



**BOARD OF DIRECTORS
NOVEMBER 30, 2007**

**AGENDA ITEM NO. 07-11-1A
ACTION REQUESTED - APPROVE**

**BOARD OF DIRECTORS DISCUSSION AND ACTIONS
OCTOBER 12, 2007**

Chair Mary Sessom (Lemon Grove) called the meeting of the SANDAG Board of Directors to order at 10:02 a.m. The attendance sheet for the meeting is attached.

1. PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS

Mayor Jim Desmond (San Marcos) stated that he is a member of the San Diego County Regional Airport Authority Board. He said that the Airport Authority has issued an Environmental Impact Report (EIR) on proposed short-term projects for the San Diego International Airport, and he brought a display that shows those projects. He offered to coordinate a formal briefing on the Airport's plans and asked for interested parties to contact him.

REPORTS

2. GRADE SEPARATION PRIORITY LIST NOMINATIONS (APPROVE)

John Haggerty, Principal Engineer, reported that every two years the California Public Utilities Commission (CPUC) requests nominations for creation of a grade separation priority list. From this list the CPUC will fund up to \$5 million of the cost of a grade separation based on a separate application for funding. Approval for funding is based on the statewide ranking of projects and readiness for implementation. A total of \$15 million is available statewide on an annual basis through this program. Applications to place projects on the CPUC list must be submitted by Friday, October 19. Due to the late timeframe, we are asking the Board of Directors to approve four grade separation projects for submittal to the CPUC: Taylor Street and Sorrento Valley Boulevard in the City of San Diego and E and H Streets in Chula Vista. Each of these locations has high traffic and rail volumes and regional mobility impacts. Taylor Street also has a poor accident history, and E Street and H Street are part of a potential rehabilitation of the Blue Line Trolley. These grade crossings are proposed because they should rank well based upon the CPUC criteria.

SANDAG also has developed separate criteria for assigning regional priority for future grade separation projects. However, the SANDAG criteria focus primarily on regional mobility. SANDAG staff applied the regional criteria formula to these four projects as well as others in the region, and the four projects rank highly using the regional criteria. SANDAG staff recommends submittal of these projects to the CPUC so that they can be eligible for this

funding source in the event that any of these projects move toward implementation over the next two years.

Mayor Art Madrid (La Mesa) said there is no doubt that these four projects should have a priority and be seriously considered; however, he expressed concern with setting a precedent for bypassing the Transportation Committee. He noted that La Mesa has at least five rail crossings that split the city in half, and they also could be viable candidates. He asked what would keep La Mesa from independently submitting rail grade separation projects in its community without the approval of this body or the Transportation Committee. Mr. Haggerty replied that all cities in the area can submit projects directly. In this case, SANDAG worked with the Metropolitan Transit System (MTS) and North County Transit District (NCTD) staffs, and these specific projects were identified as the most pressing regional priorities for the CPUC funding at this time.

Mayor Madrid noted that La Mesa may submit its own rail grade crossing applications.

Councilmember Jerry Rindone (MTS) concurred with Mayor Madrid's concern with bypassing the Transportation Committee on this matter; however, he supported the nominations being recommended. He noted that the critical factor is the total gridlock created on E and H Streets along the Trolley line due to the frequency of train crossings. He asked staff if the factor of gridlock impact throughout the region was part of the formula. Mr. Haggerty responded that the highest priorities in the CPUC formula are grade crossing safety and delay from blocking traffic and traffic volumes.

Councilmember Rindone stated that the Blue Line rehabilitation is long overdue, and this recommendation corresponds with that project.

Councilmember Jack Feller (Oceanside) said that with the advent of the Sprinter, this will be a big consideration as we go forward. He asked for consideration in the future of the needs of all cities in the region.

Supervisor Ron Roberts (County of San Diego) stated that there are two or three streets that have the traffic and rail crossings and are heavily impacted by trains; those are Grape/Hawthorn and Ash Streets. He was curious as to why these streets were not even on this list. The Airport Authority is talking about expanding one of its terminals by another ten gates. Taylor Street is on this list because of past accidents. We have made adjustments to that area, including slowing down the trains, and as a result, there haven't been any accidents at this location in about a year. He stated that it shouldn't rate a regional grade separation. Mr. Haggerty replied that when we discussed this with the transit operators, the Trolley line was already grade separated at Grape and Hawthorn Streets.

