

MINUTES

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

October 17, 2023

[Clerk's note: Except if noted, public, staff and board member comments are paraphrased.]

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 17, 2023, at 10:00 a.m. via Zoom and in person.

The following persons, constituting the Board of Directors, were present: Brian Riley and Matt Domen (David Franklin, Jr. was absent). Others in attendance were members from:

San Diego Metropolitan Transit System:	Erin Dunn, Karen Landers, Sean Myott
Pacific Southwest Railway Museum:	Stephen Hager

1. Approval of Minutes

Mr. Domen moved to approve the Minutes of the October 27, 2022, SD&AE Railway Board of Directors meeting. Mr. Riley seconded the motion, and it was unanimously approved.

2. Statement of Railway Finances

Ms. Dunn reviewed the Statement of Railway Finances for the year ending June 30, 2023 (attached to the agenda item). The fiscal year financials have not yet been published to the MTS Board of Directors—they will go to the MTS Board of Directors in November 2023. The financials are not yet final; however, no changes are anticipated. Revenue and expenses are favorable to budget. The net income of \$89,000 is being added to the reserves balance, which now totals \$975,532.

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 (attached to the agenda item). The report addressed labor, marketing, reportable injuries/environmental, and a summary of freight.

Action Taken

Informational item only. No action taken.

4. Report on Pacific Southwest Railway Museum Operations (Stephen Hager)

Mr. Hager submitted the Pacific Southwest Railway Museum (PSRM) reports for the last four quarters (attached to the agenda item). Ridership has generally continued to increase since the pandemic. There have been no Federal Railroad Administration (FRA) reportable injuries or accidents. Preparations are being made for the special holiday trains.

Mr. Hager stated that PSRM has a proposed track project for the Desert Line to run from Campo west toward the turnaround point and then extend service westbound to Division. Mr. Hager provided two quotes for the project (attached).

Action Taken

Informational item only. No action taken.

5. Report on the Desert Line (Karen Landers)

Ms. Landers reported that Caltrans got a grant in January 2022 to complete a planning and feasibility study on a Desert Line project. Caltrans was working with the San Diego Association of Governments (SANDAG) to do the study—however, that was not allowed in the grant's rules so it was changed so that Caltrans is the lead agency on the project. The last update that Ms. Landers had was that Caltrans was trying to narrow the scope and then identify an appropriate consultant. Ms. Landers is not sure if the start date will be in 2024, and she will be checking back with Caltrans on the status. Ms. Landers stated that there will be nothing happening on the Desert Line until the study is completed, and there is coordination with Caltrans, SANDAG, and MTS.

Action Taken

Informational item only. No action taken.

6. Real Property Matters (Sean Myott)

Summary of SD&AE Documents Issued Since October 27, 2022

Mr. Myott stated that since the October 27, 2022, SD&AE Railway Company Board of Directors meeting, the documents described in the agenda item have been processed by staff. Mr. Myott noted that there has been significant interest from fiber-optic companies to cross MTS right-of-way—particularly in the southern region and border areas. Having fiber optics running through an active rail line has largely been discouraged by MTS—instead MTS has suggested that fiber-optics companies request access on public streets and that has been successful so far.

Ms. Landers added that MTS is working on a Transit-Oriented Development (TOD) project at Beyer Blvd. Station. The original site plan included using the existing parking lot—a portion of which was considered to be in the railroad corridor. The project was then redesigned to exclude that area. Mr. Myott added that rail access is always considered during TOD projects to ensure that there are no issues with transit access in the future.

- L1560.1-21: Right of Entry Permit Amendment (Time Extension) to Palm Engineering Construction Company, Inc. to install a new water main and perform street improvements adjacent to MTS railroad right of way and Euclid Transit Center.

