



**BOARD OF DIRECTORS  
JANUARY 27, 2006**

**AGENDA ITEM NO. 06-01-1  
ACTION REQUESTED - APPROVE**

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**BOARD OF DIRECTORS DISCUSSION AND ACTIONS  
DECEMBER 16, 2005**

Chairman Mickey Cafagna (Poway) called the meeting of the SANDAG Board of Directors to order at 9:08 a.m. The attendance sheet for the meeting is attached.

1. APPROVAL OF NOVEMBER 18, 2005, MEETING MINUTES

Councilmember Scott Peters (City of San Diego) indicated a correction on Agenda Item No. 11 on page 6 of the minutes. He said that Ms. Wiley's comments came at the end of his comments and just before he left the room. He requested that the minutes be corrected accordingly.

Action: Upon a motion by Councilmember Joe Kellejian (Solana Beach) and a second by Councilmember Peters, the SANDAG Board of Directors approved the minutes from the November 18, 2005, meeting as corrected. Deputy Mayor Shari Mackin (Oceanside) abstained, and representatives from Chula Vista, Imperial Beach, and Lemon Grove were absent.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS

Chair Cafagna acknowledged several new people in attendance: Oceanside Deputy Mayor Shari Mackin and La Mesa Vice Mayor Dave Allan. He noted that Lemon Grove Councilmember Jerry Jones was expected to attend in place of First Vice Chair Mary Teresa Sessom, who is in Japan. He also recognized Coronado Councilmember Carrie Downey and Rear Admiral Len Hering.

Chuck Lungerhausen, a member of the public, said that in 1977 when he first came to San Diego as an aerospace engineer working on the General Dynamics Tomahawk cruise missile, he would pass by the Naval Air Station at Miramar on his commute. Even then he thought Miramar would be a great location for a new international airport because it was centrally located, and it had multiple freeway access points. In contrast, Lindbergh Field has only one short runway and a fully loaded 747 or 777 cannot use it. He thought that after 9/11 the military would be glad to share its more secure facility with the commercial aviation industry. He said that we should all examine the way we do things for the future. He repeated his remarks made at an earlier meeting that income from a new international airport would be good for San Diego's financial health and would help to pay for this military base in the future. He wished everyone a Merry Christmas and a Happy New Year.

Consul General Luis Cabrera provided a brief overview of a recent trip of a Tijuana-San Diego business delegation to Mexico City, December 5-9, 2005. The binational delegation consisted of 30 businessmen and leaders of private organizations from both

San Diego and Baja California. The objective of this mission was to convey to the public and private sectors of Mexico City the great interdependence that exists between San Diego and Tijuana, to promote the border region, and to identify projects of common interest that can enhance the San Diego-Tijuana area. Mr. Cabrera reviewed the main issues and projects discussed during these meetings: initiatives being considered between the governments of Mexico, the United States, and Canada to consolidate North America as a sole region, specifically the Security and Prosperity Partnership for North America (SPP); the importance of power generation by means of alternative sources and the need to establish liquid natural gas (LNG) plants on the coast of Baja California; the importance of working on a "project for the region," setting specific goals that should be fulfilled within a ten-year period, such as the 2016 Olympic Games; the importance of developing information technology service companies in Mexico; the construction of a binational terminal at Tijuana's airport; Mexico's interest in improving the facilities of the Otay Mesa Port of Entry and in planning and constructing a new port of entry in East Otay Mesa; the development of Punta Colonet in Baja California as a cargo port; and the construction of railway infrastructure for transporting goods into the United States through Mexicali. Mr. Cabrera said that he will keep the SANDAG Board apprised of the development of these projects and asked for SANDAG's support for them.

Chair Cafagna mentioned that included in the agenda package was an opinion from the Fair Political Practices Commission (FPPC) regarding conflict of interest provisions of the Political Reform Act as related to city council appointments to joint powers agencies. It is the FPPC's opinion that a councilmember who is the subject of an appointment to a joint powers agency may not participate in the decision to appoint.

Chair Cafagna announced the retirement of Eric Pahlke, Chief Deputy Executive Director, and that Diane Eidam the former Executive Director of the California Transportation Commission (CTC) will be his replacement and will be starting on Monday, December 19. Chair Cafagna stated that Mr. Pahlke has held various leadership positions at SANDAG over his nearly 17 years. He was originally hired to manage the original *TransNet* program and worked closely with Caltrans to ensure a common understanding of the *TransNet* highway projects. Mr. Pahlke was promoted to SANDAG Transportation Director and then to his current position as Chief Deputy Executive Director. He said that Mr. Pahlke knew when to offer his sound counsel to Board members, and when not to. Chair Cafagna expressed appreciation for Mr. Pahlke's efforts and contributions to SANDAG and the San Diego region. He presented Mr. Pahlke with a commemorative plaque.

Mr. Pahlke said that San Diego County has the best regional government. He contributed his success to the efforts of Board members, staff, and the Executive Director.

The SANDAG Board gave Mr. Pahlke a standing ovation.

Chair Cafagna announced that Poway City Manager, Jim Bowersox, retired after 30 years.

### 3. ACTIONS FROM POLICY ADVISORY COMMITTEES (APPROVE)

This item summarizes the actions taken by the Public Safety (November 18), Executive and Regional Planning Committees (December 2), and the Transportation Committee (December 9).

Action: Upon a motion by Supervisor Pam Slater-Price (County of San Diego) and a second by Mayor Crystal Crawford (Del Mar), the SANDAG Board approved Agenda Item No. 3, Actions from Policy Advisory Committees. Yes – 16 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (0%). Absent – Chula Vista, Imperial Beach, and Lemon Grove.

Supervisor Slater-Price expressed her appreciation to staff for separating this item from the rest of the agenda. She thought that the separation brought it more to the attention of the Board.

