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San Diego Unified Port District
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San Diego County Water Authority
Luis Cabrera C.
Consul General of Mexico
Gary L. Gallegos
Executive Director, SANDAG

BOARD OF DIRECTORS
AGENDA

Friday, November 17, 2006
9 a.m. to 12 noon
SANDAG Board Room
401 B Street, 7th Floor
San Diego

AGENDA HIGHLIGHTS

• FIRST READING OF AMENDED TransNet ORDINANCE
• SDG&E SUNRISE POWERLINK TRANSMISSION LINE
• CRIME, ARREST, AND DRUG USE TRENDS IN THE SAN DIEGO REGION

PLEASE TURN OFF CELL PHONES DURING THE MEETING

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The 18 cities and county government are SANDAG serving as the forum for regional decision-making. SANDAG builds consensus, makes strategic plans, obtains and allocates resources, plans, engineers, and builds public transit, and provides information on a broad range of topics pertinent to the region’s quality of life.

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BOARD OF DIRECTORS
Friday, November 17, 2006

ITEM #  RECOMMENDATION

+1. APPROVAL OF MEETING MINUTES

A. OCTOBER 13, 2006, POLICY MEETING MINUTES
B. OCTOBER 27, 2006, MEETING MINUTES

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Members of the public shall have the opportunity to address the Board on any issue within the jurisdiction of SANDAG. Anyone desiring to speak shall reserve time by completing a “Request to Speak” form and giving it to the Clerk of the Board prior to speaking. Public speakers should notify the Clerk of the Board if they have a handout for distribution to Board members. Speakers are limited to three minutes. Board members also may provide information and announcements under this agenda item.

+3. ACTIONS FROM POLICY ADVISORY COMMITTEES

This item summarizes the actions taken by the Borders Committee on October 27, 2006, and the Executive, Transportation, and Regional Planning Committees on November 3, 2006.

CONSENT ITEMS (4 through 7)

+4. REPORT SUMMARIZING DELEGATED ACTIONS TAKEN BY EXECUTIVE DIRECTOR (Renée Wasmund)

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 September 2006.

+5. FY 2007 TRANSPORTATION DEVELOPMENT ACT CLAIM AMENDMENT FOR CONSOLIDATED TRANSPORTATION SERVICES AGENCY (Sookyung Kim)

The Board of Directors is asked to adopt Resolution No. 2007-13, approving the FY 2007 Transportation Development Act (TDA) allocation and claim for Full Access and Coordinated Transportation, Inc. (FACT), to provide Consolidated Transportation Services Agency services in FY 2007. FACT is claiming $87,098 of the $112,881 in TDA Article 4.5 funding available in FY 2007.
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<td>6.</td>
<td>QUARTERLY INVESTMENT REPORT – PERIOD ENDING SEPTEMBER 30, 2006, AND ANNUAL INVESTMENT POLICY REVIEW* (Lauren Warrem)</td>
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<td>State law requires that the Board be provided a quarterly report of investments held by SANDAG. This report includes all money under the direction or care of SANDAG as of September 30, 2006. SANDAG Investment Policy also requires that the Director of Finance annually submit to the Board of Directors a statement of investment policy, which the Board shall consider at a public meeting.</td>
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<td>7.</td>
<td>QUARTERLY PROGRESS REPORT ON TRANSPORTATION PROJECTS – JULY TO SEPTEMBER 2006* (José A. Nuncio)</td>
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<td>This quarterly report summarizes the current status of major highway, transit, arterial, traffic management, and transportation demand management projects in the SANDAG five-year Regional Transportation Improvement Program for the period July 2006 through September 2006.</td>
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<td>8.</td>
<td>CHAIR’S REPORT (8 through 10)</td>
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<td>8.</td>
<td>2007 ANNUAL SANDAG BOARD RETREAT (Anne Steinberger)</td>
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<td>The annual SANDAG Board of Directors retreat is scheduled from January 31, 2007, through February 2, 2007, in the desert community of Borrego Springs. The primary objective of this public meeting is to afford participants the opportunity to discuss strategies for some of the agency’s more important regional policies and programs, and develop ideas for the future direction of the agency. The Executive Committee recommends approval of the 2007 retreat agenda.</td>
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<td>9.</td>
<td>DRAFT 2006 PROGRESS REPORT ON CONSOLIDATION (Garry Bonelli)</td>
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<td>State law requires SANDAG to submit in each even-numbered year a report on the progress of the agency consolidation under Senate Bill 1703 and Assembly Bill 361. The 2006 progress report highlights major accomplishments, summarizes general observations about regional governance, and identifies future challenges. The Board of Directors is asked to review and discuss the Draft 2006 Progress Report on Consolidation. The Board will be asked to approve the final report and may take action either on November 17 or at its December meeting, prior to the December 31, 2006, submittal deadline to the Governor and California Legislature.</td>
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<td>10.</td>
<td>REPORT FROM NOMINATING COMMITTEE ON SLATE OF BOARD OFFICERS FOR 2007 (San Diego Councilmember Jim Madaffer, Nominating Committee Chair)</td>
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In October, Chairman Cafagna appointed a six-person Nominating Committee for Board officers. After consideration of the applications and interviews, the Committee recommends the slate of nominees for SANDAG Chair, First Vice Chair, and Second Vice Chair positions for 2007 in the attached report. In accordance with SANDAG Bylaws, the election of officers is scheduled for the December 15, 2006, Board meeting. Additional nominations from the floor also may be made at the December meeting.

**REPORTS (11 through 14)**

**+11. AMENDMENT TO MASTER MEMORANDUM OF UNDERSTANDING WITH NORTH COUNTY TRANSIT DISTRICT TO PROVIDE ADDITIONAL SUPPORT TO THE SPRINTER RAIL PROJECT** *(Jim Linthicum)*

The Board is asked to approve an addendum to the Master Memorandum of Understanding with the North County Transit District (NCTD) to provide additional staff and consultant support to NCTD for its SPRINTER rail project, in substantially the same form as the draft attached to the report for this item.

**+12. INTRODUCTION OF ORDINANCE CO-06-1 AMENDING ORDINANCE CO-04-01 (SAN DIEGO TRANSPORTATION IMPROVEMENT PROGRAM ORDINANCE AND EXPENDITURE PLAN) REVISING THE EXPENDITURE PLAN TO INCLUDE COMPLETION OF THE SPRINTER PROJECT AND PROPOSED REVISIONS TO TransNet EARLY ACTION PROGRAM** *(Councilmember Joe Kellejian, Transportation Committee Chair; Craig Scott)*

The Board of Directors is asked (1) to review the proposed SPRINTER financial plan, which would require amending the TransNet Extension Ordinance and Expenditure Plan to include the completion of the SPRINTER project, and (2) to conduct the first reading of the amended TransNet Ordinance. The second reading and adoption of the amended TransNet Ordinance will be scheduled for the December Board meeting. The Board also will review proposed revisions to the TransNet Early Action Program for the Environmental Mitigation Program and capital improvements to the Trolley.

**+13. REGIONAL PLANNING COMMITTEE RECOMMENDATION ON THE SDG&E SUNRISE POWERLINK TRANSMISSION PROJECT** *(Councilmember Henry Abarbanel, Energy Working Group Co-Chair; Susan Freedman)*

The Energy Working Group (EWG) has been evaluating the proposed Sunrise Powerlink Transmission Project, a new 150-mile, 500-kilovolt transmission line to connect the Imperial Valley to the San Diego region. Based on the EWG assessment process, the Regional Planning Committee recommends that the SANDAG Board of Directors take no position at this time on the Sunrise Powerlink Transmission Project and direct staff to request additional analyses be prepared to enable SANDAG to make a definitive recommendation on the project in the future.
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<td>+14.</td>
<td>CRIME, ARREST, AND DRUG USE TRENDS IN THE SAN DIEGO REGION (Cynthia Burke)</td>
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As part of the SANDAG Criminal Justice Clearinghouse, regional crime and arrest statistics, as well as statistics related to drug use among the offender population, are tracked on a regular basis. SANDAG has maintained these statistics since the late 1980s and remains the only regional source for up-to-date historical information. Over the past few months, 2005 substance use statistics and crime statistics for the first half of 2006 have been published, and 2005 arrestee statistics will be published in the near future. These data provide timely information for policymakers and practitioners interested in how crime and law enforcement’s response varies over time and across jurisdictions.

15. UPCOMING MEETINGS

The next meeting of the Board of Directors is scheduled for December 15, 2006, at 9 a.m. Please note the December meeting is scheduled for the third Friday of the month to accommodate the holiday schedule.

16. ADJOURNMENT

+ next to an agenda item indicates an attachment
* next to an agenda item indicates a San Diego County Regional Transportation Commission item
BOARD OF DIRECTORS DISCUSSION AND ACTIONS
OCTOBER 13, 2006

First Vice Chair Mary Sessom (Lemon Grove) called the meeting of the SANDAG Board of Directors to order at 9:19 a.m. The attendance sheet for the meeting is attached. First Vice Chair Sessom announced that the next meeting will be quite lengthy and for Board members and Alternates to plan on a meeting that will last until 1 p.m.

1. PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS

Chuck Lungerhausen, a member of the public, asked about transit serving a new stadium location. He wondered if the Chargers will reimburse the taxpayers for the Qualcomm site. He would like to think that San Diego Mayor Sanders and the County Board of Supervisors can get the Qualcomm site to work again.

Don Stillwell, a member of the public, said there is a transit operational problem that needs action. We have a bus route and a trolley that parallel each other through Mission Valley, and the bus leaves Fashion Valley before the trolley gets to that station, requiring a 30-minute wait. The Metropolitan Transit System Comprehensive Operational Analysis (COA) modified bus routes, but it did not correct this deficiency. It is extremely important that the bus-to-trolley connections allow passengers to get to their destinations in a timely fashion.

Jim Schmidt, a member of the public, distributed a Forbes magazine article to the Board entitled, “The 400 Richest People in America,” and an opinion article he wrote, titled “Wal-Mart Supercenter plan is a very real concern.” He stated that four out of the top ten richest people in America are Walton family members, owners of Wal-Mart stores. On a recent trip to his hometown of Kewanee, Illinois, he saw the results of a Wal-Mart in that area on the businesses in the town. Many of them had closed their doors because they couldn’t compete with the Wal-Mart. He said he is in favor of free enterprise, but not when it hurts small businesses and closes stores down.

First Vice Chair Sessom acknowledged and welcomed two new faces around the dais: Councilmember Frank Tierney (Coronado) and Councilmember Don Higginson (Poway).

REPORTS (2 through 4)

First Vice Chair Sessom noted that the order of the agenda reports would be switched, and No. 3 would be heard first.
3. 2007 REGIONAL TRANSPORTATION PLAN PROJECT EVALUATION CRITERIA AND REGIONAL TRANSIT CAPITAL AND REHABILITATION CRITERIA (DISCUSSION/POSSIBLE ACTION)

Mike Hix, Principal Transportation Planner, stated that this is the third policy meeting regarding the 2007 update of the Regional Transportation Plan (RTP). The first meeting reaffirmed the goals of the RTP, and the second meeting discussed the Goods Movement Action Plan. This meeting will discuss the evaluation criteria and regional transit capital and rehabilitation criteria to objectively rank projects. The prioritized list of projects will help determine the allocation of projected funds through 2030 and how to provide additional transportation projects beyond our normal funding level.

As part of the 2030 RTP, MOBILITY 2030, SANDAG adopted a more aggressive funding scenario than the federally required Revenue Constrained Plan. This was called the Reasonably Expected Revenue scenario. He noted that the gap between revenues and costs has grown. The discussion today will focus on potential revenue sources. He introduced staff members Rachel Kennedy and Kim York to assist with this presentation.

Ms. Kennedy, Associate Transportation Planner, stated that there would be three categories for project prioritization in the 2007 RTP: transit service projects, highway projects, and rail grade separation projects. There are also criteria for the regional ranking for transit capital and rehabilitation projects. The project evaluation criteria will be used to rank transportation projects within the individual categories for inclusion in the RTP. She noted that an ad hoc working group known as the Transportation Project Evaluation Criteria Working Group (TPEC) was formed in December 2005, and reviewed the groups represented on TPEC. The criteria modal categories are transit service, highway, freeway connectors, high occupancy vehicle (HOV) connectors, and rail grade separations.

She reviewed the milestones for this process. This process will emphasize the following RTP goals: to strengthen the connection between land use and transportation, create criteria to be used in multiple project categories, eliminate duplicative criteria, and create a standardized 100-point scoring system. She reviewed the critical goal areas and weighting for each category.

Mayor Crystal Crawford (Del Mar) questioned the combining of habitat and residential factors. She said that combining them may lessen the overall importance of the criteria if overall fewer points are allotted to that category. She stated that this issue was raised by members of the Regional Planning Stakeholders Working Group (SWG) and asked how staff had responded to the comments of the SWG. Ms. Kennedy responded that staff modified the point system so that points are individually allotted for habitat and residential impacts.

Mayor Art Madrid (La Mesa) expressed concern with the points given in the rail grade separation criteria to “Benefits to Emergency Services.” He recommended a higher weighting for this criterion. The City of La Mesa has five at-grade trolley crossings that can create huge traffic backups. He asked what kind of data was reviewed to arrive at the recommended weighting. Mr. Hix replied that a study was done by a separate committee about a year ago. He didn’t have a direct answer about the methodology used to arrive at the recommended weighting of the Benefits to Emergency Services criterion.
Mayor Madrid said that ensuring that we have the least amount of delay at at-grade rail crossings should be recognized as a positive benefit for our communities.

Councilmember Madaffer (City of San Diego) asked what constitutes a high crash rate area and whether it is attributable to roadway condition or to driver behavior and lack of enforcement. Ms. Kennedy answered that this criterion is based on data from the state on accidents. Points are only given for highways that have a higher than normal accident rate. Gary Gallegos, Executive Director, noted that we rely on data that is provided by the California Highway Patrol (CHP) and Caltrans; however, we could go back and add some additional definition.

Supervisor Bill Horn (County of San Diego) commented that there has been a significant increase in the number of deaths from car accidents on Highway 76 since casinos were opened along that area. He supported including the criterion that recognizes highway safety needs.

Pedro Orso-Delgado, Caltrans District 11 Director, stated that they have data on the severity and the types of car accidents, and they will provide that information.

Councilmember Madaffer stated that the accident rate may be due to driver behavior rather than the design of the road facility, and that driver behavior should not be taken into consideration when evaluating highway project needs.

Councilmember Joe Kellejian (Solana Beach) commented that there is a grade separation at Lomas Santa Fe Avenue so that emergency services can get to the 2,400 Solana Beach residents who live west of the Solana Beach train station. He supported including the rail grade separation criterion for the Benefit to Emergency Services and recommended that staff consider whether it should be weighted higher. Mr. Gallegos noted that Item 8 on page 23 of the staff report discusses how points would be assigned for this criterion.

Councilmember Kellejian expressed concern about the wait time. Mr. Gallegos asked if he was advocating a higher number of points for that criterion. Councilmember Kellejian said that 3 percent is not enough for the Benefit to Emergency Services criterion.

Mr. Gallegos said that if you increase the points for one criterion, you'll need to subtract points from another to keep the total at 100 points.

Councilmember Kellejian pointed out that the problem is that the situation may be different in various jurisdictions.

Mayor Madrid agreed that this issue will differ with each community. La Mesa has five major at-grade rail crossings in the heart of the city. Emergency vehicles can preempt the traffic signal, but if there's a problem with trolley operations and the trains block the street crossings, then that can block access to emergency vehicles. The criterion weight should consider the impact on each jurisdiction and what is fair to everyone.

Councilmember Madaffer suggested that staff review the Funding Requests criterion listed on page 32 and consider giving it less than a 15 percent weight in order to increase the weight of the Benefit to Emergency Services criterion.
Mayor Crawford asked for more information about the high accident rate factor. She wondered if it is based on statewide crash rates for a similar facility. Mr. Orso-Delgado responded that we use the data from the state for similar facilities.

Mayor Crawford said that if we are trying to award money for infrastructure we should give more points to projects that correct potential design deficiencies rather than driver behavior. Mr. Orso-Delgado said that the data indicate whether traffic accidents are related to driver error or weather conditions and compares the accidents to ones that occur on a similar facility in other areas.

Mayor Crawford said that we should ensure that funding is provided for needed capital facilities and not to change driver behavior.

Mayor Crawford thought that perhaps there should be more discussion on how to divvy up the percentages among the various criteria. She wasn’t sure how to consider the unique conditions in each jurisdiction, and suggested that we look at where certain criteria overlap.

Harry Mathis, Chairman, Metropolitan Transit System (MTS), said that it seemed to him that certain grade separation considerations should be factored into the design of the project. It is desirable to have a point system to evaluate the relative ranking among individual projects.

Mr. Gallegos explained that there currently is a backlog of rail grade separation projects. These criteria would help guide the investments and deal with that backlog.

Mayor Christy Guerin (Encinitas) commented that what worries her is the extreme competition for the rail grade separation money. She noted that when the SPRINTER begins service, the four jurisdictions along the SPRINTER line also will be requesting grade separations. She said that we have to have criteria to prioritize grade separation projects today and stick to those criteria.

Councilmember Jerome Stocks, Chairman, North County Transit District (NCTD), agreed with Mayor Guerin on the grade separation criteria. He also agreed that emergency services should have a higher weight than whether bus services are affected. He also stated that Noise Reduction is an appropriate criterion, and that its weighting should not be reduced. He asked for more information on the Funding Request criterion.

Councilmember Jerry Rindone (Chula Vista) noted that there are 57 stations in the MTS system, and most are not grade separated. Over the years, MTS has developed criteria for grade separations. One of the mechanisms has been the amount of delay when the crossing gates are down, causing backups into the communities. He asked staff to look at the MTS rail grade separation criteria as a source document.

Councilmember Kellejian agreed that wait time is one of the reasons to develop criteria that will be a standard for projects in the region. He noted that page 23 indicates the number of ADTs (average daily traffic counts) and the delay factor. All of that is in the criteria. The Funding Request criterion gives more points to projects that have local funding support. If a jurisdiction contributes money to a project, it leverages the federal and state money.

Councilmember Stocks pointed out that at every traffic intersection, a certain amount of delay is caused by traffic signals.
Bob Leiter, Director of Land Use and Transportation Planning, explained that the working group that developed these criteria included staff members from various jurisdictions. We could bring in a couple of the working group staff members to discuss the thought process in developing these criteria.

Councilmember Stocks suggested that the Funding Request table be indexed to inflation or construction costs.

Vice Mayor Morrison (National City) stated that we need to have criteria to be able to distinguish between projects. National City has three freeways and several rail modes operating though it. The recommended rail grade separation criteria are a good start. He noted that there is not a large pot of money for these kinds of projects.

Supervisor Horn suggested that local jurisdictions put emergency services on both sides of the tracks.

With regard to the highway corridor criteria for goods movement, Mr. Orso-Delgado asked whether HOV and Managed Lane facilities received points for serving goods movement. Mr. Hix said that SANDAG hasn’t yet done the studies to see if we can use the Managed Lanes system for trucks. It might be premature to award points for goods movement for Managed Lanes projects.

Councilmember Judy Ritter (Vista) stated that Vista has two east-west corridors and a local sales tax measure on the ballot. She noted that Vista is not meeting its standard response time for providing emergency services. She thought more weight should be given for the Benefit to Emergency Services criterion.

Councilmember Rindone said that Chula Vista has intersections where there is gridlock for 1½ to 2 hours a day. Those are candidate projects that will rise to the top of the regional rail grade separation list.

Councilmember McCoy (Imperial Beach) commented that this process is reviewed with every RTP update. She was comfortable with what was being presented but wanted reassurance that the criteria can be readdressed. Mr. Gallegos replied that these are the Board’s criteria, and the Board can decide to change them at any time. Mr. Hix added that those decisions can be made when the Board goes to allocate the funds through the Regional Transportation Improvement Program.

Mr. Leiter agreed that indexing the Funding Request criterion would make sense.

First Vice Chair Sessom reiterated the direction to staff, as part of the motion, to index the Funding Request table on page 32 of the agenda report and to define what constitutes a high crash rate.

**Action:** Upon a motion by Supervisor Horn and a second by Councilmember McCoy, the SANDAG Board approved the 2007 Regional Transportation Plan Project Evaluation Criteria and Regional Transit Capital and Rehabilitation Criteria, including direction to staff to index the Funding Request table on page 32 of the agenda report and to add an explanation of the High Crash Rate criterion. Yes – 15 (weighted vote, 97%). No – 1 (Vista) (weighted vote, 3%). Abstain – 0 (0%). Absent – Carlsbad, Oceanside, and Santee.
2. REVENUE SOURCES FOR THE 2007 REGIONAL TRANSPORTATION PLAN (DISCUSSION)

Susan Brown, Manager of Financial Programming and Project Control, provided an overview of the MOBILITY 2030 development and revenue assumptions, changes that have occurred since MOBILITY 2030 was developed, and potential funding sources for the 2007 RTP. There are three funding scenarios in MOBILITY 2030, including the Revenue Constrained Plan ($30 billion), the Reasonably Expected Revenue scenario ($42 billion), and the Unconstrained Revenue scenario ($67 billion). She explained the federal, state, private, and local funding sources available in the Revenue Constrained Plan. The funding sources in the Reasonably Expected Revenue scenario include the TransNet Extension, gas tax increases or equivalent revenue sources, additional Federal Transit Administration (FTA) New Starts funding, a Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) step increase, and federal demonstration project funds.

Ms. Brown reviewed the funding changes that have occurred since MOBILITY 2030 was approved: state revenues fell below the Revenue Constrained Plan levels, there have been unanticipated cost increases, and as a result, additional new revenues are needed to close the projected funding gap between the Revenue Constrained Plan and Reasonably Expected Revenue scenario. Since our community has shown a propensity to support additional tolling facilities and local sales taxes, the federal government will allow us to include these revenue sources in the Revenue Constrained Plan; however, if these funding sources do not materialize prior to the next RTP update, individual transportation projects will need to be deleted from the next RTP.

Ms. Brown said that this information was presented to the SWG and the Cities/County Transportation Advisory Committee (CTAC) for review and comments. That input helped us to develop Attachment 2, Summary Table of Additional Revenues for the 2007 Regional Transportation Plan.

Ms. Brown stated that the new funding sources were categorized into four types: tolling and other user fee mechanisms, additional sales tax measures, local mechanisms for regional projects, and miscellaneous sources. She reviewed potential funding in each of the four categories. She also presented a qualitative and quantitative analysis of the potential funding sources.

Mr. Hix said that what we would like to do next is to get input from the Board on the types of revenue sources to include in the 2007 RTP.

Councilmember Kellejian asked what percentage sales tax increase was assumed. Ms. Brown responded that the low end of the range assumes a ½-cent increase, and the high end of the range assumes a 1-cent increase.

Mayor Madrid asked about whether funding from the Service Authority for Freeway Emergencies (SAFE) program was evaluated. Ms. Brown said that we already receive $500,000 a year from SAFE for the Freeway Service Patrol program. Mayor Madrid thought that we should ask for more funding, because SAFE has a large reserve fund.

First Vice Chair Sessom noted that there was one request to speak on this item.
David Krogh, a resident of Chula Vista, stated that we are a region with a cumulative transportation infrastructure deficit. He stated that new growth may not be paying for itself. We have a regional plan that talks about transportation financing. He thought a white paper should be added that analyzes the marginal costs of the transportation infrastructure need to support the 300,000 new residences in the region by 2030. He encouraged SANDAG to move forward on transportation financing and on instituting a regional transportation impact fee.

Supervisor Horn asked if the state has paid back all the Proposition 42 money that it had borrowed. Ms. Brown replied that a substantial portion of the funds has been paid back, but that some Proposition 42 loans are still outstanding.

Garry Bonelli, Communications Director, facilitated an interactive session to provide general preferences on the various proposed funding sources for the 2007 RTP.

**Question 1: Should the region assume additional revenue sources in the 2007 Revenue Constrained Plan?** The result was 47 percent yes and 53 percent no.

Mr. Bonelli asked why someone would indicate a “no” preference for this item.

Councilmember Kellejian said that we don’t want to assume funding sources in the Revenue Constrained Plan that may not materialize.

Councilmember Stocks said that he wouldn’t want to count his chickens before they hatched.

Mr. Bonelli summarized that the Revenue Constrained Plan should only include those revenues we know will be received.

Mayor Crawford said that one reason to be conservative on this is that costs continue to increase. There are too many variables. If we are conservative and end up having the money that we need, then that’s a good thing. If we don’t have enough money, we don’t get to do the things that we need to do, and people end up very unhappy.

Mayor Madrid asked about the latest poll results for the November infrastructure ballot measures. Mr. Gallegos stated that there are different polls being conducted, and the most optimistic poll indicates an approval rating of 48 percent “yes” to 52 percent “no” for the transportation infrastructure bond measure (Proposition 1B).

**Question 2: The Reasonably Expected Revenue Scenario for the 2007 RTP should include more than the two toll-financed facilities included in MOBILITY 2030.** The result was that 40 percent strongly agreed, 30 percent somewhat agreed, 5 percent somewhat disagreed, and 25 percent strongly disagreed with this statement.

Mr. Gallegos provided some examples of where this might work. State Route 11 (SR 11) to the new border crossing at East Otay Mesa, expanding Interstate 5 (I-5) north of Oceanside, and expanding I-15 north of Escondido to the county line are three examples of big investments, which are not yet funded.

Mr. Bonelli asked Supervisor Horn about why someone would support more toll roads in the region. Supervisor Horn proposed a third freeway behind Poway, and stated that it should be a toll road.
Councilmember Stocks commented that even the federal government is warming to the idea and understanding that alternatives are needed for the gas tax and the Highway Trust Fund. Costs have escalated, and the federal government has recognized that in order to complete projects and meaningfully improve traffic congestion, some sort of toll funding is needed in the future.

Councilmember Kellejian said he was reading in the report that the federal government has stated that we could include toll-funded projects in our Revenue Constrained Plan. They have never done that before. As long as the funds become a reality, there shouldn’t be a problem. However, if the funds do not become a reality, then you have to take it back out of the next RTP update. Ms. Brown added that that is the difference between the Revenue Constrained Plan and the Reasonably Expected Revenue scenario.

The Board just indicated that it did not support including potential toll-funded projects in the Revenue Constrained Plan, but including them in the Reasonably Expected Revenue scenario is appropriate. Mr. Hix added that it is your vision of where you want to go and what you think can be achieved.

Councilmember Madaffer supported the issue of using tolls to finance goods movement infrastructure, such as the third border crossing and SR 11. Those are areas where we have opportunities to use toll revenue to provide facilities that are not a burden on existing users and that are paid for by users of the new facilities. It’s a smart way to look at things.

**Question 3:** The Reasonably Expected Revenue Scenario should include revenues from goods movement user fees. The result was that 65 percent strongly agreed, 20 percent somewhat agreed, 5 percent somewhat disagreed, and 10 percent strongly disagreed.

Councilmember Kellejian asked if there are other areas in California that charge fees for goods movement facilities. Ms. Brown answered that many areas are considering such projects, but that she wasn’t aware of any new highway facilities charging a specific goods movement fee. Mr. Hix said the whole state is going in that direction, but there aren’t any dedicated truck lanes now.

Mayor Crawford stated that Texas has the border crossings that are funded by tolls. Mr. Orso-Delgado added that, in Texas, it is the bridges that are funded by tolls, but they also are working on the Trans-Texas Corridor, which includes dedicated toll facilities specifically for goods movement.

Mr. Mathis said that goods movement fees are a tariff that will be ultimately passed on to the consumer.

Mayor Crawford said that it might actually reduce costs to the consumer if travel timesavings can be provided. She noted that travelers already incur costs resulting from lengthy delays at the border. We have the data from the economic analysis that looks at the loss and the cost to our economy from the lengthy border delays.

Mr. Mathis expressed support for goods movement fees if the revenues could be applied to particular projects and not just included in the overall mix of transportation revenue sources.
Mr. Orso-Delgado re-emphasized Mayor Crawford’s point. One of the ideas of charging at the border is to use those revenues to provide a premium service that could be an alternative to the existing free crossing. Goods movement logistic experts will probably see that as a benefit and there could be overall time and cost savings to the region.

Mr. Mathis said that as long as the tolls are used to pay for the cost of the related facility and service, then it’s a good idea.

Councilmember Stocks asked if it is reasonable for the Reasonably Expected Revenue scenario to include revenues that do not currently exist. He asked if it is reasonable to add that number to this plan.

Mayor Crawford said that the border economic study indicated support from the logistics industry for premium border crossing facilities. If we had such a facility in place, the industry would be willing to pay. She said that staff could provide more information on this particular subject.

Mr. Bonelli summarized the polling results and indicated that staff would further explore this possibility.

Supervisor Horn agreed that staff should look at this, especially if the funds were dedicated for a specific purpose rather than for general revenue purposes.

Question 4: The Reasonably Expected Revenue Scenario should include revenues from parking fees at transit facilities. The result was that 26 percent strongly agreed, 16 percent somewhat agreed, 11 percent somewhat disagreed, 42 percent strongly disagreed, and 5 percent had no opinion.

Supervisor Horn asked for an example of how parking fees would be charged at transit facilities. Ms. Brown said a fee of $2 to $4 was assumed. Mr. Gallegos added that the fee level also could be varied based on the time of day.

Councilmember Kellejian pointed out that there is a parking structure at the train station in San Juan Capistrano, and the fee charged is in about that same range.

Mr. Bonelli asked Councilmember Higginson why someone would strongly disagree with this. Councilmember Higginson replied that for folks that use transit this is an additional financial burden.

Mr. Mathis said there is a rather high administrative cost associated with collecting fees, so you’d need to set the fee at a certain point to offset the cost of collection. When you are dealing with choice riders, charging a parking fee may make them decide to stay in their cars.

Mayor Crawford said that when this item was discussed at SWG, there was a division. There were several people concerned about the potential negative effects on transit ridership and the additional cost burden to groups, like seniors, who use transit. Certain SWG members felt that if we start charging for parking at transit stations, it might affect access to transit. Other SWG members were in favor of this and thought it would encourage carpooling to transit stations and would reduce the subsidies that the general public is paying to provide parking at transit stations.
Councilmember Kellejian said that another issue to consider is when you have intercity rail like Amtrak; there are long-term parkers. An Amtrak rider is different than a COASTER rider, who usually is a daily commuter.

Councilmember Madaffer said he voted to support this, and he understands the cost to collect a fee, but in this day and age there's modernized technology like smart cards and transponders that can minimize the cost of fee collection. The cost to build parking structures is astronomical. He agreed that we don’t want to create a disincentive to using transit, but there has to be a happy medium that we have to look at. What this vote really says is that it depends on the circumstances. This is a policy call that will have to be looked at on an individual basis. What might make sense at the Solana Beach train station (with COASTER and Amtrak passengers) may not make sense at the Grantville Trolley Station. The parking lot at the Grantville Trolley Station is packed every day because smart students have figured out that they can park for free at the trolley station and they don’t have to pay San Diego State University (SDSU) parking fees. SDSU students can easily use all of those parking spaces at that trolley station, so perhaps we need to charge a fee there.

Councilmember Ritter said that not being able to find a parking spot also can be a disincentive to ride the COASTER.

Mayor Guerin thought that perhaps having a parking sticker for transit users at COASTER stations could help monitor who is using that parking lot.

Mr. Bonelli summarized that staff should look at a range of options related to this topic.