- L1637.0-23: Right of Entry Permit to C Below for potholing along Commercial St. via hydro vacuum to expose & confirm utilities.
- S200-21-766.1: Right of Entry Permit Amendment (Time Extension) 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.
- S200-22-775.1: Right of Entry Permit Amendment (Time Extension) to Albus-Keefe & Associates for exploratory drilling and soil sampling at the Palm Avenue Station parking lot and right of way (2340 Palm Ave, Chula Vista, CA).
- S200-23-791.1: Right of Entry Permit Amendment (Time Extension) to Transtelco to replace existing fiber cable in an existing duct from Sigsbee Street and Harbor Boulevard to San Ysidro.
- S200-23-791: Right of Entry Permit Amendment to Transtelco Inc. to replace existing fiber cable in an existing duct from Sigsbee Street and Harbor Boulevard to San Ysidro.
- S200-23-792: Right of Entry Permit to Man General Engineering to access two above ground Cox Communications pedestals to pull fiber through existing conduit at Beyer Boulevard.
- S200-23-795: Right of Entry Permit to Griffith Company to install bridge falsework to protect the MTS tracks and appurtenances during the El Cajon Bridge demolition and reconstruction.
- S200-23-796: Right of Entry Permit to Fordyce Construction, Inc. for street and curb improvement work on the east side of Howard Ave between Iris Ave and Village Pine.
- S200-23-797: Right of Entry Permit to Coastal Communications, Inc. to install conduit and fiber optic cable via boring methods on Civic Center Drive.
- S200-23-798: Right of Entry Permit to AirX Utility to perform utility locating and mark-outs, potholing and documentation in the parking lot of the El Cajon Transit Center.
- S200-23-799: Right of Entry Permit to AirX Utility to perform utility locating and mark-outs, potholing and documentation Harbor Drive and Sampson Street.
- S200-23-800: Right of Entry Permit to Wyverd Fiber to conducting fiber investigation at the 24th Street Transit Center and Civic Center Drive.
- S200-23-801: Right of Entry Permit to Wyverd Fiber to conduct field investigation for fiber installation at the San Ysidro Station.
- S200-23-802: Right of Entry Permit to RedZone Robotics, Inc. to conduct field investigation of the trunk sewer pipeline along the trolley's Orange Line utilizing manholes for equipment access.
- S200-23-806: Right of Entry Permit to Life Sports Foundation allowing participants of the 2023 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 23, 2023.

- S200-23-808: Right of Entry Permit to SANDAG to access the Iris Ave. Transit Center on March 15, 2023 from 2:30pm - 5:00pm and El Cajon Transit Center on March 6, 2023 from 2:30pm-5:00pm for the purpose of encouraging participation in SANDAG's Youth Opportunity Pass Impact Survey.
- S200-23-808.1: Right of Entry Permit Amendment (Time Extension) to SANDAG Right of Entry Permit to SANDAG to access the Iris Ave. Transit Center for the purpose of encouraging participation in SANDAG's Youth Opportunity Pass Impact Survey. Extend to April 30, 2023.
- S200-23-809: License Agreement to MCImetro Access Transmission Services LLC Access for construction, use, operation, maintenance, repair and ownership of an underground fiber optic conduit that crosses within MTS/SDAE right of way at Civic Center Drive.
- S200-23-811: Right of Entry Permit to KTA Construction Inc. to replace sewer and water mains along 26th St and Commercial St for the City of San Diego.
- S200-23-812: Right of Entry Permit to the Navy Region Southwest Morale, Welfare and Recreation Department to Allowing event participants of the Navy's Annual Bay Bridge Run/Walk to cross over tracks on Sunday, May 21, 2023 at the Cesar Chavez Parkway railroad crossing and Harbor Drive.
- S200-23-813: Right of Entry Permit Right to GC Fence Corporation to install a fence near the Spring Street and Nebo Drive crossing as requested by the CPUC.
- S200-23-814: Right of Entry Permit to SANDAG to conduct outreach regarding the proposed Rapid 625 Bus Route Project at the Palomar Street Transit Center on April 19, 2023 from 2:30pm - 6:30pm or another date if weather does not permit up until May 31, 2023 as approved by MTS staff.
- S200-23-816: Right of Entry Permit to John Donaldson Construction, Inc. to install a pipe lining in the current sewer line near the building located at 1225 N Marshall Avenue, El Cajon.
- S200-23-817: Right of Entry Permit to Orion Construction to perform a GPR survey and investigative potholing at the 32nd Street crossing for the development of construction design plans for Naval Base San Diego NAVFAC's Water Line Repair Project.
- S200-23-818: Right of Entry Permit to Ramona Paving & Construction Corp, Inc. to replace asphalt along Imperial Avenue from 60th Street to 65th Street, San Diego.
- S200-23-819: Lease Agreement to West Coast General Group for temporary staging and storage of construction equipment, construction materials and supplies at property situated south of Palomar Street in the City of Chula Vista (APN 622-081-28-01).
- S200-23-820: Right of Entry Permit to City of La Mesa allowing participants of the City of La Mesa Flag Day Parade to cross over tracks on June 3, 2023 at La Mesa Boulevard railroad crossing.

