First Vice Chair Lori Holt Pfeiler (North County Inland) called the Executive Committee meeting to order at 8:00 a.m. The attendance sheet for the meeting is attached.

1. APPROVAL OF MINUTES

Upon a motion by Mayor Ron Morrison (South County) and a second by Second Vice Chair Jerome Stocks (North County Coastal), the minutes of the June 13, 2008, Executive Committee meeting were unanimously approved.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS

There were no public comments, communications, or member comments.

3. PERFORMANCE EVALUATION OF EXECUTIVE DIRECTOR (RECOMMEND)

Pursuant to the employment agreement with the Executive Director, the Board of Directors shall annually review his performance. If the Executive Director's performance is determined to be satisfactory, the Board of Directors must adjust his base salary in accordance with the employment agreement provisions.

Action: Upon a motion by Second Vice Chair Stocks, and a second by Council President Pro Tem Jim Madaffer (City of San Diego), the Executive Committee recommended that the Board of Directors approve the Executive Director's Performance Evaluation for the period July 2007 to June 2008, including the proposed bonus award; and Performance Objectives for the period July 2008 to June 2009.

4. ANNUAL REVIEW AND PROPOSED AMENDMENTS TO BOARD POLICY NO. 003: INVESTMENT POLICY, AND ANNUAL REVIEW OF BOARD POLICY NO. 032: SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION INTEREST RATE SWAP POLICY (RECOMMEND)

Lauren Warrem, Finance Manager, reported that staff is not recommending changes to Board Policy No. 032, San Diego County Regional Transportation Commission Interest Rate Swap Policy. However, staff is recommending three changes to Policy No. 003, Investment Policy. The first change would incorporate a new section from the Government Code that
now allows local agencies to purchase municipal bonds issued by any of the other 49 states besides California. This change will allow SANDAG increased investment flexibility. The second recommended revision is a technical change to Section 7 due to the consolidation in July 2007 of the National Association of Securities Dealers (NASD) and the member regulation, enforcement, and arbitration functions of the New York Stock Exchange. The third recommendation is a technical change to Section 8 to reflect the naming of the Public Securities Association to the Securities Industry and Financial Markets Association. Following Executive Committee review, this item would be taken to the Board at its July 25 meeting for approval.

First Vice Chair Pfeiler acknowledged that the ability to buy bonds from other states adds flexibility to SANDAG investments but wondered why we couldn’t do that before. Ms. Warrem was not sure of the reason for this change.

Second Vice Chair Stocks suggested that the reason for not allowing this before was perhaps a desire by the State of California for state organizations to keep their investments within the state.

Action: Upon a motion by Second Vice Chair Stocks and second by Council Pro Tem Madaffer, the Executive Committee voted to recommend that the Board of Directors approve the proposed amendments to Board Policy No. 003: Investment Policy.

5. STATE LEGISLATIVE STATUS REPORT (DISCUSSION/POSSIBLE ACTION)

Genevieve Morelos, Senior Legislative Analyst, reported that Senate Bill (SB) 1685, which would expand SANDAG’s existing sales tax authority to allow for non-transportation expenditures, was recently signed into law by the Governor. This new law will enable SANDAG to consider a possible “quality of life” funding measure in the San Diego region.

Ms. Morelos stated that SB 1486, Otay Mesa East Toll Facility Act, was heard in the State Assembly Appropriations Committee in July, and it will be taken up by the Legislature in August.

Ms. Morelos said that SANDAG currently has an “oppose unless amended” position on SB 375 (Steinberg). This bill, as well as SB 303, would create new requirements for regional plans to reduce greenhouse gas emissions. SB 303 (Ducheny) was introduced as an alternative to SB 375. We do not currently have a position on SB 303. Both of these bills currently reside in the Assembly Appropriations Committee. Staff has prepared a side-by-side analysis of the two bills, and Ms. Morelos noted that the analysis was provided as a “blue sheet” today.

Gary Gallegos, Executive Director, mentioned that in recent discussions with Senator Ducheny, SB 303 will be used as a fallback position and a negotiating tool for amendments for agencies like SANDAG.

Ms. Morelos stated that Senator Steinberg has agreed to make amendments to SB 375, but those amendments are not yet available in print.
Mr. Gallegos stated that Senator Steinberg was not originally engaged in discussions and negotiations about his bill, SB 375. It is his understanding that the author has now gotten personally involved and is trying to determine how to make it work among local governments, regional agencies, the builders, and the environmental community. He mentioned that Senator Steinberg is destined to be the President Pro Tem of the State Senate.

