



**BOARD OF DIRECTORS
MAY 23, 2008**

**AGENDA ITEM NO. 08-05-1A
ACTION REQUESTED - APPROVE**

**BOARD OF DIRECTORS DISCUSSION AND ACTIONS
APRIL 11, 2008**

Chair Mary Sessom (Lemon Grove) called the meeting of the SANDAG Board of Directors to order at 9:01 a.m. The attendance sheet for the meeting is attached.

1. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

There were no public comments, communications, or member comments at this time.

REPORTS (2 through 4)

2. PROPOSED ADVERTISING POLICY – DRAFT BOARD POLICY NO. 034 (APPROVE)

First Vice Chair Lori Holt Pfeiler (Escondido) stated that revenue shortages seem to be a part of our daily lives. This proposal, in the form of a new Board Policy, would provide us with a new revenue source for programs such as the 511 traveler information system. This policy is similar to what the Metropolitan Transit System (MTS) and the North County Transit District (NCTD) currently have in place. Approval of this advertising policy would continue our efforts to deliver sustainable programs by looking at partnerships and opportunities to provide additional revenue and reduce costs.

Action: Upon a motion by First Vice Chair Pfeiler and second by Mayor Jim Desmond (San Marcos), the SANDAG Board of Directors approved proposed Board Policy No. 034: Advertising Policy. Yes – 18 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (weighted vote, 0%). Absent – La Mesa.

Chair Sessom noted that due to the large number of requests to speak for Item No. 4, Transmission Projects Analysis, that item would be taken out of order and heard at this time.

4. TRANSMISSION PROJECTS ANALYSIS (DISCUSSION/POSSIBLE ACTION)

Chair Sessom explained that everyone who submitted a request to speak on this item will have two minutes for public comments. We will have a staff presentation. Discussion from the Board will occur following public comment. We will need to break at 10:30 a.m. for a closed session.

Regional Planning Committee (RPC) Chair Jerry Jones (Lemon Grove Councilmember) introduced Brian Holland, Energy Planner, to provide a staff report. He stated that after the staff presentation, he would provide the recommendation from the RPC.

Mr. Holland reported that staff, the SANDAG Energy Working Group (EWG), and the RPC have been working together for many months to satisfy the request from the Board to evaluate these two transmission proposals: the Sunrise Powerlink and the Talega-Escondido/Valley-Serrano (TE/VS) projects. The Board requested that the scope of the input be limited to consistency with the 2030 Regional Energy Strategy (RES). We were not directed to make any findings on the relative merits of these two projects and whether to support these projects.

Mr. Holland provided background information, a project description of both transmission projects, reviewed the major transmission corridors, and described the 2030 RES goals. Those goals include in-region generation, distributed generation, renewable resources (produced both in-region and imported), and transmission supply to the San Diego region, as necessary. The EWG recommended that the Board find that the transmission projects are inconsistent with the full set of goals of the RES. A separate staff recommendation found that both of the transmission projects are consistent with the RES despite a mixed impact on some of the goals. Both recommendations were presented to the RPC for its consideration.

RPC Chair Jones thanked Del Mar Councilmember Henry Abarbanel for his efforts as Co-Chair of the EWG. There was a lot of discussion that was split into two parts. The first part is whether transmission capacity in general is consistency with the RES. Here the RPC is recommending that you find that any increase in transmission is consistent with RES Goal 5. The second part is a discussion of Sunrise versus TE/VS. In this case, the RPC found that both of these projects are consistent with RES Goals 3A and 5, but did not endorse or condemn either of the projects. The Committee felt that we did not have the information, time, or resources to fully evaluate both projects, and that the California Public Utilities Commission (CPUC) was the proper venue and has the proper resources to make a detailed analysis. RPC Chair Jones thought it was important to separate the big picture part of this discussion (RES Goal 5) from the detailed discussion. He stated that the need for transmission was identified in the 2030 RES that was approved by the SANDAG Board of Directors four years ago. He urged the Board to accept the RPC recommendation.

