



AGENDA

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

(PC 50771)

April 19, 2011

9:00 a.m.

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

San Diego & Arizona Eastern
Railway Company

A Nevada Nonprofit
Corporation

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

BOARD OF DIRECTORS
Don Seil, Chairman
Bob Jones
Paul Jablonski

OFFICERS
Paul Jablonski, President
Bob Jones, Secretary
Linda Musengo, Treasurer

GENERAL COUNSEL
Karen Landers

This information will be made available in alternative formats upon request. To request an agenda in an alternative format, please call the Clerk of the Board at least five working days prior to the meeting to ensure availability. Assistive Listening Devices (ALDs) are available from the Clerk of the Board prior to the meeting and are to be returned at the end of the meeting.

1. Approval of the Minutes of January 18, 2011 Approve
Action would approve the SD&AE Railway Company minutes of January 18, 2011.
2. Statement of Railway Finances (Tom Lynch) Receive
Action would receive a report for the quarter ended March 31, 2011.
3. Report on San Diego and Imperial Valley (SD&IV) Railroad Operations (Jose Ramos) Receive
Action would receive a report for information.
4. Report on Pacific Southwest Railway Museum (Diana Hyatt) Receive
Action would receive a report for information.
5. Report on the Desert Line (Armando Freire) Receive
Action would receive a report for information and a follow-up on the business plan for Desert Line operations.
6. Real Property Matters (Tim Allison)
 - a. Summary of SD&AE Documents Issued Since January 18, 2011 Receive
Action would receive a report for information.
 - b. License Agreement with Pattern Energy Group for At-Grade and Utility Crossings Approve
Action would approve issuing a license to Pattern Energy Group for proposed at-grade crossings, a utility crossing, and longitudinal utility occupation over SD&AE tracks located west of Ocotillo, from approximately mile post (MP) 113.5 to MP 119.3, in Imperial County.

- | | | |
|----|---|-----------------|
| c. | <u>San Diego Unified Port District Fiber-Optic Connectivity Project Agreement Amendment</u>
Action would authorize the execution of an amendment to the Amended and Restated Use Agreement granting a license to the San Diego Unified Port District (Port) for fiber-optic installations. | Approve |
| d. | <u>SDG&E Road-Crossing Easement</u>
Action would approve an easement to SDG&E for facilities access over an existing at-grade road crossing. | Approve |
| e. | CLOSED SESSION – CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant to California Government Code Section 54956.8
<u>Property:</u> Assessor Parcel Nos. 667-020-52, 54, 60, & 70, San Diego, California
<u>Agency Negotiators:</u> Karen Landers, MTS General Counsel; Tim Allison, MTS Manager of Real Estate Assets
<u>Negotiating Parties:</u> U.S. General Services Administration
<u>Under Negotiation:</u> Price and Terms of Payment | Possible Action |
7. Old Business
 8. New Business
 9. Public Comments
 10. Next Meeting Date: July 19, 2011, at 9:00 a.m.
 11. Adjournment

A-SDAE-APRIL19-11

DRAFT

MINUTES

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

January 18, 2011

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 January 18, 2011, at 9:02 a.m.

The following persons, constituting the Board of Directors, were present: Don Seil and Paul Jablonski. (Bob Jones was out ill.) Also in attendance were:

MTS staff:

SD&IV staff:

Pacific Southwest Railway Museum:

Carrizo Gorge Railway, Inc. (Carrizo):

Burlington Northern Santa Fe (BNSF):

International Border Rail Institute:

Karen Landers, Tim Allison, Wayne Terry,
Linda Musengo

Matt Domen

Diana Hyatt

Armando Freire

John Hogemeier

Richard Borstadt

1. Approval of Minutes

Mr. Jablonski moved to approve the Minutes of the October 19, 2010, SD&AE Railway Board of Directors meeting. Mr. Seil seconded the motion, and it was unanimously approved.

2. Statement of Railway Finances

Linda Musengo reviewed the financial statement for the 4th quarter of 2010 (attached to the agenda item). Ms. Musengo noted that the lease income is down from last year because a lot of leases were converted to annual payments, which were collected in the second quarter last year and not amortized and correctly accounted for until the third quarter. Ms. Musengo added that she expects that the third quarter numbers will be more comparable. Tim Allison confirmed for Mr. Jablonski that lease income is actually increasing overall.

Mr. Allison also clarified for Mr. Jablonski that several billboard leases were modified, and there were decreases in construction and municipal-type projects through utility companies or the cities, which reduced the number of right of entry permits.

Action Taken

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

3. Report on SD&IV Operations

Matt Domen reviewed the report of activities for the 4th quarter of 2010 (attached to the agenda item). In response to Mr. Jablonski, Mr. Domen stated that he is optimistic about business in 2011. He reported that there have been meetings recently to look at future business into

Mexico. Armando Freire also responded to Mr. Jablonski's question regarding potential northbound business for Carrizo stating that discussions are underway regarding moving gas from Ensenada in addition to other possible new business.

Mr. Domen reported that the new GenSet locomotives purchased with the 2009 grant funding are working great. He stated that there has been a 30% improvement in fuel savings, the locomotives are quiet, clean, and dependable, and the crews love them. He added that there have been no failures on the main line.

Mr. Jablonski asked about delays caused by the Blue Line Project overhead wire work on the weekends. Mr. Domen responded that there have been several delays and some have extended past the originally scheduled times. He explained that trains are running about 5 to 9 miles a night against current traffic resulting in anywhere from 7 to 14 road crossings where trains have to stop and drop the gates; this affects the staging areas, and over time, large costs are incurred. Mr. Domen added that last Sunday night, the northbound Blue Line trip was not operated due to expanded contractor activity. Palomar Siding (a big customer) was unable to get onto the line at all (and may not be able to get on until Thursday). He added that business is halted sometimes for 2 to 3 days at a time. Per Mr. Jablonski's suggestion, SD&IV and SDTI staffs will meet to discuss resolving the issues—Wayne Terry will follow up.