Supervisor Roberts noted that those grade crossings include heavy rail crossings as well. When you look at the number of heavy rail trains going through this area, and take into consideration the Airport Authority's expansion plans, Supervisor Roberts stated that he didn't understand why these streets were not on the list. Mr. Haggerty said that because of the crossings' close spacing in downtown San Diego, you would have to stretch the grade crossing out an extremely long way due to the approach grades for the heavy rail. You would end up separating multiple streets. We have the same concern for the City of La Mesa. We were looking for a single street, regional grade separation that could be the

most competitive for the CPUC process. In addition, there is a proposal for a quiet zone in the Taylor Street area.

Supervisor Roberts said that even if we don't recommend Grape/Hawthorn and Ash Streets, they should be on the list. We should not overlook them.

Chair Sessom clarified that there is only \$15 million available statewide and \$5 million per project. It costs a lot more than \$5 million to do any one of these grade crossings. For the future, we need to understand what projects are on the list and how they got there.

Mayor Cheryl Cox (Chula Vista) expressed support for the staff recommendation. Because of the proximity to the busiest border crossing in the world, the Blue Line has a 95 percent fare recovery rate. This is due to the massive amount of traffic coming across the border during rush hours. Grade separations at E and H Streets would be a tremendous benefit, not only to Chula Vista traffic, but to all passengers heading north on the Trolley as well.

Councilmember Matt Hall (Carlsbad) expressed support for the recommended list. He called attention to page 9 of the agenda report and the last four projects on the list. He invited everyone to get on the list in the future.

Action: Upon a motion by Councilmember Feller and second by Second Vice Chair Stocks, the SANDAG Board of Directors approved nominations to the FY 2009-FY 2010 CPUC grade separation list for Taylor Street, E Street, H Street, and Sorrento Valley Boulevard. Yes – 19 (100%). No – 0 (0%). Abstain - 0. Absent - None.

3. POTENTIAL REGIONAL INFRASTRUCTURE INVESTMENTS (DISCUSSION/POSSIBLE ACTION)

First Vice Chair Lori Holt Pfeiler (Escondido) stated that since the beginning of the year we have been discussing three infrastructure items identified in the Regional Comprehensive Plan (RCP): storm water management, beach sand replenishment, and habitat conservation. We decided that we needed more information on these infrastructure areas to understand how and if SANDAG should be involved, particularly in light of the challenges for infrastructure funding. We held three policy meetings to discuss these regional issues, and we heard from both staff and a panel of experts on each of these subjects. We then asked staff to answer technical questions and to report back with estimates for any potential investments. This meeting will provide us with the opportunity to take into consideration the information we heard on the regional infrastructure areas, their estimated costs, and the role of SANDAG, if any, to pursue a regional solution to address these infrastructure needs. She said that after a short staff presentation, she would review the next steps necessary to pursue investments for these infrastructure needs.

Keith Greer, Senior Planner, provided background information, a discussion of refined cost estimates, and requirements under the *TransNet* Extension Ordinance. For beach sand replenishment, there are two options for long-term funding. Option A would implement regional beach sand replenishment projects every five years through 2030, at a cost of \$165 million. Option B would implement regional beach replenishment every ten years with construction of sand retention structures through 2030, at a cost of \$200 million.

Mr. Greer said that revised cost estimates for habitat conservation ranged from \$1.8 billion to \$2.4 billion, depending upon the land to be managed in the County with public funds. The cost estimate for the permit compliance approach to storm water management is between \$1.5 billion and \$3.4 billion. An alternate approach would build upon the Integrated Regional Water Management Plan and other water quality planning efforts throughout the region, with a strategy to implement regional water quality goals, objectives, and targets to move beyond permit compliance toward clean water.

Mr. Greer reviewed several unresolved issues that could reduce the overall cost for habitat conservation, including the amount of *TransNet* funding to be credited toward the regional funding obligation, the inclusion or exclusion of a perpetual endowment for management and monitoring, and the amount of land required to be preserved in the East County Multiple Species Conservation Plan (MSCP), proposed for adoption in 2009.

With regard to storm water management, staff used two methods to estimate total regional storm water compliance costs in 2006 dollars from 2010 through 2030 to meet federal and state requirements. The first method was to determine the annual cost estimate for compliance with the National Pollutant Discharge Elimination System (NPDES) permit through 2030 at \$1.5 billion (based on an average per household cost). The second method combined all local current Jurisdictional Urban Runoff Management Programs cost estimates, which are \$3.4 billion, escalated at 3 percent through for 2030. He noted that these estimates only address costs with current regulations and do not proactively address comprehensive water quality enhancements. An alternate approach that may get the region closer to meeting clean water goals instead of meeting permit requirements would involve the preparation and adoption of a regional water quality improvement plan.

