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## Agenda

### JOINT MEETING OF THE BOARD OF DIRECTORS

for the

Metropolitan Transit System,  
San Diego Transit Corporation, and  
San Diego Trolley, Inc.

September 11, 2008

9:00 a.m.

James R. Mills Building  
Board Meeting Room, 10th Floor  
1255 Imperial Avenue, San Diego

### ACTION RECOMMENDED

1. Roll Call
2. Approval of Minutes - August 21, 2008 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.

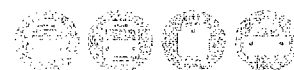
### CONSENT ITEMS

6. MTS: Annual Anticipated Disadvantaged Business Enterprise Participation Level (AADPL) Methodology for Federal Fiscal Year 2008-2009 Receive  
Action would receive the Annual Anticipated Disadvantaged Business Enterprise (DBE) Participation Level (AADPL) Methodology for Federal Fiscal Year 2008-2009 for information.
7. MTS: Investment Report for July 2008 Receive  
Action would receive a report for information.

### CLOSED SESSION

24. None

Please turn off cell phones and pagers  
during the meeting



Metropolitan Transit System (MTS) is a California public agency and is comprised of San Diego Transit Corporation and San Diego Trolley, Inc. nonprofit public benefit corporations, in cooperation with Chula Vista Transit and National City Transit. MTS is the taxicab administrator for eight cities and the owner of the San Diego and Arizona Eastern Railway Company. MTS member agencies include: City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, and the County of San Diego.

## NOTICED PUBLIC HEARINGS

25. None.

## DISCUSSION ITEMS

30. MTS: C Street Crossover Project MOU and Budget Transfer Approve  
Action would: (1) authorize the Chief Executive Officer (CEO) to execute a Memorandum of Understanding (MOU) with the San Diego Association of Governments (SANDAG) for emergency work performed by SANDAG related to the C Street Crossover Project; and (2) approve a fund transfer from Capital Improvement Project (CIP) 11199 - Miscellaneous Capital (All Divisions) with Federal to SANDAG's City College Station Realignment Project (CIP 1049400).

## REPORT ITEMS

45. MTS: Preliminary FY 2008 Operations Budget Status Report Receive  
Action would receive an MTS preliminary FY 2008 operations budget report.
60. Chairman's Report Information
61. Audit Oversight Committee Chairman's Report Information
62. Chief Executive Officer's Report Information
63. Board Member Communications
64. Additional Public Comments Not on the Agenda  
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.
65. Next Meeting Date: September 25, 2008
66. Adjournment

# DRAFT

## JOINT MEETING OF THE BOARD OF DIRECTORS FOR THE METROPOLITAN TRANSIT SYSTEM (MTS), SAN DIEGO TRANSIT CORPORATION (SDTC), AND SAN DIEGO TROLLEY, INC. (SDTI)

August 21, 2008

MTS  
1255 Imperial Avenue, Suite 1000, San Diego

### MINUTES

1. Roll Call

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

2. Approval of Minutes

Mr. Emery moved to approve the minutes of the July 17, 2008, MTS Board of Directors meeting. Mr. Ewin seconded the motion, and the vote was 8 to 0 in favor.

3. Public Comment

*Dr. Lee Bailey, Transit Task Force – Le Rondelet Condominiums:* Dr. Bailey presented a letter along with a petition from the Le Rondelet Condominium complex requesting that MTS relocate the layover location for Route No. 28. He reported that as many as 40 Route No. 28 buses circle their complex while waiting to return to the Old Town Transit Center. He stated that they have written to MTS and received very little response to their request. He requested that MTS work with them to find a better layover location and stated that four suggestions for layover locations are provided within their letter. He stated that they want to be part of the process.

Ms. Sharon Cooney, Director of Governmental Affairs and Community Relations, reported that staff has already designated this area as a quiet zone and is working with the residents at this complex to get the stop sign removed so that buses can operate more quietly at this location.

*Clive Richard:* Mr. Richard stated that the trolley seems to be able to react and respond well to changing conditions.

### EMPLOYEE AWARDS:

*Peter Tereschuck Retirement:* Mr. Young praised Mr. Peter Tereschuck, who is retiring as General Manager of San Diego Trolley, for his incredible knowledge of how MTS's transportation system works and of transportation trends throughout the country. He also recognized Mr. Tereschuck's understanding of the inner workings of the system and thanked him for his help in creating an ad hoc security/safety subcommittee. He read a resolution adopted by the San Diego City Council proclaiming a Peter Tereschuck Day. Chairman Mathis reported that neither County Supervisor Roberts nor Cox could be present at the meeting and presented, on their behalf, a County of San Diego proclamation of a Peter Tereschuck Day. He read portions of the proclamation. Chairman Mathis presented a momento clock from MTS to Mr. Tereschuck and read the engraved inscription. Mr. Tereschuck thanked everyone for allowing him to serve them and the people of San Diego. He also thanked the 507 employees

of San Diego Trolley. He stated that these employees made his service more meaningful. He gave them credit for delivering the service and recognized them as a highly trained, professional, and dedicated staff.

**CONSENT ITEM:**

6. MTS: San Diego and Arizona Eastern Railway Company Quarterly Reports and Ratification of Actions Taken by the SD&AE Railway Company Board of Directors at its July 15, 2008, Meeting (SDAE 710)  
  
Recommend that the Board of Directors (1) receive the San Diego and Imperial Valley Railroad (SD&IV), Pacific Southwest Railway Museum Association, and Carrizo Gorge Railway, Inc. quarterly reports (Attachment A of the agenda item); and (2) ratify actions taken by the SD&AE Railway Company Board of Directors at its meeting on July 25, 2008.
7. MTS: Agreement for Operation of Passengers Excursion Services and for Custody and Control of a Portion of San Diego and Arizona Eastern (SD&AE) Railway Company Right-of-Way as Between SD&AE and the Pacific Southwest Railway Museum (SDAE 710)  
  
Recommend that the Board of Directors authorize Paul Jablonski, SD&AE Railway Company President, to execute the Second Amendment to the Agreement for Operation of Passenger Excursion Services and for Custody and Control of a Portion of the SD&AE Railway Company Right-of-Way (Attachment A of the agenda item) as between SD&AE and the Pacific Southwest Railway Museum.
8. MTS: Job Access and Reverse Commute Grant (AG 220.13)  
  
Recommend that the Board of Directors approve Resolution No. 08-17 (Attachment A of the agenda item) authorizing the CEO to submit applications for federal fiscal years 2007-2009 Job Access and Reverse Commute for Non-Urban (Rural) areas – Federal Transit Administration funding 5316.
9. MTS: September 2008 Minor Service Changes (SRTP 830)  
  
Recommend that the Board of Directors receive this information on service changes scheduled for September 2008 implementation.
10. MTS: Investment Report – June 2008 (FIN 300)  
  
Recommend that the Board of Directors receive a report for information.
11. SDTI: Train to Wayside Communication (TWC) Equipment – Contract Award (CIP 11218-0200)  
  
Recommend that the Board of Directors authorize the CEO to execute a sole-source contract (in substantially the same form as Attachment A of the agenda item) with VECOM USA to replace existing TWC wayside Components that are presently installed at SDTI with an up-to-date model.

12. MTS: El Cajon Transit Center Demolition Memorandum of Understanding (MOU) and Budget Transfer (CIP 11217)

Recommend that the Board of Directors (1) authorize the CEO to execute an MOU (in substantially the same form as Attachment A of the agenda item) with SANDAG for the El Cajon Transit Center building demolition work to be done under the SANDAG/San Diego County Job Order Contracting Agreement and for providing construction management services; and (2) approve a fund transfer from the MTS Blue and Orange Line Station Improvement Project CIP 11217 to SANDAG's El Cajon Transit Center Demolition Project CIP 1129500 (in substantially the same form as shown on Attachment B of the agenda item – Budget Transfer Summary).

13. SDTI – Drug and Alcohol Policy for San Diego Trolley, Inc. (ADM 110.2)

Recommend that the Board of Directors (1) adopt Resolution 08-14 (Attachment A of the agenda item); and (2) adopt SDTI's updated drug and alcohol policy (Attachment B of the agenda item) in order to comply with current Federal Transit Administration regulations.

14. MS: Federal 5311(f) Intercity Bus Program Grant Application (OPS 950.7)

Recommend that the Board of Directors approve Resolution No. 08-18 (Attachment A of the agenda item) authorizing the CEO to submit applications for three Federal 5311(f) Intercity Bus Program grant applications: (1) to support FY 08 operating-subsidy costs for rural service; (2) for improvements to the El Cajon Transit Center; and (3) for improvements to the rural bus stop at the Tecate border crossing.

Public Comment

*Lorraine Leighton:* Ms. Leighton stated that she didn't feel that staff did enough research before making service changes to Route No. 14 and 871/872 and objected to the recent changes that reduced service.

Action on Recommended Consent Items

Mr. Emery moved to approve Consent Agenda Items No. 6, 7, 8, 9, 10, 11, 12, 13, and 14. Mr. Ewin seconded the motion, and the vote was 10 to 0 in favor.

CLOSED SESSION:

24. Closed Session Items (ADM 122)

**The Board convened to Closed Session at 9:25 a.m.**

- a. MTS: CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(a): San Diego Public-Transit Riders' Alliance v. MTS et al., San Diego Superior Court Case Nos. 07-2007-0082216-CU-TT-CTL and 37-2008-00086580-CU-TT-CTL

**The Board reconvened to Open Session at 9:44 a.m.**

Oral Report of Final Actions Taken in Closed Session

Ms. Tiffany Lorenzen, MTS General Counsel, reported the following:

- a. The Board received a report and gave direction to outside counsel.

NOTICED PUBLIC HEARINGS

25. There were no noticed public hearings.

DISCUSSION ITEMS:

30. SDTC: Pension Obligation Bonds Follow-Up (OPS 960.6)

Mr. Keith Curry, Public Financial Management, provided the Board with an update on the steps already taken to address turbulence in the bond market. He reported that UBS has been replaced by E. J. De La Rosa and Company, MTS has adopted a swap policy, and MTS has purchased its own bonds. He added that MTS is continuing to negotiate with Dexia for the Letter of Credit. Mr. Curry stated that MTS has, through these actions, staunched its excess interest. He also stated that he anticipated receiving the short-term ratings next week. Mr. Curry reported that Board adoption of Resolution 08-16 would approve the documents related to these bond transactions, authorize MTS to resell the bonds, and replace MBIA with a Dexia Letter of Credit.

Action Taken

Mr. Emery moved to adopt MTS Board Resolution No. 08-16 (Attachment A of the agenda item). Mr. Ewin seconded the motion, and the vote was 8 to 1 in favor, with Mr. Young casting the dissenting vote.

31. MTS: Additional Trolley Wraps (MKPC 620.9)

Mr. Rob Schupp, Director of Marketing and Communications, provided background on the results of the current trolley-wrap advertising program. He also provided information on the level of demand for additional wraps and reported that staff is seeking Board approval to expand the current program. He provided examples of some of the additional wraps that are being proposed by advertisers. He also stated that, rather than detracting from the MTS brand, the ads currently running seem to be enhancing the brand image and reported that the Spirit movie wrap actually received national exposure. He stated that the current ads are drawing positive comments from the public as well. He advised the Board that advertising is down by 40 percent nationwide, and advertisers are looking for unique ways to get their message out. He stated that the trolley wraps provide that type of opportunity.

Mr. Schupp reminded the Board that it approved the use of five trolley cars for commercial wraps and five for partnership wraps. He reported that the five commercial wraps are sold out through November and only two sponsorship ads are currently running. He also reviewed other wrap requests that have been received – all commercial in nature. He stated that one of the requests recently received is for a three-car trolley wrap. He reported that an additional \$150,000 (less commissions) could be generated for the next three months if these requests could be granted. He also reported that requests are already being received for next year's Comic-Con. Mr. Schupp pointed out that MTS is still facing budget uncertainties that make this

additional revenue a favorable option. He requested that the Board authorize the wrapping of five additional trolley cars.

Chairman Mathis stated that a three-car wrap creates logistic concerns in providing service. He stated that the contract would have to include provisions protecting MTS from a breach of contract if it is unable to keep three cars together because of maintenance or operational issues. He added that it would be beneficial not to be constrained to five commercial and five sponsorship ads.

Mr. Young recognized the importance of maintaining the MTS brand but pointed out that this should be balanced against the need for additional revenues and stated that he would support staff's request. Mr. Young suggested that staff consider creating additional infrastructure along the system where advertising could be displayed and creative types of opportunities such as video monitors.

In response to a question from Mr. Ewin, Mr. Tereschuck reported that approximately 35 SD 100 trolley cars are in need of refinishing. Mr. Ewin stated the new ads could be displayed on these cars, which would improve their appearance. He added that, if enough ads are displayed, the cars may never need to be refinished. He also reported that he has received nothing but positive feedback about these ads from the public. He stated that having cars with an attractive appearance generates a positive attitude about riding that could carry over to the passenger's attitude inside the cars. He felt that the ads currently displayed are in good taste and suggested pursuing ads that are even more unique.

Mr. McClellan stated that he didn't understand why MTS, given its fiscal situation, would impose any constraints on the number of cars that can be wrapped. He stated that revenue is of utmost importance to a business, and that MTS is a business. He stated that the Trolley has already established its brand and that allowing more ads would reduce MTS's painting expense. Mr. Rindone pointed out that the recommendation to allow the wrapping of 15 trolley cars is less than ten percent of the fleet. He stated that he would support raising the limit to 15 cars because of MTS's current budget problem but was not in favor of lifting the constraint altogether. Mr. Monroe expressed his support of staff's request for the wrapping of 15 trolley cars and felt that this number struck a balance between maintaining the MTS brand and allowing MTS to take advantage of revenue opportunities. Mr. Monroe suggested that the APTA Annual meeting be advertised in this way. In response to a question from Mr. Monroe, Mr. Schupp stated that the commission for this advertising is 20 percent, and Mr. Monroe stated that staff should separately display the portion of the revenue that MTS receives.

