



**BOARD OF DIRECTORS
JUNE 27, 2008**

**AGENDA ITEM NO. 08-06-1
ACTION REQUESTED - APPROVE**

**BOARD OF DIRECTORS DISCUSSION AND ACTIONS
MAY 23, 2008**

Chair Mary Sessom (Lemon Grove) called the meeting of the SANDAG Board of Directors to order at 9:04 a.m. The attendance sheet for the meeting is attached.

1. APPROVAL OF MEETING MINUTES (APPROVE)

Chair Sessom noted that there was a blue sheet for corrections to the April 25, 2008, Board meeting minutes.

Upon a motion by Mayor Jim Wood (Oceanside) and a second by Mayor Jim Desmond (San Marcos) the minutes of the April 11, 2008, Policy Board and the April 25, 2008, Business Board meetings (as corrected) were approved.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Clive Richard, a member of the public, said he was convinced that public transit is getting short-changed at the state level in spite of all the support from this region. He recommended that the region be united to protect transit funds so that they cannot be taken for other purposes.

Linda Smith, a member of the public, said that she has a decent income, and can afford the public transit price increases. However, the proposed doubling of costs for the disabled transit services will be detrimental to her. She also expressed concern about housing for the mentally ill, and support for Propositions 86 and 143.

Don Stillwell, a member of the public, recommended changes to the Metropolitan Transit System (MTS) Route 14 bus services.

Lorraine Layton, a member of the public, said that prior public comments mentioned some of her concerns. She suggested that when monitoring passenger counts, staff should be especially critical of the times. According to the recent service change flyer, bus service on weekends and holidays will start at 7 a.m. and stop at 7 p.m. She said that there are several bus routes in the City of El Cajon that run later than 7 p.m.

3. ACTIONS FROM POLICY ADVISORY COMMITTEES (APPROVE)

This item summarizes the actions taken by the Transportation Committee on May 2, the Executive Committee on May 9, and the Transportation Committee on May 16, 2008.

Action: Upon a motion by First Vice Chair Lori Holt Pfeiler (Escondido) and second by Mayor Desmond, the SANDAG Board of Directors approved the actions taken by the committees as listed in the agenda report. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (weighted vote, 0%). Absent - None.

CONSENT ITEMS (4 through 9)

4. SANDAG/NORTH COUNTY TRANSIT DISTRICT FY 2008 CALIFORNIA TRANSIT SECURITY GRANT APPLICATION UNDER PROPOSITION 1B (APPROVE)

Proposition 1B provides funding for the Transit Security Grant program using the existing State Transit Assistance (STA) distribution formula. Consistent with STA requirements, SANDAG must apply for these Proposition 1B funds on behalf of the North County Transit District (NCTD). The Transportation Committee recommends that the Board of Directors approve Resolution No. 2008-27, which authorizes the Executive Director to apply for FY 2008 Proposition 1B Transit Security Grant Program funds on behalf of NCTD.

5. FY 2009 WEIGHTED VOTING FORMULA (APPROVE)

On an annual basis, SANDAG is required to recompute the weighted vote of the Board of Directors based on updated population figures. The population figures used for this purpose have been certified by the California Department of Finance. The Board of Directors is asked to approve the FY 2009 weighted voting formula.

6. REPORT SUMMARIZING DELEGATED ACTIONS TAKEN BY EXECUTIVE DIRECTOR (INFORMATION)

In accordance with SANDAG Board Policy Nos. 003 (Investment Policy), 017 (Delegation of Authority), and 024 (Procurement and Contracting-Construction), this report summarizes certain delegated actions taken by the Executive Director since the last Board meeting.

7. REPORTS ON MEETINGS AND EVENTS ATTENDED ON BEHALF OF SANDAG (INFORMATION)

Board members will provide brief reports orally or in writing on external meetings and events attended on behalf of SANDAG since the last Board of Directors meeting.

8. QUARTERLY INVESTMENT REPORT – PERIOD ENDING MARCH 31, 2008 (INFORMATION)

The SANDAG Investment Policy 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 March 31, 2008.

9. CALIFORNIA BIODIVERSITY COUNCIL MEETING (INFORMATION)

The California Biodiversity Council (CBC) met on April 30 and May 1, 2008, in Grass Valley to discuss biological conservation in working landscapes. The CBC is a statewide council established to design a strategy to preserve biological diversity and coordinate implementation of this strategy through regional and local institutions. The CBC holds

periodic meetings around the state to improve coordination among state and federal land management agencies and local interests.