He reviewed the language included in the *TransNet* Ordinance with regard to a provision for a long-term "quality of life" funding measure. Based upon the work program, it would take about 2.5 years to follow an approach for a sales tax measure similar to the *TransNet* Ordinance, and additional state legislation would be needed. Mr. Greer stated that a review of the timeline and work program for the *TransNet* Extension Ordinance, and the various steps necessary to develop a new ballot measure, indicate that it would be very difficult to proceed by the November 2008 timeframe. Therefore, the Board should consider whether to direct staff to schedule a SANDAG Board meeting to address a revision to the *TransNet* Extension Ordinance to modify EMP Principle 10 to extend the deadline to act on a quality of life funding measure. An extension of time would require a public hearing and a two-thirds vote of the SANDAG Board.

First Vice Chair Pfeiler stated that the next time to discuss these issues would be at the Board retreat in January 2008. Staff will report back identifying a package of alternatives, funding options, and other regional funding needs, information on the establishment of an ad hoc steering committee, an analysis of legislative changes needed, an analysis of options for a potential ballot measure, and development of a timeline and work program. If we pursue this direction, we should consider holding a public hearing to change the date for a ballot measure from 2008 to 2010. She commented that the RCP identified these regional infrastructure issues as necessary to maintain the healthy environment of San Diego and to maintain our quality of life.

Chair Sessom noted that there were several requests to speak on this item. She asked for questions from Board members before public comment.

Mayor Madrid commended staff for making the connection between habitat conservation and storm water management. He said that we are facing significant issues with water availability, water quality, and corresponding impacts. He asked staff to combine the benefits of both of these activities.

Councilmember Feller asked about the possibility of such a ballot measure being passed. First Vice Chair Pfeiler answered that obtaining polling data would be part of the work program. We need to do the preliminary work, talk about the strategy and how to move forward, and then put a committee together.

Councilmember Feller asked if this ballot measure would require a two-thirds vote. First Vice Chair Pfeiler replied that it would depend on the measure.

Mayor Lesa Heebner (Solana Beach) asked about the status of the legal case with the state on the unfunded mandate related to water quality. Julie Wiley, General Counsel, replied that the court of appeals has ruled that jurisdictions can pursue this matter as an unfunded mandate; however, there has been no success to date in getting a finding from the state. We have talked with legal counsel from the cities involved, but it is felt that even if they are successful, the percentage of what will be covered by the state funding versus what would not be covered would be minimal. We still would need a regional funding source.

Councilmember Crystal Crawford (Del Mar) asked the public speakers to provide an opinion about the extension of the deadline, and what they felt should be included in a ballot measure.

Chair Sessom called for the members of the public to speak at this time.

Coronado Councilmember Carrie Downey, member of the Shoreline Preservation Working Group and Chair of the Environmental Mitigation Program (EMP) Working Group, stated that the EMP Working Group was tasked with implementing the regional habitat initiative, and we should comply with the Ordinance requirements. The region is leading in the development of a regional habitat conservation plan. Now is our chance to finish the job we started. One reason we received support for the *TransNet* Ordinance was the development and protection of our natural resources. It is a two-fold goal. Once we get the plan in place, we have to fund it. The voters agreed to an approach for federal, state, and local governments, and private development to share the cost of the preserve system. A ballot measure would help to resolve the problem on a regional basis. We have to find a funding source, give staff direction, and look at options. This doesn't have to be a mega bond. We should look at putting all the habitat plans together. The money that needs to go to EMP for habitat management has to go for that purpose.

Michael Beck, Endangered Habitats League, commented that this conversation is a point on a continuum that has been going on for at least 15 years. The actions are meaningful and critical to the quality of life for San Diego. He expressed support for the comments by Councilmember Downey and First Vice Chair Pfeiler and for the staff recommendation and the time extension. He said it is critical that we capture as many of the outstanding issues as

we can. Implementation of these plans is essential to secure the authority of local government to implement the Endangered Species Act, to give third-party assurances to developers, and to streamline permitting activities for cost savings. He thought the Board retreat in January 2008 would be a good forum in which to discuss this further. He suggested the retreat agenda include a presentation from stakeholders on the habitat plans. These plans are driven from a collaborative process.

Steve Aceti, Executive Director, California Coastal Coalition, stated that past SANDAG reports from the 1990s show the region has a 30 million cubic yard deficit of beach sand from Oceanside to Imperial Beach. We have to do something to fill that gap. The 2001 sand replenishment project was one small successful step towards that goal. We've shown we can put sand in areas without having negative environmental impacts. That action also provided more open space and increased habitats. The locations that received sand as part of the 2001 project had increased populations of protected species. Beach nourishment provides habitat restoration in addition to providing economic benefits for the region. Of the three infrastructure components, he thought that beach replenishment would be the cheapest to implement, and it is an investment that pays back the most to the region. Beaches generate a lot of tourism and are a good environmental benefit. They need to be maintained and monitored. It will be important to the region to have a regional funding source in place.

