MTS Roadway Worker Protection Plan Manuals, attached as ATT 2.

1.6 SUPPORT SERVICE AND MATERIALS PROVIDED BY THE CONTRACTOR

- A. Classroom
 - i. Classroom must be ADA accessible.
 - ii. Equipped with desks, chairs, and any other equipment necessary to conduct the training.
 - iii. There must be adequate temperature control.
 - iv. Must have capacity for a minimum of 25 students. MTS and Contractor agree that the maximum number of students shall be 35 per class. Any registrations above 35 for any given class will be moved to the next available class, which may be later in the same week or the following regularly weekly class, and will depend on number of actual registrations received.
 - v. Must be approved by MTS.
- B. Contractor shall provide transportation for its staff to classroom, any requested offsite training locations, and to all audit locations. Contractor shall transport its training material and equipment.
- C. ID badges and stickers for hardhats including replacement stickers.
- D. Up-to-date MTS Roadway Worker Protection Plan (ATT 2).

- E. Tests (currently approximately 4-5 pages long), and pencils for class participants.
- F. Database entry and maintenance:
 - i. Database must be generated and maintained by Contractor.
 - ii. Database must be compatible at a minimum with Microsoft Office.
 - iii. Database must be user friendly (easy to use and understand).
 - iv. MTS staff must be trained how to use and maintain database.
 - v. Must contain training records such as training dates, expiration dates of class certification, class rosters/sign in sheets, copies of completed tests, and class resignation information and form/s. MTS must approve the initial database, and may request updates as needed.
- G. Computers, projectors, software, copiers, printers and other office supplies required to perform the services.
- H. Regulation updates and training for instructors: Contractor must stay current with all local, State or Federal regulatory changes regarding RWP training and must provide updated training for RWP class instructors and/or staff, as applicable.

MTS reserves the right to perform random classroom and field audits at any time without prior notification. Any recommendations from audits must be incorporated to the program or addressed within 5 business days or as directed by MTS.

1.7 COSTS (ATT 1)

Contractor shall submit pricing to provide the services for all the work described. The unit cost shall be a total all-inclusive cost including but not limited to classroom, training material, travel, insurance etc.

At no expense to MTS, Contractor shall provide RWP training on behalf of MTS as further described in the scope of work below. All costs associated with the training will need to be recovered by the Contractor via an all-inclusive per student class fee.

Using the cost proposal template provided, Contractor shall propose its all-inclusive fee based on all costs required to perform the services (including, but not limited to all costs related to its proposed training room, insurance, travel, training materials, ID badges and stickers for hardhats, labor etc.) and profit margin. Neither MTS nor the third-party contractors will pay additional costs.

Based on past history, MTS estimates that there will be 1,500 trained/certified attendees per year. Contractor shall provide the all-inclusive fee per student for each year based on 1,500 trainees. The per student fee shall be all-inclusive cost including classroom, training material, travel, insurance etc. Each trained/certified student's unit cost shall include the cost for initial ID and sticker.

Contractor shall provide the per-unit cost for replacement IDs and stickers (to replace lost, misplaced etc.). MTS estimates replacements to be 15 per year.

MTS currently trains its own employees internally. Contractor shall also train MTS employees if requested and shall provide the cost for employees in the cost proposal.

As this is a 5-year base contract, in the event that the number of trainees varies by more than twenty-five (25%) percent during the first 2 years in either direction from MTS' projection, MTS and the Contractor shall negotiate new costs and both parties shall amend the contract in writing.

1.8 INVOICING AND PAYMENTS

SANDAG:

Contractor shall invoice SANDAG direct for required training of SANDAG's employees, contractors, consultants, designers, inspectors, and/or construction personnel. Consultant shall attach a monthly report to each invoice showing all SANDAG training that has taken place that month in MS Excel and PDF format. At a minimum, the report shall include the individual's name, firm name, SANDAG project name, and training date.

MTS AND ALL OTHERS:

It shall be the Contractor's sole responsibility to invoice, collect funds and issue receipts from individuals or firms requesting the training. The Agencies/3rd party contractors will not be responsible for any accounting or customer outreach of unpaid invoices.

Payment terms shall be 30 days from invoice date.

1.9 DISENTANGLEMENT

A. Disentanglement Process:

- i. The Disentanglement process for the resultant Agreement shall begin on any of the following dates:
 - the date designated by MTS, not earlier than sixty (60) days prior to the end of current term, that MTS has elected not to exercise option year/s;
 - the date MTS notifies Contractor that no funds or insufficient funds have been appropriated so that the Agreement shall be terminated for convenience;
 - the date a Notice of Intent to Award is issued to a different Contractor selected as a result of a new solicitation;
 - the date any Termination Notice is delivered, if MTS or Contractor elects to terminate any or all of the services pursuant to the Agreement.
- ii. Contractor shall be required to perform its Disentanglement obligations on an expedited basis, as determined by MTS, if MTS terminates the Agreement for cause.
- iii. Contractor shall be required to provide full cooperation. Information provided to MTS shall be complete and detailed to enable MTS or designee to fully assume and continue a smooth transition with no interruption of services.

B. General Obligations:

- i. All services related to Disentanglement shall be deemed a part of the base services and shall be performed by Contractor at no additional cost to MTS.
- ii. Contractor's obligation to provide the services shall not cease until Disentanglement is satisfactory to MTS, and delivered in writing.
- iii. Contractor shall provide all information regarding the services, including RWP training records, database, MTS material and all unused decals and ID's with MTS logo.
- iv. Contractor shall provide for the prompt and orderly conclusion of all work including documentation of work in process to assure an orderly transition to MTS or designee.

C. Licenses to Proprietary Software:

- i. For any software programs developed for use under the Agreement, Contractor shall provide a nonexclusive, nontransferable, fully-paid, perpetual, irrevocable, royalty-free worldwide license to MTS or designee, at no charge, to use, copy, and modify in order to allow for services to continue.
- ii. Contractor also shall provide MTS with a copy of each program, in media as requested by MTS, together with object code, source code, and appropriate documentation.

D. Delivery of Documentation: Contractor shall deliver to MTS or designee all documentation and data related to the service, in format as requested by MTS, and Contractor shall destroy all copies not turned over to MTS, all at no cost to MTS.

E. All databases, training records, presentation materials, unused decals and ID's with MTS logo are property of MTS, and shall be returned to MTS at the conclusion of the agreement.

ATT A: Roadway Worker Protection (RWP) Safety Training RFP**MTS Doc. No. L1622.0-22******Add your cost and price in the green cells******NAME OF FIRM:** _____

Estimated quantity	Year 1		Year 2		Year 3		Year 4		Year 5	
	Year 1 Unit Cost	Year 1 Total Cost	Year 2 Unit Cost	Year 2 Total Cost	Year 3 Unit Cost	Year 3 Total Cost	Year 4 Unit Cost	Year 4 Total Cost	Year 5 Unit Cost	Year 5 Total Cost
*Cost to students	1500	156.20 234,300.00	161.00 241,500.00	166.00 249,000.00	171.00 256,500.00	176.00 264,000.00				
*Cost for replacement IDs and stickers	15	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00
		234,300.00	241,500.00	249,000.00	256,500.00	264,000.00				
Overall Total		1,245,300.00								

MTS currently trains its own employees internally. Selected proposer shall also train MTS employees if/when requested. Please indicate the per unit cost to train MTS employees:

0.00

**Costs shall be total all-inclusive costs including, but not limited to classroom, training material, travel, insurance etc. No additional costs are allowed.*

**As this is a 5 year base contract, in the event that the number of trainees varies by more than twenty-five (25%) percent during the first 2 years in either direction from MTS' projection, MTS and the Contractor shall negotiate new costs and both parties shall amend the contract in writing.*



Agenda Item No. 9

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 10, 2022

SUBJECT:

BACKGROUND INVESTIGATION SERVICES – CONTRACT AWARD

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to:

- 1) Execute MTS Doc. No. G2646.0-22 (in substantially the same format as Attachment A) with Kristy Investigative Services Inc. for Background Investigation Services for five (5) base years and five (5) 1-year options for a total cost of \$358,500.00; and
- 2) Exercise each option year at the CEO's discretion.

Budget Impact

The total budget for this project shall not exceed \$358,500.00. This project is funded by the Human Resources (HR) Operating Budget account number 711010-571160.

DISCUSSION:

MTS requires comprehensive pre-placement background and reference investigations for all newly hired employees and for contractors with access to sensitive information. These investigations are performed by a specialized third-party provider and supervised through the MTS Human Resources department.

On July 19, 2022, MTS issued a Request for Proposal (RFP) for Background Investigation Services. Two (2) proposals were received by the due date of August 26, 2022 from the following:

Proposer	DBE Certification
Kristy Investigative Services Inc.	N/A
TruView BSI, LLC	N/A



Both proposals were deemed responsive and responsible and were evaluated by a committee consisting of the MTS Finance and Human Resource departments. The proposals were evaluated on the following criteria:

- | | |
|--|------------|
| 1. Qualifications and Experience of the Firm & Proposed Staffing | 30% |
| 2. Work Plan and Service Commitment | 30% |
| 3. Cost and Price | <u>40%</u> |
| Total | 100% |

The following table illustrates the scores and ranking:

PROPOSER	TOTAL AVG TECH SCORE	TOTAL COST (BASE + OPTION YEARS)	TOTAL AVG COST SCORE	TOTAL AVG SCORE (TOTAL POSSIBLE: 100)	RANKING
Kristy Investigative Services Inc.	53.00	\$358,500.00	40.00	93.00	1
TruView BSI, LLC	49.00	\$1,175,200.00	12.20	61.20	2

As a result of the initial review, Kristy Investigative Services Inc. received the highest scores for both technical and cost. MTS invited Kristy Investigative Services Inc. to participate in the interview process which was held on October 12, 2022. Subsequent to the interview, the evaluation committee did not rescore the proposer.

Based on the initial scores and information gained during the interview, Kristy Investigative Services Inc. remained the highest-ranked proposer. Based on the objectives of the procurement, consideration of the evaluation criteria and Kristy Investigative Services Inc's technical and cost proposals, the evaluation committee determined Kristy Investigative Services Inc. presented the best overall value to MTS.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute MTS Doc. G2646.0-22 with Kristy Investigative Services Inc. for Background Investigation Services for contract term of five (5) base years and five (5) 1-year options for a total of \$358,500.00.

/S/ Sharon Cooney
Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachments: A. Draft Agreement MTS Doc. No. G2646.0-22
B. Cost Proposal



Metropolitan Transit System

STANDARD AGREEMENT FOR

MTS DOC. NO. G2646.0-22

BACKGROUND INVESTIGATION SERVICES

THIS AGREEMENT is entered into this _____ day of _____, 2023 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: Kristy Investigative Services Inc. Address: 969 S. Santa Fe Ave., Suite D
Vista CA 92083
City State Zip
 Form of Business: Corporation
 (Corporation, Partnership, Sole Proprietor, etc.) Email: delacova@drugtestingnetwork.com
 Telephone: 760-940-2015 ext. 100

Authorized person to sign contracts Rene de la Cova Chief Executive Officer
 Name Title

The Contractor agrees to provide services as specified in the conformed Scope of Work/Technical Specification (Exhibit A), Contractor's Cost/Pricing Form (Exhibit B), and in accordance with the Standard Agreement, including Standard Conditions (Exhibit C), and Forms (Exhibit D),

The contract term is for a five (5) base years and five (5) 1-year options, exercisable at MTS's sole discretion, for a total of ten (10) years. Base period shall be effective January 1, 2023 through December 31, 2027 and option years shall be effective January 1, 2028 through December 31, 2032, if exercised by MTS.

Payment terms shall be net 30 days from invoice date. The total cost of this contract shall not exceed \$179,250.00 for the base years and \$179,250.00 for the option years, for a contract total not to exceed \$358,500.00 without the express written consent of MTS.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM	KRISTY INVESTIGATIVE SERVICES INC.
By: <u>Sharon Cooney, Chief Executive Officer</u>	By _____
Approved as to form:	
By: <u>Karen Landers, General Counsel</u>	Title: _____



RETURN THIS FORM WITH YOUR BID

COST/PRICING FORM**BACKGROUND INVESTIGATION SERVICES**Firm/Proposer: Kristy Investigative Services Inc**I. BUNDLED SERVICES**

Please provide proposed firm fixed fee/cost on each bundled service items listed below that may be requested as described in the scope of work (all inclusive of all the items identified below).

#	Description	Base Years 1-5 (01/01/23-12/31/27)		Option Years 1-5 (Years 6-10) (01/01/28-12/31/32)		
BASIC BACKGROUND/REFERENCE PACKAGE (BUNDLED)		Est. Annual Qty. **	Unit Cost	Ext. Cost	Unit Cost	Ext. Cost
	a. Application Review	450	\$ 75.00	\$ 168,750.	\$ 75.00	\$ 168,750.
	b. Name Search for Positive Identification*					
	c. Criminal History (Federal and Local)					
	d. Review of Criminal History File (if applicable)					
	e. Federal District Court Criminal Records Search					
	f. Domestic Records Search					
	g. Employment History					
	h. Social Security Number (SSN) Verification					
	i. Registered Sex Offenders Database Search					
Subtotal			\$ 168,750.00		\$ 168,750.00	
TOTALFOR YEARS 1-10 (BASE + OPTIONS)			\$ 337,500.00			
* Based on prospective employee's disclosure and the results of the name search: - Maiden Name Search may be necessary as a second search in addition to name search; - Each additional California Multiple County Court Record Check may be ordered for an "inclusive fee" (no other third-party fees for California multiple county court checks).						

**The estimated quantities on this cost form are for proposal evaluation purposes only. It represents what MTS anticipates as a requirement, but MTS does not guarantee this quantity. The actual quantity required may be more or less than what is anticipated on the cost form, and it is dictated by MTS' actual requirements and the available funding at the time each request is initiated.

RETURN THIS FORM WITH YOUR BID

II. "AS NEEDED" SERVICES

Please provide proposed firm fixed fee and/or hourly wages on the items listed below that may be required on an "as needed" basis as described in the scope of work.

#	Description		Base Years 1-5 (01/01/23-12/31/27)		Option Years 1-5 (Years 6-10) (01/01/28-12/31/32)	
“AS NEEDED” SERVICES (A-la-carte)		Est. Annual Qty. **	Unit Cost	Ext. Cost	Unit Cost	Ext. Cost
	a. Education Verification	50	\$ 25.00	\$ 6,250	\$ 25.00	\$ 6,250
	b. Credential and Professional License Verification	10	\$ 25.00	\$ 1,250	\$ 25.00	\$ 1,250
	c. Worker’s Compensation Claim History	15	\$ 15.00	\$ 1,125	\$ 15.00	\$ 1,125
	d. Consumer Credit Report Gathering	25	\$ 15.00	\$ 1,875	\$ 15.00	\$ 1,875
	e. Consultation Guidance	10	\$ N/C /hr	\$ -0-	\$N/C /hr	\$ -0-
	f. Civil Records Search	10	\$ N/C	\$ -0-	\$N/C	\$ -0-
	Subtotal		\$ 10,500		\$ 10,500	
TOTAL FOR YEARS 1-10 (BASE + OPTIONS)			\$ 21,000			

**The estimated quantities on this cost form are for proposal evaluation purposes only. It represents what MTS anticipates as a requirement, but MTS does not guarantee this quantity. The actual quantity required may be more or less than what is anticipated on the cost form, and it is dictated by MTS' actual requirements and the available funding at the time each request is initiated.

GRAND TOTAL		
#	DESCRIPTION	TOTAL
I.	BASIC BACKGROUND / REFERENCE SERVICES (BUNDLED)	\$ 337,500.00
II.	"AS NEEDED" SERVICES	\$ 21,000.00
GRAND TOTAL (I and II)		\$ 358,500.00

NOTE: ALL PROPOSERS MUST COMPLETE PROPOSAL FORM(S) AS PROVIDED, FAILURE TO DO SO MAY DEEM YOUR PROPOSAL NON-RESPONSIVE.

PROPOSER ACCEPTS RESPONSIBILITY FOR ACCURACY AND PRESENTATION OF THE ABOVE NUMBERS.

ALL PROPOSALS SHALL BE VALID FOR 120 DAYS.



REVISED

Agenda Item No. 10

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS

November 10, 2022

SUBJECT:

PROCUREMENT THRESHOLDS AND SIGNATURE AUTHORITY LEVELS – POLICY
REVISIONS

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors:

- 1) Adopt the revisions to MTS Board Policy No. 52, "Procurement of Goods and Services" (Attachment A);
- 2) Authorize the Chief Executive Officer (CEO) to modify MTS Board Policy No. 52 Exhibit A relating to MTS's Statutory and Regulatory Requirements;
- 3) Adopt the revisions to MTS Board Policy No. 41, "Signature Authority" (Attachment B); and
- 4) Adopt the revisions to MTS Board Policy No. 64, "Inventory Controls and Signature Authority Policy" (Attachment C)

Budget Impact

None with this action.

DISCUSSION:

Per MTS's enabling legislation, MTS must follow specified procedures when procuring services, goods, and architectural and engineering services, depending on the dollar value of the procurement. As approved by the MTS Board of Directors, MTS's 2022 State and Federal Legislative Program sought to increase MTS's procurement thresholds to align with the Federal Transit Administration's (FTA's) grantee procurement thresholds.

MTS partnered with North County Transit District (NCTD) and San Diego Association of Governments (SANDAG) in its legislative efforts. Assembly Bill 1833, sponsored by Assembly Member Chris Ward, establishes uniform procurement thresholds for MTS, NCTD and SANDAG, which allows these agencies to maximize taxpayer dollars more efficiently. Assembly Bill 1833 increases MTS's competitive bidding threshold for goods and service procurements



from \$100,000 to \$150,000, effective January 1, 2023. To implement these procurement threshold changes, and to ensure MTS's signature authority is accordingly aligned, staff recommends the MTS Board of Directors approve revisions to the below three (3) MTS Board Policies.

MTS Board Policy No. 52 "Procurement of Goods and Services"

MTS Board Policy No. 52, "Procurement of Goods and Services" guides MTS staff in the acquisition of goods and services. MTS proposes to revise MTS Board Policy No. 52 in the following ways:

MTS Board Policy No. 52	Proposed Changes to MTS Board Policy No. 52
<p><u>Goods and Services:</u></p> <ul style="list-style-type: none"> - Micro Purchase (i.e. seek at least one (1) quote) if up to \$3,500*; - Simplified Acquisition Threshold (i.e. seek at least three (3) quotes) if between \$3,500*-\$100,000; and - Competitive Procurement if over \$100,000 <p>*Although MTS's enabling legislation has allowed MTS to adopt a \$5,000 threshold for micro purchases for many years, MTS has been using a lower threshold of up to \$3,500 for micro purchases to comply with previous FTA micro purchase thresholds.</p>	<p><u>Goods and Services:</u></p> <ul style="list-style-type: none"> - Micro Purchase (i.e. seek at least one (1) quote) if up to \$5,000; - Simplified Acquisition Threshold (i.e. seek at least three (3) quotes) if between \$5,000-\$150,000; and - Competitive Procurement if over \$150,000
<p><u>A&E Services:</u></p> <ul style="list-style-type: none"> - Comply with State Brooks Act for A&E services over \$100,000 	<p><u>A&E Services:</u></p> <ul style="list-style-type: none"> - Comply with State Brooks Act for <i>all</i> A&E Services regardless of contract amount
<p><u>Construction:</u></p> <ul style="list-style-type: none"> - Seek at least one (1) quote if up to \$1,000; - Seek at least three (3) quotes if between \$1,000-\$50,000; and - Competitive bid if over \$50,000 	<p><u>Construction:</u></p> <ul style="list-style-type: none"> - No change
<p><u>Protests on Federally Funded Solicitations</u></p> <ul style="list-style-type: none"> - MTS to notify FTA whenever a protest received - Protestor may appeal to the FTA upon a final decision by MTS 	<p><u>Protests on Federally Funded Solicitations</u></p> <ul style="list-style-type: none"> - To comply with the FTA Master Agreement and Uniform Guidance, MTS to notify FTA only if protest received that is valued at over \$500,000

	- FTA will now defer to transit agency decisions on protest
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MTS Board Policy No. 41, "Signature Authority"

MTS Board Policy No. 41, "Signature Authority", establishes the authority of certain MTS staff and the Board of Directors to approve and execute expense procurements, revenue contracts, grants, memorandums of understanding, cost recovery agreements and real property transfer documents. Historically, the competitive procurement threshold has aligned with the approval levels of the MTS Board of Directors. MTS proposes to revise MTS Board Policy No. 41 in the following ways:

MTS Board Policy No. 41	<i>Proposed Changes to MTS Board Policy No. 41</i>
<u>Approval Levels for Purchase Requisitions and Expense Contracts:</u> <ul style="list-style-type: none"> - Materials Manager/Procurement Manager: up to \$3,500 - Directors: up to \$5,000 - Chief Operating Officer (COO) – Bus/Raul, Chief Financial Officer (CFO), General Counsel (GC), Director of Capital Projects (CP), Chief of Staff: up to \$50,000 - Chief Executive Officer (CEO): up to \$100,000 - Board: over \$100,000 	<u>Approval Levels for Purchase Requisitions and Expense Contracts:</u> <ul style="list-style-type: none"> - Materials Manager/Procurement Manager: up to \$5,000 - Directors: up to \$7,500 - COO – Bus/Raul, CFO, GC, Director of CP, Chief of Staff: up to \$75,000 - CEO: up to \$150,000 - Board: over \$150,000
<u>Approval Levels for Invoices Not Associated with Contracts</u> <ul style="list-style-type: none"> - Manager/Supervisor: up to \$3,500 - Directors: up to \$5,000 - COO, CFO, GC, Chief of Staff: up to \$50,000 - CEO: over \$50,000 	<u>Approval Levels for Invoices Not Associated with Contracts</u> <ul style="list-style-type: none"> - Manager/Supervisor: up to \$5,000 - Directors: up to \$7,500 5,000 - COO, CFO, GC, Chief of Staff: up to \$75,000 50,000 - CEO: over \$75,000 50,000
<u>Approval Levels for Long term concession contracts and sale of real estate property rights:</u> <ul style="list-style-type: none"> - CEO up to \$100,000 - Board if over \$100,000 	<u>Approval Levels for Long term concession contracts and sale of real estate property rights:</u> <ul style="list-style-type: none"> - CEO up to \$150,000 - Board if over \$150,000
<u>Approval of Emergency Procurements:</u> <ul style="list-style-type: none"> - CEO may authorize if more than \$100,000 so long as it is reported to the Board at its next meeting 	<u>Approval of Emergency Procurements:</u> <ul style="list-style-type: none"> - CEO may authorize if more than \$150,000 so long as it is reported to the Board at its next meeting

<u>Authority to Sign Construction Documents during Administration of a Contract</u> - No current language on this topic	<u>Authority to Sign Construction Documents during Administration of a Contract</u> - Allow the Construction Project Manager to sign (e.g. Notice of Completion)
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MTS Board Policy No. 64 “Inventory Controls and Signature Authority Policy”

MTS Board Policy No. 64 “Inventory Controls and Signature Authority Policy” documents the inventory control process and establishes an alternate set of controls for oversight of inventory purchases, outside of MTS Board Policy No. 41. MTS proposes to revise MTS Board Policy No. 64 in the following ways:

MTS Board Policy No. 64	Proposed Changes to MTS Board Policy No. 64
After a Purchase Requisition is approved in accordance with MTS Board Policy No. 41, purchase of inventory parts, exclusive of freight/taxes/shipping, may be approved as follows: - Materials Manager up to \$100,000; - Board if over \$100,000	After a Purchase Requisition is approved in accordance with MTS Board Policy No. 41, purchase of inventory parts, exclusive of freight/taxes/shipping, may be approved as follows: - Materials Manager up to \$150,000; - Board if over \$150,000

/S/ Sharon Cooney

Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachment: A. Red-line track changes to MTS Board Policy No. 52
B. Red-line track changes to MTS Board Policy No. 41
C. Red-line track changes to MTS Board Policy No. 64



Policies and Procedures No. 52

Board Approval: ~~11/09/17~~11/10/2022

SUBJECT:

PROCUREMENT OF GOODS AND SERVICES

PURPOSE:

To provide a uniform policy that guides the acquisition of goods and services for use at San Diego Metropolitan Transit System (MTS).

BACKGROUND:

There is a compelling interest in ensuring that all federal, state, local, and private funds available to MTS are captured and used timely and in a manner that is compliant with federal and state procurement rules. To maximize the use of federal, state, local, and private funds and to maintain a competitive posture in seeking supplemental federal funds, MTS shall have the authority to establish and use a flexible contracting and procurement process. MTS may use any procurement method authorized for state or local agencies under state or federal law. This Policy provides the framework for what acquisition and contracting guidelines MTS shall comply with in the procurement of all of its goods and services.

This Policy applies to ~~San Diego Metropolitan Transit System (MTS)~~, San Diego Transit Corporation (SDTC) and San Diego Trolley Inc. (SDTI), collectively "MTS".

POLICY:

52.1 Regulatory Framework

- A. MTS's enabling legislation is codified at California Public Utilities Code §§ 120220-120238. Included in MTS's enabling legislation are various provisions regulating procurement. In particular, MTS's enabling legislation sets forth the requirements for purchasing goods and services funded by federal, state, local and private funds.
- B. As a recipient of Federal Transportation Administration (FTA) funds, MTS shall comply with all applicable FTA regulations and directives. All applicable FTA regulations and directives that MTS shall follow may be found at MTS Board Policy No. 52, Exhibit A.



- C. As a recipient of California Department of Transportation (CALTRANS) funds, MTS shall comply with applicable CALTRANS procurement requirements and standards. All applicable CALTRANS regulations and directives that MTS shall follow may be found at MTS Board Policy No. 52, Exhibit A.
- D. MTS is a political subdivision and local agency of the State of California. As such, MTS shall comply with all applicable California Government Code (Cal. Gov. Code), California Public Contract Code (Cal. Pub. Con. Code), California Labor Code (Cal. Lab. Code), California Public Utility Code (Cal. Pub. Util. Code), California Civil Code (Cal. Civ. Code) and California Code of Civil Procedure (Cal. Code of Civ. Pro.) sections that regulate how MTS shall procure goods and services. All applicable code sections that MTS shall follow may be found at MTS Board Policy No. 52, Exhibit A.

52.2 Procurement Standards

- A. MTS may contract with any department or agency of the United States of America, the State of California, or with any other public agency or any private persons or entity upon such terms and conditions as MTS finds to be in its best interest. MTS may also join other agencies in a joint procurement to issue a single solicitation and enter into a single contract with a Contractor.
- B. MTS shall include all federal, state and local requirements and clauses in its solicitations and contracts, as applicable.
- C. No procurements shall be split into multiple small contract awards merely to avoid rules applicable to full and open competitive procurements. However, procurements may be split if doing so will aid efforts to foster greater opportunities for Disadvantaged Business Enterprises (DBEs) and other small business enterprises.
- D. Prior to award of a contract, MTS shall certify and document that the price is fair and reasonable in connection with any procurement action that is within the micro purchase threshold. A price or cost analysis will be documented for procurements that exceed the micro-purchase threshold. The method and degree of analysis shall depend on the circumstances of each procurement.
- E. The Chief Executive Officer, through an internal policy or procedural manual, may establish additional standards and procedures for MTS procurements.

52.3 Procurement Methods – Full and Open Competition

A. Micro-Purchases: ~~\$3,500~~5,000 or less

MTS may conduct micro-purchase procurements without obtaining competitive quotations. MTS shall solicit at least one documented quote. Any construction service that is expected to be more than \$1,000 but does not exceed \$50,000 shall be conducted in accordance with the Section 52.3 (B) of this Policy.

B. Small Purchases: More than ~~\$3,500~~5,000, but does not exceed ~~\$100,000~~150,000 for goods and services and more than \$1,000 but does not exceed \$50,000 for construction services

When the expected amount of the small purchase is more than ~~\$3,500~~5,000 but does not exceed ~~\$100,000~~150,000 for goods and services, and is more than \$1,000 but does not exceed \$50,000 for construction services, MTS shall conduct a documented competitive procurement as identified in the subsections below. MTS shall seek not less than three documented quotations/submissions through a Request for Quotes (RFQ), Invitation for Bids (IFB) or Request for Proposals (RFP) process that would permit price and other terms to be compared.

(i) Construction Services: More than \$1,000, but does not exceed \$50,000

- a. MTS may utilize an IFB or RFQ procurement method, whichever is most appropriate, and award to the lowest responsive and responsive bidder.
- b. If No Responsive Bid Received - If after solicitation of bids no responsive bids are received, the project may be performed through direct negotiations with a responsible and responsive Contractor.

(ii) Goods: More than ~~\$3,500~~5,000, but does not exceed ~~\$100,000~~150,000

- a. MTS may utilize a RFQ or IFB procurement method, whichever is most appropriate, and award to the lowest responsive and responsible bidder. For purposes of determining the lowest price, the amount of sales tax shall be excluded from the total amount of the bid received.
- b. If Lower Price Available in Open Market – If after rejection of bids, the Board of Directors determines and declares by two-thirds vote

that the goods may be purchased at a lower price in the open market, the Board of Directors may proceed to purchase the goods in the open market without further observance of Section 52.3 (B) of this Policy.

- c. If No Responsive Bid Received - If after solicitation of bids, the Board of Directors determines and declares by majority vote that it has not received a responsive bid, the Board of Directors may proceed to purchase the goods in the open market without further observance of Section 52.3 (B) of this Policy.
 - d. Procurement of Prototype Equipment or Modifications - Upon a finding by two-thirds of all members of the Board of Directors that a purchase in compliance with Section 52.3 (B) of this Policy. does not constitute a method of procurement adequate for the operation of MTS facilities or equipment, the Board of Directors may direct the procurement of prototype equipment or modifications in an amount sufficient to conduct and evaluate operational testing without further observance of Section 52.3 (B) of this Policy.
 - e. Source of Procurement for Replacement Goods: The Board of Directors may direct the purchase of any goods without observance Section 52.3 (B) of this Policy upon a finding by two-thirds of all members of the Board of Directors that there is only a single source of procurement and that the purchase is for the sole purpose of duplicating, repairing, or replacing goods that are in use, including upgrades or migrations of proprietary intellectual property.
- (iii) Services (Excluding Architectural, Landscape Architectural, Engineering, Environmental, Land Surveying Services and Construction Management): More than \$~~3,500~~5,000, but does not exceed \$~~100,000~~150,000

MTS may utilize a RFQ or RFP procurement method, whichever is most appropriate, and shall award the contract to either the lowest responsible and responsive bidder or to a responsible and responsive proposer who is determined to have provided the overall best value based on an evaluation of price and other factors.

- ~~(iv) Architectural, Landscape Architectural, Engineering, Environmental, Land Surveying Services and Construction Project Management~~

~~Service Procurements: More than \$3,500, but does not exceed \$100,000~~

~~Unless another method is more appropriate, MTS may utilize a Request for Statement of Qualifications (RFSQ) procurement method and shall award the contract to the most highly rated offeror, in accordance with the Cal. Gov. Code §§ 4525 et seq. or the Brooks Act if federally funded.~~

- C. Formal Procurements: More than \$50,000 for construction services and more than ~~\$400,000-150,000~~ for goods and other services

When the expected amount of the procurement is more than \$50,000 for construction services and more than ~~\$400,000-150,000~~ for goods and other services, MTS shall conduct a documented competitive procurement as identified in the subsections below. All of the below competitive procurements shall be advertised in accordance with Section 52.4 of this Policy to ensure full and open competition.

(i) Construction Services: More than \$50,000

- a. Unless another procurement method is more appropriate, MTS may utilize an IFB procurement method and shall award to the lowest responsible and responsive bidder.
- b. No Bids Received: If after solicitation of bids no responsive bids are received, the project may be performed through direct negotiations with a responsible and responsive Contractor.
- c. If more than \$1,000,000, then the construction services contract shall include an enforceable commitment that the contractor and its subcontractors at every tier will use a skilled and trained workforce to perform all work on the project/contract that falls within an apprenticeship occupation in accordance with Public Contract Code section 2600 *et seq.*
 - i. In lieu of the above, this requirement may be satisfied if a binding project labor agreement is in place that would cover the construction work at issue.

(ii) Goods: More than ~~\$400,000~~ 150,000

- a. MTS may utilize either an IFB or a RFP procurement method, whichever is most appropriate, and shall award either to the lowest responsible and responsive bidder or to a responsible and responsive proposer who is determined to have provided the overall best value based on price and other factors. For purposes of determining the lowest price, the amount of sales tax shall be excluded from the total amount of the bid or proposal received.
 - b. If Lower Price Available in Open Market – If after rejection of bids, the Board of Directors determines and declares by two-thirds vote that the goods may be purchased at a lower price in the open market, the Board of Directors may proceed to purchase the goods in the open market without further observance of Section 52.3 (C) of this Policy.
 - c. If No Responsive Bid Received - If after solicitation of bids, the Board of Directors determines and declares by majority vote that it has not received a responsive bid, the Board of Directors may proceed to purchase the goods in the open market without further observance of Section 52.3 (C) of this Policy.
 - d. Procurement of Prototype Equipment or Modifications - Upon a finding by two-thirds of all members of the Board of Directors that a purchase in compliance with Section 52.3 (C) of this Policy does not constitute a method of procurement adequate for the operation of MTS facilities or equipment, the Board of Directors may direct the procurement of prototype equipment or modifications in an amount sufficient to conduct and evaluate operational testing without further observance of Section 52.3 (C) of this Policy.
 - e. Source of procurement for replacement goods: The Board of Directors may direct the purchase of any goods without observance of Section 52.3 (C) of this Policy upon a finding by two-thirds of all members of the Board of Directors that there is only a single source of procurement and that the purchase is for the sole purpose of duplicating, repairing, or replacing goods that are in use, including upgrades or migrations of proprietary intellectual property.
- (iii) Services (Excluding Architectural, Landscape Architectural, Engineering, Environmental, Land Surveying Services and Construction Management Services): More than \$~~100,000~~150,000

MTS may utilize an IFB or RFP procurement method, whichever is most appropriate, and award to the lowest responsible and responsive bidder or a responsible and responsive proposer who is determined to have provided the overall best value based on price and other factors.

D. Architectural, Landscape Architectural, Engineering, Environmental, Land Surveying Services and Construction Project Management Services: ~~More than \$100,000~~

MTS may utilize a RFSQ procurement method, and shall award the contract to the most highly rated offeror, in accordance with the Cal. Gov. Code §§ 4525 et seq. or the Brooks Act if federally funded.

This section shall not apply if the Chief Executive Officer determines that the services needed are more technical in nature, involve little professional judgment and that another procurement method would better serve MTS' needs.

D. Design-Build:

When deemed appropriate, MTS may utilize a documented competitive RFP procurement method and shall award to the proposer who provides the best overall value, based on price and other factors. The award shall be to a single contractor for the design, construction and delivery of a complete and operational project.

E. Design-Bid-Build:

When deemed appropriate MTS may:

- (i) First: Utilize through a documented competitive RFP or IFB procurement method, whichever is most appropriate, a design services contract for the development of drawings and specifications and shall award the contract to lowest responsible and responsive bidder or a responsible and responsive proposer who is determined to have provided the overall best value based on price and other factors
- (ii) Second: Utilize a documented competitive IFB procurement method for the construction and delivery of a complete and operational project and award to the lowest responsive and responsible bidder.

F. Noncompetitive Procurement: Sole Source

MTS may utilize a documented Sole Source procurement method when:

- (i) The goods or services it needs are available from only one responsible and responsive source and no other goods or services will satisfy its requirements;
- (ii) A change to a contract is beyond the contract's original scope;
- (iii) A specified brand or trade name is the only article that will properly meet the needs of the Board of Directors;
- (iv) In an emergency declared by vote of two-thirds of the membership of the Board of Directors;
- (v) Immediate remedial measures to avert, alleviate, repair or restore damaged MTS property are necessary to ensure that MTS facilities or vehicles are available to serve the transportation needs of the public; or
- (vi) Otherwise authorized by local, state or federal law.

In all cases Sole Source procurements must be fully approved before award.

G. Revenue Contracts

Unless another method is more appropriate, MTS may utilize a competitive solicitation process for revenue contracts. MTS shall award a revenue contract to the candidate whose offer maximizes revenues to MTS after consideration of all technical qualifications and other criteria as applicable.

52.4 Advertising

- A. Procurements which require advertising shall be published through one (1) or more of the following sources:
 - (i) Within a newspaper of general circulation in San Diego County;
 - (ii) Within ~~the~~ a bid management site (e.g. PlanetBids); and/or
 - (iii) In a local community, small business or contracting trade publication.

- B. MTS may also send to contractors and bidders previously known to be interested in providing the goods or services and at least 1 DBE contractor or other small business contractor that performs the subject work, if available.
- C. Any notice shall specify in the bid invitation and public notice the place bids are to be received and the time by which they shall be received.

52.5 Contract Form

All purchases shall be documented. MTS may document purchases using one of the following contract forms: Formal Contract, Purchase Order, Vendor Service Contract Form, Memorandum of Understanding, Memorandum of Agreement and purchases by Payment Card when permissible under the MTS Purchasing Card Policy.

52.6 Contract Award

The authority to approve and execute all procurement activities shall be in accordance with MTS Board Policy No. 41 – “Signature Authority”.

52.7 Protests

- A. Content Based Protest: Protests based on the content of the procurement solicitation shall be filed with MTS Procurement Manager within 10 calendar days after the procurement solicitation is first advertised. The Chief Executive Officer’s designee, the MTS Procurement Manager, shall issue a written decision on the protest prior to opening of the procurement solicitation. A protest may be renewed by refiling the protest with MTS Procurement Manager within 15 calendar days after the mailing of the notice of the intent to award.
- B. Award Protest: Any bidder may protest the intent to award on any ground not based upon the content of the procurement solicitation by filing a protest with MTS Procurement Manager within 15 calendar days after the mailing of the notice of the intent to award.
- C. Content of Protest: Any protest shall contain a full and complete written statement specifying in detail the grounds of the protest and the facts supporting the protest.
- D. Opportunity to be Heard: Protestors shall have an opportunity to appear and be heard before the Board of Directors prior to the opening of the procurement solicitation in the case of protests based on the content of the procurement solicitation, or prior to final award in the case of protests based on other grounds or the renewal of protests based on the content of the procurement solicitation. The decision of the protest by the Board of Directors shall be in writing and

constitutes a final administrative decision for purposes of judicial review pursuant to Cal. Code of Civ. Pro. § 1094.6

- E. Protests on Federally Funded Procurements: MTS shall notify the FTA when MTS receives a protest on a federally funded procurement in excess of \$500,000 and keep the FTA informed about its status. ~~A protestor may appeal to the FTA within five (5) working days of the date when the protestor receives actual or constructive notice of MTS's final decision on a protest.~~

52.8 Responsible and Responsive Contractors

MTS shall award contracts only to responsible and responsive contractors. The degree and complexity of the responsibility and responsiveness analysis shall depend on the procurement method utilized. The solicitation must identify all factors to be used in evaluating whether contractors are responsible and responsive.

- A. Responsible: In selecting a responsible contractor, MTS staff shall consider: | the contractor's capacity to perform the work required by the contract documents with respect to financial strength, resources available and experience; and the contractor's integrity and trustworthiness to complete performance of the work in accordance with the contract.
- B. Responsive: MTS staff, prior to making a recommendation to award, shall ensure that all prospective contractors meet all the responsiveness requirements of the solicitation which may include, but shall not be limited to, submission of all required documentation and meeting all minimum performance qualifications.

52.9 Prequalification

MTS may prequalify contractors when there is a reasonable expectation that the procurement may involve precise specifications and performance standards.

52.10 Bonds, Retention and Rates

A. Bonding

- (i) Bidder's Security – MTS shall require the following forms of bidder's security for all construction service contracts estimated to cost more than \$50,000: cash, a cashier's check, certified check or a bidder's bond executed by an admitted surety insurer. MTS may require bidder's security for other procurements when MTS finds it necessary to provide assurance that the bidder will execute the contract as may be required.

- (ii) Payment Bond – MTS shall require that for all construction service contracts over \$25,000, a payment bond be provided by the Contractor. MTS may require payment bonds for other procurements when MTS finds it necessary to provide additional assurances that the Contractor will make payment to all people and firms supplying labor and material.
- (iii) Performance Bond – MTS shall require that for all construction service contracts over \$100,000 that are funded in whole or in part with federal funds, a performance bond be provided by the Contractor. MTS may require performance bonds for other procurements when MTS finds it necessary to provide additional assurances that the Contractor will fulfill all contractual obligations.

B. Retention

MTS shall require that for all construction contracts over \$5,000, MTS will retain at least 5% of the contract price. MTS may hold more than 5% retention if a finding is made by the Chief Executive Officer at a public hearing on a project by project basis that an increased amount is necessary and such findings are detailed in the bid documents.

C. Prevailing Wage

All public work contracts (as that term is defined by the Cal. Lab. Code § 1771 and the federal Davis Bacon Act) valued at more than \$1,000 shall be subject to the payment of federal and/or state prevailing wage wages, whichever is higher. Public works contracts funded solely with federal funds valued at more than \$2,000 shall be subject to the payment of federal prevailing wage.

Original Policy Enacted on 6/22/2006

Policy Revised on 9/13/2007

Policy Revised on 11/18/2010

Policy Revised on 6/9/2016

Policy Revised on 11/9/2017, effective January 1, 2018

Policy Revised on 11/10/2022, effective 1/1/2023

Exhibit AStatutory and Regulatory Requirements Table:

The following is a listing of the sources of laws, regulations, and guidance that MTS shall follow, depending on the procurement's funding source:

Federal Statute, Regulations, and Policies	Subject
49 U.S.C Chapter 53	Mass Transportation
49 CFR Part 18	Administrative Requirements for Grants and Cooperative Contracts
FTA Circular 4220.1F	Third Party Contracting Guidance
FTA Circular 5010.1D	Grant Management Guidelines
FTA Circular 5100.1	Bus and Bus Facilities
FTA Circular 5300.1	State of Good Repair
FTA Circular 6100.1E	Technology
FTA Circular 9030.1E	5307 Program
FTA Circular 9040.1G	Non Urbanized
FTA Circular 9045.1	New Freedom
FTA Circular 9050.1	JARC
FTA Circular 9070.1F	ADA Capital
FTA Circular 9300.1B	Capital Investment
Office of Management of Budget (OMB) Circular A-87	Cost Principles for State, Local and Indian Tribal Governments
FTA Master Agreement	Annual Terms and Conditions of FTA funded projects
FTA Certification and Assurances	Annual Agreement between MTS and FTA
Moving Ahead for Progress in the 21st Century Act (P.L. 112-141)	Transportation Law Appropriating Transportation Funds
FAR Part 31	Federal Cost Principles
2 CFR Part 200	Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards

State Laws	Sections(s)	Subject
Public Utilities Code	120220 – 120228	MTS Enabling Legislation
Civil Code	9550 et seq.	Payment Bond Requirement for Construction Projects

Civil Code	3320 – 3321	Prompt Payment and Retention to Design Professionals
Code of Civil Procedure	995.311	Verification of Admitted Surety Insurers on Bonds
Government Code	4525 et seq.	Architect & Engineering Services
Government Code	6250 – 6270	California Public Records Act
Government Code	5956 et seq.	Infrastructure Projects
Government Code	14080 et seq.	Funding from California Department of Transportation for Exclusive Mass Transit Guideway Systems
Labor Code	1720, 1720.2, 1720.3, and 1771	Public Works and Prevailing Wage
Code of Regulations	8 CCR 16000	Public Works and Prevailing Wage Cont.
Public Contract Code	1103	Responsible Bidder in Public Work Contracts
Public Contract Code	1104	Architectural & Engineering Plans and Specifications
Public Contract Code	3300	Contractor's License in Specifications for Bids
Public Contract Code	3400	Trade Name or Specific Names in Specifications for Bids
Public Contract Code	4100 - 4114	Subcontracting
Public Contract Code	5100 - 5107	Relief of Bidders
Public Contract Code	6109	Ineligible and Debarred Contractors and Subcontractors
Public Contract Code	6610	Contents of Notice Inviting Bids
Public Contract Code	7100 - 7200	Public Work Contract Clauses
Public Contract Code	9201 - 9203	Claims and Disputes
Public Contract Code	20101	Prequalification of bidders
Public Contract Code	20103.5	Effect of License Requirement on Bid

Public Contract Code	20103.6	Procurement of Architectural Design Services
Public Contract Code	20103.8	Determining the Lowest Bid
Public Contract Code	20104	Resolution of Construction Claims
Public Contract Code	20104.50	Progress Payments on Public Works
Public Contract Code	20216	Competitive Negotiation Process
Public Contract Code	20341	Procurement of Construction Services
Public Contract Code	20342	Bidder's Security – Bid Bond Requirement for Construction Projects

Exhibit A was originally adopted on 6/9/2016.



Policies and Procedures No. 41

Board Approval: 11/10/2022~~7/29/2021~~

SUBJECT:

SIGNATURE AUTHORITY

PURPOSE:

The purpose of this policy is to establish the authority granted by the Board of Directors to the Chief Executive Officer, and to provide the Chief Executive Officer with the authority to delegate functions under ~~his or her~~their control to MTS staff. It also establishes guidelines and procedures for authorized signatories relating to check processing (including wire transfers) and San Diego Metropolitan Transit System (MTS) documents (purchase requisitions, contracts, agreements, payment vouchers, deeds, grants, etc.). The policies below relate to MTS, San Diego Transit Corporation (SDTC), and San Diego Trolley, Inc. (SDTI). Throughout this policy, the agencies are collectively referred to as MTS.

BACKGROUND:

From time to time, various third parties and agencies seek to verify that individual MTS staff members have the authority to execute documents on behalf of MTS.

MTS maintains a number of checking accounts in various approved financial institutions. To ensure adequate internal controls, signing of checks and execution of wire transfers are restricted to authorized personnel only. This policy establishes guidelines and procedures for obtaining appropriate approval.

In addition, this policy establishes guidelines and procedures for delegating authority to execute MTS documents, including contracts and agreements, on behalf of the Chief Executive Officer in ~~his or her~~their absence.

POLICY:

41.1 Authorized Signatories for Disbursements

A disbursement is the final authorization to pay a third party through either a check, warrant, wire transfer/Electronic Funds Transfer (EFT), Automated Clearing House (ACH) or other similar payment mechanism. Authorized signatures for disbursements are: the Accounting Manager, Controller, Director of Financial

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San Diego 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 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. MTS is also the For-Hire Vehicle administrator for nine cities.



Planning and Analysis, Chief Operating Officer – Bus/Rail, Chief Financial Officer, Chief of Staff, General Counsel, and Chief Executive Officer.

One signature is required for disbursements under \$2,000. This signature can be a facsimile signature. Two signatures are required for all disbursements over \$2,000. One of these can be a facsimile signature. A listing of all facsimile checks must be reviewed and approved by an authorized signer. For disbursements over \$10,000, the second signature SHALL NOT BE the Accounting Manager, Controller, or Director of Financial Planning and Analysis. Disbursements over \$25,000 require that one of the signatures be that of the Chief of Staff, General Counsel, Chief Financial Officer, or Chief Executive Officer.

The listing below summarizes the above as to effective levels of signing authority:

Accounting Manager	To	\$ 10,000
Controller	To	\$ 10,000
Director of Financial Planning & Analysis	To	\$ 10,000
Chief Operating Officer – Bus/Rail	To	\$ 25,000
Chief Financial Officer	Over	\$ 25,000
Chief of Staff	Over	\$ 25,000
General Counsel	Over	\$ 25,000
Chief Executive Officer	Over	\$ 25,000

41.2 Purchase Requisitions

Purchase Requisitions initiate the potential procurement of goods and/or services. Purchase Requisitions define the need for goods and/or services; budget for the goods and/or services; and assign staff time and resources to initiate the procurement of such goods and/or services. Purchase Requisitions do not constitute a commitment or contractual relationship with a Vendor.

Authorized signatures for Purchase Requisitions are Supervisors, Managers, Directors, Chief Operating Officer – Bus/Rail, Chief Financial Officer, Chief of Staff, General Counsel, and Chief Executive Officer.

Manager/Supervisor	To	\$
3,500 5,000		
Directors	To	\$
5,000 7,500		
Director of Capital Projects	To	\$
50,000 75,000		
Chief Operating Officer – Bus/Rail	To	\$
50,000 75,000		
Chief Financial Officer	To	\$
50,000 75,000		
Chief of Staff	To	\$
50,000 75,000		
General Counsel	To	\$
50,000 75,000		
Chief Executive Officer	Over	\$
50,000 75,000		

41.2.1 Purchase Requisitions for Inventory Items. The signature authority to approve Purchase Requisitions for inventory items is described within MTS Board Policy No. 64, Inventory Controls and Signature Authority.

41.3 Purchase Orders under Existing Contract

Upon completion of the procurement process (i.e. Board of Directors or staff approval of a formal contract pursuant to Section 41.4 of this Policy), the Procurement Manager may execute and transmit Purchase Orders to the vendor to properly manage the funding of multiple year contracts.

41.4 Authorized Signatories on Contracts and Documents

41.4.1 Expense Contracts. Expense contracts are contracts that require MTS to expend funds in return for goods or services. Expense contracts can be issued using various procurement forms, including but not limited to: a formal contract punch-out catalog purchase orders, or vendor agreement forms. All approval levels must be contained within and be consistent with overall Board of Directors approval levels. The approval levels are as follows:

Materials Manager (Punch-Out Catalog 3,500 5,000	To	\$
Purchase Orders Only)		
Procurement Manager, Senior Procurement 3,500 5,000	To	\$
Specialist or Principal Contracts Administrator		
Directors 5,000 7,500	To	\$
Director of Capital Projects 50,000 75,000	To	\$
Chief Operating Officer – Bus/Rail 50,000 75,000	To	\$
Chief Financial Officer 50,000 75,000	To	\$
Chief of Staff 50,000 75,000	To	\$
General Counsel 50,000 75,000	To	\$
Chief Executive Officer 100,000 150,000	Up To	\$
Board of Directors 100,000 150,000	Over	\$

41.4.2 Stand-Alone Purchase Orders. Once a Purchase Requisition for the procurement of goods and/or service is approved per Section 41.2 of this Policy or through Board of Directors action, the Procurement Manager or ~~his/her~~their designee will have the authority to execute stand-alone purchase orders so long as the value of the stand-alone purchase order does not exceed the value of the approved Purchase Requisition.

The Chief Executive Officer will implement internal policies and protocols to identify which procurements for goods and/or services are appropriate for the use of a stand-alone purchase order process as opposed to requiring a formal contract subject to heightened review and approval.

41.4.3 Purchase Card. Authorized signatures for Purchase Card transactions are Directors, Chief Operating Officer – Bus/Rail, Chief Financial Officer and Chief Executive Officer. All approvals of Purchase Card transactions must be consistent with MTS's internal Purchase Card Policy.

41.4.4 Change Orders. A contract change order is a change within the original scope of the contract. Contract change orders costing ~~\$100,000-150,000~~ or less may be approved by the Chief Executive Officer. Contract change orders costing more than ~~\$100,000-150,000~~ may be approved by the Board of Directors. Any change order costing more than ~~\$100,000-150,000~~ that requires immediate approval due to: an emergency involving public safety; liability to MTS; unacceptable delay to the project; or substantial cost increase, shall receive immediate concurrence from the Chief Executive Officer and report such action to the Board of Directors at its next meeting.

41.4.5 Revenue Contracts. Revenue contracts are contracts that result in payments to MTS for goods, services or real property interests. Examples include group/employer sales contracts (monthly passes/fare revenue), advertising, special event licenses, property leases, right of entry permits or licenses, easements and grant deeds. All revenue contracts may be approved by the Chief Executive Officer. Long-term concession contracts (e.g. bus shelter advertising, naming rights, trolley station concessions) and the sale of real property rights (e.g. easement or fee simple interest) valued over ~~\$100,000-150,000~~ shall be approved by the Board of Directors.

41.4.6 Grants and Memorandums of Understanding. Grants and related documents necessary to obtain local, state and federal funding may be approved by the Chief Executive Officer, Chief Financial Officer, Chief of Staff or General Counsel. Memorandums of Understanding or other agreements documenting an agreed process or program, but not requiring a specific expenditure of MTS funds, may be approved by the Chief Executive Officer. Memorandums of Understanding or other agreements that materially alter the risk or liability MTS has agreed to/is legally obligated to bear, shall be approved by the Board of Directors.

41.4.7 Cost Recovery Agreements. Agreements to undertake certain activities, but which are fully funded by another entity, may be approved by the Chief Executive Officer. Examples include agreements with San Diego Association of Governments establishing the cost-recovery process for *TransNet*-funded transit programs or agreements with North County Transit District to pay its fair share of Regional Fare System (Compass Card) costs.

41.4.8 Real Property Transfer Documents. Subject to the approval limits set forth in this Policy, the Chief Executive Officer is authorized to sign all real property transfer documents, including but not limited to, permits, rights of entry, licenses, leases, deeds, easements, escrow instructions, and certificates of acceptance.

41.4.9 Capital Asset Transfer Documents. Capital Assets may include but are not limited to: revenue vehicles; non-revenue vehicles; equipment; information

technology; and furniture. Transfer documentation for Capital Assets may be signed by staff as authorized within MTS Board Policy No. 33, Capital Asset Disposal.

41.4.10 Emergency Procurements. As authorized by Public Utilities Code section 120224.1, the Chief Executive Officer may authorize the purchase of goods or services, including those costing more than \$~~400,000~~150,000, if the purchase requires immediate approval to avert or alleviate damage to, or to repair or restore damaged or destroyed property and insure that MTS facilities are available to serve the transportation needs of the general public or to comply with any state or federal regulation with respect to the operation of public transportation services or protecting public safety. The Chief Executive Officer shall report such actions to the Board of Directors at its next meeting.

41.4.11 Construction Contract Documents. Subject to the limits set forth by this Policy and/or the Director of Capital Projects, Project Managers on Construction Projects are authorized to execute documents relating to the management of a construction contract (e.g. Notice of Completion).

41.5 Changes in Terms and Conditions

Any requested revision to MTS's Terms and Conditions or to accept a Vendor's Terms and Conditions must be approved by the General Counsel.

41.6 Authorized Signatories for Payment of Invoices

41.6.1 Payment of Invoices not associated with Contracts. Payment of invoices not associated with contracts includes, but is not limited to, employee reimbursements, payroll deductions, utility payments, insurance payments, purchase card transactions and claim payments. Authorized signatures for payment of these invoices are Supervisors, Managers, Directors, Chief Operating Officer – Bus/Rail, Chief Financial Officer, Chief of Staff, General Counsel, and Chief Executive Officer.

All approval levels must be contained within and be consistent with overall Board of Directors approval levels. The approval levels are as follows:

Manager/Supervisor	To	\$
3,500 <u>5,000</u>		
Directors	To	\$
5,000 <u>7,500</u>		
Chief Operating Officer – Bus/Rail	To	\$
50,000 <u>75,000</u>		
Chief Financial Officer	To	\$
50,000 <u>75,000</u>		
Chief of Staff	To	\$
50,000 <u>75,000</u>		
General Counsel	To	\$
50,000 <u>75,000</u>		
Chief Executive Officer	Over	\$
50,000 <u>75,000</u>		

41.6.2 Payment of Invoices associated with Contracts. Payment of invoices associated with contracts, includes, but is not limited to, formal contracts, stand-alone purchase orders and punch-out catalog purchase orders. The Chief Executive Officer will implement internal policies and protocols to ensure that upon receiving an invoice, the proper rate, price and quantity is being charged before payment is processed. Once payment is processed, the disbursement must then be approved as required by Section 41.1 of this Policy.

41.7 Authorized Signatories for Freight/Shipping and Sales/Other Taxes

The signature authority for the approval and payment of freight/shipping and sales/other taxes is described within MTS Board Policy No. 63, Payments for Freight/Shipping or Sales/Other Taxes Policy.

41.8 Authorized Signatories for Absences

In the Chief Executive Officer's absence, General Counsel, Chief of Staff, Chief Financial Officer or the Chief Executive Officer's designee is authorized to execute all checks, purchase requisitions, contracts, and documents as necessary, subject to any limits set or instructions given by the Chief Executive Officer.

In the General Counsel's absence, the Deputy General Counsel is authorized to execute all checks, purchase requisitions, contracts, and documents within the General Counsel's authority, subject to any limits set or instructions given by the General Counsel.

In the Procurement Manager's absence, the Chief Financial Officer, the General Counsel, the Director of Financial Planning and Analysis, or the Controller is authorized to execute Expense Contracts falling within the Procurement Manager's signature authority.

In the Clerk of the Board's absence, the Assistant Clerk of the Board is authorized to execute documents as may be required to certify actions of the Board of Directors.

41.9 Electronic Signature

Any signature authorized within this Policy may be provided electronically through an automated system (e.g. SAP system).

Upon receipt of approval from the Board of Directors for any Expense Contract over \$~~100,000~~150,000, the Chief Executive Officer or ~~his or her~~their designee shall have the authority to provide the electronic approval within an automated system for the Board of Directors when applicable.

This original Policy was adopted on 2/13/1992.

Policy revised on 8/11/1994.

Policy revised on 1/29/2004.

Policy revised on 2/23/2006.

Policy revised on 11/18/2010.

Policy revised on 11/14/2013.

Policy revised on 03/20/2014.

Policy revised on 10/29/2015

Policy revised on 12/8/2016.

Policy revised on 2/14/2019

Policy revised on 7/29/2021 (section 41.8)

Policy revised on 11/10/2022, changes effective on 1/1/2023



Policies and Procedures No. 64

Board Approval: ~~9/15/2016~~ 11/10/2022

SUBJECT:

INVENTORY CONTROLS AND SIGNATURE AUTHORITY POLICY

PURPOSE:

To authorize the MTS Materials Manager and Procurement Manager to approve parts/inventory purchases outside of the signature limits set forth in Policy No. 41 (Signature Authority).

BACKGROUND:

Policy No. 41 (Signature Authority) establishes dollar limits for approval of purchase requisitions and expense contracts. This Policy No. 64 is intended to authorize the MTS Materials Manager and Procurement Manager to complete parts purchases at appropriate intervals so that the MTS Storerooms have sufficient inventory to support daily transit operations and maintain MTS rolling stock and other equipment in a state of good repair. MTS's enterprise resource planning (ERP) software is programmed to automate inventory purchases. This requires that the Board approve an exception to the signature limits set forth in Policy No. 41 for automatic parts ordering to maintain designated inventory levels.

POLICY:

64.1 INVENTORY CONTROLS

- a. The Chief Executive Officer (CEO), or his/her designee, shall maintain a database of materials, components and spare parts (inventory list) that must be available in MTS Storerooms in order to support daily transit operations and maintain MTS rolling stock and other equipment in a state of good repair. The inventory list shall, at a minimum, contain the following:
 - i. The part name and manufacturer's part number, if applicable;
 - ii. The responsible/requesting department;
 - iii. The minimum quantity of that part that must be maintained at all times in the MTS Storeroom;



- 1) The minimum quantity should be based on factors such as the historical demand for the part, lead time for orders, ordering costs, operational campaigns, and include a level of safety stock sufficient to avoid a shortage of parts which would prevent maintenance or repairs from being completed in a timely manner.
- iv. The maximum quantity of that part that should be maintained in the MTS Storeroom;
 - 1) The maximum quantity should be optimized to minimize ordering costs while avoiding excessive growth of inventory and reducing waste from obsolescence and spoilage of parts with a limited shelf-life.
- b. The inventory list shall be reviewed by the CEO, or his/her designee, at least annually.
- c. Items being added to the inventory list require formal approval from the following departments: Maintenance, Finance, Procurement and Storeroom Operations
- d. The CEO may designate staff responsible for approving:
 - i. The addition or deletion of items from the inventory list.
 - ii. Any adjustments to the minimum and maximum quantities of the inventory list.

64.2 PARTS/INVENTORY PURCHASES

- a. Parts may be purchased by MTS through various methods. Primarily, parts are purchased either through a competitively bid or sole-sourced multi-year contract or through individual purchases on an as-needed basis. Generally, a multi-year contract is used for parts that MTS purchases in large quantities on a regular basis, or for highly specialized and expensive parts. All purchases of parts must comply with state and federal laws, regulations and grant requirements. Nothing in this Policy No. 64 is intended to excuse MTS staff from compliance with legal requirements. All parts/inventory purchases shall comply with Policy No. 52 (Procurement of Goods and Services).
- b. If a part is on the approved inventory list, then the ERP system will recommend orders based on the minimum required quantities by generating a purchase requisition. The MTS Materials Manager may authorize, through the approval of the purchase requisition in the ERP system, the purchase of such parts, subject to the following limitations:
 - i. The quantity ordered may not result in an inventory count higher than the designated maximum on the date the parts are expected to be delivered;
 - ii. The dollar value of the proposed purchase, exclusive of freight/shipping and applicable taxes/government fees, does not exceed ~~\$100,000~~150,000.
- 1) Purchases of parts may not be intentionally split into multiple purchase requisitions so as to avoid this spending limit.

- c. All parts purchases over \$~~100,000~~150,000, exclusive of freight/shipping and applicable taxes/government fees, must be approved by the Board.
- d. All inventory items are kept in the MTS Storeroom and held as an asset on the balance sheet of MTS. When a part is needed by maintenance staff, a requisition form is submitted and the part is “charged out” to the requesting department. Upon charge out from the Storeroom, the cost of the part is charged as an expense against the appropriate line item in that department’s budget.

Original Policy Adopted on 9/15/2016.

Policy Revisions Adopted on 11/10/2022, revisions effective on 1/1/2023



Agenda Item No. 11

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 10, 2022

SUBJECT:

BOARD POLICY NO. 30, INVESTMENT POLICY – POLICY REVISION

RECOMMENDATION:

That the Board of Directors approve and adopt the updated Board Policy No. 30, “Investment Policy” (Attachment A).

Budget Impact

None. Today’s action modifies the Investment Policy.

DISCUSSION:

Board Policy No. 30 (Policy) governs the process for investment policies, procedures and appropriate vehicles of investment for the cash management of MTS’s surplus operating funds. On an annual basis, the Policy is reviewed by staff and updated for the Board’s approval based upon the principles of capital preservation (safety), liquidity and investment return.

A review of the State of California Government Code (CA Code) and discussions with the County Treasurer resulted no changes to the existing policy. The only modification to the policy includes:

- Section 30.8: Updated date (2021 to 2022) to Figure 1 “Local Agency Investment Guidelines” (which remains unchanged).

/S/ Sharon Cooney

Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachment: A. Updated Investment Policy No. 30 (redlined)





Policies and Procedures No. 30

Board Approval: ~~12/16/2021~~11/10/2022

SUBJECT:

INVESTMENT POLICY

PURPOSE:

The purpose of this Investment Policy for the San Diego Metropolitan Transit System (MTS) is to provide guidance and direction for the prudent investment of MTS funds, and to foster the creation of a systematic and controlled investment process. The ultimate goal is to maximize the efficiency of MTS's cash management system, and to enhance the economic status of MTS while protecting the principal of its pooled cash. The initial step toward a prudent investment policy is to set out a clear statement of fundamental investment direction.

POLICY:

MTS's policy is to invest public funds in a prudent manner, providing capital preservation, adequate liquidity, and a market rate of return consistent with the constraints imposed by safety objectives and cash flow considerations. Also, MTS's policy is to conform to all applicable federal, state and local statutes governing the investment of public funds.

30.1 SCOPE

This Investment Policy applies to all surplus assets of MTS. Surplus funds are defined as those funds not required for the immediate necessities of MTS; such funds do not include pension/retirement trust funds. Bond proceeds will be governed by relevant bond documents.

30.2 PRUDENCE

The standard of prudence to be used for managing the MTS investment program is California Government Code Section 53600.3, the prudent investor standard, which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like



character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.”

MTS investment officers acting in accordance with written procedures and this Investment Policy, and exercising due diligence, shall be relieved of personal responsibility for an individual security’s credit risk or market risk, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments. All participants in the investment process shall act reasonably as custodians of the public trust.

30.3 RISK TOLERANCE

MTS recognizes that investment risks can result from issuer defaults, or various technical complications leading to temporary illiquidity.

1. Credit risk, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in high grade securities and through issuer diversification.
2. Market risk, defined as market value fluctuations due to overall changes in market price and yield, shall be mitigated by maintaining appropriate asset diversification.
3. Interest rate risk, defined as bond market value fluctuations due to changes in interest rates, interest rate spreads, or the shape of the yield curve, shall be mitigated by maintaining an appropriate duration strategy and diversification of maturities.
4. Custodial credit risk, defined as the risk of loss due to the failure of the custodian, shall be mitigated by prudent custodian selection procedures and requirements, as described in Section 30.13 of this Policy.

30.4 OBJECTIVES

MTS strives to maintain in its investment portfolio 100% of all surplus funds, given daily and forecasted near-term cash flow needs. MTS funds shall be invested in accordance with all applicable policies and codes, State statutes, and Federal regulations, and in a manner designed to accomplish the following objectives, which are listed in priority order:

1. **SAFETY.** The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of those amounts. Safety of principal is the foremost objective of MTS’s investment program, followed by liquidity and yield. Investments by MTS shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. MTS only operates in those investments that are considered very safe. Also, safety is ensured by diversification, which is required in order that potential losses on individual securities do not exceed income from the remainder of the portfolio.
2. **LIQUIDITY.** Liquidity refers to the ability to sell an investment at any given moment with a minimal chance of losing some portion of principal or interest.

MTS's investment portfolio shall remain sufficiently liquid to meet all operating requirements that might be reasonably anticipated. MTS will maintain an adequate percentage of the portfolio in liquid short-term securities that can be converted to cash, if necessary, to meet disbursement requirements.

3. YIELD/RETURN. The portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio, and State and local laws, regulations and resolutions that restrict the investment of short-term funds.

30.5 DELEGATION OF AUTHORITY

Management and oversight responsibility for MTS's investment program is delegated by the MTS Board of Directors (MTS Board) to the Chief Financial Officer, who shall establish procedures for the operation of the investment program, consistent with this Investment Policy. Such procedures will include appropriate delegation of authority to persons responsible for investment transactions. No person may engage in investment transactions except as provided under the terms of this Investment Policy and the procedures established by the Chief Financial Officer. The Chief Financial Officer is hereby delegated the authority from the MTS Board to:

1. Enter into agreements with MTS's financial depository in order to enable the Chief Financial Officer, or his/her designee, to execute investment transactions that will involve charges and credits to MTS's bank accounts.
2. Enter into banking arrangements with a third party bank trust department to facilitate the third-party safekeeping of MTS investments.
3. Establish operating procedures as deemed appropriate to operate an investment program consistent with this Investment Policy.

Upon the recommendation of the Chief Financial Officer, the MTS Board may engage the support services of outside investment advisors with respect to MTS's investment program, so long as it can be demonstrated that these services are expected to produce a net financial advantage or necessary financial protection of MTS's financial resources. Any investment advisor utilized by MTS should be registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940, and shall operate in a manner consistent with this Investment Policy and other written instructions as provided.

30.6 ETHICS AND CONFLICT OF INTEREST

1. The Chief Financial Officer and all personnel involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program and/or which could impair their ability to make impartial investment decisions. MTS officers and employees involved in the investment process shall abide by MTS's Conflict of Interest Code, California Government Code Section 1090 et seq., and the California Political Reform Act (California Government Code Section 81000 et seq.). The Chief Financial Officer and all responsible personnel shall disclose to the MTS Board any material financial interests in any financial institutions that conduct business with MTS that

could be related in a conflicting manner to MTS's investment portfolio performance.

2. MTS officers and employees involved in the investment process shall disclose to the MTS Board any material financial interests in any financial institutions that conduct business with MTS which could be related in a conflicting manner to the performance of MTS's investment portfolio. Additionally, the Chief Financial Officer and all investment personnel designated by the Chief Financial Officer shall file a Statement of Economic Interests each year as required by California Government Code Section 87203 and regulations of the Fair Political Practices Commission.

30.7 AUTHORIZED BROKER/DEALERS

1. It is expected, though not required, that most of MTS's investments will be made through pooled investment funds provided by a California State and/or County entity. Allowable pools are detailed in Sections 30.8.9 – 30.8.11, of this Investment Policy Statement. When/if direct security investments are made by MTS, MTS's procedures shall be designed to encourage multiple bids and offers on investment transactions from an approved list of broker/dealers in order to provide for the optimum yield in MTS's portfolio.

When/if making direct security investments, the Chief Financial Officer (or the Corporate Controller or the Director of Financial Planning and Analysis, if delegated) shall utilize a list of broker/dealers approved for investment purposes by the San Diego County Treasurer-Tax Collector's office. Purchases of investments through brokers, dealers, and financial institutions shall be permitted as stated in California Government Code Section 53635.5. Each approved broker/dealer must possess an authorizing certificate from the California Commissioner of Corporations as required by Section 25210 of the California Corporations Code. The firms they represent must:

- (a) be recognized as a Primary Dealer by the Federal Reserve Bank of New York or have a primary dealer within its holding company structure, or;
 - (b) Report voluntarily to the Federal Reserve Bank of New York, or
 - (c) Qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (Uniform Net Capital Rule).
2. If MTS utilizes an external investment advisor, the Chief Financial Officer may approve a list of authorized broker/dealers provided by the investment advisor.

30.8 AUTHORIZED AND SUITABLE INVESTMENTS

All investments and deposits of MTS assets shall be made in accordance with California Government Code Sections 16429.1, 53600-53609 and 53630-53686. Although the following includes authorized investments, the Chief Financial Officer shall determine the extent to which they are suitable based upon this Investment Policy and the resources used by the Chief Financial Officer in implementing it. This suitability determination shall include an examination of the Investment Policy Statements of utilized pooled investment funds to ensure that they are consistent with MTS's Policy.

Limitations identified in the following sections shall be adhered to and the percentage limits and credit criteria shall be measured against portfolio value on the date the investment is purchased. In the event of a credit downgrade below the minimum acceptable credit rating, MTS shall require investment advisors engaged in the investing of MTS funds to notify MTS staff of the downgrade, and provide a plan of action to address the downgrade.

The list of authorized investments, and the limitations associated with those investments are detailed in Figure 1 attached to this Investment Policy Statement; Figure 1 is taken from the 2021-2022 version of "Local Agency Investment Guidelines," published by the California Debt and Investment Advisory Commission. The authorized investments and associated limitations are as follows:

1. United States Treasury bills, notes, bonds, or strips with a final maturity not exceeding five years from the date of trade settlement.
2. Federal Agency or U.S. government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by Federal agencies or U.S. government-sponsored enterprises with maturities not exceeding five years from the date of trade settlement. There is no limit on the percentage of U.S. Treasury, Federal Agency, or U.S. government-sponsored enterprise obligations that may be held in MTS's portfolio.
3. Eligible Banker's Acceptances with a maturity not exceeding 180 days from the date of trade settlement, drawn on or accepted by a FDIC insured commercial bank with combined capital and surplus of at least \$250 million, rated in a rating category of A-1, its equivalent, or higher by a nationally recognized statistical rating organization (NRSRO) at the time of purchase and whose senior long-term debt is rated in a rating category of "A", its equivalent, or higher by a NRSRO at the time of purchase. No more than 5% of MTS's total portfolio shall be invested in banker's acceptances of any one issuer, and the aggregate investment in banker's acceptances shall not exceed 40% of MTS's total portfolio.
4. Prime Commercial Paper (CP) with a maturity not exceeding 270 days from the date of trade settlement with the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity issuing the commercial paper shall meet all of the following conditions in either sub-paragraph A. or sub-paragraph B. below:
 - (a) The entity shall (1) be organized and operating in the United States as a general corporation, (2) have total assets in excess of \$500,000,000 and (3) have debt other than commercial paper, if any, that is rated in a rating category of "A", its equivalent, or higher by a NRSRO.
 - (b) The entity shall (1) be organized within the United States as a special purpose corporation, trust, or limited liability company, (2) have program wide credit enhancements, including, but not limited to, over collateralization, letters of credit or surety bond and (3) have commercial paper that is rated in a rating category of A-1, its equivalent, or higher, by a NRSRO.

No more than 5% of MTS's total portfolio shall be invested in the commercial paper of any one issuer, the maximum exposure to a single issuer shall be 10% of total portfolio value inclusive of any other non-CP investments with said issuer, and MTS shall not purchase more than 10% of the outstanding commercial paper of any single issuer. The aggregate non-pooled fund investment in commercial paper shall not exceed 25% of MTS's total portfolio. Pooled fund commercial paper investments shall not exceed 40% of MTS's total portfolio, and the combined pooled fund and non-pooled fund investment in commercial paper shall also not exceed 40% of MTS' total portfolio.

5. Non-negotiable certificates of deposit (CD) with a final maturity not exceeding five years and meeting the conditions in either paragraph (a) or paragraph (b) below:
 - (a) Certificates of deposit shall meet the requirements for deposit under California Government Code Section 53630 et seq. To be eligible to receive MTS deposits, the financial institution must meet the requirements of California Government Code Section 53635.2. Deposits are required to be collateralized as specified under California Government Code Section 53630 et seq. The Chief Financial Officer, at his or her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. MTS shall also have a signed agreement with the depository per California Government Code Section 53649.
 - (b) Certificates of deposit placed through a deposit placement service shall meet the requirements of Government Code Section 53601.8. The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by federal deposit insurance.

No more than 5% of the portfolio shall be held in any one non-negotiable certificate of deposit or allocated to any one issuer, the maximum exposure to a single issuer shall be 10% of total portfolio value inclusive of any other non-CD investments with said issuer, and the aggregate investment in non-negotiable certificates of deposit and negotiable certificates of deposit shall not exceed 30% of MTS's total portfolio.

6. Negotiable Certificates of Deposit with a final maturity not exceeding five years issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally- or state-licensed branch of a foreign bank. Negotiable CD issuers must be rated in a rating category of "A", its equivalent, or higher by two NRSROs.

No more than 10% of the portfolio shall be held in any one negotiable certificate of deposit or allocated to any one issuer, the maximum exposure to a single issuer shall be 10% of total portfolio value inclusive of any other non-CD investments with said issuer, and the aggregate investment in non-negotiable

certificates of deposit and negotiable certificates of deposit shall not exceed 30% of MTS's total portfolio.

7. Repurchase Agreements with a final termination date not exceeding 1 year collateralized by U.S. Treasury obligations, Federal Agency securities, or Federal Instrumentality securities listed in Sections 30.8.1 and 30.8.2 above with the maturity of the collateral not exceeding ten years. For the purpose of this section, the term collateral shall mean purchased securities under the terms of MTS's approved Master Repurchase Agreement. The purchased securities shall have a minimum market value including accrued interest of 102% of the dollar value of the funds borrowed. Collateral shall be held in MTS's custodian bank, as safekeeping agent, and the market value of the collateral securities shall be marked-to-market daily.

Repurchase Agreements shall be entered into only with broker/dealers who are recognized as Primary Dealers with the Federal Reserve Bank of New York or with firms that have a primary dealer within their holding company structure. Repurchase agreement counterparties shall execute an MTS-approved Master Repurchase Agreement with MTS. The Chief Financial Officer shall maintain a copy of MTS's approved Master Repurchase Agreement along with a list of the broker/dealers who have executed such an agreement.

The Repurchase Agreement exposure to a single broker/dealer shall not exceed 10% of MTS's total portfolio when the dollar-weighted average Repurchase Agreement maturity is greater than 5 days, or 15% of MTS's total portfolio when the dollar-weighted average Repurchase Agreement maturity is 5 days or less. Maximum Repurchase Agreement exposure shall not exceed 40% of MTS's total portfolio.

8. Reverse Repurchase Agreements may only be directly utilized after prior approval by the MTS Board, or indirectly utilized as a permitted investment by the California Local Agency Investment Fund, the San Diego County Treasurer's Pooled Money Fund, or a Joint Powers Authority Pool.

If an MTS Reverse Repurchase Agreement is authorized by the MTS Board, it may only be utilized if: 1) the security to be sold has been owned and fully paid for by MTS for a minimum of 30 days prior to the sale; 2) the total of all Reverse Repurchase Agreements does not exceed 20% of the value of the total MTS portfolio; and 3) the agreement does not exceed a term of 92 days unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of the security using a Reverse Repurchase Agreement and the final maturity of the same security. The proceeds of the Reverse Repurchase Agreement may not be invested in securities whose maturity exceeds the term of the Reverse Repurchase Agreement.

Reverse Repurchase Agreements shall be entered into only with broker/dealers who are recognized as Primary Dealers with the Federal Reserve Bank of New York or with firms that have a primary dealer within their holding company structure. Reverse Repurchase Agreement counterparties shall execute an MTS-approved Master Repurchase Agreement with MTS. The Chief Financial

Officer shall maintain a copy of MTS's approved Master Repurchase Agreement along with a list of the broker/dealers who have executed such an agreement.

The Reverse Repurchase Agreement exposure to a single broker-dealer shall not exceed 10% of MTS's total portfolio.

9. State of California's Local Agency Investment Fund (LAIF), pursuant to California Government Code Section 16429.1. There is no limit on the percentage of MTS's portfolio that may be invested in LAIF, though LAIF may impose statutory limits.
10. The San Diego County Treasurer's Pooled Money Fund (SDPMF). There is no limit on the percentage of MTS's total portfolio that may be invested in SDPMF.
11. A Joint Powers Authority Pool (JPAP), pursuant to California Government Code Section 53601(p) as long as the portfolio is rated among the top two rating categories by a NRSRO. Such a pool must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management of at least \$500,000,000, and has at least five years of experience investing in instruments authorized by Section 53601(a-o). Examples of such pools include, but are not limited to, those offered by the California Asset Management Program (CAMP) and the Investment Trust of California (CalTrust). There is no limit on the percentage of JPAPs which offer daily (same-day) liquidity that may be held in MTS's portfolio; however, the aggregate investment in any JPAPs which do not offer daily liquidity shall not exceed 2.5% of MTS's total portfolio.
12. Medium Term Notes (MTN) issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States with a final maturity not exceeding five years from the date of trade settlement. These notes must be rated in a rating category of "A", its equivalent, or higher by a NRSRO.

No more than 10% of MTS's total portfolio shall be invested in medium term notes of any one issuer, the maximum exposure to a single issuer shall be 10% of total portfolio value inclusive of any other non-MTN investments with said issuer, and the aggregate investment in medium term notes shall not exceed 30% of MTS's total portfolio.

13. Money Market Funds registered under the Investment Company Act of 1940 that 1) are "no-load" (meaning no commission or fee shall be charged on purchases or sales of shares); 2) have a constant net asset value per share of \$1.00; 3) invest only in the securities and obligations authorized by State statute and 4) have attained the highest ranking or the highest letter and numerical rating provided by at least two NRSROs, or retained an investment advisor registered or exempt from registration (such as a bank holding company regulated by the Federal Deposit Insurance Corporation) with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of \$500,000,000.

No more than 10% of MTS's total portfolio shall be invested in money market funds of any one issuer, and the aggregate investment in money market funds shall not exceed 20% of MTS's total portfolio.

14. Municipal bonds that are listed below with a final maturity not exceeding five years from the date of trade settlement and that must be rated in a rating category of "A," its equivalent, or higher by a NRSRO at the time of purchase. No more than 5% of MTS's total portfolio shall be invested in any single issuer, and the aggregate investment in municipal bonds shall not exceed 30% of MTS's total portfolio.
 - (a) Bonds issued by MTS, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by MTS or by a department, board, agency, or authority of MTS.
 - (b) Registered State warrants or treasury notes or bonds of the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the State or by a department, board, agency, or authority of the State.
 - (c) Bonds, notes, warrants, or other evidences of indebtedness of a local agency within California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.
 - (d) Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.
15. Supranationals, which are United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States.

Investments under this subdivision shall be rated in the rating category of "AA," its equivalent, or better by at least one NRSRO. Purchases of supranational shall not exceed 30% of the investment portfolio of MTS, and the exposure to a single supranational issuer shall not exceed 10% of the investment portfolio of MTS.
16. Mortgage pass-through securities, collateralized mortgage obligations, mortgage-backed or other pay-through bonds, equipment lease-backed certificates, consumer receivable pass-through certificates, or consumer receivable-backed bonds with a maximum maturity of five years. Securities eligible for investment under this subdivision shall be issued by an issuer in a rating category of "A," its equivalent, or better for the issuer's debt as provided by a NRSRO, and the individual security must be rated in a category of "AA," its equivalent, or better by at least one NRSRO. Purchases of securities authorized by this subdivision may not exceed 20% of MTS's total portfolio.

17. Commercial paper, debt securities, or other obligations of a public bank, as defined in Section 57600 of the California Government Code.

30.9 PROHIBITED INVESTMENTS

In accordance with Section 53601.6 of the California Government Code, MTS shall not invest any funds in inverse floaters, range notes or mortgage-derived interest-only strips, or in any security that could result in zero-interest accrual if held to maturity, with the following exception: in accordance with Section 53601.6(b)(2), MTS may invest in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates.

30.10 INVESTMENT POOLS

MTS allows investments in public agency investment pools (per Sections 30.8.9 – 30.8.11). Although many of these pools are long-standing, the Chief Financial Officer will annually obtain operating information from each utilized pool which includes the information detailed in Section 30.15 of this Investment Policy Statement.

30.11 MATURITY

MTS will not invest in instruments whose maturities exceed five years at the time of trade settlement unless the MTS Board has provided approval for a specific purpose at least three months before the investment is made. The Chief Financial Officer shall be responsible for determining and monitoring an average maturity which meets MTS's projected cash flow requirements and shall be reported to the MTS Board as required under State Law. The average duration of any externally managed fund utilized by MTS shall not exceed 150 percent of the duration of the appropriate benchmark for that fund.

30.12. SELECTION OF DEPOSITORIES

The Chief Financial Officer shall only utilize FDIC insured banks eligible to provide depository and other banking services for MTS. To be eligible, a bank must qualify as a depository of public funds in the State of California as defined in California Government Code Section 53630.5 and shall secure deposits in excess of FDIC insurance coverage in accordance with California Government Code Section 53652.

30.13. SAFEKEEPING & CUSTODY

The Chief Financial Officer may select one or more banks to provide third-party safekeeping and custodial services for MTS, in accordance with the provisions of Section 53608 of the California Government Code. A Safekeeping Agreement approved by MTS shall be executed with each custodian bank prior to utilizing that bank's safekeeping services. Custodian banks will be selected on the basis of their ability to provide services for MTS's account and the competitive pricing of their safekeeping related services.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. All securities shall be held in the name of

MTS, with sufficient evidence to title consistent with modern investment, banking and commercial practices.

All investment securities, except non-negotiable certificates of deposit, money market funds, and public agency investment pools, purchased by MTS will be delivered by book entry and will be held in third-party safekeeping by an MTS-approved custodian bank or its Depository Trust Company (DTC) participant account.

All Fed wireable book entry securities owned by MTS shall be held in the Federal Reserve System in a customer account for the custodian bank which will name MTS as "customer."

All DTC eligible securities shall be held in the custodian bank's DTC participant account and the custodian bank shall provide evidence that the securities are held for MTS as "customer."

30.14. DIVERSIFICATION

MTS shall diversify its investments to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities.

Nevertheless, the asset allocation in the portfolio should be managed depending upon the outlook for the economy, the securities markets, and MTS's anticipated cash flow needs.

30.15. REPORTING

Quarterly, the Chief Financial Officer shall submit to the MTS Board a report of the investment earnings and performance results of MTS's investment portfolio. The report shall be submitted within 60 days following the end of the quarter, and shall include the following information for each individual investment:

1. Investment type, issuer, purchase date (trade and settlement), date of maturity, par value, purchase price and dollar amount invested in all securities, and investments and monies held by MTS;
2. A description of the funds, investments and programs;
3. A market value as of the date of the report (or the most recent valuation as to assets not valued monthly) and the source of the valuation;
4. Current period yield (based on cost) and rates of return for short-term and mid-term investments, including comparison to established benchmarks;
5. A statement of compliance with this Investment Policy or an explanation for non-compliance; and
6. A statement of MTS's ability to meet expenditure requirements for six months, and an explanation of why money will not be available if that is the case.

For investments in authorized investment pools, the most recent statement received from these pools may be used in lieu of the information listed above.

30.16 INTERNAL CONTROLS

The Chief Financial Officer (or the Corporate Controller, or the Director of Financial Planning and Analysis, if delegated) shall establish a system of internal controls, which shall be documented in writing. The internal controls will be reviewed with both the outside independent auditor and MTS's internal auditor. The controls shall be designed to prevent loss of public funds arising from fraud, employee error, or misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by employees and officers of MTS. Controls deemed most important include: control of collusion, segregation of duties, separating transaction authority from accounting and record keeping, custodial safekeeping, clear delegation of authority, written (email or faxed allowable) confirmation of telephone transactions, documentation of transactions and strategies and code of ethical standards.

30.17 PERFORMANCE STANDARDS

The investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements. The performance of MTS's portfolio and any external investment managers shall be compared to appropriate benchmark indices.

30.18 REVIEW, ADOPTION & AMENDMENTS

This Investment Policy shall be reviewed biennially by the MTS Board. Such review shall include review of the "Summary of Statutory Changes" and Figure 1 (Allowable Investment Instruments per State Government Code) in the Local Agency Investment Guidelines. The MTS Investment Policy may not be altered, amended or changed in any particular way, except by formal approval of the MTS Board.

Attachments: Figure 1: Summary of California Code and MTS Policy
Table of Notes for Figure 1
Glossary of Investment Terms and Instruments

Original Policy accepted on 10/23/86.
Policy revised on 9/23/93.
Policy repealed and readopted 6/13/96.
Policy revised on 12/11/97.
Policy revised on 8/12/99.
Policy revised on 8/10/00.
Policy revised on 9/13/01.
Policy revised on 3/11/04.
Policy revised on 6/14/07.
Policy revised on 10/11/18.
Policy revised on 05/14/2020.
Policy revised on 12/16/2021.
Policy revised on 11/10/2022.

Figure 1: Summary of California Code and MTS Policy

INVESTMENT TYPE	CA CODE MAXIMUM MATURITY ^C	CA CODE MAXIMUM SPECIFIED % OF PORTFOLIO ^D	CA CODE MINIMUM QUALITY REQUIREMENTS	MTS POLICY MAXIMUM SPECIFIED % OF PORTFOLIO ^D	MTS POLICY MINIMUM QUALITY REQUIREMENTS
Local Agency Bonds	5 years	None	None	30%	"A" rating category or its equivalent or better
U.S. Treasury Obligations	5 years	None	None	Same as CA Code	Same as CA Code
State Obligations—CA And Others	5 years	None	None	30%	"A" rating category or its equivalent or better
CA Local Agency Obligations	5 years	None	None	30%	"A" rating category or its equivalent or better
U.S Agency Obligations	5 years	None	None	Same as CA Code	Same as CA Code
Bankers' Acceptances	180 days	40% ^E	None	Same as CA Code	"A-1" rating category or its equivalent or better
Commercial Paper—Pooled Funds ^I	270 days	40% of the agency's money ^G	Highest letter and number rating by an NRSRO ^H	Same as CA Code	Same as CA Code
Commercial Paper—Non-Pooled Funds ^F	270 days	If investment assets <\$100 million, 25% of the agency's money; if investment assets >\$100 million, 40% of the agency's money ^G	Highest letter and number rating by an NRSRO ^H	25%	Same as CA Code
Negotiable Certificates of Deposit	5 years	30% ^J	None	Same as CA Code	"A" rating category or its equivalent or better
Non-negotiable Certificates of Deposit	5 years	None	None	30%	Same as CA Code
Placement Service Deposits	5 years	50%	None	30%	Same as CA Code
Placement Service Certificates of Deposit	5 years	50%	None	30%	Same as CA Code
Repurchase Agreements	1 year	None	None	40%	Same as CA Code
Reverse Repurchase Agreements & Securities Lending Agreements	92 days ^L	20% of the base value of the portfolio	None ^M	Same as CA Code	Same as CA Code
Medium-Term Notes ^N	5 years	30%	"A" rating category or its equivalent or better	Same as CA Code	Same as CA Code
Mutual Funds And Money Market Mutual Funds	N/A	20%	Multiple ^{P,Q}	Same as CA Code	Same as CA Code
Collateralized Bank Deposits ^R	5 years	None	None	Same as CA Code	Same as CA Code
Mortgage Pass—Through and Asset-Backed Securities	5 years	20%	"AA" rating category or its equivalent or better	Same as CA Code	Same as CA Code
County Pooled Investment Funds	N/A	None	None	Same as CA Code	Same as CA Code
Joint Powers Authority Pool	N/A	None	Multiple ^S	2.5% on Pools not offering daily liquidity	Same as CA Code
Local Agency Investment Fund (LAIF)	N/A	None	None	Same as CA Code	Same as CA Code
Voluntary Investment Program Fund ^T	N/A	None	None	N/A – minimum investment is \$200 million.	N/A – minimum investment is \$200 million.
Supranational Obligations ^U	5 years	30%	"AA" rating category or its equivalent or better	Same as CA Code	Same as CA Code
Public Bank Obligations	5 years	None	None	Same as CA Code	Same as CA Code

TABLE OF NOTES FOR FIGURE 1

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| <p>A. Sources: Sections 16340, 16429.1, 27133, 53601, 53601.6, 53601.8, 53630 et seq., 53635, 53635.8, and 57603.</p> <p>B. Municipal Utilities Districts have the authority under the Public Utilities Code Section 12871 to invest in certain securities not addressed here.</p> <p>C. Section 53601 provides that the maximum term of any investment authorized under this section, unless otherwise stated, is five years. However, the legislative body may grant express authority to make investments either specifically or as a part of an investment program approved by the legislative body that exceeds this five year maturity limit. Such approval must be issued no less than three months prior to the purchase of any security exceeding the five-year limit.</p> <p>D. Percentages apply to all portfolio investments regardless of source of funds. For instance, cash from a reverse repurchase agreement would be subject to the restrictions.</p> <p>E. No more than 30 percent of the agency's money may be in bankers' acceptances of any one commercial bank.</p> <p>F. Includes agencies defined as a "city, a district, or other local agency that do[es] not pool money in deposits or investment with other local agencies, other than local agencies that have the same governing body.</p> <p>G. Local agencies, other than counties or a city and county, may purchase no more than 10 percent of the outstanding commercial paper and medium-term notes of any single issuer.</p> <p>H. Issuing corporation must be organized and operating within the U.S., have assets in excess of \$500 million, and debt other than commercial paper must be in a rating category of "A" or its equivalent or higher by a nationally recognized statistical rating organization, or the issuing corporation must be organized within the U.S. as a special purpose corporation, trust, or LLC, have program wide credit enhancements, and have commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical rating agency.</p> <p>I. Includes agencies defined as a county, a city and county, or other local agency "that pools money in deposits or investments with other local agencies, including local agencies that have the same governing body." Local agencies that pool exclusively with other local agencies that have the same governing body must adhere to the limits set forth in Section 53601(h)(2)(C).</p> <p>J. No more than 30 percent of the agency's money may be in negotiable certificates of deposit that are authorized under Section 53601(i).</p> <p>K. Effective January 1, 2020, no more than 50 percent of the agency's money may be invested in deposits, including certificates of deposit, through a placement service as authorized under 53601.8 (excludes negotiable certificates of deposit authorized under Section 53601(i)). On January 1, 2026, the maximum percentage of the portfolio reverts back to 30 percent. Investment made pursuant to 53635.8 remain subject to a maximum of 30 percent of the portfolio.</p> | <p>L. Reverse repurchase agreements or securities lending agreements may exceed the 92-day term if the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity dates of the same security.</p> <p>M. Reverse repurchase agreements must be made with primary dealers of the Federal Reserve Bank of New York or with a nationally or state chartered bank that has a significant relationship with the local agency. The local agency must have held the securities used for the agreements for at least 30 days.</p> <p>N. "Medium-term notes" are defined in Section 53601 as "all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States"</p> <p>O. No more than 10 percent invested in any one mutual fund. This limitation does not apply to money market mutual funds.</p> <p>P. A mutual fund must receive the highest ranking by not less than two nationally recognized rating agencies or the fund must retain an investment advisor who is registered with the SEC (or exempt from registration), have assets under management in excess of \$500 million, and have at least five years' experience investing in instruments authorized by Sections 53601 and 53635.</p> <p>Q. A money market mutual fund must receive the highest ranking by not less than two nationally recognized statistical rating organizations or retain an investment advisor registered with the SEC or exempt from registration and who has not less than five years' experience investing in money market instruments with assets under management in excess of \$500 million.</p> <p>R. Investments in notes, bonds, or other obligations under Section 53601(n) require that collateral be placed into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, among other specific collateral requirements.</p> <p>S. A JPAP must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Section 53601, subdivisions (a) to (o).</p> <p>T. Upon approval by their governing bodies, local entities can deposit \$200 million to \$10 billion into the Voluntary Investment Program Fund. Deposits in the fund will be invested in the Pooled Money Investment Account.</p> <p>U. Only those obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less.</p> |
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GLOSSARY OF INVESTMENT TERMS AND INSTRUMENTS

Term	Description
Banker's Acceptance	A short-term bill of exchange that is accepted as payment by banks engaged in financing physical asset or merchandise trade.
Benchmark	A passive index used to compare the performance, relative to risk and return, of an investor's portfolio.
Bond	A debt obligation of a firm or public entity. A bond represents the agreement to repay the debt in principal and, typically, in interest on the principal.
Broker/Dealer	A person or a firm who can act as a broker or a dealer depending on the transaction. A broker brings buyers and sellers together for a commission. They do not take a position. A dealer acts as a principal in all transactions, buying and selling for his own account.
CalTrust	The Investment Trust of California (CalTrust) is a Joint Powers Authority created by public agencies in 2005 to provide a convenient method for public agencies to pool their assets for investment purposes. CalTrust is governed by a Board of Trustees made up of experienced local agency treasurers and investment officers. CalTrust offers Government, Short-Term, Medium-Term, and Money Market funds managed by BlackRock. The Money Market and Government funds offer daily (same-day) liquidity. All CalTrust accounts comply with the limits and restrictions placed on local investments by California statutes.
CAMP	The California Asset Management Program (CAMP) is a California Joint Powers Authority established in 1989 to provide California public agencies, together with any bond trustee acting on behalf of such public agency, assistance with the investment of and accounting for bond proceeds and surplus funds. The CAMP Pool is a short-term money market and cash management vehicle managed by PFM Asset Management LLC. The Pool seeks to attain as high a level of current income as is consistent with the preservation of principal. It seeks to maintain a constant Net Asset Value of \$1 per share and a dollar-weighted average portfolio maturity of 60 days or less. The Pool purchases only investments of the type in which public agencies are permitted by statute to invest surplus funds and proceeds of their own bonds.
Cash Flow	A comparison of cash receipts (revenues) to required payments (debt service, operating expenses, etc.).
Certificate of Deposit	A short-term, secured deposit in a financial institution that usually returns principal and interest to the lender at the end of the loan period. Certificates of Deposits (CDs) differ in terms of collateralization and marketability. Those appropriate to public agency investing include:

Term	Description
	Negotiable Certificates of Deposit, Non-Negotiable Certificates of Deposit.
Commercial Paper	A short-term, unsecured promissory note issued by a corporation. Prime paper includes those having Moody's ratings of P-3 and above.
Corporate Notes & Bonds	Debt instruments, typically unsecured, issued by corporations, with original maturities in most cases greater than one year and less than ten years.
Credit Risk	The chance that an issuer will be unable to make scheduled payments of interest and principal on an outstanding obligation. Another concern for investors is that the market's perception of a corporation's credit will cause the market value of a security to fall, even if default is not expected.
Credit Rating	Various alphabetical and numerical designations used by institutional investors, Wall Street underwriters, and commercial rating companies to give relative indications of bond and note creditworthiness. Standard & Poor's and Fitch Ratings use the same system, starting with their highest of "AAA, AA, A, BBB, BB, B, CCC, CC, C, and D" for default. Moody's Investor Services uses "Aaa, Aa, A, Baa, Ba, B, Caa, Ca, C, and D". Each of the services use pluses (+), minuses (-), or numerical modifiers to indicate steps within each category. The top four letter categories are considered investment grade ratings.
Duration	A fixed-income metric that measures the sensitivity of a bond or portfolio to changes in interest rates. A portfolio or security with a higher duration will experience larger changes in market value as interest rates change.
Federal Agency and Instrumentality Obligations	Obligations issued by a government sponsored entity or a federally regulated institution. Federal Agencies and U.S. Government Sponsored Enterprises are U.S. Government related organizations, the largest of which are government financial intermediaries assisting specific credit markets (housing, agriculture). They include: <ul style="list-style-type: none"> ▪ Federal Home Loan Banks (FHLB) ▪ Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac") ▪ Federal National Mortgage Association (FNMA or "Fannie Mae") ▪ Federal Farm Credit Banks (FFCB) ▪ Student Loan Marketing Association (SLMA or "Sallie Mae") ▪ Tennessee Valley Authority (TVA)
Inverse Floater	An inverse floater is a bond or other type of debt whose coupon rate has an inverse relationship to a benchmark rate. An inverse floater adjusts its coupon payment as the interest rate changes.
Issuer	Any corporation, governmental unit, or financial institution that borrows money through the sale of securities.

Term	Description
Joint Powers Authority Pool	Joint Powers Authorities are legally created entities that allow two or more public agencies to jointly exercise common powers. Under California Government Code Section 6509.7, public agencies that have the authority to invest funds in their treasuries may, by agreement, jointly exercise that common power by issuing shares of beneficial interest to participating public agencies. Each share represents an equal proportionate interest in the underlying pool of securities owned by the Joint Powers Authority.
LAIF	The Local Agency Investment Fund (LAIF), a voluntary program created by statute, began in 1977 as an investment alternative for California's local governments and special districts and continues today under the State of California Treasurer's office. This program offers participating agencies the opportunity to participate in a major portfolio which daily invests hundreds of millions of dollars, using the investment expertise of the State Treasurer's Office Investment staff. The LAIF is part of the Pooled Money Investment Account (PMIA), which began in 1955 and is overseen by a Board and an Investment Committee. The Local Investment Advisory Board provides oversight for LAIF. All securities are purchased under the authority of the Government Code Section 16430 and 16480.4. The State Treasurer's Office takes delivery of all securities purchased on a delivery versus payment basis using a third party custodian. All investments are purchased at market, and market valuation is conducted monthly. Deposits are subject to statutory limits.
Liquidity	The ease with which an investment may be converted to cash, either by selling it in the secondary market or by demanding its repurchase pursuant to a put or other prearranged agreement with the issuer or another party.
Market Risk	The chance that the value of a security will decline as interest rates rise. In general, as interest rates fall, prices of fixed income securities rise. Similarly, as interest rates rise, prices fall. Market risk also is referred to as systematic risk or risk that affects all securities within an asset class similarly.
Maturity	The stated date on which all or a stated portion of the principal amount of a security becomes due and payable.
Money Market Fund	A type of investment comprising a variety of short-term securities with high quality and high liquidity. The fund provides interest to shareholders and must strive to maintain a stable net asset value (NAV) of \$1 per share.
Mortgage – Derived Interest only (IO) Strips	Mortgage-derived Interest only (IO) strips are a security where the holder receives a non-principal portion of the payments on the underlying mortgages. An interest only strip is created by separating the principal and interest portions of the payments on the underlying loan pool and

Term	Description
	selling them as distinct products. The process of separating the payments on the underlying debts is known as stripping. Although interest only strips can be created out of any debt-backed security that generates periodic payment, the term is strongly associated with mortgage-backed securities (MBS). The mortgage-backed securities that go through the process that separates the interest and principal payment streams are referred to as stripped MBS. The investor in the interest only stream benefits when prepayment rate on the underlying debt is low and interest rates are rising.
Nationally Recognized Statistical Rating Organization (NRSRO)	The formal term to describe credit rating agencies that provide credit ratings that are used by the U.S. government in several regulatory areas. Ratings provided by Nationally Recognized Statistical Ratings Organizations (NRSRO) are used frequently by investors and are used as benchmarks by federal and state agencies. Generally, to be considered an NRSRO, the agency has to be "nationally recognized" in the U.S. and provide reliable and credible ratings. Also taken into consideration is the size of the credit rating agency, operational capability and its credit rating process. Some examples of NRSRO's include Moody's Investors Service Inc., Standard and Poor's Inc., Fitch Inc., Dominion Bond Rating Services Limited (DBRS) and A.M. Best Company Inc.
Notes	Debt obligations of a firm or public entity, usually maturing in less than ten years.
Pass-Through Security	A pass-through security is a security backed by a pool of mortgage loans or other debt instruments that provides the holder with the cash flow from the mortgage/debt payments. This income is passed through from the debtor to the investor by the financial institution or government agency issuing the security. The income payments are derived from and collateralized (or "backed") by a specified pool of underlying assets which are receivables. Pooling the assets into financial instruments allows them to be sold to general investors, a process called securitization, and allows the risk of investing in the underlying assets to be diversified because each security will represent a fraction of the total value of the diverse pool of underlying assets. The pools of underlying assets can comprise common payments such as credit cards, auto loans, mortgage loans, and other types of assets. Interest and principal is paid to investors from borrowers who are paying down their debt.
Portfolio	The combined holdings of all of an investor's investment assets.
Public Bank	A corporation organized under the Nonprofit Mutual Benefit Corporation Law or the Nonprofit Public Benefit Corporation Law for the purpose of engaging in the commercial banking business or industrial banking business that is wholly owned by a local agency or agencies, or a Joint Powers Authority.