Action Taken

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

4. Report on Pacific Southwest Railway Museum Operations

Diana Hyatt reviewed the 4th quarter of 2010 report (attached to the agenda item). Ms. Hyatt stated that "The Christmas Train" delivered gifts to children in Tecate, which was coordinated by Margaret Coval; however, the Museum was not able to provide a train this year. Ms. Hyatt also announced that Roger Chalberg passed away.

Mr. Allison reminded the operators that if contractors are hired to work on SD&AE property, they must have a right of entry permit to cover indemnity and insurance.

Action Taken

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

5. Report on the Desert Line

Armando Freire reported that there have been no operations on the Desert Line. He stated that the sand belt in Campo Depot was removed by its owner, Superior Ready Mix, and the tracks were restored.

Mr. Freire reported that Carrizo's recent issues have been resolved, and business is back on track. He has been working with Ms. Hyatt on maintenance, dispatch, and weed abatement, and they will continue to work together on upcoming projects.

Mr. Freire stated that Carrizo can now concentrate on increasing business. He discussed potential business and is hopeful that it will improve significantly during 2011.

Mr. Freire informed the Board that Carrizo has been running all-day Saturday trains between Tijuana and Tecate to show that the trains are operational and to encourage business.

In regard to progress on Tunnel 3 on the Desert Line, Mr. Freire stated that Mexico has stated that it will put \$70 million into redoing the whole line, which would include Tunnel 3, and Carrizo is waiting on further action regarding that project. Mr. Jablonski requested an update at the next meeting regarding a business plan for restoring operations on the Desert Line. Mr. Freire responded that he has a business proposal, but the fact is that money is the issue. (An update will be given at the next meeting.) Mr. Freire added that he has been working to build business south of the border.

Action Taken

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

6. Real Property Matters

a. Summary of SD&AE Documents Issued Since October 19, 2010

Mr. Allison reported that the documents issued since October 19, 2010 (described below), have been processed by staff.

- S200-10-432: Easement to the City of San Diego for a sewer pipeline at 54th Street in the City of San Diego.
- S200-10-461: Right of Entry Permit to American Asphalt South, Inc. for a construction lay-down yard at the Baltimore Wye in the City of La Mesa.
- S200-11-462: Right of Entry Permit to Diamond Environmental Services to construct a temporary fence at the Baltimore Wye in the City of La Mesa.
- S200-11-464: Right of Entry Permit to Nasland Engineering for field surveying north of Coronado Avenue in the City of San Diego.
- S200-11-465: Easement to San Diego Gas and Electric for overhead electrical lines west of Plaster City in Imperial County.
- S200-11-466: Easement to San Diego Gas and Electric for overhead electrical lines west of Ocotillo in Imperial County.
- S200-11-467: Easement to San Diego Gas and Electric for overhead electrical lines east of Jacumba in San Diego County.
- S200-11-468: Right of Entry Permit to Ninyo and Moore, Inc. for geotechnical studies along the Orange line in the cities of San Diego, Lemon Grove, and La Mesa.

- S200-11-471: Right of Entry Permit to Hugo Alonso Inc. for building construction in San Ysidro.

Action Taken

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

b. Easement with SDG&E for At-Grade and Underground Utility Crossings

Mr. Allison explained that SDG&E is building a substation in Chula Vista. The SD&AE Board previously approved a number of licenses for this project to move forward. SDG&E is now requesting nonrevocable easements based on California Public Utilities Commission requirements.

In response to Mr. Jablonski's question as to why one access point is not enough, Mr. Allison stated that SDG&E needs an emergency access. He clarified that the crossing would be built out by SDG&E to SD&AE and American Railway Engineering Maintenance-of-Way Association standards.

Action Taken

Mr. Jablonski moved to approve issuing easements to San Diego Gas and Electric (SDG&E) for at-grade and underground utility crossings over SDG&E tracks located south of L Street in Chula Vista on the Coronado Branch Line. Mr. Seil seconded the motion, and it was unanimously approved.

c. Easements for At-Grade Crossings West of Jacumba

Mr. Allison explained that the U.S. Department of Homeland Security (DHS) is requesting permanent easements in Jacumba and Campo to access its border fence. Mr. Allison clarified that the cost for the easements would be market value (approximately \$2k).

In response to questions from the Board, Mr. Allison clarified that:

- any future activity requiring new gates, etc. would be the responsibility of DHS in addition to maintenance of the crossings;
- the easement would be exclusive to DHS;
- in addition to DHS, land owners also access the crossings; and
- access to others could be given in the future.

Board members added the following stipulations:

1. maximize revenue opportunities;
2. ensure maintenance responsibility and set clear costs; and
3. require timely reimbursement for any work completed.

Action Taken

Mr. Jablonski moved to approve issuing easements to the United States Department of Homeland Security (DHS) for at-grade crossings over SD&AE tracks located west of Jacumba in San Diego County. Mr. Seil seconded the motion, and it was unanimously approved.

7. Old Business

There was no old business.

8. New Business

There was no new business.

9. Public Comments

There were no public comments.

10. Next Meeting Date

The next meeting of the SD&AE Railway Company Board of Directors is on Tuesday, April 19, 2011, at 9:00 a.m.

11. Adjournment

The meeting was adjourned at 9:38 a.m.

President

Legal Counsel

JGardetto/
SDAE Minutes 1-18-11.doc

Agenda

Item No. 2

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

SDAE 710.1 (PC 50771)

April 19, 2011

SUBJECT:

STATEMENT OF RAILWAY FINANCES

RECOMMENDATION:

That the SD&AE Railway Company Board of Directors receive a report for the quarter ended March 31, 2011.

Budget Impact

None.

