Chairman Mickey Cafagna (North County Inland) called the Executive Committee meeting to order at 2:44 p.m. The attendance sheet for the meeting is attached.

1. APPROVAL OF MINUTES

Upon a motion by Mayor Jerry Sanders (City of San Diego) and a second by First Vice Chair Mary Sessom (East County), the minutes of the January 13, 2006, Executive Committee meeting were unanimously approved.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS

Steven Russell said that he is a volunteer Board member with the City Heights Community Development Corporation, a coalition of Mid-City residents advocating for improved transit services in this area. He thanked SANDAG for its support for implementing the Interstate 15 (I-15) bus rapid transit (BRT) stations. They are not happy with the proposed 2012 start date in the 2006 update of the Regional Transportation Plan (RTP) and would like to bring these stations on line earlier. They would like to include this project in the statewide bond measure for infrastructure and also would like to obtain federal earmarks. They will continue to advocate with legislators and will take advantage of opportunities to provide testimony on behalf of this project.

3. COMMENTS ON THE CLIMATE ACTION TEAM REPORT TO THE GOVERNOR AND LEGISLATURE (APPROVE)

The California Environmental Protection Agency (EPA) released a draft report for public comment on climate change mitigation measures. At its January 26, 2006, meeting, the Energy Working Group reviewed the document and prepared comments in relation to the Regional Energy Strategy. The Energy Working Group recommends that the Executive Committee approve the submittal of the comments to the California EPA for consideration. It is anticipated that the final report will be submitted to the Governor and Legislature in mid-February.

Councilmember Madaffer asked if this will be made a part of our legislative program. Bob Leiter, Director of Land Use and Transportation Planning, said that the Board will be discussing the future of the regional energy planning program at its April 2006 Policy Board
meeting. If identified, specific energy-related legislative goals would be brought back to the Executive Committee.

**Action:** Upon a motion by Mayor Jerry Sanders (City of San Diego) and second by Mayor Christy Guerin (North County Coastal), the Executive Committee voted to approve Consent Item No. 3.

**REPORTS (4 through 8)**

4. **REVIEW OF PRELIMINARY FY 2007 OVERALL WORK PROGRAM (DISCUSSION/POSSIBLE ACTION)**

Tim Watson, Manager of Financial Planning and Budget, reported that based on the Committee’s feedback, staff has brought back goals and options to balance the FY 2007 Overall Work Program (OWP). He presented four strategic goals: improve mobility, encourage quality of life improvements, ensure public safety, and enhance organizational effectiveness. He noted that the chart on page 1 of the agenda report shows how we balanced the resources among these four goals. He said that staff is strongly considering moving some of the transit work elements that support the TransNet Early Action Program (EAP) from the OWP to the Capital Improvement Program (CIP), in order to consolidate the EAP projects in one place. This would not alter SANDAG’s overall budget.

He reviewed the level of resources for the FY 2007 OWP that shows a current budget gap of $1.4 million. This amount includes five proposed new positions. The total annual cost of these positions is $350,000, which is partially offset by costs incurred by other similar temporary positions. Mr. Watson noted that SANDAG has one-time funding sources available for FY 2007 totaling $3.1 million, which could be applied towards the budget gap.

Mr. Watson reviewed three policy options: (1) reduce FY 2007 expenses to match recurring revenues, (2) use a portion of the one-time revenues to fund one-time expenses, or (3) a combination of options 1 and 2. He reviewed the impacts for each option. He also described several work elements that could be cut, if the Committee selected Option 1. He said that any of these policy options would still allow SANDAG to fund its contingency reserve account ahead of schedule.

Supervisor Bill Horn (County of San Diego) asked if reducing the budget in Option 1 would impact construction schedules. Gary Gallegos, Executive Director, replied that this action does not impact project construction schedules. Construction projects are included in the CIP, not the OWP.

Supervisor Horn asked about the future impacts of Option 1. Mr. Gallegos said that there are projects proposed in the OWP that we would have to set aside if Option 1 was selected. One of these projects is the Regional Energy Planning work. He noted that the Committee has the option of cutting this program, or allowing it to continue by using a portion of the one-time revenues to fund certain one-time expenses in the FY 2007 budget.
Councilmember Madaffer said that he supports the energy work and sees that it has some funding problems. Mr. Gallegos said that we feel there is a good chance we could get money from the California Energy Commission and the California Public Utilities Commission (CPUC) to advance what we are doing. Using some funding to continue this project could allow us to pursue state funding. The Escondido Rapid Bus Project also is a good project. If you choose Option 1 and decide to put the entire $3.1 million in one-time funding in the reserve, then you have to make cutbacks. If you choose Options 2 or 3 that would allow us to fund all current projects.

