MEETING NOTICE
AND AGENDA

TransNet INDEPENDENT TAXPAYER
OVERSIGHT COMMITTEE (ITOC)
The ITOC may take action on any item appearing on this agenda.

Wednesday, September 10, 2008
9:30 a.m.

SANDAG
7th Floor Conference Room
401 B Street, 7th Floor
San Diego, CA 92101

Staff Contact: Charles “Muggs” Stoll
(619) 699-6945
mst@sandag.org

AGENDA HIGHLIGHTS

• AGREEMENT WITH CALTRANS FOR PRELIMINARY ENGINEERING FOR THE INTERSTATE 5/STATE ROUTE 56 INTERCHANGE IMPROVEMENT PROJECT

• TransNet ENVIRONMENTAL MITIGATION PROGRAM: LAND MANAGEMENT GRANTS

• TransNet TRIENNIAL PERFORMANCE AUDIT ORGANIZATION AND SCOPING

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Welcome to SANDAG. Members of the public may speak to the TransNet Independent Taxpayer Oversight Committee (ITOC) members on any item at the time the ITOC is considering the item. Also, members of the public are invited to address the ITOC on any issue under the agenda item entitled Public Comments/Communications/Member Comments. Speakers are limited to three minutes. The ITOC may take action on any item appearing on the agenda.

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+1a. MEETING SUMMARY FOR THE JULY 16, 2008, INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE (ITOC) MEETING

Summary of the July 16, 2008, ITOC meeting have been prepared for the Committee’s review and approval.  

Estimated Start Time: 9:30

APPROVE

+1b. MEETING SUMMARY FOR THE JULY 25, 2008, INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE (ITOC) MEETING

Summary of the July 25, 2008, ITOC meeting have been prepared for the Committee’s review and approval.  

Estimated Start Time: 9:30

APPROVE

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

INFORMATION

Estimated Start Time: 9:35

3. I-15 MANAGED LANES (ML) – POTENTIAL USE OF SOLAR ENERGY  
   (Gustavo Dallarda)

As requested by the ITOC at the July 2008 meeting, staff will report back on potential use of solar energy to power toll and/or operational systems on the I-15 ML project.  

Estimated Start Time: 9:40

INFORMATION

+4. AGREEMENT WITH CALTRANS FOR PRELIMINARY ENGINEERING FOR THE INTERSTATE 5 (I-5)/STATE ROUTE 56 (SR 56) INTERCHANGE IMPROVEMENT PROJECT (Richard Chavez)

Caltrans has asked to use SANDAG on-call engineering consultants for preliminary engineering for the I-5/SR 56 Interchange Improvement project. The cost is estimated at $830,000. TransNet funds would be used to front the costs. These costs would be reimbursed by Caltrans. There are currently no TransNet funds for the I-5/SR 56 project.  

Estimated Start Time: 10:00

RECOMMEND

+5. TRAFFIC FORECAST: SR 52/SR 125/SR 94 CORRIDOR (Richard Chavez)

As requested by the ITOC at the July 2008 meeting, staff will present forecasted average daily traffic for SR 52, SR 125, and SR 94.  

Estimated Start Time: 10:15

INFORMATION

+6. TransNet ENVIRONMENTAL MITIGATION PROGRAM (EMP): LAND MANAGEMENT GRANTS (Keith Greer)

On February 22, 2008, the SANDAG Board of Directors allocated $2.9 million for competitive land management grants. Grant proposals were solicited and evaluated by a panel of the EMP Working Group members not applying for grants. The proposed list of projects and their ranking will be presented to the ITOC for review. The ITOC is asked to recommend to the SANDAG board of Directors that the proposed list of projects is consistent with the TransNet Program’s eligibility requirements.  

Estimated Start Time: 10:30

DISCUSSION
7. POTENTIAL USE OF INDEPENDENT LEGAL COUNSEL FOR ITOC MATTERS

The ITOC will discuss the potential use of independent legal counsel in various matters before the committee. In addition to considering the need for the services, issues such as the procurement process and budget planning will be addressed.

8. 2008 ITOC ANNUAL REPORT (Charles "Muggs" Stoll)

Work has begun on the 2008 ITOC annual report. Staff will present the preliminary work developed to date at the meeting and seek input from the full ITOC on the content and format of the report to be presented to the SANDAG Board of Directors in October 2008.

9. TransNet TRIENNIAL PERFORMANCE AUDIT ORGANIZATION AND SCOPING (Hamid Bahadori, ITOC Project Manager and Cathy Brady, Sjoberg Evashenk Consulting, Inc.)

The formal notice to proceed for the first triennial TransNet performance audit has been executed and the ITOC project manager and the selected consultant Project Manager will discuss the proposed organization and scope of the effort and seek input from the full ITOC prior to moving forward with the interviews and site visits.

10. FUTURE MEETING SCHEDULE

11. ADJOURNMENT

+ next to an item indicates an attachment
MEETING SUMMARY FOR THE JULY 16, 2008,
INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE (ITOC) MEETING

Attendance
Committee Members:  • John Meyer, ITOC Chair
                    • Hamid Bahadori
                    • Jesus Garcia
                    • Kevin Cummins
                    • Ron Gerow
                    • Valerie Harrison
                    • Jim Ryan
                    • Tracy Sandoval

Absent:

Staff:  • Charles “Muggs” Stoll

The meeting of the TransNet Independent Taxpayer Oversight Committee (ITOC) was called to order by Chair John Meyer at 9:34 a.m.

1. APPROVAL OF MEETING SUMMARY

Mr. Jim Linthicum requested a change to the minutes regarding statements made by him under Item 8, SPRINTER Project Status Report and SANDAG Independent Assessment. He requested that the language regarding liability for flooding be stricken from the record. He stated that the language should be changed to state that it is the position of North County Transit District (NCTD) that they accomplished the mitigation measures for which they were responsible.

Mr. Garcia requested the language under the Bicycle and Pedestrian Funding item reflect his two questions regarding the regional bike network. He stated that he asked whether any local bike and pedestrian projects form a portion of the regional network and to have staff’s answer reflected in the minutes. He stated he also asked whether there was any data reflecting the number of local versus regional bike paths and for that answer to be reflected in the minutes.

Action: Upon a motion by Mr. Garcia and a second by Mr. Bahadori, the ITOC approved the June 11, 2008, meeting summary as corrected. (Cummins was absent.)
2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

There were no requests to speak from the public or members. (Cummins was absent.)

3. REQUEST BY THE CITY OF LA MESA TO EXECUTE A MEMORANDUM OF UNDERSTANDING (MOU) WITH SANDAG TO USE $2.5 MILLION IN SHORT-TERM DEBT THROUGH THE COMMERCIAL PAPER (CP) PROGRAM (RECOMMEND)

Mr. Stoll presented the item and introduced Greg Humora, City of La Mesa Public Works Director and City Engineer. He stated that the La Mesa City Council has approved the borrowing of $2.5 million from the SANDAG CP program. The use of these funds will allow the City of La Mesa to continue to deliver street improvement projects as planned. He stated that under current sales tax conditions, the City of La Mesa did not want to borrow more than that at this time, but may be back in the future to borrow more funds. In accordance with Rule No. 16 of Board Policy No. 031, “TransNet Ordinance and Expenditure Plan Rules,” local jurisdictions may access the SANDAG CP program to advance local TransNet-eligible projects.

Mr. Humora stated that the City of La Mesa has determined that it cannot adequately address the need to resurface its city streets with the annual revenues available. In order to avoid higher repair costs in the future from continued deterioration and to take advantage of the current construction bid climate, La Mesa has planned a major street resurfacing program in FY 2009. This project is included in the draft final 2008 Regional Transportation Improvement Program (RTIP), scheduled for Board of Directors approval in July 2008. At its meeting on June 10, 2008, the La Mesa City Council approved the request to borrow against its annual TransNet revenue for this purpose.

Chair Meyer asked if there was any difference between the terms and conditions of the application from the City of La Mesa and the previous application from the City of National City, and Mr. Stoll replied that the conditions contained in the applications were the same.

Mr. Bahadori stated that the City of National City was borrowing funds as part of a larger citywide paving program and expressed his concerns that the City of La Mesa is borrowing funds to do traffic calming and curb ramp installations. If we are doing revenue advancement, SANDAG should have some criteria and guidelines for borrowing funds. SANDAG may reach a point where the request for revenue advancement may exceed the capability of the CP program.

Mr. Humora stated those projects are not part of the CP program; these funds would be used for street surfacing only, and Ms. Kim stated that these funds would be used for specific locations and purposes as reflected in their application.

Mr. Stoll stated that SANDAG has received few applications for the CP program and thus, it has excess capacity. SANDAG is actively looking for more jurisdictions to submit applications, but should the request for funds exceed the capacity in the future, SANDAG could consider approving program criteria and guidelines.

Lauren Warrem, Finance Manager commented that we also could expand the CP program in the future to accommodate applications from other jurisdictions.
Action: Upon a motion by Mr. Bahadori and a second by Mr. Garcia, the ITOC recommended that the Transportation Committee recommend that the Board of Directors approve the use of the TransNet CP program for the City of La Mesa and authorize the Executive Director to execute the MOU in substantially the same form as attached to the report. (Cummins was absent.)

4. FISCAL YEAR (FY) 2008 TransNet COMPLIANCE AUDIT APPROACH (DISCUSSION)

Ms. Warrem presented the item. She stated that the independent auditors will begin performing their annual compliance audit on the FY 2008 TransNet sales tax revenue recipient agencies in a few months and reviewed the proposed, agreed-upon audit procedures approach.

Although there are no specific maintenance of effort (MOE) requirements for the other sub-programs, the verification of fund usage is essential. Therefore, the withholding of TransNet fund payments applies to all agencies that do not have a completed audit.

Ms. Warrem stated that with the current FY 2008 audits, SANDAG staff and the independent auditors are proposing an agreed-upon procedures audit approach which will provide improvements over previous years’ audits. These improvements include specific audit procedures to ensure the MOE and other compliance requirements per the TransNet and TransNet Extension Ordinances and SANDAG Board Policy No. 031: TransNet Ordinance and Expenditure Plan rules are directly audited, and the results specifically reported in the audit report. Additionally, the agreed-upon procedures will improve consistency in audit procedures performed and reporting among recipient agencies. She stated that the independent auditors have agreed to the audit procedures.

Coley Delaney, Caporicci & Larson stated that he was present to answer any questions the ITOC might have regarding the compliance audit approach.

Mr. Stoll stated that the fiscal audit is still under the original TransNet Ordinance, but the approach would carry forward to the next fiscal year audit, and Ms. Warrem stated that a few more requirements would be added for FY 2009 based on additional requirements in the Extension Ordinance.

Ms. Sandoval stated that new approach makes sense and that it focuses on the requirements of the Ordinance and expressed her support of the new approach. She asked if the new approach made any changes to the audit fees.

Mr. Delaney stated that his agency did not anticipate any changes to the fees as the basic scope remains the same. The only potential change in fees would be if any additional agencies are added to the scope.

Ms. Warrem stated that no additional agencies were added for FY 2008 audit, but there may be under FY 09 because of additional programs such as the Smart Growth Program and the Senior Mini-Grant Program, but that the ITOC will have the opportunity to determine if additional auditing is necessary for those programs.

Ms. Sandoval stated that the program would carry over to future years and as long as the procedures are identified to cover the tasks the ITOC is responsible for, the approach is fine.
Mr. Garcia asked whether the ITOC would use the same firm for their annual audit, and Mr. Stoll stated that we would be discussing that issue in a future meeting. The contract ends in the next year, and we will discuss whether to renew the contract or chose a different auditor.

**Action:** This item was presented for discussion. (Cummins was absent.)

5. **STATE ROUTE (SR) 52 CORRIDOR UPDATE AND PROPOSED BUDGET TRANSFER (RECOMMEND)**

Joel Haven, Corridor Director, presented the item. Construction has begun on the extension of SR 52 from SR 125 to SR 67 in the City of Santee. Construction of the Operational Improvements project continues between Interstate 15 (I-15) and Mast Boulevard. Favorable bid prices have resulted in an expected cost savings for all planned SR 52 corridor improvements. California Department of Transportation (Caltrans) and SANDAG staffs are recommending the savings to be used to evaluate the expansion of the scope of the Operational Improvements project to include the SR 52 widening between Mast Boulevard and SR 125.

The SR 52 projects cover a ten-mile corridor that stretches from I-15 in San Diego to SR 67 in Santee. The projects authorized by the Board of Directors in January 2005 include operational improvements between I-15 and Mast Boulevard, extending SR 52 from SR 125 to SR 67, and constructing high occupancy vehicle (HOV)/Managed Lanes between I-15 and SR 125.

Between I-15 and Mast Boulevard, SR 52 experiences congestion during both the morning and evening commute periods. SR 52 has two through lanes in each direction and a third lane for truck-climbing purposes in the steep uphill stretches. A new westbound lane was partially completed in August 2007. Construction began in April 2008 to complete the new westbound lane and construct a new eastbound lane. Construction is on schedule for completion in June 2009. The total cost of these improvements is estimated at $39,645,000. The budget is $62,369,000, leaving an estimated savings of $22,724,000.

Mr. Haven briefed the ITOC on the details of the following projects. The SR 52 Extension project completes the final three-mile section of the SR 52 freeway between SR 125 and SR 67. Two general-purpose lanes will be constructed in each direction. In addition, an auxiliary lane will be provided in each direction between interchanges. Local interchanges will be constructed at Fanita Drive, Cuyamaca Street, and Magnolia Avenue. Construction will be completed in three major phases. Mr. Haven described the three phases of the project and the status of each phase. The first phase will construct SR 52 between SR 125 and Cuyamaca Street. This phase began in January 2008. The second phase will build the new SR 52 interchange with SR 67. This phase began in June 2008. The third phase is scheduled to begin construction in late 2008, completing SR 52 between Cuyamaca Street and SR 67. All three projects are on schedule and will open to traffic in December 2010. The total cost of the project is estimated to be $519,487,000. The budget is $599,500,000, leaving an estimated savings of $80,013,000.