Councilmember Abarbanel (Del Mar) praised this Board for adopting an RES, as no other region in California has taken this step. He also praised the work of all those involved in this issue. We have established that we can work with San Diego Gas and Electric (SDG&E) company in planning our energy future together. We've also learned that we cannot do everything. He said that SANDAG does not have the resources to evaluate these projects in detail, and we can only determine if they are consistent with our view.

Chair Sessom thanked Councilmember Abarbanel and Mayor Art Madrid (La Mesa) as EWG Co-Chairs, the EWG members, and SANDAG staff, as well as Chair Jones for his leadership on the RPC.

(NOTE: Due to the large number of speakers on this item, individual remarks are not summarized in these minutes. Persons who provided comments are listed together under a support or oppose category.)

Public Comments in Support of RPC Recommendation (listed in alphabetical order)

Scott Alevy, San Diego Regional Chamber of Commerce
Nick Arthur, Project Manager of Fanita Ranch in Santee
Nadia Bermudez, Brown Law Group
Joe Charest, Carlsbad Chamber of Commerce
Bill Clemenger, South County Economic Development Council Board Member
Greg Fitchitt, Westfield University Towne Centre project
Katie Hansen, California Restaurant Association
Dan Hom, South County resident
David Kates, Nevada Hydro Company
Gary Knight, President of the North San Diego Economic Development Council
Joni Low, Executive Director of the Asian Business Association of San Diego
Jesse Montano, Imperial Irrigation District
Mike Niggli, Chief Operating Officer, SDG&E
Duane Roth, Chief Executive Officer, CONNECT
Warren Savage, Executive Director, Santee Chamber of Commerce
James Schmidt, San Diego East County Chamber of Commerce
Todd Vhoorhees, Downtown San Diego Partnership
Nancy Wasco, Del Mar-Carmel Valley Regional Chamber of Commerce Board of Directors

Public Comments in Opposition to RPC Recommendation (listed in alphabetical order)

Kathleen Beck, People's Powerlink, and Julian resident
Jim Bell, member of the public, resident of San Diego
Nancy Casady, General Manager, Ocean Beach People's Food Cooperative
Diane Conklin, MGRA, resident of Ramona
Laura Copic, Carmel Valley Community Planning Board
Jean Costa, La Mesa resident
George Courser, Back Country Coalition
Curtis Dowds, San Diego Apollo Alliance
Bonnie Gendron, Back County Coalition, and resident of Julian
Jeanette Hartman, People's Powerlink
Deputy Mayor Maggie Houlihan, City of Encinitas
Larry Johnson, resident of Campo
Grazyna Krajewski, Torrey Hills Community Council
Raymond Lutz, Citizens Oversight.org
Jim Lydick, San Diego County Outdoor Education, Fox Camp
Carolyn Morrow, Protect Our Communities
Denise Morse, Campo-Lake Morena Planning Group
Peder Norby, Carlsbad resident
Valerie Sanfilippo, San Diego Sierra Club
Supervisor Pam Slater-Price, County of San Diego
Glen Stokes, Borrego Springs Chamber of Commerce
Martha Sullivan, Communities United for Sensible Power
Donna Tisdale, Chair of Boulevard Planning Group
Dennis Trapacany, Protect Our Communities Group, and member of Poway Chamber of Commerce
Judith Withers, small business owner
Myrna Wosk, member of the public

Chair Sessom announced that there is a time certain for the closed session and she would resume public comments on this item following the closed session.

5. CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL IN ANTICIPATION OF LITIGATION: Pursuant to Government Code Section 54956.9(b) – Two Potential Cases

Chair Sessom convened the meeting into closed session at 10:36 a.m. and reconvened the meeting into open session at 11:31 a.m. She said that General Counsel would report results of the closed session at the end of Item No. 4.