Jim Whelan, representing the Alliance for Habitat Conservation, said that San Diego is leading the country on habitat conservation plans. We want to see these habitat lands managed appropriately and not overmanaged. He supported the staff recommendation to understand better the management and monitoring costs. Priorities should be on management of lands we already own and not new on land acquisition. He added that we need to control access to habitat lands, keep the areas fenced, pick up trash, and provide weed abatement. He urged support of the staff recommendation.

Councilmember Crawford asked Mr. Whalen for his opinion about the interconnection of these three items and extension of the deadline. Mr. Whalen replied that we have to do what will pass with the voters. Generally they have approved transportation measures and not much else. If we are putting together a package, it will need to be very carefully crafted and will need to have a linkage to the values voters hold close. Water quality does resonate with voters. Beaches do not carry the weight of clean water. If there is a transportation nexus, that would be even better.

Kathy Viatella, representing the Nature Conservancy, said that they are committed to the habitat preservation plans as they are a win/win situation for everyone in San Diego. We have made major investments, but there is still work to do. They strongly support a regional funding measure. The Nature Conservancy knows something about campaign strategies as they have been involved in several including *TransNet*. California voters are sympathetic to environmental issues. What really matters are healthy water, healthy land, and healthy air, and keeping those things combined will lead to a successful measure. She supported the deadline extension. She agreed with comments calling for a commitment, a formal action on that deadline, and continued involvement in this process.

Craig Benedetto, Executive Director for the Alliance for Habitat Conservation, formally expressed their support of the staff recommendation, taking the next steps, and the extension of the deadline. They were involved in the *TransNet* Extension. He agreed that we

are not ready to go forward for the 2008 election cycle. The Alliance believes there is a strong interconnection between environmental efforts and the need to fund those efforts. We need to have regional funding for adequate management and monitoring of habitat.

Chair Sessom asked that the Board discussion be focused on direction to staff on the next steps.

Supervisor Roberts complemented the numerous people involved in bringing this recommendation to the Board. He was excited about the whole direction and moved approval of this item. He offered a suggestion to the Board and the future ad hoc committee that public transit could be an important part of this. There is a link that can be made. He approved of the next steps before the Board with a provision to look at the possibility of including public transit in the funding that would be proposed.

Councilmember Rindone pointed out that No. 4 under Next Steps in the agenda report (page 5) indicates "identification of other regional funding needs that should be considered along with the three infrastructure types outlined in the report." MTS staff does recommend that funding for public transit be included in any initiative. This certainly would be an environmental issue to get people off the roads and to clean up the air.

Supervisor Bill Horn (County of San Diego) expressed support for the public transit idea. He noted that the County has had open space managers that have been paid but have not done the work, and the land has ended up as trash pits. He wanted to include language to ensure a true caretaker for habitat lands. He suggested using retired people to care for and provide oversight of these lands.

Councilmember Patricia McCoy (Imperial Beach) said it is very important to bring this to the Board retreat. This is a time when we could really make a difference in this county for future generations. There are good nonprofits that do take care of the land for which they are under contract, but she acknowledged there are organizations that don't. We should be keeping a closer eye on how that money is spent and what we get for it.

Mayor Madrid agreed that this is a good topic for the retreat. He also suggested that staff provide information on the consequences to the region if a bond measure does not pass.

Councilmember Hall commented that if we are going to start down this path, we need to think of the educational and public relations process as this is a fundamental piece of whether a ballot measure will be successful.

Mayor Heebner mentioned that we have a successful model and that is the San Diego River Valley Joint Powers Agency. There is a portion of this land that is sublet to the public. That might make things more acceptable.

First Vice Chair Pfeiler said we should also consider the impact of the economy and its potential effect on the timing of a ballot measure.

Supervisor Roberts agreed that we should set 2010 as our expectation.

Councilmember Feller stated that the economy is going to play a big part in this. We need to work on sand at the beaches and public transit. He suggested that pilot programs be included in this process. He said that if we keep getting these unfunded mandates, we will have to cut other services to pay for them.

Mayor Ron Morrison (National City) said we have to look at this from a realistic standpoint when we go to the voters. He mentioned that Proposition 84, the water bond, had almost nothing to do with water. Our objective is to get something accomplished. A higher percentage of the lower income areas voted for the previous *TransNet* measure. We need to look at what areas will be affected and how we will appeal to a broad cross-section of voters.