Action: Upon a motion by Mayor Desmond, and a second by Council President Pro Tem Jim Madaffer (City of San Diego), the SANDAG Board approved Consent Items Nos. 4 through 9, including Resolution No. 2008-27. Yes - 19. No - 0. Abstain - 0. Absent - None.

Chair Sessom announced that she and Bill Prey, Principal Engineer, attended a very important event. SANDAG received a 2008 American Society of Civil Engineers (ASCE) International Award for the Mission Valley East Light Rail Tunnel Project. We competed with projects from all over the world. We were the only tunnel project using the New Austrian Tunnel Method. SANDAG was one of five finalists. She recognized SANDAG and MTS staff on this project award.

Councilmember Phil Monroe (Coronado) recognized the vision and dedication of past MTS Chair Leon Williams for his leadership on this project.

Chair Sessom also recognized the efforts of Mr. Prey, who managed this project.

REPORTS (10 through 15)

10. FINAL DRAFT FY 2009 BUDGET (APPROVE)

First Vice Chair Pfeiler stated that the draft FY 2009 Budget reflects direction from the Board over the last year and from the Executive Committee at its February, March, and May meetings. A conservative approach was used to develop the budget, focusing resources on the Board's Strategic Goals and Areas of Emphasis. The Board authorized distribution of the draft Budget for review and comment. A joint meeting of the Board and Transportation Committee meeting has been scheduled for June 13 to discuss the challenges facing transit operators. The Executive Committee reviewed this final draft at its May 9 meeting and recommends that the Board of Directors approve the FY 2009 Budget. If any budget actions arise from the June 13 joint meeting, the Board has the authority to amend the Budget.

Renée Wasmund, Director of Finance, reviewed the budget development process. She noted that there have been a few minor changes. The Executive Committee made a couple of actions since March to the Overall Work Program. One included the New Freedom/Jobs Access Reverse Commute grant funding, and the other related to the reclassification of two work elements, Information Services and Creative Services, into the Administration budget so that the budget would more accurately reflect the benefit from these agencywide support services. To get a balanced budget we have taken a conservative approach throughout its development. We implemented a process to review vacant positions and determine the most cost-effective way to fill them. We are continually reviewing the current year budget to identify any potential savings, and those have been carried over into the FY 2009 OWP. This approach will position us into FY 2009 with a 10 percent contingency reserve, which is double the Board requirement of 5 percent.

Ms. Wasmund stated that it was decided that member assessments would be kept at the same level as last year for the SANDAG, Automated Regional Justice Information System (ARJIS) and the Criminal Justice Division. The total overall OWP budget is \$59 million. It

includes the work efforts regarding regional issues, and resources required for oversight of the Board's ongoing regional programs. The larger component of the program budget is the capital budget, mostly for the *TransNet* Early Action Program. Chapter 12 contains all of the organizational details. Based on the results of a Classification and Compensation Study, nine classifications were identified to be in a salary range lower than the labor market, and the recommendation is to reclassify those positions. We also recommend that five new job families be added. These two recommendations do not result in added staff or increased salaries. We are recommending a 4 percent merit budget to be used for merit pay increases based on job performance. In the last three years, the Board-approved general salary increases were implemented; we are not recommending that for this year. We are not proposing adding any regular, ongoing positions; however, we are recommending the addition of four limited-term and three temporary internships as a means to fill temporary or one-time needs.

Ms. Wasmund stated that at the May 2 Transportation Committee meeting, the transit operators asked for further discussion regarding budget challenges. As a result, there will be a joint Board/Transportation Committee meeting on June 13 to discuss this subject. Any actions taken at that meeting can be amended into this budget.

Mayor Wood asked the Executive Director to address the Grand Jury's comments on our budget. Gary Gallegos responded that there were a couple reports issued from the Grand Jury recently that we will bring back to you. We have 90 days to respond. The first report addressed the carrying capacity of the region. A past study concluded that it was difficult to control growth. That's one of the big assertions – that we are not keeping up with the demand and adequately controlling growth. The second report has to do with implementation of Assembly Bill (AB) 32 related to greenhouse gas emissions. This is a dilemma that all of California is facing right now. This bill would require California to reduce its carbon emissions to 1990 levels by 2020. Even with all the technology available there is a lot of work to be able to do that. We are still waiting for the state to issue guidelines on how to accomplish that goal.