Term	Description
Range Accrual Note	A range accrual note is a type of financial derivative product where the earning, or accrual, of the coupon rate, depends on the value of an index. The index could be an interest rate, currency exchange rate, the price of a commodity or stock index. If the index value falls within a specified range, the coupon accrues or is credited, interest. If the index value falls outside of the specified range, the coupon rate does not accumulate.
Repurchase Agreement	From the perspective of a local agency, the short-term, often overnight, purchase of securities with an agreement to resell the securities to the counterparty seller on or before a specified date at an agreed upon price.
Reverse Repurchase Agreement	From the perspective of a local agency, the sale of securities with an agreement to repurchase the securities from the counterparty buyer on or before a specified date at a specified price.
Return	The principal gains or losses (realized and unrealized) plus interest on an investment or portfolio of investments. In certain unfavorable market environments or due to risk factors, income derived from principal and interest may be less than the original amount invested.
Risk	The uncertainty of maintaining the principal or interest associated with an investment due to a variety of factors.
State & Local Investment Pools	The combined deposits of state and local agencies organized and operated by the state treasurer or a Joint Powers Agreement between local agencies. Deposits of various participating local agencies are pooled and invested. Each agency's returns are based upon their share of the amount invested in the pool. This increases investment efficiencies, decreases costs, provides liquidity, and utilizes investment expertise of the pool managers.
Supranational	A supranational entity is formed by two or more central governments with the purpose of promoting economic development for the member countries. Supranational institutions finance their activities by issuing debt, such as supranational bonds. Examples of supranational institutions include the European Investment Bank and the World Bank. Similarly to the government bonds, the bonds issued by these institutions are considered direct obligations of the issuing nations and have a high credit rating.
Treasury Bill	A Treasury bill (T-Bill) is a short-term debt obligation backed by the Treasury Department of the U.S. government with a maturity of less than one year, sold in denominations of \$1,000 up to a maximum purchase of \$5 million. T-bills have various maturities and are issued at a discount from par.
Treasury Bond	A Treasury bond (T-Bond) is a marketable, fixed-interest U.S. government debt security with a maturity of more than 10 years. Treasury bonds make interest payments semi-annually, and the income received

Term	Description
	is only taxed at the federal level. Treasury bonds are known in the market as primarily risk-free; they are issued by the U.S. government with very little risk of default.
Treasury Note	A Treasury note is a marketable U.S. government debt security with a fixed interest rate and a maturity between one and ten years. Treasury notes are available from the government with either a competitive or noncompetitive bid. With a competitive bid, investors specify the yield they want, at the risk that their bid may not be approved; with a noncompetitive bid, investors accept whatever yield is determined at auction.
Treasury STRIPS	Treasury STRIPS are fixed-income securities sold at a significant discount to face value and offer no interest payments because they mature at par. STRIPS is an acronym for Separate Trading of Registered Interest and Principal of Securities. These zero-coupon bonds come about when the bond's coupons are separated from the bond or note; and investor's return is determined by the difference between the purchase price and the bond's trading value, or face value if held to maturity.
Yield to Maturity	The rate of income return on an investment, minus any premium above par or plus any discount with the adjustment spread over the period from the date of the purchase to the date of maturity of the bond.



Agenda Item No. 12

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 10, 2022

SUBJECT:

QUARTER ENDING SEPTEMBER 30, 2022 – INVESTMENT REPORT

INFORMATIONAL ONLY

Budget Impact

None.

DISCUSSION:

Attachment A comprises a report of the San Diego Metropolitan Transit System (MTS) investments as of September 30, 2022. The combined total of all investments has increased quarter to quarter from \$137.0 million to \$214.6 million. This \$77.6 million increase is attributable to \$63.6 million in Federal Transit Administration (FTA) Preventative Maintenance revenue, \$14.4 million in FTA capital draws, \$7.0 million in American Rescue Plan Act of 2021 (ARPA), partially offset by 13.7 million in capital expenditures, as well as normal timing differences between other payments and receipts.

The first column provides details about investments restricted for capital improvement projects and PRONTO Stored Value (attachment A).

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

MTS remains in compliance with Board Policy 30 and is able to meet expenditure requirements for a minimum of the next six months as required.

/S/ Sharon Cooney

Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachment: A. Investment Report for the Quarter Ending September 30, 2022



**San Diego Metropolitan Transit System
Investment Report
September 30, 2022**

Institution / Issuer	Function	Investment Type	Restricted	Unrestricted	Total	Avg. Rate of Return	Benchmark	
J.P. Morgan Chase	Operating Funds	Depository Bank	-	56,463,333	56,463,333	0.39%	*	0.240% WSJ Money Market
U.S. Bank - Retention Trust Account	Restricted for Capital Support	Depository Bank	8,531,874	-	8,531,874	N/A	**	-
Local Agency Investment Fund (LAIF)	Restricted (Stored Value)	Investment Pool	4,120,861		4,120,861	1.513%		0.661% S&P US T-Bill 0-3 Mth Index
San Diego County Treasurer's Office	State Grant Funds	Investment Pool	18,785,861	6,843,085	25,628,946	1.680%		0.661% S&P US T-Bill 0-3 Mth Index
Subtotal: Restricted for Capital Support / Stored Value			31,438,595	6,843,085	38,281,680			
Local Agency Investment Fund (LAIF)	Investment of Surplus Funds	Investment Pool	-	60,885,744	60,885,744	1.513%		0.661% S&P US T-Bill 0-3 Mth Index
San Diego County Treasurer's Office	Investment of Surplus Funds	Investment Pool	-	58,923,130	58,923,130	1.680%		0.661% S&P US T-Bill 0-3 Mth Index
Subtotal: Investment Surplus Funds			-	119,808,874	119,808,874			
Grand Total Cash and Investments			\$ 31,438,595	\$ 183,115,292	\$ 214,553,887			

*-The .08% is an annual percentage yield on the average daily balance that exceeds \$30 million

** - Per trust agreements, interest earned on retention account is allocated to trust beneficiary (contractor)



Agenda Item No. 13

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 10, 2022

SUBJECT:

ACE PARKING LOT IMPROVEMENTS – WORK ORDER

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute Work Order MTSJOC347-03 to MTS Doc. No. PWG347.0-22 (in substantially the same format as Attachment A) with ABC General Contractor, Inc. (ABCGC) in the amount of \$140,183.26 for the upgrade of fencing, gates, lighting, striping, card reader, and cameras at the parking lot located at 1341 National Avenue, San Diego, CA (Ace Parking Lot).

Budget Impact

The total budget for this contract is \$140,183.26. Under separate MTS Doc No. L1282.0-16, with The Gordian Group, MTS will pay a 1.95% Job Order Contract (JOC) software license fee in the amount of \$2,733.57. This project is funded by San Diego Transit Corporation (SDTC) Operating Budget 902014-571250.

DISCUSSION:

MTS owns the ACE Parking Lot located 1341 National Avenue (bounded by Imperial Avenue, National Avenue, and 14th Street and adjacent to the 12th & Imperial Transit Center in downtown San Diego). The lot is currently leased to ACE Parking on a month-to-month basis. MTS is planning to convert the parking lot from a paid public lot to a Bus Operator Parking Lot for operators reporting to work at the Imperial Ave Division (IAD).

In order to make this conversion, the proposed work order will provide extensive fencing repair, close the lot entrance on Imperial Avenue, add secure gates with card readers for pedestrians, and a rolling gate for vehicles exiting/entering to and from National Avenue. The project also includes power and data cabling to support the installation of Light-Emitting Diode (LED) lighting, Closed-Circuit Television (CCTV) cameras, card readers, and new gates. Currently, bus operators struggle to obtain parking on nearby streets. The goal of this project is to simplify the commute to work process for Bus Operators and assist in MTS's on-going bus operator



recruiting efforts. On-site parking at IAD is also expected to be impacted by the upcoming electric charging infrastructure project that is necessary as part of the MTS Zero-Emission Bus transition plan.

This work will be completed by issuing a JOC work order to MTS's JOC contractor for civil construction services. JOC is a procurement method under which public agencies may accomplish frequently encountered repairs, maintenance, and construction projects through a single, competitively procured long-term agreement.

The JOC program includes a catalog of pricing for a variety of potential tasks to be performed under the contract that have been pre-priced by the contractor, The Gordian Group. All potential contractors are subject to the pricing within this catalog. Each contractor then includes an adjustment factor, escalating their proposed price from the catalog price, to determine the total cost of the task order. The adjustment factor represents an average percentage increase over the catalog price (i.e. 1.25 adjustment factor represents 25% above the catalog price) for that respective task within the project. In order to select the lowest responsive and responsible bidder, MTS staff compares each contractor's proposed adjustment factor.

On June 16, 2022 (AI 14), after a competitive Invitation for Bids process, the MTS Board authorized the CEO to execute MTS Doc. No. PWG347.0-22 with ABCGC for Civil Construction Services. Civil Construction Services includes work that primarily consists of repair, remodeling, or other repetitive work civil construction activities, general civil and site improvements (i.e., earthwork, utilities, paving, concrete, drainage, landscaping mitigation, site clearing), and all required incidental professional and technical services.

Today's proposed action will issue a work order to ABCGC under this JOC master agreement. Staff has reviewed the pricing for this repair work order and determined it to be fair and reasonable. ABCGC will be providing all materials, labor and equipment for the ACE Parking upgrade. Work is expected to be completed by December 2022. For this work order, ABCGC has identified Access Professional System, American Temp Fence, and The Doctor of Electricity as its subcontractors (as shown in Exhibit C of Attachment A).

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute Work Order MTSJOC347-03 to MTS Doc. No. PWG347.0-22 (in substantially the same format as Attachment A) with ABCGC in the amount of \$140,183.26 to upgrade the fencing, gates, lighting, striping, card reader, and cameras at the ACE Parking Lot.

/S/ Sharon Cooney
Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachment: A. Draft Work Order



Metropolitan Transit System

JOB ORDER CONTRACT WORK ORDER

PWG347.0-22
CONTRACT NUMBER

MTSJOC347-03
WORK ORDER NUMBER

THIS AGREEMENT is entered into this _____ day of _____, 2022, 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: ABC General Contractor, Inc. Address: 3120 National Avenue

Form of Business: Corporation San Diego, CA 92113
(Corporation, partnership, sole proprietor, etc.)

Telephone: 619.937.1010

Authorized person to sign contracts: Travis Brozowski President
Name Title

Pursuant to the existing Job Order Contract (MTS Doc. No. PWG347.0-22), MTS issues a Work Order to Contractor to complete the detailed Scope of Work (attached as Exhibit A.), the Cost Breakdown for the Scope of Work (attached as Exhibit B.), and the subcontractor listing form applicable to this Work Order (attached as Exhibit C.)

TOTAL PAYMENTS TO CONTRACTOR SHALL NOT EXCEED \$140,183.26

<u>SAN DIEGO METROPOLITAN TRANSIT SYSTEM</u>	<u>ABC GENERAL CONTRACTOR, INC.</u>
By: <u>Sharon Cooney, Chief Executive Officer</u>	Firm: _____
Approved as to form:	By: _____ Signature
By: <u>Karen Landers, General Counsel</u>	Title: _____



EXHIBIT A (Scope of Work)



Detailed Scope of Work

Job Order Contract

Date: 09/23/2022

To: Wayne Czubernat
Project Manager
ABC Construction, Inc.
3120 National Ave
San Diego, Ca 92113
Phone: (619) 239-3428
Fax: (619) 239-6614

From: Thang Nguyen
Systems Engineer
San Diego Metropolitan Transit System
1255 Imperial Ave, Suite 900
San Diego, CA 92101
Phone: (619) 557-4560
Fax:

Project: MTSJOC347-03

MTS Work Order Number: TBD

Title: ACE Parking Lot Modifications

Location:

Railroad Protective: ☐ Yes ☒ No

Detailed Scope of Work

The Contractor shall complete the construction of this project in its entirety and shall provide all labor, materials, equipment, and traffic control, procuring all materials and performing all other work necessary to complete the work in accordance with the Detailed Scope of Work.

This work consists of the followings:

- Addition of extra fencing to close off driveway
- Install motorized gate with MTS Card Reader (ESS)
- Replace Light- pole with brighter Lighting
- Install Security Camera (ESS)
- Install Pedestrian Gate with MTS Card Reader (ESS)
- Repaint Existing Striping
- Removal of ACE Signs and Pay Meter (ACE)

Traffic Control:

It is the Contractor's responsibility to barricade the work area and to prevent pedestrians from entering the job site.

Submittals:

Work Schedule, materials submittal

Work Windows:

Monday-Friday from 6 AM to 4 PM

Durations:

60 working calendar days

Thang Nguyen, Systems Engineer

Date

Wayne Czubernat, Project Manager

Date

EXHIBIT B

(Cost Breakdown)



Price Proposal Detail

By Division Report

Version: 2.0

Approved 10/20/2022 08:18:39 AM PST

Proposal Value: \$140,183.26

Approved Date: October 20, 2022

Job Order: MTSJOC347-03

Job Order Name: ACE Parking Lot Mods

Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

Division		Install Total	NPP Total	Demo Total	Division Total
01	General Requirements	\$48,233.65	\$0.00	\$0.00	\$48,233.65
02	Existing Conditions	\$6,053.75	\$0.00	\$0.00	\$6,053.75
03	Concrete	\$3,647.62	\$0.00	\$0.00	\$3,647.62
10	Specialties	\$643.62	\$0.00	\$0.00	\$643.62
26	Electrical	\$13,288.37	\$0.00	\$425.97	\$13,714.34
31	Earthwork	\$3,020.35	\$0.00	\$0.00	\$3,020.35
32	Exterior Improvements	\$64,478.28	\$0.00	\$391.65	\$64,869.93
Line Count: 65		Proposal Total:			\$140,183.26
The Percentage of Non Pre-Priced on this Proposal:					0.00%



Price Proposal Detail

By Division Report

Version: 2.0

Approved 10/20/2022 08:18:39 AM PST

Proposal Value: \$140,183.26

Approved Date: October 20, 2022

Job Order: MTSJOC347-03

Job Order Name: ACE Parking Lot Mods

Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

01 General Requirements

\$48,233.65

Record #	CSI Number	Description	Type	Quantity	Unit Price	UOM	Factor	Line Total
1	012216000004	Reimbursable Fees	Installation	756.00	\$1.00	EA	1.0890	\$823.28
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	EA	1.0890	\$0.00

Includes Labor No Includes Equipment No Includes Materials Yes

User Note: Concrete for trenching
pw set up 540
pw truck fee 216 per truck

Item Note: Reimbursable Fees will be paid to the contractor for eligible costs as directed by Owner. Insert the appropriate quantity to adjust the base cost to the actual Reimbursable Fee. If there are multiple Reimbursable Fees, list each one separately and add a comment in the "note" block to identify the Reimbursable Fee (e.g. sidewalk closure, road cut, various permits, extended warranty, expedited shipping costs, etc.). A copy of each receipt shall be submitted with the Price Proposal.

Total:								\$823.28
2	012216000004	Reimbursable Fees	Installation	756.00	\$1.00	EA	1.0890	\$823.28
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	EA	1.0890	\$0.00

Includes Labor No Includes Equipment No Includes Materials Yes

User Note: concrete for fence work
pw set fee 540
pw truck fee 216 per truck

Item Note: Reimbursable Fees will be paid to the contractor for eligible costs as directed by Owner. Insert the appropriate quantity to adjust the base cost to the actual Reimbursable Fee. If there are multiple Reimbursable Fees, list each one separately and add a comment in the "note" block to identify the Reimbursable Fee (e.g. sidewalk closure, road cut, various permits, extended warranty, expedited shipping costs, etc.). A copy of each receipt shall be submitted with the Price Proposal.

Total:								\$823.28
3	012220000027	Laborer	Installation	160.00	\$74.04	HR	1.0890	\$12,900.73
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	HR	1.0890	\$0.00

Includes Labor Yes Includes Equipment No Includes Materials No

User Note: Trenching: 2 days of removal, 2 days of backfill
AC: 1 day
(4 men)

Item Note: For tasks not included in the Construction Task Catalog® and as directed by owner only.

Total:								\$12,900.73
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Price Proposal Detail

By Division Report

Version: 2.0

Approved 10/20/2022 08:18:39 AM PST

Proposal Value: \$140,183.26

Approved Date: October 20, 2022

Job Order: MTSJOC347-03

Job Order Name: ACE Parking Lot Mods

Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

4	012223000058	25' Electric, Scissor Platform Lift	Installation	2.00	\$206.34	DAY	1.0890	\$449.41
Accepted	<i>History: 2.0 Accepted, 1.1 Added</i>		Demo:	0.000000	\$0.00	DAY	1.0890	\$0.00

Includes Labor No Includes Equipment No Includes Materials Yes

User Note: for light replacement

Item Note:

Total:								\$449.41
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5	012223000289	3,000 LB Capacity, 78" Wide, Tracked Skid-Steer Loader With Full-Time Operator	Installation	4.00	\$1,287.24	DAY	1.0890	\$5,607.22
Accepted	<i>History: 2.0 Accepted, 1.1 Added</i>		Demo:	0.000000	\$0.00	DAY	1.0890	\$0.00

Includes Labor Yes Includes Equipment No Includes Materials Yes

User Note: 2 days of removal, 2 days of backfill

Item Note:

Total:								\$5,607.22
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6	012223000289	3,000 LB Capacity, 78" Wide, Tracked Skid-Steer Loader With Full-Time Operator	Installation	2.00	\$1,287.24	DAY	1.0890	\$2,803.61
Accepted	<i>History: 2.0 Accepted, 1.1 Added</i>		Demo:	0.000000	\$0.00	DAY	1.0890	\$0.00

Includes Labor Yes Includes Equipment No Includes Materials Yes

User Note: For fence work

Item Note:

Total:								\$2,803.61
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7	012223000301	Broom Attachment For Skid-Steer Loaders	Installation	4.00	\$95.24	DAY	1.0890	\$414.87
Accepted	<i>History: 2.0 Accepted, 1.1 Added</i>		Demo:	0.000000	\$0.00	DAY	1.0890	\$0.00

Includes Labor No Includes Equipment No Includes Materials Yes

Total:	\$414.87
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Price Proposal Detail

By Division Report

Version: 2.0

Approved 10/20/2022 08:18:39 AM PST

Proposal Value: \$140,183.26

Approved Date: October 20, 2022

Job Order: MTSJOC347-03

Job Order Name: ACE Parking Lot Mods

Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

8	012223000307	Auger Attachment (Excludes Bits And Extensions) For Skid-Steer Loaders	Installation	1.00	\$83.08	DAY	1.0890	\$90.47
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	DAY	1.0890	\$0.00

Includes Labor No Includes Equipment No Includes Materials Yes

								Total:	\$90.47
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9	012223000419	3,500 LB Mini-Excavator With Full-Time Operator	Installation	4.00	\$1,002.01	DAY	1.0890	\$4,364.76
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	DAY	1.0890	\$0.00

Includes Labor Yes Includes Equipment No Includes Materials Yes

User Note: 2 days of removal, 2 days of backfill

Item Note:

								Total:	\$4,364.76
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10	012223001330	13 CY Rear Dump Truck With Full-Time Truck Driver	Installation	1.00	\$1,621.69	DAY	1.0890	\$1,766.02
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	DAY	1.0890	\$0.00

Includes Labor Yes Includes Equipment No Includes Materials Yes

User Note: for fence debris removal

Item Note:

								Total:	\$1,766.02
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11	012223001333	18 CY Rear Dump Truck With Full-Time Truck Driver	Installation	5.00	\$1,726.52	DAY	1.0890	\$9,400.90
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	DAY	1.0890	\$0.00

Includes Labor Yes Includes Equipment No Includes Materials Yes

User Note: Trenching: 2 days of removal, 2 days of backfill
AC: 1 day

Item Note:

								Total:	\$9,400.90
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* Includes Price Changes due to Construction Task Catalog update



Price Proposal Detail

By Division Report

Version: 2.0

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Proposal Value: \$140,183.26

Approved Date: October 20, 2022

Job Order: MTSJOC347-03

Job Order Name: ACE Parking Lot Mods

Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

12	012223001361	500 To 600 Gallon Water Trailer With Pump	Installation	5.00	\$114.75	DAY	1.0890	\$624.81
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	DAY	1.0890	\$0.00

Includes Labor No Includes Equipment No Includes Materials Yes

User Note: Trenching: 2 days of removal, 2 days of backfill
AC: 1 day

Item Note:

								Total:	\$624.81
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13	015526000028	28" Cone With Reflective Collar	Installation	375.00	\$0.50	DAY	1.0890	\$204.19
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	DAY	1.0890	\$0.00

Includes Labor No Includes Equipment No Includes Materials Yes

User Note: 25 each x 15 days

Item Note:

								Total:	\$204.19
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14	015526000043	Type II Barricade, Up To 3' Wide With Two Reflective Rails Each Side	Installation	90.00	\$2.36	DAY	1.0890	\$231.30
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	DAY	1.0890	\$0.00

Includes Labor No Includes Equipment No Includes Materials Yes

User Note: 6 each x 15 days

Item Note:

								Total:	\$231.30
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15	015526000104	Placement And Removal Of Up To 250 Cones Using Truck	Installation	25.00	\$3.86	EA	1.0890	\$105.09
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials No

								Total:	\$105.09
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Price Proposal Detail

By Division Report

Version: 2.0

Approved 10/20/2022 08:18:39 AM PST

Proposal Value: \$140,183.26

Approved Date: October 20, 2022

Job Order: MTSJOC347-03

Job Order Name: ACE Parking Lot Mods

Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

16	015626000108	Placement And Removal Of Up To 250 Barricades Using Truck	Installation	6.00	\$7.71	EA	1.0890	\$50.38
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials No

							Total:	\$50.38
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17	015626000005	Temporary 6' High Chain Link Fence And Posts, Up To 6 Months	Installation	210.00	\$6.35	LF	1.0890	\$1,452.18
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	LF	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

							Total:	\$1,452.18
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18	017113000004	First 25 Miles, Equipment Delivery, Pickup, Mobilization And Demobilization Using A Tractor Trailer With Up To 53' Bed	Installation	3.00	\$715.07	EA	1.0890	\$2,336.13
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials No

User Note: bobcat, mini exc & boom

Item Note: Includes loading, tie-down of equipment, delivery of equipment, off loading on site, rigging, dismantling, loading for return and transporting away. For equipment such as bulldozers, motor scrapers, hydraulic excavators, gradalls, road graders, loader-backhoes, heavy duty construction loaders, tractors, pavers, rollers, bridge finishers, straight mast construction forklifts, telescoping boom rough terrain construction forklifts, telescoping and articulating boom man lifts with >40' boom lengths, etc.

							Total:	\$2,336.13
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Price Proposal Detail

By Division Report

Version: 2.0

Approved 10/20/2022 08:18:39 AM PST

Proposal Value: \$140,183.26

Approved Date: October 20, 2022

Job Order: MTSJOC347-03

Job Order Name: ACE Parking Lot Mods

Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

19	017113000004	First 25 Miles, Equipment Delivery, Pickup, Mobilization And Demobilization Using A Tractor Trailer With Up To 53' Bed	Installation	1.00	\$715.07	EA	1.0890	\$778.71
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials No

User Note: bobcat

Item Note: Includes loading, tie-down of equipment, delivery of equipment, off loading on site, rigging, dismantling, loading for return and transporting away. For equipment such as bulldozers, motor scrapers, hydraulic excavators, gradalls, road graders, loader-backhoes, heavy duty construction loaders, tractors, pavers, rollers, bridge finishers, straight mast construction forklifts, telescoping boom rough terrain construction forklifts, telescoping and articulating boom man lifts with >40' boom lengths, etc.

							Total:	\$778.71
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20	017113000005	>25 Miles, Equipment Delivery And Pickup Using A Tractor Trailer With Up To 53' Bed	Installation	15.00	\$8.54	MI	1.0890	\$139.50
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	MI	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials No

User Note: 3 each x 5 miles

Item Note: Excludes first 25 miles.

							Total:	\$139.50
--	--	--	--	--	--	--	--------	----------

21	017123160008	Survey Property Lines On Cleared Land	Installation	450.00	\$2.44	LF	1.0890	\$1,195.72
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	LF	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials No

User Note: Layout of fencing, trenching, gates etc.

Item Note:

							Total:	\$1,195.72
--	--	--	--	--	--	--	--------	------------



Price Proposal Detail

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Approved Date: October 20, 2022

Job Order: MTSJOC347-03

Job Order Name: ACE Parking Lot Mods

Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

22	017123160019	Survey Clear Area For Underground Utilities	Installation	0.00	\$5,567.02	ACR	1.0890	\$0.00
Accepted	History: 2.0 Accepted, 1.1 Added		Demo:	0.000000	\$0.00	ACR	1.0890	\$0.00

Includes Labor No Includes Equipment No Includes Materials No

User Note: Utility markout of parking lot (1/2 ACR)

Item Note:

							Total:	\$0.00
23	017419000021	Rampless Concrete Washout Bin	Installation	1.00	\$555.08	MO	1.0890	\$604.48
Accepted	History: 2.0 Accepted, 1.1 Added		Demo:	0.000000	\$0.00	MO	1.0890	\$0.00

Includes Labor No Includes Equipment No Includes Materials Yes

							Total:	\$604.48
24	017419000036	General Refuse	Installation	20.00	\$44.52	TON	1.0890	\$969.65
Accepted	History: 2.0 Accepted, 1.1 Added		Demo:	0.000000	\$0.00	TON	1.0890	\$0.00

Includes Labor No Includes Equipment No Includes Materials Yes

User Note: 1 load out

Item Note:

							Total:	\$969.65
25	017419000036	General Refuse	Installation	2.00	\$44.52	TON	1.0890	\$96.96
Accepted	History: 2.0 Accepted, 1.1 Added		Demo:	0.000000	\$0.00	TON	1.0890	\$0.00

Includes Labor No Includes Equipment No Includes Materials Yes

								Total:	\$96.96
02 Existing Conditions								\$6,053.75	
Record #	CSI Number	Description	Type	Quantity	Unit Price	UOM	Factor	Line Total	

* Includes Price Changes due to Construction Task Catalog update



Price Proposal Detail

By Division Report

Version: 2.0

Approved 10/20/2022 08:18:39 AM PST

Proposal Value: \$140,183.26

Approved Date: October 20, 2022

Job Order: MTSJOC347-03

Job Order Name: ACE Parking Lot Mods

Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

26	024119130058	Bituminous Paving Up To 4" Depth, Saw Cut	Installation	600.00	\$1.97	LF	1.0890	\$1,287.20
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	LF	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

							Total:	\$1,287.20
27	024119130259	Drill 12" Diameter Core In >4" To 6" Asphalt	Installation	20.00	\$218.85	EA	1.0890	\$4,766.55
Accepted	History: 2.0 Accepted, 1.1 Added		Demo:	0.000000	\$0.00	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

User Note: 18 Fence post holes in existing AC plus 2 goosenecks for ESS

Item Note:

								Total:	\$4,766.55
--	--	--	--	--	--	--	--	--------	------------

03 Concrete								\$3,647.62
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Record #	CSI Number	Description	Type	Quantity	Unit Price	UOM	Factor	Line Total
28	033113000094	Delivery Fee For Concrete Purchases Per CY For Each CY Less Than 9 CY	Installation	6.00	\$19.14	CY	1.0890	\$125.06
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	CY	1.0890	\$0.00

Includes Labor No Includes Equipment No Includes Materials Yes

User Note: concrete short load for trenching

Item Note: The task quantity is 9 minus the number of CY's delivered. For example, the delivery fee for 2CY's is: (9-2) = 7.

								Total:	\$125.06
--	--	--	--	--	--	--	--	--------	----------



Price Proposal Detail

By Division Report

Version: 2.0

Approved 10/20/2022 08:18:39 AM PST

Proposal Value: \$140,183.26

Approved Date: October 20, 2022

Job Order: MTSJOC347-03

Job Order Name: ACE Parking Lot Mods

Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

29	033113000094	Delivery Fee For Concrete Purchases Per CY For Each CY Less Than 9 CY	Installation	8.00	\$19.14	CY	1.0890	\$166.75
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	CY	1.0890	\$0.00

Includes Labor No Includes Equipment No Includes Materials Yes

User Note: concrete short load for fencing

Item Note: The task quantity is 9 minus the number of CY's delivered. For example, the delivery fee for 2CY's is: (9-2) = 7.

							Total:	\$166.75
30	033113000097	4" Equipment Pad With Welded Wire Reinforcement	Installation	10.00	\$15.03	SF	1.0890	\$163.68
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	SF	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

User Note: gate motor & key pad

Item Note:

							Total:	\$163.68
31	033113000099	6" Equipment Pad With Rebar	Installation	125.00	\$23.45	SF	1.0890	\$3,192.13
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	SF	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

User Note: v track for gate
Motor Pad
Electrical cabinet pad

Item Note:

							Total:	\$3,192.13
10 Specialties								\$643.62
Record #	CSI Number	Description	Type	Quantity	Unit Price	UOM	Factor	Line Total



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Job Order: MTSJOC347-03

Job Order Name: ACE Parking Lot Mods

Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

32	104116000004	6" High x 6" Wide x 4-1/2" Deep, Black Finish, Surface Mount, Fire Department Emergency Storage Box (Knox-Vault 4100)	Installation	1.00	\$591.02	EA	1.0890	\$643.62
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$28.76	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

								Total:	\$643.62
26 Electrical									\$13,714.34

Record #	CSI Number	Description	Type	Quantity	Unit Price	UOM	Factor	Line Total
33	260519160023	#14 AWG, XLP (XHHW-2), 600 Volt Copper, Single Stranded, Power Cable, Installed In Conduit	Installation	2.00	\$554.05	MLF	1.0890	\$1,206.72
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$173.05	MLF	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

								Total:	\$1,206.72
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34	260533131441	1" Schedule 40 Polyvinyl Chloride (PVC) Conduit With Coupled End	Installation	600.00	\$4.15	LF	1.0890	\$2,711.61
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$1.52	LF	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

User Note: Power and Comm (-300ea)

Item Note:

								Total:	\$2,711.61
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Job Order: MTSJOC347-03

Job Order Name: ACE Parking Lot Mods

Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

35	260533131454	1" Schedule 40 Polyvinyl Chloride (PVC) Conduit 90 Degree Elbow	Installation	24.00	\$19.56	EA	1.0890	\$511.22
Accepted	History: 2.0 Accepted, 1.1 Added		Demo:	0.000000	\$7.24	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

							Total:	\$511.22
--	--	--	--	--	--	--	--------	----------

36	260533131467	1" Schedule 40 Polyvinyl Chloride (PVC) Conduit 45 Degree Elbow	Installation	24.00	\$19.49	EA	1.0890	\$509.39
Accepted	History: 2.0 Accepted, 1.1 Added		Demo:	0.000000	\$7.24	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

							Total:	\$509.39
--	--	--	--	--	--	--	--------	----------

37	262716000237	42" x 30" x 12" Hinged Cover, Galvanized Steel NEMA 3R Enclosure	Installation	1.00	\$1,277.78	EA	1.0890	\$1,391.50
Accepted	History: 2.0 Accepted, 1.1 Added		Demo:	0.000000	\$132.65	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

							Total:	\$1,391.50
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Job Order Name: ACE Parking Lot Mods

Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

38	265619000171	120 LEDs, 267 System Watts, Direct Or Arm Mount, Rectangular, High Output, LED Area Fixture (CREE® BetaLED® Edge® ARE-EHO)	Installation	4.00	\$1,597.32	EA	1.0890	\$6,957.93
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	4.000000	\$97.79	EA	1.0890	\$425.97

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

User Note: remove and replace existing four lights on existing pole

Item Note:

							Total:	\$7,383.90
31 Earthwork								\$3,020.35

Record #	CSI Number	Description	Type	Quantity	Unit Price	UOM	Factor	Line Total
39	310513000016	SDG&E B20 Sand	Installation	51.00	\$34.00	TON	1.0890	\$1,888.33
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	TON	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

User Note: backfill as needed for trenching
300LF x2' x 18" = 34 CY

Item Note:

							Total:	\$1,888.33
--	--	--	--	--	--	--	--------	------------

40	312514230014	50 LB Capacity Gravel Bag With Gravel	Installation	100.00	\$8.40	BAG	1.0890	\$914.76
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$2.36	BAG	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

User Note: BMP's for trenching as needed

Item Note:

							Total:	\$914.76
--	--	--	--	--	--	--	--------	----------



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Job Order Name: ACE Parking Lot Mods

Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

41	312514260030	12" Diameter Fiber Roll, (Sterile Straw Filled Rolls, With Natural Fiber Wrapping), CALTRANS Type 1	Installation	25.00	\$7.98	LF	1.0890	\$217.26
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	LF	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

User Note: BMP's for trenching as needed

Item Note:

							Total:	\$217.26
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32 Exterior Improvements								\$64,869.93
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Record #	CSI Number	Description	Type	Quantity	Unit Price	UOM	Factor	Line Total
42	320116710009	>3" To 6" Depth, Limited Cold Milling Of Asphalt	Installation	300.00	\$29.50	SY	1.0890	\$9,637.65
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	SY	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials No

User Note: Removal of existing ac for trenching 300SF

Item Note:

							Total:	\$9,637.65
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43	320117630024	Asphalt Placement For Small Repair Areas, Hot Mix, Up To 3 Tons	Installation	8.00	\$1,754.57	EA	1.0890	\$15,285.81
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

User Note: 6 trenches, around gate motor and key pad

Item Note: For small areas of existing asphalt is removed to allow work such as trenching across or in a road, excavating a drainage structure, uncovering a utility line, etc.

							Total:	\$15,285.81
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Job Order Name: ACE Parking Lot Mods

Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

44	321713190001	6" x 8" x 4' Precast Concrete Wheel Stop With Dowels	Installation	3.00	\$38.27	EA	1.0890	\$125.03
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$18.66	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

Total:								\$125.03
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45	321723130120	Single 4" Wide Solid Line, Painted Pavement Striping For Parking Areas	Installation	400.00	\$0.85	LF	1.0890	\$370.26
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	LF	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

Total:								\$370.26
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46	323111000026	5,000 LB Capacity, Up To 100' Wide Gate, 3 HP Motor, 208/230 Volt AC, Variable Speed, Sliding Gate Operator (DKS™ DoorKing® 9230)	Installation	1.00	\$8,955.17	EA	1.0890	\$9,752.18
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$298.21	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

Total:								\$9,752.18
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47	323111000031	Two Channel Detector Loop For Gate Actuators And Operators (DKS™ DoorKing® 9409)	Installation	6.00	\$957.98	EA	1.0890	\$6,259.44
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

User Note: 4 loops and 2 safety loops

Item Note:

Total:								\$6,259.44
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* Includes Price Changes due to Construction Task Catalog update



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Job Order: MTSJOC347-03

Job Order Name: ACE Parking Lot Mods

Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

48	323111000033	Photoelectric Eye For Gate Actuators And Operators (DKS™ DoorKing® 8080-031)	Installation	1.00	\$673.61	EA	1.0890	\$733.56
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

Total:								\$733.56
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49	323111000034	Reversing Edge Sensor For Gate Actuators And Operators (DKS™ DoorKing® 8080-020)	Installation	1.00	\$604.39	EA	1.0890	\$658.18
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

Total:								\$658.18
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50	323113130010	12" Diameter Hole, Auger By Machine Fence Post Hole In Soil	Installation	54.00	\$17.65	VLF	1.0890	\$1,037.93
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	VLF	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials No

User Note: Dirt portion of post holes
18 holes @ 3 VLF each

Item Note:

Total:								\$1,037.93
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51	323113130027	12" Diameter, Concrete Fill For Post Hole	Installation	54.00	\$21.16	VLF	1.0890	\$1,244.33
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	VLF	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

User Note: 18 holes @ 3 VLF each

Item Note:

Total:								\$1,244.33
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Price Proposal Detail

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Approved Date: October 20, 2022

Job Order: MTSJOC347-03

Job Order Name: ACE Parking Lot Mods

Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

52	323113130076	2" Outside Diameter Galvanized Steel Post, 7' To 10' In Length	Installation	108.00	\$9.49	LF	1.0890	\$1,116.14
Accepted	History: 2.0 Accepted, 1.1 Added		Demo:	0.000000	\$2.00	LF	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

								Total:	\$1,116.14
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53	323113130076	For Vinyl Coated, Add	MOD: 0152	Installation	108.00	\$3.25	LF	1.0890	\$382.24
Accepted	History: 2.0 Accepted, 1.1 Added								

								Total:	\$382.24
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54	323113130097	4" Outside Diameter Galvanized Steel Post, 7' To 10' In Length	Installation	54.00	\$22.26	LF	1.0890	\$1,309.02
Accepted	History: 2.0 Accepted, 1.1 Added		Demo:	0.000000	\$2.37	LF	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

User Note: 6 gate post

Item Note:

								Total:	\$1,309.02
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55	323113130097	For Vinyl Coated, Add	MOD: 0152	Installation	54.00	\$10.48	LF	1.0890	\$616.29
Accepted	History: 2.0 Accepted, 1.1 Added								

								Total:	\$616.29
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Job Order: MTSJOC347-03

Job Order Name: ACE Parking Lot Mods

Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

56	323113130169	2" Vinyl Coated Rail, 0.09" Wall Thickness, Tie Wires And Fittings	Installation	94.00	\$7.96	LF	1.0890	\$814.83
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	32.000000	\$1.27	LF	1.0890	\$44.26

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

								Total:	\$859.09
57	323113130169	For SS40, Add	MOD: 0178	Installation	94.00	\$0.54	LF	1.0890	\$55.28
Accepted		History: 2.0 Accepted, 1.1 Added							

								Total:	\$55.28
58	323113130169	For Powder Coated, Add	MOD: 0179	Installation	94.00	\$1.08	LF	1.0890	\$110.56
Accepted		History: 2.0 Accepted, 1.1 Added							

								Total:	\$110.56
59	323113130186	6' Full Height Vinyl Coated Fabric Chain Link #9 Gauge Fused, 2" Mesh		Installation	220.00	\$14.90	LF	1.0890	\$3,569.74
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	100.000000	\$3.19	LF	1.0890	\$347.39	

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

								Total:	\$3,917.13
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Job Order: MTSJOC347-03

Job Order Name: ACE Parking Lot Mods

Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

60	323113130640	Galvanized Steel V-Groove Gate Track	Installation	35.00	\$35.62	LF	1.0890	\$1,357.66
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$9.04	LF	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

							Total:	\$1,357.66
61	323113130725	Grounding For Gates (Per Opening)	Installation	3.00	\$400.13	OPN	1.0890	\$1,307.22
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	OPN	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

							Total:	\$1,307.22
62	323119000109	4' Wide x 6' High Steel Tube Single Swing Gate	Installation	2.00	\$748.60	EA	1.0890	\$1,630.45
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$23.32	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

User Note: 2 6' wrought iron ped gates

Item Note: Includes mounting hardware and associated trim.

								Total:	\$1,630.45
63	323119000109	For 1" Square x 14 Gauge Pickets, Add	MOD: 0131	Installation	12.00	\$67.85	EA	1.0890	\$886.66
Accepted		History: 2.0 Accepted, 1.1 Added							

								Total:	\$886.66
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Job Order: MTSJOC347-03

Job Order Name: ACE Parking Lot Mods

Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

64	323119000123	16' Wide x 6' High Steel Tube Double Swing Gate	Installation	1.00	\$2,337.82	EA	1.0890	\$2,545.89
Accepted		<i>History: 2.0 Accepted, 1.1 Added</i>	Demo:	0.000000	\$80.70	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

User Note: 16' rolling wrought iron gate

Item Note: Includes mounting hardware and associated trim.

							Total:	\$2,545.89
--	--	--	--	--	--	--	---------------	-------------------

65	323119000123	For 1" Square x 14 Gauge Pickets, Add	MOD: 0131	Installation	16.00	\$210.74	EA	1.0890	\$3,671.93
Accepted		<i>History: 2.0 Accepted, 1.1 Added</i>							

							Total:	\$3,671.93
--	--	--	--	--	--	--	---------------	-------------------

							Proposal Total:	\$140,183.26
Div							The Percentage of Non Pre-Priced on this Proposal:	0.00%

EXHIBIT C
(Subcontractor Listing)



San Diego Metropolitan Transit System

1255 Imperial Ave
San Diego, CA 92101

Subcontractor Report

Date: 10/20/2022

Job Order Contracting

Contract #: PWG347.0-22
Job Order #: MTSJOC347-03
Job Order Title: ACE Parking Lot Mods
Location: Building A
Contractor: ABC General Inc.
Subcontractors: Access Professional Systems
 Koch General Engineering
 the doctor of electricity

Subcontractor Name	License Number	Describe Nature of Work (Trade)	Certifications	Subcontractor Total	%
Access Professional Systems 1955 Cordell Ct, El Cajon, CA 92020	430971	fencing		\$52,915.00	37.75%
Koch General Engineering PO Box 1190, Lakeside, CA 92040	1023489A	placing asphalt patching		\$18,675.00	13.32%
the doctor of electricity 41815 Hawthorne Street, Murrieta, CA 92562	517763	Electrician		\$12,125.00	8.65%



Agenda Item No. 14

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 10, 2022

SUBJECT:

ADOPTION OF 2022 CONFLICT OF INTEREST CODE – AMENDMENT

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors:

- 1) Adopt Resolution No. 22-16 (Attachment A) amending the MTS Conflict of Interest Code pursuant to the Political Reform Act of 1974;
- 2) Adopt the amended 2022 MTS Conflict of Interest Code (in substantially the same format as Attachment B); and
- 3) Forward the amended 2022 MTS Conflict of Interest Code to the County of San Diego (the designated code-reviewing body).

Budget Impact

None.

DISCUSSION:

The Political Reform Act (the “Act”) requires all public agencies to adopt and maintain a Conflict of Interest Code containing the rules for disclosure of personal assets. Except for positions listed in Gov. Code § 87200, the Conflict of Interest Code must specifically designate all agency positions that make or participate in the making of decisions and assign specific types of personal assets to be disclosed that may be affected by the exercise of powers and duties of that position.

The Act further requires that an agency amend its Conflict of Interest Code when change is necessitated by changed circumstances which include the need to designate positions.

In July 2022, the MTS Board of Directors approved the adoption of the 2022 Conflict of Interest Code update. Since that approval, there have been additional amendments included in the



Code, which are reflected in Attachment B. It is proposed that MTS's Conflict of Interest Code be amended to include new positions that must be designated, delete titles of positions that have been abolished and/or positions that no longer make or participate in making governmental decisions and revises the MTS's filing officer information.

Therefore, staff recommends the MTS Board of Directors:

- 1) Adopt Resolution No. 22-16 (Attachment A) amending the MTS Conflict of Interest Code pursuant to the Political Reform Act of 1974;
- 2) Adopt the amended 2022 MTS Conflict of Interest Code (in substantially the same format as Attachment B); and
- 3) Forward the amended 2022 MTS Conflict of Interest Code to the County of San Diego (the designated code-reviewing body).

/S/ Sharon Cooney

Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachments: A. Resolution 22-16
B. Redline of Amendment to 2022 Conflict of Interest Code
C. Notice of Intent

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Resolution No. 22-16

Resolution of The Board of Directors of the San Diego Metropolitan Transit System Adopting an Amended Conflict of Interest Code Pursuant to the Political Reform Act of 1974

WHEREAS, the State of California enacted the Political Reform Act of 1974, Government Code Section 81000 et seq. (the "Act"), which contains provisions relating to conflicts of interest which potentially affect all officers, employees and consultants of the San Diego Metropolitan Transit System ("MTS") and requires all public agencies to adopt and promulgate a Conflict of Interest Code; and

WHEREAS, the potential penalties for violation of the provisions of the Act are substantial and may include criminal and civil liability, as well as equitable relief which could result in MTS being restrained or prevented from acting in cases where the provisions of the Act may have been violated; and

WHEREAS, the Board of Directors adopted a Conflict of Interest Code (the "Code") which was amended on July 21, 2022, in compliance with the Act; and

WHEREAS, subsequent changed circumstances within MTS have made it advisable and necessary pursuant to Sections 87306 and 87307 of the Act to amend and update MTS's Code; and

WHEREAS, notice of the time and place of a public meeting on, and of consideration by the Board of Directors of, the proposed amended Conflict of Interest Code was provided each designated employee and publicly posted for review at the offices of MTS; and

WHEREAS, a public meeting was held upon the proposed amended Conflict of Interest Code at a regular meeting of the Board of Directors on November 10, 2022, at which all present were given an opportunity to be heard on the proposed amended Conflict of Interest Code.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Board of Directors does hereby adopt the proposed amended Conflict of Interest Code, a copy of which is attached hereto and shall be on file with the General Counsel and available to the public for inspection and copying during regular business hours.

SECTION 2. The said amended Conflict of Interest Code shall be submitted to the Board of Supervisors of the County of San Diego for approval.

SECTION 3. The said amended Conflict of Interest Code shall become effective immediately after the Board of Supervisors approves the proposed amended Code as submitted.

PASSED AND ADOPTED by the Board of Directors this 10th day of November, 2022 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

General Counsel
San Diego Metropolitan Transit System

Resolution 22-16

Attachment: A. Final Conflict of Interest Code

LAW OFFICES OF
BEST BEST & KRIEGER LLP

**CONFLICT OF INTEREST CODE
OF THE
SAN DIEGO METROPOLITAN
TRANSIT SYSTEM**

LAW OFFICES OF
BEST BEST & KRIEGER LLP

CONFLICT OF INTEREST CODE

OF THE

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

(Amended November 10, 2022)

The Political Reform Act, (Government Code Sections 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. 18730) that contains the terms of a standard model conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing Section 18730 may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This incorporation page, Regulation 18730 and the attached Appendix designating positions and establishing disclosure categories shall constitute the conflict of interest code of the **San Diego Metropolitan Transit System (MTS)**.

All officials and designated positions shall file their statements of economic interests with MTS's **Clerk of the Board** as MTS's Filing Officer. The **Clerk of the Board** shall make and retain a copy of all statements filed by Members and Alternates of the Board of Directors, Chief Executive Officer and the Chief Financial Officer, and forward the originals of such statements to the Clerk of the Board of Supervisors of the County of San Diego. The **Clerk of the Board** shall retain the originals of the statements filed by all other designated positions. The **Clerk of the Board** will make all retained statements available for public inspection and reproduction during regular business hours (Gov. Code Section 81008).

APPENDIX

CONFLICT OF INTEREST CODE **OF THE** **SAN DIEGO METROPOLITAN TRANSIT SYSTEM**

(Amended November 10, 2022)

PART “A”

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

MTS Officials who manage public investments, as defined by 2 Cal. Code of Regs. § 18700.3, are NOT subject to MTS’s Code, but must file disclosure statements under Government Code section 87200 et seq. [Regs. § 18730(b)(3)] These positions are listed here for informational purposes only.

It has been determined that the positions listed below are officials who manage public investments¹:

Board of Directors and Alternates

Chief Executive Officer

Chief Financial Officer

Investment Consultant

¹ Individuals holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by § 87200.

LAW OFFICES OF
BEST BEST & KRIEGER LLP

DESIGNATED POSITIONS

GOVERNED BY THE CONFLICT OF INTEREST CODE

<u>DESIGNATED POSITIONS'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u>
Administrative Assistant (Copy Center)	4
Applications Development & Support Manager	5
Assistant Manager of Maintenance	5
Assistant Manager of Stores	5
Associate Transportation Planner	5
Business Systems Analyst (ALL)	5
Buyer	4
Chief Human Resources Officer	5
Chief Information Officer	5
Chief of Staff	1
Chief Operating Officer – Rail	1
Chief Operating Officer – Transit Services	1
Community Engagement Specialist	5
Contract Administrator	4
Controller	1, 2
Creative Design Manager	5
Deputy Director of Transit Enforcement	5
Deputy Fare Systems Administrator	5
Deputy General Counsel	2, 5, 6, 7
Director of Capital Projects	1, 2

LAW OFFICES OF
BEST BEST & KRIEGER LLP

<u>DESIGNATED POSITIONS'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u>
Director of Contract Services & Passenger Facilities	3, 5
Director of Financial Planning & Analysis	1, 2
Director of Fleet and Facility Maintenance	5
Director of Human Resources	5
Director of Marketing & Communications	5
Director of Planning & Scheduling	1, 2
Director of Supply & Operations	4
Director of Support Services	5
Director of Transit Security & Passenger Safety	5
Director of Transportation	1
Division Manager of Maintenance	5
Environmental Health & Safety Specialist	5
Fare Systems Administrator	5
Financial Analyst	4
For-Hire Vehicle Administration Manager	5
General Counsel	1, 2
Grants Administrator	9
Graphic Designer	5
Information Security & Intelligence Engineer	5
Information Security & Intelligence Manager	5
Information Technology Development Manager	5

LAW OFFICES OF
BEST BEST & KRIEGER LLP

<u>DESIGNATED POSITIONS'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u>
Information Technology Enterprise Architect (IoT)	5
Information Technology Operation Manager	5
Internal Auditor	4
Lead Revenue Maintenance Supervisor	5
Liability Claims Supervisor	1, 2, 7
Manager of Benefits & Compensation	5
Manager of Contract Operations & Passenger Facilities	2, 4
Manager of Government Affairs	1
Manager of Human Resources	5
Manager of Inventory Operations	4
Manager of Marketing and Communications	5
Manager of Paratransit & Mini Bus	5
Manager of Procurement	4
Manager of PRONTO AND Passenger Support	5
Manager of Real Estate Assets	1, 2
Manager of Risk and Claims	1, 2, 7
Manager of Scheduling	5
Manager of Service Quality and Special Operations	5, 8
Manager of Support Services	2, 3, 5
Manager of Talent Acquisition	5
Marketing and Communications Specialist	5

LAW OFFICES OF
BEST BEST & KRIEGER LLP

DESIGNATED POSITIONS'
TITLE OR FUNCTION

DISCLOSURE CATEGORIES
ASSIGNED

Network Operations Manager	5
Operating Budget Supervisor	1, 2
Principal Contract Administrator	4
Procurement Specialist (ALL)	4
Professional Standards Manager	7
Project Manager (ALL)	1, 2
Public Relations Specialist	5
Regulatory Enforcement Supervisor	6
Report Development Analyst	5
Right-of-Way Permit Coordinator	2, 5, 6
Security System Administrator	5
Senior Contract Operations Administration	5
Senior Data Warehouse Engineer	5
Senior Human Resources Analyst	5
Senior Project Manager - Rail Systems	1, 2
Senior SAP Architect	5
Senior Transportation Planner	1, 2
Software Developer	5
Superintendent of Facilities	5
Superintendent of LRV Maintenance	5
Superintendent of Transportation	5

LAW OFFICES OF
BEST BEST & KRIEGER LLP

<u>DESIGNATED POSITIONS'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u>
Superintendent of Wayside Maintenance	5
Supervisor of Paratransit & Mini Bus	5
Supervisor Revenue Operations	5
Technical Project Manager	5
Transit Asset Management Program Manager	2, 4
Transportation Operations Specialist (ALL)	2, 5
Worker's Compensation Analyst (ALL)	7
ZEV and Sustainability Manager	5
Consultant and New Positions ²	

² Individuals serving as a Consultant defined in Regulation 18700.3, or in a new position created since this Code was last amended that makes or participates in making decisions shall disclose pursuant to the broadest disclosure category in this Code subject to the following limitation:

The Chief Executive Officer may determine that, due to the range of duties or contractual obligations, it is more appropriate to assign a limited disclosure requirement. A clear explanation of the duties and a statement of the extent of the disclosure requirements must be in a written document. (Gov. Code Sec. 82019; FPPC Regulations 18219 and 18734.) The Chief Executive Officer's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code. (Gov. Code Sec. 81008.)

PART “B”**DISCLOSURE CATEGORIES**

The disclosure categories listed below identify the types of economic interests that the designated position must disclose for each disclosure category to which the designated is assigned.³ “Investment” means financial interest in any business entity (including a consulting business, or other independent contracting business) and are reportable if they are either located in, doing business in, planning to do business in, or have done business during the previous two years in the jurisdiction of MTS.

Category 1: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are located in, do business in or own real property within the jurisdiction of MTS.

Category 2: All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of MTS, including any leasehold, beneficial or ownership interest or option to acquire property.

Category 3: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are engaged in land development, construction or the acquisition or sale of real property within the jurisdiction of MTS.

Category 4: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by MTS.

Category 5: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the designated position’s department, unit or division.

³ This Conflict of Interest Code does not require the reporting of gifts from outside this agency’s jurisdiction if the source does not have some connection with or bearing upon the functions of the position. (Reg. 18730.1)

LAW OFFICES OF
BEST BEST & KRIEGER LLP

Category 6: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, subject to the regulatory, permit, or licensing authority of the designated position's department, unit or division.

Category 7: All investments and business positions in business entities, and sources of income, including gifts, loans, and travel payments, if such entities or sources have filed claims against MTS in the past 2 years, or have a claim pending before MTS.

Category 8: Disclose investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are located in, do business in, or own real property within the geographical area of, and within two miles of, the designated position's assigned project area.

Category 9: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, or income from a nonprofit or other organization, if the source is of the type to receive grants or other monies from or through MTS or its subdivisions.

LEGISLATIVE VERSION
(SHOWS CHANGES MADE)

CONFLICT OF INTEREST CODE
OF THE
SAN DIEGO METROPOLITAN
TRANSIT SYSTEM

CONFLICT OF INTEREST CODE

OF THE

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

(Amended ~~July 21, 2022~~ November 10, 2022)

The Political Reform Act, (Government Code Sections 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. 18730) that contains the terms of a standard model conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing Section 18730 may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This incorporation page, Regulation 18730 and the attached Appendix designating positions and establishing disclosure categories shall constitute the conflict of interest code of the **San Diego Metropolitan Transit System (MTS)**.

All officials and designated positions shall file their statements of economic interests with MTS's ~~General Counsel~~ Clerk of the Board as MTS's Filing Officer. The ~~General Counsel~~ Clerk of the Board shall make and retain a copy of all statements filed by Members and Alternates of the Board of Directors, Chief Executive Officer and the Chief Financial Officer, and forward the originals of such statements to the Clerk of the Board of Supervisors of the County of San Diego. The ~~General Counsel~~ Clerk of the Board shall retain the originals of the statements filed by all other designated positions. The ~~General Counsel~~ Clerk of the Board will make all retained statements available for public inspection and reproduction during regular business hours (Gov. Code Section 81008).

APPENDIX

CONFLICT OF INTEREST CODE OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM

(Amended ~~July 21, 2022~~ November 10, 2022)

PART “A”

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

MTS Officials who manage public investments, as defined by 2 Cal. Code of Regs. § 18700.3, are NOT subject to MTS’s Code, but must file disclosure statements under Government Code section 87200 et seq. [Regs. § 18730(b)(3)] These positions are listed here for informational purposes only.

It has been determined that the positions listed below are officials who manage public investments¹:

Board of Directors and Alternates

Chief Executive Officer

Chief Financial Officer

Investment Consultant

¹ Individuals holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by § 87200.

LAW OFFICES OF
BEST BEST & KRIEGER LLP

DESIGNATED POSITIONS

GOVERNED BY THE CONFLICT OF INTEREST CODE

<u>DESIGNATED POSITIONS'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u>
Administrative Assistant (Copy Center)	4
Applications Development & Support Manager	5
Assistant Manager of Maintenance	5
Assistant Manager of Stores	5
Associate Transportation Planner	5
Business Systems Analyst (ALL)	5
Buyer	4
Chief Human Resources Officer	5
Chief Information Officer	5
Chief of Staff	1
Chief Operating Officer – Rail	1
Chief Operating Officer – Transit Services	1
Community Engagement Specialist	5
Contract Administrator	4
Controller	1, 2
Creative Design Manager	5
Deputy Director of Transit Enforcement	5
Deputy Fare Systems Administrator	5
Deputy General Counsel	2, 5, 6, 7
Director of Capital Projects	1, 2

LAW OFFICES OF
BEST BEST & KRIEGER LLP

DESIGNATED POSITIONS'
TITLE OR FUNCTION

DISCLOSURE CATEGORIES
ASSIGNED

Director of Contract Services & Passenger Facilities	3, 5
Director of Financial Planning & Analysis	1, 2
Director of Fleet and Facility Maintenance	5
Director of Human Resources	5
Director of Marketing & Communications	5
Director of Planning & Scheduling	1, 2
Director of Supply & Operations	4
Director of Support Services	5
Director of Transit Security & Passenger Safety	5
Director of Transportation	1
Division Manager of Maintenance	5
Environmental Health & Safety Specialist	5
Fare Systems Administrator	5
Financial Analyst	4
For-Hire Vehicle Administration Manger	5
General Counsel	1, 2
Grants Administrator	9
Graphic Designer	5
Information Security & Intelligence Engineer	5
Information Security & Intelligence Manager	5
Information Technology Development Manager	5

LAW OFFICES OF
BEST BEST & KRIEGER LLP

DESIGNATED POSITIONS'
TITLE OR FUNCTION

DISCLOSURE CATEGORIES
ASSIGNED

Information Technology Enterprise Architect (IoT)	5
Information Technology Operation Manager	5
Internal Auditor	4
Lead Revenue Maintenance Supervisor	5
Liability Claims Supervisor	1, 2, 7
Manager of Benefits & Compensation	5
Manager of Contract Operations & Passenger Facilities	2, 4
Manager of Government Affairs	1
Manager of Human Resources	5
Manager of Inventory Operations	4
Manager of Marketing and Communications	5
Manager of Paratransit & Mini Bus	5
Manager of Procurement	4
Manager of PRONTO AND Passenger Support	5
Manager of Real Estate Assets	1, 2
Manager of Risk and Claims	1, 2, 7
Manager of Scheduling	5
Manager of Service Quality and Special Operations	5, 8
Manager of Support Services	2, 3, 5
Manager of Talent Acquisition	5
Marketing and Communications Specialist	5

LAW OFFICES OF
BEST BEST & KRIEGER LLP

DESIGNATED POSITIONS'
TITLE OR FUNCTION

DISCLOSURE CATEGORIES
ASSIGNED

Network Operations Manager	5
Operating Budget Supervisor	1, 2
Principal Contract Administrator	4
Procurement Specialist (ALL)	4
Professional Standards Manager	7
Project Manager (ALL)	1, 2
Public Relations Specialist	5
Regulatory Enforcement Supervisor	6
Report Development Analyst	5
Right-of-Way Permit Coordinator	2, 5, 6
SAP System Administrator	5
Security System Administrator	5
Senior Contract Operations Administration	5
<u>Senior Data Warehouse Engineer</u>	<u>5</u>
Senior Human Resources Analyst	5
Senior Project Manager - Rail Systems	1, 2
Senior SAP Architect	5
Senior Transportation Planner	1, 2
Software Developer	5
Superintendent of Facilities	5
Superintendent of LRV Maintenance	5

LAW OFFICES OF
BEST BEST & KRIEGER LLP

DESIGNATED POSITIONS'
TITLE OR FUNCTION

DISCLOSURE CATEGORIES
ASSIGNED

Superintendent of Transportation	5
Superintendent of Wayside Maintenance	5
Supervisor of Paratransit & Mini Bus	5
Supervisor Revenue Operations	5
Technical Project Manager	5
Transit Asset Management Program Manager	2, 4
Transportation Operations Specialist (ALL)	2, 5
Worker's Compensation Analyst (ALL)	7
ZEV and Sustainability Manager	5

Consultant and New Positions²

² Individuals serving as a Consultant defined in Regulation 18700.3, or in a new position created since this Code was last amended that makes or participates in making decisions shall disclose pursuant to the broadest disclosure category in this Code subject to the following limitation:

The Chief Executive Officer may determine that, due to the range of duties or contractual obligations, it is more appropriate to assign a limited disclosure requirement. A clear explanation of the duties and a statement of the extent of the disclosure requirements must be in a written document. (Gov. Code Sec. 82019; FPPC Regulations 18219 and 18734.). The Chief Executive Officer's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code. (Gov. Code Sec. 81008.)

PART “B”

DISCLOSURE CATEGORIES

The disclosure categories listed below identify the types of economic interests that the designated position must disclose for each disclosure category to which ~~he or she~~ the designated is assigned.³ “Investment” means financial interest in any business entity (including a consulting business, or other independent contracting business) and are reportable if they are either located in, doing business in, planning to do business in, or have done business during the previous two years in the jurisdiction of MTS.

Category 1: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are located in, do business in or own real property within the jurisdiction of MTS.

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Category 3: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are engaged in land development, construction or the acquisition or sale of real property within the jurisdiction of MTS.

Category 4: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by MTS.

Category 5: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the designated position’s department, unit or division.

³ This Conflict of Interest Code does not require the reporting of gifts from outside this agency’s jurisdiction if the source does not have some connection with or bearing upon the functions of the position. (Reg. 18730.1)

Category 6: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, subject to the regulatory, permit, or licensing authority of the designated position's department, unit or division.

Category 7: All investments and business positions in business entities, and sources of income, including gifts, loans, and travel payments, if such entities or sources have filed claims against MTS in the past 2 years, or have a claim pending before MTS.

Category 8: Disclose investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are located in, do business in, or own real property within the geographical area of, and within two miles of, the designated position's assigned project area.

Category 9: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, or income from a nonprofit or other organization, if the source is of the type to receive grants or other monies from or through MTS or its subdivisions.



NOTICE OF INTENT

DATE: November 7, 2022
TO: All MTS Conflict of Interest Code Filers
FROM: Dalia Gonzalez, Clerk of the Board
SUBJECT: Amend the Conflict of Interest Code of the San Diego Metropolitan Transit System

NOTICE IS HEREBY GIVEN that the Board of Directors of the San Diego Metropolitan Transit System (MTS) intends to amend its Conflict of Interest Code (the "Code") pursuant to Government Code Section 87306.

The Appendix of the Code designates those employees, members, officers and consultants who are subject to the disclosure and disqualification requirements of MTS's Code. The proposed amendment include new positions that must be designated, delete titles of positions that have been abolished and/or positions that no longer make or participate in making governmental decisions and revises the MTS's filing officer information..

The proposed amended Code will be considered by the Board of Directors on November 10, 2022, at 9:00 a.m. at San Diego Metropolitan Transit System, James R. Mills Building, Board Meeting Room, 10th Floor, 1255 Imperial Avenue, San Diego, California. Any interested person may be present electronically via Zoom: <https://zoom.us/j/98288032362> and comment at the public meeting or may submit written comments concerning the proposed amendment.

Any comments or inquiries should be directed to the attention of Dalia Gonzalez, Executive Assistant to CEO and Clerk of the Board, at clerkoftheboard@sdmts.com or (619) 398-9561. Written comments must be submitted no later than November 9, 2022, at 4:00 p.m.

The proposed amended Code may be reviewed at, and copies obtained from Dalia Gonzalez, Executive Assistant to CEO and Clerk of the Board.



**Metropolitan
Transit
System**

Agenda Item No. 15

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 10, 2022

SUBJECT:

**ADOPTION OF THE 2023 SAN DIEGO METROPOLITAN TRANSIT SYSTEM (MTS)
EXECUTIVE COMMITTEE AND BOARD OF DIRECTORS MEETING SCHEDULE**

RECOMMENDATION:

That the MTS Board of Directors adopt the 2023 Executive Committee and Board of Directors meeting schedule (Attachment A).

Budget Impact

None.

DISCUSSION:

The MTS Board of Directors annually adopts its meeting schedule for the next calendar year. The meeting schedule reflects Executive Committee and Board of Directors meetings throughout the 2023 calendar year (Attachment A). Meetings are scheduled to primarily occur on the first and second Thursdays of every month, with some exceptions due to conferences, holidays and other conflicts.

/S/ Sharon Cooney

Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachment: A. 2023 MTS Executive Committee and Board of Directors Meeting Schedule





**Metropolitan
Transit
System**

DRAFT 2023

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE MEETINGS**

Executive Committee Meetings Thursdays at 9:00 a.m.	Board Meetings Thursdays at 9:00 a.m.
January 19	January 26
February 9	February 16
March 9	March 16 (Finance Workshop)
April 13	April 20 (Finance Workshop)
May 4	May 18 (Public Hearing)
June 1	June 15
July 13	July 27
August NO MEETING	August NO MEETING
September 7	September 14
October 5	October 19
November 2	November 9
December 7	December 14

1255 Imperial Avenue, Suite 1000, San Diego, CA 92101-7490 • (619) 231-1466 • sdmts.com

San Diego 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 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. MTS is also the For-Hire Vehicle administrator for nine cities.





**Metropolitan
Transit
System**

Agenda Item No. 16

**MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS**

November 10, 2022

SUBJECT:

**SAN DIEGO AND ARIZONA EASTERN (SD&AE) RAILWAY COMPANY QUARTERLY
REPORTS AND RATIFICATION OF ACTIONS TAKEN BY THE SD&AE BOARD OF
DIRECTORS AT ITS MEETING ON OCTOBER 27, 2022**

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) 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 of Directors.

Budget Impact

None.

DISCUSSION:

Pursuant to the Agreement for Operation of Freight Rail Services, SD&IV and PSRM provided operations quarterly reports to the SD&AE Board of Directors at its meeting on October 27, 2022 (Attachment A).

At that meeting, the SD&AE Board of Directors:

1. Under SD&AE Agenda Item No. 7, ratified Disposition and Development Agreements (DDA) for a TOD project with National Community Renaissance of California, a California nonprofit public benefit corporation (National CORE) and MALICK INFILL CORP, a California corporation (Malick Infill) at the Palm Avenue Trolley Station;



2. Under SD&AE Agenda Item No. 7, ratified the MTS Board of Director's March 10, 2022, approval of a DDA for a TOD project with Beyer Family Housing L.P. at the Beyer Boulevard Trolley Station;
3. Under SD&AE Agenda Item No. 7, delegated to the SD&AE President the authority to approve DDA agreements, ground leases, easements, fee transfers, restrictive covenants, regulatory agreements, and other real estate transactions or documents necessary to carry out projects on SD&AE property so long as such projects have been approved by the MTS Board of Directors and do not materially impair freight operations on adjacent SD&AE right-of-way; and
4. Under SD&AE Agenda Item No. 8, moved to elect Brian Riley as Chairperson and Board member of the SD&AE replacing Wayne Terry and forward a recommendation to the MTS Board of Directors for approval.

/S/ Sharon Cooney

Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachment: A. SD&AE Meeting Materials from the 10/27/2022 SD&AE Board Meeting



**SAN DIEGO & ARIZONA
EASTERN RAILWAY
COMPANY**

A NEVADA NONPROFIT CORPORATION

1255 IMPERIAL AVENUE, SUITE 1000
SAN DIEGO, CA
92101-7490
(619) 231-1466

BOARD OF DIRECTORS

WAYNE TERRY, CHAIRPERSON
MATT DOMEN
DAVID FRANKLIN, JR.

OFFICERS

SHARON COONEY, 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

Thursday, October 27, 2022
9:00 a.m.

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

****Meeting will be held via Webinar****

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.

*Virtual meeting instructions can be accessed by clicking on "Meeting Link and Webinar Instructions" at the following link: <https://www.sdmts.com/about-mts-meetings-and-agendas/sdae>. Click the following link to access the meeting: <https://us02web.zoom.us/j/83417122174>

ACTION RECOMMENDED

- | | |
|---|---------------|
| 1. Approval of the Minutes of October 5, 2021
Action would approve the SD&AE Railway Company Minutes of October 5, 2021. | Approve |
| 2. Statement of Railway Finances (Erin Dunn)
Action would receive a report for information. | Informational |
| 3. Report on San Diego and Imperial Valley (SD&IV) Railroad Operations (Matt Domen)
Action would receive a report for information. | Informational |
| 4. Report on Pacific Southwest Railway Museum (Stephen Hager)
Action would receive a report for information. | Informational |
| 5. Report on the Desert Line (Karen Landers)
Action would receive a report for information. | Informational |
| 6. Real Property Matters (Sean Myott)
Action would receive a report for information. | Informational |

- | | |
|---|---------------------|
| 7. <u>Ratification of Transit-Oriented Development (TOD) Agreements: Delegation of Authority To SD&AE President (Karen Landers)</u> | Ratify/
Delegate |
|---|---------------------|

Action would:

1. Ratify the San Diego Metropolitan Transit System's (MTS) Board of Directors October 14, 2021 approval of Disposition and Development Agreements (DDA) for a TOD project with National Community Renaissance of California, a California nonprofit public benefit corporation (National CORE) and MALICK INFILL CORP, a California corporation (Malick Infill) at the Palm Avenue Trolley Station;
2. Ratify the MTS Board of Director's March 10, 2022, approval of a DDA for a TOD project with Beyer Family Housing L.P. at the Beyer Boulevard Trolley Station; and
3. Delegate to the SD&AE President the authority to approve DDA agreements, ground leases, easements, fee transfers, restrictive covenants, regulatory agreements, and other real estate transactions or documents necessary to carry out projects on SD&AE property so long as such projects have been approved by the MTS Board of Directors and do not materially impair freight operations on adjacent SD&AE right-of-way.

- | | |
|--|---------|
| 8. <u>Election of SD&AE Chairperson and Board Member (Karen Landers)</u> | Approve |
|--|---------|

Action would move to elect Brian Riley as Chairperson and Board member of the SD&AE replacing Wayne Terry and forward a recommendation to the MTS Board of Directors for approval.

9. [Board Member Communications](#)

10. [Public Comments](#)

11. [Next Meeting Date:](#) October 10, 2023

MINUTES

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

October 5, 2021

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 October 5, 2021, at 9:00 a.m.

The following persons, constituting the Board of Directors, were present: Wayne Terry, Matt Domen, and David Franklin Jr. Also in attendance were members from:

San Diego Metropolitan Transit System: Karen Landers, Craig Auker
Pacific Southwest Railway Museum: Diana Hyatt

1. Approval of Minutes

Mr. Domen moved to approve the Minutes of the July 13, 2021, SD&AE Railway Board of Directors meeting. Mr. Terry seconded the motion, and it was unanimously approved.

2. Statement of Railway Finances

Craig Auker, MTS Accounting Manager, reviewed the Statement of Railway Finances attached to the agenda item.

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 third quarter of 2021 (attached to the agenda item).

Action Taken

Informational item only. No action taken.

4. Report on Pacific Southwest Railway Museum Operations

Ms. Hyatt reviewed the Pacific Southwest Railway Museum (PSRM) report for the third quarter of 2021 (hand-out attached). Ms. Hyatt informed members that Gabe Zorbas, incoming PSRM Vice President, will represent PSRM in any future meetings that she is not able to attend.

Ms. Hyatt clarified that the estimated cost to replace batteries in the signalized railroad crossings is currently \$16,280. PSRM requested that MTS use any available Caltrans funds (as was done in the past) to contribute to the costs associated with signal maintenance. Ms. Landers responded that staff will research the request and get back to Ms. Hyatt. Ms. Hyatt

agreed to forward all of the relevant information to Ms. Landers so she can review it and consult with MTS to look into options.

Action Taken

Informational item only. No action taken.

5. Report on the Desert Line

Ms. Landers stated that there is no new information to report since the last meeting. She reiterated that after a year-long mediation process with Baja Railroad (BJRR), the lease was terminated as the parties were unable to reach a resolution. Ms. Landers stated that the plan is to schedule a hi-rail trip to view the state of the line. Ms. Landers has been working with Caltrans and SANDAG to look at doing a study of this project and possibly requesting public funding.

Action Taken

Informational item only. No action taken.

6. Real Property Matters

Summary of SD&AE Documents Issued Since July 13, 2021

Ms. Landers stated that since the July 13, 2021, SD&AE Railway Company Board of Directors meeting, the documents described below have been processed by staff.

- S200-22-768: Right of Entry Permit to United States Customs & Border Protection Agency to access SD&AE property to install a barrier at the northern entrance of the Desert Line railroad crossing tunnel.
- S200-22-769: Right of Entry Permit to Clear Channel Outdoor, LLC to perform billboard maintenance at various locations within SD&AE railroad right-of-way.
- S200-21-759: Right of Entry Permit to Kimley-Horn and Associates, Inc. to perform visual inspections at 8th Street in the City of National City.
- S200-21-725: License Agreement to AT&T to install aerial fiber at railroad milepost DL 61.87.
- S200-21-724: License Agreement to AT&T to install aerial fiber at railroad milepost DL 85.92.
- S200-21-723: License Agreement to AT&T to install an underground fiber facility at railroad milepost DL 85.92 (Campo Depot).

Ms. Landers added that an emergency permit was issued yesterday to US Customs and Border Protection (CBP) to install a barrier at the northern entrance of the Desert Line railroad tunnel. CBP was experiencing a significant number of crossings at that location and was concerned about safety if people made it through the tunnel and onto the railroad bridge. Ms. Landers stated that MTS has the right terminate the permit if it impacts operations.

Action Taken

Informational item only. No action taken.

7. San Diego and Arizona Eastern Railway Company Board of Directors Meeting Schedule – Amendment to the Bylaws to Hold One Annual Board of Directors Meeting Per Year

Ms. Landers stated that the SD&AE Bylaws requires that the SD&AE Board of Directors meet quarterly each year. She is proposing to amend Section 3.06 of the Bylaws to hold a minimum of one annual Board of Directors meeting each October, which would allow MTS Finance staff to report on the final fiscal year budget results. The SD&AE Board would also have the option to notice and schedule meetings regarding special matters in addition to the annual meeting.

The following language reflects the proposed amendment to the Bylaws:

Section 3.06. A ~~Regular~~ meetings of the Board of Directors shall be held at least ~~quarterly~~ annually on the second Tuesday of October each year, or on another date in October at the request of the Board Chair. Regular and special meetings shall take place at the MTS headquarters located at 1255 Imperial Avenue, 10th Floor, San Diego, or via a publicly accessible virtual format. ~~at any place within or without the State of Nevada which has been designated from time to time by resolution of the Board or by written consent of all members of the Board. In the absence of such designation, regular meetings shall be held at the principal office of the Corporation. Special meetings of the Board may be held either at a place so designated or at the principal office.~~

Mr. Terry agreed with Ms. Landers' amendment to the Bylaws and added that staff works directly with outside personnel on daily matters regarding SD&AE property that do not need to go to the SD&AE Board of Directors prior to action. Mr. Domen and Mr. Franklin were also in agreement with the amendment.

Action Taken

Mr. Domen moved to approve an amendment to the *Meetings Section 3.06* of the "Bylaws of the San Diego & Arizona Eastern Railway Company" to require one annual SD&AE Board of Directors meeting per year and to update the location of such meetings. Mr. Terry seconded the motion, and it passed unanimously.

8. Board Member Communications

Mr. Terry welcomed Mr. Franklin to the SD&AE Board.

9. Public Comments

There were no public comments.

10. Next Meeting Date

The next meeting date of the SD&AE Railway Company Board of Directors will be scheduled on Tuesday, October 4, 2022.

11. Adjournment

The meeting was adjourned at 9:18 a.m. [Editor's note: This meeting was later rescheduled to 10/27/2022]



Chairperson

Attachment: PSRM handout - Quarterly Report



General Counsel



Pacific Southwest Railway Museum
La Mesa Depot 4695 Nebo Drive La Mesa, CA 91941 619-465-7776

October 4, 2021

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

Re: Third Quarter 2021

Dear SD&AE Board:

During the third quarter of 2021 and utilizing all volunteer crews, the Pacific Southwest Railway Museum operated 104 Golden State passenger trains and 10 Sunset Specials carrying a total of 1,558 passengers during 25 operating days. There were no FRA reportable accidents or injuries during the third quarter, 2021. Earned revenue from SD&AE property for the third quarter, 2021 was \$30,509.57 our check for \$610.19 is enclosed.

1,558 passengers during the third quarter of 2021
250 passengers during the third quarter of 2020
1,073 passengers during the third quarter of 2019
1,021 passengers during the third quarter of 2018
822 passengers during the third quarter of 2017

There were no special event trains operated during the third quarter but pre-sales are now open for October's Pumpkin Express trains which will operate every weekend from October 9th through the 31st as well as the Christmas holiday's North Pole trains which will operate every Friday and Saturday evening from November 26th through December 18th.

PSRM continues to maintain both signalized railroad crossings within our right-of-way limits; PSRM signal maintainers perform the monthly, quarterly and annual inspections regularly. Additionally, the ten year inspection was completed during this quarter. The batteries in both crossings will need to be replaced soon and each crossing's set of batteries will cost an estimated \$2,500. PSRM would like to inquire as to whether there may be CalTrans funds available for this expense, as several years ago, funds were advanced to PSRM to assist in signal maintenance expenses.

Other right-of-way maintenance performed this quarter includes hiring a professional weed spraying company to mobilize at Campo and spray the right of way from MP 61.5 to MP 66.77. A separate vegetation control and maintenance contractor was hired to physically remove the weeds from MP 60 at Division to MP 66.77 at the Campo Creek trestle. Later this year, the weed sprayer will return to spray pre-emergent from Division to Campo.

Bridge work was the focus of this quarter and both the steel deck girder bridge at MP 60.08 at Division, and the much smaller, steel deck girder bridge at MP 65.27 received attention. The east end bridge abutment on the Division bridge was backfilled with ballast and the abutment support structure reinforced. Specialized epoxy and applicator tools were purchased at great expense for repairs to the poured concrete abutments on the beam bridge at MP 65.27. Scaffolding was erected underneath the bridge and several work days were spent filling in the cracks in the poured concrete and allowing the epoxy to cure. Specialized timbers were ordered and installed and the bridge once again has walkways and handrails on both sides. These projects were maintenance and repair aspects recommended by the civil engineering firm performing the 2021 annual bridge inspections for PSRM. Further progress towards restoring passenger operations to Division include the completion of the necessary load-ratings on the bridges at MP 60.90 and MP 60.08 and the requisite annual inspections on same.

I would like to take this opportunity to thank the San Diego & Arizona Eastern board and staff as well as the Metropolitan Transit System board and staff for entrusting the care of this portion of the Desert Line to the Pacific Southwest Railway Museum. We appreciate the opportunity and we take our responsibility seriously. It is our intent to continue preserving and interpreting railroad history and the San Diego & Arizona Railway for future generations to enjoy. I would like to extend an invitation to all members of the SD&AE and MTS to visit the museum at Campo and experience for yourself what we do. Please e-mail me at dhvatt@psrm.org for arrangements.

Sincerely,



Diana Hyatt
President

Enc.

Agenda Item No. 2

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

October 27, 2022

SUBJECT:

STATEMENT OF RAILWAY FINANCES

RECOMMENDATION:

That the SD&AE Railway Company Board of Directors receive a financial report for the year ending June 30, 2022.

Budget Impact

None.

DISCUSSION:

Attached are SD&AE's financial results for the fiscal year ending June 30, 2022.

As of June 30, 2022, revenue is favorable to budget by \$30,000 and has increased \$21,000 from the fiscal year ending June 30, 2021.

Expenses are \$88,000 favorable to budget primarily due to positive variances in both Outside Services and Risk Management Costs. Compared to the fiscal year ending June 30, 2021, expenses have decreased \$55,000 primarily due to a decrease in Outside Services and Personnel Costs.

The Net Income as of June 30, 2022, was \$122,000.

Attachments: SD&AE Operating Statement for year ending June 30, 2022

SD&AE Operating Statement FY2022

	FY 2022			FY 2021	
	Actuals	Budget	Variance	Actuals	Variance
Revenues					
Right of Entry Permits	\$ 58,525	\$ 45,000	\$ 13,525	\$ 53,419	\$ 5,105
Lease Income	89,091	85,000	4,091	83,722.00	5,369
Operator Income - SD&IV 1% Freight Fee	41,925	30,000	11,925	30,957	10,968
Total Revenues	\$ 189,541	\$ 160,000	\$ 29,541	\$ 168,098	\$ 21,443
Expenses					
Personnel Costs	\$ 2,990	\$ 10,357	\$ 7,367	\$ 24,350	\$ 21,360
Outside Services	9,332	35,100	25,768	45,918	36,586
Risk Management	34,669	82,760	48,091	31,919	(2,750)
Misc. Operating Expenses	20,572	27,461	6,889	19,903	(669)
Total Expenses	\$ 67,563	\$ 155,678	\$ 88,115	\$ 122,090	\$ 54,527
Net Income/(Loss)	\$ 121,978	\$ 4,322	\$ 117,656	\$ 46,008	\$ 75,970

Reserve Balance July 1, 2021	\$ 691,437
Allocated Interest Earnings	4,757
Operating Profit/(Loss) - YTD	121,978
Reserve Balance as of June 30, 2022	\$ 818,172

Agenda Item No. 3

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

October 27, 2022

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



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

October 14, 2022

Periodic Report

In accordance with Section 20 of the Agreement for Operational Freight Service and Control through Management of the San Diego and Arizona Eastern Railway Company activities of interest for the 3rd Quarter of 2022 are listed as follows:

1. Labor

At the end of September 30, 2022, the San Diego & Imperial Railroad had 9 employees:

- 1 General Manager
- 1 Manager - Marketing & Sales
- 1 Office Manager
- 1 Mechanical Manager
- 1 Maintenance of Way Employee
- 4 Train Service Employees

2. Marketing

Volume in the 3rd Quarter had a 11.5% decrease as compared to the same quarter in 2021. Traffic terminating on SDIY was increased 8% with strong fuels demand at the San Ysidro terminal. Traffic into Mexico was down 25%, mainly driven by less LPG movements on rail and lighter demand for aluminum, lumber, and paper. Feed and malt to Mexico remained strong.

3. Reportable Injuries/Environmental

Days through year to date, September 30, 2022, there were no FRA Reportable injuries or Environmental incidents on the SDIV Railroad.

Days FRA Reportable Injury Free: **8850**

4. Summary of Freight

	2022	2021	2020
Total rail carloads that moved by SDIY Rail Service in the quarter.	857	956	781
Total railroad carloads Terminating/Originating Mexico in the quarter.	498	624	446
Total railroad carloads Terminating/Originating El Cajon, San Diego, National City, San Ysidro, California in the quarter.	359	332	335
Total customers directly served by SDIY in the quarter	10	10	9
Regional Truck trips that SDIY Railroad Service replaced in the quarter	2577	2868	2343

Respectfully,

Matt Domen

General Manager

Agenda Item No. 4

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

October 27, 2022

SUBJECT:

REPORT ON PACIFIC SOUTHWEST RAILWAY MUSEUM

RECOMMENDATION:

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

Budget Impact

None.

DISCUSSION:

A report will be presented during the meeting.

Attachments: Reports for Quarters 1, 2, and 3 and State of Good Repair Reports



Pacific Southwest Railway Museum

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

June 30, 2022

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

Re: First Quarter, 2022

Dear SD&AE Board:

During the first quarter of 2022 the Pacific Southwest Railway Museum operated 93 Golden State trains and 1 School train carrying a total of 1,793 passengers. The museum was open twenty-four days during the first quarter. There were no FRA reportable accidents or injuries during the first quarter, 2022. Earned revenue from SD&AE property was \$30,164.97; our check for \$603.30 is enclosed.

Passenger ridership during the first quarter as compared to the past ten years:

1,793 passengers during the first quarter 2022
1,087 passengers during the first quarter 2021
1,305 passengers during the first quarter 2020
1,665 passengers during the first quarter 2019
2,728 passengers during the first quarter 2018
1,185 passengers during the first quarter 2017
2,380 passengers during the first quarter 2016
2,334 passengers during the first quarter 2015
2,223 passengers during the first quarter 2014
3,081 passengers during the first quarter 2013

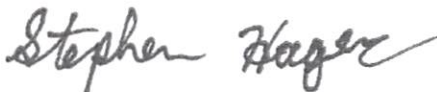
There were no special event trains operated during the first quarter. Ridership continues to improve as it trends towards pre-pandemic levels.

PSRM continues to perform track maintenance and weed abatement and maintains both signalized railroad crossings within our right-of-way limits. PSRM signal maintainers perform the monthly, quarterly and annual inspections regularly. The battery sets at both crossings continue to deteriorate due to age and temperature extremes. PSRM hired a professional weed spraying company to spray pre-emergent on the right of way between MP 60.0 and MP 66.76. The initial treatment was performed in the first quarter. The contractor will return late in the second quarter or early in the third quarter to spray post-emergent on the right of way. PSRM has entered into a three-year contract with the contractor to perform this twice-annual service to ensure that it is performed in a timely manner each year. PSRM has also entered into a five-year contract with RailPros to perform annual bridge inspections on the three bridges at MPs 60.08, 60.93, and 65.27. The next inspections are scheduled for the second quarter of this year.

I would like to take this opportunity to acknowledge my predecessor, Diana Hyatt, and thank her for her years of service to PSRM and the rapport that she worked to establish with the San Diego & Arizona Eastern board and staff. Although I am new to the PSRM Presidency, I have been with the organization for 12 years and I am heavily involved with PSRM's railroad operations. I look forward to working with all of you during these evolving times on the SD&AE Desert Line.

Thank you to the San Diego & Arizona Eastern board and staff, as well as the Metropolitan Transit System Board and staff for entrusting the care of fourteen miles of the SD&AE Desert Line to the Pacific Southwest Railway Museum. We truly appreciate the opportunity and we take our responsibility seriously. We intend to continue our preservation and interpretation of San Diego's railroad history well into the future. Like my predecessor, I will extend an invitation to all members of the SD&AE and MTS to visit the museum and Campo and experience for yourself what we do. Please email me at hager@psrm.org for arrangements.

Sincerely,

A handwritten signature in dark ink, reading "Stephen Hager". The signature is fluid and cursive, with the first name "Stephen" and last name "Hager" clearly legible.

Stephen Hager
President



Pacific Southwest Railway Museum

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

September 30, 2022

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

Re: Second Quarter, 2022

Dear SD&AE Board:

During the second quarter of 2022 the Pacific Southwest Railway Museum operated 80 Golden State trains, 12 Bunny trains, and 4 Sunset Special trains carrying a total of 2,589 passengers. The museum was open twenty-six days during the second quarter. There were no FRA reportable accidents or injuries during the second quarter, 2022. Earned revenue from SD&AE property was \$52,566.77; our check for \$1,051.34 is enclosed.

Passenger ridership during the second quarter as compared to the past ten years:

2,589 passengers during the second quarter 2022
2,255 passengers during the second quarter 2021
0 passengers during the second quarter 2020
2,607 passengers during the second quarter 2019
1,866 passengers during the second quarter 2018
2,295 passengers during the second quarter 2017
1,945 passengers during the second quarter 2016
2,307 passengers during the second quarter 2015
2,794 passengers during the second quarter 2014
1,901 passengers during the second quarter 2013

We operated our Easter-themed Bunny train special event during the second quarter. We also began offering our summer Sunset Special trains on Saturday evenings. Ridership continues to improve as it trends towards pre-pandemic levels.

PSRM continues to perform track maintenance and weed abatement and maintains both signalized railroad crossings within our right-of-way limits. PSRM signal maintainers perform the monthly, quarterly and annual inspections regularly. Lead signal maintainer Chad Baker donated a set of used batteries to replace the oldest batteries in both crossings. These donated batteries will prolong the time until brand new replacement batteries are needed; however, PSRM still considers the procurement of new batteries to be a priority. Any financial assistance that MTS/SD&AE can provide would be greatly appreciated. PSRM's contracted bridge inspector, RailPros, performed annual bridge inspections on the three bridges at MPs 60.08, 60.93, and 65.27. The inspection reports noted that the most series problems identified in the previous year's inspections had been corrected, thanks to PSRM's volunteer efforts. Please let me know if MTS/SD&AE would like copies of the inspection reports.

It is with regret that I must inform MTS/SD&AE that our longtime Director of Railroad Operations, Michael Edwards, resigned from his position back in July. Martin Caestecker has stepped up to take his place. Martin has years of experience working under Mike as an operations manager, and I am confident in his ability to continue PSRM's track record of safe and efficient train operations on the SD&AE Railway. Martin can be contacted by phone at (949) 573-2770 or by email at mjcaestecker@psrm.org. Going forward, please include both of us on any email correspondence pertaining to PSRM matters on the SD&AE.

As always, thank you to the San Diego & Arizona Eastern board and staff, as well as the Metropolitan Transit System board and staff for entrusting the care of fourteen miles of the SD&AE Desert Line to the Pacific Southwest Railway Museum. Should any members of the SD&AE and MTS wish to visit the museum and Campo and experience for yourself what we do, we would be happy to accommodate your visit. Please email me at hager@psrm.org for arrangements.

Sincerely,

A handwritten signature in dark ink that reads "Stephen Hager". The signature is fluid and cursive, with the first name "Stephen" and last name "Hager" clearly legible.

Stephen Hager
President



Pacific Southwest Railway Museum

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

October 18, 2022

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

Re: Third Quarter, 2022

Dear SD&AE Board:

During the third quarter of 2022 the Pacific Southwest Railway Museum operated 57 Golden State trains and 11 Sunset Special trains carrying a total of 1,135 passengers. The museum was open twenty-five days during the third quarter. There were no FRA reportable accidents or injuries during the third quarter, 2022. Earned revenue from SD&AE property was \$20,593.95; our check for \$411.88 is enclosed.

Passenger ridership during the third quarter as compared to the past ten years:

1,135 passengers during the third quarter 2022
1,558 passengers during the third quarter 2021
250 passengers during the third quarter 2020
1,073 passengers during the third quarter 2019
1,021 passengers during the third quarter 2018
822 passengers during the third quarter 2017
773 passengers during the third quarter 2016
658 passengers during the third quarter 2015
1,031 passengers during the third quarter 2014
1,254 passengers during the third quarter 2013

We continued offering our summer Sunset Special trains on Saturday evenings during the third quarter. These trains have been popular with museum visitors because they allow visitors to avoid the worst of the summer heat in Campo. Unfortunately, PSRM was forced to annul scheduled train operations on six dates throughout the third quarter due to a lack of available, qualified train operations volunteers. This volunteer shortage is mainly a lagging effect of the COVID-19 pandemic. Specifically, low volunteer intake during the height of the pandemic was

unable to balance the gradual attrition of volunteers that always exists due to ageing out and other personal factors. Fortunately, we are seeing a resurgence of new volunteer interest and have several new volunteers in training for entry level crew positions. We are hopeful that this new volunteer intake will reverse the trend of attrition.

PSRM continues to perform track maintenance and weed abatement and maintains both signalized railroad crossings within our right-of-way limits. PSRM signal maintainers perform the monthly, quarterly and annual inspections regularly. Despite recent battery maintenance and replacements, the two crossing signal systems are beginning to show their age and are becoming increasingly vulnerable to failures. To combat this issue, Lead Signal Maintainer/Engineer Chad Baker has produced a State of Good Repair Report and Budget, which I have attached to this report. The cost to upgrade both crossings to maintain a state of good repair is \$23,981.44. These are strictly material costs; the PSRM will bear the burden of installation and testing through volunteer labor. PSRM is requesting funding from MTS/SD&AE to procure the materials necessary to carry out these important safety upgrades.

PSRM has partnered with our engineering consultant, RailPros, to scope out repairs or replacement for the Cow Creek Trestle, located at Milepost 66.77, just east of our museum. This timber trestle has been out of service due to structural defects since approximately 2007, preventing museum trains from travelling east of the museum towards Miller Creek. Initial work by RailPros indicates that it would be most economical in the long run to replace the trestle with earthen fill and one or more culverts. Because of the relatively low flow rate of Cow Creek, it is anticipated that the culverts would not need to be very large to accommodate even the highest foreseeable flow rates during a 100-year storm. However, PSRM is concerned that there may be an easement under the current trestle in favor of the adjacent ranch landowners, allowing them to cross their cattle under the trestle. If this is the case, the culvert(s) could be oversized to allow cattle and horses to pass through. PSRM is hoping to avoid installing oversized culverts unless necessary because they will cost more. Thus, PSRM is requesting the assistance of MTS/SD&AE to determine if any easements exist under the Cow Creek Trestle, and if so, whether they can be terminated.

As always, thank you to the San Diego & Arizona Eastern board and staff, as well as the Metropolitan Transit System board and staff for entrusting the care of fourteen miles of the SD&AE Desert Line to the Pacific Southwest Railway Museum. Should any members of the SD&AE and MTS wish to visit the museum and Campo and experience for yourself what we do, we would be happy to accommodate your visit. Please email me at hager@psrm.org for arrangements.

Sincerely,



Stephen Hager
President

State of Good Repair Report

SD&AE Rwy Highway Grade Crossing Warning Systems

The Pacific Southwest Railway Museum (PSRM) maintains two highway-rail grade warning systems over California State Highway 94 (CA SR 94) in Campo California, a rural San Diego County, California community. The grade crossings are named and listed as:

- State Highway 94 Campo West Crossing CPUC 36-65.4 DOT 662-151S
- State Highway 94 Campo East Crossing CPUC 36-67.2 DOT 662-153F

The two-grade crossing warning systems are owned by the Metropolitan Transit System (MTS) of San Diego on its Desert Line. PSRM leases 14 miles of the MTS Desert Line and has the maintenance responsibility for the two grade crossings through its lease. The crossings consist of AC/DC Style-C track circuits, DC relay logic, gate mechanisms, lamp units, bells, and standby battery power systems. Each crossing is maintained to FRA Part 49, §234 standards and practices.

The crossing systems were installed in 1998 and have been maintained by PSRM since 2011. Each grade crossing warning system is approaching twenty-five years of age, and some of the warning system subcomponents have exceeded life expectancy.

The crossings have obsolete incandescent lamps and mechanical bells, non-compliant 20" flasher backgrounds, and standby batteries at end-of-life capacity.

During our monthly, quarterly, and yearly tests and inspections, the following components have been identified as obsolete or at end-of-life:

- Standby Battery 240AH Ni-CAD Cells (end-of-life capacity and chemical breakdown)
- Standby Battery Chargers (end-of-life)
- Fiberglass Gate Arms (sun-damaged and faded)
- Gate Arm Tip Lights (faded obsolete lamps)
- Lamp Flasher Units (obsolete lights)
- Lamp Flasher Backgrounds (20" not CPUC compliant)
- Crossbuck Signs (sun-damaged and faded)
- Mechanical Bells (obsolete)

Bringing the above components to the latest standards will bring the grade crossings into compliance with the newest AREMA, CPUC, and FRA requirements.

PSRM proposes upgrading the above components with the latest technologies; these upgrades will increase the overall reliability of each crossing and reduce power consumption.

- NI-CAD 240AH Battery cells meeting current standards
- Efficient Standby Battery Chargers
- Gate Arms with compliant vertical reflective striping
- LED Gate Arm Tip Lights
- LED Flasher Lamp Inserts
- 24" Flasher Backgrounds (CPUC compliant)
- High-Intensity Reflective Crossbuck Signs

- Efficient Electronic Bells

The above components will be procured from nationally recognized signal and train control vendors. Each component is a standard component currently in use on MTS and other class one railroads.

Crossing Location	Upgrade Cost
SH 94 Campo West Crossing	\$11,247.00
SH 94 Campo East Crossing	\$12,735.00
Total:	\$23,982.00

The above cost breakdown includes materials, sales tax, and shipping to CA 91906. See attached materials cost breakdown sheet.

PSRM will burden the labor for the requested upgrades. PSRM volunteer staff will procure, handle, install, and maintain the above-requested materials. Each component and subsystem will be installed and tested to AREMA, CPUC, and FRA recommendations and requirements under the direction of our Signal Engineer.

PSRM Highway Grade Crossing Signals

State of Good Repair

65.4 State Hwy 94 West

Equipment	Manufacturer	Model Number	Quantity	Unit	Cost	Total Cost
Battery Cells 240AH	SAFT (Arthur N. Ulrich Company)	SPL+250	10	EA	\$293.00	\$2,930.00
Battery Charger 12/20	RECO Railway Equipment Co. Cragg	20DTC-12V	1	EA	\$819.00	\$819.00
Gate Arms 24ft	Western Cullen Hayes Inc. WCH	38-2503-24	2	EA	\$466.00	\$932.00
Gate Arm Tip Lights LED	RECO Railway Equipment Co.	LED 9298-1120	2	EA	\$223.00	\$446.00
Flashing Lamp LED Inserts	L&W Industries Inc.	ZARG6RTFB48BV1	8	EA	\$292.00	\$2,336.00
Crossbuck Sign	L&W Industries Inc.	7A1061-5 **	2	EA	\$200.00	\$400.00
Electronic Bell	Western Cullen Hayes Inc. WCH	0777	2	EA	\$250.00	\$500.00
Background 24"	Western Cullen Hayes Inc. WCH	975-21	8	EA	\$50.00	\$400.00

Subtotal: \$8,763.00

Tax: \$766.77

Shipping: \$1,717.10

Total: \$11,246.87

67.2 State Hwy 94 East

Equipment	Manufacturer	Model Number	Quantity	Unit	Cost	Total Cost
Battery Cells 240AH	SAFT (Arthur N. Ulrich Company)	SPL+250	10	EA	\$293.00	\$2,930.00
Battery Charger 12/20	RECO Railway Equipment Co. Cragg	20DTC-12V	1	EA	\$819.00	\$819.00
Gate Arms 24ft	Western Cullen Hayes Inc. WCH	38-2503-24	2	EA	\$466.00	\$932.00
Gate Arm Tip Lights LED	RECO Railway Equipment Co.	LED 9298-1120	2	EA	\$223.00	\$446.00
Flashing Lamp LED Inserts	L&W Industries Inc.	ZARG6RTFB48BV1	12	EA	\$292.00	\$3,504.00
Crossbuck Sign	L&W Industries Inc.	7A1061-5 **	3	EA	\$200.00	\$600.00
Electronic Bell	Western Cullen Hayes Inc. WCH	0777	2	EA	\$250.00	\$500.00
Background 24"	Western Cullen Hayes Inc. WCH	975-21	8	EA	\$50.00	\$400.00

Subtotal: \$10,131.00

Tax: \$886.47

Shipping: \$1,717.10

Total: \$12,734.57

Total Project Cost: \$23,981.44

sales@anu-co.com

sales@rwy.com

bc@wch.com

sales@rwy.com

sales@lwind.com

10340 Palmer Rd., S.W. Pataskala, OH 43062

15400 Medina Road Minneapolis, MN 55447

2700 W 36th PL Chicago, IL 60632 (773)-254-9600

15400 Medina Road Minneapolis, MN 55447

3850 E. Mustard Way, Springfield, MO 65803

tdittberner@rwy.com

Ship backup

617

178

591

130

202

Agenda Item No. 5

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

October 27, 2022

SUBJECT:

REPORT ON THE DESERT LINE

RECOMMENDATION:

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

Budget Impact

None.

DISCUSSION:

A report will be presented during the meeting.

Agenda Item No. 6

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

October 27, 2022

SUBJECT:

SUMMARY OF SD&AE DOCUMENTS ISSUED SINCE OCTOBER 5, 2021

RECOMMENDATION:

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

Budget Impact

None.

DISCUSSION:

Since the October 5, 2021, SD&AE Railway Company Board of Directors meeting, the documents described below have been processed by staff.

- S200-20-713.1: Right of Entry Permit Amendment (Time Extension) to Ortiz Corporation to access SD&AE property to replace and install a sixteen-inch water main at approximate MP EL 2.7 (30th & Commercial) via jack and bore method.
- S200-21-756.1: Right of Entry Permit Amendment (Time Extension) to Group Delta Consultants to perform soil sampling and geotechnical boring at five (5) locations as part of National City's Bayshore Bikeway Segment 5 project.
- S200-22-270: Right of Entry Permit to AM Ortega Construction, Inc. to perform potholing and installation of new electrical conduit for SDG&E at Cesar Chavez Parkway and 25th Street.
- S200-22-767: Right of Entry Permit to Badger Daylighting Corporation to perform potholing at milepost SL 7.4 to locate utilities in advance of an SDG&E jack and bore operation to install underground electrical utilities.
- S200-20-726.2: Right of Entry Permit Amendment (Time Extension) to Orion Construction to install a 12" water main and perform street improvements on behalf of the City of San Diego AC Water & Sewer Group 1024 project located at 61st Street to 65th Street and 65th Street/Imperial Avenue to Herrick Street (approximate milepost EL 7.20).