**Question 5:** The Reasonably Expected Revenue Scenario should include local government revenues from rental car taxes to fund regional transportation facilities. **The result was 47 percent strongly agreed, 18 percent somewhat agreed, 6 percent somewhat disagreed, 24 percent strongly disagreed, and 6 percent had no opinion.**

Mr. Bonelli asked Vice Mayor Morrison why someone would disagree with this. Vice Mayor Morrison said someone may disagree because a rental car tax may be “anti-tourism;” rental car users have a certain demand on transportation facilities and should be paying part of their costs.

**Question 6:** Rank your support for the following local mechanisms to fund regional transportation facilities: a. Development Impact Fees, b. Tax Increment Financing, c. Benefit Assessment Districts, d. Parking Assessment Districts, and e. Real Estate Transfer Taxes. **The result was in the following order with the weighted averages shown in parentheses: Parking Assessment Districts (8.06), Tax Increment Financing (8.00), Benefit Assessment Districts (7.88), Development Impact Fees (6.94), and Real Estate Transfer Taxes (6.44).**

**Question 7:** Given the results of the previous question, the region should assume funding for regional transportation facilities from Parking Assessment Districts. **The result was 46 percent yes and 54 percent no.**

Mr. Hix stated that he was confused by these results. The number one ranked local mechanism from the previous question was not supported by the majority of respondents.
Mr. Gallegos stated that staff will review the priorities from the previous questions and determine how to make them work.

**Question 8:** The region should assume additional revenues through increased or indexed gas taxes. The result was 19 percent strongly agreed, 31 percent somewhat agreed, 13 percent somewhat disagreed, 31 percent strongly disagreed, and 6 percent had no opinion.

**Question 9:** The region should pursue additional mechanisms to increase transportation demand management (TDM) contributions. The result was 65 percent strongly agreed and 35 percent somewhat agreed.

**Question 10:** The region should assume additional revenues from joint development agreements. The result was 44 percent strongly agreed, 38 percent somewhat agreed, 13 percent strongly disagreed, and 6 percent had no opinion.

**Question 11:** The region should assume additional revenues for transportation-related air quality improvement projects and programs by increasing the vehicle license fee from the existing $2 level. The result was 18 percent - No-remain at $2; 12 percent - Yes-increase to $3; 29 percent - Yes-Increase to $4; 18 percent - Yes-increase to $5; and 24 percent - Yes-increase to $6.

Mr. Bonelli summarized and gave direction to staff to work with the San Diego County Board of Supervisors sitting as the Air Pollution Control Board on this matter.

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

4. **REPORT ON PROCESS FOR ADDRESSING IMPACTS OF MAJOR PROJECTS AND PLANS ON THE REGIONAL TRANSPORTATION SYSTEM (DISCUSSION)**

Rob Rundle, Principal Planner, reviewed existing SANDAG policy that supports the idea of reviewing major development projects and plans in relation to impacts on the regional transportation system. The Board’s direction lies within existing SANDAG plans and policies including the RTP, Regional Comprehensive Plan (RCP), and the Congestion Management Program (CMP). He said that the purpose of the CMP is to monitor transportation system performance, integrate transportation and land use planning, and develop short-range programs to better manage congestion. In addition to the SANDAG plans and policies, Caltrans is directed to work with local jurisdictions throughout their land use planning and decision-making processes consistent with the requirements of the California Environmental Quality Act (CEQA). Caltrans seeks to reduce vehicle trips associated with proposed new local development and recommends appropriate mitigation measures for dealing with the remaining transportation impacts of such development. SANDAG and Caltrans work together to evaluate proposed projects, and provide coordinated comments to local jurisdictions and agencies regarding their projects.

Mr. Rundle said that the first step in the CMP Enhanced CEQA Review process is to determine whether a proposed project requires review. He reviewed the guidelines for proposed new developments and provided examples of large development projects that meet the minimum CMP definition. He added that the guidelines apply to community plan and specific plans if those plans affect existing CMP-deficient roadway segments or the feasibility of completing
transit and rail improvements identified in the RTP. Mr. Rundle said that SANDAG is currently working on three projects and providing comments: Airport Authority Master Plan to 2015, the Centre City Development Corporation (CCDC) Downtown Community Plan update, and the Jamul Indian Casino Environmental Impact Statement (EIS) for potential impacts to rural SR 94.

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

5. **UPCOMING MEETINGS**

The next Business meeting of the Board of Directors is scheduled for Friday, October 27, 2006, at 9 a.m. First Vice Chair Sessom announced that this next meeting will most likely last until 1 p.m.

12. **ADJOURNMENT**

The meeting was adjourned at 11:49 a.m.

DGunn/M/DGU
## ATTENDANCE
### SANDAG BOARD OF DIRECTORS’ MEETING
### OCTOBER 13, 2006

<table>
<thead>
<tr>
<th>JURISDICTION/ ORGANIZATION</th>
<th>NAME</th>
<th>ATTENDING</th>
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<tr>
<td>City of Carlsbad</td>
<td>Matt Hall (Member)</td>
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<tr>
<td>City of Chula Vista</td>
<td>Jerry Rindone (Alternate)</td>
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<td>City of Coronado</td>
<td>Frank Tierney (Alternate)</td>
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<td>City of Del Mar</td>
<td>Crystal Crawford (Member)</td>
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<td>City of El Cajon</td>
<td>Mark Lewis (Member)</td>
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<td>City of Encinitas</td>
<td>Christy Guerin (Member)</td>
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<td>City of Escondido</td>
<td>Lori Holt Pfeiler (Member)</td>
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<td>City of Imperial Beach</td>
<td>Patricia McCoy (Member)</td>
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<td>City of La Mesa</td>
<td>Art Madrid (Member)</td>
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<td>City of Lemon Grove</td>
<td>Mary Sessom, Vice Chair (Member)</td>
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<td>City of National City</td>
<td>Ron Morrison (Member)</td>
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<td>City of Oceanside</td>
<td>Shari Mackin (Member)</td>
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<td>City of Poway</td>
<td>Don Higginson (1st Alternate)</td>
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<td>City of San Diego - A</td>
<td>Jerry Sanders (Member A)</td>
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<td>City of San Diego - B</td>
<td>Jim Madaffer (Member B)</td>
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<td>City of San Marcos</td>
<td>Pia Harris-Ebert (Member)</td>
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<td>City of Santee</td>
<td>Jack Dale (Member)</td>
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<td>City of Solana Beach</td>
<td>Joe Kellejian (Member)</td>
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<td>City of Vista</td>
<td>Judy Ritter (Member)</td>
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<td>County of San Diego</td>
<td>Bill Horn (Member)</td>
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<td>Caltrans</td>
<td>Pedro Orso-Delgado (Alternate)</td>
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<td>MTS</td>
<td>Harry Mathis (Member)</td>
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<td>NCTD</td>
<td>Jerome Stocks (Member)</td>
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<td>Imperial County</td>
<td>Victor Carrillo (Member)</td>
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<td>US Dept. of Defense</td>
<td>CAPT Michael Giorgione (Member)</td>
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<td>SD Unified Port District</td>
<td>Vacant</td>
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<td>SD County Water Authority</td>
<td>Marilyn Dailey (Member)</td>
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<tr>
<td>Baja California/Mexico</td>
<td>Luis Cabrera Cuaron (Member)</td>
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BOARD OF DIRECTORS DISCUSSION AND ACTIONS  
OCTOBER 27, 2006

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 MINUTES

   **Action:** Upon a motion by Councilmember Jerome Stocks (Encinitas) and a second by Vice Mayor Ron Morrison (National City), the SANDAG Board of Directors approved the following sets of minutes: September 8, 2006, Policy Board; September 8, 2006, Special Board; and September 22, 2006, Business Board meetings. Councilmember Patricia McCoy (Imperial Beach) and Councilmember Joe Kellejian (Solana Beach) abstained from the vote.

2.  PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS

   Rosalie Zarate, National City Councilmember, stated that for many years the City has operated its own bus system with the support of Transportation Development Act (TDA) funds. National City’s bus system is the most efficient in the state. The City Council wants to provide a superior level of transit service to its citizens. An issue has arisen in the City Council’s view that will jeopardize this bus system. The Metropolitan Transit System (MTS) has been contemplating elimination of TDA funding for National City and bringing the city’s bus operations under the MTS umbrella. The MTS Board had taken unilateral actions to end TDA funding to National City. This action was taken without the matter being placed on an MTS open session agenda for discussion by interested parties and members of the public. National City is pursuing remedies to have this action rescinded and have this agendized on an MTS open session. She said that regional partners should not be treated this way. She suggested that SANDAG consider placing control of all transit systems in San Diego County under its purview. Only then will local communities be able to determine their own destinies to provide transit service to their citizens. She requested that this suggestion be placed on a future SANDAG Board meeting agenda.

   Councilmember Jerry Rindone (Chula Vista) agreed that MTS should provide a response to Councilmember Zarate. He knows that MTS has had informal discussions with the City of National City, and a report could come to SANDAG providing information about the issues discussed. MTS is trying to eliminate inefficiencies and save money. He didn’t have the specific numbers with him today related to this action, but he explained that MTS felt transit service to National City would be improved with the consolidation of funding and service provisions. He will take these comments back to Paul Jablonski, MTS Chief Executive Officer.
Mayor Art Madrid (La Mesa) stated that La Mesa has had issues with MTS, and it has taken a year and a half to address those issues. He agreed that providing public transit is supposed to be a collaborative effort.

Mayor Pro Tem Matt Hall (Carlsbad) asked if Councilmember Rindone was requesting that this item be placed on a future SANDAG meeting agenda. Councilmember Rindone replied negatively and suggested that this matter be placed on an MTS Board meeting agenda.

Mayor Pro Tem Hall said that he would like to see the backup documentation that the MTS Board considered when taking its action on this matter.

Vice Mayor Morrison added that there had been some informal discussions between MTS and National City, but they were abruptly cut off by MTS and then a unilateral action was taken. He said that National City Transit is the most efficient transit agency in California. It has the highest farebox recovery rate in the state, with more than a 60 percent farebox recovery rate. The MTS action to consolidate TDA funding was not related to inefficiencies at National City Transit.

Don Stillwell, a member of the public, said that large sums of money have been invested in highway and trolley improvements, and suggested that it’s time to focus on the bus portion of the transit system. He has spent the last 16 months trying to inform MTS and SANDAG about the lack of timing connections between buses and the Green Line Trolley in Mission Valley; however, no action has been taken to correct this situation. He thought it was time to provide good bus service for bus users.

Clive Richard, a member of the public, said that he will support Propositions 1A through 1E on the November 7 ballot, as he believes we should move forward with correcting the infrastructure deficit in this region. He also will be supporting Proposition A related to the advisory vote on a location for a new international airport.

Thell Fowler, representing the Highway 94 Club in East County, brought up an issue of upgrading State Route (SR) 94 to reduce the number of traffic accidents and deaths on this highway. He noted that SANDAG staff gave a presentation to the Highway 94 Club about planned improvements to SR 94, but said that we can’t wait 20 years for those improvements to happen. He also thought that more law enforcement was needed in this area.

Chair Cafagna recognized Captain Steve Wirshing (Department of Defense) as a new attendee at the meeting.

Councilmember Joe Kellejian (Solana Beach) requested that a report providing an update on planned improvements to SR 94 be placed on a future Transportation Committee meeting agenda. He asked that Caltrans be involved in providing this report. We also should notify Mr. Fowler when this item is scheduled.
Pedro Orso-Delgado, Caltrans District 11 Director, agreed to provide input on an SR 94 report. He acknowledged that there are some strategic locations on Highway 94 where they need to implement some operational improvements.

3. ACTIONS FROM POLICY ADVISORY COMMITTEES (APPROVE)

This item summarizes the actions taken at the Transportation and Regional Planning Committee meetings on October 6, the Executive Committee meeting on October 13, and the Transportation and Public Safety Committee meetings on October 20, 2006.

Action: Upon a motion by Councilmember Kellejian and a second by Councilmember Phil Monroe (Coronado), the SANDAG Board approved Agenda Item No. 3, Actions from Policy Advisory Committees. Yes – 15 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (0%). Absent – Oceanside, San Marcos, Santee, and Vista.

Julie Wiley, General Counsel, cautioned that Board/Committee members are not allowed to push the voting buttons for other members or to ask other members to vote for them.

CONSENT ITEMS (4 through 11)

4. 2006 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM: QUARTERLY AMENDMENT NO. 1 (APPROVE)

At its August 4, 2006, meeting, the Board of Directors adopted the 2006 Regional Transportation Improvement Program (RTIP), the five-year program of major transportation projects in the San Diego region covering the period from FY 2007 to FY 2011. The Federal Highway Administration and Federal Transit Administration approved the 2006 RTIP in October. SANDAG processes amendments to the RTIP on a quarterly basis based on requests from member agencies. At its October 20, 2006, meeting, the Transportation Committee recommended that the Board adopt Resolution No. 2007-11, approving Amendment No. 1 to the 2006 RTIP.

5. ADDITIONS TO SMART GROWTH CONCEPT MAP (APPROVE)

On June 23, 2006, the Board of Directors accepted the draft Smart Growth Concept Map for planning purposes for use in the 2007 Regional Transportation Plan (RTP). Based on the most recent iteration of the Otay Mesa Community Plan update, the City of San Diego has requested the addition of two potential smart growth areas to the draft Smart Growth Concept Map: (1) a Potential Urban Center in the core of the Otay Mesa community; and (2) a Potential Special Use Center for a Southwestern College Satellite Campus. A letter from the City requesting these additions was attached to the agenda report. The Regional Planning Committee recommends that the Board of Directors approve the addition of these two areas to the Concept Map.
6. **ANNUAL MEETING CALENDAR (APPROVE)**

The Board of Directors is asked to approve the meeting calendar for the Board and the Policy Advisory Committees for the upcoming year.

7. **CALIFORNIA REGIONAL BLUEPRINT PLANNING PROGRAM GRANT RENEWAL APPLICATION (APPROVE)**

The California Business, Transportation, and Housing Agency is awarding $4 million in California Regional Blueprint Grant Program funding during FY 2007 to current Metropolitan Planning Organization grantees to complete or enhance the implementation of regional comprehensive plans in the state. The grants are administered by Caltrans with assistance by the Department of Housing and Community Development. The Board of Directors is asked to approve Resolution No. 2007-09, authorizing the submittal of SANDAG’s grant renewal application for funding from the program to implement various strategic initiatives from the Regional Comprehensive Plan (RCP).

8. **REGIONAL COMPREHENSIVE PLAN: BASELINE REPORT FOR PERFORMANCE MONITORING (ACCEPT)**

The Performance Monitoring Chapter of the Regional Comprehensive Plan (RCP) identifies a set of performance indicators to monitor the region’s progress toward achieving the goals and objectives of the RCP. The report establishes the baseline for performance monitoring for the RCP, and the Board of Directors is asked to accept this report as a baseline.

9. **STATE TRANSIT ASSISTANCE CLAIM AMENDMENT (APPROVE)**

At its June 23, 2006, meeting, the SANDAG Board of Directors approved the regional allocation for the FY 2007 State Transit Assistance (STA) program, which provides operating and capital support to transit operators. Following the June 2006 action, the State Controller issued a revised estimate for the FY 2007 STA program, and the North County Transit District (NCTD) has now requested an amendment to its STA claim to access these additional revenues. The Board of Directors is asked to adopt Resolution No. 2007-10, approving the STA claim amendment for NCTD.

10. **REPORT SUMMARIZING DELEGATED ACTIONS TAKEN BY EXECUTIVE DIRECTOR (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 August 2006.

11. **CALIFORNIA BIODIVERSITY COUNCIL QUARTERLY MEETING (INFORMATION)**

On September 27-28, 2006, the California Biodiversity Council (CBC) held its quarterly meeting in Coronado to discuss “Biodiversity Along the Border – Working Together in a
Binational Watershed.” A summary of the CBC meeting and outcome was provided in this item.

**Action:** Upon a motion by Councilmember Patricia McCoy and second by Mayor Crystal Crawford (Del Mar), the SANDAG Board voted to approve Consent Item Nos. 4 through 11, including Resolution Nos. 2006-09, 2006-10, and 2006-11. Yes - 14. No - 0. Abstain - 0. Absent – La Mesa, Oceanside, San Marcos, Santee, and Vista.

### CHAIR’S REPORTS (12)

#### 12. FIRST ANNUAL REPORT FROM THE TransNet INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE (INFORMATION)

Chair Cafagna stated that one outcome of the successful 2004 TransNet measure was the establishment of an Independent Taxpayer Oversight Committee (ITOC). This seven-member committee has been meeting since May 2005 to ensure that the voter-approved TransNet measure mandates are carried out. ITOC members also will recommend improvements and enhancements to the financial integrity and performance of the TransNet program. He introduced ITOC Chair, Maryam Babaki, and thanked her and her fellow ITOC members for their commitment to this program.

Ms. Babaki reported that ITOC provides independent oversight of TransNet expenditures made by SANDAG, Caltrans, transit operators, cities, and the County of San Diego. As mandated by the TransNet Extension Ordinance and Expenditure Plan, ITOC was created to provide an increased level of accountability for the expenditure of TransNet revenues. ITOC began meeting in May 2005 and has had 16 meetings through June 2006. She said that the individuals on ITOC are from a variety of professional fields. They volunteer their time and collectively offer SANDAG the benefit of their experience in order to advance the timely and efficient implementation of TransNet projects. She reviewed the experience and expertise of each ITOC member. Ms. Babaki reviewed the ITOC roles and responsibilities, FY 2006 accomplishments, and planned FY 2006 activities. She thanked SANDAG staff and the Executive Director. She noted that ITOC does not have a budget or staff and instead relies heavily on SANDAG staff to provide the information they need. She complimented staff for being objective, professional, and very competent.

Ms. Wiley notified Board members that the SANDAG Web site at [www.sandag.org/legal](http://www.sandag.org/legal) includes a lot of information, including both TransNet ordinances as well as SANDAG Board Policies and Bylaws, and Senate Bill (SB)1703.

Councilmember Monroe expressed surprise that ITOC was involved in developing the criteria related to the TransNet guidelines for local streets and roads, rather than only providing oversight. Ms. Babaki responded that ITOC worked with SANDAG staff to develop those guidelines.
Craig Scott, TransNet Program Manager, said that staff used ITOC and the Cities/County Transportation Advisory Committee (CTAC) to put together the proposals for these guidelines, but the SANDAG Board had final approval over the guidelines. ITOC is an advisory committee, but it was instrumental in helping to develop the guidelines.

Jack Boda, Director of Mobility Management and Project Implementation, said that we value public participation and solicited the input of the public as well as ITOC.

Councilmember Jerome Stocks (Encinitas) said that he had the opportunity to go before ITOC on behalf of NCTD, and ITOC members asked very probing and intelligent questions and accepted information. He wanted to reassure the Board and the public that we do have an oversight committee that is working hard on the public’s behalf. Mayor Madrid congratulated ITOC for its role in development of the TransNet Dashboard. He said that this is one of the best tools we have had to monitor transportation project delivery.

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

**REPORTS (13 through 16)**

13. PROGRESS IN REGIONAL PUBLIC SAFETY-RELATED ACTIVITIES

A. IMPROVING INTEROPERABILITY AND COMMUNICATIONS IN THE SAN DIEGO REGION: IMPLEMENTING A FRAMEWORK FOR COORDINATION AND ACTION PLAN (APPROVE)

Councilmember Stocks introduced this item by stating that interoperable communications has been identified as the biggest public safety challenge facing the San Diego region. The Public Safety Committee (PSC) and more than 150 public safety stakeholders have been involved in an effort over the last nine months with a series of workshops and a focused strategic planning process to develop the framework and action plan before the Board today. This framework is a significant step toward increasing accountability, aligning regional priorities, and improving regional interoperability. The Action Plan identifies tasks and milestones so this important effort can maintain its momentum and move forward immediately. He expressed appreciation to the Regional Technology Partnership and the Unified Disaster Council (UDC) for their cooperation and commitment to this process. Both of these groups have endorsed this coordination framework and Action Plan.

Chief Tom Zoll, Vice Chair, PSC, stated that these efforts will help our region better manage the public safety-related programs and grants that we receive. He said that we have been proactive in determining how to be more efficient and strategic in the realm of interoperability and communications. He introduced members of the Regional Technology Partnership. He noted that the PSC held three interoperability workshops using experts to provide information. One important thing we learned
was that interoperability is not just about technology issues; it is about being able to work together. They also held a number of focus groups with technical experts. He showed the vast number and interconnectivity of various public safety initiatives in the region.

A number of recommendations came out of the public workshops and technical focus groups: create a Communication and Interoperability Clearinghouse, develop a framework for enhancing regional coordination, address barriers identified in the workshops, and draft a vision for the San Diego region’s public safety community. He reviewed the proposed framework for communication and shared two proposals. In Proposal #1, the PSC and the UDC would fill roles as executive or policy committees; the UDC focus would be on disaster/emergency preparedness and the PSC would focus on a broad range of public safety initiatives as well as legislative efforts. Proposal #2 would create an Interim Advisory Council to handle the duties of directing the Clearinghouse.

Chief Zoll noted that the policy committees would have shared functions including: directing regional policy, approving regional standards, addressing issues of governance and facilitating agreements, and approving Clearinghouse actions and a regional communications and interoperability strategy. He reviewed the individual roles of both the PSC and UDC, and those of the Advisory Council and the Clearinghouse. He described the benefits of the framework and the 90-day action plan efforts. He noted that in September, the PSC and UDC concurred on the following points: joint governance between the UDC and PSC; the Regional Technology Partnership would fulfill the role of the Interim Advisory Council and would establish and oversee the activities of the Clearinghouse; and the framework and Action Plan should be forwarded to the SANDAG Board for approval.

Supervisor Horn reiterated progress that we have made since 9/11. The County has spent a lot of money to upgrade its communication and technology systems. We also have a 7/24 tsunami warning system. He invited Board members to tour the County’s emergency communications center. He said that Chief Zoll has done a tremendous job in the region, and agreed that there are things we can fix quickly. He didn’t think the public fully knows about the role the County plays in public safety and emergency preparedness efforts. He spoke in support of the recommended actions.

Councilmember Madaffer (City of San Diego) congratulated the efforts of the PSC and Regional Technology Partnership, and agreed that regional collaboration makes an incredible difference. Because of this collaboration we will be safer, better prepared, and the taxpayers will save money. He expressed support for the recommendations and stated that he hoped that the SANDAG Board would continue to be kept informed on this subject.

Mayor Madrid expressed support for the recommendations. He wondered why we haven’t pursued the consolidation of emergency management operations between the City of San Diego and County of San Diego. Chief Zoll said that we have two
organizations that are working well together. There are pros and cons of consolidating them. Now, they both seem to be functioning well, and it hasn’t been an issue. Each one plays different roles in the allocation of the Homeland Security grants; the City of San Diego allocates the federal grants, and the County allocates the state grants.

Mayor Madrid said that we have a tendency to forget that we are one county. We are missing an opportunity in his judgment to consolidate the two separate services.

Mr. Orso-Delgado said that he supported the recommendations.

Chief Zoll noted that Caltrans has been a founding member of the Regional Communications Center.

Mayor Crawford asked where lifeguards fall in the scheme of things. Chief Zoll replied that they are a part of this. There are hundreds of agencies involved in this effort.

Action: Upon a motion by Councilmember Madaffer and a second by Mayor Madrid, the SANDAG Board approved the proposed regional interoperability and communications framework for coordination and Action Plan, and directed staff to continue working with the Regional Technology Partnership and UDC to identify resources and a timeline to implement the Action Plan. Yes - 14 (weighted vote, 100%), No - 0 (weighted vote, 0%). Abstain - 0 (0%). Absent - El Cajon, National City, Oceanside, San Marcos, and Vista.

B. ARJIS AND CRIMINAL JUSTICE RESEARCH DIVISION ACCOMPLISHMENTS (INFORMATION)

Mayor Mark Lewis (El Cajon) stated that the public safety functions at SANDAG are fulfilled by two divisions in the Technical Services department - ARJIS (Automated Regional Justice Information System) and Criminal Justice (CJ) Research. The PSC provides oversight and direction to ARJIS and CJ as they carry out efforts to fulfill their respective missions to increase the level of public safety for the residents of our region. Today we will hear an overview of FY 2006 accomplishments from Pam Scanlon, the Director of ARJIS, and Lisbeth Howard, an Associate Research Analyst, on behalf of CJ. He said that ARJIS had a number of significant accomplishments that further enabled our local agencies to share information which resulted in enhanced crime-fighting abilities. CJ also was a resource to our community through the operation of the Regional Criminal Justice Clearinghouse that provides relevant and timely information regarding what works to fight crime. He noted that we have great staff expertise and experience in these two areas.

Ms. Scanlon stated that SANDAG public safety efforts include both ARJIS and CJ. Oversight is provided by the PSC and the Chiefs/Sheriffs Management Committee. She referred to a brochure that had been distributed listing the ARJIS
accomplishments in 2006. She said that the key is to get the right information to the right person at the right time. ARJIS was created in 1980, and is governed by a Joint Powers Agency agreement. Its FY 2006 budget was $5.1 million, funded by $4.1 million in member assessments and user fees and $1 million in grant funding. She noted that ARJIS continues to grow, and provided supporting data. Ms. Scanlon reviewed the recent grants received and the ongoing partnerships, which included the crime mapping project in conjunction with the District Attorney’s Office; Coplink, a new investigative tool; the Safe, Regional, and Federal Enterprise Retrieval System (SRFERS); and the Wireless Project. She also mentioned positive feedback received from law enforcement personnel using these various ARJIS resources. She commented that the SRFERS application has been identified as a national model. She remarked that we have excellent cooperation among member agencies and with all of the ARJIS working groups.

Councilmember Madaffer asked about the license plate data system. Ms. Scanlon responded that the data provided is only from fixed readers at the border crossings, but there are mobile license plate readers available, and we hope to evaluate the feasibility of the mobile devices in the future.

Councilmember Madaffer said that cameras could be mounted on bridges to take photos of license plates. Chief Zoll stated that there are cameras on I-5 near the San Onofre power plant, and on I-15.

Ms. Howard stated that CJ was created in 1977. Its FY 2006 budget was $1.2 million, funded by $1 million in independent assessments and evaluations, and $200,000 from the Clearinghouse fees. She displayed several written communications media including CJ bulletins, CJ fact sheets, Web site, and a “crime wheel” that provides crime statistics by jurisdiction. CJ provides the timely distribution of regional criminal statistics data quicker than national statistics. She reviewed the local partnerships that collaborate to increase safety in the region. She showed an example of substance abuse monitoring data available through the CJ Clearinghouse. She also mentioned that CJ has been developing new ways to look at crime data and to analyze how crime affects the San Diego region and potential solutions. She noted that we conduct research for real-world needs assessments and evaluations. This information helps public officials determine how to fund various programs.

First Vice Chair Mary Sessom (Lemon Grove) agreed that the CJ research helps local government in future planning efforts. She asked if CJ assesses whether local agencies value the publications. Ms. Howard stated that the CJ bulletins we previously released had been hundred-page reports, and we have streamlined that information down to three bulletins a year at 10-15 pages each. The feedback from this has been very positive. We also try to review successful efforts made by other research groups.

**Action:** This item was presented for information only.
C. NEW ARJIS SENIOR BUSINESS MANAGER POSITION (APPROVE)

First Vice Chair Sessom stated that the Chiefs'/Sheriff’s Management Committee has identified the need for a new senior level position to support the continued growth and added responsibilities of ARJIS. We are managing a number of grants totaling $1.5 million, we have expanded ARJIS membership, there is additional work on the PSC, and staff currently supports four ARJIS working groups. This increased workload requires additional staff resources. She reviewed the responsibilities for this requested position. There is no FY 2007 budget impact because contract personnel currently funded with ongoing ARJIS revenues are being moved into a project funded by a grant from the Department of Homeland Security. The Executive Committee recommends that the Board authorize this new position.

Action: Upon a motion by Second Vice Chair Lori Pfeiler (Escondido) and a second by Vice Mayor Morrison, the SANDAG Board authorized the new position of ARJIS Senior Business Manager for the ARJIS Division and approved the amended SANDAG authorized position table. Yes – 16 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (0%). Absent – Oceanside, San Marcos, and Vista.

Chair Cafagna noted that the order of the agenda would be revised to hear Item Nos. 15 and 16, followed by Item No. 14.

15. PROPOSED CHANGES TO FasTrak® PROGRAM AND AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING WITH MTS FOR I-15 TRANSIT SERVICES (APPROVE)

Councilmember Kellejian stated that SANDAG administers the FasTrak value pricing program on I-15. This program allows solo drivers to pay a fee to use the two-lane, high occupancy vehicle (HOV) facility. This facility was the first one of its kind in the world, and it tested a dynamic pricing strategy and an electronic toll collection technology that are now the standard models for similar facilities. The tests clearly demonstrated that commuters place a high value on facilities that manage traffic congestion, and solo drivers are willing to pay a fee to use the facility even though they can drive on regular highway lanes for free. SANDAG is aware that the costs of providing transportation facilities and services are rising rapidly, yet there have been no changes to the FasTrak fees since dynamic pricing began in 1998. This report proposes two changes: (1) institute a $3.50 monthly account fee, which will be waived with minimum usage of $10 per month; and (2) increase the minimum toll per trip from $0.50 to $1.25. He noted that carpools, vanpool, and buses will continue to use these lanes for free. Since the program began, FasTrak revenues have provided more than $7 million in funding for I-15 transit services. Those funds have been provided by solo drivers choosing to use the HOV lanes. SANDAG and MTS staffs have been working together to revise the Memorandum of Understanding (MOU) to continue to fund the I-15 corridor transit services.

Derek Toups, Associate Planner, described the I-15 FasTrak program. He described the original program objectives: increase use of existing underutilized carpool lanes, use toll
revenues to fund transit improvements in the corridor, and relieve mainline congestion and improve travel choices in the corridor. He described the current bus services provided in the corridor, including the restructuring of services through the MTS Comprehensive Operational Analysis. In 2008-2011, these existing services will take advantage of the Managed Lanes/Bus Rapid Transit (ML/BRT) facilities and in 2012, there will be full BRT service using the Managed Lanes. He described changing conditions related to construction along the I-15 corridor and the opening of SR 56. Mr. Toups stated that there are increasing costs related to the aging toll system and enforcement services. Other business considerations are to keep parity with other FasTrak toll roads and bridges, and the steady growth in new customer enrollments.

Mr. Toups stated that several alternatives were analyzed for each of the two proposed changes to FasTrak pricing policies. He reviewed the details of the proposed changes and the effects on revenues and the number of annual transactions. The expected outcomes of the two proposals are the maintenance of a critical operating reserve of $200,000 annually, and funding transit services in FY 2007 at $800,000 and in FY 2008 at $500,000, with expected transit funding levels in FY 2009-FY 2011 at a minimum of $500,000 annually.

Motion Made

Mayor Madrid moved approval of the staff recommendation, with Councilmember Rindone seconding the motion.

Chair Cafagna reiterated that the toll to use the FasTrak lanes is governed by actual demand. He asked staff to explain why raising the minimum FasTrak toll would be needed under the Board’s dynamic pricing policy. Mr. Gallegos clarified that based on demand, actual FasTrak tolls vary between a $0.50 minimum toll to an $8.00 maximum toll; the proposal would raise the minimum toll price from $0.50 to $1.25.

Chair Cafagna said he could not think of a worse idea than raising the price of a product without improving it. He did not support raising the minimum toll amount.