- S200-23-824: Right of Entry Permit to Wyverd Fiber to intercept Wyverd owned fibers with MTS fiber at 24th Street Station/Mile of Cars Way.
- S200-24-828: Right of Entry Permit to RDZ Plumbing & Drains the purpose of replacing a sewer pipe located at the San Ysidro Station, for street address 727 E. San Ysidro Blvd.
- S200-24-830: Right of Entry Permit to Sweetwater Authority to the purpose of repairing a 16" underground water valve at F Street, Chula Vista.

Action Taken

Informational item only. No action taken.

7. Board Member Communications

There were no Board member communications.

8. Public Comments

- Manuel Hernandez representing Baja California Railroad (BJRR)

Mr. Hernandez reported that BJRR has been looking to work with SD&IV to export by rail from Mexico into the U.S. and build a new border infrastructure facility. BJRR has been meeting with companies (such as Hyundai) about the growing demand for exports from Tijuana to the U.S. He discussed the issues finding funding for infrastructure on the U.S. side of San Ysidro and the multiple entities that BJRR has been working with in the U.S. and Mexico to try to get the project moving forward.

Ms. Landers asked why there were no exports historically. Mr. Domen responded that the challenges have included train-car inspection locations, train storage locations, employee infrastructure, and other considerations, such as shades, coverings, docks, equipment (depending upon the commodities), etc.

Ms. Landers asked if enough space was added to accommodate a new facility when SANDAG did the San Ysidro Yard Expansion Project. Mr. Domen responded that tracks and drainage were built, but there is no extra room for a new building or another track without purchasing additional property.

Discussion ensued regarding different types of potential exports. Mr. Domen added that the only export historically was sand, and U.S. Customs required that all of the sand be unloaded into a pile through a screen and one agent stood there all day and inspected it. Ms. Landers suggested that BJRR representatives talk with SANDAG and Caltrans about expansion at the San Ysidro Yard. She stated that to expand the San Ysidro Yard, private property east of the San Ysidro Yard would have to be purchased prior to seeking funding, and the property would have to pass all federal environmental clearances. She added that MTS could not as a public agency purchase property unless there was an official project and all of the federal clearances passed. Ms. Landers' last contact with the private property owner's attorney was to let her know they were getting ready to sell their property and she is unaware of the current status of the property.

ownership. Ms. Landers will provide the name of the property owner's lawyer to BJRR if they want to inquire about the plans for the private property.

Discussion ensued regarding the potential for a new infrastructure facility at the border. Ms. Landers suggested that BJRR find a sponsor at SANDAG or Caltrans.

- Jim Lundquist representing PSRM – virtual question submitted:

Can the abandoned property at Campo, left behind by CZRY, be removed by the Railway Museum? We have a new home for the old office trailer in Tecate, and the other equipment there appears to be scrapped.