4. TRANSMISSION PROJECTS ANALYSIS (DISCUSSION/POSSIBLE ACTION) – Continued

Chair Sessom resumed public comments on this item.

Public Comments in Support of RPC Recommendation (listed in alphabetical order)

Ben Avey, BIOCUM

Lisa Cohen, Chief Executive Officer, Chula Vista Chamber of Commerce

Andrew Poat, San Diego Economic Development Corporation

Buz Schott, Sterling Energy Systems

Public Comments in Opposition to RPC Recommendation (listed in alphabetical order)

Robert Baron

Councilmember Teresa Barth, City of Encinitas

Dick Bobertz, Executive Director, San Dieguito River Park Joint Powers Authority

Richard Caputo, voting member of EWG, and San Diego Renewable Energy Society

Don Christianson, Carlsbad resident

Josan Feathers, registered civil engineer

Laura Hunter, the Environmental Health Coalition, and member of the EWG

Donald Larson, resident of San Diego

Celia Lawley, resident of Santa Ysabel

Diana Lindsay, Anza Borrego Foundation and business owner

Leo Miras, Assembly Bill 32 Environmental Justice Advisory Committee

Micah Mitrosky, Sierra Club

Bill Powers, EWG member

John Raifsnider, Julian resident

Cynthia Rajsbaum, member of the public

Gus Swiggers, resident of Santa Ysabel

Mary Wendorf, Uptown Planners, Save Our Heritage Organization, University Heights Community Development Corporation, and the San Diego Historical Society

Jeff Wood, representing the Santa Ysabel and Witch Creek communities

Several requests to speak forms were submitted but the persons were not in attendance when their name was called, including (in alphabetical order):

Derek Casady, La Jolla Democratic Club

Marco Cortez, Hispanic Chamber of Commerce

Ann Gardner, Friends of San Dieguito River Valley

Lorena Gonzalez, Labor Council
Lani Lutar, San Diego Taxpayers Association
Gidon Singer, resident of Ocean Beach

Chair Sessom noted there were several letters received related to this item, and they will be included in the record from the following individuals:

Rexford Wait, Vice President, The Nevada Hydro Company
First District Supervisor Bob Buster, Riverside County
State Senator Christine Kehoe
Patti Krebs, Executive Director, Industrial Environmental Association
Paul Tryon, Chief Executive Officer, Building Industry Association of San Diego County

Chair Sessom called for Board comments at this time.

Supervisor Dianne Jacob (County of San Diego) supported the conclusion of the EWG and opposed the RPC recommendation. She presented the County's response to the Draft Environmental Impact Report/Environmental Impact Study (DEIR/DEIS) for the Sunrise Powerlink project, and offered a substitution motion.

Motion Made

Supervisor Jacob moved and Councilmember Lesa Heebner (Solana Beach) seconded a motion that would adopt the recommendation of the Energy Working Group, and direct staff to submit that position on behalf of SANDAG to the CPUC by 5 p.m. on Friday, April 11, 2008.

Chair Sessom asked Councilmember Abarbanel to summarize the EWG recommendation.

Councilmember Abarbanel stated that the motion that was approved by the EWG was to recognize that neither transmission project reviewed meets the overall goals of the RES. We recognize that not everyone will agree with that. If a decision is made to support the transmission projects, then it should be done with a recommendation to the CPUC that it should pay significant attention to the cost, environmental impact, and the impact on public health.

Mayor Desmond said that both parties are right; we need both local generation and transmission infrastructure. In Southern California, we lack infrastructure for energy, water, transit, transportation, and for solar energy. Even rooftop solar panels require transmission wires. He supported the RPC recommendation.

