EXECUTIVE COMMITTEE

April 14, 2006

AGENDA ITEM NO.: 1

Action Requested: APPROVE

EXECUTIVE COMMITTEE DISCUSSION AND ACTIONS
MARCH 10, 2006

First Vice Chair Mary Sessom (East County) called the Executive Committee meeting to order at 9:05 a.m. The attendance sheet for the meeting is attached.

1. APPROVAL OF MINUTES

Upon a motion by Supervisor Bill Horn (County of San Diego) and a second by Mayor Christy Guerin (North County Coastal), the minutes of the February 10, 2006, Executive Committee meeting were unanimously approved.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

There were no public comments.

CONSENT ITEMS (3 through 4)

Chair Cafagna noted there was a request to speak on Item 3.

3. LETTER TO CALIFORNIA STATE LANDS COMMISSION REGARDING PROPOSED RESOLUTION ON COASTAL POWER PLANTS (APPROVE)

In early April, the California State Lands Commission will be considering adoption of a resolution supporting the elimination of once-through cooling in California power-generating facilities. Elimination of these facilities could affect our ability to provide energy resources in the region. At its February 23, 2006, meeting, the Energy Working Group recommended that the Executive Committee approve sending a letter to the State Lands Commission requesting that the Commission collaborate with other state agencies before approving a resolution to ban once-through cooling power plants after 2020.

Laura Hunter, representing the Environmental Health Coalition (EHC), expressed the opposition of the EHC to the recommended action on Item 3. The EHC is a member of the Energy Working Group (EWG), and the EHC voted against this item at the EWG meeting. She stated that the once-through water cooling process used at some existing power plants is devastating to marine environments, and that alternative technology is available to handle the cooling process. She stated that we need government to be encouraging entities to employ more environmentally-safe technology. The utility companies have not embraced this alternative technology on their own volition. The State Lands Commission’s proposed resolution is a signal that the state wants to get serious about these once-through cooling
plants. She urged the Executive Committee not to send the proposed letter or to send a letter indicating no position on this matter.

Vice Mayor Ron Morrison (South County) asked if the problem is with the intake of the water or with the water that is being discharged from these plants. Ms. Hunter replied that both the intake and discharge present problems to marine environments.

First Vice Chair Sessom indicated that it seemed to her that SANDAG is not taking a position, but is recommending that other state agencies have input on this matter.

Bob Leiter, Director of Transportation and Land Use Planning, stated that the EWG reviewed this issue and heard this testimony before it made its recommendation. The letter recommends that before action is taken by the State Lands Commission, it should consult with other affected state agencies, such as the California Public Utilities Commission (CPUC) and California Energy Commission. The letter was carefully written so that SANDAG is not taking a position, but wants to make sure that energy issues are being addressed.

Chair Cafagna asked about the choices available to resolve this issue. Ms. Hunter responded that the EHC promotes dry cooling or air cooling rather than water cooling. Closed-cycle cooling uses a little bit of water. In either case, you would not be using massive amounts of biologically productive marine waters.

First Vice Chair Sessom moved the staff recommendation, stating that this concern doesn’t seem to be an issue today. The letter is clearly recommending that other agencies be consulted before final action is taken.

Mayor Crystal Crawford (North County Coastal) commented that it often takes decades for mitigation to our water habitats to take place. The San Diego lagoon restoration that was begun 20 years ago is just starting this year. She emphasized the importance of our ocean’s economies to our region; however, she felt it would be inappropriate for action to be delayed.

Mayor Guerin clarified that we are asking the State Lands Commission to consult with the CPUC before taking an action to eliminate this process. No one wants ocean life to be killed, but we are not going to function without energy. All we are asking is that there is collaboration between the responsible state entities.

Vice Mayor Morrison asked about SANDAG’s intent with the letter. Mr. Leiter said that the intent was that the affected state agencies consult with one another, and it is our understanding that the consultation could occur expeditiously.

Gary Gallegos, Executive Director, said he was optimistic that the consultation would happen shortly.

Vice Mayor Morrison asked if language in the letter could be rephrased.

First Vice Chair Sessom reminded Committee members that this letter has been fully vetted by our EWG, and she would not be comfortable with revising the language at this point.
Mayor Crawford asked if the EWG chairs reviewed the letter and agreed with it. Mr. Leiter replied affirmatively, and expressed the intent that this letter be transmitted expeditiously.