The HOV/Managed Lanes project will provide HOV/Managed Lanes in the median of SR 52 between I-15 and SR 125. On April 27, 2007, the Board elected to move funding from the HOV/Managed Lanes project to fund cost increases on the SR 52 Extension project. Staff has completed planning and engineering studies on the HOV/Managed Lanes project. Work will resume once future funding is identified for construction. The cost estimate for this project is $236 million. Cost savings from the Operational Improvements and SR 52 Extension projects totals $102 million, not enough to fully fund this project. Using cost savings funding to resume work on the HOV/Managed Lanes project is
not recommended at this time as there is insufficient savings to cover the construction cost of the HOV/Managed Lanes.

Mr. Haven stated that once SR 52 is connected to SR 67, traffic on SR 52 will increase. Future year traffic analysis indicates that without the construction of the HOV/Managed Lanes, congestion will form on SR 52 between Mast Boulevard and SR 125. Mr. Haven provided details on the potential traffic delay without the project and the relief if the widening is completed. Staff recommends that preliminary engineering be started to prepare a cost estimate and investigate design options to correct this future bottleneck. This project would involve widening the existing bridges over Mast Boulevard and over the San Diego River. Mr. Haven described the work involved in widening the bridge. This work would have been included in the HOV/Managed Lanes project. Design and construction of this more-limited scope of work would be performed to be fully compatible with the ultimate HOV/Managed Lanes project. This project is compatible with future managed lanes and takes advantage of existing studies and planning. Planning-level cost estimates put the cost of this project at $65 to $80 million. Staff estimates the cost of the preliminary engineering at $500,000. Preliminary engineering costs could be lower depending upon the complexity of the engineering effort involved. Staff would present the cost estimate and preliminary engineering to the Transportation Committee in October-November 2008.

Mr. Haven stated that the savings of the Operational Improvements and the SR 52 Extension projects could be budgeted for the widening project.

Ms. Harrison asked that with the anticipation of more vehicles with the widening of SR 52, has Caltrans conducted any studies of traffic congestion from SR 52 eastbound to the SR 125 North to eastbound SR 94.

Mr. Haven stated that no congestion studies have been done outside of SR 52 but Caltrans does not expect any additional traffic or increased congestion to those existing freeways beyond normal growth.

Discussion ensued regarding studies of potential traffic congestion impacts in the area of eastbound SR 52 to southbound SR 125 and eastbound SR 94 interchanges and any projects to alleviate those congestion impacts. Ms. Harrison stated that this committee needs to be proactive and express the need now to work toward alleviating any potential future traffic impacts of these interchanges. Mr. Garcia requested a report to the ITOC on this issue. Mr. Stoll stated that he would have SANDAG forecasting studies and traffic modeling done and present it to the ITOC.

Ms. Sandoval requested clarification regarding whether the $500,000 was realized savings or anticipated savings on the project, and Mr. Haven stated that the funds are anticipated savings of the Operational Improvements project.

Ms. Sandoval requested clarification of the consequences should those savings not be realized, and Mr. Haven stated that Caltrans is confident that the majority of those savings would be realized and that the $500,000 would be available.

Mr. Stoll stated that the SR 52 corridor bids have already been lower than anticipated, so there have been some actual savings. Mr. Haven stated that the first project completed in 2007 has realized actual savings already.
Mr. Garcia requested further clarification of the consequences if sufficient savings are not realized and Mr. Haven stated that the project would be delayed and built with the Managed Lanes project.

Mr. Stoll stated that the action is to allocate the funds to further investigate the inside widening project and if the proposal is to move forward to construction, staff would return for approval of the Inside Widening project.

Discussion ensued regarding whether the funds would be available to construct the project after expending the $500,000 for the study, whether other engineering or mitigation reports already exist for the project, whether it is necessary to move forward with the study to build the project, and the potential of actual construction of the project.

Chair Meyer asked whether funds would be spent by outside agencies or by Caltrans' engineers, and Mr. Haven replied that the study would be accomplished by Caltrans' engineers.

Chair Meyer asked whether Caltrans or SANDAG had considered using the project savings to re-start the Managed Lanes project or a portion of the project, and Mr. Haven stated that this project is actually a portion of the Managed Lanes project because the widening was proposed in addition to reversible lanes in this section, but that the realized savings would not be enough for the project estimated cost of $236 million.

**Action:** Upon a motion by Ms. Harrison and a second by Mr. Bahadori, the ITOC recommended to the Transportation Committee that the scope of the Operational Improvements project be expanded and authorized up to $500,000 to prepare a cost estimate and conduct preliminary engineering for SR 52 Widening between Mast Boulevard and SR 125. Operational Improvements project savings would be used for this cost. (Cummins was absent.)

6. **DRAFT FINAL 2008 RTIP (DISCUSSION/POSSIBLE ACTION)**

Sookyung Kim, Financial Programming Manager, presented the item. The Transportation Committee released the draft 2008 RTIP and its conformity determination, including the conformity re-determination of the 2030 Regional Transportation Plan (RTP): Pathways for the Future at its June 20, 2008, meeting and set a public hearing date for July 18, 2008. SANDAG has not received any significant comments. Staff has received requests for minor changes and clarification for certain projects. The changes based on these requests were incorporated into the document. Ms. Kim reviewed the changes to the document to include the designations requested by the ITOC. The project list provides the congestion relief (CR) or maintenance (Maint) designations for each local project funded with TransNet-LSI. Any significant comments from today will be presented to the Transportation Committee.

Mr. Bahadori stated that the traffic signal projects do not reflect any Proposition 1B funding and asked if San Diego received any of those funds.

Ms. Kim stated that the Transportation Committee will be taking action on some projects that received the traffic signal funding. The RTIP only reflects committed funding and since that action came after the development of the RTIP, we would potentially amend the projects into the RTIP at the first opportunity; when the RTIP was developed the projects had not been selected.
Mr. Bahadori stated that the California Transportation Commission (CTC) already has made the allocation decision and Mr. Stoll stated that it was an issue of timing. The approval and programming of the funds could not be accomplished for the original RTIP, but these projects would be included in an amendment.

Ms. Kim stated that additionally, Proposition 1B allocations are not required to be in the RTIP. If the traffic signal project funding is only from Proposition 1B, the project may not be included in the RTIP.

Mr. Stoll stated that if the traffic signal project is amended into the RTIP, staff would highlight the Proposition 1B funding allocation.

Ms. Harrison asked whether all the jurisdictions met the public meeting requirement, and Ms. Kim stated that she has signed amendments from all jurisdictions, including the City of San Diego.

**Action:** Upon a motion by Mr. Bahadori and a second by Ms. Harrison, the ITOC recommended that the Transportation Committee recommend to the Board of Directors to approve Resolution No. 2009-01 (Attachment 1) adopting the 2008 RTIP including its air quality conformity analysis and the air quality re-determination of the 2030 RTP. (Cummins was absent.)

7. **INTERSTATE 15 (I-15) MANAGED LANES PROJECT UPDATE (INFORMATION)**

Gustavo Dallarda, Caltrans Corridor Project Director presented the item. Caltrans and SANDAG are jointly developing the I-15 Managed Lanes/Bus Rapid Transit (I-15 ML/BRT) project included in the TransNet Early Action Program (EAP) authorized by the SANDAG Board of Directors in January 2005. This project includes construction of four managed lanes, operational improvements, implementation of the region’s first BRT service, and expansion of the existing FasTrak® system. Mr. Dallarda provided an overview of I-15 Corridor Improvements project progress. He stated that the express lanes middle segment will be opening this summer, described access to the express lanes and express lane signage, traffic control measures, and proposed interim pricing.

Mr. Dallarda reviewed the status of the Express Lanes/BRT Project’s middle, north, and south segments. He reviewed the two phases of the I-15 express lanes middle segment, the I-15/SR 56 interchange and movable barriers, and the I-15 express lanes at Rancho Bernardo Road to include the direct access ramp (DAR).

Mr. Dallarda presented the proposed signage for the express lanes and stated that signs will communicate tolls to destination points such as SR 56 and SR 163, as well as guidance to access the express lanes. Tolling equipment will facilitate entering and exiting the express lanes. Signage will show dynamic information of minimum toll costs and travel time.

Mr. Bahadori stated that the signage only reflects the minimum toll and asked what that would mean to the motorist regarding a maximum toll. He commented that the signage should reflect one toll only.

Mr. Dallarda stated that the proposed interim fixed toll for the new I-15 express lanes would be fifty cents per trip. The interim toll would be limited to the new segment from SR 56 to Rancho Bernardo Road and allows Fastrak commuter access to the new facility. Eventually when multiple intermediate access points are open, the signs will show tolling to select locations, thus motorists
would pay anywhere between the minimum toll and the price displayed on the sign to that specific destination.

Discussion ensued regarding the introductory fixed minimum toll, the introduction of dynamic tolling, and the marketing strategy.

Mr. Dallarda reviewed the traffic control devices such as pop-ups and in-pavement lights used for express lane traffic control and described the barrier transfer operations. Mr. Dallarda reviewed the next steps for the project and summarized the project status.

Mr. Dallarda stated that Caltrans is studying operational improvements along SR 78 between Nordahl Road and I-15 to address an existing bottleneck. The I-15 north segment does not include improvements along the connectors or SR 78. The Cities of Escondido and San Marcos are required to widen Nordahl Road Bridge due to the construction of an adjacent hospital; however, a bridge replacement strategy is being investigated because widening the bridge would not accommodate future HOV lanes on SR 78 or the operational improvements that Caltrans is investigating now to solve the congestion problem. Additionally, a bridge replacement would fix the minimum height clearance of the Nordahl Bridge, which has been hit several times, causing the need for costly closures and emergency repairs.

Mr. Dallarda stated that the bids for the I-15 Managed Lanes have been coming in below engineer’s estimate, and Caltrans may recommend using the anticipated savings from the Managed Lanes project to fund the Nordahl Bridge Replacement project subject to further investigation of the concept with the Cities of San Marcos and Escondido.

Mr. Bahadori asked how Caltrans had determined the fifty-cent minimum toll, and Mr. Dallarda stated that it is consistent with the current minimum fee currently paid for existing express lanes.

Mr. Bahadori stated his concerns that the minimum toll was too low and asked if Caltrans had considered the eventual tolling strategy. He stated that if eventually tolls increase significantly, it could have a negative impact on the public.

Dan Martin, Project Implementation Program Manager stated that the toll for the existing eight-mile HOV lanes outside of peak periods is fifty cents. The marketing strategy allows for the public to become familiar with the new facility and safety aspects before implementing the dynamic toll system at a price that won’t discourage the public’s use.

Mr. Bahadori asked if the final tolling analysis had been done and the maximum toll would be for this segment, and Mr. Martin stated that it would mirror the existing tolling system. The interim tolling strategy allows us to gain a market share of the public that would not otherwise use the facility. He stated that the tolls are set from fifty cents to $8.00. What we are primarily experiencing are tolls from fifty cents to $4.50 ($8.00 tolls occur only under extraordinary circumstances).

Mr. Bahadori stated that potentially starting the system with a fifty-cent toll that eventually could hit as high at $8.00 or $10.00 would be a negative impact to the public. He commented that staff needs to be aware of that impact.
Mr. Garcia requested clarification that the fifty-cent toll applies to a relatively short stretch of the express lanes, and Mr. Dallarda confirmed that the distance was very short and that the tolls that are currently being collected are toward the low end of the spectrum, thus we do not want to put an introductory rate on the short section that is higher than what is being paid for the eight-mile segment.

Ms. Harrison commented that Caltrans should consider solar in-pavement lights to mitigate costs and energy use, and Mr. Dallarda stated that he would respond to that comment when he reports to the Committee again.

Mr. Garcia requested clarification on the number of storage locations for the barrier movers, and Mr. Dallarda described the temporary and permanent facility locations.

Mr. Garcia requested clarification regarding whether there would be a charge for parking at the DARs. Mr. Dallarda stated that he did not anticipate an initial charge, and Caltrans would be reviewing parking patronage and impacts in the future.

Action: This item was presented for information.

14. TransNet TRIENNIAL PERFORMANCE AUDIT PROCESS UPDATE (INFORMATION)

Item 14 was taken early due to time constraints. The request for proposals for the performance audit was finalized, and Mr. Bahadori stated that four proposals were received. The subcommittee reviewed the proposals based on the approved guidelines and criteria and scored them. He stated that the subcommittee discussed their evaluations, ranked the proposals, and formatted questions for the interviews. He stated that the ITOC will meet on July 25, 2008, to discuss the subcommittee’s recommendation for the consultant and ask for approval.

Chair Meyer stated that he did not score the candidate proposals, but did participate in the discussions.

Action: This item was presented for information.

Chair Meyer stated that the bylaws state that at the July meeting, the ITOC will select officers for the next year. He requested input regarding whether to add the item as an emergency item today or add the item to the July 25, 2008, agenda. After discussion by the members, the consensus was to add the item to the July 25, 2008, agenda.