### **CONSENT ITEMS (4 through 5)**

4. ADDENDUM TO THE MASTER MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN SANDAG, NCTD, AND MTS (APPROVE)

A revised Addendum No. 3 is proposed to the existing Memorandum of Understanding (MOU) between SANDAG, North County Transit District (NCTD), and Metropolitan Transit System (MTS). The Board of Directors is asked to approve revised Addendum No. 3 between SANDAG and NCTD, which formalizes the methodology to be used for allocating funding to SANDAG for the administrative functions that transferred in consolidation.

5. REPORT SUMMARIZING DELEGATED ACTIONS TAKEN BY EXECUTIVE DIRECTOR FOR OCTOBER 2005 (INFORMATION)

In accordance with SANDAG Board Policy Nos. 003 (Investment Policy) and 017 (Delegation of Authority), this report summarizes certain delegated actions taken by the Executive Director during October 2005.

Action: Upon a motion by Supervisor Slater-Price and second by Vice Mayor Pia Harris-Ebert (San Marcos), the SANDAG Board voted to approve Consent Item Nos. 4 and 5. Yes – 16. No - 0. Abstain – 0. Absent – Chula Vista, Imperial Beach, and Lemon Grove.

### **CHAIR'S REPORTS (6 through 10)**

6. RECOGNITION OF METROPOLITAN TRANSIT SYSTEM BOARD CHAIRMAN LEON WILLIAMS

Chair Cafagna stated that MTS Chair Leon Williams was retiring. He said that throughout Mr. Williams' life and during his numerous leadership positions he has been the advocate for public transportation. He is the "dean" of local governmental officials. He said that Mr. Williams has spent more than three decades in public service and public office, first as a member of the San Diego City Council, then as a member of the San Diego County Board of Supervisors. As a member of the San Diego City Council, Mr. Williams became one of MTDB's first Board members when the agency was created in 1976. He has been instrumental in the decision-making process that made the Metropolitan Transit Development Board (MTDB) a pioneer leader in the renaissance of light rail transit in the United States. He presented Mr. Williams with a commemorative plaque for his involvement

in SANDAG, and expressed the appreciation of the SANDAG Board for Mr. Williams' productive work and friendship.

Mr. Williams thanked the Chair and the Board. He said it has been an honor and a pleasure to have had the opportunity to have the confidence of the people of San Diego to serve as an elected official, and in working with the SANDAG Board. He has a lot of confidence in the Board's ability to continue to build a livable community. He is looking forward to seeing our great country through motor home travels. He announced that Harry Mathis has been selected as his successor as MTS Chair. He said Mr. Mathis is a great guy, and he is committed to transportation.

The Board gave Mr. Williams a standing ovation.

Supervisor Slater-Price said that she served with Mr. Williams when he was on the County Board of Supervisors and now on the SANDAG Board. It has been her pleasure to have served on the County Board of Supervisors with him. One thing about Mr. Williams is that he is a consummate gentleman no matter what the issue. He knows how to keep the person and the issue separate. That explains why he has done so well. She noted that Mr. Williams also served as president of the California State Association of Counties (CSAC) in 1984, and in that capacity he did a lot to elevate the County of San Diego's concerns. Mr. Williams has been the only African-American to sit on the Board of Supervisors. She wished Mr. Williams and his wife a wonderful journey.

Councilmember Kellejian said that he and Mr. Williams have spent many years together in the halls of congress lobbying for transportation issues. He agreed with Supervisor Slater-Price that Mr. Williams is a perfect gentleman, a perfect elected official, and a perfect representative of San Diego County He has been a transit and public official mentor, and he wished him luck.

Councilmember Peters commented that Mr. Williams' service on the San Diego City Council set an example for them on how to behave and spend their time in public service. He wished him the best in retirement.

7. ELECTION OF 2006 BOARD OFFICERS: REPORT OF THE NOMINATING COMMITTEE (APPROVE)

Councilmember Jim Madaffer (City of San Diego), Chair of the Nominating Committee, reported that the Nominating Committee met on November 16, and at the November 18 SANDAG Board meeting, the Nominating Committee recommended that Poway Mayor Mickey Cafagna continue as Chair and Lemon Grove Mayor Mary Teresa Sessom continue as the First Vice Chair through calendar year 2006. Following that meeting on November 18, the Nominating Committee reviewed three candidates for the position of Second Vice Chair: Del Mar Mayor Crystal Crawford, Deputy Mayor Christy Guerin, and Escondido Mayor Lori Holt Pfeiler. He was impressed with the high caliber of all three candidates. The interview questions were included in the agenda report. Through this process, the Nominating Committee is recommending Mayor Lori Holt Pfeiler for the position of Second Vice Chair for 2006.

Councilmember Madaffer said that in the past there was an unwritten rule of rotating the officers amongst the various subregions. He realized that since passage of SB 1703 this

organization has begun to play an even bigger role in the region, and some practices must be eliminated for more formal policies and procedures. Suggestions for changes would include a process for selecting new Board officers. In April of each year, staff would develop an application for Board officer positions, and it would be reviewed by the Executive Committee. Applications would be structured for the best regional leaders and would include questions of the applicants' vision statement and qualifications. In July, the application form would be made available on the Web page. In September, the Board would appoint a Nominating Committee. The Nominating Committee would interview candidates and submit a slate for the three Board officer positions. He noted that nominations also can continue to be made from the floor. The Executive Committee spent a lot of time reviewing these proposed changes to the Board officer nominations process. The objective for the change is to create a greater degree of transparency and openness.

Julie Wiley, General Counsel, clarified that based on the FPPC's opinion, the nominees for Board office, Mayor Holt Pfeiler and Chair Cafagna, cannot vote during this process.