4. PROPOSED CHANGES TO PUBLIC SAFETY COMMITTEE MEMBERSHIP (RECOMMEND)

The Public Safety Committee (PSC) makes policy recommendations to the SANDAG Board of Directors related to public safety and homeland security. As embodied in SANDAG Board Policy No. 002, PSC membership currently consists of 11 voting members (six elected officials from around the region and five public safety members) as well as four nonvoting advisory members. At its February 17, 2006, meeting, the PSC recommended adding three voting members and replacing one advisory member in order to strengthen and enhance the Committee's regional public safety focus and mission. The Executive Committee is asked to recommend that the SANDAG Board of Directors amend SANDAG Board Policy No. 002 to approve the proposed changes to the PSC membership. If approved, the additional voting members would include the San Diego County District Attorney, Regional Fire/Emergency Medical Services, and local transit agencies, and the Department of Defense would replace the courts as an advisory member.

Action: Upon a motion by First Vice Chair Sessom and a second by Mayor Guerin, the SANDAG Board voted to approve Consent Items 3 and 4.

REPORTS (5 through 7)

5. DRAFT FY 2007 BUDGET (INCLUDING OVERALL WORK PROGRAM) (ACCEPT/RECOMMEND)

Tim Watson, Manager of Financial Planning and Budget, reported that the Draft Overall Work Program (OWP) is required to be approved and submitted to the funding agencies in early March of each year. SANDAG Bylaws also require approval of the Draft Budget prior to April 1. In April, we will receive feedback from the funding agencies, incorporate any appropriate changes, and bring the Final OWP back to the Board on May 26 for approval. Our Bylaws require an approved final budget by the end of June.

Mr. Watson stated that revenue projections have increased since the last Executive Committee meeting in February. Federal program funds have come in higher than expected; final federal revenue estimates for FY 2007 are $165,000 higher than last month’s figures. Projections of state Transportation Development Act (TDA) and local TransNet funds also are $793,000 higher than last month’s figures. The budget is now balanced and includes a $3.3 million deposit to our contingency reserve fund. This would bring the contingency reserve to 9 percent of the FY 2007 OWP budget, which is in excess of the 5 percent reserve required by Board policy. The availability of the contingency reserve provides flexibility for the Board to deal with changing priorities over the upcoming year.

Mr. Watson noted that several adjustments have been made to individual work elements to align the expected resources more appropriately with the planning priorities. Since last month, we are expecting more carryover grant funds from FY 2006, and dedicated funding for Automated Regional Justice Information System (ARJIS) and Criminal Justice research...
grants also have been identified. One additional position, an Associate Legislative Analyst, is being recommended to help the agency handle legislative issues. In addition, one reclassification of an Associate Systems Analyst position to a Senior Systems Analyst position also is being requested. Mr. Watson concluded by going over changes in key projects from the FY 2006 OWP.

Supervisor Horn commented that under consolidation, transit agencies must obtain approval from SANDAG to shift capital monies to operations and vice versa. While this does not present an issue now, he thought this could be a problem in the future. He wanted to ensure that the SANDAG Board will be flexible enough to consider these types of funding shift requests. Chair Cafagna replied that we are willing to work with the transit operators on this matter.

**Action:** Upon a motion by First Vice Chair Sessom and a second by Mayor Guerin, the Executive Committee voted unanimously to accept the Draft FY 2007 Budget (including the OWP), authorize distribution of the document to the funding agencies for review, and recommend that the SANDAG Board of Directors approve the Draft FY 2007 Budget (including the OWP) at its March 24, 2006, meeting.

6. **DRAFT BOARD POLICY: IMPLEMENTATION GUIDELINES FOR SANDAG REGIONAL HOUSING NEEDS ASSESSMENT MEMORANDUM (RECOMMEND)**

Susan Baldwin, Senior Planner, reported that in February 2005, the SANDAG Board approved the final Regional Housing Needs Assessment (RHNA) for the San Diego region for the 2005-2010 housing element cycle. In conjunction with this approval, the Board approved a memorandum that was an incentive-based compromise on the issue of the allocation of the RHNA numbers by income category. The intent of the memorandum was to tie decisions about the allocation of discretionary local agency transportation funding to housing element compliance and housing production. Attached to the staff report is a draft Board policy that contains recommendations regarding the implementation of the Board’s February 2005 RHNA memorandum. On February 10, 2006, the Regional Planning Committee recommended approval of the draft Board policy to the Executive Committee and Board of Directors. Ms. Baldwin reviewed the four key issues addressed in the draft guidelines.