Mr. Monroe stated that the three-car wrap would completely eliminate MTS's brand on that three-car consist. It was agreed that the three-car wrap would be voted upon as a separate motion and vote. Mr. Clabby expressed his concern about the effect that a three-car wrap would have on operating and maintenance. He also expressed his support for authorizing the use of 15 trolley cars for wraps while stressing the importance of maintaining MTS's brand, which is nationally recognized. Mr. Schupp stated that if the three-car ad were displayed on U-2 trolley cars, which operate on the Blue Line, operational and maintenance issues could be somewhat mitigated. Mr. Tereschuck reported that this would help mitigate consist issues. Mr. Jones stated that he agreed with Mr. McClellan. He stated that the Board has a responsibility as stewards of MTS to ensure that it stays fiscally sound. He added that taking advantage of an occasional opportunity is a good thing. With regard to a three-car wrap, he felt that the MTS brand is so strong that approving this request poses very little risk of damaging the brand. He stated that MTS has always been a pioneer in this area, and that this would only add

to MTS's image as a pioneer and for thinking outside the box. He stated that he recognized concerns about potential breaches of contract that might result from maintenance or operational issues but added that he believed MTS staff members were capable of writing a contract that would protect MTS in this regard. He stated that the advertiser may reject a contract with those protections. Mr. Emery stated that MTS should give the revenue opportunity priority and at least try the three-car wrap to see if it can be worked out to everyone's satisfaction. Mr. McClellan suggested that the contract guarantee a total number of hours the three-car wrap would be displayed on the system and state that the period of the time the ad is to be displayed would be extended, if necessary, to reach the hourly guarantee. He stated that he thought that a three-car wrap would create heightened interest on the part of the ridership and may actually improve ridership because the public will want to ride in those cars. Mr. Ewin suggested that MTS stay away from guarantees. In response to a question from Mr. Monroe, Mr. Schupp reported that the three-car ad would generate \$81,000 for the three-month period it would be displayed.

Chairman Mathis summarized the Board's discussion as follows: (1) Feedback from the public regarding the wrap ads has been positive; (2) the MTS brand is not being threatened primarily because it is already well established; (3) the wrap ads appear on a very small percentage (ten percent) of the total fleet of light rail vehicles; and (4) the contract could be written with protections in place.

#### Action Taken

Mr. Young moved to (1) approve advertising wraps on additional trolleys to meet market demand and to maximize revenue opportunities to a maximum of 15 cars; and (2) remove the designation that five trolley wraps be for sponsorship ads and five for commercial ads. Mr. Ewin seconded the motion, and the vote was 10 to 0 in favor.

Mr. Young moved to authorize a three-car advertising wrap, with an overall 15-car cap, with the proper contractual elements to protect MTS in case operational or maintenance issues affect the operation of the three-car consist on which those ads are displayed. Mr. Emery seconded the motion, and the vote was 9 to 0 in favor.

#### REPORT ITEMS:

45. MTS: Interstate 805 Buses on Shoulders Service (BOSS) Demonstration Project – Status Update (AG 230.11)

Mr. Samuel Johnson, SANDAG Chief Technology Officer, introduced SANDAG Project Manager Eric Adams, Caltrans I-805 Corridor Director Joel Haven, and SANDAG Senior Transportation Planner Jennifer Williamson. He provided a project overview for the Interstate 805 Bus on Shoulder Service three-year demonstration project and described and showed visuals of the concept. Mr. Johnson stated that Route No. 960 has been operating successfully on the shoulder as a test.

Mr. Adams reviewed the corridor that is part of this project reporting that the route will travel from Chula Vista to major employment centers Sorrento Valley and University Towne Center. He added that it parallels a portion of the Bus Rapid Transit route that is planned in that area. He showed how lanes would be downsized by taking one foot each away from other lanes to provide the extra space needed on the shoulder for this project. Mr. Adams then reviewed infrastructure challenges that would have to be addressed and reviewed elements of the

operating plan, which is being developed in conjunction with MTS staff. He also reviewed the alignment and benefits as well as the budget and schedule for the project.

Mr. Adams reported that there is federal funding allocated for up to ten buses for this project and that funding is also allocated for infrastructure, operations, maintenance, and staff time for developing the operating plan. He stated that at the end of the project, MTS would get to keep the buses. He added that SANDAG and MTS are working with the Los Angeles Metropolitan Transit Authority to purchase these buses through their contract with North American Bus Industries.

In response to a question from Chairman Mathis, Mr. Johnson explained that the buses can only go 15 miles per hour faster than the speed of traffic in Lane 1 and cannot exceed 35 miles per hour while in this lane. In response to a question from Mr. Rindone, Senior Transportation Planner Mike Daney reported that MTS projects 391 riders per day (111 to University Towne Center and 280 to Sorrento Valley). He stated that these projections are based on the evaluation of ridership between Chula Vista and these two destinations that was performed as part of the Comprehensive Operational Analysis.

In response to a question from Mr. Monroe, Mr. Haven reported that Caltrans supports this project and that support extends all the way up to Will Kempton, California Secretary of Transportation. He added that the traffic lanes have already been adjusted in a similar way in San Francisco and Los Angeles.

Mr. Monroe asked how MTS would be impacted once the funding for the initial phases of the project is gone. It was reported that SANDAG could shift operating funding from TransNet II for beyond the initial two-year period if the project is a success. Mr. Monroe stated that he was concerned that the funding for this project might be taken away from potential funding for other things for MTS. Ms. Cooney reported that SANDAG and MTS staff are currently discussing this issue and will be developing a Memorandum of Understanding that will specifically address funding issues. Mr. Monroe stated that he wanted to see MTS make the decision about whether or not to continue the operation of this service at the end of the two-year period. Chairman Mathis agreed and stated that MTS should be able to apply its usual service-related criteria to this decision. Mr. Emery stressed the importance of detailing understandings about service decisions and funding in writing.

#### Action Taken

Mr. Monroe moved to receive an update on the SANDAG BOSS Demonstration Project. Mr. Emery seconded the motion, and the vote was 9 to 0 in favor.

#### 46. MTS: City of Lemon Grove Main Street Promenade Project (SDAE 710.1)

Mr. Tim Allison, Real Estate Manager, provided an overview of the elements of this project and how trolley and bus services would be integrated. Lemon Grove Management Analyst Barbara Kraber, Principle Planner Carol Dick, and architect Mike Burnett explained that their goal was to create a better pedestrian environment in downtown Lemon Grove that integrates well with bus and trolley stops. They reported that the project would include improved landscaping and new street furniture.

In response to a question from Mr. Ewin, Mr. Allison reported that this project involves a lineal railroad right-of-way. Mr. Monroe stated that one of the criteria on which SANDAG judges

Smart Growth projects is transit. He stated that didn't know if MTS's support would help them meet that criteria or not. Mr. Clabby stated that Lemon Grove expects this project to help its downtown area as much as Petco Park and Horton Plaza helped downtown San Diego. He pointed out that because of the way the proposed project is configured, bus and trolley patrons will not have to cross a busy intersection to access transportation services.

Action Taken

Mr. Monroe moved to receive a staff report and authorize the issuance of a letter of support for the Main Street Promenade Project to be included in a Smart Growth Incentive Grant Program application by the City of Lemon Grove as recommended by the SD&AE Railway Company Board of Directors. Mr. Emery seconded the motion, and the vote was 9 to 0 in favor.

47. MTS: Increased Ridership Impacts (SRTP 830)

Ms. Cooney provided the Board with an overview of ridership trends for FY 2008. She reported that there was a 5.9 percent increase system-wide over FY 07 in spite of a four percent decrease in revenue miles operated and the implementation of a fare increase. She added that ridership increases even exceeded midyear budget projections.

Action Taken

Mr. Ewin moved to receive a report on increased ridership. Mr. McLean seconded the motion, and the vote was 10 to 0 in favor.

48. MTS: Interstate 15 (I-15) Interim Stations (CIP 20432)

Mr. Brent Boyd, Senior Transportation Planner, reported that two interim Bus Rapid Transit (BRT stations) will be opening later this year that will be served by existing Premium Express routes – Sabre Springs/Penasquitos in September and Rancho Bernardo in December. He reported that both stations will be accessible via direct-access ramps from the I-15 managed lanes. He displayed visuals of the entire I-15 Corridor Express Lanes/BRT Project and the specific layouts of the two stations that will be served this year. He stated that the Sabre Springs/Penasquitos station will probably not have adequate parking but that additional parking spaces will become available when Caltrans removes its equipment from this area. He stated that staff will monitor the parking situation at this station.

Action Taken

Mr. Monroe moved to receive an update on the I-15 Interim Bus Rapid Transit stations. Mr. Rindone seconded the motion, and the vote was 10 to 0 in favor.

49. MTS: College Pass Marketing and Sales (MKPC 620.9)

Mr. Schupp provided an overview of the college semester pass program and reported that MTS experienced a 40 percent gain in the number of college semester passes sold at San Diego State University over the two-year period since the Green Line opened. He stated that the sale of passes at this school accounts for 66 percent of the total sales for college passes. He reviewed the list of other schools that sell these passes. He also reviewed the advertising that is done to promote the sale of college passes. He stated that advertising this product is relatively inexpensive because it is to a very targeted audience. Mr. Young suggested that

advertising also be done to younger students, which should be a very large audience. Mr. Schupp stated that colleges have better ways to reach the students but that staff is always looking for ways to advertise to younger students.

Action Taken

Mr. Rindone moved to receive a report on college semester pass and monthly pass marketing efforts and sales. Mr. Clabby seconded the motion, and the vote was 9 to 0 in favor.

50. MTS: Sorrento Valley Coaster Connection Funding (SRTP 830)

Ms. Cooney reported that staff members, including CEO Paul Jablonski, have met a number of times with multiple employers in the Sorrento Valley area in an effort to develop private partnerships for Sorrento Valley Coaster Connection services. She stated that employers appear to be interested, and MTS should have letters of intent from some of these employers in the near future. Mr. Monroe advised staff to explain SANDAG's Diamond Award to employers during future discussions of this matter.

Action Taken

Mr. Monroe moved to receive a status report on Sorrento Valley Coaster Connection services. Mr. Rindone seconded the motion, and the vote was 9 to 0 in favor.

51. MTS: Chargers Express Service (AG 210.2, OPS 960.2, OPS 970)

Chairman Mathis reported that no charter operators have expressed an interest in providing Chargers Express Service so MTS will continue to provide that service and will realize full cost recovery. He stated that MTS will continue to work with the Federal Transit Administration to work out the interpretation of the new charter regulations. In response to a question from Mr. Rindone, Chief Operating Officer – Transit Services Claire Spielberg reported that notices have been posted on MTS's web site and posted at stops. Ms. Lorenzen reported that an article notifying the public that MTS will be providing the service also appeared in the San Diego Union-Tribune.

Action Taken

No action was taken on this item.

52. MTS: Security Cameras (OPS 960.13, 970.11)

Ms. Claire Spielberg reported on the progress of security camera installations and the success of cameras already installed. She stated that, once security cameras were installed on certain trolley cars, vandalism on those particular cars ceased. She added that bus vandalism has also stopped. She provided the Board with information on how video from the cameras is being used to deal with operator and customer situations and reported that the cameras will eventually pay for themselves as a result. In response to a question from Mr. McClellan, staff reviewed signage that has been erected to notify patrons of the presence of security cameras. Ms. Spielberg reviewed the benefits that will be realized when the Back Office Module is installed. In response to a question from Mr. McClellan, Director of Transit System Security Bill Burke reported that the copper wire that was recently stolen was not captured on video because the theft occurred in a gravel lot used for parking overflow.

Action Taken

Mr. Emery moved to receive a report for information. Mr. Young seconded the motion, and the vote was 9 to 0 in favor.

53. MTS: Route 14 (SRTP 830)

Mr. Denis Desmond, Senior Transportation Planner, reviewed Route 14 performance and the various connections made by this route. He advised the Board that there are over 50 potential connections for passengers on this route. He stated that since Route 14 provides hourly service, it only connects with one out of four trolleys. He stated that when one connection is improved, another is negatively impacted; therefore, staff has made the connections as ideal as possible for as many people as possible. He stated that although there have been complaints from the public that Route 14 does not stop at Grantville Station, bus patrons can connect with the trolley at Mission San Diego instead. He stated that adding a stop at Grantville would create a four-to-five-minute out-of-direction loop. He stated that the public has also suggested that the level of service be cut on Route 13, but that there are 800 trip ends per day between Grantville Station and Kaiser Hospital and 500 daily trip ends on Mission Gorge Road.

Mr. Rindone stated that the visual depiction of the issues surrounding Route 14 is very helpful. He stated that he felt the same presentation would be beneficial to the SANDAG Transportation Committee as well and would assure the Transportation Committee that staff has taken this issue seriously. Mr. Emery stated that this is Mr. Don Stillwell's issue. He felt that the Transportation Committee understands this matter and that staff has spent enough time studying it. He stated that individual committee and board members have actually participated in field trips to study this matter. Mr. Monroe stated that staff has adequately answered the questions raised by Mr. Stillwell's public comments.

Action Taken

Mr. Emery moved to receive a report for information. Mr. Clabby seconded the motion, and the vote was 8 to 0 in favor.

60. Chairman's Report

Chairman Mathis reported that all Board members have been registered for the APTA Annual Meeting and Expo in October in San Diego. He explained that the EXPO is free. Mr. Schupp reported that this is the first year that they are having a day that's open to the general public (Wednesday, October 8).

61. Audit Oversight Committee Chairman's Report

No report was made.

62. Chief Executive Officer's Report

Mr. Monroe requested that revenue and expense contracts be listed separately. Ms. Lorenzen reported that the contract that he asked about was a revenue contract and the dollar amount should have appeared in parenthesis. She stated that this was simply a data entry error.

63. Board Member Communications

*Maintenance of El Cajon Transit Center:* Mr. McClellan asked why SANDAG is going to pay for maintenance of the BRT stations and is not paying for the maintenance of the El Cajon Transit Center. He stated that SANDAG should be asked that question.

64. Additional Public Comments on Items Not on the Agenda

There were no additional Public Comments.

65. Next Meeting Date

The next regularly scheduled Board meeting is Thursday, September 11, 2008.

66. Adjournment

Chairman Mathis adjourned the meeting at 11:58 a.m.

