

MINUTES

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

April 14, 2015

A meeting of the Board of Directors of the San Diego & Arizona Eastern (SD&AE) Railway Company, a Nevada corporation, was held at 1255 Imperial Avenue, Suite 1000, San Diego, California 92101, on April 14, 2015, at 9:00 a.m.

The following persons, constituting the Board of Directors, were present: Blake Jones, Matt Domen, and Paul Jablonski. Also in attendance were members from:

San Diego Metropolitan Transit System:	Tim Allison, Karen Landers, Wayne Terry, Larry Marinesi, Traci Wutke
Pacific Southwest Railway Museum:	Diana Hyatt
Pacific Imperial Railroad, Inc.:	Don Stoecklein, Arturo Alemany, Charles McHaffie

1. Approval of Minutes

Mr. Jones moved to approve the Minutes of the January 27, 2015, SD&AE Railway Board of Directors meeting. Mr. Domen seconded the motion, and it was unanimously approved.

2. Statement of Railway Finances

Larry Marinesi reviewed the financial statement for the first quarter of 2015 (attached to the agenda item).

Action Taken

Mr. Domen moved to receive the report for information. Mr. Jones seconded the motion, and it was unanimously approved.

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

Mr. Domen reviewed the report of activities for the first quarter of 2015 (attached to the agenda item).

Action Taken

Mr. Jones moved to receive the report for information. Mr. Jablonski seconded the motion, and it was unanimously approved.

4. Report on Pacific Southwest Railway Museum Operations

Diana Hyatt reviewed the first quarter of 2015 report (attached to the agenda item). Mr. Jablonski asked Ms. Hyatt if the track had been inspected following the derailment at PSRM. Ms. Hyatt responded that the track has been inspected and meets standards.

Mr. Jablonski asked that, in regards to the request for donated cars, Ms. Hyatt write a formal letter outlining her request and address it to Mr. Wayne Terry. Mr. Jablonski asked that the letter state PSRM's intentions for shipping the donated cars.

Action Taken

Mr. Jablonski moved to receive the report for information. Mr. Jones seconded the motion, and it was unanimously approved.

5. Report on the Desert Line

Chas McHaffie reviewed the first quarter of 2015 report (attached to the agenda item). Mr. McHaffie introduced a new PIR board member, Mr. Arturo Alemany. Mr. McHaffie notified the Board of a small oil spill near Goat Canyon. Mr. McHaffie had just received the information and had few details. He believes it is the result of vandalism.

Mr. Jablonski asked about the disposition of these particular cars that may have been vandalized. Mr. McHaffie stated that they are to be scrapped and are in the process of obtaining a permit for removal.

Chas McHaffie updated the Board regarding a tour conducted of tunnel three in Mexico. There have been significant improvements made to tunnel three and it may be ready for operation in 30 days. Mr. Jablonski asked if PSRM would be resuming service once tunnel three is reopened. Ms. Hyatt responded that PSRM would be resuming service.

Action Taken

Mr. Jones moved to receive the report for information. Mr. Jablonski seconded the motion, and it was unanimously approved.

6. Real Property Matters

Since the January 27, 2015, SD&AE Railway Company Board of Directors meeting, the documents described below have been processed by staff.

- S200-15-607: Right of Entry Permit to the Fishel Company to construct underground fiber optics north of Palomar Street on the Coronado Branch in Chula Vista.
- S200-15-613: Property Access Agreement with the U.S. Fish and Wildlife Service for access to the Coronado Branch near Gunpowder Point for environmental testing.
- S200-15-614: License Agreement to the U.S. Fish and Wildlife Service for a birding and walking trail near Imperial Beach on the Coronado Branch.
- S200-15-615: Right of Entry Permit to O'Donnell Construction, Inc. to retrofit the Old Highway 80 Bridge crossing over the Desert Line near Jacumba.

- S200-15-616: Right of Entry Permit to KTA Construction, Inc. to access and perform maintenance on sewer manholes in Hollister Street, south of Main Street in Chula Vista.
- S200-15-618: Right of Entry Permit to Anza-Borrego Desert Natural History Association for a hike along the Desert Line in eastern San Diego County into the Carrizo Gorge.
- S200-15-620: Right of Entry Permit to the City of La Mesa for their Flag Day Parade.

Mr. Jablonski asked if there had been any updates on the I-5 bridge to Chula Vista. Mr. Allison said there hadn't been any progress and that the City of Chula Vista was to provide scoping documents regarding the project. Mr. Allison has not yet heard back from the City of Chula Vista.

7. Board Member Communications

There were no Board member communications.

8. Public Comments

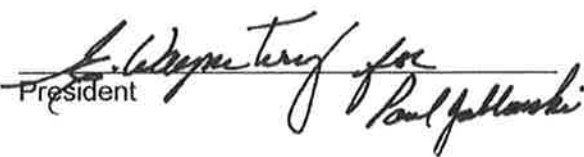
There were no public comments.

9. Next Meeting Date

The next meeting of the SD&AE Railway Company Board of Directors is on July 14, 2015.

10. Adjournment

The meeting was adjourned at 9:19 a.m.


President


Legal Counsel