- S200-20-729.2: Right of Entry Permit Right of Entry Permit Amendment (Time Extension) to Hal Hays Construction to install an eighteen inch (18") welded cement lined steel pipe inside the existing thirty inch (30") at Elm Ave.
- S200-22-776: Right of Entry Permit to T.Y. Lin International to perform land survey data collection and soil sampling for the design of SANDAG's Palomar Street Grade Separation Project (SANDAG CIP No. 1210091).
- S200-21-766: Right of Entry Permit to HMS Construction, Inc. to install conduit at various locations (I-5 Civic Center Dr Bridge, I-5 Palm City Bridge, Beyer Blvd and 905) for the California Department of Transportation.
- S200-22-774: Right of Entry Permit to MJ Ratzlaff, Inc. to complete public improvements for the City of San Diego at 2995 Commercial Street including replacement of sidewalk, curb, and gutter, a new D-25 curb outlet, landscape, and water utility installations.
- S200-22-779: Right of Entry Permit to Life Sports Foundation allowing participants of the 2022 Campagnolo Gran Fondo San Diego bike event to cross over railroad tracks at 8th Street, Palomar Street and Gunpowder Point Drive in Chula Vista, CA on Sunday, April 3, 2022.
- S200-22-771: Right of Entry Permit to Ortiz Corporation to install 12-inch steel water pipe inside a 36-inch steel casing pipe beneath the tracks by jack and bore method, installation of an additional 12-in steel pipe and PVC pipe by cut and cover trenching, and the abandonment of existing 8-inch water pipe beneath tracks at the 69th St crossing.
- S200-22-270.1: Right of Entry Permit Amendment (Time Extension) to AM Ortega Construction, Inc. to perform potholing and installation of new electrical conduit for SDG&E at Cesar Chavez Parkway and 25th Street.
- S200-22-781: Right of Entry Permit Navy Region Southwest Morale, Welfare and Recreation Department to Allowing event participants of the Navy's 35th Annual Bay Bridge Run/Walk to cross over tracks on Sunday, May 15, 2022 at the Cesar Chavez Parkway railroad crossing and Harbor Drive.
- S200-22-782: Right of Entry Permit to Sweatpants Media for video shoot at Pacific Southwest Railway Museum - 750 Depot Street, Campo, CA 91906 from May 11, 2022 – May 13, 2022.
- S200-22-784: Right of Entry Permit to the City of La Mesa allowing participants of the City of La Mesa Flag Day Parade to cross over tracks on June 4, 2022 at La Mesa Boulevard railroad crossing.
- S200-22-778: Right of Entry Permit to Caster Properties to construct a three-story self-storage facility adjacent to the right of way at 825 Hollister Street, San Diego, CA.

- S200-22-780: Right of Entry Permit to the Pacific Southern Railway Museum Association to unload a locomotive from a delivery truck onto the railroad track at the Pacific Southern Railway Museum Association located at 750 Depot Street, Campo, CA.
- S200-20-729.3: Right of Entry Permit Right of Entry Permit Amendment (Time Extension) to Hal Hays Construction to install an eighteen inch (18") welded cement lined steel pipe inside the existing thirty inch (30") at Elm Ave.
- S200-22-783: Right of Entry Permit to RDS Contracting, Inc. perform grading, and removal and installation of a perimeter fence as part of the construction of a self-storage facility at 620 & 640 Marshall Avenue, El Cajon, CA.
- S200-22-775: Right of Entry Permit to Albus-Keefe & Associates MTS's Palm Avenue Station parking lot and right of way (2340 Palm Ave, Chula Vista, CA) for exploratory drilling and soil sampling.
- S200-22-787: Right of Entry Permit to Quality Infrastructure Corporation to conduct field surveys to locate utilities, curb lines, rails, traffic equipment, and miscellaneous features for proposed improvements near the 28th Street railroad at-grade crossing in conjunction with SANDAG's Bayshore Bikeway Barrio Logan project.
- S200-21-758.1: Right of Entry Permit to Southwest Pipeline & Trenchless Corporation to rehabilitate existing sewer mains via manholes on behalf of the City of San Diego at 54th St. to Pitta St. (approximate milepost EL 5.7-6.0).
- S200-22-788: Right of Entry Permit to San Diego County Bicycle Association allowing participants of the Bike the Bay bike event to cross over railroad tracks on Harbor Drive at Cesar Chavez Parkway, Harbor Drive south of Schley, Marina Parkway at Bay Boulevard, Bay Boulevard at E Street, Sunday, August 28, 2022.
- S200-23-790: Right of Entry Permit to Eagle Paving Company, Inc. to perform slurry seal maintenance on Broadway in Lemon Grove, CA between Main Street and Lemon Grove Avenue.
- S200-21-747: License Agreement to the City of San Diego to install a new trunk sewer at railroad milepost BS 1.28 (Harbor Drive).
- S200-21-749.1: Right of Entry Permit Amendment (Time Extension) to Aguirre & Associates to perform surveys on behalf of the City of Lemon Grove at the Central Ave. and San Miguel railroad crossings.
- S200-23-793: Right of Entry Permit to Odin Construction Solutions to transport approximately 350,000 cubic yards of materials from Otay River Floodplain over the railroad crossing at Bay Boulevard, Chula Vista and the entrance to Port of San Diego's property.

Agenda Item No. 7

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

October 27, 2022

Subject:

**RATIFICATION OF TRANSIT-ORIENTED DEVELOPMENT (TOD) AGREEMENTS;
DELEGATION OF AUTHORITY TO SD&AE PRESIDENT**

RECOMMENDATION:

That the SD&AE Board of Directors take the following action:

1. Ratify the San Diego Metropolitan Transit System's (MTS) Board of Directors October 14, 2021 approval of Disposition and Development Agreements (DDA) for a TOD project with National Community Renaissance of California, a California nonprofit public benefit corporation (National CORE) and MALICK INFILL CORP, a California corporation (Malick Infill) at the Palm Avenue Trolley Station;
2. Ratify the MTS Board of Director's March 10, 2022 approval of a DDA for a TOD project with Beyer Family Housing L.P. at the Beyer Boulevard Trolley Station; and
3. Delegate to the SD&AE President the authority to approve DDA agreements, ground leases, easements, fee transfers, restrictive covenants, regulatory agreements, and other real estate transactions or documents necessary to carry out projects on SD&AE property so long as such projects have been approved by the MTS Board of Directors and do not materially impair freight operations on adjacent SD&AE right-of-way.

Budget Impact

None.

DISCUSSION:

The MTS¹ trolley system began with its purchase of the San Diego & Arizona Eastern Railway (SD&AE) entity from Southern Pacific Railroad (predecessor-in-interest to Union Pacific Railroad) in 1979. By purchasing SD&AE, MTS gained ownership of all of

¹ Under Public Utilities Code section 120050, MTS is known as both "San Diego Metropolitan Transit Development Board" (MTDB) and "San Diego Metropolitan Transit System" (MTS). The MTS name has been used in most documents since 2004.

SD&AE's real estate holdings, including its railroad right-of-way. This original SD&AE right-of-way was the basis for the first segments of the Blue Line (from San Ysidro to the downtown trolley yard) and the Orange Line (from the downtown trolley yard east to El Cajon). As the trolley system was developed and expanded, new real estate acquisitions for track extensions or relocations, appurtenances, and parking lots were purchased directly under the MTS name. Therefore, at many trolley stations, the underlying real estate could be owned in segments by either MTS or SD&AE.

The MTS Chief Executive Officer also serves as the SD&AE President. Otherwise, the SD&AE entity has no formal staff. Instead, it is treated as a blended component unit by MTS and its financial, real estate, legal liability and other rights, obligations and responsibilities are performed by MTS staff. Maintenance of the right-of-way is performed by MTS and/or San Diego Trolley, Inc. staff.² MTS Board Policy No. 12 states that MTS shall "have the final decision in all matters involving joint operation and right-of-way" of SD&AE property, including the "granting, changing, or canceling of easements and other rights affecting the right-of-way."

Consistent with this role as the entity with discretionary authority over real estate matters, MTS has expanded its joint-development program and TOD efforts over the past few years. This has included partnering with developers to plan and construct TOD projects at various MTS trolley stations. All such efforts are intended to enhance the MTS transit environment and surrounding communities and to encourage transit ridership by TOD project residents, employees, and visitors. The TOD projects do not impair light rail or freight rail operations.

In order to avoid any questions concerning the legal right and ability of MTS and/or SD&AE to enter into agreements related to such TOD projects, today's proposed action is intended to formally approve on behalf of SD&AE two pending TOD projects, and to delegate to the SD&AE President the discretion to enter into all future agreements and transactions, as follows:

1. Ratify the San Diego Metropolitan Transit System's (MTS) Board of Directors October 14, 2021 approval of Disposition and Development Agreements (DDA) for a TOD project with National Community Renaissance of California, a California nonprofit public benefit corporation (National CORE) and MALICK INFILL CORP, a California corporation (Malick Infill) at the Palm Avenue Trolley Station;³
2. Ratify the MTS Board of Director's March 10, 2022 approval of a DDA for a TOD project with Beyer Family Housing L.P. at the Beyer Boulevard Trolley Station;⁴ and

² San Diego Trolley, Inc. is a separate entity created by MTS to operate trolley service and perform maintenance service on the railroad right-of-way. Similar to SD&AE, it is operated as a blended component unit of MTS.

³ The October 14, 2021 MTS Board Meeting materials can be found here: https://www.sdmts.com/sites/default/files/2021-10-14_board_agenda_and_materials.pdf The Palm Avenue TOD project is Agenda Item No. 30.

⁴ The March 10, 2022 MTS Board Meeting materials can be found here: https://www.sdmts.com/sites/default/files/2022-03-10_board_agenda_and_materials_1.pdf The Beyer Boulevard TOD project is Agenda Item No. 32.

3. Delegate to the SD&AE President the authority to approve DDA agreements, ground leases, easements, fee transfers, restrictive covenants, regulatory agreements, and other real estate transactions or documents necessary to carry out projects on SD&AE property so long as such projects have been approved by the MTS Board of Directors and do not materially impair freight operations on adjacent SD&AE right-of-way.

San Diego & Arizona Eastern Railway Company (SD&AE)

Board of Directors Meeting
October 27, 2022

Ratification of Transit-Oriented Development Agreements; Delegation of Authority to SD&AE President

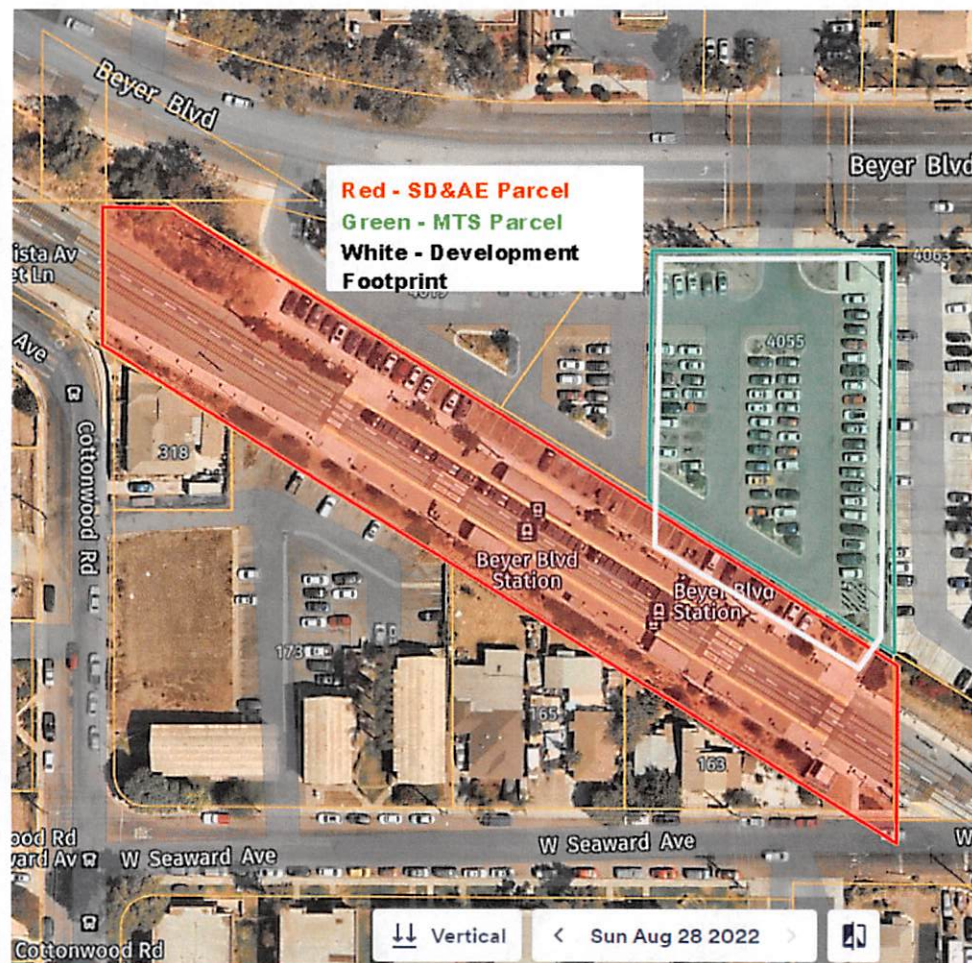
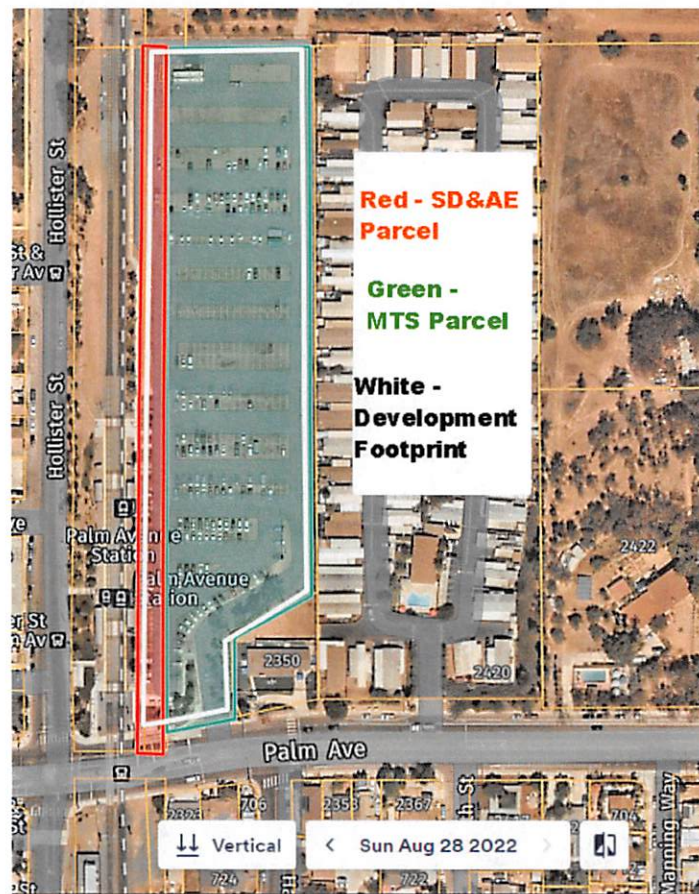


Management of MTS and SD&AE Real Estate Assets

- All property issues handled by MTS staff
- Real Estate and Permit documents signed by SD&AE President (who is also MTS CEO)
- TOD projects approved by MTS Board and then MTS CEO executes all documents necessary to carry out project
 - Projects cleared for any operational conflicts before approval
 - No impairment of rail service (does not encroach on railroad operating envelope)



MTS/SD&AE Property Lines at TOD Sites



Streamline Process between MTS and SD&AE

- Need Ability to Adjust Property Boundaries and Grant Rights to Accommodate TOD Projects
 - E.g., transfer portion of SD&AE property to MTS so that a TOD footprint can be more easily created (clear title issues); Execute ground lease and other covenants and regulatory agreements, easements
- Would allow SD&AE President to take action necessary to do so



Proposed SD&AE Board Action:

1. Ratify the San Diego Metropolitan Transit System's (MTS) Board of Directors October 14, 2021 approval of Disposition and Development Agreements (DDA) for a TOD project with National Community Renaissance of California, a California nonprofit public benefit corporation (National CORE) and MALICK INFILL CORP, a California corporation (Malick Infill) at the Palm Avenue Trolley Station;
2. Ratify the MTS Board of Director's March 10, 2022 approval of a DDA for a TOD project with Beyer Family Housing L.P. at the Beyer Boulevard Trolley Station; and
3. Delegate to the SD&AE President the authority to approve DDA agreements, ground leases, easements, fee transfers, restrictive covenants, regulatory agreements, and other real estate transactions or documents necessary to carry out projects on SD&AE property so long as such projects have been approved by the MTS Board of Directors and do not materially impair freight operations on adjacent SD&AE right-of-way.



Agenda Item No. 8

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

October 27, 2022

Subject:

ELECTION OF SD&AE CHAIRPERSON AND BOARD MEMBER (KAREN LANDERS)

RECOMMENDATION:

That the SD&AE Board of Directors move to elect Brian Riley as Chairperson and Board member of the SD&AE replacing Wayne Terry and forward a recommendation to the MTS Board of Directors for approval.

Budget Impact

None.

DISCUSSION:

Wayne Terry, current SD&AE Chairperson and Board member, is retiring from MTS in November 2022 and, therefore, the SD&AE Board needs to elect a new Chairperson and Board member to replace Mr. Terry.

Mr. Terry is recommending the election of Brian Riley, San Diego Trolley, Inc. (SDTI) Superintendent of Transportation, as the new SD&AE Chairperson and Board member.



Agenda Item No. 17

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 10, 2022

SUBJECT:

DAVRA NETWORKS RUBAN SOFTWARE SUPPORT AND LICENSES – CONTRACT
AMENDMENT

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute Amendment No. 5 to MTS Doc. No. G2071.0-18 (in substantially the same format as Attachment A), with Davra Networks, increasing the contract value in the amount of \$239,200.00, bringing the contract total to \$2,455,600.00.

Budget Impact

The total cost of this contract amendment is estimated to be \$239,200.00 for a 13-month coverage period. This amendment funding would come from the Information Technology (IT) Operations Budget 661010-571250.

PROJECT DESCRIPTION	AMOUNT
Existing Support	\$ 7,100.00
Automated Passenger Counter (APC) Support	\$ 1,900.00
Cradlepoint Router Support	\$ 2,500.00
Service Alerts Support	\$ 1,900.00
Base Platform Licenses	\$ 5,000.00
Monthly Total	\$ 18,400.00
AMENDMENT NO. 5 GRAND TOTAL:	\$ 239,200.00



DISCUSSION:

In 2015, MTS undertook a project to display next train arrival information on Variable Message Systems located at each trolley station. The project required software to identify the location of each trolley and predict when each train will arrive at each station. Since the project was implemented, various improvements and enhancements have been deployed. Davra Network's RuBAN™ software systems provide this software solution for next train arrivals, public address (PA) system announcements integration, automated passenger counting (APC), smart train sign programming, General Transit Feed Specification (GTFS) data, reports, and as an analytical tool for Light Rail Vehicle (LRV) operations and LRV maintenance staff. These information systems are a key communication link between transit operations and the traveling public.

Davra Networks has developed and expanded the RuBAN™ platform to meet MTS needs and is responsible for support of all aspects of this platform. Davra Networks is the only firm that can develop the additional software enhancements to meet the continuing needs of MTS and support the current system in place. In order to maintain the RuBAN™ platform in a state of good repair and continue to provide the real-time information which our transit riders have come to expect and rely upon, it is necessary that Davra Networks continue to provide operational support of the RuBAN™ platform.

Staff continuously works to identify additional reports that can be created to improve MTS trolley operations and the passenger experience. On July 21, 2022 (AI 12), the Board authorized Amendment No. 4 with Davra Networks to further develop the RuBAN™ platform to accommodate a server migration, system enhancements, reporting and analytics upgrades, and extend the licenses through December 31, 2023.

Amendment No. 4 did not address the additional maintenance and support services that are needed to support the enhanced RuBAN™ platform. Today's proposed action would approve Amendment No. 5 extending software support and maintenance services through December 31, 2023.

Staff's Independent Cost Estimate (ICE) is based on an extrapolation of the past software support purchase history from Davra Networks. In comparison with the ICE amount of \$301,800.20 and the offer received, staff has determined that the agreed upon cost is fair and reasonable. The table below shows the savings by a comparison of MTS's ICE and Davra's quote.

ENTITY	AMOUNT
MTS ICE	\$301,800.20
Davra's quote	\$239,200.00
MTS savings (MTS ICE vs quote)	\$ 62,600.20

Therefore, staff recommends MTS Board of Directors authorize the CEO to execute Amendment No. 5 to MTS Doc. No. G2071.0-18, with Davra Networks, increasing the contract value in the amount of \$239,200.00, bringing the contract total to \$2,455,600.00.

/S/ Sharon Cooney
Sharon Coney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachments: A. Draft Amendment No. 5 to MTS Doc. No. G2071.0-18



**Metropolitan
Transit
System**

Amendment 5

Date: November 10, 2022

MTS Doc No. G2071.5-18

DAVRA RUBAN SOFTWARE SUPPORT AND LICENSES

Davra Networks
Brian McGlynn
Chief Operating Officer
440 North Wolfe Road
Sunnyvale CA 94085

This shall serve as Amendment No. 5 to the original agreement G2071.0-18 RuBAN Software and Support Infrastructure System Solution as further described below.

SCOPE

Contractor shall provide the software maintenance and licensing specified in Exhibit A.

SCHEDULE

This amendment will not change the term of the agreement, and the end date will remain December 31, 2023.

PAYMENT

This contract amendment shall authorize additional costs not to exceed \$239,200.00. The total value of this contract including this amendment shall be in the amount of \$2,455,600.00. This amount shall not be exceeded without prior written approval from MTS.

Please sign and return a copy to the Contract Specialist at MTS. All other terms and conditions shall remain the same and in effect. Retain a copy for your records.

Sincerely,

Agreed:

Sharon Cooney, Chief Executive Officer

Brian McGlynn, Chief Operating Officer
Davra Networks

Date: _____

Attachments:

A. Davra Software Maintenance and Licensing Quote





Customer:
San Diego MTS
255 Imperial Ave., Suite 1000
San Diego, CA 92101

Quote NUMBER 73091(a)
DATE 2nd November 2022
Valid for: 30 Days
SALES Contact Gerry Mc Donnell

QUANTITY	DESCRIPTION	UNIT PRICE(Monthly)	AMOUNT(Annual)
13	Davra Support and Licenses December 1 st 2022 – December 31 st 2023	\$18,400	\$239,200
	Existing Support Contract	\$7,100	
	APC Support - SDMTS Core: LRV Manager	\$1,900	
	- Train Mgt App: Consist View & Status		
	Cradlepoint Support - SDMTS Core: Router	\$2,500	
	Agents Train Mgt App: Consist View & Status		
	Service Alerts - - GTFS-rt Service	\$1,900	
	Base Platform License (Single Tenant)	\$5,000	
	123 Medium Device License @ @\$1.51 ea.		
	180 High Device License @ \$15.82 ea.		
	19 High Device License @ \$0.83 ea.		
	Total Licenses included 322		
		SUBTOTAL	\$239,200
		Excl.TAX	0.00
		FREIGHT	0.00

Total \$239,200

DIRECT ALL INQUIRIES TO:

Gerry Mc Donnell
Tel +353 85 1744844
Email: gerry.mcdonnell@davra.com

Wire Instructions:

Bank Account: Davra Networks USA Inc.
Bank Name: Bank of the West
Bank address: 2299 Market Street, San Francisco, 94114
Swift Code: BWSTUS66
Account number: 033482307
Routing #: 121100782

Davra Company address: 440 N. Wolfe Road, Sunnyvale, CA 94085

THANK YOU FOR YOUR BUSINESS



Agenda Item No. 18

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 10, 2022

SUBJECT:

FIRE ALARM MONITORING AND MAINTENANCE SERVICES – CONTRACT AMENDMENT

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors:

- 1) Ratify the addition of Sapphire fire suppression system monitoring services at the UTC bus transit center to the Johnson Controls Fire Protection, LP (JCI) fire alarm monitoring services contract, MTS Doc. No. PWG329.0-21, at a cost of \$4,080.00, including option years; and
- 2) Authorize the Chief Executive Officer (CEO) to execute Amendment No. 1 to the JCI fire alarm monitoring services contract, MTS Doc. No. PWG329.0-21 (in substantially the same format as Attachment A), to add five Mid-Coast locations to the fire alarm monitoring and maintenance services locations for the remaining duration of the contract, in the amount of \$350,976.40 including option years.

Budget Impact

With today's proposed action, the total cost for this contract will be \$1,536,982.44 (current contract amount of \$1,181,926.04 plus amendment no. 1 amount of \$355,056.40), including all option years (through July 31, 2031). This contract is funded through the respective fiscal years' maintenance operating budget accounts as follows:



Program	Budget Account	Current Contract Amount	Amendment 1 Amount
San Diego Trolley (SDTI) Facilities Department	380016-536300	\$ 593,364.62	\$ 350,976.40
San Diego Transit Corporation (SDTC)	331014-536600	\$ 188,300.00	
Bus Rapid Transit (BRT)	845012-571140	\$ 120,842.59	\$ 4,080.00
	846012-571140	\$ 120,842.59	
Land Management (LM)	791010-571250	\$ 158,576.24	
Total		\$1,181,926.04	\$ 355,056.40
Grand Total		\$1,536,982.44	

DISCUSSION:

As part of its normal operations, MTS requires a contractor to provide fire alarm monitoring and maintenance services at various MTS stations and properties. MTS will be assuming the maintenance responsibilities for Mid-Coast Stations segment from SANDAG beginning November 1, 2022. Those stations with fire alarm systems are the following:

- Nobel Station & Parking Structure
- University of California San Diego (UCSD) Campus Station
- UCSD Health Center
- Executive Drive Station
- Universe Towne Centre (UTC) Transit Center & Parking Structure

These services include fire alarm system monitoring, testing, inspection, maintenance and as-needed repair of fire system equipment. These services are necessary to ensure that the fire alarm detection systems, fire sprinkler, and related systems function properly, and in accordance with National Fire Protection Association (NFPA) standards, American National Standards Institute (ANSI), Underwriters Laboratories (UL) standards, applicable building codes, and regulations of the Local/State Fire Marshall's Offices.

On July 29, 2021 (AI 13), the MTS Board of Directors approved a contract award to JCI for fire alarm monitoring and maintenance of multiple MTS properties for a total amount of \$1,181,926.04. The contract term is ten (10) years, made up with a three-year base period beginning August 1, 2021, plus seven option years, ending July 31, 2031. Following the Board's approval of the agreement, but before final execution by MTS and JCI, MTS staff added the monitoring of the Sapphire fire suppression system at UTC bus transit center (\$4,080 over ten years) to the scope of work to ensure the equipment was being monitored at all times. This equipment had inadvertently been left out of the original solicitation. Ratification of this change is part of today's proposed action.

Today's proposed action would amend the existing agreement between MTS and JCI to add the five Mid-Coast stations and/or parking garages to the JCI contract for fire alarm monitoring and maintenance. The maintenance of the additional Mid-Coast locations will commence on December 1, 2022. Maintenance for the month of November 1, 2022 has been authorized under a separate purchase order to maintain continuity of coverage.

The contract and amendment are summarized below:

Contract No.	Purpose	Amount	Board Approval Date
PWG329.0-21	Original Contract (presented to the Board)	\$1,181,926.04	07/29/21, Item 13
PWG329.0-21	UTC Sapphire Fire Suppression System added to scope before execution Original Contract	\$4,080.00	Added under CEO Policy 41 authority - Today's proposed action (ratify)
PWG329.1-21	Amendment 1 – Add 5 Mid Coast stations and garages	\$ 355,056.40	Today's proposed action (approve)
TOTAL CONTRACT		\$1,536,982.44	

Therefore, staff recommends that the MTS Board of Directors:

- 1) Ratify the addition of Sapphire fire suppression system monitoring services at the UTC bus transit center to the Johnson Controls Fire Protection, LP (JCI) fire alarm monitoring services contract, MTS Doc. No. PWG329.0-21, at a cost of \$4,080.00, including option years; and
- 2) Authorize the Chief Executive Officer (CEO) to execute Amendment No. 1 to the JCI fire alarm monitoring services contract, MTS Doc. No. PWG329.0-21 (in substantially the same format as Attachment A), to add five Mid-Coast locations to the fire alarm monitoring and maintenance services locations for the remaining duration of the contract, in the amount of \$350,976.40 including option years.

/S/ Sharon Cooney
Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachments: A. Draft Amendment No. 1 to MTS DOC NO. PWG329.0-21



Amendment 1

Effective Date: December 1, 2022

MTS Doc No.PWG329.1-21

FIRE ALARM MONITORING AND MAINTENANCE SERVICES

Johnson Controls Fire Protection, LP
 Ryan Tolentino
 Fire Area Service Manager - California
 3568 Ruffin Road So.
 San Diego, CA 92123

This shall serve as Amendment No.1 to the original agreement PWG329.0-21 as further described below.

SCOPE

Pursuant to the Scope of Work of the San Diego Metropolitan Transit System (MTS) contractor shall:

Item	Description	Amount
1.	Add fire alarm monitoring and maintenance services for the five (5) Mid Coast locations (see Scope of Services in Attachment A and Items 17-21 on the revised Bid Form in Attachment B) including all potential option years.	\$68,356.93 (base years)
		\$78,360.20 (Option Years 1-2)
		\$204,259.27 (Option Years 3-7)
	Total:	\$350,976.40 (Base & Options)

SCHEDULE

There shall be no change to the schedule as a result of this Amendment.

PAYMENT

This contract amendment shall authorize additional costs not-to-exceed \$68,356.93 for the base period. The total value of this contract, including this amendment, shall be in the amount of \$402,655.20 (base period only). This amount shall not be exceeded without prior written approval from MTS. The Option Years are subject to exercise by MTS, in its sole discretion.



Please sign and return the copy to the Contract Specialist at MTS. All other terms and conditions shall remain the same and in effect. Retain the other copies for your records.

Sincerely,

Agreed:

Sharon Cooney, Chief Executive Officer

Ryan Tolentino, Fire Area Service
Manager - California
Johnson Controls Fire Protection, LP

Date: _____

Attachment: A. Scope of Services – 5 Mid-Coast Locations
 B. Revised Bid Form

ATTACHMENT A

San Diego Metropolitan Transit System Mid Coast Stations - CPQ-312398

Planned Service Agreement



Johnson Controls Fire Protn LP
3568 Ruffin Road South
San Diego CA92131
US

Proposal Presented On:
10-18-2022

SERVICE SOLUTION

Customer #: 2169496
San Diego Metropolitan Transit System
Date: 18-Oct-22
Proposal #: CPQ-312398
Term: 1-Nov-22 to 31-Jul-24

Billing Customer:
SAN DIEGO METROPOLITAN TRANSIT SYSTEM
1255 Imperial Ave
Ste 1000
SAN DIEGO, CA 92101-7493

Service Location:
SDMTS UTC Trolley Station and Transit Ctr Parking
4545 La Jolla Village Dr,
San Diego, CA 92122

Johnson Controls Fire Protection LP
Sales Representative:
Betsy Hollis-Matheny
3568 Ruffin Road South
San Diego CA 92131
betsy.hollismatheny@jci.com
(619) 571-1083

INVESTMENT SUMMARY

(Service Solution Valid for 45 Days)

SERVICE/PRODUCT DESCRIPTION	QUANTITY	FREQUENCY	INVESTMENT
-----------------------------	----------	-----------	------------

SYSTEM-FA-SIMPLEX 4100ES

SIMPLEX 4100ES FIRE ALARM PANEL

Inspection Performed :Normal working hours (M-F)
Service Coverage : Normal Working Hours (M-F)

Main Fire Alarm Panel	1	Quarterly
Fire Alarm Battery Test (each)	2	Semi-Annual
Smoke Sensor Addressable	7	Annual
Heat Detector Restorable	8	Annual
Pull Station	6	Annual
Audio-Visual Unit Addressable	1	Annual
Waterflow Test	1	Quarterly
Tamper Switch	1	Quarterly

SYSTEM-SG-OTHER

OTHER SUPPRESSION GAS SYSTEM

Inspection Performed :Normal working hours (M-F)
Service Coverage : Normal Working Hours (M-F)

Sapphire System (Includes Control Panel)	1	Semi-Annual
Pull Station	2	Semi-Annual
Abort Switch	2	Semi-Annual
Above Floor Detectors	10	Semi-Annual
Addl Cyl < 280	1	Semi-Annual

SERVICE SOLUTION

SYSTEM-SP-STANDPIPE

STANDPIPE SYSTEM

Inspection Performed :Normal working hours (M-F)
Service Coverage : Normal Working Hours (M-F)

Standpipe Test & Inspect	1	Quarterly
Fire Department Connection	1	Quarterly

DRAFT

SERVICE SOLUTION

Customer #: 2169496
San Diego Metropolitan Transit System
Date: 18-Oct-22
Proposal #: CPQ-312398
Term: 1-Nov-22 to 31-Jul-24

Billing Customer:
SAN DIEGO METROPOLITAN TRANSIT SYSTEM
1255 Imperial Ave
Ste 1000
SAN DIEGO, CA 92101-7493

Service Location:
SDMTS Pepper Canyon Trolley Station & Transit - UCSD
9482 Innovation Lane,
LA JOLLA, CA 92093

Johnson Controls Fire Protection LP
Sales Representative:
Betsy Hollis-Matheny
3568 Ruffin Road South
San Diego CA 92131
betsy.hollismatheny@jci.com
(619) 571-1083

INVESTMENT SUMMARY (Service Solution Valid for 45 Days)

SERVICE/PRODUCT DESCRIPTION	QUANTITY	FREQUENCY	INVESTMENT
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SYSTEM-FA-SIMPLEX 4100ES

SIMPLEX 4100ES FIRE ALARM PANEL

Inspection Performed : Normal working hours (M-F)
Service Coverage : Normal Working Hours (M-F)

Main Fire Alarm Panel	1	Quarterly
Fire Alarm Battery Test (each)	2	Semi-Annual
Annunciator	1	Annual
Smoke Sensor Addressable	7	Annual
Heat Detector Restorable	2	Annual
Pull Station	5	Annual
Audio-Visual Notification Conventional	1	Annual
Waterflow Test	1	Quarterly
Tamper Switch	1	Quarterly

SYSTEM-SG-OTHER

OTHER SUPPRESSION GAS SYSTEM

Inspection Performed : Normal working hours (M-F)
Service Coverage : Normal Working Hours (M-F)

Sapphire System (Includes Control Panel)	1	Semi-Annual
Abort Switch	2	Semi-Annual
Above Floor Detectors	6	Semi-Annual
Addl Cyl < 280	2	Semi-Annual

SERVICE SOLUTION

Addl Cyl > 280

1

Semi-Annual

DRAFT

SERVICE SOLUTION

Customer #: 2169496
San Diego Metropolitan Transit System
Date: 18-Oct-22
Proposal #: CPQ-312398
Term: 1-Nov-22 to 31-Jul-24

Billing Customer:
SAN DIEGO METROPOLITAN TRANSIT SYSTEM
1255 Imperial Ave
Ste 1000
SAN DIEGO, CA 92101-7493

Service Location:
SDMTS Voigt Trolley Station & Transit Center - UCSD
3669 Voigt Dr,
La Jolla, CA 92037

Johnson Controls Fire Protection LP
Sales Representative:
Betsy Hollis-Matheny
3568 Ruffin Road South
San Diego CA 92131
betsy.hollismatheny@jci.com
(619) 571-1083

INVESTMENT SUMMARY

(Service Solution Valid for 45 Days)

SERVICE/PRODUCT DESCRIPTION	QUANTITY	FREQUENCY	INVESTMENT
-----------------------------	----------	-----------	------------

SYSTEM-FA-SIMPLEX 4100ES

SIMPLEX 4100ES FIRE ALARM PANEL

Inspection Performed : Normal working hours (M-F)
Service Coverage : Normal Working Hours (M-F)

Main Fire Alarm Panel	1	Quarterly
Fire Alarm Battery Test (each)	2	Semi-Annual
Annunciator	1	Annual
Smoke Detector Conventional	10	Annual
Heat Detector Restorable	6	Annual
Pull Station	3	Annual
Audio-Visual Unit Addressable	1	Annual

SYSTEM-SG-OTHER

OTHER SUPPRESSION GAS SYSTEM

Inspection Performed : Normal working hours (M-F)
Service Coverage : Normal Working Hours (M-F)

Sapphire System (Includes Control Panel)	1	Semi-Annual
Pull Station	2	Semi-Annual
Above Floor Detectors	6	Semi-Annual

SERVICE SOLUTION

Customer #: 2169496
San Diego Metropolitan Transit System
Date: 18-Oct-22
Proposal #: CPQ-312398
Term: 1-Nov-22 to 31-Jul-24

Billing Customer:
SAN DIEGO METROPOLITAN TRANSIT SYSTEM
1255 Imperial Ave
Ste 1000
SAN DIEGO, CA 92101-7493

Service Location:
SDMTS Executive Trolley Station & Transit Ctr Parking
9235 Genesee Ave,
San Diego, CA 92121

Johnson Controls Fire Protection LP
Sales Representative:
Betsy Hollis-Matheny
3568 Ruffin Road South
San Diego CA 92131
betsy.hollismatheny@jci.com
(619) 571-1083

INVESTMENT SUMMARY (Service Solution Valid for 45 Days)

SERVICE/PRODUCT DESCRIPTION	QUANTITY	FREQUENCY	INVESTMENT
-----------------------------	----------	-----------	------------

SYSTEM-FA-SIMPLEX 4100ES

SIMPLEX 4100ES FIRE ALARM PANEL

Inspection Performed : Normal working hours (M-F)
Service Coverage : Normal Working Hours (M-F)

Main Fire Alarm Panel	1	Quarterly
Fire Alarm Battery Test (each)	2	Semi-Annual
Smoke Sensor Addressable	5	Annual
Heat Detector Restorable	4	Annual
Pull Station	4	Annual
Audio-Visual Unit Addressable	1	Annual
Waterflow Test	1	Quarterly
Tamper Switch	1	Quarterly

SYSTEM-SG-OTHER

OTHER SUPPRESSION GAS SYSTEM

Inspection Performed : Normal working hours (M-F)
Service Coverage : Normal Working Hours (M-F)

Sapphire System (Includes Control Panel)	1	Semi-Annual
Pull Station	2	Semi-Annual
Abort Switch	2	Semi-Annual
Above Floor Detectors	6	Semi-Annual
Addl Cyl > 280	1	Semi-Annual

SERVICE SOLUTION

SYSTEM-SP-STANDPIPE

STANDPIPE SYSTEM

Inspection Performed :Normal working hours (M-F)
Service Coverage : Normal Working Hours (M-F)

Standpipe Test & Inspect	1	Quarterly
Fire Department Connection	1	Quarterly

DRAFT

SERVICE SOLUTION

Customer #: 2169496
San Diego Metropolitan Transit System
Date: 18-Oct-22
Proposal #: CPQ-312398
Term: 1-Nov-22 to 31-Jul-24

Billing Customer:
SAN DIEGO METROPOLITAN TRANSIT SYSTEM
1255 Imperial Ave
Ste 1000
SAN DIEGO, CA 92101-7493

Service Location:
SDMTS Nobel Trolley Station & Transit Center
3449 Nobel Dr,
San Diego, CA 92161

Johnson Controls Fire Protection LP
Sales Representative:
Betsy Hollis-Matheny
3568 Ruffin Road South
San Diego CA 92131
betsy.hollismatheny@jci.com
(619) 571-1083

INVESTMENT SUMMARY (Service Solution Valid for 45 Days)

SERVICE/PRODUCT DESCRIPTION	QUANTITY	FREQUENCY	INVESTMENT
-----------------------------	----------	-----------	------------

SYSTEM-FA-SIMPLEX 4100ES

SIMPLEX 4100ES FIRE ALARM PANEL

Inspection Performed : Normal working hours (M-F)
Service Coverage : Normal Working Hours (M-F)

Main Fire Alarm Panel	1	Quarterly
Remote Power Supply/NAC Extender	1	Quarterly
Fire Alarm Battery Test (each)	4	Semi-Annual
Annunciator	1	Annual
Smoke Sensor Addressable	5	Annual
Heat Detector Restorable	12	Annual
Pull Station	4	Annual
Audio-Visual Notification Conventional	1	Annual

SYSTEM-SG-OTHER

OTHER SUPPRESSION GAS SYSTEM

Inspection Performed : Normal working hours (M-F)
Service Coverage : Normal Working Hours (M-F)

Sapphire System (Includes Control Panel)	1	Semi-Annual
Abort Switch	1	Semi-Annual
Above Floor Detectors	6	Semi-Annual
Addl Cyl < 280	1	Semi-Annual

SERVICE SOLUTION

To the extent applicable, Johnson Controls has included an estimate for all state and local sales tax for this quote. The actual sales tax due will be calculated and billed upon issuance of an invoice, unless a valid exemption and/or resale certificate is received by Johnson Controls.

DRAFT

SERVICE SOLUTION

SUMMARY OF SERVICES

The summary of services is intended to cover the following locations:

Location	Address	City	State	Zip	Fire Alarm	Sprinkler	Suppression Gas Systems
SDMTS UTC Trolley Station and Transit Ctr Parking	4545 La Jolla Village Dr,	San Diego	CA	92122	x	x	x
SDMTS Pepper Canyon Trolley Station & Transit - UCSD	9482 Innovation Lane,	LA JOLLA	CA	92093	x		x
SDMTS Voigt Trolley Station & Transit Center - UCSD	3669 Voigt Dr,	La Jolla	CA	92037	x		x
SDMTS Executive Trolley Station & Transit Ctr Parking	9235 Genesee Ave,	San Diego	CA	92121	x	x	x
SDMTS Nobel Trolley Station & Transit Center	3449 Nobel Dr,	San Diego	CA	92161	x		x

SUPPRESSION GAS SYSTEMS TEST & INSPECT

SYSTEM-SG-OTHER

TEST AND INSPECTION:

Inspections and diagnostic tests for the accessible suppression gas systems listed. Tests will be scheduled in advance.

DOCUMENTATION:

Accessible components and devices logged for:

Location of each device tested, including system address or zone location

Test results and applicable voltage readings

any discrepancies found noted

Inspection documentation provided to Customer's representative. NOTE: Certain additional services may be required by the Authority Having Jurisdiction. AHJ or internal organizational requirements may be more restrictive than state/provincial requirements. Building owners and managers should make themselves aware of applicable codes and references in order to ensure that contracted services are in compliance with these requirements.

FIRE ALARM ESSENTIAL SERVICE OFFER

SYSTEM-FA-SIMPLEX 4100ES

TEST AND INSPECTION:

Inspections and diagnostic tests for the accessible peripheral devices listed and currently connected to the facility fire alarm system.

Tests will be scheduled in advance. Unless otherwise specified herein, batteries installed within wireless initiating and notification peripheral devices are not covered under this agreement. Replacement of such batteries will be at an additional cost.

DOCUMENTATION:

Accessible components and devices logged for:

-Location of each device tested, including system address or zone location

-Test results and applicable voltage readings

SERVICE SOLUTION

-any discrepancies found noted

Inspection documentation provided to Customer's representative. NOTE: Certain additional services may be required by the Authority Having Jurisdiction. AHJ or internal organizational requirements may be more restrictive than state/provincial requirements. Building owners and managers should make themselves aware of applicable codes and references in order to ensure that contracted services are in compliance with these requirements.

SPRINKLER ESSENTIAL SERVICE OFFER

SYSTEM-SP-STANDPIPE

TEST AND INSPECTION:

Inspections and diagnostic tests for the accessible fire sprinkler devices listed and currently connected to fire sprinkler system. Tests will be scheduled in advance.

DOCUMENTATION:

Accessible components and devices logged for: Test results Any discrepancies found noted Inspection documentation provided to Customer. NOTE: Certain additional services may be required by the Authority Having Jurisdiction. AHJ or internal organizational requirements may be more restrictive than state/provincial requirements. Building owners and managers should make themselves aware of applicable codes and references in order to ensure that contracted Services fulfill requirements.

Fire Department Connection

SYSTEM-SP-STANDPIPE

Inspecting the Fire Department Connection is required quarterly. Items checked for includes condition, operation, leakage, blockage, accessibility, and damage.

Smoke Detector Sensitivity Testing

SYSTEM-FA-SIMPLEX 4100ES

SENSITIVITY TESTING FOR CONVENTIONAL SMOKE DETECTORS:

Smoke detector sensitivity testing will be performed on smoke detectors. Testing will be performed using UL/ULC approved sensitivity testing equipment. Devices performing outside the listed sensitivity range will be re-cleaned and re-tested, and, if necessary, noted and recommended for replacement. NOTE: Certain types of analog smoke sensors automatically satisfy this testing requirement through sensitivity reports printed from the fire alarm panel. Ex cludes duct smoke detectors.

Customer Portal (Basic)

SYSTEM-FA-SIMPLEX 4100ES

SYSTEM-SG-OTHER

SYSTEM-SP-STANDPIPE

Basic Customer Portal functionality will be provided.

SERVICE SOLUTION

This Service Solution (the "Agreement") sets forth the Terms and Conditions for the provision of equipment and services to be provided by Johnson Controls Fire Protection LP ("Company") to **San Diego Metropolitan Transit System** and is effective **1-Nov-22** (the "Effective Date") to **31-Jul-24** (the "Initial Term"). Customer agrees that initial inspections may be performed within 45 days from the Effective Date.

PAYMENT FREQUENCY: Monthly In Arrears

Initials

PAYMENT TERMS: Due Upon Receipt

For applicable taxes, please see Section 3 of the Terms & Conditions

Proposal #: CPQ-312398

PAYMENT SUMMARY:

CUSTOMER ACCEPTANCE: In accepting this Agreement, Customer agrees to the Terms and Conditions on the following pages and any attachments or riders attached hereto that contain additional terms and conditions. It is understood that these terms and conditions shall prevail over any variation in terms and conditions on any purchase order or other document that Customer may issue. Any changes in the system requested by Customer after the execution of Agreement shall be paid for by Customer and such changes shall be authorized in writing.

ATTENTION IS DIRECTED TO THE LIMITATION OF LIABILITY, WARRANTY, INDEMNITY AND OTHER CONDITIONS CONTAINED IN THIS AGREEMENT.

Year	Term	

ATTACHMENT B

COST PRICING FORM - FIRE ALARM SYSTEM TESTING AND MAINTENANCE

JOHNSON CONTROLS FIRE PROTECTION, LP.

Instructions: For Tables I and II, please multiply the *Unit Price* by the corresponding estimated *Quantity* to determine the *Item Totals* for each Item for each year. Please sum Item Totals for each Year to determine the Subtotals for Tables I & II. For Table III, please enter the mark up percentage (between 0-5%, rounding to the nearest hundredth) in the % *Mark Up* field for each year. Please multiply the mark up percentage by the *Annual Materials/Parts Allowance* (Item 1) for each respective year. The annual *As-Needed Materials/Parts* amount is the sum of Items 1 and 2 for each year. The *Grand Total* is the sum of the *Subtotals* for Tables I, II & III.

Table I: FIRE ALARM TESTING AND MAINTENANCE						
Item	Location	Qty./No. of Visit(s)	Year One 8/1/21 - 7/31/22		Year Two 8/1/22 - 7/31/23	
			Unit Price	Item Total	Unit Price	Item Total
SDTI	Building A					
	Annual Testing and Maintenance	1	\$ 1,525.00	\$ 1,525.00	\$ 1,525.00	\$ 1,525.00
	Quarterly Testing and Maintenance	3	\$ 250.00	\$ 750.00	\$ 250.00	\$ 750.00
	Monthly Fire Alarm Monitoring	12	\$ 31.00	\$ 372.00	\$ 31.00	\$ 372.00
	Semi Annual Inspection of Argonite System	2	\$ 562.00	\$ 1,124.00	\$ 562.00	\$ 1,124.00
	Five Year NFPA Riser-Standpipe Inspection/Test	1	Service Last Performed January 2018		\$ 868.00	\$ 868.00
	Building B					
	Annual Testing and Maintenance	1	\$ 1,021.00	\$ 1,021.00	\$ 1,021.00	\$ 1,021.00
	Quarterly Testing and Maintenance	3	\$ 250.00	\$ 750.00	\$ 250.00	\$ 750.00
	Monthly Fire Alarm Monitoring	12	\$ 31.00	\$ 372.00	\$ 31.00	\$ 372.00
	Five Year NFPA Riser-Standpipe Inspection/Test	1	Service Last Performed January 2018		\$ 868.00	\$ 868.00
	Building C, Yard Tower, Paint Booth					
	Annual Testing and Maintenance	1	\$ 2,991.00	\$ 2,991.00	\$ 2,991.00	\$ 2,991.00
	Quarterly Testing and Maintenance	3	\$ 250.00	\$ 750.00	\$ 250.00	\$ 750.00
	Monthly Fire Alarm Monitoring	12	\$ 31.00	\$ 372.00	\$ 31.00	\$ 372.00
	Five Year NFPA Riser-Standpipes Inspection/Test	1	Service Last Performed February 2018		\$ 2,038.00	\$ 2,038.00
SDTC	Grantville Station					
	Annual Testing and Maintenance	1	\$ 1,195.00	\$ 1,195.00	\$ 1,195.00	\$ 1,195.00
	Quarterly Testing and Maintenance	3	\$ 250.00	\$ 750.00	\$ 250.00	\$ 750.00
	Monthly Fire Alarm Monitoring	12	\$ 31.00	\$ 372.00	\$ 31.00	\$ 372.00
	Semi Annual Inspection of Pre-Action System	2	\$ 493.00	\$ 986.00	\$ 493.00	\$ 986.00
	Five Year NFPA Riser-Standpipe Inspection/Test (Last performed August 2012)	1	\$ 868.00	\$ 868.00		
	Grossmont Station					
	Annual Testing and Maintenance	1	\$ 291.00	\$ 291.00	\$ 291.00	\$ 291.00
	Quarterly Testing and Maintenance	3	\$ 200.00	\$ 600.00	\$ 200.00	\$ 600.00
	Monthly Fire Alarm Monitoring	12	\$ 31.00	\$ 372.00	\$ 31.00	\$ 372.00
	Fashion Valley Station					
	Annual Testing and Maintenance	1	\$ 291.00	\$ 291.00	\$ 291.00	\$ 291.00
	Quarterly Testing and Maintenance	3	\$ 200.00	\$ 600.00	\$ 200.00	\$ 600.00
	Monthly Fire Alarm Monitoring	12	\$ 31.00	\$ 372.00	\$ 31.00	\$ 372.00
	Administration Building					
	Annual Testing and Maintenance	1	\$ 410.00	\$ 410.00	\$ 410.00	\$ 410.00
	Quarterly Testing and Maintenance	3	\$ 200.00	\$ 600.00	\$ 200.00	\$ 600.00
	Data Center (inside Admin Bldg.)					
	Semi Annual inspection of (1) FM200 Fire Suppression	2	\$ 343.00	\$ 686.00	\$ 343.00	\$ 686.00
	RAM Building					
	Annual Testing and Maintenance	1	\$ 2,088.00	\$ 2,088.00	\$ 2,088.00	\$ 2,088.00
	Quarterly Testing and Maintenance	3	\$ 250.00	\$ 750.00	\$ 250.00	\$ 750.00
	Monthly Fire Alarm Monitoring	12	\$ 31.00	\$ 372.00	\$ 31.00	\$ 372.00
	Five Year NFPA Riser-Standpipe Inspection/Test	1	Last performed September 2018			
	Service Lanes					
	Annual Testing and Maintenance	1	\$ 1,623.00	\$ 1,623.00	\$ 1,623.00	\$ 1,623.00
	Quarterly Testing and Maintenance	3	\$ 250.00	\$ 750.00	\$ 250.00	\$ 750.00
	Monthly Fire Alarm Monitoring	12	\$ 31.00	\$ 372.00	\$ 31.00	\$ 372.00
	Five Year NFPA Riser-Standpipe Inspection/Test	1	Last performed September 2018			
	KMD Maintenance Building					
	Annual Testing and Maintenance	1	\$ 2,446.00	\$ 2,446.00	\$ 2,446.00	\$ 2,446.00
	Quarterly Testing and Maintenance	3	\$ 250.00	\$ 750.00	\$ 250.00	\$ 750.00
	Five Year NFPA Riser-Standpipe Inspection/Test	3	Last performed September 2018			

BRT	12	Sabre Springs					
		Annual Testing and Maintenance	1	\$ 2,308.00	\$ 2,308.00	\$ 2,308.00	\$ 2,308.00
		Quarterly Testing and Maintenance	3	\$ 250.00	\$ 750.00	\$ 250.00	\$ 750.00
		Monthly Fire Alarm Monitoring	12	\$ 31.00	\$ 372.00	\$ 31.00	\$ 372.00
		Five Year NFPA Riser-Standpipe Inspection/Test	1	Last performed October 2018			
	13	UTC					
		Annual Testing and Maintenance	1	\$ 374.00	\$ 374.00	\$ 374.00	\$ 374.00
		Quarterly Testing and Maintenance	3	\$ 200.00	\$ 600.00	\$ 200.00	\$ 600.00
		Monthly Sapphire System Monitoring ³	12	\$ 31.00	\$ 372.00	\$ 31.00	\$ 372.00
		Semi Annual inspection of Sapphire System	2	\$ 500.00	\$ 1,000.00	\$ 500.00	\$ 1,000.00
	14	Centerline					
		Annual Testing and Maintenance	1	\$ 567.00	\$ 567.00	\$ 567.00	\$ 567.00
Quarterly Testing and Maintenance		3	\$ 300.00	\$ 900.00	\$ 300.00	\$ 900.00	
		Monthly Fire Alarm Monitoring (2 Panels)	12	\$ 62.00	\$ 744.00	\$ 62.00	\$ 744.00
LM	15	Pyramid Building					
		Annual Testing and Maintenance	1	\$ 3,068.00	\$ 3,068.00	\$ 3,068.00	\$ 3,068.00
		Quarterly Testing and Maintenance	3	\$ 250.00	\$ 750.00	\$ 250.00	\$ 750.00
		Monthly Fire Alarm Monitoring	12	\$ 31.00	\$ 372.00	\$ 31.00	\$ 372.00
		Five Year NFPA Riser-Standpipe Inspection/Test	1	Last performed October 2018			
	16	Taxi Admin. Building					
		Annual Testing and Maintenance	1	\$ 984.00	\$ 984.00	\$ 984.00	\$ 984.00
		Quarterly Testing and Maintenance	3	\$ 250.00	\$ 750.00	\$ 250.00	\$ 750.00
		Monthly Fire Alarm Monitoring	12	\$ 31.00	\$ 372.00	\$ 31.00	\$ 372.00
		Five Year NFPA Riser-Standpipe Inspection/Test	1	Last performed October 2018			
MID COAST	17	SDMTS VOIGT TROLLEY STATION AND TRANSIT CENTER– UCSD					
		Quarterly/Annual Testing and Maintenance	4			\$ 366.12	\$ 1,098.35
		Monthly Fire Alarm Monitoring	12			\$ 117.00	\$ 936.00
		Semi Annual inspection of Sapphire System	2			\$ 945.09	\$ 1,890.17
	18	SDMTS PEPPER CANYON TROLLEY STATION AND TRANSIT CENTER - UCSD					
		Quarterly/Annual Testing and Maintenance	4			\$ 514.58	\$ 1,543.75
		Monthly Fire Alarm Monitoring	12			\$ 117.00	\$ 936.00
		Semi Annual inspection of Sapphire System	2			\$ 1,370.80	\$ 2,741.60
	19	SDMTS EXECUTIVE TROLLEY STATION AND TRANSIT CENTER / PARKING					
		Quarterly/Annual Testing and Maintenance	4			\$ 485.85	\$ 1,457.54
		Monthly Fire Alarm Monitoring	12			\$ 117.00	\$ 936.00
		Five Year NFPA Riser-Standpipe Inspection/Test	4			\$ 377.82	\$ 1,133.47
		Semi Annual inspection of Sapphire System	2			\$ 1,467.65	\$ 2,935.30
	20	SDMTS NOBEL TROLLEY AND TRANSIT CENTER / PARKING					
		Quarterly/Annual Testing and Maintenance	4			\$ 497.02	\$ 1,491.07
		Monthly Fire Alarm Monitoring	12			\$ 462.00	\$ 3,696.00
		Semi Annual inspection of Sapphire System	2			\$ 1,068.55	\$ 2,137.09
	21	SDMTS UTC TROLLEY STATION AND TRANSIT CENTER / PARKING					
		Quarterly/Annual Testing and Maintenance	4			\$ 542.79	\$ 1,628.36
		Monthly Fire Alarm Monitoring	12			\$ 378.00	\$ 3,024.00
		Five Year NFPA Riser-Standpipe Inspection/Test	4			\$ 377.82	\$ 1,133.47
		Semi Annual inspection of Sapphire System	2			\$ 1,162.20	\$ 2,324.40
	Table I Subtotals				\$ 41,854.00		\$ 75,802.55

	Table I: FIRE ALARM TESTING AND MAINTENANCE			Year Three 8/1/23 - 7/31/24		Optional Year 1 8/1/24 - 7/31/25	
	Item	Location	Qty./No. of Visit(s)	Unit Price	Item Total	Unit Price	Item Total
SDTI	1	Building A					
		Annual Testing and Maintenance	1	\$ 1,525.00	\$ 1,525.00	\$ 1,525.00	\$ 1,525.00
		Quarterly Testing and Maintenance	3	\$ 250.00	\$ 750.00	\$ 250.00	\$ 750.00
		Monthly Fire Alarm Monitoring	12	\$ 31.00	\$ 372.00	\$ 31.00	\$ 372.00
		Semi Annual Inspection of Argonite System	2	\$ 562.00	\$ 1,124.00	\$ 562.00	\$ 1,124.00
		Five Year NFPA Riser-Standpipe Inspection/Test	1				
	2	Building B					
		Annual Testing and Maintenance	1	\$ 1,021.00	\$ 1,021.00	\$ 1,021.00	\$ 1,021.00
		Quarterly Testing and Maintenance	3	\$ 250.00	\$ 750.00	\$ 250.00	\$ 750.00
		Monthly Fire Alarm Monitoring	12	\$ 31.00	\$ 372.00	\$ 31.00	\$ 372.00
		Five Year NFPA Riser-Standpipe Inspection/Test	1				
	3	Building C, Yard Tower, Paint Booth					
		Annual Testing and Maintenance	1	\$ 2,991.00	\$ 2,991.00	\$ 2,991.00	\$ 2,991.00
		Quarterly Testing and Maintenance	3	\$ 250.00	\$ 750.00	\$ 250.00	\$ 750.00
		Monthly Fire Alarm Monitoring	12	\$ 31.00	\$ 372.00	\$ 31.00	\$ 372.00
		Five Year NFPA Riser-Standpipes Inspection/Test	1				
	4	Grantville Station					
		Annual Testing and Maintenance	1	\$ 1,195.00	\$ 1,195.00	\$ 1,195.00	\$ 1,195.00
		Quarterly Testing and Maintenance	3	\$ 250.00	\$ 750.00	\$ 250.00	\$ 750.00
		Monthly Fire Alarm Monitoring	12	\$ 31.00	\$ 372.00	\$ 31.00	\$ 372.00
		Semi Annual Inspection of Pre-Action System	2	\$ 493.00	\$ 986.00	\$ 493.00	\$ 986.00
		Five Year NFPA Riser-Standpipe Inspection/Test (Last	1				
	5	Grossmont Station					
		Annual Testing and Maintenance	1	\$ 291.00	\$ 291.00	\$ 291.00	\$ 291.00
		Quarterly Testing and Maintenance	3	\$ 200.00	\$ 600.00	\$ 200.00	\$ 600.00
		Monthly Fire Alarm Monitoring	12	\$ 31.00	\$ 372.00	\$ 31.00	\$ 372.00
	6	Fashion Valley Station					
		Annual Testing and Maintenance	1	\$ 291.00	\$ 291.00	\$ 291.00	\$ 291.00
		Quarterly Testing and Maintenance	3	\$ 200.00	\$ 600.00	\$ 200.00	\$ 600.00
		Monthly Fire Alarm Monitoring	12	\$ 31.00	\$ 372.00	\$ 31.00	\$ 372.00
SDTC	7	Administration Building					
		Annual Testing and Maintenance	1	\$ 410.00	\$ 410.00	\$ 410.00	\$ 410.00
		Quarterly Testing and Maintenance	3	\$ 200.00	\$ 600.00	\$ 200.00	\$ 600.00
	8	Data Center (inside Admin Bldg.)					
		Semi Annual inspection of (1) FM200 Fire Suppression	2	\$ 343.00	\$ 686.00	\$ 343.00	\$ 686.00
	9	RAM Building					
		Annual Testing and Maintenance	1	\$ 2,088.00	\$ 2,088.00	\$ 2,088.00	\$ 2,088.00
		Quarterly Testing and Maintenance	3	\$ 250.00	\$ 750.00	\$ 250.00	\$ 750.00
		Monthly Fire Alarm Monitoring	12	\$ 31.00	\$ 372.00	\$ 31.00	\$ 372.00
		Five Year NFPA Riser-Standpipe Inspection/Test	1	\$ 868.00	\$ 868.00		
	10	Service Lanes					
		Annual Testing and Maintenance	1	\$ 1,623.00	\$ 1,623.00	\$ 1,623.00	\$ 1,623.00
		Quarterly Testing and Maintenance	3	\$ 250.00	\$ 750.00	\$ 250.00	\$ 750.00
Monthly Fire Alarm Monitoring		12	\$ 31.00	\$ 372.00	\$ 31.00	\$ 372.00	
Five Year NFPA Riser-Standpipe Inspection/Test		1	\$ 868.00	\$ 868.00			
11	KMD Maintenance Building						
	Annual Testing and Maintenance	1	\$ 2,446.00	\$ 2,446.00	\$ 2,446.00	\$ 2,446.00	
	Quarterly Testing and Maintenance	3	\$ 250.00	\$ 750.00	\$ 250.00	\$ 750.00	
	Five Year NFPA Riser-Standpipe Inspection/Test	3	\$ 1,648.00	\$ 1,648.00			
BRT	12	Sabre Springs					
		Annual Testing and Maintenance	1	\$ 2,308.00	\$ 2,308.00	\$ 2,308.00	\$ 2,308.00
		Quarterly Testing and Maintenance	3	\$ 250.00	\$ 750.00	\$ 250.00	\$ 750.00
		Monthly Fire Alarm Monitoring	12	\$ 31.00	\$ 372.00	\$ 31.00	\$ 372.00
		Five Year NFPA Riser-Standpipe Inspection/Test	1	\$ 1,797.00	\$ 1,797.00		
	13	UTC					
		Annual Testing and Maintenance	1	\$ 374.00	\$ 374.00	\$ 374.00	\$ 374.00
		Quarterly Testing and Maintenance	3	\$ 200.00	\$ 600.00	\$ 200.00	\$ 600.00
		Monthly Sapphire System Monitoring ³	12	\$ 31.00	\$ 372.00	\$ 31.00	\$ 372.00
		Semi Annual inspection of Sapphire System	2	\$ 500.00	\$ 1,000.00	\$ 500.00	\$ 1,000.00
	14	Centerline					
		Annual Testing and Maintenance	1	\$ 567.00	\$ 567.00	\$ 567.00	\$ 567.00
		Quarterly Testing and Maintenance	3	\$ 300.00	\$ 900.00	\$ 300.00	\$ 900.00
		Monthly Fire Alarm Monitoring (2 Panels)	12	\$ 62.00	\$ 744.00	\$ 62.00	\$ 744.00

LM	15	Pyramid Building									
		Annual Testing and Maintenance	1	\$	3,068.00	\$	3,068.00	\$	3,068.00	\$	3,068.00
		Quarterly Testing and Maintenance	3	\$	250.00	\$	750.00	\$	250.00	\$	750.00
		Monthly Fire Alarm Monitoring	12	\$	31.00	\$	372.00	\$	31.00	\$	372.00
		Five Year NFPA Riser-Standpipe Inspection/Test	1	\$	2,025.00	\$	2,025.00				
	16	Taxi Admin. Building									
		Annual Testing and Maintenance	1	\$	984.00	\$	984.00	\$	984.00	\$	984.00
		Quarterly Testing and Maintenance	3	\$	250.00	\$	750.00	\$	250.00	\$	750.00
		Monthly Fire Alarm Monitoring	12	\$	31.00	\$	372.00	\$	31.00	\$	372.00
		Five Year NFPA Riser-Standpipe Inspection/Test	1	\$	868.00	\$	868.00				
MID COAST	17	SDMTS VOIGT TROLLEY STATION AND TRANSIT CENTERT– UCSD									
		Quarterly/Annual Testing and Maintenance	4	\$	366.12	\$	1,464.46	\$	384.42	\$	1,537.68
		Monthly Fire Alarm Monitoring	12	\$	117.00	\$	1,404.00	\$	122.85	\$	1,474.20
		Semi Annual inspection of Sapphire System	2	\$	118.00	\$	236.00	\$	123.90	\$	247.80
	18	SDMTS PEPPER CANYON TROLLEY STATION AND TRANSIT CENTER - UCSD									
		Quarterly/Annual Testing and Maintenance	4	\$	514.58	\$	2,058.33	\$	540.31	\$	2,161.25
		Monthly Fire Alarm Monitoring	12	\$	117.00	\$	1,404.00	\$	122.85	\$	1,474.20
		Semi Annual inspection of Sapphire System	2	\$	1,370.80	\$	2,741.60	\$	1,439.34	\$	2,878.68
	19	SDMTS EXECUTIVE TROLLEY STATION AND TRANSIT CENTER / PARKING									
		Quarterly/Annual Testing and Maintenance	4	\$	485.85	\$	1,943.39	\$	510.14	\$	2,040.56
		Monthly Fire Alarm Monitoring	12	\$	117.00	\$	1,404.00	\$	122.85	\$	1,474.20
		Five Year NFPA Riser-Standpipe Inspection/Test	4	\$	377.82	\$	1,511.29	\$	396.71	\$	1,586.85
		Semi Annual inspection of Sapphire System	2	\$	1,467.65	\$	2,935.30	\$	1,541.03	\$	3,082.07
	20	SDMTS NOBEL TROLLEY AND TRANSIT CENTER / PARKING									
		Quarterly/Annual Testing and Maintenance	4	\$	497.02	\$	1,988.09	\$	521.87	\$	2,087.49
		Monthly Fire Alarm Monitoring	12	\$	462.00	\$	5,544.00	\$	485.10	\$	5,821.20
		Semi Annual inspection of Sapphire System	2	\$	1,068.55	\$	2,137.09	\$	1,121.97	\$	2,243.94
	21	SDMTS UTC TROLLEY STATION AND TRANSIT CENTER / PARKING									
		Quarterly/Annual Testing and Maintenance	4	\$	542.79	\$	2,171.14	\$	569.92	\$	2,279.70
		Monthly Fire Alarm Monitoring	12	\$	378.00	\$	4,536.00	\$	396.90	\$	4,762.80
		Five Year NFPA Riser-Standpipe Inspection/Test	4	\$	377.82	\$	1,511.29	\$	396.71	\$	1,586.85
		Semi Annual inspection of Sapphire System	2	\$	1,162.20	\$	2,324.40	\$	1,220.31	\$	2,440.62
	Table I Subtotals				\$	86,374.38		\$	80,166.10		

Table I: FIRE ALARM TESTING AND MAINTENANCE				Optional Year 2	8/1/25 - 7/31/26	Optional Year 3	8/1/26 - 7/31/27
Item	Location	Qty./No. of Visit(s)	Unit Price	Item Total	Unit Price	Item Total	
1	Building A						
	Annual Testing and Maintenance	1	\$ 1,525.00	\$ 1,525.00	\$ 1,564.00	\$ 1,564.00	
	Quarterly Testing and Maintenance	3	\$ 250.00	\$ 750.00	\$ 288.00	\$ 864.00	
	Monthly Fire Alarm Monitoring	12	\$ 31.00	\$ 372.00	\$ 37.00	\$ 444.00	
	Semi Annual Inspection of Argonite System	2	\$ 562.00	\$ 1,124.00	\$ 646.00	\$ 1,292.00	
	Five Year NFPA Riser-Standpipe Inspection/Test	1					
2	Building B						
	Annual Testing and Maintenance	1	\$ 1,021.00	\$ 1,021.00	\$ 1,174.00	\$ 1,174.00	
	Quarterly Testing and Maintenance	3	\$ 250.00	\$ 750.00	\$ 288.00	\$ 864.00	
	Monthly Fire Alarm Monitoring	12	\$ 31.00	\$ 372.00	\$ 37.00	\$ 444.00	
	Five Year NFPA Riser-Standpipe Inspection/Test	1					
3	Building C, Yard Tower, Paint Booth						
	Annual Testing and Maintenance	1	\$ 2,991.00	\$ 2,991.00	\$ 3,440.00	\$ 3,440.00	
	Quarterly Testing and Maintenance	3	\$ 250.00	\$ 750.00	\$ 288.00	\$ 864.00	
	Monthly Fire Alarm Monitoring	12	\$ 31.00	\$ 372.00	\$ 37.00	\$ 444.00	
	Five Year NFPA Riser-Standpipes Inspection/Test	1					
4	Grantville Station						
	Annual Testing and Maintenance	1	\$ 1,195.00	\$ 1,195.00	\$ 1,374.00	\$ 1,374.00	
	Quarterly Testing and Maintenance	3	\$ 250.00	\$ 750.00	\$ 288.00	\$ 864.00	
	Monthly Fire Alarm Monitoring	12	\$ 31.00	\$ 372.00	\$ 37.00	\$ 444.00	
	Semi Annual inspection of Pre-Action System	2	\$ 493.00	\$ 986.00	\$ 567.00	\$ 1,134.00	
	Five Year NFPA Riser-Standpipe Inspection/Test (Last	1			\$ 998.00	\$ 998.00	
5	Grossmont Station						
	Annual Testing and Maintenance	1	\$ 291.00	\$ 291.00	\$ 335.00	\$ 335.00	
	Quarterly Testing and Maintenance	3	\$ 200.00	\$ 600.00	\$ 230.00	\$ 690.00	
	Monthly Fire Alarm Monitoring	12	\$ 31.00	\$ 372.00	\$ 37.00	\$ 444.00	
6	Fashion Valley Station						
	Annual Testing and Maintenance	1	\$ 291.00	\$ 291.00	\$ 335.00	\$ 335.00	
	Quarterly Testing and Maintenance	3	\$ 200.00	\$ 600.00	\$ 230.00	\$ 690.00	
	Monthly Fire Alarm Monitoring	12	\$ 31.00	\$ 372.00	\$ 37.00	\$ 444.00	
7	Administration Building						
	Annual Testing and Maintenance	1	\$ 410.00	\$ 410.00	\$ 472.00	\$ 472.00	
	Quarterly Testing and Maintenance	3	\$ 200.00	\$ 600.00	\$ 230.00	\$ 690.00	
8	Data Center (inside Admin Bldg.)						
	Semi Annual inspection of (1) FM200 Fire Suppression	2	\$ 343.00	\$ 686.00	\$ 394.00	\$ 788.00	
9	RAM Building						
	Annual Testing and Maintenance	1	\$ 2,088.00	\$ 2,088.00	\$ 2,401.00	\$ 2,401.00	
	Quarterly Testing and Maintenance	3	\$ 250.00	\$ 750.00	\$ 288.00	\$ 864.00	
	Monthly Fire Alarm Monitoring	12	\$ 31.00	\$ 372.00	\$ 37.00	\$ 444.00	
	Five Year NFPA Riser-Standpipe Inspection/Test	1					
10	Service Lanes						
	Annual Testing and Maintenance	1	\$ 1,623.00	\$ 1,623.00	\$ 1,866.00	\$ 1,866.00	
	Quarterly Testing and Maintenance	3	\$ 250.00	\$ 750.00	\$ 288.00	\$ 864.00	
	Monthly Fire Alarm Monitoring	12	\$ 31.00	\$ 372.00	\$ 37.00	\$ 444.00	
	Five Year NFPA Riser-Standpipe Inspection/Test	1					
11	KMD Maintenance Building						
	Annual Testing and Maintenance	1	\$ 2,446.00	\$ 2,446.00	\$ 2,813.00	\$ 2,813.00	
	Quarterly Testing and Maintenance	3	\$ 250.00	\$ 750.00	\$ 288.00	\$ 864.00	
	Five Year NFPA Riser-Standpipe Inspection/Test	3					

BRT	12	Sabre Springs						
		Annual Testing and Maintenance	1	\$ 2,308.00	\$ 2,308.00	\$ 2,654.00	\$ 2,654.00	
		Quarterly Testing and Maintenance	3	\$ 250.00	\$ 750.00	\$ 288.00	\$ 864.00	
		Monthly Fire Alarm Monitoring	12	\$ 31.00	\$ 372.00	\$ 37.00	\$ 444.00	
		Five Year NFPA Riser-Standpipe Inspection/Test	1					
	13	UTC						
		Annual Testing and Maintenance	1	\$ 374.00	\$ 374.00	\$ 430.00	\$ 430.00	
		Quarterly Testing and Maintenance	3	\$ 200.00	\$ 600.00	\$ 230.00	\$ 690.00	
		Monthly Sapphire System Monitoring ³	12	\$ 31.00	\$ 372.00	\$ 37.00	\$ 444.00	
		Semi Annual inspection of Sapphire System	2	\$ 500.00	\$ 1,000.00	\$ 575.00	\$ 1,150.00	
	14	Centerline						
		Annual Testing and Maintenance	1	\$ 567.00	\$ 567.00	\$ 652.00	\$ 652.00	
		Quarterly Testing and Maintenance	3	\$ 300.00	\$ 900.00	\$ 345.00	\$ 1,035.00	
		Monthly Fire Alarm Monitoring (2 Panels)	12	\$ 62.00	\$ 744.00	\$ 74.00	\$ 888.00	
LM	15	Pyramid Building						
		Annual Testing and Maintenance	1	\$ 3,068.00	\$ 3,068.00	\$ 3,528.00	\$ 3,528.00	
		Quarterly Testing and Maintenance	3	\$ 250.00	\$ 750.00	\$ 288.00	\$ 864.00	
		Monthly Fire Alarm Monitoring	12	\$ 31.00	\$ 372.00	\$ 37.00	\$ 444.00	
		Five Year NFPA Riser-Standpipe Inspection/Test	1					
	16	Taxi Admin. Building						
		Annual Testing and Maintenance	1	\$ 984.00	\$ 984.00	\$ 1,132.00	\$ 1,132.00	
		Quarterly Testing and Maintenance	3	\$ 250.00	\$ 750.00	\$ 288.00	\$ 864.00	
		Monthly Fire Alarm Monitoring	12	\$ 31.00	\$ 372.00	\$ 37.00	\$ 444.00	
		Five Year NFPA Riser-Standpipe Inspection/Test	1					
	MID COAST	17	SDMTS VOIGT TROLLEY STATION AND TRANSIT CENTER– UCSD					
			Quarterly/Annual Testing and Maintenance	4	\$ 384.42	\$ 1,537.68	\$ 395.95	\$ 1,583.81
			Monthly Fire Alarm Monitoring	12	\$ 122.85	\$ 1,474.20	\$ 126.54	\$ 1,518.43
			Semi Annual inspection of Sapphire System	2	\$ 123.90	\$ 247.80	\$ 127.62	\$ 255.23
18		SDMTS PEPPER CANYON TROLLEY STATION AND TRANSIT CENTER - UCSD						
		Quarterly/Annual Testing and Maintenance	4	\$ 540.31	\$ 2,161.25	\$ 567.33	\$ 2,269.31	
		Monthly Fire Alarm Monitoring	12	\$ 122.85	\$ 1,474.20	\$ 128.99	\$ 1,547.91	
		Semi Annual inspection of Sapphire System	2	\$ 1,439.34	\$ 2,878.68	\$ 1,511.31	\$ 3,022.61	
19		SDMTS EXECUTIVE TROLLEY STATION AND TRANSIT CENTER / PARKING						
		Quarterly/Annual Testing and Maintenance	4	\$ 510.14	\$ 2,040.56	\$ 535.65	\$ 2,142.59	
		Monthly Fire Alarm Monitoring	12	\$ 122.85	\$ 1,474.20	\$ 128.99	\$ 1,547.91	
		Five Year NFPA Riser-Standpipe Inspection/Test	4	\$ 396.71	\$ 1,586.85	\$ 416.55	\$ 1,666.20	
		Semi Annual inspection of Sapphire System	2	\$ 1,541.03	\$ 3,082.07	\$ 1,618.08	\$ 3,236.17	
20		SDMTS NOBEL TROLLEY AND TRANSIT CENTER / PARKING						
		Quarterly/Annual Testing and Maintenance	4	\$ 521.87	\$ 2,087.49	\$ 547.97	\$ 2,191.87	
		Monthly Fire Alarm Monitoring	12	\$ 485.10	\$ 5,821.20	\$ 509.36	\$ 6,112.26	
		Semi Annual inspection of Sapphire System	2	\$ 1,121.97	\$ 2,243.94	\$ 1,178.07	\$ 2,356.14	
21		SDMTS UTC TROLLEY STATION AND TRANSIT CENTER / PARKING						
		Quarterly/Annual Testing and Maintenance	4	\$ 569.92	\$ 2,279.70	\$ 598.42	\$ 2,393.68	
		Monthly Fire Alarm Monitoring	12	\$ 396.90	\$ 4,762.80	\$ 416.75	\$ 5,000.94	
		Five Year NFPA Riser-Standpipe Inspection/Test	4	\$ 396.71	\$ 1,586.85	\$ 416.55	\$ 1,666.20	
		Semi Annual inspection of Sapphire System	2	\$ 1,220.31	\$ 2,440.62	\$ 1,281.33	\$ 2,562.65	
Table I Subtotals				\$ 80,166.10		\$ 89,256.91		

Table I: FIRE ALARM TESTING AND MAINTENANCE						
Item	Location	Qty./No. of Visit(s)	Optional Year 4 8/1/27 - 7/31/28		Optional Year 5 8/1/28 - 7/31/29	
			Unit Price	Item Total	Unit Price	Item Total
SDTI	Building A					
	Annual Testing and Maintenance	1	\$ 1,564.00	\$ 1,564.00	\$ 1,564.00	\$ 1,564.00
	Quarterly Testing and Maintenance	3	\$ 288.00	\$ 864.00	\$ 288.00	\$ 864.00
	Monthly Fire Alarm Monitoring	12	\$ 37.00	\$ 444.00	\$ 37.00	\$ 444.00
	Semi Annual Inspection of Argonite System	2	\$ 646.00	\$ 1,292.00	\$ 646.00	\$ 1,292.00
	Five Year NFPA Riser-Standpipe Inspection/Test	1	\$ 998.00	\$ 998.00		
	Building B					
	Annual Testing and Maintenance	1	\$ 1,174.00	\$ 1,174.00	\$ 1,174.00	\$ 1,174.00
	Quarterly Testing and Maintenance	3	\$ 288.00	\$ 864.00	\$ 288.00	\$ 864.00
	Monthly Fire Alarm Monitoring	12	\$ 37.00	\$ 444.00	\$ 37.00	\$ 444.00
	Five Year NFPA Riser-Standpipe Inspection/Test	1	\$ 998.00	\$ 998.00		
	Building C, Yard Tower, Paint Booth					
	Annual Testing and Maintenance	1	\$ 3,440.00	\$ 3,440.00	\$ 3,440.00	\$ 3,440.00
	Quarterly Testing and Maintenance	3	\$ 288.00	\$ 864.00	\$ 288.00	\$ 864.00
	Monthly Fire Alarm Monitoring	12	\$ 37.00	\$ 444.00	\$ 37.00	\$ 444.00
	Five Year NFPA Riser-Standpipes Inspection/Test	1	\$ 2,344.00	\$ 2,344.00		
	Grantville Station					
	Annual Testing and Maintenance	1	\$ 1,374.00	\$ 1,374.00	\$ 1,374.00	\$ 1,374.00
	Quarterly Testing and Maintenance	3	\$ 288.00	\$ 864.00	\$ 288.00	\$ 864.00
	Monthly Fire Alarm Monitoring	12	\$ 37.00	\$ 444.00	\$ 37.00	\$ 444.00
	Semi Annual Inspection of Pre-Action System	2	\$ 567.00	\$ 1,134.00	\$ 567.00	\$ 1,134.00
	Five Year NFPA Riser-Standpipe Inspection/Test (Last	1				
	Grossmont Station					
	Annual Testing and Maintenance	1	\$ 335.00	\$ 335.00	\$ 335.00	\$ 335.00
	Quarterly Testing and Maintenance	3	\$ 230.00	\$ 690.00	\$ 230.00	\$ 690.00
	Monthly Fire Alarm Monitoring	12	\$ 37.00	\$ 444.00	\$ 37.00	\$ 444.00
	Fashion Valley Station					
	Annual Testing and Maintenance	1	\$ 335.00	\$ 335.00	\$ 335.00	\$ 335.00
	Quarterly Testing and Maintenance	3	\$ 230.00	\$ 690.00	\$ 230.00	\$ 690.00
	Monthly Fire Alarm Monitoring	12	\$ 37.00	\$ 444.00	\$ 37.00	\$ 444.00
SDTC	Administration Building					
	Annual Testing and Maintenance	1	\$ 472.00	\$ 472.00	\$ 472.00	\$ 472.00
	Quarterly Testing and Maintenance	3	\$ 230.00	\$ 690.00	\$ 230.00	\$ 690.00
	Data Center (inside Admin Bldg.)					
	Semi Annual Inspection of (1) FM200 Fire Suppression	2	\$ 394.00	\$ 788.00	\$ 394.00	\$ 788.00
	RAM Building					
	Annual Testing and Maintenance	1	\$ 2,401.00	\$ 2,401.00	\$ 2,401.00	\$ 2,401.00
	Quarterly Testing and Maintenance	3	\$ 288.00	\$ 864.00	\$ 288.00	\$ 864.00
	Monthly Fire Alarm Monitoring	12	\$ 37.00	\$ 444.00	\$ 37.00	\$ 444.00
	Five Year NFPA Riser-Standpipe Inspection/Test	1			\$ 998.00	\$ 998.00
	Service Lanes					
	Annual Testing and Maintenance	1	\$ 1,866.00	\$ 1,866.00	\$ 1,866.00	\$ 1,866.00
	Quarterly Testing and Maintenance	3	\$ 288.00	\$ 864.00	\$ 288.00	\$ 864.00
	Monthly Fire Alarm Monitoring	12	\$ 37.00	\$ 444.00	\$ 37.00	\$ 444.00
	Five Year NFPA Riser-Standpipe Inspection/Test	1			\$ 998.00	\$ 998.00
	KMD Maintenance Building					
	Annual Testing and Maintenance	1	\$ 2,813.00	\$ 2,813.00	\$ 2,813.00	\$ 2,813.00
	Quarterly Testing and Maintenance	3	\$ 288.00	\$ 864.00	\$ 288.00	\$ 864.00
	Five Year NFPA Riser-Standpipe Inspection/Test	3			\$ 1,895.00	\$ 1,895.00
BRT	Sabre Springs					
	Annual Testing and Maintenance	1	\$ 2,654.00	\$ 2,654.00	\$ 2,654.00	\$ 2,654.00
	Quarterly Testing and Maintenance	3	\$ 288.00	\$ 864.00	\$ 288.00	\$ 864.00
	Monthly Fire Alarm Monitoring	12	\$ 37.00	\$ 444.00	\$ 37.00	\$ 444.00
	Five Year NFPA Riser-Standpipe Inspection/Test	1			\$ 2,067.00	\$ 2,067.00
	UTC					
	Annual Testing and Maintenance	1	\$ 430.00	\$ 430.00	\$ 430.00	\$ 430.00
	Quarterly Testing and Maintenance	3	\$ 230.00	\$ 690.00	\$ 230.00	\$ 690.00
	Monthly Sapphire System Monitoring ³	12	\$ 37.00	\$ 444.00	\$ 37.00	\$ 444.00
	Semi Annual Inspection of Sapphire System	2	\$ 575.00	\$ 1,150.00	\$ 575.00	\$ 1,150.00
	Centerline					
	Annual Testing and Maintenance	1	\$ 652.00	\$ 652.00	\$ 652.00	\$ 652.00
	Quarterly Testing and Maintenance	3	\$ 345.00	\$ 1,035.00	\$ 345.00	\$ 1,035.00
	Monthly Fire Alarm Monitoring (2 Panels)	12	\$ 74.00	\$ 888.00	\$ 74.00	\$ 888.00

LM	15	Pyramid Building									
		Annual Testing and Maintenance	1	\$	3,528.00	\$	3,528.00	\$	3,528.00	\$	3,528.00
		Quarterly Testing and Maintenance	3	\$	288.00	\$	864.00	\$	288.00	\$	864.00
		Monthly Fire Alarm Monitoring	12	\$	37.00	\$	444.00	\$	37.00	\$	444.00
		Five Year NFPA Riser-Standpipe Inspection/Test	1				\$	2,239.00	\$	2,239.00	
	16	Taxi Admin. Building									
		Annual Testing and Maintenance	1	\$	1,132.00	\$	1,132.00	\$	1,132.00	\$	1,132.00
		Quarterly Testing and Maintenance	3	\$	288.00	\$	864.00	\$	288.00	\$	864.00
		Monthly Fire Alarm Monitoring	12	\$	37.00	\$	444.00	\$	37.00	\$	444.00
		Five Year NFPA Riser-Standpipe Inspection/Test	1				\$	998.00	\$	998.00	
MID COAST	17	SDMTS VOIGT TROLLEY STATION AND TRANSIT CENTER– UCSD									
		Quarterly/Annual Testing and Maintenance	4	\$	395.95	\$	1,583.81	\$	395.95	\$	1,583.81
		Monthly Fire Alarm Monitoring	12	\$	117.00	\$	1,404.00	\$	117.00	\$	1,404.00
		Semi Annual inspection of Sapphire System	2	\$	118.00	\$	236.00	\$	118.00	\$	236.00
	18	SDMTS PEPPER CANYON TROLLEY STATION AND TRANSIT CENTER - UCSD									
		Quarterly/Annual Testing and Maintenance	4	\$	567.33	\$	2,269.31	\$	567.33	\$	2,269.31
		Monthly Fire Alarm Monitoring	12	\$	117.00	\$	1,404.00	\$	117.00	\$	1,404.00
		Semi Annual inspection of Sapphire System	2	\$	1,511.31	\$	3,022.61	\$	1,511.31	\$	3,022.61
	19	SDMTS EXECUTIVE TROLLEY STATION AND TRANSIT CENTER / PARKING									
		Quarterly/Annual Testing and Maintenance	4	\$	535.65	\$	2,142.59	\$	535.65	\$	2,142.59
		Monthly Fire Alarm Monitoring	12	\$	128.99	\$	1,547.91	\$	128.99	\$	1,547.91
		Five Year NFPA Riser-Standpipe Inspection/Test	4	\$	416.55	\$	1,666.20	\$	416.55	\$	1,666.20
		Semi Annual inspection of Sapphire System	2	\$	1,618.08	\$	3,236.17	\$	1,618.08	\$	3,236.17
	20	SDMTS NOBEL TROLLEY AND TRANSIT CENTER / PARKING									
		Quarterly/Annual Testing and Maintenance	4	\$	547.97	\$	2,191.87	\$	547.97	\$	2,191.87
		Monthly Fire Alarm Monitoring	12	\$	509.36	\$	6,112.26	\$	509.36	\$	6,112.26
		Semi Annual inspection of Sapphire System	2	\$	1,178.07	\$	2,356.14	\$	1,178.07	\$	2,356.14
	21	SDMTS UTC TROLLEY STATION AND TRANSIT CENTER / PARKING									
		Quarterly/Annual Testing and Maintenance	4	\$	598.42	\$	2,393.68	\$	598.42	\$	2,393.68
		Monthly Fire Alarm Monitoring	12	\$	416.75	\$	5,000.94	\$	416.75	\$	5,000.94
		Five Year NFPA Riser-Standpipe Inspection/Test	4	\$	416.55	\$	1,666.20	\$	416.55	\$	1,666.20
		Semi Annual inspection of Sapphire System	2	\$	1,281.33	\$	2,562.65	\$	1,281.33	\$	2,562.65
	Table I Subtotals				\$	92,321.34		\$	97,176.34		

	Table I: FIRE ALARM TESTING AND MAINTENANCE			Optional Year 6 8/1/29 - 7/31/30		Optional Year 7 8/1/30 - 7/31/31		
	Item	Location	Qty./No. of Visit(s)	Unit Price	Item Total	Unit Price	Item Total	
SDTI	1	Building A						
		Annual Testing and Maintenance	1	\$ 1,564.00	\$ 1,564.00	\$ 1,564.00	\$ 1,564.00	
		Quarterly Testing and Maintenance	3	\$ 288.00	\$ 864.00	\$ 288.00	\$ 864.00	
		Monthly Fire Alarm Monitoring	12	\$ 37.00	\$ 444.00	\$ 37.00	\$ 444.00	
		Semi Annual Inspection of Argonite System	2	\$ 646.00	\$ 1,292.00	\$ 646.00	\$ 1,292.00	
		Five Year NFPA Riser-Standpipe Inspection/Test	1					
	2	Building B						
		Annual Testing and Maintenance	1	\$ 1,174.00	\$ 1,174.00	\$ 1,174.00	\$ 1,174.00	
		Quarterly Testing and Maintenance	3	\$ 288.00	\$ 864.00	\$ 288.00	\$ 864.00	
		Monthly Fire Alarm Monitoring	12	\$ 37.00	\$ 444.00	\$ 37.00	\$ 444.00	
		Five Year NFPA Riser-Standpipe Inspection/Test	1					
	3	Building C, Yard Tower, Paint Booth						
		Annual Testing and Maintenance	1	\$ 3,440.00	\$ 3,440.00	\$ 3,440.00	\$ 3,440.00	
		Quarterly Testing and Maintenance	3	\$ 288.00	\$ 864.00	\$ 288.00	\$ 864.00	
		Monthly Fire Alarm Monitoring	12	\$ 37.00	\$ 444.00	\$ 37.00	\$ 444.00	
		Five Year NFPA Riser-Standpipes Inspection/Test	1					
	4	Grantville Station						
		Annual Testing and Maintenance	1	\$ 1,374.00	\$ 1,374.00	\$ 1,374.00	\$ 1,374.00	
		Quarterly Testing and Maintenance	3	\$ 288.00	\$ 864.00	\$ 288.00	\$ 864.00	
		Monthly Fire Alarm Monitoring	12	\$ 37.00	\$ 444.00	\$ 37.00	\$ 444.00	
		Semi Annual Inspection of Pre-Action System	2	\$ 567.00	\$ 1,134.00	\$ 567.00	\$ 1,134.00	
		Five Year NFPA Riser-Standpipe Inspection/Test (Last	1					
	5	Grossmont Station						
		Annual Testing and Maintenance	1	\$ 335.00	\$ 335.00	\$ 335.00	\$ 335.00	
		Quarterly Testing and Maintenance	3	\$ 230.00	\$ 690.00	\$ 230.00	\$ 690.00	
		Monthly Fire Alarm Monitoring	12	\$ 37.00	\$ 444.00	\$ 37.00	\$ 444.00	
	6	Fashion Valley Station						
		Annual Testing and Maintenance	1	\$ 335.00	\$ 335.00	\$ 335.00	\$ 335.00	
		Quarterly Testing and Maintenance	3	\$ 230.00	\$ 690.00	\$ 230.00	\$ 690.00	
		Monthly Fire Alarm Monitoring	12	\$ 37.00	\$ 444.00	\$ 37.00	\$ 444.00	
SDTC	7	Administration Building						
		Annual Testing and Maintenance	1	\$ 472.00	\$ 472.00	\$ 472.00	\$ 472.00	
	8	Data Center (inside Admin Bldg.)						
		Quarterly Testing and Maintenance	3	\$ 230.00	\$ 690.00	\$ 230.00	\$ 690.00	
	9	Semi Annual Inspection of (1) FM200 Fire Suppression	2	\$ 394.00	\$ 788.00	\$ 394.00	\$ 788.00	
		RAM Building						
		Annual Testing and Maintenance	1	\$ 2,401.00	\$ 2,401.00	\$ 2,401.00	\$ 2,401.00	
		Quarterly Testing and Maintenance	3	\$ 288.00	\$ 864.00	\$ 288.00	\$ 864.00	
		Monthly Fire Alarm Monitoring	12	\$ 37.00	\$ 444.00	\$ 37.00	\$ 444.00	
		Five Year NFPA Riser-Standpipe Inspection/Test	1					
	10	Service Lanes						
		Annual Testing and Maintenance	1	\$ 1,866.00	\$ 1,866.00	\$ 1,866.00	\$ 1,866.00	
		Quarterly Testing and Maintenance	3	\$ 288.00	\$ 864.00	\$ 288.00	\$ 864.00	
		Monthly Fire Alarm Monitoring	12	\$ 37.00	\$ 444.00	\$ 37.00	\$ 444.00	
		Five Year NFPA Riser-Standpipe Inspection/Test	1					
11	KMD Maintenance Building							
	Annual Testing and Maintenance	1	\$ 2,813.00	\$ 2,813.00	\$ 2,813.00	\$ 2,813.00		
	Quarterly Testing and Maintenance	3	\$ 288.00	\$ 864.00	\$ 288.00	\$ 864.00		
	Five Year NFPA Riser-Standpipe Inspection/Test	3						

BRT	12	Sabre Springs						
		Annual Testing and Maintenance	1	\$ 2,654.00	\$ 2,654.00	\$ 2,654.00	\$ 2,654.00	
		Quarterly Testing and Maintenance	3	\$ 288.00	\$ 864.00	\$ 288.00	\$ 864.00	
		Monthly Fire Alarm Monitoring	12	\$ 37.00	\$ 444.00	\$ 37.00	\$ 444.00	
		Five Year NFPA Riser-Standpipe Inspection/Test	1					
	13	UTC						
		Annual Testing and Maintenance	1	\$ 430.00	\$ 430.00	\$ 430.00	\$ 430.00	
		Quarterly Testing and Maintenance	3	\$ 230.00	\$ 690.00	\$ 230.00	\$ 690.00	
		Monthly Sapphire System Monitoring ³	12	\$ 37.00	\$ 444.00	\$ 37.00	\$ 444.00	
		Semi Annual inspection of Sapphire System	2	\$ 575.00	\$ 1,150.00	\$ 575.00	\$ 1,150.00	
	14	Centerline						
		Annual Testing and Maintenance	1	\$ 652.00	\$ 652.00	\$ 652.00	\$ 652.00	
		Quarterly Testing and Maintenance	3	\$ 345.00	\$ 1,035.00	\$ 345.00	\$ 1,035.00	
		Monthly Fire Alarm Monitoring (2 Panels)	12	\$ 74.00	\$ 888.00	\$ 74.00	\$ 888.00	
LM	15	Pyramid Building						
		Annual Testing and Maintenance	1	\$ 3,528.00	\$ 3,528.00	\$ 3,528.00	\$ 3,528.00	
		Quarterly Testing and Maintenance	3	\$ 288.00	\$ 864.00	\$ 288.00	\$ 864.00	
		Monthly Fire Alarm Monitoring	12	\$ 37.00	\$ 444.00	\$ 37.00	\$ 444.00	
		Five Year NFPA Riser-Standpipe Inspection/Test	1					
	16	Taxi Admin. Building						
		Annual Testing and Maintenance	1	\$ 1,132.00	\$ 1,132.00	\$ 1,132.00	\$ 1,132.00	
		Quarterly Testing and Maintenance	3	\$ 288.00	\$ 864.00	\$ 288.00	\$ 864.00	
		Monthly Fire Alarm Monitoring	12	\$ 37.00	\$ 444.00	\$ 37.00	\$ 444.00	
		Five Year NFPA Riser-Standpipe Inspection/Test	1					
	MID COAST	17	SDMTS VOIGT TROLLEY STATION AND TRANSIT CENTER– UCSD					
			Quarterly/Annual Testing and Maintenance	4	\$ 395.95	\$ 1,583.81	\$ 395.95	\$ 1,583.81
			Monthly Fire Alarm Monitoring	12	\$ 117.00	\$ 1,404.00	\$ 117.00	\$ 1,404.00
			Semi Annual inspection of Sapphire System	2	\$ 118.00	\$ 236.00	\$ 118.00	\$ 236.00
18		SDMTS PEPPER CANYON TROLLEY STATION AND TRANSIT CENTER - UCSD						
		Quarterly/Annual Testing and Maintenance	4	\$ 567.33	\$ 2,269.31	\$ 567.33	\$ 2,269.31	
		Monthly Fire Alarm Monitoring	12	\$ 117.00	\$ 1,404.00	\$ 117.00	\$ 1,404.00	
		Semi Annual inspection of Sapphire System	2	\$ 1,511.31	\$ 3,022.61	\$ 1,511.31	\$ 3,022.61	
19		SDMTS EXECUTIVE TROLLEY STATION AND TRANSIT CENTER / PARKING						
		Quarterly/Annual Testing and Maintenance	4	\$ 535.65	\$ 2,142.59	\$ 535.65	\$ 2,142.59	
		Monthly Fire Alarm Monitoring	12	\$ 128.99	\$ 1,547.91	\$ 128.99	\$ 1,547.91	
		Five Year NFPA Riser-Standpipe Inspection/Test	4	\$ 416.55	\$ 1,666.20	\$ 416.55	\$ 1,666.20	
		Semi Annual inspection of Sapphire System	2	\$ 1,618.08	\$ 3,236.17	\$ 1,618.08	\$ 3,236.17	
20		SDMTS NOBEL TROLLEY AND TRANSIT CENTER / PARKING						
		Quarterly/Annual Testing and Maintenance	4	\$ 547.97	\$ 2,191.87	\$ 547.97	\$ 2,191.87	
		Monthly Fire Alarm Monitoring	12	\$ 509.36	\$ 6,112.26	\$ 509.36	\$ 6,112.26	
		Semi Annual inspection of Sapphire System	2	\$ 1,178.07	\$ 2,356.14	\$ 1,178.07	\$ 2,356.14	
21		SDMTS UTC TROLLEY STATION AND TRANSIT CENTER / PARKING						
		Quarterly/Annual Testing and Maintenance	4	\$ 598.42	\$ 2,393.68	\$ 598.42	\$ 2,393.68	
		Monthly Fire Alarm Monitoring	12	\$ 416.75	\$ 5,000.94	\$ 416.75	\$ 5,000.94	
		Five Year NFPA Riser-Standpipe Inspection/Test	4	\$ 416.55	\$ 1,666.20	\$ 416.55	\$ 1,666.20	
		Semi Annual inspection of Sapphire System	2	\$ 1,281.33	\$ 2,562.65	\$ 1,281.33	\$ 2,562.65	
	Table I Subtotals			\$ 87,981.34		\$ 87,981.34		

Table II: AS-NEEDED REPAIRS ¹			Year One 8/1/21 - 7/31/22		Year Two 8/1/22 - 7/31/23	
Item	Description	Est. Qty/Annual No. of Hours	Unit Price	Item Total	Unit Price	Item Total
1	Normal (Non-Emergency) Response	200	\$ 193.00	\$ 38,600.00	\$ 193.00	\$ 38,600.00
2	Emergency Response	36	\$ 289.00	\$ 10,404.00	\$ 289.00	\$ 10,404.00
Table II Subtotals:				\$ 49,004.00		\$ 49,004.00

Table II: AS-NEEDED REPAIRS ¹			Year Three 8/1/23 - 7/31/24		Optional Year 1 8/1/24 - 7/31/25	
Item	Description	Est. Qty/Annual No. of Hours	Unit Price	Item Total	Unit Price	Item Total
1	Normal (Non-Emergency) Response	200	\$ 193.00	\$ 193.00	\$ 193.00	\$ 193.00
2	Emergency Response	36	\$ 289.00	\$ 578.00	\$ 289.00	\$ 578.00
Table II Subtotals:				\$ 771.00		\$ 771.00

Table II: AS-NEEDED REPAIRS ¹			Optional Year 2 8/1/25 - 7/31/26		Optional Year 3 8/1/26 - 7/31/27	
Item	Description	Est. Qty/Annual No. of Hours	Unit Price	Item Total	Unit Price	Item Total
1	Normal (Non-Emergency) Response	200	\$ 193.00	\$ 38,600.00	\$ 225.00	\$ 45,000.00
2	Emergency Response	36	\$ 289.00	\$ 10,404.00	\$ 333.00	\$ 11,988.00
Table II Subtotals:				\$ 49,004.00		\$ 56,988.00

Table II: AS-NEEDED REPAIRS ¹			Optional Year 4 8/1/27 - 7/31/28		Optional Year 5 8/1/28 - 7/31/29	
Item	Description	Est. Qty/Annual	Unit Price	Item Total	Unit Price	Item Total
1	Normal (Non-Emergency) Response	200	\$ 225.00	\$ 45,000.00	\$ 225.00	\$ 45,000.00
2	Emergency Response	36	\$ 333.00	\$ 11,988.00	\$ 333.00	\$ 11,988.00
Table II Subtotals:				\$ 56,988.00		\$ 56,988.00

Table II: AS-NEEDED REPAIRS ¹			Optional Year 6 8/1/29 - 7/31/30		Optional Year 7	
Item	Description	Est. Qty/Annual No. of Hours	Unit Price	Item Total	Unit Price	Item Total
1	Normal (Non-Emergency) Response	200	\$ 225.00	\$ 45,000.00	\$ 225.00	\$ 45,000.00
2	Emergency Response	36	\$ 333.00	\$ 11,988.00	\$ 333.00	\$ 11,988.00
Table II Subtotals:				\$ 56,988.00		\$ 56,988.00

Table III: AS-NEEDED MATERIALS/PARTS ¹		Year One 8/1/21 - 7/31/22		Year Two 8/1/22 - 7/31/23	
Item	Description	% Mark Up	Item Total	% Mark Up	Item Total
1	Annual Materials/Parts Allowance/Blended-see attached/Parts Mark	3%	\$ 16,300.00	3%	\$ 16,699.00
2	Maximum markup permitted on materials 5%		\$ 489.00		\$ 500.97
	Table III Subtotals:		\$ 16,789.00		\$ 17,199.97
	Subtotals		\$ 107,647.00		\$ 142,006.52

Table III: AS-NEEDED MATERIALS/PARTS ¹		Year Three 8/1/23 - 7/31/24		Optional Year 1 8/1/24 - 7/31/25	
Item	Description	% Mark Up	Item Total	% Mark Up	Item Total
1	Annual Materials/Parts Allowance/Blended-see attached/Parts Mark	3%	\$ 17,110.00	3%	\$ 17,533.00
2	Maximum markup permitted on materials 5%		\$ 513.30		\$ 525.99
	Table III Subtotals:		\$ 17,623.30		\$ 18,058.99
	Subtotals		\$ 153,001.68		\$ 147,229.09

Table III: AS-NEEDED MATERIALS/PARTS ¹		Optional Year 2 8/1/25 - 7/31/26		Optional Year 3 8/1/26 - 7/31/27	
Item	Description	% Mark Up	Item Total	% Mark Up	Item Total
1	Annual Materials/Parts Allowance/Blended-see attached/Parts Mark	3%	\$ 17,969.00	3%	\$ 18,418.00
2	Maximum markup permitted on materials 5%		\$ 539.07		\$ 552.54
	Table III Subtotals:		\$ 18,508.07		\$ 18,970.54
	Subtotals		\$ 147,678.17		\$ 165,215.45

Table III: AS-NEEDED MATERIALS/PARTS ¹		Optional Year 4 8/1/27 - 7/31/28		Optional Year 5 8/1/28 - 7/31/29	
Item	Description	% Mark Up	Item Total	% Mark Up	Item Total
1	Annual Materials/Parts Allowance/Blended-see attached/Parts Mark	3%	\$ 18,881.00	3%	\$ 19,357.00
2	Maximum markup permitted on materials 5%		\$ 566.43		\$ 580.71
	Table III Subtotals:		\$ 19,447.43		\$ 19,937.71
	Subtotals		\$ 168,756.77		\$ 174,102.05

Table III: AS-NEEDED MATERIALS/PARTS ¹		Optional Year 6 8/1/29 - 7/31/30		Optional Year 7 8/1/30 - 7/31/31	
Item	Description	% Mark Up	Item Total	% Mark Up	Item Total
1	Annual Materials/Parts Allowance/Blended-see attached/Parts Mark	3%	\$ 19,848.00	3%	\$ 20,353.00
2	Maximum markup permitted on materials 5%		\$ 595.44		\$ 610.59
	Table III Subtotals:		\$ 20,443.44		\$ 20,963.59
	Subtotals		\$ 165,412.78		\$ 165,932.93

Base Year Totals	\$ 402,655.20
Option Years 1-2 Totals	\$ 294,907.26
Option Years 3-7 Totals	\$ 839,419.98
Grand Total	\$ 1,536,982.44

¹ Labor rates and parts markup are blended. See separately attached list.