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Chairperson  
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

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Office of the Clerk of the Board  
San Diego Metropolitan Transit System

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Office of the General Counsel  
San Diego Metropolitan Transit System

Attachment: A. Roll Call Sheet

gail.williams/minutes

**METROPOLITAN TRANSIT DEVELOPMENT BOARD  
ROLL CALL**

MEETING OF (DATE): 8/21/08

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

RECESS: \_\_\_\_\_

RECONVENE: \_\_\_\_\_

CLOSED SESSION: 9:25 a.m.

RECONVENE: 9:44 a.m.

PUBLIC HEARING: \_\_\_\_\_

RECONVENE: \_\_\_\_\_

ORDINANCES ADOPTED: \_\_\_\_\_

ADJOURN: 11:58 a.m.

BOARD MEMBER (Alternate)		PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ATKINS	<input type="checkbox"/> (Hueso) <input type="checkbox"/>		<input checked="" type="checkbox"/>
CLABBY	<input checked="" type="checkbox"/> (Selby) <input type="checkbox"/>		
EMERY	<input checked="" type="checkbox"/> (Cafagna) <input type="checkbox"/>		
EWIN	<input checked="" type="checkbox"/> (Allan) <input type="checkbox"/>		11:24 a.m. during AI 49
FAULCONER	<input type="checkbox"/> (Hueso) <input type="checkbox"/>		<input checked="" type="checkbox"/>
MAIENSCHIN	<input type="checkbox"/> (Hueso) <input type="checkbox"/>		<input checked="" type="checkbox"/>
MATHIS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
MCCLELLAN	<input checked="" type="checkbox"/> (Hanson-Cox) <input type="checkbox"/>		
MCLEAN	<input checked="" type="checkbox"/> (Bragg) <input type="checkbox"/>		
MONROE	<input checked="" type="checkbox"/> (Downey) <input type="checkbox"/>		
RINDONE	<input checked="" type="checkbox"/> (McCann) <input type="checkbox"/>		
ROBERTS	<input type="checkbox"/> (Cox) <input type="checkbox"/>		<input checked="" type="checkbox"/>
RYAN	<input type="checkbox"/> (B. Jones) <input checked="" type="checkbox"/>	9:20 a.m. during AI 3	
YOUNG	<input checked="" type="checkbox"/> (Hueso) <input type="checkbox"/>	9:07 a.m. during AI 3	11:47 a.m. during AI 53
ZARATE	<input type="checkbox"/> (Parra) <input type="checkbox"/>		<input checked="" type="checkbox"/>

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL



1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
619.231.1466 FAX 619.234.3407

## Agenda

Item No. 6

JOINT MEETING OF THE BOARD OF DIRECTORS  
for the  
Metropolitan Transit System,  
San Diego Transit Corporation, and  
San Diego Trolley, Inc.

LEG 430 (PC 50101)

September 11, 2008

**SUBJECT:**

MTS: ANNUAL ANTICIPATED DISADVANTAGED BUSINESS ENTERPRISE  
PARTICIPATION LEVEL (AADPL) METHODOLOGY FOR FEDERAL FISCAL YEAR  
2008-2009

**RECOMMENDATION:**

That the Board of Directors receive the Annual Anticipated Disadvantaged Business Enterprise (DBE) Participation Level (AADPL) Methodology for Federal Fiscal Year 2008-2009 for information.

Budget Impact

None.

**DISCUSSION:**

MTS has established an AADPL of 1.6% for FY 2008/09 for its Federal Transit Administration- (FTA)-assisted contracts. MTS's AADPL was developed in conformance with the federally prescribed two-step methodology process. There are no goals for Federal Highway Administration (FHWA) this year because MTS did not receive any FHWA funding for FY 2008/09.

History

The DBE Program was originally created to ensure nondiscrimination in the award and administration of Department of Transportation- (DOT)-assisted contracts by providing a level playing field on which DBEs could compete fairly. The DBE Program required that



Metropolitan Transit System (MTS) is comprised of the Metropolitan Transit Development Board (MTDB) a California public agency, San Diego Transit Corp., and San Diego Trolley, Inc., in cooperation with Chula Vista Transit and National City Transit. MTS is Taxicab Administrator for eight cities. MTDB is owner of the San Diego and Arizona Eastern Railway Company. MTDB Member Agencies include: City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, and the County of San Diego.

on all federally funded contracts, a contract-specific DBE goal be established and met by the successful bidder. In order to qualify as a DBE, a company has to be certified by the grantee or designated state agency. Award of all federally funded contracts was conditioned upon meeting the DBE goal. If a firm was unable to meet the DBE goal, the firm was required to demonstrate that it made a good-faith effort to find a DBE subcontractor.

In 2005, the Ninth Circuit Court of Appeals published an opinion specifying that the State of Washington's contract-specific goal for a paving contract was unconstitutional. In that case, a bidder had submitted the lowest bid for the project but failed to meet the DBE goal. The state awarded the contract to a minority-owned company whose bid was higher. The low bidder then sued the FTA, the State of Washington, and the City of Vancouver claiming its constitutional rights had been violated. After several years of litigation and appeals, the federal Ninth Circuit Court of Appeals ruled that on its face, the premise behind the FTA's DBE Program was constitutional, but as it was applied to this particular bidder, its constitutional rights had been violated. The court based its decision on the fact that the State of Washington had not conducted a disparity study to determine whether any discrimination was occurring in the award of its contracts; the state had simply ordered all contracts to have a DBE goal.

On December 21, 2005, in response to the Ninth Circuit's ruling, the nine states affected by the decision (Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, and Washington) were required by DOT to submit proof of discrimination in their respective contracting opportunities. The California Department of Transportation (Caltrans) took the lead for gathering this evidence for all transportation agencies within California. Caltrans considered past disparity studies, comments, and written evidence received during a 90-day public comment period ending on March 20, 2006. While there was some indirect evidence of discrimination contained in the information received, Caltrans concluded that the data lacked sufficient evidence to continue with a contract-specific DBE Program. In order to comply with the Ninth Circuit ruling, Caltrans then issued a directive that all federal transportation assistance subrecipients would implement a DBE Race-Neutral Program until a comprehensive statewide disparity study was completed. This means that contract-specific goals cannot be assigned to individual contracts (see Attachment A - Caltrans letter dated July 7, 2008). The Caltrans study is currently underway and scheduled to be finished in early 2009. The results of this study will apply to FHWA-funded contracts.

In January of 2008, MTS joined a group of southern California transit agencies to commission a DBE Disparity Study for FTA-funded projects. That study is also underway and scheduled to be completed in July of 2009.

In summary, the DBE Program has changed from a program where goals are set for each federally funded contract to a program where DBE participation is monitored but cannot be required. During this time, MTS will continue to comply with all DBE requirements.

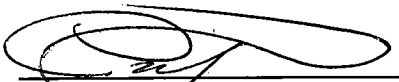
#### Current Program

In compliance with these requirements, MTS now sets an Annual Anticipated Disadvantaged Business Enterprise Participation Level (AADPL). The AADPL is created

by analyzing the amount of federal contracting dollars relative to the number of ready, willing, and able DBE-certified contractors who have categorized themselves into areas of work that are needed to complete the federal projects. The number of DBE contractors is compared to the number of licensed contractors for the San Diego region in order to determine the percentage of DBEs that are available to do the work. This analysis is conducted for three types of projects: construction, services, and durable goods.

As required by FTA regulations, these percentages are then compared to the last three years of actual participation (known as the median DBE participation level) and adjusted up or down depending upon the amount of participation that MTS received in those previous years. A good discussion of this analysis is set forth on page 2 of Attachment B "Annual Anticipated DBE Participation Level Fiscal Year 2008-2009."

The percentages for each type of project are then combined to create an overall agency-wide AADPL (1.66% for fiscal year 2008-2009).



Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Tiffany Lorenzen, 619.557.4512, [tiffany.lorenzen@sdmts.com](mailto:tiffany.lorenzen@sdmts.com)

SEPT11-08.6.DBE FY08-09.TLOREN.doc

Attachments: A. Letter from Caltrans dated July 7, 2008  
B. AADPL Annual Anticipated DBE Participation Level for FY 2008/09

## DEPARTMENT OF TRANSPORTATION

District 11, MS -132  
4050 Taylor Street  
San Diego, CA 92110  
PHONE (619) 278-3756  
FAX (619) 220-5432

TAP  
JAG 220.13

*Flex your power!  
Be energy efficient!*

RECEIVED

JUL 11 2008

MTS

July 7, 2008

Mr. Paul Jablonski  
MTS  
1255 Imperial Avenue Ste. 1000  
San Diego, CA 92101

Dear Mr. Jablonski,

RE: FEDERAL-AID CONTRACTS WITH DISADVANTAGED BUSINESS  
ENTERPRISE (DBE) GOALS

The purpose of this letter is to remind local agencies that awarding federal-aid contracts with DBE goals and/or good faith effort requirements under the current Race Neutral DBE Program renders those projects **ineligible** for federal reimbursement.

The Department of Transportation (Caltrans) and local agencies have been implementing a Race Neutral DBE Program since May 1, 2006. The Race Neutral DBE Program requires implementing only Race Neutral measures to meet the annual overall goal. To ensure that you and your staff are familiar with the Race Neutral implementation, refer to the latest version of the Local Assistance Procedures Manual (LAPM), specifically Chapters 9, 10 and 12 located at:

<http://www.dot.ca.gov/hq/LocalPrograms/lam/lapm.htm>

Awarding federal-aid contracts with DBE goals and requiring good faith efforts on the part of bidders to meet the DBE goal are Race Conscious measures and are prohibited under the current DBE Race Neutral Program. Where local agencies have awarded federal-aid contracts that include DBE contract goals and/or good faith effort requirements after May 1, 2006, those projects are ineligible for federal reimbursement. Violations will result in de-obligation of all federal funds for the phase of work in which the violation occurred. Any expended funds must be returned.

Public Works Directors/ City Engineers  
July 7, 2008,  
Page 2

If a local agency completes a local disparity study, the results will apply to contracts that are funded solely with local funds.

The appropriate race neutral construction contract specifications must be used in all federal-aid contracts at this time. To ensure that your local agency uses the latest construction contract specifications available, always refer to the construction contract specifications online located at the Caltrans, Division of Local Assistance website at:

[http://www.dot.ca.gov/hq/LocalPrograms/sam\\_boil/sam\\_boil.htm](http://www.dot.ca.gov/hq/LocalPrograms/sam_boil/sam_boil.htm)

For federal-aid consultant contracts, please refer to Chapter 10 of the LAPM, Exhibits 10-I *Notice to Bidders/Proposers Disadvantaged Business Enterprise Information*, and 10-J *Standard Agreement for Subcontractor/DBE Participation*.

Timely reporting of DBE participation both at award and at the completion of the contract is still required—even if there is zero percent participation. If you have any questions, please call Barbara Balch DBE Coordinator, at (619) 220-5337.

Sincerely,



ERWIN GOJUANGCO, CHIEF  
District Local Programs

c: (Disadvantaged Business Enterprise Liaison Officers)

**METROPOLITAN TRANSIT SYSTEM (MTS)  
ANNUAL ANTICIPATED DBE PARTICIPATION LEVEL  
FISCAL YEAR 2008-2009**

---

**ESTABLISHED ANNUAL ANTICIPATED DBE PARTICIPATION LEVEL AND  
METHODOLOGY FY 08-FY 09.**

The amount of the Annual Anticipated DBE Participation Level (AADPL) and methodology are presented herein, in accordance with Title 49 of the Code of Federal Regulations, Part 26, and the State of California, Department of Transportation Disadvantaged Business Enterprise (DBE) Program Plan.

MTS submits its AADPL information and has established an AADPL of 1.6% for the federal fiscal year 2008-2009, beginning on June 1, 2008, and ending on May 31, 2009.

**METHODOLOGY.**

The California Unified Certification Program (CUCP) DBE directory was used to determine the MTS FY 08-09 AADPL. The 2005 Census Bureau's County Business Patterns database for the San Diego area was also utilized. MTS identified a total of \$3,679,800.00 for FTA-assisted projects (see Exhibit A for a breakdown of the FTA projects).

MTS's overall 1.6% AADPL was based on demonstrable evidence of the availability of ready, willing, and able DBEs relative to all businesses ready, willing, and able to participate on MTS Federal Transit Administration- (FTA)-assisted contracts. To achieve the AADPL, a two-step process was used.

**Step 1.** - Base figures were calculated by using "District 11" as MTS's search criteria in the CUCP directory to determine the relative availability of DBEs that are ready, willing, and able to participate in the area of construction, special trades, services, and wholesale durable goods in the San Diego area.