DISCUSSION:

Attached are results for the third quarter (Q3) of FY 2011 and 2010. The current quarter results show a large increase in revenue as \$38,187 of SD&IV freight fee was recorded this quarter. This once-a-year fee typically comes in either the third or fourth quarter (it was in the fourth quarter in FY 2010). This brings revenue to \$78,897 for the quarter and \$147,515 for the year to date. Overall expenses are \$26,586 for the quarter and \$86,400 for the year to date. These expenses are tracking similar to the previous quarters of this fiscal year as well as FY 2010. This brings the net income to \$52,311 for the quarter and \$61,114 for the year to date.

The reserve balance bringing forward the ending FY 2010 balance and adding year to date net income is attached.

Attachment: SD&AE Financial Report Q3 2011

San Diego Metropolitan Transit System
SD&AE Operating Statement FY2011 and FY2010
As of March 31, 2011

	FY 2011		FY 2010	
	Q3	YTD	Q3	YTD
Revenue				
Right of entry permits	\$ 21,370	\$ 39,070	\$ 8,500	\$47,519
Lease income	19,340	70,257	819	70,031
SD&IV 1% freight fee	38,187	38,187	-	-
Total revenue	78,897	147,515	9,319	117,550
Expense				
Personnel costs	18,746	61,256	19,540	68,608
Outside services	-	260	5,147	23,167
Energy costs	-	-	-	-
Risk management	7,771	24,318	8,403	25,376
Misc operating expenses	70	567	25	1,586
Depreciation	-	-	-	-
Total expense	26,586	86,400	33,115	118,737
Net income/(loss)	\$ 52,311	\$ 61,114	\$(23,796)	\$ (1,187)
Reserve balance 2010 - final	\$ 890,173			
Allocated interest earnings - estimated	2,400			
Operating profit (loss) final	61,114			
Improvement expense 2011	-			
Reserve balance 2011- estimated	\$ 953,687			

Agenda

Item No. 3

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

SDAE 710.1 (PC 50771)

April 19, 2011

SUBJECT:

REPORT ON SAN DIEGO AND IMPERIAL VALLEY (SD&IV) RAILROAD OPERATIONS

RECOMMENDATION:

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

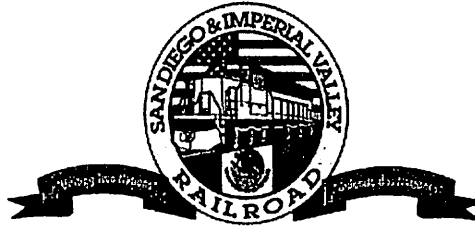
Budget Impact

None.

DISCUSSION:

An oral report will be given during the meeting.

Attachment: Periodic Report for the 1st Quarter of 2011



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

April 7, 2011

Periodic Report

In accordance with Section 20 of the Agreement for Operational Freight Service and Control through Management of the San Diego and Arizona Eastern Railway Company; activities of interest for the 1st Quarter of 2011 are listed as follows:

1. **Labor**

At the end of March 31, 2011 the San Diego & Imperial Railroad had 11 employees:

1 General Manager

1 Asst. General Manager

1 Asst. Trainmaster

1 Manager - Marketing & Sales

1 Office Manager

1 Mechanical Officer

1 Roadmaster

1 Maintenance of Way Employee

2 Train Service Employees

1 Utility Employee

2. **Marketing**

Volume in the 1st quarter of 2011 was slightly lower than the same time frame in 2010. Bridge traffic to Mexico was down to previous year by approximately the same percent. LPG's into Mexico were down by nearly 10% to last year, while plastics were up by nearly 20%.

3. **Reportable Injuries/Environmental**

Days through year to date, March 31, 2011, there were no FRA Reportable injuries or environmental incidents on the SDIV Railroad.

Days FRA Reportable Injury Free: 4202

4. Summary of Freight

	2011	2010	2009
Total rail carloads that moved by SDIY Rail Service in the quarter.	1418	1501	1530
Total railroad carloads Terminating/Originating Mexico in the quarter.	1167	1208	1210
Total railroad carloads Terminating/Originating El Cajon, San Diego, National City, San Ysidro, California in the quarter.	251	293	320
Total customers directly served by SDIY in the quarter	11	11	12
Regional Truck trips that SDIY Railroad Service replaced in the quarter	4821	5103	5202

Respectfully,

Don Seil
General Manager

Agenda

Item No. 4

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

SDAE 710.1 (PC 50771)

April 19, 2011

SUBJECT:

REPORT ON PACIFIC SOUTHWEST RAILWAY MUSEUM

RECOMMENDATION:

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

Budget Impact

None.

DISCUSSION:

A report will be presented during the meeting.

Attachment: First Quarter Report for 2011



Pacific Southwest Railway Museum

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

April 8, 2011

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

Re: First Quarter 2011

Dear SD&AE Board:

During the first quarter of 2011, the Pacific Southwest Railway Museum carried 924 passengers with no FRA reportable accidents or injuries. Total income from SD&AE property for first quarter 2011 was \$19,192; a check for \$383.84 will be forwarded under separate cover. By comparison, PSRM carried 1,006 passengers during the first quarter of 2010 and total income from SD&AE property for that quarter was \$17,150. The small decrease in passengers is attributable to the poor weather conditions and the fact that the Bunny Trains occurred within the first quarter of 2010 but will not take place until the second quarter in 2011.

In January, Rich Paulus, our Chief Operating Officer and I met with Armando Freire and Homero Walss of CZRY to discuss operating practices on our portion of the railroad. It was agreed that museum personnel shall write track warrants, under the supervision of Mr. Walss, until such time as CZRY resumes freight operations on the Desert Line.

Track maintenance and inspections by PSRM continue along the railroad right of way between Division and Miller Creek. In late February, our contracted weed sprayer applied weed killer and pre-emergent along the right of way between Division and MP 66.76 which was promptly followed by rain; a necessity to soak the pre-emergent into the soil. Tie replacement has been postponed as we wait for the ground to dry. But we now have allocated funds and established a prioritized plan of track repairs to complete for this year.