Mayor Art Madrid (La Mesa) said that for a number of years he has been suggesting that we become aggressive with telecommuting opportunities. He thought we should take leadership in this area. He asked for a status of SANDAG efforts.

Jack Boda, Director of Mobility Management and Project Implementation, said that staff is working on telecommuting opportunities, but it is a difficult thing to do. We are going into the bigger companies and working with them on those types of options. We have mostly been focusing our transportation demand management (TDM) work on vanpooling. We can start to focus on telecommuting and develop strategies for implementation.

Mayor Madrid recognized that we faced the same kind of opposition when we started the vanpool program. He suggested that SANDAG form an ad hoc committee to start focusing on telecommuting. Other jurisdictions are on the forefront of this. He would volunteer to be on such a committee.

Supervisor Pam Slater-Price (County of San Diego) agreed with Mayor Madrid. There are opportunities for telecommuting perhaps one or two days per week.

Supervisor Slater-Price asked about the impact of the lack of water and how that will be addressed. People are told to conserve water but at the same time we see large developments being approved. Mr. Gallegos replied that SANDAG adopts a regional growth forecast. Based on that forecast, which are based on the plans of the local jurisdictions, the San Diego County Water Authority develops a water plan to determine whether it can provide adequate water supplies. At this point, the Water Authority has been able to meet the demand.

Supervisor Slater-Price said that the Water Authority has recently stated there is an 8 percent shortfall and asked how this would affect growth over the long term. Mr. Gallegos noted that we haven't heard back from the Water Authority that it cannot supply the water over the long term.

Marilyn Dailey, San Diego County Regional Water Authority, commented that they are looking at all of those things. All jurisdictions are represented at the Water Authority. We have the interim management plan, and we are banking groundwater in certain places. We also have been working to get water from other locales. We have been busy storing water as a result of having built two new reservoirs in our county. The whole economy is affected by this. Farmers were affected by a 30 percent cut in January. We have been discussing with them how to cut another 15 percent with no cuts to residential.

Councilmember Monroe mentioned that the budget includes public safety efforts but wondered what is being done related to fire safety. We have to move more in the area of fire protection in the county. Fire protection also relates to public safety.

Chair Sessom stated that Mayor Mark Lewis (El Cajon), Chair of the Public Safety Committee (PSC), has scheduled fire safety presentations at future meetings of the PSC.

Councilmember Monroe expressed opposition to the merit pool. He said that SANDAG staff is excellent. He asked to be registered as a "no" vote on this portion of the budget.

Mayor Lewis said that the PSC also has discussed the possibility of a joint fire facility.

Mayor Ron Morrison (National City) asked rhetorically if California has enough water. He said it does, but the problem is getting it to the people. Most of those impediments are political. We can provide water to the San Diego region, the question is at what cost. The cheaper way is through conservation. We need to be less reliant on Northern California for our water.

Councilmember Patricia McCoy (Imperial Beach) pointed out that growth is not limited. We have to be looking at growth as a quality of life issue. We have been using all of our resources without regard for the future. We are the people who should be setting the pace.

Councilmember Ed Gallo (North County Transit District [NCTD]) stated that Las Vegas, Nevada, recently approved a growth increase of 5,000 residences without increasing water demand.

Mayor Madrid suggested that the Water Authority invite this Board to go on a water tour of Northern California. There is a reason why they have closed some of those water pumps.

Action: Upon a motion by Mayor Wood and second by Mayor Mickey Cafagna (Poway), the SANDAG Board of Directors approved Resolution No. 2008-25 adopting the FY 2009 Budget including the Overall Work Program. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (weighted vote, 0%). Absent - None. Councilmember Monroe voted in opposition to the portion of the FY 2009 Budget dealing with a 4 percent merit pool for SANDAG staff.

11. SECOND READING OF AN AMENDMENT TO ORDINANCE NO. 04-01 (SAN DIEGO TRANSPORTATION IMPROVEMENT PROGRAM ORDINANCE AND EXPENDITURE PLAN) TO REVISE ENVIRONMENTAL MITIGATION PROGRAM PRINCIPLE NO. 10 (APPROVE – SUBJECT TO TWO-THIRDS VOTE)

Fist Vice Chair Pfeiler stated that last month the Board conducted the first reading of the *TransNet* Extension Ordinance to provide adequate time to determine the feasibility of pursuing a Quality of Life measure to be placed on the November 2010 ballot. If the Board approves the amendment today, we will have taken an important step in meeting the requirement outlined in the Ordinance to act on additional funding measures to meet the long-term needs outlined in the Habitat Conservation Plans. She introduced Rob Rundle, Principal Planner, to provide an overview of the proposed *TransNet* Extension Ordinance amendment, which will extend the timeline of complying with the Ordinance requirement and provide an overview of the comments provided by the Independent Taxpayers Oversight Committee (ITOC).