Substitute Motion

Second Vice Chair Pfeiler offered a substitute motion to approve an account fee charge of $3.50, which would be waived with minimum usage of $10 per month. She noted that every other FasTrak agency has such minimum fees in place. We don’t want others to purchase their FasTrak transponder here and use it in other places. First Vice Chair Sessom seconded the substitute motion.

Councilmember Kellejian clarified that the substitute motion did not include the recommended increase to the minimum FasTrak toll. Second Vice Chair Pfeiler concurred.

Councilmember Madaffer spoke against both the original and substitute motions, and suggested that this matter be referred back to the Transportation Committee for further review and discussion. He noted that he was the only opposing vote on this item at the Transportation Committee meeting. He agreed that we should review the FasTrak pricing
policies since they have not been revised since 1997, but he didn't want something that is successful to become a failure. He thought more information should have been provided. He recognized that the level of reserves is a problem. He didn't think that this being a revenue source for transit justifies increasing the rates. He said that the opening of SR 56 has increased mobility; if we raise FasTrak fees, then we are penalizing drivers.

Councilmember Madaffer asked why people living outside of San Diego County are getting the transponders from SANDAG? He thought we should be looking at a discount if someone uses the lanes on a regular basis. He also wondered why we are giving the transponders away for free? He thought that a fee should only be invoked if the transponder is used, and an invoice could be sent out on an annual basis. These kinds of additional pricing and account policies should be addressed. He stated that we ought to be coming up with more incentives and not just disincentives to using the lanes. He reiterated that this should be referred back to the Transportation Committee for more analysis.

Second Vice Chair Pfeiler clarified the substitute motion was only to establish the $3.50 account fee, with the $10 monthly toll usage waiver.

Vice Mayor Morrison asked how the proposal would affect traffic congestion. That should be our #1 question. He did not support either of the motions.

Councilmember Stocks asked about the transponder security deposit. Mr. Toups responded that cash paying customers are charged a security deposit. Credit card customers are charged only if they do not return the transponder when they close their accounts. Councilmember Stocks asked how many transponders there are. Mr. Toups replied that there are approximately 30,000 I-15 FasTrak transponders in circulation.

Mr. Gallegos clarified that we are holding a $40 transponder deposit for only cash paying customer accounts.

Councilmember Stocks said he understood that the $3.50 monthly account fee covers the expense of maintaining the account. He did have a problem with undervaluing public assets and giving away things. He was not excited about raising the tolls. He thought there were other ways to approach the situation. He supported the substitute motion and Councilmember Madaffer's referral to the Transportation Committee.

Marilyn Dailey commented as an intermittent user of FasTrak that she wouldn't give it up even if the recommended pricing changes were approved. She hasn't seen use of the carpool lanes drop since the opening of SR 56. She thought the proposal was eminently fair. She reminded Board members that you have only heard from those who are opposed to the increase; you haven't heard from those who are satisfied with the FasTrak program. The value of the program is worth every penny.

Mayor Pro Tem Matt Hall suggested that this item be brought back with other recommendations.
Councilmember Monroe expressed support for the substitute motion.

Mayor Madrid stated that one of the things we did to create an incentive was to under-price this facility from the beginning. There are a number of other approaches. The most bureaucratic approach is to create a task force. We have a professional staff to make recommendations. He thought we should concentrate our efforts on enforcement and double or triple the costs of citations for violators. He withdrew his original motion and expressed his support for the substitute motion.

Mr. Orso-Delgado provided an historical perspective and said that the pricing was set up to protect HOV users and bus passengers during peak hours. However, the program is growing, and we need to review current account practices and pricing policies.

Supervisor Horn stated that it is foolish to give out transponders without charging for them. He thought the toll going north should be raised. He had a hard time with raising the fee, while not for charging for transponders.

Councilmember Rindone said that SB 1703 gave SANDAG the responsibility to plan for and construct public transit and oversee transit operating budgets. He thought that the report was well done, and several strategies were reviewed. He didn’t have a problem if the Board wanted additional options to be reviewed; however, the consequences of not acting would be detrimental to transit service in the I-15 corridor. FasTrak revenues have been used to fund the Inland Breeze bus services at nearly $1 million per year. Even with the proposed pricing changes, SANDAG staff has noted that the pass-through FasTrak funding to MTS would drop from $1 million to $800,000 in FY 2007, and then $500,000 in ensuing fiscal years. Without increasing toll revenues, transit services in the I-15 corridor will have to be reduced. This may affect 100,000 commuters. The bottom line is that you don’t want to reduce transit services or you will exacerbate the traffic congestion in the corridor.

Councilmember Kellejian supported the motion on the floor. He said that this fee is in line with other fees throughout California and nationwide. He called for the question.

Action Taken: Upon a motion by Second Vice Chair Pfeiler and a second by First Vice Chair Sessom, the SANDAG Board voted on the proposal to charge a monthly account fee of $3.50 with a waiver for accounts spending $10 or more per month in tolls. The motion failed. Yes - 11 (weighted vote, 47%). No – 5 (weighted vote, 53%). Abstain – 0 (0%). Absent – Oceanside, San Marcos, and Vista.

Councilmember Madaffer suggested that this item be referred back to the Transportation Committee, followed by a subsequent report back to the full Board.

Vice Mayor Morrison also suggested that an I-15 FasTrak business plan be presented to the Board.

16. MODIFICATION TO STATE ROUTE 54 HIGH OCCUPANCY VEHICLE FACILITY (APPROVE)
There was no discussion on this item.

**Action:** Upon a motion by Councilmember Kellejian and a second by Vice Mayor Morrison, the SANDAG Board rescinded Resolution RC94-29 in order to support the plans of Caltrans to convert the HOV lanes on SR 54 from I-805 to Briarwood Road to general purpose lanes. Yes – 13 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (0%). Absent – Carlsbad, County of San Diego, La Mesa, Oceanside, San Marcos, and Vista.


Mr. Gallegos noted that a blue sheet indicating a revision to this item was distributed to the Board. The change is related to the conduct of research such as telephone surveys and focus groups for the 2007 Regional Transportation Plan (RTP); the proposed research would increase the 2007 RTP budget by approximately $100,000.

**Action:** Upon a motion by Councilmember Kellejian and a second by Councilmember Madaffer, the SANDAG Board approved the Public Involvement Program for the 2007 Regional Transportation Plan. Yes – 12 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (0%). Absent – Carlsbad, County of San Diego, La Mesa, Lemon Grove, Oceanside, San Marcos, and Vista.

17. **UPCOMING MEETINGS**

The next meeting of the Board of Directors is scheduled for Friday, November 17, 2006, at 9 a.m. Please note that the November Board meeting will be held on the third Friday of the month due to the Thanksgiving holiday schedule.

18. **ADJOURNMENT**

The meeting was adjourned at 11:37 a.m.

DGunn/M/DGU
## ATTENDANCE

**SANDAG BOARD OF DIRECTORS’ MEETING**  
**OCTOBER 27, 2006**

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<td>Matt Hall (Member)</td>
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<td>City of Del Mar</td>
<td>Crystal Crawford (Member)</td>
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<td>Mark Lewis (Member)</td>
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<td>Lori Holt Pfeiler (Member)</td>
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<td>Patricia McCoy (Member)</td>
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<td>City of La Mesa</td>
<td>Art Madrid (Member)</td>
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<td>City of National City</td>
<td>Ron Morrison (Member)</td>
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ACTIONS FROM POLICY ADVISORY COMMITTEES

The following actions were taken by the Policy Advisory Committees (PACs) since the last Board meeting.

BORDERS COMMITTEE MEETING (October 27, 2006)

The Borders Committee took the following actions or recommended the following approvals:

• Received a status report on the Foothill-South Corridor/State Route 241 Toll Road, and requested that the informational item be presented next to the Transportation Committee and possibly to the Board of Directors.

EXECUTIVE COMMITTEE MEETING (November 3, 2006)

The Executive Committee took the following actions or recommended the following approvals:

• Approved the agenda for the November 17, 2006, Board of Directors meeting, as amended.

TRANSPORTATION COMMITTEE MEETING (November 3, 2006)

The Transportation Committee took the following actions or recommended the following approvals:

• Approved performance measures recommended by the Transportation Project Evaluation Criteria Ad Hoc Working Group for use in the 2007 Regional Transportation Plan.

• Approved the transfer of $200,216 from the indicated capital projects to the SANDAG/Metropolitan Transit System FY 2007 Capital Improvement Program (CIP) to cover the CIP funding shortfall.

• Reviewed financial plan options for the SPRINTER rail project and recommended that the Board of Directors approve an amendment to the TransNet Extension Ordinance and Expenditure Plan to include the completion of the SPRINTERS and to add the project to the TransNet Early Action Program (EAP). Also concurred with the staff recommendation to further evaluate adding funding for the Environmental Mitigation Program and capital improvements to the Trolley to the TransNet EAP.
REGIONAL PLANNING COMMITTEE MEETING (November 3, 2006)

The Regional Planning Committee took the following actions or recommended the following approvals:

- Reviewed the Energy Working Group recommendation on the San Diego Gas & Electric Sunrise Powerlink Transmission Project and recommended that no position be taken on the project.

- Recommended that the Board of Directors approve: (1) the proposed budget for the FY 2007 Environmental Mitigation Program (EMP) Regional Habitat Conservation Fund expenditures totaling $2 million when funds become available; (2) the conceptual five-year funding strategy for management and monitoring identified by the EMP Working Group; and (3) authorization for the Executive Director to solicit proposals for FY 2007 and to develop contracts when funds become available.

GARY L. GALLEGOS
Executive Director
REPORT SUMMARIZING DELEGATED ACTIONS
TAKEN BY EXECUTIVE DIRECTOR

Introduction

Board Policy Nos. 003 and 017 require the Executive Director to report certain actions to the Board of Directors on a monthly basis.

Discussion

Board Policy No. 003

Board Policy No. 003, “Investment Policy,” requires the submittal of a monthly report of investment transactions to the Board. Attachment 1 contains the report of investment transactions for September 2006.

Board Policy No. 017

Board Policy No. 017, “Delegation of Authority,” requires the Executive Director to report to the Board certain actions taken at the next regular meeting. The policy authorizes the Executive Director to enter into agreements not currently incorporated in the budget and make other modifications to the budget in an amount up to $100,000 per transaction so long as the overall budget remains in balance. There are no budget transfers or amendments that were approved under the Executive Director’s authority since the report made last month.

GARY L. GALLEGOS
Executive Director


Key Staff Contact: Renée Wasmund, (619) 699-1940, rwa@sandag.org
### MONTHLY ACTIVITY FOR INVESTMENT SECURITIES TRANSACTIONS FOR THE PERIOD SEPTEMBER 1 THROUGH SEPTEMBER 30, 2006

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FY 2007 TRANSPORTATION DEVELOPMENT ACT
CLAIM AMENDMENT FOR CONSOLIDATED
TRANSPORTATION SERVICES AGENCY

Introduction

At its June 23, 2006, meeting, the SANDAG Board of Directors approved the regional allocation for the FY 2007 Transportation Development Act (TDA) program which provides operating and capital support of public transportation systems and non-motorized transportation projects. The approval of the allocation included a reserve for the Consolidated Transportation Services Agency (CTSA). At the time of the initial allocation, SANDAG was in the process of selecting a consultant to operate as the CTSA. In November 2006, SANDAG entered into contract with Full Access and Coordinated Transportation, Inc. (FACT) to provide CTSA services. FACT has submitted a request to claim the TDA funds for FY 2007.

Recommendation

The Board of Directors is asked to adopt Resolution No. 2007-13 (Attachment 1), approving the allocation and claim for FACT to provide CTSA services in FY 2007.

Discussion

The mission of FACT, as the San Diego CTSA, is to expand the availability and economic utilization of specialized transportation services for seniors and disabled individuals. FACT is a conduit of information and assists the nonprofit sector with the coordination of specialized transportation programs and improving the management of these programs by providing free training and technical assistance. Funding for FACT falls under TDA Chapter 4, Article 4.5, Community Transit Services. FACT, serving as the regional CTSA, is responsible for providing community transit services consistent with the Transportation Development Act. California Public Utilities Code 99275.5 identifies community transit services as services that link intra-community origins and destinations, including services for those who cannot use conventional transit services, such as persons with disabilities. As the CTSA, FACT is eligible for up to 2 percent of the Article 4.5 funds. For FY 2007, $112,881 is available to claim, of which $87,098 is being claimed by FACT.

GARY L. GALLEGOS
Executive Director

Attachment: 1. Resolution No. 2007-13, Amendment for Allocation of FY 2007 TDA Funds, Article 4.5 Community Transit Service

Key Staff Contact: Sookyung Kim, (619) 699-6909, ski@sandag.org
RESOLUTION
No. 2007-13

APPROVING THE ALLOCATION OF FY 2007 TRANSPORTATION DEVELOPMENT ACT FUNDS
ARTICLE 4.5 COMMUNITY TRANSIT SERVICE

WHEREAS, the Transportation Development Act (TDA) claimant listed below has submitted a claim for FY 2007 TDA funds pursuant to Chapter 4, Article 4.5, of the California Public Utilities Code (PUC); and

WHEREAS, pursuant to Section 29532 of the California Government Code (CGC), the San Diego Association of Governments (SANDAG) has analyzed the claim and determined that the claim conforms substantially to the provisions of the Transportation Development Act of 1971, as amended, including the provision of PUC 99275.5; and

WHEREAS, SANDAG finds this claim for FY 2007 to be in conformance with the Regional Transportation Plan;

NOW THEREFORE,

BE IT RESOLVED by the SANDAG Board of Directors as follows:

1. That the Board, pursuant to CGC 29532, does hereby approve the allocation of TDA funds to the below claimant for purposes listed below:

<table>
<thead>
<tr>
<th>Claim No.</th>
<th>Claimant</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>070610001</td>
<td>FACT Operating</td>
<td>$87,098</td>
</tr>
</tbody>
</table>

2. That this claim is approved subject to receipt by SANDAG of an executed service contract for FY 2007 and documentation of governing board approval of the claim.

3. That the Board does hereby authorize the Executive Director to prepare and transmit allocation instructions and payment schedules to the San Diego County Auditor as are necessary and legal for payment of this claim.

PASSED AND ADOPTED this 17th day of November 2006.

________________________________________   ATTEST: ______________________________________
CHAIRPERSON                   SECRETARY

MEMBER AGENCIES: Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, San Marcos, Santee, Solana Beach, Vista, and County of San Diego.

ADVISORY MEMBERS: California Department of Transportation, Metropolitan Transit System, North County Transit District, Imperial County, U.S. Department of Defense, San Diego Unified Port District, San Diego County Water Authority, and Mexico.
Introduction

The SANDAG Investment Policy requires that the Board of Directors be provided a quarterly report of investments held by SANDAG. This report includes all money under the direction or care of SANDAG as of September 30, 2006, including funds of the San Diego County Regional Transportation Commission (RTC), SourcePoint, and the Automated Regional Justice Information System (ARJIS).

The Investment Policy also requires that the Director of Finance submit to the Board of Directors annually a statement of investment policy, which the Board shall consider at a public meeting.

Discussion

Quarterly Investment Report - Period Ending September 30, 2006

The attached report shows a summary of portfolio balances by institution and by agency (Attachment 1), a detail of portfolio balances by account (Attachment 2), and a detail of portfolio balances by investment type (Attachment 3) as of September 30, 2006.

As of September 30, 2006, a total of $144.3 million was held by SANDAG in a number of investment accounts, in comparison to $149.0 million held in the previous quarter. The $4.7 million decrease during the quarter is primarily due to the timing of TransNet sales tax receipts, TransNet debt service payments, and TransNet allocation payments to other local governmental agencies.

Approximately $4.4 million was held in six Bank of America accounts at the end of the quarter. Funds in these accounts are used for operating purposes. Approximately $139.9 million was invested in seven major funds or accounts, as follows:

1. State of California Local Agency Investment Fund (LAIF) - State law allows local agencies (RTC and SANDAG) to invest up to $40 million per agency in LAIF. These funds hold excess operating funds for RTC and SANDAG. A total of approximately $23.5 million was invested in LAIF, of which RTC held approximately $16.1 million, and SANDAG held approximately $7.4 million. These funds are highly liquid, and funds may be accessed easily for immediate operating needs.

2. California Asset Management Program (CAMP) - Cash Reserve Portfolio - These are funds administered by the SANDAG financial advisor, Public Financial Management, Inc. (PFM). RTC uses this program for debt service payments related to its various sales tax revenue bond issues. All bond debt service funds in CAMP are held in trust by the bond trustee, US Bank. Only the trustee may deposit or withdraw bond debt service money. In addition, ARJIS and RTC use this money market fund for the investment of excess cash not yet invested in
United States (U.S.) Treasuries, U.S. Agencies, or commercial paper as part of the CAMP Individual Portfolio or to keep cash liquid in order to make current debt service payments. Approximately $48.9 million was on deposit with the CAMP Cash Reserve Portfolio.

3. California Asset Management Program (CAMP) - Individual Portfolio - This fund is administered by PFM for the investment of excess RTC TransNet funds not yet paid to other local governmental agencies. Approximately $30.2 million was on deposit with the CAMP Individual Portfolio.

4. Columbia Funds - These are a series of government treasury obligation mutual funds managed by Bank of America. These also are highly liquid and may be used for immediate cash needs. Approximately $2.8 million was invested in these funds, which consist of excess RTC TransNet funds, RTC Wetland Mitigation funds, SANDAG California Coastal Commission funds, Coronado Bridge Toll Funds held in trust by SANDAG, and SANDAG operating funds.

5. US Bank – These funds, totaling approximately $11.1 million, were held by US Bank, trustee for bond debt service payments and payment of interest on the short-term commercial paper program, as part of the TransNet program.

6. US Trust - US Trust invests excess TransNet sales tax funds in U.S. Agency securities and commercial paper. Approximately $23.0 million was invested with US Trust.

7. DWS Scudder Institutional Management Funds – These are a series of high quality money market instruments, including AAA-rated U.S. treasury funds. This institution holds the funds received by SANDAG from the California Department of Boating and Waterways. Approximately $449,000 was invested in this mutual fund.

As of September 30, 2006, the yield on cost of the portfolio was 4.98 percent with a weighted average maturity of 106 days, in comparison to 4.66 percent and 112 days in the prior quarter.

The Finance Department has continued to implement the Board’s investment activity objectives of safety, liquidity, and return on investment for the SANDAG investment portfolio. These will continue to be important investment objectives for the future.

Annual Investment Policy Review

The SANDAG investment advisor, Public Financial Management, Inc. (PFM), does not recommend or propose any changes to Board Policy No. 003, “Investment Policy” (Attachment 4), as there were no changes to the sections of the California state law pertaining to investments. In addition, the Director of Finance reviewed the investment policy and does not recommend or propose any changes.

Certifications

The Director of Finance reports that this portfolio, together with the authorized short-term commercial paper program, will provide the necessary liquidity to meet the expenditure requirements of SANDAG, RTC, ARJIS, and SourcePoint for the next six months.
This portfolio is in compliance with state law and the SANDAG Investment Policy.

GARY L. GALLEGOS
Executive Director

Attachments: 1. SANDAG Summary of Portfolio Balances (by Institution and Agency) as of September 30, 2006
   2. SANDAG Detail of Portfolio Balances (by Account) as of September 30, 2006
   3. SANDAG Detail of Portfolio Balances (by Investment Type) as of September 30, 2006
   4. SANDAG Investment Policy (Board Policy No. 003)

Key Staff Contact: Lauren Warrem, (619) 699-6931, lwa@sandag.org
### SANDAG SUMMARY OF PORTFOLIO BALANCES (by Institution)
as of September 30, 2006

<table>
<thead>
<tr>
<th>Institution</th>
<th>Book Value</th>
<th>Percent of Portfolio</th>
<th>Market Value</th>
<th>Market Price</th>
<th>Unrealized Gain/(Loss)</th>
<th>Yield on Cost</th>
<th>WTD. Avg. Days to Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>BANK OF AMERICA</td>
<td>$4,411,104</td>
<td>3.07%</td>
<td>$4,411,104</td>
<td>100.00%</td>
<td>$</td>
<td>2.52%</td>
<td>1</td>
</tr>
<tr>
<td>STATE OF CALIF. LOCAL AGENCY INVEST. FUND (LAIF)</td>
<td>23,494,125</td>
<td>16.33%</td>
<td>23,494,125</td>
<td>100.00%</td>
<td>-</td>
<td>4.95%</td>
<td>161 **</td>
</tr>
<tr>
<td>CALIFORNIA ASSET MANAGEMENT PROGRAM (CAMP)</td>
<td>79,057,174</td>
<td>54.95%</td>
<td>79,084,753</td>
<td>100.03%</td>
<td>27,579</td>
<td>4.87%</td>
<td>129 **</td>
</tr>
<tr>
<td>COLUMBIA FUNDS</td>
<td>2,810,120</td>
<td>1.95%</td>
<td>2,810,120</td>
<td>100.00%</td>
<td>-</td>
<td>5.02%</td>
<td>28 **</td>
</tr>
<tr>
<td>US BANK</td>
<td>10,971,771</td>
<td>7.63%</td>
<td>11,064,348</td>
<td>100.84%</td>
<td>92,578</td>
<td>5.65%</td>
<td>2</td>
</tr>
<tr>
<td>US TRUST</td>
<td>22,674,850</td>
<td>15.76%</td>
<td>23,033,517</td>
<td>101.58%</td>
<td>358,667</td>
<td>5.16%</td>
<td>51</td>
</tr>
<tr>
<td>DWS SCUDDER INSTITUTIONAL MANAGEMENT FUNDS</td>
<td>448,629</td>
<td>0.31%</td>
<td>448,629</td>
<td>100.00%</td>
<td>-</td>
<td>5.31%</td>
<td>36 **</td>
</tr>
</tbody>
</table>

**Although average days to maturity is greater than one day, funds are available at par the same day.

| TOTAL.                                           | $143,867,773   | 100.00%              | $144,346,597   | 100.33%       | $478,824                | 4.98%        | 106                        |

### SANDAG SUMMARY OF PORTFOLIO BALANCES (by Agency)

<table>
<thead>
<tr>
<th>Agency</th>
<th>Book Value</th>
<th>Percent of Portfolio</th>
<th>Market Value</th>
<th>Market Price</th>
<th>Unrealized Gain/(Loss)</th>
<th>Yield on Cost</th>
<th>WTD. Avg. Days to Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>SANDAG FUNDS</td>
<td>$12,509,099</td>
<td>8.69%</td>
<td>$12,509,099</td>
<td>100.00%</td>
<td>$</td>
<td>4.99%</td>
<td>101</td>
</tr>
<tr>
<td>ARJIS FUNDS</td>
<td>8,965,257</td>
<td>6.23%</td>
<td>8,965,257</td>
<td>100.00%</td>
<td>-</td>
<td>5.34%</td>
<td>109</td>
</tr>
<tr>
<td>SOURCEPOINT FUNDS</td>
<td>249,419</td>
<td>0.17%</td>
<td>249,419</td>
<td>100.00%</td>
<td>-</td>
<td>2.52%</td>
<td>1</td>
</tr>
<tr>
<td>CORONADO BRIDGE TOLL FUNDS</td>
<td>1,586,372</td>
<td>1.10%</td>
<td>1,586,372</td>
<td>100.00%</td>
<td>-</td>
<td>4.91%</td>
<td>5</td>
</tr>
<tr>
<td>TRANSNET FUNDS - SALES TAX</td>
<td>$69,424,883</td>
<td>48.26%</td>
<td>$69,811,129</td>
<td>100.56%</td>
<td>$386,246</td>
<td>4.66%</td>
<td>122</td>
</tr>
<tr>
<td>TRANSNET FUNDS - DEBT SERVICE</td>
<td>51,132,743</td>
<td>35.54%</td>
<td>51,225,321</td>
<td>100.18%</td>
<td>$92,578</td>
<td>5.36%</td>
<td>89</td>
</tr>
<tr>
<td>TOTAL TRANSNET FUNDS</td>
<td>$120,557,626</td>
<td>83.80%</td>
<td>$121,036,450</td>
<td>100.40%</td>
<td>$478,824</td>
<td>4.96%</td>
<td>108</td>
</tr>
</tbody>
</table>

| TOTAL.                                           | $143,867,773   | 100.00%              | $144,346,597   | 100.33%       | $478,824                | 4.98%        | 106                        |
### BANK OF AMERICA:

<table>
<thead>
<tr>
<th>Account Type</th>
<th>Book Value</th>
<th>Percent of Portfolio</th>
<th>Market Value</th>
<th>Market Price</th>
<th>Unrealized Gain/(Loss)</th>
<th>Yield on Cost</th>
<th>Days to Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking - TransNet (RTC)</td>
<td>$75,407</td>
<td>0.05%</td>
<td>$75,407</td>
<td>100.00%</td>
<td>-</td>
<td>N/A</td>
<td>1</td>
</tr>
<tr>
<td>Checking - SANDAG General</td>
<td>$3,031,762</td>
<td>2.11%</td>
<td>$3,031,762</td>
<td>100.00%</td>
<td>-</td>
<td>N/A</td>
<td>1</td>
</tr>
<tr>
<td>Checking - SANDAG I-15 Fastrak</td>
<td>$762,864</td>
<td>0.53%</td>
<td>$762,864</td>
<td>100.00%</td>
<td>-</td>
<td>N/A</td>
<td>1</td>
</tr>
<tr>
<td>Checking - SourcePoint</td>
<td>$2,547</td>
<td>0.02%</td>
<td>$2,547</td>
<td>100.00%</td>
<td>-</td>
<td>N/A</td>
<td>1</td>
</tr>
<tr>
<td>Checking - ARJIS</td>
<td>$291,653</td>
<td>0.20%</td>
<td>$291,653</td>
<td>100.00%</td>
<td>-</td>
<td>N/A</td>
<td>1</td>
</tr>
<tr>
<td>Money Market - SourcePoint</td>
<td>$223,949</td>
<td>0.16%</td>
<td>$223,949</td>
<td>100.00%</td>
<td>-</td>
<td>2.52%</td>
<td>1</td>
</tr>
</tbody>
</table>

**TOTAL BANK OF AMERICA**

$4,411,104 3.07%  $4,411,104 100.00% - 2.52% 1

### STATE OF CA LOCAL AGENCY INVESTMENT FUND (LAIF):

<table>
<thead>
<tr>
<th>Account Type</th>
<th>Book Value</th>
<th>Percent of Portfolio</th>
<th>Market Value</th>
<th>Market Price</th>
<th>Unrealized Gain/(Loss)</th>
<th>Yield on Cost</th>
<th>Days to Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>TransNet (SDCRTC)</td>
<td>$16,088,985</td>
<td>11.18%</td>
<td>$16,088,985</td>
<td>100.00%</td>
<td>-</td>
<td>4.95%</td>
<td>161</td>
</tr>
<tr>
<td>SANDAG (General)</td>
<td>$7,405,140</td>
<td>5.15%</td>
<td>$7,405,140</td>
<td>100.00%</td>
<td>-</td>
<td>4.95%</td>
<td>161</td>
</tr>
</tbody>
</table>

**TOTAL STATE OF CA LOCAL AGENCY INVESTMENT FUND**

$23,494,125 16.33%  $23,494,125 100.00% - 4.95% 161

### CALIFORNIA ASSET MANAGEMENT PROGRAM (CAMP):

#### CASH RESERVE PORTFOLIO:

<table>
<thead>
<tr>
<th>Bond Principal</th>
<th>Book Value</th>
<th>Percent of Portfolio</th>
<th>Market Value</th>
<th>Market Price</th>
<th>Unrealized Gain/(Loss)</th>
<th>Yield on Cost</th>
<th>Days to Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>92 Bond Principal</td>
<td>$5,073,522</td>
<td>3.53%</td>
<td>$5,073,522</td>
<td>100.00%</td>
<td>-</td>
<td>5.34%</td>
<td>113</td>
</tr>
<tr>
<td>92 Bond Interest</td>
<td>$515,718</td>
<td>0.36%</td>
<td>$515,718</td>
<td>100.00%</td>
<td>-</td>
<td>5.34%</td>
<td>113</td>
</tr>
<tr>
<td>93 Bond Principal</td>
<td>$6,876,237</td>
<td>4.78%</td>
<td>$6,876,237</td>
<td>100.00%</td>
<td>-</td>
<td>5.34%</td>
<td>113</td>
</tr>
<tr>
<td>93 Bond Interest</td>
<td>$594,989</td>
<td>0.41%</td>
<td>$594,989</td>
<td>100.00%</td>
<td>-</td>
<td>5.34%</td>
<td>113</td>
</tr>
<tr>
<td>94 Bond Principal</td>
<td>$9,722,464</td>
<td>6.79%</td>
<td>$9,722,464</td>
<td>100.00%</td>
<td>-</td>
<td>5.34%</td>
<td>113</td>
</tr>
<tr>
<td>94 Bond Interest</td>
<td>$949,384</td>
<td>0.66%</td>
<td>$949,384</td>
<td>100.00%</td>
<td>-</td>
<td>5.34%</td>
<td>113</td>
</tr>
<tr>
<td>94 Bond Reserve</td>
<td>$13,016,889</td>
<td>9.05%</td>
<td>$13,016,889</td>
<td>100.00%</td>
<td>-</td>
<td>5.34%</td>
<td>113</td>
</tr>
<tr>
<td>96 Bond Principal</td>
<td>$3,220,454</td>
<td>2.24%</td>
<td>$3,220,454</td>
<td>100.00%</td>
<td>-</td>
<td>5.34%</td>
<td>113</td>
</tr>
<tr>
<td>96 Bond Interest</td>
<td>$141,315</td>
<td>0.10%</td>
<td>$141,315</td>
<td>100.00%</td>
<td>-</td>
<td>5.34%</td>
<td>113</td>
</tr>
<tr>
<td>ARJIS</td>
<td>$8,673,604</td>
<td>6.03%</td>
<td>$8,673,604</td>
<td>100.00%</td>
<td>-</td>
<td>5.34%</td>
<td>113</td>
</tr>
<tr>
<td>TransNet Sales Tax (RTC)</td>
<td>$24,362</td>
<td>0.16%</td>
<td>$24,362</td>
<td>100.00%</td>
<td>-</td>
<td>5.34%</td>
<td>113</td>
</tr>
</tbody>
</table>

**TOTAL CASH RESERVE PORTFOLIO**

$48,858,939 33.96%  $48,858,939 100.00% - 5.34% 113

#### INDIVIDUAL PORTFOLIO:

<table>
<thead>
<tr>
<th>Account Type</th>
<th>Book Value</th>
<th>Percent of Portfolio</th>
<th>Market Value</th>
<th>Market Price</th>
<th>Unrealized Gain/(Loss)</th>
<th>Yield on Cost</th>
<th>Days to Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>TransNet (RTC)</td>
<td>$30,198,236</td>
<td>20.99%</td>
<td>$30,225,815</td>
<td>100.09%</td>
<td>27,579</td>
<td>4.12%</td>
<td>155</td>
</tr>
</tbody>
</table>

**TOTAL INDIVIDUAL PORTFOLIO**

$30,198,236 20.99%  $30,225,815 100.09% 27,579 4.12% 155

**TOTAL CALIFORNIA ASSET MANAGEMENT PROGRAM (CAMP)**

**TOTAL** 79,057,174 54.95%  $79,084,753 100.03% 27,579 4.87% 129
### SANDAG
Detail of Portfolio Balances (by Account)
as of September 30, 2006