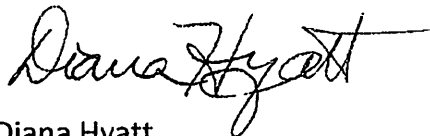
The PSRM board recently agreed that a more suitable walkway between the Campo Depot and the mainline track used for loading and unloading passengers was necessary. It was also determined that replacing the ties on the House Track in front of the Depot should be

performed before the walkway is installed. The tie replacement is scheduled to begin within the next two to three months and will have no effect on train operations. Once the section of House Track has been rebuilt, bricks will be installed from the existing brick walkway on the west side of the Campo Depot to the edge of the mainline track. Another aspect of this project will incorporate extensive grading around the Campo Depot and the installation of new drainage that will direct flood waters away from the historic structure.

Progress on the Campo Depot waiting room has been minimal during this quarter largely due to the extremely cold winter weather. The majority of the interior wood work is complete. The next step is the cutting and installation of floor tile followed by the installation of the ticket counter currently being fabricated by a carpenter.

On Sunday, January 9, 2011 the Christmas Train, also known as the Tres Reyes Tren took place in Tecate, B.C. Mexico. It was a well-attended event with support by many organizations in San Diego and Tecate. Unfortunately, the event organizers, volunteers and the Three Kings were unable to make a grand entrance and arrive by train to the stadium. Nevertheless, PSRM continues to support their efforts and looks forward to the day when we resume railroad operations into Mexico and can be active participants in this international philanthropy.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Diana Hyatt", with a long horizontal flourish extending to the right.

Diana Hyatt
President

Agenda

Item No. 5

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

SDAE 710.1 (PC 50771)

April 19, 2011

SUBJECT:

REPORT ON THE DESERT LINE

RECOMMENDATION:

That the SD&AE Board of Directors receive a report for information and a follow-up on the business plan for Desert Line operations.

Budget Impact

None.

DISCUSSION:

A report will be presented during the meeting.

APRIL19-11.5.CARRIZO.1st QTR RPT

Attachment: First Quarter Report



Periodic Report

To The San Diego & Arizona Eastern Railway Company

First Quarter 2011

The periodic Report to the SD&AE Railway Company is produced quartely by the Carrizo Gorge Railway, Inc for the SD&AE Board, in fulfillment of contractual requirements and to document activity in the restoration of the line to regional service along with its ongoing improvement for future generations.

Accomplishments during First Quarter 2011

CONTENTS

FIRST QUARTER 2011 ACTIVITY

Appendix A- MOW Summary

Appendix B- Desert Line Freight Revenues
Financial Summary

First Quarter 2011

Metropolitan Transit Development Board
San Diego & Arizona Eastern Railway Board
1255 Imperial Avenue 10th floor
San Diego, California 92101

Pursuant to reporting agreement, here is the summary of First Quarter activity for 2011.

I. Labor

As of March 31, 2011, Carrizo Gorge Railway has 6 employees to cover the railroad administration and operation in the U.S.

- 3 Administration
- 1 DSL & Engineer
- 1 Locomotive engineer
- 1 Track Inspector & Signals

II. Marketing

Carrizo Gorge Railway is currently not seeking any new business for the desert line until repairs can be completed

Carrizo Gorge Railway continued working to improve relations with Admicarga in an effort to increase revenues as well as the improvement of service to the shipping community in the region.

III. Desert Line

Carrizo Gorge Railway is the rail freight operator on the Desert Line by contractual agreement with Rail America/ SD&IV and with the approval of SD&AE/ MTDB.

The principal activity took place in the desert line, we are in the process of doing clean out of hazardous products in Jacumba station, we are still continuing with the project.

IV. Reportable Injuries / Environmental Incidents

There were no reportable injuries in the first quarter of 2011.

There were no reportable accidents in the first quarter of 2011.

There were no environmental incidents in the first quarter of 2011.

V. Freight Activity

No freight activity in the 1st quarter of 2011 due to the embargo , we are still continuing to store empties, with a total amount of 52 GE cars located in the East end of the line as of this date.

MOW Sand carloads moved on the Desert Line	0
Revenue Sand carloads moved on the Desert Line	0
Revenue Freight carloads moved to/from Seeley Via interchange with UPRR, on the Desert Line	0
Non-Revenue Freight carloads moved from UPRR and USG, on the Desert Line	0
Revenue Freight carloads terminating/originating in Mexico to/from San Ysidro via interchange with SD&IV Railroad	0
Total overall second quarter 2011 Carloads Moved	0
Revenue Empties	0
Revenue Storage	52

VI. Mexican Railroad

Carrizo Gorge Railway is the rail freight operator for the State of Baja California, Mexico and continues to employ the following personnel dedicated to freight service south of the border.
Here is an update of Carrizo Gorge Railway, Inc. Mexico's Operation.

CURRENT MEXICO PERSONNEL

1	Director of Operations
1	Supervisor of Operations
3	Dispatchers
3	Train Engineers
6	Conductors
1	Mechanic
1	Division Engineer
1	Track Inspector
1	Track Supervisor
8	Track laborer
2	Traffic

Appendix A

M.O.W. SUMMARY

DESERT LINE

TRACK

Ties Installed (6" x 8" x 8')	0	each
(7" x 9" x 9")	0	each
Stringers	0	each
90 lb/yd Rail Change Out	0	ft.
113 lb. rail Change Out	0	ft.
Repair Open Joints	0	each
Track Regaging	0	each
Separator Rails (4" x 8" x 20")	0	each
Replace Missing Track Bolts	0	each
Rail Anchors Replaces	0	each
Repair Broken angle bars (60 lb.)	0	each
(75 lb.)	0	each
(90 lb.)	0	each
Track Surfaced	0	ft
Track Spikes Used (new)	0	each
Switch Ties Installed	0	each

DESERT LINE

REVENUE FREIGHT HAULED

Railcar loads to/from UP Interchange, Seeley /Plaster City	0
Railcar loads revenue sand from Dixie (Plaster City) to Campo	0
Non-revenue Freight USG Cars	
Total	0

Track Use Fees:

Interchange freight to/from UPRR over the Desert Line

SD&AE / MTS 1% payment	70.20
SD&IV / Rail America payment 6.9 (52 Railcars Storage)	484.38

Revenue Sand from Dixie to Campo

SD&AE / MTS 1% payment	0.00
SD&IV RailAmerica payment(0cars at \$0.00 each)	0.00

Agenda

Item No. 6a

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

SDAE 710.1 (PC 50771)

April 19, 2011

SUBJECT:

SUMMARY OF SD&AE DOCUMENTS ISSUED SINCE JANUARY 18, 2011

RECOMMENDATION:

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

Budget Impact

None.