**Construction:** A total of \$427,200.00 is budgeted for FY 08-09 construction/special trades contracts for the FTA Projects. These contracts require general contractors and operative builders. According to the 2005 Census Bureau's County Business Patterns NAICS codes, there are 1,445 businesses in the San Diego area. According to the CUCP DBE directory, there are 113 DBEs willing and able to do business in the San Diego area under the same NAICS codes. We then divided the number of DBEs (113) by the number of all businesses (1,445) to derive a base figure for the relative availability of DBEs in MTS's market (see table below). **DBEs constitute 7.8% in the San Diego area.**

CONSTRUCTION	CUCP CODE	NO. OF DBES	NAICS CODE	NO. COUNTY BUSINESSES
Poured Concrete Foundation & Structure	238110	20	238110	242
Electrical Contractors	238210	23	238210	696
Other Building Equipment Contractors	238290	3	238290	46
Other Building Finishing Contractors	238390	5	238390	80
All Other Specialty Trade Contractors	238990	62	238990	381
<b>TOTAL</b>		<b>113</b>		<b>1,445</b>

**Services:** A total of \$2,616,600.00 is budgeted for FY 08-09 service contracts for the FTA projects. These contracts require professional, scientific, and technical services. According to the 2005 Census Bureau's County Business Patterns NAICS codes, there are **899** businesses in the San Diego area. According to the CUCP DBE directory, there are **19** DBEs willing and able to do business in the San Diego area under the same NAICS codes. We then divided the number of DBEs (19) by the number of all businesses (899) to derive a base figure for the relative availability of DBEs in MTS's market (see table below). **DBEs constitute 2.1% in the San Diego area.**

SERVICES	CUCP CODE	NO. OF DBES	NAICS CODE	NO. COUNTY BUSINESSES
Security Systems	561621	3	561621	544
Other Specialty Design Services	541490	11	541490	23
All Other Professional Svcs	541990	5	541990	332
<b>TOTAL</b>		<b>19</b>		<b>899</b>

**Wholesale Durable Goods:** A total of \$636,600.00 is budgeted for FY 08-09 wholesale durable goods contracts for the FTA projects. According to the 2005 Census Bureau's County Business Patterns NAICS codes, there are **324** businesses in the San Diego area. According to the CUCP DBE directory, there are **6** DBEs willing and able to do business in the San Diego area under the same NAICS codes. We then divided the number of DBEs (6) by the number of all businesses (324) to derive a base figure for the relative availability of DBEs in MTS's market (see table below). **DBEs constitute 1.8% in the San Diego area.**

WHOLESALE DURABLE GOODS	CUCP CODE	NO. OF DBES	NAICS CODE	NO. COUNTY BUSINESSES
Computer & Computer Peripheral Equip	423430	0	423430	38
Office Equipment Wholesale	423420	0	423420	68
Other Prof Equip & Supplies	423490	0	423490	31
Electrical Apparatus & Equipment	423610	3	423610	130
Auto and Other Motor Vehicles	423110	0	423110	51
Other Telecommunications	517910	3	517910	6
<b>TOTAL</b>		<b>6</b>		<b>324</b>

**Step 2.** - We examined the following evidence available in its jurisdiction: 1) actual DBE participation of MTS FTA-assisted contracts for fiscal years 05, 06 and 07 and 2) the CUCP directory.

Based on the above evidence in Step 2, we made the following adjustments to narrowly tailor the base figure to the MTS marketplace.

**Construction:** We adjusted the base figure of 7.8% in light of two other factors. 1) the median DBE past participation of 0.0% achieved in FTA service category contracts awarded by MTS for FY 05 (0%), FY 06 (0%) and FY 07 (0%). **The adjusted DBE availability for FTA-assisted service contracts is 3.9%.**

Base Figure	7.8%
Median DBE Participation for FY 05, FY 06, and FY 07	0.0%
	7.8%

Adjusted base figure –  $7.8\% / 2 = 3.9\%$

**Services:** We adjusted the base figure of 2.1% in light of two other factors. 1) the median DBE past participation of 1.0% achieved in FTA service category contracts awarded by MTS for FY 05 (2.2%), FY 06 (1%), and FY 07 (0%). **The adjusted DBE availability for FTA-assisted service contracts is 1.5%.**

Base Figure	2.1%
Median DBE Participation for FY 05, FY 06, and FY 07	<u>1.0%</u>
	3.1%

Adjusted base figure – 3.1% / 2 = 1.5%

**Wholesale Durable Goods:** We adjusted the base figure of 1.8% in light of two other factors. 1) the median DBE past participation of 0.0% achieved in FTA service category contracts awarded by MTS for FY 05 (0%), FY 06 (0%), and FY 07 (0%). **The adjusted DBE availability for FTA-assisted wholesale durable goods contracts is 0.9%.**

Base Figure	1.8%
Median DBE Participation for FY 05, FY 06, and FY 07	<u>0.0%</u>
	1.8%

Adjusted base figure – 1.8% / 2 = 0.9%

**Overall AADPL:** The FTA overall AADPL was calculated as follows:

*Percentage of budgeted contracts x the percentage of DBE availability for each category:*

Budgeted Contract for Construction	11.61% x 3.9%	=	0.45%
Budgeted Contract for Services	71.10 % x 1.5%	=	1.06%
Budgeted Contract for Wholesale Durable Goods	17.29 % x 0.9%	=	<u>0.15%</u>
<b>TOTAL OVERALL AADPL</b>		=	<b>1.66%</b>

### **DISADVANTAGED BUSINESS ENTERPRISE LIAISON OFFICER (DBELO)**

Tiffany Lorenzen  
Metropolitan Transit System  
1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101

Phone No.: 619-557-4512  
Fax No.: 619-234-3172  
E-Mail: Tiffany.Lorenzen@sdmts.com

## **PROMPT PAY**

MTS uses one of the following three prompt payment clauses in each of its construction and/or service contracts depending upon the type of procurement:

PROMPT PAYMENT [Choose either the first, OR second, OR third paragraph, then delete this line.]

The agency shall hold retainage from the prime contractor and shall make prompt and regular incremental acceptances of portions as determined by the agency of the contract work and pay retainage to the prime contractor based on these acceptances. The prime contractor or subcontractor shall return all monies withheld in retention from a subcontractor within 30 days after receiving payment for work satisfactorily completed and accepted, including incremental acceptances of portions of the contract work by the agency. Federal regulation (49 CRF 26.29) requires that any delay or postponement of payment over 30 days may take place only for good cause and with the agency's prior written approval. Any violation of this provision shall subject the violating prime contractor or subcontractor to the penalties, sanctions, and other remedies specified in Section 7108.5 of the California Business and Professions Code. These requirements shall not be construed to limit or impair any contractual, administrative, or judicial remedies otherwise available to the prime contractor or subcontractor in the event of a dispute involving late payment or nonpayment by the prime contractor deficient subcontract performance, or noncompliance by a subcontractor. This provision applies to both DBE and non-DBE prime contractors and subcontractors.

**OR this**

A prime contractor or subcontractor shall pay any subcontractor no later than ten days from the receipt of each progress payment in accordance with the provision in Section 7108.5 of the California Business and Professions Code concerning prompt payment to subcontractors. The ten days is applicable unless a longer period is agreed to in writing. Any delay or postponement of payment over 30 days may take place only for good cause and with the agency's prior written approval. Any violation of Section 7108.5 shall subject the violating contractor or subcontractor to the penalties, sanctions, and other remedies of that Section. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies otherwise available to the contractor or subcontractor in the event of a dispute involving late payment, or nonpayment by the contractor, deficient subcontractor performance, noncompliance by a subcontractor. This clause applies to both DBE and non-DBE subcontractors.

**OR this**

No retainage will be held by the agency from progress payments due to the prime contractor. Any retainage kept by the prime contractor or by a subcontractor must be paid in full to the earning subcontractor in 30 days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment may take place only for good cause and with MTS's prior written approval. Any violation of these provisions shall subject the violating contractor or subcontractor to the penalties, sanctions, and remedies specific in Section 7108.5 of the California Business and Professions Code. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies otherwise available to the prime contractor, or subcontractor in the event of a dispute involving late payment, or nonpayment by the contractor, or deficient subcontractor's performance, or noncompliance by a subcontractor. This clause applies to both DBE and non-DBE subcontractors.

Submitted by:

\_\_\_\_\_  
Signature of Local Agency Recipient's CEO

Paul C. Jablonski  
Print Name of Local Agency Recipient's CEO

Date: \_\_\_\_\_

Phone Number: (619) 231-1466

Reviewed by Caltrans:

\_\_\_\_\_  
Signature of DLAE

\_\_\_\_\_  
Print Name of DLAE

Date: \_\_\_\_\_

SEPT11-08.6.AttB.DBE PART LEVEL.TLOREN.doc

Attachment: Exhibit A

**EXHIBIT A**

<b>MTS FTA FY08-09 BUDGETED CONTRACTS</b>		
<b>PROJECT NO.</b>	<b>PROJECT DESCRIPTION</b>	<b>FY07-08 BUDGET</b>
<b>MINOR CONSTRUCTION</b>		
11213	SDTC KMD Building Improvements	160,000
11253	MCS South Bay Division Gas Detection System	120,000
11255	Broadway Wye Switch Machines	80,000
11261	Special Event Service Improvement	27,200
11262	Yard Facility Buildings Repair	40,000
	<b>Total Construction</b>	<b>427,200</b>
<b>PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES</b>		
11184	Bus Video Cameras	192,000
11206	Rail Profile Grinding	258,400
11214	SD100 HVAC Retrofit	160,000
11221	Low Voltage Train Line Wiring	140,000
11223	LRV on board CCTV	1,008,000
11225	Transformer Rewinding	156,000
11254	SD100 Brake Rehabilitation	100,000
11259	Storage Bin Decking Replacement	19,200
11263	Signal Event Recorder Upgrade	62,400
11165	LRV Paint and Body Rehab	400,000
11166	CCTV Park and Market	120,000
	<b>Total Services</b>	<b>2,616,000</b>
<b>WHOLESALE DURABLE GOODS</b>		
11162	Organizational Desktops	120,000
11240	SDTC Support Equipment	110,200
11252	SD100 Blower Motor Conversion	232,000
11256	Mobile Radio Replacement	46,000
11257	Bill Processing/Counting Equipment	78,400
11258	DVR Spare	19,200
11260	Training Center Rehab	22,400
11264	RCS Radios	8,400
	<b>Total Wholesale Durable Goods</b>	<b>636,600</b>
	<b>Total Budgeted Contracts FY07-08</b>	<b>3,679,800</b>

**POURED CONCRETE FOUNDATION STRUCTURE NAICS 238110**

<b>FIRM</b>	<b>ADDRESS</b>	<b>CITY</b>	<b>STATE</b>	<b>ZIP</b>	<b>ETHNICITY</b>	<b>GENDER</b>	<b>CERTIFICATE</b>
SUPER SEAL & STRIPE, INC	310 A STREET	FILLMORE	CA	93016	CAUC	F	DBE
O-J-B ENGINEERING	243 E. DUMAS STREET	SAN BERNARDINO	CA	92408	BLACK	M	DBE
CLEMENS CONSTRUCTION CO	P.O. BOX 494639	REDDING	CA	96049	BLACK	M	DBE
J R PINA ASPHALT PAVING	197 WOODLAND PKWY STE 104-591	SAN MARCOS	CA	92069	HISPANIC	M	DBE
PACIFICA CONTRACTING, INC.	5060 PACIFICA DR	SAN DIEGO	CA	92109	CAUC	F	DBE
OROPEZA CONSTRUCTION, INC.	925-F HOLLISTER STREET	SAN DIEGO	CA	92154	HISPANIC	M	DBE
L C PAVING & SEALING	996 BORDEN RD.	SAN MARCOS	CA	92069	HISPANIC	M	DBE
HUGO ALONSO, INC.	P.O. BOX 1067	SPRING VALLEY	CA	91979	HISPANIC	M	DBE
RUBIO'S CONCRETE INCORPORATED	725 BELVIA LANE	CHULA VISTA	CA	91911	HISPANIC	M	DBE
STAR PAVING CORPORATION	2385-A CACTUS ROAD	SAN DIEGO	CA	92154	HISPANIC	F	DBE
MJC CONSTRUCTION	1234 NOLAN AVENUE	CHULA VISTA	CA	91911	HISPANIC	M	DBE
J. F. TEJEDA COMPANY	15247 OLDE HWY 80	EL CAJON	CA	92021	HISPANIC	M	DBE
CATS EXCAVATING, INC	1944 54TH STREET	SAN DIEGO	CA	92105	BLACK	M	DBE
BLACK IPO	6125 IMPERIAL AVENUE	SAN DIEGO	CA	92114	BLACK	M	DBE
M L LITTLE BEAVER CONSTRUCTION INC	39202 OLD HIGHWAY 80	BOULEVARD	CA	91905	NAT AM	F	DBE
DCN CORPORATION	2123 SEA ISLAND PLACE	SAN MARCOS	CA	92078	BLACK	M	DBE
THE LOPEZ GROUP CONTRACTORS INC	23971 NUEVO RD	NUEVO	CA	92587	HISPANIC	M	DBE
DENCO	2261 PARKLAND WAY	PETALUMA	CA	94954	HISPANIC	M	DBE
CREST EQUIPMENT, INC	161 SCOTT FORD DR	EL CAJON	CA	92021	NAT AM	F	DBE
SLIPFORM CONCRETE, INC.	8690 FRUITRIDGE ROAD	SACRAMENTO	CA	95826	ASIAN SUB	M	DBE

7/3/2008

Page 1

ELECTRICAL CONTRACTORS NAICS 238210

FIRM	ADDRESS	CITY	STATE	ZIP	ETHNICITY	GENDER	CERTIFICATE
REDONDO ELECTRIC	1248 VISTA GRANDE ROAD	EL CAJON	CA	92019	HISPANIC	M	DBE
BENDIX CONTRACTING CORPORATION	8861 BALBOA AVE. SUITE A	SAN DIEGO	CA	92123	HISPANIC	M	DBE
CLEMENS CONSTRUCTION CO	P.O. BOX 494639	REDDING	CA	96049	BLACK	M	DBE
J F L ELECTRIC, INC	8257 COMPTON AVENUE	LOS ANGELES	CA	90001	HISPANIC	M	DBE
PACIFICA CONTRACTING, INC.	5060 PACIFICA DR	SAN DIEGO	CA	92109	CAUC	F	DBE
SYNERGY ELECTRIC COMPANY INC.	10740 KENNEY STREET SUITE 401	SANTEE	CA	92071	CAUC	F	DBE
FULLER ELECTRIC	1018 CUDAHY PLACE, SUITE B	SAN DIEGO	CA	92110	HISPANIC	M	DBE
OROPEZA CONSTRUCTION, INC.	825-F HOLLISTER STREET	SAN DIEGO	CA	92154	HISPANIC	M	DBE
MARIN BRAVO ELECTRIC, INC.	1248 SOUTH LYON STREET	SANTA ANA	CA	92705	HISPANIC	M	DBE
ARROW RESTAURANT EQUIPMENT & ARROW CONSTRU	5061 ARROW HIGHWAY	MONTCLAIR	CA	91763	ASIAN PAC	F	DBE
HIGH LIGHT ELECTRIC, INC.	7000 JURUPA AVE.	RIVERSIDE	CA	92504	HISPANIC	M	DBE
VERDUZCO ELECTRIC, INC.	829 W. COMPTON BLVD.	COMPTON	CA	90220	HISPANIC	M	DBE
WEAVER ELECTRIC, INC	4210 E LA PALMA AVE	ANAHEIM	CA	92807	CAUC	F	DBE
VT ELECTRIC, INC.	869 W 9TH STREET	UPLAND	CA	91786	ASIAN PAC	M	DBE
PACIFIC WEST BUILDERS	3760 VALLEY ROAD	BONITA	CA	91902	CAUC	F	DBE
CALIFORNIA PROFESSIONAL ELECTRICAL ENGINEERIN	9316 MABEL AVENUE	SOUTH EL MONTE	CA	91733	ASIAN PAC	M	DBE
CABLEMASTERS	2281 W. 205TH STREET SUITE 101	TORRANCE	CA	90501	ASIAN PAC	M	DBE
M L LITTLE BEAVER CONSTRUCTION INC	39202 OLD HIGHWAY 80	BOULEVARD	CA	91905	NAT AM	F	DBE
ROBERTS ELECTRICAL CONTRACTOR, INC	8860 KENAMARE DRIVE, SUITE 304	SAN DIEGO	CA	92121	BLACK	M	DBE
CASTRO ELECTRIC	11616 LAKESIDE AVENUE	LAKESIDE	CA	92040	HISPANIC	M	DBE
EXPRESS ENERGY SERVICES, INC	2637 DAWSON AVE	SIGNAL HILL	CA	90755	HISPANIC	M	DBE
H.K. ELECTRICAL	17428 LAHEY ST.	GRANADA HILLS	CA	91344	CAUC	F	DBE
OMEGA ELECTRIC COMPANY	10735 ESCOBAR DR.	SAN DIEGO	CA	92124	BLACK	M	DBE