Mayor Crawford expressed her support for the Nominating Committee's recommendation, and thanked the Nominating Committee for continuing to refine the Bylaws to formalize this process. She appreciated the improvements to the process.

Action: Upon a motion by Councilmember Madaffer and a second by Second Vice Chair Jack Dale (Santee), the SANDAG Board approved the nomination of Mayor Mickey Cafagna as Chair, Mayor Mary Teresa Sessom as First Vice Chair, and Mayor Lori Holt Pfeiler as Second Vice Chair for calendar year 2006. Yes – 14 (weighted vote, 93%). No – 0 (weighted vote, 0%). Abstain – 2 (Escondido and Poway) (7%). Absent – Chula Vista, Imperial Beach, and Lemon Grove.

## 8. 2006 ANNUAL SANDAG BOARD RETREAT (APPROVE)

Garry Bonelli, Communications Director, reported that during the last three months, the Executive Committee served as the working group to determine the Board retreat agenda and format. It approved the topics solicited under the Discussion section. The Retreat will start late Wednesday, February 1, 2006, will continue all day on Thursday, February 2, and will conclude midday on Friday, February 3. It will be held at Casa Del Zorro in Borrego Springs. The objective of the Retreat is to afford the participants an opportunity to strategize on public policy and programs. We want to review and confirm the agency's vision and mission, and value statement. By the end of this month, the Legislative Analyst's Office (LAO) will have its report out, and there may be an opportunity to respond and strategize during the Retreat on that response. The Board also will meet our new federal lobbyist. When the voters passed Proposition A last year, it contained a provision that we would go back to the voters within the next four years to look at additional infrastructure funding. We will look at that issue as well. The attendees will hear about the Smart Growth Concept Map and the Independent Transit Planning Review. We will look at what you have accomplished during 2005 and will discuss the goals for 2006. For new Board members, we will have a primer on what SANDAG is and what we are about. The Chair and Executive Committee have invited three speakers: Sunnie Wright-McPeak, Daniel Yankelovich, and Herman "Dutch" Leonard. Mr. Bonelli reviewed the schedule for finalizing and transmitting the Retreat agenda.

Councilmember Phil Monroe (Coronado) said one of the things we are charged with is congestion relief, and there are a number of different theories about how to achieve that. He attended a seminar on congestion relief earlier in the year. He suggested having experts come in and talk about the best ways to relieve congestion in urban areas as a future retreat discussion topic.

Action: Upon a motion by Vice Mayor Harris-Ebert and a second by Supervisor Slater-Price, the SANDAG Board approved the Retreat agenda. Yes – 17 (weighted vote, 98%). No – 0 (weighted vote, 0%). Abstain – 0 (0%). Absent – Imperial Beach and Lemon Grove.

9. INTRODUCTION OF COMMANDER NAVY REGION SOUTHWEST, REAR ADMIRAL LEN HERING, USN (INFORMATION)

Captain Daniel King introduced Rear Admiral (RDML) Len Hering for the Board to hear about the coordination between the Navy and the San Diego region.

RDML Hering explained his role of Commander of Naval Shore Installation Management Headquarters for the Southwest Region. In his role, he provides coordination of base operating support functions for operating forces throughout the region. This includes providing expertise in areas such as housing, environmental, security, family services, port services, air services, bachelor quarters, supply, medical, and logistical concerns for the hundreds of thousands of active-duty, reserve, and retired military members throughout the region. He talked about the interdependence that his organization has with all areas of the region and noted that the Navy and San Diego communities are inextricably linked.

RDML Hering mentioned the impact the Navy has on both the San Diego economy and the economy of California. The Navy is extremely concerned about the issues that SANDAG wrestles with every day and is interested in promoting good citizenship and being a good neighbor. He said that the community needs to understand that its primary task is training its forces to conduct the war on global terrorism. He has placed priorities to ensure that those training complexes remain intact. He provided information on how the Navy has changed its operations to accommodate nearby communities. He mentioned the difficult housing situation here and noted that they have built more than 6,000 homes in the local area, and another 2,600 are due to be started and completed in the 2006-2007 time frame. The Navy's new housing program provides the local communities with a tax benefit that has never before been experienced in military housing anywhere in the country, and military housing meets the affordable housing goals. He mentioned his excitement about the redevelopment opportunities in the downtown San Diego area to provide quality office space for his staff and others.

RDML Hering said that they have met monthly with the City of Coronado for issues that are pending there. Coronado has been a leader and a good steward of its land. Coronado has more environmentally protected species than any other place. Environmental compliance and military operations are not mutually exclusive, however, the Navy has to protect its land. The Navy receives many requests from local communities who have expanded to their limits and see federal properties as opportunities for further expansion. Dealings with local and state entities are important to them, but there is a point of impact to national security. His number one priority is mission readiness. The men and women who train here put their lives at risk, and we owe it to them to provide the best opportunity to train and operate in real world conditions. The training complexes here provide that opportunity, and that

training environment cannot be replicated anywhere else. He said that the shared use of naval aviation facilities is not compatible with training activities. They will not support the San Diego County Regional Airport Authority's continued study of military facilities as the location for a new international airport.

RDML Hering thanked the SANDAG Board for its leadership and support.

Action: This item was presented for information only.

10. PRESENTATION BY HONORABLE JORGE HANK, MAYOR OF TIJUANA  
(INFORMATION)

Chair Cafagna stated that since Tijuana Mayor Jorge Hank's first official visit to SANDAG about a year ago, we have been working toward building a stronger partnership. SANDAG has been honored to attend several important events during Mayor Hank's first year in office; among those were the 116<sup>th</sup> anniversary of the City of Tijuana in July, Mexico's Independence Day in September, and SANDAG's first official visit to Tijuana in August. This partnership is becoming even stronger with our joint preparation of the Otay Mesa – Mesa de Otay Binational Corridor Strategic Plan. He noted that Mayor Hank was ill and not able to attend this meeting. He introduced Mr. Alfonso Bustamante to provide remarks on Mayor Hank's behalf.