Substitute Motion

Mayor Desmond moved that the SANDAG Board of Directors finds that the SDG&E Sunrise Powerlink and the Nevada Hydro Talega-Escondido/Valley-Serrano (TE/VS) transmission projects are consistent with Goal 5 of the Regional Energy Strategy (to increase transmission capacity); and that both the Sunrise and TE/VS projects are consistent with RES Goal 3a (to increase renewable generation), and that the proper forum for further analysis of the projects is through the CPUC process. Mayor Cheryl Cox (Chula Vista) seconded the motion.

Mayor Heebner said that there are a number of SANDAG Board members who have already signed on as supporters of the Powerlink project, and she asked General Counsel to clarify if they can participate in this discussion. There might be a distinction between us endorsing a project versus not endorsing a project. Julie Wiley, General Counsel, clarified that this vote would not constitute necessarily an endorsement of the project. The conflict of interest laws would be triggered in the event of a financial interest, but those laws would not be triggered because someone had a different political opinion or policy decision that they made at their local city council.

Mayor Heebner suggested that a statement be added to whatever motion is made that indicates there is no endorsement of either project.

Mayor Heebner said that the Solana Beach City Council voted to support the EWG recommendation. She felt that the resources were insufficient to make a decision on this matter. We also have no assurance that the Powerlink will transmit renewable energy. Just meeting one RES goal does not make sense.

Chair Sessom explained that this item is before us today because two years ago the Board directed the RPC to evaluate this issue.

Mayor Jim Wood (Oceanside) indicated that the Oceanside City Council voted 3-2 in support of the Sunrise Powerlink. However, he personally felt there wasn't sufficient information presented to make an informed decision and wanted to wait on that vote; however, he will respect his Council's direction.

Mayor Art Madrid (La Mesa) stated that having spent over two years on the EWG, he has never worked with a group of individuals so committed, informed, and intelligent and that came to a conclusion that was in the best interests in the region over the long-term. He expressed frustration with the amount of time the RPC took to review this matter, compared with the two years spent by the EWG, and coming up with an opposing position. However, his City Council supported the RPC recommendation on a 3-2 vote, and he will support that motion because he was instructed to do so by his City Council.

Second Vice Chair Jerome Stocks (Encinitas) agreed with Councilmember Abarbanel and Mayor Heebner as well as Supervisor Jacobs on the EWG recommendation. He supports the substitute motion. We are not here to endorse either project. The question from his perspective is: do the proposals meet the RES strategy. They do meet Goal 5, even though they don't meet all of the RES goals.

Mayor Cox stated that the South Bay power plant is in her jurisdiction, and it emits particulates that affect the health of the residents in her city. The other issue is that we have not relied solely on SDG&E's opinion or solely on the EWG opinion. We have had time to work an arrangement with SDG&E to make sure we had an independent third party tell us what the Sunrise Powerlink means to the residents in the South Bay. This is written opinion from the California Independent System Operators that the Sunrise Powerlink will reduce congestion along the transmission lines, and the presence of the South Bay power plant compromises the health of our community, and by removing it you remove an old and inefficient power plant. She requested that fellow members of SANDAG look at this third party review in support of the Sunrise Powerlink.

Council President Pro Tem Jim Madaffer (City of San Diego) commented that he has a lot of respect for the EWG and the work that has been done. He heard two different perspectives from the testimony. We should do more locally for solar or do we import other renewables from the outside. He understands the concern about fire caused by power lines. SDG&E has a long way to go to explain better to the public how we get our energy and how this region is connected to the grid. He agreed that the Sunrise Powerlink is consistent with the RES. This region is energy deficient. The demand for electric is far outpacing supply. At the end of the day we need more infrastructure for various needs, not less.

Supervisor Greg Cox (County of San Diego) said that the issue we are dealing with today is not to endorse the Powerlink. The CPUC will make a decision on the Powerlink. What we are looking at are two questions: is the transmission consistent with Goal 5 of the RES to increase transmission capacity and are the projects consistent with RES Goal 3a to increase renewable regeneration. He agreed with the RPC recommendation.