² Added locations as part of Amendment No. 1. For base year two, payment for services are for for a period of 8 months beginning in December 2022. Quarterly/annual maintenance for base year two only includes 3 total visits.

³ Added service with execution of original contract. Service was codified with execution of Amendment No. 1



Agenda Item No. 19

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 10, 2022

SUBJECT:

UNINTERRUPTIBLE POWER SUPPLY (UPS) MAINTENANCE AND BATTERY REFRESH –
CONTRACT AMENDMENT

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute Amendment No. 5 to MTS Doc. No. G2009.0-17 (in substantially the same format as Attachment A), with Schneider Electric Information Technology (IT) Corporation (Schneider Electric), increasing the contract value in the amount of \$386,612.35, bringing the contract total to \$1,418,263.76.

Budget Impact

The total cost of this amendment is \$386,612.35, bringing the total contract value to \$1,418,263.76. This amendment funding would come from the IT Operations Budget 661010-571250.

PROJECT DESCRIPTION	AMOUNT
Replacement Batteries	\$ 171,085.50
Battery Installation	\$ 76,443.75
One (1) Year Support Extension	\$ 139,083.10
AMENDMENT NO. 5 GRAND TOTAL:	\$ 386,612.35

DISCUSSION:

UPS units provide continuous power during an emergency to maintain network and systems operations during power fluctuations and outages. The UPS units protect hardware such as computers, data centers, telecommunication equipment and other critical electronic equipment.

MTS has computer equipment deployed to all trolley stations, and located in communication cabinets along the right-of-way. These cabinets are secured (locked) with access limited to authorized staff. The computer equipment within these cabinets supports closed circuit television (CCTV), Public Announcement (PA), network switches, fare system communication, and track control. All of these systems are connected through a UPS or multiple UPS units in order to protect them from damage during a power loss or power fluctuations. The UPS units



installed at MTS trolley stations were initially procured on behalf of MTS by the San Diego Association of Governments (SANDAG) beginning in 2012 and were primarily manufactured by Schneider Electric.

In 2015, after the completion of the Trolley Renewal Project, SANDAG turned over the operational support of the trolley stations to MTS which included the UPS units. All of the UPS units had been installed with an original manufacturer's one-year warranty, which had expired by the time MTS took over operational support.

On September 21, 2017 (AI 9), the MTS Board of Directors approved MTS Doc. No. G2009.0-17 with Schneider Electric to provide on-site repair and support services for all UPS units deployed throughout MTS facilities. This agreement was for a three-year base term and two option years, exercisable at MTS's sole discretion. This amendment seeks to extend the support agreement for one (1) year, add additional UPS units that have been added to MTS environment and replace batteries past their useful life.

UPS units currently installed are past their useful life (typically 3 - 5 years) and need to be replaced. Life expectancy will fluctuate greatly depending on several factors including maintenance frequency, location/placement of communication cabinets, ambient temperature, charging/discharging of batteries, and battery chemistry and degradation. If there is power loss at these stations, these UPS units shut down causing an immediate shutdown of the equipment they are connected to and thus have the potential of damaging the equipment within the communication cabinet. In addition, upon the loss of power, these UPS units cannot be remotely reset, instead requiring a manual process at each communication cabinet.

Staff's Independent Cost Estimate (ICE) is based on past purchase history with consideration for the agency's additional UPS units and battery replacements. In comparison with the ICE \$457,693.80 and the offer received, staff has determined that the agreed upon cost is fair and reasonable. The table below shows the savings by a comparison of MTS's ICE and Schneider Electric's quote.

ENTITY	AMOUNT
MTS ICE	\$457,693.80
Schneider Electric's quote	\$386,612.35
MTS Savings (MTS ICE vs quote)	\$71,081.45

Therefore, staff recommends the MTS Board of Directors authorize the CEO to execute Amendment No. 5 to MTS Doc. No. G2009.0-17, (in substantially the same format as Attachment A), with Schneider Electric, increasing the contract value in the amount of \$386,612.35, bringing the contract total to \$1,418,263.76.

/S/ Sharon Cooney

Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachments: A. Draft Amendment MTS Doc No G2009.6-17
B. Cost Form



**Metropolitan
Transit
System**

Amendment 5

Date: November 10, 2022

MTS Doc No. G2009.5-17

SCHNEIDER ELECTRIC UNINTERRUPTIBLE POWER SUPPLY (UPS) MAINTENANCE SUPPORT AND BATTERY REFRESH

Scheider Electric IT Corporation
Courtney Forget
Director
5081 Collections Center Drive
Chicago, IL 60693-5081

This shall serve as Amendment No. 5 to the original agreement G2009.0-17 as further described below.

SCOPE

Contractor has been providing UPS maintenance and support services since November 15, 2017. Under this Amendment, Contractor shall extend maintenance and support services one (1) year, adding additional UPS units that have been added to the MTS environment and replace/install batteries past useful life (Attachment A).

SCHEDULE

This amendment shall extend the term of the agreement one (1) year to November 14, 2023.

PAYMENT

This contract amendment shall authorize additional costs not to exceed \$386,612.35. The total value of this contract including this amendment shall be in the amount of \$1,418,263.76. This amount shall not be exceeded without prior written approval from MTS.

Please sign and return a copy to the Contract Specialist at MTS. All other terms and conditions shall remain the same and in effect. Retain a copy for your records.

Sincerely,

Agreed:

Sharon Cooney, Chief Executive Officer

Courtney Forget, Director
Schneider Electric IT Corporation

Date: _____

Attachments: Schneider Maintenance Support and Battery Replacement Quote



EcoStruxure™
Innovation At Every Level

Schneider Electric IT Global Field Services

Schneider Electric Reference: OP-220717-12294966
Service Quote Number 2022-1706152
Quote Date 10/24/2022
Prepared by Albert Lawrence Monton

Prepared For San Diego Metropolitan Transit Systems
Sales Contact Albert Lawrence Monton

SCHNEIDER ELECTRIC IT CORP.

70 Mechanic Street - Foxboro, MA 02035 -
<http://www.schneider-electric.com>

Life Is On

Schneider
Electric

San Diego Metropolitan Transit Systems

Products and Services (All Prices in USD)

Installed Sites

San Diego Metropolitan Transit System

SDMTS Data Centers, Operations Sites, Trolley Stations, and Transit Centers.

Product Description	Qty	Ext. Net Price
QWVPARTS-QCLU01460-00 – REPLACEMENT BATTERY KITS FOR (143) UPS UNITS, (101) BATTERY PACKS Includes: (349) Replacement Battery Kits Exclusions: 1. Replacement Batteries for (2) Eaton 80kVA 9390 UPS units, and (5) APC 25Kva Galaxy VS UPS units.	1	\$ 171,085.50
QWVUPSSA-QCLU84083-00 – INSTALLATION SERVICE 5X8 FOR BATTERY REFRESH OF (143) UPS UNITS, (101) BATTERY PACKS Includes: • Labor to replace Battery Kits in (143) UPS units and (101) Battery Packs. Scope of Work: • Removal & proper recycling of (349) old Battery Kits. • Installation of (349) Replacement Battery Kits (Battery Kits not included). • Recalibration of UPS electronics (if possible). • Cleaning of UPS systems. • 5x8 Standard business hours service scheduling. Exclusions: 1. Labor to replace Batteries in (2) Eaton 80kVA 9390 UPS units, and (5) APC 25kVA Galaxy VS UPS units.	1	\$ 76,443.75
QWVUPS-QJRA80430-00 - ONE YEAR ONSITE SUPPORT AGREEMENT FOR (145) UPS UNITS, (101) BATTERY PACKS AND (54) 30A ATS UNITS. Features: • Parts, Labor, and Travel for any required repairs during contract period. • (1) PM Visit 7x24 for Eaton 80kVA 9390 units. • Response Time for each UPS unit specified in Exhibit A. Exclusions: 1. PO will not be accepted for the 1-Year Onsite Support Agreement without the purchase of the Complete Battery Replacement Services (Battery Kits and Labor) at the same time. 2. Batteries, Capacitors, and Fans for Eaton 80kVA 9390 units. 3. All (5) APC 25kVA Galaxy VS UPS units are covered via an APC Extended Warranty thru 1/30/24. 4. Repairs or support of any UPS unit, Battery Pack, or ATS unit not listed in Exhibit A will be quoted on a Time & Materials basis.	1	\$ 139,083.10

QUOTE TOTAL (USD) \$ 386,612.35

The quote total above **does not include** Freight or Applicable Taxes.

All services will be performed during normal business hours, unless an off-hours upgrade is purchased, and with standard accessibility (no stairs, no scale...). Otherwise, Services will not be executed, and additional cost will have to be applied.

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General Conditions

Date

Quote validity: 11/24/2022

Billing detail

Payment term: NET 30 DAYS

Bill to address: SAN DIEGO METROPOLITAN
TRANSIT SYSTEM
ACCOUNTING
DEPARTMENT
SAN DIEGO
CA, 92101
UNITED STATES

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Terms and Conditions

ANY ORDER PLACED PURSUANT TO THIS QUOTATION SHALL BE GOVERNED SOLELY BY THE TERMS AND CONDITIONS SET FORTH AT

https://www.apc.com/salestools/CFOT-AHJQSDX/CFOT-AHJQSDX_R0_EN.pdf

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PURCHASE ORDERS NEED TO BE ADDRESSED TO:

SCHNEIDER ELECTRIC IT CORP. - 5081 Collections Center Drive - Chicago, Illinois 60693 -

Schneider Electric accepts purchase orders placed using the following modes of transmission:

EMAIL: purchaseorders@schneider-electric.com **FAX:** 401-792-2313

Please only send original Po requests to the above email or fax number. Once submitted, all inquiries regarding PO's should be directed to the respective coordinator.

PURCHASE ORDER (PO) CHECKLIST

The data below is required for order processing and needs to be stated on each PO. Please note that missing information may cause order processing delays.

NOTE: Tax & freight are not to be included as line items

MANDATORY

- **Quotation ID# if applicable**
- Bill to Address (Account # with Schneider if known)
- PO Number
- Freight & Delivery Terms
- Payment Terms
- Ship To Address
- Partial Shipment Allowed - Yes/No (May not ship complete)
- Shipping Contact Name & Phone Number
- Part # and Quantity
- Price per Unit
- Total Line Value
- Requested date of delivery/collection
- Purchaser's Name & Contact #
- Purchaser's email address (used for order/shipping notices)
- **Service Orders:** Model, Serial Number, End User contact name & phone number
- **Custom Orders:** Delivery Check list (if delivery requires more than Dock to Dock)
- **Solution Orders:** ISX solution #, Opportunity ID
- Export Documentation Requirements
- Site Inspection Requirements
- 3rd Party Freight Billing Details (Carrier and Account #, contact name and number, freight billing address)

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Location	Model	4-Hour Response	8-Hour Response	Battery Refresh during Contract Period
A Building (OCC) - 12 South 13th Street	GXT2-6000RT208 #09015R0038BW571	Yes	No	Yes
A Building (OCC) - 12 South 13th Street	SURTA3000RML3U #QS1540240065	Yes	No	Yes
A Building (OCC) - 12 South 13th Street	SMT1500 #AS1134311709	Yes	No	Yes
A Building (OCC) - 12 South 13th Street	SMT1500 #AS1134311711	Yes	No	Yes
A Building (OCC) - 12 South 13th Street	SURT192RMLBP3U #7S1545L02425	Yes	No	Yes
A Building (OCC) - 12 South 13th Street	SURT192RMLBP3U #7S1545L02549	Yes	No	Yes
A Building (OCC) - 12 South 13th Street	SUA2200 #TBD	Yes	No	Yes
A Building (OCC) - 12 South 13th Street	GXT2-3000RT120 #08289R1150AF091	Yes	No	Yes
A Building (OCC) - 12 South 13th Street	SMT2200RM2U #JS1114013334	Yes	No	Yes
A Building (OCC) - 12 South 13th Street	SUA2200RM2U #JS0703007721	Yes	No	Yes
A Building (OCC) - 12 South 13th Street	SUA3000RM2U #JS1104018801	Yes	No	Yes
B Building - 1341 Commercial Street	SURTA3000RML3U #QS1352140686	Yes	No	Yes
B Building - 1341 Commercial Street	SURT192RMLBP3U #8S1413F15518	Yes	No	Yes
B Building - 1341 Commercial Street	SURT192RMLBP3U #8S1413F15529	Yes	No	Yes
B Building - 1341 Commercial Street	SURTA1500RML2U #QS1343342083	Yes	No	Yes
B Building - 1341 Commercial Street	SMT3000RM2U #JS1110012191	Yes	No	Yes
Building B Revenue Processing Room	SUA2200 #IS1128009468	Yes	No	Yes
Building C IDF 1st floor	SMX3000RMLV2U #AS1727163149	Yes	No	Yes
Building C IDF 1st floor	SMX120RMBP2U	Yes	No	Yes
Building C IDF 1st floor	SMX120RMBP2U	Yes	No	Yes
C Building - 1535 Newton Avenue	SMX2000RMLV2UNC #AS1649264573	Yes	No	Yes
D Building - 1501 National Avenue	SMT1500 #AS1134211506	Yes	No	Yes
El Cajon TransDev - 1213 N Johnson Ave	SMT3000RM2U #TBD	Yes	No	Yes
El Cajon TransDev - 1213 N Johnson Ave	SMT3000RM2U #AS1539141387	Yes	No	Yes
El Cajon TransDev - 1213 N Johnson Ave	SMT3000RM2U #AS1626261539	Yes	No	Yes
El Cajon TransDev - 1213 N Johnson Ave	SMT3000RM2U #AS1723363554	Yes	No	Yes
El Cajon TransDev - 1213 N Johnson Ave	SMT3000RM2U #AS1726254029	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	GXT2-6000RT208 #0614400094BW572	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	GXT2-6000RT208 #07024R0001BW571	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	GXT2-6000RT208 #08052R0102BW571	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMT1500 #AS1134211554	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMT1500 #AS1413214951	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMT1500 #AS1413223348	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMT1500 #AS1414221880	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMT1500 #AS1414221903	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMT1500 #AS1414222036	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMT1500 #AS1419224504	Yes	No	Yes

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Imperial Avenue Division (IAD) - 100 16th Street	SMT1500 #AS1419224549	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMT2200RM2U #JS1114013291	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMT2200RM2U #JS1114013337	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMT3000RM2U #IS1136000145	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMT3000RM2U #IS1136000147	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMT3000RM2U #IS1136000148	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMX120RMBP2U #7A1537L32400	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMX120RMBP2U #7A1541L08167	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMX120RMBP2U #7A1612L02486	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMX120RMBP2U #7A1612L17792	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMX120RMBP2U #7A1638L40368	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMX120RMBP2U #7A1640L23985	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMX120RMBP2U #7A1704L31808	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMX120RMBP2U #7A1704L31809	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMX1500RM2U #AS1814133531	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMX2000RMLV2UNC #AS1649264568	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMX3000RMLV2U #AS1815360478	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMX3000RMLV2UNC #AS1545142433	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMX3000RMLV2UNC #AS1627160587	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMX3000RMLV2UNC #AS1644264262	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMX3000RMLV2UNC #AS1701261822	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMX3000RMLV2UNC #AS1824254816	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SRT6KRMXLT-5KTF #AS2126170864	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SU5000RMXL5U #NS0632015670	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SUA2200XL #AS1131242687	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SUA5000RMT5U #IS1125004596	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SUA750RM1U #AS0747210721	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SURT15KRMXLT #IS1248004979	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SURT192RMXLBP2 #IS1249002343	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SURTD5000XLT #NS0647032018	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SURTD5000XLT #QS1429271613	Yes	No	Yes

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Imperial Avenue Division (IAD) - 100 16th Street	SYA16K16RMP #QD1415260365	Yes	No	Yes
Kearny Mesa Division (KMD) - 4630 Ruffner Road	SMX2000RMLV2UNC #AS1649264574	Yes	No	Yes
Kearny Mesa Division (KMD) - 4630 Ruffner Road	SMT1500 #AS1134211496	Yes	No	Yes
KMD Service Lanes	SRT96RMBP	Yes	No	Yes
KMD Service Lanes	SRT96RMBP	Yes	No	Yes
KMD Service Lanes	SRT3000RMXLA #AS1829294415	Yes	No	Yes
Mills Building - 1255 Imperial Avenue, Suite 1000	SMT3000RM2U #JS1110012187	Yes	No	Yes
Mills Building - 1255 Imperial Avenue, Suite 1000	SMX2000RMLV2UNC #AS1649264570	Yes	No	Yes
Mills Building - 1255 Imperial Avenue, Suite 1000	SUA1500 #AS0442132150	Yes	No	Yes
Mills Building - 1255 Imperial Avenue, Suite 1000	SUA1500RM2U #AS0745332314	Yes	No	Yes
Mills Building - 1255 Imperial Avenue, Suite 1000	SURT192XLBP #IS08300003670	Yes	No	Yes
Mills Building - 1255 Imperial Avenue, Suite 1000	SURT192XLBP #IS0922002918	Yes	No	Yes
Mills Building - 1255 Imperial Avenue, Suite 1000	SURT192XLBP #NS0547002358	Yes	No	Yes
Mills Building - 1255 Imperial Avenue, Suite 1000	SURT192XLBP #NS0631028821	Yes	No	Yes
Mills Building - 1255 Imperial Avenue, Suite 1000	SURT192XLBP #NS0648018037	Yes	No	Yes
Mills Building - 1255 Imperial Avenue, Suite 1000	SURT192XLBP #NS0708009780	Yes	No	Yes
Mills Building - 1255 Imperial Avenue, Suite 1000	SURT192XLBP #NS0721023320	Yes	No	Yes
Mills Building - 1255 Imperial Avenue, Suite 1000	SURT192XLBP #NS0746006640	Yes	No	Yes
Mills Building - 1255 Imperial Avenue, Suite 1000	SURT8000RMXLT #QS1244150685	Yes	No	Yes
South Bay Division (SBMain) - 3650 Main Street	SMT2200RM2U #JS1114013325	Yes	No	Yes
South Bay Division (SBMain) - 3650 Main Street	SMT3000RM2U #AS1337140670	Yes	No	Yes
South Bay Division (SBMain) - 3650 Main Street	SMT3000RM2U #AS1337140671	Yes	No	Yes
South Bay Division (SBMain) - 3650 Main Street	SMT3000RM2U #AS1337140673	Yes	No	Yes
South Bay Division (SBMain) - 3650 Main Street	SMT3000RM2U #AS1338143087	Yes	No	Yes
South Bay Division (SBMain) - 3650 Main Street	SMT3000RM2U #AS1414143638	Yes	No	Yes
OCC Inside Electrical Room	Eaton PW9390-80 S/N EG013CBC05	No	Yes	No
OCC Inside Electrical Room	Eaton PW9390-80 S/N EX192CAA03	No	Yes	No
12th & Imperial Ave - Imperial Ave & 12th St	SRT96RMBP #7S1824L02167	No	Yes	Yes
12th & Imperial Ave - Imperial Ave & 12th St	SRT3000RMXLA #AS1828190430	No	Yes	Yes
12th & Imperial Ave - Imperial Ave & 12th St	AP4453 #5A1832T93239	No	Yes	Yes
24th Street - W 22nd St & Wilson Ave	SRT96RMBP #7S1828L02319	No	Yes	Yes
24th Street - W 22nd St & Wilson Ave	SRT3000RMXLA #AS1827293260	No	Yes	Yes
24th Street - W 22nd St & Wilson Ave	AP4453 #5A1832T93248	No	Yes	Yes

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25th & Commercial - Commercial St & 25th St	SRT96RMBP #7S1828L00745	No	Yes	Yes
25th & Commercial - Commercial St & 25th St	SRT3000RMLA #AS1828190494	No	Yes	Yes
25th & Commercial - Commercial St & 25th St	AP4453 #5A1832T21706	No	Yes	Yes
32nd & Commercial - 3200 Commercial St	SRT96RMBP #7S1829L01640	No	Yes	Yes
32nd & Commercial - 3200 Commercial St	SRT3000RMLA #AS1828190482	No	Yes	Yes
32nd & Commercial - 3200 Commercial St	AP4453 #5A1832T21690	No	Yes	Yes
47th St - 350 47th St	SRT96RMBP #7S1828L00706	No	Yes	Yes
47th St - 350 47th St	SRT3000RMLA #AS1827293282	No	Yes	Yes
47th St - 350 47th St	AP4453 #5A1832T93234	No	Yes	Yes
5th Avenue - 500 C St	SRT96RMBP #7S1825L00064	No	Yes	Yes
5th Avenue - 500 C St	SRT3000RMLA #AS1827293265	No	Yes	Yes
5th Avenue - 500 C St	AP4453 #5A1832T21700	No	Yes	Yes
70th Street - 7255 Alvarado Road	SRT96RMBP #7S1825L00479	No	Yes	Yes
70th Street - 7255 Alvarado Road	SRT3000RMLA #AS1828190438	No	Yes	Yes
70th Street - 7255 Alvarado Road	AP4453 #5A1832T21698	No	Yes	Yes
8th Street - Harbor Dr & W 8th St	SRT96RMBP #7S1828L00700	No	Yes	Yes
8th Street - Harbor Dr & W 8th St	SRT3000RMLA #AS1827293280	No	Yes	Yes
8th Street - Harbor Dr & W 8th St	AP4453 #5A1832T93250	No	Yes	Yes
Alvarado Medical Center - 6658 Alvarado Rd	SRT96RMBP #7S1825L00483	No	Yes	Yes
Alvarado Medical Center - 6658 Alvarado Rd	SRT3000RMLA #AS1828190440	No	Yes	Yes
Alvarado Medical Center - 6658 Alvarado Rd	AP4453 #5A1832T21693	No	Yes	Yes
Amaya Drive - 9100 Amaya Dr	SRT96RMBP #7S1828L02314	No	Yes	Yes
Amaya Drive - 9100 Amaya Dr	SRT3000RMLA #AS1827293294	No	Yes	Yes
Amaya Drive - 9100 Amaya Dr	AP4453 #5A1832T21697	No	Yes	Yes
America Plaza - 4211 Camino De La Plaza	SRT96RMBP #7S1828L00707	No	Yes	Yes
America Plaza - 4211 Camino De La Plaza	SRT3000RMLA #AS1828190485	No	Yes	Yes
America Plaza - 4211 Camino De La Plaza	AP4453 #5A1832T93242	No	Yes	Yes
Arnele Avenue - 762 N Marshall Ave	SRT96RMBP #7S1825L00481	No	Yes	Yes
Arnele Avenue - 762 N Marshall Ave	SRT3000RMLA #AS1827293308	No	Yes	Yes
Arnele Avenue - 762 N Marshall Ave	AP4453 #5A1832T93243	No	Yes	Yes
Balboa Transit Center Station	SRT96RMBP	No	Yes	Yes
Balboa Transit Center Station	SRT96RMBP	No	Yes	Yes
Balboa Transit Center Station	SRT3000RMLA #AS1928193330	No	Yes	Yes
Barrio Logan - 1910 Harbor Dr	SRT96RMBP #7S1828L00675	No	Yes	Yes
Barrio Logan - 1910 Harbor Dr	SRT3000RMLA #AS1828190491	No	Yes	Yes
Barrio Logan - 1910 Harbor Dr	AP4453 #5A1832T21681	No	Yes	Yes
Beyer Boulevard - 4035 Beyer Blvd	SRT96RMBP #7S1828L00733	No	Yes	Yes
Beyer Boulevard - 4035 Beyer Blvd	SRT3000RMLA #AS1827293292	No	Yes	Yes
Beyer Boulevard - 4035 Beyer Blvd	AP4453 #5A1832T93226	No	Yes	Yes
Boulevard Transit Plaza - 4024 El Cajon Blvd	SMX3000RMLV2U #AS1723160306	No	Yes	Yes

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Boulevard Transit Plaza - 4024 El Cajon Blvd	SMX3000RMLV2UNC #AS1738160621	No	Yes	Yes
Boulevard Transit Plaza - 4024 El Cajon Blvd	SMX120RMBP2U #TBD	No	Yes	Yes
Boulevard Transit Plaza - 4024 El Cajon Blvd	SMX120RMBP2U #TBD	No	Yes	Yes
Boulevard Transit Plaza - 4024 El Cajon Blvd	SMX120RMBP2U #TBD	No	Yes	Yes
Boulevard Transit Plaza - 4024 El Cajon Blvd	SMX120RMBP2U #TBD	No	Yes	Yes
City College - C St & 11th Ave	SRT96RMBP #7S1825L00478	No	Yes	Yes
City College - C St & 11th Ave	SRT3000RMLA #AS1828190435	No	Yes	Yes
City College - C St & 11th Ave	AP4453 #5A1832T21680	No	Yes	Yes
Civic Center - 202 C St	SRT96RMBP #7S1824L02158	No	Yes	Yes
Civic Center - 202 C St	SRT3000RMLA #AS1828190432	No	Yes	Yes
Civic Center - 202 C St	AP4453 #5A1832T93225	No	Yes	Yes
Clairemont Drive Trolley Station	SRT96RMBP	No	Yes	Yes
Clairemont Drive Trolley Station	SRT96RMBP	No	Yes	Yes
Clairemont Drive Trolley Station	SRT3000RMLA #AS2050292311	No	Yes	Yes
Convention Center - 301 K St	SRT96RMBP #7S1828L00573	No	Yes	Yes
Convention Center - 301 K St	SRT3000RMLA #AS1828190434	No	Yes	Yes
Convention Center - 301 K St	AP4453 #5A1832T93224	No	Yes	Yes
Courthouse Station - 330 West C Street	SRT96RMBP #7S1829L01644	No	Yes	Yes
Courthouse Station - 330 West C Street	SRT3000RMLA #AS1827293289	No	Yes	Yes
Courthouse Station - 330 West C Street	AP4453 #5A1832T93246	No	Yes	Yes
Del Lago - 3310 Del Lago Blvd	SMT2200 #IS1212002698	No	Yes	Yes
E Street - 750 E St	SRT96RMBP #7S1828L02313	No	Yes	Yes
E Street - 750 E St	SRT3000RMLA #AS1827293284	No	Yes	Yes
E Street - 750 E St	AP4453 #5A1832T93237	No	Yes	Yes
El Cajon Transit Center - 352 S Marshall Ave El Cajon	SRT96RMBP #7S1824L02121	No	Yes	Yes
El Cajon Transit Center - 352 S Marshall Ave El Cajon	SRT3000RMLA #AS1828190436	No	Yes	Yes
El Cajon Transit Center - 352 S Marshall Ave El Cajon	AP4453 #5A1832T93220	No	Yes	Yes
Encanto/62nd Street - Akins Ave & 62nd St	SRT96RMBP #7S1828L02312	No	Yes	Yes
Encanto/62nd Street - Akins Ave & 62nd St	SRT3000RMLA #AS1827293293	No	Yes	Yes
Encanto/62nd Street - Akins Ave & 62nd St	AP4453 #5A1832T21673	No	Yes	Yes
Euclid Ave & Market St - 450 Euclid Ave	SRT96RMBP #7S1825L00087	No	Yes	Yes
Euclid Ave & Market St - 450 Euclid Ave	SRT3000RMLA #AS1827293297	No	Yes	Yes
Euclid Ave & Market St - 450 Euclid Ave	AP4453 #5A1832T93272	No	Yes	Yes
Executive Drive Trolley Station	GVSUPS25KF #ID2036012016	No	No	No
Fashion Valley - 1205 Fashion Valley Rd	SRT96RMBP #7S1829L01645	No	Yes	Yes
Fashion Valley - 1205 Fashion Valley Rd	SRT3000RMLA #AS1827293278	No	Yes	Yes
Fashion Valley - 1205 Fashion Valley Rd	AP4453 #5A1832T93275	No	Yes	Yes
Fenton Parkway - 2288 Fenton Pkwy	SRT96RMBP #7S1828L02317	No	Yes	Yes
Fenton Parkway - 2288 Fenton Pkwy	SRT3000RMLA #AS1828190433	No	Yes	Yes
Fenton Parkway - 2288 Fenton Pkwy	AP4453 #5A1832T93233	No	Yes	Yes
Gaslamp Quarter - 614 5th Ave Ste E	SRT96RMBP #7S1825L00113	No	Yes	Yes

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Gaslamp Quarter - 614 5th Ave Ste E	SRT3000RMXLA #AS1827293270	No	Yes	Yes
Gaslamp Quarter - 614 5th Ave Ste E	AP4453 #5A1832T93229	No	Yes	Yes
Gillespie Field - 1990 N Cuyamaca Ave	SRT96RMBP #7S1825L00073	No	Yes	Yes
Gillespie Field - 1990 N Cuyamaca Ave	SRT3000RMXLA #AS1827293275	No	Yes	Yes
Gillespie Field - 1990 N Cuyamaca Ave	AP4453 #5A1832T21675	No	Yes	Yes
Grantville - 4510 Alvarado Canyon Rd	SRT96RMBP #7S1825L00068	No	Yes	Yes
Grantville - 4510 Alvarado Canyon Rd	SRT3000RMXLA #AS1828190471	No	Yes	Yes
Grantville - 4510 Alvarado Canyon Rd	AP4453 #5A1832T21704	No	Yes	Yes
Grossmont - 8601 Fletcher Pkwy	SRT96RMBP #7S1825L00482	No	Yes	Yes
Grossmont - 8601 Fletcher Pkwy	SRT3000RMXLA #AS1828190437	No	Yes	Yes
Grossmont - 8601 Fletcher Pkwy	AP4453 #5A1832T21696	No	Yes	Yes
H Street - 745 H St	SRT96RMBP #7S1828L00674	No	Yes	Yes
H Street - 745 H St	SRT3000RMXLA #AS1827293302	No	Yes	Yes
H Street - 745 H St	AP4453 #5A1832T93236	No	Yes	Yes
Harborside - 1325 S 28th St	SRT96RMBP #7S1828L02318	No	Yes	Yes
Harborside - 1325 S 28th St	SRT3000RMXLA #AS1828190492	No	Yes	Yes
Harborside - 1325 S 28th St	AP4453 #5A1832T93286	No	Yes	Yes
Hazard Center - 7611 Hazard Ctr Dr	SRT96RMBP #7S1829L01643	No	Yes	Yes
Hazard Center - 7611 Hazard Ctr Dr	SRT3000RMXLA #AS1828190486	No	Yes	Yes
Hazard Center - 7611 Hazard Ctr Dr	AP4453 #5A1832T93240	No	Yes	Yes
Iris Avenue - 3120 Iris Ave	SRT96RMBP #7S1828L02320	No	Yes	Yes
Iris Avenue - 3120 Iris Ave	SRT3000RMXLA #AS1827293309	No	Yes	Yes
Iris Avenue - 3120 Iris Ave	AP4453 #5A1832T93230	No	Yes	Yes
La Mesa Blvd - 4700 Spring St	SRT96RMBP #7S1828L00575	No	Yes	Yes
La Mesa Blvd - 4700 Spring St	SRT3000RMXLA #AS1827293298	No	Yes	Yes
La Mesa Blvd - 4700 Spring St	AP4453 #5A1832T21701	No	Yes	Yes
Lemon Grove Depot - 3443 Main St	SRT96RMBP #7S1828L00576	No	Yes	Yes
Lemon Grove Depot - 3443 Main St	SRT3000RMXLA #AS1828190468	No	Yes	Yes
Lemon Grove Depot - 3443 Main St	AP4453 #5A1832T21705	No	Yes	Yes
Little Italy - Pacific Hwy & W Cedar St	SRT96RMBP #7S1828L00741	No	Yes	Yes
Little Italy - Pacific Hwy & W Cedar St	SRT3000RMXLA #AS1827293283	No	Yes	Yes
Little Italy - Pacific Hwy & W Cedar St	AP4453 #5A1832T93227	No	Yes	Yes
Massachusetts Avenue - 1787 San Altos Pl	SRT96RMBP #7S1825L00110	No	Yes	Yes
Massachusetts Avenue - 1787 San Altos Pl	SRT3000RMXLA #AS1828190470	No	Yes	Yes
Massachusetts Avenue - 1787 San Altos Pl	AP4453 #5A1832T93231	No	Yes	Yes
MiddleTown - 1396 Palm St	SRT96RMBP #7S1828L00748	No	Yes	Yes
MiddleTown - 1396 Palm St	SRT3000RMXLA #AS1827293258	No	Yes	Yes
MiddleTown - 1396 Palm St	AP4453 #5A1832T21694	No	Yes	Yes
Mira Mesa - Miramar College Transit Station	SMX3000RMLV2UNC #AS1328246447	No	Yes	Yes
Mira Mesa - Miramar College Transit Station	SMX3000RMLV2UNC #AS1333237555	No	Yes	Yes
Mission San Diego - Ward Rd & Rancho Mission Rd	SRT96RMBP #7S1824L02100	No	Yes	Yes
Mission San Diego - Ward Rd & Rancho Mission Rd	SRT3000RMXLA #AS1828190429	No	Yes	Yes

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Mission San Diego - Ward Rd & Rancho Mission Rd	AP4453 #5A1832T93262	No	Yes	Yes
Mission Valley Center - 1400 Camino De La Reina	SRT96RMBP #7S1828L00693	No	Yes	Yes
Mission Valley Center - 1400 Camino De La Reina	SRT3000RMLA #AS1827293274	No	Yes	Yes
Mission Valley Center - 1400 Camino De La Reina	AP4453 #5A1832T21686	No	Yes	Yes
Morena/Linda Vista - Gaines St And Napa St	SRT96RMBP #7S1828L00749	No	Yes	Yes
Morena/Linda Vista - Gaines St And Napa St	SRT3000RMLA #AS1827293279	No	Yes	Yes
Morena/Linda Vista - Gaines St And Napa St	AP4453 #5A1832T93228	No	Yes	Yes
Nobel Drive Transit Center	GVSUPS25KF #ID1952001814	No	No	No
Old Town - 4005 Taylor St	SRT96RMBP #7S1824L02099	No	Yes	Yes
Old Town - 4005 Taylor St	SRT3000RMLA #AS1828190431	No	Yes	Yes
Old Town - 4005 Taylor St	AP4453 #5A1832T93257	No	Yes	Yes
Pacific Fleet - E Harbor Dr & S 32nd St	SRT96RMBP #7S1828L02323	No	Yes	Yes
Pacific Fleet - E Harbor Dr & S 32nd St	SRT3000RMLA #AS1827293281	No	Yes	Yes
Pacific Fleet - E Harbor Dr & S 32nd St	AP4453 #5A1832T21671	No	Yes	Yes
Palm Avenue - 2340 Palm Ave	SRT96RMBP #7S1828L02322	No	Yes	Yes
Palm Avenue - 2340 Palm Ave	SRT3000RMLA #AS1827293285	No	Yes	Yes
Palm Avenue - 2340 Palm Ave	AP4453 #5A1832T93241	No	Yes	Yes
Palomar Street - 1265 Industrial Blvd	SRT96RMBP #7S1829L01653	No	Yes	Yes
Palomar Street - 1265 Industrial Blvd	SRT3000RMLA #AS1827293312	No	Yes	Yes
Palomar Street - 1265 Industrial Blvd	AP4453 #5A1832T21707	No	Yes	Yes
Park & Market - Park Blvd & Market St	SRT96RMBP #7S1828L00699	No	Yes	Yes
Park & Market - Park Blvd & Market St	SRT3000RMLA #AS1828190490	No	Yes	Yes
Park & Market - Park Blvd & Market St	AP4453 #5A1832T93213	No	Yes	Yes
Qualcomm Stadium - 9449 Friars Rd	SRT96RMBP #7S1828L00579	No	Yes	Yes
Qualcomm Stadium - 9449 Friars Rd	SRT3000RMLA #AS1827293300	No	Yes	Yes
Qualcomm Stadium - 9449 Friars Rd	AP4453 #5A1832T21670	No	Yes	Yes
Pepper Canyon Trolley Station	GVSUPS25KF #ID2020003960	No	No	No
Rancho Bernardo - 16785 W Bernardo Dr	SMT2200 #IS1212002700	No	Yes	Yes
Rio Vista - 2185 Station Village Way	SRT96RMBP #7S1828L00573-2	No	Yes	Yes
Rio Vista - 2185 Station Village Way	SRT3000RMLA #AS1828190439	No	Yes	Yes
Rio Vista - 2185 Station Village Way	AP4453 #5A1832T21672	No	Yes	Yes
Sabre Spring - 13538 Sabre Springs Pkwy	SMX3000RMLV2UNC #AS1338236726	No	Yes	Yes
San Ysidro - San Ysidro Transit Center	SMX3000RMLV2UNC #AS1427246270	No	Yes	Yes
San Ysidro - San Ysidro Transit Center	SMX3000LV #AS1332137146	No	Yes	Yes
San Ysidro - San Ysidro Transit Center	SMX120BP #7A1505L35786	No	Yes	Yes
San Ysidro - San Ysidro Transit Center	AP4453 #5A1832T93253	No	Yes	Yes
San Ysidro Trolley Station	SMX3000RMLV2U #AS1427246268	No	Yes	Yes
San Ysidro Trolley Station	SMX120RMBP2U	No	Yes	Yes
San Ysidro Trolley Station	SMX120RMBP2U	No	Yes	Yes
Santa Fe Depot - 1100 Kettner Blvd	SRT96RMBP #7S1828L00678	No	Yes	Yes
Santa Fe Depot - 1100 Kettner Blvd	SRT3000RMLA #AS1827293272	No	Yes	Yes
Santa Fe Depot - 1100 Kettner Blvd	AP4453 #5A1832T21691	No	Yes	Yes

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Santee Town Center - 152 Civic Center Dr	SRT96RMBP #7S1828L00688	No	Yes	Yes
Santee Town Center - 152 Civic Center Dr	SRT3000RMLA #AS1827293301	No	Yes	Yes
Santee Town Center - 152 Civic Center Dr	AP4453 #5A1832T93238	No	Yes	Yes
SDSU - Campanile Dr & Hardy Ave	SRT96RMBP #7S1828L00580	No	Yes	Yes
SDSU - Campanile Dr & Hardy Ave	SRT3000RMLA #AS1827293299	No	Yes	Yes
SDSU - Campanile Dr & Hardy Ave	AP4453 #5A1832T21699	No	Yes	Yes
Seaport Village - 530 W Market St	SRT96RMBP #7S1824L02132	No	Yes	Yes
Seaport Village - 530 W Market St	SRT3000RMLA #AS1828190428	No	Yes	Yes
Seaport Village - 530 W Market St	AP4453 #5A1832T93249	No	Yes	Yes
Spring Street - 4250 Spring St	SRT96RMBP #7S1828L02321	No	Yes	Yes
Spring Street - 4250 Spring St	SRT3000RMLA #AS1827293291	No	Yes	Yes
Spring Street - 4250 Spring St	AP4453 #5A1832T93247	No	Yes	Yes
Stadium	SRT96RMBP	No	Yes	Yes
Stadium	SRT96RMBP	No	Yes	Yes
Stadium	SRT3000RMLA #QQ1524142212	No	Yes	Yes
Tecolote Station	SRT96RMBP	No	Yes	Yes
Tecolote Station	SRT96RMBP	No	Yes	Yes
Tecolote Station	SRT3000RMLA #AS1930393181	No	Yes	Yes
University Ave Transit Plaza - 4023 University Ave	SMX3000RMLV2UNC #AS1338237693	No	Yes	Yes
University Ave Transit Plaza - 4023 University Ave	SMX3000RMLV2UNC #AS1727163159	No	Yes	Yes
University Ave Transit Plaza - 4023 University Ave	SMX3000RMLV2UNC #AS1727163161	No	Yes	Yes
University Ave Transit Plaza - 4023 University Ave	SMX120RMBP2U #TBD	No	Yes	Yes
University Ave Transit Plaza - 4023 University Ave	SMX120RMBP2U #TBD	No	Yes	Yes
University Ave Transit Plaza - 4023 University Ave	SMX120RMBP2U #TBD	No	Yes	Yes
University Ave Transit Plaza - 4023 University Ave	SMX120RMBP2U #TBD	No	Yes	Yes
University Town Center Trolley Station	GVSUPS25KF #ID2005006844	No	No	No
UTC Transit Station	SMX3000RMLV2U #AS1434235857	No	Yes	Yes
UTC Transit Station	SMX120RMBP2U	No	Yes	Yes
UTC Transit Station	SMX120RMBP2U	No	Yes	Yes
Veterans Administration Trolley Station	SRT96RMBP	No	Yes	Yes
Veterans Administration Trolley Station	SRT96RMBP	No	Yes	Yes
Veterans Administration Trolley Station	SRT3000RMLA #AS1930393184	No	Yes	Yes
Virginia Ave Transit Center - 415-499 Virginia Ave	SMX2000RMLV2UNC #AS2135254032	No	Yes	Yes
Voigt Drive Trolley Station	GVSUPS25KF #ID2001005202	No	No	No
Washington Street - Pacific Hwy And W Washington St	SRT96RMBP #7S1828L00696	No	Yes	Yes
Washington Street - Pacific Hwy And W Washington St	SRT3000RMLA #AS1827293264	No	Yes	Yes
Washington Street - Pacific Hwy And W Washington St	AP4453 #5A1832T21695	No	Yes	Yes
Wright Street Yard - 2155 Hancock St	SMT1500RM2UC #AS1246114849	No	Yes	Yes
Yard Tower - (South of OCC) - 12 South 13th Street	SUA2200RM2U #YS0402124403	No	Yes	Yes

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Agenda Item No. 20

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 10, 2022

SUBJECT:

GAS SERVICE PROVIDER – CONTRACT AWARD

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to:

- 1) Execute MTS Doc. G2627.0-22 (in substantially the same format as Attachment A) with Clean Energy Renewable Fuels, LLC for Gas Service Provider (GSP) services for a six (6) year base period with one (1) 4-year option period; and
- 2) Exercise the option years at the CEO's discretion.

Budget Impact

Net revenues from energy credits and GSP service discounts over the potential 10-year term (base and option years) are estimated to be \$124,639,964.00 and will impact the MTS Administration Revenue department operating budget (901010-424100). Today's action would authorize payment for the gas commodity through Clean Energy at the market rate. Gas prices fluctuate with the market and can be impacted by many different factors. The ongoing budget impacts from fluctuating gas prices are reviewed in the Operations Budget Reports each month. For Fiscal Year 2022, MTS spent approximately \$6.4 million on the natural gas commodity.

DISCUSSION:

MTS and its contractors operate a fixed route fleet of 601 buses throughout the service area and the vast majority of these buses are fueled with natural gas. In February 2009, the MTS Board of Directors approved the Natural Gas Hedge Program and adopted the Natural Gas Hedge Policy to administer that program (MTS Board Policy No. 59). This program enabled MTS to purchase natural gas via a competitive-bidding process. MTS staff estimates that this program typically saves MTS about \$300,000.00 annually by allowing MTS to purchase the natural gas commodity directly from the market through a GSP rather than through San Diego Gas and Electric (SDG&E). Gas is still delivered from the national natural gas pipeline by SDG&E, so there is no operational impact as a result of this change. The cost of the commodity



is billed through the GSP, and the gas used by MTS is backfilled into the national natural gas pipeline by the GSP.

In 2014, MTS began purchasing renewable natural gas (RNG), which is natural gas that is produced from landfills or from the processing of animal waste, sewage, crop waste, and

cellulosic crops, to fuel its fleet. The utilization of such a renewable fuel allows MTS to generate state Low Carbon Fuel Standard (LCFS) and federal Renewable Identification Numbers (RINs) energy credits.

The California Air Resources Board (CARB) created the LCFS to reduce greenhouse gas emissions associated with the life cycle of transportation fuels used in California. Each type of fuel has been assessed a carbon intensity (CI) score. Fuel providers are required to ensure their overall CI score meets the annual CI target. The LCFS program has incentives in the form of credits that are generated, tracked, and can be traded to obligated entities. MTS is not an obligated entity, but does generate LCFS credits as a transportation provider that utilizes alternative fuels. MTS generated an average of \$3.7 million per year in LCFS revenue from RNG over the last five fiscal years.

On the federal side, Congress enacted the Energy Policy Act of 2005, which required a mandated volume of biofuel use in the United States called the Renewable Fuel Standard (RFS). The Energy Independence and Security Act of 2007 increased the overall RFS and created sub-mandates for advanced biofuels, biomass-based diesel, and certain cellulosic biofuels. The obligated parties are petroleum refiners and importers (i.e. BP, Shell, etc.) and not end users (i.e. not MTS). RINs are the mechanism used to make sure each of the obligated parties meet its share of all of the mandates. These RINs generated as renewable fuels are sold and can be traded like any other commodity. This allows obligated parties to purchase RINs from outside sources in order to meet their obligation. MTS generated an average of \$2.0 million per year in RINs revenue from RNG over the last five fiscal years.

The generation of energy credits brings along with it many compliance requirements from both CARB and the Environmental Protection Agency (EPA). MTS partners with its GSP to manage all of the appropriate processes required to meet all legislative requirements that are in place.

The current GSP contract is set to expire on December 31, 2022, so MTS published a solicitation to select a new GSP that could manage the supply of RNG and the state and federal energy credit compliance. These contracts are structured with four different components:

- The cost of the natural gas commodity, based a published natural gas index rate, is applied to the actual consumption of natural gas and passed through to MTS on the GSP invoices.
- The cost of the GSP services, is based on a contractual adjustment to the natural gas index rate, is also applied to the actual consumption of natural gas.
- Revenue sharing on the state energy credits generated, either based on a split percentage or fixed rates per consumption, multiplied by an index rate for the value of the credits, and settled quarterly.
- Revenue sharing on the federal energy credits generated, either based on a split percentage or fixed rates per consumption multiplied by an index rate for the value of the credits, and settled monthly.

On June 17, 2022, MTS issued a Request for Proposals (RFP) for GSP Services. Three (3) proposals were received by the due date of August 12, 2022 from the following:

Proposer	DBE Certification
Anew RNG, LLC	N/A
Clean Energy Renewable Fuels, LLC	N/A
Mercuria Energy America LLC	N/A

All three proposals were deemed responsive and responsible and were evaluated by a selection committee representing the MTS Finance and Bus Operations departments. The proposals were evaluated on the following:

- | | |
|--|-------------|
| 1. Qualifications and Experience of the Proposer & Proposed Staffing of the Firm or Individual | 25% |
| 2. Work Plan and Service Commitment | 35% |
| 3. Cost and Price | 40% |
| Total | 100% |

The following table illustrated the initial scores and ranking:

PROPOSER	TOTAL AVG TECH SCORE	TOTAL COST (BASE + OPTION YEARS) EXPENSE	TOTAL COST (BASE + OPTION YEARS) REVENUE	TOTAL AVG COST SCORE	TOTAL AVG SCORE (TOTAL POSSIBLE: 100)	RANKING
Clean Energy	44.67	(\$869,600.00)	\$123,770,364.00	40	84.67	1
Anew	41.33	\$543,500.00	\$89,862,485.00	28.66	69.99	2
Mercuria	27.67	\$434,800.00	\$65,867,209.00	21.00	48.67	3

The 10-year expense calculation for each proposal compared the proposed index adjustment to the commodity purchase and proposed GSP service fee, both of which were reflected in a % adjustment of the then market index rate for the commodity. The expense credit for the Clean Energy proposal reflects a proposal to charge MTS *less* than the market rate index for gas and the service fee. The difference in 10-year revenue estimates between the proposals analyzed the number of estimated credits to be generated by an estimated credit value (this amount fluctuates with the market), times the % of the credit the proposer would allow MTS to retain. The estimated cost of the gas commodity is not included in the above figures.

As a result of the initial review, two (2) firms, Clean Energy and Anew, were determined to be within the competitive range. MTS invited Clean Energy and Anew to participate in the interview process which was held on September 30, 2022. Subsequent to the interview, the evaluation committee did not rescore the proposers.

MTS requested a revised cost proposal from Clean Energy and Anew. Both firms did not submit a revised proposal. Based on the initial scores and information gained during the interview, Clean Energy remained the highest-ranked proposer. Based on the objectives of the procurement, consideration of the evaluation criteria and Clean Energy's technical and cost proposals, the evaluation committee determined Clean Energy presented the best overall value to MTS.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to:

- 1) Execute MTS Doc. G2627.0-22 (in substantially the same format as Attachment A) with Clean Energy Renewable Fuels, LLC for Gas Service Provider (GSP) services for a six (6) year base period with one (1) 4-year option period; and
- 2) Exercise the option years at the CEO's discretion.

/S/ Sharon Cooney_____

Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachments: A. Draft Agreement MTS DOC No. G2627.0-22
B. Cost Proposal
C. Cost Analysis



Metropolitan Transit System

STANDARD AGREEMENT FOR MTS DOC. NO. G2627.0-22

THIS AGREEMENT is entered into this _____ day of _____, 2023 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: Clean Energy Renewable Fuels, LLC Address: 4675 MacArthur Court, Suite 800
Newport Beach CA 92660
City State Zip
 Form of Business: Limited Liability Company
 (Corporation, Partnership, Sole Proprietor, etc.) Email: robert.vreeland@cleanenergyfuels.com
 Telephone: 949-437-1272

Authorized person to sign
contracts

Robert M. Vreeland
Name

Chief Financial Officer
Title

The Contractor agrees to provide services as specified in the conformed Scope of Work/Technical Specification (Exhibit A), Contractor's Cost/Pricing Form (Exhibit B), and in accordance with the Standard Agreement, including Standard Conditions (Exhibit C), Federal Requirements (Exhibit D), and Forms (Exhibit E).

The contract term is for a six (6) year base period with one (1) 4-year option period, exercisable at MTS's sole discretion, for a total of ten (10) years. Base period shall be effective January 1, 2023 through December 31, 2028 and option years shall be effective January 1, 2029 through December 31, 2032, if exercised by MTS.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM	CLEAN ENERGY RENEWABLE FUELS, LLC
By: <u>Sharon Cooney, Chief Executive Officer</u>	By _____
Approved as to form:	Title: _____
By: <u>Karen Landers, General Counsel</u>	



Natural Gas Service Provider - Pricing Form

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Contract Period:	Base	Base	Base	Base	Base	Base
Year Starts:	1/1/2023	1/1/2024	1/1/2025	1/1/2026	1/1/2027	1/1/2028
Year Ends:	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028
Estimated MMBtu:	1,060,000	1,090,000	1,090,000	1,090,000	1,090,000	1,090,000

	Year 7	Year 8	Year 9	Year 10
Contract Period:	Option	Option	Option	Option
Year Starts:	1/1/2029	1/1/2030	1/1/2031	1/1/2032
Year Ends:	12/31/2029	12/31/2030	12/31/2031	12/31/2032
Estimated MMBtu:	1,090,000	1,090,000	1,090,000	1,090,000

GSP Index Premium:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Adjustment to Posted and/or Spot Price (\$/MMBtu)	\$ (0.08)	\$ (0.08)	\$ (0.08)	\$ (0.08)	\$ (0.08)	\$ (0.08)

GSP Index Premium:	Year 7	Year 8	Year 9	Year 10
Adjustment to Posted and/or Spot Price (\$/MMBtu)	(0.0800)	(0.0800)	(0.0800)	(0.0800)

MTS share of energy credits generated:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
RIN credits per MMBtu	1.7591	1.7591	1.7591	1.7591	1.7591	1.7591

LCFS credits per MMBtu	0.04802	0.04703	0.04687	0.04671	0.04654	0.04638
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MTS share of energy credits generated:	Year 7	Year 8	Year 9	Year 10
RIN credits per MMBtu	1.7591	1.7591	1.7591	1.7591

LCFS credits per MMBtu	0.0462	0.0461	0.0461	0.0461
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Definitions:

The "Posted Price" for daily Biogas deliveries (\$/MMBtu) shall be the SoCal Citygate First of the Month Index as published by Natural Gas Intelligence ("NGI")

The "Spot Price" shall mean the Monthly Average of the Gas Daily Midpoint price as published in Gas Daily Publication, Daily Price Survey, Citygates – SoCal Gas Citygate Midpoint

Clean Energy Renewables Pricing clarifications:

MTS will receive 15% of the RIN share; 100% of the equivalent fossilCNG LCFS credit share; & 15% of the incremental green LCFS share based on a carbon intensity of -250g CO₂e/MJ for settlement purposes

The LCFS compliance curve tightens every year through 2030 which is why the credit yield changes. Further, in 2024 fossilCNG is no longer a credit generating fuel based on the LCFS.

The carbon intensity of the RNG delivered to MTS will be based on the weighted average carbon intensity (WACI) of our California RNG portfolio as reported to CARB.

The natural gas commodity discount will be based on SoCal Citygate First of the Month Index. MTS will be responsible for any over and/or under nominated commodity and charged accordingly.

RNG supplied to MTS will be based on actual consumption at MTS' stations using the utility gas meter as the official meter of record.

Clean Energy Renewables recommends MTS allow us to provide monetization services on MTS's RINs and LCFS credits.

Cost 1- Expense				
Proposer Name	Base Years (1-6) Cost	Option Years (7- 10)Cost	Grand Total	Base Years
Anew	\$ 325,500.00	\$ 218,000.00	\$ 543,500.00	\$ 56,359,933.00
Clean Energy	(520,800)	\$ (348,800.00)	\$ (869,600.00)	\$ 74,446,530.00
Mercuria Energy	\$ 260,400.00	\$ 174,400.00	\$ 434,800.00	\$ 40,918,995.00

Cost 2 - Revenue		
Proposer Name	Option Years	Grand Total
Anew	\$ 33,502,552.00	\$ 89,862,485.00
Clean Energy	\$ 49,323,834.00	\$ 123,770,364.00
Mercuria Energy	\$ 24,948,214.00	\$ 65,867,209.00

Cost 3 - Expense + Revenue			
Proposer Name	Expense	Revenue	Grand Total
Anew	\$ 543,500.00	\$ 89,862,485.00	\$ 89,318,985.00
Clean Energy	\$ (869,600.00)	\$ 123,770,364.00	\$ 124,639,964.00
Mercuria Energy	\$ 434,800.00	\$ 65,867,209.00	\$ 65,432,409.00

ICE TOTAL	\$ 341,997.57	Expense
	\$ 58,105,085.00	Revenue



Agenda Item No. 21

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

November 10, 2022

SUBJECT:

E STREET TRANSIT STATION - CITY OF CHULA VISTA AND MTS JOINT TRANSIT-ORIENTED DEVELOPMENT (TOD)

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer to execute a three-party Exclusive Negotiation Agreement with the City of Chula Vista (City) and Bayview Point, LLC (Developer) for an E Street Transit-Oriented Development Project (ENA), in substantially the same format as Attachment A.

Executive Committee Recommendation

At its November 3, 2022 meeting, the Executive Committee voted 4 to 0 (Board Members Elo-Rivera, Hall, Sandke, and Sotelo-Solis in favor, and Board Members Fletcher, Moreno, and Salas absent) to recommend that the Board of Directors approve the staff recommendation.

Budget Impact

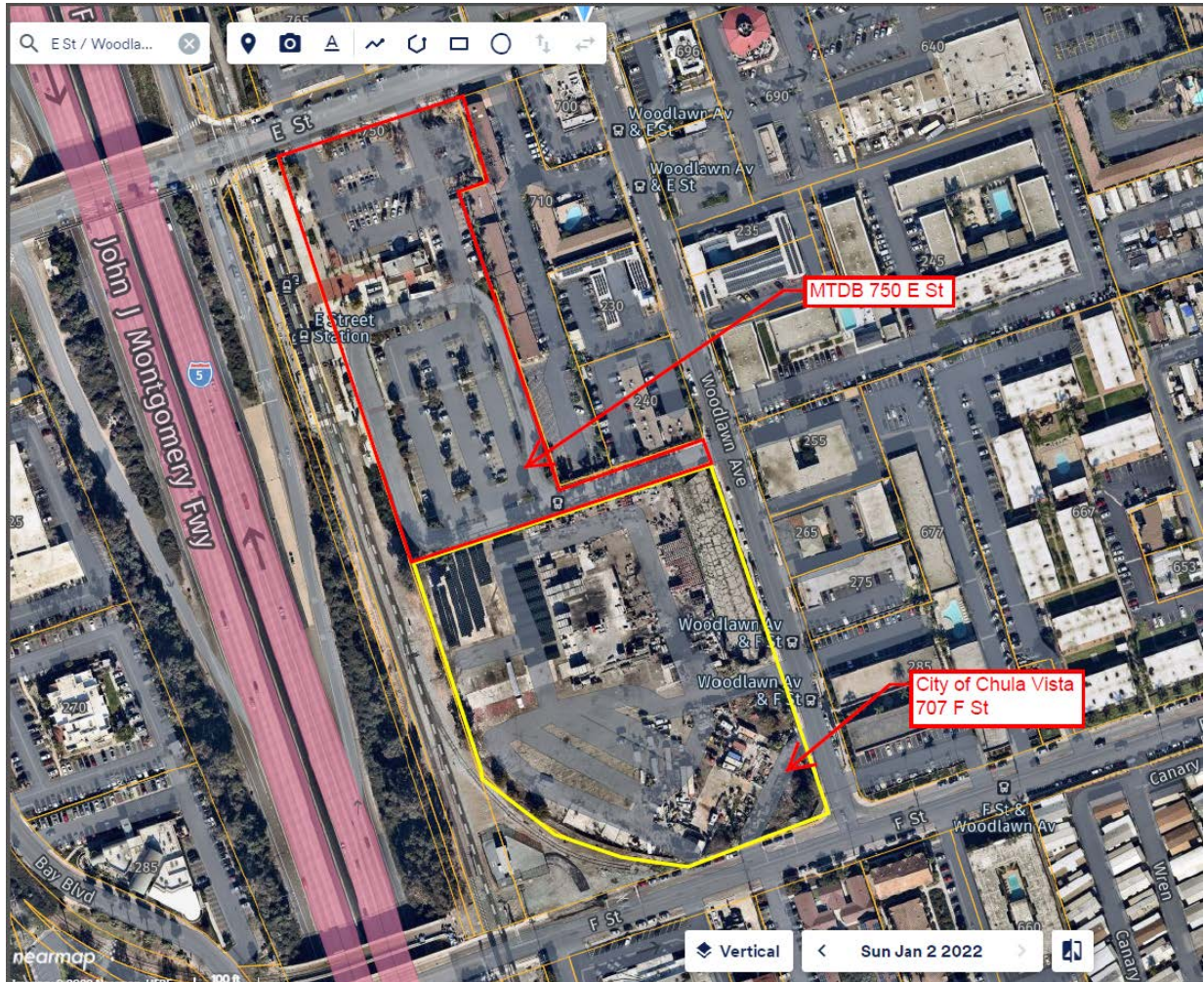
None. Today's proposed action simply authorizes MTS staff to enter negotiations with City and Developer. The final scope of development, price, and terms of payment will be negotiated and brought to the MTS Board and Chula Vista City Council for review and approval at future meetings. Any outside consultant costs that MTS or City incurs during the negotiation period will be paid for with a \$100,000 deposit from Developer.

DISCUSSION:

On December 18, 2018, MTS and the City formalized a partnership to seek partners for a joint TOD on the City-owned 707 F Street and MTS-owned 750 E Street properties. Subsequently, on April 18, 2019, the City released a Joint Request for Qualifications/Request for Proposals (RFQ/RFP) solicitation to identify the most qualified development teams that would develop a high-quality project with seamless planning and design across the nearly ten acres. The schedule required submittals by July 2019 with evaluations and subsequent interviews with development teams taking place thereafter.



E St Station Current Conditions



MTDB Site

267 MTS Park and Ride Parking Spaces, 3 Bus Lines (704, 705, 935), and a coffee shop

City Site

Industrial Lease

The RFQ/RFP required proposers to balance the City's development goals of employment generating uses providing the City long term tax revenue and MTS' Board Policy 18 goals to "create vibrant, transit-oriented communities that offer a range of housing types, job opportunities, and services centered around public transit facilities." The RFQ/RFP listed the priority of land uses as shown in Figure 1.

Priority	MTS	City
1	Affordable Housing	Office
2	Market rate rental housing	Hotel
3	Office	Retail
4	Hotel	Market Rate Housing – For Rent
5	Retail	Market Rate Housing – Sale of Planned Unit Development / Condominiums
6		Affordable Housing

Fig. 1 Priority of MTS and City land uses from RFQ/RFP

Four submittals were received. All four teams were invited to participate in Phase II by submitting more fully conceptualized development proposals and project proforma.

During the RFQ/RFP solicitation period, Assembly Bill 1486, which amended the Surplus Land Act (SLA), was signed into law. Under AB 1486, the SLA requires specific noticing practices for the disposition of surplus land, minimum affordable housing requirements, and that public agencies must first make surplus land available to affordable housing developers. After discussions with the SLA oversight agency, the California Department of Housing and Community Development, it was determined that the City and MTS would either have to restart the Joint RFQ/RFP solicitation or pursue a legislative amendment.

In 2021, a California Senate Bill 51 amended the SLA to allow the City and MTS to continue their joint solicitation as long as they meet a statutory minimum level of affordable housing and specified timelines. To revive the joint solicitation, the development teams were invited to revise their project proposals and submit updated proforma's reflecting current economic, market, and financial conditions that had evolved since the solicitation began in 2018. Based on the revised project proposals and proforma received, the City and MTS agreed to invite two of the development teams back for interviews with the City and MTS selection committee.

In June 2022, a Selection Committee interviewed two of the developer teams—Affirmed Housing and MountainWest Real Estate affiliate Bayview Point, LLC. Each development team presented vastly different project proposals. Primary differences in the proposals include variations in intensity of development and the concentration of certain asset classes and land uses over others. Summaries of the refined development proposals submitted by Affirmed Housing and Bayview Point, LLC are detailed in Figure 2.

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	Affirmed Housing	Bayview Point, LLC
Residential	570 Units - 347 affordable - 223 market rate	806 Units - 265 affordable - 541 market rate
Residential Gross Sq Ft	- 601,067 sf affordable - 226,937 sf market rate	- 281,491 sf affordable - 438,451 sf market rate
Non-Residential Gross Bldg. Area	108,773 sf	324,187 sf
Uses	Medical Office, Retail	Hotel (400 Rooms) , Retail, Medical Office, Office
Height	72 ft	216 ft
MTS Parking	Weekday: 92% of existing parking replaced Weekend: 56% of existing parking replaced	70% of existing parking replaced
Transit Experience	200+ ft between bus slips and trolley station	Bus slips adjacent to trolley station

Fig. 2 Summary of Affirmed Housing and Bayview Point, LLC Development Proposals

Affirmed Proposal – Site Layout

SITE PLAN



Bayview Point LLC Proposal – Site Layout

DEVELOPMENT SITE PLAN



Through the Joint RFQ/RFP process, the City and MTS were able to assess each development teams' ability to deliver on their proposed projects. The selection committee determined that Affirmed Housing and Bayview Point, LLC were similarly poised to deliver the project types they individually proposed. In addition to the overall objectives specified in the Joint RFQ/RFP document, MTS and City staff weighed the economic and transit impacts anticipated to be created with each project proposal, including but not limited to: transit ridership, job creation, sales tax revenue generation, rent revenue, transit rider experience, transient occupancy tax revenue generation, transit dedicated parking for park and ride use, property tax revenue generation, the overall intensification of land use as envisioned by the City planning documents governing the sites, the goals of MTS Board Policy 18, and the criteria of the amended SLA.

Both Affirmed Housing and Bayview Point, LLC put forth competitive proposals meeting City, MTS and the amended SLA requirements. However, the Bayview Point, LLC proposal was the more compelling given the site's proximity to the future Chula Vista Bayfront Redevelopment plan, City's density goals, and increased MTS ridership.

On October 18, 2022, the Chula Vista City Council considered this same item and authorized staff to execute a three-party ENA with MTS and Bayview Point, LLC.

Today's proposed action would authorize the Chief Executive Officer to execute a three-party ENA with City and Developer for an E Street Transit-Oriented Development Project, in substantially the same format as Attachment A.

The next steps would be to engage in more detailed negotiations with City and Bayview Point, LLC concerning the final scope of development, price and terms of payment, funding strategies, necessary regulatory reviews or approvals, and other items. Following these negotiations, if

they result in a recommended project, a final proposed disposition and development agreement or other real estate transaction will be presented to the MTS Board and Chula Vista City Council for review and approval at future meetings.

/S/ Sharon Cooney
Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachment: A. Draft Exclusive Negotiation Agreement

**EXCLUSIVE NEGOTIATION AGREEMENT
BY AND BETWEEN**

City of Chula Vista

AND

San Diego Metropolitan Transit System

AND

Bayview Point, LLC

THIS EXCLUSIVE NEGOTIATION AGREEMENT (Agreement) is made and entered into this ____ day of _____, 2022 (the "Effective Date"), by and between the **City of Chula Vista**, a chartered municipal corporation (City), **San Diego Metropolitan Transit System**, a public body, corporate and politic (Agency), and **Bayview Point, LLC**, a California Limited Liability Corporation (Developer), individually referred to herein as the "Party" and collectively referred to herein as the "Parties," with reference to the following:

RECITALS

A. In December 2018, City and Agency agreed to seek partners that would develop a high density, mixed-use, transit-oriented development on the City-owned 707 F Street and Agency-owned 750 E Street properties. Subsequently in April 2019 City released a Joint Request for Qualifications/Request for Proposals (Joint RFQ/RFP) solicitation to identify the most qualified development teams that would develop a high-quality project with seamless planning and design across the nearly ten acres. The schedule required submittals by July 2019 with evaluations and subsequent interviews taking place thereafter.

B. During the pendency of the Joint RFQ/RFP process, the State Legislature passed and Governor Newsom signed into law AB 1486 (Ting), which restricted the process for public agencies to dispose of surplus land.

C. To remove any uncertainty about the status of the Joint RFQ/RFP and the rights of Agency and City to complete the Joint RFQ/RFP process by negotiating agreements with a successful proposer, Agency and City sought legislative amendments to confirm that the Joint RFQ/RFP could proceed. SB 51 (Durazo) was approved by Governor Newsom on July 23, 2021. SB 51 amended Government Code Section 54234 to include a new subsection which reads:

If a local agency, as of September 30, 2019, has issued a competitive request for proposals for the development of property that includes at least 100 residential units and at least 25 percent of the total residential units are restricted to lower income households, as defined in Section 50079.5 of the Health and Safety Code, with an affordable housing cost or an affordable rent, as defined in Sections 50052.5 and 50053 of the Health and Safety Code, for a minimum of 55 years for rental housing and 45 years for ownership housing, the provisions of this article as it existed on December 31, 2019, shall apply, without regard to the changes made to this article by Chapter 664 of the Statutes of 2019, and all subsequent amendments to this article, to the disposition of the property to the party that

participated in the competitive request for proposals process, or the party's successors or assigns, provided a disposition and development agreement for the property is entered into not later than December 31, 2024. A joint development involving multiple parcels shall meet the requirements of this paragraph so long as there was a single competitive request for proposals process and the joint development otherwise meets all the requirements listed in this paragraph. A "disposition and development agreement" means an agreement between the developer and the local agency that binds the developer to construct a specific development and the local agency to dispose of the property if permits and other entitlements for the project are obtained. This paragraph shall not apply to land held in the Community Redevelopment Property Trust Fund pursuant to Section 34191.4 of the Health and Safety Code, or that has been designated in a long-range property management plan pursuant to Section 34191.5 of the Health and Safety Code. If the property is not disposed of pursuant to a qualifying disposition and development agreement before March 31, 2026, or if no disposition and development agreement is entered into before December 31, 2024, then future negotiations for and disposition of the property shall be subject to the provisions of this article.

D. On September 9, 2021, Agency and City requested updated proposals from the existing Joint RFQ/RFP participants, which would comply with the requirements of Government Code section 54234(a)(3). *(Note: a subsequent bill (AB 175) renumbered this provision from subsection (a)(2) to (a)(3). Subsection (a)(3) is referenced throughout this Agreement to be consistent with current law.)*

E. On October 18, 2022, City approved moving forward with exclusive negotiations with Developer as it relates to the City Site.

F. On _____, 2022, the Agency approved moving forward with exclusive negotiations with Developer as it relates to the Agency Site.

G. As a result of the above process, the City and Developer desire to enter into negotiations concerning development of certain land (defined below as the "City Site");

H. As a result of the above process, the Agency and Developer desire to enter into negotiations concerning the development of certain land (defined below as the "Agency Site");

I. The Parties recognize and acknowledge the purpose of this Agreement is to set forth the terms upon which the Parties agree to negotiate the terms of one or more Disposition and Development Agreements (DDAs) with respect to the disposition and development of the City Site and the Agency Site for consideration by their respective legislative bodies.

AGREEMENT

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED HEREIN, AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED BY EACH OF THE PARTIES HERETO, THE PARTIES HERETO AGREE AS FOLLOWS:

Section 1. RECITALS

The Recitals set forth above are hereby incorporated into this Agreement by this reference, as though fully set forth herein.

Section 2. THE CITY AND AGENCY SITES

The City Site is comprised of certain real property located at 707 F Street in the City of Chula Vista, legally described in the Legal Description attached hereto as **Exhibit A** and incorporated herein by reference. The Agency Site is composed of certain real property located at 750 E Street in the City of Chula Vista, legally described in the Legal Description attached hereto as **Exhibit B** and incorporated herein by this reference.

Section 3. PURPOSE OF AGREEMENT

A The purpose of this Agreement is to set forth the terms for the negotiation by the Parties of one comprehensive DDA or two individual DDAs providing for the coordinated disposition and development of the City Site and the Agency Site into a mixed use project comprised of high density market rate housing, affordable housing, commercial (office and retail) space, a Full Service hotel, replacement transit parking spaces, and other necessary and approved public and private improvements (Proposed Project). A summary of the terms to be negotiated is provided in Section 6 of this Agreement, below. The Parties acknowledge and agree that the terms of this Agreement, the negotiations conducted hereunder, and the terms of any DDA that may be negotiated and ultimately approved by the Parties as a result of such negotiations, are intended to be in full compliance with the terms set forth in Government Code Section 54234(a)(3).

B Notwithstanding any provisions of this Agreement, Developer acknowledges and agrees that nothing in this Agreement shall obligate the City or Agency to approve individual DDAs or the Proposed Project or shall otherwise expressly or impliedly obligate the City or Agency to transfer any property or interests therein. Developer further acknowledges and agrees that the approval of this Agreement and individual DDAs and the participation in any portion of the Proposed Project by the City or Agency shall be in the sole and absolute discretion of the City and/or Agency. Developer further acknowledges and agrees that this Agreement does not confer upon Developer the right to have individual DDAs, the Proposed Project, or any portion of the Proposed Project approved by the City and/or Agency. The Parties in no way intend for this Agreement to waive or restrict the Agency's exercise of its independent, discretionary judgment with regard to individual DDAs and any and all portions of the Proposed Project.

Section 4. EXCLUSIVE RIGHT TO NEGOTIATE

A The City and Agency hereby grant to the Developer and the Developer hereby accept the right under this Agreement to exclusively negotiate the terms of one or more

DDAs for the Proposed Project with City and Agency for a period, commencing with the Effective Date, of Two Hundred Seventy (270) calendar days, and continuing in full force and effect until the earlier of (i) expiration or earlier termination of this Agreement pursuant to **Sections 8 or 9** of this Agreement and (ii) the date that any individual DDA for the Proposed Project is approved or disapproved by the City of Chula Vista City Council and/or Agency Board (the "Term").

B Subject to earlier termination pursuant to **Sections 8 or 9** of this Agreement, this Agreement shall remain in effect for the Term so long as Developer has not breached this Agreement.

C City, Agency and Developer agree during the Term, and so long as this Agreement is effective, to negotiate diligently and in good faith to prepare individual DDAs to be entered into by the City and Developer, and Agency and Developer with regard to the objectives described above and the purposes of this Agreement. During the Term, the City and Agency agree not to negotiate for the acquisition, financing and/or development of the City and Agency Sites, or any portion thereof, with any party other than the Developer, or approve or conduct a public hearing for any other acquisition, financing and/or development of the City and Agency Sites, or any portion thereof.

D Subject to the approval of the City of Chula Vista City Manager and Agency CEO or their individual designees, each acting in their sole discretion, the Term may be extended one or more additional times for a period not to exceed an aggregate of an additional One Hundred Eighty (180) calendar days upon the request of Developer.

E If Developer requests an additional extension of the Term of this Agreement beyond the extension described in **Section 4(E)**, then any such extension shall be granted, if at all, in the collective sole discretion of the City of Chula Vista City Manager and Agency CEO or their individual designees and only if the Developer agrees to reimburse the City and Agency for all reasonable costs and expenses for staff and consultant time expended on the negotiation and preparation of individual DDAs during such extended term.

F If, upon the expiration of the Term of this Agreement, the Parties have not each approved and Developer has not executed individual DDAs then this Agreement shall automatically terminate and Developer shall have no further rights regarding the subject matter of this Agreement or all or any part of the City and Agency Sites and the City and Agency shall be free to negotiate with any other persons or entities with regard to all or any part of the City and Agency Sites.

Section 5. TERMS FOR CONDUCT OF NEGOTIATIONS

A City, Agency and Developer hereby agree to comply with each of the following in accordance, as applicable, with the timing described below:

(i) Status Reports. Upon request of City and/or Agency, the Developer shall provide status reports on particular issues under review or negotiation to the City Principal Economic Development Specialist and Agency Manager of Real Estate Assets.

(ii) Financial Analysis. Developer shall provide the City and Agency with a detailed financial analysis for the Proposed Project containing matters typically contained in such

analyses, including without limitation, a detailed development cost budget; proposed rents, values, and detailed operating income and expense estimates; and estimated developer returns for each project component (Financial Analysis). The Financial Analysis will be used to evidence the financial feasibility of the Proposed Project and to assist in the negotiation of terms in the individual DDAs regarding the financing of the various components of the Proposed Project. City and Agency staff shall use reasonable efforts to review and comment on the Financial Analysis in a timely manner, expected to be within thirty (30) days after receipt of the Financial Analysis from Developer, unless City or Agency requires the assistance of outside consultants to complete such review.

(iii) Submittal and Review of Conceptual Plans. The Developer shall submit to the City and Agency conceptual plans for the development of the Proposed Project (Conceptual Plans). City and Agency staff and the City of Chula Vista City Council and Agency Board shall use reasonable efforts to review and comment on the Conceptual Plans in a timely manner.

(iv) City's Planning Process. Developer, at its sole cost and expense, shall submit to the City of Chula Vista Development Services Department such plans as are necessary to conduct a single or multi-discipline preliminary review for the Proposed Project that the City reasonably determines must be completed prior to the submittal of individual DDAs for City of Chula Vista City Council or Agency Board approval. Such plans shall be for the entire City and Agency Sites and Proposed Project. Developer shall be solely responsible for paying any and all costs and expenses associated with Developer's preparation of such plans and with the review and processing of the plans by the City and the Agency. The City (as owner of the City Site) and Agency (as owner of the Agency Site) at no material cost thereto, shall reasonably cooperate with Developer in processing the plans, including, without limitation, execution of all necessary applications to the City.

(v) CEQA Compliance. Developer, at its sole cost and expense, shall be responsible for compliance with the California Environmental Quality Act (CEQA) in connection with the development of the City and Agency Sites and the Proposed Project. Developer shall be solely responsible for paying any and all costs and expenses associated with the City and Agency's compliance with applicable CEQA requirements (including, without limitation, any required Environmental Impact Report and/or other required environmental documents). Developer shall cooperate fully and in a timely manner to requests for information from the City or Agency and any of the City or Agency's consultants. The City (as the owner of the City Site) and Agency (as the owner of the Agency Site) at no material cost thereto, shall reasonably cooperate with Developer in processing the CEQA analysis, including, without limitation, execution of all necessary applications therefor. Subject to Developer's obligation to pay such costs, the City and Agency shall conduct any required CEQA review required by this **Section 5(A)(v)** in order to take action on individual proposed DDAs with Developer. Alternatively, City, Agency and Developer recognize that they may conclude, after a legal review, that the CEQA review process is instead required to take place during the pendency of the individual proposed DDAs but before the execution of a purchase and sale agreement long-term ground lease for the City/Agency Sites. If the City or Agency is required to defend an action under CEQA related to the Project, Developer agrees to defend and indemnify the City and Agency from all costs and expenses of such defense, including reasonable attorneys' fees of the City and Agency or attorneys' fees awarded by a court arising out of such action.

(vi) DDA Process. If the negotiations hereunder culminate in individual DDAs that are acceptable to the Parties, such agreements shall become effective only after and if the individual DDAs have been considered and approved by the City of Chula Vista City Council and Agency Board after a public meeting. The City and Agency shall reasonably cooperate with Developer in order to enable Developer to meet its deadlines (including, without limitation, using reasonable efforts to make City and Agency staff and consultants available as reasonably needed to allow the City and Agency to timely perform their obligations under this Agreement); however, the City and Agency shall not be obligated to expedite any reviews, approvals, notices, meetings or other matters, and nothing contained in this Agreement shall be construed to limit the City or Agency's discretion in its activities in connection with the Proposed Project.

(vii) City and Agency's Right to Additional Information. The City and Agency reserve the right, during the Term of this Agreement, to request reasonable additional information and data from Developer necessary for review and evaluation of the City and Agency Sites and the Proposed Project; provided, however, Developer shall not be obligated to provide any information or data that is not reasonably related to City or Agency's review and evaluation of the Project and the proposed DDA terms. Developer agrees to provide such additional information or data as requested in a timely manner. All information regarding the Developer's business practices and finances which may be provided to the City and Agency shall remain confidential to the extent permissible by law including, without limitation, the California Public Records Act. If the City or Agency at the request of the Developer is required to defend an action under the California Public Records Act with regard to a request for disclosure of any of the documents or reports related to the Project, Developer agrees to defend and indemnify the City and Agency from all costs and expenses of such defense, including reasonable attorneys' fees of the City and Agency or attorneys' fees awarded by a court arising out of such action.

(viii) Developer's Due Diligence. During the Term of this Agreement, Developer shall have the right to examine, inspect and investigate the City and Agency Sites and to determine whether the City and Agency Sites are acceptable to Developer, which right of Developer is subject to and conditioned upon the terms and provisions of a Right of Entry Agreement, the form of which will be the one most currently used by the City or Agency at the time of required entry.

(ix) City and Agency Not Responsible for Costs; Negotiation Payment.

(a) Except as otherwise may be mutually agreed to in writing by the Parties, as part of this Agreement or the DDA, the City and Agency shall not be liable for any costs and expenses associated with the preparation of any reports by Developer or the planning or development of the City or Agency Sites pursuant to or arising from this Agreement.

(b) Developer shall pay to the City a payment of One-hundred Thousand Dollars (\$100,000) due on the Effective Date (Negotiation Payment). The Negotiation Payment shall be made in consideration of City/Agency entering into this Agreement and shall be used by City/Agency to cover expenses incurred in connection with this Agreement, including but not limited to, legal expenses, financial analysis expenses, administrative and staff expenses, materials, and labor (Expenses).

(1) In the event the parties are unable to agree to the terms of individual DDAs resulting in termination or expiration of this Agreement, City will deduct from the Negotiation Payment all Expenses and return any remaining portion to Developer,

provided that the City shall be entitled to retain the entire Negotiation Payment, regardless of Expenses, in the event of a material breach of this Agreement by Developer as set forth in **Section 8**. To obtain this refund and related accounting, Developer must send to City by certified mail, a written notice of cancellation, requesting an accounting and refund of any remaining portion of the Negotiation Payment minus Expenses. City will provide the accounting and refund within forty-five (45) days after receiving a cancellation notice and request. Except as set forth above, the Developer hereby waives any claim or right to any refund of the Negotiation Payments, any portion thereof, and any interest accrued thereon.

(2) In the event City's Expenses exceed the Negotiation Payment, or are reasonably anticipated to exceed the amount of the Negotiating Payment that remains on deposit, City, and Developer shall meet and confer on the amount of an additional deposit necessary to cover City's Expenses up to and until individual DDAs are executed by the Parties, or until this Agreement is terminated pursuant to **Sections 8 or 9**, whichever occurs first. Developer shall make an additional payment to City within fifteen (15) days of receiving City's request for additional funds.

(x) Individual DDAs to Supersede this Agreement. This Agreement will be superseded by individual DDAs, if and when the proposed individual DDAs are executed by Developer, approved by the City and/or Agency in the manner required by law, and executed by the City and/or Agency.

(xi) Real Estate Commissions. Neither the City, Agency nor the Developer shall be liable for any real estate commissions or brokerage fees which may arise herefrom. City, Agency and Developer each represent it has not engaged a broker, agent or finder in connection with this transaction. Developer agrees to defend, hold harmless and indemnify the City and Agency from any claim by any broker, agent or finder retained, or claimed to have been retained, by Developer. City and Agency agree to defend, hold harmless and indemnify Developer from any claim by any broker, agent or finder retained, or claimed to have been retained by the City or Agency.

Section 6. DDA TERMS TO BE NEGOTIATED

A City, Agency and Developer shall meet regularly with each other in order to negotiate proposed individual DDAs which shall include, without limitation, the following provisions:

(i) A Scope of Development for the Proposed Project setting forth the total square feet of development space, the number of required replacement transit parking spaces and the design parameters for the City and Agency Sites including, but not limited to, building height, acceptable architectural and landscape quality, access and circulation, determination of parcel boundaries, on-City and Agency Sites and off-City and Agency Sites improvements, City and Agency Site-perimeter treatment, landscaped buffers, parking, signage, lighting, and easements, if applicable. Use issues involving the compatibility and amount of uses, their financial feasibility and their physical compatibility, shall also be resolved.

(ii) The manner in which the edges of the development are designed to maximize compatibility with the abutting and adjacent uses by the use of a variety of materials

to provide a sense of visual relief and openness, to preserve the privacy of adjacent residential units and to minimize noise and other impacts, if any.

(iii) The coordination of the planning, design and construction of the Developer's Proposed Project to maximize the Proposed Project's compatibility with the abutting and adjacent uses, including operation of the transit center operated by Agency, and to minimize environmental, traffic and other impacts on the abutting and adjacent uses.

(iv) The manner in which the development will be designed to be compatible with the Urban Core Specific Plan, and any other applicable land use plans.

(v) A sources and uses budget, which shall be based upon a financial *pro forma* that has been approved by the City and/or Agency, and a feasible method of financing, reasonably demonstrating to the City and Agency the availability of all funds needed to complete the development of the Proposed Project.

(vi) The timing and conditions precedent for the conveyance of the City and Agency Sites or portions thereof including, without limitation, City/Agency approval of sources and terms for Proposed Project financing, and concurrent closing of such financing.

(vii) Financial consideration to be paid by Developer to the City and Agency for conveyance of a fee simple transfers or long-term ground lease interests in the City or Agency Sites respectively to Developer for purposes of developing the Proposed Project.

(viii) Number, location, and type of parking to be reconstructed for use by City and Agency and access to City and Agency facilities.

(ix) Any transit facilities that need to be constructed or reconstructed for use by Agency after construction of the Proposed Project.

(x) The terms of any financial assistance to be provided by the City or Agency for the payment of eligible development costs of the Proposed Project and Developer's construction of additional off-City or Agency Site improvements requested by the City or Agency and agreed to by the Developer, if any.

(xi) A schedule of performance encompassing appropriate and necessary legal, administrative, transfer of property interest, financial and construction benchmarks to be met by the appropriate Party.

(xii) The DDA with Agency shall be subject to the requirements of Agency Board Policy No. 18, Section C(7) and C(8), which require:

(a) All projects approved pursuant to the program shall be considered public works for purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code, regardless of whether an exemption under Section 1720 of the Labor Code applies to the project; and

(b) A joint development agreement between MTS and a private entity shall include a requirement that the developer's construction comply with Public Utilities Code section 120221.5.

(xiii) The individual DDAs shall be subject to the City's and Agency's standard insurance requirements and all other applicable and customary City and Agency policies.

Such other provisions regarding the participation and responsibilities of the Developer, City, and the Agency deemed necessary or advisable by the City and Agency to further the purpose of developing the Proposed Project, revitalizing the area around the City and Agency Sites, and meeting all applicable legal requirements including, without limitation, the requirements of Government Code Section 54234(a)(3).

Section 7. LIMITATIONS ON REMEDIES FOR BREACH OR DEFAULT AND RELEASE OF CLAIMS

A Rights and Remedies. If any Party defaults with regard to any of the provisions of this Agreement, then the non-defaulting Part(ies) shall serve written notice of such default upon the defaulting Party. If the default is not cured within a reasonable time (but not more than fifteen (15) calendar days), then the defaulting Party shall be liable to the non-defaulting Party for any direct, out of pocket, damages caused by such default, and the non-defaulting Party may thereafter (but not before) commence an action for such damages against the defaulting Party with respect to such default; provided however, that no Part(ies) shall have any obligation to any other Party for payment of punitive, exemplary or consequential damages (including, without limitation, any claim for opportunity costs or lost profits) (collectively, "special damages") and provided further, that each Party waives its right to bring an action for special damages or specific performance against the other Part(ies), except that Developer may bring an action for specific performance to enforce the Agency's obligation to negotiate exclusively with Developer during the Term of this Agreement and the City or Agency may bring an action for specific performance to enforce Developer's obligation to pay those City and Agency costs expressly required by this Agreement to be paid by the Developer. In the event of a breach or default of this Agreement, the non-breaching Part(ies) shall be entitled to only the remedies available pursuant to the terms of this Agreement and all such remedies are cumulative in nature and may be asserted by such Part(ies) in the alternative and the assertion of a remedy by a Party shall not be deemed an exclusive election of remedies or waiver of any other rights conferred on that Party by the terms of this Agreement.

B Section 1542. Each Party acknowledges that it is aware of the meaning and legal effect of California Civil Code Section 1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

C General Release. California Civil Code Section 1542 notwithstanding, it is the intention of all of the Parties to be bound by the limitation on damages and remedies set forth in this **Section 7** of the Agreement, and the Parties hereby release any and all claims against each other and their respective officers, officials, employees, consultants or agents for damages or specific performance (except as set forth above) related to any breach of this Agreement (other

than those claims and damages allowed in **Section 7(A)** above), whether or not any such released claims were known or unknown to any of the Parties as of the date of this Agreement. Each of the Parties hereby waives the benefits of California Civil Code Section 1542 and all other statutes and judicial decisions (whether state or federal) of similar effect with regard to the limitations on damages and remedies and waivers of any such damages and remedies contained in this **Section 7**.

City's Initials

Agency's Initials

Developer's Initials

Section 8. TERMINATION BY CITY AND/OR AGENCY

A City and Agency shall have the right to terminate this Agreement in the event of any of the following:

(i) Developer fails timely to perform any of their obligations hereunder or are otherwise in default under this Agreement, after expiration of any applicable notice and cure periods; or

(ii) The negotiations reach a point where the City of Chula Vista City Council and/or Agency Board, each acting in their sole and unfettered discretion, has rejected a last, best and final proposal from Developer and determined that further negotiations with Developer are not likely to lead to an agreement.

B The City or Agency's right of termination in Section 8.A(i), above, shall be subject to the fifteen (15) calendar day notice and cure provisions set forth in **Section 7(A)** of this Agreement.

Section 9. TERMINATION BY DEVELOPER

A. Developer shall have the right to terminate this Agreement in the event of the occurrence of any of the following:

(i) Developer determines, in its sole and absolute discretion, that (i) the development of the Proposed Project is not financially feasible or (ii) it is reasonably likely that the Proposed Project will not obtain all necessary entitlements and environmental clearances necessary for the development and operation of the Proposed Project.

(ii) In the course of its investigation of the City or Agency Sites, Developer discovers any currently unknown conditions or circumstances which would materially impact the cost of the Proposed Project and/or the use of all or any portion of the Proposed Project; or

(iii) City or Agency fails timely to perform any of its obligations hereunder or is otherwise in default under this Agreement.

B. Developer's right of termination shall be subject to the fifteen (15) calendar day notice and cure provisions set forth in **Section 7(A)** of this Agreement.

Section 10. NO THIRD PARTY BENEFICIARIES

City, Agency and Developer expressly acknowledge and agree they do not intend, by their execution of this Agreement, to benefit any persons or entities not a signatory to this Agreement, including, without limitation, any brokers representing the parties to this transaction. No person or entity not a signatory to this Agreement shall have any rights or causes of action against City, Agency or Developer arising out of or due to City's, Agency's or Developer's entry into this Agreement.

Section 11. NOTICES

A Any notice, request, approval or other communication required to be provided by any Party under this Agreement shall be in writing and dispatched by first class mail, postage prepaid, or by personal delivery (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service), to the addresses of the City, Agency and the Developer set forth in **Section 11(B)** of the Agreement, *with an additional copy sent by email to the recipient*. Such written notices, requests, approvals or other communication may be sent in the same manner to such other addresses as either Party may designate from time to time.

B Any notice personally delivered (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service), shall be deemed received on the documented date of receipt; and any notice that is sent by first-class mail, postage prepaid shall be deemed received on the date of receipt thereof.

If to the City:

Glen Googins, City Attorney
City of Chula Vista
276 Fourth Avenue
Chula Vista, CA 91910
Email: ggoogins@chulavistaca.gov

If to the Agency:

Karen Landers, General Counsel
San Diego Metropolitan Transit System
1255 Imperial Avenue, Suite 1000
San Diego, California 92101
Email: karen.landiers@sdmts.com

If to the Developer:

James Pieri
Bayview Point, LLC
496 Third Avenue
Chula Vista, CA 91910
Email: jim.pieri@mountainwest.com

Section 12. NO CONFLICT OF INTEREST

No member, official, or employee of City or Agency shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is, directly or indirectly, interested. Developer warrants that it has not paid or given, and will not pay or give, directly or indirectly, any City or Agency employee or official any money or other consideration at all, whether or not connected in any way with the subject matter of this Agreement. Further, Developer warrants that it has no knowledge of any financial interest of any City or Agency employee or official in Developer, directly or indirectly, or in any person or entity affiliated with Developer, or in any transaction in which Developer have been involved.

Section 13. LIMITATION ON EFFECT OF AGREEMENT

This Agreement shall not obligate any Party to enter into individual DDAs or to enter into any particular DDA. City, Agency and Developer do not intend this Agreement to be a purchase agreement, ground lease, license, option or similar contract. Nor do City, Agency and Developer intend to be bound in any way by this Agreement except during the Term as expressly set forth herein. By execution of this Agreement, City and Agency are not committing themselves to or agreeing to undertake acquisition, disposition, or exercise of control over any portion of the City or Agency Sites nor is Developer committing itself to undertake the acquisition of any portion of the City or Agency Sites or the development, financing or construction of the Proposed Project. Execution of this Agreement by the City, Agency and Developer is merely an agreement to conduct a period of exclusive negotiations and to prepare recommendations to the City of Chula Vista City Council and Agency Board in accordance with the terms hereof, reserving for subsequent City and Agency action the final discretion and approval regarding the execution of individual DDAs and all proceedings and decisions in connection therewith. Any individual DDA resulting from negotiations pursuant to this Agreement shall become effective only if and after such individual DDAs have been considered and approved by the City of Chula Vista City Council and Agency Board following performance of all legally required procedures. Each Party assumes the risk that, notwithstanding this Agreement and good faith negotiations, the Parties may not enter into individual DDAs due to the Parties' failure to agree upon essential terms of a transaction or a decision by the City of Chula Vista City Council or Agency Board not to authorize execution of individual DDAs. Except as expressly provided in this Agreement, a Party shall have no obligations or duties to the other Part(ies) hereunder and no liability whatsoever in the event the Parties fail to execute individual DDAs.

Section 14. MISCELLANEOUS PROVISIONS

A Counterparts. This Agreement may be executed in counterparts, each of which when so executed shall be deemed an original, and all of which, when taken together, shall constitute but one and the same instrument.

B Entire Agreement/Integration. This Agreement represents the entire agreement of the Parties and integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements, oral or written, between the Parties with respect to development of the City or Agency Sites.

C Waivers; Amendments. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorized agents or officers of the Party to be charged, and all amendments and modifications hereto must be in writing and signed by the appropriate authorized agents or officers of the Parties. Except as otherwise expressly provided in this Agreement, any failure or delay by either Party in asserting any of its rights or remedies as to any Default shall not operate as a waiver of said Default or of any rights or remedies in connection therewith or of any subsequent Default or any rights or remedies in connection therewith, or deprive such Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

D Governing Law and Venue. This Agreement and the legal relations between the Parties shall be governed by, interpreted under, construed and enforced in accordance with, the internal laws of the State of California without reference to the rules governing the conflict of laws. This Agreement is made and entered into in the County of San Diego, California, and any legal actions or proceedings arising from or related to this Agreement shall be brought in the County of San Diego.

E No Association Between Developer and City or Agency. The Parties in no way intend for this Agreement to give rise to or create any relationship of partnership, joint venture, or any other form of association of any kind or nature between Developer and City and/or Agency.

F Litigation Expenses and Attorneys' Fees. In the event any action, suit or proceeding is brought for the enforcement of, or the declaration of any right or obligation pursuant to this Agreement or as a result of any alleged breach of any provision of this Agreement, the prevailing Party in such suit or proceeding shall be entitled to recover its costs and expenses, including reasonable attorney's fees, from the losing Party, and any judgment or decree rendered in such a proceeding shall include an award thereof.

G Assignment. This Agreement shall not be assignable by any Party without the prior written consent of all Parties. The City or Agency shall have the right to terminate this Agreement if Developer assigns this Agreement or if there is any material change in the management or control of the Developer.

H Ambiguities. This Agreement is in all respects intended by each Party hereto to be deemed and construed to have been jointly prepared by the Parties and the Parties hereby expressly agree that any uncertainty or ambiguity existing herein shall not be interpreted against any of them. Except as expressly limited by this **Section 14(H)** of the Agreement, all of the applicable rules of interpretation of contracts shall govern the interpretation of any uncertainty or ambiguity of this Agreement.

I Captions and Headings. The headings and captions of the various sections and paragraphs of this Agreement have been inserted only for the purpose of convenience and are not a part of this Agreement and shall not be deemed in any manner to modify, explain, expand or restrict any of the provisions of this Agreement.

J Severability. Every provision of this Agreement is intended to be severable. If any provision of this Agreement or the application of any provision hereof to any party or circumstance is declared to be illegal, invalid or unenforceable for any reason whatsoever by a court of competent jurisdiction, such invalidity shall not affect the other terms and provisions

hereof or the application of the provision in question to any other party or circumstance, all of which shall continue in full force and effect.

K Warranty Against Payment of Consideration for Agreement. Developer warrants that they have not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement.

L Nonliability of Officials, Officers, Members, and Employees. No member, official, officer, or employee of the City or Agency shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by City or Agency or for any amount which may become due to Developer or to their successors, or on any obligations under the terms of this Agreement. No member, officer or employee of Developer shall be personally liable to the City or Agency, or any successor in interest, in the event of any default by the Developer or for any amount which may become due to the City or Agency or its successor, or an obligation under the terms of this Agreement.

M Authority to Enter Agreement. Developer represents and warrants that it has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective Party.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the Effective Date.