OTHER BUILDING EQUIPMENT CONTRACTORS  
NAICS 238290

FIRM	ADDRESS	CITY	STATE	ZIP	ETHNICITY	GENDER	CERTIFICATE
TRI-COUNTY DRILLING, INC	9631 CANDIDA STREET	SAN DIEGO	CA	92128	CAUC	F	DBE
EXCEL DOOR AND GATE COMPANY INC.	P. O. BOX 4924	RIVERSIDE	CA	92514	HISPANIC	M	DBE
FEBRUARY ENTERPRISES, INC.	6740 LOWELL BOULEVARD	DENVER	CO	80221	HISPANIC	M	DBE

**OTHER BUILDING FINISHING CONTRACTORS**  
**NAICS 238390**

FIRM	ADDRESS	CITY	STATE	ZIP	ETHNICITY	GENDER	CERTIFICATE
SHASTA FIRE PROTECTION, INC.	3584 LA CAMPANA WAY	PALM SPRINGS	CA	92262	HISPANIC	M	DBE
TROYER CONTRACTING COMPANY	10122 FREEMAN AVENUE	SANTA FE SPRINGS	CA	90670	HISPANIC	M	DBE
HAN CONSTRUCTION	6640 AMBROSIA LANE #711	CARLSBAD	CA	92011	ASIAN PAC	F	DBE
JVM WATERPROOFING, INC.	1308 OAK STREET	SANTA ANA	CA	92707	HISPANIC	M	DBE
UMANA/CRC	33646 VALLE ROAD	SAN JUAN CAPISTRANO	CA	92675	HISPANIC	M	DBE

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**ALL OTHER SPECIALTY TRADE CONTRACTORS**  
**NAICS 238990**

<b>FIRM</b>	<b>ADDRESS</b>	<b>CITY</b>	<b>STATE</b>	<b>ZIP</b>	<b>ETHNICITY</b>	<b>GENDER</b>	<b>CERTIFICATE</b>
W C BROWN WELDING, INC	1485 SOUTH WILLOW AVENUE	RIALTO	CA	92376	BLACK	M	DBE
SUPER SEAL & STRIPE, INC	310 A STREET	FILLMORE	CA	93016	CAUC	F	DBE
PELESA INC.	1153 GREEN STREET	GLENDALE	CA	91205	HISPANIC	M	DBE
AMERICAN ELECTRIC COMPANY	1015 W. BRIARDALE AVENUE	ORANGE	CA	92665	CAUC	F	DBE
O-J-B ENGINEERING	243 E. DUMAS STREET	SAN BERNARDINO	CA	92408	BLACK	M	DBE
BENDIX CONTRACTING CORPORATION	8861 BALBOA AVE. SUITE A	SAN DIEGO	CA	92123	HISPANIC	M	DBE
CLEMENS CONSTRUCTION CO	P.O. BOX 494639	REDDING	CA	96049	BLACK	M	DBE
C & K DRILLING, INC	14801 FRUITVALE RD	VALLEY CENTER	CA	92082	CAUC	F	DBE
DEZ CONSTRUCTION	651 VERNON WAY	EL CAJON	CA	92020	HISPANIC	M	DBE
J R PINA ASPHALT PAVING	197 WOODLAND PKWY STE 104-591	SAN MARCOS	CA	92069	HISPANIC	M	DBE
ANYTIME PLUMBING	1054 E. MARKET ST	LONG BEACH	CA	90805	BLACK	M	DBE
G & F CONCRETE CUTTING, INC.	1006 E. CHESTNUT AVENUE	SANTA ANA	CA	92711	HISPANIC	F	DBE
WESTERN STEEL & METALS, INC	2293 NATIONAL VENUE	SAN DIEGO	CA	92113	CAUC	F	DBE
PACIFICA CONTRACTING, INC.	5060 PACIFICA DR	SAN DIEGO	CA	92109	CAUC	F	DBE
SEAN CONSTRUCTION & DEVELOPMENT	P.O. BOX 517	NORCO	CA	91760	BLACK	M	DBE
G L PORTER CONSTRUCTION COMPANY	2116 W 103RD PLACE	LOS ANGELES	CA	90047	BLACK	M	DBE
TRI-COUNTY DRILLING, INC	9631 CANDIDA STREET	SAN DIEGO	CA	92126	CAUC	F	DBE
ROCK STRUCTURES CONSTRUCTION COMPANY	11126 SILVERTON CT.	CORONA	CA	92881	HISPANIC	M	DBE
IN-LINE FENCE & RAILING CO., INC	PO BOX 2637	RAMONA	CA	92065	HISPANIC	M	DBE
OROPEZA CONSTRUCTION, INC.	825-F HOLLISTER STREET	SAN DIEGO	CA	92154	HISPANIC	M	DBE
NATIONAL GLASS & MIRROR	5715 KEARNY VILLA ROAD, SUITE 116	SAN DIEGO	CA	92123	HISPANIC	M	DBE
L C PAVING & SEALING	996 BORDEN RD.	SAN MARCOS	CA	92069	HISPANIC	M	DBE
P T I INSTALLATIONS, INC.	6071 GLENHAVEN DRIVE	YORBA LINDA	CA	92886	CAUC	F	DBE
HABITAT WEST, INC.	2067 WINERIDGE PLACE, SUITE B	ESCONDIDO	CA	92029	CAUC	F	DBE
GEO ENVIRONMENTAL, INC.	1720 EGARRY AVE SUITE 215	SANTA ANA	CA	92705	ASIAN SUB	M	DBE
ADVANCED MATERIAL TECHNOLOGIES	750 DESIGN COURT, STE. 110	CHULA VISTA	CA	91911	CAUC	F	DBE
GEO-CAL, INC	P.O. BOX 9493	SAN BERNARDINO	CA	92427	HISPANIC	F	DBE
HUGO ALONSO, INC.	P.O. BOX 1067	SPRING VALLEY	CA	91979	HISPANIC	M	DBE
RUBIO'S CONCRETE INCORPORATED	725 BELVIA LANE	CHULA VISTA	CA	91911	HISPANIC	M	DBE
ARROW RESTAURANT EQUIPMENT & ARROW C	5061 ARROW HIGHWAY	MONTCLAIR	CA	91763	ASIAN PAC	F	DBE
CECILIA'S SAFETY SERVICE, INC.	525 STEVENS AVENUE, SUITE 200	SOLANA BEACH	CA	92075	CAUC	F	DBE
UNITED STEEL PLACERS	11112 ELM AVENUE	RANCHO CUCAMONG	CA	91730	HISPANIC	M	DBE
SUPER MARIO PORTABLE WELDING	1835A SOUTH CENTRE CITY PKWY. #41	ESCONDIDO	CA	92025	HISPANIC	M	DBE
C S DRYWALL, INC.	1935 MCKINLEY AVE., SUITE A	LA VERNE	CA	91750	HISPANIC	M	DBE
STAR PAVING CORPORATION	2385-A CACTUS ROAD	SAN DIEGO	CA	92154	HISPANIC	F	DBE
MJC CONSTRUCTION	1234 NOLAN AVENUE	CHULA VISTA	CA	91911	HISPANIC	M	DBE
J. F. TEJEDA COMPANY	15247 OLDE HWY 80	EL CAJON	CA	92021	HISPANIC	M	DBE
HIGH LIGHT ELECTRIC, INC.	7000 JURUPA AVE.	RIVERSIDE	CA	92504	HISPANIC	M	DBE
EXCEL DOOR AND GATE COMPANY INC.	P. O. BOX 4924	RIVERSIDE	CA	92514	HISPANIC	M	DBE

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**ALL OTHER SPECIALTY TRADE CONTRACTORS**  
**NAICS 238990**

<b>FIRM</b>	<b>ADDRESS</b>	<b>CITY</b>	<b>STATE</b>	<b>ZIP</b>	<b>ETHNICITY</b>	<b>GENDER</b>	<b>CERTIFICATE</b>
C L LANDSCAPING INC.	13136 RIO BRAVA COURT	JAMUL	CA	91935	HISPANIC	M	DBE
BOYLES PILOTS & TRAFFIC CONTROL	30928 BATTLE CREEK BOTTOM ROAD	MANTON	CA	96059	CAUC	F	DBE
ROBERT ZALDIVAR MASONARY	16722 WIKIUP ROAD	RAMONA	CA	92065	HISPANIC	M	DBE
RODNEY A. HAMILTON CO.	5250 CENTURY BOULEVARD, SUITE 311	LOS ANGELES	CA	90045	BLACK	M	DBE
AMERIMEX PLUMBING, INC.	1038 WOODLAWN AVENUE	CHULA VISTA	CA	91911	HISPANIC	M	DBE
PACIFIC WEST BUILDERS	3760 VALLEY ROAD	BONITA	CA	91902	CAUC	F	DBE
METROPOLITAN CONSTRUCTION	8934 TROY ST	SPRING VALLEY	CA	91977	HISPANIC	M	DBE
COBOS CONSTRUCTION COMPANY & ASSOC. IN	3045 ROSECRANS STREET, #111	SAN DIEGO	CA	92110	HISPANIC	M	DBE
CAL STATE REBAR & PRESTRESS CORP.	1505 E. MISSION BL.	POMONA	CA	91766	BLACK	M	DBE
LOUIS R. REYNA PAINTING CONTRACTOR	12129 GERBER AVENUE	LA MIRADA	CA	90638	HISPANIC	M	DBE
M L LITTLE BEAVER CONSTRUCTION INC	39202 OLD HIGHWAY 80	BOULEVARD	CA	91905	NAT AM	F	DBE
CALIFORNIA DIRT COMPANY	4724 FEDERAL BLVD	SAN DIEGO	CA	92102	BLACK	M	DBE
JOHNSON MAINTENANCE & JANITORIAL SERVICE	3356 HANCOCK STREET #C	SAN DIEGO	CA	92110	BLACK	M	DBE
UNITED TRAFFIC SAFETY	15131 CLARK AVENUE	CITY OF INDUSTRY	CA	91745	HISPANIC	F	DBE
CO'S TRAFFIC CONTROL, INC	2201 SAN DIEGUITO DRIVE	DEL MAR	CA	92014	CAUC	F	DBE
CORNERSTONE BUILDING GROUP	3590 KETTNER BL	SAN DIEGO	CA	92101	HISPANIC	M	DBE
ACCU CONSTRUCTION	23135 BETTY ROAD	PERRIS	CA	92570	ASIAN PAC	M	DBE
DCN CORPORATION	2123 SEA ISLAND PLACE	SAN MARCOS	CA	92078	BLACK	M	DBE
ADVANCED GEOSOLUTIONS, INC	11400 WEST OLYMPIC BOULEVARD-2N	LOS ANGELES	CA	90064	HISPANIC	M	DBE
SAFE GUARD FENCE	3330 SHAWNEE DR	NORCO	CA	92860	CAUC	F	DBE
MATRIX BUSINESS SOLUTIONS, INC.	1861 MISSOURI STREET	SAN DIEGO	CA	92109	ASIAN PAC	M	DBE
SO CAL TREE CARE, INC	323 E. BROADWAY, SUITE D	VISTA	CA	92084	HISPANIC	M	DBE
UMANA/CRC	33646 VALLE ROAD	SAN JUAN CAPISTRANO	CA	92675	HISPANIC	M	DBE

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ELECTRICAL APPARATUS AND EQUIPMENT  
NAICS 423610

FIRM	ADDRESS	CITY	STATE	ZIP	ETHNICITY	GENDER	CERTIFICATE
D. C. ELECTRONICS TWO, INC.	1175 W. CENTER STREET	RIVERSIDE	CA	92507	CAUC	F	DBE
L A SIGNAL, INC.	15100 E NELSON AVE	CITY OF INDUSTRY	CA	91744	HISPANIC	M	DBE
EXPRESS ENERGY SERVICES, INC	2637 DAWSON AVE	SIGNAL HILL	CA	90755	HISPANIC	M	DBE

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OTHER TELECOMMUNICATIONS  
NAICS 517910

FIRM	ADDRESS	CITY	STATE	ZIP	ETHNICITY	GENDER	CERTIFICATE
PACIFICA CONTRACTING, INC.	5080 PACIFICA DR	SAN DIEGO	CA	92109	CAUC	F	DBE
SYNERGY ELECTRIC COMPANY INC.	10740 KENNEY STREET SUITE 401	SANTEE	CA	92071	CAUC	F	DBE
D. C. ELECTRONICS TWO, INC.	1175 W. CENTER STREET	RIVERSIDE	CA	92507	CAUC	F	DBE

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OTHER SPECIALTY DESIGN SERVICES  
NAICS 541490