Council President Pro Tem Madaffer commented that SB 375 has a lot of problems. The League of California Cities (LCC) has had discussions with the building industry, housing advocates, the California State Association of Counties (CSAC), and others and they all are in active discussions with Senator Steinberg with regard to amending this bill. The amendments should be coming out soon. One proposed amendment is that this bill would focus mainly on the four major metropolitan areas: Sacramento, Los Angeles, San Francisco Bay Area, and San Diego. That's a huge concession. It gives us a lot more flexibility as a regional government as to how these state mandates work, and this will become an incentive for cities to do the right thing. He believes that SB 303 will be nothing more than an insurance policy in negotiating amendments to SB 375.

Ms. Morelos reviewed how the various components of SB 303 compare with SB 375. She identified the initial concerns with SB 303, including the land use and transportation assumptions, public participation, consistency with AB 32, interregional commuting, additional regional infrastructure analysis, and insertion of the California Air Resources Board (CARB) into the Regional Transportation Plan (RTP) review and approval process. However, this bill does contain provisions that address certain issues raised by SANDAG, including protection funding for transportation projects, alignment of the Regional Housing Needs Assessment (RHNA) and RTP cycles, and transportation infill areas.

Ms. Morelos said that both bills are expected to remain in the Assembly Appropriations Committee until late July or early August. Staff will continue to work with both authors and stakeholder working groups, and will continue to update the Committee on any action taken on these measures.

Councilmember Matt Hall (North County Coastal) asked if these bills will impact the funding stream. Mr. Gallegos said that it will make the RTP more complicated. As the RTP gets more complicated it may take longer to get funding.

Councilmember Matt Hall asked who will benefit from SB 375. Mr. Gallegos replied that this bill is indirectly related to state funding. AB 32 is a more comprehensive way of reducing greenhouse gases through regional planning. It is targeting how regions grow and how vehicle miles traveled (VMTs) can be decreased. The mandates in this bill will require more planning for the land use and transportation.

Second Vice Chair Stocks commented that the state adopted AB 32, and now the Legislature is creating an entire maze that will require everything to be judged against this bill. He wondered why the State Legislature has never adopted an Assembly Bill that addresses the state's prosperity and how everything impacts prosperity. This bill will result in negative impacts to the economy. He agreed that we should want to improve the environment, but he questioned the social equity issue that will result from this bill’s mandates.
Mr. Gallegos agreed that is the challenge for us at the local level. AB 32 has been adopted that sets goals for reducing greenhouse gas emissions, and we are trying to figure out how to achieve those goals.

Second Vice Chair Stocks commented that will be reducing our carbon footprint by depressing the economy.

Mr. Gallegos said that from previous Executive Committee and Board direction, staff has been trying to get amendments into SB 375 that recognize the work SANDAG has already done. He thought this bill would be on the Governor’s desk for signature by the end of the legislative session.

Councilmember Hall stated that the San Diego region has already started actions to reduce greenhouse gas emissions in our region; however, the mandates in SB 375 could be very challenging for other areas.

Council President Pro Tem Madaffer said that there was an article in the Wall Street Journal last week on the urban planning efforts of the Sacramento Council of Governments (SACOG). He suggested this article be printed and distributed to Committee members. He commented that SANDAG is much further along in its urban planning than SACOG.

Mr. Gallegos mentioned that all four big urban areas have something similar to our Regional Comprehensive Plan (RCP), so they have the capacity to do the work being required by the mandates in SB 375. The amendment that focuses the bill on the four large urban areas covers about 85 percent of the state’s population.

Ms. Morelos then reviewed the pros and cons of AB 3021 (Nava). This legislation would establish the California Transportation Financing Authority to assist transportation agencies in obtaining financing, primarily through the issuance of bonds, to construct transportation projects. This bill passed out of the Senate Transportation and Housing Committee on June 24, and will move to the Senate Appropriations Committee for further action. This bill is consistent with the 2008 SANDAG Legislative Goal No. 3B, which supports financial strategies to increase revenues for transportation and transit projects in the RTP.

Ms. Morelos reviewed amendments to AB 3034, the High-Speed Rail Bond measure. The Executive Committee previously took a support position in May, because the version of the bill at that time provided flexibility for SANDAG to compete for the $9 billion in bond funding for the high-speed train system. However, recent July amendments in to this bill give funding priority to the San Francisco to Los Angeles/Anaheim corridor. The latest version of AB 3034 includes a provision that allows for funding to be provided for high-speed rail projects in other corridors, if certain conditions are met. She noted that a “blue sheet” showing the recent amendments to the bill was provided to Committee members.

Mr. Gallegos pointed out that the rail piece between Los Angeles and San Francisco will cost $20 billion-$30 billion, and there is only $9 billion available statewide in the proposed bond measure.
Ms. Morelos described the caveat that indicates if there is a finding by the Authority that bond funds for other corridors would advance the construction of the system and will not have an adverse impact on completion of Phase 1 (San Francisco to Los Angeles/Anaheim corridor), then funding could be appropriated to other corridors.