Mr. Rundle reported that the *TransNet* Extension Ordinance stated that “SANDAG agrees to act on additional regional funding measures (a ballot measure and/or other secure funding commitments) to meet the long-term requirements for implementing habitat conservation plans in the San Diego region, within the timeframe necessary to allow a ballot measure to be considered by the voters no later than four years after passage of the *TransNet* Extension.” Per this provision, SANDAG would have to act on that requirement prior to November of this year. The first reading of the Ordinance amendment was conducted last month to extend that timeframe by two years. The review by the ITOC resulted in the following comments: the timeline should be extended beyond 2010, a future ballot measure should be during a presidential election, and the scope of the measure may be too limited. Mr. Rundle reviewed key milestones to getting something on the ballot for 2010.

Julie Wiley, General Counsel, read the amendment into the record, “SANDAG agrees to act on additional regional funding measures (a ballot measure and/or other secure funding commitments) to meet the long-term requirements for implementing habitat conservation plans in the San Diego region, within the timeframe necessary to allow a ballot measure to be considered by the voters no later than six years after passage of the *TransNet* Extension. In the event that such future funding measures general funding to fully meet regional habitat acquisition and management requirements, SANDAG is authorized to reallocate excess funds included in the ‘Regional Habitat Conservation Fund’ to local transportation projects.” (Change underlined)

Supervisor Slater-Price clarified that this funding is for environmental mitigation and not for transportation. Mr. Rundle stated it is to meet the obligation of regional habitat conservation plans.

Supervisor Slater-Price said that there are discussions this money could be used for funding ongoing operations for transit, capital projects, and other projects. Mr. Rundle responded that the Board held several conversations related to a Quality of Life measure that included three components: habitat conservation, shoreline management, and water quality. In subsequent conversations the need for ongoing funds for transit operations arose. Funds from such a Quality of Life measure could fill a portion of that funding shortfall. The ITOC suggested if a transportation component is included, and if it were limited to transit only, that would be problematic.

Supervisor Slater-Price said that using these funds for capital projects would be a problem for her. She was opposed to stating that the funds would be used for one purpose and then changing that purpose. She asked what the proportion of funding would be for those Quality of Life components. Mr. Gallegos clarified that the action being recommended with the second reading of this ordinance is to move the date on the Board's commitment to act from 2008 to 2010. This current portion in the *TransNet* Extension Ordinance that deals with habitat conservation is the Environmental Mitigation Program. If the 2010 timeline is approved, sometime before that date, the Board would have to decide what it wants to include and not include in a potential Quality of Life ballot measure. We are now in the process of obtaining legislative authority to expand the eligibility of the sales tax revenues beyond transportation. Our General Counsel has opined that we don't have the existing authority to implement a ballot measure on topics without a direct nexus to transportation.

Councilmember Monroe stated that the Board is not sure the public would want us to add transit at this time to a ballot measure, and recommended that we survey and conduct local focus groups.

Chair Sessom noted that this action must pass with a two-thirds vote.

Action: Upon a motion by First Vice Chair Pfeiler and second by Second Vice Chair Jerome Stocks (Encinitas), the SANDAG Board of Directors approved the second reading of an amendment to the *TransNet* Ordinance to extend the deadline to act on a regional funding measure from 2008 to 2010. Yes – 19 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (weighted vote, 0%). Absent - None.

12. MEMORANDUM OF AGREEMENT BETWEEN SANDAG AND THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY FOR LONG-RANGE MULTIMODAL TRANSPORTATION PLANNING (DISCUSSION/POSSIBLE ACTION)

Council President Pro Tem Madaffer stated that Senate Bill (SB) 10 requires both SANDAG and the San Diego County Regional Airport Authority (Airport Authority) to enter into an agreement to formalize airport multimodal planning work before June 30, 2008. The Airport Authority board gave preliminary approval of this Memorandum of Agreement (MOA) on May 1, 2008. The Transportation Committee provided staff with several comments. The majority of that discussion centered on the schedule for these plans and how they relate to "Destination Lindbergh" the master planning effort for Lindbergh Field. The Board is asked to discuss this draft MOA. Final adoption is scheduled for the June 27, 2008, SANDAG Board of Directors meeting.