Councilmember Jack Dale (Santee) said that we are in a difficult situation. We are provided a couple of options that meet one of our goals. On the other hand, we don't have any other options in front of us. We have heard of other options that are interesting, and he wondered why we don't have those options in front of us. The question he has is: why are we not including in our letter to the CPUC that these are the options we have. These options meet some of the requirements, but not all of them. Why is the CPUC not requiring SDG&E to provide some of the options like projects that are being developed in Los Angeles. We have no authority over SDG&E. He recommended that we suggest to the CPUC that it request SDG&E to provide other energy options to the San Diego region.

Councilmember Phil Monroe (Coronado) stated that at the last Board meeting we approved a Regional Economic Prosperity Strategy for raising the quality of life for the people in our region. That included a goal for a more stable supply of energy and to recognize the requirement to increase our transmission. The SANDAG Board approved that strategy. He added that the Coronado City Council unanimously approved support of the RPC recommendation.

Councilmember Abarbanel asked that the substitute motion be clarified. He asked the persons who moved and seconded the substitute motion if the motion includes the EWG recommendation of suggesting that the CPUC review the critical issues of cost, environmental impact, and the impact on public health while considering these projects.

Ms. Wiley said the motion that is pending now is Ms. Heebner's request that any motion moved forward be amended to add a statement that it is not an endorsement by SANDAG of either project. She asked Mayor Heebner if that was a motion to amend the substitute motion.

Mayor Heebner said that she only wanted to clarify the motion and ask the maker of the motion if he would edit the motion so that she could vote for one part of it and not the other, and then add that to it as well.

Ms. Wiley said that Mayor Desmond has the substitute motion which will be considered first, and that is to approve the RPC recommendation. She asked if the maker of the motion agrees to the amendment.

Mayor Desmond said he did not agree to the amendment and clarified that his motion is the same exact wording as presented on the agenda report. He did not see where that recommendation endorses either project.

Councilmember Abarbanel clarified that the substitute motion does not include the recommendation that cost, environmental impact, and public health impact be considered by the CPUC. Chair Sessom replied that the substitute motion does not include that recommendation.

Mayor Heebner asked if the two sentences in the motion could be separated out. The RPC stated that transmission projects were consistent with RES Goal 5, and then that the two transmission projects were consistent with RES Goal 3a and that the proper forum for a decision was the CPUC.

First Vice Chair Pfeiler stated that the RPC did have two motions, but they are worded in such a way that the maker of the motion today can combine them.

Chair Sessom asked if Mayor Desmond wanted to bifurcate his motion.

Mayor Desmond expressed his preference to leave the motion as is.

Action on Substitute Motion (RPC recommendation): Yes – 16 (weighted vote, 90%). No – County of San Diego, Del Mar and Solana Beach (weighted vote, 10%). Abstain – 0 (weighted vote, 0%). Absent – Imperial Beach. This motion was approved; therefore, no action was necessary on the original motion.

3. METHODOLOGY FOR STATE FUND MATCH FOR REGIONAL BEACH SAND REPLENISHMENT PROJECT AND UPDATE ON REGIONAL SHORELINE MANAGEMENT EFFORTS (APPROVE)

RPC Chair Jones said that we have seen an increase in items from the Shoreline Preservation Working Group, showing the progress made on planning and constructing a regional beach sand replenishment project. The RPC is excited about the prospect of receiving state funding for this project, and recognize that we need a method to allocate the required funding match among the participating jurisdictions. The RPC unanimously supports the funding recommendation being presented by staff. He introduced Shelby Tucker, Associate Planner, to represent a staff report.

Ms. Tucker reported that the California Department of Boating and Waterways (DBW) has identified funding for regional beach sand replenishment projects. If approved, the \$6.5 million in DBW funding will require a minimum 15 percent local match. The region must determine a method for allocating the approximate \$1.1 million in matching funds. Methods for the allocation of funds are identified in page 4 of the agenda report, and include the weighting of three factors: the amount of sand pumped onto each beach, the miles of shoreline restored, and city population. SANDAG staff, the Shoreline Preservation Working Group, and the RPC recommend approval of Option C, a 60/30/10 formula (60 percent sand, 30 percent shoreline, and 10 percent population).