<table>
<thead>
<tr>
<th>COLUMBIA FUNDS (BANK OF AMERICA): CASH RESERVES FUND:</th>
<th>BOOK VALUE</th>
<th>PERCENT OF PORTFOLIO</th>
<th>MARKET VALUE</th>
<th>MARKET PRICE</th>
<th>UNREALIZED GAIN/(LOSS)</th>
<th>YIELD ON COST</th>
<th>WTD. AVG. DAYS TO MATURITY</th>
</tr>
</thead>
<tbody>
<tr>
<td>TransNet (RTC)</td>
<td>$13,060</td>
<td>0.01%</td>
<td>$13,060</td>
<td>100.00%</td>
<td>$</td>
<td>-</td>
<td>5.16% 59</td>
</tr>
<tr>
<td>Wetland Mitigation (RTC)</td>
<td>261,909</td>
<td>0.18%</td>
<td>261,909</td>
<td>100.00%</td>
<td>-</td>
<td>-</td>
<td>5.16% 59</td>
</tr>
<tr>
<td>CA Coastal Commission</td>
<td>849,328</td>
<td>0.59%</td>
<td>849,328</td>
<td>100.00%</td>
<td>-</td>
<td>-</td>
<td>5.16% 59</td>
</tr>
<tr>
<td>SANDAG</td>
<td>11,376</td>
<td>0.01%</td>
<td>11,376</td>
<td>100.00%</td>
<td>-</td>
<td>-</td>
<td>5.16% 59</td>
</tr>
<tr>
<td><strong>TOTAL CASH RESERVES FUND</strong></td>
<td>$1,135,674</td>
<td>0.79%</td>
<td>$1,135,674</td>
<td>100.00%</td>
<td>$</td>
<td>-</td>
<td>5.16% 59</td>
</tr>
</tbody>
</table>

| TREASURY RESERVES CAPITAL SHARES FUND:                |            |                     |              |             |                      |              |                           |
| Coronado Bridge Toll Funds                            | $1,586,372 | 1.10%               | $1,586,372   | 100.00%     | $                     | -            | 4.91% 5                  |

| GOVERNMENT RESERVES CAPITAL SHARES FUND:             |            |                     |              |             |                      |              |                           |
| TransNet (RTC)                                       | $88,074    | 0.06%               | $88,074      | 100.00%     | $                     | -            | 5.11% 32                 |

| **TOTAL COLUMBIA FUNDS**                              | $2,810,120 | 1.95%               | $2,810,120   | 100.00%     | $                     | -            | 5.02% 28 **              |

| US BANK:                                              |            |                     |              |             |                      |              |                           |
| 96 Arbitrage Rebate (RTC)                             | $109,392   | 0.08%               | $109,392     | 100.00%     | $                     | -            | 4.72% 1                  |
| 96 Bond Principal (RTC)                               | 1,146,899  | 0.80%               | 1,156,960    | 100.88%     | 10,061               | 5.46%        | 2                         |
| 96 Bond Interest (RTC)                                | 57,834     | 0.04%               | 58,338       | 100.87%     | 504                   | 5.49%        | 2                         |
| 93 Bond Principal (RTC)                               | 2,478,335  | 1.72%               | 2,500,101    | 100.88%     | 21,766                | 5.48%        | 2                         |
| 93 Bond Interest (RTC)                                | 262,423    | 0.18%               | 264,728      | 100.88%     | 2,305                 | 5.49%        | 2                         |
| 92 Bond Principal (RTC)                               | 1,955,105  | 1.36%               | 1,972,380    | 100.88%     | 17,275                | 5.48%        | 2                         |
| 92 Bond Interest (RTC)                                | 229,254    | 0.16%               | 231,269      | 100.88%     | 2,015                 | 5.48%        | 2                         |
| 94 Bond Principal (RTC)                               | 3,937,634  | 2.74%               | 3,972,559    | 100.89%     | 34,925                | 5.48%        | 2                         |
| 94 Bond Interest (RTC)                                | 423,937    | 0.29%               | 427,665      | 100.88%     | 3,728                 | 5.49%        | 2                         |
| Bond Revenue Fund (RTC)                               | 167        | 0.00%               | 167          | 100.00%     | -                     | 4.79%        | 1                         |
| 91 Commercial Paper Interest (RTC)                    | 354,865    | 0.25%               | 354,865      | 100.00%     | -                     | 4.72%        | 1                         |
| Commercial Paper Notes Project Fund (RTC)             | 15,925     | 0.01%               | 15,925       | 100.00%     | -                     | 4.72%        | 1                         |
| **TOTAL US BANK**                                     | $10,971,771| 7.63%               | $11,064,348  | 100.84%     | $92,578               | 5.65%        | 2                         |

| US TRUST:                                             |            |                     |              |             |                      |              |                           |
| TransNet (RTC)                                       | $22,674,850| 15.76%              | $23,033,517  | 101.58%     | $358,667             | 5.16%        | 51                        |

| DWS SCUDDER INSTITUTIONAL MANAGEMENT FUNDS:           |            |                     |              |             |                      |              |                           |
| CA Boating & Waterways                               | $448,629   | 0.31%               | $448,629     | 100.00%     | $                     | -            | 5.31% 36 **              |

| **TOTAL**                                            | $143,867,773| 100.00%             | $144,346,597 | 100.33%     | $478,824             | 4.98%        | 106                       |

** Although average days to maturity is greater than one day, funds are available at par the same day.
### SANDEG

**Detail of Portfolio Balances (by Investment Type)**

*as of September 30, 2006*

<table>
<thead>
<tr>
<th>Investment</th>
<th>Purchase Date</th>
<th>Maturity Date</th>
<th>Book Value</th>
<th>Market Value</th>
<th>Unrealized Gain / (Loss)</th>
<th>Par Value</th>
<th>Yield on Cost</th>
<th>Weighted Average Days to Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Demand deposits:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Checking - <em>TransNet</em> (RTC)</td>
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<td>N/A</td>
<td>$75,407</td>
<td>$75,407</td>
<td>$</td>
<td>-</td>
<td>N/A</td>
<td>N/A</td>
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<td>N/A</td>
<td>N/A</td>
<td>3,031,762</td>
<td>3,031,762</td>
<td>-</td>
<td>N/A</td>
<td>N/A</td>
<td>1</td>
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<td>Checking - SANDAG I-15 FastTrak</td>
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<td>N/A</td>
<td>762,864</td>
<td>762,864</td>
<td>-</td>
<td>N/A</td>
<td>N/A</td>
<td>1</td>
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<tr>
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<td>N/A</td>
<td>N/A</td>
<td>25,470</td>
<td>25,470</td>
<td>-</td>
<td>N/A</td>
<td>N/A</td>
<td>1</td>
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<tr>
<td>Checking - ARJIS</td>
<td>N/A</td>
<td>N/A</td>
<td>291,653</td>
<td>291,653</td>
<td>-</td>
<td>N/A</td>
<td>N/A</td>
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<td></td>
<td>$4,187,155</td>
<td>$4,187,155</td>
<td>$</td>
<td>-</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Money Market-Blkrk/Prov Instl</td>
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<td>N/A</td>
<td>$132,209</td>
<td>$132,522</td>
<td>$313</td>
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<td>N/A</td>
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<td>109,392</td>
<td>-</td>
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<tr>
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<td>N/A</td>
<td>167</td>
<td>167</td>
<td>-</td>
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<td>354,865</td>
<td>-</td>
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<td>15,925</td>
<td>-</td>
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<td>223,949</td>
<td>-</td>
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<td>2.52%</td>
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<td>N/A</td>
<td>N/A</td>
<td>1,586,372</td>
<td>1,586,372</td>
<td>-</td>
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<td>4.91%</td>
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<tr>
<td>Columbia Government Res Cap Shares - RTC</td>
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<td>448,629</td>
<td>-</td>
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<td>N/A</td>
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<td>8,673,604</td>
<td>-</td>
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<td>5.34%</td>
<td>113</td>
</tr>
<tr>
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<td>N/A</td>
<td>13,060</td>
<td>13,060</td>
<td>-</td>
<td>N/A</td>
<td>5.16%</td>
<td>59</td>
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<tr>
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<td>N/A</td>
<td>N/A</td>
<td>11,376</td>
<td>11,376</td>
<td>-</td>
<td>N/A</td>
<td>5.16%</td>
<td>59</td>
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<tr>
<td>Columbia Cash Res Cap Shares - Coastal Commission</td>
<td>N/A</td>
<td>N/A</td>
<td>849,328</td>
<td>849,328</td>
<td>-</td>
<td>N/A</td>
<td>5.16%</td>
<td>59</td>
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<tr>
<td>Columbia Cash Res Cap Shares - Wetland Mitigation</td>
<td>N/A</td>
<td>N/A</td>
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<td>261,909</td>
<td>-</td>
<td>N/A</td>
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<tr>
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<td>N/A</td>
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<td>5,073,522</td>
<td>-</td>
<td>N/A</td>
<td>5.34%</td>
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<tr>
<td>CAMP Cash Reserve Portf - RTC</td>
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<td>N/A</td>
<td>515,718</td>
<td>515,718</td>
<td>-</td>
<td>N/A</td>
<td>5.34%</td>
<td>113</td>
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<tr>
<td>CAMP Cash Reserve Portf - RTC</td>
<td>N/A</td>
<td>N/A</td>
<td>6,876,237</td>
<td>6,876,237</td>
<td>-</td>
<td>N/A</td>
<td>5.34%</td>
<td>113</td>
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<tr>
<td>CAMP Cash Reserve Portf - RTC</td>
<td>N/A</td>
<td>N/A</td>
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<td>594,989</td>
<td>-</td>
<td>N/A</td>
<td>5.34%</td>
<td>113</td>
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<tr>
<td>CAMP Cash Reserve Portf - RTC</td>
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<td>N/A</td>
<td>9,772,464</td>
<td>9,772,464</td>
<td>-</td>
<td>N/A</td>
<td>5.34%</td>
<td>113</td>
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<tr>
<td>CAMP Cash Reserve Portf - RTC</td>
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<td>N/A</td>
<td>949,384</td>
<td>949,384</td>
<td>-</td>
<td>N/A</td>
<td>5.34%</td>
<td>113</td>
</tr>
<tr>
<td>CAMP Cash Reserve Portf - RTC</td>
<td>N/A</td>
<td>N/A</td>
<td>13,016,889</td>
<td>13,016,889</td>
<td>-</td>
<td>N/A</td>
<td>5.34%</td>
<td>113</td>
</tr>
<tr>
<td>CAMP Cash Reserve Portf - RTC</td>
<td>N/A</td>
<td>N/A</td>
<td>3,220,454</td>
<td>3,220,454</td>
<td>-</td>
<td>N/A</td>
<td>5.34%</td>
<td>113</td>
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<tr>
<td>CAMP Cash Reserve Portf - RTC</td>
<td>N/A</td>
<td>N/A</td>
<td>141,315</td>
<td>141,315</td>
<td>-</td>
<td>N/A</td>
<td>5.34%</td>
<td>113</td>
</tr>
<tr>
<td>CAMP Cash Reserve Portf - RTC</td>
<td>N/A</td>
<td>N/A</td>
<td>24,362</td>
<td>24,362</td>
<td>-</td>
<td>N/A</td>
<td>5.34%</td>
<td>113</td>
</tr>
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<td><strong>Total money market accounts and funds</strong></td>
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<td>$59,241,351</td>
<td>$59,254,925</td>
<td>$13,573</td>
<td></td>
<td>5.28%</td>
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<tr>
<td><strong>Total cash and cash equivalents</strong></td>
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<td></td>
<td>$63,428,507</td>
<td>$63,442,080</td>
<td>$13,573</td>
<td></td>
<td>N/A</td>
<td>89</td>
</tr>
</tbody>
</table>
**SANDAG**

**Detail of Portfolio Balances (by Investment Type)**

as of September 30, 2006

<table>
<thead>
<tr>
<th>Investment</th>
<th>Purchase Date</th>
<th>Maturity Date</th>
<th>Book Value</th>
<th>Market Value</th>
<th>Unrealized Gain / (Loss)</th>
<th>Par Value</th>
<th>Yield on Cost</th>
<th>Weighted Average Days to Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. Treasuries:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US Treasury Notes</td>
<td>06/03/2004</td>
<td>05/15/2007</td>
<td>$2,393,690</td>
<td>$2,367,683</td>
<td>$(26,008)</td>
<td>$2,395,000</td>
<td>3.14%</td>
<td>227</td>
</tr>
</tbody>
</table>

| **U.S. Agencies:** | | | | | | | | |
| FNMA Partn Cert Pool # 873972 | 09/01/2006 | 10/01/2006 | 142,509 | 143,176 | 667 | 143,176 | 5.46% | 1 |
| FNMA Partn Cert Pool # 873972 | 09/01/2006 | 10/01/2006 | 32,588 | 32,741 | 152 | 32,741 | 5.67% | 1 |
| FNMA Partn Cert Pool # 873972 | 09/01/2006 | 10/01/2006 | 302,667 | 304,083 | 1,416 | 304,083 | 5.66% | 1 |
| FNMA Partn Cert Pool # 873972 | 09/01/2006 | 10/01/2006 | 51,713 | 51,955 | 242 | 51,955 | 5.67% | 1 |
| FNMA Partn Cert Pool # 873972 | 09/01/2006 | 10/01/2006 | 407,427 | 409,333 | 1,906 | 409,333 | 5.66% | 1 |
| FNMA Partn Cert Pool # 873972 | 09/01/2006 | 10/01/2006 | 28,149 | 28,280 | 132 | 28,280 | 5.66% | 1 |
| FNMA Partn Cert Pool # 873972 | 09/01/2006 | 10/01/2006 | 216,397 | 217,409 | 1,012 | 217,409 | 5.66% | 1 |
| FHLMC Mgr Corp Disc Note | 03/28/2006 | 07/17/2006 | 7,922,933 | 9,997,890 | 16,587 | 1,000,000 | 5.06% | 17 |
| FHLMC Mgr Corp Disc Note | 05/16/2006 | 11/14/2006 | 974,722 | 993,950 | 19,228 | 1,000,000 | 5.06% | 137 |
| FHLMC Mgr Corp Disc Note | 05/30/2006 | 11/28/2006 | 2,567,727 | 2,613,867 | 46,140 | 2,635,000 | 5.06% | 66 |
| FHLMC Mgr Corp Disc Note | 05/31/2006 | 12/12/2006 | 2,143,047 | 2,180,018 | 34,954 | 2,180,018 | 5.06% | 202 |
| FHLMC Mgr Corp Disc Note | 06/19/2006 | 12/29/2006 | 971,827 | 987,630 | 15,803 | 1,000,000 | 5.06% | 90 |
| FNMA Discount Note | 08/01/2006 | 10/02/2006 | 49,847 | 50,314 | 467 | 50,314 | 5.46% | 2 |
| FNMA Discount Note | 08/01/2006 | 10/02/2006 | 1,004,390 | 1,013,784 | 9,394 | 1,013,784 | 5.46% | 2 |
| FNMA Discount Note | 08/01/2006 | 10/02/2006 | 407,427 | 409,333 | 1,906 | 409,333 | 5.66% | 1 |
| FNMA Discount Note | 08/01/2006 | 10/02/2006 | 2,175,668 | 2,176,018 | 46,140 | 2,180,018 | 5.06% | 66 |
| FNMA Discount Note | 08/01/2006 | 10/02/2006 | 372,224 | 375,710 | 3,486 | 375,710 | 5.46% | 2 |
| FNMA Discount Note | 08/01/2006 | 10/02/2006 | 530,207 | 536,226 | 33,019 | 536,226 | 5.46% | 2 |
| FNMA Discount Note | 08/01/2006 | 10/02/2006 | 201,106 | 202,989 | 1,883 | 202,989 | 5.46% | 2 |
| FNMA Discount Note | 08/01/2006 | 10/02/2006 | 1,738,709 | 1,754,972 | 16,263 | 1,754,972 | 5.46% | 2 |
| FNMA Global Benchmark Notes | 07/11/2005 | 11/15/2006 | 4,609,440 | 4,674,570 | 65,130 | 4,690,000 | 3.95% | 46 |
| FHLM Notes (Callable) | 03/24/2004 | 11/24/2006 | 1,514,085 | 1,495,313 | (18,773) | 1,500,000 | 2.76% | 55 |
| FHLM Notes (Callable) | 04/22/2004 | 05/07/2007 | 1,001,250 | 987,813 | (13,438) | 1,000,000 | 3.16% | 219 |
| FHLM Notes (Callable) | 06/02/2006 | 05/23/2007 | 1,875,775 | 1,885,156 | 9,381 | 1,900,000 | 5.36% | 235 |
| FHLM Notes (Callable) | 06/03/2006 | 05/23/2007 | 2,500,000 | 2,460,156 | (39,844) | 2,500,000 | 3.01% | 268 |
| FNMA Discount Note | 06/05/2006 | 05/14/2007 | 2,095,862 | 2,130,856 | 34,974 | 2,180,000 | 5.22% | 160 |
| FNMA Discount Note | 06/05/2006 | 05/23/2007 | 2,530,207 | 2,563,226 | 33,019 | 2,563,226 | 5.46% | 2 |

**Total State of CA Local Agency Investment Fund**

Total Book Value: $23,494,125

Total Market Value: $23,494,125

Total Unrealized Gain / (Loss): $0

Total Par Value: $23,494,125

Total Yield on Cost: 4.95%
<table>
<thead>
<tr>
<th>Investment</th>
<th>Purchase Date</th>
<th>Maturity Date</th>
<th>Book Value</th>
<th>Market Value</th>
<th>Unrealized Gain / (Loss)</th>
<th>Par Value</th>
<th>Yield on Cost</th>
<th>Weighted Average Days to Maturity</th>
</tr>
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<tbody>
<tr>
<td>FNMA Disc Note</td>
<td>05/16/2006</td>
<td>04/27/2007</td>
<td>1,428,061</td>
<td>1,456,056</td>
<td>27,995</td>
<td>1,500,000</td>
<td>5.24%</td>
<td>209</td>
</tr>
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<td>FHLMC Disc Note</td>
<td>09/15/2006</td>
<td>05/29/2007</td>
<td>424,168</td>
<td>425,207</td>
<td>1,039</td>
<td>440,000</td>
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<td>05/31/2007</td>
<td>2,875,971</td>
<td>2,898,333</td>
<td>22,363</td>
<td>3,000,000</td>
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<td>06/15/2006</td>
<td>05/29/2007</td>
<td>949,686</td>
<td>966,380</td>
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<td><strong>44,390,800</strong></td>
<td><strong>286,998</strong></td>
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<td><strong>5.60%</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goldman Sachs Group Corp Disc Nts</td>
<td>03/08/2006</td>
<td>10/02/2006</td>
<td>$972,209</td>
<td>$1,000,000</td>
<td>$27,791</td>
<td>$1,000,000</td>
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<td>Societe General North Amer Inc Disc Coml Paper</td>
<td>04/13/2006</td>
<td>10/06/2006</td>
<td>975,409</td>
<td>999,410</td>
<td>24,001</td>
<td>1,000,000</td>
<td>5.27%</td>
<td>6</td>
</tr>
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<td>Credit Suisse Secs USA LLC Disc Coml Paper</td>
<td>04/28/2006</td>
<td>10/30/2006</td>
<td>974,203</td>
<td>995,920</td>
<td>21,717</td>
<td>1,000,000</td>
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<td>AIG Fdg Inc Disc Coml Paper</td>
<td>03/14/2006</td>
<td>11/09/2006</td>
<td>967,467</td>
<td>994,460</td>
<td>26,993</td>
<td>1,000,000</td>
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<td>American Gen Fin Corp Disc Coml Paper</td>
<td>06/08/2006</td>
<td>12/05/2006</td>
<td>1,948,500</td>
<td>1,981,280</td>
<td>32,780</td>
<td>2,000,000</td>
<td>5.26%</td>
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<td>05/16/2006</td>
<td>04/01/2007</td>
<td>2,007,100</td>
<td>2,061,340</td>
<td>54,240</td>
<td>2,000,000</td>
<td>5.45%</td>
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<td>General Electric Capital Corp</td>
<td>08/18/2006</td>
<td>12/18/2006</td>
<td>2,602,762</td>
<td>2,619,499</td>
<td>16,737</td>
<td>2,650,000</td>
<td>5.36%</td>
<td>79</td>
</tr>
<tr>
<td><strong>Total commercial paper and other</strong></td>
<td></td>
<td></td>
<td><strong>10,447,650</strong></td>
<td><strong>10,651,909</strong></td>
<td><strong>204,260</strong></td>
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<td>5.32%</td>
<td>74</td>
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<td><strong>Total investments</strong></td>
<td></td>
<td></td>
<td><strong>80,439,267</strong></td>
<td><strong>80,904,517</strong></td>
<td><strong>465,250</strong></td>
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<td>4.75%</td>
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<td><strong>Total Portfolio:</strong></td>
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<td><strong>143,867,773</strong></td>
<td><strong>144,346,597</strong></td>
<td><strong>478,824</strong></td>
<td></td>
<td>4.98%</td>
<td>106</td>
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</table>
INVESTMENT POLICY

1. **Introduction**

The purpose of this document is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment policy, and to organize and formalize investment-related activities.

The investment policies and practices of the San Diego Association of Governments (SANDAG) are based upon state law and prudent money management. All funds will be invested in accordance with SANDAG’s Investment Policy and California Government Code Sections 53600 et seq. The investment of bond proceeds will be further governed by the provisions of relevant bond documents.

2. **Scope**

It is intended that this policy cover all funds and investment activities, with the exception of bond proceeds, under the direction or care of SANDAG, including funds of the San Diego County Regional Transportation Commission and SourcePoint, SANDAG’s chartered nonprofit corporation. Investment of bond proceeds shall be subject to the conditions and restrictions of bond documents and Treasury regulations related to arbitrage restrictions on tax-exempt bonds.

3. **Prudence**

All persons authorized to make investment decisions on behalf of SANDAG are trustees and therefore fiduciaries subject to the prudent investor standard: “When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.”

Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4. **Objectives**

The primary objectives, in priority order, of SANDAG’s investment activities are:
1. **Safety.** Safety of principal is the foremost objective of the investment program. Investments of SANDAG shall be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.

2. **Liquidity.** The investment portfolio of SANDAG will remain sufficiently liquid to enable SANDAG to meet its cash flow requirements.

3. **Return on Investment.** The investment portfolio of SANDAG shall be designed with the objective of attaining a market rate of return on its investments consistent with the constraints imposed by its safety objective and cash flow considerations.

4. **Delegation of Authority**

   The Board of Directors delegates the authority to invest or to reinvest funds, or to sell or exchange securities so purchased, to the Executive Director for a one-year period. The Executive Director is charged with the responsibility for carrying out the policies of the Board of Directors and shall assume full responsibility for investment transactions until the delegation of authority is revoked or expires. In accordance with SANDAG’s established system for internal control, all financial transactions of SANDAG require the signature of at least two individuals authorized by the Executive Director.

   For the purposes of carrying out this investment policy, any two of the following individuals are hereby authorized to make investment decisions, in strict accordance with this investment policy, on behalf of SANDAG:

   - Executive Director
   - Deputy Executive Director
   - Director of Finance
   - Finance Manager
   - Manager of Financial Programming and Project Control
   - Such other individuals authorized, in writing, by the Executive Director.

   All accounts established for the purpose of investing SANDAG funds shall require the written authorization of the Executive Director.

   No single individual, acting alone, may engage in an investment activity.

   The Executive Director may delegate investment management and decision authority, via written agreement, to one or more professional investment advisors/managers who are duly qualified and registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. All agents engaged in this capacity shall make all investment decisions and transactions in strict accordance with state law and this investment policy.

   The daily management responsibility for the investment program is assigned to the Director of Finance, who shall monitor and review all investments for consistency with this investment policy.
6. **Ethics (Conflict of Interest)**

Officers, employees and agents thereof involved in the investment process shall comply with state law and refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions.

7. **Selection of Financial Institutions and Broker/Dealers**

SANDAG shall transact business only with banks, savings and loan associations, and registered investment securities dealers. The purchase by SANDAG of any investment other than those purchased directly from the issuer shall be either from an institution licensed by the State as a broker/dealer, as defined in Section 25004 of the Corporation Code, who is a member of the National Association of Securities Dealers, or a member of a federally-regulated securities exchange, a National or State-Chartered Bank, a Federal or State Association (as defined by Section 5102 of the Financial Code), or a brokerage firm designated as a Primary Government Dealer by the Federal Reserve Bank. The Director of Finance shall investigate all institutions which wish to do business with SANDAG, in order to determine if they are adequately capitalized, make markets in securities appropriate to SANDAG’s needs, and agree to abide by the conditions set forth in SANDAG’s Investment Policy.

The Director of Finance shall maintain a list of authorized broker/dealers and financial institutions which are approved for investment purposes, and it shall be the policy of SANDAG to purchase securities only from those authorized institutions and firms. If SANDAG has contracted investment advisors/managers, the Director of Finance may approve and use a list of authorized broker/dealers provided by the investment advisor/manager.

8. **Permitted Investment Instruments**

The portfolio shall be diversified by security type and institution to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions. Government Code §53601 states that when there is a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase.

**Treasury Obligations:** Government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest.

**Federal Agencies and U.S. Government Sponsored Enterprises:** Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

**State of California Obligations:** Registered state warrants, treasury notes or bonds of the State of California, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency or authority of the state. Such obligations must be rated A-1/P-1, or equivalent or better short-
term; or Aa/AA or better long-term by at least one of the nationally recognized statistical-rating organizations.

**Local Agency Obligations:** Bonds, notes, warrants, or other evidences of indebtedness issued by any local agency within the State, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. Such obligations must be rated A-1/P-1, or equivalent or better short-term; or Aa/AA or better long-term by one of the nationally recognized statistical-rating organizations.

**Repurchase Agreements:** Repurchase Agreements used solely as short-term investments not to exceed 90 days.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to SANDAG’s custodian bank or handled under a properly executed tri-party repurchase agreement. The total of all collateral for each Repurchase Agreement must equal or exceed, on the basis of market value plus accrued interest, 102 percent of the total dollar value of the money invested by SANDAG for the term of the investment. Since the market value of the underlying securities is subject to daily fluctuation, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

Market value must be calculated each time there is a substitution of collateral.

SANDAG or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to Repurchase Agreement.

SANDAG may enter into Repurchase Agreements with (1) primary dealers in U.S. Government securities who are eligible to transact business with, and who report to, the Federal Reserve Bank of New York, and (2) California and non-California banking institutions having assets in excess of $1 billion and in the highest short-term rating category, as provided by Moody’s Investors Service, Inc. or Standard & Poor’s Corporation.

SANDAG will have properly executed a Public Securities Association (PSA) agreement with each firm with which it enters into Repurchase Agreements.

**Bankers’ Acceptances:** Bankers’ Acceptances issued by domestic banks or domestic branches or foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest rating category by Moody’s Investors Services or by Standard & Poor’s Corporation.

Purchases of Bankers’ Acceptances may not exceed 180 days maturity or 40 percent of SANDAG’s surplus money. No more than 10 percent of SANDAG’s surplus funds may be invested in the Bankers’ Acceptances of any one commercial bank.

**Commercial Paper:** Commercial paper of “prime” quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating
organization. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (a) or paragraph (b):

(a) The entity meets the following criteria: (i) Is organized and operating in the United States as a general corporation. (ii) Has total assets in excess of five hundred million dollars ($500,000,000). (iii) Has debt other than commercial paper, if any, that is rated “A” or higher by a nationally recognized statistical-rating organization.

(b) The entity meets the following criteria: (i) is organized within the United States as a special purpose corporation, trust, or limited liability company. (ii) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (iii) Has commercial paper that is rated “A-1” or higher, or the equivalent, by a nationally recognized statistical-rating organization.

Purchases of eligible commercial paper may not exceed 270 days maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation. No more than 10 percent of SANDAG’s surplus funds may be invested in Commercial Paper of any one U.S. corporation.

Purchases of commercial paper may not exceed 25 percent of SANDAG’s surplus money which may be invested.

**Medium-Term Notes:** Medium-term notes, defined as all corporate and depository institution securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or depository institutions licensed by the United States or any state and operating within the United States. Medium-term notes shall be rated in a rating category of “A” or better by a nationally recognized statistical-rating organization.

Purchase of medium-term corporate notes may not exceed 30 percent of the agency’s surplus money. No more than 10 percent of SANDAG’s surplus funds may be invested in the Medium-Term Notes of any one corporation.

**Negotiable Certificates of Deposit:** Negotiable certificates of deposit issued by a nationally- or state-chartered bank or a state or federal savings and loan association or by a state-licensed branch of a foreign bank; provided that the senior debt obligations of the issuing institution are rated “AA” or better by Moody’s or Standard & Poor’s.

Purchase of negotiable certificates of deposit may not exceed 30 percent of SANDAG’s surplus money.

**State of California’s Local Agency Investment Fund:** State of California’s Local Agency Investment Fund (LAIF) may be invested in for the benefit of local agencies up to $40 million. For on-going due diligence, the Director of Finance shall maintain on file a copy of LAIF’s current investment policy and its requirements for participation, including limitations on deposits or withdrawals.

**San Diego County Treasurer’s Pooled Investment Fund:** Deposits in the County pooled investment fund shall be limited to the dollar maximums of the State LAIF. For on-going due diligence, the Director of Finance shall maintain on file a copy of the County pool’s current
investment policy and its requirements for participation, including limitations on deposits or withdrawals.

**Savings/Money Market Accounts:** Savings/Money Market Accounts deposits placed with commercial banks and savings and loans. The amount on deposit shall not exceed the shareholder’s equity in the financial institution. To be eligible to receive SANDAG deposits, the financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation, as provided in Government Code Section 53635.2. Deposits are required to be collateralized as specified under Government Code Section 53630 et seq. The Director of Finance, at his or her discretion, may waive the collateralization requirements for any portion that is covered by federal insurance. SANDAG shall have a signed agreement with the depository per Government Code Section 53649.

**California Asset Management Program:** Shares in a portfolio of the California Asset Management Program, so long as the portfolio is rated among the top two rating categories by one of the nationally recognized statistical-rating organizations. For on-going due diligence, the Director of Finance shall maintain on file a copy of the Program's current information statement to include its requirements for participation, including limitations on deposits or withdrawals.

**Money Market Funds:** Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.). To be eligible for investment pursuant to this subdivision, these companies shall either: (1) attain the highest ranking letter or numerical rating provided by not less than two of the three largest nationally-recognized statistical-rating organizations, or (2) have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years experience managing money market mutual funds with assets under management in excess of $500,000,000.

The purchase price of shares shall not include any commission that the companies may charge. The purchase of shares may not exceed 20 percent of SANDAG’s surplus money. For on-going due diligence, the Director of Finance shall maintain on file a copy of the money market fund’s current information statement to include its requirements for participation, including limitations on deposits or withdrawals.

**Mortgage and Asset-Backed Obligations:** Any mortgage pass-through security collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable-pass-through certificate, or consumer receivable-backed bond of a maximum of 5 years maturity. Such obligations must be rated Aa/AA or higher by two national rating agencies and the issuer of such obligations must be rated Aa/AA or higher by two of the national rating agencies as well.

Purchases of securities authorized by this section may not exceed 20 percent of SANDAG’s surplus funds that may be invested pursuant to this section.
**Ineligible Investments:** Security types which are thereby prohibited include, but are not restricted to:

(a) Reverse repurchase agreements.

(b) “Complex” derivative securities such as range notes, dual index notes, inverse floating-rate notes, leveraged or deleveraged floating-rate notes, or any other complex variable-rate or structured note.