CITY OF CHULA VISTA

Date:

By: _____
Maria V. Kachadoorian, City Manager

Approved as to Form:

Date:

By: _____
Glen R. Googins, City Attorney

**SAN DIEGO METROPOLITAN TRANSIT
SYSTEM**

Date:

By: _____
Sharon Cooney, Chief Executive Officer

Approved as to Form:

By:

Karen F. Landers, General Counsel

BAYVIEW POINT, LLC

Date:

By: _____
James Pieri, President and CEO

[https://chulavistaca-my.sharepoint.com/personal/mshirey_chulavistaca_gov/Documents/Covid-19 Work From Home/Corp Yard/Agreements/ENA-9.22.22-InterimFinal.doc](https://chulavistaca-my.sharepoint.com/personal/mshirey_chulavistaca_gov/Documents/Covid-19%20Work%20From%20Home/Corp%20Yard/Agreements/ENA-9.22.22-InterimFinal.doc)

EXHIBIT A
LEGAL DESCRIPTION OF CITY SITE

The land referred to herein is situated in the State of California, County of San Diego, City of Chula Vista and described as follows:

APN: 567-031-27-00

All of the southeast quarter of the northwest quarter of quarter section 162 of subdivision of Rancho De La Nacion, in the City of Chula Vista, County of San Diego, State of California, according to Map thereof No. 505, filed in the Office of the County Recorder of San Diego County, March 13, 1888.

Excepting therefrom the easterly 30 feet, the Southerly 40 feet and the westerly 140 feet.

Also excepting therefrom, that portion conveyed to San Diego and Arizona Railway Company, by Deed dated May 8, 1920, and recorded in Book 811, Page 414 of Deeds, records of said San Diego County, described as follows:

Beginning at a point on the northerly line of "F" Street, distant 100 feet easterly from the easterly line of Bay Boulevard which point of commencement is on easterly line of Grantee's main line right of way; thence easterly along northerly line of "F" Street, 279.00 feet; thence northwesterly along a curve to the right, having a radius of 439.276 feet, through a central angle 51° 25' to a point on said easterly right of way line distant 260.51 feet northerly from said northerly line of "F" Street; thence southerly along said easterly right of way line, 260.51 feet to the point of beginning.

APN: 567-031-27-00

(End of Legal Description)

EXHIBIT B

LEGAL DESCRIPTION OF AGENCY SITE

THE SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

All that real property in the County of San Diego, State of California described as follows:

Parcel No. 2002-0100-A

(05-24-02)

(TGH:PET:tgh)

A portion of the Easterly Half of the Northwesternly Quarter of Quarter Section 162 of Rancho De La Nacion, in the City of Chula Vista, County of San Diego, State of California, according to Map thereof No. 166, filed in the Office of the County Recorder of San Diego County, May 11, 1869, more particularly being described as follows:

Lots 1, 2 and 3 of Parcel Map 14, filed in the Office of the County Recorder of San Diego County, September 23, 1966, all as conveyed to the County of San Diego in Quitclaim Deed recorded January 8, 1988 as instrument No. 88-009492; Grant Deed recorded October 15, 1985 as instrument 85-381524; Quitclaim Deed recorded January 8, 1988, as instrument No. 88-009493; Quitclaim Deed recorded January 8, 1988, as instrument No. 88-009494; Grant Deed recorded January 8, 1988, as instrument 88-009496 and Final Order of Condemnation recorded May 14, 1987, as instrument No. 87-266374, all records of said County Recorder.

TOGETHER WITH that portion of the Northeastly Quarter of said Northwesternly Quarter of Quarter Section 162, as conveyed to the County of San Diego in Final Order of Condemnation Recorded in the Office of said County Recorder December 11, 1986 as instrument No. 86-578875.

ALSO TOGETHER WITH that portion of the Southeastly Quarter of said Northwesternly Quarter of Quarter Section 162, as Granted to the County of San Diego on Deed recorded in the office of said County Recorder August 28, 1986, as instrument No. 86-376424.



Agenda Item No. 30

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 10, 2022

SUBJECT:

FISCAL YEAR 2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) (ERIN DUNN AND LARRY MARINESI; KEN PUN AND COLEY DELANEY OF THE PUN GROUP)

INFORMATIONAL ONLY

Budget Impact

None.

DISCUSSION:

The San Diego Metropolitan Transit System (MTS) staff and external auditors, The Pun Group, will present the FY 2022 ACFR and discuss the FY 2022 Audit.

A draft of the FY 2022 ACFR was presented to the Audit Oversight Committee on November 3, 2022 as well as a review of the FY 2022 Independent Audit by Ken Pun and Coley Delaney from The Pun Group. During the presentation, it was noted that they are issuing an "Unmodified Opinion" and that our financial statements are presented fairly in all material respects.

/S/ Sharon Cooney

Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachment: A. FY22 Annual Comprehensive Financial Report (Board Only Due to Volume)





Annual Comprehensive Financial Report

for the Fiscal Years Ended June 30, 2022 and 2021
San Diego, California



San Diego Metropolitan Transit System

San Diego, California

*Annual Comprehensive Financial Report
and Independent Auditors' Report*

For the Years Ended June 30, 2022 and 2021

PREPARED BY SAN DIEGO METROPOLITAN TRANSIT SYSTEM
FINANCE DEPARTMENT

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San Diego Metropolitan Transit System

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San Diego Metropolitan Transit System

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INTRODUCTORY SECTION

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**Board of Directors and Transit Riders
San Diego Metropolitan Transit System**

The annual comprehensive financial report of the San Diego Metropolitan Transit System (MTS) for the fiscal years ended June 30, 2022 and 2021 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. The MTS Board of Directors has established an Audit Oversight Committee to provide an additional level of scrutiny to the preparation of the annual comprehensive financial report. Management of MTS is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of MTS are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for preparation of financial statements in conformity with generally accepted accounting principles in the United States of America (U.S. GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

State statutes require an annual audit by independent certified public accountants. The Pun Group LLP, Accountants and Advisors, has been retained to meet this requirement. The goal of the independent audit was to provide reasonable assurance that the financial statements of MTS for the fiscal years ended June 30, 2022 and 2021 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that MTS's financial statements for the fiscal years ended June 30, 2022 and 2021 are fairly presented, in all material respects, in conformity with U.S. GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit was also designed to meet the requirements of a broader, federally mandated "Single Audit" and to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements required the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The reports related specifically to the Single Audit are issued under separate cover.

U.S. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

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San Diego 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 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. MTS is also the For-Hire Vehicle administrator for nine cities.



REPORTING ENTITY

The San Diego Metropolitan Transit System was created effective January 26, 1976 to provide the policy setting and overall management coordination of the public transportation system in the San Diego metropolitan service area. This service area encompasses approximately 3 million people residing in a 570 square mile area of San Diego County, including the cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, Santee, and San Diego and the unincorporated area of the County of San Diego.

MTS's mission statement, adopted by the Board of Directors, is to enhance the personal mobility of San Diego metropolitan area residents and visitors by:

- Obtaining maximum benefit for every dollar spent.
- Being the community's major public transportation advocate.
- Increasing public transportation usage per capita.
- Taking a customer-oriented approach.
- Implementing capital projects on schedule and within budget.
- Offering high-quality public transportation services.
- Responding to the community's socioeconomic interests.

California law establishes the San Diego Association of Governments (SANDAG) as the planning agency for San Diego County. The responsibility and decision-making for all transportation-related planning, programming and development activities occurs within SANDAG's ten member Transportation Committee. Approved transportation plans and programs are subsequently executed by SANDAG staff. Within this structure, MTS and the North County Transit District (NCTD) focus primarily on operating activities.

MTS is effectively an umbrella agency. MTS owns the assets of San Diego Trolley, Inc. (SDTI) and San Diego Transit Corporation (SDTC), the area's two largest transit operators. These two transit units were formed under California law as not-for-profit public corporations and function as operating subsidiaries of MTS. SDTI and SDTC are considered component units and are blended component units for financial reporting purposes. SDTI operates four Light Rail Transit (LRT) routes: the UC San Diego Blue Line from the UTC Station to San Ysidro at the International Border, the Orange Line from the Courthouse station through Centre City and then east to El Cajon, the Sycuan Green Line from the 12th and Imperial Transit Center Bayside platform to Santee and the SDG&E Silver Line that makes stops along the downtown loop using three restored vintage cars from the 1940's and 1981. SDTI operates on a total of 65 miles of track. SDTC operates 27 routes with an active fleet of 270 buses.

The relationship between MTS and the transit operating subsidiaries, SDTI and SDTC, is formally established through operating agreements and MTS-adopted corporate policies. These agreements and corporate policies specify the roles and responsibilities of each of the organizations and outline the procedures in numerous functional areas including accounting and budgeting, fare setting, marketing and public information, revenue-producing advertising, service contracts, and programming of federal, state and local subsidies. The MTS Board of Directors has the policy-setting responsibility for the operation and development of MTS's transit operating subsidiaries as well as for the planning and approval of capital expenditures by or on behalf of these entities. The day-to-day operating functions, labor matters and maintenance of facilities are managed by the individual transit operators. MTS has centralized and consolidated Security, Planning, Human Resources, Finance, Information Technology, Stores, and Purchasing for MTS and all subsidiaries.

In addition to the bus routes operated by SDTC, MTS is financially accountable for the operation of certain additional bus routes. MTS contracts with outside parties for the operation of 77 fixed-route bus lines and paratransit services with an active fleet of 456 buses. The contracts require full operation and maintenance of the bus services. Contract services are accounted for in the MTS - Contracted Services Fund for financial reporting purposes.

MTS owns the San Diego and Arizona Eastern Railway Company (SD&AE), a not-for-profit railroad holding company entrusted with assets which include 108 miles of rail line and over 2,000 acres of property. MTS has a contract with the San Diego and Imperial Valley Railway Co. (SDIV) for the operation of freight rail services over the UC San Diego Blue Line (downtown San Diego south to San Ysidro) and Orange Line (downtown San Diego east to El Cajon) trolley segments. MTS provides no subsidy to SDIV, but does receive a portion of its gross revenue. SD&AE is considered a blended component unit for financial reporting purposes.

The For-Hire Vehicle Administration (FHV) licenses and regulates taxicabs, jitneys, nonemergency medical, charter, low speed vehicle, and sightseeing for-hire vehicles for the following cities through June 30, 2024: San Diego, National City, El Cajon, Imperial Beach, La Mesa, Lemon Grove, Poway, Santee and Chula Vista. Although MTS is financially accountable for the operation of FHV, it is fully cost recovery through FHV permit fees.

The MTS Board of Directors is comprised of 15 members with four appointed from the City of San Diego (the Mayor of San Diego and three San Diego City Council Members), two appointed from the City of Chula Vista (the Mayor of Chula Vista and a Chula Vista City Council Member), one appointed from each City Council of Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, and Santee, and one appointed from the San Diego County Board of Supervisors.

ECONOMIC CONDITION AND OUTLOOK

San Diego's economy showed signs of recovery this past year and an optimistic outlook for the future. San Diego's Gross Domestic Product (GDP) is estimated at \$256 billion in 2021 and for Southern California's real GDP growth to be 4.2% in 2022 and 2.2% in 2023 (UCLA Anderson Forecast, Pandemic continues to influence consumer behavior, affect economy on national, state and local levels, December 2021). However with the reopening of the economy, the supply chain disruption and greater consumer demand for goods has caused higher inflation, food is up 9.6 percent, energy 39.9 percent and all other items 6.0 percent. In addition, we are seeing higher interest rates which are impacting auto loans, consumer loans and mortgages. According to the San Diego Tourism Authority (SDTA), San Diego concluded 2021 with 23.8 million visitors, an increase from 14.3 million in 2020 but 32 percent less than the 35.1 million pre-pandemic visitors in 2019. Total visitation to San Diego is expected to reach 87 percent of 2019 visitation in 2022 with 30.7 million visitors. The region includes the largest concentration of U.S. military in the world, making the military presence an important driver of the region's economy. In addition, San Diego is a thriving hub for the life sciences/biomedical and technology-oriented industries. The unemployment rate was 3.2% in June 2022, down from 7.0% in 2021, and significantly lower than the 13.9% in 2020 when the pandemic started. San Diego compares favorably to both the unemployment rate in California and the nation during the same period.

Long-term financial planning

The long-term goal of MTS is to fund operations solely with recurring revenues, but for the next few years that will not be the case. The global COVID-19 pandemic continues to have a dramatic effect on MTS operations. The primary impact has been on ridership and the associated fare revenue, the approved FY22 budget assumed a 50% reduction in fare revenues compared to the pre-pandemic run rate, a drop from \$99.3 million to \$49.5 million. With the midyear budget amendment, the passenger fare revenue forecast was increased to \$55.5 million, including a Free Ride Month in September 2021 that will be discussed below, as MTS did experience consistent growth of riders returning to the system. Overall, ridership increased by 47% in FY22 compared to FY21, and passenger fare revenue finished at \$56.1 million, however both ridership and passenger fare revenue are still well below the pre-pandemic baselines. At this point, the pandemic's effects on passenger fare revenues are expected to continue into FY25. Sales tax receipts for the region continued to be very strong in FY22, with State Transit Assistance (STA), Transportation Development Act (TDA) and TransNet funding all exceeding the original FY22 targets. On March 27, 2020, the President signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provided \$25 billion to the transit industry nationwide. MTS was apportioned \$220 million in CARES Act funding, which will be utilized over multiple fiscal years to supplement lost revenues and increased expenses related to the pandemic. MTS has so far utilized \$90.1 million of CARES funding to supplement lost revenues, \$17.9 million in FY20, \$72.1 million in FY21 and \$0.1 million in FY22. On March 11, 2021, the President signed American Rescue Plan Act of 2021 (ARP) Act, which provided \$30.5 billion to support the nation's public transportation systems as they continue to respond to the COVID-19 pandemic. MTS was apportioned \$140 million of ARP funding, of which MTS has utilized \$47.6 million in FY22. The FY23 approved budget assumes \$37.3 million of ARP/CARES funding will be utilized, leaving a balance of approximately \$185 million for future fiscal years. Additionally, MTS has a contingency reserve balance of 12.5% of the operating budget at its disposal.

Major Initiatives

MTS and North County Transit District (NCTD) officially launched the region's brand-new PRONTO fare collection system on September 1, 2021. Under development for four years, the new PRONTO system is more convenient, with new rider-requested functionality, and a 'best fare' system that automatically calculates the best possible fare. With PRONTO, fares are capped at \$6 per day or \$72 per month for adult passes (\$3/day and \$23/month for seniors, riders with disabilities, and youth). Passengers simply tap or scan each time they ride, and the system will automatically deduct the appropriate fare. Other new rider-friendly features include:

- Free transfers – one-way fares are valid for unlimited transfers between buses and trolleys for up to two hours.

- Pay-as-you-go capabilities – riders no longer need to pay upfront for passes and can load just what they need for the day.
- Instant account reloads – funds added to PRONTO accounts can be accessed instantly through the new account-based system.
- Increased retail network – at launch, card purchases were available at participating Vons and Albertsons, as well as more than 70 other retail outlets.

MTS and NCTD celebrated the launch of PRONTO with Free Rides in September 2021 for riders with a PRONTO card or the PRONTO mobile application. The month-long Ride Free with PRONTO September promotion offered to help riders transition to the new system, and the agencies distributed more than 120,000 PRONTO cards and 100,000 app downloads for free between August and September to prepare riders for the transition. MTS also experienced a 14% ridership increase in that month.

After five years of building and certifying new vehicles, adding more staff, conducting training and testing, MTS and SANDAG launched the UC San Diego Blue Line Extension to the University City community on November 21, 2021. The 11-mile extension features nine new stations, serving major activity centers such as the Veterans Administration Medical Center, UCSD, and Westfield UTC. The project is funded by TransNet and the Federal Transit Administration (FTA) New Starts Program. MTS offered free rides on the Trolley all day long on opening day. More than 85,000 people rode the Trolley, a major increase over normal Sundays. MTS also partnered with SANDAG on a community celebration next to the new UC San Diego Central Campus Station, which more than 10,000 people attended.

MTS made a historic commitment to reduce Greenhouse Gas (GHG) emissions in September 2020 when the MTS Board unanimously approved a transition plan to convert all of the agency's 800 buses to zero emission buses (ZEB) by 2040. The transition plan will serve as the agency's blueprint to transition all vehicles in the fleet to zero-emissions. MTS now has a total of eight electric buses in its fleet and individual bus chargers at all four bus divisions. In order to facilitate the full transition, MTS is bringing the latest charging technology and most innovative solutions for zero-emission buses in the region. In May 2022, MTS began construction on an \$8.5 million overhead gantry charging system at the South Bay Bus Operations & Maintenance Facility in Chula Vista. This system is capable of charging 24 battery-electric buses at a time, and it is expandable to add more charging capacity as MTS transitions its fleet to all electric over the coming years. MTS will be installing the Schunk SLS 301 series Depot Charging Pantograph, which offers a quicker and safer hands-free electric vehicle charge. Buses can be docked in the depot in seconds and fully charged in just a few hours. This offers advantages for efficient operations for a clean energy fleet. Construction is expected to be completed by early 2023, just in time for the new Iris Rapid route, which will consist of 60-foot electric buses serving one of the busiest South Bay corridors between Imperial Beach and Otay Mesa. MTS has plans to build similar overhead gantry charging systems at its other bus facilities by 2028.

MTS has five current bus divisions distributed throughout the service area, but all divisions are at-capacity. Any service increases and the transition to zero-emission buses will require additional capacity, leading MTS to begin its search for a sixth division, which will be named the Clean Transit Advancement Campus (CTAC). Analysis recommends a central site along the I-805 corridor to optimize operations, closest to future service expansion. MTS requires 10–12 acres for up to 250 buses and 600 employees for the next generation CTAC, which would be dedicated to just electric bus charging for ultimate 100% ZEB operation.

In February 2022, the MTS Board approved a contract with Pueblo Planning to conduct a Social Equity Listening Tour. This tour is a public engagement effort to understand community narratives around equity, public transit and MTS; to identify areas of concern for MTS audiences as it relates to equity at-large (housing, food access, medical care, etc.); and identify top transportation system priorities for communities within MTS's service area. Pueblo Planning will develop a comprehensive report on community narratives and findings to present back to the MTS Board in Fall of 2022. MTS expects to allocate \$3 million of spending from the FY23 Capital Improvement Program (CIP) towards outcomes and recommendations from the Social Equity Listening Tour.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to MTS for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This was the sixteenth consecutive year and the twenty-sixth year overall that MTS has achieved this prestigious award. To be awarded a Certificate of Achievement, MTS must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The staff of the finance department is to be commended for their efficient and dedicated service to the production of this report. In addition, we express our appreciation for the assistance and cooperation provided by management and staff in all departments throughout the organization.


 Sharon Cooney
 Chief Executive Officer


 Larry Marinesi
 Chief Financial Officer

November 3, 2022

San Diego Metropolitan Transit System

Listing of Board of Directors and Management

BOARD OF DIRECTORS

Members	Board position (elected position)
Nathan Fletcher	Chair, since 1/20; Board Member, since 1/19 (Supervisor, County Board of Supervisors)
Alejandra Sotelo-Solis	Vice Chair, since 1/20; Board Member, since 11/19 (Mayor, City of National City)
Mary Salas	Chair Pro Tem, since 1/21, Board Member, since 2/13 (Mayor, City of Chula Vista)
Paloma Aguirre	Board Member, since 12/18 (Councilmember, City of Imperial Beach)
Sean Elo-Rivera	Board Member, since 12/20 (Councilmember, City of San Diego)
Caylin Frank	Board Member, since 12/18 (Councilmember, City of Poway)
Jill Galvez	Board Member, since 1/19 (Councilmember, City of Chula Vista)
George Gastil	Board Member, since 1/21 (Councilmember, City of Lemon Grove)
Todd Gloria	Board Member, since 12/20 (Mayor, City of San Diego)
Steve Goble	Board Member, since 1/17 (Councilmember, City of El Cajon)
Ronn Hall	Board Member, since 5/17 (Councilmember, City of Santee)
Monica Montgomery Steppe	Board Member, since 12/18 (Councilmember, City of San Diego)
Vivian Moreno	Board Member, since 12/18 (Councilmember, City of San Diego)
Bill Sandke	Board Member, since 1/17 (Councilmember, City of Coronado)
Jack Shu	Board Member, since 5/21 (Mayor, City of La Mesa)

BOARD COMMITTEE MEMBERSHIP

Executive Committee	Accessible Services Advisory Committee	Airport Authority Advisory Committee	Public Security Committee
Nathan Fletcher, Chair Sean Elo-Rivera Ronn Hall Vivian Moreno Mary Salas Bill Sandke Alejandra Sotelo-Solis	Alejandra Sotelo-Solis, Chair	Bill Sandke	Monica Montgomery Steppe, Chair Paloma Aguirre Sean Elo-Rivera Jill Galvez Todd Gloria Steve Goble Ronn Hall
Audit Oversight Committee	Budget Development Committee	Los Angeles-San Diego Rail Corridor Agency	Taxicab Advisory Committee
Nathan Fletcher, Chair Sean Elo-Rivera Ronn Hall Vivian Moreno Mary Salas Bill Sandke Alejandra Sotelo-Solis	Vivian Moreno, Chair Nathan Fletcher Todd Gloria Mary Salas Bill Sandke	Caylin Frank	Sean Elo-Rivera, Chair
SANDAG Board	SANDAG Regional Planning Committee	SANDAG Transportation Committee	
Paloma Aguirre	Jill Galvez	Vivian Moreno	

San Diego Metropolitan Transit System

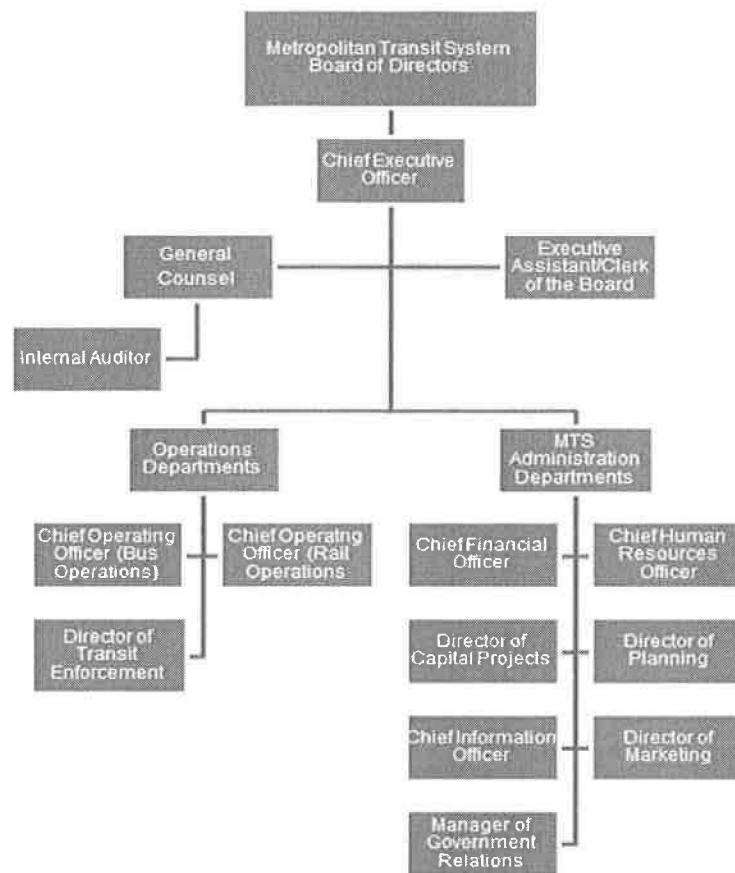
Listing of Board of Directors and Management (Continued)

MTS MANAGEMENT

Staff	Position
Sharon Cooney	Chief Executive Officer
Karen Landers	General Counsel
Larry Marinesi	Chief Financial Officer
Mike Wygant	Chief Operating Officer, Transit Systems
E. Wayne Terry	Chief Operating Officer, Rail
Jeff Stumbo	Chief Human Resources Officer
Emily Outlaw	Chief Information Officer
Denis Desmond	Director, Planning
Mark Olson	Director, Marketing and Communications
Heather Furey	Director, Capital Projects
Al Stichler	Director, Transit Enforcement
Julia Tuer	Manager of Government Relations

San Diego Metropolitan Transit System

Executive Level Organization Chart



San Diego Metropolitan Transit System

Certificate of Achievement for Excellence in Financial Reporting - GFOA



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**San Diego Metropolitan Transit System
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

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4660 La Jolla Drive, Suite 100
San Diego, California 92122



INDEPENDENT AUDITORS' REPORT

www.pungroup.cpa



To the Board of Directors
of the San Diego Metropolitan Transit System
San Diego, California

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the San Diego Metropolitan Transit System ("MTS"), as of and for the years ended June 30, 2022 and 2021, and the related notes to the basic financial statements, which collectively comprise MTS's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the MTS, as of June 30, 2022 and 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of MTS, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of a Matter

Implementation of GASB Statement No. 87

As described in Note 1H and 1P to the basic financial statements, MTS implemented GASB Statement No. 87, *Leases*. The implementation of GASB Statement No. 87 requires MTS to record leases receivable and corresponding lease-related deferred inflows of resources as well as "right-to-use" lease assets and leases payable for all leases in excess of one year. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



To the Board of Directors
 of the San Diego Metropolitan Transit System
 San Diego, California
 Page 2

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about MTS's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of MTS's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about MTS's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedules of Proportionate Share of the Net Pension Liability and Related Ratio, Schedules of Changes in Net Pension Liability and Related Ratios, Schedules of Contributions – Pension Plans, and Schedules of Changes in Total OPEB Liability and Related Ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Board of Directors
of the San Diego Metropolitan Transit System
San Diego, California
Page 3

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise MTS's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS and *Government Auditing Standards*. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

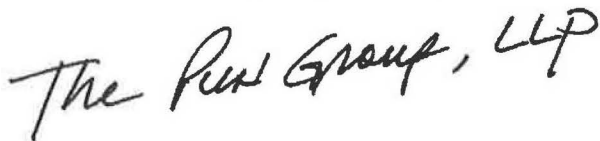
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 3, 2022, on our consideration of MTS's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MTS's internal control over financial reporting and compliance.



San Diego, California
November 3, 2022

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San Diego Metropolitan Transit System
Management's Discussion and Analysis (Unaudited)
June 30, 2022 and 2021

The following discussion and analysis of the financial performance of the San Diego Metropolitan Transit System (MTS) is intended to provide an overview of MTS's financial activities for the fiscal years ended June 30, 2022 and 2021. This information should be used in conjunction with the Letter of Transmittal, which can be found on pages i through v of this report.

Financial Highlights

- Net position, as reported in the statement of net position, totaled \$3,495 million as of June 30, 2022, \$1,919 million as of June 30, 2021 and \$1,863 million as of June 30, 2020. Of this amount, \$9.7 million was unrestricted as of June 30, 2022, \$(45) million was the unrestricted deficit as of June 30, 2021 and \$(12) million was the unrestricted deficit as of June 30, 2020. Total net position increased by \$1.576 billion in the current year and increased by \$56 million in the prior year. The current year increase is primarily due to a \$1.62 billion in contributed capital from SANDAG for the new UCSD Trolley Line, a \$46 million increase in cash and a \$53 million decrease in the aggregate net pension liability.
- For the year ended June 30, 2022, the combined farebox recovery ratio (the measure of the ability to recover operating costs through fare revenue) for San Diego Trolley, Inc., San Diego Transit Corporation, and MTS – Contracted Services was 17.95% compared to 16.10% for the year ended June 30, 2021 and 28.05% for the year ended June 30, 2020. The current year increase is primarily due to an \$8 million increase in passenger revenue due to ridership starting to rebound after the COVID-19 pandemic.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to MTS's financial statements. The financial statements are comprised of two components: 1) financial statements and, 2) notes to financial statements. This report also contains other supplementary information in addition to the financial statements themselves.

Financial statements. The financial statements are designed to provide readers with a broad overview of MTS's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of MTS's assets, deferred outflow of resources, liabilities, and deferred inflow of resources with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of MTS is improving or deteriorating.

The *statement of revenues, expenses and changes in net position* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The *statement of cash flows* presents information showing the sources and uses of cash related to operating activities, noncapital financing activities, capital and related financing activities and investing activities. In addition, the statement provides information about significant non-cash investing, capital and financing activities.

Since MTS's primary function is to provide transportation services to the region's citizens and recover costs through user fees and charges, the financial statements include business-type activities. In addition, the financial statements include not only MTS itself (*known as the primary government*), but also two legally separate transit operators and one legally separate freight railway, for which MTS is financially accountable: San Diego and Arizona Eastern Railway Company (SD&AE).

MTS has fiduciary responsibility over one private purpose trust fund, San Diego Transit Corporation Employee Retirement Plan, which we have also included financial statements for.

San Diego Metropolitan Transit System
Management's Discussion and Analysis (Unaudited) (Continued)
June 30, 2022 and 2021

Notes to basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Other information. In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning MTS's net pension liability and net other post-employment benefits liability for its employees.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of an entity's financial stability. In the case of MTS, net position was \$3,495 million at the close of the most recent fiscal year and \$1,919 million at the end of FY2021.

The largest portion of MTS's net position reflects the investment in capital and leased assets, net of accumulated depreciation and amortization and reduced by any outstanding bonds or other borrowings and deferred inflows and outflows of resources (Net Investment in Capital Assets and Lease Assets). Most of the investment in capital and leased assets is comprised of trolley system assets, buses, and construction-in-progress totaling \$112 million, of which the largest projects are the replacement of our SD100 Light Revenue Vehicles and the RTMS Hardware Upgrade project, at \$61.0 and \$9.4 million respectively. Prior year construction-in-progress totaled \$160 million, of which the largest projects were the replacement of our SD100 Light Revenue Vehicles and the new Fare System project, at \$99.3 and \$19.1 million respectively. The capital assets that are represented by construction-in-progress will be used to provide services to citizens; consequently, these assets are not available for future spending. In FY2022, MTS transferred completed projects worth \$122.2 million to SDTC, SDTI and MTS – Contracted Services compared to \$80.1 million in FY2021.

The balance in the unrestricted component of net position increased by \$55.2 million during the current year and decreased by \$33 million in the prior year. Total assets increased by \$1.6 billion primarily due to capital and leased assets increasing by \$1.5 billion, as well as cash increasing by \$46 million. In FY2021, total assets increased by \$206 million. In the current fiscal year, total liabilities decreased by \$44.7 million primarily due to decreases in net pension liability of \$53 million and accounts payable of \$7 million, partially offset by a \$16 million increase in unearned revenue. In the previous year, total liabilities increased by \$27 million.

	2022	2021 as restated	Change	2020 as restated	Change
Current and other assets	\$ 326,475,613	\$ 265,750,074	\$ 60,725,539	\$ 295,719,244	\$ (29,969,170)
Noncurrent and capital assets and lease assets	3,539,781,680	2,022,537,752	1,517,243,928	1,933,100,620	89,437,132
Total assets	3,866,257,293	2,288,287,826	1,577,969,467	2,228,819,864	59,467,962
Deferred outflows of resources	40,858,756	56,237,682	(15,378,926)	44,104,664	12,133,018
Current and other liabilities	88,597,657	78,959,781	9,637,876	73,806,114	5,153,667
Long-term liabilities outstanding	236,068,397	290,452,535	(54,384,138)	277,822,273	12,630,262
Total liabilities	324,666,054	369,412,316	(44,746,262)	351,628,387	17,783,929
Deferred inflows of resources	87,910,919	56,184,717	31,726,202	58,781,856	(2,597,139)
Net position:					
Net investment in capital assets and lease assets	3,484,795,667	1,964,358,710	1,520,436,957	1,874,473,394	89,885,316
Restricted	-	-	-	218,452	(218,452)
Unrestricted (deficit)	9,743,409	(45,430,235)	55,173,644	(12,177,561)	(33,252,674)
Total net position	\$ 3,494,539,076	\$ 1,918,928,475	\$ 1,575,610,601	\$ 1,862,514,285	\$ 56,414,190

San Diego Metropolitan Transit System
Management's Discussion and Analysis (Unaudited) (Continued)
June 30, 2022 and 2021

The increase in operating revenue is attributable to \$8 million in additional passenger revenue this year due to an increase in ridership after a significant drop last year related to the COVID-19 pandemic. While nonoperating revenues were consistent between FY2022 and FY2021, Federal revenue dropped by \$62 million while TDA and TransNet increased by \$27 million and \$18 million, respectively. Operating expenses increased by \$61 million, \$45 million of that increase is in depreciation expense for the new trolley line. Along with depreciation, energy costs increased by \$8 million and outside services increased by \$7 million.

	2022	2021 as restated	Change	2020 as restated	Change
Revenues:					
Operating revenues:					
Passenger revenue	\$ 56,076,882	\$ 47,913,391	\$ 8,163,491	\$ 79,531,924	\$ (31,618,533)
Other operating revenue	21,357,795	18,424,202	2,933,593	20,654,170	(2,229,968)
Nonoperating revenues:					
Federal revenue	141,982,464	203,821,648	(61,839,184)	90,452,130	113,369,518
Transportation Development Act	124,385,030	97,873,145	26,511,885	105,032,033	(7,158,888)
State Transit Assistance	34,878,787	30,355,674	4,523,113	28,595,958	1,759,716
State revenue - other	9,558,324	5,995,304	3,563,020	29,636,442	(23,641,138)
TransNet funds	61,651,134	44,062,481	17,588,653	40,315,353	3,747,128
Other nonoperating revenue	13,852,495	15,308,638	(1,456,143)	22,814,986	(7,506,348)
Total revenues	463,742,911	463,754,483	(11,572)	417,032,996	46,721,487
Expenses:					
Operating expenses	506,296,707	445,664,494	60,632,213	442,529,161	3,135,333
Nonoperating expenses	538,322	685,518	(147,196)	1,190,124	(504,606)
Total expenses	506,835,029	446,350,012	60,485,017	443,719,285	2,630,727
Income (loss) before capital contributions	(43,092,118)	17,404,471	(60,496,589)	(26,686,289)	44,090,760
Capital contributions	1,618,702,719	39,009,719	1,579,693,000	119,225,007	(80,215,288)
Increase (decrease) in net position	1,575,610,601	56,414,190	1,519,196,411	92,538,718	(36,124,528)
Net position:					
Beginning of year	1,918,928,475	1,862,514,285	56,414,190	1,769,975,567	92,538,718
End of year	<u>\$3,494,539,076</u>	<u>\$1,918,928,475</u>	<u>\$1,575,610,601</u>	<u>\$1,862,514,285</u>	<u>\$ 56,414,190</u>

San Diego Metropolitan Transit System
Management's Discussion and Analysis (Unaudited) (Continued)
June 30, 2022 and 2021

Capital Assets and Lease Assets and Debt Administration

Capital assets and lease assets. MTS's investment in capital and leased assets net of accumulated depreciation and amortization as of June 30, 2022 and 2021 amounted to \$3,496 million and \$1,977 million, respectively. This investment in capital assets and lease assets includes land, buildings, vehicles, equipment, "right-to-use" lease assets, and construction-in-progress. Major capital asset and lease asset events during the current fiscal year included the following:

- MTS capitalized the new PRONTO fare collection system for the region for a total of \$26.1 million in FY22, as well as disposing of the legacy Compass fare collection system at \$27.7 million.
- MTS continues to modernize the bus and rail fleet. In FY2022, MTS placed 37 new buses into service totaling \$24.0 million, and 13 new trolleys totaling \$55.7 million.
- SANDAG contributed the UCSD Mid-Coast Trolley Line Extension to MTS totaling \$1.6 billion. The 11-mile extension features nine new stations from Old Town north to the UTC Transit Center.

CAPITAL ASSETS and LEASE ASSETS

(Net of Accumulated Depreciation)

	<u>2022</u>	<u>2021 as restated</u>	<u>2020 as restated</u>
Land	\$ 252,301,976	\$ 256,909,683	\$ 256,909,683
Buildings	2,444,482,549	948,397,397	1,002,480,694
Vehicles	591,175,323	562,666,289	504,332,108
Equipment & other	84,987,183	37,821,183	46,743,493
Lease assets	11,034,527	11,428,116	12,010,643
Construction-in-progress	111,978,852	159,868,381	63,664,690
Total	<u>\$ 3,495,960,410</u>	<u>\$ 1,977,091,049</u>	<u>\$ 1,886,141,311</u>

Additional information on MTS's capital and leased assets can be found in Note 5 to the financial statements.

Long-term debt. MTS has one finance obligation outstanding relating to Pension Obligation Bonds issued in fiscal year 2005 for a total obligation of \$4.83 million.

Additional information about MTS's long-term debt can be found in Note 8 to the financial statements.

Bond Ratings

Standard & Poor's Ratings Services constantly monitors and maintains an underlying rating for the Pension Obligation Bonds, the current rating remains at "AA/Stable." Additional information on MTS's long-term debt can be found in Note 8 to the financial statements.

Requests for Information

This financial report is designed to provide a general overview of MTS's finances for all those with an interest in the government's finances. If you have questions concerning any of the information provided in this report or need additional financial information, visit our website at www.sdmts.com or direct inquiries to the Controller, MTS, 1255 Imperial Avenue, Suite 1000, San Diego, CA 92101.

BASIC FINANCIAL STATEMENTS

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PRIMARY GOVERNMENT

San Diego Metropolitan Transit System
Statements of Net Position
June 30, 2022 and 2021

	2022	2021 (as restated)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 110,932,746	\$ 68,815,127
Cash and cash equivalents restricted for capital support	26,020,685	22,354,579
Accounts and other receivables	8,416,285	11,688,068
Due from other governments	143,588,651	128,431,156
Lease receivable	1,625,433	1,512,606
Inventory	31,706,205	29,316,441
Prepaid items and other current assets	4,185,608	3,632,097
Total current assets	326,475,613	265,750,074
Noncurrent assets:		
Lease receivable, due in more than one year	43,821,270	45,446,703
Capital assets and lease assets, net	3,495,960,410	1,977,091,049
Total noncurrent assets	3,539,781,680	2,022,537,752
Total assets	3,866,257,293	2,288,287,826
DEFERRED OUTFLOWS OF RESOURCES		
Pension-related deferred outflows of resources	34,476,563	50,310,809
OPEB-related deferred outflows of resources	6,382,193	5,926,873
Total deferred outflows of resources	40,858,756	56,237,682
LIABILITIES		
Current liabilities:		
Accounts payable	21,946,675	29,343,181
Due to other governments	2,770,615	2,420,143
Unearned revenue	35,412,684	19,400,207
Accrued expenses	2,948,021	4,122,828
Retentions payable	9,043	1,315,730
Retentions payable from restricted assets	8,531,874	8,531,874
Due within one year:		
Lease liability	270,898	260,909
Compensated absences	7,176,923	6,350,951
Accrued damage, injury, and employee claims	6,545,924	4,378,958
Long-term debt	2,985,000	2,835,000
Total current liabilities	88,597,657	78,959,781
Noncurrent liabilities:		
Due in more than one year:		
Lease liability	10,884,802	11,155,700
Compensated absences	4,474,478	5,536,981
Accrued damage, injury, and employee claims	14,987,385	12,140,335
Long-term debt	1,845,000	4,830,000
Aggregate net pension liabilities	150,120,700	203,057,858
Aggregate total OPEB liabilities	53,756,032	53,731,661
Total noncurrent liabilities	236,068,397	290,452,535
Total liabilities	324,666,054	369,412,316
DEFERRED INFLOWS OF RESOURCES		
Pension-related deferred inflows of resources	34,375,291	3,100,715
OPEB-related deferred inflows of resources	7,316,739	4,981,641
Lease-related deferred inflows of resources	46,218,889	48,102,361
Total deferred inflows of resources	87,910,919	56,184,717
NET POSITION		
Net investment in capital assets and lease assets	3,484,795,667	1,964,358,710
Unrestricted (deficit)	9,743,409	(45,430,235)
Total net position	\$ 3,494,539,076	\$ 1,918,928,475

See accompanying notes to basic financial statements.

San Diego Metropolitan Transit System
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2022 and 2021

	2022	2021 (as restated)
Operating Revenues:		
Passenger revenue	\$ 56,076,882	\$ 47,913,391
Advertising	1,945,816	1,012,753
Miscellaneous	19,411,979	17,411,449
Total operating revenues	<u>77,434,677</u>	<u>66,337,593</u>
Operating Expenses:		
Personnel costs	143,949,609	151,560,742
Outside services	118,280,875	111,280,298
Transit operations funding	616,396	397,124
Materials and supplies	14,778,642	16,334,099
Energy costs	38,975,438	31,261,976
Risk management	11,538,889	5,584,272
Miscellaneous	6,333,928	4,750,194
Depreciation	171,822,930	124,495,789
Total operating expenses	<u>506,296,707</u>	<u>445,664,494</u>
Operating (Loss)	<u>(428,862,030)</u>	<u>(379,326,901)</u>
Public Support and Nonoperating Revenues (Expenses):		
Federal revenue	141,982,464	203,821,648
Transportation Development Act (TDA) funds	124,385,030	97,873,145
State Transit Assistance (STA) funds	34,878,787	30,355,674
State revenue - other	9,558,324	5,995,304
TransNet funds	61,651,134	44,062,481
Other local subsidies	13,814,150	14,471,993
Investment earnings	800,004	1,086,034
Interest expenses	(538,322)	(685,518)
Gain (Loss) on disposal of assets	(761,659)	(249,389)
Total public support and nonoperating revenues (expenses)	<u>385,769,912</u>	<u>396,731,372</u>
Income (Loss) Before Contributed Capital	(43,092,118)	17,404,471
Contributed capital, net	<u>1,618,702,719</u>	<u>39,009,719</u>
Changes in Net Position	1,575,610,601	56,414,190
Net Position:		
Beginning of year	1,918,928,475	1,862,514,285
End of year	<u>\$ 3,494,539,076</u>	<u>\$ 1,918,928,475</u>

See accompanying notes to basic financial statements.

San Diego Metropolitan Transit System
Statements of Cash Flows
For the Years Ended June 30, 2022 and 2021

	2022	2021 as restated
Cash Flows From Operating Activities:		
Receipts from customers and users	\$ 82,741,936	\$ 70,014,287
Payments to suppliers	(184,444,266)	(165,662,968)
Payments to employees	(144,916,726)	(149,479,002)
Payments for damage and injury	(4,384,811)	(7,532,439)
Net cash (used in) operating activities	(251,003,867)	(252,660,122)
Cash Flows From Noncapital Financing Activities:		
Public support funds received	379,267,505	373,892,647
Net cash provided by noncapital financing activities	379,267,505	373,892,647
Cash Flows From Capital and Related Financing Activities:		
Debt service costs	(3,145,003)	(3,156,053)
Property acquisition	(80,215,550)	(152,508,840)
Proceeds from disposal of assets	656,201	670,726
Net cash (used in) capital and related financing activities	(82,704,352)	(154,994,167)
Cash Flows From Investing Activities:		
Interest received on investments	224,439	684,245
Net cash provided by investing activities	224,439	684,245
Net increase (decrease) in cash and cash equivalents	45,783,725	(33,077,397)
Cash and Cash Equivalents:		
Beginning of year	91,169,706	124,247,103
End of year	\$ 136,953,431	\$ 91,169,706
Reconciliation of Cash and Cash Equivalents to Statements of Net Position:		
Cash and cash equivalents	\$ 110,932,746	\$ 68,815,127
Cash and cash equivalents restricted for capital support	26,020,685	22,354,579
Total cash and cash equivalents	\$ 136,953,431	\$ 91,169,706

See accompanying notes to basic financial statements.

San Diego Metropolitan Transit System
Statements of Cash Flows (Continued)
For the Years Ended June 30, 2022 and 2021

	2022	2021 as restated
Reconciliation of Operating (Loss) to Net Cash (Used In) Operating Activities:		
Operating (loss)	\$ (428,862,030)	\$ (379,326,901)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:		
Depreciation	171,822,930	124,495,789
(Increase) decrease in:		
Accounts and other receivables	3,271,783	80,267
Due from other governments	(837,238)	245,356
Inventory	(1,124,853)	(548,816)
Prepaid items and other current assets	(553,511)	1,476,976
Increase (decrease) in:		
Accounts payable	531,512	2,645,692
Due to other governments	265,686	39,596
Accrued expenses	(1,174,808)	(1,168,581)
Unearned revenue	4,353,502	(1,100,244)
Aggregate net pension liability	(5,828,337)	(2,409,536)
Aggregate total OPEB liability	1,904,150	2,097,465
Compensated absences	(236,531)	880,826
Accrued damage, injury and employee claims	5,463,878	(68,011)
Total adjustments	177,858,163	126,666,779
Net cash (used in) operating activities	\$ (251,003,867)	\$ (252,660,122)
Noncash investing, capital, and financing activities:		
Contributions of capital assets and inventory parts from SANDAG	\$ 1,619,421,359	\$ 39,009,719
Contributions of capital assets to outside parties	(718,640)	-
	\$ 1,618,702,719	\$ 39,009,719
Increase (decrease) in fair value of investments	\$ (398,264)	\$ 983

See accompanying notes to basic financial statements.

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FIDUCIARY FUND

San Diego Metropolitan Transit System
Statements of Fiduciary Net Position
June 30, 2022 and 2021

	San Diego Transit Corporation Employee Retirement Plan Pension Trust Fund	
	2022	2021
ASSETS		
Investments, at fair value:		
Common stocks	\$ 58,668,033	\$ 89,616,904
Mutual funds	56,340,502	43,252,362
Corporate debt / Bond funds	52,671,200	68,165,562
Closely held instruments	7,694	33,419
U.S. treasury inflation protected security funds	9,006,975	3,434,282
Short-term investment funds	813,377	647,402
Total investments	177,507,781	205,149,931
Receivables:		
Dividends and interest	909	10
Total receivables	909	10
Total assets	177,508,690	205,149,941
LIABILITIES		
Due to plan sponsor	541,246	525,090
Other payables	90,018	153,020
Total liabilities	631,264	678,110
NET POSITION		
Net position restricted for plan benefits	\$ 176,877,426	\$ 204,471,831

See accompanying Notes to the Financial Statements.

San Diego Metropolitan Transit System
Statements of Changes in Fiduciary Net Position
For the Years Ended June 30, 2022 and June 30, 2021

	San Diego Transit Corporation Employee Retirement Plan Pension Trust Fund	
	2022	2021
ADDITIONS:		
Contributions:		
Employer	\$ 15,838,082	\$ 23,718,402
Employee	1,621,654	1,950,898
Total contributions	<u>17,459,736</u>	<u>25,669,300</u>
Investment income (loss):		
Interest	1,949	123
Dividends	6,977,161	4,648,015
Net realized and unrealized gains (losses) on investments	<u>(29,442,846)</u>	<u>30,434,250</u>
Total investment income (loss)	<u>(22,463,736)</u>	<u>35,082,388</u>
Investment expense	<u>(296,142)</u>	<u>(417,438)</u>
Net investment income	<u>(22,759,878)</u>	<u>34,664,950</u>
Total additions to fiduciary net position	<u>(5,300,142)</u>	<u>60,334,250</u>
DEDUCTIONS:		
Distributions to participants	22,029,157	21,531,678
Administrative expenses	<u>265,106</u>	<u>252,541</u>
Total deductions from fiduciary net position	<u>22,294,263</u>	<u>21,784,219</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	(27,594,405)	38,550,031
NET POSITION RESTRICTED FOR PLAN BENEFITS:		
Beginning of year	204,471,831	165,921,800
End of year	<u><u>\$ 176,877,426</u></u>	<u><u>\$ 204,471,831</u></u>

See accompanying Notes to the Financial Statements.

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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San Diego Metropolitan Transit System
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For the Years Ended June 30, 2022 and 2021

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San Diego Metropolitan Transit System
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San Diego Metropolitan Transit System
Notes to the Basic Financial Statements
For the Years Ended June 30, 2022 and 2021

Note 1 – Summary of Significant Accounting Policies

The accompanying basic financial statements of the San Diego Metropolitan Transit System (MTS) have been prepared in conformity with generally accepted accounting principles in the United States (U.S. GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting standards. The more significant of MTS's accounting policies are described below.

A. Reporting Entity

Primary Government

MTS (also known as San Diego Metropolitan Transit Development Board) was formed on January 26, 1976 by passage of California Senate Bill 101 to plan, construct, and operate (or let contracts to operate) exclusive public mass transit guideways in the urbanized south coastal area of San Diego County. MTS has certain responsibilities for near-term transportation planning and administration of federal and state transportation funds within the area under its jurisdiction. The Board of Directors of MTS consists of 15 members composed of four appointees from the City of San Diego (the Mayor and three Council Members), two appointees from the City of Chula Vista (the Mayor and one Council Member), one appointee from the cities of Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, and Santee, and one appointee from the San Diego County Board of Supervisors.

On January 1, 2003, California Senate Bill 1703 (SB 1703) became effective. SB 1703 required the consolidation of the planning and programming functions of MTS and the North County Transit District (NCTD) into the San Diego Association of Governments (SANDAG) in an initial transfer to take place prior to July 1, 2003. SB 1703 also required the consolidation of certain project development and construction functions of MTS and NCTD into SANDAG in a subsequent transfer to take place prior to January 30, 2004. The initial transfer occurred on July 1, 2003, and the subsequent transfer occurred on October 13, 2003. With these actions, employees were transferred from MTS and NCTD to SANDAG, and certain planning, development, and construction functions were also transferred. As a result, MTS's activities since the consolidation have been focused on operating public transit systems in the urbanized area identified above. In addition to the consolidation required by SB 1703, MTS dissolved the independent Board of Directors of San Diego Transit Corporation (SDTC) and Board of Directors of San Diego Trolley, Inc. (SDTI). MTS now acts as the Board of Directors for all three agencies: MTS, SDTC, and SDTI. Beginning in FY2004, SDTC and SDTI are presented as blended component units.

These basic financial statements present MTS and its legally separate component units, entities for which MTS is considered to be financially accountable. Because MTS appoints a majority of the component units' boards of directors, the boards are substantively the same, and MTS is able to impose its will on the component units, MTS presents blended component units. Blended component units, although legally separate entities, are, in substance, part of MTS's operations.

Included within the reporting entity as blended component units:

San Diego Transit Corporation: On July 1, 1985, MTS purchased the assets used by and acquired sole ownership of San Diego Transit Corporation (SDTC) from the City of San Diego for \$1. SDTC has entered into an operating agreement with MTS to operate a public transportation bus system in the City of San Diego and certain regional routes within MTS's jurisdictions. The current agreement, which was approved in December 2006, was renewed on June 23, 2011, as an open-ended agreement terminable upon six months' notice by either party. SDTC continues to provide local service to a number of adjoining cities under pre-existing contracts. Purchases or construction of bus capital items are made by MTS, with whom title remains, and are contributed to SDTC upon completion of a project or when individually purchased by MTS. SDTC's assets, deferred outflows, liabilities, deferred inflows, net position, revenues, and expenses are included in MTS's financial statements as a blended component unit. This agency has the same governing board as MTS and provides services directly to the public.

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Primary Government (Continued)

San Diego Trolley, Inc.: San Diego Trolley, Inc. (SDTI) was organized by MTS in August 1980. SDTI was created to operate and maintain the Light Rail Transit (LRT) system pursuant to an operating agreement with MTS. The current agreement, which was approved in December 2006, was renewed on June 23, 2011, as an open-ended agreement terminable upon six months' notice by either party. Purchases or construction of LRT capital items are made by MTS, with whom title remains, and are contributed to SDTI upon completion of a project or when individually purchased by MTS. SDTI's assets, deferred outflows, liabilities, deferred inflows, net position, revenues, and expenses are included in MTS's financial statements as a blended component unit. This agency has the same governing board as MTS and provides services directly to the public.

San Diego and Arizona Eastern Railway Company: MTS purchased the San Diego and Arizona Eastern Railway Company (SD&AE) in 1979. SDTI operates on a portion of the line and private operators provide freight service on a portion of the line. Purchases of capital items are made by MTS, with whom title remains, and are contributed to SD&AE. Since SD&AE provides almost exclusive benefit to MTS, its assets, deferred outflows, liabilities, deferred inflows, net position, revenues, and expenses are included in MTS's financial statements as a blended component unit. Separate financial reports are not available.

Fiduciary Activities

MTS presents its fiduciary activity information for assessing its accountability and financial reporting in their role as fiduciaries. The definition of a "fiduciary" is:

- The organization acts on behalf of another person or persons to manage assets;
- Fiduciary responsibility refers to the obligation that one party has in relationship with another one to act entirely on the other party's behalf and best interest. It is considered to be the standard of the highest care.

Included within the reporting entity as fiduciary activities is the following:

San Diego Transit Corporation Employee Retirement Plan: The San Diego Transit Corporation Employees' Retirement Plan (the "Plan") is a defined benefit plan which provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to Plan members and beneficiaries. Prior to May 1, 2011, all of San Diego Transit Corporation's ("SDTC") full-time employees and certain part-time noncontract employees who had completed one year of service in which they had worked at least 1,000 hours of service, and certain part-time contract employees participated in the Plan. Effective May 1, 2011, employees in the International Brotherhood of Electrical Workers, Local 465 (the "IBEW") bargaining unit hired after May 1, 2011 participate in a separate defined contribution 401(a) plan. Effective November 1, 2012, employees in the Amalgamated Transit Union, Local 1309 (the "ATU") bargaining unit hired after November 1, 2012 participate in a separate defined contribution 401(a) plan. Therefore, as of November 1, 2012 the Plan was closed to new ATU and IBEW entrants. Upon agreement between the employer and the Union, certain modifications can be made to the Plan.

The Plan is managed by Retirement Boards which have plenary authority and fiduciary responsibility for the investment of Plan assets and administration of the Plan. The IBEW Retirement Board consists of three members from the San Diego Metropolitan Transit System ("MTS") and three members from the IBEW. The ATU Retirement Board consists of three members from MTS and three members from the ATU. The Noncontract Retirement Board consists of three members from MTS.

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

Fiduciary Activities (Continued)

SDTC is a component unit of MTS. The Plan is administered and sponsored by MTS. MTS also issued taxable Pension Obligation Bonds for the benefit of SDTC. See Note 8 for further details.

SDTC is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members.

The Plan is funded entirely by SDTC for employees under the IBEW bargaining units who were hired prior to May 1, 2011 and the ATU bargaining units who were hired prior to November 1, 2012. IBEW employees are required to contribute, 3% of their covered payroll from March 31, 2013 through April 6, 2014, 4% of their covered payroll from April 6, 2014 through April 4, 2015, increasing to 6% from April 5, 2015 through April 2, 2016, and to 8% thereafter. ATU employees are required to contribute 3% after July 1, 2013 and 5% after July 1, 2014, 6% after May 17, 2015, 7% after July 1, 2016 and 8% after December 1, 2017.

B. Financial Statements

Primary Government – The Financial Statements (i.e., the statement of net position, the statement of revenues, expenses and changes in net position, and statement of cash flows) report information on all of the activities of the primary government and its component units. The statement of revenues, expenses, and changes in net position demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Fiduciary Activities – The Fiduciary Fund Financial Statements (i.e., the statement of fiduciary net position and the statement and changes in fiduciary net position) report information on the activities of the San Diego Transit Corporation Employees Retirement Plan pension trust fund. The statement of changes in fiduciary net position demonstrates the degree to which the additions to net position restricted for plan benefits were sufficient to cover deductions for distributions to plan participants and administrative expenses.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Primary Government – The Financial Statements are reported using the “*economic resources*” measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as all eligibility requirements have been met. Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenue of the current fiscal period.

Fiduciary Activities – This fiduciary pension trust fund is a defined benefit plan which provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to Plan members and beneficiaries. The Plan's financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized in the period in which the contributions are due and when the employer has made a formal commitment to provide the contributions. Investment income is recognized as earned. Benefits are recognized when due and payable in accordance with the terms of the Plan.

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as revenue until that time.

MTS receives funding primarily from the following revenue sources:

Passenger Revenue

Passenger fares comprised approximately 16 percent and 15 percent of MTS's \$342.2 million and \$325.7 million operating budget for FY2022 and FY2021 respectively.

Other Operating Revenues

MTS receives a variety of operating revenues that are not received directly from passenger fares. The sources of these revenues are advertising, naming rights, interest income, energy credits, rental and land management income, income related to For Hire Vehicle administration, income from the SD&AE Railway Company, and other miscellaneous income.

Non-Operating Revenues

MTS receives subsidies that are derived from federal, state and local tax revenues. MTS does not levy or collect any tax funds, but receives allocated portions of tax funds through federal, state and local granting agencies.

Federal Transit Administration (FTA)

FTA revenues are funded by a federal gas tax and revenues of the federal general fund. On November 15, 2021, the Bipartisan Infrastructure Law was signed, reauthorizing surface transportation programs through Federal FY (FFY) 2026. The legislation establishes the legal authority to commence and continue Federal Transit Administration (FTA) programs. Each reauthorization amends the Federal Transit Laws codified in 49 USC Chapter 53. FTA funding is structured on a reimbursement basis (after expenses are incurred), and funds both the CIP and operating budgets. The reauthorization provides for the following funding streams MTS commonly receives:

- 5307 Urban Area Formula Grants for capital improvements and preventive maintenance
- 5311 Formula Grants for Rural Areas for capital improvements and to supplement operating costs
- 5337 State of Good Repair Funding for capital improvements and preventive maintenance
- 5339 Bus and Bus Facilities Funding for capital improvements
- 5311 Formula Grants for Rural Areas Funding for rural service operations
- 5311(f) Inter-City Bus Program Funding for rural service operations connecting to inter-city network

On March 27, 2020, the President signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provided \$25 billion to the transit industry nationwide. MTS is expected to receive \$220 million in CARES Act funding over multiple fiscal years to supplement lost revenues and increased expenses related to the COVID-19 pandemic, of which \$0.1 million was received in FY2022, \$72 million in FY2021 and \$18 million in FY2020.

**San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021**

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Federal Transit Administration (FTA) (Continued)

On March 11, 2021, the President signed The American Rescue Plan Act of 2021 (ARP), which includes \$30.5 billion to support public transportation systems. MTS is expected to receive \$140 million in ARP funding in fiscal years 2022–2025 to prevent, prepare for, and respond to the COVID–19 pandemic. \$48 million was received in FY22.

Transportation Development Act (TDA)

TDA provides funding for public transit operators. This state fund is one quarter of a percent of the 7.75 percent sales tax assessed in the region. SANDAG is responsible for apportionment of these funds within the San Diego region. As economic conditions deteriorate as a result of the current recession, sales tax receipts have decreased over the prior year, and as a result, the TDA funds available for disbursement will decrease as well.

State Transit Assistance (STA)

STA funding comes from the Public Transportation Act (PTA) which derives its revenue from the state sales tax on diesel fuels. These funds are appropriated by the legislature with a formula based upon population and local revenue generated.

STA State of Good Repair Program (SGR)

The SGR Program is another new revenue source as a result of Senate Bill (SB) 1 and is funded from a portion of a new Transportation Improvement Fee on vehicle registrations due on or after January 1, 2018. The funds are allocated with the same STA Program formula.

TransNet

TransNet funds are derived from the Proposition A one-half cent local transportation sales tax that was approved by area voters in November 1987. The original ordinance expired in 2008, but has since been extended to 2048 by subsequent voter approval. The ordinance allocated one-third of the sales tax proceeds for transit purposes, which are further divided between MTS and NCTD based on the proportion of the population within the area of each jurisdiction. The *TransNet* Program also reimburses MTS for the net operating cost of the MidCoast Trolley Extension, Bus Rapid Transit and Superloop projects that were approved as part of the extension. These costs are billed to SANDAG on a monthly basis. *TransNet* funds are also apportioned by SANDAG.

Transit and Intercity Rail Capital Program (TIRCP)

The TIRCP is a discretionary program that was created by Senate Bill (SB) 862 (Chapter 36, Statutes of 2014) and modified by Senate Bill 9 (Chapter 710, Statutes of 2015) to provide grants from the Greenhouse Gas Reduction Fund to fund transformative capital improvements that will modernize California's intercity, commuter, and urban rail systems, and bus and ferry transit systems to reduce emissions of greenhouse gases by reducing congestion and vehicle miles travelled throughout California. Since inception, MTS has been awarded \$112.8 million, and has received \$41.6 million, of which \$9.5 million was earned in FY2022. MTS expects to receive the remaining \$71.2 million in Fiscal Years 2023–2026.

Low Carbon Transit Operations Program (LCTOP)

The Low Carbon Transit Operations Program (LCTOP) is one of several programs that are part of the Transit, Affordable Housing, and Sustainable Communities Program established by the California Legislature in 2014 by Senate Bill 862. The LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emission and improve mobility, with a priority on serving disadvantaged communities.

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Low Carbon Transit Operations Program (LCTOP) (Continued)

Approved projects in LCTOP will support new or expanded bus or rail services, expand intermodal transit facilities, and may include equipment acquisition, fueling, maintenance and other costs to operate those services or facilities, with each project reducing greenhouse gas emissions. Senate Bill 862 continuously appropriates five percent of the annual auction proceeds in the Greenhouse Gas Reduction Fund for LCTOP.

Other State Revenue

MediCal provides further funding support specifically tied to several ADA Paratransit routes to aid patients in their transportation to medical appointments.

Compressed Natural Gas Rebate

Alternative fuel credits are issued by the IRS to MTS for utilizing compressed natural gas to power its vehicles. This rebate program has expired then reauthorized multiple times over the years, but most recently expired on December 31, 2024.

Other Local Subsidies

The City of San Diego provides Maintenance of Effort funds to aid ADA efforts. SANDAG provides funding, funded through FasTrak tolls, to operate services along the Interstate 15 corridor. NCTD provides partial subsidy for the Sorrento Valley Coaster Connection. The University of California, San Diego (UCSD) provides funding for shuttle services that expand frequency and span on MTS routes 201 and 202 between the La Jolla Colony area and the Gilman Transit Center on the UCSD campus.

D. Use of Restricted/Unrestricted Assets

When both restricted and unrestricted resources are available for use, it is MTS's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Cash, Cash Equivalents, and Investments

Investments of pooled cash consist primarily of pooled investment funds, liquidity funds and governmental bonds. Investments are stated at fair value, which is based on quoted market price. Money market investments and participating interest earning investment contracts that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost, which approximates fair value.

For purposes of the statement of cash flows, all highly liquid temporary investments purchased with a maturity of three months or less are considered cash equivalents.

MTS participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF), which has invested a portion of the pool funds in structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk and to change in interest rates. The reported value of the pool is the same as the fair value of the pool shares. MTS also participates in the San Diego County Treasurer's Pooled Money Fund, which is a local government investment pool managed by the County Treasurer's Office on behalf of the Investment Pool participants.

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

E. Cash, Cash Equivalents, and Investments (Continued)

Certain disclosure requirements, if applicable for deposit and investment risk, are specified for the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentration of Credit Risk
- Foreign Currency Risk

GASB Statement No. 72, *Fair Value Measurement and Application*, defined fair value, established a framework for measuring fair value and established disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the Statements of Net Position, are categorized based upon the level of judgement associated with the inputs used to measure their fair value. Levels of inputs are as follows:

Level 1 – Inputs are unadjusted, quoted prices for identical assets and liabilities in active markets at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the asset or liability through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

F. Inventory

Inventories are valued at the weighted average unit cost.

G. Prepaid Items and Other Assets

Payments made to vendors for services that will benefit periods beyond the fiscal year ended are recorded as prepaid items.

H. Leases

Lessee

MTS has a policy to recognize a lease liability and a right-to-use lease asset (lease asset) in our financial statements with an initial, individual value of \$10,000 or more with a lease term greater than one year. Variable payments based on future performance or usage of the underlying assets are not included in the measurement of the lease liability.

At the commencement of a lease, the lease liability is measured at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

Lease assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service. Lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the State has determined is reasonably certain of being exercised. In this case, the lease asset is amortized over the useful life of the underlying asset.

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

H. Leases (Continued)

Lessee (Continued)

Key estimates and judgments related to leases include how MTS determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- MTS uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the MTS generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease, plus any option periods that are reasonably certain to be exercised.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that MTS is reasonably certain to exercise. MTS monitors changes in circumstances that would require a remeasurement of a lease and will remeasure any lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported as right-to-use along with other capital assets and lease liabilities are reported on the statement of net position.

Lessor

MTS is a lessor for leases of buildings and land and recognizes leases receivable and deferred inflows of resources in the financial statements. Variable payments based on future performance or usage of the underlying asset are not included in the measurement of the lease receivable.

At the commencement of a lease, the lease receivable is measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease term in a systematic and rational method.

Key estimates and judgments include how the MTS determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- MTS uses the average of the LAIF rate and the incremental borrowing rate (IBR) provided by our financial institution at July 1, 2021 for existing leases or the current rate at the time a new lease is executed.
- The lease term includes the noncancelable period of the lease plus any option periods that are likely to be exercised.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

MTS monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Capital Assets and Lease Assets

Capital assets and lease assets include land and right-of-way, buildings and infrastructure assets, vehicles, equipment, and “right-to-use” assets. Capital assets and lease assets are defined by the government as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are not capitalized. Major outlays for capital asset improvements are recorded as assets.

Under the operating agreements between MTS and SDTC and SDTI, SDTC and SDTI are required to pay a license fee to MTS for the use of certain capital assets. Due to SDTC’s and SDTI’s continued shortage of operating funds sufficient to cover recurring expenditures, the payment of these fees is considered remote, and therefore, these amounts were not recorded in the accompanying basic financial statements. Buildings, vehicles, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Building and structures	20 to 30
Vehicles and buses	5 to 25
Equipment and other capital assets	3 to 10
Capital leases	3 to 40

J. Construction-in-Progress

Costs incurred for construction associated with the bus and trolley systems are capitalized as construction-in-progress until such time as they are complete and operational. Upon completion, they are contributed to SDTC, SDTI and MTS – Contracted Services to reflect their custodial accountability for the assets. Depreciation commences at the time of contribution. Assets acquired through leases are capitalized.

K. Compensated Absences

It is MTS’s policy to permit employees to accumulate earned but unused personal leave time up to a maximum of 500 hours, which includes both vacation and sick pay benefits. All personal leave time is accrued when incurred.

L. Pension

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of MTS, SDTC and SDTI’s pension plans and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. The valuation dates, measurement dates, and measurement periods vary by pension plans. See Note 12 for details.

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

M. Other Postemployment Benefits

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, of the MTS, SDTC, and SDTI's OPEB Plan ("OPEB Plan") have been determined on the same basis as they are reported by the Plan (Note 11). For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefits terms.

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 - June 30, 2021

N. Net Position

Net Position is classified as follows:

Net Investment in Capital Assets and Lease Assets – This component of net position consists of capital assets and lease assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of debt and deferred inflows and outflows of resources that are attributable to the acquisition, construction, or improvement of those assets as well as lease assets, net of amortization.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investments in capital assets and lease assets or the restricted component of net position.

O. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from these estimates.

P. Implementation of New GASB Pronouncements for the Year Ended June 30, 2022

During fiscal year ended June 30, 2022, MTS has implemented the following new GASB Pronouncements:

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases* (GASB Statement No. 87), to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It also establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Implementation of this Statement had a significant effect on MTS's financial statements for the fiscal year ended June 30, 2022.

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

P. Implementation of New GASB Pronouncements for the Year Ended June 30, 2022 (Continued)

GASB Statement No. 89 – In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Implementation of this Statement did not have a significant effect on MTS's financial statements for the fiscal year ended June 30, 2022.

GASB Statement No. 92 – In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Implementation of this Statement did not have a significant effect on MTS's financial statements for the fiscal year ended June 30, 2022.

GASB Statement No. 93 – In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. Implementation of this Statement did not have a significant effect on MTS's financial statements for the fiscal year ended June 30, 2022.

GASB Statement No. 97 – In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Implementation of this Statement did not have a significant effect on MTS's financial statements for the fiscal year ended June 30, 2022.

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

Q. Upcoming Government Accounting Standards Implementation

In the next three years, MTS will implement the following GASB Pronouncements:

GASB Statement No. 91 – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Application of this statement is effective for MTS's fiscal year ending June 30, 2023.

GASB Statement No. 94 – In March 2020, GASB issued Statement No. 94, *Public–Private and Public–Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public–private and public–public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange–like transaction. Application of this statement is effective for MTS's fiscal year ending June 30, 2023.

GASB Statement No. 96 – In May 2020, GASB issued Statement No. 96, *Subscription–Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription–based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right–to–use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Application of this statement is effective for MTS's fiscal year ending June 30, 2023.

GASB Statement No. 99 – In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Application of this statement is effective for MTS's fiscal year ending June 30, 2023.

GASB Statement No. 100 – In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Application of this statement is effective for MTS's fiscal year ending June 30, 2024.

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Application of this statement is effective for MTS's fiscal year ending June 30, 2025.

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 2 – Cash, Cash Equivalents, and Investments

A. Primary Government

Cash and investments are reported in the accompanying statements of net position as follows on June 30, 2022 and 2021:

	2022	2021
Cash and cash equivalents	\$ 110,932,746	\$ 68,815,127
Cash and cash equivalents restricted for capital support	26,020,685	22,354,579
Total cash and investments	\$ 136,953,431	\$ 91,169,706

Cash and cash equivalents consisted as follows on June 30, 2022 and 2021:

Investment Type	Measurement Input	Fair Value	
		2022	2021
Cash and cash equivalents:			
Demand deposits	N/A	\$ 61,526,730	\$ 46,971,085
Retention trust account	N/A	8,531,874	8,531,874
San Diego County Treasurer's Pooled Money Fund	Uncategorized	36,358,946	23,818,678
State of California - Local Agency Investment Fund	Uncategorized	30,535,881	11,848,069
Total cash and cash equivalents		\$ 136,953,431	\$ 91,169,706

Demand Deposits

As of June 30, 2022, the carrying amount of demand deposits was \$61,526,730 and the bank balance was \$62,807,163 compared to \$46,971,085 and \$50,725,751 at June 30, 2021, of which the total amount was collateralized or insured with securities held by the pledging financial institutions in MTS's name as discussed below.

All cash accounts are pooled and swept nightly to a concentration account. Funds required to be held by fiscal agents under the provisions of bond indentures are not included in the pooled cash account.

Investments

Under the provisions of MTS's investment policy and in accordance with California Government Code, MTS is authorized to invest or deposit in the following:

- United States Treasury bills, notes, bonds, or strips.
- Federal Agency or U.S. government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by Federal agencies or U.S. government-sponsored enterprises.
- Eligible Banker's Acceptances.
- Prime Commercial Paper issued by a U.S. organization with a rating category of "A" or "A-1", its equivalent or higher.
- Non-negotiable certificates of deposit that meet the requirements for deposit under California Government Code Section 53630.
- Negotiable Certificates of Deposit with issuers rated in a rating category of "A", its equivalent or higher.
- Repurchase Agreements collateralized by U.S. Treasury obligations, Federal Agency securities, or Federal Instrumentality securities.
- Reverse Repurchase Agreements.

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 2 – Cash, Cash Equivalents, and Investments (Continued)

A. Primary Government (Continued)

Investments (Continued)

- State of California’s Local Agency Investment Fund (LAIF)
- The San Diego County Treasurer’s Pooled Money Fund
- A Joint Powers Authority Pool rated among the top two rating categories by a nationally recognized statistical rating organization (NRSRO)
- Medium Term Notes issued by corporations organized and operating within the U.S. with issuers rated in a rating category of “A”, its equivalent, or higher by a NRSRO
- Money Market Funds registered under the Investment Company Act of 1940
- Municipal bonds as listed below with a rating “A”, its equivalent, or higher and a final maturity not exceeding five years from the date of trade settlement:
 - Municipal bonds issued by MTS
 - Registered State warrants or treasury notes or bonds of the State of California
 - Bonds, notes, warrants, or other evidences of indebtedness of a local agency within California
 - Registered treasury notes or bonds of any of the other 49 states in addition to California
- Supranational obligations
- Mortgage pass-through securities, collateralized mortgage obligations, mortgage-backed or other pay-through bonds, equipment lease-backed certificates, consumer receivable pass-through certificates, or consumer receivable-backed bonds
- Commercial paper, debt securities, or other obligations of a public bank, as defined in Section 57600 of the California Government Code

For full details on the authorized investments and associated limitations, please refer to MTS Board Policy 30 on our website. <https://www.sdmts.com/about-mts-reports-records-and-policies/policies-and-procedures>

Local Agency Investment Funds

MTS’s investments with Local Agency Investment Fund (LAIF) include a portion of the pool funds invested in structured notes and asset-backed securities. These investments include the following:

- Structured Notes – debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options. They are issued by corporations and by government-sponsored enterprises.
- Asset-Backed Securities – entitle their purchaser to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMO’s), small business loans or credit card receivables.

LAIF is overseen by the Local Investment Advisory Board, which consists of five members, in accordance with State statute. The fair value of our position in the pool is the same as the value of the pool shares.

As of June 30, 2022, MTS had \$30,535,881 invested in LAIF, which had invested 1.88% of the pool investment funds in structured notes and asset-backed securities compared to \$11,848,069 and 1.10% at June 30, 2021.

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 2 – Cash, Cash Equivalents, and Investments (Continued)

A. Primary Government (Continued)

San Diego County Treasurer's Pooled Money Fund

The San Diego County Treasurer's Pooled Money Fund is a local government investment pool managed by the County Treasurer's Office on behalf of Investment Pool participants. Depositors in the Investment Pool include both mandatory participants, those agencies required by law to deposit their funds with the County Treasurer's Office, and voluntary participants, agencies that place their funds in the Investment Pool as an investment option. Voluntary participants, including cities, fire districts, and various special districts accounted for approximately 8.06% and 10.39% of the Investment Pool as of June 30, 2022 and 2021, respectively. At June 30, 2022 and 2021, the fair value of our position in the pool is 97.38% and 100.20%, respectively, of the value of the pool shares.

Pursuant to Section 27130–27137 of the California Government Code, the County Board of Supervisors has established the Treasurer's Oversight Committee ("TOC") that monitors and reviews the Investment Policy. The TOC consists of members appointed from the districts or offices that they represent, and up to five members of the public, having expertise or an academic background in public finance. The TOC requires a financial audit to be conducted annually on a fiscal year basis, which includes limited tests of compliance with laws and regulations. The Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company. The Pool does not have any legally binding guarantees of share values.

To mitigate credit risk, the Investment Pool's Investment Policy, which is more restrictive than the Government Code, places a minimum standard on the ratings of investments held in the Investment Pool. Investments in securities other than those guaranteed by the U.S. Treasury or Government Sponsored Enterprises must have a credit rating of no less than "A" for long-term or "F1" for short-term. Non-rated securities include sweep accounts and repurchase agreements. Sweep accounts and collateralized certificates of deposit must be FDIC insured and collateralized with securities held by a named agent of the depository. Repurchase agreements are collateralized by securities, authorized by the California Government Code Section 53601, having fair value of at least 102% of the amount of the repurchase agreement. The Pool did not have any repurchase agreements in its portfolio as of June 30, 2022.

MTS's investments with the County Treasurer's Office include a portion of the pool funds invested in asset-backed securities as defined in the preceding section for LAIF investments. As of June 30, 2022, MTS had \$36,358,946 invested with the San Diego County Treasurer's Pooled Money Fund, which had invested 4.09% of the pool investment funds in asset-backed securities compared to \$23,818,678 and 3.98% at June 30, 2021.

Disclosures Relating to Interest Rate Risk

As a means of limiting its exposure to market value losses arising from rising interest rates, MTS's investment policy limits investments to maturities dependent on the investment vehicle.

Disclosures Relating to Credit Risk

MTS's investment policy limits investments in commercial paper to instruments rated "A", its equivalent, or better by a NRSRO, and negotiable certificates of deposit to instruments rated "A", its equivalent, or better by two NRSROs. In the current year, MTS does not hold investments in commercial paper or certificates of deposit. MTS investment instruments include deposits in LAIF and the San Diego County Treasurer's Pooled Money Fund which are not rated and do not require ratings.

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 2 – Cash, Cash Equivalents, and Investments (Continued)

A. Primary Government (Continued)

Disclosures Relating to Concentration of Credit Risk

The investment policy limits the amount of the percentage of the portfolio that can be invested by the type of investment for certain types of investments. MTS is in compliance with investment type percentages of the total portfolio of the investment policy.

Disclosures Relating to Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the broker or dealer to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. The California Government Code requires California banks and savings and loan associations to secure MTS's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in MTS's name.

The fair value of pledged securities must equal at least 110% of MTS's cash deposits. California law also allows institutions to secure MTS deposits by pledging first trust deed mortgage notes having a value of 150% of MTS's total cash deposits. MTS may waive collateral requirements for cash deposits which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. MTS has waived the collateralization requirements.

Summary of Investments to Maturity

Investments held by MTS grouped by maturity date at June 30, 2022 and 2021, are shown below:

Maturity	2022	2021
Current to one year	\$ 136,953,431	\$ 91,169,706
Total	\$ 136,953,431	\$ 91,169,706

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 2 – Cash, Cash Equivalents, and Investments (Continued)

B. Fiduciary Fund Financial Statements

Investments

The fair value, net asset value and the percentage of the investments at June 30, 2022 and 2021 were as follows:

	Fair Value June 30, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:			
<u>Common Stocks:</u>			
PIMCO Research Affiliates Equity (RAE) Fund	\$ 16,637,959	\$ 16,637,959	\$ -
Total Common Stocks	16,637,959	16,637,959	-
<u>Mutual Funds:</u>			
GMO Benchmark Free Allocation Fund	15,693,113	15,693,113	-
Fidelity	3,020,878	3,020,878	-
PIMCO All Asset Fund	19,761,510	19,761,510	-
Total Mutual Funds	38,475,501	38,475,501	-
<u>Corporate Bond Funds:</u>			
Vanguard Total Bond Fund	52,671,200	52,671,200	-
Total Corporate Bond Funds	52,671,200	52,671,200	-
<u>U.S. Treasury Inflation Protected Security Funds:</u>			
Vanguard Fund	9,006,975	9,006,975	-
Total U.S. Treasury Inflation Protected Security Funds	9,006,975	9,006,975	-
<u>Short-Term Investment Funds:</u>			
First American Prime Obligations Fund	812,889	812,889	-
Subtotal Short-Term Investment Funds	812,889	812,889	-
<u>Closely Held Instruments:</u>			
Pacific Hedge Strategies, LLC	7,694	-	7,694
Total Closely Held Instruments	7,694	-	7,694
Total Investments by Fair Value Level	\$ 117,612,218	\$ 117,604,524	\$ 7,694
Investments Measured at NAV:			
<u>Short-Term Investment Funds:</u>			
Westwood Cash Equivalent Fund	488		
Subtotal Short-Term Investment Funds	488		
<u>Common Stocks:</u>			
Analytic Investors	19,758,126		
The Boston Company	5,373,629		
MFS Investment Management	16,898,319		
Subtotal Common Stocks	42,030,074		
<u>Mutual Funds:</u>			
Westwood Trust Large Cap Equity EB Fund	17,865,001		
Subtotal Mutual Funds	17,865,001		
Total Investments Measured at NAV	59,895,563		
Total Investments Measured at Fair Value	\$ 177,507,781		

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 2 – Cash, Cash Equivalents, and Investments (Continued)

B. Fiduciary Fund Financial Statements (Continued)

Investments (Continued)

	Fair Value June 30, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:			
<u>Common Stocks:</u>			
PIMCO Research Affiliates Equity (RAE) Fund	\$ 19,708,912	\$ 19,708,912	\$ -
Total Common Stocks	19,708,912	19,708,912	-
<u>Mutual Funds:</u>			
GMO Benchmark Free Allocation Fund	17,069,906	17,069,906	-
Vanguard Energy Index Funds	2,342,640	2,342,640	-
PIMCO All Asset Fund	23,839,816	23,839,816	-
Total Mutual Funds	43,252,362	43,252,362	-
<u>Corporate Bond Funds:</u>			
Vanguard Total Bond Fund	68,165,562	68,165,562	-
Total Corporate Bond Funds	68,165,562	68,165,562	-
<u>U.S. Treasury Inflation Protected Security Funds:</u>			
Vanguard Fund	3,434,282	3,434,282	-
Total U.S. Treasury Inflation Protected Security Funds	3,434,282	3,434,282	-
<u>Short-Term Investment Funds:</u>			
First American Prime Obligations Fund	637,110	637,110	-
Subtotal Short-Term Investment Funds	637,110	637,110	-
<u>Closely Held Instruments:</u>			
Pacific Hedge Strategies, LLC	33,419	-	33,419
Total Closely Held Instruments	33,419	-	33,419
Total Investments by Fair Value Level	135,231,647	\$ 135,198,228	\$ 33,419
Investments Measured at NAV:			
<u>Short-Term Investment Funds:</u>			
Westwood Cash Equivalent Fund	10,292		
Subtotal Short-Term Investment Funds	10,292		
<u>Common Stocks:</u>			
Analytic Investors	20,482,143		
The Boston Company	8,922,140		
MFS Investment Management	20,548,164		
Westwood Trust Large Cap Equity EB Fund	19,955,545		
Subtotal Common Stocks	69,907,992		
Total Investments Measured at NAV	69,918,284		
Total Investments Measured at Fair Value	\$ 205,149,931		

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 2 – Cash, Cash Equivalents, and Investments (Continued)

B. Fiduciary Fund Financial Statements (Continued)

Investments (Continued)

Fair Value Measurement – Investment Valuation

Investments are reported at fair value. Quoted market value (Level 1) and fair value per share (Level 2) in an active market are used to value investments, except for shares in the short-term investment funds, which trade and are reported at par value as reported by the investment custodian. Investment securities classified in Level 2 of the fair value hierarchy are valued using prices determined by the use of matrix pricing techniques maintained by the pricing vendors for these securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The calculation of realized gains and losses is independent of the calculation of the change in the fair value of investments, and realized gains and losses of the current period include unrealized amounts from prior periods.

Investments in closely held instruments (hedge funds) are reported under Level 3 under fair value measurement input hierarchy. The underlying hedge fund values are estimated by the hedge fund managers in the absence of readily ascertainable market values. In accordance with the investment manager's Valuation Policy and *Fair Value Measurements and Disclosure*, the investment manager has the right, in its discretion and in good faith, to deviate from valuation information provided by the managers of the investment vehicles when the investment manager deems it appropriate. Because of the inherent uncertainty of valuations in the investment vehicles, values may differ significantly from the values that would have been used had a ready market for these investments existed, and the differences could be material.

The following tables summarize investments, excluding cash and cash equivalents, measured at fair value based on NAV per share as of June 30, 2022 and 2021, respectively:

June 30, 2022	Fair Value	Unfunded Commitments	Redemption Frequency (if currently available)	Redemption Notice Period
Analytic Investors	\$ 19,758,126	N/A	Monthly	5 days
The Boston Company	5,373,629	N/A	Daily	Daily
MFS Investment Management	16,898,319	N/A	Daily	Daily
Westwood Trust Large Cap Equity EB Fund	17,865,001	N/A	Daily	Daily
Total	<u>\$ 59,895,075</u>			

June 30, 2021	Fair Value	Unfunded Commitments	Redemption Frequency (if currently available)	Redemption Notice Period
Analytic Investors	\$ 20,482,143	N/A	Monthly	5 days
The Boston Company	8,922,140	N/A	Daily	Daily
MFS Investment Management	20,548,164	N/A	Daily	Daily
Westwood Trust Large Cap Equity EB Fund	19,955,545	N/A	Daily	Daily
Total	<u>\$ 69,907,992</u>			

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 2 – Cash, Cash Equivalents, and Investments (Continued)

B. Fiduciary Fund Financial Statements (Continued)

Investments (Continued)

Fair Value Measurement – Investment Valuation (Continued)

During the Plan years, investments, including realized gains and losses on investments and unrealized appreciation (depreciation) on investments held, appreciated (depreciated) in value as follows:

	2022	2021
Unrealized appreciation (depreciation) on investments held	\$ (40,345,380)	\$ 25,394,445
Realized gain on investments	10,902,534	5,039,805
Net realized and unrealized investment gains (losses)	<u>\$ (29,442,846)</u>	<u>\$ 30,434,250</u>

The Plan's investment policy was approved by the SDTC Pension Trustee Investment Committee. The Plan's investment policy allows investments in the following asset classes and sets forth the target allocations and allocation ranges.

Asset Class	Target Allocation	Allocation Range
Equity		
United States	25.0%	
International	20.0%	
Subtotal	45.0%	30% - 60%
Fixed Income	35.0%	25% - 55%
Alternatives	20.0%	10% - 30%
Total	<u>100.0%</u>	

Concentrations of Investments

The Plan has invested in certain organizations in excess of 5% of the Fiduciary Net Position. The concentrated investments are as follows:

	2022		2021	
	Fair Value	%	Fair Value	%
<u>Common Stocks:</u>				
Analytic Investors	\$ 19,758,126	11.1%	\$ 20,482,143	10.0%
MFS Investment Management	16,898,319	9.5%	20,548,164	10.0%
PIMCO Research Affiliates Equity (RAE) Fund	16,637,959	9.4%	19,708,912	9.6%
Westwood Trust Large Cap Equity Fund	-	0.0%	19,955,545	9.7%
<u>Mutual Funds:</u>				
GMO Benchmark Free Allocation Fund	15,693,113	8.8%	17,069,906	8.3%
PIMCO All Asset Fund	19,761,510	11.1%	23,839,816	11.6%
Westwood Trust Large Cap Equity EB Fund	17,865,001	10.1%	-	0.0%
<u>Corporate Bond Funds:</u>				
Vanguard Total Bond Fund	52,671,200	29.7%	68,165,562	33.2%
<u>U.S. Treasury Inflation Protected Security Funds:</u>				
Vanguard Fund	9,006,975	5.1%	-	0.0%

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 2 – Cash, Cash Equivalents, and Investments (Continued)

B. Fiduciary Fund Financial Statements (Continued)

Investments (Continued)

Rate of return

For the years ended June 30, 2022 and 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was –14.25 percent and 17.96 percent, respectively. The money-weighted rate of return express investment performance, net of investment expense, adjusted for the changing amount actually invested.

Concentration of Credit Risk

The Plan's investment policy limits the amount of the percentage of the portfolio that can be invested by type of investment. The Plan mitigates credit risk in its portfolio by allocating funds among various investment managers and limiting the concentration of investments within these managers. The individual investments in excess of 5% identified in the fair value of the investments table are, in turn, funds with diversified portfolios.

June 30, 2022						
	Not Rated	AAA	AA	A	BBB	Below Investment Grade
Corporate Bond Funds:						
Vanguard Total Bond Fund (VBTIX)	\$ -	\$ 37,396,552	\$ 1,580,136	\$ 6,162,530	\$ 7,479,310	\$ 52,672
U.S. Treasury Inflation Protected Security Fund:						
Vanguard Infl-Prot;Inst (VIPIX)	-	9,006,975	-	-	-	-
All Other Investments	115,829,606	-	-	-	-	-
Total	\$ 115,829,606	\$ 46,403,527	\$ 1,580,136	\$ 6,162,530	\$ 7,479,310	\$ 52,672
June 30, 2021						
	Not Rated	AAA	AA	A	BBB	Below Investment Grade
Corporate Bond Funds:						
Vanguard Total Bond Fund (VBTIX)	\$ -	\$ 46,761,576	\$ 2,249,464	\$ 8,111,702	\$ 11,042,820	\$ -
U.S. Treasury Inflation Protected Security Fund:						
Vanguard Infl-Prot;Inst (VIPIX)	-	3,434,282	-	-	-	-
All Other Investments	133,550,087	-	-	-	-	-
Total	\$ 133,550,087	\$ 50,195,858	\$ 2,249,464	\$ 8,111,702	\$ 11,042,820	\$ -

Interest Rate Risk

Interest rate risk is the risk that inversely affects the value of fixed income bond portfolio holdings. The Plan's investment policy endorses a long-term approach to manage the portfolio but not to expose the portfolio to levels of volatility that might significantly affect the principal value of the Plan.

The purpose of equity (both U.S. and International) investments is primarily to provide capital appreciation. It is recognized that this requires the assumption of greater market variability and risk than is the case with fixed income investment. The purpose of international, non-U.S. dollar-denominated investments is primarily to provide capital appreciation through participation in major non-U.S. financial markets and, secondarily, to enhance portfolio diversification.

It is recognized that this required the assumption of greater market variability and risk than was the case with U.S. investments, and the assumption of foreign currency risk. The purpose of fixed income investments is to provide stability and generate income. The purpose of cash equivalents is to provide liquidity, stability and a vehicle for defensive positioning of the portfolio.

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 2 – Cash, Cash Equivalents, and Investments (Continued)

B. Fiduciary Fund Financial Statements (Continued)

Investments (Continued)

Custodial Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments. All securities are held by a third-party custodian, U.S. Bank, National Association (U.S. Bank). U.S. Bank is a registered member of the Federal Reserve Bank. The securities held by U.S. Bank are in their street name, and an account number assigned to the Plan identifies ownership.

Note 3 – Accounts Receivable

A. Accounts and Other Receivables

At June 30, 2022 and 2021, the net realizable accounts and other receivables consisted of the following:

	2022	2021
Passenger revenue - general public	\$ 907,636	\$ 1,448,073
Other trade receivables	5,634,379	8,397,040
Pension plan receivable	1,874,270	1,842,955
Total accounts and other receivables	<u>\$ 8,416,285</u>	<u>\$ 11,688,068</u>

B. Due from Other Governments

At June 30, 2022 and 2021, amounts due from other governments consisted of the following:

	2022	2021
FTA Grant Funds	\$ 79,043,527	\$ 96,237,336
SANDAG - TransNet	22,070,042	4,959,244
State of California	15,423,378	6,377,734
STA Funds	9,354,685	6,428,984
US Treasury	7,979,662	3,931,540
SANDAG - Project/Route reimbursement	4,832,404	5,955,665
Passenger Revenue - Other Governments	2,358,096	216,672
North County Transit District - passenger revenue and shared costs	1,964,648	3,293,150
County of San Diego	261,977	360,364
UCSD Route Reimbursement	229,279	256,824
Department of Homeland Security	70,953	413,643
Total due from other governments	<u>\$ 143,588,651</u>	<u>\$ 128,431,156</u>

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 3 – Accounts Receivable (Continued)

C. Lease Receivable and Related Deferred Inflows of Resources

MTS leases various types of property including land, buildings and easements. Lease receivable consists of agreements with other for the right-to-use of the underlying assets at various locations owned by MTS. The remaining terms of the agreements range from 8 to 44 years. The calculated interest rates used vary depending on the length of the lease.

For the fiscal year ended June 30, 2022, MTS recognized \$1,883,472 in lease revenue and \$504,952 in interest revenue, and the outstanding receivable amount is \$45,446,703. For the fiscal year ended June 30, 2021, MTS recognized \$1,883,472 in lease revenue and \$521,977 in interest revenue and the receivable amount was \$46,959,309.

A summary of changes in lease receivable for the fiscal year ended June 30, 2022 is as follows:

Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022	Amounts due within one year	Amounts due in more than one year
\$ 46,959,309	\$ -	\$ (1,512,606)	\$ 45,446,703	\$ 1,625,433	\$ 43,821,270

A summary of changes in lease receivable for the fiscal year ended June 30, 2021 is as follows:

Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Amounts due within one year	Amounts due in more than one year
\$ 48,614,314	\$ -	\$ (1,655,005)	\$ 46,959,309	\$ 1,512,606	\$ 45,446,703

As of June 30, 2022, the required payments for these leases, including interest, are:

Year Ending June 30	Lease Receivable	Interest	Total
2023	\$ 1,625,433	\$ 488,660	\$ 2,114,093
2024	1,464,408	472,166	1,936,574
2025	1,596,659	455,371	2,052,030
2026	1,613,809	438,222	2,052,031
2027	1,631,143	420,887	2,052,030
2028-2032	8,189,981	1,838,685	10,028,666
2033-2037	8,390,336	1,390,891	9,781,227
2038-2042	8,732,859	919,461	9,652,320
2043-2047	2,973,135	586,425	3,559,560
2048-2052	2,912,449	436,219	3,348,668
2053-2057	3,344,479	264,834	3,609,313
2058-2062	2,157,953	94,176	2,252,129
2063-2066	814,059	17,937	831,996
Total	\$ 45,446,703	\$ 7,823,934	\$ 53,270,637

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 3 – Accounts Receivable (Continued)**C. Lease Receivable and Related Deferred Inflows of Resources (Continued)**

As of June 30, 2022, the amounts reported as deferred inflows of resources will be recognized as lease revenue as follows:

Year Ending June 30	Total
2023	\$ 1,883,472
2024	1,883,472
2025	1,883,472
2026	1,883,472
2027	1,883,472
2028-2032	9,205,552
2033-2037	8,715,816
2038-2042	8,440,208
2043-2047	2,813,089
2048-2052	2,424,277
2053-2057	2,424,277
2058-2062	1,762,135
2063-2067	898,151
2068-2072	90,790
2073-2074	27,234
Total	<u>\$ 46,218,889</u>

Note 4 – Inventory

At June 30, 2022 and 2021, inventory consisted of the following repair and maintenance parts and administrative supplies:

	2022	2021
San Diego Transit Corporation	\$ 4,198,174	\$ 4,506,437
San Diego Trolley, Inc.	27,508,031	24,810,004
Total inventory	<u>\$ 31,706,205</u>	<u>\$ 29,316,441</u>

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 5 – Capital Assets and Lease Assets

A summary of changes in capital assets and lease assets for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021 as restated	Additions	Deletions	Balance June 30, 2022
Capital assets, not depreciated				
Land and right-of-way	\$ 256,909,683	\$ -	\$ (4,607,707)	\$ 252,301,976
Construction-in-progress	159,868,381	75,390,586	(123,280,115)	111,978,852
Total capital assets, not depreciated	416,778,064	75,390,586	(127,887,822)	364,280,828
Capital assets, depreciated:				
Buildings and structures	2,141,341,939	1,601,667,871	(3,417,924)	3,739,591,886
Buses and vehicles	968,255,812	79,720,036	(55,692,851)	992,282,997
Equipment and other	138,193,357	59,330,016	(56,476,327)	141,047,046
Capital lease property	12,091,981	-	-	12,091,981
Total capital assets, depreciated	3,259,883,089	1,740,717,923	(115,587,102)	4,885,013,910
Less accumulated depreciation for:				
Buildings and structures	(1,192,944,542)	(108,979,566)	6,814,771	(1,295,109,337)
Buses and vehicles	(405,589,523)	(51,207,411)	55,689,260	(401,107,674)
Equipment and other	(100,372,174)	(11,242,364)	55,554,675	(56,059,863)
Capital lease property	(12,091,981)	-	-	(12,091,981)
Total accumulated depreciation	(1,710,998,220)	(171,429,341)	118,058,706	(1,764,368,855)
Lease assets:				
Land and land improvements	9,656,946	-	-	9,656,946
Buildings and structures	2,164,759	-	-	2,164,759
Total lease assets	11,821,705	-	-	11,821,705
Less accumulated amortization for:				
Land and land improvements	(238,443)	(238,443)	-	(476,886)
Buildings and structures	(155,146)	(155,146)	-	(310,292)
Total accumulated amortization	(393,589)	(393,589)	-	(787,178)
Total capital assets and lease assets, depreciated, net	1,560,312,985	1,568,894,993	2,471,604	3,131,679,582
Total capital assets and lease assets, net	\$ 1,977,091,049	\$ 1,644,285,579	\$ (125,416,218)	\$ 3,495,960,410

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 5 – Capital Assets and Lease Assets (Continued)

A summary of changes in capital assets and lease assets for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020 as restated	Additions	Deletions	Balance June 30, 2021
Capital assets, not depreciated				
Land and right-of-way	\$ 256,909,683	\$ -	\$ -	\$ 256,909,683
Construction-in-progress	63,664,690	178,057,091	(81,853,400)	159,868,381
Total capital assets, not depreciated	320,574,373	178,057,091	(81,853,400)	416,778,064
Capital assets, depreciated:				
Buildings and structures	2,131,456,318	11,177,717	(1,292,096)	2,141,341,939
Buses and vehicles	906,954,853	105,245,483	(43,944,524)	968,255,812
Equipment and other	169,074,277	3,530,876	(34,411,796)	138,193,357
Capital lease property	12,091,981	-	-	12,091,981
Total capital assets, depreciated	3,219,577,429	119,954,076	(79,648,416)	3,259,883,089
Less accumulated depreciation for:				
Buildings and structures	(1,128,975,624)	(65,260,675)	1,291,757	(1,192,944,542)
Buses and vehicles	(402,622,745)	(46,899,149)	43,932,371	(405,589,523)
Equipment and other	(122,330,784)	(11,753,438)	33,712,048	(100,372,174)
Capital lease property	(11,903,043)	(188,938)	-	(12,091,981)
Total accumulated depreciation	(1,665,832,196)	(124,102,200)	78,936,176	(1,710,998,220)
Total capital assets, depreciated, net	1,553,745,233	(4,148,124)	(712,240)	1,548,884,869
Lease assets:				
Land and land improvements	9,656,946	-	-	9,656,946
Buildings and structures	2,164,759	-	-	2,164,759
Total lease assets	11,821,705	-	-	11,821,705
Less accumulated amortization for:				
Land and land improvements	-	(238,443)	-	(238,443)
Buildings and structures	-	(155,146)	-	(155,146)
Total accumulated amortization	-	(393,589)	-	(393,589)
Total capital assets and lease assets, depreciated, net	1,565,566,938	(4,541,713)	(712,240)	1,560,312,985
Total capital assets and lease assets, net	\$ 1,886,141,311	\$ 173,515,378	\$ (82,565,640)	\$ 1,977,091,049

Construction in Progress

MTS converted \$123 million in capital assets from CIP to assets in service in FY2022 compared to \$82 million in FY2021. A summary of capital asset additions transferred from construction in progress to depreciable assets by MTS is as follows:

	2022	2021
MTS - General Operations	\$ 409,048	\$ 1,711,445
MTS - Contracted Services	25,933,205	23,558,749
San Diego Transit Corporation	10,784,756	51,176,150
San Diego Trolley, Inc.	85,434,466	5,407,056
City of La Mesa	718,640	-
Total	\$ 123,280,115	\$ 81,853,400

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 5 – Capital Assets and Lease Assets (Continued)**Contributed Capital**

Capital asset additions totaling \$1.618 billion were contributed by SANDAG in FY2022 compared to \$38 million in FY2021, due to the new UCSD MidCoast Trolley Line extension. SANDAG also contributed spare parts for the new LRVs to SDTL. MTS contributed \$718,640 in capital assets to the City of La Mesa in FY2022, compared to no contributions to outside parties in FY2021. A summary of capital asset additions contributed is as follows:

	2022	2021
MTS - Contracted Services	\$ -	\$ 5,254,476
San Diego Trolley, Inc.	1,618,156,448	32,846,200
Total	1,618,156,448	38,100,676
San Diego Trolley, Inc - LRV Spare Parts Inventory	1,264,911	909,043
City of La Mesa	(718,640)	-
Total contributed capital	<u>\$ 1,618,702,719</u>	<u>\$ 39,009,719</u>

Depreciation and Amortization

Depreciation and amortization expense for capital assets and lease assets for the years ended June 30, 2022 and 2021 were comprised of the following:

	2022	2021
MTS - General Operations	\$ 4,963,065	\$ 5,905,962
MTS - Contracted Services	25,894,939	24,552,291
San Diego Transit Corporation	27,339,470	27,365,603
San Diego Trolley, Inc.	113,625,456	66,671,933
Total	<u>\$ 171,822,930</u>	<u>\$ 124,495,789</u>

Note 6 – Due to Other Governments

At June 30, 2022 and 2021, amounts due to other governments consisted of the following:

	2022	2021
State of California - miscellaneous	\$ 1,216,039	\$ 1,099,011
SANDAG - project reimbursements	376,814	367,493
North County Transit District - passenger revenue	297,545	367,048
Federal Transit Administration - miscellaneous	228,129	-
Other Governments - miscellaneous	143,144	70,712
City of Lemon Grove - TDA funds	138,506	109,768
City of El Cajon - TDA funds	103,887	100,180
City of Poway - TDA funds	68,617	-
City of La Mesa - TDA funds	58,865	55,670
County of San Diego - miscellaneous	54,332	48,804
City of Chula Vista - miscellaneous	46,106	42,007
City of Coronado - TDA funds	23,547	46,877
City of San Diego - miscellaneous	15,084	112,573
Total due to other governments	<u>\$ 2,770,615</u>	<u>\$ 2,420,143</u>

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 7 – Unearned Revenue

At June 30, 2022 and 2021, unearned revenue consisted of the following:

	2022	2021
Caltrans LCTOP funds received in advance	\$ 18,654,669	\$ 7,104,641
Fare media payments received in advance	7,958,963	2,117,698
STA State of Good Repair funds received in advance	7,066,767	6,957,820
Naming Rights payment received in advance	1,581,435	2,619,000
Other reimbursements received in advance	150,850	601,048
Total unearned revenue	<u>\$ 35,412,684</u>	<u>\$ 19,400,207</u>

Note 8 – Long-Term Liabilities**A. Summary**

A summary of changes in long-term obligations for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021 (as restated)	Additions	Reductions	Balance June 30, 2022	Amounts due within one year	Amounts due in more than one year
MTS:						
Compensated absences payable	\$ 1,735,974	\$ 1,013,830	\$ (1,203,011)	\$ 1,546,793	\$ 903,011	\$ 643,782
Accrued damage, injury, and employee claims	1,167,094	300,000	(524,931)	942,163	380,580	561,583
Aggregate net pension liability	15,174,709	3,586,575	(10,582,719)	8,178,565	-	8,178,565
Aggregate total OPEB liability	7,455,121	1,237,171	(144,252)	8,548,040	-	8,548,040
Total MTS	<u>25,532,898</u>	<u>6,137,576</u>	<u>(12,454,913)</u>	<u>19,215,561</u>	<u>1,283,591</u>	<u>17,931,970</u>
MTS Contracted Services:						
Leases payable	9,357,924	-	(162,136)	9,195,788	165,308	9,030,480
Total MTS Contracted Services	<u>9,357,924</u>	<u>-</u>	<u>(162,136)</u>	<u>9,195,788</u>	<u>165,308</u>	<u>9,030,480</u>
San Diego Transit Corporation:						
Pension Obligation Bonds - public offering	7,665,000	-	(2,835,000)	4,830,000	2,985,000	1,845,000
Compensated absences payable	6,651,856	3,176,290	(3,411,677)	6,416,469	3,411,677	3,004,792
Accrued damage, injury, and employee claims	10,787,296	7,192,910	(4,100,000)	13,880,206	4,046,243	9,833,963
Leases payable	650,807	-	(83,508)	567,299	87,884	479,415
Aggregate net pension liability	149,245,705	37,883,757	(60,334,250)	126,795,212	-	126,795,212
Aggregate total OPEB liability	32,247,006	2,234,076	(3,153,029)	31,328,053	-	31,328,053
Total San Diego Transit Corporation	<u>207,247,670</u>	<u>50,487,033</u>	<u>(73,917,464)</u>	<u>183,817,239</u>	<u>10,530,804</u>	<u>173,286,435</u>
San Diego Trolley, Inc.:						
Compensated absences payable	3,500,102	3,050,272	(2,862,235)	3,688,139	2,862,235	825,904
Accrued damage, injury, and employee claims	4,564,903	4,206,772	(2,060,735)	6,710,940	2,119,101	4,591,839
Leases payable	1,407,878	-	(15,265)	1,392,613	17,706	1,374,907
Aggregate net pension liability	38,637,444	17,986,889	(41,477,410)	15,146,923	-	15,146,923
Aggregate total OPEB liability	14,029,534	1,796,047	(1,945,642)	13,879,939	-	13,879,939
Total San Diego Trolley, Inc.	<u>62,139,861</u>	<u>27,039,980</u>	<u>(48,361,287)</u>	<u>40,818,554</u>	<u>4,999,042</u>	<u>35,819,512</u>
Total	<u>\$ 304,278,353</u>	<u>\$ 83,664,589</u>	<u>\$ (134,895,800)</u>	<u>\$ 253,047,142</u>	<u>\$ 16,978,745</u>	<u>\$ 236,068,397</u>

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 8 – Long-Term Liabilities (Continued)**A. Summary (Continued)**

A summary of changes in long-term obligations for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020 (as restated)	Additions	Reductions	Balance June 30, 2021	Amounts due within one year	Amounts due in more than one year
MTS:						
Compensated absences payable	\$ 1,441,404	\$ 976,078	\$ (681,508)	\$ 1,735,974	\$ 681,508	\$ 1,054,466
Accrued damage, injury, and employee claims	1,187,158	2,200,000	(2,220,064)	1,167,094	326,768	840,326
Aggregate net pension liability	14,064,659	3,300,696	(2,190,646)	15,174,709	-	15,174,709
Aggregate total OPEB liability	6,405,553	1,372,764	(323,196)	7,455,121	-	7,455,121
Total MTS	23,098,774	7,849,538	(5,415,414)	25,532,898	1,008,276	24,524,622
MTS Contracted Services:						
Leases payable	9,516,947	-	(159,023)	9,357,924	162,135	9,195,789
Total MTS Contracted Services	9,516,947	-	(159,023)	9,357,924	162,135	9,195,789
San Diego Transit Corporation:						
Pension Obligation Bonds - public offering	10,355,000	-	(2,690,000)	7,665,000	2,835,000	4,830,000
Compensated absences payable	6,450,943	3,428,663	(3,227,750)	6,651,856	3,227,750	3,424,106
Accrued damage, injury, and employee claims	10,968,269	2,923,663	(3,104,636)	10,787,296	2,768,554	8,018,742
Leases payable	730,119	-	(79,312)	650,807	83,508	567,299
Aggregate net pension liability	144,780,361	24,376,647	(19,911,303)	149,245,705	-	149,245,705
Aggregate total OPEB liability	29,271,435	4,422,126	(1,446,555)	32,247,006	-	32,247,006
Total San Diego Transit Corporation	202,556,127	35,151,099	(30,459,556)	207,247,670	8,914,812	198,332,858
San Diego Trolley, Inc.:						
Compensated absences payable	3,114,759	2,827,036	(2,441,693)	3,500,102	2,441,693	1,058,409
Accrued damage, injury, and employee claims	4,295,855	1,592,951	(1,323,903)	4,564,903	1,283,636	3,281,267
Leases payable	1,420,851	-	(12,973)	1,407,878	15,266	1,392,612
Aggregate net pension liability	35,346,261	17,494,311	(14,203,128)	38,637,444	-	38,637,444
Aggregate total OPEB liability	12,642,417	1,971,611	(584,494)	14,029,534	-	14,029,534
Total San Diego Trolley, Inc.	56,820,143	23,885,909	(18,566,191)	62,139,861	3,740,595	58,399,266
Total	\$ 291,991,991	\$ 66,886,546	\$ (54,600,184)	\$ 304,278,353	\$ 13,825,818	\$ 290,452,535

Long-term debt is reported in the accompanying statement of net position as follows:

	2022		2021	
	Due Within One Year	Noncurrent Liabilities	Due Within One Year	Noncurrent Liabilities
Long-Term Liabilities:				
Compensated absences payable	\$ 7,176,923	\$ 4,474,478	\$ 6,350,951	\$ 5,536,981
Accrued damage, injury, and employee claims	6,545,924	14,987,385	4,378,958	12,140,335
Leases payable	270,898	10,884,802	260,909	11,155,700
Long-term debt	2,985,000	1,845,000	2,835,000	4,830,000
Aggregate net pension liability	-	150,120,700	-	203,057,858
Aggregate total OPEB liability	-	53,756,032	-	53,731,661
Total long-term liabilities	\$ 16,978,745	\$ 236,068,397	\$ 13,825,818	\$ 290,452,535

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 8 – Long-Term Liabilities (Continued)

B. Pension Obligation Bonds

In October 2004, MTS issued \$77,490,000 of Taxable Pension Obligation Bonds (POBs) for the benefit of SDTC. The purpose of the bonds was to make contributions to the San Diego Transit Corporation Retirement Plan and reduce its unfunded liability. This is in essence a hedge versus the assumed investment rate of 6.75% used by the actuary to determine the Actuarial Accrued Liability. The proceeds less fees were invested into the retirement plan. The bonds are secured by a pledge of farebox revenues and, in the event of default, MTS shall cause the transfer of farebox revenues to be maintained and controlled by the bond trustee until the amounts deposited are sufficient to pay all debt service payments owed plus default interest at a rate of the non-default interest rate plus 3% from the date the event of default occurred. The bonds consist of the following:

Series A Bonds of \$38,690,000 are fixed rate bonds that mature in annual installments between 2006 and 2024 and bear an interest rate from 2.58% to 5.15% increasing progressively over the maturities. Interest is due and payable semi-annually on June 1 and December 1. Principal is due and payable each year on December 1.