Mr. Bustamante thanked the SANDAG Board for its support of the City of Tijuana in its efforts to facilitate binational affairs. The huge population growth in Tijuana has created a challenge to satisfy the increased demand for services. However, due to the size of its economy, Tijuana has become the fifth city of importance in Mexico. The working force is concentrated in the manufacturing industry, the maquiladoras, commerce, and tourism services. To provide a more efficient border crossing that benefits both San Diego and Tijuana, the governments of the two cities must work together to find the best solution. We should look at both communities as one region. We also should increase the understanding of our mutual issues including the economy, tourism, education, culture, and ecology. The City of Tijuana is working on the construction of several projects to improve the flow of people and goods. It strongly believes in investing in its children's education. Tijuana is the only municipality in Mexico with an educational system of its own. Under Mayor Hank's administration and starting this coming school year, parents will not pay for the city school system. He asked for SANDAG's help in acquiring portable trailers for classrooms and equipment that is renewed every year by the San Diego Unified School District, the County Department of Public Works, San Diego's Department of Public Security, and San Diego's Fire Department. On behalf of Mayor Hank, Mr. Bustamante wished everyone a Merry Christmas and a Happy New Year.

Action: This item was presented for information only.

## REPORTS

### 11. *TransNet* PLAN OF FINANCE FOR THE EARLY ACTION PROGRAM (APPROVE)

Councilmember Kellejian reported that at the November 4 Transportation Committee meeting, staff was directed to prepare the final *TransNet* Plan of Finance for the Early Action Program (EAP), based on the use of bonding. The Plan of Finance provides the financial strategy for moving forward with implementation of the EAP. The EAP includes work on 20 of the 47 major corridor projects identified in Proposition A. That work ranges from the initiation of environmental work to completion of total projects. The Plan of Finance for future projects beyond the EAP is to be conducted along with the comprehensive development of the 2007 Regional Transportation Plan. Development of the Plan of Finance is a dynamic process to be reviewed, reevaluated, and refined continuously as we move forward with implementing the *TransNet* program. In September, the Board approved the expansion of the *TransNet* commercial paper program from \$135 million to \$335 million. Final documents were signed in early November, and the expanded program is now in place to help finance the accelerated implementation of the EAP. The strategy of the Plan of Finance included the concept of issuing additional short-term notes as needed between now and 2008 to meet the cash-flow needs of the projects, with the first major long-term bonds planned for 2008. The final piece of the strategy was to investigate hedging opportunities to lock in today's low rates for that 2008 bond issue. Councilmember Kellejian said that at the last meeting, the Board approved moving forward with \$600 million in interest rate swaps. He reported that the final pricing of those swaps took place and a rate of 3.89 percent has been locked in for the \$600 million bond issue planned for 2008. All of these actions have placed SANDAG in a very good financial position to move forward with the EAP. Councilmember Kellejian noted that on November 4 the Transportation Committee received the support of the Independent Taxpayers Oversight Committee (ITOC) in moving forward with the actions recommended today.

Craig Scott, *TransNet* Project Manager, provided an overview of the report. He said that the EAP was approved by the Board in January 2005 and will "jumpstart" these major projects before the *TransNet Extension* starts in FY 2009. In May 2005, additional transit components were added to the EAP. He reviewed the EAP projects in two tiers. Three projects from the original *TransNet* measure also were included in the *TransNet Extension* and were given priority in the ballot measure. He discussed the components of the Plan of Finance, including that all costs and revenues have been adjusted to future year (escalated) dollars, costs/schedules/detailed cash flows have been updated for each project, the *TransNet* revenue forecasts have been updated, the state/federal/other matching funds have been updated, the financial model calculates the borrowing needs to meet project cash flows, and an analysis was conducted for the overall *TransNet* program and the major program components. He explained the 40-year *TransNet* revenue categories. The main component for the EAP is the funding set aside for the major projects. Approximately \$1.8 billion is set aside for the financing cost. Also included is the environmental mitigation for the Major Corridor projects (\$2.1 billion) and for local projects (\$0.9 billion). The final part is the formula for local streets and roads and the transit services programs.

Mr. Scott reviewed the assumptions for the revenue updates, the project cost updates, the Caltrans Index, the compounded rate at 2.6 percent, and the quarterly comparison and forecast. He showed that the EAP 2005 cost estimate went from \$1,913 million in 2002 to

\$2,741 million in 2005. For the other major corridors, the cost went from \$7,710 million in 2002 to \$9,500 million in 2005.

Mr. Scott said there were several policy choices to consider: To bond or not to bond? What share of *TransNet* Major Corridor funds should go to the EAP? What share of State Transportation Improvement Program/Congestion Mitigation and Air Quality/Surface Transportation Program (STIP/CMAQ/STP) funds should go to the EAP? He showed the projected use of STIP/CMAQ/STP funds from FY 1998 to FY 2009 and explained that a significant portion of these state and federal funds would need to be set aside to implement the EAP projects on their accelerated schedules. He showed the EAP project delivery schedules and a summary of the *TransNet* Major Corridor program. He described the financial analysis summary indicating the benefits of bonding, the impacts of not bonding, and the public benefits. The benefits of bonding far outweigh the cost of bonding. He cautioned that there are a lot of assumptions, and we will need to continuously monitor them. He provided the Transportation Committee's recommendation and next steps.

Councilmember Madaffer stated that Councilmember Peters will be abstaining from this issue. He said it is obvious that we will be able to implement these important projects and save money with this strategy.