Councilmember Ed Gallo (NCTD) expressed support for sand replenishment. He said that Escondido has 1 percent of overnight visitors due to the beach communities. He also thought that including public transit makes a lot of sense. If we can take vehicles off the freeways, that would help with global warming. We have to think "move people not modes." He also agreed with extending the deadline.

Councilmember Crawford mentioned that the Del Mar City Council recently discussed how we can expand the use of reclaimed water throughout the county. This should be included as part of the analysis to come back to the Board. She was glad to hear support for the extension to 2010. She would like to ensure that when we discuss this at the retreat we will have a better understanding of the interconnectivity of these issues including transit. She appreciated Mr. Aceti's comments about how beach sand replenishment has habitat benefits. We will have to educate the public about this interconnectivity. We also need to clarify the authority of SANDAG to impose a regional fee. Perhaps we could have that information at the retreat as well.

Chair Sessom noted that any changes to the Ordinance to allow for time extension has to go through the *TransNet* Independent Taxpayer Oversight Committee (ITOC) and have two readings, so we may not be able to have this done before the retreat.

Mayor Desmond agreed with beach sand replenishment but said that storm water management and habitat preservation are huge issues to deal with. He would like to see the background and prioritization process for these three issues and show where the money will be spent.

Gary Gallegos, Executive Director, said that staff will have a lot of work to do between now and the retreat to provide this additional information to the Board. One of the important components is what it costs to manage things and at what level.

Action: Upon a motion by Supervisor Roberts and second by Councilmember McCoy, the SANDAG Board of Directors: (1) directed SANDAG staff to develop a regional investment strategy, a plan of investment options, funding alternatives, and a timeline to achieve a desired level of infrastructure investments for storm water management, beach sand replenishment, habitat conservation, and public transit, to be presented to the SANDAG Board at its annual retreat; and (2) directed staff to schedule a hearing for a discussion of an amendment to the *TransNet* Extension Ordinance to extend the regional habitat

conservation funding measure timeline. Yes – 19 (100%). No – 0 (0%). Abstain – 0. Absent – None.

4. UPCOMING MEETINGS

The next meeting of the Board of Directors is scheduled for Friday, October 26, 2007, at 9 a.m.

5. ADJOURNMENT

The meeting was adjourned at 11:19 a.m.

DGunn/M/DGU/

ATTENDANCE SANDAG BOARD OF DIRECTORS' MEETING OCTOBER 12, 2007

JURISDICTION/ ORGANIZATION	NAME	ATTENDING
City of Carlsbad	Matt Hall (Member)	Yes
City of Chula Vista	Cheryl Cox (Member)	Yes
City of Coronado	Phil Monroe (Member)	Yes
City of Del Mar	Crystal Crawford (Member)	Yes
City of El Cajon	Mark Lewis (Member)	Yes
City of Encinitas	Jerome Stocks, 2nd Vice Chair (Member)	Yes
City of Escondido	Lori Holt Pfeiler, 1st Vice Chair (Member)	Yes
City of Imperial Beach	Patricia McCoy (1st Alternate)	Yes
City of La Mesa	Art Madrid (Member)	Yes
City of Lemon Grove	Mary Sessom, Chair (Member)	Yes
City of National City	Ron Morrison (Member)	Yes
City of Oceanside	Jack Feller (2nd Alternate)	Yes
City of Poway	Don Higginson (1st Alternate)	Yes
City of San Diego – A	Jerry Sanders (Member A)	No
City of San Diego - B	Scott Peters (2nd Alternate)	Yes
City of San Marcos	Jim Desmond (Member)	Yes
City of Santee	Jack Dale (Member)	Yes
City of Solana Beach	Lesa Heebner (Member)	Yes
City of Vista	Judy Ritter (Member)	Yes
County of San Diego - A	Ron Roberts (Member A)	Yes
County of San Diego - B	Bill Horn (Member B)	Yes
Caltrans	Pedro Orso-Delgado (Alternate)	Yes
MTS	Jerry Rindone (1st Alternate)	Yes
NCTD	Ed Gallo (Member)	Yes
Imperial County	Victor Carrillo (Member)	No
US Dept. of Defense	CAPT Steve Wirshing (Member)	No
SD Unified Port District	Michael Bixler (Alternate)	Yes
SD County Water Authority	Marilyn Dailey (Member)	Yes
Baja California/Mexico	Ricardo Pineda (Alternate)	No
Southern California Tribal Chairmen's Association	Allen Lawson (Alternate)	Yes