Linda Culp, Senior Planner, said that SB 10 requires the Airport Authority to develop and adopt a Regional Aviation Strategic Plan (RASP) by June 2011, and SANDAG to develop and

adopt an Airport Multimodal Accessibility Plan (AMAP) by December 2013. She introduced Ted Sexton, Airport Authority Vice President of Business Relations and Services, to provide a part of this presentation.

Mr. Sexton reviewed the major purposes of the RASP, which is intended to be a blueprint for to guide airport facilities for the region. It will be a multi-year planning study. He reviewed the information that will be gained from this study and described the RASP scope and content.

Ms. Culp stated that the AMAP will build upon the RASP. She reviewed the scope and content of the AMAP. Phase 1 will complete a Regional Air-Rail Network Study and Phase 2 will identify other multimodal transportation needs. We are required to update the Regional Transportation Plan (RTP) every for years, with the next update in 2011. The findings of AMAP and RASP would be incorporated into that update. She reviewed the schedule for coordinating the various activities.

Mr. Sexton addressed concerns about the length of time for this study. "Destination Lindbergh" is a term to describe the ultimate buildout of the facilities at Lindbergh Field. This Master Plan for Lindbergh Field is like a community plan with the RASP similar to a General Plan, and we can move forward on both. The RASP has always been a long-term multi-year planning effort to 2011. He reviewed components of the MOA and the schedule.

Councilmember Anthony Young (City of San Diego) thanked both staffs for working very closely together. As an Airport Authority Board member he understands the need for collaboration. There is some urgency to get things done, especially with regard to Destination Lindbergh. The work to be done in the next few years is very important and you cannot rush it. With SB 10, the Airport Authority is a part of the whole solution. This is a complex process. There are a number of airport systems that are going through this process now, too, with similar timelines. We have to make sure we make good decisions from these studies.

Supervisor Slater-Price hoped that information gained from past airport studies could be incorporated into these studies. When we did a study 10 years ago, it looked at regional airport use as well as at Lindbergh Field and looked at connecting the airport with rail at Old Town. There are some buildings currently being used by government contracting that could be used for airport purposes. She would like to see an action plan with milestones.

Councilmember Lesa Heebner (Solana Beach) clarified that Destination Lindbergh is the short-term plan, and the RASP is the long-term plan. She thought the solutions to each were almost in conflict. She said that if we are going to have an action plan would the short-term improvements occur before the long-term ones.

Keith Wilschetz, Director, Airport Planning, replied that the Destination Lindbergh plan is going to be completed in concept by February 2009. That will give us the ultimate configuration of the airport. We anticipate there is going to be some north side development with that conceptual plan. The RASP is looking at the entire region, focusing on the other 15 airports in the region. The AMAP will have a ground transportation perspective. They are not contradictory, but rather complementary to each other.

Councilmember Heebner asked for a copy of the action plan when it has been developed.

Mayor Desmond reminded that Board that SB 10 requires the conduct of the RASP and AMAP. The City of San Diego, County of San Diego, and SANDAG agreed to do these studies.

Mayor Bud Lewis (Carlsbad) asked about the responsibility of the RASP as it relates to small aircraft, especially at Palomar Airport. They are now being forced to leave that airport. He asked for suggestions of where the small aircraft should go. There was no information about input from small aircraft owners. Mr. Sexton said that they are aware of that situation, and the RASP will address that issue. The RASP will evaluate all of the airports in the region.

Mayor Lewis asked if meetings on the RASP would be publicized so that people can provide their concerns. Mr. Sexton responded affirmatively.

Deputy Mayor Crystal Crawford (Del Mar) said that she didn't see any specific reference to Rodriguez Field or any reference to airports across the border. She asked how that is being addressed and whether we are considering rail plans in Mexico. She hoped there would be consideration of airports across the border.

Mr. Wilschetz answered that we absolutely will be taking that into consideration. The Authority is currently studying what the demand would be if we were to provide a convenient passenger connection across the U.S.-Mexico border to Rodriguez Field. Final results of that study will be presented soon to the Airport Authority, and it would be incorporated into the RASP.

Deputy Mayor Crawford wondered why the MOA contained no references to the international border. Mr. Sexton stated that the MOA references adjoining areas.