Mayor Pro Tem Matt Hall (Carlsbad) expressed concerns about the spike in the price of construction materials. He asked if we had determined its cause. Mr. Scott said that we will need to watch this trend closely, and that the Board will be updated if the increase in construction costs proves to be more than just a spike.

Mayor Pro Tem Hall said that this information was from 1972 to 2004. He asked what the trend was between 2004 and 2005. Richard Chavez, Senior Engineer, said that following the large spike at the end of December 2003 and the beginning of 2004, the Caltrans Index comes back in line with the national indices. In March 2006, we will have a full set of data for 2005 to analyze. The trend in construction cost increases is beginning to flatten out. Some of the speculation for the large spike was the reconstruction on the Bay Bridge in the San Francisco Bay area. When that project went out to bid, it was the largest project California had ever done, and steel and concrete were at their peak cost. This project used labor and material resources from around the state.

Councilmember Kellejian reminded Board members that this will be a dynamic process that will continuously be reviewed, reevaluated, and refined. Mr. Gallegos stated that one of the highlights of this plan was to put together a *TransNet* project office to monitor costs on a regular basis. This project office will report regularly to the Transportation Committee, and the information will be folded into the Board's quarterly transportation progress reports. If our assumptions shift and we see another spike that was not anticipated, we will report back to the Transportation Committee and the Board as soon as possible. One cost savings opportunity has arisen with the purchase of the movable barrier wall needed for the Interstate 15 (I-15) Managed Lanes. Purchasing this material now saves \$1 million in costs. We will constantly be looking for ways to contain costs.

Councilmember Kellejian asked if the ITOC will be brought up to speed. Mr. Gallegos said that the ITOC is meeting often and is one of the safeguards in the *TransNet Extension* sales tax measure.

Pedro Orso-Delgado, Caltrans District 11 Director, added that by the middle of next month, we will have set up corridor managers that will be part of the team managing these *TransNet* projects. These corridor managers will provide regular project updates to the Transportation Committee.

Chair Cafagna asked Mr. Gallegos to explain the concept of corridor managers. Mr. Gallegos said that it is an innovative idea. These major corridor projects are billion dollar investments, and you have to manage them differently. The idea is to hire a Caltrans employee to work for Caltrans but also work for SANDAG indirectly. There would be one person working on behalf of both agencies managing the whole corridor. We will be holding interviews in the middle of January for those positions. California Department of Transportation Director Will Kempton is trying to use this model in other counties around the state. It will save the cost of hiring two people.

Councilmember Monroe asked if local contractors will be able to do some of the work. Mr. Gallegos said that the I-15 project is already under construction, and work on SR 52 will begin shortly. He thought that some of the work on the I-5 and I-805 projects could be separated out into smaller projects for our local contractors, but they will likely have to team up with other larger contractors. We have been working with the Association of General Contractors on this issue.

Action: Upon a motion by Councilmember Madaffer and a second by Second Vice Chair Dale, the SANDAG Board approved the final *TransNet* Plan of Finance based on the use of bonding to complete the Early Action Program (EAP) projects on the proposed schedules, including a set-aside of 10 percent of *TransNet* Major Corridor funds for other non-EAP *TransNet* projects and a set-aside of 15 percent of future State Transportation Improvement Program, Congestion Mitigation and Air Quality, and Surface Transportation Program funds for other non-EAP and non-*TransNet* projects. Yes – 17 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (0%). Absent – Imperial Beach, Lemon Grove, and San Diego (B).

## 12. 2006 STATE TRANSPORTATION IMPROVEMENT PROGRAM (STIP) (APPROVE)

Councilmember Kellejian said the Transportation Committee is recommending that the Board approve the 2006 STIP, which covers the period FY 2007 through FY 2011. The 2006 STIP was developed using criteria approved by the Transportation Committee in October 2005. Councilmember Kellejian pointed out that there is no new money for major projects and only a modest increase of \$6.3 million in Transportation Enhancement (TE) funding. This STIP seeks to construct and implement existing 2004 STIP programmed projects as early as possible. The total funding including the additional TE funds is \$177.7 million.

Jose Nuncio, Senior Engineer/Programming Manager, reported that the STIP is a five-year program that is updated every two years. The last update was in 2004. The STIP typically funds major highway capacity programs. He reviewed the 2006 STIP proposed program that includes the SR 52 extension to SR 67, the Mid-Coast Light Rail Transit (LRT) Extension, freeway incident detectors, SANDAG Planning and Program Monitoring funds, already programmed TE funds, and the new TE funding reserve. He showed a table that indicated currently programmed amounts by year in the 2004 STIP and the California Transportation Commission (CTC) funding targets. There is no new money in the 2006 STIP, and the CTC

would like us to delay projects from the early years (2007 to 2009), to the later years of the STIP (2009 to 2011).

Mr. Nuncio reviewed the details of the 2006 STIP proposed programming totaling \$177.72 million. There is an opportunity to advance some projects, but it depends on what other regions have available in unprogrammed funds. Some regions have funds for projects that are not ready to go. We would like the CTC to advance us those regions' funds for our ready-to-go projects. The next steps are to submit the 2006 STIP to the CTC by the January 30, 2006, deadline. The CTC is scheduled to adopt the STIP on April 27, 2006.

Chair Cafagna noted that there was one request to speak on this item.

Kathy Keehan, San Diego County Bicycle Coalition, said that the rideshare program has been shifted over from STIP funding to potentially being funded with CMAQ monies. She wanted to confirm SANDAG's use of CMAQ dollars for this purpose, and if the TE reserve money would be used for smart growth. She said that her organization is counting on funds to match *TransNet* dollars.