Councilmember Madaffer asked if these three options are the best options. Mr. Gallegos replied that we believe these are the best options. All of these options allow you to get to a minimum 5 percent reserve goal a little faster than expected.

Second Vice Chair Lori Holt Pfeiler (North County Inland) asked if there are one-time expenses in the $55.9 million budget. She asked how much we have in our reserve account now. Mr. Gallegos stated that the table on page 6 of the agenda report shows the potential one-time expenses for the Preliminary FY 2007 OWP budget. With regard to the reserves, the projected reserve balance at the end of FY 2006 is $1,680,000. With the budgeted deposit of $500,000 in FY 2007, the balance would be at least $2.2 million in FY 2007. The reserve balance would be higher, depending on the option the Committee selects for using the one-time revenues.

Supervisor Horn asked for more information about the regional energy work element. Mr. Gallegos said that some of proposed budget is for staff time to pursue the Energy Working Group’s proposed funding plan. It includes a new senior staff position, plus additional contract services to fund San Diego Regional Energy Office (SDREO) staff. The Chair of the Energy Working Group, Del Mar Councilmember Henry Abarbanel, is optimistic that we will be successful in obtaining state funds. We don’t have a recurring funding source for the Regional Energy Planning Program.

Mayor Guerin stated that if we approve Option 2 and put the balance of $1.7 million in the reserve, we are still ahead of schedule for meeting our reserve goal amount. She said that if we are ahead of schedule and have a healthy reserve without making cuts, that makes sense to her.

Mayor Crystal Crawford (North County Coastal) agreed with Mayor Guerin; however, she would feel more comfortable with a 10 percent reserve. With Option 2, you are ahead of your minimum 5 percent reserve goal. However, she would like to discuss setting a higher goal for the reserve.

First Vice Chair Sessom liked Option 2 the best. Some of these specific work elements subject to being deleted should be revisited to determine whether we still support the efforts and the continued funding of them. Mr. Gallegos said that Option 2 allows you to move forward without cutting. In the future, we may not always be as fortunate as we are this year to have the one-time revenues, so it also would be prudent to revisit our priorities.

First Vice Chair Sessom said that we should revisit the Regional Energy Planning Program this fiscal year.
Chair Cafagna noted that the $1.4 million shortfall in the overall budget is not a large percentage. He asked if staff had looked at reducing the budgets across the board to see if there was room to take a little funding from each task. Mr. Watson replied that since the last Executive Committee meeting, staff re-evaluated each of the discretionary projects and eliminated low priority projects or tasks to arrive at the proposal before the Committee today.

Mayor Crawford asked how the 5 percent reserve level was established. Mr. Gallegos explained that last year we looked at the policies at local jurisdictions and other similar regional agencies. The difference between SANDAG and local jurisdictions is that the municipal jurisdictions have a lot of capital investments that need to be replaced and large operating budgets for municipal services. SANDAG does not have these same issues. The Executive Committee felt that 5 percent was a reasonable amount as we don’t have the same financial needs as the local jurisdictions do.

Supervisor Horn noted his preference for Option 1 and said that if we reach the reserve goal, then we could revisit using the one-time revenues for projects. He cautioned that you think you’re going to get state or federal funding and then you don’t. He thought we should build the 5 percent reserve as quickly as possible.

Councilmember Madaffer expressed concern about spending one-time monies. He suggested that the one-time revenues be split with half going to reserves and the other half expended for projects.

Vice Mayor Ron Morrison (South County) asked about the $46,000 amount for the Intercity and High Speed Rail Program, in particular, the Los Angeles – San Diego – San Luis Obispo (LOSSAN) component. Mr. Gallegos noted that we are staffing LOSSAN and that other LOSSAN corridor agencies are reimbursing us for some costs. If we pass on the administrative responsibilities for LOSSAN to another agency, we would still have to pay our portion of the fees ($15,000 combined for SANDAG and the two transit agencies).

Mr. Gallegos noted that the Board’s contingency reserve policy stated that any year-end savings from the OWP would be placed in the reserve fund.

**Action:** Upon a motion by Mayor Guerin, and a second by Vice Mayor Morrison, the Executive Committee approved the strategic goals, the proposed balance among the goals, Option 2 for balancing the Preliminary FY 2007 OWP, and approval of the proposed new staff positions.