Deputy Mayor Crawford stated that she would feel better if the MOA explicitly acknowledges that we live along an international border.

Chair Sessom referred to page 6, Section F(3), where it mentions adjacent regions. We can ask the attorneys for the best way to insert language to address this intent.

Councilmember Young agreed this should be clear in the document. The Airport Authority has pursued collaboration with the Mexican government on this issue.

Councilmember Monroe supported that we call out Rodriguez Field in this document. He personally thought that any MOA ought to be clear and understandable with regard to the funding restrictions contained on page 12, paragraph f. Our staff, including our General Counsel, doesn't think we need this paragraph. However, the Airport Authority general counsel insists this information needs to be included.

Chair Sessom asked Julie Wiley, General Counsel, to comment on this. Ms. Wiley stated that during negotiations of the MOA, the general counsel for the Airport Authority asked that the paragraph (on page 11 of the blue sheeted item, labeled subsection e) be included. She requested that we remove the language and add a sentence that the parties would abide by the laws associated with their expenditures. The Airport Authority attorney didn't agree with that recommendation. It was decided that if the Airport Authority thought it was

important to include its funding limitations, SANDAG should do the same. These provisions do not materially affect SANDAG one way or the other.

Chair Sessom acknowledged that in negotiations we have to look at the other party's comfort level. If there is no problem for SANDAG, there is no harm in including this information.

Councilmember Jack Dale (Santee) agreed that we want timely, well-thought out decisions and should use information from past airport studies as much as we can. The concern that was brought up about Lindbergh Field depends upon information that will become available from the Ad Hoc Policy Committee for the Destination Lindbergh effort. He expressed concern that short-term decisions could be made that would affect long-term decisions. The Transportation Committee's concern is that we get information in a timely manner to be able to make well-thought out decisions.

Mayor Madrid expressed concern that there are differences between our legal counsels in this partnership. San Diego is not a hub airport; it's a destination. To put in 10 gates and a parking structure, with opposition from the San Diego Councilmember of that district and area residents, is not a good thing. He asked about the cost estimate for the RASP.

Mr. Sexton replied that we have moved study components to an earlier timeframe and that will affect the cost estimates for the study. We will have to come back with a more refined study cost estimate. None of the work being done is contradictory to each other, nor will it preclude the ultimate buildout of Lindbergh Field.

Mayor Madrid commented that this should be a healthy partnership rather than an adversarial relationship. There is still a lot of work to be done.

Councilmember Young noted that the Airport Authority did not agree at any time to build a parking structure.

Mayor Wood stated that it is easier for people living in North County to go to airports north of them rather than to go to Lindbergh Field in downtown San Diego. That needs to be addressed. Palomar Airport is an asset to North County. Getting to Lindbergh Field is an important component to consider.

Councilmember McCoy said that those in the South County are particularly interested in the disposition of Brown Field.

Mr. Sexton said that with regard to the specific paragraphs in the MOA concerning funding limitations, there is a third party to this agreement in an operational sense, and that is the Federal Aviation Administration (FAA). The FAA is a partner with us, and we and SANDAG staff will be approaching the FAA with a request for federal funds for the RASP. One confidence builder for that federal agency is an assurance that the money will be spent properly. Acknowledging the FAA written regulations provides that necessary assurance. The FAA wants more specific language rather than the more general provisions.

Pedro Orso-Delgado, Director, Caltrans District 11, said that he has been sitting on the Airport Authority board for three months. The Airport Authority did not approve a parking structure project.

Mayor Cheryl Cox (Chula Vista) said that the real issue is where we are going. The airport is at Lindbergh Field and if we don't do something with multimodal transportation to the airport, soon we will be turning our freeways into parking lots. She would like to see Destination Lindbergh aligned with the RASP and AMAP so we get to the end at the same time with the same goal.

Chair Sessom stated that the Ad Hoc Policy Committee agreed to complete Destination Lindbergh by February 2009. It would be great if we could accelerate the RASP components. However, we can't get FAA money by February 2009. If we want to push out Destination Lindbergh, that would be a different discussion with the Airport Authority and the City of San Diego. This item was presented for discussion. She suggested that the timeline for Destination Lindbergh could be pushed out to meet the RASP timelines.

Council President Pro Tem Madaffer commented that the public expects us to do something, and for Lindbergh Field to service them. We need to integrate the airport with the existing transportation system, and eventually connect it with other Southern California areas. He was not in favor of pushing the date out of Destination Lindbergh. There is a lot that we can be doing. The objective of the RASP is not to slow down or impede the work that needs to be done to make the needed improvements to Lindbergh Field as our region's major airport.