Mr. Nuncio stated that the rideshare program has been in the STIP in the past two cycles, but the CTC has given this program a low funding priority and has not approved funding for it. We will be funding the rideshare program with CMAQ monies, which the region controls. SANDAG is committed to the rideshare program and has already programmed it in the Regional Transportation Improvement Program (RTIP). He noted that projects for the new TE funds have not yet been identified.

Action: Upon a motion by Supervisor Slater-Price and a second by Councilmember Madaffer, the SANDAG Board approved the 2006 STIP as shown in the table entitled, "Recommended 2006 STIP," included in the revised agenda report. Yes – 17 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (0%). Absent – Imperial Beach and Lemon Grove.

13. *TransNet* REGIONAL HABITAT CONSERVATION FUND PROGRAM AND PROCEDURES: FY 2006 FUNDING RECOMMENDATIONS (APPROVE)

Mayor Lori Holt Pfeiler (Escondido), Chair of the Regional Planning Committee (RPC), said that we are making progress on the *TransNet Extension* on several fronts. The RPC reviewed the recommendations from the Environmental Mitigation Program (EMP) Working Group regarding this fiscal year's \$1 million allocation of regional habitat conservation funds. She introduced Coronado Councilmember Carrie Downy, the Chair of the EMP Working Group, to present the recommendation from the Working Group as approved by the RPC.

Councilmember Downey reported that it has been over a year since the Board approved the guidelines for the *TransNet Extension* EMP. One of the guidelines approved \$1 million for management and monitoring implementation activities this fiscal year. In May 2005, the Board approved the creation of the *TransNet* EMP Working Group, and Councilmember Downey was asked to chair this group. The first task of the Working Group was to assess the implementation needs of the regional habitat conservation plans. From that we formulated recommendations for this year's funding allocation. The first part of the recommendation is to approve a budget for FY 2006 EMP Regional Habitat Conservation Fund expenditures for some specific tasks, including a contract with the United States (U.S.) Fish and Wildlife

Service to prepare a conserved lands database. This will provide a picture of how the preserve is being assembled, how it was preserved, cost for acquisition, funding source, and the responsible land manager. The estimated cost to set up this database is \$100,000 - \$125,000. The second task is to contract with the U.S. Geological Survey to conduct post-wildfire biological monitoring in response to the 2003 wildfires. Multiple Species Conservation Plan (MSCP) lands were seriously damaged by the two fires so there is concern over the recovery of these habitats and the covered species that live in them. The agencies believe that this type of monitoring should become a priority for several years within this preserve. The estimated cost to conduct this monitoring, including setting up a database and reporting the results, will be about \$100,000 - \$150,000. The third task is to fund on-site management for up to \$750,000 for one year. The MSCP and the North County Multiple Habitat Conservation Plan (MHCP) require that preserve lands are managed and that activities include exotic species removal, trash pick up, trail and fence maintenance, and erosion control.

Councilmember Downey said that the second part of the recommendation is to approve a process for allocating the \$750,000. For this fiscal year only, the EMP Working Group will make recommendations to the RPC through a "call for projects" based upon criteria for eligible land management projects. After this allocation procedure is completed, the Working Group and the RPC will assess the process and determine if any additional changes are needed for future funding allocations.

Councilmember Downey stated that the third part of the recommendation is to approve the criteria for eligible land management activities and a rating system for considering funding requests. If the recommended actions are approved today, there will be a call for projects. Applications would be due on January 19, 2006. A selection committee would be appointed by the EMP Working Group at its January 10, 2006, meeting. The selection committee would rank the projects in accordance with the criteria. Persons submitting proposals for funding would not be on the evaluation committee.

The RPC would approve a list of projects at its March 2006 meeting, and the SANDAG Board would be requested to ratify the list at its March 2006 meeting. Contracts also would be drafted with the U.S. Fish and Wildlife Service to prepare the conserved lands database and with the US Geological Survey to conduct the post wildfire monitoring. Chair Cafagna noted that there was one request to speak on this item.

Thomas Oberbauer, County Planning and Land Use Department and Vice Chair of the EMP working Group, said that the EMP Working Group would select the selection committee to rank the proposals. SANDAG has requested that members chosen for the project selection committee not be members of agencies submitting proposals for funding. He said that since the RPC will be approving the projects, there would be no conflict of interest and members of the EMP Working Group should be allowed to be on the selection committee. He thought there were ample checks and balances in the process. A compromise position would be for proposals to go directly to the EMP Working Group and not have a selection committee. County staff prefers that the EMP Working Group members participate in the initial project screening and be a part of the selection committee. However, in all instances, the County would like to see the program move forward and not be slowed down.

Councilmember Madaffer thanked Councilmember Downey and staff. He understood the conflict of issue concern. This issue is ultimately reviewed by the Board, but it probably is good to make sure that the EMP Working Group is heading in the direction dictated by prior policy.

Councilmember Madaffer asked how we will make sure jurisdictions are notified about submitting projects. Ms. Fairbanks said that we will post the application and a memo on the SANDAG Web site, plus a memo will be sent to all members of the SANDAG Board and the EMP Working Group. Staff has already contacted the Planning Directors in each local jurisdiction with a habitat plan.

Councilmember Monroe asked if there was a vote of the EMP Working Group on this matter. Councilmember Downey responded that we received direction about an appearance of conflict of interest from SANDAG staff after the Working Group's last meeting.

Councilmember Peters thought this was a good way to go. We used the same model for ranking and selecting the Pilot Smart Growth Incentive Program projects. He liked the idea of having input from disinterested people on how the criteria shake out.

Chair Cafagna thought there would be enough disinterested people to form the selection committee. Mayor Holt Pfeiler commented that there are many who are interested.

Supervisor Slater-Price said that many local jurisdictions may have an eligible project, and she wondered whether there would be enough members to form the selection committee.