At June 30, 2022 and 2021, the outstanding balance of the Pension Obligation Bonds is \$4,830,000 and \$7,655,000, respectively. The required payments for the Pension Obligation Bonds, including interest, are:

Year ending June 30	Principal	Interest	Total
2023	\$ 2,985,000	\$ 171,881	\$ 3,156,881
2024	1,845,000	47,509	1,892,509
Total	\$ 4,830,000	\$ 219,390	\$ 5,049,390

C. Lease Payable

MTS has entered into leases for land and building use. The remaining terms on the leases range from 2 to 39 years. The calculated interest rates used range between 0.86% and 1.94% depending on the length of the lease.

At June 30, 2022 and 2021, the outstanding balance of the leases is \$11,155,700 and \$11,416,609, respectively.

Principal and interest payments to maturity as of June 30, 2022 are as follows:

Year ending June 30	Principal	Interest	Total
2023	\$ 270,898	\$ 210,642	\$ 481,540
2024	281,292	205,987	487,279
2025	291,195	201,163	492,358
2026	266,501	196,376	462,877
2027	274,893	191,535	466,428
2028-2032	1,304,451	883,174	2,187,625
2033-2037	1,353,831	759,954	2,113,785
2038-2042	1,607,672	616,948	2,224,620
2043-2047	1,575,314	454,240	2,029,554
2048-2052	1,395,495	317,125	1,712,620
2053-2057	1,537,520	175,100	1,712,620
2058-2061	996,638	30,934	1,027,572
Total	\$ 11,155,700	\$ 4,243,178	\$ 15,398,878

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 8 – Long-Term Liabilities (Continued)

C. Lease Payable (Continued)

In addition to the lease obligations reported above, MTS has one additional sublease with the County of San Diego. The amount due each year is based on actual operating and capital costs. Since these amounts can vary significantly year over year, they are not included in our lease liability calculations. For fiscal years 2022 and 2021, total lease payments for the sublease were \$1,558,450 and \$1,029,256, respectively.

Note 9 – Risk Management

MTS (including SDTC, SDTI, and MTS – Contracted Services) is self-insured for third party liability claims to a maximum of \$5,000,000 per occurrence. Amounts in excess of the self-insured retention limits for public liability are covered through commercial insurance carriers up to \$75,000,000. No stop loss or cap coverage is purchased above the \$75,000,000 limits. MTS, SDTC, and SDTI purchase all-risk (excluding earthquake) insurance coverage for property damage up to \$600,000,000 per occurrence with deductibles ranging from \$25,000 to \$1,500,000, depending on the type of property and peril involved. In addition, MTS, SDTC, and SDTI are self-insured for costs arising from employee workers' compensation act benefit claims including employer's liability to a retained limit of \$1,000,000 per occurrence. Amounts in excess of \$1,000,000 are insured up to statutory limits. MTS, SDTC, and SDTI all finance their respective unemployment insurance liabilities. MTS, SDTC and SDTI have policies for crime coverage through commercial insurance as well as cyber liability insurance to protect the agencies from third party claims alleging computer security breaches. The crime coverage policy has a limit of \$1,000,000 subject to a \$5,000 deductible and the cyber liability policy has a limit of \$12,000,000 subject to a \$250,000 deductible. These policies protect against theft, loss or unauthorized disclosure of personally identifiable information. SDTC purchases fiduciary liability coverage through commercial insurance to protect the agency from claims alleging mismanagement of the SDTC Employees' Retirement Plan. The fiduciary liability coverage policy has a limit of \$2,000,000 subject to a \$25,000 deductible.

Claim expenditures and liabilities in connection with these self-insurance programs are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported based upon past experience, modified for current trends and information. Claim payments up to \$5,000,000 per incident are recorded as risk management expenses in the statements of revenues, expenses, and changes in net position. Claim payments did not exceed insurance coverage in any of the past three years.

	Beginning of fiscal year	Current year claims and changes in estimates	Claims payments	End of fiscal year
2020	\$ 15,836,651	\$ 4,796,631	\$ (4,182,000)	\$ 16,451,282
2021	16,451,282	5,168,011	(5,100,000)	16,519,293
2022	16,519,293	10,914,016	(5,900,000)	21,533,309

Following is a summary of accrued damage, injury, and employee claims for fiscal years 2022 and 2021:

	2022	2021
Current portion	\$ 6,545,924	\$ 4,378,958
Non-current portion	14,987,385	12,140,335
Total	<u>\$ 21,533,309</u>	<u>\$ 16,519,293</u>

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 9 – Risk Management (Continued)

MTS has established a policy to consolidate the minimum balances required in the liability claims reserve accounts of SDTC and SDTI to be held by MTS. The policy also established eligible uses for the MTS reserve account, which included the reimbursement to SDTC and SDTI of awards/settlements of individual liability claims for personal injury and/or property damage in excess of \$300,000, but within the self-insurance retention at SDTC and SDTI. In connection with these self-insurance programs, liabilities for MTS, SDTC and SDTI were \$21,533,309 at June 30, 2022 and \$16,519,293 at June 30, 2021.

The Board has designated \$5,000,000 for the purposes of funding the future claims liabilities of MTS, SDTC, and SDTI.

Note 10 – Commitments and Contingencies

Pending legal actions. MTS, SDTC and SDTI have been named in certain legal actions pending at June 30, 2022. While the outcome of these lawsuits is not presently determinable, in the opinion of management of MTS, SDTC and SDTI, based in part on the advice of counsel, the resolution of these matters is not expected to have a material adverse effect on the financial position or results of operations of MTS, SDTC, or SDTI, or is adequately covered by insurance.

Pledged Revenue. SDTC has pledged future revenues pursuant to the provision of the Pension Obligation Bonds issued by SDTC in FY 2004.

Note 11 – Other Postemployment Benefits

Generally accepted accounting policies require that the reported results for total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense must pertain to certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 - June 30, 2021

Plan Description: MTS contracts with a third party to provide MTS retirees, SDTI retirees, and SDTC Management retirees a nationwide private health care exchange in a single employer post-employment benefit plan. The third party also provides non-commissioned benefit advisors to assist retirees in determining the health plan that best suits their needs. MTS funds a Health Reimbursement Arrangement (HRA) account for each eligible retiree to offset the cost of the healthcare they purchase through the exchange. The amount of the HRA contribution is based on the retiree's years of service/former position/Medicare eligibility and ranges between \$100 and \$1,300 per month. SDTC union employees receive retirement benefits through health and welfare trust funds established for the benefit of active and retired members of the unions that represent SDTC employees. SDTC contributed \$1,045 per active employee each month to the fund for ATU, Local 1309 represented employees through December 2021 and \$1,052 per active employee each month to the fund for IBEW, Local 465 represented employees through March 2022. The Trust boards have full discretion on how these funds are spent to provide benefits for active and retired employees. Currently, the Trust offers retirees the opportunity to participate in a Kaiser HMO plan and an out-of-area reimbursement stipend is available only to those grandfathered in to receive such benefit. Both unions are in the process of dissolving the Trusts and the Kaiser plans will transition to SDTC plans in fiscal year 2023.

Eligibility. Employees are eligible after attaining age/service years of 55/10 for MTS and SDTI management, 55/15 for SDTI union, 55/10 for SDTC management, and 55/5 for SDTC unions.

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 11 – Other Postemployment Benefits (Continued)

Employees Covered

As of the June 30, 2022 (measurement date 2021), the following current and former employees were covered by the benefit terms:

	MTS	SDTI	SDTC
Active employees	170	507	793
Inactive employees or beneficiaries currently receiving benefits	26	51	249
Inactive employees entitled to but not yet receiving benefits	-	-	-
Total	196	558	1,042

As of the June 30, 2021 (measurement date 2020), the following current and former employees were covered by the benefit terms:

	MTS	SDTI	SDTC
Active employees	158	575	812
Inactive employees or beneficiaries currently receiving benefits	24	48	226
Inactive employees entitled to but not yet receiving benefits	-	-	-
Total	182	623	1,038

Actuarial Assumptions

The total OPEB liability, as of June 30, 2022 (measurement date 2021), was determined using the following actuarial assumptions:

	MTS	SDTI	SDTC
Actuarial Cost Method	Entry Age Cost Method (level percentage of pay)		
Valuation Date	June 30, 2021		
Measurement Date	June 30, 2021		
Actuarial Assumptions:			
Discount Rate	2.18% per annum		
Inflation	2.75% per annum		
Salary Increases	2.75% per annum, plus CalPERS Merit Scale		
Investment Rate of Return	N/A		
Medical Trend Rates	7.50%, decreasing 0.25% per year		
Dental Trend Rates	4% per annum		
Mortality Rate	SOA PUB-2010 General Headcount Weighted Mortality Table - Scale MP-2021		
Pre-Retirement Turnover	2021 CalPERS Experience Study	Management 3-10% Union 2-25%	

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 11 – Other Postemployment Benefits (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 2.18% percent as of the measurement date June 30, 2021 and 2.66% as of the measurement date June 30, 2020. The high-quality municipal bond rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices as of June 30, 2021. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of MTS, SDTI and SDTC, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for year ended June 30, 2022 (measurement date 2021):

	MTS	SDTI	SDTC	Aggregate
1% Decrease	1.18%	1.18%	1.18%	1.18%
Total OPEB Liability	\$ 10,267,089	\$ 16,473,117	\$ 37,061,542	\$ 63,801,748
Current Discount Rate	2.18%	2.18%	2.18%	2.18%
Total OPEB Liability	\$ 8,548,040	\$ 13,879,939	\$ 31,328,053	\$ 53,756,032
1% Increase	3.18%	3.18%	3.18%	3.18%
Total OPEB Liability	\$ 7,183,547	\$ 11,798,764	\$ 26,707,418	\$ 45,689,729

The following presents the total OPEB liability of MTS, SDTI and SDTC, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for the year ended June 30, 2021 (measurement date 2020):

	MTS	SDTI	SDTC	Aggregate
1% Decrease	1.66%	1.66%	1.66%	1.66%
Total OPEB Liability	\$ 8,947,600	\$ 16,427,073	\$ 37,419,407	\$ 62,794,080
Current Discount Rate	2.66%	2.66%	2.66%	2.66%
Total OPEB Liability	\$ 7,455,121	\$ 14,029,534	\$ 32,247,006	\$ 53,731,661
1% Increase	3.66%	3.66%	3.66%	3.66%
Total OPEB Liability	\$ 6,278,591	\$ 12,097,551	\$ 28,068,088	\$ 46,444,230

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 11 – Other Postemployment Benefits (Continued)

Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trend Rates

The following presents the total OPEB liability of MTS, SDTI and SDTC, as well as what the total OPEB liability would be if it were calculated using a health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates, for the year ended June 30, 2022 (measurement date 2021):

	MTS	SDTI	SDTC	Aggregate
1% Decrease in Healthcare Cost Trend Rate			6.50% HMO/PPO decreasing to	
			<u>3.00% HMO/PPO</u>	
Total OPEB Liability	\$ 6,838,555	\$ 11,336,781	\$ 25,946,435	\$ 44,121,771
Current Healthcare Cost Trend Rate			7.50% HMO/PPO decreasing to	
			<u>4.00% HMO/PPO</u>	
Total OPEB Liability	\$ 8,548,040	\$ 13,879,939	\$ 31,328,053	\$ 53,756,032
1% Increase in Healthcare Cost Trend Rate			8.50% HMO/PPO decreasing to	
			<u>5.00% HMO/PPO</u>	
Total OPEB Liability	\$ 10,867,666	\$ 17,250,693	\$ 38,415,839	\$ 66,534,198

The following presents the total OPEB liability of MTS, SDTI and SDTC, as well as what the total OPEB liability would be if it were calculated using a health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates, for the period ended June 30, 2021 (measurement date 2020):

	MTS	SDTI	SDTC	Aggregate
1% Decrease in Healthcare Cost Trend Rate			5.25% HMO/PPO decreasing to	
			<u>3.50% HMO/PPO</u>	
Total OPEB Liability	\$ 5,973,762	\$ 11,975,373	\$ 27,424,199	\$ 45,373,334
Current Healthcare Cost Trend Rate			6.25% HMO/PPO decreasing to	
			<u>4.50% HMO/PPO</u>	
Total OPEB Liability	\$ 7,455,121	\$ 14,029,534	\$ 32,247,006	\$ 53,731,661
1% Increase in Healthcare Cost Trend Rate			7.25% HMO/PPO decreasing to	
			<u>5.50% HMO/PPO</u>	
Total OPEB Liability	\$ 9,455,297	\$ 16,678,351	\$ 38,426,193	\$ 64,559,841

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 11 – Other Postemployment Benefits (Continued)***Change in Total OPEB Liability***

At June 30, 2022, the change in the Total OPEB liability is as follows:

	MTS	SDTI	SDTC	Aggregate
Balance at June 30, 2021	\$ 7,455,121	\$ 14,029,534	\$ 32,247,006	\$ 53,731,661
Changes Recognized for the Measurement Period:				
Service Cost	559,935	577,191	1,354,186	2,491,312
Interest on the total OPEB liability	211,713	386,140	879,890	1,477,743
Difference between expected and actual experience	(31,742)	(1,764,102)	(1,192,985)	(2,988,829)
Changes in assumptions	465,523	832,716	(907,986)	390,253
Benefit payments	(112,510)	(181,540)	(1,052,058)	(1,346,108)
Net Changes	1,092,919	(149,595)	(918,953)	24,371
Balance at June 30, 2022	\$ 8,548,040	\$ 13,879,939	\$ 31,328,053	\$ 53,756,032

At June 30, 2021, the change in the Total OPEB liability is as follows:

	MTS	SDTI	SDTC	Aggregate
Balance at June 30, 2020	\$ 6,405,553	\$ 12,642,417	\$ 29,271,435	\$ 48,319,405
Changes Recognized for the Measurement Period:				
Service Cost	544,949	561,743	1,317,943	2,424,635
Interest on the total OPEB liability	217,111	412,287	947,591	1,576,989
Difference between expected and actual experience	(206,133)	(351,313)	(424,383)	(981,829)
Changes in assumptions	610,704	997,581	2,156,592	3,764,877
Benefit payments	(117,063)	(233,181)	(1,022,172)	(1,372,416)
Net Changes	1,049,568	1,387,117	2,975,571	5,412,256
Balance at June 30, 2021	\$ 7,455,121	\$ 14,029,534	\$ 32,247,006	\$ 53,731,661

Contributions

The contribution requirements of plan members and MTS, SDTI and SDTC are established and may be amended by MTS Management or the Board of Directors. The contribution required to be made is based on a pay-as-you-go basis (i.e., as medical insurance premiums become due).

For fiscal years 2022 and 2021, the following contributions were made:

	MTS	SDTI	SDTC	Aggregate
2022 Contributions	\$ 110,701	\$ 138,350	\$ 977,243	\$ 1,226,294
2021 Contributions	\$ 112,510	\$ 181,540	\$ 1,052,058	\$ 1,346,108

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 11 – Other Postemployment Benefits (Continued)***OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB***

For the year ended June 30, 2022 and 2021, OPEB expense is included in the accompanying statement of revenues, expenses, and changes in net position as follows:

	MTS	SDTI	SDTC	Aggregate
2022 OPEB Expense	\$ 757,826	\$ 862,153	\$ 1,510,463	\$ 3,130,442
2021 OPEB Expense	\$ 714,871	\$ 950,468	\$ 1,804,542	\$ 3,469,881

At June 30, 2022, (measurement date 2021) MTS, SDTI and SDTC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	MTS		SDTI	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after measurement date	\$ 110,701	\$ -	\$ 138,350	\$ -
Difference between expected and actual experience	-	(434,191)	167,600	(1,904,531)
Changes in assumptions	1,030,506	(345,843)	1,752,930	(518,447)
Total	\$ 1,141,207	\$ (780,034)	\$ 2,058,880	\$ (2,422,978)

	SDTC		Aggregate	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after measurement date	\$ 977,243	\$ -	\$ 1,226,294	\$ -
Difference between expected and actual experience	-	(2,778,679)	167,600	(5,117,401)
Changes in assumptions	2,204,863	(1,335,048)	4,988,299	(2,199,338)
Total	\$ 3,182,106	\$ (4,113,727)	\$ 6,382,193	\$ (7,316,739)

At June 30, 2021, (measurement date 2020) MTS, SDTI and SDTC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	MTS		SDTI	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after measurement date	\$ 112,510	\$ -	\$ 181,540	\$ -
Difference between expected and actual experience	-	(453,160)	188,550	(319,375)
Changes in assumptions	668,952	(412,923)	1,101,972	(643,386)
Total	\$ 781,462	\$ (866,083)	\$ 1,472,062	\$ (962,761)

	SDTC		Aggregate	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after measurement date	\$ 1,052,058	\$ -	\$ 1,346,108	\$ -
Difference between expected and actual experience	-	(2,141,998)	188,550	(2,914,533)
Changes in assumptions	2,621,291	(1,010,799)	4,392,215	(2,067,108)
Total	\$ 3,673,349	\$ (3,152,797)	\$ 5,926,873	\$ (4,981,641)

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 11 – Other Postemployment Benefits (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

The combined \$1,226,294 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2023 compared to the combined \$1,346,108 reported in previous year.

As of the June 30, 2022 (measurement date 2021), other amounts reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30,	MTS	SDTI	SDTC	Aggregate
2023	\$ (13,822)	\$ (101,178)	\$ (723,612)	\$ (838,612)
2024	(13,822)	(101,178)	(323,696)	(438,696)
2025	(13,822)	(101,178)	(253,374)	(368,374)
2026	(13,822)	(101,182)	(253,369)	(368,373)
2027	(13,822)	5,074	(46,095)	(54,843)
Thereafter	319,582	(102,806)	(308,718)	(91,942)
Total	\$ 250,472	\$ (502,448)	\$ (1,908,864)	\$ (2,160,840)

As of the measurement date June 30, 2021 (measurement 2020), other amounts reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30,	MTS	SDTI	SDTC	Aggregate
2022	\$ (47,189)	\$ (23,562)	\$ (460,992)	\$ (531,743)
2023	(47,189)	(23,562)	(460,991)	(531,742)
2024	(47,189)	(23,562)	(61,075)	(131,826)
2025	(47,189)	(23,562)	9,247	(61,504)
2026	(47,189)	(23,566)	9,252	(61,503)
Thereafter	38,814	445,575	433,053	917,442
Total	\$ (197,131)	\$ 327,761	\$ (531,506)	\$ (400,876)

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 12 – Employee Retirement Systems

A. Summary

Aggregate Net Pension Liability

Aggregate Net Pension Liability is reported in the accompanying statements of net position as follows:

	2022	2021
MTS CalPERS Plans	\$ 8,178,565	\$ 15,174,709
SDTI CalPERS Plans	15,254,085	37,167,783
SDTI PARS Plan	(107,162)	1,469,661
SDTC Retirement Plan	126,795,212	149,245,705
Total	<u>\$ 150,120,700</u>	<u>\$ 203,057,858</u>

Deferred Outflows of Resources

Deferred Outflows of Resources at June 30, 2022 are reported in the accompanying statement of net position as follows:

	Contributions Made After Measurement Date	Differences Between Expected and Actual Experience	Differences Between Projected and Actual Earnings on Pension Plan Investments	Changes in Assumptions	Changes in Employer's Proportion	Differences Between Employer's Contributions and Proportionate Share of Contributions	Total
MTS CalPERS Plans	\$ 2,772,487	\$ 917,138	\$ -	\$ -	\$ 245,106	\$ 427,964	\$ 4,362,695
SDTI CalPERS Plans	5,769,619	1,269,483	-	-	-	-	7,039,102
SDTI PARS Plan	348,656	-	-	-	-	-	348,656
SDTC Retirement Plan	15,838,082	1,780,436	-	5,107,592	-	-	22,726,110
Total	<u>\$ 24,728,844</u>	<u>\$ 3,967,057</u>	<u>\$ -</u>	<u>\$ 5,107,592</u>	<u>\$ 245,106</u>	<u>\$ 427,964</u>	<u>\$ 34,476,563</u>

Deferred Outflows of Resources at June 30, 2021 are reported in the accompanying statement of net position as follows:

	Contributions Made After Measurement Date	Differences Between Expected and Actual Experience	Differences Between Projected and Actual Earnings on Pension Plan Investments	Changes in Assumptions	Changes in Employer's Proportion	Differences Between Employer's Contributions and Proportionate Share of Contributions	Total
MTS CalPERS Plans	\$ 2,580,445	\$ 781,998	\$ 450,789	\$ -	\$ 338,721	\$ 424,786	\$ 4,576,739
SDTI CalPERS Plans	5,237,955	1,886,001	1,237,074	1,578,401	-	-	9,939,431
SDTI PARS Plan	358,878	-	198,181	-	-	-	557,059
SDTC Retirement Plan	23,718,402	-	11,519,178	-	-	-	35,237,580
Total	<u>\$ 31,895,680</u>	<u>\$ 2,667,999</u>	<u>\$ 13,405,222</u>	<u>\$ 1,578,401</u>	<u>\$ 338,721</u>	<u>\$ 424,786</u>	<u>\$ 50,310,809</u>

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 12 – Employee Retirement Systems (Continued)**A. Summary (Continued)****Deferred Inflows of Resources**

Deferred Inflows of Resources at June 30, 2022 are reported in the accompanying statement of net position as follows:

	Differences Between Expected and Actual Experience	Differences Between Projected and Actual Earnings on Pension Plan Investments	Changes in Assumptions	Changes in Employer's Proportion	Total
MTS CalPERS Plans	\$ -	\$ 7,139,455	\$ -	\$ -	\$ 7,139,455
SDTI CalPERS Plans	317,006	15,437,677	195,434	-	15,950,117
SDTI PARS Plan	43,737	1,038,809	27,362	-	1,109,908
SDTC Retirement Plan	-	10,175,811	-	-	10,175,811
Total	\$ 360,743	\$ 33,791,752	\$ 222,796	\$ -	\$ 34,375,291

Deferred Inflows of Resources at June 30, 2021 are reported in the accompanying statement of net position as follows:

	Differences Between Expected and Actual Experience	Differences Between Projected and Actual Earnings on Pension Plan Investments	Changes in Assumptions	Changes in Employer's Proportion	Total
MTS CalPERS Plans	\$ -	\$ -	\$ 108,233	\$ 50,875	\$ 159,108
SDTI CalPERS Plans	700,204	-	412,584	-	1,112,788
SDTI PARS Plan	153,082	-	95,765	-	248,847
SDTC Retirement Plan	1,579,972	-	-	-	1,579,972
Total	\$ 2,433,258	\$ -	\$ 616,582	\$ 50,875	\$ 3,100,715

Pension Expense

Pension expense is included in the accompanying statements of revenues, expenses, and changes in net position as follows:

	2022	2021
MTS CalPERS Plans	\$ 2,970,733	\$ 3,391,459
SDTI CalPERS Plans	1,593,579	7,273,908
SDTI PARS Plan	(158,702)	206,884
SDTC Retirement Plan	14,494,898	20,248,875
Total	\$ 18,900,508	\$ 31,121,126

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 12 – Employee Retirement Systems (Continued)

B. MTS

General Information about the Pension Plans

Plan Description – All MTS management employees working the equivalent of 1,000 hours per fiscal year are eligible to participate in the MTS Miscellaneous, MTS Miscellaneous PEPPA, or MTS Miscellaneous Second Tier cost-sharing multiple-employer defined benefit pension plans administered by California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit Provisions under the Plans are established by State statutes within the Public Employee's Retirement Law. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office – 400 P Street, Sacramento, CA 95814.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment and can only be amended by the MTS Board of Directors.

The Plan's provisions and benefits in effect as of June 30, 2022 are summarized as follows:

MTS Miscellaneous Plan-1223
CLOSED TO NEW MEMBERS

Hire date	Prior to December 24, 2012
Benefit formula	2.7% @ 55
Benefit vesting schedule	5 years service
Benefit payments	Monthly for life
Final Average Compensation Period	12 months
Retirement age	50-55
Monthly benefits, as a % of eligible compensation	2.0%-2.7%
Required employee contribution rates	8.00%
Required employer contribution rates	36.20%
Pre-Retirement Death Benefit	Optional Settlement 2W
Post-Retirement Death Benefit	\$500 Lump Sum
Non-Industrial Standard Disability	1.8% of final compensation multiplied by service
COLA	2.00%

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 12 – Employee Retirement Systems (Continued)**B. MTS (Continued)****General Information about the Pension Plans (Continued)****MTS Miscellaneous Second Tier Plan – 30134**

Hire date	On or Between December 24 and 31, 2012 or Grandfathered classic members
Benefit formula	2.0% @ 60
Benefit vesting schedule	5 years service
Benefit payments	Monthly for life
Final Average Compensation Period	12 months
Retirement age	50–63
Monthly benefits, as a % of eligible compensation	1.092%–2.418%
Required employee contribution rates	7.00%
Required employer contribution rates	9.85%
Pre-Retirement Death Benefit	Optional Settlement 2W
Post-Retirement Death Benefit	\$500 Lump Sum
Non-Industrial Standard Disability	1.8% of final compensation multiplied by service
COLA	2.00%

MTS PEPRA Miscellaneous Plan – 26789

Hire date	On or after January 1, 2013
Benefit formula	2.0% @ 62
Benefit vesting schedule	5 years service
Benefit payments	Monthly for life
Final Average Compensation Period	36 months
Retirement age	52–67
Monthly benefits, as a % of eligible compensation	1.0–2.5%
Required employee contribution rates	6.75%
Required employer contribution rates	8.12%
Pre-Retirement Death Benefit	Optional Settlement 2W
Post-Retirement Death Benefit	\$500 Lump Sum
Non-Industrial Standard Disability	1.8% of final compensation multiplied by service
COLA	2.00%

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 12 – Employee Retirement Systems (Continued)

B. MTS (Continued)

Employees Covered – At June 30, 2022 (measurement date 2021) and June 30, 2021 (measurement date 2020), the following employees were covered by the benefit terms:

	2022	2021
Inactive employees or beneficiaries currently receiving benefits	149	114
Inactive employees entitled to but not yet receiving benefits	58	61
Active employees	156	162
Total	363	337

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS’ annual actuarial valuation process. For public agency cost-sharing plans, the Plan’s actuarially determined rate is based on the estimated amount necessary to pay the Plan’s allocated share of the risk pool’s costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the years ended June 30, 2022 and 2021 (measurement date 2021 and 2020), the active employee contribution rates and average employer contribution rates were as follows:

	2022		2021	
	Employee Contribution Rate	Employer Contribution Rate	Employee Contribution Rate	Employer Contribution Rate
MTS - Miscellaneous Plan-1223	8.00%	36.20%	8.00%	32.47%
MTS Miscellaneous Second Tier Plan - 30134	7.00%	9.85%	7.00%	9.95%
MTS PEPRM Miscellaneous Plan - 26789	6.75%	8.12%	6.75%	8.30%

For the years ended June 30, 2022 and 2021 (measurement date 2021 and 2020), the plan's proportionate share of aggregate contributions recognized as part of pension expense were:

	2022	2021
Contributions - employer	\$ 2,265,608	\$ 2,024,949
Contributions - employee	630,069	609,496

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 12 – Employee Retirement Systems (Continued)

B. MTS (Continued)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2022 and 2021 (measurement dates 2021 and 2020), MTS reported \$8,178,565 and \$15,174,709 net pension liabilities for its proportionate share of the aggregate net pension liability.

MTS Plans' net pension liability is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. MTS's proportion of the net pension liability was based on a projection of the MTS's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool:

- (1) In determining a cost-sharing plan's proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2020). The risk pool's fiduciary net position ("FNP") subtracted from its total pension liability ("TPL") determines the net pension liability ("NPL") at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2021). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool's FNP at the measurement date denotes the aggregate risk pool's FNP at June 30, 2021 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (FY2021).
- (3) The individual plan's TPL, FNP, and NPL are also calculated at the valuation date.
- (4) Two ratios are created by dividing the plan's individual TPL and FNP as of the valuation date from step (3) by the amounts in step (1), the risk pool's total TPL and FNP, respectively.
- (5) The plan's TPL as of the measurement date is equal to the risk pool TPL generated in step (2) multiplied by the TPL ratio generated in step (4). The plan's FNP as of the measurement date is equal to the FNP generated in step (2) multiplied by the FNP ratio generated in step (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
- (6) The plan's NPL at the measurement date is the difference between the TPL and FNP calculated in step (5).

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 12 – Employee Retirement Systems (Continued)

B. MTS (Continued)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

MTS's proportionate share of the net pension liability as of June 30, 2021, 2020, and 2019 (measurement dates) were as follows:

Proportion June 30, 2019	0.13726%
Proportion June 30, 2020	0.13947%
Change - Increase (Decrease)	0.00221%
Proportion June 30, 2021	0.15122%
Change - Increase (Decrease)	0.01175%

For the years ended June 30, 2022 and 2021, MTS recognized pension expense of \$2,970,733 and \$3,391,459, respectively. At June 30, 2022 and 2021, MTS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after the measurement date	\$ 2,772,487	\$ -	\$ 2,580,445	\$ -
Differences between expected and actual experience	917,138	-	781,998	-
Changes in assumptions	-	-	-	(108,233)
Change in employer's proportion	245,106	-	338,721	(50,875)
Differences between actual and proportionate share of employer contributions	427,964	-	424,786	-
Differences between projected and actual earnings on pension plan investments	-	(7,139,455)	450,789	-
Total	\$ 4,362,695	\$ (7,139,455)	\$ 4,576,739	\$ (159,108)

The \$2,772,487 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

As of the measurement date June 30, 2021, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Amounts
2023	\$ (917,696)
2024	(1,154,261)
2025	(1,504,312)
2026	(1,972,978)
2027	-
Total	\$ (5,549,247)

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 12 – Employee Retirement Systems (Continued)

B. MTS (Continued)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

In the previous year, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Amounts
2022	\$ 491,297
2023	674,931
2024	454,747
2025	216,211
2026	-
Total	<u>\$ 1,837,186</u>

Actuarial Assumptions – The total pension liability in the June 30, 2020 actuarial valuation was determined using the actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	varies by entry age and service
Payroll Growth	2.75%
Investment Rate of Return	7.15% (1)
Mortality	derived using CalPERS membership data for all funds (2)

(1) Net of pension plan investment expenses.

(2) The mortality table used was developed based on CalPERS specific data.

The table includes 15 years of mortality improvements using Society of Actuaries Scales 90% of scale MP 2016.

Change in Assumptions – GASB 68, paragraph 30 states that the long-term expected rate of return should be determined net of pension plan investment expense, but without reduction for pension plan administrative expense. In both the current and prior year, the actuarial report did not have a change of assumption. Further details of the Experience Study can be found on the CalPERS website.

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 12 – Employee Retirement Systems (Continued)

B. MTS (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS’ website under the GASB 68 section.

Long-Term Expected Rate of Return – The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, both short-term and long-term market return expectations as well as the expected pension fund cash flows were considered. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11–60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class (a)	New Strategic Allocation	Real Return Years 1-10 (b)	Real Return Years 11+ (c)
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

(a) In the System's ACFR, Fixed Income is included in Global Debt Securities;
 Liquidity is included in Short-term Investments; Inflation Assets are included in both
 Global Equity Securities and Global Debt Securities.

(b) an expected inflation of 2.00% for this period

(c) an expected inflation of 2.92% for this period

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 12 – Employee Retirement Systems (Continued)

B. MTS (Continued)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents MTS's proportionate share of the net pension liability as of June 30, 2022 and 2021, calculated using the discount rate, as well as what MTS's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	2022	2021
1% Decrease	6.15%	6.15%
Net Pension Liability	\$ 16,863,735	\$ 23,225,277
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 8,178,565	\$ 15,174,709
1% Increase	8.15%	8.15%
Net Pension Liability	\$ 998,659	\$ 8,522,776

Pension Plan Fiduciary Net Position – Detailed information about MTS's pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan – At June 30, 2022, MTS reported a payable of \$34,149 for the outstanding amount of contributions to the pension plan required for the current year compared to \$27,514 for the year ended June 30, 2021.

C. SDTI

1. CalPERS Plans

Plan Description – All SDTI employees working the equivalent of 1,000 hours per fiscal year are eligible to participate in the SDTI Miscellaneous or PEPRA Miscellaneous Plan, Agent Multiple-Employer defined benefit plans administered by California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit Provisions under the Plans are established by State statutes within the Public Employee's Retirement Law. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office – 400 P Street, Sacramento, CA 95814.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Plan members include both contract and non-contract employees. Benefits are based on years of credited service, equal to one year of full-time employment and can only be amended by the MTS Board of Directors.

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 12 – Employee Retirement Systems (Continued)

C. SDTI (Continued)

1. CalPERS Plans (Continued)

The Plans' provisions and benefits in effect as of June 30, 2022 are summarized as follows:

San Diego Trolley Miscellaneous Plan – 1406
Closed to New Members

	Management Employees	Union Employees
Hire date	Prior to January 1, 2013	Prior to January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 55
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Final Average Compensation Period	12 months	12 months
Retirement age	50–63	50–63
Monthly benefits, as a % of eligible compensation	1.426–2.418%	1.426–2.418%
Required employee contribution rates	8.00%	10.08%
Required employer contribution rates	16.16%	14.08%
Pre-Retirement Death Benefit	1959 Survivor Benefit Level 2	1959 Survivor Benefit Level 2
Post-Retirement Death Benefit	\$500 Lump Sum	\$500 Lump Sum
COLA	2.00%	2.00%
Non-Industrial Standard Disability	1.8% of final compensation multiplied by service	1.8% of final compensation multiplied by service

San Diego Trolley PEPRA Miscellaneous Plan – 26965

Hire date	On or After January 1, 2013
Benefit formula	2.0% @ 62
Benefit vesting schedule	5 years service
Benefit payments	Monthly for life
Final Average Compensation Period	36 months
Retirement age	52–67
Monthly benefits, as a % of eligible compensation	1.0–2.5%
Required employee contribution rates	6.25%
Required employer contribution rates	17.16%
Pre-Retirement Death Benefit	1959 Survivor Benefit Level 2
Post-Retirement Death Benefit	\$500 Lump Sum
COLA	2.00%
Non-Industrial Standard Disability	1.8% of final compensation multiplied by service

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 12 – Employee Retirement Systems (Continued)

C. SDTI (Continued)

2. PARS Plan

Plan Description – All full-time SDTI management employees employed between October 1, 2003 and December 24, 2012 are eligible to participate in the PARS Retirement Enhancement Plan, a defined benefit plan held by the Public Agency Retirement System Trust, an agent multiple employer retirement trust under Internal Revenue Service Code Section 401(a). The Plan is administered by Public Agency Retirement Services (PARS). Separate information for the Plan is included in another financial report issued by PARS. Copies of the financial report can be obtained in writing from Public Agency Retirement Services, 4350 Von Karman Avenue, Suite 100, Newport Beach, CA 92660.

Benefits Provided – PARS provides supplemental service retirement benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Members are eligible to receive benefits if they have retired under CalPERS, have terminated employment, or had their position eliminated due to internal reorganization or mandatory operating budget reductions after January 1, 2004. The Plan benefit supplements member's CalPERS benefit to provide members with an enhanced retirement benefit and MTS management has the authority to amend the Plan's benefit terms. The monthly lifetime benefit is calculated by taking the difference between (1) and (2) below and multiplying it by one-twelfth (1/12):

- (1) PARS Age Factor x Benefit Service x Highest Average Annual Compensation (Subject to CalPERS Deductions) during the Last 12 Months of Employment
- (2) CalPERS Age Factor x Benefit Service x Highest Average Annual Compensation (Subject to CalPERS Deductions) during the Last 12 Months of Employment

The Plan's provisions and benefits in effect as of June 30, 2022 are summarized as follows:

San Diego Trolley PARS Plan
CLOSED TO NEW MEMBERS

Hire date	Prior to January 1, 2013
Benefit formula	2.7% @ 55
Benefit vesting schedule	5 years service
Benefit payments	Monthly for life
Final Average Compensation Period	12 months
Retirement age	50–63
Monthly benefits, as a % of eligible compensation	0.282–0.574%
Required employee contribution rates	Not Required or Permitted
Required employer contribution rates	8.76%
Pre-Retirement Death Benefit	None
Post-Retirement Death Benefit	Joint-and-100% Survivor Option
Disability Retirement Benefit	None
COLA	2.00%

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 12 – Employee Retirement Systems (Continued)

C. SDTI (Continued)

Employees Covered

At June 30, 2022 and 2021 (measurement dates 2021 and 2020), the following employees were covered by the benefit terms for each Plan:

	CalPERS Plan		PARS Plan	
	2022	2021	2022	2021
Inactive employees or beneficiaries currently receiving benefits	299	261	54	50
Inactive employees entitled to but not yet receiving benefits	104	92	1	1
Active employees	616	604	41	45

*SDTI PEPRA Plan is included in the SDTI Miscellaneous Plan June 30, 2020 valuation report.

Contributions

1. CalPERS Plans

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. SDTI is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the years ended June 30, 2022 and 2021 (measurement dates 2021 and 2020), the active employee contribution rates and average employer contribution rates were as follows:

	2022		2021	
	Employee	Employer	Employee	Employer
SDTI Miscellaneous Plan 1406 - Management EE	8.00%	16.16%	8.00%	15.32%
SDTI Miscellaneous Plan 1406 - Union EE	10.08%	14.08%	9.66%	13.66%
SDTI Miscellaneous PEPRA Plan 26965	6.25%	17.16%	6.25%	16.32%

For the years ended June 30, 2022 and 2021 (measurement dates 2021 and 2020), the contributions recognized as part of pension expense were:

	CalPERS Plans	
	2022	2021
Contributions - employer	\$ 5,237,955	\$ 4,532,160
Contributions - employees	2,398,196	2,108,348

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 12 – Employee Retirement Systems (Continued)

C. SDTI (Continued)

Contributions (Continued)

2. PARS Plan

Employer contribution rates for the PARS plan are contractually established by the Plan's administrator and agreed to by the employer, and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined biannually on an actuarial basis as of June 30 by PARS. For the years ended June 30, 2021 and June 30, 2020 (measurement date), the employer's contribution rate is 8.76%.

For the years June 30, 2022 and 2021 (measurement date 2021 and 2020), the contributions recognized as part of pension expense were:

	PARS Plan	
	2022	2021
Contributions - employer	\$ 358,878	\$ 418,735
Contributions - employees	-	-

Net Pension Liability

1. CalPERS Plans

SDTI's net pension liability is measured as the total pension liability less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	varies by entry age and service
Payroll Growth	2.75%
Investment Rate of Return	7.15% (1)
Mortality	Derived using CalPERS's Membership Data for all Funds (2)
Post Retirement Benefit Increase	Contract COLA up to 2.5% until Purchasing Power applies, 2.5% thereafter

(1) Net of pension plan investment and administrative expenses; includes inflation

(2) The mortality table used was developed based on CalPERS's specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016.

Changes in Assumptions – In both the current and prior years, the actuarial report did not have any changes in assumptions.

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 12 – Employee Retirement Systems (Continued)

C. SDTI (Continued)

Net Pension Liability (Continued)

1. CalPERS Plans (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS’ website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, both short-term and long-term market return expectations as well as the expected pension fund cash flows were considered. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11–60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class (a)	New Strategic Allocation	Real Return Years 1-10 (b)	Real Return Years 11+ (c)
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

(a) In the System's ACFR, Fixed Income is included in Global Debt Securities;
 Liquidity is included in Short-term Investments; Inflation Assets are included in both
 Global Equity Securities and Global Debt Securities.

(b) an expected inflation of 2.00% for this period

(c) an expected inflation of 2.92% for this period

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 12 – Employee Retirement Systems (Continued)

C. SDTI (Continued)

Net Pension Liability (Continued)

2. PARS Plan

The net pension liability for the PARS Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2021, using an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2021 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	6.50%
Inflation	2.50%
Salary Increases Including Inflation	Graded rates based on years of services, 3.60% after 22 years of service
Payroll Growth	2.75%
Investment Rate of Return	6.50%
Pre-Retirement Mortality	Consistent with Non-Industrial rates used to value the Miscellaneous CALPERS Pension Plans
Post Retirement Benefit Increase	Consistent with Non-Industrial rates used to value the Miscellaneous CALPERS Pension Plans

Change in Assumptions – In the current year, the actuarial report did not have any changes in assumptions. In the prior year, the inflation rate was lowered from 2.75% to 2.50%. In the prior year, the payroll growth rate was lowered from 3.00% to 2.75%.

Discount Rate – The discount rate used to measure the total pension liability was 6.50 percent.

A formal cash flow projection was not performed as described under Paragraph 27 of GASB Statement 68. However, Paragraph 29 allows for alternative methods to confirm the sufficiency of the Net Position if the evaluations “can be made with sufficient reliability without a separate projection of cash flows into and out of the pension plan...” In our professional judgment, adherence to the actuarial funding policy described above will result in the pension plan's projected Fiduciary Net Position being greater than or equal to the benefit payments projected for each future period. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 12 – Employee Retirement Systems (Continued)

C. SDTI (Continued)

Net Pension Liability (Continued)

2. PARS Plan (Continued)

Discount Rate (Continued)

The best estimate for the long-term expected rate of return of 6.50 percent was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The table below reflects long-term expected real rate of return presented as arithmetic and geometric means by asset class.

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return (a)	Long-Term Expected Geometric Real Rate of Return (a)
U.S. Cash	1.22%	-0.32%	-0.32%
U.S. Core Fixed Income	36.04%	1.37%	1.26%
U.S. Equity Market	47.25%	5.33%	3.70%
Foreign Developed Equity	7.97%	6.27%	4.52%
Emerging Market Equities	5.52%	8.64%	4.95%
U.S. REITs	2.00%	5.75%	3.57%

(a) Assumed inflation: 2.30% mean and 1.16% standard deviation

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents SDTI's net pension liability at June 30, 2022 and 2021, calculated using the discount rate, as well as what SDTI's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	CalPERS Plan		PARS Plan	
	2022	2021	2022	2021
1% Decrease	6.15%	6.15%	5.50%	5.50%
Net Pension Liability	\$ 41,181,293	\$ 61,934,507	\$ 1,023,280	\$ 2,579,161
Current Discount Rate	7.15%	7.15%	6.50%	6.50%
Net Pension Liability	\$ 15,254,085	\$ 37,167,783	\$ (107,162)	\$ 1,469,661
1% Increase	8.15%	8.15%	7.50%	7.50%
Net Pension Liability	\$ (6,130,390)	\$ 16,751,201	\$ (1,055,567)	\$ 540,500

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 12 – Employee Retirement Systems (Continued)

C. SDTI (Continued)

Changes in the Net Pension Liability

1. CalPERS Plans

At June 30, 2022 (measurement date 2021), the change in the Net Pension Liability for the Plan is as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at July 1, 2021	\$ 174,307,843	\$ 137,140,060	\$ 37,167,783
Changes in the year:			
Service cost	4,670,260	-	4,670,260
Interest on the total pension liability	12,372,042	-	12,372,042
Changes of assumptions	-	-	-
Differences between expected and actual experience	(284,762)	-	(284,762)
Benefit payments, including refunds of member contributions	(6,645,332)	(6,645,332)	-
Net Plan to Plan resource movement	-	-	-
Contributions - employer	-	5,237,955	(5,237,955)
Contributions - employee	-	2,398,196	(2,398,196)
Net investment income	-	31,172,082	(31,172,082)
Administrative expense	-	(136,995)	136,995
Net Changes	10,112,208	32,025,906	(21,913,698)
Balance at June 30, 2022	\$ 184,420,051	\$ 169,165,966	\$ 15,254,085

At June 30, 2021 (measurement date 2020), the change in the Net Pension Liability for the Plan is as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at July 1, 2020	\$ 163,523,016	\$ 129,893,392	\$ 33,629,624
Changes in the year:			
Service cost	4,479,774	-	4,479,774
Interest on the total pension liability	11,672,869	-	11,672,869
Changes of assumptions	-	-	-
Differences between expected and actual experience	355,799	-	355,799
Benefit payments, including refunds of member contributions	(5,723,615)	(5,723,615)	-
Net Plan to Plan resource movement	-	-	-
Contributions - employer	-	4,532,160	(4,532,160)
Contributions - employee	-	2,108,348	(2,108,348)
Net investment income	-	6,512,893	(6,512,893)
Administrative expense	-	(183,118)	183,118
Net Changes	10,784,827	7,246,668	3,538,159
Balance at June 30, 2021	\$ 174,307,843	\$ 137,140,060	\$ 37,167,783

Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 12 – Employee Retirement Systems (Continued)

C. SDTI (Continued)

Changes in the Net Pension Liability (Continued)

2. PARS Plan

At June 30, 2022 (measurement date 2021), the change in the Net Pension Liability for the Plan is as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at July 1, 2021	\$ 9,082,342	\$ 7,612,681	\$ 1,469,661
Changes in the year:			
Service cost	201,071	-	201,071
Interest on the total pension liability	590,139	-	590,139
Changes of assumptions	-	-	-
Differences between expected and actual experience	-	-	-
Benefit payments, including refunds of member contributions	(415,242)	(415,242)	-
Contributions - employer	-	358,879	(358,879)
Contributions - employee	-	-	-
Net investment income	-	2,025,536	(2,025,536)
Administrative expense	-	(16,382)	16,382
Net Changes	375,968	1,952,791	(1,576,823)
Balance at June 30, 2022	\$ 9,458,310	\$ 9,565,472	\$ (107,162)

At June 30, 2021 (measurement date 2020), the change in the Net Pension Liability for the Plan is as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at July 1, 2020	\$ 9,094,282	\$ 7,377,645	\$ 1,716,637
Changes in the year:			
Service cost	195,690	-	195,690
Interest on the total pension liability	591,918	-	591,918
Changes of assumptions	(164,168)	-	(164,168)
Differences between expected and actual experience	(262,427)	-	(262,427)
Benefit payments, including refunds of member contributions	(372,953)	(372,953)	-
Contributions - employer	-	436,518	(436,518)
Contributions - employee	-	-	-
Net investment income	-	186,614	(186,614)
Administrative expense	-	(15,143)	15,143
Net Changes	(11,940)	235,036	(246,976)
Balance at June 30, 2021	\$ 9,082,342	\$ 7,612,681	\$ 1,469,661

Pension Plan Fiduciary Net Position – Detailed information about the PARS Plan’s fiduciary net position is available in the separately issued financial reports.

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 12 – Employee Retirement Systems (Continued)

C. SDTI (Continued)

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2022 and 2021, SDTI recognized pension expense of \$1,434,877 and \$7,480,792, respectively. At June 30, 2022 and 2021, SDTI reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	CalPERS Plans			
	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after measurement date	\$ 5,769,619	\$ -	\$ 5,237,955	\$ -
Differences between expected and actual experience	1,269,483	(317,006)	1,886,001	(700,204)
Changes in assumptions	-	(195,434)	1,578,401	(412,584)
Net differences between projected and actual earnings on pension plan investments	-	(15,437,677)	1,237,074	-
Total	<u>\$ 7,039,102</u>	<u>\$ (15,950,117)</u>	<u>\$ 9,939,431</u>	<u>\$ (1,112,788)</u>

	PARS Plan			
	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after measurement date	\$ 348,656	\$ -	\$ 358,878	\$ -
Differences between expected and actual experience	-	(43,737)	-	(153,082)
Changes in assumptions	-	(27,362)	-	(95,765)
Net differences between projected and actual earnings on pension plan investments	-	(1,038,809)	198,181	-
Total	<u>\$ 348,656</u>	<u>\$ (1,109,908)</u>	<u>\$ 557,059</u>	<u>\$ (248,847)</u>

The combined \$6,118,275 reported as deferred outflows of resources related to contributions subsequent to the measurement date for the two plans will be recognized as a reduction of the net pension liability in the year ended June 30, 2023 compared to \$5,596,833 for the previous year.

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 12 – Employee Retirement Systems (Continued)

C. SDTI (Continued)

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

As of the measurement date, June 30, 2021, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	SDTI CalPERS Plan	SDTI PARS Plan
2023	\$ (3,620,133)	\$ (315,114)
2024	(3,035,499)	(240,477)
2025	(3,707,327)	(247,710)
2026	(4,317,675)	(306,607)
2027	-	-
Total	<u>\$ (14,680,634)</u>	<u>\$ (1,109,908)</u>

In the previous year, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	SDTI CalPERS Plan	SDTI PARS Plan
2022	\$ 963,027	\$ (167,189)
2023	709,407	(8,506)
2024	1,294,041	66,131
2025	622,213	58,898
2026	-	-
Total	<u>\$ 3,588,688</u>	<u>\$ (50,666)</u>

Payable to the Pension Plan

At June 30, 2022, SDTI reported a payable of \$279,650 to CalPERS and \$4,626 to PARS for the outstanding amount of contributions to the pension plans required for the fiscal year compared to \$57,297 payable to CalPERS and \$3,891 payable to PARS for the year ended June 30, 2021.

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 12 – Employee Retirement Systems (Continued)

D. SDTC

General Information about the Pension Plans

Plan Description – The San Diego Transit Corporation (SDTC) Employee Retirement Plan (Plan), a single-employer defined benefit plan, is currently open to all full-time non-contract employees and certain part-time noncontract employees who have completed one year of service in which they have worked at least 1,000 hours. For contract employees to be eligible for participation in the defined benefit plan, the employee must have been hired before November 25, 2012 if they are an Amalgamated Transit Union (ATU) Local 1309 member, or before April 28, 2011 if they are an International Brotherhood of Electrical Workers (IBEW) Local 465 member.

Beginning in FY 2011, SDTC negotiated changes to retirement benefits for ATU Local 1309 members and IBEW Local 465 members. ATU Local 1309 represented employees hired after November 25, 2012 and IBEW local 465 represented employees hired after April 28, 2011 will receive their retirement benefits from a defined contribution 401(a) plan. Based on the applicable Collective Bargaining Agreement, SDTC contributes a fixed percentage of each employee's gross wages to a 401(a) account and matches voluntary employee contributions up to a maximum of 2% of the employees' gross wages.

The SDTC Plan issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to San Diego Transit Corporation, 1255 Imperial Avenue, Suite 1000, San Diego, CA 92101.

Benefits Provided – The SDTC Plan provides retirement, termination, and disability benefits, annual cost-of-living adjustments, and death benefits to eligible Plan members and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment and can only be amended by the MTS Board of Directors.

The Plan's provisions and benefits as of June 30, 2022 are as follows:

	San Diego Transit Pension Plan – Non-Contract Employees	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Final Average Compensation Period	12 months	36 months
Retirement age	53–63	52–67
Monthly benefits, as a % of eligible compensation	1.742%–2.418%	1.0%–2.5%
Required employee contribution rates	8.00%	6.25%
Required employer contribution rates	65.99%	67.74%
Pre-Retirement Death Benefit	50% Joint & Survivor	
Post-Retirement Death Benefit	Based on benefit election	
Non-Industrial Standard Disability COLA	1.5% times average monthly final earnings times credited years of service Lesser of CPI or 2.0%	

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 12 – Employee Retirement Systems (Continued)

D. SDTC (Continued)

General Information about the Pension Plans (Continued)

	SDTC Contract Employees	
	ATU – Closed Plan	IBEW – Closed Plan
Hire date	Prior to November 25, 2012	Prior to January 1, 2013
Benefit formula	2% @ 55	2% @ 55
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Final Average Compensation Period	36 months	36 months
Retirement age	53–63	55–65
Monthly benefits, as a % of eligible compensation	1.742%–2.418%	2.0%–2.418%
Required employee contribution rates	8.00%	8.00%
Required employer contribution rates	65.99%	65.99%
Pre-Retirement Death Benefit	50% Joint & Survivor	
Post-Retirement Death Benefit	Based on benefit election	
Disability	1.5% times average monthly final earnings times credited years of service	

Employees Covered – At June 30, 2022 and 2021 (measurement date 2021 and 2020), the following employees were covered by the benefit terms for the Plan:

	2022	2021
Inactive employees or beneficiaries currently receiving benefits	1,048	1,028
Inactive employees entitled to but not yet receiving benefits	192	217
Active employees	355	389

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the period ended June 30, 2021 (measurement date), the active employee contribution rate is 6.25– 8.00% of annual pay, and the average employer’s contribution rate is 66.43% of annual payroll compared to 6.25–8.00% and 60.88% for the previous year.

For the year ended June 30, 2022 and 2021 (measurement date 2021 and 2020), the contributions recognized as part of pension expense for the Plan were as follows:

	2022	2021
Contributions - employer	\$ 23,718,402	\$ 14,709,813
Contributions - employees	1,950,898	2,017,164

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 12 – Employee Retirement Systems (Continued)

D. SDTC (Continued)

Net Pension Liability

SDTC's net pension liability is measured as the total pension liability less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of July 1, 2021, using an annual actuarial valuation as of July 1, 2021.

Actuarial Assumptions – The total pension liabilities in the July 1, 2021 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	July 1, 2021
Measurement Date	July 1, 2021
Actuarial Cost Method	Individual entry age to final decrement
Actuarial Assumptions:	
Discount Rate	6.00%
Inflation	2.50%
Projected Salary Increase	2.75% plus merit component based on employee classification and years of service
Investment Rate of Return (1)	6.00%
Mortality	RP-2000 Tables using male rates for both male and female members with generational improvements using Scale MP-2015
COLA Increase - Non-Contract Members	2.50%

(1) Net of pension plan investment expenses.

Changes in Assumptions – In the current year, the discount rate decreased from 6.75% to 6.00%. In the current year, the inflation rate decreased from 2.75% to 2.50%. In the current year, the expected rate of return on assets decreased from 6.75% to 6.00%. In the current year, the COLA increase changed from 2.00% to 2.50%. In the prior year, the actuarial report did not have any changes in assumptions.

Discount Rate – The discount rate used to measure the Total Pension Liability was 6.00%.

We have assumed that the employees will continue to contribute to the Plan at the required rates and the employer will continue the historical and legally required practice of contributing to the Plan based on an actuarially determined contribution, reflecting a payment equal to annual Normal Cost, a portion of the expected Administrative Expenses, and an amount necessary to amortize the remaining Unfunded Actuarial Liability as of June 30, 2012, over a closed 25-year period (16 years remaining as of the July 1, 2021 actuarial valuation). Actuarial gains and losses in plan years after June 30, 2012 are amortized over closed 15-year periods as a level dollar amount.

A formal cash flow projection was not performed as described under Paragraph 27 of GASB Statement 68. However, Paragraph 29 allows for alternative methods to confirm the sufficiency of the Net Position if the evaluations "can be made with sufficient reliability without a separate projection of cash flows into and out of the pension plan..." In our professional judgment, adherence to the actuarial funding policy described above will result in the pension plan's projected Fiduciary Net Position being greater than or equal to the benefit payments projected for each future period. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 12 – Employee Retirement Systems (Continued)

D. SDTC (Continued)

Net Pension Liability (Continued)

Discount Rate (Continued)

According to Paragraph 30 of GASB Statement 68, the long-term expected rate of return should be determined net of pension plan investment expenses but without reduction for pension plan administrative expenses. The 6.00% investment return assumption used in the Total Pension Liability is net of investment expenses only.

The table below reflects long-term expected real rate of return by asset class. The critical inputs of the asset allocation model are the expected risk, return and correlations of different asset classes.

Asset Class	Strategic Allocation	Real Return Years 1-10	Real Return Years 11+
United States Equity	25.00%	3.30%	3.30%
International Equity	20.00%	5.85%	5.85%
Fixed Income	35.00%	0.00%	0.00%
Alternatives (Multi-Asset)	20.00%	2.50%	2.50%

(a) an expected inflation of 2.5% is used.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability for the SDTC Plan as of June 30, 2022 and 2021, calculated using the discount rate, as well as what SDTC's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	2022	2021
1% Decrease	5.00%	5.75%
Net Pension Liability	\$ 162,106,744	\$ 182,328,644
Current Discount Rate	6.00%	6.75%
Net Pension Liability	\$ 126,795,212	\$ 149,245,705
1% Increase	7.00%	7.75%
Net Pension Liability	\$ 96,791,474	\$ 121,156,977

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 12 – Employee Retirement Systems (Continued)

D. SDTC (Continued)

Changes in Net Pension Liability

At June 30, 2022 (measurement date 2021), the change in the Net Pension Liability for the SDTC Plan is as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at July 1, 2021	\$ 315,167,505	\$ 165,921,800	\$ 149,245,705
Changes in the year:			
Service cost	3,087,757	-	3,087,757
Interest on the total pension liability	20,767,402	-	20,767,402
Changes of assumptions	10,215,184	-	10,215,184
Differences between expected and actual experience	3,560,873	-	3,560,873
Benefit payments, including refunds of member contributions	(21,531,678)	(21,531,678)	-
Contributions - employer	-	23,718,402	(23,718,402)
Contributions - employee	-	1,950,898	(1,950,898)
Net investment income	-	34,664,950	(34,664,950)
Administrative expense	-	(252,541)	252,541
Net Changes	16,099,538	38,550,031	(22,450,493)
Balance at June 30, 2022	\$ 331,267,043	\$ 204,471,831	\$ 126,795,212

At June 30, 2021 (measurement date 2020), the change in the Net Pension Liability for the SDTC Plan is as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at July 1, 2020	\$ 314,919,978	\$ 170,139,617	\$ 144,780,361
Changes in the year:			
Service cost	3,326,248	-	3,326,248
Interest on the total pension liability	20,793,979	-	20,793,979
Changes of assumptions	-	-	-
Differences between expected and actual experience	(3,159,945)	-	(3,159,945)
Benefit payments, including refunds of member contributions	(20,712,755)	(20,712,755)	-
Contributions - employer	-	14,709,528	(14,709,528)
Contributions - employee	-	2,017,164	(2,017,164)
Net investment income	-	24,666	(24,666)
Administrative expense	-	(256,420)	256,420
Net Changes	247,527	(4,217,817)	4,465,344
Balance at June 30, 2021	\$ 315,167,505	\$ 165,921,800	\$ 149,245,705

Pension Plan Fiduciary Net Position – Detailed information about the SDTC Plan's fiduciary net position is available in the separately issued financial reports. The financial report may be obtained by writing to San Diego Transit Corporation, 1255 Imperial Avenue, Suite 1000, San Diego, CA 92101.

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 12 – Employee Retirement Systems (Continued)

D. SDTC (Continued)

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the years ended June 30, 2022 and 2021, SDTC recognized pension expense of \$14,494,898 and \$20,248,875, respectively. At June 30, 2022 and 2021, SDTC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after the measurement date	\$ 15,838,082	\$ -	\$ 23,718,402	\$ -
Changes in assumptions	5,107,592	-	-	-
Differences between expected and actual experience	1,780,436	-	-	(1,579,972)
Differences between projected and actual earnings on pension plan investments	-	(10,175,811)	11,519,178	-
Total	\$ 22,726,110	\$ (10,175,811)	\$ 35,237,580	\$ (1,579,972)

The \$15,838,082 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023 compared to \$23,718,402 for the previous year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Amounts
2023	\$ 5,573,283
2024	(1,790,352)
2025	(2,403,466)
2026	(4,667,248)
2027	-
Total	\$ (3,287,783)

In the previous year, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions were:

Year Ended June 30	Amounts
2022	\$ 1,446,019
2023	3,352,505
2024	2,876,898
2025	2,263,784
2026	-
Total	\$ 9,939,206

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 12 – Employee Retirement Systems (Continued)

D. SDTC (Continued)

Payable to the Pension Plan

At June 30, 2022, SDTC reported a payable of \$1,333,025 for the outstanding amount of contributions to the pension plan required for the fiscal year compared to \$1,317,866 for the year ended June 30, 2021.

Note 13 – Other Required Individual Disclosures

A. Deficit Net Position

In the Statements of Net Position, MTS had a deficit unrestricted net position at June 30, 2022 and 2021 of \$0 and \$(45,430,235), respectively. The deficit was mainly due to the reporting of the aggregate net pension liabilities and the aggregate total OPEB liabilities as well as timing differences between recognition of expenses on the accrual basis and when those expenses are funded by subsidy revenues.

Contracted Services, SDTC and SDTI had unrestricted net position (deficits) of \$(10,417,378) \$(148,557,425) and \$(10,940,649) as of June 30, 2022 compared to \$(10,088,730), \$(146,835,488) and \$(14,484,247) for the year ended June 30, 2021. These deficits are primarily a result of the implementation of GASB 68 (pension), GASB 75 (OPEB), and GASB 87 (leases) as well as timing differences between recognition of expenses on an accrual basis and when those expenses are funded by subsidy transfers for Contracted Services, SDTC and SDTI.

Note 14 – Net Investment in Capital Assets and Lease Assets

For the years ended June 30, 2022 and 2021, the net investment in capital assets and lease assets consisted of the following:

	<u>2022</u>	<u>2021</u>
Capital assets and lease assets, net	\$ 3,495,960,410	\$ 1,977,091,049
Less: retentions payable	(9,043)	(1,315,730)
Less: lease liabilities	(11,155,700)	(11,416,609)
Net investment in capital assets and lease assets	<u><u>\$ 3,484,795,667</u></u>	<u><u>\$ 1,964,358,710</u></u>

San Diego Metropolitan Transit System
Notes to the Basic Financial Statements (Continued)
For the Years Ended June 30, 2022 and 2021

Note 15 – Restatement of Net Position

As a result of implementation of GASB Statement No. 87, *Leases*, net position as of July 1, 2021 was restated as follows:

	Originally Reported	Adjustments	As Restated
Leases receivable, current	\$ -	\$ 1,512,606	\$ 1,512,606
Leases receivable, noncurrent	-	45,446,703	45,446,703
Prepaid items and other current assets	3,803,597	(171,500)	3,632,097
Leased assets, net of accumulated amortization	-	11,428,116	11,428,116
Accounts payable	(29,348,867)	5,686	(29,343,181)
Unearned revenue	(20,640,215)	1,240,008	(19,400,207)
Lease liability, current	-	(260,909)	(260,909)
Lease liability, noncurrent	-	(11,155,700)	(11,155,700)
Lease-related deferred inflows of resources	-	(48,102,361)	(48,102,361)
Total adjustments		(57,351)	
Net position	\$ 1,918,985,826	\$ (57,351)	\$ 1,918,928,475

	Originally Reported	Adjustments	As Restated
Miscellaneous operating revenues	\$ 17,933,426	\$ (521,977)	\$ 17,411,449
Miscellaneous operating expenses	5,305,897	(555,703)	4,750,194
Amortization of leased assets	-	393,589	393,589
Investment earnings	564,057	521,977	1,086,034
Interest expense	466,053	219,465	685,518
Total adjustments		57,351	
Net position	\$ 1,918,985,826	\$ 57,351	\$ 1,918,928,475

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REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

San Diego Metropolitan Transit System
Required Supplementary Information (Unaudited)
For the Years Ended June 30, 2022 and 2021

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MTS
(LAST TEN YEARS*)

Measurement Period, Year Ended June 30:	2021	2020	2019	2018	2017
Proportion of the net pension liability	0.15122%	0.13947%	0.13726%	0.13473%	0.13531%
Proportionate share of the net pension liability	\$ 8,178,565	\$ 15,174,709	\$ 14,064,659	\$ 12,982,663	\$ 13,418,753
Covered payroll	\$ 14,166,669	\$ 13,715,993	\$ 12,892,323	\$ 12,873,186	\$ 11,809,510
Proportionate share of the net pension liability as percentage of covered payroll	57.73%	110.64%	109.09%	100.85%	113.63%
Plan's fiduciary net position as percentage of the total pension liability	85.57%	74.92%	75.16%	75.65%	72.65%
Proportionate share of aggregate employer contributions	\$ 2,265,608	\$ 2,024,949	\$ 1,763,681	\$ 1,536,182	\$ 1,348,728

*Ten year historical information is not yet available

San Diego Metropolitan Transit System
Required Supplementary Information (Unaudited) (Continued)
For the Years Ended June 30, 2022 and 2021

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)

MTS

(LAST TEN YEARS*)

Measurement Period, Year Ended June 30:	2016	2015	2014
Proportion of the net pension liability	0.13477%	0.14142%	0.13277%
Proportionate share of the net pension liability	\$ 11,661,984	\$ 9,707,169	\$ 8,261,550
Covered payroll	\$ 11,078,469	\$ 9,954,718	\$ 9,277,782
Proportionate share of the net pension liability as percentage of covered payroll	105.27%	97.51%	89.05%
Plan's fiduciary net position as percentage of the total pension liability	72.53%	75.07%	77.50%
Proportionate share of aggregate employer contributions	\$ 1,896,142	\$ 1,998,897	\$ 755,170

*Ten year historical information is not yet available

San Diego Metropolitan Transit System
Required Supplementary Information (Unaudited) (Continued)
For the Years Ended June 30, 2022 and 2021

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
SDTI CALPERS PLANS
(LAST TEN YEARS*)

June 30:	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service Cost	\$ 4,670,260	\$ 4,479,774	\$ 4,304,517	\$ 4,029,579	\$ 3,882,206	\$ 3,580,302	\$ 3,615,793	\$ 3,721,950
Interest on total pension liability	12,372,042	11,672,869	10,947,906	10,112,324	9,611,237	9,201,415	8,554,525	7,982,614
Differences between expected and actual experience	(284,762)	355,799	2,647,270	(498,533)	(2,759,754)	375,697	(510,309)	-
Changes in assumptions	-	-	-	(1,064,034)	8,593,509	-	(2,274,755)	-
Changes in benefit terms	-	-	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(6,645,332)	(5,723,615)	(5,389,412)	(5,090,945)	(4,901,765)	(4,345,171)	(3,799,240)	(3,155,596)
Net change in total pension liability	10,112,208	10,784,827	12,510,281	7,488,391	14,425,433	8,812,243	5,586,014	8,548,968
Total pension liability - beginning	174,307,843	163,523,016	151,012,735	143,524,344	129,098,911	120,286,668	114,700,654	106,151,686
Total pension liability - ending (a)	\$ 184,420,051	\$ 174,307,843	\$ 163,523,016	\$ 151,012,735	\$ 143,524,344	\$ 129,098,911	\$ 120,286,668	\$ 114,700,654
Plan fiduciary net position								
Contributions - employer	\$ 5,237,955	\$ 4,532,160	\$ 3,824,864	\$ 3,342,623	\$ 2,835,680	\$ 2,659,911	\$ 2,553,900	\$ 2,498,345
Contributions - employee	2,398,196	2,108,348	2,075,270	2,034,672	1,806,506	1,778,990	1,839,206	2,179,194
Net investment income	31,172,082	6,512,893	8,009,279	9,482,977	11,214,548	628,353	2,204,904	14,416,106
Benefit payments, including refunds of employee contributions	(6,645,332)	(5,723,615)	(5,389,412)	(5,090,945)	(4,901,765)	(4,345,171)	(3,799,240)	(3,155,596)
Net plan to plan resource movement	-	-	(86,676)	(281)	-	-	-	-
Administrative expense	(136,995)	(183,118)	281	(506,849)	(149,699)	(61,391)	(113,387)	-
Net change in plan fiduciary net position	32,025,906	7,246,668	8,433,606	9,262,197	10,805,270	660,692	2,685,383	15,938,049
Plan fiduciary net position - beginning	137,140,060	129,893,392	121,459,786	112,197,589	101,392,319	100,731,627	98,046,244	82,108,195
Plan fiduciary net position - ending (b)	\$ 169,165,966	\$ 137,140,060	\$ 129,893,392	\$ 121,459,786	\$ 112,197,589	\$ 101,392,319	\$ 100,731,627	\$ 98,046,244
Net pension liability - ending (a) - (b)	\$ 15,254,085	\$ 37,167,783	\$ 33,629,624	\$ 29,552,949	\$ 31,326,755	\$ 27,706,592	\$ 19,555,041	\$ 16,654,410
Plan fiduciary net position as a percentage of the total pension liability	91.73%	78.68%	79.43%	80.43%	78.17%	78.54%	83.74%	85.48%
Covered payroll	\$ 33,604,962	\$ 31,913,060	\$ 29,886,251	\$ 27,790,199	\$ 26,643,371	\$ 27,247,357	\$ 26,965,416	\$ 26,268,261
Plan net pension liability as a percentage of covered payroll	45.39%	116.47%	112.53%	106.34%	117.58%	101.69%	72.52%	63.40%

Notes to Schedule:

Benefit changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2020 valuation date.

Changes of assumptions:

*2018 - Demographic assumptions and inflation rate were changed in accordance to CalPERS Experience Study and Review December 2017

*2017 - Discount rate decreased to 7.15 percent from 7.65 percent

*2015 - Discount rate increased to 7.65 percent from 7.50 percent

*Ten year historical information is not yet available

San Diego Metropolitan Transit System
Required Supplementary Information (Unaudited) (Continued)
For the Years Ended June 30, 2022 and 2021

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

SDTI PARS PLAN
(LAST TEN YEARS*)

Measurement Period, Year Ended June 30:	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability							
Service Cost	\$ 201,071	\$ 195,690	\$ 226,689	\$ 198,627	\$ 230,296	\$ 223,588	\$ 267,889
Interest on total pension liability	590,139	591,918	565,523	587,363	556,089	523,457	480,808
Differences between expected and actual experience	-	(262,427)	-	(652,788)	-	(166,133)	-
Changes in assumptions	-	(164,168)	-	473,927	-	321,921	-
Changes in benefit terms	-	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(415,242)	(372,953)	(337,875)	(313,613)	(302,460)	(273,201)	(229,364)
Net change in total pension liability	375,968	(11,940)	454,337	293,516	483,925	629,632	519,333
Total pension liability - beginning	9,082,342	9,094,282	8,639,945	8,346,429	7,862,504	7,232,872	6,713,539
Total pension liability - ending (a)	\$ 9,458,310	\$ 9,082,342	\$ 9,094,282	\$ 8,639,945	\$ 8,346,429	\$ 7,862,504	\$ 7,232,872
Plan fiduciary net position							
Contributions - employer	\$ 358,879	\$ 436,518	\$ 443,125	\$ 549,296	\$ 605,864	\$ 547,473	\$ 590,203
Contributions - employee	-	-	-	-	-	-	-
Net investment income	2,025,536	186,614	413,503	458,921	638,858	(59,981)	127,592
Benefit payments, including refunds of employee contributions	(415,242)	(372,953)	(337,875)	(313,613)	(302,460)	(273,201)	(229,364)
Administrative expense	(16,382)	(15,143)	(14,630)	(17,012)	(13,417)	(14,665)	(12,186)
Net change in plan fiduciary net position	1,952,791	235,036	504,123	677,592	928,845	199,626	476,245
Plan fiduciary net position - beginning	7,612,681	7,377,645	6,873,522	6,195,930	5,267,085	5,067,459	4,591,214
Plan fiduciary net position - ending (b)	\$ 9,565,472	\$ 7,612,681	\$ 7,377,645	\$ 6,873,522	\$ 6,195,930	\$ 5,267,085	\$ 5,067,459
Net pension liability (asset) - ending (a) - (b)	\$ (107,162)	\$ 1,469,661	\$ 1,716,637	\$ 1,766,423	\$ 2,150,499	\$ 2,595,419	\$ 2,165,413
Plan fiduciary net position as a percentage of the total pension liability	101.13%	83.82%	81.12%	79.56%	74.23%	66.99%	70.06%
Covered payroll	\$ 4,471,089	\$ 4,351,424	\$ 4,909,640	\$ 4,766,641	\$ 5,170,611	\$ 5,020,011	\$ 4,943,557
Plan net pension liability as a percentage of covered payroll	-2.40%	33.77%	34.96%	37.06%	41.59%	51.70%	43.80%

Notes to Schedule:

Benefit changes. The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2019 valuation date.

Changes in Assumption:

- *2020 - Inflation rate decreased from 2.75 to 2.50 percent
- *2020 - Payroll growth rate decreased from 3.00 to 2.75 percent
- *2018 - Investment rate of return decreased from 7.0 to 6.5 percent
- *2016 - Inflation rate decreased from 3.0 to 2.75 percent
- *2016 - Salary scale, retirement and pre-retirement mortality assumptions were updated.

*Ten year historical information is not yet available

San Diego Metropolitan Transit System
Required Supplementary Information (Unaudited) (Continued)
For the Years Ended June 30, 2022 and 2021

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

SDTC PLAN

(LAST TEN YEARS*)

Measurement Period, Year Ended June 30:	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service Cost	\$ 3,087,757	\$ 3,326,248	\$ 3,345,262	\$ 3,559,738	\$ 3,660,961	\$ 3,469,595	\$ 3,590,766	\$ 3,908,376
Interest on total pension liability	20,767,402	20,793,979	20,568,075	20,325,978	19,885,608	18,865,499	18,434,275	17,812,979
Differences between expected and actual experience	3,560,873	(3,159,945)	3,139,304	(240,474)	1,185,687	(2,174,475)	812,878	2,905,692
Changes in assumptions	10,215,184	-	7,536,766	(640,322)	-	29,699,872	-	-
Changes in benefit terms	-	-	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(21,531,678)	(20,712,755)	(19,969,862)	(18,715,199)	(17,977,346)	(17,350,158)	(16,584,043)	(15,466,924)
Net change in total pension liability	16,099,538	247,527	14,619,545	4,289,721	6,754,910	32,510,333	6,253,876	9,160,123
Total pension liability - beginning	315,167,505	314,919,978	300,300,433	296,010,712	289,255,802	256,745,469	250,491,593	241,331,470
Total pension liability - ending (a)	\$ 331,267,043	\$ 315,167,505	\$ 314,919,978	\$ 300,300,433	\$ 296,010,712	\$ 289,255,802	\$ 256,745,469	\$ 250,491,593
Plan fiduciary net position								
Contributions - employer	\$ 23,718,402	\$ 14,709,528	\$ 13,633,181	\$ 13,020,223	\$ 12,649,101	\$ 10,711,282	\$ 11,352,628	\$ 12,628,190
Contributions - employee	1,950,898	2,017,164	2,074,025	1,751,616	2,047,593	1,754,869	1,363,092	899,791
Net investment income	34,664,950	24,666	8,415,801	8,792,300	12,216,936	(540,093)	(2,018,866)	18,417,439
Benefit payments, including refunds of employee contributions	(21,531,678)	(20,712,755)	(19,969,862)	(18,715,199)	(17,977,346)	(17,350,158)	(16,584,043)	(15,466,924)
Administrative expense	(252,541)	(256,420)	(252,585)	(244,890)	(234,128)	(290,381)	(262,808)	(258,142)
Net change in plan fiduciary net position	38,550,031	(4,217,817)	3,900,560	4,604,050	8,702,156	(5,714,481)	(6,149,997)	16,220,354
Plan fiduciary net position - beginning	165,921,800	170,139,617	166,239,057	161,635,007	152,932,851	158,647,332	164,797,329	148,576,975
Plan fiduciary net position - ending (b)	\$ 204,471,831	\$ 165,921,800	\$ 170,139,617	\$ 166,239,057	\$ 161,635,007	\$ 152,932,851	\$ 158,647,332	\$ 164,797,329
Net pension liability - ending (a) - (b)	\$ 126,795,212	\$ 149,245,705	\$ 144,780,361	\$ 134,061,376	\$ 134,375,705	\$ 136,322,951	\$ 98,098,137	\$ 85,694,264
Plan fiduciary net position as a percentage of the total pension liability	61.72%	52.65%	54.03%	55.36%	54.60%	52.87%	61.79%	65.79%
Covered payroll	\$ 24,891,340	\$ 25,826,289	\$ 27,121,687	\$ 29,672,305	\$ 31,660,643	\$ 31,048,663	\$ 32,658,827	\$ 32,313,553
Plan net pension liability as a percentage of covered payroll	509.39%	577.88%	533.82%	451.81%	424.43%	439.06%	300.37%	265.20%

Notes to Schedule:

Benefit changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2021 valuation date.

Changes of assumptions:

*2021 - Expected rate of return on assets decreased from 6.75 to 6.0 percent

*2019 - Investment rate of return decreased from 7.0 to 6.75 percent

*2018 - Valuation salary changed from using the most recent pensionable pay preceding the valuation date to a two-year average of pay from the two years preceding the valuation date

*2016 - Investment rate of return decreased from 7.5 to 7.0 percent

*2016 - Inflation decreased from 3.0 to 2.75 percent

*2016 - Revisions were made to merit pay increases, mortality, disability, service retirements and terminations

*Ten year historical information is not yet available

**San Diego Metropolitan Transit System
Required Supplementary Information (Unaudited) (Continued)
For the Years Ended June 30, 2022 and 2021**

**SCHEDULE OF CONTRIBUTIONS
SDTI CALPERS PLAN
(LAST TEN YEARS*)**

Fiscal Year Ended June 30:	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 5,769,619	\$ 5,237,955	\$ 4,532,160	\$ 3,824,864	\$ 3,266,081	\$ 2,835,680	\$ 2,659,911	\$ 2,553,900	\$ 2,498,345
Contributions in relation to the actuarially determined contribution	(5,769,619)	(5,237,955)	(4,532,160)	(3,824,864)	(3,266,081)	(2,835,680)	(2,659,911)	(2,553,900)	(2,498,345)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 35,512,059	\$ 33,604,962	\$ 31,913,060	\$ 29,886,251	\$ 27,790,199	\$ 26,643,371	\$ 27,247,357	\$ 26,965,416	\$ 26,268,261
Contributions as a percentage of covered payroll	16.25%	15.59%	14.20%	12.80%	11.75%	10.64%	9.76%	9.47%	9.51%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2022 were derived from the June 30, 2018 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization	For details, see June 30, 2018 Funding Valuation Report
Asset valuation method	Fair value of assets
Inflation	2.500%
Salary increases	Varies based on entry age and service
Payroll growth	2.750%
Investment rate of return	7.0% net of pension plan investment and administrative expenses
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 and 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using Society of American Actuaries Scales 90% of scale MP 2016.

*Ten year historical information is not yet available

San Diego Metropolitan Transit System
Required Supplementary Information (Unaudited) (Continued)
For the Years Ended June 30, 2022 and 2021

SCHEDULE OF CONTRIBUTIONS

MTS

(LAST TEN YEARS*)

Fiscal Year Ended June 30:	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 2,772,487	\$ 2,580,445	\$ 2,320,104	\$ 2,041,117	\$ 1,896,639	\$ 1,731,711	\$ 1,582,497	\$ 1,559,846	\$ 1,537,079
Contributions in relation to the actuarially determined contribution	(2,772,487)	(2,580,445)	(2,320,104)	(2,041,117)	(1,896,639)	(1,731,711)	(1,582,497)	(1,559,846)	(1,537,079)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 14,346,741	\$ 14,166,669	\$ 13,715,993	\$ 12,892,323	\$ 12,873,186	\$ 11,809,510	\$ 11,078,469	\$ 9,954,718	\$ 9,277,782
Contributions as a percentage of covered payroll	19.32%	18.21%	16.92%	15.83%	14.73%	14.66%	14.28%	15.67%	16.57%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2022 were derived from the June 30, 2020 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization	For details, see June 30, 2020 Funding Valuation Report
Asset valuation method	Market value of assets
Inflation	2.500%
Salary increases	Varies based on entry age and service
Payroll growth	2.750%
Investment rate of return	7.15% net of pension plan investment and administrative expenses
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 and 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using Society of American Actuaries Scales 90% of scale MP 2016.

*Ten year historical information is not yet available

**San Diego Metropolitan Transit System
Required Supplementary Information (Unaudited) (Continued)
For the Years Ended June 30, 2022 and 2021**

SCHEDULE OF CONTRIBUTIONS

**SDTI PARS PLAN
(LAST TEN YEARS*)**

Fiscal Year Ended June 30:	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 334,820	\$ 381,185	\$ 408,250	\$ 459,504	\$ 460,930	\$ 499,993	\$ 445,465	\$ 546,873	\$ 463,079
Contributions in relation to the actuarially determined contribution	(348,656)	(358,878)	(418,735)	(435,748)	(549,296)	(605,864)	(547,473)	(590,203)	(453,934)
Contribution deficiency (excess)	<u>\$ (13,836)</u>	<u>\$ 22,307</u>	<u>\$ (10,485)</u>	<u>\$ 23,756</u>	<u>\$ (88,366)</u>	<u>\$ (105,871)</u>	<u>\$ (102,008)</u>	<u>\$ (43,330)</u>	<u>\$ 9,145</u>
Covered payroll	\$ 3,927,255	\$ 4,471,089	\$ 4,351,424	\$ 4,909,640	\$ 4,766,641	\$ 5,170,611	\$ 5,020,011	\$ 4,943,557	\$ 5,984,089
Contributions as a percentage of covered payroll	8.88%	8.03%	9.62%	8.88%	11.52%	11.72%	10.91%	11.94%	7.59%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2022 were derived from the June 30, 2019 funding valuation report.

Valuation date	June 30, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar
Amortization period	14 years as of valuation date
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	Varies based on entry age and service
Payroll growth	2.75%
Investment rate of return	6.50%

*Ten year historical information is not yet available

**San Diego Metropolitan Transit System
Required Supplementary Information (Unaudited) (Continued)
For the Years Ended June 30, 2022 and 2021**

**SCHEDULE OF CONTRIBUTIONS
SDTC PLAN
(LAST TEN YEARS*)**

Fiscal Year Ended June 30:	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 15,838,082	\$ 17,585,592	\$ 14,709,813	\$ 13,633,181	\$ 13,020,223	\$ 12,649,101	\$ 10,711,282	\$ 11,352,628	\$ 12,628,190
Contributions in relation to the actuarially determined contribution	(15,838,082)	(23,718,402)	(14,709,813)	(13,633,181)	(13,020,223)	(12,649,101)	(10,711,282)	(11,352,628)	(12,628,190)
Contribution deficiency (excess)	\$ -	\$ (6,132,810)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 25,059,762	\$ 24,891,340	\$ 25,826,289	\$ 27,121,687	\$ 29,672,305	\$ 31,660,643	\$ 31,048,663	\$ 32,658,827	\$ 32,313,553
Contributions as a percentage of covered payroll	63.20%	95.29%	56.96%	50.27%	43.88%	39.95%	34.50%	34.76%	39.08%

Notes to Schedule:**Methods and assumptions used to determine contribution rates:**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2022 were derived from the July 1, 2019 funding valuation report.

Valuation date	July 1, 2019
Actuarial cost method	Entry Age
Amortization method/period	Level percent of payroll, closed 25-year period
Asset valuation method	5-year smoothed market
Salary increases	2.75% plus merit component based on employee classification and years of services
Investment rate of return	6.75% net of pension plan investment expenses
Mortality	Actives: RP-2000 tables using male rates for both male and female members with generational improvements using scale MP-2015

*Ten year historical information is not yet available

San Diego Metropolitan Transit System
Required Supplementary Information (Unaudited) (Continued)
For the Years Ended June 30, 2022 and 2021

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

MTS
(LAST TEN YEARS*)

Measurement period, year ended June 30:	2021	2020	2019	2018	2017
Total OPEB Liability					
Service Cost	\$ 559,935	\$ 544,949	\$ 452,623	\$ 450,678	\$ 504,282
Interest	211,713	217,111	224,774	203,185	171,522
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(31,742)	(206,133)	(324,826)	-	-
Changes in assumptions	465,523	610,704	139,049	(104,394)	(566,410)
Benefit payments, including refunds of member contributions	(112,510)	(117,063)	(111,141)	(99,520)	(96,621)
Net change in total OPEB liability	1,092,919	1,049,568	380,479	449,949	12,773
Total OPEB liability - beginning	7,455,121	6,405,553	6,025,074	5,575,125	5,562,352
Total OPEB liability - ending (a)	\$ 8,548,040	\$ 7,455,121	\$ 6,405,553	\$ 6,025,074	\$ 5,575,125
OPEB fiduciary net position					
Contributions - employer	\$ 112,510	\$ 117,063	\$ 111,141	\$ 99,520	\$ 96,621
Net investment income	-	-	-	-	-
Benefit payments, including refunds of member contributions	(112,510)	(117,063)	(111,141)	(99,520)	(96,621)
Administrative expense	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-
Plan fiduciary net position - ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -
Plan net OPEB liability - ending (a) - (b)	\$ 8,548,040	\$ 7,455,121	\$ 6,405,553	\$ 6,025,074	\$ 5,575,125
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 14,147,812	\$ 12,699,847	\$ 13,522,496	\$ 12,763,760	\$ 12,392,000
Plan net OPEB liability as a percentage of covered payroll	60.42%	58.70%	47.37%	47.20%	44.99%

* Historical data provided for years where GASB 75 is applicable.

San Diego Metropolitan Transit System
Required Supplementary Information (Unaudited) (Continued)
For the Years Ended June 30, 2022 and 2021

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

SDTI
(LAST TEN YEARS*)

Measurement period, year ended June 30:	2021	2020	2019	2018	2017
Total OPEB Liability					
Service Cost	\$ 577,191	\$ 561,743	\$ 442,873	\$ 440,969	\$ 493,375
Interest	386,140	412,287	415,912	389,043	336,668
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(1,764,102)	(351,313)	230,450	-	-
Changes in assumptions	832,716	997,581	238,432	(168,207)	(956,245)
Benefit payments, including refunds of member contributions	(181,540)	(233,181)	(251,166)	(194,710)	(189,039)
Net change in total OPEB liability	(149,595)	1,387,117	1,076,501	467,095	(315,241)
Total OPEB liability - beginning	14,029,534	12,642,417	11,565,916	11,098,821	11,414,062
Total OPEB liability - ending (a)	\$ 13,879,939	\$ 14,029,534	\$ 12,642,417	\$ 11,565,916	\$ 11,098,821
OPEB fiduciary net position					
Contributions - employer	\$ 181,540	\$ 233,181	\$ 251,166	\$ 194,710	\$ 189,039
Net investment income	-	-	-	-	-
Benefit payments, including refunds of member contributions	(181,540)	(233,181)	(251,166)	(194,710)	(189,039)
Administrative expense	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-
Plan fiduciary net position - ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -
Plan net OPEB liability - ending (a) - (b)	\$ 13,879,939	\$ 14,029,534	\$ 12,642,417	\$ 11,565,916	\$ 11,098,821
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 33,827,843	\$ 32,204,645	\$ 34,000,928	\$ 31,280,070	\$ 30,369,000
Plan net OPEB liability as a percentage of covered payroll	41.03%	43.56%	37.18%	36.98%	36.55%

* Historical data provided for years where GASB 75 is applicable.

San Diego Metropolitan Transit System
Required Supplementary Information (Unaudited) (Continued)
For the Years Ended June 30, 2022 and 2021

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

SDTC

(LAST TEN YEARS*)

Measurement period, year ended June 30:	2021	2020	2019	2018	2017
Total OPEB Liability					
Service Cost	\$ 1,354,186	\$ 1,317,943	\$ 1,180,991	\$ 1,176,005	\$ 1,317,293
Interest	879,890	947,591	1,056,425	1,000,292	875,283
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(1,192,985)	(424,383)	(2,478,929)	-	-
Changes in assumptions	(907,986)	2,156,592	1,027,981	(421,922)	(2,399,513)
Benefit payments, including refunds of member contributions	(1,052,058)	(1,022,172)	(1,035,246)	(957,045)	(929,170)
Net change in total OPEB liability	(918,953)	2,975,571	(248,778)	797,330	(1,136,107)
Total OPEB liability - beginning	32,247,006	29,271,435	29,520,213	28,722,883	29,858,990
Total OPEB liability - ending (a)	\$ 31,328,053	\$ 32,247,006	\$ 29,271,435	\$ 29,520,213	\$ 28,722,883
OPEB fiduciary net position					
Contributions - employer	\$ 1,052,058	\$ 1,022,172	\$ 1,035,246	\$ 957,045	\$ 929,170
Net investment income	-	-	-	-	-
Benefit payments, including refunds of member contributions	(1,052,058)	(1,022,172)	(1,035,246)	(957,045)	(929,170)
Administrative expense	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-
Plan fiduciary net position - ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -
Plan net OPEB liability - ending (a) - (b)	\$ 31,328,053	\$ 32,247,006	\$ 29,271,435	\$ 29,520,213	\$ 28,722,883
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 44,955,979	\$ 43,063,090	\$ 41,720,578	\$ 40,561,400	\$ 39,380,000
Plan net OPEB liability as a percentage of covered payroll	69.69%	74.88%	70.16%	72.78%	72.94%

* Historical data provided for years where GASB 75 is applicable.

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SUPPLEMENTARY INFORMATION

Combining Schedule of Net Position

Combining Schedule of Revenues, Expenses, and Changes in Net Position

Combining Schedule of Cash Flows

Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual:

Combined Operations

General Operations

Operations

For Hire Vehicle Administration

San Diego and Arizona Eastern Railway

MTS - Contracted Services

San Diego Transit Corporation

San Diego Trolley, Inc.