(c) Interest-only strips that are derived from a pool of mortgages, or any security that could result in zero interest accrual if held to maturity.

(d) Securities lending.

In the event that SANDAG possesses ineligible investments purchased prior to the adoption of this policy, SANDAG may hold these investments to their maturity dates. The limitation in this section shall not apply to SANDAG’s investments in shares of beneficial interest issued by diversified management companies registered under the Investment Company Act of 1940.

9. **Maximum Maturity**

Investment maturities shall be based upon a review of cash flow forecasts. Maturities will be scheduled so as to permit SANDAG to meet all projected obligations.

The maximum maturity will be no more than five years from purchase date to maturity date.

10. **Performance Standards**

The investment performance of SANDAG’s portfolio shall be evaluated and compared to appropriate indices in order to assess the success of the investment program. The comparable benchmarks should be consistent with SANDAG’s portfolio in terms of maturity and composition, which includes credit quality and security type.

11. **Reporting Requirements**

The Director of Finance shall submit to the Board annually a statement of investment policy, which the Board shall consider at a public meeting.

A monthly report of all investment transactions shall be submitted to the Board Members.

Quarterly investment reports shall be submitted to the Board Members. The reports should include information in accordance with Section 56346(b) of the California Government Code.

12. **Safekeeping and Custody**

All security transactions, including collateral for repurchase agreements, entered into by SANDAG shall be conducted on a delivery-versus-payment (DVP) basis. Securities shall be held by a third party custodian and evidenced by safekeeping receipts.
The only exception to the foregoing shall be securities purchases made with: (i) local government investment pools; and, (ii) money market mutual funds, since the purchased securities are not deliverable.

Adopted January 2003
Amended November 2004
Amended September 2005
QUARTERLY PROGRESS REPORT ON TRANSPORTATION PROJECTS – JULY TO SEPTEMBER 2006

Introduction

This quarterly report summarizes the current status of major highway, transit, arterial, traffic management, and transportation demand management (TDM) projects in the SANDAG five-year Regional Transportation Improvement Program (RTIP). The TransNet one-half cent local sales tax and other local, state, and federal revenue sources fund the projects. The projects contained in this report have been previously prioritized and are included in the 2030 Regional Transportation Plan (RTP). This item is presented to the Board of Directors for information.

Discussion

TransNet Program

Attachment 1 - TransNet Program - indicates sales tax revenue available for allocation was $62.2 million in the first quarter of FY 2007. Revenue for the fiscal year is 5.6 percent higher than it was last fiscal year at this time. Revenue is only 0.1 percent lower than the FY 2007 TransNet program budget to date; however, the continued rise in construction costs reduces the purchasing power of these revenues. The California Highway Construction Price Index is currently 14.7 percent higher than last year at this time. Revenue available for allocation since the inception of the TransNet Program totals $2.92 billion.

Highway Projects

Attachment 2 - Highway Projects - provides cost and schedule information on the major highway projects in the San Diego region. The accompanying map (Attachment 3 - Major Highway Projects) locates these projects.

The environmental clearance for the Interstate 5/High Occupancy Vehicle (HOV) Lanes from the San Dieguito River to the San Elijo Lagoon project (Project No. 7) was obtained at the end of September 2006. This project now moves to the design phase, currently scheduled for completion in March 2007. This TransNet Early Action Program project is scheduled to be opened to traffic in 2008.

Construction of the State Route 52 (SR 52) Westbound Widening (Project No. 23) began in October 2006. This project, part of the TransNet Early Action Program set of capacity improvements on the SR 52 corridor, will provide an additional lane between the Summit and Santo Road. Caltrans is scheduled to complete this project and open it to traffic in spring 2007.
Transit and Bikeway Projects

Attachment 4 – Transit and Bikeway Projects – provides cost and schedule information on the major transit and bikeway projects in the San Diego region. The accompanying map (Attachment 5 - Major Transit and Bikeway Projects) locates these projects. Staff is working to develop an improved tracking mechanism for Transit Capital Improvement Program (CIP) projects, most of which are shown in the report as “Behind” schedule. The intent of this effort is to more adequately reflect the status of completion of these CIP projects and elements of projects as they undergo the development process. As an example, the status of a project may be shown as “behind” although some of the critical elements of this project have been absorbed and incorporated into other projects that are in fact on schedule.

The last of the **SPRINTER** vehicles (Project No. 45) is scheduled to be delivered and arrive in the San Diego region this month. Final assembly and on-site testing has already begun on the units that first arrived during the summer. The schedule to begin revenue service is December 2007.

The **Del Mar Bluffs Stabilization** project (Project No. 63) has been advertised. Construction is scheduled to begin by December 2006 and be completed by late spring 2007. Design for a future project to stabilize additional segments of the Del Mar Bluffs will begin in FY 2007/2008.

Arterial and Freeway Interchange Projects

Attachment 6 – Arterial and Freeway Interchange Projects – provides cost and schedule information on the major arterial and interchange projects in the San Diego region. The accompanying map (Attachment 7 – Major Arterial and Interchange Projects) locates these projects.

Design of the **West Vista Way Widening** project (Project No. 95) is nearly complete. The City of Vista anticipates completing design by late 2006/early 2007 at which time the project will be ready for advertisement. The City of Vista intends to complete this project, which will widen the existing facility between Thunder Drive and Melrose Drive, by summer 2008.

Traffic and Demand Management

Attachment 8 – Traffic Management and Intelligent Transportation System Projects – provides cost and schedule information on the major traffic management and intelligent transportation system projects in the San Diego region. The accompanying map (Attachment 9 – Major Traffic Management Projects) locates some of these projects, as applicable.

Attachment 10 – Transportation Demand and Incident Management – summarizes monthly activities in those functional areas.

Attachment 11 – Freeway Service Patrol Assists – summarizes the number of assists by the Freeway Service Patrol.

Attachment 12 – Vanpool Program – summarizes the number of daily vanpools by major area of origination.

Transportation Demand Management (TDM) programs averted an estimated 77,944 pounds of smog-forming pollution during the first quarter of FY 2007, an increase of 1 percent over the last quarter. During this same time period, the **Freeway Service Patrol** assisted approximately 14,800 motorists, about 4 percent more than last quarter.
The SANDAG **Vanpool Program** participation rate continues to increase, growing 3.5 percent in the last quarter, from 514 vanpools to 532 vanpools. Vanpools originating in Riverside County continue to be a large and fast-growing component of the program, accounting for 42 percent of all the regional vanpools. Average ridership per vanpool was approximately 8.4 passengers, with 4,475 daily passengers participating in the program.

**Employer Programs** - During the quarter, staff contacted 130 employers. Nineteen formal presentations were delivered to employers, one employer began offering transportation benefits, and 14 employer surveys were completed resulting in over 2,295 match lists. The U.S. Environmental Protection Agency’s Best Workplaces for Commuters program recognized 16 local companies, including three Fortune 500 companies that met the program’s standard of excellence.

**Marketing/Outreach** - Rideshare Week 2006 was celebrated October 2 to 6, 2006. Staff developed employer outreach events, e-mails, posters, t-shirts, banners, SchoolPool events, and collected more than $20,000 in sponsorships. The Survive the Drive marketing program continued with monthly bulletins and promotions e-mailed to employers in the Sorrento Valley area. During the quarter, 1,139 SchoolPool program applications were processed.

GARY L. GALLEGOS  
Executive Director

**Attachments:**  
1. TransNet Program - July to September 2006 Progress Report  
2. Highway Projects  
3. Major Highway Projects - July to September 2006 (map)  
4. Transit and Bikeway Projects  
5. Major Transit and Bikeway Projects - July to September 2006 (map)  
6. Arterial and Freeway Interchange Projects  
7. Arterial and Interchange Projects - July to September 2006 (map)  
8. Traffic Management and Intelligent Transportation System Projects  
10. Transportation Demand and Incident Management - July to September 2006 Progress Report  
11. Freeway Service Patrol Assists - July to September 2006 (map)  
12. Vanpool Program: Number of Vanpool Origins by Major Area - July to September 2006 (map)

**Key Staff Contact:** José A. Nuncio, (619) 699-1908, jnu@sandag.org

Funds are budgeted in the TransNet, STIP-RIP, RSTP, and CMAQ Programs.
## TransNet Program -- July to September 2006 Progress Report

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<th>Program &amp; Recipient</th>
<th>TransNet Allocations</th>
<th>Fund Disbursements</th>
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<td></td>
<td>This Quarter</td>
<td>FY To Date</td>
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<td><strong>BICYCLE ELEMENT</strong></td>
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<td>Various Agencies</td>
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<td><strong>WALKABLE COMMUNITIES DEMONSTRATION PROGRAM</strong></td>
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<td><strong>HIGHWAY ELEMENT</strong></td>
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<td>Programwide</td>
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<td><strong>TRANSIT ELEMENT</strong></td>
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<td>North County Transit District</td>
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<td><strong>LOCAL STREET &amp; ROAD ELEMENT</strong></td>
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<td><strong>TransNet PROGRAM</strong></td>
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<td>$ 62,200,824</td>
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1) TransNet Allocations consist of tax allocations from the State plus interest earnings.
2) Disbursements include cash disbursements and bond proceeds. Debt service costs are not included.
<table>
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<th>Project Title</th>
<th>Description/Limits</th>
<th>Sponsor Agency</th>
<th>Current Phase</th>
<th>Total Project</th>
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<td>Virginia Avenue Port of Entry Relocation in San Ysidro</td>
<td>General Services Administration/Caltrans</td>
<td>Environmental Dec-07</td>
<td>Approved Budget ($1,000's)</td>
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<td>2 I-5 Widening</td>
<td>24th Street/Mile of Cars Way to Harbor Drive</td>
<td>Caltrans</td>
<td>Construction Jun-07</td>
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<td>3 I-5/I-8 Interchange</td>
<td>Connector Widening</td>
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<td>4 I-5 Widening (Southbound)</td>
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<td>Design May-08</td>
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<td>5 I-5/I-805 Merge Widening</td>
<td>Genesee Avenue to Del Mar Heights Road</td>
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<td>6 I-5 HOV/Managed Lanes</td>
<td>La Jolla Village Drive to Vandegrift Boulevard</td>
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<td>7 I-5 HOV Lanes</td>
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<td>9 I-5/SR 56 Connectors</td>
<td>West to North and South to East</td>
<td>City of San Diego</td>
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<td>10 I-5/SR 78 Connectors</td>
<td>South to East Connector and West to South</td>
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<td>Feasibility Study Feb-07</td>
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<td>11 I-8 Widening (Eastbound)</td>
<td>2nd Street to Greenfield Drive</td>
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<td>Design Sep-07</td>
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<td>12 SR 11 4-Lane Freeway</td>
<td>Freeway Access to New Border Crossing</td>
<td>Caltrans</td>
<td>Environmental Dec-10</td>
<td>$263,000</td>
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<td>13 I-15 Managed Lanes South Segment</td>
<td>SR 163 to SR 56</td>
<td>Caltrans</td>
<td>Design Jan-09</td>
<td>$467,098</td>
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<td>14 I-15 Managed Lanes Middle (Stage 4)</td>
<td>Poway Road to North of SR 56</td>
<td>Caltrans</td>
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<td>15 I-15 Managed Lanes Middle (Stage 1)</td>
<td>I-15/SR 56 to Camino del Norte</td>
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<td><strong>Description/Limits</strong></td>
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<td>16 I-15 Managed Lanes Middle (Stage 2) Camino del Norte to Rancho Bernardo Road</td>
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<td>$103,400</td>
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<td>17 I-15 Managed Lanes Middle (Stage 3) Rancho Bernardo Road to Via Rancho Parkway</td>
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<td>$126,600</td>
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<td>18 I-15 Managed Lanes Middle (Stage 5) Poway Road to Clarence Lane</td>
<td>Caltrans</td>
<td>Construction</td>
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<td>$78,400</td>
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<td>19 I-15 Managed Lanes North Segment Centre City Parkway to SR 78</td>
<td>Caltrans</td>
<td>Design</td>
<td>Jul-08</td>
<td>$220,585</td>
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<td>20 I-15 Widening Citracado Parkway to Valley Parkway</td>
<td>Caltrans</td>
<td>Design</td>
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<td>$24,641</td>
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<td>21 SR 52 HOV/Managed Lanes I-15 to SR 125</td>
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<td>$191,190</td>
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<td>23 SR 52 Westbound Widening Summit to Santo Road</td>
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<td>Construction</td>
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<td>$8,100</td>
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<tr>
<td>24 SR 52 4-Lane Freeway SR 125 to SR 67</td>
<td>Caltrans</td>
<td>Design and Right of Way</td>
<td>Jan-08</td>
<td>$470,644</td>
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<td>25 SR 76 Widening Middle Melrose Drive to Mission Road</td>
<td>Caltrans</td>
<td>Environmental</td>
<td>Nov-07</td>
<td>$158,368</td>
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<td>26 SR 76 Widening East Mission Road to I-15</td>
<td>Caltrans</td>
<td>Environmental</td>
<td>Jun-10</td>
<td>$241,609</td>
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<tr>
<td>27 SR 78 Widening (Eastbound) El Camino Real</td>
<td>Caltrans</td>
<td>Completed</td>
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<td>$1,400</td>
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<tr>
<td>28 SR 94 Noise Barriers City of La Mesa</td>
<td>SANDAG</td>
<td>Design</td>
<td>May-08</td>
<td>$1,481</td>
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<tr>
<td>29 SR 94/SR 125 Interchange Add North to East and West to South Connectors</td>
<td>Caltrans</td>
<td>Environmental</td>
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<td>$115,000</td>
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<td>Widen SR 125 from SR 94 to Lemon Avenue</td>
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<tr>
<td>30 SR 125/SR 54 6-Lane Freeway San Miguel Road to Briarwood Road and Elkelton Boulevard: Gap Project</td>
<td>Caltrans</td>
<td>Design-Build</td>
<td>Mar-07</td>
<td>$36,860</td>
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### Highway Projects

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Description/Limits</th>
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<tbody>
<tr>
<td><strong>31</strong> SR 125/SR 54 6-Lane Freeway</td>
<td>San Miguel Road to Briarwood Road and Elkton Boulevard; Connector Project</td>
<td>Caltrans Design-Build Mar-07</td>
<td>Approved Budget (1,000's) $101,720</td>
<td>2007</td>
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<tr>
<td><strong>32</strong> SR 125 4-Lane Toll Highway</td>
<td>SR 905 to San Miguel Road</td>
<td>CTV Design-Build Mar-07</td>
<td>Funded Budget (1,000's) $101,720</td>
<td>Behind</td>
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<tr>
<td><strong>33</strong> I-805 Managed Lanes Corridor</td>
<td>Telegraph Canyon Road to I-5/I-805 &quot;Merge&quot;</td>
<td>Caltrans Environmental Nov-09</td>
<td>Cost to Complete (1,000's) $101,720</td>
<td>2015</td>
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<tr>
<td><strong>34</strong> SR 905 4-Lane Freeway</td>
<td>I-805 to United States/Mexico Border</td>
<td>Caltrans CTC Funds Allocation Dec-06</td>
<td>2010</td>
<td>On Schedule</td>
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**Totals**

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<tr>
<th></th>
<th>Approved Budget (1,000's)</th>
<th>Funded Budget (1,000's)</th>
<th>Cost to Complete (1,000's)</th>
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<tr>
<td><strong>Total</strong></td>
<td>$7,567,127</td>
<td>$2,830,643</td>
<td>$7,568,235</td>
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**Legend:**
- **CTC**: California Transportation Commission
- **CTV**: California Transportation Ventures
- **HOV**: High Occupancy Vehicle
- **Interstates**: I-5, I-8, I-15, I-805
- **State Routes**: SR 11, SR 52, SR 54, SR 56, SR 67, SR 76, SR 78, SR 94, SR 125, SR 163, SR 905
- **TransNet** funded projects in **bold**
- Underlined items changed from last report
- * Work suspended due to program budget deficit
<table>
<thead>
<tr>
<th>Project Title</th>
<th>Sponsor Agency</th>
<th>Current Phase</th>
<th>Total Project</th>
<th>Schedule</th>
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</thead>
<tbody>
<tr>
<td><strong>Transit and Bikeway Projects</strong></td>
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<td><strong>Project Title</strong></td>
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<td><strong>Current Phase</strong></td>
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<td><strong>Schedule</strong></td>
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<tr>
<td>Mid-Coast Light Rail Transit Old Town to University Towne Centre</td>
<td>SANDAG</td>
<td>Environmental Jan-09</td>
<td>$1,251,277 $56,822 $1,251,277</td>
<td>2014 On Schedule</td>
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<tr>
<td>Nobel Drive COASTER Station New COASTER Station</td>
<td>MTS</td>
<td>On Hold</td>
<td>$13,090 $13,090 $13,090</td>
<td>On Hold</td>
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<tr>
<td>I-15 Managed Lanes/Bus Rapid Transit Sabre Springs, Rancho Bernardo, Del Lago</td>
<td>SANDAG</td>
<td>Design and Right of Way Apr-07</td>
<td>$75,666 $75,666 $75,666</td>
<td>2010 Behind</td>
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<tr>
<td>South Bay Bus Rapid Transit Phase I</td>
<td>SANDAG</td>
<td>Environmental Jun-08</td>
<td>$114,127 $5,899 $114,127</td>
<td>2010 On Schedule</td>
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<tr>
<td>SPRINT Light Rail Transit Coast Highway to Valley Parkway</td>
<td>NCTD</td>
<td>Construction Dec-07</td>
<td>$484,130 $375,500 $484,130</td>
<td>2007 Behind</td>
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<tr>
<td>South Bay Maintenance Facility Property Expansion</td>
<td>MTS</td>
<td>Award Nov-06</td>
<td>$13,634 $8,132 $13,634</td>
<td>2008 Behind</td>
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<tr>
<td>City College Station Realignment</td>
<td>MTS</td>
<td>Construction Dec-07</td>
<td>$16,282 $16,282 $16,282</td>
<td>2007 On Schedule</td>
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<tr>
<td>East County Maintenance Facility Maintenance and Operation Facility</td>
<td>MTS</td>
<td>Right of Way Jun-08</td>
<td>$13,400 $10,475 $13,400</td>
<td>2008 Behind</td>
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<tr>
<td>Grossmont Station Pedestrian Enhancements</td>
<td>La Mesa</td>
<td>Design Mar-07</td>
<td>$2,700 $2,700 $2,700</td>
<td>2007 Behind</td>
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<tr>
<td>Trolley Station Improvements Fiber Optic Infrastructure</td>
<td>MTS</td>
<td>Construction Jun-09</td>
<td>$10,903 $4,575 $10,903</td>
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<tr>
<td>San Diego Transit Radio Automatic Vehicle Location System</td>
<td>SDTC</td>
<td>Implementation Nov-06</td>
<td>$16,774 $16,774 $16,774</td>
<td>2006 Behind</td>
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November 2006
## Transit and Bikeway Projects

<table>
<thead>
<tr>
<th>Project Title</th>
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<td><strong>Description/Limits</strong></td>
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<td><strong>Project Title</strong></td>
<td><strong>Sponsor Agency</strong></td>
<td><strong>Phase</strong></td>
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<tr>
<td>53 Kearny Mesa Station Improvements Compressed Natural Gas Fuel Station</td>
<td>SDTC</td>
<td>Construction</td>
<td>Nov-06</td>
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<tr>
<td>54 Light Rail Vehicle Rehabilitation Body and Paint</td>
<td>SDTI</td>
<td>On going</td>
<td>N/A</td>
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<tr>
<td>55 Traction Motor Rehabilitation</td>
<td>SDTI</td>
<td>On going</td>
<td>N/A</td>
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<tr>
<td>56 Kearny Mesa Transit Center Construction</td>
<td>REGIONAL</td>
<td>On Hold</td>
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<tr>
<td>57 Light Rail Vehicle Shop Modifications Low Floor Vehicle Accommodation</td>
<td>SDTI</td>
<td>Construction</td>
<td>Dec-06</td>
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<tr>
<td>58 San Ysidro Intermodal Facility Freight Facility</td>
<td>MTS</td>
<td>On Hold</td>
<td>N/A</td>
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<tr>
<td>60 Coastal Rail Double Track Corridor Level Environmental Impact Report</td>
<td>SANDAG</td>
<td>Environmental</td>
<td>Apr-07</td>
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<tr>
<td>61 Oceanside-Escondido Bikeway</td>
<td>NCTD</td>
<td>Construction</td>
<td>Dec-07</td>
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<tr>
<td>62 Coastal Rail Trail</td>
<td>SANDAG</td>
<td>Construction</td>
<td>Dec-08</td>
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<tr>
<td>63 Del Mar Bluffs Stabilization Project 2</td>
<td>SANDAG</td>
<td>Advertisement</td>
<td>Dec-06</td>
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<tr>
<td>64 East Division Maintenance Facility</td>
<td>SANDAG</td>
<td>Construction</td>
<td>Sep-07</td>
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<tr>
<td>65 Santa Margarita River Bridge Replacement &amp; 2nd Track</td>
<td>SANDAG</td>
<td>Design</td>
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## Transit and Bikeway Projects

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<tr>
<td>66 Sorrento-Miramar Curve Realignment &amp; 2nd Track</td>
<td>SANDAG</td>
<td>Design</td>
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<td>N/A On Schedule</td>
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<td>67 San Diego Bayshore Bikeway Salt Works Phase</td>
<td>SANDAG</td>
<td>Design</td>
<td>$350</td>
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<td>68 Solana Beach Transit Center Parking Structure</td>
<td>NCTD</td>
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**Legend:**
- Interstates I-5, I-8, I-15, I-805
- MTS: Metropolitan Transit System
- NCTD: North County Transit District
- SDTC: San Diego Transit Corporation
- SDTI: San Diego Trolley, Inc.
- TransNet funded projects in **bold**
- Underlined items changed from last report
- * Work suspended due to program budget deficit
- ‡Baseline established when construction is funded
<table>
<thead>
<tr>
<th>Project Title</th>
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<tr>
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<td>Carlsbad</td>
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<td>Funded Budget ($1,000's) $5,000</td>
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<tr>
<td>Palomar Airport Road to Carlsbad/Vista City Limit</td>
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<td>Cost to Complete ($1,000's) $5,000</td>
<td>On Schedule</td>
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<tr>
<td>81 Widen Rancho Santa Fe Road</td>
<td>Carlsbad</td>
<td>Completed</td>
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<td>Funded Budget ($1,000's) $41,300</td>
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<td>82 Coronado Tunnel</td>
<td>Coronado</td>
<td>Environmental</td>
<td>Aug-08</td>
<td>N/A</td>
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<td>Construct New Tunnel</td>
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<td>Approved Budget ($1,000's) N/A</td>
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<td>83 Widen Jamacha Road E. Main Street to South City Limit</td>
<td>El Cajon</td>
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<td>$4,672</td>
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<td>84 Manchester Avenue/I-5 Interchange Reconstruct Interchange</td>
<td>Encinitas</td>
<td>Environmental</td>
<td>Dec-06</td>
<td>$67,000</td>
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<td>85 Widen Bear/East Valley Parkway Orleans to North City Limit</td>
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<td>Construction</td>
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<td>86 Nordahl Road/SR 78 Interchange Widening, Mission Avenue to Montiel Road</td>
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<td>$5,152</td>
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<td>87 Widen Plaza Boulevard Highland Avenue to Euclid Avenue</td>
<td>National City</td>
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<td>$10,174</td>
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<td>Right of Way</td>
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<td>$10,174</td>
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<td>88 Widen Espola Road Twin Peaks Road to 900 ft South of Titan Way</td>
<td>Poway</td>
<td>Environmental</td>
<td>N/A</td>
<td>$8,900</td>
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<td>89 Extend Carroll Canyon Road Sorrento Valley Road to Scrantom Road</td>
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<td>90 Genesee Ave Widening I-5 to Campus Point</td>
<td>San Diego</td>
<td>Advertisement</td>
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<td>$5,971</td>
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<td>91 Friars Road/SR 163 Interchange Fashion Valley Road to Frazee Road</td>
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<td>$136,000</td>
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<td>92 Clairemont Mesa Boulevard/SR 163 Interchange Kearny Mesa Road to Kearny Villa Road</td>
<td>San Diego</td>
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<td>$16,200</td>
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<td>Environmental</td>
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<td>$20,000</td>
<td>$15,693</td>
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<td>94 Forester Creek Channelization Mission Gorge Road to Prospect Avenue</td>
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<td>Construction</td>
<td>Aug-07</td>
<td>$35,927</td>
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### Arterial and Freeway Interchange Projects

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<th>Current Phase</th>
<th>Total Project</th>
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<tr>
<td><strong>Description/Limits</strong></td>
<td><strong>Approved Budget ($1,000's)</strong></td>
<td><strong>Funded Budget ($1,000's)</strong></td>
<td><strong>Cost to Complete ($1,000's)</strong></td>
</tr>
<tr>
<td>South Santa Fe Avenue Phase I: Montgomery Drive to York Drive</td>
<td>County of San Diego</td>
<td>Design and Right of Way Mar-08</td>
<td>$25,875</td>
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<tr>
<td>Bradley Avenue/SR 67 Interchange Reconstruct and Widen Interchange</td>
<td>County of San Diego</td>
<td>Environmental May-07</td>
<td>$40,000</td>
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<tr>
<td>Los Coches/I-8 Interchange</td>
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<table>
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<tr>
<td></td>
<td>$489,817</td>
<td>$199,210</td>
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**Legend:**
- Interstates: I-5, I-8, I-15, I-805
- TransNet funded projects in **bold**
- Underlined items changed from last report
- * Work suspended due to program budget deficit

November 2006
<table>
<thead>
<tr>
<th>Project Title</th>
<th>Sponsor Agency</th>
<th>Current Phase</th>
<th>Total Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCTV Incident Identification System</td>
<td>Caltrans</td>
<td>Construction</td>
<td>Dec-07</td>
</tr>
<tr>
<td>I-15: SR 94 to I-8</td>
<td></td>
<td></td>
<td>$9,000 $9,000 $9,000 2007 On Schedule</td>
</tr>
<tr>
<td>I-805: SR 94 to I-8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CCTV, Fiber Optic, Detector Stations, and Congestion Management System</td>
<td>Caltrans</td>
<td>Design</td>
<td>Jul-09</td>
</tr>
<tr>
<td>Traffic Monitoring Systems</td>
<td>Caltrans</td>
<td>Design</td>
<td>Nov-07</td>
</tr>
<tr>
<td>I-805: Linda Vista Road to Mira Mesa Boulevard</td>
<td></td>
<td></td>
<td>$8,486 $8,486 $8,486 2009 On Schedule</td>
</tr>
<tr>
<td>Changeable Message Signs</td>
<td>Caltrans</td>
<td>Construction</td>
<td>Jan-07</td>
</tr>
<tr>
<td>I-5: 3 Locations</td>
<td></td>
<td></td>
<td>$1,631 $1,631 $1,631 2007 Behind</td>
</tr>
<tr>
<td>Ramp Meters (Northbound)</td>
<td>Caltrans</td>
<td>Design</td>
<td>Nov-06</td>
</tr>
<tr>
<td>I-805: Telegraph Canyon Road to Bonita Road</td>
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<td></td>
<td>$7,373 $7,373 $7,373 2009 On Schedule</td>
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<tr>
<td>Traffic Monitoring Systems</td>
<td>Caltrans</td>
<td>Advertised</td>
<td>Dec-06</td>
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<tr>
<td>I-5, SR 52, SR 94, and I-805</td>
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<td></td>
<td>$2,750 $2,750 $2,750 2008 Ahead</td>
</tr>
<tr>
<td>Intermodal Transportation Management System Phase III</td>
<td>SANDAG</td>
<td>Design</td>
<td>Jun-07</td>
</tr>
<tr>
<td></td>
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<td>$7,000 $4,600 $7,000 2007 On Schedule</td>
</tr>
<tr>
<td>Smart Card Project</td>
<td>MTDB</td>
<td>Implementation</td>
<td>Apr-07</td>
</tr>
<tr>
<td></td>
<td></td>
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<td>$39,376 $39,376 $39,376 2005 On Schedule</td>
</tr>
<tr>
<td>Automated Vehicle Classification Freeway System, Ports</td>
<td>SANDAG</td>
<td>Testing</td>
<td>Jun-07</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$750 $750 $750 2007 On Schedule</td>
</tr>
<tr>
<td>Advanced Traveler Information System Freeway System</td>
<td>SANDAG</td>
<td>Permit Approval</td>
<td>Mar-07</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$3,000 $3,000 $3,000 2007 Ahead</td>
</tr>
<tr>
<td>Performance Monitoring System Arterial, Freeway, Transit Systems</td>
<td>SANDAG</td>
<td>Completed</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$240 $240 $240 Completed</td>
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</table>
### Traffic Management and Intelligent Transportation System Projects

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Sponsor Agency</th>
<th>Current Phase</th>
<th>Total Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>121 Regional Arterial Management System Arterial System</td>
<td>SANDAG</td>
<td>Implementation</td>
<td>May-07</td>
</tr>
</tbody>
</table>

- **Approved Budget ($1,000's):** $1,000
- **Funded Budget ($1,000's):** $1,000
- **Cost to Complete ($1,000's):** $1,300

**Schedule:**
- **Current Completion:** 2007
- **On Schedule?** Behind

**Cost and Budget**

<table>
<thead>
<tr>
<th>Phase</th>
<th>Completion</th>
<th>Approved Budget ($1,000's)</th>
<th>Funded Budget ($1,000's)</th>
<th>Cost to Complete ($1,000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arterial System</td>
<td>May-07</td>
<td>$1,000</td>
<td>$1,000</td>
<td>$1,300</td>
</tr>
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</table>

**Totals**

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<thead>
<tr>
<th>Approved Budget ($1,000's)</th>
<th>Funded Budget ($1,000's)</th>
<th>Cost to Complete ($1,000's)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$88,962</td>
<td>$86,562</td>
<td>$89,262</td>
</tr>
</tbody>
</table>

**Legend:**
- CCTV: Closed Circuit Television Camera
- Interstates: I-5, I-8, I-15, I-805
- MTDB: Metropolitan Transit Development Board
- Underlined items changed from last report
- * Work suspended due to program budget deficit

November 2006
## DEMAND MANAGEMENT

### Reduced Travel
- **Person Trips Reduced**
  - This Quarter: 498,418
  - Last Quarter: 526,510
  - Fiscal Year To Date: 498,418
  - Last Fiscal Year To Date: 471,212
- **Vehicle Miles Traveled Reduced**
  - This Quarter: 28,060,933
  - Last Quarter: 27,766,400
  - Fiscal Year To Date: 28,060,933
  - Last Fiscal Year To Date: 24,875,354

### Reduced Emissions
- **Pounds of Smog-Forming Pollution Reduced**
  - This Quarter: 77,944
  - Last Quarter: 77,127
  - Fiscal Year To Date: 77,944
  - Last Fiscal Year To Date: 69,096

### Reduced Fuel Consumption
- **Gallons of Fuel**
  - This Quarter: 1,529,624
  - Last Quarter: 1,513,567
  - Fiscal Year To Date: 1,529,624
  - Last Fiscal Year To Date: 1,355,974

### Reduced Costs
- **Reduced Auto Fees**
  - This Quarter: $13,693,735
  - Last Quarter: $13,550,004
  - Fiscal Year To Date: $13,693,735
  - Last Fiscal Year To Date: $12,139,174

### Program Activity
- **Number of Vanpools**
  - This Quarter: 532
  - Last Quarter: 514
  - Fiscal Year To Date: 532
  - Last Fiscal Year To Date: 448
- **Vanpool Passengers**
  - This Quarter: 4,475
  - Last Quarter: 4,334
  - Fiscal Year To Date: 4,475
  - Last Fiscal Year To Date: 3,859
- **Bike Lockers in Service**
  - This Quarter: 526
  - Last Quarter: 526
  - Fiscal Year To Date: 526
  - Last Fiscal Year To Date: 534
- **Bike Locker Members**
  - This Quarter: 415
  - Last Quarter: 414
  - Fiscal Year To Date: 415
  - Last Fiscal Year To Date: 343
- **Guaranteed Ride Home Participants**
  - This Quarter: 1,110
  - Last Quarter: 2,971
  - Fiscal Year To Date: 1,110
  - Last Fiscal Year To Date: 2,499
- **Total Phone Calls Received**
  - This Quarter: 2,019
  - Last Quarter: 1,502
  - Fiscal Year To Date: 2,019
  - Last Fiscal Year To Date: 1,648
- **Carpool Matchlists Distributed**
  - This Quarter: 2,295
  - Last Quarter: 2,529
  - Fiscal Year To Date: 2,295
  - Last Fiscal Year To Date: 2,171

## INCIDENT MANAGEMENT

### Freeway Service Patrol
- **Total Assists**
  - This Quarter: 14,810
  - Last Quarter: 14,236
  - Fiscal Year To Date: 14,810
  - Last Fiscal Year To Date: 15,098

  *(Includes Freeway Service Patrol for Traffic Management Plans on Interstate 5, Interstate 15)*

### Freeway Changeable Message Signs
- **Incident Broadcasts**
  - This Quarter: 105
  - Last Quarter: 83
  - Fiscal Year To Date: 105
  - Last Fiscal Year To Date: 257

- **Broadcast Duration (total minutes)**
  - This Quarter: 10,147
  - Last Quarter: 13,900
  - Fiscal Year To Date: 10,147
  - Last Fiscal Year To Date: 31,385

### Freeway Incident Advisories
- **Sig Alerts**
  - This Quarter: 112
  - Last Quarter: 135
  - Fiscal Year To Date: 112
  - Last Fiscal Year To Date: 162

- **Sig Alert Duration (total minutes)**
  - This Quarter: 12,606
  - Last Quarter: 13,766
  - Fiscal Year To Date: 12,606
  - Last Fiscal Year To Date: 15,158
Assists by Patrol Beat

1. 863
2. 1,009
3. 1,062
4. 827
5. 999
6. 922
7. 646
8. 862
9. 1,460
10. 317
11. 619
12. 1,149
13. 955
Roving Trucks 3,126

FREEWAY SERVICE PATROL ASSISTS
July – September 2006
VANPOOL PROGRAM
Number of Vanpool Origins by Major Area
July – September 2006

SAN DIEGO REGION
MAP AREA

CENTRAL
35 Vanpools

NORTH CITY
48 Vanpools

SOUTH SUBURBAN
36 Vanpools

EAST SUBURBAN
53 Vanpools

NORTH COUNTY WEST
49 Vanpools

NORTH COUNTY EAST
49 Vanpools

EAST COUNTY
5 Vanpools

VANPOOLS FROM OTHER COUNTIES
Imperial 24
Los Angeles 3
Orange 6
Riverside 223
San Bernardino 1

UNITED STATES
MEXICO

SANDAG

ATTACHMENT 12
2007 ANNUAL SANDAG BOARD RETREAT

Introduction

During the past two months, the Executive Committee has served as the working group to help the Board of Directors and staff develop the agenda and format for the annual retreat.