8. FUNDING RECOMMENDATION FOR FY 2009 TransNet SENIOR MINI-GRANT PROGRAM PROJECTS (RECOMMEND)

Danielle Kochman, Assistant Transit Service Planner II, presented the item. She stated that she had presented the recommendations for funding to the ITOC at the June 11, 2008, meeting. Ms. Kochman stated that there were several issues raised by the ITOC. The first request was to compare the cost of the taxi voucher program to the cost of a supplemental transportation program. She stated that it is not possible to do a blanket comparison because the programs vary significantly due to trip length, vehicle type, number of passengers, type of services provided, and re-sell price of taxi vouchers.
Ms. Kochman reviewed the programs offered by the City of Oceanside. The city proposes to offer a taxi voucher program, a volunteer driver program, and a shuttle program. Ms. Kochman stated that after doing a cost comparison between the three programs, the taxi voucher program falls in the middle of the total cost. The van ride program would cost $6.19 per ride, the taxi voucher program would cost $9.00 per ride, and the shuttle program would cost $14.50 per ride. The cost to the agency was similar in comparison.

Mr. Garcia stated that taxis are not accessible to handicapped persons and asked if that accessibility was a requirement for the Senior Mini-Grant Program, and Ms. Kochman stated that it was beneficial, but not a requirement.

Mr. Garcia stated that the programs he reviewed were much higher than the examples that Ms. Kochman quoted, and she stated that costs are different from program to program and are affected by the type of vehicles used and other aspects.

Ms. Kochman stated that the second issue was the cost for the NCTD program training seniors to use transit. She stated that Alane Haynes, NCTD Senior Travel Training Program, and Alana Burkett, NCTD Mobility Training Program Trainer, were present to speak about the program application they submitted and answer any questions.

Ms. Kochman stated that the members of the ITOC requested access to review the actual Senior Mini-Grant Program applications prior to making a recommendation to the Transportation Committee. The applications have been made available to the ITOC members. Ms. Kochman stated that the status of the applications remained the same, and the recommendations of the evaluation committee for funding remained the same.

Alane Haynes, NCTD Senior Travel Training Program Manager, described the senior training program, the reasons that the program was put in place, and how it supports seniors. She stated that many national organizations support these types of training programs for improved mobility for seniors.

Alana Burkett, trainer for the NCTD Mobility Training Program, submitted written documents supporting the mobility training program and commented in support of it and its importance to the independence and mobility of seniors.

Mr. Ryan asked Ms. Burkett how many individuals are trained on a monthly basis, and Ms. Burkett stated that she is out in the community approximately 20 days per month training seniors. Over the past two years, she has introduced the program to over 1,100 seniors. She stated that she visits senior centers and provides the training on location. Mr. Ryan asked for clarification regarding the number of seniors she expects to train for the level of funding allocated to the program.

Ms. Haynes replied that over the past two years, 1,100 seniors have been trained and with the funding they would hire an additional trainer and expect to double that number.

Chair Meyer stated that transit operators are reducing services and asked how their program would expect to see an increase in riders. Ms. Haynes stated that there is still public transit available to seniors, and most seniors travel mid-day where there has been less reduction in services.
Ms. Burkett stated that her training is not reduced. She stated that she is still out every day training seniors either on a one-on-one basis or groups of seniors at senior centers.

Ms. Harrison requested clarification regarding the type and degree of training provided, and Ms. Burkett stated that she actually trains the seniors how to use transit. She takes them from their location to various locations actually riding transit, while training the seniors on how to use transit themselves. She stated that the seniors learn all aspects of mass transit.

Mr. Garcia asked whether the program provides guidance on how to use other transit-related support services, and Ms. Burkett stated that she trains on alternative services, the 5-1-1 program, and internet programs.

Mr. Ryan commented that currently the cost would be approximately $80 per person and if the program doubles the number of seniors trained, the cost would be $40 per person. Ms. Haynes replied that one of the aspects of the program is to create a voluntary training program to maximize the dollars spent on training.

Ms. Harrison expressed her full support for this program and stated that the region does not have enough programs to provide mobility options for seniors.

Ruth Ann Daley, a member of the public, stated that the voters approved a bond issue for mass public transit. She stated that the governor has diverted these funds from transit for the past two years, causing transit agencies to lose funding and cut services. These cuts have had a negative impact on the outlying areas of San Diego and have forced seniors to drive farther than they should. She commented that the Rides and Smiles program was voluntary and unreliable, and their offices are now in Mission Valley. She stated that the programs intended for seniors are not easily accessible to seniors. She recommended that criteria for grants include a requirement that the office for the program be near the area they serve. She stated her disappointment that the Metropolitan Transit System (MTS) grants were not funded.

Nan Valerio, a member of the Selection Committee for Senior Mini-Grant Program, stated her support for the funding recommendations. She commented that this program was part of the TransNet program to establish grants for projects that serve senior citizens. There are other programs to serve others such as the disabled. The Senior Mini-Grant Program was designed to support the voluntary programs in order to make them more reliable and accessible to seniors. She stated that the DART program is not one that supports senior directly but is a public transit program that supports all citizens.

Chair Meyer commented that there were two concerns from the previous ITOC meeting. The concerns were regarding the NCTD training program costs and the rejection of MTS funding for the DART program, and both sides were addressed today for the committee.

Mr. Ryan stated that after hearing from the NCTD staff on the senior travel training program, he would support funding the program at this time.

Ms. Harrison stated that the language is clear in the TransNet Ordinance to provide services to seniors.
Mr. Cummins commented that the Ordinance language reads that the purpose is to support improved transportation services to seniors and disabled persons. He stated that at some point, the interpretation was that these funds were to be expended to provide the actual transportation of the seniors. Mr. Cummins stated that this is reflected in the criteria that were established and the performance indicators. Each performance indicator has a per-passenger ratio of some kind. He commented that upon his review of the program grant proposal, he became more concerned that this grant was not meeting the criteria at a level that he was comfortable with. He commented that the committee should consider set minimums of particular criteria in future funding years.

Ms. Harrison stated that the more people trained, the more people would use the service and the cost per passenger will decrease.

Ms. Kochman stated that when the evaluation criteria were set, there was discussion about setting minimums for the performance indicators. One of the reasons for the weighting of the performance indicators at 15 points out of 100 was that the committee did not want to limit a project similar to that one. She stated that the program was to be intended to provide services for seniors to include brokerage of multi-jurisdictional transportation services. Ms. Kochman stated many programs would be operational, and staff did not want to limit projects based on the performance indicators criterion. The NCTD project scored high enough overall to fall into the recommended list of programs.

Ms. Harrison asked for clarification on the percentages for the required match, and Ms. Kochman stated that each individual project requires a 20 percent match for operational and 80 percent for capital expenditures.

Chair Meyer expressed his support for the NCTD senior training program although he felt the cost was excessive. He also stated his disagreement with the selection committee’s decision to reject the entire MTS application without considering each program separately and funding the DART program as a separate program.

Action: Upon a motion by Mr. Garcia and a second by Mr. Ryan, the ITOC recommended that the Transportation Committee recommend to the Board of Directors approval of the funding recommendations for the Senior Mini-Grant Program (four ayes [Garcia, Harrison, Ryan, Gerow]; two nays [Cummins, Meyer]).

9. INLAND RAIL TRAIL (IRT) AND SPRINTER PROJECT COST SHARING PRESENTATION (INFORMATION)

Jim Linthicum, Division Director, introduced the item. At the May SPRINTER project update, the ITOC requested information about the cost sharing, or cost splits, between the SPRINTER and the IRT. He introduced Dave Ragland, Senior Engineer Project Manager, and stated that the task of Mr. Ragland (as the project manager) is to determine the breakdown of costs for the SPRINTER versus the IRT.

Mr. Ragland briefly discussed the background of the IRT project. He described the bike route as built and presented photographs of the IRT. The portion of the IRT constructed with the SPRINTER project consists of two segments. The first segment (Phase B1) from Escondido through San Marcos is 6.5 miles long and is fully built with paving, lighting, and landscaping. The second segment (Phase
B2) runs from San Marcos to College Avenue in Oceanside and is rough graded and built with storm drainage facilities and retaining walls.

Mr. Ragland reviewed the timeline for the IRT and how it became integrated with the SPRINTER project. In general, there are three categories of costs: construction costs, soft costs (such as construction management), and environmental mitigation. For the SPRINTER project, construction costs also include on- and off-site environmental mitigation and long-term maintenance for both SPRINTER and the IRT Project. Mr. Ragland provided examples of the construction cost splits and shared bid item splits for the SPRINTER and IRT. In order to establish the bid quantities for the IRT, the designer had to identify grading limits for the SPRINTER on every cross section (taken on 50-foot intervals) along the limits of the joint project. The IRT grading quantity was that over and above what the SPRINTER had to construct. This exercise was very thorough and labor-intensive, as a series of tests and rules had to be developed because of the changing topography along the project.

Mr. Ragland reviewed the soft cost splits, which include administration, construction management, and design costs during construction, and owner construction insurance. The IRT soft costs are percentage multipliers based upon the ratio of construction costs for the IRT and the SPRINTER.

Chair Meyer asked for an update on the status of the double-tracking, and Mr. Linthicum provided an update for the project.

Mr. Ragland stated that the environmental impacts attributed to the inclusion of the IRT were addressed by increasing the size of on- and off-site mitigation sites constructed for the SPRINTER project. In general, the environmental costs attributed to the IRT were calculated as a percentage of footprint area impact. In one case, however, the share of the oak tree mitigation cost was established by actual tree removal in the IRT footprint.

Mr. Linthicum stated that construction work is complete except for punch list items, and NCTD hopes to have the final quantities for both the SPRINTER and IRT calculated by the end of the year.

Mr. Cummins asked for clarification on the fact that the costs for IRT retaining wall at Mar Vista were fully charged to the IRT, and Mr. Ragland stated that if the IRT had not been constructed, the retaining wall would not have been built.

Mr. Cummins asked if there were any pedestrian at-grade crossings on the SPRINTER line, and Mr. Ragland stated that most of the pedestrian at-grade crossings were located at traffic signals for the bike trail project, but none for were specifically for the SPRINTER line. He stated that the City of San Marcos is proposing an at-grade crossing at the Market Street Area, but that project is solely for pedestrians and is being funded separately.

Chair Meyer asked what funding source the City of San Marcos used for the bike trail completed between San Marcos and Escondido. Mr. Kluth stated that the funding was a combination of Transportation Development Act, Congestion Mitigation and Air Quality, State Transportation Improvement Program, Bicycle Transportation Account, TransNet, and other funds.

Chair Meyer asked if the Cities of Vista and Oceanside would be requesting funding from the TransNet bicycle program to complete their portion of the regional bike trail, and Mr. Kluth stated that the program could fund it in part, but other funding sources would be need to be identified.
Chair Meyer asked whether the IRT connects to any other regional bike trails, and Mr. Ragland stated that the IRT ties into a series of bike paths in Escondido along the creek and on various streets. Mr. Ragland stated that he sees several hundred people per day using the IRT.

Chair Meyer asked if there was a planned connection between the IRT and the trail along Lake Hodges.

Mr. Kluth stated that the IRT and the portion across Lake Hodges were too far apart to connect. He stated Lake Hodges trail is part of the regional network, which consists of a combination of Class I, II, and III trails and bike boulevards, whatever type of facility is the best solution for that situation. He stated that we are trying to link all these trails.

Chair Meyer commented that the connection would create a round-trip route by bike, and Mr. Kluth stated that the cost to construct Class I trails would be prohibitive.

Action: This item was presented for information.

10. QUARTERLY REPORT ON THE TransNet MAJOR CORRIDOR PROJECTS (INFORMATION)

Mr. Chavez presented this item and provided an overview of the TransNet major corridor projects in terms of project cost control and schedule adherence and the general trends that affect both cost and schedule. This overview fulfills the ITOC requirement defined in the TransNet Ordinance to review the major corridor projects on a quarterly basis. The major corridor projects are designed to enhance mobility along the corridor and provide congestion relief.

Mr. Chavez stated that the open-to-traffic/open-for-service dates remain on schedule for the majority of the major congestion relief projects. Implementation of the Super Loop transit project has been delayed to allow for redesign of the transit stations. Concern over the size and estimated cost of the transit stations resulted in the need to redesign the stations and shelters. The project is expected to be out to construction in early 2009.

The I-15 BRT stations at El Cajon Boulevard and University Avenue have been delayed. Caltrans’ safety concern over the original in-line station design concept has resulted in the need to investigate new design options. Community meetings have been held, and four new design options have been selected for further analysis. Once a design option has been selected, a new schedule will be developed.

Some of the specific work elements have been delayed beyond the baseline schedule dates, including the environmental documents for SR 76. However, work progresses, and the final environmental document for the middle segment is expected by October 2008. The delays to the environmental documents are not expected to impact the open-to-traffic date of 2013 for the middle segment and 2014 for the east segment.

The environmental documents for the I-805 Managed Lanes south segment and the South Bay BRT are experiencing delays. Recovery plans are being developed and will be presented at with the next quarterly update. Baseline schedules for the Orange and Blue Line Trolley upgrades and Mid-City Rapid Bus projects are being established. In addition, the baseline schedule agreements for the Goods Movement Program projects are being negotiated with the CTC. These baseline schedules
should be available by the next quarterly update. Mr. Chavez stated the staff is currently developing
dates for several other projects as well.

Mr. Chavez briefed on the cost control measures and reviewed cash flow charts from the
Dashboard. These charts indicate that the actual expenditures are tracking closely against budgeted
amounts for most projects.

Mr. Chavez stated that the Caltrans’ construction cost index (CCI) continues to decline as the price
for transportation project construction continues to drop. The 12-month index is down 11.8 points
to 249.3 for the first quarter of 2008 compared to the fourth quarter of 2007, when the index was
at 261.1. The 12-month index is down a total of 91.9 points from its all-time high of 341.2 during
the second quarter of 2007. Since 2002, the CCI has increased 58 percent, equating to a
compounding percent increase rate of 8 percent per year that is close to the 7.25 percent rate that
was used by SANDAG to escalate project costs in early 2005.