DISCUSSION:

Since the January 18, 2011, SD&AE Railway Company Board of Directors meeting, the documents described below have been processed by staff.

- S200-10-459: Right of Entry Permit to Gryphon Detective Agency to film at the San Ysidro Trolley Station.
- S200-10-470: License to Imperial Valley Solar, LLC for an at-grade crossing west of Plaster City in Imperial County.
- S200-11-474: Right of Entry Permit to Bert W. Salas, Inc. for a construction crossing of the Imperial Beach bike path at 8th Street in Imperial Beach.
- S200-11-475: Right of Entry Permit to Erickson Air Crane to cross the Desert Line for the Sunrise Power Link construction in Jacumba.
- S200-11-476: Right of Entry Permit to Pullman Engineering to construct a sewer pipeline at 54th Street in the City of San Diego.
- S200-11-477: Right of Entry Permit to Golden State Boring and Pipe Jacking to construct a sewer pipeline at 54th Street, in the City of San Diego.
- S200-11-478: Right of Entry Permit to AirX Utility Surveyors for utility investigations at Lemon Grove Avenue in the City of Lemon Grove.

- S200-11-479: Right of Entry Permit to Haley and Aldrich, Inc. to access the right-of-way near Gunpowder Point at the Sweetwater Marsh in the City of Chula Vista.
- S200-11-480: Right of Entry Permit to Nautilus Environmental to access the right-of-way near Gunpowder Point at the Sweetwater Marsh in the City of Chula Vista.
- S200-11-481: Right of Entry Permit to SDG&E to construct the Sunrise Power Link in San Diego and Imperial Counties.
- S200-11-482: Right of Entry Permit to Par Electric Contractors, Inc. to construct the Sunrise Power link in San Diego and Imperial Counties.
- S200-11-483: Right of Entry Permit to the U.S. Department of the Navy for the Bay Bridge Run/Walk.
- S200-11-484: Right of Entry Permit to Ortiz Corporation to abandon a sewer pipeline near Euclid Avenue in the City of San Diego.
- S200-11-486: Right of Entry Permit to Aguirre Engineering, Inc. to perform surveys near Lemon Grove Avenue in the City of Lemon Grove.
- S200-11-488: Right of Entry Permit to Aguirre Engineering, Inc. to perform surveys for the South Line Freight Improvement Project.

Agenda

Item No. 6b

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

SDAE 710.1 (PC 50771)

April 19, 2011

SUBJECT:

LICENSE AGREEMENT WITH PATTERN ENERGY GROUP FOR AT-GRADE AND
UTILITY CROSSINGS

RECOMMENDATION:

That the SD&AE Railway Company Board of Directors approve issuing a license to Pattern Energy Group for proposed at-grade crossings, a utility crossing, and longitudinal utility occupation over SD&AE tracks located west of Ocotillo, from approximately mile post (MP) 113.5 to MP 119.3, in Imperial County.

Budget Impact

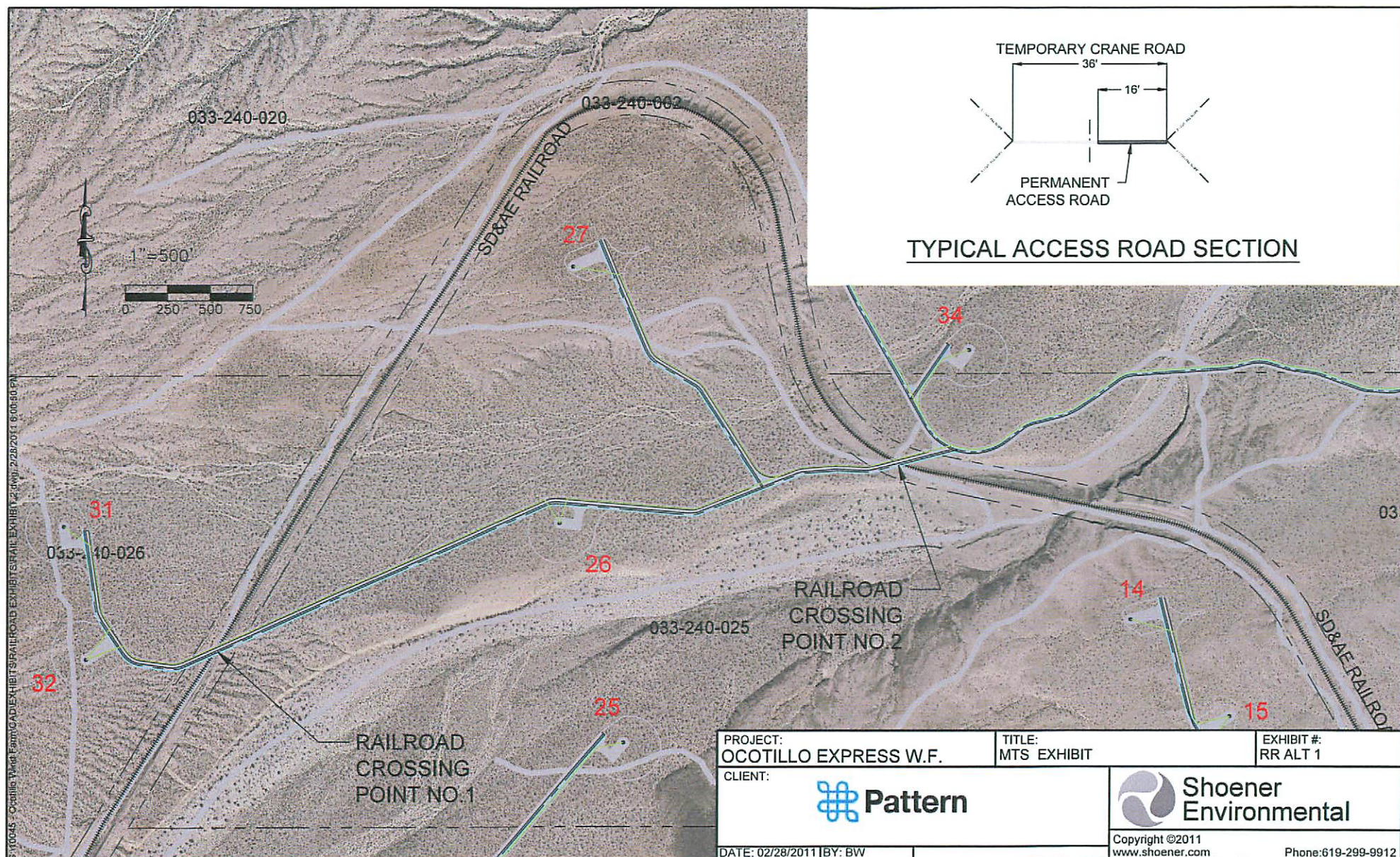
Yearly license fees would be credited to the SD&AE Reserve, and processing fees would be reimbursed to MTS.