Ms. Landers responded that the answer most likely is yes—and she will have Mr. Myott follow up. A formal legal process was done a few years ago notifying people about MTS clearing the abandoned property and, if they wanted to claim any of the property, they needed to take action to remove it. Mr. Myott can double-check the records to make sure that no one ever claimed the property. Mr. Hager added that after a meeting in March, he sent a list to Mr. Myott noting the items that PSRM would like to dispose of or keep.

9. Next Meeting Date

The next meeting of the SD&AE Railway Company Board of Directors is on Tuesday, October 8, 2024 at 9:00 a.m.

10. Adjournment

The meeting was adjourned at 10:27 a.m.


Chairperson


General Counsel

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Attachment: PSRM Project Quotes (2)



RailWorks Track Services LLC
12740 Lakeland Road – Unit B
Santa Fe Springs, CA 90670

October 9, 2023

James Caestecker
C/O Pacific Southwest Railway Museum
San Diego & Arizona Railway
750 Depot Street
Campo, CA 91906-3180
jcaestecker@psrm.org

Subject: RailWorks Proposal 431-23-113

Re: Track repair proposal

Mr. Caestecker,

RailWorks Track Services LLC (**RailWorks**) is pleased to provide this proposal based on our site visit and collaborative meetings. This pricing is based on providing a track crew and the identified equipment below to perform the work identified during our site visit.

Scope of Work

- Track ditching:
 - Furnish equipment and manpower to ditch 3000TF on both field sides to remove rocks and overburden causing drainage issues and causing tracks to be submerged for long periods of time causing tie deterioration.
- Crossing approach and exit repairs:
 - Furnish equipment and manpower to correct reverse elevation and alignment issues on the approach and exit of the mainline road crossing. This work includes installation of new ballast material in shallow cribs and to allow the surfacing of the approach and exit to the crossing.
- Furnish and distribute ballast:
 - Furnish equipment and manpower to furnish and distribute 500 tons of AREMA 4 ballast material in various locations where shallow cribs and missing ballast have been found.
- Tie change:
 - Furnish and install (500) IG Common ties where poor tie condition has been found in various locations. Ties to be furnished with new spikes throughout using a pattern to match neighboring ties. Ties to be tamped using customer existing ballast material using a hydraulic tamping gun.

RailWorks Pricing: \$284,347.00

RailWorks pricing based on mutually acceptable terms and conditions.

Thank you for the opportunity to offer this proposal. If you have any questions, please contact me at (562) 783-9132 or via email sent to cdeater@railworks.com.



Thank you,

Chris Deater

Chris Deater

Estimator

RailWorks Track Services LLC
12740 Lakeland Road – Unit B
Santa Fe Springs, CA 90670



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C/O Pacific Southwest Railway Museum
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Re: Track repair proposal

Mr. Caestecker,

RailWorks Track Services LLC (**RailWorks**) is pleased to provide this proposal based on our site visit and collaborative meetings. This pricing is based on providing a track crew and the identified equipment below to perform the work identified during our site visit.

Scope of Work

- Tie change:
 - Furnish and install (1200) IG Common ties where poor tie condition has been found in various locations over the last 1.5 miles of track between the redflag and the tunnel at the end of the track. This is a 25% tie change using a pattern of every 4th tie to be changed. Ties to be furnished with new spikes throughout using a pattern to match neighboring ties. Ties to be tamped using customer existing ballast material using a hydraulic tamping gun.

RailWorks Pricing: \$341,991

RailWorks pricing based on mutually acceptable terms and conditions.

Pricing is based on a single mobilization in and out.

Pricing includes all materials and mobilizations associated with the work above.

Thank you for the opportunity to offer this proposal. If you have any questions, please contact me at (562) 783-9132 or via email sent to cdeater@railworks.com.

Thank you,

Chris Deater

Chris Deater
Estimator