The Caltrans Asphalt Index is up 6.3 points to 504.1 for June 2008 compared to March 2008, when
the index was at 497.8. The index is at an all-time high and has doubled since June 2005 as shown in
Attachment 5 in the item report. Aggregate shortages continue to be a cost concern.

Mr. Chavez commented that the average number of bidders is a good indication of the level of
competition for transportation project construction work. More competition means better bid
prices. The average number of bidders on Caltrans construction projects over $5 million is up
0.4 points to 7.0 for the first quarter of 2008 compared to the fourth quarter of 2007, when the
average number of bidders was 6.6. The average number of bidders is up a total of 3.8 points from
a low of 3.2 bidders in the third quarter of 2006.

Chair Meyer commented that if bids are lower now and costs are higher, then the bidders must
have been making good profit in the past, and Mr. Chavez stated that construction companies are
taking less profit now, but trying to keep jobs lined up and continue to bid for work.

Recent bid prices continue to show an encouraging trend toward lower prices for construction. The
low bid for I-15 Managed Lanes construction, north segment, unit 2, was submitted by Atkinson
Contractors. The bid price was $47.4 million, 3 percent less than the engineer’s estimate of
$48.8 million. There were three bidders for the I-15 Managed Lanes south segment, and the bid
came in at 8 percent less than the estimate.

Discussion ensued regarding the difference between the engineer’s estimate and the actual bid
price for construction projects, the trend to bring the estimates more in line with the actual bids,
the effect of change orders on the overall cost of projects, whether it was possible to limit
additional project costs from change orders, and whether SANDAG has a method to track
contractors with an historically high number of change orders or projects with significant increases
between the bid cost and final costs.

Mr. Chavez stated that an engineer oversees the contractors’ work on each job to assist in cost
control. The competitive process allows for the award to lowest bid, and the engineer does their
best to stay within that budget to include contingency funds.
Ms. Harrison stated that she would like to see historical data kept on contractors to reflect patterns of those that have a track record of increased costs for projects.

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

11. **TransNet ADVANCE MITIGATION: PROCESS AND CRITERIA (DISCUSSION/POSSIBLE ACTION)**

Keith Greer, Senior Regional Planner presented the item. The TransNet Extension Ordinance and Expenditure Plan, approved countywide by voters in November 2004, includes an environmental mitigation program (EMP), which is a funding allocation category for the costs to mitigate habitat impacts for regional transportation projects. The EMP is a unique component of the TransNet Extension in that it goes beyond traditional mitigation for transportation projects by including a funding allocation for habitat acquisition, management, and monitoring activities as needed in advance of project-specific mitigation to help implement the regional habitat conservation plans. This funding allocation is tied to mitigation requirements and the environmental clearance approval process for projects outlined in the RTP.

On February 22, 2008, the SANDAG Board of Directors authorized the Executive Director to enter into entered into a memorandum of agreement (MOA) with the Caltrans, the United States Fish and Wildlife Service (USFWS), and the California Department of Fish and Game (CDFG), which outlines the roles and commitments of these organizations regarding the implementation of the TransNet EMP (as shown in Attachment 1 to the item report). The MOA was unanimously recommended by the ITOC on January 9, 2008.

Mr. Greer stated that as discussed at the January 9, 2008, meeting of the ITOC, one of the next steps was to develop a process to implement the conservation and mitigation strategy, which is included in the MOA. Mr. Greer presented the proposed process and criteria that have been established for Board of Directors consideration to guide the staff of SANDAG and Caltrans with the identification and acquisition of advance mitigation property when implementing the TransNet EMP. These guidelines were developed in conjunction with the other signatories of the MOA (USFWS and CDFG).

Mr. Greer stated that SANDAG staff is seeking input from the ITOC to present to the Board of Directors on the proposed guidelines to implement the conservation and mitigation strategy for the advance mitigation of regional and local transportation under the TransNet EMP.

The conservation and mitigation strategy, as outlined in the MOA, will: (1) identify conservation opportunities for habitat acquisition, creation, and restoration that promote regional habitat conservation planning; (2) align these opportunities in such a way to fully mitigate the range of potential wildlife habitat, natural communities, fisheries, and sensitive species impacts resulting from transportation projects; and (3) obtain assurances for early mitigation of transportation projects, while operating within the budget established in the TransNet Plan of Finance.

The proposed guidelines consist of five parts: (1) a background describing the purpose of the guidelines; (2) the strategy for securing assurances for obtaining advance mitigation for various types of habitat types; (3) a flow chart to illustrate the process for securing advance mitigation; (4) seven criteria which must be met and documented; and (5) a budget and project cash flow consistent with the adopted TransNet Plan of Finance and a reporting method.
Mr. Greer reviewed the process for the EMP to identify conservation opportunities and options to leverage funds. He stated all agencies must concur, and the mitigation would be reviewed against evaluation criteria. Projects consistent with the criteria would move forward for acquisition, and projects not consistent would either be abandoned or go to the Board of Directors for direction. Reporting on status of project mitigation would occur at least annually.

Mr. Greer reviewed the seven proposed criteria and the next steps for the program. If approved by the Board of Directors, staff will follow these guidelines when implementing advance mitigation under the TransNet EMP.

Mr. Garcia asked if funds were identified to hire an owner/manager for the land, and Mr. Greer stated that an endowment was available for that purpose.

Chair Meyer asked for clarification of what would occur if a piece of property was found to be perfect for mitigation, but was not consistent with a jurisdiction’s general plan.

Mr. Greer stated that a general plan is designed to be fluid and if that were to be the case, staff would go to that jurisdiction and request a letter in support of our use of the land.

Mr. Cummins asked for clarification regarding the purchase of open space by SANDAG to turn it into open space and Mr. Greer stated that if the land was privately owned open space, we would purchase it to create public open space.

Mr. Cummins stated that the program would use the Caltrans’ manual, and one requirement is to have a double appraisal of the land, which is a good safeguard to ensure we don’t spend too much money for any piece of property and asked staff to clarify the process of identifying conservation opportunities and options to leverage funding. He asked if the process accommodates the project manager’s ability to look at more than one option for mitigation.

Mr. Greer stated that there are groups that want certain properties acquired, and we are allowing these groups to submit those properties to see if they meet our mitigation needs. We would only purchase properties that meet a specific mitigation need from a willing seller. The property would have to meet the biological needs and is appraised within the established budget.

Ms. Harrison asked if any properties would be taken under eminent domain, and Mr. Greer stated that the requirement of the program is that the properties are purchased on the open market without use of eminent domain or condemnation.

Ms. Harrison requested clarification regarding the list of types of agreements in the MOA, and Mr. Greer stated that the list indicates the type of assurances that can be provided to meet a project need, and the actual projects are listed in the RTP. We are aligning the list of projects with the type of assurance.

Mr. Cummins requested clarification regarding the table of expenditures by types of habitat and that it only reflects SR 76 and I-5. He asked when other projects would be included in the table, and Mr. Greer stated that those two projects are in the RTIP with funding identified for environmental. As the RTIP is updated and construction is completed, projects will drop off or be added. The goal is to have mitigation secured before the project is in the RTIP.
Mr. Cummins stated that when he first looked at the table, he was concerned that only the two projects were included, and there was no indication of mitigation for future projects.

Mr. Greer stated that we are currently working on three project areas: the I-5, SR 76, and other projects. He stated that $80 million has been identified for those other projects.

Mr. Cummins asked for clarification regarding how staff plans the breakdown of the $80 million per project and Mr. Greer stated that phasing for mitigation efforts was identified in the MOA. First efforts would be for EAP projects, second the fiscally constrained projects in the RTP, then the reasonably expected followed by the unconstrained projects under the RTP.

Mr. Cummins asked for clarification of how much of the $80 million would be used for purchasing each specific type of mitigation property such as uplands, freshwater uplands, coastal wetlands, etc. He asked if there was a target balance for these types of properties.

Mr. Greer stated that the list of RTP projects by type includes a target for each project.

Mr. Cummins commented that we are estimating construction costs, and he is concerned that we are constrained by the market conditions. He stated that we might miss opportunities by not being able to negotiate best possible purchase prices.

Mr. Greer stated that we are constrained by state law in that we have to pay fair market value for properties. There is a program that uses tax credits, where a certain portion of the property is donated to the project and the balance paid in cost. The Nature Conservancy does this, and the Caltrans manual allows it and provides direction on how it is done, but SANDAG has never done it.

**Action:** This item was presented for discussion.

12. **PROPOSED AMENDMENT TO SANDAG BOARD POLICY NO. 31: TransNet ORDINANCE AND EXPENDITURE PLAN RULES (RECOMMEND)**

Ms. Kim presented the item. She stated that SANDAG Board Policy No. 31 provides administrative guidance for implementing the TransNet Ordinance, including guidance for conducting the annual fiscal audit for all TransNet recipients. Pursuant to the TransNet Extension Ordinance, the ITOC has overall responsibility for these audits. All prior audits were conducted by an independent auditor contracted by SANDAG. The proposed amendments to Policy No. 31 are related to the ITOC's new role in the audit process. She stated that in anticipation of the ITOC's involvement in the annual audit process, the proposed amendments to Policy No. 31 incorporate the ITOC's role and responsibilities. Ms. Kim reviewed the Ordinance requirements and the specific changes proposed.

Ms. Kim stated that the ITOC is asked to review the proposed changes and stated that upon approval by the Board of Directors, the policy will be implemented beginning with the FY 2008 fiscal audit.

The members of the ITOC reviewed the proposed changes and provided comments and feedback, and staff responded to questions and incorporated those changes.

**Action:** Upon a motion by Mr. Garcia and a second by Mr. Ryan, the ITOC recommended approval of the changes to the Executive Committee and to the Board of Directors.
13. POTENTIAL USE OF INDEPENDENT LEGAL COUNSEL FOR ITOC MATTERS (DISCUSSION/POSSIBLE ACTION)

This item was postponed.

15. FUTURE MEETING SCHEDULE

A special meeting of the ITOC is scheduled for Friday, July 25, 2008, at 1 p.m. in the SANDAG 7th floor conference room. The August ITOC meeting is cancelled. The next regular ITOC meeting is scheduled for Wednesday, September 10, 2008, at 9:30 a.m.

16. ADJOURNMENT

Chair Meyer adjourned the meeting at 1:55 p.m.
MEETING SUMMARY FOR THE JULY 25, 2008, INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE (ITOC) MEETING

File Number 1110200

Attendance
Committee Members:  • John Meyer, ITOC Chair
                       • Hamid Bahadori
                       • Valerie Harrison
                       • Ron Gerow
                       • Jesus Garcia
Absent:  • Kevin Cummins
        • Jim Ryan
Staff:  • Charles “Muggs” Stoll

The meeting of the TransNet Independent Taxpayer Oversight Committee (ITOC) was called to order by Chair John Meyer at 1:26 p.m.

1. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

There were no public comments.

2. ANNUAL ELECTION OF ITOC CHAIR AND VICE CHAIR (ACTION)

Mr. Stoll presented the item. He stated that per ITOC bylaws, at the July meeting each year elections are to be held for the Chair and Vice Chair positions for the new fiscal year.

Mr. Stoll called for nominations for the position of Chair of the ITOC for FY 2008/09. Mr. Bahadori nominated Chair Meyer to continue in the position for another year.

Action: Upon a motion by Mr. Garcia and a second by Mr. Gerow, the ITOC closed the nominations.

Action: Upon a motion by Mr. Bahadori and a second by Mr. Garcia, the ITOC approved the nomination of Chair Meyer and voted him into the position of Chair of the ITOC for FY 2008/09.

Mr. Stoll called for nominations for the position of Vice Chair of the ITOC for FY 2008/09. Mr. Garcia nominated Mr. Bahadori for the position of Vice Chair.
Action: Upon a motion by Chair Meyer and a second by Ms. Harrison, the ITOC closed the nominations.

Action: Upon a motion by Mr. Garcia and a second by Ms. Harrison, the ITOC approved the nomination of Mr. Bahadori and voted him into the position of Vice Chair of the ITOC for FY 2008/09.

Chair Meyer commented that he accepted the nomination because he felt there was a need for continuity after so much recent turnover.

3. PRESENTATION ON THE TransNet TRIENNIAL PERFORMANCE AUDIT PROCUREMENT PROCESS AND SELECTION OF THE SUCCESSFUL PROPOSER (APPROVE)

Mr. Bahadori presented the item. The evaluation subcommittee conducted the procurement for services to perform the first TransNet triennial performance audit. Proposals were due on June 30, 2008, and were reviewed and rated by the subcommittee. Mr. Bahadori stated that the subcommittee interviewed the short-listed consultants and is recommending Sjoberg Evashenk Consulting Inc. to conduct the triennial performance audit. Mr. Bahadori stated that the subcommittee decided not to interview one of the four consultants because they felt that the quality of their written proposal did not merit an interview. The subcommittee interviewed the other three consultants, and Mr. Bahadori stated that the agency that was rated the highest for their written proposal also scored the highest for the interview. The consultant has done similar work for other agencies. The agency was rated number one by all three of the subcommittee members.

Mr. Bahadori stated that the firm of Sjoberg Evashenk Consulting Inc. has audited two sales tax measures in Los Angeles County and has experience in auditing the types of projects we have under TransNet. He stated that the subcommittee consensus was that the firm was very qualified and superior to the other two agencies for the triennial performance audit. Mr. Bahadori stated that the subcommittee felt that Sjoberg Evashenk Consulting Inc. had a good understanding of the type of audit needed and the procedures involved.

Mr. Bahadori stated that the recommendation by the subcommittee is for the ITOC to approve the firm of Sjoberg Evashenk Consulting Inc. and direct staff to enter into negotiations for final cost and contract language. He stated that there is no indication that the contract language would need to be negotiated, but there was a need for further negotiations on the final cost proposal.