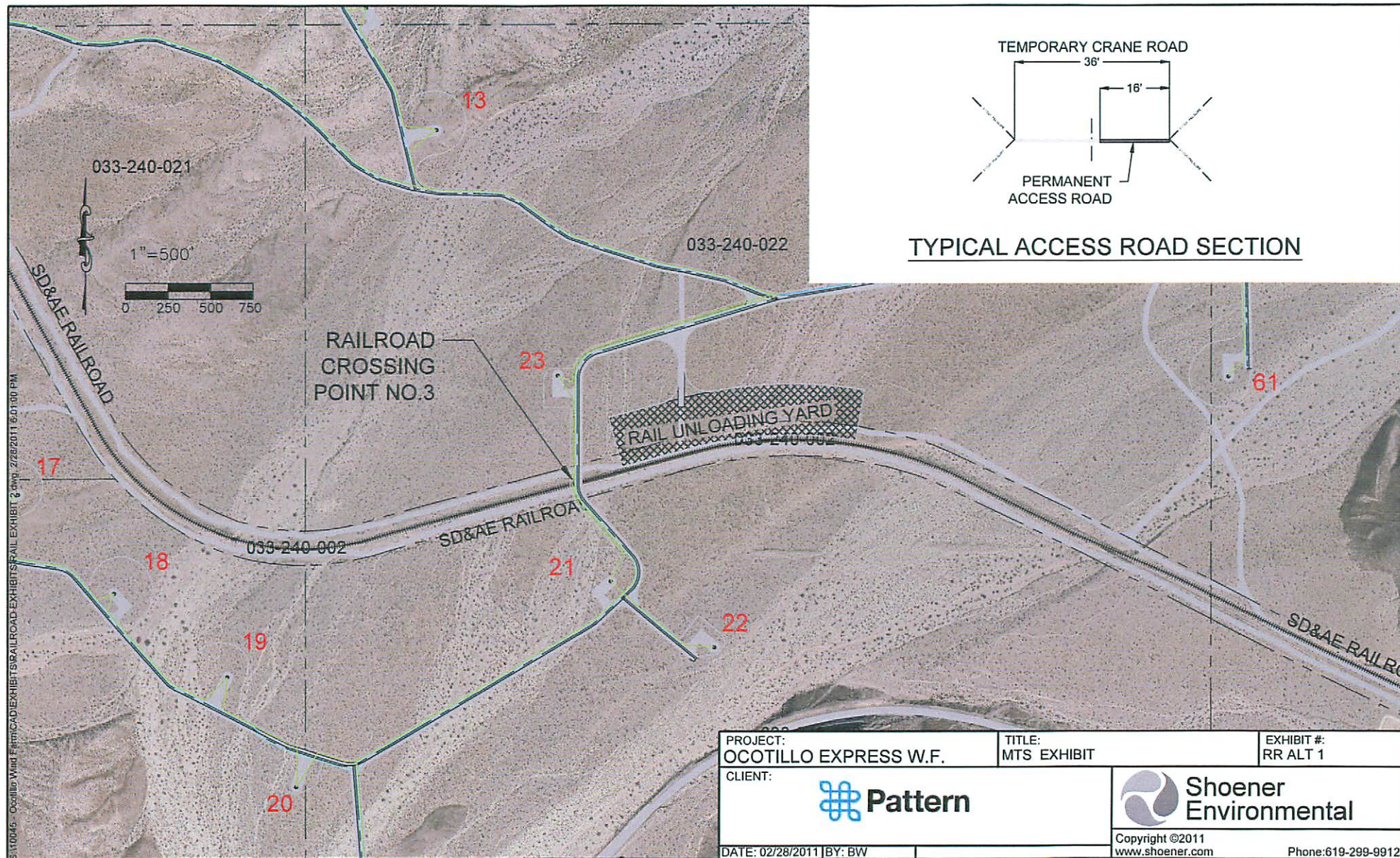
DISCUSSION:

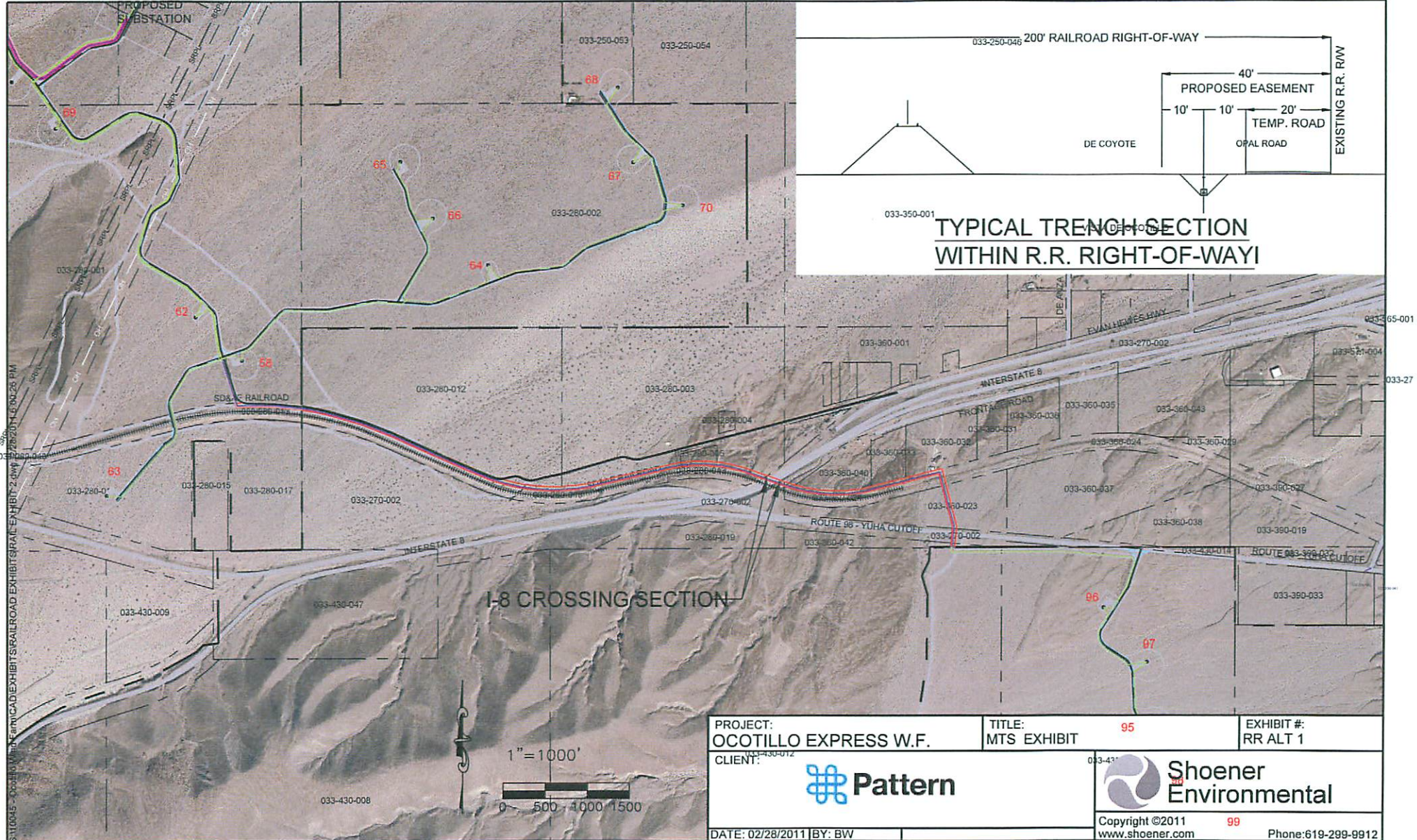
Pattern Energy Group represents a project to construct wind turbines west and in the vicinity of Ocotillo, in Imperial County, from approximately MP 113.5 to MP 119.3. Pattern Energy Group is requesting five at-grade crossings for road access to its facilities, a utility crossing, and a longitudinal, buried electrical line (as shown on Attachment 6b-2).

Pattern Energy Group also proposes to use the crossings for temporary construction access for oversized loads and the area of the longitudinal occupation for a temporary construction road.

Attachment: Proposed Project (3 pages)







Agenda

Item No. 6C

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

SDAE 710.1 (PC 50771)

April 19, 2011

SUBJECT:

SAN DIEGO UNIFIED PORT DISTRICT FIBER-OPTIC CONNECTIVITY PROJECT
AGREEMENT AMENDMENT

RECOMMENDATION:

That the SD&AE Railway Company Board of Directors authorize the execution of an amendment to the Amended and Restated Use Agreement granting a license to the San Diego Unified Port District (Port) for fiber-optic installations.

Budget Impact

Unknown at this time (dependent upon the direction of the SD&AE Board).