Action: This item was presented for information only.

13. MEMORANDUM OF UNDERSTANDING BETWEEN NORTH COUNTY TRANSIT DISTRICT AND SANDAG CONCERNING PURCHASE OF NORTH COUNTY TRANSIT DISTRICT AUCTION RATE SECURITIES (APPROVE)

Council President Pro Tem Madaffer stated that an opportunity has been presented to SANDAG that would allow us to assist NCTD to reduce its borrowing costs. This would ultimately result in providing more funding to operate transit service. The proposed transaction does not subject SANDAG to any cost or risk. The Transportation Committee reviewed this proposal at its meeting last week and recommends approval.

Mayor Woods expressed concern about the departures of the NCTD Executive Director and other management staff. He wanted to make sure someone will be there to operate that agency.

NCTD Chair Gallo stated that right now Karen King is our Executive Director, and we are in the process of obtaining an interim Executive Director, who will be in place before Ms. King leaves. We are reorganizing the agency for greater efficiency.

Second Vice Chair Stocks reinforced Council President Pro Tem Madaffer's comments. We will be saving NCTD almost \$1 million in debt service interest. At the same time, we will reduce SANDAG borrowing costs. NCTD is taking difficult steps to reorganize to be sustainable in the future. Decisions are being well thought out by the NCTD Board. SANDAG is the agency that distributes Transportation Development Act (TDA) funding, which is the primary funding source for NCTD. This transaction is a win/win situation for the taxpayers, NCTD, and SANDAG.

Councilmember Bob Campbell (Vista) said he is on a committee to find a replacement for Karen King. He felt there will be a qualified person in place.

Councilmember Heebner asked about the auction rate securities market. Keith Curry, Public Financial Management, said that SANDAG will own the bonds and then issue Commercial Paper to pay for them. Because you own the bonds, your remarketing agent will set the rate on those bonds commensurate with your Commercial Paper rate. Therefore, the high rates that NCTD have been experiencing over the last three or four months will be eliminated. That can continue indefinitely or it can continue until the market settles, and NCTD can refund the debt away from SANDAG, or you can tell NCTD at some point in time with 90 days notice that you no longer wish to own the bonds, and they will be responsible for remarketing the bonds in some other mode.

Councilmember Heebner asked if SANDAG will be holding on to the auction rate securities. Mr. Curry replied affirmatively, but the auction rate securities will be set at the same rates of Commercial Paper that you use to buy the bonds. There are no out-of-pocket costs to SANDAG and SANDAG is going to pass on the interest rates on its Commercial Paper to NCTD, which will substitute for the rates NCTD would otherwise be paying on its bonds.

Action: Upon a motion by Mayor Morrison and second by Second Vice Chair Stocks, the SANDAG Board of Directors, acting as the San Diego County Regional Transportation Commission, adopted Resolution No. RTC 2008-02, authorizing the Executive Director to enter into the Memorandum of Understanding with NCTD related to the purchase of NCTD auction rate securities. Yes – 17 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (weighted vote, 0%). Absent – La Mesa, and Poway.

14. PROPOSITION 1B GRADE SEPARATION FUNDING APPLICATIONS (APPROVE)

Council President Pro Tem Madaffer stated that the California Transportation Commission (CTC) is administering a funding program under Proposition 1B for railroad grade separations. The program will provide \$250 million, with funding applications due on June 16, 2008. This constrained funding program provides for a limited number of grade separation projects statewide. Successful applications must demonstrate significant safety and mobility improvements to be competitive. The Transportation Committee is recommending that the Board submit four applications for funding: E and H Streets in Chula Vista, and Taylor Street and Sorrento Valley Boulevard in the City of San Diego. These four projects are being recommended because they are regionally important to SANDAG mobility goals and they are the projects in the region expected to best compete for funds at the state level based on CTC funding criteria. He introduced John Haggerty, Principal Engineer, to provide a report.