Mr. Bahadori acknowledged Alexia Spivey and complimented her on her professionalism and quality work on this contract.

Mr. Garcia reiterated the acknowledgment of Ms. Spivey and her professionalism. He stated that Sjoberg Evashenk Consulting Inc. was the only firm with engineering background and had shown an understanding of the audit process for sales tax measures.

Ms. Harrison asked for clarification regarding the cost negotiation procedures.
Mr. Bahadori stated that the subcommittee begins with the cost proposal from the consultant and begins negotiations to reduce the overall cost. Negotiations are scheduled to begin August 1, 2008, and the subcommittee has identified some cost savings in reduced hours and other areas. He stated the negotiation process would take approximately two weeks. Mr. Bahadori commented that although the cost proposal was the highest of the four consultants, the subcommittee felt the costs were reasonable and justified, and the total cost was still within the budget for the audit.

Discussion ensued regarding the subcommittee ratings, qualifications of the firm, and the decision to recommend Sjoberg Evashenk Consulting Inc. for the audit.

Ms. Harrison asked whether there was a legal requirement for the ITOC to provide the public with a detailed cost breakdown from each consultant and not just a bottom line cost.

Ms. Spivey stated that the proposals presented today were now a matter of public record. She stated that until the contract is negotiated and awarded and a notice to proceed is issued, staff cannot release cost data, and even at that time, if the contractor has stated that the proposal is proprietary, staff can only release the bottom line total cost.

Discussion ensued among the members regarding what the ITOC is legally required to provide the public, how costs for the contract are negotiated and monitored, when or if cost breakdown for each consultant can be released to the public or become a matter of public record, and the fact that the process for selection of the auditor was quality-based and not cost-based.

Mr. Bahadori stated that when we award the contract, the ITOC needs to make it very clear that the process was quality-based.

**Action:** Upon a motion by Mr. Bahadori and a second by Mr. Garcia, the ITOC approved the subcommittee recommendation for the audit consultant and directed staff to enter into negotiations with Sjoberg Evashenk Consulting Inc.

Chair Meyer asked if Sjoberg Evashenk Consulting Inc. was a Disadvantaged Business Enterprise, and Ms. Spivey stated that they indicated they were not on the proposal.

Mr. Bahadori stated that the ITOC is setting a precedent because this is the first audit of a sales tax measure of this type and magnitude.

4. **ADJOURNMENT**

The next meeting of the ITOC will be Wednesday, September 10, 2008, at 9:30 a.m. Chair Meyer adjourned the meeting at 1:58 p.m.
Caltrans has asked to use SANDAG on-call engineering consultants for preliminary engineering for the I-5/SR 56 Interchange Improvement project. The cost is estimated at $830,000. TransNet funds would be used to front the costs. These costs would be reimbursed by Caltrans. There are currently no TransNet funds for the I-5/SR 56 project.

Attachment: 1. Draft Transportation Committee report for the September 19, 2008, meeting
2. Proposed Agreement between SANDAG and Caltrans
AGREEMENT WITH CALTRANS FOR PRELIMINARY ENGINEERING ON THE INTERSTATE 5/STATE ROUTE 56 INTERCHANGE IMPROVEMENT PROJECT

Introduction

Caltrans has asked to use SANDAG on-call engineering consultants for preliminary engineering for the Interstate 5 (I-5)/State Route 56 (SR 56) Interchange improvement project. The consultant costs are estimated at $830,000. Capacity up to $1,000,000 is recommended as part of this agreement. SANDAG TransNet funds would be used to cover costs. All costs, including administrative costs, would be reimbursed by Caltrans.

Discussion

The I-5/SR 56 Interchange improvement project is a TransNet project. However, this project is not included in the Early Action Program and is therefore not covered by the Master Agreement between SANDAG and Caltrans. The Master Agreement, among other things, allows Caltrans to utilize SANDAG’s on-call engineering consultants.

Caltrans is requesting the execution of an agreement that would allow Caltrans to use SANDAG’s on-call engineering consultants for preliminary engineering necessary for the I-5/SR 56 Interchange improvement project. A project alternative includes the construction of the missing south to east and west to north connectors. The current cost estimate for the project alternative that includes the construction of the missing connectors is $150 million. Current funding on the project totals $9.5 million and includes a combination of federal demonstration grant funds, state funds, and funding from the City of San Diego. There are no TransNet funds on the project currently. The draft environmental document is scheduled for release to the public in summer 2009.

SANDAG has recently executed engineering consultant contracts totaling $175 million and has the capacity to accommodate Caltrans request. SANDAG’s administrative costs will be minimal and will be fully reimbursed by Caltrans.

Recommendation

The Transportation Committee recommends to the Board of Directors that the Executive Director be authorized to sign an agreement with Caltrans for preliminary engineering for the Interstate 5/State Route 56 Interchange improvement project. The agreement would allow Caltrans to utilize SANDAG’s on-call engineering consultants. The agreement would be in substantially the same form as Attachment 1. Costs would not exceed $1,000,000. All costs would be reimbursed by Caltrans.

JACK BODA
Director, Mobility Management and Project Implementation

Attachment:   1. Proposed Agreement between SANDAG and Caltrans

Key Staff Contact: Richard Chavez, (619) 699-6989, rch@sandag.org
COOPERATIVE AGREEMENT

THIS AGREEMENT, ENTERED INTO EFFECTIVE ON _________________, 2008, is between the
STATE OF CALIFORNIA, acting by and through its Department of Transportation, referred to herein as
“STATE,” and

San Diego Association of Governments, a legislatively created regional government agency of the
State of California, referred to herein as “SANDAG.”

RECITALS

1. STATE and SANDAG, pursuant to Streets and Highways Code sections 114 and 130, are authorized
to enter into a Cooperative Agreement for improvements to State Highways System (SHS) within
County of San Diego’s jurisdiction.

2. STATE desires to have completed Project Approval and Environmental Document (PA&ED) for
State Highway and local street improvements consisting of interchange improvements on
Interstate 5/State Route 56 (I-5/SR-56), referred to herein as “PROJECT.”

3. STATE is willing to fund one hundred percent (100%) of all capital outlay and support costs,
including the costs of STATE’s Independent Quality Assurance (IQA) of PROJECT, and
STATE’s costs incurred as the California Environmental Quality Act (CEQA) Lead Agency and
National Environmental Policy Act (NEPA) Lead Agency, if applicable, in the review and
approval, if appropriate, of the PROJECT PA&ED to an amount not to exceed $1,000,000.

4. To expedite delivery of PROJECT, STATE desires SANDAG, through SANDAG
CONSULTANTS to prepare the PA&ED, referred to herein as “WORK” in order to bring about
the earliest possible construction of PROJECT. A SANDAG CONSULTANT is a prime or
subcontractor firm under contract with SANDAG that provides Architecture & Engineering
(A&E) services.

5. STATE is agreeable to reimburse SANDAG the cost of WORK performed using SANDAG
CONSULTANTS, including but not limited to applicable SANDAG administrative costs.

6. STATE and SANDAG mutually desire to cooperate in WORK and desire to specify the terms and
conditions under which WORK is to be prepared and financed.
SECTION I

SANDAG AGREES:

1. To provide CALTRANS access to SANDAG CONSULTANTS for completion of WORK.

2. All WORK performed by SANDAG CONSULTANTS shall be performed in accordance with all State and Federal laws, regulations, policies, procedures, and standards that SANDAG would normally follow. All such WORK shall be submitted to STATE for STATE’s review.

3. SANDAG CONSULTANTS will furnish STATE with written quarterly progress during the period when WORK is being prepared.

4. To invoice STATE no more often than monthly for SANDAG staff and SANDAG CONSULTANT expenditures for WORK.

5. To retain or cause to be retained for audit by STATE or other government auditors for a period of three (3) years from date of FHWA payment of final voucher, or four (4) years from date of final payment under the contract, whichever is longer, all records and accounts relating to construction of PROJECT.

6. SANDAG Point of Contact: Richard Chavez, PE
   401 B Street, Suite 800
   San Diego, CA 92101
   Tel: (619) 699-6989

SECTION II

STATE AGREES:

1. To manage the scope, cost, and schedule to ensure the timely completion of WORK and provide a qualified STATE’s representative who shall have authority to accept or reject SANDAG CONSULTANT WORK.

2. To actively manage and direct SANDAG CONSULTANTS. Prior to taking on such management functions, STATE shall identify the STATE employees that will participate in the procurement or contracting process with SANDAG CONSULTANTS and those STATE employees shall provide a completed disclosure of financial interests form (Form 700) to SANDAG that establishes that the STATE employee does not have any conflicts of interest.

3. To make payments to - SANDAG within twenty-five (25) days of receipt of invoice submitted by SANDAG pursuant to Article 4 of Section I of this Agreement, up to an amount not to exceed $1,000,000. In the event SANDAG notifies STATE that this amount will be exceeded, STATE will meet with SANDAG to discuss whether an amendment to this Agreement is appropriate. SANDAG may direct SANDAG CONSULTANTS to discontinue WORK on the PROJECT until the parties are able to identify sufficient funds to complete the WORK.

4. All applicable expenses incurred by SANDAG for WORK, including CLAIMS as defined in Article 7 of Section II, shall be reimbursed by STATE. SANDAG shall not mark up the rates charged by SANDAG CONSULTANTS to carry out the WORK.
5. To provide Independent Quality Assurance (IQA) over WORK at no cost to assure that WORK is in accordance with STATE policies, procedures, standards, and practices. This IQA function includes both the obligation and authority to reject non-compliant work on WORK.

6. At no cost SANDAG, to complete STATE review as CEQA Lead Agency and Responsible Agency and NEPA Lead Agency, of the environmental documents and to provide IQA of all work necessary for completion of the PA&ED for PROJECT.

7. STATE acknowledges that it will be the owner of the PROJECT and shall have responsibility for the quality and oversight of the PROJECT and the WORK. STATE agrees to indemnify and save SANDAG harmless against all claims, litigation, or other liability (CLAIMS) arising out of execution of the WORK whether by a SANDAG CONSULTANT or a third party. At its own expense, STATE shall defend any suit or action brought against SANDAG founded upon a CLAIM.

8. STATE Point of Contact: Arturo Jacobo, Project Manager
   4050 Taylor Street
   San Diego, CA 92110
   Tel: (619) 688-6816
   Email: Arturo_jacobo@dot.ca.gov

SECTION III

IT IS MUTUALLY AGREED:

1. All obligations of STATE under the terms of this Agreement are subject to the appropriation of resources by the Legislature, the State Budget Act authority, and the allocation of resources by the California Transportation Commission.

2. All obligations of SANDAG under the terms of this Agreement are subject the appropriation and allocation of resources by the SANDAG Board of Directors.

3. Nothing in the provision of this Agreement is intended to create duties or obligations to or rights in third parties not party to this Agreement or affect the legal liability of either party to the Agreement by imposing any standard of care with respect to the maintenance of State highways different from the standard of care imposed by law.

4. Preparation of environmental documentation and related investigative studies and technical environmental reports for PROJECT shall be performed in accordance with all applicable Federal and STATE standards and practices current as of the date of performance. Any exceptions to applicable design standards shall first be considered by STATE for approval via the processes outlined in STATE’s Highway Design Manual and appropriate memoranda and design bulletins published by STATE. In the event that STATE proposes and/or requires a change in design standards, implementation of new or revised design standards shall be done as part of the WORK on PROJECT in accordance with STATE’s current Highway Design Manual Section 82.5, “Effective Date for Implementing Revisions to Design Standards.”
5. STATE will be the CEQA Lead Agency and Responsible Agency, and the NEPA Lead Agency if applicable. STATE will direct SANDAG CONSULTANTS working on the PROJECT to ensure that the environmental documentation and necessary associated supporting investigative studies and technical environmental reports are prepared in order to meet the requirements of CEQA and NEPA.

5. STATE, as a PROJECT cost, shall ensure the preparation, submission, publication and circulation of all public notices related to the CEQA environmental process and the NEPA environmental process, including, but not limited to, notice(s) of availability of the environmental document and or determinations and notices of public hearings are completed. Public notices shall comply with all State and Federal laws, regulations, policies, and procedures. STATE will work with the appropriate Federal Agency to publish notices in the Federal Register, if applicable.

6. All administrative reports, studies, materials, documentation, including, but not limited to, all administrative drafts and administrative finals, relied upon, produced, created or utilized for PROJECT will be held in confidence pursuant to Government Code section 6254.5(e). The parties agree that said material will not be distributed, released or shared with any other organization, person or group other than the parties’ employees and agents whose work requires that access without the prior written approval of the party with the authority to authorize said release and except as required or authorized by statute or pursuant to the terms of this Agreement.

7. No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto.

8. For purposes of this Agreement, the relationship of the parties is that of independent entities and not as agents of each other or as joint venturers or partners.

9. This Agreement shall terminate upon satisfactory completion of WORK or on June 30, 2012, whichever is earlier in time, except that the indemnification, environmental commitments, legal challenges, and CLAIMS articles shall remain in effect until terminated or modified, in writing, by mutual agreement. Should any PA&ED related or other claims arising out of PROJECT be asserted against one of the parties, the parties agree to extend the fixed termination date of this Agreement, until such time as the PA&ED related or other claims are settled, dismissed or paid.