Councilmember Downey stated that the EMP Working Group will be meeting on January 10, 2006. She didn't think this was a jurisdictional conflict as much as an individual conflict for members of the EMP. We have backup names for the selection committee and have asked people to make suggestions. The military also has qualified biologists.

Supervisor Slater-Price thanked Councilmember Downey for doing a great job. She wanted to ensure that the U.S. Fish and Wildlife Service is involved. Councilmember Downey noted that one project will be submitted from the U.S. Fish and Wildlife, but it will be coming from a different department from where the person on the committee works.

Action: Upon a motion by Councilmember Madaffer and a second by Councilmember Monroe, the SANDAG Board approved the following actions: (1) the proposed budget for FY 2006 Environmental Mitigation Program (EMP) Regional Habitat Conservation Fund (RHCF) expenditures, which includes \$100,000 - \$125,000 for development of a conserved lands database for the San Diego region; \$100,000 - \$150,000 to conduct post-wildfire biological monitoring; and up to \$750,000 for eligible land management projects; (2) the proposed process for allocating FY 2006 EMP RHCF funds, which would involve a call for projects during FY 2006; and (3) the proposed criteria for eligible land management activities and a rating system for considering funding requests. Yes – 17 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (0%). Absent – Imperial Beach and Lemon Grove.

Chair Cafagna announced that due to time considerations we would take Agenda Item No. 15 before Agenda Item No. 14, which is not as time sensitive.

15. PROCESS AND SCHEDULE FOR PARTICIPATION IN STATEWIDE INFRASTRUCTURE BOND PROPOSALS (APPROVE)

Mr. Gallegos reported that the debate in Sacramento has turned to infrastructure. There are a variety of legislative proposals currently under development. He consulted with Senators Kehoe and Ducheny, and they feel that conditions are ripe for infrastructure bills in the next legislative session. He recently met with the American Society of Civil Engineers (ASCE), which recently developed a report card on infrastructure for the San Diego region. Staff recommends that we work with the 18 cities and the County to develop a consensus on our needs. The infrastructure funding process will be competitive statewide. If the San Diego region is going to be competitive, we need to be well organized and united. He reviewed the proposed framework and schedule for this matter. We would use the Policy Board meetings to come to a consensus on this important issue. Next steps are to discuss this matter further at the January 13 Policy Board meeting with a presentation from the ASCE on its review of infrastructure needs and estimated costs. We will invite area city managers and the county's Chief Administrative Officer to attend this meeting. We hope to come to a general consensus and then further review and refine our position at the Board Retreat in early February. At the February 10, 2006, Policy Board meeting, we will invite our legislative delegation to attend and discuss this issue with the Board. We need to unite over a proposal for infrastructure in San Diego and to develop a plan to ensure that San Diego receives its fair share of any statewide infrastructure funding. This also could help fulfill the promise to consider a future "quality of life" funding proposal, which was one of our commitments in the *TransNet Extension*.

Councilmember Jerome Stocks (Encinitas) agreed that we need to reinvest and rebuild California.

Supervisor Slater-Price commented that various jurisdictions struggle with environmental issues. Part of the problem is that they have issues they need assistance in resolving. If we had a central clearinghouse that had mapping and Geographic Information Systems (GIS), then we could see where we are and where we can make improvements to maximize our investments. She suggested that we utilize conservancy and other nonprofit organizations.

Councilmember Kellejian said that it was very important that Board members inform their city managers to attend the January 13, 2006, Policy Board meeting.

Councilmember Monroe asked if an invitation to this meeting will be sent to area city managers. Mr. Gallegos said that he will work through the City/County Managers Association.

Councilmember Monroe noted that some of these projects are not a one-time-only thing. The beaches of our county are regional assets, and they need to be replenished on a continuing basis.

Chair Cafagna noted that there were two requests to speak on this item.

Brad Barnum, representing the Associated General Contractors (AGC) and the Transportation Committee of the San Diego Regional Chamber of Commerce, said that they have started meeting in small groups about the infrastructure bond measure. The AGC and Transportation California had a meeting this week. As these

proposals move forward, we need to make sure that Proposition 42 funds are protected. He encouraged the Board to work with them on this issue.

Kathy Keehan, San Diego County Bicycle Coalition, noted that on the list of infrastructure projects, there are no bicycle and pedestrians included. She asked that they be included in the recommended list of projects.

Councilmember Peters agreed with that suggestion. Mr. Gallegos stated that the *TransNet Extension* set aside funds for non-motorized types of projects. Any statewide infrastructure fund program will be very competitive and will be about infrastructure, so it is unclear how non-motorized projects would compete.

Councilmember Peters stated that we should talk about it at the January Policy Board meeting. He said that bikeways are a transportation issue that should be taken seriously, and he wanted to have a strategy for it. Mr. Gallegos agreed that this item will come back to the Board in January.

Councilmember Mackin echoed Mr. Peters' comments.

Action: Upon a motion by Councilmember Stocks and a second by Councilmember Kellejian, the SANDAG Board approved the process and schedule for participation in the statewide effort to develop future infrastructure bond proposals, including recommendations for programs and selection of projects for the San Diego region. Yes – 17 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (0%). Absent – Imperial Beach and Lemon Grove.

#### 14. PROPOSED AMENDMENTS TO BOARD BYLAWS AND POLICIES (APPROVE)

Chair Cafagna deferred this item to the January 2006 meeting.

Councilmember Peters said there are amendments to Board Policy No. 002 that affect the City of San Diego when it transitions in January to a new form of government. He said that the new form of government will have a city council where the mayor is not a part of the "governing body." He wanted to clarify that either the mayor or a council person can be a representative from the City of San Diego to SANDAG.