FIRM	ADDRESS	CITY	STATE	ZIP	ETHNICITY	GENDER	CERTIFICATE
CONSTRUCTION MANAGEMENT WEST, INC.	930 MONTGOMERY STREET, SUITE 302	SAN FRANCISCO	CA	94133	HISPANIC	M	DBE
TESHIMA DESIGN GROUP	9903 BUSINESS PARK AVENUE, SUITE 100	SAN DIEGO	CA	92131	ASIAN PAC	M	DBE
JMEC ENGINEERING, INC.	2975 TREAT BLVD., SUITE B2	CONCORD	CA	94518	ASIAN PAC	M	DBE
LOTUS CONSULTING ENGINEERS, INC. (1997 SE	23112 ALCALDE DRIVE, SUITE D	LAGUNA HILLS	CA	92653	ASIAN SUB	F	DBE
J.E. MALDONADO ARCHITECT	1288 JOHNSON AVENUE	SAN DIEGO	CA	92103	HISPANIC	M	DBE
DIAZ YOURMAN & ASSOCIATES	1616 EAST 17TH STREET	SANTA ANA	CA	92705	HISPANIC	M	DBE
MICHELE MC LAIN, AIA	25990 MESA ROCK ROAD	ESCONDIDO	CA	92026	CAUC	F	DBE
R2H ENGINEERING, INC	17150 VIA DEL CAMPO #306	SAN DIEGO	CA	92127	HISPANIC	M	DBE
ADVANCED MATERIAL TECHNOLOGIES	750 DESIGN COURT, STE. 110	CHULA VISTA	CA	91911	CAUC	F	DBE
MATALON ARCHITECTURE & PLANNING, INC.	910 GRAND AVENUE #203	SAN DIEGO	CA	92109	NAT AM	M	DBE
G2D RESOURCES, LLC	11580 KIRBY PLACE	SAN DIEGO	CA	92126	ASIAN PAC	M	DBE

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**ALL OTHER PROFESSIONAL SPECIALTY AND TECHNICAL SERVICES**  
**NAICS 541990**

<b>FIRM</b>	<b>ADDRESS</b>	<b>CITY</b>	<b>STATE</b>	<b>ZIP</b>	<b>ETHNICITY</b>	<b>GENDER</b>	<b>CERTIFICATE</b>
PELESA INC.	1153 GREEN STREET	GLENDALE	CA	91205	HISPANIC	M	DBE
SOL ENGINEERING	4872 MERLYN STREET	HEMET	CA	92544	HISPANIC	M	DBE
BURLESON CONSULTING INC	1625 CREEKSIDE DRIVE, STE 202	FOLSOM	CA	95630	NAT AM	M	DBE
PROPERTY AGENTS	740 ELDORADO DRIVE	ESCONDIDO	CA	92025	HISPANIC	M	DBE
M2 RESOURCE CONSULTING, INC	1175 AFTON STREET	PASADENA	CA	91103	CAUC	F	DBE

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**SECURITY SYSTEMS  
NAICS 561621**

FIRM	ADDRESS	CITY	STATE	ZIP	ETHNICITY	GENDER	CERTIFICATE
D. C. ELECTRONICS TWO, INC.	1175 W. CENTER STREET	RIVERSIDE	CA	92507	CAUC	F	DBE
INTEGRATED SYSTEMS CONTRACTOR INC	11809 NATIONAL AVENUE	RIVERSIDE	CA	92503	BLACK	M	DBE
PRO SECURITY, INC.	5757 WEST CENTURY BLVD. SUITE 105	LOS ANGELES	CA	90045	BLACK	M	DBE

7/3/2008



1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
619.231.1466 FAX 619.234.3407

## Agenda

Item No. 7

JOINT MEETING OF THE BOARD OF DIRECTORS  
for the  
Metropolitan Transit System,  
San Diego Transit Corporation, and  
San Diego Trolley, Inc.

FIN 300

September 11, 2008

**SUBJECT:**

MTS: INVESTMENT REPORT FOR JULY 2008

**RECOMMENDATION:**

Receive a report for information.

Budget Impact

None.

**DISCUSSION:**

Attachment A a report of MTS investments as of July 2008. The report is broken into two columns—the first column relates to investments restricted for capital support or debt service, and the second column is the unrestricted portion. As the schedule shows, the overwhelming bulk of investments is restricted primarily for debt service related to the payments on the 1995 Lease and Leaseback transactions.

The second column (unrestricted assets) provides the working capital for MTS operations for employee payroll and vendors' goods and services. This column includes the investment in San Diego Transit Corporation pension obligation bonds that were repurchased and represents an asset that is not currently liquid. It is expected that the bonds will be remarketed during the next few months, which will liquidate this asset.

Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Tom Lynch, 619.557.4538, [tom.lynch@sdmts.com](mailto:tom.lynch@sdmts.com)

SEPT11-08.7.JULY INVEST RPT.LMUSENGO.doc

Attachment: A. Investment Report



Metropolitan Transit System (MTS) is a California public agency and is comprised of San Diego Transit Corporation and San Diego Trolley, Inc. nonprofit public benefit corporations, in cooperation with Chula Vista Transit and National City Transit. MTS is the taxicab administrator for eight cities and the owner of the San Diego and Arizona Eastern Railway Company. MTS member agencies include: City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, and the County of San Diego.

**San Diego Metropolitan Transit System  
Investment Report  
7/31/2008**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Avg. Rate of Return</u>
<u>Cash and Cash Equivalents</u>	\$ 10,519,098	8,882,180	0.34%
<u>Investments - Working Capital</u>	18,173,950	1,153,877	2.79%
<u>Cash - Restricted for Capital Support</u>	5,596,423	-	N/A
<u>Investments - Restricted for Debt Service</u>	116,817,634	-	N/A
<u>Investment in POB's*</u>	-	34,330,000	4.30%
<b>Total Cash and Investments</b>	<b>\$ 151,107,105</b>	<b>\$ 44,366,057</b>	

Controller: \_\_\_\_\_ Date: \_\_\_\_\_



1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
619.231.1466, FAX: 619.234.3407

## Agenda

Item No. 30

JOINT MEETING OF THE BOARDS OF DIRECTORS  
for the  
Metropolitan Transit System,  
San Diego Transit Corporation, and  
San Diego Trolley, Inc.

CIP 11217

September 11, 2008

**SUBJECT:**

**MTS: C STREET CROSSOVER PROJECT MOU AND BUDGET TRANSFER**

**RECOMMENDATION:**

That the Board of Directors:

1. authorize the Chief Executive Officer (CEO) to execute a Memorandum of Understanding (MOU) (in substantially the same form as Attachment A) with the San Diego Association of Governments (SANDAG) for emergency work performed by SANDAG related to the C Street Crossover Project; and
2. approve a fund transfer from Capital Improvement Project (CIP) 11199 – Miscellaneous Capital (All Divisions) with Federal to SANDAG's City College Station Realignment Project (CIP 1049400) (in substantially the form as shown on Attachment B - Budget Transfer Summary).

**Budget Impact**

This action would result in no change to the overall CIP budget. \$155,000 would be transferred from MTS CIP 11199 (Misc. Capital) to SANDAG CIP 1049400 (City College Station Realignment Project).

**DISCUSSION:**

The City College Station Realignment Project when completed will have realigned the City College Station to accommodate the Smart Corner Project and other San Diego Trolley infrastructure improvements. While excavating for the installation of a new crossover on C Street at 9<sup>th</sup> Avenue, the contractor discovered trolley high-voltage traction power



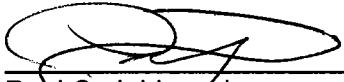
Metropolitan Transit System (MTS) is a California public agency and is comprised of San Diego Transit Corporation and San Diego Trolley, Inc. nonprofit public benefit corporations, in cooperation with Chula Vista Transit and National City Transit. MTS is the taxicab administrator for eight cities and the owner of the San Diego and Arizona Eastern Railway Company. MTS member agencies include: City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, and the County of San Diego.

cables buried less than one foot below the roadway surface. Although the cables were encased in concrete, they are not to code and present a potential hazard to anyone excavating nearby.

The cost to excavate, place a new conduit "duct bank," backfill, pull and splice new cables, and remove the existing cables is estimated by SANDAG's contractor to be between \$125,000 and \$155,000. SANDAG has determined with MTS staff concurrence that this work should be done as soon as possible.

An MOU between MTS and SANDAG outlining the scope and cost of the project (Attachment A) is attached for information. Staff recommends transferring \$155,000 from MTS's CIP 11199 to SANDAG CIP 1049400 as summarized in Attachment B.

MTS and SANDAG are investigating the history of the installation of the cables to determine if the cost of this repair can be recovered.

  
\_\_\_\_\_  
Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Wayne Terry, 619.595.4906, [wayne.terry@sdmts.com](mailto:wayne.terry@sdmts.com)

SEPT11-08.30.CSTREETCROSSOVER.TERRY.doc

Attachments: A. MOU  
B. Budget Transfer Summary

**MEMORANDUM OF UNDERSTANDING  
BETWEEN SAN DIEGO ASSOCIATION OF GOVERNMENTS  
AND METROPOLITAN TRANSIT SYSTEM  
REGARDING FUND TRANSFER FOR THE CITY COLLEGE STATION  
REALIGNMENT**

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This Memorandum of Understanding ("MOU") is made and entered into effective as of this \_\_\_\_\_ day of September 2008, by and between the San Diego Association of Governments ("SANDAG") and Metropolitan Transit System ("MTS").

**RECITALS**

The following recitals are a substantive part of this Agreement:

WHEREAS, at its September 11, 2008, meeting, the MTS Board of Directors approved a fund transfer from MTS Capital Improvement Program (CIP)11199 (Miscellaneous Capital) to SANDAG's City College Station Realignment Project CIP 1049400 (City College Station Realignment Project) to pay for unexpected repair work associated with the project; and

WHEREAS, the parties wish to memorialize their agreement in this MOU to carry out the purposes set forth above;

**AGREEMENT**

NOW, THEREFORE, in consideration of the mutual promises set forth herein, the parties agree as follows:

**SANDAG AGREES:**

1. To negotiate and issue a task order to the contractor to excavate, place a new conduit "duct bank", backfill, pull and splice new cables, and remove the existing high voltage traction power cables and to act otherwise to ensure compliance with the applicable electrical codes.
2. To provide design and construction management services.
3. To use any funds provided by MTS under this MOU exclusively for the project and to return any remaining project funds to MTS upon completion of the project.
4. Neither MTS nor any officer thereof is responsible for any damage or liability occurring by reason of anything done or omitted to be done by SANDAG under or in connection with any work, authority or jurisdiction delegated to MTS under this MOU. It is understood and agreed that, pursuant to Government Code Section 895.4, SANDAG shall fully defend, indemnify and save harmless MTS, all officers and employees from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined in Government Code Section

810.8) occurring by reason of anything done or omitted to be done by SANDAG under or in connection with any work, authority or jurisdiction delegated to SANDAG under this MOU.

**MTS AGREES:**

1. To fund the full and actual cost for the repair work up to the maximum amount of \$155,000. In the event that SANDAG notifies MTS that this amount will be exceeded, MTS will meet with SANDAG to discuss whether an amendment to this MOU is appropriate. In no event shall SANDAG have the responsibility to move forward with the project until the parties are able to identify sufficient funds to complete the work.
2. To utilize SANDAG's contractor for this work.
3. To provide staff support on the project at no cost to SANDAG, including, but not limited to, any staff support or cooperation needed to defend any contractor claims that may arise on the project.
4. Neither SANDAG nor any officer thereof is responsible for any damage or liability occurring by reason of anything done or omitted to be done by MTS under or in connection with any work, authority or jurisdiction delegated to MTS under this MOU. It is understood and agreed that, pursuant to Government Code Section 895.4, SANDAG shall fully defend, indemnify and save harmless SANDAG, all officers and employees from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by MTS under or in connection with any work, authority or jurisdiction delegated to MTS under this MOU.

**THE PARTIES MUTUALLY AGREE:**

1. That all obligations of the parties under the terms of this MOU are subject to the appropriation of the required resources by parties and the approval of their respective Boards of Directors.
2. Any notice required or permitted under this MOU may be personally served on the other party, by the party giving notice, or may be served by certified mail, return receipt requested, to the following addresses:

**For SANDAG**

Attn: Office of General Counsel  
401 B Street, Suite 800  
San Diego, CA 92101

**For MTS**

Attn: Office of General Counsel  
1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101

3. That unless it is amended by the parties in writing, this MOU shall terminate on June 30, 2009, or on such earlier or later date as the parties may agree to in writing. This MOU shall continue in effect unless and until a party to the MOU gives 60 (sixty) days' written notice of its desire to withdraw from the MOU. If such notice is given, the MOU shall continue to be binding on those parties who have not formally withdrawn.
4. The indemnification provisions of this MOU shall survive termination of the MOU.

5. This MOU shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this MOU, the action shall be brought in a state or federal court situated in the County of San Diego, State of California.
6. All terms, conditions, and provisions hereof shall inure to and shall bind each of the parties hereto and each of their respective heirs, executors, administrators, successors, and assigns.
7. For purposes of this MOU, the relationship of the parties is that of independent entities and not as agents of each other or as joint venturers or partners. The parties shall maintain sole and exclusive control over their personnel, agents, consultants, and operations.
8. No alteration or variation of the terms of this MOU shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto.
9. Nothing in the provisions of this MOU is intended to create duties or obligations to or rights in third parties to this MOU or affect the legal liability of the parties to this MOU.
10. This MOU may be executed in any number of identical counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument when each party has signed one such counterpart.

IN WITNESS WHEREOF, the Parties hereto have executed this MOU effective on the day and year first above written.