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION          SANDAG

Will Kempton
Director of Transportation

By: _______________________
Deputy District Director

Certified as to Funds:          By: _______________________
Gary L. Gallegos
Executive Director
District Budget Manager/BK

Approved as to Form and Procedure:  

Attorney, Department of Transportation  
Certified as to Financial Terms and Conditions:  

By:  
General Counsel

Accounting Administrator  
Reimbursements Section
Introducción

At its July 2008 meeting, the ITOC requested a presentation on the forecasted traffic for the SR 52, SR 125, and SR 94 corridor. Of specific interest was the southbound SR 125 to eastbound SR 94 movement. This movement is classified as a “missing connector” in the Regional Transportation Plan (RTP). Construction of this missing connector is scheduled by 2020 in the RTP.

Discusión

In 2002, Caltrans constructed an interim connector to handle traffic movement from westbound SR 94 to northbound SR 125. The reciprocal movement of traffic from southbound SR 125 to eastbound SR 94 must exit the freeway at Spring Street and enter eastbound SR 94 using an on-ramp from Spring Street. Caltrans is currently conducting preliminary engineering to improve this southbound to eastbound connection and expects to complete a feasibility study shortly.

The 2003, 2010, 2020, and 2030 average daily traffic volume projections from the SANDAG traffic forecast model are shown in Attachment 1. These projections show an increase of traffic for this southbound to eastbound movement between now and 2020, then remaining fairly stable to 2030. Staff will present this data during the ITOC meeting.

Attaches: 1. Eastern Sub-Regional Highway Network – Average Daily Traffic (September 2008)

Key Staff Contact: Richard Chavez, (619) 699-6989, rch@sandag.org
Eastern Sub-Region Highway Network

Average Daily Traffic
September 2008
Eastern Sub-Region Highway Network
Average Daily Traffic (Thousands)

YEAR 2003

J-15 86 108
40 40
11 18

SR 67
35
36

SR 52

SR 125

SR 94

7 40 40

N

I-8

72 75

15

Spring st.

July 2008
Eastern Sub-Region Highway Network
Average Daily Traffic (Thousands)

YEAR 2010

July 2008
Eastern Sub-Region Highway Network
Average Daily Traffic (Thousands)

YEAR 2020

I-8

SR 94

SR 125

SR 67

SR 52

I-15

N

SANDAG
Eastern Sub-Region Highway Network

Average Daily Traffic
September 2008
Introduction

On April 25, 2008, the SANDAG Board of Directors approved a process and criteria for funding eligible land management activities under the TransNet EMP. A total of $2.9 million was made available in FY 2008 for land management activities related to invasive species control, post-fire recovery, habitat restoration and/or access control and management. Pursuant to approval by the Board of Directors, a “call-for-projects” was issued on May 5, 2008 and 32 applications totaling over $8.5 million were received. An ad hoc selection committee of the EMP Working Group was established to review and rank the projects and recommend a proposed allocation of the $2.9 million of available funds (Attachment 1). The EMP Working Group reviewed the recommendations of the ad hoc selection committee and supported their recommendation on July 8, 2008. The Regional Planning Committee reviewed and recommended approval of the proposed grant projects on August 1, 2008.

Discussion

The EMP was established under the TransNet Extension Ordinance to help acquire mitigation land in advance of transportation project need and to provide some assistance on regional land management and monitoring to promote the regional habitat conservation plans and the endangered species they cover. With the adoption of TransNet EMP memorandum of agreement on February 22, 2008 by the SANDAG Board of Directors, the amount of funding for land management and monitoring was fixed at $4 million annually.

On April 25, 2008, the SANDAG Board of Directors adopted process and criteria for allocating FY 2008 land management funds through a competitive grant program. Specifically, the Board of Directors directed land management funds which would control invasive species, assist with post-fire recovery, provide for habitat restoration, and/or provide access control and management. On April 8, 2008, the EMP Working Group appointed a selection committee to review the land management grant applications which were received by SANDAG on June 5, 2008. This ad hoc committee consisted of EMPWG representatives from Caltrans, the cities of San Diego and Santee, County of San Diego, U.S. Fish and Wildlife Service, and the California Department of Fish and Game, as well as three outside, independent biologists with natural resource management experience. These outside experts included Mr. Bill Tippets of the County Water Authority,
Ms. Dawn Lawson from Camp Pendleton, and Ms. Shea O’Keefe of the United States Department of Agriculture – Natural Conservation Resources Service. On June 6, 2008, copies of the 32 applications were sent to each committee member, who independently ranked them according to the criteria approved by the SANDAG Board on April 25, 2008. The selection committee met on June 12, 2008. Individuals were asked to select their top five projects for funding based on the selection criteria. Individual projects within the collective top five and subsequently those outside were discussed, evaluating the merits of the proposal based on the ranking criteria and individual funding requests. The selection committee formulated the following philosophy in evaluating the projects:

- Allocate only FY 2008 funding (§2.9 million) and allow projects not selected or funded at less than their requested amount to resubmit in FY 2009
- Invest in on the ground land management activities and not research
- Address the regional decline of coastal cactus wren from wildfires
- For invasive control projects, attempt to fund more than one-year’s worth of effort to allow a secure source of funds for the grantees to leverage with other state and federal grant programs
- Continue to reinvest in projects funded by prior EMP land management grants that could be at risk of degrading (e.g., invasion by exotic species) without additional funds

As such, some of the projects that were numerically lower than others using the selection criteria are being recommended for funding to address the most pressing regional needs. The rationale for this is mentioned in the attached spreadsheet. In some cases, the entire request is being recommended for funding. In other cases, a reduced amount is being recommended.

The resulting recommended list of projects described in Attachment 1 are geographically distributed in the region and well represented by various types of organizations from larger agencies and jurisdictions to small nonprofit land managers. It was the selection committee’s intent that projects not receiving funding or less than the requested amount will resubmit for the next grant cycle.

All of the proposed grant fund projects meet the criteria established by the Board of Directors.

**Role of the ITOC**

The ITOC is asked to determine that the recommended proposals in the attached list of EMP Land Management Grants (Attachment 1) are consistent with the TransNet Program’s eligibility requirements as established by the SANDAG Board of Directors. The four types of eligible projects for FY 2008 under the grant program are: (1) control invasive species; (2) assist with post-fire recovery; (3) provide for habitat restoration; and/or (4) provide access control and management.

To assist the ITOC in their evaluation, the column labeled “Activities Proposed/ Discussion” in Attachment 1 includes which eligibility category(ies) the proposed grant project falls under. A more detailed description of the recommended land management grants is provided in Attachment 2. All of the actual applications are available in a PDF format on the SANDAG ftp site located at ftp://ftp.sandag.org/sandag/pub/ in the “EMP Grant Proposals” folder. [Note: Please save the PDF file first, prior to opening it on your computer.]

**Attachments:**
1. Funding Recommendations for Proposed Land Management Grant Projects
2. Description of Recommended Land Management Grants

**Key Staff Contact:** Keith Greer, (619) 699-7390, kgr@sandag.org
## Funding Recommendations for Proposed FY 08 Land Management Grant Projects

<table>
<thead>
<tr>
<th>Rank</th>
<th>Project Description</th>
<th>Abs Score</th>
<th>Requested Funding</th>
<th>Recommended Funding</th>
<th>Activities Proposed/ Discussion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mission Resource Conservation District</td>
<td>112.75</td>
<td>$744,600</td>
<td>$354,300</td>
<td>INVASIVE CONTROL project in two large watersheds. Proven success. Fund for four years.</td>
</tr>
<tr>
<td>3</td>
<td>City San Diego Water Department Proctor Valley Access Control</td>
<td>106.14</td>
<td>$325,754</td>
<td>$325,754</td>
<td>ACCESS MANAGEMENT project. Key access area for unauthorized off-highway vehicle (OHV) access. Needed to protect vernal pools and access to federal and state refuge land.</td>
</tr>
<tr>
<td>4</td>
<td>Southwest Wetlands Interpretive Association Tijuana River Valley Invasive Removal</td>
<td>105.75</td>
<td>$497,900</td>
<td>$149,437</td>
<td>INVASIVE CONTROL project. Important area but large funding request. Proven success. Large funds requested for one year. Funding reduced with recommendation to submit for future years.</td>
</tr>
<tr>
<td>5</td>
<td>San Elijo Lagoon Foundation Carlsbad Hydrologic Unit</td>
<td>104.56</td>
<td>$450,450</td>
<td>$279,950</td>
<td>INVASIVE CONTROL project. Large area. Proven success. Fund for three years.</td>
</tr>
<tr>
<td>6</td>
<td>United States Geological Survey (USGS) Pond Turtles Restoration</td>
<td>102.83</td>
<td>$151,463</td>
<td>$151,463</td>
<td>HABITAT RESTORATION project. Key declining covered species. Request the USGS work with tribes to gain access to additional enhancement areas.</td>
</tr>
<tr>
<td>7</td>
<td>Sweetwater Authority</td>
<td>101.43</td>
<td>$170,170</td>
<td>$170,170</td>
<td>HABITAT RESTORATION project. Restoration of creek damaged by wildfires. Design work only. No implementation. Recommend reapply next year for design and implementation.</td>
</tr>
<tr>
<td>8</td>
<td>Lakeside River Park</td>
<td>98.38</td>
<td>$86,702</td>
<td></td>
<td>Primary focus on transient cleanup and community patrol. Recommend reapply next year with more focus on physical access control, signage, and habitat restoration.</td>
</tr>
<tr>
<td>10</td>
<td>City of Chula Vista Cactus Wren Restoration</td>
<td>96.25</td>
<td>$373,048</td>
<td>$373,048</td>
<td>POST FIRE RECOVERY and HABITAT RESTORATION project. Coastal cactus wren project. High priority area.</td>
</tr>
<tr>
<td>11</td>
<td>County San Diego Salt Creek Recovery</td>
<td>93.00</td>
<td>$125,000</td>
<td>$125,000</td>
<td>POST FIRE RECOVERY and HABITAT RESTORATION project. Coastal cactus wren project. High priority area.</td>
</tr>
<tr>
<td>12</td>
<td>Fairbrook Land Conservancy Algarita Peak Preserve</td>
<td>92.13</td>
<td>$19,950</td>
<td>$19,950</td>
<td>ACCESS MANAGEMENT project. Small funding request. Very cost effective project.</td>
</tr>
<tr>
<td>13</td>
<td>Back Country Land Trust Wrights Field</td>
<td>91.43</td>
<td>$98,000</td>
<td></td>
<td>HABITAT RESTORATION project. Primary impact of illegal OHV use eliminated through access control from previous TransNet funds. Proposed activities focused on restoration of eroded habitat. Risk of immediate degradation not critical. Recommend reapply next year.</td>
</tr>
<tr>
<td>14</td>
<td>San Pasqual River Restoration</td>
<td>91.13</td>
<td>$45,000</td>
<td>$45,000</td>
<td>HABITAT RESTORATION project. Small requested amount. 30% of matching funds. Critical corridor. Need funds to complete project.</td>
</tr>
<tr>
<td>15</td>
<td>Ground Works Chollas Creek Cactus Wren</td>
<td>89.57</td>
<td>$240,700</td>
<td>$240,700</td>
<td>HABITAT RESTORATION project. Coastal cactus wren project. High priority area.</td>
</tr>
<tr>
<td>16</td>
<td>Friends of Peñasquitos Cactus Wren Recovery</td>
<td>86.07</td>
<td>$71,604</td>
<td>$71,604</td>
<td>HABITAT RESTORATION project. Coastal cactus wren project. Not in high priority area. [Note: subsequently funded by NRCS grant.]</td>
</tr>
<tr>
<td>17</td>
<td>SDNWR Shinnohara Vernal Pools</td>
<td>85.75</td>
<td>$308,238</td>
<td>$308,238</td>
<td>HABITAT RESTORATION project. Continuation of existing vernal pool project. Needs continued weeding to keep weeds from invading created vernal pools.</td>
</tr>
<tr>
<td>18</td>
<td>The San Diego River Park Foundation</td>
<td>84.83</td>
<td>$55,318</td>
<td></td>
<td>INVASIVE CONTROL project. Removal within the 52-acre Mission Valley Preserve.</td>
</tr>
<tr>
<td>19</td>
<td>City San Diego San Diego River</td>
<td>83.86</td>
<td>$189,741</td>
<td></td>
<td>INVASIVE CONTROL project. Removal in the San Diego River and Sycamore tributaries in the City of San Diego.</td>
</tr>
<tr>
<td>20</td>
<td>County of San Diego Ramona Grasslands</td>
<td>83.00</td>
<td>$75,000</td>
<td></td>
<td>INVASIVE CONTROL project. Annual treatment of invasive species of concern in the Ramona Grasslands County Preserve.</td>
</tr>
<tr>
<td>21</td>
<td>Center for National Lands Management Preserves</td>
<td>82.43</td>
<td>$240,224</td>
<td></td>
<td>INVASIVE CONTROL project. Removal on approximately 20 acres distributed over three preserves (Manchester, Rancho La Costa, and TET Meadowlark) in San Diego County.</td>
</tr>
<tr>
<td>22</td>
<td>County San Diego Otay River Valley Park</td>
<td>82.29</td>
<td>$85,000</td>
<td></td>
<td>INVASIVE CONTROL project in approximately 50 acres of land in the Otay River Valley Park.</td>
</tr>
<tr>
<td>23</td>
<td>San Diego Natural History Museum Rancho Jamul</td>
<td>78.92</td>
<td>$698,279</td>
<td></td>
<td>Long-term monitoring program to understand the effectiveness of restoration techniques on small mammal communities in Rancho Jamul post-fire area.</td>
</tr>
<tr>
<td>24</td>
<td>County San Diego Lasardi Creek</td>
<td>71.50</td>
<td>$258,200</td>
<td></td>
<td>INVASIVE CONTROL project. Removal of 200 Eucalyptus trees in a 4 acre area.</td>
</tr>
<tr>
<td>25</td>
<td>County San Diego Barnett Ranch</td>
<td>71.17</td>
<td>$213,060</td>
<td></td>
<td>POST FIRE RECOVERY of Lasardi Creek by weed prevention, access control, and culverts.</td>
</tr>
<tr>
<td>26</td>
<td>Mission Trails Park Foundation Ambrosia</td>
<td>67.43</td>
<td>$114,378</td>
<td></td>
<td>Test restoration techniques being developed at Barnett Ranch on a larger-scale.</td>
</tr>
<tr>
<td>27</td>
<td>County San Diego Del Dios Preserve</td>
<td>65.00</td>
<td>$85,000</td>
<td></td>
<td>INVASIVE CONTROL project. Removal of 200 Eucalyptus trees in a 4 acre area.</td>
</tr>
<tr>
<td>28</td>
<td>County San Diego Escondido Creek</td>
<td>64.83</td>
<td>$75,000</td>
<td></td>
<td>INVASIVE CONTROL project. Removal of 120 Eucalyptus trees along Harmony Grove Road.</td>
</tr>
<tr>
<td>29</td>
<td>Los Peñasquitos Lagoon Foundation</td>
<td>64.17</td>
<td>$275,743</td>
<td></td>
<td>INVASIVE CONTROL project. Removal of 120 Eucalyptus trees along Harmony Grove Road.</td>
</tr>
<tr>
<td>30</td>
<td>SDNWR Mother Miguel Mountain</td>
<td>61.25</td>
<td>$1,188,110</td>
<td></td>
<td>INVASIVE CONTROL project. Removal of 120 Eucalyptus trees along Harmony Grove Road.</td>
</tr>
<tr>
<td>31</td>
<td>Hellhole Canyon</td>
<td>60.75</td>
<td>$47,547</td>
<td></td>
<td>INVASIVE CONTROL project. Removal of 200 Eucalyptus trees along Harmony Grove Road.</td>
</tr>
<tr>
<td>32</td>
<td>Friends of Peñasquitos Black Mountain</td>
<td>59.63</td>
<td>$147,653</td>
<td></td>
<td>HABITAT RESTORATION project. Restoration of eroded habitat.</td>
</tr>
</tbody>
</table>