In addition to this large-scale effort, the region also has been working on small-scale replenishment programs focused on beneficial reuse of sediment located throughout the

region. The agenda report provides more information on this program. The process of placing opportunistic material on the region's beaches includes methods approved by the regulatory agencies for using less than optimum materials for nearshore replacement. These materials contain a higher percentage of fines, or silts and clay than found on the dry beach. The Tijuana Estuary Sediment Fate and Transport Study will determine the fate of the fine sediment introduced at the shoreline and facilitate a review of the existing policy to reevaluate what type of material can be safely placed in the nearshore. Staff has drafted a letter of support for the study and is recommending its approval for submittal.

Second Vice Chair Stocks stated that he has had thorough briefings on this by Encinitas Councilmember Jim Bond. He complimented everyone who worked on this.

Councilmember Abarbanel indicated that the Del Mar City Council agrees with the method and will support the motion; however, due to the significant enhancement of the San Dieguito Lagoon, we have determined that there is a significantly large amount of new sand on our beach and we will probably not be willing to pay for it a new replenishment program.

Mayor Wood noted that the City of Oceanside gets sand by dredging done by the U.S. Army Corps of Engineers; therefore, he would abstain from this vote.

Action: Upon a motion by Second Vice Chair Stocks and second by Mayor Mark Lewis (El Cajon), the SANDAG Board of Directors: (a) approved the state fund match allocation methodology for a regional beach sand replenishment Project based on Option C: 60 percent amount of sand received, 10 percent miles of coastline restored, and 30 percent population; and (b) supported the Tijuana Estuary Sediment Fate and Transport Study through submission of a letter of support signed by the Chair. Yes – 15 (weighted vote, 94%). No – 0 (weighted vote, 0%). Abstain – Oceanside (weighted vote, 6%). Absent – Imperial Beach, National City, and Vista.

5. CLOSED SESSION : CONFERENCE WITH LEGAL COUNSEL IN ANTICIPATION OF LITIGATION: Pursuant to Government Code Section 54956.9(b) – Two Potential Cases) – Continued

Julie Wiley, General Counsel, reported the following out of closed session: the SANDAG Board provided direction to staff with regard to ongoing negotiations of pending litigation.

6. UPCOMING MEETINGS

The next meeting of the Board of Directors is scheduled for Friday, April 25 , 2008, at 9 a.m.

7. ADJOURNMENT

The meeting was adjourned at 1:01 p.m.

DGunn/M/DGU

ATTENDANCE SANDAG BOARD OF DIRECTORS' MEETING APRIL 11, 2008

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	Henry Abarbanel (Temporary Alternate)	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	Jim Janney (Member)	Yes
City of La Mesa	Art Madrid (Member)	Yes
City of Lemon Grove	Mary Sessom, Chair (Member)	Yes
City of National City	Louis Natividad (2nd Alternate)	Yes
City of Oceanside	James Wood (Member)	Yes
City of Poway	Mickey Cafagna (Member)	Yes
City of San Diego - A	Tony Young (1st Alternate)	Yes
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	Lesia Heebner (Member)	Yes
City of Vista	Judy Ritter (Member)	Yes
County of San Diego - A	Greg Cox (Member A)	Yes
County of San Diego - B	Dianne Jacob (Member B)	Yes
Caltrans	Bill Figge (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)	No
SD Unified Port District	Laurie Black (Member)	No
SD County Water Authority	Marilyn Dailey (Member)	Yes
Baja California/Mexico	Remedios Gómez-Arnau (Member)	No
Southern California Tribal Chairmen's Association	Robert H. Smith (Member)	No