5. PROPOSED RESTRUCTURING OF THE COORDINATED TRANSPORTATION SERVICE AGENCY (RECOMMEND)

Dan Levy, Senior Transit Planner, reported that California legislation and regulations require the creation of a Consolidated Transportation Service Agency (CTSA) in each county. The purpose of this agency is to create a mechanism to coordinate and consolidate Health and Human Services transportation providers to share resources, reduce costs, and increase capacity for specialized transportation for seniors and persons with disabilities. This report addresses the potential restructuring options for the CTSA that would consolidate the
function in San Diego County, respond to the need for improved coordination for Health and Human Services transportation, and better meet the requirements of state regulations.

The San Diego region now has two CTSA entities based on transit district boundaries: SANDAG through SourcePoint is CTSA for the MTS service area and North County Lifeline provides the CTSA services for the NCTD service area. He noted that the contract with North County Lifeline expires on June 30, 2006. Because the MTS-area CTSA falls under SourcePoint, this item is being brought to the Executive Committee in its role as the SourcePoint Board of Directors.

Mr. Levy reviewed three issues that need to be resolved: (1) the need/demand for the agency to provide coordinated or consolidated services as provided in legislation, (2) existence of two CTSA, and (3) the statutes and regulations do not contemplate the current organizational structure now found in San Diego. There are three recommendations to resolve the issues: (1) designate a single CTSA for the entire region, (2) use a competitive process to select a regional CTSA, and (3) require the new regional CTSA to better meet the spirit and intent of CTSA legislation and regulations for coordination and consolidation.

Mr. Levy stated that SANDAG as the Regional Transportation Planning Agency (RTPA) is responsible for designating a CTSA, but the regulations do not contemplate an RTPA also being a CTSA. Senate Bill 1703 precludes SANDAG from operating transit, but CTSA are empowered to operate services if they improve service coordination. Other issues are that the CTSA currently assists transportation providers in applying for grants; and SANDAG acts as the authority to recommend or award the grants.

Supervisor Horn stated that NCTD issued a contract with Laidlaw for paratransit services, and Laidlaw replaced the previous paratransit contractor, North County Lifeline. He asked what SANDAG’s contract with North County Lifeline entails. Mr. Levy said that through SANDAG’s contract, North County Lifeline primarily organizes quarterly maintenance roundtables. The CTSA does not actually provide paratransit services (i.e., Americans with Disabilities Act [ADA] services).

First Vice Chair Sessom asked what happened when the Red Cross could not meet its CTSA obligations. Mr. Gallegos said that when that occurred, we had to figure out a way to continue the CTSA and used our nonprofit corporation, SourcePoint, to do that.

First Vice Chair Sessom wanted to know whether we could include provisions in the CTSA Request for Proposals (RFP) to protect us from a similar situation in the future. Julie Wiley, General Counsel, replied affirmatively. We could require the selected CTSA contractor to cover the expenses of finding a replacement entity.

Councilmember Madaffer said that having one CTSA for the region makes sense and shows that we are serious about consolidation.

Chair Cafagna asked if we save money. Mr. Levy said there is no net difference for SANDAG. However, any outside agency selected as the CTSA could generate its own revenue through the provision of services.
**Action:** Upon a motion by Mayor Guerin, and a second by Mayor Sanders, the Executive Committee, acting as the SourcePoint Board of Directors, recommended that the Transportation Committee endorse the following actions related to the CTSA: (1) combine the MTS and NCTD CTSA service areas into a single regional CTSA service area; (2) initiate a competitive process to designate a single regional CTSA to be in place on July 1, 2006; and (3) ensure that the regional CTSA better meets the spirit and intent of coordination and consolidation of services as envisioned in California statutes and regulations.

6. **SERVICE BUREAU MID-YEAR STATUS REPORT AND FY 2005 SourcePoint AUDITED FINANCIAL STATEMENTS (INFORMATION)**

Karen Lamphere, Principal Regional Planner, reported that the Service Bureau was launched last year consolidating three long-standing technical assistance programs (Local Technical Assistance, SourcePoint, and elements of the Assistance to Transit Operations and Planning program) under one umbrella. This is a six-month status report. The Service Bureau offers a wide range of technical and informational services. Its clients include the public and private sectors. Its purpose is to provide products and services to help make informed decisions and to generate revenue to support the Regional Information System. She noted that the Service Bureau has already achieved about 72 percent of its expected revenue. She showed a summary of the services provided during this period of time including transportation studies, environmental scans, custom maps and geographic information systems (GIS) analysis, survey design and analysis, and demographic and economic analysis. The Service Bureau has integrated staff resources, expedited administrative processes, and provided new tools to monitor projects and the overall status of the Service Bureau.