Shaded rows indicate land management projects recommended for funding for FY 2008. $8,518,670 $2,900,000
Description of Recommended Land Management Grants

1. Mission Resource Conservation District (MRCD), Weed Management Area Program

Recommended Funding: $354,300

The MRCD is proposing invasive species control, access control, and post-fire recovery in the Santa Margarita and San Luis Rey watersheds. Specifically, they have requested eight years of funding for maintenance of previously treated Arundo donax along 100 miles of river and tributaries; access control along a one-mile section of the San Luis Rey River (which has four illegal access points); and three years of funding for post-fire recovery of within a 54-acre area burned in 2007. Their total request grant funding is for $744,600.

The selection committee is recommending four-years of invasive species control funding and funding for access control totaling $354,300.

2. San Dieguito River Park Joint Powers Authority (SDRPJPA)

Recommended Funding: $347,090

The SDRPJPA is requesting funds for invasive species control, natural recovery, habitat restoration, and access management in the Lake Hodges area (Bernardo Bay, Bernardo Mountain, and Del Dios Gorge), San Pasqual Valley, and Santa Ysabel area of the San Dieguito River Valley. Specifically, they have requested five years of funding for maintenance of Arundo donax, Lepidium latifolium, eucalyptus, and tamarisk; an on-site, full-time invasive species manager; data collection devices; bullfrog trapping and mapping. Their proposal also includes funds for equipment for natural recovery, habitat restoration, and access control. Their total request grant funding is for $881,768.

The selection committee is recommending funding for invasive species control, bullfrog trapping, and equipment for natural recovery, habitat restoration, and access control totaling $347,090.

3. City of San Diego Water Department Proctor Valley

Recommended Funding: $325,754

The City of San Diego Water Department is seeking funds for the fabrication and installation of an off-highway vehicle (OHV) barrier along both sides of a 1.3-mile section of Proctor Valley Road. The off-highway vehicles use has created severe erosion problems due to vegetation loss and negatively impacted habitat. In addition to the damage caused by the vehicles’ movement over the terrain is the associated petroleum products leaking from vehicles into the watershed, soil compaction, noise and dust associated with OHVs, conveyance of exotic seeds, trash left behind by OHV users, and illegal dumping of trash along the road. The water department will install interpretive educational signs in conjunction with the barrier and will provide staff for enforcement of trespassing all other illegal activity. Their total request grant funding is for $325,754.

The selection committee is recommending full funding for this project totaling $325,754.
4. **Southwest Wetlands Interpretive Association (SWIA) Tijuana River Valley Regional Park**

SWIA is seeking funds for the removal of Arundo, salt cedar, and castor bean in the County of San Diego’s Tijuana River Valley Regional Park. The main goals of the project are to kill these invasive species and promote the spread of native species while the problem is still manageable and the damage reversible. It is likely that, if these invasive species are not treated now, they will quickly spread to cover >50% of the site, and this will severely degrade the site for listed bird species. They have requested $497,900 for a one-year effort.

The selection committee is recommending $149,437 with a recommendation to apply for subsequent funding.

5. **San Elijo Lagoon Conservancy**

   **Carlsbad Hydrologic Unit**

The San Elijo Lagoon Conservancy is seeking funds to provide invasive species control throughout the Carlsbad Hydrologic Unit in the form of re-treatments of areas previously treated with other funding sources and some small initial treatments on areas surrounding previously treated areas to ensure control of the invasive populations and protect the initial state investment of the control program (which is currently over $5,000,000 dollars). The conservancy is seeking five years of funding totaling $450,450.

The selection committee is recommending three years of funding totaling $279,950.


The USGS, in conjunction with the San Diego Zoological Society and the California Department of Fish and Game (CDFG), would like to continue the work done on the southwestern pond turtle by USGS in 2002 to 2005 within the Multiple Species Conservation Program (MSCP) area. The proposal would enhance and restore the population at the Sycuan Peak Ecological Reserve as this is the largest population within the MSCP, but has little or no recruitment. The restoration effort would focus on removing the majority of the non-native predators that are negatively impacting the turtles. Subsequent trapping for turtles would be included in this project in order to determine the success that removing predators has had on increasing recruitment and to evaluate the overall health of the population. Additionally, a new collaborative effort would be initiated. This effort includes establishing a reserve population of southwestern pond turtles at the San Diego Zoo to support future head-starting of juveniles in this and other reserves within the MSCP. The USGS is seeking funding totaling $151,463.

The selection committee is recommending full funding for this project totaling $151,463 with the recommendation that the USGS works to seek additional enhancement opportunities on tribal lands to the east.
<table>
<thead>
<tr>
<th>Project Description</th>
<th>Recommended Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Diego National Wildlife Refuge Cactus Wren Recovery</td>
<td>$180,070</td>
</tr>
<tr>
<td>City of Chula Vista Cactus Wren Restoration</td>
<td>$373,048</td>
</tr>
<tr>
<td>County of San Diego Salt Creek Recovery</td>
<td>$125,000</td>
</tr>
<tr>
<td>Ground Works Chollas Creek Cactus Wren Recovery</td>
<td>$240,700</td>
</tr>
</tbody>
</table>

These four separate projects address the recovery of Coastal Cactus Wren post wildfire. These areas are considered critical for coastal cactus wren recovery in areas impacted by the 2003 and 2007 wildfires. These areas contain critical populations of cactus wren that make up the southern San Diego metapopulation of coastal cactus wren. Over 224 acres of habitat restoration would occur under these proposals using techniques successfully proven by RECON Environmental, Inc. and other habitat restoration specialists. The funding requests are $180,070, $373,048, $125,000, and $240,700, respectively, for efforts that range from two to five years.

The selection committee is recommending full funding for these projects totaling $918,818. It is recommended that these efforts coordinate their activities to maximize their efficiencies and standardize their techniques. The County of San Diego Salt Creek Recovery grant also is contingent on a recovery plan approved by the U.S Fish and Wildlife Service and California Department of Fish and Game.

11. Fallbrook Land Conservancy Margarita Peak Preserve | Recommended Funding: $19,950 |

The primary goal of this project is to control access to 1206 acres of managed open space, which would allow for the recovery of an area with significant natural resources that was burned in the 2003 wildfires. The proposal includes blocking vehicular access with two heavy-duty gates, fencing, and vehicle stops. Also proposed is the installation of cautionary signage and to education of the public on appropriate use of the preserve by informational material and hikes led by the preserve manager or a biologist. Surveys of the flora and fauna on the preserve are currently underway as part of a grant from the San Diego Conservation Resource Network to develop a management plan.

The selection committee is recommending full funding for this project totaling $19,950.

12. San Pasqual River Restoration | Recommended Funding: $45,000 |

The focus of this project is the herbicide treatment of large, re-emergent patches of non-native species in the Santa Ysabel Creek and San Dieguito River on land leased for the last 20 years by Earnest Klemm. Specifically, the herbicide treatment will focus on giant reed, pepperweed, salt cedar, castor bean, and tree tobacco. Three years of matching funds totaling $140,625 are being provided from a Natural Conservation Resources Service grant.

The selection committee is recommending full funding for this project totaling $45,000.
13. San Diego National Wildlife Refuge (SDNWR) Shinohara Vernal Pools

Recommended Funding: $308,238

In February 2006, SDNWR received a grant from the TransNet funds to initiate restoration of the Shinohara vernal pools. The entire site has been de-thatched and exotic vegetation removed to bare soil. Thirty-two pools were restored on site and ten artificial nest boxes for burrowing owls were constructed. The current proposal would continue with the restoration of this site by performing weed control, collection of seed and propagules, re-contouring an additional 30 pools, monitoring, and fencing over a three-year period. The requested funding is for $308,238.

The selection committee is recommending full funding for this project totaling $308,238.
Eastern Sub-Region Highway Network

Average Daily Traffic
September 2008
Eastern Sub-Region Highway Network
Average Daily Traffic (Thousands)

Eastern Sub-Region Highway Network
Average Daily Traffic
September 2008
Item 6: Background Funding

- **Section D and EMP Principles**
  - $650 million Trans. Project Mit. Fund
  - $200 million Regional Hab. Cons. Fund
- **EMP Guidelines (approved 8/24/04)**
  - Funding for regional management
- **EMP MOA (approved 2/22/08)**
  - Clarified $4 million/yr for next 10 years
- **Land Management Grants**
  - First round: BOD approved 12/16/05
Item 6: Background

- BOD approved competitive process for land management grants on April 25, 2008
- $2.9 million for eligible projects:
  - Invasive species control
  - Post-fire recovery
  - Habitat restoration
  - Access control
- Call for projects issued on May 5, 2008

Item 6: Results

- 32 grants received - $8.5 million
- Evaluation committee
  - Six members of EMPWG and three outside experts
  - Recommended 13 projects for funding (Attachment 1)
- Some higher ranking projects not recommended due to some limitation in proposal
- Recommended projects – geographically wide-range and diverse types of organizations
- EMPWG and RPC unanimously recommend approval
Item 6: Next Steps

- BOD review proposed list Sept 26, 2008
- Authorize staff to enter into contracts for the selected grants
- Staff report back annually on progress

Call for Projects

Thank you for selecting Sjoberg Evashek Consulting to conduct the first TransNet Performance Audit and inviting us to make a Presentation. Today, we’d like to cover:

- Introductions
- Team Assembled for the TransNet Audit
- History and Background of Firm
- Performance Auditing and Government Auditing Standards
- TransNet Audit Approach
Introductions

- Kurt Sjoberg, Project Partner
  - 40 years experience in public sector audits and evaluations
  - California State Auditor for 11 years, Chief Deputy Auditor General for 10 years
  - Numerous construction and engineering-related performance audits--ADOT highway system, Caltrans, Metrolink, Los Angeles capital construction projects, LA Public Works

- Catherine Brady, Project Director/Manager
  - 19 years performance audit experience at state and local levels
  - Managed two comprehensive performance audits of the Arizona Department of Transportation sales tax initiatives involving design, ROW, construction, finance, maintenance, and metrics
  - Conducted several reviews of Caltrans programs, including highway planning and construction, bond expenditures, and compliance with federal and state regulations

Team Assembled for TransNet Audit

- Marianne Evashenk, Consulting Partner
  - 25 years experience in state and local government auditing; 11 years Chief Deputy State Auditor
  - Vast experience in performance audits: Port of LA, Caltrans, construction, bonds
  - Expertise in government financial operations, performance measures, operational improvement

- Anya Fenton, Team Lead
  - Managed a multi-disciplinary audit team on a $850 million LA capital construction project and $2.1 billion LA Public Works project
  - Expertise in design, construction, and contracting practices

- Lien Luu, Senior Consultant
  - Led efforts on the LA Proposition F $180 million construction audit
  - Expertise in evaluating construction-related financial data and land acquisition

- Thomas Hessler, Construction Engineer
  - 30 years experience—construction or project manager over multi-million dollar public and private sector projects on dams, missile test sites, nuclear power plants, industrial buildings, transportation and rail projects, airports, and prisons
  - Former Vice President & General Manager at Guy F. Atkinson Company and Wismer & Becker Contracting Engineers as well as former university instructor in construction management
History and Background of Firm

Dedicated our careers to conducting independent and objective audits specializing in the public sector focused on providing practical recommendations and improving value and accountability to the taxpayers

- Firm Established in 2000; More Than 150 Engagements
- Combined, Firm Management have Completed more than 1,500 Projects in the Areas of Performance Audits, Operational Reviews, Financial Audits and Other Governmental Studies
- Partners were Former California State Auditor and Chief Deputy State Auditor for Bureau of State Audits
- Evidenced-Based Consulting Firm with Conclusions and Recommendations supported with Facts and Data

Related Past Projects by SEC

- Arizona Department of Transportation’s Construction of the $3.2 billion Maricopa County Regional Freeway System: Two separate performance audits of the management and oversight of the 144-mile freeway system that included:
  - Transportation Models and Freeway Design efforts
  - Governance and Management team Accountability
  - Project Management, Monitoring, Oversight and Progress
  - Performance Measures and Comparison with Peers
  - Project Cost Budgeting and Revenue Collection Projections
  - Compliance with Federal, State and Local provisions
  - Public Perception and Participation
More Related Projects

- **Los Angeles Proposition K Recreation and Parks Capital Construction**: Review of the design, engineering, construction, and project management activities related to the voter-approved $850 million program

- **Los Angeles Department of Public Works**: Audit of the $2.1 billion in construction and maintenance in service contracts including level of competition in awards and construction management

- **Southern California's Regional Rail Authority**: Assessed its Metrolink capital construction program and creation of 26-city regional rail system

- **Caltrans**: Evaluated the Century Freeway/Highway 710 ROW acquisition, statewide seismic retrofit, and bridge improvement bond-funded projects

What is a Performance Audit?