The SANDAG annual retreat is scheduled to start on Wednesday, January 31, 2007, in the afternoon, run all day Thursday, and conclude by midday on Friday, February 2, 2007. The venue is La Casa Del Zorro in the desert community of Borrego Springs.

As a reminder, the primary objective of the retreat is to afford participants the opportunity to strategize about regional public policies and programs. From these retreat discussions, participants can develop ideas for the future direction of SANDAG. Board members also may want to consider some of these issues during the ensuing months as they develop the FY 2008 Overall Work Program and associated Program Budget.

Discussion

To date, the Executive Committee and other individual Board members have suggested the following topics as potential retreat agenda items:

- **How do we pay for our projects and programs?** Participants will consider options for regional revenues. Review and discuss findings from regionwide public opinion survey and interactive polling results from October 2006 Board Policy meeting. Conduct additional interactive polling and policy deliberations on financing and revenue options for the 2007 Regional Transportation Plan and other quality of life projects. Participants also may consider sales tax authority options.

- **Show me the money.** Following the November elections, what are SANDAG options for funding transit, highways, goods movement, and other infrastructure? How do we get our fair share?

- **An eye toward the future.** Consider how to keep regional vision and strategies in focus when local priorities are shifting. How can the Board maintain long-term local support for transportation and land use funding and policy decisions?
• The view from the state. In FY 2006, SANDAG was awarded $409,750 from the California Regional Blueprint Planning Program for Regional Comprehensive Plan implementation efforts. SANDAG is participating in efforts to develop statewide performance measures to assess progress toward statewide transportation system and housing goals. What should SANDAG contribute to this statewide effort?

• Are we on target? Evaluate the agency’s work during calendar year 2006, and identifying critical regional issues and building consensus on the priorities for 2007.

During past retreats, participants also have found it useful to include:

• a primer on the agency’s functions, and the roles and responsibilities of a Board member (important for new members beginning to serve during the new year as well as a refresher for veteran members); and

• a primer on the topics to be discussed during the retreat so new members as well as veteran Board members can start with the same foundation of information.

Invited Speakers

At the direction of the Executive Committee, invitations have been made to the following individuals as subject matter experts to participate in the retreat: (1) Ruben Barrales, Deputy Assistant to President Bush and Director of the Office of Intergovernmental Affairs, on issues affecting the San Diego region; and (2) Harvard Professor Herman “Dutch” Leonard on achieving regional political and operational coordination and cooperation in the face of catastrophic events. Other potential speakers include the new Secretary of Business, Housing and Transportation if he/she is in place by January, and a futurist to discuss scenarios, visions, and strategic planning.

Why Have a Retreat?

A retreat provides the opportunity for participants to get together in a relaxed and informal atmosphere to allow for more time to have in-depth discussion on a few significant regional topics. A well-planned, well-executed retreat provides the time for reflection on and evaluation of the worthiness of existing programs as well as the development of new initiatives. For example, initiatives from past retreats have resulted in the development of the Regional Comprehensive Plan, the Regional Economic Prosperity Strategy, and the creation of the Public Safety Policy Advisory Committee. In addition, a well-organized retreat enhances team building, program planning, commitment to goal accomplishment, and organizational development.

Where Is the Best Location?

The key to any retreat is to get participation. It is important to afford participants a different physical setting from the routine and pressures of their daily workplaces. The best location is a place that is relaxing and lends itself to clear, creative thought. La Casa Del Zorro in the community of Borrego Springs has worked very well as the SANDAG retreat venue.
What’s the Proper Duration for the Retreat?

A one and one-half to two-day retreat offers the best opportunity to incorporate work time and team building, according to the California Association of Chambers of Commerce. A two-day session may allow time for a presentation by an outside speaker, reports on various committees and projects, brainstorming, development of a wish list, and time to fine tune the overall organization. Chamber executives note that retreat social events can be as valuable as the working sessions.

Next Steps

The annual retreat has been of immense value for SANDAG to help set the direction of the agency. Based on the discussion and action during the Board meeting, staff will finalize the retreat agenda and associated support materials. A letter of invitation will be mailed to each SANDAG Board member and alternate next week. The final agenda, background materials, and retreat logistics will be mailed to participants by mid-January 2007.

Directors are asked to encourage their colleagues to participate in the retreat because of the inherent value this type of public forum provides regional policymakers.

GARY L. GALLEGOS
Executive Director

Key Staff Contact: Anne Steinberger, (619) 699-1937, ast@sandag.org
DRAFT 2006 PROGRESS REPORT
ON CONSOLIDATION

File Number 8000100

Introduction

Streamlining Project Delivery and Regional Governance

On September 20, 2002, California Senate Bill (SB) 1703\(^1\) was signed into law. The law consolidated the roles and responsibilities of SANDAG with many of the transit planning, programming, project development, and construction responsibilities of the transit agencies now known as Metropolitan Transit System (MTS) and North County Transit District (NCTD).

This summary report fulfills a requirement of SB 1703 and Assembly Bill (AB) 361\(^2\) that SANDAG complete an evaluation of progress in carrying out its responsibilities under the legislation, and report on the findings to the Governor and California Legislature on a biennial basis by December 31 in even numbered years. AB 361 was signed into law on September 25, 2003. SANDAG submitted its initial progress report in December 2004\(^3\).

This progress report encompasses the period January 2005 through December 2006, and contains numerous endnotes referencing documents that offer a more in-depth examination of consolidation and governance topics in the San Diego region.

Discussion

Major Accomplishments

Major highway and transit projects get a jump-start with the extension of TransNet.

In January 2005, SANDAG approved a TransNet Early Action Program\(^4\) to jump-start several key highway and transit projects contained in the local sales tax extension. The projects include: the widening of Highway 76 to link to Interstate 15 (I-15) in the North County; adding two lanes and extending Highway 52 eastward to link to Highway 67 in the East County; and extending the trolley from Old Town San Diego onto the campus at the University of California at San Diego (UCSD) and over to the University Towne Centre. Other major construction and infrastructure projects include: four new managed highway lanes on the I-15 and Bus Rapid Transit (BRT) from Escondido to downtown San Diego via Mid-City; four new managed highway lanes on I-805 and the South Bay BRT from Otay Ranch to downtown San Diego; the Mid-Coast Transit Super Loop in the University...
City area; and environmental work to add four new managed highway lanes on I-5 from north of the I-5/I-805 merge to Highway 76.

Three months earlier, in November 2004, two out of three voters in the county approved the 40-year extension of the half-cent sales tax known as TransNet. The estimated $14 billion to be generated during the period 2008 through 2048 will be used to help fund highway, public transit, and local road improvements.

SANDAG adopted a Plan of Finance associated with TransNet as well as an environmental mitigation program during the past two years. The agency also has developed a Web-based “Dashboard” so members of the public can track the expenditures and progress of major transportation infrastructure improvements on a monthly basis.

In addition, the mandated Independent Taxpayer Oversight Committee is fully functional and meeting on a monthly basis. The committee published its first report about the TransNet program and its performance in October 2006.

Independent California Legislative Analyst Office conducts an examination of SANDAG and its roles in the San Diego region.

As required by SB 1703 and AB 361, the independent California Legislative Analyst Office (LAO) conducted a comprehensive assessment of SANDAG as the consolidated agency, and in March 2006, published a report of its work. The LAO spent a considerable amount of time interviewing regional opinion leaders and staffs from SANDAG member agencies as well as examining various regional governance models. The LAO’s major findings concluded that: (1) SANDAG plays a more prominent role than most other councils of governments in California; (2) the agency’s authority to address most regional issues is limited; (3) SANDAG actions require broad consensus; and (4) there is little ability to hold SANDAG Board members accountable for regional objectives.

SANDAG governance is evolving.

In August 2006, a change in state law (SB 1296), authorized the County of San Diego to gain a second seat on the SANDAG Board of Directors starting in January 2007. Therefore, voting members of the agency will include a mayor or councilmember from each of the 17 smaller cities in the region, plus, the mayor of the City of San Diego and one San Diego City councilmember. The addition of the second representative from the San Diego County Board of Supervisors will ensure that both the incorporated areas and unincorporated areas that contain more rural populations are represented on the SANDAG Board. In addition, discussions are underway to add a member of the Southern California Tribal Chairmen’s Association to the SANDAG Board as an advisory member.

Regional Comprehensive Plan is being implemented.

The Regional Comprehensive Plan (RCP), adopted by SANDAG in 2004, is now being implemented. The RCP serves as the long-term planning framework for the San Diego region. It provides a broad context in which local and regional decisions can be made that move the region toward a sustainable future. The RCP better integrates local land use and transportation decisions, and focuses attention on where and how we want to grow, providing a vital alternative to where we could end up if we continue with business as usual. The RCP contains an incentive-based approach to encourage and channel growth into existing and future urban areas and smart growth communities.
The RCP incorporates performance indicators to be used as a tool to track progress in implementing the plan. Many of the strategies and actions recommended in the Plan will take years to develop and fund. Therefore, it is important to have a consistent and valid set of indicators that can reflect the sometimes subtle changes that occur over the long run. Monitoring our progress in implementing the RCP is both a recommendation of the Plan and a legal requirement. AB 361 included the specific requirement that SANDAG monitor progress through “realistic measurable standards and criteria, which must be included in the RCP itself and made available to the public.” The list of indicators was published as part of the RCP.

In June 2006, a foundation element of the RCP was the development of a "Smart Growth Concept Map" depicting the location of existing, planned, and potential smart growth areas, which would be used in updating the 2030 Regional Transportation Plan (RTP) and determining eligibility for smart growth-related incentives.

One of the basic principles in the RCP is that coordinated regional planning for smart growth development should be encouraged through the use of incentives. The Pilot Smart Growth Incentive Program (SGIP) was originally proposed in the SANDAG 2030 RTP. The agency’s Transportation and Regional Planning Committees approved the use of federal Transportation Enhancement funds to begin the pilot program. In September 2005, SANDAG approved 14 local projects to receive $19 million in funding as part of the agency’s SGIP. In August 2006, two additional projects were funded from the original call for projects list. Beginning in 2008, a longer-term, smart growth incentive program, totaling $280 million, will be funded through the local TransNet half-cent sales tax program. The SGIP provides funding to local jurisdictions for capital improvement projects that will help with the implementation of exemplary smart growth land development around the region. The program is designed to foster the kind of smart growth development described in the RCP: a mix of well designed, higher intensity development in the existing urbanized areas, community and town centers, and rural villages, supported by transportation infrastructure that encourages a full range of transportation choices. Under the pilot program, grant funds are made available to local jurisdictions for capital improvement projects that help integrate transportation and land use, such as transit-oriented developments and other smart growth projects that make areas more conducive to mixed land uses, walking, and biking.

Another component of the RCP is the Integrated Regional Infrastructure Strategy (IRIS). The strategy is based on a systematic approach to addressing regional infrastructure needs and revenue sources. The IRIS was completed in a four-step process: (1) infrastructure inventory and evaluation; (2) needs assessment; (3) evaluation of financing and public policy options; and (4) recommended policies and implementation procedures. In addition, the IRIS was used to help make recommendations to the State of California regarding its infrastructure bonding package placed on the November 7, 2006, statewide ballot. SANDAG is now using the IRIS to develop the revenue scenarios to be contained in the update of the 2007 RTP as well as strategies for funding habitat conservation, water quality, and shoreline management activities.

In FY 2006, SANDAG was awarded $409,750 from the California Regional Blueprint Planning Program to strengthen and supplement the RCP implementation efforts. The grant funds support SANDAG work on the IPLACE model, implementation of the RCP IRIS, and goods movement planning in southern California.

SANDAG also has formed the Energy Working Group (EWG) for the purpose of implementing the San Diego Regional Energy Strategy (RES) adopted by the agency in 2003. The EWG has been meeting regularly to discuss and make recommendations on issues related to the RES. The EWG has made recommendations on many proceedings and/or hearings at the California Public Utilities
Commission and California Energy Commission. In addition, the EWG has made recommendations to SANDAG on issues being addressed by San Diego Gas & Electric related to implementing the region’s energy policies outlined in the RES. The EWG provides a forum for a diverse set of policymakers, stakeholders, and interest groups to discuss important energy policy issues.

Underpinning this comprehensive planning work is the Regional Growth Forecast of population, housing, and employment, which serves as the foundation of the RTP and RCP. The forecast represents the best assessment of the changes we can anticipate for the region and its communities based on the most current information available as well as well-proven and verified computer models. It is meant to help policymakers prepare for the future and is not an expression for or against growth. To ensure that the forecast reflects current national, state, and regional trends, and recent changes to local plans and policies, it is updated every three to five years. In September 2006, SANDAG accepted the most recent growth forecast for use in the development of the 2007 RTP and for other planning purposes.

Regional transit service is defined among transit properties and SANDAG.

In the summer of 2006, SANDAG Directors revised the agency’s policy to clarify the roles and responsibilities related to transit service and infrastructure planning, and vehicle procurement for regionally significant transit projects and services identified in the RCP, RTP, Regional Short Range Transit Plan, and TransNet Ordinance. The policy also specifies responsibilities for Federal Title VI reporting; deletes references to regional fare setting which are now addressed in a newly adopted agency policy - Regional Fare Structure and Comprehensive Fare Ordinance; and identifies SANDAG as responsible for new specialized transportation service planning requirements included in Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU).

Comprehensive transit fare ordinance adopted.

In early 2006, SANDAG adopted a regional fare policy and comprehensive fare ordinance to provide guidelines for setting a uniform, fair, and equitable regionwide fare system within the county for North County Transit District (NCTD) and the Metropolitan Transit System (MTS). The regional fare policy also established agency roles and responsibilities related to the fare structure and fare setting in the region. The policy also states that SANDAG has responsibility for adopting a comprehensive fare ordinance to set the specific cash and prepaid fare levels and transfer policies and pricing for the various types of services and rider groups.

In addition, by the end of calendar year 2006, a new telephone and Web-based 511 free traffic and travel information service will be introduced to commuters. Also, the new Compass Card (regional smart card) will be introduced in early 2007. The Compass Card involves a new technology that offers the opportunity to simplify the fare structure, and streamline and expedite fare collection and the collection of ridership and revenue data. Both 511 and the Compass Card were developed in close cooperation with MTS and NCTD.

Criminal Justice Clearinghouse and ARJIS make public safety a regional priority.

During the past two years, as part of the SANDAG Overall Work Program, a number of public safety-related products and projects were funded through local, state, and federal sources. The SANDAG Criminal Justice Research Division serves as the regional clearinghouse for public safety information. Under the guidance of the SANDAG Public Safety Committee, staff conduct research projects that document need or measure the effectiveness of various strategies to improve public safety.
The Criminal Justice Clearinghouse is funded annually with $200,000 in member assessments. Staff successfully completed a number of efforts designed to increase the efficiency with which local crime statistics are compiled, contributed to a number of local groups with the goal of making our region safer, and disseminated regional statistics and information in a timely and effective manner, including 25 years of historical crime data.

New technologies, improved data sharing, and better communication keep the Automated Regional Justice Information System (ARJIS) in the forefront as it continues to provide the San Diego law enforcement community with enhanced information used to solve crimes and protect the public.

ARJIS supports 71 justice agencies representing local, state, and federal government within San Diego and Imperial Counties. Chartered with supporting a regional Web-based secure network that contains a variety of information to support law enforcement activities, ARJIS is used daily by 11,000 officers, investigators, and analysts. Other efforts conducted by ARJIS include the crime mapping system and deploying law enforcement information into the field via handheld wireless devices.

ARJIS is averaging 150,000 inquiries monthly. During the last two years, ARJIS acquired and implemented two new investigative tools - COPLINK and i2; made enhancements to existing applications; added new ARJIS agencies; and released a groundbreaking crime-mapping Web site that promotes public safety and awareness. ARJIS also received an additional $985,000 through grants received from the Department of Homeland Security to focus on the continued deployment of handheld personal data assistants to officers in the field and associated public safety mobile applications such as critical-incident mapping and the sharing of criminal gang information.

Public Outreach and Participation are essential.

SANDAG has embarked on an update of its current $42 billion RTP, known as MOBILITY 2030. This new transportation policy blueprint is scheduled to be finalized in the fall of 2007. However, as the planning work began, SANDAG first solicited review and comment from diverse populations on how a Public Outreach and Participation Program should be developed to garner wide and varying opinions and feedback into the plan’s development. A major goal of this public involvement effort is to reach out to nontraditional as well as traditional audiences to include them in the planning process. This program will help ensure that environmental justice issues are addressed and that interested members of the public have ample opportunity to understand and provide meaningful input while development of the RTP is in its early stages.

This program will be combined with the public involvement efforts to develop the Coordinated Public Transit and Human Services Transportation Plan (“Coordinated Transportation Plan”) that will serve as the San Diego region program to improve services for people with disabilities, older adults, and individuals with low incomes. Early public involvement and comment about the RTP and Coordinated Transportation Plan are important to SANDAG as part of creating a transportation public policy blueprint that meets the travel needs of our residents.

As one of the ways to help ensure diverse and direct input into the 2007 RTP from residents throughout the San Diego region, SANDAG will implement an innovative program to secure participation from communities and individuals typically not involved in the regional planning process. SANDAG has awarded grant funding to community-based organizations from around the region through a competitive-bid process. The selected organizations will conduct their own
outreach activities to secure public involvement from stakeholders in their communities, to engage community-based participation in setting regional transportation priorities, and to generate feedback on the RTP. This program is modeled after a similar successful effort SANDAG conducted during the development of the RCP.

In September 2006, SANDAG conducted a survey of stakeholders to elicit opinions about the effects consolidation has had on the agency’s effectiveness and responsiveness in a variety of functional areas. Similar surveys were conducted in 2003 and 2004 so changes in attitudes and opinions can be measured over time. Results indicate very little variation in responses over the three surveys.

Survey participants generally feel that SANDAG adequately represents and acts upon the views and interests of respondents, their agency or organization, and the public. Respondents were asked about the effects of consolidation in four areas. They are most positive about the agency’s ability to address the transportation needs of the region and coordinating transportation planning and implementation. On a scale of 1 (greatly increased) to 5 (greatly decreased), these both received an average rating of 2.1. The accountability of the SANDAG Board of Directors and public participation received scores in the middle of the range (2.7 and 2.5, respectively).

Nine other functional areas were listed and respondents were asked whether consolidation has had a positive, neutral, or negative effect on each. Respondents were most positive about the effects of consolidation on public transportation, smart growth concepts, providing transportation options, and habitat preservation. Respondents were least positive about consolidation’s effects on the agency’s ability to increase the supply of housing in general and affordable housing specifically.

**General Observations about Regional Governance**

- Regional decision-making must occur for a metropolitan area to maintain and improve residents’ quality of life, and at the same time, achieve sustainable economic prosperity.
- Local and regional plans need to be more coordinated and consistent.
- Local elected officials, who make land use decisions, must be the decision-makers for regional public policy to make the region work.
- The regional agency needs to be pro-mobility versus pro-highway or pro-transit.
- The key to providing mobility is a balanced transportation and land use approach on a corridor by corridor basis.
- A methodical (qualitative and quantitative) process is required to determine the funding priority for constructing and expanding highways, public transportation, and major arterial roads.
- The regional agency should be more visible and accessible to a larger segment of the general populace, and proactively seek feedback about its programs and projects from diverse audiences early and often during the initial planning phases.
- Traffic congestion and urban sprawl are the top concerns of many regions today.
- Statewide fiscal reform is paramount to sustainable development.
• Statewide fiscal reform also is paramount to provide more and a wider variety of housing types, and more affordable housing.

• Land use and transportation policies and plans have to be inextricably linked.

• Any fundamental change in regional governance mandated by the State of California needs to be subject to approval of the region’s voters.

• The region needs to agree on criteria for establishing what are “regionally significant projects.”

• The region needs to establish methodologies and processes for determining the impacts of regionally significant projects.

• Regional incentive funding programs need to be established to assist local agencies in making decisions consistent with regional policies.

• Regional decisions need to provide equitable solutions.

• Existing habitat conservation programs provide a workable urban development boundary.

• Open space is an important piece of infrastructure, just like highway improvement.

• Infrastructure needs to be funded and in place before neighborhood population densities are increased.

• Nurturing regional employment clusters is one of the keys to attaining regional economic prosperity.

• Land use, additional highway, transit, and road capacity, systems management, and demand management are the keys to an efficient and effective regional transportation network.

• Effective regional programs and projects involve close cross-border planning and coordination with neighboring counties and international partners.

• The goal must be to allow local cities and county government to preserve neighborhoods through local land use control, while empowering the regional agency to make decisions that influence residents’ broad welfare.

Conclusion

Today, our region has more than three million residents living within the distinct boundaries of 18 incorporated cities as well as numerous communities throughout San Diego County. Each city serves its citizens with its own government structure run by a mayor and city council. Residents in the unincorporated communities are represented by the county board of supervisors.

However, a significant part of this region’s future will be in the way residents and elected officials decide how regional decisions are made, and how well all 19 local governments can work together. Regional decisions traverse city and county boundaries and deal with systems such as transportation, economic development, housing, and our physical environment and natural resources.
At the crux of regional decision-making is the issue of local land use control. Some of the directly related regional questions include: How can we better integrate land use and transportation public policy decisions? How can we better balance where we live, shop and work to help reduce traffic congestion on our highways and local streets? How do we lessen local government competition for ‘big box’ retail sales tax and obtain a more equitable share of property tax returned from the State of California in order to provide for better neighborhoods?

Small advances in regional governance have the potential to yield great progress in some areas. In other areas, tradeoffs and compromises are needed. However, in a few areas, sweeping changes may be necessary to protect against ever increasing urban sprawl and inadequate infrastructure. Our regional economy, transportation, housing, environment, and local government revenues are all interrelated and interdependent.

The work accomplished by San Diego’s regional leaders during the past two years as well as the governance initiatives that began at the start of the 21st century, just six years ago, have established a framework that has:

- improved land use and transportation coordination among the 18 cities, county government, and other public and private agencies;
- provided a Regional Comprehensive Plan to help local plans work more effectively and efficiently;
- linked land use and transportation public policy decisions more directly;
- consolidated many transportation and public transit regional policies inclusive of planning, programming, and project development work;
- provided a TransNet Early Action Program for more and better commuter and other travel choices;
- fostered regional project planning across city, county, and international boundaries;
- enhanced opportunities for additional state and federal funding;
- addressed the need for a comprehensive vision and plan for the border region; and
- offered a regional governance structure inclusive of all 19 local city and county governments as well as other entities with land use authority.

GARY L. GALLEGOS
Executive Director

Key Staff Contact: Garry Bonelli, (619) 699-1960, gbo@sandag.org

No Budget Impact
1 California Senate Bill 1703
   http://www.sandag.org/organization/about/pubs/SB1703.pdf
2 Assembly Bill 361
   http://www.leginfo.ca.gov/pub/03-04/asm/ab_0351-0400/ab_361_bill_20030925_chaptered.html
3 SANDAG Progress Report on Consolidation, December 2004
4 TransNet Early Action Program
5 TransNet Plan of Finance
6 TransNet Dashboard
   http://www.transnettrip.com/
7 Independent Taxpayer Oversight Committee
   http://www.sandag.org/index.asp?committeeid=75&fuseaction=committees.detail
8 Independent Taxpayer Oversight Committee - 2006 Annual Report
9 SANDAG, An Assessment of Its Role in the San Diego Region (Legislative Analyst’s Office)
10 California Senate Bill 1296
11 Regional Comprehensive Plan
    http://www.sandag.org/rcp
12 Smart Growth Concept Map
13 Regional Transportation Plan
14 Smart Growth Incentive Program
15 Integrated Regional Infrastructure Strategy
16 San Diego Regional Energy Strategy
17 2030 Forecast Update
18 SANDAG Board Policy No. 18: Regional Transit Service Planning and Implementation
    http://www.sandag.org/organization/about/pubs/policy_018.pdf
19 Regional Short Range Transit Plan
    http://www.sandag.org/?projectid=231&fuseaction=projects.detail
20 TransNet Extension Ordinance and Expenditure Plan, 2004
21 Regional Fare Structure and Comprehensive Fare Ordinance
22 Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU)
    http://www.fhwa.dot.gov/safetealu/index.htm
North County Transit District
http://www.gonctd.com/

Metropolitan Transit System
http://www.sdcommute.com/

SANDAG Overall Work Program
http://www.sandag.org/index.asp?fuseaction=about.workprogram

SANDAG Criminal Justice Research Division

Automated Regional Justice Information System
http://www.arjis.org/

Regional Transportation Plan Public Outreach and Participation Program

REPORT FROM NOMINATING COMMITTEE ON SLATE OF BOARD OFFICERS FOR 2007

Introduction

Consistent with SANDAG Bylaws, in September 2006 Chairman Cafagna appointed the following Nominating Committee for SANDAG Board Officers: San Diego Councilmember Jim Madaffer, Nominating Committee Chair; County Supervisor Bill Horn, Nominating Committee Vice Chair; Encinitas Mayor Christy Guerin (North County Coastal); San Marcos Vice Mayor Pia Harris-Ebert (North County Inland); Santee Councilmember Jack Dale (East County); and National City Vice Mayor Ron Morrison (South County).

The Nominating Committee met on October 13, 2006, to review and discuss the applications for SANDAG Board Officers. The Nominating Committee unanimously recommended that Lemon Grove Mayor Mary Sessom and Escondido Mayor Lori Holt Pfeiler continue their leadership and serve as the SANDAG Chair and First Vice Chair, respectively, for 2007.

Recommendation

The Nominating Committee unanimously recommends the following slate of SANDAG Board Officers for 2007:

- Chair: Lemon Grove Mayor Mary Sessom
- First Vice Chair: Escondido Mayor Lori Holt Pfeiler
- Second Vice Chair: Solana Beach Councilmember Joe Kellejian

In accordance with SANDAG Bylaws, additional nominations for any office may be made by Board members during the December 2006 meeting.

Discussion

Interview Process for Second Vice Chair

At its October 13, 2006, meeting, the Nominating Committee also interviewed the two candidates for Second Vice Chair position: La Mesa Mayor Art Madrid and Solana Beach Councilmember Joe Kellejian. The candidates were asked a series of interview questions, including:

- Why do you want to serve as Second Vice Chair?
- What is your vision for SANDAG next year and in five years?
- Is your interest to serve only as Second Vice Chair, or do you see yourself wanting to serve as Chair in the future?
Based on the interview process, the Nominating Committee is pleased to recommend Solana Beach Councilmember Joe Kellejian for the position of Second Vice Chair for 2007. The Committee was very impressed with the experience and dedication to SANDAG and the region of both candidates, and felt that both would be able to provide high quality service for the agency.

The Nominating Committee felt that building new Board leadership capacity was essential to meet the agency’s challenges of the future as the role of SANDAG as a leader in our region has become increasingly important. While very mindful and appreciative of Mayor Madrid’s past service as Chairman of SANDAG, the nomination of Councilmember Kellejian reflected the Committee’s desire to develop new SANDAG leaders among our entire Board.

**Next Steps**

The Board of Directors is scheduled to approve the 2007 Board Officers at its December 15, 2006, meeting. In accordance with SANDAG Bylaws, additional nominations for any office also may be made by Board members at the December meeting.

SAN DIEGO COUNCILMEMBER JIM MADAFFER  
Nominating Committee Chair

JM/KK
AMENDMENT TO MASTER MEMORANDUM OF UNDERSTANDING WITH NORTH COUNTY TRANSIT DISTRICT TO PROVIDE ADDITIONAL SUPPORT TO THE SPRINTER RAIL PROJECT

File Number 1115200

Introduction

After the passage of SB 1703, SANDAG signed a Master Memorandum of Understanding (MOU) with the North County Transit District (NCTD) and the Metropolitan Transit System (MTS) to define the functions and responsibilities of the agencies. Addendum 2 to this MOU was executed on June 16, 2005. It provided reimbursement for SANDAG assistance on the NCTD SPRINTER rail project, not to exceed $275,000. Board approval is sought to amend Addendum 2 to increase the level of staff assistance provided to the SPRINTER by an additional $1,225,000, for a total cost not to exceed $1,500,000.