Ms. Baldwin stated that the draft guidelines require local jurisdictions to submit information to SANDAG regarding housing production on an annual basis. State law requires each local jurisdiction to develop a housing element. Jurisdictions also are required to submit an annual general plan/housing element report to the state, showing the number of housing units produced and progress on implementing housing element provisions. In 2006, the annual housing element report is required to be submitted to the state on October 1, and, beginning in 2007, the deadline will be April 1. The information to be submitted to SANDAG would be the same as that typically included in the required housing element report to the state. The draft guidelines propose that the report to SANDAG would need to include only: (1) the units produced each year by income category (very low, low, moderate, and above moderate), and (2) if applicable, information regarding progress towards implementing the rezoning program in the housing element needed to identify adequate sites. If this information has not been submitted to SANDAG by October 1, 2006, or April 1
in subsequent years, jurisdictions would be ineligible for funding during the following calendar year or fiscal year, whichever is applicable.

Ms. Baldwin said that the first call for projects affected by the RHNA memorandum will be for TDA Article 3, Nonmotorized Program/TransNet Bicycle Program. To qualify for any discretionary funding for which grant applications are due before January 1, 2007, the guidelines state that a jurisdiction will need to have submitted a draft of its housing element to the Department of Housing & Community Development (HCD) or have self-certified its element in compliance with state law by the project submittal deadline (in this case, March 3, 2006).

First Vice Chair Sessom asked what defines progress towards rezoning. Ms. Baldwin replied that each jurisdiction has to comply with the schedule for actions contained in its housing element.

Second Vice Chair Lori Holt Pfeiler (North County Inland) commented that this policy was designed to be inclusive and to encourage all jurisdictions to meet their housing goals.

Supervisor Horn said that there are only four cities that have housing elements completed, and the balance of the jurisdictions do not. The problem is that those jurisdictions that have not completed their housing elements will be excluded from eligibility for these TDA Nonmotorized Program/TransNet Bicycle Program funds this year.

Second Vice Chair Pfeiler clarified that the policy states that if you have submitted your housing element, you can apply for the funds.

Supervisor Horn asked that this action be delayed for a year.

Second Vice Chair Pfeiler stated that the guidelines adopted by the SANDAG Board indicated that the jurisdiction has to have an adopted housing element, but the draft policy indicates that you only have to have submitted a housing element to be eligible during calendar year 2006.

Supervisor Horn said he understood the distinction, but the County is not ready at this time, and he is concerned that the County will be excluded from the process because it has not submitted its housing element.

Chair Cafagna asked when jurisdictions have to submit to be eligible. Ms. Baldwin stated that the deadline depends upon the funding source. The housing element needed to be submitted by March 3 for these TDA Nonmotorized Program/TransNet Bicycle Program funds.

Mr. Gallegos clarified that as different solicitations for discretionary funds come up, each one will have its own eligibility date.

Mayor Guerin asked what the date is for the next round of funding. Kim Kawada, Executive Program Manager, answered that it will be the same time next year.
Mayor Crawford asked for clarification of footnote 3 on page 9, Attachment 1.3. Ms. Kawada stated that in the past, the Board has set aside some state and federal money to implement certain types of local agency projects, such as regional arterials and traffic signal optimization. With the Board’s approval of the TransNet Plan of Finance for the Early Action Program (EAP), the majority of our federal and state funding is being used to match our TransNet dollars. Therefore, we don’t anticipate having other calls for local agency projects in the near future.

Mayor Crawford reiterated that footnote 3 is a caveat that that is not applicable now, but if we have funding available in the future, that funding would be subject to the RHNA memorandum.

Mr. Gallegos commented that for the State Transportation Improvement Program (STIP), the Board has flexibility to fund local agency projects; however, all of your current STIP funding is locked up to match the TransNet EAP.

Mayor Crawford suggested that this footnote be expanded for clarification in the Board report.