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San Diego Metropolitan Transit System
Combining Schedule of Net Position
June 30, 2022

	General Operations	Contracted Services	SDTC	SDTI	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 111,108,819	\$ 35,192	\$ (243,262)	\$ 31,997	\$ 110,932,746
Cash and cash equivalents restricted for capital	26,020,685	-	-	-	26,020,685
Accounts and other receivables	6,027,958	304,214	1,970,800	113,313	8,416,285
Due from other governments	142,117,362	-	27,731	1,443,558	143,588,651
Leases receivable	1,625,433	-	-	-	1,625,433
Internal balances	(33,317,627)	(1,094,768)	21,213,100	13,199,295	-
Inventory	-	-	4,198,174	27,508,031	31,706,205
Prepaid items and other current assets	2,133,756	72,825	1,039,910	939,117	4,185,608
Total current assets	255,716,386	(682,537)	28,206,453	43,235,311	326,475,613
Noncurrent assets:					
Lease receivable, due in more than one year	43,821,270	-	-	-	43,821,270
Capital assets and lease assets, net	170,030,884	302,340,202	259,493,780	2,764,095,544	3,495,960,410
Total noncurrent assets	213,852,154	302,340,202	259,493,780	2,764,095,544	3,539,781,680
Total assets	469,568,540	301,657,665	287,700,233	2,807,330,855	3,866,257,293
DEFERRED OUTFLOWS OF RESOURCES					
Pension-related deferred outflows of resources	4,362,695	-	22,726,110	7,387,758	34,476,563
OPEB-related deferred outflows of resources	1,141,207	-	3,182,106	2,058,880	6,382,193
Total deferred outflows of resources	5,503,902	-	25,908,216	9,446,638	40,858,756
LIABILITIES					
Current liabilities:					
Accounts payable	7,118,832	8,097,405	3,093,928	3,636,510	21,946,675
Due to other governments	2,028,786	114,766	185,658	441,405	2,770,615
Unearned revenue	33,890,014	1,522,670	-	-	35,412,684
Accrued expenses	459,252	-	1,853,030	635,739	2,948,021
Retentions payable	-	5,227	-	3,816	9,043
Retentions payable from restricted assets	8,531,874	-	-	-	8,531,874
Due within one year:					
Lease liability	-	165,308	87,884	17,706	270,898
Compensated absences payable	903,011	-	3,411,677	2,862,235	7,176,923
Accrued damage, injury, and employee claims	380,580	-	4,046,243	2,119,101	6,545,924
Long-term debt	-	-	2,985,000	-	2,985,000
Total current liabilities	53,312,349	9,905,376	15,663,420	9,716,512	88,597,657
Noncurrent liabilities:					
Due in more than one year:					
Lease liability	-	9,030,480	479,415	1,374,907	10,884,802
Compensated absences payable	643,782	-	3,004,792	825,904	4,474,478
Accrued damage, injury, and employee claims	561,583	-	9,833,963	4,591,839	14,987,385
Long-term debt	-	-	1,845,000	-	1,845,000
Aggregate net pension liability	8,178,565	-	126,795,212	15,146,923	150,120,700
Aggregate total OPEB liability	8,548,040	-	31,328,053	13,879,939	53,756,032
Total noncurrent liabilities	17,931,970	9,030,480	173,286,435	35,819,512	236,068,397
Total liabilities	71,244,319	18,935,856	188,949,855	45,536,024	324,666,054
DEFERRED INFLOWS OF RESOURCES					
Pension-related deferred inflows of resources	7,139,455	-	10,175,811	17,060,025	34,375,291
OPEB-related deferred inflows of resources	780,034	-	4,113,727	2,422,978	7,316,739
Lease-related deferred inflows of resources	46,218,889	-	-	-	46,218,889
Total deferred inflows of resources	54,138,378	-	14,289,538	19,483,003	87,910,919
NET POSITION					
Net investment in capital assets and lease assets	170,030,884	293,139,187	258,926,481	2,762,699,115	3,484,795,667
Unrestricted (deficit)	179,658,861	(10,417,378)	(148,557,425)	(10,940,649)	9,743,409
Total net position	\$ 349,689,745	\$ 282,721,809	\$ 110,369,056	\$ 2,751,758,466	\$ 3,494,539,076

San Diego Metropolitan Transit System
Combining Schedule of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2022

	General Operations	Contracted Services	SDTC
Operating revenues:			
Passenger revenue	\$ -	\$ 15,739,506	\$ 14,818,612
Advertising	1,945,816	-	-
Miscellaneous	18,507,888	-	-
Total operating revenues	<u>20,453,704</u>	<u>15,739,506</u>	<u>14,818,612</u>
Operating expenses:			
Personnel costs	24,612,645	933,825	76,461,510
Outside services	18,632,743	87,785,639	1,642,708
Transit operations funding	167,793,979	-	-
Materials and supplies	265,651	435,612	6,620,197
Energy costs	290,644	10,119,769	7,994,945
Risk management	507,260	10,252	5,460,651
Miscellaneous	(17,214,696)	2,438,979	3,968,030
Depreciation	4,963,065	25,894,939	27,339,470
Total operating expenses	<u>199,851,291</u>	<u>127,619,015</u>	<u>129,487,511</u>
Operating income (loss)	<u>(179,397,587)</u>	<u>(111,879,509)</u>	<u>(114,668,899)</u>
Public support and nonoperating revenues (expenses):			
Federal revenue	141,982,464	33,294,462	35,700,355
Transportation Development Act (TDA) funds	124,385,030	41,620,256	2,019,623
State Transit Assistance (STA) funds	34,878,787	700,000	9,800,000
State revenue - other	9,558,324	105,771	-
TransNet funds	67,151,134	8,948,430	29,989,447
Other local subsidies	13,814,150	1,658,175	8,107,853
Investment earnings	800,004	-	-
Interest expense	-	(180,389)	(330,750)
Gain (loss) on disposal of assets	144,257	-	22,687
Total public support and nonoperating revenues (expenses)	<u>392,714,150</u>	<u>86,146,705</u>	<u>85,309,215</u>
Income (loss) before transfers and contributed capital	<u>213,316,563</u>	<u>(25,732,804)</u>	<u>(29,359,684)</u>
Transfers	(88,366,794)	-	-
Contributed capital, net	<u>(122,871,067)</u>	<u>25,933,205</u>	<u>10,784,756</u>
Changes in net position	<u>2,078,702</u>	<u>200,401</u>	<u>(18,574,928)</u>
Net Position:			
Beginning of year	347,611,043	282,521,408	128,943,984
End of year	<u>\$ 349,689,745</u>	<u>\$ 282,721,809</u>	<u>\$ 110,369,056</u>

San Diego Metropolitan Transit System
Combining Schedule of Revenues, Expenses, and Changes in Net Position (Continued)
For the Year Ended June 30, 2022

	SDTI	Eliminations	Total
Operating revenues:			
Passenger revenue	\$ 25,518,764	\$ -	\$ 56,076,882
Advertising	-	-	1,945,816
Miscellaneous	904,091	-	19,411,979
Total operating revenues	26,422,855	-	77,434,677
Operating expenses:			
Personnel costs	41,941,629	-	143,949,609
Outside services	10,219,785	-	118,280,875
Transit operations funding	-	(167,177,583)	616,396
Materials and supplies	7,457,182	-	14,778,642
Energy costs	20,570,080	-	38,975,438
Risk management	5,560,726	-	11,538,889
Miscellaneous	17,141,615	-	6,333,928
Depreciation	113,625,456	-	171,822,930
Total operating expenses	216,516,473	(167,177,583)	506,296,707
Operating income (loss)	(190,093,618)	167,177,583	(428,862,030)
Public support and nonoperating revenues (expenses):			
Federal revenue	39,824,794	(108,819,611)	141,982,464
Transportation Development Act (TDA) funds	16,285,511	(59,925,390)	124,385,030
State Transit Assistance (STA) funds	800,000	(11,300,000)	34,878,787
State revenue - other	-	(105,771)	9,558,324
TransNet funds	21,189,700	(65,627,577)	61,651,134
Other local subsidies	-	(9,766,028)	13,814,150
Investment earnings	-	-	800,004
Interest expense	(27,183)	-	(538,322)
Gain (loss) on disposal of assets	(928,603)	-	(761,659)
Total public support and nonoperating revenues (expenses)	77,144,219	(255,544,377)	385,769,912
Income (loss) before transfers and contributed capital	(112,949,399)	(88,366,794)	(43,092,118)
Transfers	-	88,366,794	-
Contributed capital, net	1,704,855,825	-	1,618,702,719
Changes in net position	1,591,906,426	-	1,575,610,601
Net Position:			
Beginning of year	1,159,852,040	-	1,918,928,475
End of year	\$ 2,751,758,466	\$ -	\$ 3,494,539,076

San Diego Metropolitan Transit System
Combining Schedule of Cash Flows
For the Year Ended June 30, 2022

	General Operations	Contracted Services	SDTC	SDTI	Total
Cash flows from operating activities:					
Receipts from customers and users	\$ 25,352,961	\$ 15,585,962	\$ 15,138,359	\$ 26,664,654	\$ 82,741,936
Payments to suppliers	(2,157,506)	(101,212,683)	(23,153,250)	(57,920,827)	(184,444,266)
Payments to employees	(23,529,977)	(933,825)	(74,134,156)	(46,318,768)	(144,916,726)
Payments for damage and injury	(178,779)	-	(3,228,559)	(977,473)	(4,384,811)
Net cash provided by (used in) operating activities	(513,301)	(86,560,546)	(85,377,606)	(78,552,414)	(251,003,867)
Cash flows from noncapital financing activities:					
Public support funds received	124,756,263	86,837,052	88,817,618	78,856,572	379,267,505
Net cash provided by noncapital financing activities	124,756,263	86,837,052	88,817,618	78,856,572	379,267,505
Cash flows from capital and related financing activities:					
Debt service costs	-	-	(3,145,003)	-	(3,145,003)
Property acquisition	(79,739,509)	(342,524)	(91,069)	(42,448)	(80,215,550)
Proceeds from disposal of assets	548,184	-	71,891	36,126	656,201
Net cash provided by (used in) capital and related financing activities	(79,191,325)	(342,524)	(3,164,181)	(6,322)	(82,704,352)
Cash flows from investing activities:					
Interest received on investments	224,439	-	-	-	224,439
Net cash provided by investing activities	224,439	-	-	-	224,439
Net increase in cash and cash equivalents	45,276,076	(66,018)	275,831	297,836	45,783,725
Cash and cash equivalents:					
Beginning of year	91,853,428	101,210	(519,093)	(265,839)	91,169,706
End of year	\$ 137,129,504	\$ 35,192	\$ (243,262)	\$ 31,997	\$ 136,953,431
Cash and cash equivalents:					
Cash and cash equivalents	\$ 111,108,819	\$ 35,192	\$ (243,262)	\$ 31,997	\$ 110,932,746
Cash restricted for capital support	26,020,685	-	-	-	26,020,685
Total cash and cash equivalents	\$ 137,129,504	\$ 35,192	\$ (243,262)	\$ 31,997	\$ 136,953,431

San Diego Metropolitan Transit System
Combining Schedule of Cash Flows (Continued)
For the Year Ended June 30, 2022

	General Operations	Contracted Services	SDTC	SDTI	Total
Reconciliation of Operating (Loss) to Net Cash (Used In) Operating Activities					
Operating (loss):	\$ (12,220,004)	\$ (111,879,509)	\$ (114,668,899)	\$ (190,093,618)	\$ (428,862,030)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities					
Depreciation	4,963,065	25,894,939	27,339,470	113,625,456	171,822,930
(Increase) decrease in:					
Accounts and other receivables	3,027,163	(260,824)	288,395	217,049	3,271,783
Due from other governments	(837,275)	-	37	-	(837,238)
Inventory	(1,124,853)	-	-	-	(1,124,853)
Prepaid expenses and other current assets	(27,009)	(34,745)	(230,464)	(261,293)	(553,511)
Increase (decrease) in:					
Accounts payable	938,860	(421,458)	(418,951)	433,061	531,512
Due to other governments	(3,860)	33,771	75,639	160,136	265,686
Accrued expenses	(356,733)	-	189,609	(1,007,684)	(1,174,808)
Unearned revenue	4,246,222	107,280	-	-	4,353,502
Aggregate net pension liability	198,247	-	(1,343,185)	(4,683,399)	(5,828,337)
Aggregate total OPEB liability	647,126	-	533,220	723,804	1,904,150
Compensated absences	(189,181)	-	(235,387)	188,037	(236,531)
Accrued damage, injury and employee claims	224,931	-	3,092,910	2,146,037	5,463,878
Total adjustments	11,706,703	25,318,963	29,291,293	111,541,204	177,858,163
Net cash (used in) operating activities	<u>\$ (513,301)</u>	<u>\$ (86,560,546)</u>	<u>\$ (85,377,606)</u>	<u>\$ (78,552,414)</u>	<u>\$ (251,003,867)</u>

Noncash investing, capital and financing activities:

During the year, SANDAG contributed \$1,619,421,359 in capital assets and inventory parts.

During the year, MTS contributed \$718,640 in capital assets to the City of La Mesa.

During the year, the fair value of investments decreased by \$398,264.

San Diego Metropolitan Transit System
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual
Combined Operations
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actuals per Statement of Revenues, Expenses, and Changes in Net Position Amounts	Budget Basis Adjustments	Actuals on Budget Basis	
Operating revenues:						
Passenger revenue	\$ 49,500,000	\$ 55,379,552	\$ 56,076,882	\$ -	\$ 56,076,882	\$ 697,330
Advertising	1,458,998	1,866,054	1,945,816	-	1,945,816	79,762
Miscellaneous operating revenues	19,702,275	21,389,381	19,411,979	(129,761)	19,282,218	(2,107,163)
Total operating revenues	70,661,273	78,634,987	77,434,677	(129,761)	77,304,916	(1,330,071)
Operating expenses:						
Personnel costs	158,490,135	150,726,898	143,949,609	3,222,426	147,172,035	3,554,863
Outside services	130,189,698	120,696,324	118,280,875	(1,456,237)	116,824,638	3,871,686
Transit operations funding	636,017	636,017	616,396	-	616,396	19,621
Materials and supplies	13,431,997	14,874,574	14,778,642	-	14,778,642	95,932
Energy costs	38,733,775	40,782,782	38,975,438	-	38,975,438	1,807,344
Risk management	7,119,617	7,525,997	11,538,889	(4,084,932)	7,453,957	72,040
Miscellaneous operating expenses	6,216,652	7,006,526	6,333,928	480,344	6,814,272	192,254
Depreciation	-	-	171,822,930	(171,822,930)	-	-
Total operating expenses	354,817,891	342,249,118	506,296,707	(173,661,329)	332,635,378	9,613,740
Operating income (loss)	(284,156,618)	(263,614,131)	(428,862,030)	173,531,568	(255,330,462)	8,283,669
Public support and nonoperating revenues (expenses):						
Federal revenue	144,882,187	119,128,946	141,982,464	(29,438,911)	112,543,553	(6,585,393)
Transportation Development Act (TDA) funds	68,804,580	68,804,581	124,385,030	(55,580,449)	68,804,581	-
State Transit Assistance (STA) funds	11,300,000	11,300,000	34,878,787	(23,578,787)	11,300,000	-
State revenue - other	200,000	200,000	9,558,324	(9,452,553)	105,771	(94,229)
TransNet funds	49,617,342	53,942,965	61,651,134	(1,339,036)	60,312,098	6,369,133
Other local subsidies	9,301,311	9,376,471	13,814,150	(4,048,122)	9,766,028	389,557
Investment earnings	351,412	176,020	800,004	(504,952)	295,052	119,032
Interest expense	(335,196)	(335,196)	(538,322)	226,394	(311,928)	23,268
Gain (loss) on disposal of assets	-	163,000	(761,659)	1,078,476	316,817	153,817
Total public support and nonoperating revenues (expenses):	284,121,636	262,756,787	385,769,912	(122,637,940)	263,131,972	375,185
Income (loss) before contributed capital	(34,982)	(857,344)	(43,092,118)	50,893,628	7,801,510	8,658,854
Reserve revenue	34,982	857,344	-	(233,648)	(233,648)	(1,090,992)
Contributed capital, net	-	-	1,618,702,719	(1,618,702,719)	-	-
Changes in net position	\$ -	\$ -	1,575,610,601	\$ (1,568,042,739)	\$ 7,567,862	\$ 7,567,862
Net Position:						
Beginning of year			1,918,928,475			
End of year			<u>\$ 3,494,539,076</u>			

San Diego Metropolitan Transit System
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual
General Operations
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actuals per Statement of Revenues, Expenses, and Changes in Net Position Amounts	Budget Basis Adjustments	Actuals on Budget Basis	
Operating revenues:						
Advertising	\$ 1,458,998	\$ 1,866,054	\$ 1,945,816	\$ -	\$ 1,945,816	\$ 79,762
Miscellaneous operating revenues	18,267,270	19,885,463	17,690,378	(129,761)	17,560,617	(2,324,846)
Total operating revenues	19,726,268	21,751,517	19,636,194	(129,761)	19,506,433	(2,245,084)
Operating expenses:						
Personnel costs	24,849,179	24,246,769	24,176,310	(665,398)	23,510,912	735,857
Outside services	21,196,766	18,972,416	18,606,830	(268,621)	18,338,209	634,207
Transit operations funding	636,017	636,017	167,793,979	(167,177,583)	616,396	19,621
Materials and supplies	19,137	265,500	266,171	-	266,171	(671)
Energy costs	277,239	279,000	282,435	-	282,435	(3,435)
Risk management	921,102	670,930	466,880	224,931	691,811	(20,881)
Miscellaneous operating expenses	(20,667,860)	(17,304,420)	(17,288,241)	-	(17,288,241)	(16,179)
Depreciation	-	-	4,947,038	(4,947,038)	-	-
Total operating expenses	27,231,580	27,766,212	199,251,402	(172,833,709)	26,417,693	1,348,519
Operating income (loss)	(7,505,312)	(6,014,695)	(179,615,208)	172,703,948	(6,911,260)	(896,565)
Public support and nonoperating revenues (expenses):						
Federal revenue	5,991,352	4,227,149	141,982,464	(138,258,522)	3,723,942	(503,207)
Transportation Development Act (TDA) funds	636,017	636,017	124,385,030	(114,318,223)	10,066,807	9,430,790
State Transit Assistance (STA) funds	-	-	34,878,787	(34,878,787)	-	-
State revenue - other	-	-	9,558,324	(9,558,324)	-	-
TransNet funds	526,531	175,509	67,151,134	(66,966,613)	184,521	9,012
Other local subsidies	-	-	13,814,150	(13,814,150)	-	-
Investment earnings	351,412	176,020	800,004	(504,952)	295,052	119,032
Interest expense	-	-	-	-	-	-
Gain (loss) on disposal of assets	-	-	144,257	64,543	208,800	208,800
Total public support and nonoperating revenues (expenses):	7,505,312	5,214,695	392,714,150	(378,235,028)	14,479,122	9,264,427
Income (loss) before transfers and contributed capital	-	(800,000)	213,098,942	(205,531,080)	7,567,862	8,367,862
Transfers	-	-	(88,366,794)	88,366,794	-	-
Reserve revenue	-	800,000	-	-	-	(800,000)
Contributed capital, net	-	-	(122,871,067)	122,871,067	-	-
Changes in net position	\$ -	\$ -	1,861,081	\$ 5,706,781	\$ 7,567,862	\$ 7,567,862
Net Position:						
Beginning of year			329,359,326			
End of year			<u>\$ 331,220,407</u>			

San Diego Metropolitan Transit System
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual
For Hire Vehicle Administration
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actuals per Statement of Revenues, Expenses, and Changes in Net Position Amounts	Budget Basis Adjustments	Actuals on Budget Basis	
Operating revenues:						
Miscellaneous operating revenues	\$ 721,555	\$ 498,662	\$ 627,969	\$ -	\$ 627,969	\$ 129,307
Total operating revenues	<u>721,555</u>	<u>498,662</u>	<u>627,969</u>	<u>-</u>	<u>627,969</u>	<u>129,307</u>
Operating expenses:						
Personnel costs	493,744	447,337	430,981	-	430,981	16,356
Outside services	43,600	27,630	16,581	-	16,581	11,049
Materials and supplies	-	500	(520)	-	(520)	1,020
Energy costs	15,220	9,126	8,209	-	8,209	917
Risk management	9,500	9,000	8,075	-	8,075	925
Miscellaneous operating expenses	96,725	66,735	52,973	-	52,973	13,762
Depreciation	-	-	-	-	-	-
Total operating expenses	<u>658,789</u>	<u>560,328</u>	<u>516,299</u>	<u>-</u>	<u>516,299</u>	<u>44,029</u>
Operating income (loss)	62,766	(61,666)	111,670	-	111,670	173,336
Income (loss) before transfers	62,766	(61,666)	111,670	-	111,670	173,336
Reserve revenue	(62,766)	61,666	-	(111,670)	(111,670)	(173,336)
Changes in net position	<u>\$ -</u>	<u>\$ -</u>	<u>111,670</u>	<u>\$ (111,670)</u>	<u>\$ -</u>	<u>\$ -</u>
Net Position:						
Beginning of year			313,637			
End of year			<u>\$ 425,307</u>			

San Diego Metropolitan Transit System
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual
San Diego and Arizona Eastern Railway
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actuals per Statement of Revenues, Expenses, and Changes in Net Position Amounts	Budget Basis Adjustments	Actuals on Budget Basis	
Operating revenues:						
Miscellaneous operating revenues	\$ 160,000	\$ 160,000	\$ 189,541	\$ -	\$ 189,541	\$ 29,541
Total operating revenues	<u>160,000</u>	<u>160,000</u>	<u>189,541</u>	<u>-</u>	<u>189,541</u>	<u>29,541</u>
Operating expenses:						
Personnel costs	27,703	10,357	5,354	-	5,354	5,003
Outside services	70,100	35,100	9,332	-	9,332	25,768
Risk management	132,484	82,760	32,305	-	32,305	50,455
Miscellaneous operating expenses	27,461	27,461	20,572	-	20,572	6,889
Depreciation	-	-	16,027	(16,027)	-	-
Total operating expenses	<u>257,748</u>	<u>155,678</u>	<u>83,590</u>	<u>(16,027)</u>	<u>67,563</u>	<u>88,115</u>
Operating income (loss)	(97,748)	4,322	105,951	16,027	121,978	117,656
Income (loss) before transfers and contributed capital	(97,748)	4,322	105,951	16,027	121,978	117,656
Reserve revenue	97,748	(4,322)	-	(121,978)	(121,978)	(117,656)
Changes in net position	<u>\$ -</u>	<u>\$ -</u>	<u>105,951</u>	<u>\$ (105,951)</u>	<u>\$ -</u>	<u>\$ -</u>
Net Position:						
Beginning of year			17,938,080			
End of year			<u>\$ 18,044,031</u>			

San Diego Metropolitan Transit System
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual
MTS - Contracted Services
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actuals per Statement of Revenues, Expenses, and Changes in Net Position Amounts	Budget Basis Adjustments	Actuals on Budget Basis	
Operating revenues:						
Passenger revenue	\$ 14,338,029	\$ 20,295,004	\$ 15,739,506	\$ -	\$ 15,739,506	\$ (4,555,498)
Total operating revenues	<u>14,338,029</u>	<u>20,295,004</u>	<u>15,739,506</u>	<u>-</u>	<u>15,739,506</u>	<u>(4,555,498)</u>
Operating expenses:						
Personnel costs	746,544	803,112	933,825	-	933,825	(130,713)
Outside services	97,079,244	90,071,005	87,785,639	-	87,785,639	2,285,366
Materials and supplies	57,600	472,467	435,612	-	435,612	36,855
Energy costs	8,935,249	9,757,243	10,119,769	-	10,119,769	(362,526)
Risk management	15,300	15,300	10,252	-	10,252	5,048
Miscellaneous operating expenses	3,362,357	2,812,676	2,438,979	342,524	2,781,503	31,173
Depreciation	-	-	25,894,939	(25,894,939)	-	-
Total operating expenses	<u>110,196,294</u>	<u>103,931,803</u>	<u>127,619,015</u>	<u>(25,552,415)</u>	<u>102,066,600</u>	<u>1,865,203</u>
Operating income (loss)	<u>(95,858,265)</u>	<u>(83,636,799)</u>	<u>(111,879,509)</u>	<u>25,552,415</u>	<u>(86,327,094)</u>	<u>(2,690,295)</u>
Public support and nonoperating revenues (expenses):						
Federal revenue	50,458,728	36,121,235	33,294,462	-	33,294,462	(2,826,773)
Transportation Development Act (TDA) funds	34,804,715	37,011,870	41,620,256	-	41,620,256	4,608,386
State Transit Assistance (STA) funds	-	-	700,000	-	700,000	700,000
State revenue - other	200,000	200,000	105,771	-	105,771	(94,229)
TransNet funds	9,093,511	9,002,383	8,948,430	-	8,948,430	(53,953)
Other local subsidies	1,301,311	1,301,311	1,658,175	-	1,658,175	356,864
Interest expense	-	-	(180,389)	180,389	-	-
Total public support and nonoperating revenues (expenses):	<u>95,858,265</u>	<u>83,636,799</u>	<u>86,146,705</u>	<u>180,389</u>	<u>86,327,094</u>	<u>2,690,295</u>
Income (loss) before contributed capital	<u>-</u>	<u>-</u>	<u>(25,732,804)</u>	<u>25,732,804</u>	<u>-</u>	<u>-</u>
Contributed capital, net	-	-	25,933,205	(25,933,205)	-	-
Changes in net position	<u>\$ -</u>	<u>\$ -</u>	<u>200,401</u>	<u>\$ (200,401)</u>	<u>\$ -</u>	<u>\$ -</u>
Net Position:						
Beginning of year			282,521,408			
End of year			<u>\$ 282,721,809</u>			

San Diego Metropolitan Transit System
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual
San Diego Transit Corporation (SDTC)
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actuals per Statement of Revenues, Expenses, and Changes in Net Position Amounts	Budget Basis Adjustments	Actuals on Budget Basis	
Operating revenues:						
Passenger revenue	\$ 13,939,714	\$ 19,067,526	\$ 14,818,612	\$ -	\$ 14,818,612	\$ (4,248,914)
Miscellaneous operating revenues	3,450	-	-	-	-	-
Total operating revenues	<u>13,943,164</u>	<u>19,067,526</u>	<u>14,818,612</u>	<u>-</u>	<u>14,818,612</u>	<u>(4,248,914)</u>
Operating expenses:						
Personnel costs	84,883,722	80,264,243	76,461,510	5,190	76,466,700	3,797,543
Outside services	2,092,644	1,850,937	1,642,708	(2,367)	1,640,341	210,596
Materials and supplies	6,255,058	7,045,155	6,620,197	-	6,620,197	424,958
Energy costs	7,097,982	7,597,000	7,994,945	-	7,994,945	(397,945)
Risk management	2,832,205	3,359,251	5,460,651	(2,052,750)	3,407,901	(48,650)
Miscellaneous operating expenses	4,921,907	4,046,808	3,968,030	95,372	4,063,402	(16,594)
Depreciation	-	-	27,339,470	(27,339,470)	-	-
Total operating expenses	<u>108,083,518</u>	<u>104,163,394</u>	<u>129,487,511</u>	<u>(29,294,025)</u>	<u>100,193,486</u>	<u>3,969,908</u>
Operating income (loss)	<u>(94,140,354)</u>	<u>(85,095,868)</u>	<u>(114,668,899)</u>	<u>29,294,025</u>	<u>(85,374,874)</u>	<u>(279,006)</u>
Public support and nonoperating revenues (expenses):						
Federal revenue	42,815,530	37,684,895	35,700,355	-	35,700,355	(1,984,540)
Transportation Development Act (TDA) funds	2,215,979	2,663,921	2,019,623	(2,367)	2,017,256	(646,665)
State Transit Assistance (STA) funds	6,300,000	11,300,000	9,800,000	-	9,800,000	(1,500,000)
TransNet funds	35,144,041	25,574,088	29,989,447	-	29,989,447	4,415,359
Other local subsidies	8,000,000	8,075,160	8,107,853	-	8,107,853	32,693
Interest expense	(335,196)	(335,196)	(330,750)	18,822	(311,928)	23,268
Gain (loss) on disposal of assets	-	133,000	22,687	49,204	71,891	(61,109)
Total public support and nonoperating revenues (expenses):	<u>94,140,354</u>	<u>85,095,868</u>	<u>85,309,215</u>	<u>65,659</u>	<u>85,374,874</u>	<u>279,006</u>
Income (loss) before contributed capital	<u>-</u>	<u>-</u>	<u>(29,359,684)</u>	<u>29,359,684</u>	<u>-</u>	<u>-</u>
Contributed capital, net	<u>-</u>	<u>-</u>	<u>10,784,756</u>	<u>(10,784,756)</u>	<u>-</u>	<u>-</u>
Changes in net position	<u>\$ -</u>	<u>\$ -</u>	<u>(18,574,928)</u>	<u>\$ 18,574,928</u>	<u>\$ -</u>	<u>\$ -</u>
Net Position:						
Beginning of year			<u>128,943,984</u>			
End of year			<u>\$ 110,369,056</u>			

San Diego Metropolitan Transit System
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual
San Diego Trolley, Inc. (SDTI)
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actuals per Statement of Revenues, Expenses, and Changes in Net Position Amounts	Budget Basis Adjustments	Actuals on Budget Basis	
Operating revenues:						
Passenger revenue	\$ 21,222,257	\$ 16,017,022	\$ 25,518,764	\$ -	\$ 25,518,764	\$ 9,501,742
Miscellaneous operating revenues	550,000	845,256	904,091	-	904,091	58,835
Total operating revenues	21,772,257	16,862,278	26,422,855	-	26,422,855	9,560,577
Operating expenses:						
Personnel costs	47,489,243	44,955,080	41,941,629	3,882,634	45,824,263	(869,183)
Outside services	9,707,344	9,739,236	10,219,785	(1,185,249)	9,034,536	704,700
Materials and supplies	7,100,202	7,090,952	7,457,182	-	7,457,182	(366,230)
Energy costs	22,408,085	23,140,413	20,570,080	-	20,570,080	2,570,333
Risk management	3,209,026	3,388,756	5,560,726	(2,257,113)	3,303,613	85,143
Miscellaneous operating expenses	18,476,062	17,357,266	17,141,615	42,448	17,184,063	173,203
Depreciation	-	-	113,625,456	(113,625,456)	-	-
Total operating expenses	108,389,962	105,671,703	216,516,473	(113,142,736)	103,373,737	2,297,966
Operating income (loss)	(86,617,705)	(88,809,425)	(190,093,618)	113,142,736	(76,950,882)	11,858,543
Public support and nonoperating revenues (expenses):						
Federal revenue	45,616,577	41,095,667	39,824,794	-	39,824,794	(1,270,873)
Transportation Development Act (TDA) funds	31,147,869	28,492,773	16,285,511	(1,185,249)	15,100,262	(13,392,511)
State Transit Assistance (STA) funds	5,000,000	-	800,000	-	800,000	800,000
TransNet funds	4,853,259	19,190,985	21,189,700	-	21,189,700	1,998,715
Interest expense	-	-	(27,183)	27,183	-	-
Gain (loss) on disposal of assets	-	30,000	(928,603)	964,729	36,126	6,126
Total public support and nonoperating revenues (expenses):	86,617,705	88,809,425	77,144,219	(193,337)	76,950,882	(11,858,543)
Income (loss) before contributed capital	-	-	(112,949,399)	112,949,399	-	-
Contributed capital, net	-	-	1,704,855,825	(1,704,855,825)	-	-
Changes in net position	\$ -	\$ -	1,591,906,426	\$ (1,591,906,426)	\$ -	\$ -
Net Position:						
Beginning of year			1,159,852,040			
End of year			<u>\$ 2,751,758,466</u>			

STATISTICAL SECTION (Unaudited)

Included in this section of the Metropolitan Transit System annual comprehensive financial report is detailed information to assist in analysis and understanding of the information presented in the financial statements, notes and required supplementary information.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how MTS's financial position has changed over time.

Revenue Capacity

These schedules contain detailed information about the fare structures and revenue generated from transit operations provided by MTS.

Debt Capacity

This schedule presents information to help the reader assess the affordability of MTS's current levels of outstanding debt and MTS's ability to issue debt in the future.

Demographic and Economic Information

These schedules provide service and infrastructure data to help the reader understand how the information in MTS's financial report relates to the services MTS provides.

Operating Information

These schedules provide service and infrastructure data to help the reader understand how the information in MTS's financial report relates to the services MTS provides.

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FINANCIAL TRENDS

San Diego Metropolitan Transit System
Net Position by Component (in 000's)
Last Ten Fiscal Years

	2022	2021	2020	2019	2018
Business-type activities:					
Net investment in capital assets and lease assets	\$ 3,484,796	\$ 1,964,358	\$ 1,874,320	\$ 1,822,922	\$ 1,785,808
Restricted	-	-	218	212	4,545
Unrestricted	9,743	(45,430)	(12,024)	(53,159)	(55,407)
Total business-type activities net position	\$ 3,494,539	\$ 1,918,928	\$ 1,862,514	\$ 1,769,975	\$ 1,734,946
Primary government:					
Net investment in capital assets and lease assets	\$ 3,484,796	\$ 1,964,358	\$ 1,874,320	\$ 1,822,922	\$ 1,785,808
Restricted	-	-	218	212	4,545
Unrestricted	9,743	(45,430)	(12,024)	(53,159)	(55,407)
Total primary government net position	\$ 3,494,539	\$ 1,918,928	\$ 1,862,514	\$ 1,769,975	\$ 1,734,946

Note: "Net investment in capital assets" was changed to "Net investment in capital and lease assets" in 2022 with the implementation of GASB 87.

Source: Audited Financial Statements.

San Diego Metropolitan Transit System
Net Position by Component (in 000's)(Continued)
Last Ten Fiscal Years

	2017	2016	2015	2014	2013
Business-type activities:					
Net investment in capital assets and lease assets	\$ 1,739,360	\$ 1,760,427	\$ 1,699,222	\$ 1,395,206	\$ 1,296,217
Restricted	4,440	8,750	5,309	6,742	7,255
Unrestricted	(19,615)	(31,668)	(31,900)	181,114	189,837
Total business-type activities net position	\$ 1,724,185	\$ 1,737,509	\$ 1,672,631	\$ 1,583,062	\$ 1,493,309
Primary government:					
Net investment in capital assets and lease assets	\$ 1,739,360	\$ 1,760,427	\$ 1,699,222	\$ 1,395,206	\$ 1,296,217
Restricted	4,440	8,750	5,309	6,742	7,255
Unrestricted	(19,615)	(31,668)	(31,900)	181,114	189,837
Total primary government net position	\$ 1,724,185	\$ 1,737,509	\$ 1,672,631	\$ 1,583,062	\$ 1,493,309

Source: Audited Financial Statements.

San Diego Metropolitan Transit System
Changes in Net Position (in 000's)
Last Ten Fiscal Years

	2022	2021	2020	2019	2018
Operating revenues:					
Passenger revenue	\$ 56,077	\$ 47,913	\$ 79,532	\$ 92,225	\$ 90,236
Advertising	1,946	1,013	2,027	1,604	1,131
Charter	-	-	-	-	-
Miscellaneous	19,412	17,411	18,627	18,831	17,404
Total operating revenues	77,435	66,337	100,186	112,660	108,771
Operating expenses:					
Personnel costs	143,950	151,561	149,331	146,006	146,282
Outside services	118,281	111,280	110,590	107,846	101,574
Transit operations funding	616	397	523	498	488
Materials and supplies	14,779	16,334	14,275	12,927	14,918
Energy costs	38,975	31,262	28,587	28,784	26,414
Risk management	11,539	5,584	7,858	2,183	6,675
Miscellaneous	6,334	4,750	4,394	5,446	5,854
Depreciation	171,823	124,496	127,365	123,007	120,928
Total operating expenses	506,297	445,664	442,923	426,697	423,133
Operating (loss)	(428,862)	(379,327)	(342,737)	(314,037)	(314,362)
Public support and nonoperating revenues (expenses):					
Grants and contributions	386,270	396,581	312,705	243,544	253,298
Investment earnings	800	1,086	1,899	1,952	941
Interest expense	(538)	(686)	(797)	(671)	(809)
Gain (loss) on disposal of assets	(762)	(249)	2,243	(2,351)	(809)
Other expenses	-	-	-	-	-
Total public support and nonoperating revenues (expenses)	385,770	396,733	316,050	242,474	252,621
Income (loss) before contributed capital	(43,092)	17,404	(26,686)	(71,563)	(61,741)
Contributed capital, net	1,618,703	39,010	119,225	106,592	99,551
Changes in net position	\$ 1,575,611	\$ 56,414	\$ 92,539	\$ 35,029	\$ 37,810

Source: Audited Financial Statements.

San Diego Metropolitan Transit System
Changes in Net Position (in 000's)(Continued)
Last Ten Fiscal Years

	2017	2016	2015	2014	2013
Operating revenues:					
Passenger revenue	\$ 93,279	\$ 97,914	\$ 97,615	\$ 93,995	\$ 90,652
Advertising	1,379	968	816	870	972
Charter	-	-	6	30	1
Miscellaneous	18,863	15,781	9,349	9,531	4,934
Total operating revenues	113,521	114,663	107,786	104,426	96,559
Operating expenses:					
Personnel costs	137,021	121,921	114,575	117,092	123,720
Outside services	97,800	94,802	84,302	73,859	67,414
Transit operations funding	463	491	2,692	4,243	3,571
Materials and supplies	13,065	9,715	10,307	9,276	8,469
Energy costs	25,552	24,531	28,003	26,044	22,572
Risk management	4,276	4,864	5,849	3,610	2,902
Miscellaneous	5,934	4,978	4,975	6,244	6,493
Depreciation	123,880	119,520	108,199	103,198	92,788
Total operating expenses	407,991	380,822	358,902	343,566	327,929
Operating (loss)	(294,470)	(266,159)	(251,116)	(239,140)	(231,370)
Public support and nonoperating revenues (expenses):					
Grants and contributions	232,775	235,763	235,755	211,517	183,945
Investment earnings	636	292	3,065	6,087	6,267
Interest expense	(963)	(1,071)	(6,883)	(6,982)	(7,520)
Gain (loss) on disposal of assets	396	2,433	67	(273)	804
Other expenses	-	-	-	(13)	(13)
Total public support and nonoperating revenues (expenses)	232,844	237,417	232,004	210,336	183,483
Income (loss) before contributed capital	(61,626)	(28,742)	(19,112)	(28,804)	(47,887)
Contributed capital, net	48,301	93,619	245,717	118,768	132,182
Changes in net position	\$ (13,325)	\$ 64,877	\$ 226,605	\$ 89,964	\$ 84,295

Source: Audited Financial Statements.

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REVENUE CAPACITY

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San Diego Metropolitan Transit System
Operating Revenues by Source (in 000's)
Last Ten Fiscal Years

Fiscal Year Ended	Passenger Fares	Federal Operating Funds	State Operating Funds	Local Operating Funds	Other
San Diego Transit Corporation					
2013	\$ 28,621	\$ 20,266	\$ 31,954	\$ 18,886	\$ 6
2014	27,781	19,336	16,489	20,897	34
2015	27,156	18,096	18,085	28,982	5
2016	26,169	18,000	15,993	35,558	2
2017	24,864	20,000	17,138	31,038	10
2018	23,034	20,225	16,467	38,889	187
2019	22,041	20,500	10,050	40,904	6
2020	19,749	27,350	12,955	40,401	3
2021	14,430	46,955	7,374	43,580	-
2022	14,819	35,700	11,820	38,097	-
San Diego Trolley, Inc.					
2013	\$ 35,554	\$ 22,426	\$ 3,379	\$ 5,000	\$ 574
2014	40,188	22,913	1,501	5,000	1,256
2015	41,140	21,151	5,047	5,000	628
2016	41,113	21,148	6,040	5,000	698
2017	38,968	23,149	13,609	5,000	704
2018	39,354	24,247	22,930	-	777
2019	42,006	24,751	17,012	-	789
2020	36,464	30,213	23,808	187	740
2021	19,338	45,824	31,897	-	586
2022	25,519	39,825	17,086	21,190	904
MTS - Contracted Services					
2013	\$ 26,476	\$ 5,595	\$ 28,132	\$ 2,368	\$ -
2014	26,025	10,362	26,906	2,665	-
2015	29,318	14,127	30,543	2,123	79
2016	30,631	13,827	33,796	2,258	(2)
2017	29,447	13,838	36,162	2,296	2
2018	27,848	14,599	38,320	2,699	2
2019	28,178	15,613	41,445	5,705	1
2020	23,319	22,221	36,414	9,448	-
2021	14,146	39,296	26,591	9,875	-
2022	15,740	33,294	42,426	10,607	-

Source: Audited Financial Statements.

San Diego Metropolitan Transit System
Fare Structure
Last Ten Fiscal Years

	2022	2021	2020	2019	2018
*Stored Value One Way Fares					
One-way fare, Regional	\$ 2.50	\$ -	\$ -	\$ -	\$ -
Senior/disabled, Regional	1.25	-	-	-	-
One-way fare, Premium Regional	5.00	-	-	-	-
Senior/disabled, Premium Regional	2.50	-	-	-	-
Rural	8.00	-	-	-	-
Senior/disabled Rural	4.00	-	-	-	-
Bus Cash Fares					
One-way fare, regional	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.25	\$ 2.25
Senior/disabled, regional	1.25	1.25	1.25	1.10	1.10
Youth regional	1.25	1.25	1.25	2.25	2.25
Rapid/Express	2.50	2.50	2.50	2.50	2.50
Senior/disabled Rapid/Express	1.25	1.25	1.25	1.25	1.25
Youth Rapid/Express	1.25	1.25	1.25	2.50	2.50
Rapid Express/Premium	5.00	5.00	5.00	5.00	5.00
Senior/disabled Rapid Express/Premium	2.50	2.50	2.50	2.50	2.50
Youth Rapid Express/Premium	2.50	2.50	2.50	5.00	5.00
Rural bus	8.00	8.00	8.00	5.00-10.00	5.00-10.00
Senior/disabled Rural bus	4.00	4.00	4.00	2.50-5.00	2.50-5.00
Youth Rural bus	4.00	4.00	4.00	5.00-10.00	5.00-10.00
Trolley Cash Fares					
One-way fare, all stations	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50
Senior/disabled one-way fare	1.25	1.25	1.25	1.25	1.25
Youth one-way fare	1.25	1.25	1.25	2.50	2.50
Bus and Trolley Day Passes					
Regional day pass	\$ 6.00	\$ 6.00	\$ 6.00	\$ 5.00	\$ 5.00
Senior/disabled and youth	3.00	3.00	3.00	5.00	5.00
Premium regional day	12.00	12.00	12.00	12.00	12.00
Senior/disabled and youth premium regional day	6.00	6.00	6.00	12.00	12.00
Bus and Trolley Monthly Passes					
Regional monthly pass	\$ 72.00	\$ 72.00	\$ 72.00	\$ 72.00	\$ 72.00
Senior/disabled Regional	23.00	23.00	23.00	18.00	18.00
Youth Regional	-	23.00	23.00	36.00	36.00
14-Day Regional	-	-	-	43.00	43.00
Premium Regional monthly pass	100.00	100.00	100.00	100.00	100.00
Senior/disabled Premium Regional	32.00	32.00	32.00	25.00	25.00
Youth Premium Regional	-	32.00	32.00	50.00	50.00
14-Day Rapid Express/Premium	-	-	-	60.00	60.00

*Riders using PRONTO Stored Value can transfer free to a Regional service within two (2) hours of paying a one-way fare.

*The PRONTO system will charge a customer the cost of a one-way fare per boarding up to a daily and monthly maximum equal to the cost of a Day or Monthly Pass. Once the cap is reached, additional boardings made during the day or month after reaching the cap are free. Beginning May 2022, Youth riders with a valid PRONTO card are free. Cash paying passengers will still need to pay the youth fare.

SOURCE: SANDAG Comprehensive Fare Ordinance, amendments effective April 2021.

San Diego Metropolitan Transit System
Fare Structure (Continued)
Last Ten Fiscal Years

	2017	2016	2015	2014	2013
*Stored Value One Way Fares					
One-way fare, Regional	\$ -	\$ -	\$ -	\$ -	\$ -
Senior/disabled, Regional	-	-	-	-	-
One-way fare, Premium Regional	-	-	-	-	-
Senior/disabled, Premium Regional	-	-	-	-	-
Rural	-	-	-	-	-
Senior/disabled Rural	-	-	-	-	-
Bus Cash Fares					
One-way fare, regional	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25	\$ 2.25
Senior/disabled, regional	1.10	1.10	1.10	1.10	1.10
Youth regional	2.25	2.25	2.25	2.25	2.25
Rapid/Express	2.50	2.50	2.50	2.50	2.50
Senior/disabled Rapid/Express	1.25	1.25	1.25	1.25	1.25
Youth Rapid/Express	2.50	2.50	2.50	2.50	2.50
Rapid Express/Premium	5.00	5.00	5.00	5.00	5.00
Senior/disabled Rapid Express/Premium	2.50	2.50	2.50	2.50	2.50
Youth Rapid Express/Premium	5.00	5.00	5.00	5.00	5.00
Rural bus	5.00-10.00	5.00-10.00	5.00-10.00	5.00-10.00	5.00-10.00
Senior/disabled Rural bus	2.50-5.00	2.50-5.00	2.50-5.00	2.50-5.00	2.50-5.00
Youth Rural bus	5.00-10.00	5.00-10.00	5.00-10.00	5.00-10.00	5.00-10.00
Trolley Cash Fares					
One-way fare, all stations	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50
Senior/disabled one-way fare all stations	1.25	1.25	1.25	1.25	1.25
Youth one-way fare	2.50	2.50	2.50	2.50	2.50
Bus and Trolley Day Passes					
Regional day pass	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
Senior/disabled and youth	5.00	5.00	5.00	5.00	5.00
Premium regional day	12.00	12.00	12.00	12.00	12.00
Senior/disabled and youth premium regional day	12.00	12.00	12.00	12.00	12.00
Bus and Trolley Monthly Passes					
Regional monthly pass	\$ 72.00	\$ 72.00	\$ 72.00	\$ 72.00	\$ 72.00
Senior/disabled Regional	18.00	18.00	18.00	18.00	18.00
Youth Regional	36.00	36.00	36.00	36.00	36.00
14-Day Regional	43.00	43.00	43.00	43.00	43.00
Premium Regional monthly pass	100.00	100.00	100.00	100.00	100.00
Senior/disabled Premium Regional	25.00	25.00	25.00	25.00	25.00
Youth Premium Regional	50.00	50.00	50.00	50.00	50.00
14-Day Rapid Express/Premium	60.00	60.00	60.00	60.00	60.00

**San Diego Metropolitan Transit System
Farebox Recovery Percentage
Last Ten Fiscal Years**

<u>Fiscal Year Ended</u>	<u>San Diego Transit</u>	<u>San Diego Trolley</u>	<u>MTS-Contracted Services</u>
2013	29.01	53.98	42.31
2014	30.34	56.52	39.46
2015	29.50	56.64	38.48
2016	27.39	54.76	38.05
2017	26.21	47.81	36.02
2018	23.12	44.89	33.36
2019	23.41	49.71	30.98
2020	19.94	39.16	25.51
2021	12.82	20.32	15.73
2022	14.33	23.86	15.41

Source: Audited financial statements; calculated as passenger revenue divided by operating expenses (less depreciation, GASB 68 related pension expense and GASB 75 related OPEB expenses), and interest expense.

DEBT CAPACITY

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San Diego Metropolitan Transit System
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Year ended June 30	Capital Lease - Tower	1995 LRV Lease/ Leaseback	Pension Obligation Bonds	Total	Percentage of Personal Income	Debt per Capita
2013	\$ 4,189,818	\$ 115,264,486	\$ 25,880,000	\$ 145,334,304	0.09%	\$ 46
2014	3,614,149	113,457,002	23,965,000	141,036,151	0.08%	44
2015	3,006,729	18,108,323	21,960,000	43,075,052	0.02%	13
2016	2,393,787	-	19,860,000	22,253,787	0.01%	7
2017	1,747,713	-	17,655,000	19,402,713	0.01%	6
2018	1,071,269	-	15,340,000	16,411,269	0.01%	5
2019	363,072	-	12,910,000	13,273,072	0.01%	4
2020	-	-	10,355,000	10,355,000	0.01%	3
2021	-	-	7,665,000	7,665,000	0.00%	2
2022	-	-	4,830,000	4,830,000	0.00%	1

Details regarding MTS's outstanding debt can be found in the notes to the financial statements.

- MTS retired the 1995 LRV Lease/Leaseback obligation in FY2016
- MTS retired the Capital Lease - Tower in FY2020

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DEMOGRAPHIC AND ECONOMIC INFORMATION

**San Diego Metropolitan Transit System
Regional Population and Personal Income Statistics
Last Ten Fiscal Years**

	County of San Diego Population (1)	County of San Diego Personal Income (thousands) (1)	Per Capita Personal Income (1)	San Diego County Average Unemployment Rate (2)
2013	3,207,852	\$ 157,800,000	\$ 52,674	7.40%
2014	3,247,475	167,600,000	54,554	6.10%
2015	3,275,897	180,100,000	56,796	5.00%
2016	3,297,202	186,100,000	60,271	5.10%
2017	3,320,387	193,300,000	60,460	4.30%
2018	3,344,430	204,500,000	61,134	3.70%
2019	3,366,285	216,700,000	62,665	3.30%
2020	3,386,230	225,500,000	63,105	13.90%
2021	3,366,072	221,300,000	63,169	7.00%
2022	3,338,338	236,000,000	67,434	3.20%

Source:

- (1) California Department of Transportation - Actuals 2013-2020, Forecast 2021-2022
 (2) California Employment Development Department, June 2022

**San Diego Metropolitan Transit System
Full-Time and Part-Time Employees by Function
Last Ten Fiscal Years**

	<u>MTS</u>	<u>San Diego Transit</u>	<u>San Diego Trolley</u>	<u>Total</u>
2013	136	786	599	1,521
2014	149	785	600	1,534
2015	154	852	595	1,601
2016	163	823	571	1,557
2017	165	825	578	1,568
2018	166	802	593	1,561
2019	166	841	612	1,619
2020	169	833	624	1,626
2021	168	793	643	1,604
2022	160	753	657	1,570

Source: MTS Human Resources records

San Diego Metropolitan Transit System Ten Largest Employers in San Diego County

Company Name	Number of Employees (1)	Percent of 1,515,800 County Total (2)
Naval Base San Diego	43,003	2.84%
University of California, San Diego	35,807	2.36%
Sharp HealthCare	19,321	1.27%
County of San Diego	17,285	1.14%
Scripps Health	14,001	0.92%
San Diego Unified School District	13,559	0.89%
City of San Diego	11,295	0.75%
Qualcomm Inc.	11,200	0.74%
Kaiser Permanente	9,166	0.60%
Northrop Grumman Corporation	5,652	0.37%

Source:

1. Data for fiscal year 2022 not available as of publication date. Data shown for the most recent available information: City of San Diego Annual Comprehensive Financial Report - June 30, 2021
2. Employment Development Department, State of California, June 2022

Note: County of San Diego employment information is presented. Employer information is not currently available for the area served by the Metropolitan Transit System within San Diego County. MTS presents only current employment data for the County of San Diego.

OPERATING INFORMATION

San Diego Metropolitan Transit System
Operating Indicators by Function
Last Ten Fiscal Years

	2022	2021	2020	2019	2018
Operating Cost (in 000's)					
San Diego Transit	\$ 103,386	\$ 112,591	\$ 99,027	\$ 94,160	\$ 99,619
San Diego Trolley	106,936	95,148	93,117	84,507	87,666
MTS-Contract Services	102,143	89,907	91,403	90,942	83,468
Farebox Revenue (in 000's)					
San Diego Transit	\$ 14,819	\$ 14,430	\$ 19,749	\$ 22,041	\$ 23,034
San Diego Trolley	25,519	19,338	36,464	42,006	39,354
MTS-Contract Services	15,740	14,146	23,319	28,178	27,848
Total Passengers (in 000's)					
San Diego Transit	\$ 13,098	\$ 8,604	\$ 18,383	\$ 22,397	\$ 22,867
San Diego Trolley	29,739	19,516	32,003	37,294	36,995
MTS-Contract Services	14,780	11,095	20,838	25,667	25,567
Revenue Miles (in 000's)					
San Diego Transit	\$ 9,426	\$ 9,632	\$ 9,236	\$ 9,739	\$ 9,684
San Diego Trolley	11,627	10,077	9,210	8,821	8,656
MTS-Contract Services	13,675	12,966	14,485	15,666	14,983
Subsidy / Total Passenger					
San Diego Transit	\$ 6.76	\$ 11.41	\$ 4.32	\$ 3.22	\$ 3.35
San Diego Trolley	2.74	3.88	1.76	1.14	1.31
MTS-Contract Services	5.85	6.83	3.27	2.45	2.18

Source: NTD Report, and audited financial statements.

San Diego Metropolitan Transit System
Operating Indicators by Function (Continued)
Last Ten Fiscal Years

	2017	2016	2015	2014	2013
Operating Cost (in 000's)					
San Diego Transit	\$ 94,878	\$ 95,526	\$ 92,059	\$ 91,568	\$ 98,666
San Diego Trolley	81,501	75,086	72,637	71,098	65,859
MTS-Contract Services	81,744	80,511	76,190	65,959	62,573
Farebox Revenue (in 000's)					
San Diego Transit	\$ 24,864	\$ 26,169	\$ 27,156	\$ 27,781	\$ 28,621
San Diego Trolley	38,968	41,113	41,140	40,188	35,554
MTS-Contract Services	29,447	30,631	29,318	26,025	26,476
Total Passengers (in 000's)					
San Diego Transit	\$ 24,315	\$ 25,628	\$ 27,264	\$ 28,541	\$ 28,927
San Diego Trolley	37,639	39,614	40,082	39,695	29,699
MTS-Contract Services	26,241	27,194	27,574	23,761	23,479
Revenue Miles (in 000's)					
San Diego Transit	\$ 9,626	\$ 9,702	\$ 9,561	\$ 8,695	\$ 8,557
San Diego Trolley	8,728	8,424	8,596	8,516	7,758
MTS-Contract Services	15,144	14,969	13,328	12,139	11,607
Subsidy / Total Passenger					
San Diego Transit	\$ 2.88	\$ 2.71	\$ 2.38	\$ 2.24	\$ 2.42
San Diego Trolley	1.13	0.86	0.78	0.78	1.02
MTS-Contract Services	2.00	1.83	1.70	1.68	1.54

Source: NTD Report, and audited financial statements.

San Diego Metropolitan Transit System
Service Performance Data
Last Ten Fiscal Years

	2022	2021	2020	2019	2018
Service Provided					
San Diego Transit					
Vehicle Revenue Miles (in 000's)	9,426	9,632	9,236	9,739	9,684
Vehicle Revenue Hours (in 000's)	806	814	782	823	821
Passengers (in 000's)	13,098	8,604	18,383	22,397	22,867
Passenger Miles (in 000's)	57,895	45,774	80,855	98,896	104,545
Number of Vehicles	270	278	277	271	271
San Diego Trolley					
Vehicle Revenue Miles (in 000's)	11,627	10,077	9,210	8,821	8,656
Vehicle Revenue Hours (in 000's)	639	555	508	487	478
Passenger Car Hours (in 000's)	658	571	527	500	486
Passengers (in 000's)	29,739	19,516	32,003	37,294	36,995
Passenger Miles (in 000's)	210,465	123,389	194,285	219,453	214,376
Number of Vehicles	157	163	168	142	131
MTS-Contracted Services					
Vehicle Revenue Miles (in 000's)	13,675	12,966	14,485	15,666	14,983
Vehicle Revenue Hours (in 000's)	1,207	1,168	1,237	1,305	1,256
Passengers (in 000's)	14,780	11,095	20,838	25,667	25,567
Passenger Miles (in 000's)	58,910	44,276	82,173	97,045	94,665
Number of Vehicles	456	468	508	529	536
Total					
Passengers (in 000's)	57,617	39,215	71,224	85,358	85,429
Passenger Miles (in 000's)	327,270	213,439	357,313	415,394	413,586

Source: NTD Report and MTS internal capital asset system

San Diego Metropolitan Transit System
Service Performance Data (Continued)
Last Ten Fiscal Years

	2017	2016	2015	2014	2013
Service Provided					
San Diego Transit					
Vehicle Revenue Miles (in 000's)	9,626	9,702	9,561	8,695	8,557
Vehicle Revenue Hours (in 000's)	822	825	806	795	787
Passengers (in 000's)	24,315	25,628	27,264	28,541	28,927
Passenger Miles (in 000's)	109,727	111,639	117,585	110,009	108,222
Number of Vehicles	278	279	272	310	260
San Diego Trolley					
Vehicle Revenue Miles (in 000's)	8,728	8,424	8,596	8,516	7,758
Vehicle Revenue Hours (in 000's)	490	493	496	504	472
Passenger Car Hours (in 000's)	504	507	509	512	476
Passengers (in 000's)	37,639	39,614	40,082	39,695	29,699
Passenger Miles (in 000's)	210,971	223,185	224,422	228,531	173,151
Number of Vehicles	179	179	179	179	178
MTS-Contracted Services					
Vehicle Revenue Miles (in 000's)	15,144	14,969	13,328	12,139	11,607
Vehicle Revenue Hours (in 000's)	1,269	1,252	1,112	998	961
Passengers (in 000's)	26,241	27,194	27,573	23,761	23,479
Passenger Miles (in 000's)	95,940	97,479	94,504	85,269	84,021
Number of Vehicles	526	520	520	449	427
Total					
Passengers (in 000's)	88,195	92,436	94,919	91,997	82,105
Passenger Miles (in 000's)	416,638	432,303	436,511	423,809	365,394

Source: NTD Report and MTS internal capital asset system

San Diego Metropolitan Transit System
Capital Asset and Lease Asset Statistics by Function
Last Ten Fiscal Years

	2022	2021	2020	2019	2018
General Operations					
Buildings and structures	1	1	1	1	1
Nonrevenue vehicles	-	-	-	-	-
San Diego Transit					
Land (parcels)	2	2	2	2	2
Buildings and structures	11	11	11	11	11
Buses	270	278	277	271	271
Nonrevenue vehicles	11	12	14	15	15
San Diego Trolley					
Trolley stations	63	54	55	54	54
Track miles	65	54	54	54	54
Buildings and structures	2	-	-	-	-
Light rail vehicles (total inventory)	157	163	168	142	131
Nonrevenue vehicles	9	10	11	11	11
MTS - Contracted Services					
Land (parcel)	2	2	2	2	2
Buildings and structures	11	11	11	11	5
Buses	456	468	508	529	536
Nonrevenue vehicles	2	2	2	7	7
For Hire Vehicle Administration					
Buildings and structures	1	1	1	1	1
Nonrevenue vehicles	-	-	1	1	1

Source: MTS ERP System

San Diego Metropolitan Transit System
Capital Asset and Lease Asset Statistics by Function (Continued)
Last Ten Fiscal Years

	2017	2016	2015	2014	2013
General Operations					
Buildings and structures	1	1	1	1	1
Nonrevenue vehicles	-	1	3	3	3
San Diego Transit					
Land (parcels)	2	2	2	2	2
Buildings and structures	9	8	7	7	4
Buses	278	279	272	310	260
Nonrevenue vehicles	12	12	12	12	14
San Diego Trolley					
Trolley stations	54	54	54	54	54
Track miles	54	54	54	54	54
Buildings and structures	-	-	-	-	-
Light rail vehicles (total inventory)	179	179	179	179	178
Nonrevenue vehicles	12	12	16	16	15
MTS - Contracted Services					
Land (parcel)	2	2	2	2	2
Buildings and structures	4	4	4	4	4
Buses	526	520	520	449	427
Nonrevenue vehicles	9	9	10	8	8
For Hire Vehicle Administration					
Buildings and structures	1	1	1	1	1
Nonrevenue vehicles	1	1	2	2	2

Source: MTS ERP System

San Diego Metropolitan Transit System
Ridership
Last Ten Fiscal Years

	2022	2021	2020	2019	2018
Ridership (in 000's)					
San Diego Transit	13,098	8,604	18,383	22,397	22,867
% Change	52.23%	-53.20%	-17.92%	-2.06%	-5.96%
San Diego Trolley	29,739	19,516	32,003	37,294	36,995
% Change	52.38%	-39.02%	-14.19%	0.81%	-1.71%
MTS - Contracted Services	14,780	11,095	20,838	25,667	25,567
% Change	33.21%	-46.76%	-18.81%	0.39%	-2.57%

Source: NTD Report

San Diego Metropolitan Transit System
Ridership (Continued)
Last Ten Fiscal Years

	2017	2016	2015	2014	2013
Ridership (in 000's)					
San Diego Transit	24,315	25,628	27,264	28,541	28,927
% Change	-5.12%	-6.00%	-4.47%	-1.33%	0.43%
San Diego Trolley	37,639	39,614	40,082	39,695	29,699
% Change	-4.99%	-1.17%	0.97%	33.66%	-9.05%
MTS - Contracted Services	26,241	27,194	27,574	23,761	23,479
% Change	-3.51%	-1.38%	16.05%	1.20%	-1.27%

Source: NTD Report

San Diego Metropolitan Transit System
Operating Subsidy
Last Ten Fiscal Years

	2022	2021	2020	2019	2018
Average Fare per Rider					
San Diego Transit	\$ 1.13	\$ 1.68	\$ 1.07	\$ 0.98	\$ 1.01
San Diego Trolley	0.86	0.99	1.14	1.13	1.06
MTS - Contract Services	1.06	1.28	1.12	1.10	1.09
Operating Expense per Rider					
San Diego Transit	\$ 7.89	\$ 13.09	\$ 5.39	\$ 4.19	\$ 4.36
San Diego Trolley	3.60	4.88	2.91	2.18	2.37
MTS - Contract Services	6.91	8.10	4.39	3.54	3.27
Subsidy per Rider					
San Diego Transit	\$ 6.76	\$ 11.41	\$ 4.32	\$ 3.21	\$ 3.35
San Diego Trolley	2.74	3.88	1.76	1.05	1.31
MTS - Contract Services	5.85	6.83	3.27	2.44	2.18

Source: NTD report and audited financial statements

San Diego Metropolitan Transit System
Operating Subsidy (Continued)
Last Ten Fiscal Years

	2017	2016	2015	2014	2013
Average Fare per Rider					
San Diego Transit	\$ 1.02	\$ 1.02	\$ 1.00	\$ 0.97	\$ 0.99
San Diego Trolley	1.04	1.04	1.03	1.01	1.20
MTS - Contract Services	1.12	1.13	1.06	1.10	1.13
Operating Expense per Rider					
San Diego Transit	\$ 3.90	\$ 3.73	\$ 3.38	\$ 3.21	\$ 3.41
San Diego Trolley	2.17	1.90	1.81	1.79	2.22
MTS - Contract Services	3.12	2.96	2.76	2.78	2.67
Subsidy per Rider					
San Diego Transit	\$ 2.88	\$ 2.71	\$ 2.38	\$ 2.24	\$ 2.42
San Diego Trolley	1.13	0.86	0.78	0.78	1.02
MTS - Contract Services	2.00	1.83	1.70	1.68	1.54

Source: NTD report and audited financial statements

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Independent Auditors' Report

To the Board of Directors
of the San Diego Metropolitan Transit System
San Diego, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate remaining fund information of the San Diego Metropolitan Transit System ("MTS"), as of and for the years ended June 30, 2022 and June 30, 2021, and the related notes to the basic financial statements, which collectively comprise MTS's basic financial statements, and have issued our report thereon dated November 3, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered MTS's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of MTS's internal control. Accordingly, we do not express an opinion on the effectiveness of MTS's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether MTS's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Board of Directors
of the San Diego Metropolitan Transit System
San Diego, California
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Purpose of this report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The PwC Group, LLP

San Diego, California
November 3, 2022

San Diego Metropolitan Transit System

Presentation to the Board of Directors
For the Fiscal Year Ended June 30, 2022

November 10, 2022



CONTENTS

- Management and Auditors' Responsibilities
- Approach to the Audit
- Overview of the Financial Statements
- Key Pension and OPEB Information
- Audit Results

MANAGEMENT AND AUDITORS' RESPONSIBILITIES

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Management's Responsibilities

- Preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America,
- Design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about MTS's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Auditors' Responsibilities

- Form and express an opinion about whether the financial statements that have been prepared by management with Board oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America
- Plan and perform the audit to obtain “reasonable” assurance (not “absolute” assurance) about whether the financial statements are free of material misstatements.
- Consider internal control over financial reporting. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Auditors' Responsibilities (Continued)

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the MTS's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the MTS's ability to continue as a going concern for a reasonable period of time.

APPROACH TO THE AUDIT

The Pun Group's Audit Approach for MTS

- Phase I – Detailed Planning
- Phase II – Risk Based Review of Internal Controls Over Systems and Compliance including:
 - Financial Reporting
 - Revenues and Expenses
 - Capital Assets and Inventories
 - Payroll and Related Liabilities
 - Federal Grant Programs
 - IT Controls
- Phase III – Validation of Account Balances
- Phase IV – Review Financial Statements and Issue Audit Report Opinion

OVERVIEW OF THE FINANCIAL STATEMENTS

San Diego Metropolitan Transit System

Restatements to 2021 Statement of Net Position

GASB 87 Implementation

	Originally Reported	Adjustments	As Restated
Leases receivable, current	\$ -	\$ 1,512,606	\$ 1,512,606
Leases receivable, noncurrent	-	45,446,703	45,446,703
Prepaid items and other current assets	3,803,597	(171,500)	3,632,097
Leased assets, net of accumulated amortization	-	11,428,116	11,428,116
Accounts payable	(29,348,867)	5,686	(29,343,181)
Unearned revenue	(20,640,215)	1,240,008	(19,400,207)
Lease liability, current	-	(260,909)	(260,909)
Lease liability, noncurrent	-	(11,155,700)	(11,155,700)
Lease-related deferred inflows of resources	-	(48,102,361)	(48,102,361)
Total adjustments		(57,351)	
Net position	<u>\$ 1,918,985,826</u>	<u>\$ (57,351)</u>	<u>\$ 1,918,928,475</u>

San Diego Metropolitan Transit System

Restatements to 2021 Statement of Revenues, Expenses, and Changes in Net Position - GASB 87 Implementation

	Originally Reported	Adjustments	As Restated
Miscellaneous operating revenues	\$ 17,933,426	\$ (521,977)	\$ 17,411,449
Miscellaneous operating expenses	5,305,897	(555,703)	4,750,194
Amortization of leased assets	-	393,589	393,589
Investment earnings	564,057	521,977	1,086,034
Interest expense	466,053	219,465	685,518
Total adjustments		<u>57,351</u>	
Net position	<u>\$ 1,918,985,826</u>	<u>\$ 57,351</u>	<u>\$ 1,918,928,475</u>

San Diego Metropolitan Transit System

Summary Statements of Net Position – Primary Government

June 30, 2022 and 2021

	2022	2021	Change
Assets	\$ 3,866,258,000	\$ 2,288,288,000	\$ 1,577,970,000
Deferred Outflows of Resources	40,858,000	56,237,000	(15,379,000)
Liabilities	324,666,000	369,412,000	(44,746,000)
Deferred Inflows of Resources	87,911,000	56,185,000	31,726,000
Net Position:			
Net investment in capital assets and lease assets	3,484,795,000	1,964,358,000	1,520,437,000
Unrestricted (deficit)	9,744,000	(45,430,000)	55,174,000
Total Net Position	\$ 3,494,539,000	\$ 1,918,928,000	\$ 1,575,611,000

San Diego Metropolitan Transit System
Summary Statements of Revenues, Expenses and Changes in Net Position
Primary Government
For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Revenues			
Operating revenues	\$ 77,435,000	\$ 66,338,000	\$ 11,097,000
Nonoperating revenues	387,070,000	397,666,000	(10,596,000)
Total revenues	<u>464,505,000</u>	<u>464,004,000</u>	<u>501,000</u>
Expenses			
Operating expenses	506,297,000	445,664,000	60,633,000
Nonoperating expenses	<u>1,300,000</u>	<u>935,000</u>	<u>365,000</u>
Total expenses	<u>507,597,000</u>	<u>446,599,000</u>	<u>60,998,000</u>
Income (Loss) before capital contributions	(43,092,000)	17,405,000	(60,497,000)
Capital contributions	<u>1,618,703,000</u>	<u>39,009,000</u>	<u>1,579,694,000</u>
Changes in Net Position	<u>\$ 1,575,611,000</u>	<u>\$ 56,414,000</u>	<u>\$ 1,519,197,000</u>

San Diego Metropolitan Transit System

Summary Statements of Cash Flows – Primary Government

For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities	\$ (251,004,000)	\$ (252,660,000)
Cash Flows from Noncapital Financing Activities	379,268,000	373,893,000
Cash Flows from Capital and Related Financing Activities	(82,704,000)	(154,994,000)
Cash Flows from Investing Activities	<u>224,000</u>	<u>684,000</u>
Changes in cash and cash equivalents	<u><u>\$ 45,784,000</u></u>	<u><u>\$ (33,077,000)</u></u>

San Diego Metropolitan Transit System

Summary Statements of Fiduciary Net Position

June 30, 2022 and 2021

	2022	2021	Change
Assets	\$ 177,508,000	\$ 205,150,000	\$ (27,642,000)
Liabilities	631,000	678,000	(47,000)
Total Net Position	\$ 176,877,000	\$ 204,472,000	\$ (27,595,000)

San Diego Metropolitan Transit System

Summary Statements of Changes in Fiduciary Net Position

For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Additions			
Contributions	\$ 17,460,000	\$ 25,669,000	\$ (8,209,000)
Net investment income (loss)	(22,464,000)	35,082,000	(57,546,000)
Total additions	<u>(5,004,000)</u>	<u>60,751,000</u>	<u>(65,755,000)</u>
Deductions			
Distributions	22,029,000	21,531,000	498,000
Administrative expenses	561,000	670,000	(109,000)
Total deductions	<u>22,590,000</u>	<u>22,201,000</u>	<u>389,000</u>
Changes in fiduciary net position	<u><u>\$ (27,594,000)</u></u>	<u><u>\$ 38,550,000</u></u>	<u><u>\$ (66,144,000)</u></u>

KEY PENSION AND OPEB INFORMATION

San Diego Metropolitan Transit System

Net Pension Liability Sensitivity

June 30, 2022

	MTS		SDTC		SDTI PERS		SDTI PARS		Aggregate	
1% Decrease		6.15%		5.00%		6.15%		5.50%		
Net Pension Liability	\$	16,864,000	\$	162,107,000	\$	41,181,000	\$	1,023,000	\$	221,175,000
Current Discount Rate		7.15%		6.00%		7.15%		6.50%		
Net Pension Liability	\$	8,179,000	\$	126,795,000	\$	15,254,000	\$	(107,000)	\$	150,121,000
1% Increase		8.15%		7.00%		8.15%		7.50%		
Net Pension Liability	\$	999,000	\$	96,791,000	\$	(6,130,000)	\$	(1,056,000)	\$	90,604,000

**San Diego Metropolitan Transit System
Pension Expense
For the Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
MTS CalPERS Miscellaneous Plan	\$ 2,971,000	\$ 3,391,000
SDTI CalPERS Miscellaneous Plan	1,594,000	7,274,000
SDTI PARS Plan	(159,000)	207,000
SDTC Retirement Plan	<u>14,495,000</u>	<u>20,249,000</u>
Total Pension Expense	<u>\$ 18,901,000</u>	<u>\$ 31,121,000</u>

San Diego Metropolitan Transit System

Other Postemployment Benefits Plan

OPEB Liability Sensitivity

June 30, 2022

	MTS		SDTI		SDTC		Aggregate
1% Decrease		1.18%		1.18%		1.18%	
Total OPEB Liability	\$	10,267,000	\$	16,473,000	\$	37,062,000	\$ 63,802,000
Current Discount Rate		2.18%		2.18%		2.18%	
Total OPEB Liability	\$	8,548,000	\$	13,880,000	\$	31,328,000	\$ 53,756,000
1% Increase		3.18%		3.18%		3.18%	
Total OPEB Liability	\$	7,184,000	\$	11,799,000	\$	26,707,000	\$ 45,690,000

**San Diego Metropolitan Transit System
OPEB Expense
For the Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
MTS	\$ 758,000	\$ 715,000
SDTI	862,000	950,000
SDTC	<u>1,510,000</u>	<u>1,805,000</u>
Total OPEB Expense	<u><u>\$ 3,130,000</u></u>	<u><u>\$ 3,470,000</u></u>

AUDIT RESULTS

Audit Results

- **Unmodified Opinion**

- Financial statements are fairly presented in all material respects
- Significant accounting policies have been consistently applied
- Estimates are reasonable
- Disclosures are properly reflected in the financial statements

- **Other Results**

- No disagreements with management
- No material weaknesses or significant deficiencies in internal controls were noted
- No accounting issues noted

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Agenda Item No. 31

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 10, 2022

SUBJECT:

FISCAL YEAR (FY) 2022 FINAL BUDGET COMPARISON (GORDON MEYER)

RECOMMENDATION:

That the San Diego Metropolitan System (MTS) Board of Directors receive the MTS operations budget status report for FY 2022 and approve the programming of excess revenues less expenses as follows:

1. Allocate \$3,067,000 to the Capital Improvement Program (CIP) to fund the Clean Transit Advancement Campus (CTAC) project; and
2. Allocate \$2,444,000 to contingency reserve to achieve the 12.5% Board-recommended target for FY 2023.

Executive Committee Recommendation

At its November 3, 2022 meeting, the Executive Committee voted 4 to 0 (Board Members Elo-Rivera, Hall, Sandke, and Sotelo-Solis in favor, and Board Members Fletcher, Moreno, and Salas absent) to recommend that the Board of Directors approve the staff recommendation.

Budget Impact

Final FY 2022 results show revenues exceeding expenses by \$5,533,000. After reserve related adjustments, there will be \$5,511,000 in excess revenues. Today's proposed action would allocate this revenue to the CIP program and the Contingency Reserve.

DISCUSSION:

This report summarizes the year-end operating results for FY 2022 compared to the FY 2022 amended budget for MTS. Attachment A-1 combines the operations', administrations' and other activities' results for FY 2022. Attachment A-2 details the FY 2022 combined operations' results and Attachments A-3 to A-7 present budget comparisons for each MTS operation. Attachment A-8 details budget comparisons for MTS Administration, and Attachment A-9 provides FY 2022 results for MTS's other activities (Taxicab/San Diego and Arizona Eastern Railway Company). Attachment A-10 details subsidy revenue and other non-operating revenue and expenses.



Attachment A-11 details MTS's contingency reserve balance. Attachment A-12 details other designated reserves along with their current balances.

MTS OPERATING SUBSIDY RESULTS

As indicated within Attachment A-1, for the FY ending June 2022, MTS's net-operating income favorable variance totaled \$5,721,000 (2.2%). The favorable budget results were primarily due to favorable experience in passenger revenue, personnel expenses, outside services, and energy costs.

As indicated within Attachment A-10, non-operating net subsidy for FY 2022 was unfavorable to budget by \$189,000 (-0.1%).

In total, revenues exceeded expenses by \$5,533,000 for FY 2022.

MTS COMBINED RESULTS

Operating Revenues. Total combined operating revenues for FY 2022 were \$77,917,000 compared to the budget of \$78,974,000, representing a \$1,057,000 (-1.3%) unfavorable variance. Passenger revenue was favorable to budget by \$672,000 (1.2%). Other revenue was unfavorable by \$1,729,000 (-7.4%), primarily due to declining state energy credit prices.

Operating Expenses. Total combined expenses for FY 2022 were \$335,470,000 compared to the budget of \$342,249,000 resulting in a \$6,779,000 (2.0%) favorable variance.

Personnel Costs. Personnel-related costs totaled \$149,871,000, compared to a budgetary figure of \$150,423,000, producing a favorable variance of \$553,000 (0.4%). This was primarily due to favorable wages within Administration, favorable health and welfare costs within San Diego Transit Corporation (SDTC) due to the disbandment of the IBEW trust, and favorable cost recovery related to Mid-Coast.

Outside Services and Purchased Transportation. Total outside services for the fiscal year totaled \$116,649,000 compared to a budget of \$120,774,000, resulting in a favorable variance of \$4,125,000 (3.4%). This was primarily due to favorable contracted security costs within administration, favorable repair and maintenance costs within Rail Operations, and favorable purchased transportation costs for both fixed route and paratransit operations.

Materials and Supplies. Total materials and supplies expenses were \$14,594,000, compared to a budgetary figure of \$14,792,000, resulting in a favorable variance of \$198,000 (1.3%). This was primarily due to favorable revenue vehicle parts within Bus Operations, which were partially offset by unfavorable revenue vehicle parts within Rail Operations.

Energy. Total energy costs were \$40,109,000, compared to the budget of \$41,955,000, resulting in a favorable variance of \$1,846,000 (4.4%). This was primarily due to favorable traction power electricity costs. The increase in electricity consumption due to the opening of the Mid-Coast extension was not as high as anticipated in the budget, resulting in favorable expenses. The favorable experience in electricity was partially offset by unfavorable compressed natural gas (CNG) expenses due to record high CNG commodity rates impacted by the Russia-Ukraine conflict.

Risk Management. Total expenses for risk management were \$7,454,000 compared to the budget of \$7,526,000, resulting in a favorable variance totaling \$72,000 (1.0%).

General and Administrative. Total general and administrative costs were \$5,323,000 for FY 2022, compared to a budget of \$5,214,000, resulting in an unfavorable variance of \$109,000 (-2.1%). This was primarily due to unfavorable variances in advertising costs within administration.

Vehicle and Facility Leases. The vehicle and facilities leases costs were \$1,470,000 compared to the budget of \$1,565,000, resulting in a \$95,000 (6.1%) favorable variance. This is primarily due to favorable non-revenue vehicle lease expenses.

Subsidy Revenue and Other Non-Operating Revenue and Expenses

Attachment A-10 details subsidy revenue and other non-operating revenue and expenses. Subsidy and net non-operating revenues for FY 2022 were \$263,086,000 compared to the fiscal year budget of \$263,275,000, representing an unfavorable variance of \$189,000 (-0.1%). The drivers of this unfavorable variance included the following:

- On March 11, 2021, the president signed the American Rescue Plan (ARP) Act, which provided MTS with approximately \$140 million in stimulus funds administered by the Federal Transit Administration (FTA). MTS also received \$220 million in stimulus funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act which was passed on March 27, 2020. The FY 2022 amended budget included \$54,541,000 in federal stimulus funds to cover the projected structural deficit. Due to favorable subsidy revenue and expenses, MTS drewdown \$47,700,000 in stimulus funds in FY 2022, less than anticipated, which represents an unfavorable revenue variance of \$6,841,000 (-12.5%).
- Transnet revenue was favorable to the FY 2022 amended budget by \$6,369,000 (11.8%). Transnet is provided to MTS based on both a formula as well as direct reimbursement for Transnet-funded operations. The formula share was favorable by \$4,115,000 (11.7%) due to strong sales tax receipts. The operating reimbursement share was favorable by \$2,254,000 (12.0%) due to farebox recovery on the Mid-Coast extension being lower than anticipated. This led to additional Transnet funding being required to cover net operating expenses.
- Other Non-Operating Income was unfavorable by \$291,000. This was due to favorable budgetary results within the FHV Administration and the San Diego and Arizona Eastern (SD&AE) division. Both of these entities are self-funded and their operations must be funded by operating revenues generated by their own operating activities. Both entities have reserve accounts for excess revenue and the favorable variance in FY 2022 is due to favorable contributions to these reserve accounts.

Net Revenues Less Expenses

For FY 2022, MTS had an excess of revenues over expenses totaling \$5,533,000. After reserve adjustments for interest and one-time adjustments included in the FY 2022 operating budget, there is \$5,511,000 in excess revenues over expenses. Staff recommends the following actions to program excess revenues:

- Allocate \$3,067,000 to the Capital Improvement Program (CIP) to fund the Clean Transit Advancement Campus (CTAC) project
- Allocate \$2,444,000 to contingency reserve to achieve the 12.5% target for FY 2023

With the inclusion of one-time CARES Act funding of \$47.7 million to supplement the operating budget in FY 2022, the net MTS structural deficit for FY 2022 was \$42.2 million.

Reserves

Attachment A-11 details MTS's contingency reserve. The Board-recommended contingency reserve target is 12.5% of the operating budget. The ending reserve balance on June 30, 2021, was \$39,373,435. In order to achieve the 12.5% target for FY 2022, MTS must make a net contribution of \$2,444,000 to the contingency reserve after accounting for all FY 2022 reserve activity.

With excess revenues over expenses of \$5,511,000, and \$2,444,000 allocated to the contingency reserve, MTS has \$3,067,000 in excess funds available. MTS recommends allocating the remaining available balance of \$3,067,000 to the CTAC project. This will help support MTS's environmental review, design, and property acquisition efforts related to the CTAC project. These efforts are necessary to get the project to a stage that it is more viable for state and federal capital grant programs.

MTS has other designated reserves, of which the balances for each are listed on Attachment A-12.

/S/ Sharon Cooney

Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachment: A. Comparison to Budget

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

MTS
CONSOLIDATED

COMPARISON TO BUDGET - FISCAL YEAR 2022

JUNE 30, 2022

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 56,147	\$ 55,475	\$ 672	1.2%
Other Revenue	21,770	23,499	(1,729)	-7.4%
Total Operating Revenue	\$ 77,917	\$ 78,974	\$ (1,057)	-1.3%
Personnel costs	\$ 149,871	\$ 150,423	\$ 553	0.4%
Outside services	116,649	120,774	4,125	3.4%
Materials and supplies	14,594	14,792	198	1.3%
Energy	40,109	41,955	1,846	4.4%
Risk management	7,454	7,526	72	1.0%
General & administrative	5,323	5,214	(109)	-2.1%
Vehicle/facility leases	1,470	1,565	95	6.1%
Administrative Allocation	(0)	0	0	0.0%
Total Operating Expenses	\$ 335,470	\$ 342,249	\$ 6,779	2.0%
Operating Income (Loss)	\$ (257,554)	\$ (263,275)	\$ 5,721	2.2%
Total Non-Operating Activities	263,086	263,275	(189)	-0.1%
Income (Loss) before Capital Contributions	\$ 5,533	\$ 0	\$ 5,533	

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OPERATIONS
CONSOLIDATED

COMPARISON TO BUDGET - FISCAL YEAR 2022

JUNE 30, 2022

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 56,147	\$ 55,475	\$ 672	1.2%
Other Revenue	942	913	29	3.2%
Total Operating Revenue	\$ 57,089	\$ 56,388	\$ 701	1.2%
Personnel costs	\$ 126,153	\$ 126,074	\$ (79)	-0.1%
Outside services	98,881	102,082	3,201	3.1%
Materials and supplies	14,333	14,529	196	1.3%
Energy	39,092	40,998	1,906	4.6%
Risk management	6,722	6,763	42	0.6%
General & administrative	988	974	(14)	-1.4%
Vehicle/facility leases	1,233	1,299	66	5.1%
Administrative Allocation	21,684	21,684	(0)	0.0%
Total Operating Expenses	\$ 309,085	\$ 314,403	\$ 5,318	1.7%
Operating Income (Loss)	\$ (251,996)	\$ (258,015)	\$ 6,019	2.3%
Total Non-Operating Activities	249,348	258,015	(8,667)	-3.4%
Income (Loss) before Capital Contributions	\$ (2,648)	\$ 0	\$ (2,648)	

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
BUS - DIRECTLY OPERATED (SAN DIEGO TRANSIT CORP.)
COMPARISON TO BUDGET - FISCAL YEAR 2022
JUNE 30, 2022
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 14,819	\$ 19,068	\$ (4,249)	-22.3%
Other Revenue	72	133	(61)	-45.9%
Total Operating Revenue	\$ 14,891	\$ 19,201	\$ (4,310)	-22.4%
Personnel costs	\$ 79,302	\$ 80,204	\$ 903	1.1%
Outside services	1,640	1,851	211	11.4%
Materials and supplies	6,609	7,025	416	5.9%
Energy	8,059	7,703	(357)	-4.6%
Risk management	3,408	3,359	(49)	-1.4%
General & administrative	400	428	28	6.6%
Vehicle/facility leases	402	385	(17)	-4.4%
Administrative Allocation	3,208	3,208	(0)	0.0%
Total Operating Expenses	\$ 103,028	\$ 104,163	\$ 1,135	1.1%
Operating Income (Loss)	\$ (88,138)	\$ (84,963)	\$ (3,175)	-3.7%
Total Non-Operating Activities	85,303	84,963	340	0.4%
Income (Loss) before Capital Contributions	\$ (2,835)	\$ 0	\$ (2,835)	

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OPERATIONS

RAIL (SAN DIEGO TROLLEY INC.)

COMPARISON TO BUDGET - FISCAL YEAR 2022

JUNE 30, 2022

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 25,589	\$ 16,112	\$ 9,476	58.8%
Other Revenue	870	780	90	11.6%
Total Operating Revenue	\$ 26,459	\$ 16,892	\$ 9,567	56.6%
Personnel costs	\$ 45,721	\$ 44,851	\$ (870)	-1.9%
Outside services	9,035	9,739	705	7.2%
Materials and supplies	7,288	7,031	(257)	-3.6%
Energy	20,757	23,385	2,629	11.2%
Risk management	3,304	3,389	85	2.5%
General & administrative	575	527	(47)	-9.0%
Vehicle/facility leases	460	513	53	10.4%
Administrative Allocation	16,236	16,236	(0)	0.0%
Total Operating Expenses	\$ 103,374	\$ 105,672	\$ 2,298	2.2%
Operating Income (Loss)	\$ (76,915)	\$ (88,779)	\$ 11,865	13.4%
Total Non-Operating Activities	76,915	88,779	(11,865)	-13.4%
Income (Loss) before Capital Contributions	\$ (0)	\$ 0	\$ (0)	

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OPERATIONS

BUS - CONTRACTED SERVICES (FIXED ROUTE)

COMPARISON TO BUDGET - FISCAL YEAR 2022

JUNE 30, 2022

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 14,892	\$ 19,463	\$ (4,571)	-23.5%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 14,892	\$ 19,463	\$ (4,571)	-23.5%
Personnel costs	\$ 735	\$ 644	\$ (91)	-14.1%
Outside services	76,521	78,454	1,933	2.5%
Materials and supplies	436	472	37	7.8%
Energy	9,353	8,818	(535)	-6.1%
Risk management	-	-	-	-
General & administrative	5	7	2	29.6%
Vehicle/facility leases	29	58	29	50.4%
Administrative Allocation	1,936	1,936	(0)	0.0%
Total Operating Expenses	\$ 89,014	\$ 90,389	\$ 1,375	1.5%
Operating Income (Loss)	\$ (74,122)	\$ (70,925)	\$ (3,196)	-4.5%
Total Non-Operating Activities	74,122	70,925	3,196	4.5%
Income (Loss) before Capital Contributions	\$ -	\$ 0	\$ (0)	-

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OPERATIONS

BUS - CONTRACTED SERVICES (PARATRANSIT)

COMPARISON TO BUDGET - FISCAL YEAR 2022

JUNE 30, 2022

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 847	\$ 832	\$ 16	1.9%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 847	\$ 832	\$ 16	1.9%
Personnel costs	\$ 199	\$ 159	\$ (40)	-24.9%
Outside services	11,264	11,617	352	3.0%
Materials and supplies	-	-	-	-
Energy	923	1,092	169	15.4%
Risk management	10	15	5	33.0%
General & administrative	9	12	3	28.1%
Vehicle/facility leases	343	343	0	0.1%
Administrative Allocation	305	305	0	0.0%
Total Operating Expenses	\$ 13,053	\$ 13,543	\$ 490	3.6%
Operating Income (Loss)	\$ (12,206)	\$ (12,711)	\$ 506	4.0%
Total Non-Operating Activities	12,393	12,711	(319)	-2.5%
Income (Loss) before Capital Contributions	\$ 187	\$ 0	\$ 187	

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OPERATIONS
CORONADO FERRY

COMPARISON TO BUDGET - FISCAL YEAR 2022

JUNE 30, 2022

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	-	-	-	-
Total Operating Revenue	\$ -	\$ -	\$ -	-
Personnel costs	\$ -	\$ -	\$ -	-
Outside services	243	243	(0)	0.0%
Materials and supplies	-	-	-	-
Energy	-	-	-	-
Risk management	-	-	-	-
General & administrative	-	-	-	-
Vehicle/facility leases	-	-	-	-
Administrative Allocation	-	-	-	0.0%
Total Operating Expenses	\$ 243	\$ 243	\$ (0)	0.0%
Operating Income (Loss)	\$ (243)	\$ (243)	\$ (0)	0.0%
Total Non-Operating Activities	243	243	(0)	0.0%
Income (Loss) before Capital Contributions	\$ 0	\$ 0	\$ (0)	

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

ADMINISTRATION
CONSOLIDATED

COMPARISON TO BUDGET - FISCAL YEAR 2022

JUNE 30, 2022

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	20,010	21,928	(1,917)	-8.7%
Total Operating Revenue	\$ 20,010	\$ 21,928	\$ (1,917)	-8.7%
Personnel costs	\$ 23,282	\$ 23,892	\$ 610	2.6%
Outside services	17,742	18,630	887	4.8%
Materials and supplies	262	263	1	0.3%
Energy	1,009	948	(61)	-6.5%
Risk management	692	671	(21)	-3.1%
General & administrative	4,282	4,173	(109)	-2.6%
Vehicle/facility leases	218	240	22	9.1%
Administrative Allocation	(21,686)	(21,686)	0	0.0%
Total Operating Expenses	\$ 25,801	\$ 27,130	\$ 1,329	4.9%
Operating Income (Loss)	\$ (5,791)	\$ (5,203)	\$ (588)	-11.3%
Total Non-Operating Activities	13,972	5,203	8,769	168.5%
Income (Loss) before Capital Contributions	\$ 8,181	\$ (0)	\$ 8,181	

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OTHER ACTIVITIES

CONSOLIDATED

COMPARISON TO BUDGET - FISCAL YEAR 2022

JUNE 30, 2022

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	818	659	159	24.1%
Total Operating Revenue	\$ 818	\$ 659	\$ 159	24.1%
Personnel costs	\$ 436	\$ 458	\$ 21	4.7%
Outside services	26	63	37	58.7%
Materials and supplies	(1)	1	1	203.9%
Energy	8	9	1	10.0%
Risk management	40	92	51	56.0%
General & administrative	54	67	13	19.9%
Vehicle/facility leases	18	26	7	28.6%
Administrative Allocation	2	2	(0)	0.0%
Total Operating Expenses	\$ 584	\$ 716	\$ 132	18.5%
Operating Income (Loss)	\$ 234	\$ (57)	\$ 291	507.4%
Total Non-Operating Activities	(234)	57	(291)	-507.4%
Income (Loss) before Capital Contributions	\$ -	\$ (0)	\$ 0	

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
MTS
COMBINED SUBSIDY AND OTHER NON-OPERATING REVENUE AND EXPENSES
COMPARISON TO BUDGET - FISCAL YEAR 2022
June 30, 2020
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
<u>Subsidy Revenue</u>				
Federal Revenue	\$ 64,844	\$ 64,588	\$ 255	0.4%
FTA CARES Act	\$ 47,700	\$ 54,541	\$ (6,841)	-12.5%
Transportation Development Act	68,805	68,805	(0)	0.0%
State Transit Assistance	11,300	11,300	0	0.0%
State Revenue - Other	106	200	(94)	-47.1%
TransNet funds	60,312	53,943	6,369	11.8%
Other Local subsidies	9,766	9,376	390	4.2%
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Subsidy Revenue	\$ 262,832	\$ 262,753	\$ 79	0.0%
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Other Non-Operating Revenue and Expense</u>				
Investment Earnings	\$ -	\$ -	\$ -	-
Other Non-Operating Income	566	857	(291)	-33.9%
Other Non-Operating Expenses	(312)	(335)	23	-6.9%
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Other Non-Operating Revenue				
Revenue and Expense	\$ 254	\$ 522	\$ (268)	-51.3%
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Subsidy and Non-Operating				
Revenue and Expense	\$ 263,086	\$ 263,275	\$ (189)	-0.1%
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
MTS
CONTINGENCY RESERVE BALANCE

JUNE 30, 2022
(in \$000's)

Balance, June 30, 2021	\$ 39,373
Current Year Adjustments:	
FY 2022 Net Income	\$ 5,533
Interest Adjustment	\$ (22)
CIP - Division 6 Project	\$ (3,067)
Net Adjustments:	\$ <u>2,444</u>
Balance, June 30, 2022	\$ <u><u>41,817</u></u>
 FY23 Operating Expense Budget	 \$ 378,244
FY23 Operating Budget Adjustments:	
Debt Service	\$ (185)
FHV Admin/SD&AE	\$ (757)
Transnet Funded Operations	\$ (42,764)
Net Adjustments:	\$ <u>(43,706)</u>
Adjusted FY23 Operating Expense Budget	\$ <u><u>334,538</u></u>
 Contingency Reserve % of MTS Operating Expense Budget	 <u>12.5%</u>

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
MTS
RESERVE BALANCES
JUNE 30, 2022

Title	Amount	Explanation
Contingency	\$ 41,817,272	For ongoing operations, future matching of grants; target is 12.5% of operating budget per Policy 36
FHV Administration	530,975	For ongoing operations and future capital improvement needs
SD&AE	818,172	Established from 1984 state payments for storm damage, restriced for repair/improvement of line
Insurance	5,000,000	Established for potential future liability claims, minimum \$2 million per Policy 46
Billboard San Diego	398,736	Per agreement with city, used for improvements to right of way
Billboard Chula Vista	2,179,177	Per agreement with city, used for improvements to right of way
Total	<u>\$ 50,744,332</u>	

Metropolitan Transit System FY 2022 Operating Budget – June 2022 Financial Review

MTS Board of Directors
November 10, 2022

CONSOLIDATED MTS OPERATIONS

COMPARISON TO BUDGET – JUNE 30, 2022 - FY 2022

TOTAL OPERATING REVENUES (\$000's)

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>VAR %</u>
Fare Revenue	\$ 56,147	\$ 55,475	\$ 672	1.2%
Other Operating Revenue	\$ 21,770	\$ 23,499	\$ (1,729)	-7.4%
Operating Revenue	\$ 77,917	\$ 78,974	\$ (1,057)	-1.3%

- Fare Revenue
 - Revenue favorable to prior year by \$8.2M (17.2%)
 - Ridership favorable to the prior year by 18.4M passengers (46.9%)
 - Passenger revenue at 64.4% of pre-COVID baseline in June
- Other Operating Revenue
 - Unfavorable state energy credit revenue due to decreasing LCFS credit price

CONSOLIDATED MTS OPERATIONS

COMPARISON TO BUDGET – JUNE 30, 2022 - FY 2022

TOTAL OPERATING EXPENSES (\$000's)

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>VAR %</u>
Personnel Costs	\$ 149,871	\$150,423	\$ 553	0.4%
Purchased Transportation	\$ 82,920	\$ 85,626	\$ 2,706	3.2%
Other Outside Services	\$ 33,729	\$ 35,147	\$ 1,419	4.0%
Energy	\$ 40,109	\$ 41,955	\$ 1,846	4.4%
Other Expenses	\$ 28,841	\$ 29,097	\$ 256	0.9%
Operating Expenses	\$ 335,470	\$342,249	\$ 6,779	2.0%

- Purchased Transportation – favorable for both fixed route and paratransit
- Other Outside Services – favorable security costs, repair and maintenance costs within trolley
- Energy – favorable traction power electricity partially offset by unfavorable CNG

CONSOLIDATED MTS OPERATIONS

COMPARISON TO BUDGET – JUNE 30, 2022 - FY 2022

TOTAL OPERATING ACTIVITIES (\$000's)

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>VAR %</u>
MTS Operating Revenue	\$ 77,917	\$ 78,974	\$ (1,057)	-1.3%
MTS Operating Expenses	\$ 335,470	\$ 342,249	\$ 6,779	2.0%
Total Net Operating Variance	\$ (257,554)	\$ (263,275)	\$ 5,721	2.2%

- Net operating income favorable \$5.7M through June

CONSOLIDATED MTS OPERATIONS

COMPARISON TO BUDGET – JUNE 30, 2022 - FY 2022

SUBSIDY REVENUE CATEGORY DESCRIPTIONS

- Federal
 - Recurring FTA funds for preventive maintenance and rural ops (5307, 5337, 5311)
- Federal Stimulus Funds
 - FTA CARES Act – provided \$220M of federal stimulus funds for MTS appropriated in March 2020
 - \$90.1M spent to date
 - FTA ARP Act – provided \$140M of federal stimulus funds for MTS appropriated in March 2021
 - \$47.7M spent to date
- Transportation Development Act (TDA)
 - 1/4 percent of regional sales tax assessed in region and administered by SANDAG and County

CONSOLIDATED MTS OPERATIONS

COMPARISON TO BUDGET – JUNE 30, 2022 - FY 2022

SUBSIDY REVENUE CATEGORY DESCRIPTIONS

- Transnet
 - ½ cent sales tax in San Diego County to fund transportation projects
 - MTS receives formula share and reimbursement for Transnet funded operations
- State Transit Assistance (STA)
 - State sales tax on diesel fuel distributed based on population and agency revenue
- Other
 - MediCal reimbursement for trips to and from Managed Care Providers (MCPs)
 - FasTrak revenue – toll road revenue appropriated by SANDAG
 - UCSD Shuttle Service Agreement
 - City of San Diego ADA Maintenance of Effort
 - NCTD Sorrento Valley Coaster Connection (SVCC)
 - Taxicab and SD&AE Self-Funded Reserves

CONSOLIDATED MTS OPERATIONS

COMPARISON TO BUDGET – JUNE 30, 2022 - FY 2022

TOTAL NON-OPERATING REVENUES AND EXPENSES (\$000'S)

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>VAR %</u>
Federal (Recurring)	\$ 64,844	\$ 64,588	\$ 255	0.4%
Federal Stimulus (Non-recurring)	\$ 47,700	\$ 54,541	\$ (6,841)	-12.5%
TDA	\$ 68,805	\$ 68,805	\$ (0)	0.0%
TransNet	\$ 60,312	\$ 53,943	\$ 6,369	11.8%
STA	\$ 11,300	\$ 11,300	\$ -	0.0%
Other	\$ 10,438	\$ 10,434	\$ 4	0.0%
Non-Operating Revenue	\$ 263,398	\$ 263,610	\$ (212)	-0.1%
Debt Service Expenses	\$ 312	\$ 335	\$ (23)	-6.9%
Non-Operating Expenses	\$ 312	\$ 335	\$ (23)	-6.9%
Non-Operating Revenues and Expenses	\$ 263,086	\$ 263,275	\$ (189)	-0.1%

- Federal (Recurring) – CARES allocations for 5311/5311f rural operations
- Federal Stimulus – deficit lower than projected; needed less CARES/ARP to fill gaps
- Transnet – strong sales tax receipts and higher subsidy for Mid-Coast operations

CONSOLIDATED MTS OPERATIONS

COMPARISON TO BUDGET – JUNE 30, 2022 - FY 2022

TOTAL REVENUES LESS EXPENSES (\$000'S)

	ACTUAL	BUDGET	VARIANCE	VAR %
Operating Revenues	\$ 77,917	\$ 78,974	\$ (1,057)	-1.3%
Operating Expenses	335,470	342,249	6,779	2.0%
Net Operating Loss	\$(257,554)	\$(263,275)	\$ 5,721	2.2%
Non-Operating Revenues	\$ 215,698	\$ 209,069	\$ 6,629	3.2%
Net Debt Service Expenses	312	335	23	6.9%
Net Deficit	\$ (42,167)	\$ (54,541)	\$ 12,374	
Federal Stimulus (Non-recurring)	47,700	54,541	(6,841)	
Revenues Less Expenses	\$ 5,533	\$ 0	\$ 5,533	

- Structural deficit of \$42.2 million
- Total favorable variance of \$5.5M when combining operating and non-operating revenues and expenses

CONSOLIDATED MTS OPERATIONS

COMPARISON TO BUDGET – JUNE 30, 2022 - FY 2022

CONTINGENCY RESERVE BALANCE (\$000'S)

- Board policy for the contingency reserve balance
 - Target set at 12.5% of the Operating Expense Budget
 - FY23 Target of \$41.8M
- Current Reserve Balance
 - \$5.5M excess revenue over expenses in FY22
- Proposed allocation:
 - \$2.4M to MTS contingency reserve to achieve 12.5% target for FY23
 - \$3.1M to CIP to fund Clean Transit Advancement Campus (CTAC) project

STAFF RECOMENDATION

That the Board of Directors to approve the allocation of excess revenues over expenses in FY22 to the following:

- \$2.4M to MTS contingency reserve to achieve 12.5% target for FY23
- \$3.1M to CIP to fund Clean Transit Advancement Campus (CTAC) project

Dalia Gonzalez

From: Corinna Contreras <corinna@climateactioncampaign.org>
Sent: Wednesday, November 9, 2022 5:36 PM
To: ClerkoftheBoard; MayorToddGloria@sandiego.gov; Paloma.Aguirre@imperialbeachca.gov; SeanEloRivera@sandiego.gov; asotelosolis@nationalcityca.gov; bsandke@coronado.ca.us; cfrank@poway.org; ggastil@lemongrove.ca.gov; jmgalvez@chulavistaca.gov; jshu@cityoflamesa.us; monicamontgomery@sandiego.gov; msalas@chulavistaca.gov; nathan.fletcher@sdcounty.ca.gov; rhall@cityofsanteeca.gov; sgoble@elcajon.gov; vivianmoreno@sandiego.gov
Cc: Ariana Criste; Catherine Walker; Mikey Knab
Subject: Agenda Item 31—Climate Action Campaign Recommendation for Excess Revenues FY 2022

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.



CAC MTS 11/10/2022 Letter Regarding...

Hello Honorable Chair and Board Directors,

My name is Corinna Contreras and I am sending the MTS Board of Directors a recommendation for Agenda Item 31 regarding utilizing a portion of excess revenues to reduce the bus operator shortage.

Please read the attached letter.

Thank you for your time and consideration,

--

Corinna Contreras (she/her)
Policy Advocate
Climate Action Campaign
(619) 419-1222 ext 702

www.climateactioncampaign.org

Twitter: @sdclimateaction

Instagram: @sdclimateaction

[//Facebook.com/ClimateActionCampaign](https://Facebook.com/ClimateActionCampaign)

Like what we do? Support Climate Action Campaign today.

Our Mission is Simple: Stop the Climate Crisis



11/09/2022

Metropolitan Transit System
1255 Imperial Avenue
Suite 100
San Diego, CA 92101
Via Email

**RE: Agenda Item 31–Climate Action Campaign Recommendation for Excess Revenues
FY 2022**

Honorable Chair and Board Directors,

On behalf of Climate Action Campaign, I write to you as their Transportation Policy Advocate to express strong support for allocating excess revenue to reduce the bus operator shortage MTS is currently experiencing.

Climate Action Campaign (CAC) is a San Diego and Orange County based nonprofit organization with a simple mission: stop the climate crisis through effective policy action. Investing in public transit is critical to meeting public demand for mobility options that are frequent, safe, and reliable—all while reducing vehicle miles traveled and greenhouse gas emissions.

I want to highlight Honorable Executive Committee Member Sandke's comments during the 11/03/2022 MTS Executive Committee meeting. Council Member Sandke highlighted the potential of utilizing excess revenues from the Fiscal Year 2022 Final Budget to address the urgent need for more bus operators to meet current public demand.

I thank Councilmember Sandke for echoing a public recommendation made to the Executive Committee during the first review of the same agenda item before you. While there are many important projects and budgetary needs, bus operators remain one of the most critical. The prolonged shortage of these critical frontline workers has stifled public transit growth during a time when the costs of buying and maintaining single-occupancy vehicles have residents searching for better mobility options. There is a demand from the public for more frequent buses.

Buses are lifelines for both our most vulnerable communities and our most resource-dense communities. People in San Diego want more mobility options to connect with what is most important to them, like jobs, school, and family recreation. Sadly, this demand is unmet because we do not have enough bus operators. The excess revenue discussed in Agenda Item 31 can address this disconnect.