Discussion

Since June 2005, SANDAG has provided a Senior Engineer to assist NCTD with the construction of the SPRINTER. As part of the SPRINTER Amended Recovery Plan, NCTD requested additional staff assistance in the form of a Regulatory Start-Up Coordinator and a Regional Project Controls Director. NCTD also wants access to the SANDAG on-call consultant contracts for additional engineering services. This assistance would be provided on a reimbursed basis.

This amendment to Addendum 2 will increase the amount of SANDAG staff and consultant support provided from the previously approved $275,000 to $1,500,000. With this action, the Board also will be approving a $1,225,000 increase to the budget for Capital Improvement Program project no. 1115200 (SANDAG Project Manager Assistance) in the FY 2007 Program Budget.

GARY L. GALLEGOS
Executive Director

Attachment: 1. Draft Amendment 1 to Addendum 2 to the Master MOU between SANDAG, NCTD, and MTDB Defining Functions and Responsibilities of the Three Agencies: Staff Assistance on Oceanside–Escondido (SPRINTER) Project

Key Staff Contact: Jim Linthicum, (619) 699-1970, jlin@sandag.org

Funds are budgeted in Work Element #1115200.
AMENDMENT 1 TO ADDENDUM 2
TO MASTER MEMORANDUM OF UNDERSTANDING
BETWEEN SAN DIEGO ASSOCIATION OF GOVERNMENTS,
NORTH COUNTY TRANSIT DISTRICT,
AND METROPOLITAN TRANSIT DEVELOPMENT BOARD
DEFINING FUNCTIONS AND RESPONSIBILITIES OF THE THREE AGENCIES:
STAFF ASSISTANCE ON OCEANSIDE—ESCONDIDO (SPRINTER) PROJECT

SANDAG DOCUMENT 5000710

THIS AMENDMENT 1 TO ADDENDUM 2 is made and entered into this ___ day of
____________, 2006, by and between the San Diego Association of Governments ("SANDAG") and
the North County Transit District ("NCTD"), which was formerly known as the North San Diego
County Transit Development Board.

RECITALS

The following recitals are a substantive part of this Agreement:

WHEREAS, a Master Memorandum of Understanding between the SANDAG, NCTD, and the
Metropolitan Transit Development Board Defining the Functions and Responsibilities of the Three
Agencies ("MOU") was entered into by the parties in April 2004; and

WHEREAS, the MOU adopts and incorporates the “Transition Plan – Subsequent Transfer,”
which outlines responsibilities for Development and Construction functions on capital projects for
the three agencies; and

WHEREAS, the “Transition Plan – Subsequent Transfer” specifies that SANDAG may provide
staff assistance on the SPRINTER project to NCTD; and

WHEREAS, SANDAG and NCTD (the parties) entered into Addendum 2 in June 2005 to
address staff assistance by SANDAG on the SPRINTER project; and

WHEREAS, NCTD is in need of additional project management engineering support and
consulting services for the SPRINTER project; and

WHEREAS, SANDAG has certain project management engineering staff and on-call
engineering consultants that are or will become available; and

WHEREAS, the parties seek to append the MOU with this Amendment 1 to Addendum 2 to
describe the manner in which SANDAG will provide staff assistance to NCTD on the SPRINTER
project; and

IN CONSIDERATION of the mutual promises set forth herein, the parties agree as follows:

I. This Amendment 1 shall supersede the provisions set forth in Addendum 2 to the MOU.

II. Project Management Responsibility

1. Overall Project Management Responsibility for the SPRINTER project shall remain with
   NCTD.
2. NCTD’s Project Manager for the SPRINTER, or his designee, shall provide direction to SANDAG engineering staff and consultants assisting NCTD on the SPRINTER project.

3. NCTD’s Project Manager for the SPRINTER shall file a monthly project status report on the status of the SPRINTER project with SANDAG.

III. SANDAG Staff Assistance

1. SANDAG shall provide engineering support staff and/or consultants through SANDAG on-call engineering contracts to NCTD for positions as noted on Exhibit A. SANDAG staff and consultants selected for this assignment shall be interviewed by the NCTD Project Manager and/or designee and shall be subject to NCTD approval. SANDAG shall endeavor to make the staff selected for work on the SPRINTER available for a minimum of one (1) year.

2. Such SANDAG staff or consultants shall assist the NCTD Project Manager and staff on specific engineering support tasks for the SPRINTER project, as described on Exhibit B, Scope of Engineering Support.

3. All SANDAG engineering support staff provided under this amended Addendum shall work at the SPRINTER field office when performing SPRINTER-related work, unless otherwise agreed to with the NCTD Project Manager.

4. SANDAG shall also assign a Regional Project Controls Director to the SPRINTER Project on a part-time basis. This position will provide an independent oversight role tasked with review of project control systems (schedule and budget) for the purpose of providing an independent assessment of the adequacy of technical staff and project cost and schedule. This position shall be filled by Jim Linthicum, Director of Engineering and Construction, SANDAG.

5. SANDAG shall invoice NCTD monthly, on an hourly rate basis, for the SANDAG staff engineering support provided for that month. Such hourly rates shall be specific to each position type, will be disclosed to NCTD in advance, and shall fall within the ranges as described in Exhibit A, which may be amended as needed to ensure full cost recovery by SANDAG. SANDAG’s hourly rates shall exclude overhead items such as access to a vehicle at the work site, computers, office space, office supplies, and job-specific training required for the SPRINTER project assignments, which shall be directly provided by NCTD. SANDAG’s hourly rates shall include both salary and benefit costs for SANDAG employees. For SANDAG on-call engineering firms assigned to the SPRINTER project, SANDAG shall invoice NCTD monthly for reimbursement for the amounts so billed from the consultants. NCTD shall also reimburse SANDAG for any SPRINTER project-required travel in a SANDAG staff engineer’s vehicle (other than to and from work at the Field Office, unless otherwise arranged) at the approved IRS rate, which is currently 44.5 cents/mile. NCTD shall approve and make prompt payment on all invoices sent by SANDAG or explain the reason for disapproval of any item in writing within twenty (20) days of receipt.
6. The total cost to be reimbursed to SANDAG under this Addendum for SPRINTER engineering support shall not exceed $1,500,000 over the life of the SPRINTER project, unless subsequently amended by mutual agreement of NCTD and SANDAG.

IV. Indemnification, Duty to Defend, and Release

1. Pursuant to California Public Utilities Code section 132353, NCTD is the owner of the SPRINTER project and responsible for construction of the SPRINTER project. Nothing in this Amendment 1 is intended to make SANDAG an owner or operator of the SPRINTER project. Therefore, the parties agree that NCTD will defend, indemnify and hold SANDAG, its Board of Directors, contract management, employees, subcontractors, and agents (collectively referred to in this section V as “SANDAG”) harmless from and against any and all liability, claims, damages, costs, and expenses (including attorneys’ fees and costs of suit), including but not limited to injuries to any person or property, injury to NCTD’s employees, subcontractors, or agents or to SANDAG, arising from or connected with the SPRINTER project. NCTD shall reimburse SANDAG for all its costs and expenses (including reasonable attorneys’ fees and costs of suit) incurred in connection with the defense of any such liability, claims, damages, costs, and expenses. These indemnity obligations shall survive the expiration or earlier termination of this Amendment 1. Notwithstanding anything to the contrary set forth in this section, this indemnity by NCTD specifically excludes all liability, loss, damage, costs, and expenses of any kind (including attorneys' fees and costs of suit) that is due to the sole negligence or willful misconduct of SANDAG.

2. NCTD hereby waives, releases, remises, acquits, and forever discharges SANDAG from any and all suits, causes of action, legal or administrative proceedings, claims, demands, actual damages, punitive damages, losses, costs, liabilities, interest, attorneys’ fees, and expenses of whatever kind and nature, in law or in equity, known or unknown, which NCTD shall or may have or acquire or possess in any way directly or indirectly connected with, based upon, or arising out of any accident, injury, loss, or damage whatsoever caused to any person or to the property of any person which is not caused by (a) a breach of this Agreement by SANDAG, or (b) the sole negligence or willful misconduct of SANDAG. NCTD agrees as to the matters released to waive the benefits of Section 1542 of the CIVIL CODE of the State of California, which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.
IN WITNESS WHEREOF, the parties hereto have executed this Amendment 1 to Addendum 2 on the date and year first written above.

SAN DIEGO ASSOCIATION OF GOVERNMENTS

GARY L. GALLEGOS
Executive Director

NORTH COUNTY TRANSIT DISTRICT

KAREN H. KING
Executive Director

APPROVED AS TO SUFFICIENCY OF FORM AND LEGALITY:
Office of the General Counsel, SANDAG

C. MICHAEL COWETT
General Counsel, Best Best & Krieger

Exhibits: A. Estimated Total Costs for Engineering Support Positions Assigned to SPRINT Project
B. SANDAG Engineering Support for SPRINT Project Scope of Work
### EXHIBIT A

**ESTIMATED TOTAL COSTS FOR ENGINEERING SUPPORT POSITIONS ASSIGNED TO SPRINTER PROJECT**

Engineers to be assigned to SPRINTER:

<table>
<thead>
<tr>
<th>Sprinter Position</th>
<th>SANDAG Position</th>
<th>Estimated Term (Starting 9/1/06)</th>
<th>Total Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inland Rail Trail/Support Engineer</td>
<td>Senior Engineer</td>
<td>20 months</td>
<td>$265,000</td>
</tr>
<tr>
<td>Regulatory Start-up Coordinator</td>
<td>Senior Engineer</td>
<td>20 months</td>
<td>$265,000</td>
</tr>
<tr>
<td>Office Engineer</td>
<td>Consultant</td>
<td>24 months</td>
<td>$582,400</td>
</tr>
<tr>
<td>Construction Project Officer</td>
<td>Consultant</td>
<td>10 months</td>
<td>$224,400</td>
</tr>
<tr>
<td>Regional Project Controls Director</td>
<td>Director of Engineering &amp; Construction</td>
<td>24 months (Part-Time Position)</td>
<td>$150,000</td>
</tr>
<tr>
<td>Misc. Expenses</td>
<td></td>
<td></td>
<td>$13,200</td>
</tr>
<tr>
<td><strong>TOTAL (Project Duration)</strong></td>
<td></td>
<td></td>
<td><strong>$1,500,000</strong></td>
</tr>
</tbody>
</table>
EXHIBIT B

SANDAG ENGINEERING SUPPORT FOR SPRINTER PROJECT
SCOPE OF WORK

Scope by Specific Position

Inland Rail Trail/Support Engineer

This position will provide ongoing coordination and engineering oversight for development and construction of SPRINTER stations and the Inland Rail Trail. Also provides liaison with SANDAG on bike trail development and construction issues. May also provide other SPRINTER engineering review and support tasks as assigned by the SPRINTER Project Manager or Chief Rail Engineer.

Regional Project Controls Director

This position will be a part-time oversight position tasked with the review of project control systems (schedule and budget) for the purpose of providing an independent assessment of the adequacy of technical staff and project cost and schedule. The primary purpose of this position is to validate or challenge the viability of project schedule and budget, and to make recommendations or suggestions on modifications and/or corrective actions needed to maintain current project goals concerning these parameters.

Regulatory Start-Up Coordinator

This position will act as the direct agency contact dealing with regulatory agency commissioning requirements under the direction of the Program Level Start-Up Manager. Tasks will be identified and assigned as needed by the Program Level Start-Up Manager.

Office Engineer

This position will be added through the use of on-call general engineering contracts now available to SANDAG. The position will be tasked with assisting NCTD’s Chief Rail Engineer in the processing of design change notices and other issues related to configuration management, quality control, requests for information, and design management.

Construction Project Officer

This position, which fills an existing NCTD vacancy, provides site liaison between the NCTD Project Manager, the Project general engineering consultant or Engineer of Record, the construction management consultant (CMC) staff and the Contractor’s site staff. The position serves as NCTD’s site representative who tracks project submittals, project progress, project quality control testing, and review change orders. The Project officer will work directly with the CMC staff and act as owner representative on project construction. They will actively monitor and report on project status, but not be considered as the direct contact to the contractors. They will also provide liaison with third party projects proponents along the right-of-way. Construction Project officers report to the NCTD Project Manager.
INTRODUCTION OF ORDINANCE CO-06-1 AMENDING ORDINANCE CO-04-01 (SAN DIEGO TRANSPORTATION IMPROVEMENT PROGRAM ORDINANCE AND EXPENDITURE PLAN) REVISNG THE EXPENDITURE PLAN TO INCLUDE COMPLETION OF THE SPRINTER PROJECT AND PROPOSED REVISIONS TO TransNet EARLY ACTION PROGRAM

File Number 1110200

Introduction

Over the last few months, the Board of Directors has received briefings on the status of the SPRINTER project. These briefings have included a review of the construction status of the project, the current situation related to the budget for the project, and the project management controls that have been developed to contain costs. These prior discussions also have resulted in the development of an interim financial strategy for the SPRINTER utilizing the SANDAG commercial paper program to cover any shortfalls in the monthly cash flow needs of the project on a short-term basis until there was greater certainty regarding the availability of funding to be provided through the Federal Transit Administration (FTA), the results of the November election, and the total cost of the project.

This item reflects the next step in the process of developing a financial plan for the SPRINTER. One of the key components of this proposed financial plan involves an amendment to the TransNet Extension Ordinance and Expenditure Plan to include the completion of the SPRINTER as one of the projects to be funded through TransNet Extension funds. Such an action would allow the addition of the completion of the SPRINTER as one of the projects in the TransNet Early Action Program (EAP). An Ordinance amendment requires two readings at separate meetings and final adoption requires a two-thirds vote of the Board of Directors. Today’s item would constitute the first reading of the Ordinance amendment. At its November 3, 2006, meeting, the Transportation Committee discussed the proposed SPRINTER financial strategies and recommended Board approval.

Recommendation

The Board of Directors is asked to approve the introduction and first reading of Ordinance CO-06-1 amending Section 2(A)(1)(b)(10) of the San Diego Transportation Improvement Program Ordinance and Expenditure Plan (CO-04-01), as well as the corresponding Table 11 of the TransNet Extension Expenditure Plan Analysis attachment to the Ordinance, to include the completion of the SPRINTER project. This action will allow the implementation of the SPRINTER Financial Plan described below. It is further recommended that the second reading and adoption of the amendment to the Ordinance be scheduled for the December 15, 2006, meeting. At that time, the inclusion of the SPRINTER to the Early Action Program (EAP) and any other potential revisions to the EAP also would be considered.
Discussion

SPRINTER Financial Plan

As discussed at prior meetings, the SPRINTER cost increase may be as much as $98.6 million, increasing the total budget from $385.6 million to $484.2 million. The FTA has required the development of a new financial plan for the SPRINTER demonstrating how this cost increase would be addressed. While North County Transit District (NCTD) has taken steps to mitigate the potential cost risks, this proposed financial plan is based on the worst-case scenario.

With the passage of the statewide transportation infrastructure bond measure (Proposition 1B) on November 7, 2006, new formula-based revenues are now available to NCTD that can be applied to the SPRINTER budget, as shown in Figure 1 below. This proposed SPRINTER Financial Plan uses $50 million out of the $53.7 million in infrastructure bond funds (Prop. 1B - State Transit Assistance [STA] Funds) estimated to accrue to NCTD. The $3.7 million in uncommitted funds may be needed for potential financing costs if, as is likely, the monies are not available in an immediate one-time allocation. In addition to the Prop. 1B funds, the financial plan also relies on the use of NCTD Transportation Development Act (TDA) carryover funds, NCTD FY 2007 STA funds, remaining NCTD bond proceeds, remaining current TransNet program funds, and revenues from the TransNet Extension. The use of TransNet Extension funds would require an amendment to the 2004 TransNet Ordinance to include the completion of the SPRINTER project in the Expenditure Plan, as explained more fully in the following section.

FIGURE 1— PROPOSED SPRINTER FINANCIAL PLAN

<table>
<thead>
<tr>
<th>Estimated SPRINTER Cost Overrun ($98.60)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Funding Plan</strong></td>
</tr>
<tr>
<td>Proposition 1B STA</td>
</tr>
<tr>
<td>NCTD Current TransNet Measure Balance</td>
</tr>
<tr>
<td>NCTD FY 2007 STA</td>
</tr>
<tr>
<td>NCTD TDA Carryover</td>
</tr>
<tr>
<td>NCTD Bond Proceeds</td>
</tr>
<tr>
<td>TransNet Extension</td>
</tr>
<tr>
<td><strong>Remaining Balance</strong></td>
</tr>
</tbody>
</table>

If NCTD is able to mitigate the potential cost risks and hold the cost increase below the $98.6 million estimate, it is proposed that the excess funding would be credited in the following order:

1. TDA Carryover
2. TransNet Extension
3. NCTD FY 2007 STA
4. Proposition 1B STA
**TransNet Extension Ordinance Amendment**

A key component of the proposed SPRINTER Financial Plan above is an amendment to the Ordinance to include the completion of the SPRINTER as an eligible project in the Expenditure Plan. Section 2(A)(1)(b)(10) of the Ordinance, as approved by the voters in November 2004, includes a total of $197 million in capital costs (net of mitigation costs) for:

“SR 78 Corridor SPRINTERT/BRT service providing high-quality, east-west transit service improvements by upgrading and extending the SPRINTERT rail line, providing BRT service along the Palomar Airport Road corridor, or a combination of the two.”

The $197 million in total capital costs was to be funded with TransNet funds combined with state/federal funds based on the overall 50/50 match rate assumed in the Ordinance. The Ordinance (Section 4(E)(1)) also specifies that:

“In implementing the projects funded under Section 4(A) [the major highway and transit corridor projects], priority shall be given to projects included in the Expenditure Plan for Proposition A as passed by the voters in 1987 that remain uncompleted, such as the eastern ends of the SR 52 and SR 76 highway improvement projects and the Mid-Coast light rail transit project. The Commission shall ensure that sufficient funding or bonding capacity remain available to implement such projects as expeditiously as possible once the environmental clearance for these projects is obtained and needed state and federal matching funds are committed.”

At the time the Ordinance was developed, the current SPRINTERT project was considered to be fully funded and therefore was not specified as a project to be funded in the Expenditure Plan. The proposed amendment would change the wording of the project in the Expenditure Plan, as described above, to read “SR 78 Corridor SPRINTERT/BRT service providing high-quality, east-west transit service improvements by completing the initial SPRINTERT rail project and using the remaining funds for upgrading and extending the SPRINTERT rail line ...” A similar change to the Table 11 in the TransNet Expenditure Plan Analysis attached to the Ordinance would be required as well, as shown on Ordinance CO-06-1 (Attachment 1).

The advantage of the Ordinance amendment approach is that the additional costs for the SPRINTERT would be coming out of the funding set aside for transit improvements in the same corridor, avoiding the need to cut back planned improvements in other parts of the region. The disadvantage is that the funding available for future improvements to the SPRINTERT and/or BRT services in the corridor could be reduced by up to $24 million.

The Ordinance may be amended by a two-thirds vote of the SANDAG Board of Directors, with the exception of a few provisions that can only be amended by the voters. One of the roles of the Independent Taxpayer Oversight Committee (ITOC) (Paragraph #4 of the Ordinance language regarding the ITOC) is to provide recommendations to the SANDAG Board regarding any proposed amendments to the Ordinance and Expenditure Plan. For this reason, this issue was discussed at last month’s ITOC meeting. While ITOC did not raise any major objections to the concept of an Ordinance amendment at that time, ITOC deferred any formal action until its November 15, 2006, meeting in order to review the financial impacts of the proposed changes on the delivery of the EAP. The ITOC recommendations on this issue will be presented at the November 17 Board meeting.
To move forward with the implementation of the SPRINTER financial plan, it is recommended that the first reading of the Ordinance amendment take place today, with the second reading and adoption to be scheduled for the December 15, 2006, meeting.


The SANDAG Board approved the Plan of Finance for the EAP in December 2005. The Plan of Finance update process has been planned to provide, at a minimum, annual updates in the fall of each year to reflect prior fiscal year actual data. More frequent updates would be undertaken as needed based on significant new information.

SANDAG staff has been working on the regular annual update of the Plan of Finance for the EAP. This work has included replacing the estimated revenues and expenditures for FY 2006 with actual revenue and expenditure data now that the fiscal year has been completed. The EAP project costs also have been updated to reflect the budgets approved by the Board as part of the SANDAG FY 2007 Program Budget. This update work has established a new base to be used in analyzing the financial impacts of adding new projects to the EAP. The analysis work conducted to date has been based on the following revisions and potential additions to the updated EAP Plan of Finance base:

- The addition of $24 million in expenditures to implement the SPRINTER Financial Plan, as described above.

- The inclusion of additional Environmental Mitigation Program (EMP) mitigation costs to reflect the total mitigation costs for the corridors included in the EAP and to meet the Board-approved guidelines for implementing the EMP. The EAP currently includes funding for environmental document preparation for the Interstate 5 (I-5) and I-805 major corridor projects. A total of $404 million (escalated costs to year of expenditure) has been included in the analysis to determine financial feasibility of accelerating the environmental mitigation for these major corridor projects and other mitigation costs anticipated during the EAP time period, as well as an estimated amount of economic benefit funds that could be generated and expended as a result of the accelerated mitigation expenditures. By advancing the environmental mitigation work on I-5 and I-805, these projects will be in a better position to compete for the discretionary funding provided through Prop. 1B. This analysis represents a very aggressive cash flow schedule. Additional work remains to be done to refine these EMP expenditures, which should result in a reduced cash flow demand on the overall program. Actual EMP expenditures would be tied to successful negotiation of a Master Agreement with the wildlife agencies.

- The inclusion of $340 million (escalated costs to year of expenditure) in near-term capital improvements to the Trolley system to include the acquisition of new low-floor vehicles, the rehabilitation of existing Trolley vehicles, and station upgrades on the Blue and Orange lines to provide platform retrofits for low-floor vehicles and shelter modifications. A total of $176 million in TransNet funds matched by an estimated $164 million from MTS could be used to support these improvements. The match is made possible by the passage of Prop. 1B, which included an estimated $164 million in new STA formula funds for MTS. Staff is continuing to work with MTS staff to refine the cost estimates and cash flow requirements. If there is concurrence on the cost estimates by the December Board meeting, these projects could be considered for inclusion in the EAP at that time.
Otherwise, these MTS projects would be considered as part of the comprehensive Plan of Finance update next spring.

- In addition to the increased STA revenues from Prop. 1B assumed above for MTS and for NCTD as part of the SPRINT Financial Plan, approximately $250 million in new formula funds provided by Prop. 1B for the State Transportation Improvement Program (STIP) process and for the new State-Local Partnership Program have been added to the financial analysis. Additional Prop. 1B funding from the discretionary programs included as part of the bond measure will be reflected in future updates to the Plan of Finance as more information is known about when such funds would be available and what projects could be funded by the additional state funds.

- A change in the Plan of Finance assumption regarding the use of the TransNet Major Corridor funding. In the initial Plan of Finance, a 10 percent set aside was factored in to the financial analysis to provide for funding of additional TransNet-eligible projects in addition to those projects in the EAP. Now that additional expenditures are being considered for addition to the EAP, the set-aside has been eliminated in this financial analysis so that full funding for the Major Corridor program can be utilized to support project costs and debt service.

The following summarizes the major changes to the Plan of Finance for the EAP resulting from the inclusion of these additional revenues and expenditures as compared to the updated base model:

- Total TransNet-funded project costs increase by $604 million (costs escalated to year of expenditure) to $4.3 billion to fully fund the SPRINT, include the additional EMP expenditures, and support the Trolley capital improvements.

- The total amount of debt financing (total principal amount of bonds and commercial paper) required to support these additional expenditures increases by $340 million to $1.85 billion.

- The total financing (interest) costs increase by $386 million to $1.63 billion, which is still below the $1.8 billion in nominal dollars set aside in the Ordinance for financing costs.

- The coverage ratio (the ratio of annual revenue to annual debt service) for the Major Corridor program improves from 1.35 to 1.60 in the lowest year (2013) as a result of releasing the 10 percent set-aside of Major Corridor funds assumed in the initial Plan of Finance and the inclusion of the new state funding from Prop. 1B.

- The coverage ratio for the total TransNet program decreases somewhat from 3.49 to 3.36 in the lowest year (2013), due primarily to the higher borrowing need for the EMP. The minimum ratio required by SANDAG bond indenture is 1.3, indicating that significant bonding capacity remains for bonds to be paid out of the local street and road, transit, or other categories.

The financial analysis indicates that the additional costs associated with the SPRINT and the other potential changes to the EAP can be accommodated without impacting the delivery of the rest of the EAP program based on the current EAP project costs and schedules in the approved FY 2007 Program Budget.
**Additional Financial Analysis Work Underway**

In addition to the Plan of Finance analysis work discussed above, staff will be conducting additional work on the Plan of Finance in concert with the development of the 2007 Regional Transportation Plan. This effort will reflect the most recent cost estimates and schedules for all of the projects and will more fully incorporate the funding from Prop. 1B. As stated previously, the financial analysis conducted to date has included the more predictable formula-driven portions of the new funding provided through Prop. 1B. The timing of this financial analysis work should allow for the incorporation of the discretionary funding programs from Prop. 1B that may be available for projects in the EAP. This analysis work will be conducted over the next year. The focus of this effort will be to refine the work done to date and to identify the next tier of projects to be added to the EAP.

GARY L. GALLEGOS  
Executive Director

Attachment: 1. **Ordinance No. CO-06-1: An Ordinance of the San Diego County Regional Transportation Commission Amending Ordinance CO-04-01 to Include Completion of the SPRINTER Project as part of the Expenditure Plan**

Key Staff Contact: Craig Scott, (619) 699-1926, csc@sandag.org

No Budget Impact
ORDINANCE NO. CO-06-1

AN ORDINANCE OF THE SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION
AMENDING ORDINANCE CO-04-01 TO INCLUDE COMPLETION OF THE SPRINTER PROJECT
AS PART OF THE EXPENDITURE PLAN

The SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION ordains as follows:

Section 1. That Section 2(A)(1)(b)(10) is hereby amended to read as follows:

“SR 78 Corridor SPRINTER/BRT service providing high-quality east-west transit service improvements by completing the initial SPRINTER rail project and using the remaining funds for upgrading and extending the SPRINTER rail line and/or providing BRT service along the Palomar Airport Road corridor, or a combination of the two - $197 million.” (Changes underlined)

Section 2. That Table 11 of the TransNet Extension Expenditure Plan Analysis attachment to Ordinance CO-04-01 be amended to read as follows under Project 42 Improvement:

“Corridor transit improvements that would include some combination of projects from the following:

SPRINTER: completing the initial SPRINTER rail project, double tracking, North County Fair extension, some grade separations; and

BRT (Palomar Airport Road): vehicles, signal priority, and other arterial improvements; builds 18 stations.” (Changes underlined)

PASSED AND ADOPTED by the San Diego County Regional Transportation Commission, State of California, on December 15, 2006, by the following vote:

AYES:

NOES:

ABSENT:

_____________________________________________
Chairperson
San Diego County Regional Transportation Commission

Attest:

________________________________________________
(Signature)

________________________________________________
Executive Director
REGIONAL PLANNING COMMITTEE
RECOMMENDATION ON THE SDG&E
SUNRISE POWERLINK TRANSMISSION PROJECT

Introduction

At its September 8, 2006, meeting, the SANDAG Executive Committee requested that the Energy Working Group (EWG) perform an evaluation of the Sunrise Powerlink Transmission Project and provide a recommendation to the Board of Directors at the November meeting. The Sunrise Powerlink (SPL), as proposed by San Diego Gas and Electric (SDG&E), would be a new 150-mile, 500-kilovolt (kV) transmission line running east-west connecting the El Centro area of Imperial County and northwestern San Diego County. SDG&E filed an amended application for this project with the California Public Utilities Commission (CPUC) on August 4, 2006. The CPUC is the lead agency responsible for making a determination on the SPL. The CPUC and federal review process for the SPL started in September 2006 and is scheduled to end in January 2008. The EWG presented its recommendation to the Regional Planning Committee on November 3, 2006.

Recommendation

Based on the Energy Working Group assessment process, the Regional Planning Committee recommends that the SANDAG Board of Directors take no position at this time on the Sunrise Powerlink Transmission Project and direct staff to request additional analyses be prepared (discussed below) to enable SANDAG to make a definitive recommendation on the project in the future.

Discussion and Further Recommendations

The RPC and EWG have concluded that it is premature to support or oppose the SPL at this juncture because the draft environmental impact report (EIR) and assessment of need have not been released, and there have been supplemental application filings that have resulted in uncertainty regarding the project route.

At its November 3, 2006, meeting, the RPC also recommended requests to the CPUC for further analyses that would enhance the evaluation process and address unresolved questions discovered in the EWG assessment (see Attachment 1).

In addition to the uncertainties identified, other energy resource options may serve the San Diego region, including increased energy efficiency, in-region central and distributed generation, and other transmission options, such as the Lake Elsinore Advanced Pump Storage (LEAPS) project. The latter, currently under federal review, could bring renewable energy from Imperial County and locations north of Los Angeles into the San Diego region though Riverside County.
To enhance the CPUC SPL assessment and to emphasize the comprehensive set of Regional Energy Strategy goals, the RPC recommends that the SANDAG Board direct staff to request that items one through four below be incorporated in the CPUC assessment and EIR for the SPL.

1. A thorough analysis of the realistic ability of either the SPL or LEAPS projects, or other options, to deliver proposed renewable energy resources to the San Diego region.

2. A complete analysis of the ability for either project, or other resource options that are consistent with the RES, to be permitted and constructed by 2010. This should include a thorough assessment of the utilization of in-county generation either with new or re-powered resources and distributed power generation.

3. A thorough comparison of the environmental analysis of the SPL and LEAPS projects.

4. A thorough discussion of the cost and need analysis of both the SPL and LEAPS projects.

The RPC and EWG also recommend that the SANDAG Board direct staff to continue to request from the California Independent System Operator the documentation backing its economic analysis of alternatives to the SPL. This was promised to the EWG at its August 24, 2006, meeting but has not yet been provided.

**Next Steps**

Staff will analyze the information outlined above once it is received, review the draft EIR, and return to the Board with a recommendation on the project by October 2007 (during the projected public review period for the draft EIR). If a recommendation can be reached prior to the release of the draft EIR, staff will return to the Board sooner with a recommendation.

GARY L. GALLEGOS
Executive Director


Key Staff Contact: Susan Freedman, (619) 699-7387, sfr@sandag.org

Funds are budgeted in Work Element #3003000.
**REPORT ON THE ENERGY WORKING GROUP ASSESSMENT PROCESS FOR THE SUNRISE POWERLINK TRANSMISSION PROJECT**

**NOVEMBER 2006**

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**Status of the State Sunrise Powerlink (SPL) Review Process**

The California Public Utilities Commission (CPUC) is the lead agency responsible for making a determination on the SPL. The state and federal review process for the SPL started in September 2006 and will likely continue through January 2008. Recent developments in the CPUC SPL regulatory proceeding include the following:

- A pre-hearing conference (PHC) was held by the CPUC on September 13, 2006, in Ramona to address procedural issues regarding the transmission application proceeding. At the PHC, CPUC Commissioner Gruenich requested that SDG&E present alternate transmission routes that avoid Anza-Borrego State Park.
- Environmental scoping meetings to develop joint state and federal Environmental Impact Report/Statement (EIR/EIS) began the first week of October 2006.
- On November 1, 2006, the CPUC released a timeline for the SPL proceeding. This timeline includes:
  - Evidentiary hearings beginning in March 2007;
  - Availability of the CPUC Division of Ratepayer Advocates testimony that will include their analysis of need, circa March 2, 2007;
  - Completion of a draft EIR/EIS, circa August 3, 2007;
  - Public participation hearings in San Diego County, late September 2007;
  - Completion of the final EIR/EIS, circa November 20, 2007;
  - CPUC draft decision on the SPL released in December 2007; and

**Energy Working Group (EWG) Assessment Process**

The EWG identified several questions that needed to be answered before it could conclude that there is a need for a major transmission facility like the SPL.