Ms. Lamphere displayed how an identity for the Service Bureau was established and described the marketing efforts to get the word out. She reviewed future activities including Executive Committee oversight, building on existing strengths, exploring new opportunities, and developing a marketing plan.

**Action:** This item was presented for information only.

7. **LEGISLATIVE STATUS REPORT (INFORMATION)**

Mr. Gallegos said that at the state level discussions are all about the proposed infrastructure bond. First Vice Chair Sessom and he talked with the Secretary of Business, Transportation, and Housing, Sunne Wright McPeak, and expressed SANDAG’s concern about getting San Diego’s fair share. We provided information on goods movement in our area. We will review the San Diego list of projects. He stated that it is getting tougher to meet the March 10 deadline for a June 2006 ballot measure. Senate Transportation Chairman Lowenthal will hold a hearing on February 15, 2006, and we have been asked to participate and focus on border issues.

Mr. Gallegos reported that at the federal level, we had the opportunity to join Mayor Holt Pfeiler and Vice Mayor Morrison in Washington, D.C., to meet with members of the San Diego legislative delegation. He thought the meetings were very productive. One concern was the lack of representation from the 50th District, but we received assurances from Congressman Duncan Hunter that he will support projects from that area.
Mr. Gallegos said that our list of funding requests is too long, and we will have to pare it down. The general feedback is that earmarks are going to be tough to get, and they will receive a tremendous amount of scrutiny. We should bring back a small number of good projects that are defensible. There is a lot of interest in homeland security, and San Diego is currently not on the list for this funding. There is a report due in March, and we heard some concern from Congressman Hunter’s office that we show a united front in this area. We need to support the City of San Diego in its requests for homeland security funding, and our transit operators have made contact with the City of San Diego as well. There is some concern that transportation elements supporting homeland security might not be highlighted as much as they could be.

Supervisor Horn said the County’s homeland security funding did not get touched. He will be working with Mayor Sanders to push for funds for the City of San Diego.

Mayor Sanders announced that he has hired a new Homeland Security Director with close ties to the federal homeland security. He will have someone in his office next week who will be coordinating the city’s homeland security efforts.

**Action:** This item was presented for information only.

8. REVIEW OF FEBRUARY 24, 2006, DRAFT BOARD AGENDA (APPROVE)

Diane Eidam, Chief Deputy Executive Director, reviewed the agenda for the February 24 Board of Directors meeting. She noted that there is a possibility we will present a token of appreciation to Mike Boyle for his service as the first Chair of the TransNet Independent Taxpayers Oversight Committee (ITOC), subject to his availability for that meeting.

**Action:** Upon a motion by First Vice Chair Sessom, and a second by Supervisor Horn, the Executive Committee voted to approve the agenda for the SANDAG Board of Directors meeting for February 24, 2006, as revised.

9. UPCOMING MEETINGS

The next meeting of the Executive Committee is scheduled for Friday, March 10, 2006, at 9:00 a.m., at the Pala Reservation in north San Diego County.

10. ADJOURNMENT

Chair Cafagna adjourned the meeting at 4:06 p.m.

Attachment: Attendance Sheet
<table>
<thead>
<tr>
<th>GEOGRAPHICAL AREA</th>
<th>JURISDICTION</th>
<th>NAME</th>
<th>MEMBER/ALTERNATE</th>
<th>ATTENDING</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>North County Coastal</td>
<td>City of Encinitas</td>
<td>Christy Guerin</td>
<td>Member</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>City of Del Mar</td>
<td>Crystal Crawford</td>
<td>Alternate</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>North County Inland</td>
<td>City of Poway</td>
<td>Mickey Cafagna</td>
<td>Member</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>City of San Marcos</td>
<td>Pia Harris-Ebert</td>
<td>Alternate</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>East County</td>
<td>City of Lemon Grove</td>
<td>Mary Sessom</td>
<td>Member</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>City of Santee</td>
<td>Hal Ryan</td>
<td>Alternate</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>South County</td>
<td>City of National City</td>
<td>Ron Morrison</td>
<td>Member</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>City of Chula Vista</td>
<td>Steve Padilla</td>
<td>Alternate</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>City of San Diego</td>
<td>-----</td>
<td>Jerry Sanders</td>
<td>Member</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>----</td>
<td>Jim Madaffer</td>
<td>Alternate</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>County of San Diego</td>
<td>----</td>
<td>Bill Horn</td>
<td>Member</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>----</td>
<td>Ron Roberts</td>
<td>Alternate</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Ex Officio, 2nd Vice Chair</td>
<td>City of Escondido</td>
<td>Lori Holt Pfeiler</td>
<td></td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>