Agenda Item 31 presents an incredible opportunity to invest in meeting public demand. MTS can allocate some of the \$5,511,000 in excess revenues to meet current challenges in recruiting bus operators.

I appreciate your time and I sincerely hope that you vote to allocate funds from excess revenues to increase the number of MTS bus operators so that we can begin to meet the needs of communities throughout San Diego.

Sincerely,



Corinna Contreras,
Transportation Policy Advocate
Climate Action Campaign



Agenda Item No. 45

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 10, 2022

SUBJECT:

2022 SPECIAL EVENTS UPDATE (BRENT BOYD)

INFORMATIONAL ONLY

Budget Impact

None.

DISCUSSION:

After a long hiatus due to COVID, special events are back and a recap of services provided by MTS will be presented. Events include:

- Comic-Con
- Padres baseball season (81 games + four playoff games)
- Concerts at Petco Park
- Opening of Snapdragon Stadium (and re-opening of Stadium Station) with SDSU football and Wave soccer
- Other events

Special events are a significant part of MTS ridership recovery action plan efforts. Staff will discuss special event strategic approach, promotional activities and ridership results to date. A roundup of upcoming events will also be summarized.

/S/ Sharon Cooney

Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com



2022 SPECIAL EVENTS UPDATE

Board Meeting

November 10, 2022

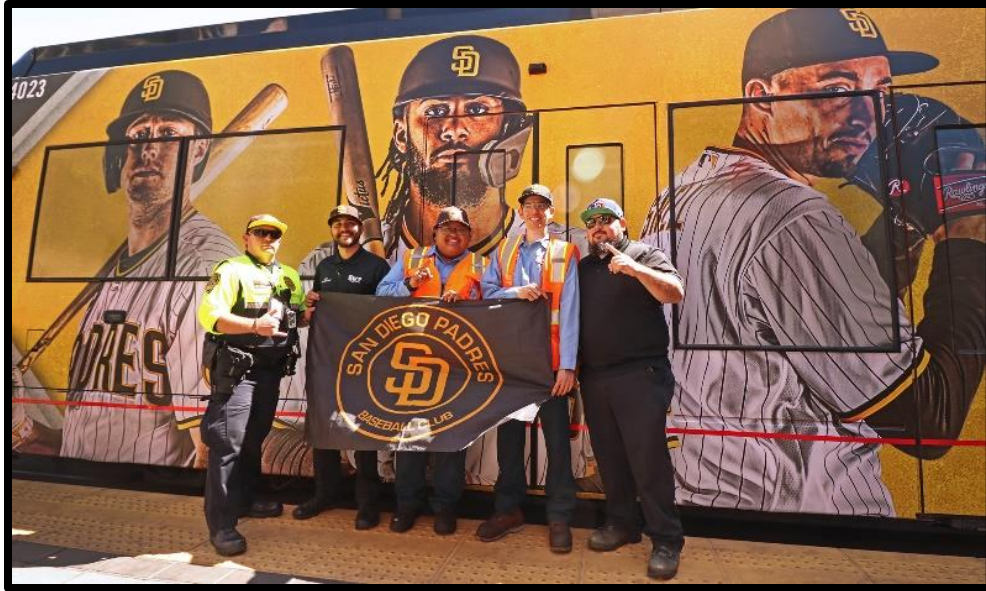


Presentation Outline

- Padres Season Recap
- Petco Concerts
- Return of Comic-Con
- Snapdragon Stadium Opening
- Special Operations
- Upcoming Events



Padres Season



- First full-season with capacity crowds since 2019
- First season with Mid-Coast
- Special MTS/Padres co-marketing partnership to increase ridership to games



Padres Season



Publicity

- Trolley wraps
- Bus wraps
- 2.3M impressions with Padres “First Pitch” on-air placements
- Digital and social ads
- Leveraged Padres comms channels
 - E-newsletters to season ticket holders
 - Take transit/MTS message on 20 gameday push notifications on MLB Ballpark App

Padres Season

Promotional Video

Hold for video

Padres Season



Trolley Operations Plan

- Extra service on all three lines
- Extension of 15-minute service post-game for all night games
- No extra pre-game service
- Most ridership is on Green Line, but we get significant passenger loads on all lines

Padres Season

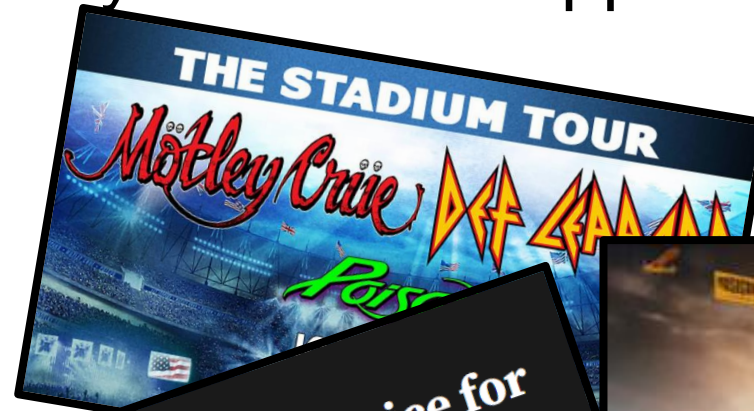
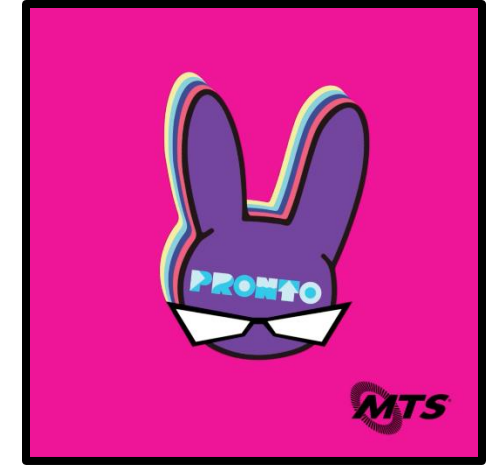
Ridership Results

- Big games and sellouts: **6k – 7k fans**
(15% of gate)
- Other games (weekday day games, etc):
4,500



Petco Park Concerts

- March 5: Garth Brooks
- July 27: Red Hot Chili Peppers
- August 27: Grupo Firme
- August 28: Stadium Tour (Motley Crue/Def Leppard)
- Sept 17-18: Bad Bunny
- Nov 9 : Elton John



LOCAL
MTS to expand service for
Red Hot Chili Peppers
concert Wednesday



Big Bay Boom (July 4)

- Carried about 8k; all clear one hour after event
- Changing travel patterns show that Santa Fe Depot is now dominant location (instead of Seaport Village)



Comic-Con



- First large-scale Comic-Con since 2019
- Big push to educate passengers due to system changes
 - New fare system
 - New Special Event Line (Mid-Coast)
 - Different parking options
 - Stadium Station closed (5,000 spots)
 - Tecolote, Balboa, Nobel new options

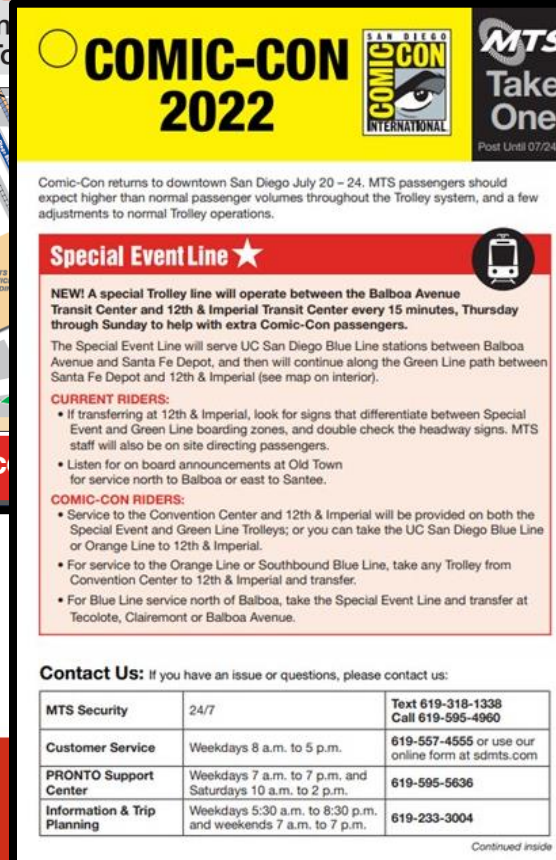
Comic-Con

Education Efforts

- Cosplay safety
- Employees on-site
 - Passenger Support Representatives, Security, Rail Supervisors, Facilities
- Signage throughout system
- Know before go messages



MTS
Special Event Line ★
BOARD HERE
Thursday, July 21- Sunday, July 24
Service to Convention Center, Santa Fe Depot, Old Town
Imperial Ave
← TO Comic-Con & PETCO Park
PARKING STRUCTURE
CLOCK TOWER
MTS OFFICE BUILDING
SPECIAL EVENT LINE to Balboa Ave
sdmts.com



COMIC-CON 2022
SAN DIEGO COMIC CON INTERNATIONAL
MTS Take One
Post Until 07/24/22

Comic-Con returns to downtown San Diego July 20 - 24. MTS passengers should expect higher than normal passenger volumes throughout the Trolley system, and a few adjustments to normal Trolley operations.

Special Event Line ★

NEW! A special Trolley line will operate between the Balboa Avenue Transit Center and 12th & Imperial Transit Center every 15 minutes, Thursday through Sunday to help with extra Comic-Con passengers.

The Special Event Line will serve UC San Diego Blue Line stations between Balboa Avenue and Santa Fe Depot, and then will continue along the Green Line path between Santa Fe Depot and 12th & Imperial (see map on interior).

CURRENT RIDERS:

- If transferring at 12th & Imperial, look for signs that differentiate between Special Event and Green Line boarding zones, and double check the headway signs. MTS staff will also be on site directing passengers.
- Listen for on board announcements at Old Town for service north to Balboa or east to Santee.

COMIC-CON RIDERS:

- Service to the Convention Center and 12th & Imperial will be provided on both the Special Event and Green Line Trolleys; or you can take the UC San Diego Blue Line or Orange Line to 12th & Imperial.
- For service to the Orange Line or Southbound Blue Line, take any Trolley from Convention Center to 12th & Imperial and transfer.
- For Blue Line service north of Balboa, take the Special Event Line and transfer at Tecolote, Clairemont or Balboa Avenue.

Contact Us: If you have an issue or questions, please contact us:

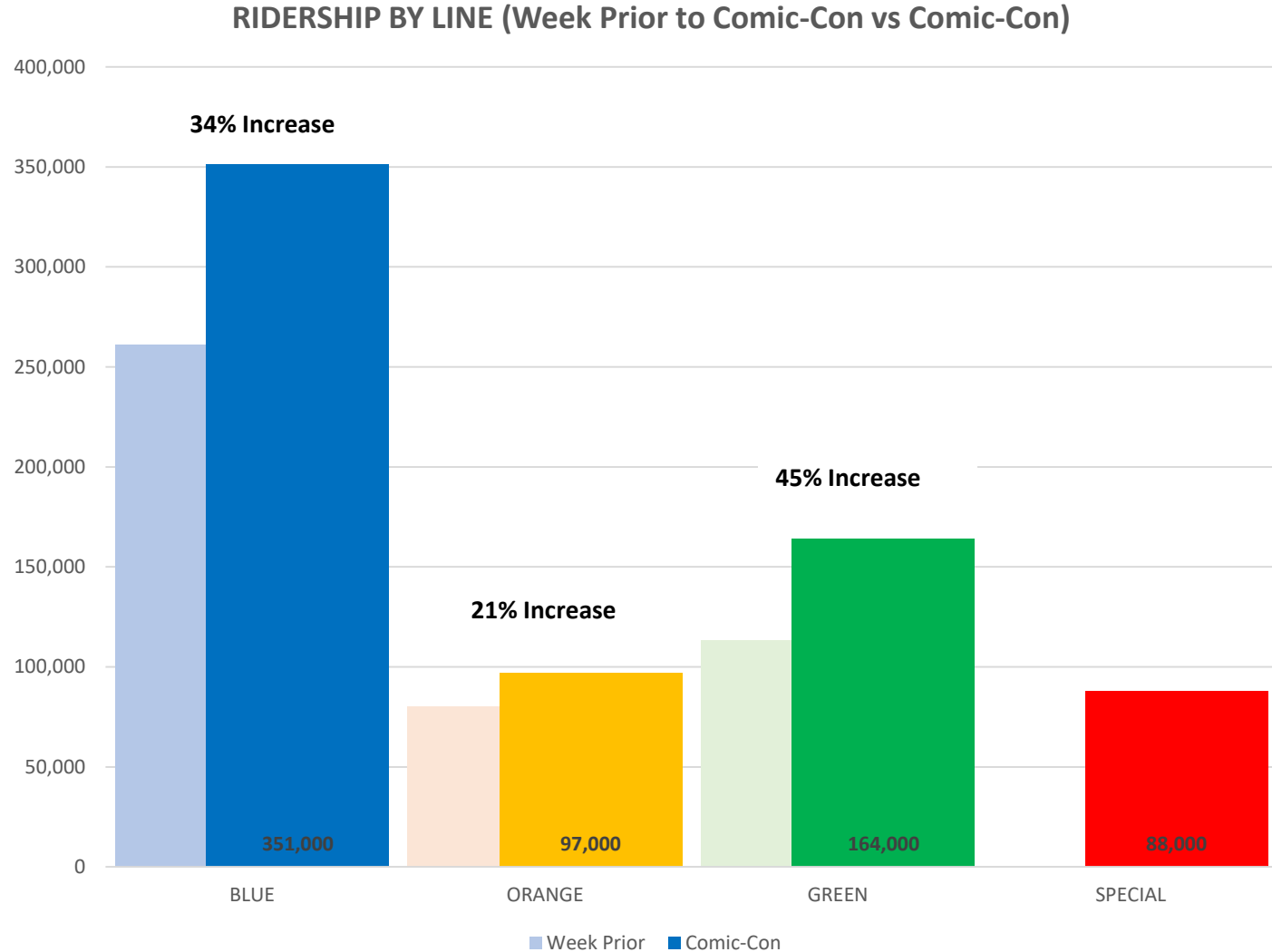
MTS Security	24/7	Text 619-318-1338 Call 619-595-4960
Customer Service	Weekdays 8 a.m. to 5 p.m.	619-557-4555 or use our online form at sdmts.com
PRONTO Support Center	Weekdays 7 a.m. to 7 p.m. and Saturdays 10 a.m. to 2 p.m.	619-595-5636
Information & Trip Planning	Weekdays 5:30 a.m. to 8:30 p.m. and weekends 7 a.m. to 7 p.m.	619-233-3004

Continued inside



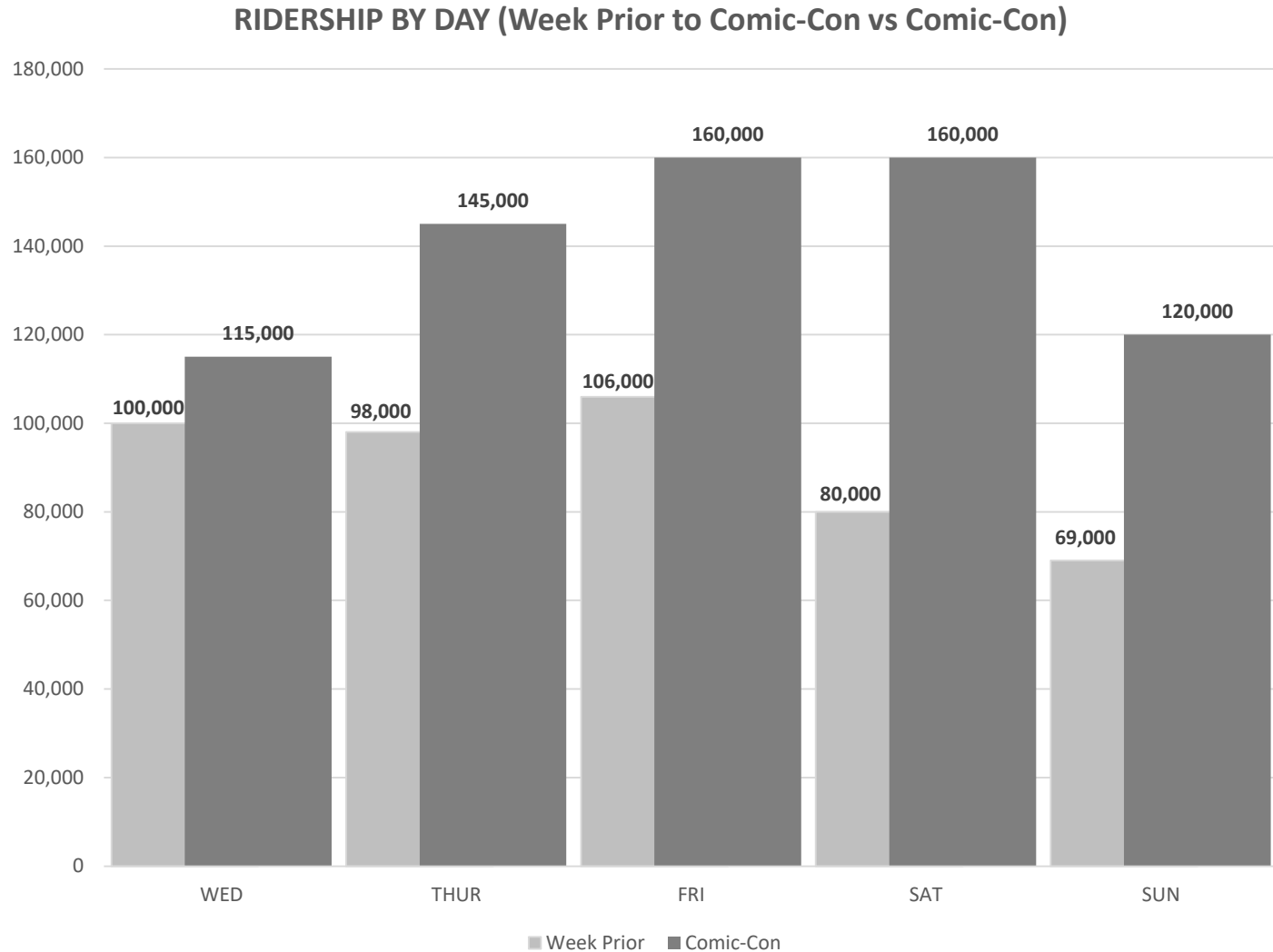
Comic-Con

- Estimated increase of 246,000 passengers over five days
- Stations with highest increases:
 - Old Town
 - Balboa Ave
 - Fashion Valley
 - San Ysidro
 - Palomar Street



Comic-Con

- Estimated increase of 246,000 passengers over five days
- Stations with highest increases:
 - Old Town
 - Balboa Ave
 - Fashion Valley
 - San Ysidro
 - Palomar Street



Comic-Con

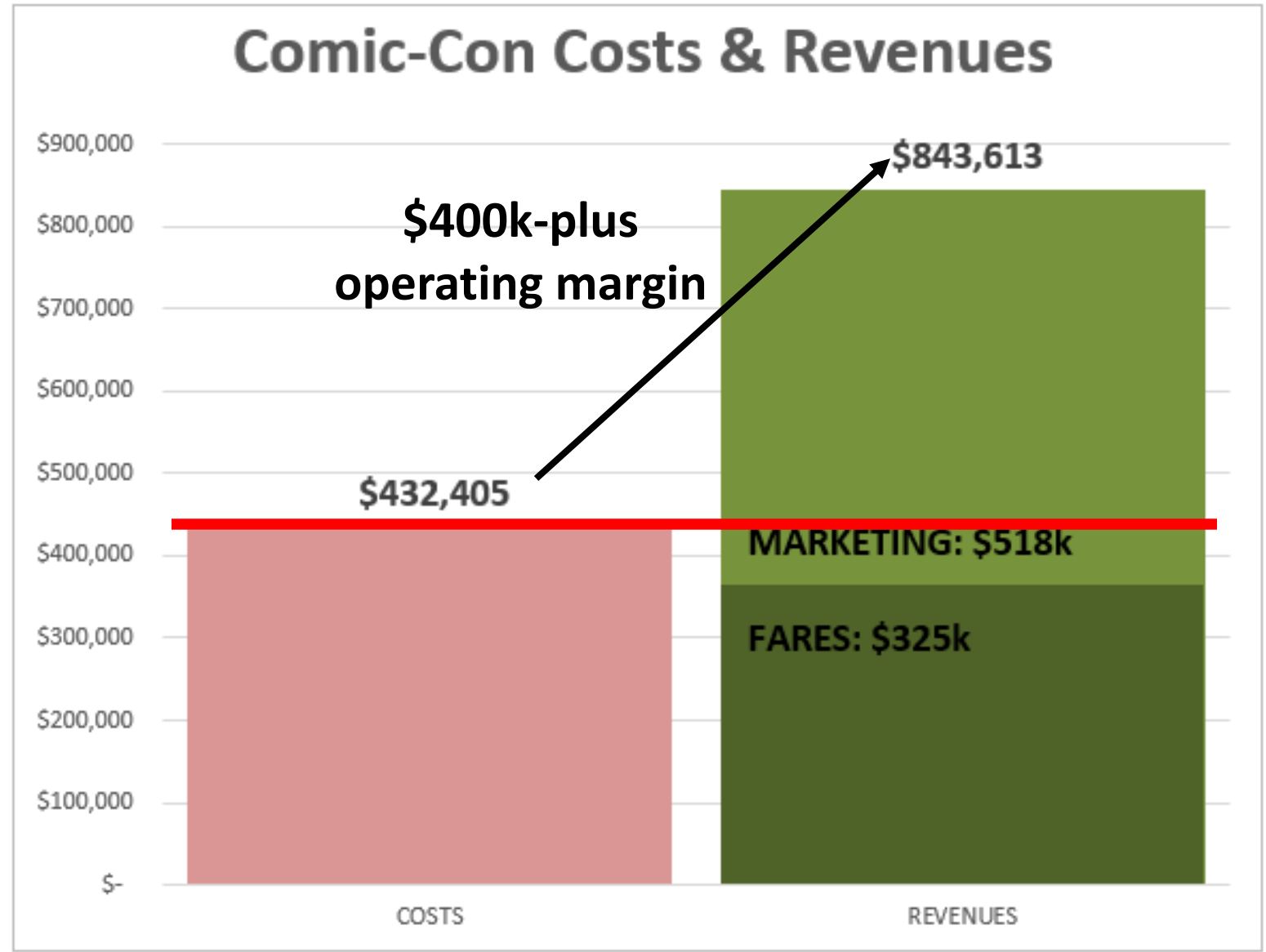


Significant effort from all departments

- Transportation, (4,300 hours)
- Security (3,200 hours)
- MOW (1,600 hours)
- Station Ambassadors (960 hours)
- Facilities (500 hours)
- LRV Maintenance (500 hours)
- **TOTAL = Over 11,000 hours**



Comic-Con



Stadium Station



Had been closed since fall 2020

Significant work required by capital projects, facilities, revenue, and marketing to reopen station.

- New signage
- Painting
- Cleaning
- Connections

Reopened temporarily on August 20, and permanently on September 3.

Snapdragon Stadium



Major Events So Far:

- SDSU Football (9/3, 9/10, and 9/24)
- Wave Soccer (9/17 and 9/30)

Will be the site for many other events:

- SDSU Football (four more games)
- Wave Soccer (playoff game)
- Rugby team
- Concerts
- Monster Jam

Snapdragon Stadium



- Trolley operations varies based on event.
- SDSU-related events have heavy ridership from SDSU, and Stadium-SDSU shuttle established for pre and post event.
- Non-SDSU related events, heavy demand from west, so extra service provided.

Snapdragon Stadium



ESTIMATED RIDERSHIP

SDSU Football

- 9/3: 7,000 (sold out)
- Other games: 5k-6.5k

Wave Soccer

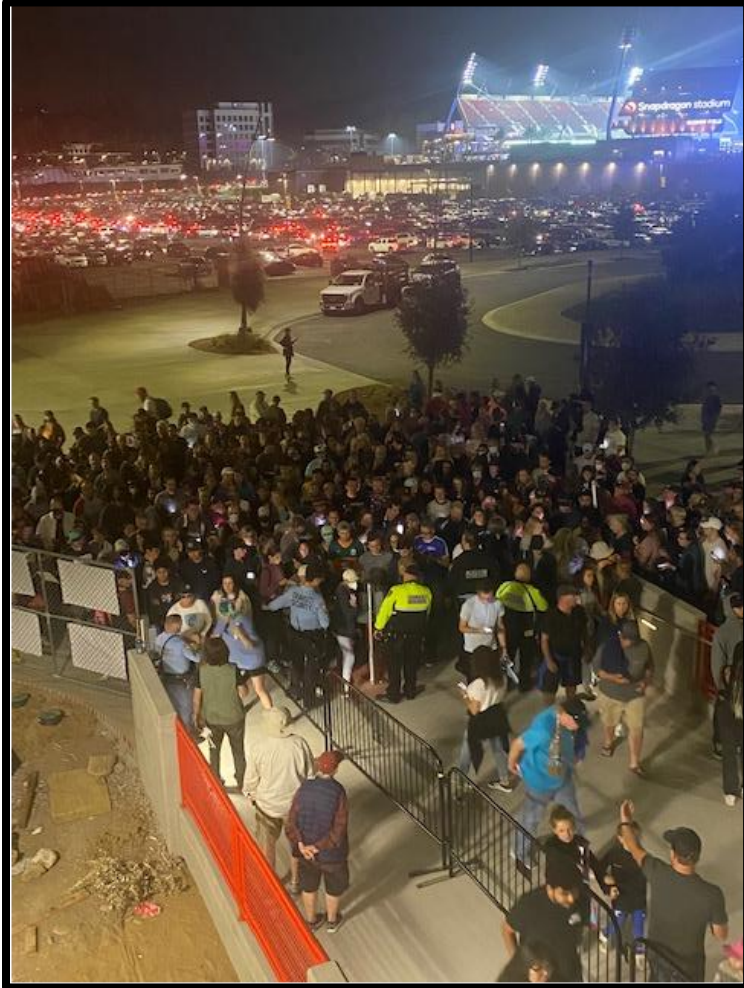
- 9/17: 7,000-plus (sold out)
- 9/30: 4,000 (16k attendance)
- 10/16: 6,000 (26k - playoffs)



Snapdragon Stadium

SDSU Station, September 3 (Pre-event)

Snapdragon Stadium



Challenges

- Different special event audience than Padres and much different for various events
- Many had not taken transit since the last Aztecs game in 2019
- Checking fares for all passengers leaving and entering station
- Shift educational focus after first game from service to purchasing fare
- Challenges with cell service outside of stadium

Special Operations

- Trolley is available to charter (for a fee)
- Recent operations include:
 - UCSD Baseball to SDSU (for game)
 - Dinner in White



Since March 2022...

140-plus special events

- **Five** days of Comic-Con
- **Seven** Petco Park Concerts
- **Eight** major Snapdragon Stadium Events
- **85** Padres Games (81 + four playoffs)
- **50-plus** other events including Oktoberfest, SDSU OAT concerts, Viejas concerts, SDSU basketball, and other Snapdragon events
- Estimated **nearly 800,000** total ridership

But it's not just about ridership...

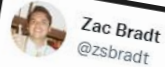


But it's not just about ridership....



Replying to @KenPlatt45 and @admts
You should go check out the trolley platforms on
@Padres game days, there's been amazing uptake this
season!

1:36 PM · Jun 12, 2022 · Twitter Web App



Love to see all the @Padres fans taking @sdmts to the
game tonight! LFGSD!

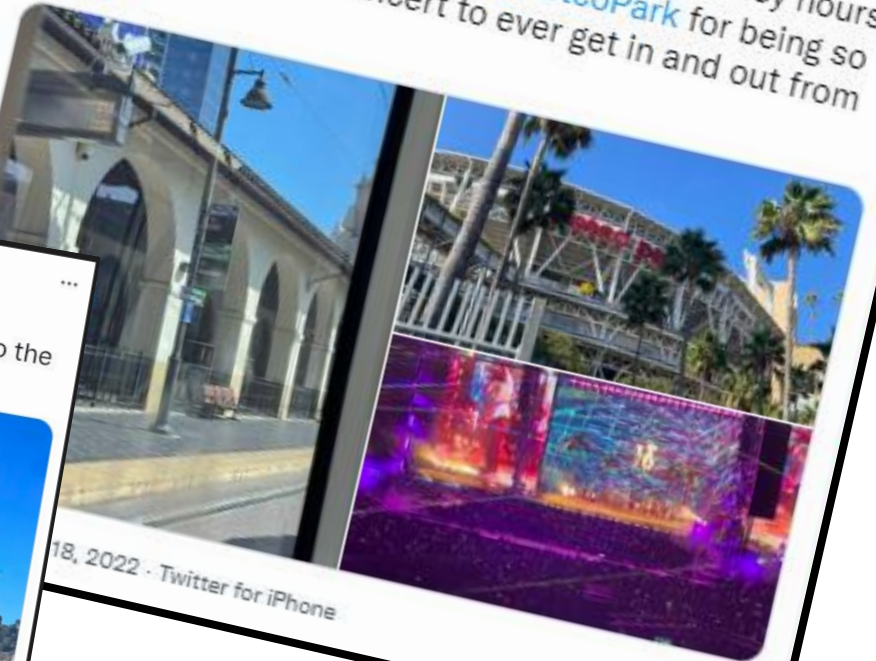


3:29 PM · Oct 18, 2022 · Twitter for iPhone

16 Likes



Shoutout to @sdmts for having extended trolley hours
for the Bad Bunny concert & @PetcoPark for being so
organized! Easiest concert to ever get in and out from
😎🔥



18, 2022 · Twitter for iPhone

But it's not just about ridership...



But it's not just about ridership...

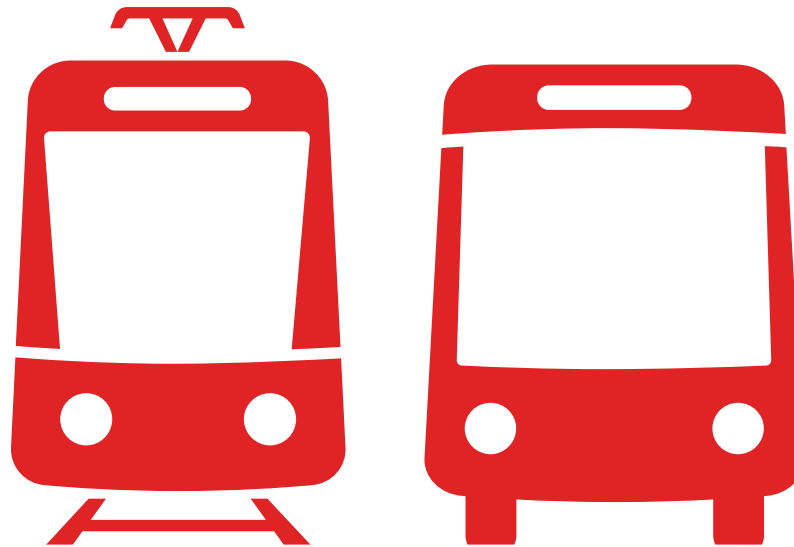
- Four of top five impression posts for MTS in 2022 were special events
- Over 570,000 impressions and nearly 24,000 engagements on 97 posts
- MTS Web Sites:
 - **Padres:** 120000-plus unique visitors (average 2:44 viewing)
 - **Snapdragon:** 7,000 unique views (average 3:30)
 - **Comic-Con:** 12,000 unique visitors (average 4:16)
 - **Big Bay Boom:** 3,700 unique visitors



Upcoming Special Events

- SDSU football (11/12 and 11/26)
- SDSU basketball (15 more games)
- Holiday Bowl (Dec 28)
- New Year's Eve (Dec 31)
- Monster Trucks (Jan 7-8 and 14-15)
- Supercross (Jan 21)

Questions/Discussion





**Metropolitan
Transit
System**

Agenda Item No. 46

**MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS**

November 10, 2022

SUBJECT:

PRONTO ROADMAP UPDATE (ISRAEL MALDONADO)

INFORMATIONAL ONLY

Budget Impact

None.

DISCUSSION:

The PRONTO fare system was launched to the public on September 1, 2021. MTS staff will provide an update on the program's progress and roadmap.

/S/ Sharon Cooney

Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com



PRONTO

ROADMAP

MTS Board of Directors
November 10, 2022

How did PRONTO get here?

- The Need

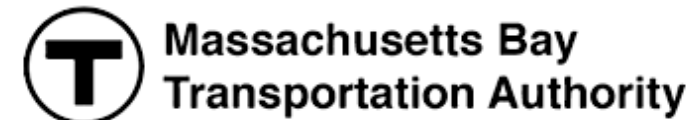
- Compass Hardware was at end of useful life
- Compass Software was outdated
- Inability to achieve Payment Card Industry Compliance
- Card based features were limited



How did PRONTO get here?

- The Road to PRONTO

- 2016 Benchmarked with multiple agencies, resulted in White Paper
- 2017 Concept of Operations
- 2018 Scope creation, competitive procurement and Award to INIT



How did PRONTO get here?

- Implementation Approach
 - 36-month Implementation
 - Aggressive schedule, most fare system implementations are 48-60 months
 - Had to be ready by no later than launch of Mid-Coast
 - Balanced approach between schedule, efficiency and customer experience



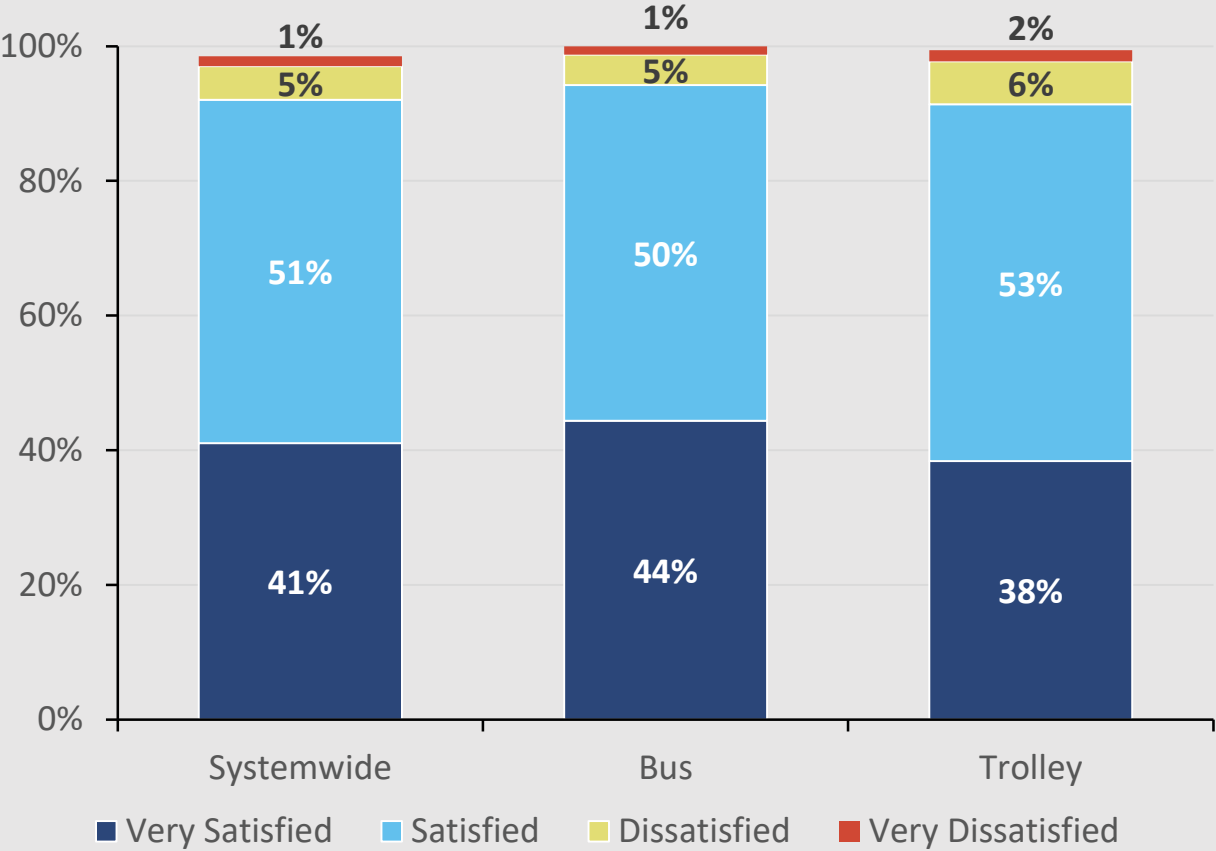
How did PRONTO get here?

- Future Proofed
 - Laid foundation in support of future features
 - Validators can support Near-Field-Communications (NFC)
 - Credit card processing contracts support open payment validation (e.g. VISA Transit aggregation model)
 - Achieve required certifications (e.g. L3 certification achieved July 2022)



PRONTO Satisfaction

Overall satisfaction with PRONTO



PRONTO
Satisfaction
92%



The PRONTO Roadmap

- Upcoming Features

- Validation capability at Ticket Vending Machines with a physical PRONTO card (Early 2023)
- Online Reduced Fare Application Portal (Summer 2023)
- Improved “In-App” messaging experience (Spring 2023)
- Explore Multiple Same-Day Passes on One Mobile account (2023)
- More convenient ways to pay (2023-2024)



More Convenient Ways to Pay!

- Contactless Credit/Debit Card
 - Adult Fare Only, Daily Fare Capping
 - Tap any credit/debit bankcard showing the contactless symbol:



More Convenient Ways to Pay!

- Phone (Credit/Debit)
 - Adult Fare Only, Daily Fare Capping
 - Tap phone to pay with a credit/debit card in the users mobile wallet using Apple Pay, Google Pay or Samsung Pay.

 Apple Pay

 Google Pay

 SAMSUNG Pay

More Convenient Ways to Pay!

- Challenges

- Reduced Fare is currently not available, MTS to explore options with the California Integrated Travel Project (Cal-ITP)
- Equity Challenge-explore options for the unbanked, e.g. Ability to use reloadable prepaid debit cards, registration process
- Implement requirements mandated by credit card issuers
 - Impact Website, Customer Relationship Management module (CRM) and Validators
- Implement additional modifications to properly administer the feature
 - Accounting/reporting, inspection/validation app, mobile app enhancements, solution requires one shared merchant identifier for MTS/NCTD

More Convenient Ways to Pay!

- Virtual PRONTO Card
 - Fares: Adult, Youth or Senior/Disabled/Medicare
 - Tap phone to pay with a virtual PRONTO card on phone.

More Convenient Ways to Pay!

- Challenges

- Apple/Google are developing software development kits (SDKs) exclusively with fare system integrators in support of this feature
 - The custom solution that was built for Tri-Met is no longer supported
 - ORCA in Seattle utilizes a very similar version of the INIT system; is still awaiting this functionality
- Implement additional modifications to improve customer experience and properly administer the feature
 - Modify: Mobile app, CRM and Website

How do we get there?

- Next Steps

- Continue to hold Technical workshops with MTS, NCTD and INIT to develop Scope
- Continue to explore a tier-phased feature implementation approach
- Leverage Cal-ITP's knowledge base to ensure an equitable solution is provided

- Tentative Implementation Timeline (18-24 months)

- Includes Scope definition, procurement and implementation
- Virtual PRONTO card feature does require collaboration from Apple/Google

Questions





Agenda Item No. 61

Chief Executive Officer's Report

November 10, 2022

In accordance with Board Policy No. 52, "Procurement of Goods and Services", attached are listings of contracts, purchase orders, and work orders that have been approved within the CEO's authority (up to and including \$100,000) for the period October 12, 2022 – November 1, 2022.

CEO Travel Report (since last Board meeting)

N/A

Board Member Travel Report (since last Board meeting)

N/A



EXPENSE CONTRACTS				
Doc #	Organization	Subject	Amount	Day
PWG347.0-22JOC01	ABCGC	H STREET REPAIR	\$19,686.12	10/12/2022
PWB333.1-21	PALM ENG CON	ZEB OH INFRA CONSTR. CCO1	\$63,415.33	10/13/2022
G2498.0-21WOA-CM03	KLEINFELDER CON	BLUE LINE TPSS CM AGREEMENT	\$32,436.54	10/14/2022
L1607.2-22	WABTEC	AMD 2 TRAVEL EXP	\$15,000.00	10/19/2022
L1607.0-22WOA2	WABTEC	SANDAG TPSS	\$29,755.00	10/19/2022
L1607.0-22WOA1.2	WABTEC	FINAL ACCEP OF BEECH ST	\$55,130.00	10/19/2022
G2378.2-20	CRAYON SOFTWARE EX	UPGRADE SUPPORT AND ADD LICENSE	\$45,143.59	10/25/2022
PWG348.0-22JOC348-02	VETERANS ENG SERVICES	FRIARS NAPA	\$24,843.09	10/27/2022

REVENUE CONTRACTS AND MOUs				
Doc #	Organization	Subject	Amount	Day
L6823.0-23	NATIONAL MS SOCIETY	BIKE MS EVENT 2022 N TORREY PINES	\$750.00	10/14/2022
G2635.0-22	UCSD	PRONTO PARTNERSHIPS PLUS PROGRAM CONTRACT	\$810,000.00	10/26/2022
G2694.0-23	COMMUNITY HEALTH GROUP	PRONTO PARTNERSHIPS PLUS PROGRAM CONTRACT	\$0.00	10/26/2022
G2697.0-23	SANDAG	MTS 5310 FUND TRANSFER AGREEMENT 1	\$599,999.00	10/27/2022
G2695.0-23	SAN DIEGO PRIDE	PRONTO PARTNERSHIPS PLUS PROGRAM CONTRACT	\$0.00	10/31/2022
L1560.1-21	PALM ENGINEERING	EUCLID AND MARKET OVERLAY	\$750.00	11/1/2022
G2650.0-23	SANDAG S1058640	FY23 TRY TRANSIT MOU	\$0.00	11/1/2022

Purchase Orders							
PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4400002084	10/12/2022	Office Depot		G200-OFFICE SUPPLIES	\$ 1,015.09	-	-
4400002085	10/13/2022	Office Depot		G200-OFFICE SUPPLIES	\$ 165.25	-	-
4400002086	10/14/2022	Office Depot		G200-OFFICE SUPPLIES	\$ 63.90	-	-
4400002087	10/15/2022	Office Depot		G200-OFFICE SUPPLIES	\$ 88.50	-	-
4400002088	10/16/2022	Office Depot		I110-INFORMATION TECH	\$ 624.54	-	-
4400002089	10/17/2022	Office Depot		I110-INFORMATION TECH	\$ 221.03	-	-
4400002090	10/18/2022	W.W. Grainger Inc		G130-SHOP TOOLS	\$ 114.06	-	-
4400002091	10/19/2022	Mcmaster-Carr Supply Co		G150-FASTENERS	\$ 834.14	-	-
4400002092	10/20/2022	W.W. Grainger Inc		R230-RAIL/LRV MECHANICAL	\$ 237.63	-	-
4400002093	10/21/2022	W.W. Grainger Inc		G140-SHOP SUPPLIES	\$ 662.71	-	-
4400002094	10/22/2022	Office Depot		G200-OFFICE SUPPLIES	\$ 247.54	-	-
4400002095	10/23/2022	W.W. Grainger Inc		G130-SHOP TOOLS	\$ 101.04	-	-
4400002096	10/24/2022	W.W. Grainger Inc		M110-SUB STATION	\$ 131.20	-	-
4400002097	10/25/2022	Office Depot		G200-OFFICE SUPPLIES	\$ 208.31	-	-
4400002098	10/26/2022	Office Depot		G200-OFFICE SUPPLIES	\$ 649.54	-	-
4400002099	10/27/2022	Office Depot		G200-OFFICE SUPPLIES	\$ 278.90	-	-
4400002100	10/28/2022	Office Depot		G200-OFFICE SUPPLIES	\$ 185.98	-	-
4400002101	10/29/2022	Office Depot		G200-OFFICE SUPPLIES	\$ 636.12	-	-
4400002102	10/30/2022	Office Depot		G200-OFFICE SUPPLIES	\$ 337.95	-	-
4400002103	10/31/2022	W.W. Grainger Inc		G180-JANITORIAL SUPPLIES	\$ 676.58	-	-
4400002104	11/1/2022	Office Depot		G200-OFFICE SUPPLIES	\$ 305.65	-	-
4400002105	11/2/2022	Office Depot		G200-OFFICE SUPPLIES	\$ 56.88	-	-
4400002106	11/3/2022	Office Depot		G200-OFFICE SUPPLIES	\$ 697.51	-	-
4400002107	11/4/2022	Office Depot		G200-OFFICE SUPPLIES	\$ 113.72	-	-
4400002108	11/5/2022	Office Depot		G200-OFFICE SUPPLIES	\$ 126.63	-	-
4400002109	11/6/2022	Office Depot		G200-OFFICE SUPPLIES	\$ 379.85	-	-
4400002110	11/7/2022	Office Depot		G200-OFFICE SUPPLIES	\$ 85.53	-	-
4400002111	11/8/2022	W.W. Grainger Inc		M140-WAYSIDE SIGNALS	\$ 730.29	-	-
4400002112	11/9/2022	W.W. Grainger Inc		G130-SHOP TOOLS	\$ 130.59	-	-
4400002113	11/10/2022	Office Depot		G200-OFFICE SUPPLIES	\$ 348.75	-	-
4400002114	11/11/2022	Office Depot		G200-OFFICE SUPPLIES	\$ 170.22	-	-
4400002115	11/12/2022	Office Depot		G200-OFFICE SUPPLIES	\$ 15.03	-	-
4400002116	11/13/2022	Office Depot		G200-OFFICE SUPPLIES	\$ 59.93	-	-
4500050096	11/14/2022	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$ 2,592.55	-	-
4500050097	11/15/2022	Transit Holdings Inc		B120-BUS MECHANICAL PARTS	\$ 4,021.90	-	-
4500050098	11/16/2022	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	\$ 248.25	-	-
4500050099	11/17/2022	Siemens Mobility, Inc.		R120-RAIL/LRV CAR BODY	\$ 229.83	-	-
4500050100	11/18/2022	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$ 4,038.86	-	-
4500050101	11/19/2022	Transit Holdings Inc		B140-BUS CHASSIS	\$ 2,348.84	-	-
4500050102	11/20/2022	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	\$ 22.14	-	-
4500050103	11/21/2022	Parts Authority, LLC		B160-BUS ELECTRICAL	\$ 7,869.79	-	-
4500050104	11/22/2022	Zoho Corporation		I110-INFORMATION TECH	\$ 6,672.00	-	-
4500050105	11/23/2022	W.W. Grainger Inc		M140-WAYSIDE SIGNALS	\$ 2,016.24	-	-
4500050106	11/24/2022	Paul E. Cote		P450-PERSONNEL SVCS	\$ 6,540.00	-	-
4500050107	11/25/2022	Dimensional Silk Screen Inc		G230-PRINTED MATERIALS	\$ 814.06	-	-

Purchase Orders							
PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4500050109	11/26/2022	Waxie's Enterprises Inc.		G180-JANITORIAL SUPPLIES	\$ 2,820.56	-	-
4500050110	11/27/2022	Vern Rose Inc		G140-SHOP SUPPLIES	\$ 70.94	-	-
4500050111	11/28/2022	Mohawk Mfg & Supply Co		B160-BUS ELECTRICAL	\$ 16.17	-	-
4500050112	11/29/2022	Muncie Transit Supply		B120-BUS MECHANICAL PARTS	\$ 96.07	-	-
4500050113	11/30/2022	Sherwin Williams Company		G150-FASTENERS	\$ 277.76	-	-
4500050114	12/1/2022	Gillig LLC		B250-BUS REPAIR PARTS	\$ 225.47	-	-
4500050115	12/2/2022	Prochem Specialty Products Inc	Small Business	G180-JANITORIAL SUPPLIES	\$ 859.31	-	-
4500050116	12/3/2022	R.S. Hughes Co Inc		G140-SHOP SUPPLIES	\$ 725.48	-	-
4500050117	12/4/2022	Muncie Transit Supply		B130-BUS BODY	\$ 25.22	-	-
4500050118	12/5/2022	Steven Timme		G230-PRINTED MATERIALS	\$ 1,043.63	-	-
4500050119	12/6/2022	Coop's West Texas BBQ, Inc.		P540-MAINTENANCE TRAINING	\$ 2,113.00	-	-
4500050120	12/7/2022	Cummins Pacific LLC		B250-BUS REPAIR PARTS	\$ 41.82	-	-
4500050121	12/8/2022	B & S Graphics Inc		B130-BUS BODY	\$ 289.57	-	-
4500050122	12/9/2022	Transit Holdings Inc		B250-BUS REPAIR PARTS	\$ 438.54	-	-
4500050123	12/10/2022	Transit Holdings Inc		B130-BUS BODY	\$ 13.75	-	-
4500050124	12/11/2022	No-Spill Systems Inc		B120-BUS MECHANICAL PARTS	\$ 87.98	-	-
4500050125	12/12/2022	Siemens Mobility, Inc.		R160-RAIL/LRV ELECTRICAL	\$ 8,983.50	-	-
4500050126	12/13/2022	Industrial Maintenance Supply LLC	DBE	G150-FASTENERS	\$ 69.00	-	-
4500050127	12/14/2022	Transit Holdings Inc		B250-BUS REPAIR PARTS	\$ 515.30	-	-
4500050128	12/15/2022	Thompson Building Materials		R230-RAIL/LRV MECHANICAL	\$ 3,358.15	-	-
4500050129	12/16/2022	W.W. Grainger Inc		G140-SHOP SUPPLIES	\$ 366.11	-	-
4500050130	12/17/2022	Datel Systems Incorporated	Small Business	I110-INFORMATION TECH	\$ 27,336.00	-	-
4500050131	12/18/2022	Grah Safe & Lock Inc	Small Business	G150-FASTENERS	\$ 101.29	-	-
4500050132	12/19/2022	Graybar Electric Co Inc		M180-STATION ELECTRICAL	\$ 704.38	-	-
4500050133	12/20/2022	Wesco Distribution Inc		M180-STATION ELECTRICAL	\$ 2,891.48	-	-
4500050134	12/21/2022	MJP Enterprises		P210-NON-REV VEH REPAIRS	\$ 7,481.87	-	-
4500050135	12/22/2022	Fastenal Company		G150-FASTENERS	\$ 799.41	-	-
4500050136	12/23/2022	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$ 3,720.61	-	-
4500050137	12/24/2022	Transit Holdings Inc		B120-BUS MECHANICAL PARTS	\$ 1,201.45	-	-
4500050138	12/25/2022	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	\$ 38.88	-	-
4500050139	12/26/2022	Home Depot USA Inc		G160-PAINTS & CHEMICALS	\$ 800.82	-	-
4500050140	12/27/2022	Airgas Inc		R160-RAIL/LRV ELECTRICAL	\$ 3,253.32	-	-
4500050141	12/28/2022	Kaman Industrial Technologies		R160-RAIL/LRV ELECTRICAL	\$ 113.84	-	-
4500050142	12/29/2022	Mouser Electronics Inc		R170-RAIL/LRV HVAC	\$ 335.08	-	-
4500050143	12/30/2022	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$ 178.87	-	-
4500050144	12/31/2022	Transit Holdings Inc		B160-BUS ELECTRICAL	\$ 5,157.81	-	-
4500050145	1/1/2023	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	\$ 65.55	-	-
4500050146	1/2/2023	Laird Plastics, Inc		M180-STATION ELECTRICAL	\$ 322.45	-	-
4500050147	1/3/2023	Neopart Transit LLC		G190-SAFETY/MED SUPPLIES	\$ 101.45	-	-
4500050148	1/4/2023	Schunk Carbon Technology LLC		G170-LUBRICANTS	\$ 1,486.68	-	-
4500050149	1/5/2023	W.W. Grainger Inc		R180-RAIL/LRV LIGHTING	\$ 6,382.84	-	-
4500050150	1/6/2023	West-Lite Supply Co Inc	Small Business	R160-RAIL/LRV ELECTRICAL	\$ 191.37	-	-
4500050151	1/7/2023	711 Print Enterprises Inc		G120-SECURITY	\$ 1,226.20	-	-
4500050152	1/8/2023	Reid and Clark Screen Arts Co		G120-SECURITY	\$ 492.31	-	-
4500050153	1/9/2023	Knorr Brake Holding Corporation		R120-RAIL/LRV CAR BODY	\$ 6,038.31	-	-

Purchase Orders							
PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4500050154	1/10/2023	Siemens Mobility, Inc.		R120-RAIL/LRV CAR BODY	\$ 37,996.96	-	-
4500050155	1/11/2023	Brady Industries of California, LLC		G180-JANITORIAL SUPPLIES	\$ 169.82	-	-
4500050156	1/12/2023	W.W. Grainger Inc		F110-SHOP/BLDG MACHINERY	\$ 243.89	-	-
4500050157	1/13/2023	Gillig LLC		B250-BUS REPAIR PARTS	\$ 349.62	-	-
4500050158	1/14/2023	Freeby Signs		B250-BUS REPAIR PARTS	\$ 942.82	-	-
4500050159	1/15/2023	Transit Holdings Inc		B250-BUS REPAIR PARTS	\$ 520.43	-	-
4500050160	1/16/2023	G&A Auto Airconditioning		P210-NON-REV VEH REPAIRS	\$ 59.52	-	-
4500050161	1/17/2023	Sherwin Williams Company		G140-SHOP SUPPLIES	\$ 34.92	-	-
4500050162	1/18/2023	SPX Corporation		B250-BUS REPAIR PARTS	\$ 303.86	-	-
4500050163	1/19/2023	W.W. Grainger Inc		P280-GENERAL SVC AGRMNTS	\$ 19.12	-	-
4500050164	1/20/2023	Westair Gases & Equipment Inc	Small Business	G190-SAFETY/MED SUPPLIES	\$ 242.46	-	-
4500050165	1/21/2023	Culligan of San Diego		M140-WAYSIDE SIGNALS	\$ 21.55	-	-
4500050166	1/22/2023	Controlled Motion Solutions Inc		B120-BUS MECHANICAL PARTS	\$ 548.06	-	-
4500050167	1/23/2023	Annex Warehouse Company, Inc		F120-BUS/LRV PAINT BOOTHS	\$ 657.10	-	-
4500050168	1/24/2023	Western-Cullen-Hayes Inc		M130-CROSSING MECHANISM	\$ 42.03	-	-
4500050169	1/25/2023	Gillig LLC		B130-BUS BODY	\$ 559.76	-	-
4500050170	1/26/2023	Mouser Electronics Inc		B250-BUS REPAIR PARTS	\$ 16.88	-	-
4500050171	1/27/2023	W.W. Grainger Inc		G190-SAFETY/MED SUPPLIES	\$ 74.24	-	-
4500050172	1/28/2023	Waxie's Enterprises Inc.		G180-JANITORIAL SUPPLIES	\$ 9,096.26	-	-
4500050173	1/29/2023	Mohawk Mfg & Supply Co		B120-BUS MECHANICAL PARTS	\$ 326.30	-	-
4500050174	1/30/2023	Staples Contract & Commercial Inc		G200-OFFICE SUPPLIES	\$ 310.53	-	-
4500050175	1/31/2023	W.W. Grainger Inc		G140-SHOP SUPPLIES	\$ 207.65	-	-
4500050176	2/1/2023	Jeyco Products Inc		G130-SHOP TOOLS	\$ 248.36	-	-
4500050177	2/2/2023	Harbor Diesel & Equipment		B200-BUS PWR TRAIN EQUIP	\$ 356.66	-	-
4500050178	2/3/2023	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$ 625.42	-	-
4500050179	2/4/2023	Industrial Maintenance Supply LLC	DBE	G130-SHOP TOOLS	\$ 40.91	-	-
4500050180	2/5/2023	Vern Rose Inc		G140-SHOP SUPPLIES	\$ 72.14	-	-
4500050181	2/6/2023	Sherwin Williams Company		B130-BUS BODY	\$ 231.49	-	-
4500050182	2/7/2023	Transit Holdings Inc		B140-BUS CHASSIS	\$ 1,652.89	-	-
4500050183	2/8/2023	Aymar Industries, LLC.		R140-RAIL/LRV DOORS/RAMP	\$ 3,143.61	-	-
4500050184	2/9/2023	Hitachi Rail STS USA, Inc.		M130-CROSSING MECHANISM	\$ 834.20	-	-
4500050185	2/10/2023	Siemens Mobility, Inc.		R150-RAIL/LRV COMM EQUIP	\$ 1,609.79	-	-
4500050186	2/11/2023	Home Depot USA Inc		F180-BUILDING MATERIALS	\$ 473.96	-	-
4500050187	2/12/2023	Western Sierras Inc		M120-OVRHEAD CATENARY SYS	\$ 1,900.10	-	-
4500050188	2/13/2023	JKL Cleaning Systems	Small Business	F180-BUILDING MATERIALS	\$ 356.69	-	-
4500050189	2/14/2023	Willy's Electronic Supply Co	Small Business	M180-STATION ELECTRICAL	\$ 403.74	-	-
4500050190	2/15/2023	Winzer Franchise Company		G150-FASTENERS	\$ 79.74	-	-
4500050191	2/16/2023	Jeyco Products Inc		G140-SHOP SUPPLIES	\$ 89.00	-	-
4500050192	2/17/2023	W.W. Grainger Inc		G140-SHOP SUPPLIES	\$ 318.08	-	-
4500050193	2/18/2023	Citywide Auto Glass Inc		A140-AUTO/TRUCK REPAIR	\$ 265.30	-	-
4500050194	2/19/2023	Fastenal Company		G190-SAFETY/MED SUPPLIES	\$ 337.35	-	-
4500050195	2/20/2023	Transit Holdings Inc		B120-BUS MECHANICAL PARTS	\$ 228.97	-	-
4500050196	2/21/2023	Grah Safe & Lock Inc	Small Business	F180-BUILDING MATERIALS	\$ 12.93	-	-
4500050197	2/22/2023	Transit Holdings Inc		B160-BUS ELECTRICAL	\$ 5,315.41	-	-
4500050198	2/23/2023	Brady Industries of California, LLC		G190-SAFETY/MED SUPPLIES	\$ 728.48	-	-

Purchase Orders							
PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4500050199	2/24/2023	E W Truck & Equipment Co Inc		B120-BUS MECHANICAL PARTS	\$ 700.03	-	-
4500050200	2/25/2023	Winzer Franchise Company		G150-FASTENERS	\$ 219.82	-	-
4500050201	2/26/2023	Siemens Mobility, Inc.		R160-RAIL/LRV ELECTRICAL	\$ 75,317.25	-	-
4500050202	2/27/2023	Staples Contract & Commercial Inc		P280-GENERAL SVC AGRMNTS	\$ 80.70	-	-
4500050203	2/28/2023	Industrial Maintenance Supply LLC	DBE	G150-FASTENERS	\$ 11.03	-	-
4500050204	3/1/2023	W.W. Grainger Inc		G170-LUBRICANTS	\$ 235.01	-	-
4500050205	3/2/2023	Staples Contract & Commercial Inc		G200-OFFICE SUPPLIES	\$ 435.46	-	-
4500050206	3/3/2023	Transit Holdings Inc		B250-BUS REPAIR PARTS	\$ 176.92	-	-
4500050207	3/4/2023	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$ 9,249.47	-	-
4500050208	3/5/2023	Gillig LLC		B250-BUS REPAIR PARTS	\$ 423.82	-	-
4500050209	3/6/2023	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$ 748.87	-	-
4500050210	3/7/2023	Transit Holdings Inc		B120-BUS MECHANICAL PARTS	\$ 2,778.38	-	-
4500050211	3/8/2023	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	\$ 65.55	-	-
4500050212	3/9/2023	Parts Authority, LLC		B160-BUS ELECTRICAL	\$ 7,555.00	-	-
4500050213	3/10/2023	Siemens Mobility, Inc.		R180-RAIL/LRV LIGHTING	\$ 547.29	-	-
4500050214	3/11/2023	Reid and Clark Screen Arts Co		R120-RAIL/LRV CAR BODY	\$ 2,499.80	-	-
4500050215	3/12/2023	Transit Holdings Inc		B250-BUS REPAIR PARTS	\$ 1,637.74	-	-
4500050216	3/13/2023	W.W. Grainger Inc		M110-SUB STATION	\$ 989.96	-	-
4500050218	3/15/2023	SC Commercial, LLC		A120-AUTO/TRUCK GASOLINE	\$ 3,144.15	-	-
4500050219	3/16/2023	Transit Holdings Inc		B140-BUS CHASSIS	\$ 92.67	-	-
4500050220	3/17/2023	Supreme Oil Company		A120-AUTO/TRUCK GASOLINE	\$ 13,951.40	-	-
4500050221	3/18/2023	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$ 2,157.16	-	-
4500050222	3/19/2023	Mohawk Mfg & Supply Co		B140-BUS CHASSIS	\$ 7.24	-	-
4500050223	3/20/2023	Muncie Transit Supply		B160-BUS ELECTRICAL	\$ 19.44	-	-
4500050224	3/21/2023	Transit Holdings Inc		B140-BUS CHASSIS	\$ 3,777.55	-	-
4500050225	3/22/2023	Transit Products and Services		B250-BUS REPAIR PARTS	\$ 7,542.50	-	-
4500050226	3/23/2023	Fastenal Company		G140-SHOP SUPPLIES	\$ 1,618.75	-	-
4500050227	3/24/2023	Graybar Electric Co Inc		M110-SUB STATION	\$ 265.30	-	-
4500050228	3/25/2023	Airgas Inc		G190-SAFETY/MED SUPPLIES	\$ 511.52	-	-
4500050229	3/26/2023	Siemens Mobility, Inc.		R150-RAIL/LRV COMM EQUIP	\$ 1,556.99	-	-
4500050230	3/27/2023	Jamaica Bearings Co Inc		R220-RAIL/LRV TRUCKS	\$ 2,585.68	-	-
4500050231	3/28/2023	Gillig LLC		B250-BUS REPAIR PARTS	\$ 678.95	-	-
4500050232	3/29/2023	Team One Repair Inc		G290-FARE REVENUE EQUIP	\$ 460.18	-	-
4500050233	3/30/2023	Citywide Auto Glass Inc		R120-RAIL/LRV CAR BODY	\$ 1,223.50	-	-
4500050234	3/31/2023	Annex Warehouse Company, Inc		G160-PAINTS & CHEMICALS	\$ 6,637.16	-	-
4500050235	4/1/2023	Siemens Mobility, Inc.		R120-RAIL/LRV CAR BODY	\$ 103.44	-	-
4500050236	4/2/2023	Synco Chemical Corporation		G170-LUBRICANTS	\$ 20,119.08	-	-
4500050237	4/3/2023	Transit Holdings Inc		B160-BUS ELECTRICAL	\$ 125.25	-	-
4500050238	4/4/2023	Transit Holdings Inc		B120-BUS MECHANICAL PARTS	\$ 710.29	-	-
4500050239	4/5/2023	Transit Holdings Inc		B250-BUS REPAIR PARTS	\$ 483.28	-	-
4500050240	4/6/2023	Hitachi Rail STS USA, Inc.		M150-PWR SWITCHES/LOCKS	\$ 1,574.61	-	-
4500050241	4/7/2023	Schunk Carbon Technology LLC		G170-LUBRICANTS	\$ 194.21	-	-
4500050242	4/8/2023	West-Lite Supply Co Inc	Small Business	M200-YARD FACILITIES	\$ 1,102.45	-	-
4500050243	4/9/2023	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$ 2,554.82	-	-
4500050244	4/10/2023	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	\$ 847.76	-	-

Purchase Orders							
PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4500050245	4/11/2023	Jamaica Bearings Co Inc		R220-RAIL/LRV TRUCKS	\$ 62,451.90	-	-
4500050246	4/12/2023	SPX Corporation		B250-BUS REPAIR PARTS	\$ 2,681.01	-	-
4500050247	4/13/2023	Transit Holdings Inc		B130-BUS BODY	\$ 2,425.22	-	-
4500050248	4/14/2023	W.W. Grainger Inc		G140-SHOP SUPPLIES	\$ 104.28	-	-
4500050249	4/15/2023	W.W. Grainger Inc		G130-SHOP TOOLS	\$ 1,086.72	-	-
4500050250	4/16/2023	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$ 3,136.36	-	-
4500050251	4/17/2023	Muncie Transit Supply		B140-BUS CHASSIS	\$ 393.38	-	-
4500050252	4/18/2023	Transit Holdings Inc		B160-BUS ELECTRICAL	\$ 555.39	-	-
4500050253	4/19/2023	Tony Jamison	DBE	G170-LUBRICANTS	\$ 6,870.90	-	-
4500050254	4/20/2023	Kenneth Place		G130-SHOP TOOLS	\$ 2,542.78	-	-
4500050255	4/21/2023	Dell Marketing L.P.		I110-INFORMATION TECH	\$ 374.20	-	-
4500050256	4/22/2023	Flexible Assembly Systems, Inc.		G130-SHOP TOOLS	\$ 701.55	-	-
4500050257	4/23/2023	Channel Public Safety LLC		G130-SHOP TOOLS	\$ 1,006.40	-	-
4500050258	4/24/2023	Transit Holdings Inc		B140-BUS CHASSIS	\$ 1,293.34	-	-
4500050259	4/25/2023	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$ 2,350.62	-	-
4500050260	4/26/2023	Muncie Transit Supply		B200-BUS PWR TRAIN EQUIP	\$ 56.31	-	-
4500050261	4/27/2023	Transit Holdings Inc		B160-BUS ELECTRICAL	\$ 1,529.14	-	-
4500050262	4/28/2023	Transit Holdings Inc		B130-BUS BODY	\$ 134.91	-	-
4500050263	4/29/2023	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	\$ 355.90	-	-
4500050264	4/30/2023	Siemens Mobility, Inc.		R120-RAIL/LRV CAR BODY	\$ 42,722.88	-	-
4500050265	5/1/2023	Southern Counties Lubricants LLC		G170-LUBRICANTS	\$ 9,128.33	-	-
4500050266	5/2/2023	Custom Glass Solutions		R120-RAIL/LRV CAR BODY	\$ 6,080.56	-	-
4500050267	5/3/2023	Hitachi Rail STS USA, Inc.		M130-CROSSING MECHANISM	\$ 1,471.60	-	-
4500050268	5/4/2023	Freeby Signs		B250-BUS REPAIR PARTS	\$ 1,346.88	-	-
4500050269	5/5/2023	Southern Counties Lubricants LLC		G170-LUBRICANTS	\$ 13,692.48	-	-
4500050270	5/6/2023	Gillig LLC		B130-BUS BODY	\$ 3,852.63	-	-
4500050271	5/7/2023	Transit Holdings Inc		G170-LUBRICANTS	\$ 791.26	-	-
4500050272	5/8/2023	Industrial Maintenance Supply LLC	DBE	G150-FASTENERS	\$ 25.73	-	-
4500050273	5/9/2023	Waxie's Enterprises Inc.		G140-SHOP SUPPLIES	\$ 2,448.08	-	-
4500050274	5/10/2023	Muncie Transit Supply		B160-BUS ELECTRICAL	\$ 80.13	-	-
4500050275	5/11/2023	Jeyco Products Inc		G130-SHOP TOOLS	\$ 28.16	-	-
4500050276	5/12/2023	Kaman Industrial Technologies		G130-SHOP TOOLS	\$ 30.74	-	-
4500050277	5/13/2023	B & S Graphics Inc		B130-BUS BODY	\$ 61.42	-	-
4500050278	5/14/2023	Barry Sandler Enterprises		G180-JANITORIAL SUPPLIES	\$ 963.29	-	-
4500050279	5/15/2023	Mohawk Mfg & Supply Co		B140-BUS CHASSIS	\$ 49.48	-	-
4500050280	5/16/2023	FinishMaster Inc		F120-BUS/LRV PAINT BOOTHS	\$ 1,820.93	-	-
4500050281	5/17/2023	Vern Rose Inc		G160-PAINTS & CHEMICALS	\$ 576.55	-	-
4500050282	5/18/2023	Magaldi & Magaldi Inc		B250-BUS REPAIR PARTS	\$ 172.08	-	-
4500050283	5/19/2023	Gillig LLC		B130-BUS BODY	\$ 970.92	-	-
4500050284	5/20/2023	W.W. Grainger Inc		G180-JANITORIAL SUPPLIES	\$ 686.48	-	-
4500050285	5/21/2023	R.S. Hughes Co Inc		G160-PAINTS & CHEMICALS	\$ 68.87	-	-
4500050286	5/22/2023	Staples Contract & Commercial Inc		G200-OFFICE SUPPLIES	\$ 225.07	-	-
4500050287	5/23/2023	Home Depot USA Inc		G140-SHOP SUPPLIES	\$ 72.30	-	-
4500050288	5/24/2023	San Diego Friction Products, Inc.		G140-SHOP SUPPLIES	\$ 75.78	-	-
4500050289	5/25/2023	Airgas Inc		G140-SHOP SUPPLIES	\$ 34.67	-	-

Purchase Orders							
PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4500050290	5/26/2023	Kidde Technologies Inc		B250-BUS REPAIR PARTS	\$ 642.94	-	-
4500050291	5/27/2023	Prochem Specialty Products Inc	Small Business	G180-JANITORIAL SUPPLIES	\$ 859.31	-	-
4500050292	5/28/2023	Ralphs Grocery Company		P440-CATERING SERVICES	\$ 239.92	-	-
4500050293	5/29/2023	Brady Industries of California, LLC		G180-JANITORIAL SUPPLIES	\$ 230.69	-	-
4500050294	5/30/2023	Transit Holdings Inc		B250-BUS REPAIR PARTS	\$ 202.81	-	-
4500050295	5/31/2023	Don Oleson Inc	Small Business	G140-SHOP SUPPLIES	\$ 145.47	-	-
4500050296	6/1/2023	Inland Kenworth (US) Inc		B120-BUS MECHANICAL PARTS	\$ 81.57	-	-
4500050297	6/2/2023	Siemens Mobility, Inc.		R160-RAIL/LRV ELECTRICAL	\$ 50,836.48	-	-
4500050298	6/3/2023	Resa Power LLC		M190-SDSU ELECTRICAL	\$ 2,289.79	-	-
4500050299	6/4/2023	San Diego Hydraulics, Inc.		P210-NON-REV VEH REPAIRS	\$ 474.01	-	-
4500050300	6/5/2023	A to Z Enterprises, Inc.		P280-GENERAL SVC AGRMNTS	\$ 90.00	-	-
4500050301	6/6/2023	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$ 236.40	-	-
4500050302	6/7/2023	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	\$ 4,621.15	-	-
4500050303	6/8/2023	Dimensional Silk Screen Inc		G230-PRINTED MATERIALS	\$ 1,396.44	-	-
4500050304	6/9/2023	Business Office Outfitters		G210-OFFICE FURNITURE	\$ 1,716.47	-	-
4500050305	6/10/2023	US Mobile Wireless		G120-SECURITY	\$ 851.94	-	-
4500050306	6/11/2023	Home Depot USA Inc		G130-SHOP TOOLS	\$ 354.50	-	-
4500050307	6/12/2023	JKL Cleaning Systems	Small Business	G140-SHOP SUPPLIES	\$ 599.51	-	-
4500050308	6/13/2023	Citywide Auto Glass Inc		P280-GENERAL SVC AGRMNTS	\$ 439.51	-	-
4500050309	6/14/2023	Kenneth Place		P130-EQUIP MAINT REPR SVC	\$ 504.17	-	-
4500050310	6/15/2023	SC Commercial, LLC		A120-AUTO/TRUCK GASOLINE	\$ 3,193.47	-	-
4500050311	6/16/2023	Professional Contractors Supplies		G140-SHOP SUPPLIES	\$ 828.66	-	-
4500050312	6/17/2023	Fastenal Company		G140-SHOP SUPPLIES	\$ 2,084.06	-	-
4500050313	6/18/2023	Shilpark Paint Corp.		F180-BUILDING MATERIALS	\$ 263.18	-	-
4500050314	6/19/2023	Cembre Inc		G130-SHOP TOOLS	\$ 1,586.09	-	-
4500050315	6/20/2023	Home Depot USA Inc		G140-SHOP SUPPLIES	\$ 28.50	-	-
4500050316	6/21/2023	Kenneth Place		F190-LANDSCAPING MAT'LS	\$ 1,206.78	-	-
4500050317	6/22/2023	Kenneth Place		F180-BUILDING MATERIALS	\$ 215.49	-	-
4500050318	6/23/2023	Fastenal Company		G190-SAFETY/MED SUPPLIES	\$ 610.46	-	-
4500050319	6/24/2023	Transit Holdings Inc		B140-BUS CHASSIS	\$ 2,731.37	-	-
4500050320	6/25/2023	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	\$ 49.65	-	-
4500050321	6/26/2023	Vehicle Maintenance Program, Inc.	Woman Owned Business	B140-BUS CHASSIS	\$ 502.91	-	-
4500050322	6/27/2023	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	\$ 1,976.52	-	-
4500050323	6/28/2023	Industrial Maintenance Supply LLC	DBE	G150-FASTENERS	\$ 68.81	-	-
4500050324	6/29/2023	Transit Holdings Inc		B120-BUS MECHANICAL PARTS	\$ 2,767.86	-	-
4500050325	6/30/2023	Jeyco Products Inc		G140-SHOP SUPPLIES	\$ 465.05	-	-
4500050326	7/1/2023	Madden Construction Inc		P280-GENERAL SVC AGRMNTS	\$ 948.00	-	-
4500050327	7/2/2023	Gillig LLC		B250-BUS REPAIR PARTS	\$ 1,337.69	-	-
4500050328	7/3/2023	Kaman Industrial Technologies		G170-LUBRICANTS	\$ 2,567.49	-	-
4500050329	7/4/2023	Uline		G200-OFFICE SUPPLIES	\$ 2,177.71	-	-
4500050330	7/5/2023	E&E Industries	Small Business	F110-SHOP/BLDG MACHINERY	\$ 25.71	-	-
4500050331	7/6/2023	Madden Construction Inc		P280-GENERAL SVC AGRMNTS	\$ 984.00	-	-
4500050332	7/7/2023	Ferguson Enterprises		F110-SHOP/BLDG MACHINERY	\$ 258.31	-	-
4500050333	7/8/2023	W.W. Grainger Inc		F110-SHOP/BLDG MACHINERY	\$ 175.18	-	-
4500050334	7/9/2023	G&A Auto Airconditioning		P210-NON-REV VEH REPAIRS	\$ 59.52	-	-

Purchase Orders							
PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4500050335	7/10/2023	G&A Auto Airconditioning		P210-NON-REV VEH REPAIRS	\$ 59.52	-	-
4500050336	7/11/2023	Mohawk Mfg & Supply Co		B140-BUS CHASSIS	\$ 149.82	-	-
4500050337	7/12/2023	Transit Holdings Inc		B250-BUS REPAIR PARTS	\$ 105.60	-	-
4500050338	7/13/2023	Tony Jamison	DBE	G170-LUBRICANTS	\$ 146.63	-	-
4500050339	7/14/2023	Samba Holdings Inc		P480-EE MAINTENANCE	\$ 1,943.83	-	-
4500050340	7/15/2023	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$ 2,646.93	-	-
4500050341	7/16/2023	Transit Holdings Inc		B130-BUS BODY	\$ 620.29	-	-
4500050342	7/17/2023	Transit Holdings Inc		B120-BUS MECHANICAL PARTS	\$ 106.20	-	-
4500050343	7/18/2023	Siemens Mobility, Inc.		R160-RAIL/LRV ELECTRICAL	\$ 57,241.11	-	-
4500050344	7/19/2023	Knorr Brake Holding Corporation		R120-RAIL/LRV CAR BODY	\$ 6,038.31	-	-
4500050345	7/20/2023	Mcmaster-Carr Supply Co		G140-SHOP SUPPLIES	\$ 97.38	-	-
4500050346	7/21/2023	Home Depot USA Inc		G140-SHOP SUPPLIES	\$ 630.22	-	-
4500050347	7/22/2023	Brady Industries of California, LLC		G180-JANITORIAL SUPPLIES	\$ 1,534.54	-	-
4500050348	7/23/2023	Siemens Mobility, Inc.		R150-RAIL/LRV COMM EQUIP	\$ 1,609.79	-	-
4500050349	7/24/2023	Winzer Franchise Company		G150-FASTENERS	\$ 624.15	-	-
4500050350	7/25/2023	IFM Efector, Inc.		R160-RAIL/LRV ELECTRICAL	\$ 2,219.65	-	-
4500050351	7/26/2023	Hani Toma		P120-BLDG/FACILITY REPRS	\$ 6,323.38	-	-
4500050352	7/27/2023	W.W. Grainger Inc		G140-SHOP SUPPLIES	\$ 2,527.88	-	-
4500050353	7/28/2023	SC Commercial, LLC		A120-AUTO/TRUCK GASOLINE	\$ 3,144.15	-	-
4500050354	7/29/2023	Supreme Oil Company		A120-AUTO/TRUCK GASOLINE	\$ 13,648.30	-	-
4500050355	7/30/2023	Stafford Environmental Services Inc	DBE	C140-CONSTRUCTION MGT SRV	\$ 35,572.00	-	-
4500050356	7/31/2023	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$ 627.05	-	-
4500050357	8/1/2023	Transit Holdings Inc		B130-BUS BODY	\$ 7,713.33	-	-
4500050358	8/2/2023	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	\$ 6.36	-	-
4500050359	8/3/2023	Transit Holdings Inc		B130-BUS BODY	\$ 1,100.14	-	-
4500050360	8/4/2023	Culligan of San Diego		G140-SHOP SUPPLIES	\$ 2,284.80	-	-
4500050361	8/5/2023	Grah Safe & Lock Inc	Small Business	P280-GENERAL SVC AGRMNTS	\$ 1,278.25	-	-
4500050362	8/6/2023	SiteOne Landscape Supply Holding		P280-GENERAL SVC AGRMNTS	\$ 171.50	-	-
4500050363	8/7/2023	Amazon.com Sales, Inc.		G210-OFFICE FURNITURE	\$ 195.29	-	-
4500050364	8/8/2023	D's Kustom Sales & Services, LLC		M150-PWR SWITCHES/LOCKS	\$ 772.31	-	-
4500050365	8/9/2023	Industrial Maintenance Supply LLC	DBE	G150-FASTENERS	\$ 217.57	-	-
4500050366	8/10/2023	Gillig LLC		B250-BUS REPAIR PARTS	\$ 3,274.54	-	-
4500050367	8/11/2023	Jeyco Products Inc		G140-SHOP SUPPLIES	\$ 118.11	-	-
4500050368	8/12/2023	Home Depot USA Inc		G210-OFFICE FURNITURE	\$ 2,583.27	-	-
4500050369	8/13/2023	Mohawk Mfg & Supply Co		B120-BUS MECHANICAL PARTS	\$ 421.02	-	-
4500050371	8/15/2023	Kurt Morgan		G200-OFFICE SUPPLIES	\$ 502.32	-	-
4500050372	8/16/2023	R.S. Hughes Co Inc		G140-SHOP SUPPLIES	\$ 654.46	-	-
4500050373	8/17/2023	Home Depot USA Inc		F110-SHOP/BLDG MACHINERY	\$ 94.55	-	-
4500050374	8/18/2023	La Mesa Glass, Inc.	Small Business	F110-SHOP/BLDG MACHINERY	\$ 1,817.00	-	-
4500050375	8/19/2023	Cummins Pacific LLC		B120-BUS MECHANICAL PARTS	\$ 328.51	-	-
4500050376	8/20/2023	Transit Holdings Inc		B130-BUS BODY	\$ 1,003.02	-	-
4500050377	8/21/2023	Carmin Bausone DVM Inc.		G120-SECURITY	\$ 253.00	-	-
4500050378	8/22/2023	Mouser Electronics Inc		R120-RAIL/LRV CAR BODY	\$ 1,659.36	-	-
4500050379	8/23/2023	Annex Warehouse Company, Inc		F120-BUS/LRV PAINT BOOTHS	\$ 3,257.02	-	-
4500050380	8/24/2023	Waxie's Enterprises Inc.		G140-SHOP SUPPLIES	\$ 4,027.70	-	-

Purchase Orders							
PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4500050381	8/25/2023	Waxie's Enterprises Inc.		G180-JANITORIAL SUPPLIES	\$ 2,683.01	-	-
4500050382	8/26/2023	Patco Industries Inc		M130-CROSSING MECHANISM	\$ 8,533.80	-	-
4500050383	8/27/2023	Zep Vehicle Care Inc		G160-PAINTS & CHEMICALS	\$ 1,649.27	-	-
4500050384	8/28/2023	Don Oleson Inc	Small Business	B120-BUS MECHANICAL PARTS	\$ 2,901.32	-	-
4500050385	8/29/2023	Daniels Tire Service		F180-BUILDING MATERIALS	\$ 563.17	-	-
4500050386	8/30/2023	Shilpark Paint Corp.		G160-PAINTS & CHEMICALS	\$ 318.57	-	-
4500050387	8/31/2023	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$ 1,866.73	-	-
4500050388	9/1/2023	Muncie Transit Supply		B160-BUS ELECTRICAL	\$ 16.27	-	-
4500050389	9/2/2023	Transit Holdings Inc		B130-BUS BODY	\$ 1,971.23	-	-
4500050390	9/3/2023	Robcar Corporation	Woman Owned Business	G110-BUS/TROLLEY SIGNAGE	\$ 280.15	-	-
4500050391	9/4/2023	JKL Cleaning Systems	Small Business	P130-EQUIP MAINT REPR SVC	\$ 2,409.60	-	-
4500050392	9/5/2023	Graybar Electric Co Inc		M180-STATION ELECTRICAL	\$ 406.92	-	-
4500050393	9/6/2023	Alternative Rail Solutions		P540-MAINTENANCE TRAINING	\$ 2,279.28	-	-
4500050394	9/7/2023	Entech Engineering, Inc.		P280-GENERAL SVC AGRMNTS	\$ 2,400.00	-	-
4500050395	9/8/2023	Kleinfelder Construction Services,		M180-STATION ELECTRICAL	\$ 32,436.54	-	-
4500050396	9/9/2023	Johnson Controls Fire Protection LP		P280-GENERAL SVC AGRMNTS	\$ 1,191.00	-	-
4500050397	9/10/2023	Staples Contract & Commercial Inc		G200-OFFICE SUPPLIES	\$ 947.14	-	-
4500050398	9/11/2023	Transit Holdings Inc		B160-BUS ELECTRICAL	\$ 3,153.76	-	-
4500050399	9/12/2023	Gillig LLC		B110-BUS HVAC SYSTEMS	\$ 334.04	-	-
4500050400	9/13/2023	Kaman Industrial Technologies		G190-SAFETY/MED SUPPLIES	\$ 202.29	-	-
4500050401	9/14/2023	Carmin Bausone DVM Inc.		G120-SECURITY	\$ 627.00	-	-
4500050402	9/15/2023	Neopart Transit LLC		G190-SAFETY/MED SUPPLIES	\$ 1,276.84	-	-
4500050403	9/16/2023	Appspace Inc		I120-INFO TECH, SVCS	\$ 6,000.00	-	-
4500050404	9/17/2023	Mohawk Mfg & Supply Co		B120-BUS MECHANICAL PARTS	\$ 8.02	-	-
4500050405	9/18/2023	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$ 1,698.03	-	-
4500050406	9/19/2023	Muncie Transit Supply		B160-BUS ELECTRICAL	\$ 16.27	-	-
4500050407	9/20/2023	Citywide Auto Glass Inc		R120-RAIL/LRV CAR BODY	\$ 4,806.40	-	-
4500050408	9/21/2023	Transit Holdings Inc		B140-BUS CHASSIS	\$ 718.29	-	-
4500050409	9/22/2023	Annex Warehouse Company, Inc		F120-BUS/LRV PAINT BOOTHS	\$ 9,224.34	-	-
4500050410	9/23/2023	Transit Holdings Inc		B140-BUS CHASSIS	\$ 66.68	-	-
4500050411	9/24/2023	Cummins Pacific LLC		B250-BUS REPAIR PARTS	\$ 108.40	-	-
4500050412	9/25/2023	Siemens Mobility, Inc.		R120-RAIL/LRV CAR BODY	\$ 2,208.88	-	-
4500050413	9/26/2023	Transit Holdings Inc		B130-BUS BODY	\$ 338.87	-	-
4500050414	9/27/2023	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$ 1,698.03	-	-
4500050415	9/28/2023	Muncie Transit Supply		B160-BUS ELECTRICAL	\$ 5.25	-	-
4500050416	9/29/2023	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	\$ 5,809.55	-	-
4500050417	9/30/2023	W.W. Grainger Inc		G160-PAINTS & CHEMICALS	\$ 183.60	-	-
4500050418	10/1/2023	San Diego Friction Products, Inc.		G140-SHOP SUPPLIES	\$ 75.78	-	-
4500050419	10/2/2023	Barry Sandler Enterprises		G180-JANITORIAL SUPPLIES	\$ 1,685.75	-	-
4500050420	10/3/2023	Inland Kenworth (US) Inc		B200-BUS PWR TRAIN EQUIP	\$ 395.45	-	-
4500050421	10/4/2023	Vern Rose Inc		G160-PAINTS & CHEMICALS	\$ 121.69	-	-
4500050422	10/5/2023	Gillig LLC		B110-BUS HVAC SYSTEMS	\$ 652.86	-	-
4500050423	10/6/2023	SPX Corporation		G290-FARE REVENUE EQUIP	\$ 166.60	-	-
4500050424	10/7/2023	Transit Holdings Inc		B250-BUS REPAIR PARTS	\$ 284.19	-	-
4500050425	10/8/2023	Gillig LLC		B250-BUS REPAIR PARTS	\$ 296.32	-	-

Purchase Orders							
PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4500050426	10/9/2023	W.W. Grainger Inc		G180-JANITORIAL SUPPLIES	\$ 435.72	-	-
4500050427	10/10/2023	Sherwin Williams Company		G160-PAINTS & CHEMICALS	\$ 116.98	-	-
4500050428	10/11/2023	Industrial Maintenance Supply LLC	DBE	G150-FASTENERS	\$ 53.39	-	-
4500050429	10/12/2023	Transit Holdings Inc		B250-BUS REPAIR PARTS	\$ 74.11	-	-
4500050430	10/13/2023	Neopart Transit LLC		B250-BUS REPAIR PARTS	\$ 46.34	-	-
4500050431	10/14/2023	Winzer Franchise Company		G150-FASTENERS	\$ 214.65	-	-
4500050432	10/15/2023	Kaman Industrial Technologies		G140-SHOP SUPPLIES	\$ 1,801.60	-	-
4500050433	10/16/2023	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$ 878.98	-	-
4500050434	10/17/2023	Transit Holdings Inc		B160-BUS ELECTRICAL	\$ 4,171.42	-	-
4500050435	10/18/2023	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$ 9,968.45	-	-
4500050436	10/19/2023	Muncie Transit Supply		B200-BUS PWR TRAIN EQUIP	\$ 87.49	-	-
4500050437	10/20/2023	Transit Holdings Inc		B140-BUS CHASSIS	\$ 933.48	-	-
4500050438	10/21/2023	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	\$ 1,102.72	-	-
4500050439	10/22/2023	SC Commercial, LLC		A120-AUTO/TRUCK GASOLINE	\$ 9,679.05	-	-
4500050440	10/23/2023	Kambrian Corporation	DBE	I110-INFORMATION TECH	\$ 7,112.46	-	-
4500050441	10/24/2023	Carmine Bausone DVM Inc.		G120-SECURITY	\$ 231.00	-	-
4500050442	10/25/2023	Gillig LLC		B250-BUS REPAIR PARTS	\$ 897.50	-	-
4500050443	10/26/2023	Gillig LLC		B250-BUS REPAIR PARTS	\$ 820.95	-	-
4500050444	10/27/2023	Transit Holdings Inc		B250-BUS REPAIR PARTS	\$ 529.56	-	-
4500050445	10/28/2023	Transit Holdings Inc		B250-BUS REPAIR PARTS	\$ 221.11	-	-
4500050447	10/29/2023	Gillig LLC		B250-BUS REPAIR PARTS	\$ 593.92	-	-
4500050448	10/30/2023	Industrial Maintenance Supply LLC	DBE	G150-FASTENERS	\$ 82.89	-	-
4500050449	10/31/2023	Gillig LLC		B120-BUS MECHANICAL PARTS	\$ 1,248.13	-	-
4500050450	11/1/2023	Freeby Signs		B250-BUS REPAIR PARTS	\$ 468.93	-	-
4500050451	11/2/2023	Don Oleson Inc	Small Business	B120-BUS MECHANICAL PARTS	\$ 2,901.32	-	-
4500050452	11/3/2023	Kaman Industrial Technologies		G140-SHOP SUPPLIES	\$ 289.51	-	-
4500050453	11/4/2023	Mohawk Mfg & Supply Co		B130-BUS BODY	\$ 1,601.77	-	-
4500050454	11/5/2023	Staples Contract & Commercial Inc		G200-OFFICE SUPPLIES	\$ 64.48	-	-
4500050455	11/6/2023	SC Commercial, LLC		B180-BUS DIESEL	\$ 19,630.61	-	-
4500050456	11/7/2023	Southern Counties Lubricants LLC		G170-LUBRICANTS	\$ 5,746.09	-	-
4500050457	11/8/2023	Siemens Mobility, Inc.		R220-RAIL/LRV TRUCKS	\$ 28,858.34	-	-
4500050458	11/9/2023	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$ 4,584.70	-	-
4500050459	11/10/2023	Transit Holdings Inc		B140-BUS CHASSIS	\$ 1,155.18	-	-
4500050460	11/11/2023	Brady Industries of California, LLC		G190-SAFETY/MED SUPPLIES	\$ 2,721.77	-	-
4500050461	11/12/2023	Data Controls Printworks Inc	Small Business	G230-PRINTED MATERIALS	\$ 323.25	-	-
4500050462	11/13/2023	Pressnet Express Inc		G230-PRINTED MATERIALS	\$ 118.53	-	-
4500050463	11/14/2023	Bank of New York Mellon		P400-FINANCIAL & AUDIT	\$ 2,100.00	-	-
4500050464	11/15/2023	Home Depot USA Inc		F180-BUILDING MATERIALS	\$ 120.54	-	-
4500050465	11/16/2023	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$ 3,773.58	-	-
4500050466	11/17/2023	Muncie Transit Supply		B200-BUS PWR TRAIN EQUIP	\$ 74.24	-	-
4500050467	11/18/2023	Transit Holdings Inc		B130-BUS BODY	\$ 3,831.53	-	-
4500050468	11/19/2023	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	\$ 416.17	-	-
4500050469	11/20/2023	Zen Industrial Services LLC	DBE	B160-BUS ELECTRICAL	\$ 41.70	-	-
4500050470	11/21/2023	Ace Uniforms & Accessories	Small Business	G240-UNIFORM PROCUREMENT	\$ 3,360.95	-	-
4500050471	11/22/2023	Grah Safe & Lock Inc	Small Business	G140-SHOP SUPPLIES	\$ 93.76	-	-

Purchase Orders							
PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4500050472	11/23/2023	D's Kustom Sales & Services, LLC		G130-SHOP TOOLS	\$ 16,135.57	-	-
4500050473	11/24/2023	Sid Tool Co		G130-SHOP TOOLS	\$ 623.52	-	-
4500050474	11/25/2023	Waxie's Enterprises Inc.		G180-JANITORIAL SUPPLIES	\$ 765.76	-	-
4500050475	11/26/2023	Annex Warehouse Company, Inc		F120-BUS/LRV PAINT BOOTHS	\$ 3,103.20	-	-
4500050476	11/27/2023	W.W. Grainger Inc		F110-SHOP/BLDG MACHINERY	\$ 1,763.42	-	-
4500050477	11/28/2023	Transit Holdings Inc		B250-BUS REPAIR PARTS	\$ 282.95	-	-
4500050478	11/29/2023	BriceHouse Outdoor Inc.		P310-ADVERTISING SERVICES	\$ 13,440.00	-	-
4500050479	11/30/2023	ABC General Contractor Inc		C130-CONSTRUCTION SVCS	\$ 19,686.12	-	-
4500050480	12/1/2023	W.W. Grainger Inc		M140-WAYSIDE SIGNALS	\$ 228.09	-	-
4500050481	12/2/2023	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$ 521.62	-	-
4500050482	12/3/2023	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	\$ 2,956.00	-	-
4500050483	12/4/2023	Siemens Mobility, Inc.		R130-RAIL/LRV COUPLER	\$ 184.79	-	-
4500050484	12/5/2023	Freeby Signs		B250-BUS REPAIR PARTS	\$ 175.85	-	-
4500050485	12/6/2023	Tennant Sales & Serv Co		P130-EQUIP MAINT REPR SVC	\$ 958.14	-	-
4500050486	12/7/2023	JKL Cleaning Systems	Small Business	P130-EQUIP MAINT REPR SVC	\$ 1,007.76	-	-
4500050487	12/8/2023	Shilpark Paint Corp.		G160-PAINTS & CHEMICALS	\$ 746.21	-	-
4500050488	12/9/2023	Railroad Tools & Solutions LLC		T110-TRACK, RAIL	\$ 780.11	-	-
4500050489	12/10/2023	Annex Warehouse Company, Inc		F120-BUS/LRV PAINT BOOTHS	\$ 1,830.67	-	-
4500050490	12/11/2023	Robcar Corporation	Woman Owned Business	G140-SHOP SUPPLIES	\$ 1,005.45	-	-
4500050491	12/12/2023	Reid and Clark Screen Arts Co		R120-RAIL/LRV CAR BODY	\$ 694.99	-	-
4500050492	12/13/2023	Transit Holdings Inc		B250-BUS REPAIR PARTS	\$ 28.79	-	-
4500050493	12/14/2023	R.S. Hughes Co Inc		G140-SHOP SUPPLIES	\$ 1,076.33	-	-
4500050494	12/15/2023	B&H Photo & Electronics Corp		R160-RAIL/LRV ELECTRICAL	\$ 1,696.57	-	-
4500050495	12/16/2023	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$ 249.71	-	-
4500050496	12/17/2023	Muncie Transit Supply		B250-BUS REPAIR PARTS	\$ 28.02	-	-
4500050497	12/18/2023	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	\$ 2,918.44	-	-
4500050498	12/19/2023	SC Commercial, LLC		A120-AUTO/TRUCK GASOLINE	\$ 3,144.15	-	-
4500050499	12/20/2023	Fastenal Company		G190-SAFETY/MED SUPPLIES	\$ 912.07	-	-
4500050500	12/21/2023	Supreme Oil Company		A120-AUTO/TRUCK GASOLINE	\$ 13,951.40	-	-
4500050501	12/22/2023	Culligan of San Diego		G140-SHOP SUPPLIES	\$ 2,284.80	-	-
4500050502	12/23/2023	HD Supply Facilities Mainentance		G140-SHOP SUPPLIES	\$ 315.04	-	-
4500050503	12/24/2023	Fastenal Company		G180-JANITORIAL SUPPLIES	\$ 1,967.96	-	-
4500050504	12/25/2023	Transit Holdings Inc		B250-BUS REPAIR PARTS	\$ 64.88	-	-
4500050505	12/26/2023	Gillig LLC		B250-BUS REPAIR PARTS	\$ 212.62	-	-
4500050506	12/27/2023	Gillig LLC		B110-BUS HVAC SYSTEMS	\$ 2,377.93	-	-
4500050507	12/28/2023	Industrial Maintenance Supply LLC	DBE	G150-FASTENERS	\$ 142.14	-	-
4500050508	12/29/2023	Siemens Mobility, Inc.		R160-RAIL/LRV ELECTRICAL	\$ 28,000.00	-	-
4500050509	12/30/2023	W.W. Grainger Inc		G170-LUBRICANTS	\$ 809.27	-	-
4500050510	12/31/2023	Gillig LLC		B250-BUS REPAIR PARTS	\$ 616.80	-	-
4500050511	1/1/2024	Transit Holdings Inc		B250-BUS REPAIR PARTS	\$ 652.98	-	-
4500050512	1/2/2024	Jeyco Products Inc		G130-SHOP TOOLS	\$ 88.65	-	-
4500050513	1/3/2024	Inland Kenworth (US) Inc		B250-BUS REPAIR PARTS	\$ 142.84	-	-
4500050514	1/4/2024	Charter Industrial Supply Inc	Small Business	G150-FASTENERS	\$ 534.40	-	-
4500050515	1/5/2024	Northwest Pump & Equipment Co		G130-SHOP TOOLS	\$ 747.80	-	-
4500050516	1/6/2024	TK Services Inc		B250-BUS REPAIR PARTS	\$ 361.40	-	-

Purchase Orders							
PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4500050517	1/7/2024	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$ 28.50	-	-
4500050518	1/8/2024	Prochem Specialty Products Inc	Small Business	G180-JANITORIAL SUPPLIES	\$ 859.31	-	-
4500050519	1/9/2024	Kaman Industrial Technologies		B120-BUS MECHANICAL PARTS	\$ 138.95	-	-
4500050520	1/10/2024	Specialty Manufacturing Inc		B130-BUS BODY	\$ 1,198.79	-	-
4500050521	1/11/2024	Muncie Transit Supply		B130-BUS BODY	\$ 50.42	-	-
4500050522	1/12/2024	Airgas Inc		G140-SHOP SUPPLIES	\$ 208.91	-	-
4500050523	1/13/2024	Maintex Inc		G140-SHOP SUPPLIES	\$ 704.43	-	-
4500050524	1/14/2024	Mohawk Mfg & Supply Co		B140-BUS CHASSIS	\$ 152.68	-	-
4500050525	1/15/2024	Aztec Fire & Safety		G140-SHOP SUPPLIES	\$ 1,696.11	-	-
4500050526	1/16/2024	Rush Truck Centers of California		B200-BUS PWR TRAIN EQUIP	\$ 31.47	-	-
4500050527	1/17/2024	Siemens Mobility, Inc.		R160-RAIL/LRV ELECTRICAL	\$ 78,852.53	-	-
4500050528	1/18/2024	Tony Jamison	DBE	G170-LUBRICANTS	\$ 1,424.37	-	-
4500050529	1/19/2024	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$ 1,742.43	-	-
4500050530	1/20/2024	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	\$ 3,909.62	-	-
4500050531	1/21/2024	Vern Rose Inc		G160-PAINTS & CHEMICALS	\$ 344.84	-	-
4500050532	1/22/2024	Cummins Pacific LLC		G140-SHOP SUPPLIES	\$ 4,420.00	-	-
4500050533	1/23/2024	RR Donnelley and Sons Co		P400-FINANCIAL & AUDIT	\$ 1,936.25	-	-
4500050534	1/24/2024	Ocean Blue Environmental Services	Minority Owned Business	F110-SHOP/BLDG MACHINERY	\$ 242.44	-	-
4500050535	1/25/2024	SMC Electrical Products Inc		M110-SUB STATION	\$ 5,072.87	-	-
4500050536	1/26/2024	DigitalPro, Inc.		G230-PRINTED MATERIALS	\$ 24,375.53	-	-
4500050537	1/27/2024	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$ 2,608.09	-	-
4500050538	1/28/2024	Transit Holdings Inc		B160-BUS ELECTRICAL	\$ 333.04	-	-
4500050539	1/29/2024	Vehicle Maintenance Program, Inc.	Woman Owned Business	B140-BUS CHASSIS	\$ 1,048.36	-	-
4500050540	1/30/2024	Siemens Mobility, Inc.		R120-RAIL/LRV CAR BODY	\$ 1,915.80	-	-
4500050541	1/31/2024	Gillig LLC		B250-BUS REPAIR PARTS	\$ 2,659.57	-	-
4500050542	2/1/2024	Industrial Maintenance Supply LLC	DBE	G150-FASTENERS	\$ 17.20	-	-
4500050543	2/2/2024	Gillig LLC		B250-BUS REPAIR PARTS	\$ 3,274.54	-	-
4500050544	2/3/2024	Kaman Industrial Technologies		G130-SHOP TOOLS	\$ 103.61	-	-
4500050545	2/4/2024	Staples Contract & Commercial Inc		G200-OFFICE SUPPLIES	\$ 73.96	-	-
4500050546	2/5/2024	W.W. Grainger Inc		G140-SHOP SUPPLIES	\$ 269.87	-	-
4500050547	2/6/2024	Transit Holdings Inc		B250-BUS REPAIR PARTS	\$ 751.41	-	-