First, the EWG assessed energy resources available to meet energy demands in 2010, both committed and likely to be available. This assessment included reductions in peak demand from energy efficiency, demand response, distributed generation, and rooftop solar, all of which are priorities of the Regional Energy Strategy and the state-adopted resource loading order. In-region power plants and import capabilities from existing transmissions also were evaluated.
From this assessment, the EWG agreed that there will be an overall resource deficiency in the region in 2010 and a deficiency in renewable energy resources to meet state requirements in 2010. The EWG chose 2010 as a horizon year because that is the year that SDG&E states there is a need for the SPL.

Second, the EWG assessed what options were available to address the resource gap anticipated in 2010. This assessment was not limited to transmission options alone. The EWG reviewed potential in-region generation options, increased penetration of renewables, and demand response and energy efficiency. The EWG also reviewed alternate transmission options.

The EWG evaluation of each potential resource option considered:

- How it fit within the Regional Energy Strategy
- The actual or likely ability it could fill the year 2010 megawatt (MW) gap
- Whether it addressed state renewable portfolio standard requirements
- Whether it would meet greenhouse gas requirements
- Where it fit in the state-adopted resource loading order
- Risk of project completion by 2010
- Associated costs and other issues

Relationship of Proposed Project to Regional Energy Strategy (RES)

The Regional Energy Strategy (RES), which was adopted by the SANDAG Board of Directors on July 25, 2003, is being used as a basis for the EWG review of the proposed SPL. The RES promotes a mix of power production from centralized and distributed generation resources. Distributed generation is power generated at or near its point of use—typically smaller and more efficient than centralized facilities. The RES recognizes the need for local and imported power but calls for the majority of power used by San Diegans to be produced locally. Several goals in the RES address electricity supply and infrastructure capacity.

The RES includes a goal of increasing the total electricity supply from renewable resources to 15 percent by 2010, 25 percent by 2020, and 40 percent by 2030. Subsequent to adoption of the RES, more stringent state law has been adopted requiring 20 percent renewables by 2010. The Governor also has proposed an additional goal of 33 percent renewables by 2020. The use of transmission is needed to meet the renewables goal, but it is unclear whether this need could be met using existing or other new transmission options. Currently, there is no assurance that the SPL will be used to deliver a significant amount of renewable power to the region. It also should be noted that the RES goal calls for an emphasis on in-region renewable installations.

Another goal of the RES is to promote the local production of cost-effective, environmentally sensitive energy to reduce dependence on imported energy. At present, San Diego’s in-region resources provide only about 25 percent of regional power needs, though they could produce approximately 60 percent if run continuously. Reasons for this shortfall include the fact that some
in-region resources are old and less efficient, or they are run part-time for air quality, high fuel cost, and other reasons. A new transmission line in 2010 could offset the need for added in-region power.

The RES includes a goal to increase the transmission system capacity as necessary to maintain required reliability and to promote better access to renewable resources and low-cost supply. This goal could be met through improvements to existing transmission infrastructure, from the SPL, or from other transmission options currently under review at the state and federal levels.

Multiple Transmission Options

There are other transmission resource options under development or review that could be of benefit to the region. One option under review by the EWG is by a public-private partnership between the Nevada Hydro Company and the Elsinore Valley Municipal Water District. This option is referred to as the Lake Elsinore Advanced Pumped Storage (LEAPS) project. The LEAPS transmission project would be a 30-mile, north-south, 500 kilovolt (kV) line that would connect Southern California Edison (SCE) and SDG&E. It follows a similar path as the Valley-Rainbow transmission project that was previously proposed by SDG&E and was turned down by the CPUC in December 2002. The LEAPS project is currently under federal review by the Federal Energy Regulatory Commission. A completed assessment of this project is anticipated during summer 2007.

California State Policies regarding Electric Transmission

Preferred Loading Order

In 2005, the CPUC and California Energy Commission (CEC) adopted the Energy Action Plan (EAP) II, which stressed the state’s preferred loading order (first adopted in the 2003 Energy Action Plan). The loading order, as stated in EAP II, identifies energy efficiency and demand response as the state’s preferred means of meeting growing energy needs. After cost-effective efficiency and demand response, the state is to rely on renewable sources of power and distributed generation, such as combined heat and power applications. To the extent efficiency, demand response, renewable resources, and distributed generation are unable to satisfy increasing energy and capacity needs, clean and efficient fossil-fired generation is supported. Concurrently, the bulk electricity transmission grid and distribution facility infrastructure must be improved to support growing demand centers and the interconnection of new generation, both on the utility and customer side of the meter.


The CEC addressed transmission constraints in its 2005 IEPR, which serves as the energy policy blueprint for California. The IEPR identified the SPL project as one of five transmission projects considered as vital, near-term transmission additions critical to meeting California's rapidly growing transmission needs. The CEC stated that the proposed 500-kV SPL project would provide significant near-term system reliability benefits to California, reduce system congestion and resultant congestion costs, and provide an interconnection to renewable resources located in the Imperial Valley and lower-cost, out-of-state generation. Without the proposed project, the CEC stated that it was unlikely that SDG&E would be able to meet the state’s Renewable Portfolio Standard (RPS) goals, ensure system reliability, or reduce reliability must run and congestion costs. Therefore, the
CEC believes the proposed project offers significant benefits and recommends that the project be moved forward expeditiously so that the residents of San Diego and all of California can begin realizing these benefits by 2010.

See federal section below for CEC response to a national transmission congestion study.

**Federal Transmission Policy**

The U.S. Department of Energy (DOE) released for public comment, a National Electric Transmission Congestion Study in August 2006. The report concludes that Southern California needs new transmission capacity to reach generation sources outside the region for reliability, economics, and compliance with the state’s renewable portfolio standard. Critical Congestion Areas are “those areas where it is critically important to remedy existing or growing congestion problems because the current and/or projected effects of the congestion are severe.”

**2006 CEC Response to U.S. DOE on Transmission Corridors**

It should be noted that this information became available after the EWG Resources Subcommittee meetings were held. In October 2006, the CEC filed a response to the DOE Transmission Congestion Study. The CEC states that it agrees with the DOE classification of the Southern California region as a “Critical Congestion Area.” The CEC notes that “the San Diego region’s transmission problems are acute and graphically illustrate the importance of adequate transmission.” The CEC in its response to DOE states that it “believes that SDG&E’s transmission situation is very precarious and additional transmission infrastructure investments in the San Diego region are necessary.”
CRIME, ARREST, AND DRUG USE TRENDS IN THE SAN DIEGO REGION

File Number 2001400

Introduction

As part of the SANDAG Criminal Justice Clearinghouse, regional crime and arrest statistics, as well as statistics related to drug use among the offender population, are tracked on a regular basis. SANDAG has maintained these statistics since the late 1980s and remains the only regional source for up-to-date historical information. Over the past few months, 2005 substance use statistics and crime statistics for the first half of 2006 have been published in short topic papers and one-page research summaries. Links to these publications on the SANDAG Web site are shown in Attachment 1. In addition, 2005 arrestee statistics will be published in the near future. These data provide timely information for policymakers and practitioners who are interested in how crime and law enforcement’s response varies over time and across jurisdictions.

Discussion

Mid-Year Crime Trends

Federal Bureau of Investigation (FBI) Index crimes or Part 1 crimes include four violent offenses (homicide, rape, robbery, and assault) and three property offenses (burglary, larceny, and motor vehicle theft). The annualized 2006 violent crime rate of 4.4 was the second lowest annualized rate in the past 10 years, with a 1 percent increase from 2005. However, there was a one-year increase in the number of homicides, from 43 in the first six months of 2005 to 65 in the first six months of 2006. The number of robberies also increased, while the number of rapes and assaults decreased. Across jurisdictions, the mid-year violent crime rate per 1,000 residents varied from 0.9 to 8.9.

In comparison, the annualized property crime rate per 1,000 residents for the region decreased 5 percent from 32.0 in 2005 to 30.3 in 2006, representing the third lowest rate in the past 10 years. Each of the three Part 1 property crimes decreased over this one-year period including burglary (-1%), larceny (-5%), and motor vehicle theft (-5%). This decrease in motor vehicle thefts was the result of ongoing collaboration across local agencies and was the first one-year drop in the number of vehicles stolen since 1999-2000. Across jurisdictions, the mid-year property crime rate per 1,000 residents varied from 15.2 to 51.7.

Arrest Trends

Arrest statistics are a measure of local public safety agencies’ response to crime in the region, and as such, they provide an added dimension to biannual reports on crime statistics for understanding the nature of crime. In 2005, the juvenile arrest rate continued to decline, to a 10-year low of
49.4 arrests per 1,000 residents. In comparison, the adult arrest rate decreased for the first time since 2002 (to 43.5 in 2005). As has traditionally been the case, adults were more likely to be arrested for alcohol or other drug-related offenses, and juveniles were more likely to be arrested for property crime and other types of offenses, including status offenses such as truancy and curfew violations. In 2005, the arrest rate decreased for all age groups with the exception of those between the ages of 25 and 39.

It is worth noting that the region’s local law enforcement agencies have made excellent use of the resources they have. That is, they have achieved lower crime and arrest rates for both juveniles and adults, while averaging a smaller number of sworn officers per 1,000 residents (1.4), compared to the nation as a whole (2.3).

**Drug Use Trends**

Information compiled through interviews in 2005 with adult and juvenile male and female arrestees were released in a series of three CJ Bulletins between June and October 2006. As discussed in these publications, the percent of arrestees testing positive for any drug has increased since 2000, with 75 percent of adult females, 68 percent of adult males, and 55 percent of juveniles positive for at least one substance. In addition, the percent of arrestees testing positive for methamphetamine also has risen significantly. In 2005, 51 percent (adult females), 44 percent (adult males), and 21 percent (juveniles) tested positive, up from 29 percent, 28 percent, and 11 percent in 2000, respectively.

**Public Policy Implications**

Implications from these crime, arrest, and substance use trends and other SANDAG data suggest that:

- cross-jurisdictional partnerships to target specific offense types work and should continue;
- given the recent increase in the number of homicides and robberies, local law enforcement should retain its focus on violent crime;
- changing demographics such as the aging of our population will affect the nature of crime in the region and how the public safety system should respond to issues such as elder abuse;
- while local law enforcement agencies have effectively utilized limited resources, the issue of officer identification and retention will need to be addressed; and
- drug prevention and treatment efforts are essential in fighting crime.

GARY L. GALLEGOS
Executive Director

Attachment: 1. Selected Publications Related to Crime and Drug Use

Key Staff Contact: Cynthia Burke, (619) 699-1910, cbu@sandag.org

Funds are budgeted in Work Element #2001400
SELECTED PUBLICATIONS RELATED TO CRIME AND DRUG USE*

Crime in the San Diego Region Mid-Year 2006 Statistics

2005 Adult Arrestee Drug Use in the San Diego Region

2005 Juvenile Arrestee Drug Use in the San Diego Region

Methamphetamine Use by Adult and Juvenile Arrestees in 2005

*A list of all SANDAG publications related to Public Safety on our Web site can be found at
Good morning Chair Cafagna, Board members, Staff, and other fellow citizens. Chuck Lungerhausen of 5308 Monroe Ave. which is in the San Diego SDSU neighborhood. 92115  Phone 619-546-561000

Congratulations to those who were re-elected to their council member or Mayor positions which give you the opportunity to serve on this board. And my regrets to those who were not re-elected or chose not to run for office again. Am sure your presence will be missed, but you can still be like me, a member of the public and give your ideas at the appropriate time.

Proposition A the future airport at MAS Miramar went down for the count by the electorate and I hope and pray that Lindbergh does not fall into grid-loc and that future passengers will not miss connecting flights at other airports. Still have concern about Ordnance being flown in and out of this nations 8th or 9th largest city by pilots in training.

One final thought for this day am still fund raising for next year's MS walk so you will see me at future meetings of this board plus somebody has to make sure you're not straying from the path.

Thank you for listening and the opportunity to speak.
November 14, 2006 Public Comment San Diego City Council

Is the goal of MTS the TOTAL ELIMINATION of the City bus routes? Is this why buses are scheduled to LEAVE Trolley stops just minutes BEFORE the Trolley arrives in order to create the maximum wait of 30 minutes for a connection and thus cause riders to quit using the buses?

I have learned that the scheduling of buses to LEAVE Trolley stops just minutes BEFORE the Trolley arrives started long before the GREEN LINE opened and even before the BLUE LINE was extended to MISSION SAN DIEGO.

It seems that this technique was used to REDUCE the ridership on bus routes serving the ORANGE and BLUE LINE trolley routes so many bus routes could be eliminated.

This is not the only TIMING PROBLEM that has been created by MTS. On many routes, schedules have been established that are IMPOSSIBLE to meet. Areas on routes with multiple traffic lights and multiple bus stops within a short distance, are not being allowed enough time to maneuver the buses in those areas, so the buses run behind schedule, sometimes for a period of several hours.

At the last TRANSPORTATION Committee meeting of SANDAG, members of this City Council heard the request of NATIONAL CITY for SANDAG to take control of the buses and the trolley rather than MTS. Seems NATIONAL CITY’S bus routes are being ELIMINATED by MTS, yet they have the best return per passenger of any city in San Diego County. It was reported that this decision was somehow made at MTS WITHOUT bothering to place the item on the docket for the FULL BOARD, so it never received the FULL MTS BOARD APPROVAL.

Does this remind you council members of actions by the Vice Chairman of the SANDAG TRANSPORTATION Committee who placed items on the SANDAG budget without bothering to get APPROVAL from THIS City Council of which he is a member?

This type of activity MUST BE INVESTIGATED. When Joint Powers Authorities (JPA’S) are CREATED from which there is NO APPEAL, such as SANDAG and MTS, who make their own rules, the best interests of the public are being ignored.

Citizens of SAN DIEGO, this type of activity is NOT in your best interests. We need good bus service that meets the needs of the bus riding community. Council members, you should be asking for an INVESTIGATION, as well.

I repeat my original questions, is the goal of MTS the TOTAL ELIMINATION of the City bus routes? Is this why buses are scheduled to LEAVE Trolley stops just minutes BEFORE the Trolley arrives in order to create the maximum wait of 30 minutes for a connection and thus cause riders to quit using the buses?

Don Stillwell, 6308 Rancho Mission Road #173, San Diego, CA 92108 (619) 282-7760
## Additional Services

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<th>SANDAG Position</th>
<th>Est. Term (Starting 9/1/06)</th>
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**TOTAL:** $1,500,000  
*(Net Increase: $1,235,000)*
RECOMMENDATION

- Authorize the Executive Director to execute the amended Master MOU with NCTD for additional services to the SPRINTER Project
- Increase the Program Budget by up to $1.235 million in order to accept reimbursement for these services

SPRINTER
Amended MOU with NCTD

November 17, 2006
RPC Recommendation on the SDG&E Sunrise Powerlink Transmission Project

Board of Directors Meeting
November 17, 2006

Mayor Lori Holt Pfeiler, Chair, Regional Planning Committee
Susan Freedman, Senior Regional Planner

Overview

- Status of Sunrise Powerlink Transmission Project (SPL)
- RPC/ EWG Assessment Process
- Recommendation
- Next Steps
Status of SPL Application

- SDG&E filed application in August 2006
- California Public Utilities Commission (CPUC) opened proceeding September 2006
- CPUC milestones on SPL:
  - **March 2007**: CPUC division of ratepayer advocates testimony on need
  - **August 2007**: Draft environmental impact report (EIR)
  - **November 2007**: Final EIR
  - **January 2008**: CPUC decision on SPL
**EWG Assessment Process**

- Available resources to meet needs of the region
  - Transmission/non-transmission options
- How each option:
  - Fit within Regional Energy Strategy (RES)
  - Addressed renewable energy requirements
  - Fit within the state’s resource “loading order”
  - Addressed state greenhouse gas requirements
  - Could be completed by 2010, and at what cost

**Unresolved Questions**

- Other resource options could be viable to address regional electric needs in 2010
- Unclear what amount of renewable generation will be delivered via SPL in 2010 to meet RES goal and state requirements
- SPL in 2010 could hinder RES goal for in-region power
RPC Recommendation

- The SANDAG Board of Directors should take no position at this time on the Sunrise Powerlink Transmission Project.

- The SANDAG Board of Directors should direct staff to request additional analyses be prepared to enable SANDAG to make a definitive recommendation on the project in the future.
-----Original Message-----
From: Bob Ames Smith [mailto:radeehoh@sbcglobal.net]
Sent: Wednesday, November 15, 2006 12:42 AM
To: Kawada, Kim
Subject: Pine Valley Community Planning Group Minutes for 11/14/2006 (SDG&E Sunrise Powerlink Transmission Line)

Dear Kim,

The Pine Valley Community Planning Group meeting for Tuesday, November 14, 2006 reviewed and took action on San Diego Gas and Electric Companies proposed “Sunrise Powerlink” Transmission Line project. The minutes of that meeting are attached to inform the Board of Directors for their scheduled meeting on Friday, November 17, 2006 as to the action taken by the Pine Valley Community Planning Group regarding the proposed SDG&E Sunrise Powerlink project and alternate routes: B, C, and D.

The vote was 10-0-2 to NOT recommend approval.

The only email address I could find on the SANDAG website was yours so if I have sent this to you in error please let me know as soon as possible so I may get it to the proper person(s).

Thank you.

Bob Smith, (Member)
The Pine Valley Community Planning Group.
(radeehoh@sbcglobal.net)
1. CALL TO ORDER
Meeting called to order by Chair, at 7:00 pm

2. PLEDGE OF ALLEGIENCE

3. ROLL CALL
PRESENT: Teresa Burrows, Vern Denham, Cherry Diefenbach, Terry Glardon, Lucille Goodman, Carol Johnson, Tom Nicol, Patricia O’Mara, Ronald Palermo, Bob Smith, Jeff Strohminger, Ben Tulloch,
ABSENT: Veva Thing
PUBLIC: 119 (10 from outside area)

4. MINUTES of October 10 approve as amended
MOTION: Terry Glardon, 2nd: Ben Tulloch, VOTE: 10-0-2
(Ronald Palermo, Teresa Burrows abstained)

CORRESPONDENCE
- 11/17 9am planning comm. Hearing on groundwater ordinance
- Letter - Park fee Proposal will be revised and redistributed
- Copies of approved road network maps

ANNOUNCEMENTS
- Vern received a call from DPLU – They are holding a meeting at 2 pm Friday 11/17/06 for input from Community Planning Groups on regulation of use of cargo containers.
- Three of the historic route signs have been stolen, county will replace and reinforce the installation.

5. PRESENTATION FROM THE FLOOR ON NON-AGENDA ITEMS - none

6. GROUP BUSINESS- None

7. OLD BUSINESS

A. DISCUSSION AND ACTION TO BE TAKEN ON SDG&E’S NEW PROPOSED SUNRISE POWERLINK ROUTE. THE ROUTES ARE : A, C, AND D. ALTERNATE “C” WOULD DIRECTLY IMPACT THE PINE VALLEY PLANNING GROUP AREA CAUSING THE REMOVAL OF APPROXIMATELY 50 HOMES

Presentations:
Nicolas Pince (SDG&E Project Public Affairs Manager)
Don Parent (SDG&E Public Affairs Manager, East County.)
Tom (SDG&E Project Engineer)
www.sdge.com/sunrisepowerlink/index.shtml
Presentation on preferred alignment and alternative routes. CPUC is preparing the Environmental Doc and requiring SDG&E to consider alternatives. Public Comments should be sent to the CPUC
Impact to residences: 200 ft ROW wide required. Monopole 8-10’
In Pine Valley 50 homes along existing 69kv Line ROW
Option of using freeway ROW is being considered by CPUC, outside of SDG&E Application

Kelly Fuller (Sierra Club)
Opposed to construction of project at all in any alignment. Think the motive is to connect Power Plants in Mexico (without environmental control) to San Diego and LA.

Bill Powers (Border Power Plant Working Group) Consulting Eng. www.borderpowerplants.org Project is part of bigger plan including Sempra LNG terminal, gas pipelines in Mexico and gas fired plant in Mexico to feed LA and SD. Environmental impacts to Imperial Co. There are other options to this project to deal with reliability issue. Renewable power in SD, upgrade exist power plants, conservation, alt route north through Salton Sea.

Dennis Trapicante (Santa Ysabel Homeowners)
Opposed to project at all, on any route. It is not needed. It may set precedent to allow power lines in any state park.

Public Speakers - 17
Impact to Pine Valley, Guatay and Descanso would be devastating individuals and to the community, from loss of residents, support to local businesses, school districts, scenic impacts to visitors as well as environmental impacts.

MOTION: Bob Smith, 2nd: Terry Glardon VOTE: 10-0-2 (Ben Tulloch Abstained, Vern Denham recused)
To recommend not approving of the entire Sunrise Powerlink Project proposed by SDG&E that includes alternate routes B, C & D. These routes would impose severe negative environmental and financial impacts on the Pine Valley Planning Group Area as well as other extremely sensitive locations on both public and private lands. Alternate route C would not conform to the community character of the Pine Valley Planning Group Area.

8. NEW BUSINESS - None
Meeting Adjourned at 9:20pm
Next Regular Meeting: December 12, 2006

Respectfully submitted,
Jeff Strohminger
Secretary

DRAFT
My name is Laura Copic and I am here today representing the Carmel Valley Community Planning Board as well as Communities United for Sensible Power (CUSP) and Carmel Valley Concerned Citizens.

We want to commend the EWG (SANDAG Energy Working Group) on a very thorough, thoughtful and robust analysis of the Sunrise Powerlink project and we agree with their recommendation to this board to not take a position for or against this project without the benefit of the CPUC’s analysis of need, an Environmental Impact Report and a thorough evaluation of competitive projects.

Note that the CPUC’s own Division of Ratepayer Advocacy (DRA) was one of the first parties to file a protest in the Sunrise Powerlink application. That should give us all pause. The DRA is raising red flags and asking for more information and analysis. They suggest the application is inaccurate or incomplete and they ask for the appropriate time to investigate independently the claims made by the utility.

In it’s analysis of this project, the EWG also did not receive answers to all of the questions it posed to SDG&E and Cal ISO. For example, when the EWG asked for “a comparative table on the alternatives to transmission in meeting the goals of the RES (Regional Energy Strategy)”, SDG&E did not comply stating that Goal 5 of the RES supports improvements to the transmission system. However, pursuing Goal 5 before we have scratched the surface on Goals 1-4 is not a prudent approach, nor does it fulfill the intent of the strategy. As noted by the EWG, “the RES calls for the majority of power used by San Diegans to be produced locally. The RES also gives the highest priority to energy efficiency, renewable energy, and clean distributed generation” and “calls for an emphasis on in-region renewable installations.” The Regional Energy Strategy should be your guiding document in this decision. The strategy clearly favors local generation as a more secure and efficient energy option. Given that, exploring more creative alternatives to this transmission line would represent true due diligence. On the other hand, building an excess capacity of transmission before achieving the other strategic goals will likely impede progress toward the other goals and leave us too dependent upon imported energy.

Even if a new transmission line is needed, is the one proposed here truly our best option? At an estimated $1.4 billion, Sunrise is the single largest energy infrastructure proposal in the history of the region. Before the public is asked to make this kind of an investment in a transmission line, the renewable resources it purports to access must be deemed viable and dependable. We are far from that point.

In addition, the Regional Energy Strategy recommends pursuing AN additional high voltage transmission interconnection to the region. There ARE other new transmission projects already in the works, such as LEAPS and Green Path-North, that can access the renewable resources in the Imperial Valley and they don’t run through the middle of our state park and preserves nor do they cost as much as Sunrise (but they don’t happen to be owned by SDG&E). It often seems prudent to obtain competitive bids for services in
order to get the best price for achieving our goals. Examining less costly and more efficient alternatives to Sunrise is an opportunity to do just that.

We urge this SANDAG Board to support its Energy Working Group, Resources Subcommittee, and Regional Planning Committee and adopt this recommendation which was overwhelmingly approved by each of them. We all deserve an in-depth examination of the project and ALL alternatives, including non-wire alternatives as required by the Public Utility Code. We, therefore, ask you to support the recommendation to take no position on this item until you have received and reviewed a full needs assessment, an EIR, and have conducted a sufficient evaluation of other energy resource options.

Thank you.

Laura Copic
N10 Representative
Carmel Valley Community Planning Board
Communities United for Sensible Power Member: Carmel Valley Concerned Citizens

Frisco White
Chair
Carmel Valley Community Planning Board
Crime, Arrest and Drug Use Trends in the San Diego Region

Cynthia Burke, Ph.D.
Division Director, Criminal Justice Research

Clearinghouse Products Inform Public Policy

Crime Data

Informing Public Policy

Arrest Data

Drug Use Data
Crime Data

Mid-Year 2006
Violent Crime Rate Remains Low

Violent Crime Rate Per 1,000

- 1997: 6.6
- 2006: 4.4
### 2006 Mid-Year Violent Crime Rates

<table>
<thead>
<tr>
<th>City</th>
<th>Rate (In-Number)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solana Beach</td>
<td>0.9 (6)</td>
</tr>
<tr>
<td>Coronado</td>
<td>1.1 (14)</td>
</tr>
<tr>
<td>Poway</td>
<td>1.2 (30)</td>
</tr>
<tr>
<td>Encinitas</td>
<td>2.5 (79)</td>
</tr>
<tr>
<td>Santee</td>
<td>2.7 (73)</td>
</tr>
<tr>
<td>Unincorporated</td>
<td>3.0 (646)</td>
</tr>
<tr>
<td>Carlsbad</td>
<td>3.4 (169)</td>
</tr>
<tr>
<td>Del Mar</td>
<td>4.0 (9)</td>
</tr>
<tr>
<td>San Marcos</td>
<td>4.0 (154)</td>
</tr>
<tr>
<td>Chula Vista</td>
<td>4.5 (503)</td>
</tr>
<tr>
<td>La Mesa</td>
<td>4.5 (125)</td>
</tr>
<tr>
<td>San Diego</td>
<td>4.8 (3,141)</td>
</tr>
<tr>
<td>El Cajon</td>
<td>5.0 (242)</td>
</tr>
<tr>
<td>Escondido</td>
<td>5.2 (368)</td>
</tr>
<tr>
<td>Oceanside</td>
<td>5.2 (451)</td>
</tr>
<tr>
<td>Vista</td>
<td>5.3 (251)</td>
</tr>
<tr>
<td>Imperial Beach</td>
<td>6.5 (89)</td>
</tr>
<tr>
<td>Lemon Grove</td>
<td>6.6 (84)</td>
</tr>
<tr>
<td>National City</td>
<td>8.9 (282)</td>
</tr>
</tbody>
</table>

### 1-Year Increase Homicides and Robberies

<table>
<thead>
<tr>
<th>Category</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>2%</td>
</tr>
<tr>
<td>Violent</td>
<td>51%</td>
</tr>
<tr>
<td>Homicide</td>
<td>-10%</td>
</tr>
<tr>
<td>Rape</td>
<td>12%</td>
</tr>
<tr>
<td>Robbery</td>
<td>2%</td>
</tr>
</tbody>
</table>

**Percent Change In Number of Crimes**
2006 Second Highest Number of Homicides for First Half of Year

Common Homicide Motives

- Argument: 32%
- Gangs: 18%
- Drugs: 11%
- Domestic Violence: 10%
- Robbery/Burglary: 13%
- Other: 16%
## Mid-Year 2006 Property Crime Rates Varied Across the Region

<table>
<thead>
<tr>
<th>City</th>
<th>Rate</th>
<th>Total Crime Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poway</td>
<td>15.2</td>
<td>(383)</td>
</tr>
<tr>
<td>Coronado</td>
<td>17.4</td>
<td>(228)</td>
</tr>
<tr>
<td>Santee</td>
<td>18.2</td>
<td>(497)</td>
</tr>
<tr>
<td>Encinitas</td>
<td>19.4</td>
<td>(610)</td>
</tr>
<tr>
<td>Unincorporated</td>
<td>19.4</td>
<td>(4,191)</td>
</tr>
<tr>
<td>Solana Beach</td>
<td>21.9</td>
<td>(146)</td>
</tr>
<tr>
<td>San Marcos</td>
<td>22.7</td>
<td>(872)</td>
</tr>
<tr>
<td>Carlsbad</td>
<td>25.5</td>
<td>(1,259)</td>
</tr>
<tr>
<td>Imperial Beach</td>
<td>26.2</td>
<td>(361)</td>
</tr>
<tr>
<td>Lemon Grove</td>
<td>28.2</td>
<td>(358)</td>
</tr>
<tr>
<td>Oceanside</td>
<td>28.5</td>
<td>(2,494)</td>
</tr>
<tr>
<td>Vista</td>
<td>30.8</td>
<td>(1,456)</td>
</tr>
<tr>
<td>Chula Vista</td>
<td>32.2</td>
<td>(3,593)</td>
</tr>
<tr>
<td>Escondido</td>
<td>32.4</td>
<td>(2,280)</td>
</tr>
<tr>
<td>San Diego</td>
<td>34.3</td>
<td>(22,479)</td>
</tr>
<tr>
<td>El Cajon</td>
<td>35.6</td>
<td>(1,725)</td>
</tr>
<tr>
<td>National City</td>
<td>36.9</td>
<td>(1,173)</td>
</tr>
<tr>
<td>La Mesa</td>
<td>43.8</td>
<td>(1,220)</td>
</tr>
<tr>
<td>Del Mar</td>
<td>51.7</td>
<td>(117)</td>
</tr>
</tbody>
</table>
1-Year Decrease in Property Crimes

<table>
<thead>
<tr>
<th>Category</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Property</td>
<td>-5%</td>
</tr>
<tr>
<td>Burglary</td>
<td>-1%</td>
</tr>
<tr>
<td>Larceny</td>
<td>-5%</td>
</tr>
<tr>
<td>MV Theft</td>
<td>-5%</td>
</tr>
</tbody>
</table>

Arrest Data
Adult and Juvenile Arrest Rates

- Adults More Likely Arrested for Alcohol/Drug Offenses

Alcohol/Drug: 52% of Adults, 16% of Juveniles

Other: 21% of Adults, 47% of Juveniles

Violent: 14% of Adults, 15% of Juveniles

Property: 11% of Adults, 22% of Juveniles
1-Year Arrest Rate Increase Only for 25–29 Year Olds

-14
-6%
-15–17
-8%
-18–24
-6%
-25–29
4%
-30–39
-5%
-40+
-2%

Percent Change In Arrest Rate

Drug Use Data
Arrestee Drug Use Up Overall Since 2000

Meth Use Up Among San Diego Arrestees
Adult Drug Use Varies by Arrestee Age

Informing Public Policy
Implications

Collaboration Works!

Implications

Law enforcement retaining focus on violent crime.
Implications

Changing demographics may affect public safety system.

Implications

Issue of limited resources won’t go away.
Implications

Drug prevention and treatment efforts are essential in fighting crime.

Crime, Arrest and Drug Use Trends in the San Diego Region

Cynthia Burke, Ph.D.
Division Director, Criminal Justice Research