Mr. Gallegos mentioned that California Transportation Commissioner (CTC) Chair John Chalker has been frustrated by this bill. We have been working with our lobbyists on amendments.

Mayor Morrison asked if bridge construction across San Francisco Bay is included in this measure. Mr. Gallegos said he did not know if that specific project was included.

First Vice Chair Pfeiler stated that we may not be interested in supporting this bill if our region won’t benefit from it.

Motion: Council President Pro Tem Madaffer moved to change SANDAG’s position on AB 3034 from “support” to “oppose unless amended.” Mayor Morrison seconded the motion.

Mr. Gallegos said that a reasonable amendment to this bill, especially with limited funds, is to have projects compete for funding on a statewide level, and then award of bond funds to the best projects.

Mayor Morrison agreed that this funding should be on a “best project” basis. As it stands in the current language, the funding decision is being made up front by politicians and not awarded to the best project.

Ms. Morelos indicated that this measure is being developed for the November 2008 ballot.

Second Vice Chair Stocks agreed that we should not support a bill that arbitrarily cuts out the San Diego region.

Mr. Gallegos said that we need to communicate this position change to our San Diego legislative delegation as soon as possible. He noted that Senator Kehoe’s office wants a fact sheet related to the San Diego to Los Angeles rail corridor, which is the second highest intercity rail line in the country.

Council President Pro Tem Madaffer agreed to include in the motion direction to staff to communicate the new position on AB 3034 to the San Diego legislative delegation.

Council President Pro Tem Madaffer said that we also should inform our lobbyists. Funding should be provided in the San Diego to Los Angeles rail corridor. He agreed that we should provide factual data regarding this corridor.

Action: Upon the motion made by Council President Pro Tem Madaffer and seconded by Mayor Morrison, the Executive Committee voted to approve changing its position on AB 3034 from “support” to “oppose unless amended.”
Mr. Gallegos stated that Proposition 42 funds are now being considered to help balance the state budget. Proposition 42 allowed the state to borrow from transportation funds twice in a decade but required those funds to be paid back with interest within three years. Commissioner Chalker has expressed his concern about how this will impact transportation funding. This would not hurt our State Transportation Improvement Program (STIP) funded projects very much, because we have already spent the STIP money coming to the region. However, it has the potential to adversely impact public transit, our cities, and the County. Commissioner Chalker encouraged us to make our voices known to our legislative delegation. Mr. Gallegos suggested that a letter signed by all 18 cities and the County be transmitted to Sacramento as soon as possible regarding the concerns about the suspension of Proposition 42 funding.

Second Vice Chair Stocks thought that was a good suggestion and suggested discussing how the suspension would impact AB 32.

Council President Pro Tem Madaffer stated that as President of the League, he and CSAC are sending a letter to all state legislators and the media about how voters passed Proposition 42 with a high margin of support. That margin sent a signal to the state that it should balance its budget using state dollars and not local dollars. The State Legislature also is talking about borrowing Proposition 1A local government funds.

6. FEDERAL LEGISLATIVE STATUS REPORT (DISCUSSION/POSSIBLE ACTION)

Victoria Stackwick, Associate Legislative Analyst, reported that on June 11 the House of Representatives (House) passed H.R. 6003, the Passenger Rail Investment and Improvement Act of 2008. This bill authorizes more than $14.9 billion over a five-year period (FY 2009 to FY 2013) in rail programs administered by Amtrak, the states, and the U.S. Department of Transportation to reduce rail congestion. Last year the Senate passed its version of the Amtrak Reauthorization, S. 294, which is similar to the House bill, but it does not contain the provisions for the high-speed rail or rail congestion relief grants. The next step is for the House and Senate Conference Committee to come up with a compromise Amtrak reauthorization bill, for that bill to pass, and for it to be signed into law by the President before the end of the year. Congress would also need to pass appropriations legislation to fund the programs included in the measure.

Related to the FY 2009 Transportation Appropriations, the House Subcommittee passed its version on June 20, 2008. The bill provides $1.5 billion for intercity passenger rail, including $60 million for a rail funding program entitled, “Capital Assistance to States.” The full House has to take up the bill. The Senate version includes $100 million for this program. The House Subcommittee rejected the Administration’s proposal to borrow money from the Mass Transit Account of the Highway Trust Fund to make up for the FY 2009 shortfall in the Highway Account. The Senate Subcommittee did backfill the shortage. She noted that the San Diego Mid-City Rapid Bus Project was named to receive funding.