Mr. Haggerty reported that the state's Prop. 1B grade separation program has divided that project into two parts. In the first part is \$150 million for projects that will be ready for construction by 2010 and that can provide a 50 percent local match. The second part is \$100 million for those projects ready for construction by 2014. No local match is required for the second part, but a local match is included in the state criteria. We are anticipating that our four recommended grade separations would be funded under Part 2 based on the timeframe and requirements for matching funds. Staff utilized the regional grade separation criteria approved by the Transportation Committee. The E and H Streets projects are included in the *TransNet* Ordinance, which provides matching funds to increase its

competitiveness statewide. Staff is looking at possibly submitting H Street for the Part 1 funding if we can get the application completed in time. Taylor Street ranked first on the SANDAG list of rail grade separation projects, and it is the highest ranking project in the state. The accident rating was the primary reason for this high ranking. However, there are no matching funds for this project. SANDAG also is recommending Sorrento Valley Boulevard as it impacts local streets, freeway access, and businesses in Sorrento Valley, and it is adjacent to the Sorrento Valley COASTER Station. There are no matching funds for this project, but the City of San Diego is studying grade separation alternatives at this location.

We also have contacted local member agencies through the Cities/County Transportation Advisory Committee for applications to submit to the CTC, and we have offered to help with member agency applications.

Action: Upon a motion by Councilmember McCoy and second by Supervisor Slater-Price, the SANDAG Board of Directors approved the preparation and submittal of various regional grade separation funding applications for the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, known as Proposition 1B. Yes –17 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (weighted vote, 0%). Absent – La Mesa and National City.

15. QUARTERLY PROGRESS REPORT ON TRANSPORTATION PROJECTS – JANUARY TO MARCH 2008 (INFORMATION)

José Nuncio, Senior Engineer/Financial Programming, presented progress reports of projects recently completed (the SPRINTER, the State Route (SR) 125-Gap Connector and Toll Road, the East Village Smart Corner/City College Trolley Station, and the Del Mar Bluffs Stabilization projects), those under construction (I-15 Managed lanes (middle segment), SR 52 Extension, I-5/Lomas Santa Fe Interchange and Auxiliary Lanes, SR 905, Genesee Avenue widening), Transportation Enhancement projects (Washington Boulevard/Goldfinch Avenue, and National City Boulevard), upcoming construction projects (I-15 Managed Lanes (South Segment) and Santa Margarita River Bridge & Second Main Track), and the TDM Regional Vanpool Program.

Second Vice Chair Stocks provided positive comments about the technique used to close the gap on the bridges on the I-15 Managed Lanes (middle segment).

Mr. Nuncio stated that Transportation Enhancement funds are very limited in terms of their use and cannot be used for rehabilitation, basic capital projects, or for operations.

Mr. Nuncio noted that in March 2007 there were 529 vans participating in the Regional Vanpool Program, and that number has grown to 579 vanpools in March 2008. The program's goal is to have 615 vans by June 2009.

NCTD Chair Gallo commented that this is a great report and should be provided to all city councils in the region. He asked Mr. Nuncio to give this presentation to the Escondido Rotary Club.

Action: This item was presented for information only.

16. UPCOMING MEETINGS

The next Policy meeting of the Board of Directors is scheduled for Friday, June 13, 2008, at 9 a.m, and will be held jointly with the Transportation Committee. The meeting topic will be public transit funding issues. The Executive Committee meeting on that date will be moved to an 8 a.m.start time. The next Business meeting of the Board of Directors is scheduled for Friday, June 27, 2008, at 9 a.m.

17. ADJOURNMENT

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

DGunn

**ATTENDANCE
SANDAG BOARD OF DIRECTORS' MEETING
MAY 23, 2008**

JURISDICTION/ ORGANIZATION	NAME	ATTENDING
City of Carlsbad	Bud Lewis (Alternate)	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	James Wood (Member)	Yes
City of Poway	Mickey Cafagna (Member)	Yes
City of San Diego - A	Tony Young (1st Alt.)	No
City of San Diego - B	Jim Madaffer (Member B)	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	Bob Campbell (1st Alternate)	Yes
County of San Diego - A	Pam Slater-Price (Alternate)	Yes
County of San Diego - B	Dianne Jacob (Member B)	No
Caltrans	Pedro Orso-Delgado (Alternate)	Yes
MTS	Harry Mathis (Member)	Yes
NCTD	Ed Gallo (Member)	Yes
Imperial County	Victor Carrillo (Member)	No
US Dept. of Defense	CAPT Steve Wirshing (Member)	Yes
SD Unified Port District	Laurie Black (Member)	Yes
SD County Water Authority	Marilyn Dailey (Member)	Yes
Baja California/Mexico	Remedios Gómez-Arnau (Member)	Yes
Southern California Tribal Chairmen's Association	Robert H. Smith (Member)	Yes