Ms. Wiley clarified that the Board only wanted to review the changes to Board Policy No. 002 at this meeting and defer the remaining proposed Bylaws and Board Policy changes to January 2006. The Board agreed that was correct.

Mayor Crawford asked as a point of order if Board Policy No. 002 has impacts to the Policy Advisory Committee (PAC) appointments. If so, waiting until January will rush that appointment process.

Ms. Wiley reviewed only the proposed changes for Board Policy No. 002. The policy only allows a member of the jurisdictions governing board, i.e., the city council, to be appointed to serve on the PACs. On page 20, Section 3, we are proposing to amend the policy to ensure a clear understanding that ex officio members do not have voting rights, and Section 4.1.1. allows that either a mayor or council member from the City of San Diego can be appointed to serve on SANDAG's PACs.

Chair Cafagna indicated that Section 4.1.2. concerns the appointments to the PACs and the process for those appointments. The only real change to this section is that the Chair is to provide the notice of the date, time, and location of when the subregions plan to meet to select their PAC representatives. In addition, SANDAG will provide the subregions with the attendance sheets of the current PAC members. Each subregion will be responsible for scheduling this meeting. That meeting information will then be given to SANDAG staff, and staff will send out a meeting notice. Once a selection has been made by the subregion, it should be communicated in writing to the Board Chair. Page 21, Section 7, is a change to strengthen the attendance requirements. Voting members of all committees will be required to comply with SANDAG's attendance requirements. Section 7.3 is a new section recommended by the Executive Committee to assure a quorum. Members who are eligible for compensation for attendance at a SANDAG meeting must be present for at least half of the time set for the meeting or the duration of the meeting, whichever is less.

Ms. Wiley noted that SB 1703 allowed for SANDAG Board members to be either a mayor or a city council person from member jurisdictions.

Supervisor Slater-Price addressed committee member representation limitations. Ms. Wiley stated that change is on Section 2, page 20, and Board members can only serve as a primary member of not more than two PACs at any one time.

Councilmember Kellejian asked Ms. Wiley to explain the time period a person would have to attend the meeting to receive compensation. Ms. Wiley said that if a meeting is set from 9 a.m. to 12:00 p.m. but ends at 10:30 a.m., the duration of that meeting would be one hour and 30 minutes rather than the scheduled three-hour duration. The member would have to be in attendance for at least half that period of time (in this example, half of the meeting duration would be 45 minutes).

Ms. Wiley completed a review of the proposed Board Policy No. 002 amendments.

Action: Upon a motion by Mayor Holt Pfeiler and a second by Councilmember Kellejian, the SANDAG Board approved the recommended amendments to the SANDAG Board Policy No. 002. Yes – 17 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (%). Absent – Imperial Beach and Lemon Grove.

## 16. UPCOMING MEETINGS

The next Policy Board meeting is scheduled for Friday, January 13, 2006, and the next regular Board of Directors business meeting is scheduled for Friday, January 27, 2006.

Supervisor Slater-Price announced that this was her last meeting, and Supervisor Bill Horn will be the County's representative to the SANDAG Board in 2006. Chair Cafagna thanked the Supervisor for her contributions to this Board.

Chair Cafagna mentioned that this would also be the last Board meeting for Second Vice Chair Jack Dale, and he expressed appreciation for his efforts as well.

17. ADJOURNMENT

The meeting was adjourned at 12:02 p.m.

DGunn/M/DGU

**ATTENDANCE  
SANDAG BOARD OF DIRECTORS' MEETING  
DECEMBER 16, 2005**

JURISDICTION/ ORGANIZATION	NAME	ATTENDING	COMMENTS
City of Carlsbad	Matt Hall (Member)	Yes	
City of Chula Vista	Jerry Rindone (Alternate)	Yes	Arrived at 9:44 a.m.
City of Coronado	Phil Monroe (Member)	Yes	
City of Del Mar	Crystal Crawford (Member)	Yes	
City of El Cajon	Mark Lewis (Member)	Yes	
City of Encinitas	Jerome Stocks (Alternate)	Yes	
City of Escondido	Lori Holt Pfeiler (Member)	Yes	
City of Imperial Beach	Patricia McCoy (Member)	No	
City of La Mesa	Dave Allan (1st Alternate)	Yes	
City of Lemon Grove	Jerry Jones (1st Alternate)	No	
City of National City	Ron Morrison (Member)	Yes	
City of Oceanside	Shari Mackin (2nd Alternate)	Yes	
City of Poway	Mickey Cafagna, Chair (Member)	Yes	
City of San Diego - A	Jim Madaffer (Member A)	Yes	
City of San Diego - B	Scott Peters (Member B)	Yes	
City of San Marcos	Pia Harris-Ebert (Member)	Yes	
City of Santee	Jack Dale (Member)	Yes	
City of Solana Beach	Joe Kellejian (Member)	Yes	
City of Vista	Morris Vance (Member)	Yes	
County of San Diego	Pam Slater-Price (Member)	Yes	
<b>ADVISORY MEMBERS LISTED BELOW (ATTENDANCE <b>NOT</b> COUNTED FOR QUORUM PURPOSES)</b>			
Caltrans	Pedro Orso-Delgado (Alternate)	Yes	
MTS	Leon Williams (Member)	Yes	
NCTD	Jerome Stocks (Member)	Yes	
Imperial County	Victor Carrillo (Member)	Yes	
US Dept. of Defense	CAPT Daniel King (Member)	Yes	
SD Unified Port District	William Hall (Member)	Yes	
SD County Water Authority	Marilyn Dailey (Member)	Yes	
Baja California/Mexico	Luis Cabrera Cuaron (Member)	Yes	

The meeting was convened at 9:08 a.m. and adjourned at 12:02 p.m. for a total period of 2 hours, 54 minutes.