Defined as an “Objective and systematic examination of evidence for the purpose of providing an independent assessment of the performance of a government organization, program, activity, or function in order to provide information to improve public accountability and facilitate decision-making by parties with the responsibility to oversee or initiate corrective action.”
Key Focus of Performance Audits

- Conduct Objective and Nonpartisan Examination of Evidence
- Provide Independent Fact-Based Assessment of Auditee’s Performance
- Identify Crosscutting Issues affecting Government Programs and People Served
- Provide Information to Improve Accountability and Transparency Linking Resources with Results
- Rigorously follow Government Auditing Standards to ensure Quality of Audit Process and Results

Performance audits provide decision makers with information to:

- Improve the efficiency and effectiveness of programs and activities
- Reduce costs or optimize spending
- Contribute to public accountability
- Assure organizational and regulatory goals and objectives are achieved
- Provide alternative approaches to better yield results or remove impediments to success
Generally Accepted Government Auditing Standards (GAGAS)

A set of Professional Standards promulgated by the United States Government Accountability Office that provides the framework for performing high-quality audit work with Competence, Integrity, Objectivity, and Independence.

Three Categories of Standards:
1. General Standards
2. Fieldwork Standards
3. Reporting Standards

General GAGAS Standards

- Independence and Impartiality
- Audit Judgment and Professional Skepticism
- Technical Knowledge and Competence
- Quality Control and Peer Reviews
GAGAS Fieldwork Standards

- Adequately Plan and Supervise Audit
- Obtain Sufficient & Appropriate Evidence
- Consider all Elements of a Finding
- Prepare Audit Documentation

GAGAS Reporting Standards

- **Report Form and Contents include:**
  - Objective, Scope, Methodology
  - Results, Conclusions, Recommendations
  - Views of Responsible Officials

- **Report Issuance and Distribution dictated by Audit Specifics**
Typical Audit Phases

- Preliminary Planning/Survey
- Fieldwork
- Report
- Closeout

SEC’s VIPER Approach

We take the typical audit phases and implement them through our 10-stage Vision Integrated Performance and Evaluation Review (VIPER) approach as follows:

- Initiation and Introduction
- Visioning Audit Questions
- Reconnaissance
- Approach/Issue Refining
- Preliminary Planning/Survey
- Dynamic Fieldwork
- Assessment/Update
- Fieldwork
- Vision and Draft Report
- Quality and Critical Review
- Result Conferences
- Draft and Final Reports
- Reporting and Closeout
TransNet Audit Approach

Focus on the performance of the TransNet program and the entities involved with TransNet projects in meeting initial goals to improve and expand transportation systems, reduce traffic congestion, and deliver transportation/transit projects throughout San Diego County by reviewing areas such as:

- Program Governance, Organization, Structure, Operations
- Entity and Project Design/Construction, Performance, Delivery, Management, Schedule, Funding, Maintenance, and Monitoring
- Coordination, Collaboration, and Cooperation amongst Agencies

Scope: Fiscal Years 2005/2006 through 2007/2008, but will seek to identify and understand past actions/results and future plans as well.

Preliminary Planning/Survey

Initiation/Introduction

- Cover Task 1 Items
- Conduct Entrance Conference with Auditees to discuss Objectives, Scope, and Audit Process as well as set Communication Protocols
- Establishes the methods for collecting, storing, accessing, and distributing project information

Vision Audit Questions

- Global Questions To Help Focus Audit Efforts
- Example could be: “Have the Early Action Projects been planned, managed, implemented, and monitored to produce the best results and meet overall goals of reducing congestion?”
More Preliminary Planning/Survey

Reconnaissance

• Goal is to quickly identify primary issues and determine where to focus audit efforts
• Request and review wide-range of documents including, but not limited to:
  ✓ Laws, rules, regulations, codes, policies, procedures, manuals, contracts, agreements, regional plans (RTP, RTIP, STP, CMAQ, etc.), annual reports
  ✓ Governance provisions, bylaws, oversight board meetings, mission/strategy statements, communication protocols
  ✓ Operational processes, maps, design/construction related project documents, change orders, scheduling, staffing, maintenance
  ✓ Oversight, monitoring, and status reports and data at a higher-program level as well as a detailed-project level
  ✓ Financial data, budgets, projections, estimates, assumptions, debt instruments, cash-flow analyses, actual data
  ✓ Prior analysis, studies, reviews, benchmarks, performance measures

More Preliminary Planning/Survey

Reconnaissance (continued)

• Conduct Fact-Finding Interviews (Task 2) to understand Roles, Responsibilities, Environment, "As-is" processes, Challenges, Issues, and Opportunities by 10/21/08 goal
  – Initial set of quick interviews; detailed interviews will follow
  – Propose consolidated some interviewees to achieve audit efficiencies
  – Planning for 3-phased Interview Cycle depending on staff schedules: 9/15 - 9/17 and 9/22 - 9/24 and 10/6 - 10/8

Approach Issue and Refining

• Assimilate data gathered and analyzed, revisit and revise audit objectives and questions, and develop specific audit tasks
Fieldwork

- Majority of Audit Effort Allocated to this Phase (Tasks 3 and 4)
- In-depth Review of Data combined with Detailed Interviews and Testing of Data
- Evidence is Key Element—will obtain Sufficient, Competent, Relevant, and Useful Evidence
- Identification of:
  - Condition: What’s happening?
  - Criteria: What should be happening?
  - Cause: Why is it not happening?
  - Effect: What’s the hurt/why care that it’s not happening?
  - Recommendation: What should be changed?

Fieldwork (Cont.)

- Use Data Gathering Techniques such as:
  - Vouching data in internal and external status reports in areas of schedule, cost, and performance to original source documents
  - Sampling of projects to review for adherence to plans, schedules, costs, internal policies and external regulations
  - Comparing baselines/plans to actual results
  - Benchmarking performance against peers, industry norms, and best practices in all areas—planning, program delivery, governance, project management, maintenance, etc.
  - Trending project data to identify problem indicators or patterns of success
Areas of Fieldwork Focus

• Organization Structure, Governance, Oversight, and Coordination within each entity and among entities
  ✓ Understand roles, responsibilities, agreements, and potential gaps
  ✓ Identify and evaluate interaction, collaboration, cooperation, and communication
  ✓ Review past reports/studies, actions by each entity, status reports, meetings and agreements reached

• External Accountability and Communication Protocols
  ✓ Appraise data presented through TRIP dashboard and KeepSDmoving.com in terms of accuracy, relevancy, and comparison with prior baselines

Areas of Fieldwork Focus

• Overall Program Delivery
  ✓ Assess law and regulations, policies, procedures, practices, protocols, and process as well as how well entities adhere
  ✓ Compare against peers and industry norms
  ✓ Consider staff resources and expertise whether in-house or outsourced in addition to coordination necessary with other entities

• Contracting/Procurement Process
  ✓ Understand and review bidding/award, management, and change order practices over areas such as architectural, design/engineering, ROW, construction, and maintenance
  ✓ Select a sample of projects for review of adherence to policies, contract terms, and best practices
Areas of Fieldwork Focus

• Capital Management: Program & Project Levels
  ✓ Evaluate existing practices for budget development, cost estimation and monitoring techniques, budget revisions and updates
  ✓ Assess validity and reasonableness of assumptions behind detailed budgeted cost and revenue estimates as well as reliability of projections
  ✓ Compare actual costs/revenues realized with baseline projects for trends, compliance with laws, and problem indicators
  ✓ Evaluate cash-flow projections and plans of financial development/debt structures
  ✓ Compare model(s) used with peers and best practices

• Regional Planning and Projections
  ✓ Identify short-term and long-term goals for area and whether initial assumptions made are still valid today or whether goals should be adjusted
  ✓ Analyze process used to prioritize and reprioritize transportation projects and whether it adequately addresses region’s transportation and transit needs

• Early Action Projects
  ✓ Review process of how initial EAP corridors/projects were established for reasonableness
  ✓ Determine status of completion of progress/project milestones and downstream impacts
Areas of Fieldwork Focus

• Program/Project Management
  ✓ Evaluate existing processes to develop budgets, milestones, and deadlines for pre-design, ROW, design, construction, post-construction, and maintenance for efficiencies and compare against peers and industry practice
  ✓ Review effectiveness of monitoring/controls in place and efficiencies achieved through use of management tools including use of PMBOK principles, WBS level tracking, and automated tracking tools
  ✓ Assess processes used for permitting, change orders, scheduling, and progress/status updates
  ✓ Examine past reports/studies, actions taken, meetings and agreements reached, and changes made from lessons learned
  ✓ Select a sample of projects to evaluate actual results against planned scope, timelines, and cost

Areas of Fieldwork Focus

• Construction Management
  ✓ Assess level and timing of coordination between design and construction areas
  ✓ Identify and evaluate process and practices over project execution, service delivery, inspection and approval of deliverables including contractor selection and monitoring tools used
  ✓ Understand controls in place to ensure projects are delivered as promised in terms of scope, time, and budget
  ✓ Evaluate data, justification, control, impact, and oversight of change orders
  ✓ Select a sample of projects to evaluate actual results against planned scope, timelines, and cost
  ✓ Identify reasons for any budget overruns and project delays and evaluate various project delivery methods
Areas of Fieldwork Focus

• Program and Project Level Performance
  ✓ Assess process in place to establish goals, measure performance, and demonstrate progress against goals both on a project level and for TransNet as promised to voters
  ✓ Evaluate adequacy of process in terms of relevancy, frequency, reliability of data, and feedback loop to implement change based on actual results
  ✓ Compare TransNet performance and metrics with peers and industry practice in areas such as schedule/timeliness, scope and quality, cost/value, and effectiveness in meeting area needs
  ✓ Ascertain and evaluate stakeholder perceptions and public opinions of satisfaction with performance to date

Areas of Fieldwork Focus

• Maintenance
  ✓ Assess plans for maintaining transportation and transit improvements made using ½ cent sales tax revenue and whether funding and schedule is adequate
  ✓ Using comparative data from similar entities, identify areas where the maintenance plan could be improved

• Future Projects/Plans
  ✓ Based on lessons learned over first TransNet Ordinance and the Extension Ordinance, comment on areas for future improvement, continued application, or close monitoring over emerging issues
Throughout Fieldwork Phase

Assessment and Update
• On-going and continual through process
• Reassess focus/data, value-added tasks, and early conclusions
• "No Surprise" Audit Approach with Auditees to obtain perspective, insight, input, and vet results along the way
• Update ITOC as requested/needed;
  Suggest a Monthly Briefing/Status Report

Audit Report Phase

• Vision and Draft Report
  ✓ Synthesize fieldwork analysis into findings, results, recommendations for change and improvements, and effects or implications

• Quality and Critical Review
  ✓ Concurring firm partner questions audit results, ensures report is clear and convincing, and verifies report conclusions/data are supported by underlying written evidence and documentation
Audit Report Phase (Cont.)

- **Results/Exit Conference**
  - Conduct an Exit Conference with auditees to provide another opportunity to express perspective, clarify data, and ask questions related to audit results

- **Provision of Draft Report**
  - Provide draft report to ITOC, Transportation Agency Staff, and the SANDAG Transportation Committee on 1/19/08 for review and comment over a 60 day period (Task 5)

- **Revision of Draft Report**
  - Incorporate the ITOC, Transportation Agency Staff, and the SANDAG Transportation Committee comments as necessary and present a final report for review and approval on or near 3/20/08 (Task 6)

Audit Closeout

- **Final Report Preparation and Printing**
  - Following approval of the report, SEC will present a final report to ITOC on or near 4/19/08 that is ready for ITOC presentation to the SANDAG Board of Directors and public release
  - Copies of the report will be provided in both physical copy and electronic format
Next Steps

• Conduct Entrance Conference
• Continue Scheduling Interviews over next 4 weeks:
  ✓ September 15-17: SANDAG, Caltrans, MTS, ITOC
  ✓ September 22-24: NCTD, City of San Diego, County of San Diego
  ✓ October 6-8: Consultants, ITOC, Relevant Stakeholders
• Submit Requests for Information (RFIs) and Review Data already Available on-line
• Start In-Depth Analysis, Additional Site Visits, Detailed Interviews, and Gathering of Data

We understand the importance of the TransNet Audit to the people of San Diego as well as the baseline/precedent that may be established.

Thank you, again, for selecting Sjoberg Evaschenk Consulting to perform this first Triennial Performance Audit.
Questions or Comments:

• Kurt Sjoberg, Chairman
  Kurt@SECTeam.com  (916) 443-1300

• Catherine (Cathy) Brady, Director
  Cathy@SECTeam.com  (916) 443-1300

ITOC
Question and Answer Period