Supervisor Horn noted that the County won’t have completed its general plan update and its housing element until this time next year. However, the County does not want to be excluded from this year’s funding cycle.

Mayor Guerin stated that Encinitas has submitted its draft housing element plan and is eligible for funding this year. She reminded Committee members that next year an adopted housing element will be required, and then local jurisdictions will receive incentive points based on their housing production numbers.

Motion Made

Supervisor Horn moved to refer this matter to staff with a report back in six months. Mayor Guerin seconded the motion.

Mr. Gallegos reminded the Committee that the Board policy is already in place; what is proposed is the guidelines to implement the policy. He asked Supervisor Horn what prevents the County from submitting a housing element while it’s working on its general plan update.

Ivan Holler, County of San Diego, stated that they would be bringing the County’s new housing element forward concurrently with its new general plan. Unless this is done concurrently, the County also would have to update the housing element under its current general plan. It is costly to do two housing elements at the same time. His concern is with the timing of the proposed eligibility requirements. He said that the County could commit to complete its general plan by next year.

Chair Cafagna said that the deadline for these funds has already passed.
Action Taken

The motion to refer the RHNA Board Policy back to staff with a report back in six months failed to receive sufficient votes for passage.

**Action:** Upon a motion by First Vice Chair Sessom and a second by Vice Mayor Morrison, and based on the recommendation of the Regional Planning Committee, the Executive Committee voted to recommend that the SANDAG Board of Directors approve Draft Board Policy No. 033. The County of San Diego and North County Coastal representatives voted in opposition to this motion; the motion passed.

7. **LEGISLATIVE STATUS REPORT (INFORMATION/POSSIBLE ACTION)**

Ellen Roundtree, Director of Government Relations, provided an update on the state infrastructure bond, including proposed funding amounts by category.

Mr. Gallegos noted that the State Senate is on call today; however, the Assembly and the Governor are still negotiating. The March 10 deadline is not as rigid as once anticipated and we might have more time to get a measure placed on the June 2006 ballot.

Chair Cafagna asked how these numbers compare against what we first saw. Mr. Gallegos replied that more money has been added for transit. He reminded Committee members that these numbers are still volatile and are changing by the minute as the negotiations move forward. However, it looks optimistic that we would get something on the June ballot.

Mr. Gallegos said that while in Washington, DC, recently, he was in contact with Senator Denise Moreno Ducheny. She and Senator Christine Kehoe have been involved in this process, and Assemblymember George Plescia is now the Assembly Minority Leader. Mr. Gallegos noted that right now the Legislature is focused on a fair share process through an existing formula, and the Administration is more focused on projects.

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

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

Diane Eidam, Chief Deputy Executive Director, reviewed the Consent items scheduled for the March 24, 2006, SANDAG Board meeting, including changes to the membership of the Public Safety Committee, agreements between SANDAG and the U.S. Fish & Wildlife Service and the U.S. Geological Survey, the second reading and adoption of the Comprehensive Fare Ordinance, approval of the draft FY 2007 Budget (including the OWP), a report summarizing delegated actions by the Executive Director, and the results from the 2005 audited financial statements. Two additional items will be added: proposed programming of Transportation Enhancement (TE) funds and Bike to Work Day 2006. Under the Chair’s Report, there will be a report on the National Association of Regional Councils (NARC) and the American Public Transportation Association (APTA) conferences held in Washington, DC, in February and March.
Report items include the draft Board policy related to the implementation guidelines for the SANDAG RHNA Memorandum; the SANDAG Maglev Phase 1 study results; and the TransNet Early Action Program, Interstate 15 (I-15) Managed Lanes corridor update.

**Action:** Upon a motion by Mayor Guerin and a second by Vice Mayor Morrison, the Executive Committee voted unanimously to approve the agenda for the March 24, 2006, Board of Directors meeting as amended.

9. **UPCOMING MEETINGS**

The next Executive Committee meeting is scheduled for Friday, April 14, 2006, at 9 a.m.

10. **ADJOURNMENT**

Chair Cafagna adjourned the meeting at 10:06 a.m.

Attachment: Attendance Sheet
## CONFIRMED ATTENDANCE
### SANDAG EXECUTIVE COMMITTEE MEETING
#### MARCH 10, 2005

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