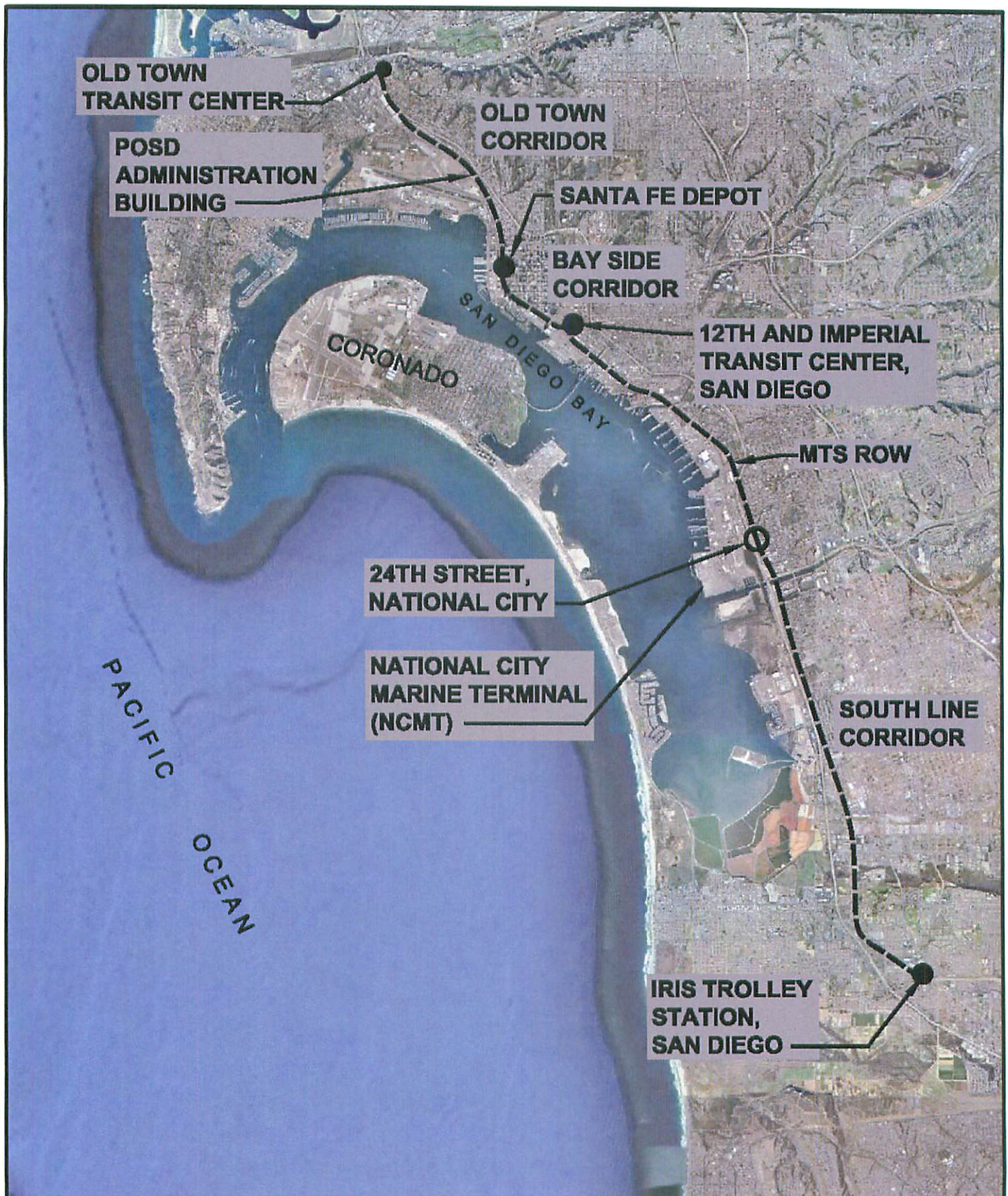
DISCUSSION:

The Port is developing a project known as the Port-Wide Fiber-Optic Connectivity Project. The Port would like to use SD&AE railroad right-of-way for the principle purpose of providing a regional network infrastructure for rapid transfer of security information and sensor data to participating regional government, state, and local public agencies that are members of the San Diego Security Network Consortium (SDSNC). The Port of San Diego plan includes installing fiber-optic cable along the MTS and SD&AE rail corridor by lashing cable to existing catenary poles.

The Port will build a security fiber-optic network that will make use of existing infrastructure to the maximum extent possible and provide the missing pieces needed to complete a fiber-optic loop around the San Diego Bay. SD&AE and MTS previously approved the installation of a fiber route that would extend from Old Town to 24th Street in National City in an Amended and Restated Use Agreement dated March 26, 2010. The Port proposes to continue the installation from 24th Street in National City to the Iris Avenue Trolley Station.

A benefit that MTS and SD&AE would receive by approving this amendment would be fiber-optic strands in this loop configuration that would provide full continuity to all members in the SDSNC network despite a break in the cable, which could easily occur during a natural disaster or terrorist attack.

Attachment: Project Schematic



P0265-1

AMENDMENT NO. 1 TO THE AMENDED AND RESTATED USE AGREEMENT

(PORT WIDE FIBER CONNECTIVITY PROJECT)

EXHIBIT A

Agenda

Item No. 6d

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

SDAE 710.1 (PC 50771)

April 19, 2011

SUBJECT:

SDG&E ROAD-CROSSING EASEMENT

RECOMMENDATION:

That the SD&AE Railway Company Board of Directors approve an easement to SDG&E for facilities access over an existing at-grade road crossing.

Budget Impact

Easement revenue would be at market rate, and support fees would be reimbursed to MTS.

DISCUSSION:

SDG&E is constructing the Sunrise Powerlink and is requesting the use of an existing at-grade crossing near mile post (MP) 92.9 over Railroad Street in Jacumba. The use would be to access SDG&E's facilities, which are being constructed to the north of SD&AE right-of-way. The crossing location is shown on Attachment 6d-2.

Attachment: Crossing Location

Land Services GIS



Legend

City Point

- Local Roads
- Main Roads
- Major Roads Shields
- Major Roads
- Highways
- Major Highways
- Water Body
- Bay
- Lake or Pond minor category unknown
- Perennial Lake or Pond
- Intermittent Lake or Pond
- Reservoir, Major Category
- Perennial Reservoir
- Intermittent Reservoir
- San Diego County Parcel
- County Boundary
- SDG&E 2008 West



Scale: 1:1,781

SDG&E is providing this map to you as a courtesy. SDG&E makes no representations or warranties, whether expressed or implied, as to the accuracy, correctness, defensibility, completeness or any other standard or measure of quality or adequacy or as to its use or intended use for any particular purpose. SDG&E disclaims all warranties, expressed or implied, including the warranty of fitness for a particular purpose. You are solely responsible for selecting this map to use and you are solely responsible for any consequences resulting from your use.

User: Imurphy Date: Jan 05 2011

Confidential Closed Session Item

Agenda

Item No. 6e

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

SDAE 710.1 (PC 50771)

April 19, 2011

SUBJECT:

CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS
PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54956.8

PROPERTY: ASSESSOR PARCEL NOS. 667-020-52, 54, 60, & 70, SAN DIEGO,
CALIFORNIA

AGENCY NEGOTIATORS: KAREN LANDERS, MTS GENERAL COUNSEL; TIM ALLISON,
MTS MANAGER OF REAL ESTATE ASSETS

NEGOTIATING PARTIES: U.S. GENERAL SERVICES ADMINISTRATION

UNDER NEGOTIATION: PRICE AND TERMS OF PAYMENT