SAN DIEGO ASSOCIATION OF GOVERNMENTS

METROPOLITAN TRANSIT SYSTEM

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GARY L. GALLEGOS  
Executive Director

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PAUL C. JABLONSKI  
Chief Executive Officer

APPROVED AS TO FORM:

APPROVED AS TO FORM:

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Office of General Counsel

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Office of General Counsel

**BUDGET TRANSFER SUMMARY**

<b>CIP NO</b>	<b>PROJECT NAME</b>	<b>BUDGETS</b>		
		<b>Existing</b>	<b>Proposed</b>	<b>Change</b>
<b>11199</b>	MTS - Misc. Capital (All Divisions) with Federal	\$1,321,199	-\$155,000	\$1,166,199
<b>1049400</b>	SANDAG – City College Station Realignment	\$16,282,000	\$155,000	\$16,437,000

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Metropolitan Transit System

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San Diego, CA 92101-7490  
619.231.1466 FAX 619.234.3407

## Agenda

Item No. 45

JOINT MEETING OF THE BOARD OF DIRECTORS  
of the  
Metropolitan Transit System,  
San Diego Transit Corporation, and  
San Diego Trolley, Inc.

FIN 310.2

September 11, 2008

**SUBJECT:**

**MTS: PRELIMINARY FY 2008 OPERATIONS BUDGET STATUS REPORT**

**RECOMMENDATION:**

That the Board of Directors receive an MTS preliminary FY 2008 operations budget report.

Budget Impact

None at this time.

**DISCUSSION:**

This report summarizes MTS's year-end operating results through June 2008 compared to the Board-approved midyear budget. These are preliminary, preaudit results. While staff does not anticipate major changes during the audit process, staff will return at the conclusion of the audit in December or January with a final year-end report.

Attachment A-1 combines the operations, administration, and other activities results through June 2008. Attachment A-2 details the year-end June 2008 combined operations results, and Attachments A-3 to A-8 present budget comparisons for each MTS operation. Attachment A-9 details budget comparisons for MTS Administration, and A-10 provides year-end June 2008 results for MTS's other activities (Taxicab Administration/San Diego and Arizona Eastern Railway Company).



Metropolitan Transit System (MTS) is comprised of the Metropolitan Transit Development Board (MTDB) a California public agency, San Diego Transit Corp., and San Diego Trolley, Inc., in cooperation with Chula Vista Transit and National City Transit. MTS is Taxicab Administrator for eight cities. MTDB is owner of the San Diego and Arizona Eastern Railway Company. MTDB Member Agencies include: City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, and the County of San Diego.

## MTS NET-OPERATING SUBSIDY RESULTS

As indicated within Attachment A-1, the year-end June 2008 MTS net-operating subsidy favorable variance totaled \$6,487,000 (4.9%). Operations produced a \$5,819,000 (4.6%) favorable variance, and the administrative/other activities areas were favorable by \$668,000.

## MTS COMBINED RESULTS

### Operating Revenues

Year-end combined operating revenues through June 2008 were \$87,160,000 compared to the budget of \$82,619,000, which represents a \$4,542,000 favorable variance.

Passenger revenues were favorable to budget by \$3,710,000 (4.9%). The January fare change and elimination of transfers caused a dramatic shift in ridership patterns. Total passenger levels decreased by 4.3% when comparing the first half of FY 2008 to the second half. Cash and transfer passengers dropped from 14.7 million passengers in the first half of FY 2008 to 5.6 million in the second half, which is a decrease of 9 million passengers. Over that same period, pass passengers increased by 7.6 million with 90% of this shift moving to day passes. With the rate per passenger much higher for day pass users, this shift led to a 10.9% overall increase in the average fare per pass passenger (much higher than anticipated) resulting in the favorable revenue variance.

Consolidated other operating revenues were favorable by \$832,000 (11.3%) primarily due to interest income.

### Expenses

Fiscal year 2008 combined expenses were \$211,935,000 compared to the budget of \$213,881,000, which resulted in a \$1,945,000 (0.9%) favorable variance.

Personnel Costs. Year-end personnel-related costs totaled \$99,456,000 compared to a budgetary figure of \$99,946,000, which produced a favorable variance of \$489,000 (0.5%). This is primarily due to favorable variances within operator wages and other fringe benefits within transit services.

Outside Services and Purchased Transportation. Total outside services expenses for the fiscal year totaled \$70,738,000 compared to a budget of \$72,430,000, which resulted in a favorable variance of \$1,693,000 (2.3%). This is primarily due to lower-than-expected operating expenses within purchased transportation for fixed route.

Materials and Supplies. Total year-end materials and supplies expenses totaled \$7,637,000 compared to a budgetary figure of \$7,586,000 resulting in an unfavorable expense variance of \$51,000 (-0.7%).

Energy. Total year-end energy costs were \$28,410,000 compared to the budget of \$28,134,000 resulting in an unfavorable variance of \$275,000 (-1.0%). This unfavorable variance is primarily due to compressed natural gas (CNG) costs (-\$1,061,000) partially

offset by favorable variances in traction power and facility electricity (\$931,000). For fiscal year 2008, CNG prices averaged \$1.440 per therm compared to the budgetary rate of \$1.29 per therm. Fiscal year 2008 diesel prices averaged \$2.937 per gallon compared to a budgetary rate of \$2.62 per gallon.

Risk Management. Total year-end expenses for risk management were \$3,915,000 compared to the budget \$4,408,000 resulting in a favorable variance totaling \$493,000 (11.2%). This positive variance is primarily due to increased claims recovery and decreased legal costs within rail operations.

General and Administrative. Year-end general and administrative costs, including vehicle and facilities leases, were \$404,000 (-29.3%) unfavorable to budget totaling \$1,780,000 through June 2008 compared to a budget of \$1,376,000. The variance is due in part to an accounting shift of noncapital items from the capital budget (\$260,000), which resulted in no net budgetary impact. In addition, \$130,000 was added to expenses due to payables related to the final closeout of National City Transit.

## MTS NONOPERATING REVENUES RESULTS

### Reserve Revenue

The FY 2008 midyear budget included \$5,456,000 in reserve revenue. Due to the performance of operations in FY 2008, no reserve revenue will be utilized.

### Subsidy Revenues

For FY 2008, subsidy revenue exceeded budget by \$1,906,000. This positive variance is detailed as follows:

- AFC Debt Service: MTS received additional State Transportation Improvement Program (STIP) funding in FY 2008 that allowed for the prepayment of FY 2009 and FY 2010 debt service and reduced interest costs, which created a positive variance of \$680,000.
- Medi-Cal Funding for MTS's Paratransit Operations: MTS estimates the amount related to that aspect of its service for the budget but is reimbursed by the federal government for the actual amounts spent within overall limits and guidelines. For FY 2007, Medical paid for the actual amounts submitted which exceed the contract amount. This difference was \$538,000.
- Congestion Mitigation and Air Quality (CMAQ) funding for Mission Valley East (MVE): Similar to the Medi-Cal above, MTS estimates the costs for the budget but is able to bill the state for actual amounts within overall limits and guidelines. The difference between actual expense reimbursement versus the budgeted expense reimbursement was \$508,000.
- TransNet: MTS received excess TransNet revenue in FY 2007, which was recognized in FY 2008 creating a positive variance of \$174,000.

## YEAR-END SUMMARY

The preliminary June 2008 year-end net-operating subsidy totaled a favorable variance of \$6,487,000 (4.9%) and was produced by several factors. These factors include favorable variances in passenger revenue, personnel costs, purchased transportation, and risk management partially offset by energy, materials, and general and administrative expenses.

Subsidy revenue for FY 2008 was favorable to budget by \$1,906,000 primarily due to the early prepayment of the Automated Fare Collect debt service as well as positive variances in Congestion Management Air Quality, Medi-Cal, and TransNet funding.

In total, FY 2008 revenue exceeded expenses by \$2,934,000 resulting in a favorable variance of \$8,394,000. Of that favorable variance \$333,000 is related to other activities (Taxicab Administration/San Diego and Arizona Eastern Railway Company) with the remaining \$8,061,000 related specifically to MTS.



Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Larry Marinesi, 619.557.4542, [Larry.Marinesi@sdmts.com](mailto:Larry.Marinesi@sdmts.com)

Attachment: A. Comparison to Budget

MTS  
CONSOLIDATEDCOMPARISON TO BUDGET - FISCAL YEAR 2008  
JUNE 30, 2008  
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 78,941	\$ 75,232	\$ 3,710	4.9%
Other Revenue	8,219	7,387	832	11.3%
<b>Total Operating Revenue</b>	<b>\$ 87,160</b>	<b>\$ 82,619</b>	<b>\$ 4,542</b>	<b>5.5%</b>
Personnel costs	\$ 99,456	\$ 99,946	\$ 489	0.5%
Outside services	70,738	72,430	1,693	2.3%
Transit operations funding	-	-	-	-
Materials and supplies	7,637	7,586	(51)	-0.7%
Energy	28,410	28,134	(275)	-1.0%
Risk management	3,915	4,408	493	11.2%
General & administrative	1,506	1,030	(476)	-46.2%
Vehicle/facility leases	274	347	73	21.0%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	(0)	(0)	0	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 211,935</b>	<b>\$ 213,881</b>	<b>\$ 1,945</b>	<b>0.9%</b>
<b>Operating income (loss)</b>	<b>\$ (124,775)</b>	<b>\$ (131,262)</b>	<b>\$ 6,487</b>	<b>4.9%</b>
Subsidy Revenue	\$ 127,548	\$ 125,642	\$ 1,906	1.5%
Other Non-Operating Revenue	-	- *	-	-
<b>Total Non-Operating Revenue</b>	<b>\$ 127,548</b>	<b>\$ 125,642</b>	<b>\$ 1,906</b>	<b>1.5%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ 2,773</b>	<b>\$ (5,620)</b>	<b>\$ 8,394</b>	<b>-149.3%</b>

\* \$5,620 of reserve revenue has been removed from the FY 2008 Budget, as it is not needed

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OPERATIONS**  
**CONSOLIDATED OPERATIONS**  
**COMPARISON TO BUDGET - FISCAL YEAR 2008**  
**JUNE 30, 2008**  
**(in \$000's)**

	<b>YEAR TO DATE</b>			
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	<b>%</b>
Passenger Revenue	\$ 78,941	\$ 75,232	\$ 3,710	4.9%
Other Revenue	2,630	2,765	(135)	-4.9%
<b>Total Operating Revenue</b>	<b>\$ 81,572</b>	<b>\$ 77,997</b>	<b>\$ 3,575</b>	<b>4.6%</b>
Personnel costs	\$ 87,721	\$ 88,657	\$ 936	1.1%
Outside services	67,993	69,190	1,197	1.7%
Transit operations funding	-	-	-	-
Materials and supplies	7,619	7,539	(80)	-1.1%
Energy	28,024	27,721	(303)	-1.1%
Risk management	3,400	3,903	503	12.9%
General & administrative	455	374	(81)	-21.6%
Vehicle/facility leases	274	347	73	21.0%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	5,675	5,675	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 201,161</b>	<b>\$ 203,405</b>	<b>\$ 2,244</b>	<b>1.1%</b>
<b>Operating income (loss)</b>	<b>\$ (119,590)</b>	<b>\$ (125,408)</b>	<b>\$ 5,819</b>	<b>4.6%</b>
<b>Total public support and nonoperating revenues</b>	<b>119,820</b>	<b>125,408</b>	<b>(5,588)</b>	<b>-4.5%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ 231</b>	<b>\$ 0</b>	<b>\$ 231</b>	<b>79814107.2%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OPERATIONS**  
**TRANSIT SERVICES (SAN DIEGO TRANSIT CORPORATION)**  
**COMPARISON TO BUDGET - FISCAL YEAR 2008**  
**JUNE 30, 2008**  
**(in \$000's)**

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	%
Passenger Revenue	\$ 23,680	\$ 23,515	\$ 165	0.7%
Other Revenue	1,157	965	192	19.9%
<b>Total Operating Revenue</b>	<b>\$ 24,837</b>	<b>\$ 24,480</b>	<b>\$ 357</b>	<b>1.5%</b>
Personnel costs	\$ 55,099	\$ 56,407	\$ 1,308	2.3%
Outside services	2,550	2,705	155	5.7%
Transit operations funding	-	-	-	-
Materials and supplies	4,784	4,546	(238)	-5.2%
Energy	9,027	8,644	(383)	-4.4%
Risk management	1,608	1,606	(1)	-0.1%
General & administrative	250	192	(58)	-30.4%
Vehicle/facility leases	73	80	7	9.0%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	2,411	2,411	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 75,801</b>	<b>\$ 76,591</b>	<b>\$ 790</b>	<b>1.0%</b>
<b>Operating income (loss)</b>	<b>\$ (50,964)</b>	<b>\$ (52,111)</b>	<b>\$ 1,147</b>	<b>2.2%</b>
<b>Total public support and nonoperating revenues</b>	<b>46,524</b>	<b>52,111</b>	<b>(5,588)</b>	<b>-10.7%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ (4,441)</b>	<b>\$ -</b>	<b>\$ (4,441)</b>	<b>-</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OPERATIONS**  
**RAIL OPERATIONS (SAN DIEGO TROLLEY, INCORPORATED)**  
**COMPARISON TO BUDGET - FISCAL YEAR 2008**  
**JUNE 30, 2008**  
**(in \$000's)**

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 31,120	\$ 28,977	\$ 2,143	7.4%
Other Revenue	650	804	(153)	-19.1%
<b>Total Operating Revenue</b>	<b>\$ 31,770</b>	<b>\$ 29,780</b>	<b>\$ 1,990</b>	<b>6.7%</b>
Personnel costs	\$ 31,224	\$ 30,780	\$ (443)	-1.4%
Outside services	9,084	8,703	(381)	-4.4%
Transit operations funding	-	-	-	-
Materials and supplies	2,774	2,988	214	7.2%
Energy	8,736	9,570	834	8.7%
Risk management	1,768	2,272	504	22.2%
General & administrative	182	151	(31)	-20.5%
Vehicle/facility leases	86	85	(1)	-0.9%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	2,279	2,279	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 56,133</b>	<b>\$ 56,829</b>	<b>\$ 696</b>	<b>1.2%</b>
<b>Operating income (loss)</b>	<b>\$ (24,363)</b>	<b>\$ (27,048)</b>	<b>\$ 2,685</b>	<b>9.9%</b>
<b>Total public support and nonoperating revenues</b>	<b>27,048</b>	<b>27,048</b>	<b>-</b>	<b>0.0%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ 2,685</b>	<b>\$ -</b>	<b>\$ 2,685</b>	<b>-</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OPERATIONS**  
**MULTIMODAL OPERATIONS (FIXED ROUTE)**  
**COMPARISON TO BUDGET - FISCAL YEAR 2008**  
**JUNE 30, 2008**  
**(in \$000's)**