Ms. Stackwick reviewed H.R. 6052, The Saving Energy Through Public Transportation Act of 2008. This measure would authorize $1.7 billion over two years in Federal Transportation Administration (FTA) grants to transit agencies to reduce fares and expand services. San Diego could expect to receive $4-$5 million for its fair share portion. However, these
funds will not be available unless they are included in an appropriations bill. Support is consistent with SANDAG’s 2008 Legislative Program Goal No. 3B, which supports additional transportation and transit revenues.

Ms. Stackwick noted that Senator Reid, the Senate Majority Leader, said he will hold up all appropriations in the Senate until the next president is elected.

Second Vice Chair Stocks asked why Senator Reid wants to do that. Mr. Gallegos stated that if this measure goes to the President now, he will veto it and Congress doesn’t have an overriding majority. If a Democratic president is elected Congress might have a better chance of getting this measure approved.

Mr. Gallegos noted that this is the first time the federal government is helping with funds for transit operations. We wish the number were larger; however, it pushes Congress in a good direction.

In H.R. 6003, there is funding for the coastal corridor to update bridges and double track. We can take this federal money, add it to state money, and leverage that with local money. This funding would help projects such as the platform at Del Mar, the San Dieguito Bridge as well as others. These funds would be tools for us to use to improve the coastal rail corridor.

Mr. Gallegos said that we have been more aggressive in pursuing funds for rail. We want to start having quarterly meetings at the Caltrans Headquarters level to track progress on our projects. Commissioner Chalker would like to reduce the rail travel time between San Diego and Los Angeles. Some of the improvements planned for this corridor would do that.

Ms. Stackwick asked the Committee to consider support positions for H.R. 6003 and H.R. 6052.

Action: Upon a motion by Council President Pro Tem Madaffer, and a second by Mayor Morrison, the Executive Committee voted to approve support positions for (1) H.R. 6003, Amtrak reauthorization, (2) inclusion of the Capital Assistance to States funding program in the FY 2009 federal transportation appropriations, and (3) H.R. 6052, the Saving Energy Through Public Transportation Act of 2008.

7. REVIEW OF JULY 25, 2008, DRAFT BOARD AGENDA (APPROVE)

Chief Deputy Executive Director Diane Eidam reviewed the draft agenda for the July 25, 2008, Board meeting. The following changes were agreed to by the Committee: move Items Nos. 13, 14, and 21 to the Consent Calendar; remove item No. 16, add an item under Reports, “Memorandum of Understanding between SANDAG and La Mesa Regarding the Use of SANDAG’s Commercial Paper Program”; and split agenda Item No. 19 into three sections: (a) an update on the I-15 Managed Lanes project corridor, (b) SR 78/Nordahl Bridge replacement, and (3) a FasTrak update.

Related to Agenda Item No. 6, Council President Pro Tem Madaffer asked if SANDAG has a role in regional waste management, or if there is a solid waste management strategy for
the region. Mr. Gallegos responded that our planning department has been struggling with whether this is a relevant role for SANDAG.

Council President Pro Tem Madaffer asked if we should talk about updating the regional waste management strategy. He asked for a determination on where we sit from a legal standpoint, a status report to give us an understanding of SANDAG’s history on this topic, where we could be, and if we as a regional government should develop a solid waste management task force. He also asked SANDAG to consider the most appropriate entity to take the lead on this matter.

Second Vice Chair Stocks noted that the County of San Diego sold off the landfill system. Mayor Morrison commented that there was a regional waste management strategy in the mid-1990s and then the County stopped it. There has not been an effective strategy since that time. The Integrated Waste Management Board doesn’t have a plan, and its membership is not countywide.

Mr. Gallegos asked about the timing of this particular Board item. Ms. Eidam said that it has to be acted on in July.

Mr. Gallegos said that staff will bring back a history, where we are at, and what our current role is.

Ms. Eidam noted that in accordance with a 2004 agreement with the North County Transit District, SANDAG agreed to transfer NCTD SPRINTER employees to SANDAG once the operations of the SPRINTER commenced. This transfer will occur on September 1.

Ms. Eidam stated that there will be two closed session items: one related to anticipated litigation, and a conference with real property negotiators. She estimated that the closed session would last 30 minutes.

**Action:** Upon a motion by Mayor Morrison, and a second by Council President Pro Tem Madaffer, the Executive Committee voted to approve the agenda for the July 25, 2008, Board meeting, as revised.

8. **UPCOMING MEETINGS**

The August 8, 2008, meeting of the Executive Committee has been cancelled. The next meeting of the Executive Committee is scheduled for Friday, September 12, 2008, at 9 a.m.

9. **ADJOURNMENT**

First Vice Chair Pfeiler adjourned the meeting at 9:05 a.m.

Attachment: Attendance Sheet
## CONFIRMED ATTENDANCE
### SANDAG EXECUTIVE COMMITTEE MEETING
#### JULY 11, 2008

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<th>NAME</th>
<th>MEMBER/ALTERNATE</th>
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