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	%
Passenger Revenue	\$ 19,274	\$ 18,217	\$ 1,057	5.8%
Other Revenue	67	375	(308)	-82.1%
<b>Total Operating Revenue</b>	<b>\$ 19,341</b>	<b>\$ 18,592</b>	<b>\$ 749</b>	<b>4.0%</b>
Personnel costs	\$ 322	\$ 317	\$ (6)	-1.8%
Outside services	39,874	41,200	1,326	3.2%
Transit operations funding	-	-	-	-
Materials and supplies	60	-	(60)	-
Energy	7,542	6,818	(724)	-10.6%
Risk management	-	-	-	-
General & administrative	3	6	3	49.0%
Vehicle/facility leases	115	177	62	35.0%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	808	808	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 48,725</b>	<b>\$ 49,326</b>	<b>\$ 601</b>	<b>1.2%</b>
<b>Operating income (loss)</b>	<b>\$ (29,384)</b>	<b>\$ (30,734)</b>	<b>\$ 1,350</b>	<b>4.4%</b>
<b>Total public support and nonoperating revenues</b>	<b>30,734</b>	<b>30,734</b>	<b>-</b>	<b>0.0%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ 1,350</b>	<b>\$ (0)</b>	<b>\$ 1,350</b>	<b>-536636762.4%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OPERATIONS**  
**MULTIMODAL OPERATIONS (PARATRANSIT)**  
**COMPARISON TO BUDGET - FISCAL YEAR 2008**  
**JUNE 30, 2008**  
**(in \$000's)**

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	%
Passenger Revenue	\$ 1,865	\$ 1,849	\$ 16	0.9%
Other Revenue	-	-	-	-
<b>Total Operating Revenue</b>	<b>\$ 1,865</b>	<b>\$ 1,849</b>	<b>\$ 16</b>	<b>0.9%</b>
Personnel costs	\$ 214	\$ 206	\$ (8)	-3.7%
Outside services	10,385	10,414	29	0.3%
Transit operations funding	-	-	-	-
Materials and supplies	-	-	-	-
Energy	2,077	2,013	(65)	-3.2%
Risk management	-	-	-	-
General & administrative	2	5	3	56.6%
Vehicle/facility leases	-	4	4	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	28	28	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 12,706</b>	<b>\$ 12,670</b>	<b>\$ (36)</b>	<b>-0.3%</b>
<b>Operating income (loss)</b>	<b>\$ (10,842)</b>	<b>\$ (10,822)</b>	<b>\$ (20)</b>	<b>-0.2%</b>
<b>Total public support and nonoperating revenues</b>	<b>10,822</b>	<b>10,822</b>	<b>-</b>	<b>0.0%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ (20)</b>	<b>\$ 0</b>	<b>\$ (20)</b>	<b>-1712648.5%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OPERATIONS**  
**CONSOLIDATED CHULA VISTA TRANSIT OPERATIONS**  
**COMPARISON TO BUDGET - FISCAL YEAR 2008**  
**JUNE 30, 2008**  
**(in \$000's)**

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	%
Passenger Revenue	\$ 3,003	\$ 2,674	\$ 329	12.3%
Other Revenue	756	622	135	21.6%
<b>Total Operating Revenue</b>	<b>\$ 3,759</b>	<b>\$ 3,296</b>	<b>\$ 463</b>	<b>14.0%</b>
Personnel costs	\$ 674	\$ 759	\$ 85	11.1%
Outside services	5,801	5,869	68	1.2%
Transit operations funding	-	-	-	-
Materials and supplies	1	5	4	79.7%
Energy	641	676	35	5.1%
Risk management	25	25	-	0.0%
General & administrative	17	20	3	12.9%
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	149	149	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 7,308</b>	<b>\$ 7,502</b>	<b>\$ 193</b>	<b>2.6%</b>
<b>Operating income (loss)</b>	<b>\$ (3,549)</b>	<b>\$ (4,205)</b>	<b>\$ 656</b>	<b>15.6%</b>
<b>Total public support and nonoperating revenues</b>	<b>4,205</b>	<b>4,205</b>	<b>-</b>	<b>0.0%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ 656</b>	<b>\$ (0)</b>	<b>\$ 656</b>	<b>-245564375.4%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OPERATIONS**  
**CORONADO FERRY**  
**COMPARISON TO BUDGET - FISCAL YEAR 2008**  
**JUNE 30, 2008**  
**(in \$000's)**

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	%
				VARIANCE
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	-	-	-	-
<b>Total Operating Revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
Personnel costs	\$ -	\$ -	\$ -	-
Outside services	143	143	-	0.0%
Transit operations funding	-	-	-	-
Materials and supplies	-	-	-	-
Energy	-	-	-	-
Risk management	-	-	-	-
General & administrative	-	-	-	-
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	-	-	-	-
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 143</b>	<b>\$ 143</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Operating income (loss)</b>	<b>\$ (143)</b>	<b>\$ (143)</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Total public support and nonoperating revenues</b>	<b>143</b>	<b>143</b>	<b>-</b>	<b>0.0%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	<b>\$ -</b>	<b>0.0%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**ADMINISTRATION**  
**CONSOLIDATED**  
**COMPARISON TO BUDGET - FISCAL YEAR 2008**  
**JUNE 30, 2008**  
**(in \$000's)**

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	%
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	4,531	3,836	694	18.1%
<b>Total Operating Revenue</b>	<b>\$ 4,531</b>	<b>\$ 3,836</b>	<b>\$ 694</b>	<b>18.1%</b>
Personnel costs	\$ 11,154	\$ 10,651	\$ (503)	-4.7%
Outside services	2,613	3,129	516	16.5%
Transit operations funding	-	-	-	-
Materials and supplies	16	35	19	54.9%
Energy	374	399	25	6.3%
Risk management	475	461	(14)	-2.9%
General & administrative	947	545	(402)	-73.8%
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	(5,691)	(5,691)	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 9,888</b>	<b>\$ 9,529</b>	<b>\$ (358)</b>	<b>-3.8%</b>
<b>Operating income (loss)</b>	<b>\$ (5,357)</b>	<b>\$ (5,693)</b>	<b>\$ 336</b>	<b>5.9%</b>
<b>Total public support and nonoperating revenues</b>	<b>7,728</b>	<b>5,693</b>	<b>2,035</b>	<b>35.7%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ 2,371</b>	<b>\$ 0</b>	<b>\$ 2,371</b>	<b>68059827.7%</b>

# SAN DIEGO METROPOLITAN TRANSIT SYSTEM

## OTHER ACTIVITIES CONSOLIDATED

### COMPARISON TO BUDGET - FISCAL YEAR 2008

JUNE 30, 2008

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	1,058	785	273	34.7%
<b>Total Operating Revenue</b>	<b>\$ 1,058</b>	<b>\$ 785</b>	<b>\$ 273</b>	<b>34.7%</b>
Personnel costs	\$ 581	\$ 637	\$ 56	8.8%
Outside services	131	111	(20)	-18.1%
Transit operations funding	-	-	-	-
Materials and supplies	2	13	10	81.9%
Energy	12	15	3	19.8%
Risk management	40	44	4	8.3%
General & administrative	104	111	7	6.4%
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	16	16	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 886</b>	<b>\$ 946</b>	<b>\$ 60</b>	<b>6.3%</b>
<b>Operating income (loss)</b>	<b>\$ 171</b>	<b>\$ (161)</b>	<b>\$ 333</b>	<b>206.2%</b>
<b>Total public support and nonoperating revenues</b>	<b>(171)</b>	<b>161</b>	<b>(333)</b>	<b>-206.2%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>46.8%</b>



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## Agenda

Item No. 62

Chief Executive Officer's Report

ADM 121.7 (PC 50101)

September 11, 2008

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 August 12, 2008, through September 2, 2008.

[gail.williams/agenda item 62](#)



Metropolitan Transit System (MTS) is comprised of the Metropolitan Transit Development Board (MTDB) a California public agency, San Diego Transit Corp., and San Diego Trolley, Inc., in cooperation with Chula Vista Transit and National City Transit. MTS is Taxicab Administrator for eight cities. MTDB is owner of the San Diego and Arizona Eastern Railway Company. MTDB Member Agencies include: City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway,

**CONTRACTS - Expense**

Doc #	Organization	Subject	Amount	Day
G0740.8-02_	MINCOM	CONTINUANCE OF SUPPORT SVCS 3RD PARTY SO	\$20,055.25	8/14/2008
L0850.0-09	SIMAC CONSTRUCTION INC	ROE PERMIT 550 "C" ST CVS PHARMACY	\$2,200.00	8/14/2008
MV6670.0-09	WAYNE PERRY INC	ROE PERMIT QUALCOM STADIUM PARKING LOT	\$1,400.00	8/14/2008
ZB04010BCF1	MIRAMAR TRUCK CENTER	BENDIX AIR BRAKE PARTS, BRAKE DRUMS AND	\$80,000.00	8/14/2008
L0851.0-09	AMERICAN YOUTH HOSTELS INC	ROE PERMIT FOR THE MIDNIGHT MADNESS FUN	\$500.00	8/21/2008
YCO005.1-07	DAPCO TECHNOLOGIES	ULTRASONIC RAIL TESTING SERVICES	\$20,360.00	8/25/2008
B0493.3-08	PEACHEZ INC	TERMINATION OF CONTRACT	\$0.00	9/2/2008
G1101.1-07	NEW FLYER OF AMERICA	POSTPONEMENT DELIVERY OF GE35LFR	\$0.00	9/2/2008
G1200.0-09	BAKER & MILLER, PLLC	LEGAL SERVICES RAILROAD LAW	\$15,000.00	9/2/2008
G1202.0-09	SAN DIEGO CHARGERS	PILOT PROGRAM TO CREATE A PREPAID MEDIA	\$35,000.00	9/2/2008
G1206.0-09	SIEMENS TRANSPORTATION SYSTEMS	WRAP PARTNERSHIP AGREEMENT	\$30,000.00	9/2/2008
G1207.0-09	ADD-ONS INC.	BLOCK HOUR RETAINER FOR 6 MONTHS	\$30,000.00	9/2/2008
G1208.0-09	SAN DIEGO HOLIDAY BOWL QUALCOM	HOLIDAY BOWL AND POINSETTIA BOWL ADV.	\$1,175.00	9/2/2008
G1212.0-09	COW PARADE SAN DIEGO LLC	JOINT SPONSORSHIP BETWEEN MTS AND COKE	\$7,000.00	9/2/2008
L4586.0-09	REYES CONSTRUCTION INC	ROE PERMIT HARBOR DR PED BRIDGE	\$0.00	9/2/2008
L5695.0-09	SDG&E	ROE OT LINE UTILITY SVC SCADA SWITCH	\$1,000.00	9/2/2008
PWL105.0-09	KOCH ARMSTRONG INC	BUS STOP CONCRETE REPAIR AT MILLS BLDG	\$26,700.00	9/2/2008
S200-09-378	SDG&E	ROE PERMIT GUY WIRE & POLE REMOVAL	\$1,700.00	9/2/2008
YCO114.0-08	PATRIOT ENVIRONMENTAL SVCS	TRAUMA SCENE CLEAN-UP SERVICES	\$30,000.00	9/2/2008

**PURCHASE ORDERS**

DATE	Organization	Subject	AMOUNT
8/14/2008	FRANKLIN COVEY	7 HABITS SIGNATURE ONSITE TRAINING	\$5,500.00
8/14/2008	STREAMLINE	LAZER PAYROLL/AP CHECK STOCK	\$500.61
8/14/2008	SAFETY KLEEN	AUTOMATIC SPRAY WASHERS	\$18,257.56
8/14/2008	SAN DIEGO POSTAL AND SHIPPING	YEARLY MAINT ON HASLER	\$610.00
8/14/2008	QUALITY LIFT TRUCKS	KOMATSU FORKLIFT OVERHAUL & REHAB	\$2,322.88
8/14/2008	CHRISTOPHER TALBOT FRANK PHOTO	USAGE 4X5 IMAGE OF OCEAN FOR TROLLEY	\$1,077.50
8/14/2008	DIMENSIONAL SILKSCREEN	SMALL ROUTE DECALS	\$1,164.78

PURCHASE ORDERS			
DATE	Organization	Subject	AMOUNT
8/14/2008	EL LATINO NEWSPAPER	1/2 PAGE COLOR AD, 8/8 "ENVIRONMENT	\$1,031.42
8/14/2008	FRANKLIN COVEY	7 HABITS SIGNATURE PROGRAM	\$1,439.02
8/14/2008	CANON BUSINESS SOLUTIONS	PURCHASE OF ONE (1) CANON 730I FAX	\$1,180.38
8/14/2008	SIMPLY GREEN SOLUTIONS	REUSABLE BAGS, SET-UP FEES	\$3,784.63
8/14/2008	WEST COAST LANYARDS	RED 5/8" LANYARD WITH BULLDOG CLIP	\$1,818.20
9/2/2008	JOHNSON LIFT	FORKLIFT OVERHAUL (WIGGINS)	\$4,171.63

WORK ORDERS			
Doc #	Organization	Subject	Amount Day
G1131.0-08.02	PGH WONG	DBE, PREVAILING WAGES AND LABOR COM	\$30,000.00 9/2/2008
G1127.0-08.14.01	BUREAU VERITAS/BERRYMAN & HENIGAR	ASSIST IN MVE RECORD DRAWINGS	\$27,062.00 9/4/2008

CONTRACTS - Revenue			
Doc #	Organization	Subject	Amount Day
G1210.0-09	HUNTINGTON PACIFIC HOTELS	ECO PASS 3-MONTH PILOT PROGRAM	(\$4,320.00) 8/19/2008
G1211.0-09	HARD ROCK HOTEL	ECO PASS 3-MONTH PILOT PROGRAM	(\$12,240.00) 8/19/2008
G1198.0-09	HOTEL DEL CORONADO	ECO PASS 3-MONTH PILOT PROGRAM	(\$24,576.00) 8/25/2008