MEETING NOTICE
AND AGENDA

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

Wednesday, November 4, 2009
9:30 a.m.

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

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

AGENDA HIGHLIGHTS

• 2009 ITOC ANNUAL REPORT
• PROPOSED REVISION TO FY 2010 TransNet REVENUES
• SPRINTER PROJECT STATUS REPORT

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To request this document or related reports in an alternative format, please call (619) 699-1900, (619) 699-1904 (TTY), or fax (619) 699-1905.
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.

This agenda and related staff reports can be accessed at www.sandag.org under Meetings on SANDAG’s Web site. Public comments regarding the agenda can be forwarded to SANDAG via the e-mail comment form also available on the Web site. E-mail comments should be received no later than noon, two working days prior to the ITOC meeting.

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ITEM # | RECOMMENDATION
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+1. SUMMARY FOR THE OCTOBER 14, 2009, ITOC MEETING | APPROVE

A summary of the October 14, 2009, ITOC meeting has been prepared for the Committee’s review and approval.

Estimated Start Time: 9:30

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS | INFORMATION

Estimated Start Time: 9:35

CONSENT ITEM (3)

+3. QUARTERLY TransNet FINANCIAL REPORTS FOR PERIOD ENDING SEPTEMBER 30, 2009 (Lisa Kondrat-Dauphin) | INFORMATION

The first triennial performance audit included a recommendation that certain financial data be presented to ITOC on a quarterly basis. In addition, the ITOC has requested other financial data on a quarterly basis. The attached report provides the quarterly financial information requested by the ITOC for the period ending September 30, 2009.

Estimated Start Time: 9:40

REPORT ITEMS (4 through 910)

+4. REVISION TO THE CITY OF SAN DIEGO TransNet MAINTENANCE OF EFFORT (MOE) AUDIT (Lisa Kondrat-Dauphin) | RECOMMEND

The TransNet Extension Ordinance requires the setting of new MOE levels. The City of San Diego requires an amendment to their previously approved base level to include a correction to the local discretionary funds used for transit pass subsidies. The ITOC is asked to recommend that the Transportation Committee recommend that the Board of Directors approve the revised City of San Diego MOE level.

Estimated Start Time: 9:45

+5. 2009 ITOC ANNUAL REPORT (Charles "Muggs" Stoll) | DISCUSSION/POSSIBLE ACTION

Work has begun on the 2009 ITOC annual report and a draft report has been developed with input received at the October 14, 2009, meeting (Attachment 1). The ITOC is asked to discuss and comment on the attached draft report in anticipation of the presentation of the final report to the SANDAG Board of Directors at its November 20, 2009, business meeting.

Estimated Start Time: 10:00
BLUE AND ORANGE TROLLEY LINE CORRIDOR UPDATE  
(John Haggerty)  

The Blue and Orange Trolley Line Station Upgrade and Vehicle Replacement Projects are TransNet Early Action Program projects. In addition, rehabilitation of the existing infrastructure is needed to replace sections of track, catenary, and other improvements. This report provides an overview of the approach for implementing these interrelated projects and the current program status. It also outlines a funding plan for these improvements using a combination of TransNet, state bond, federal formula, and federal stimulus funds.

OVERVIEW OF DEVELOPMENTS IN THE FINANCIAL MARKET AND PROPOSED REVISION TO FISCAL YEAR (FY) 2010 TransNet REVENUES  (Sookkyung Kim, Marney Cox, and Lauren Warrem)  

At the September 25, 2009 meeting, the Board received a report that the sales tax revenues continue to be impacted by the ongoing economic conditions. In addition to the regular update on developments in the financial markets, staff will update the ITOC on the proposed revised FY 2010 TransNet revenue allocation to be considered by the Transportation Committee and the SANDAG Board of Directors in November 2009.

SPRINTER PROJECT STATUS REPORT  (Jim Linthicum)  

This item provides a status report on the SPRINTER rail project, including discussion of implementation and effectiveness of project cost control measures. SANDAG staff will summarize recent progress on the project and the recent conclusion of the construction claims process.

FUTURE MEETING SCHEDULE  

The next regularly scheduled ITOC meeting dates are December 9, 2009, and January 13, 2010. The ITOC is asked to determine whether to hold the December meeting or to cancel and have the next meeting date on January 13, 2010.

AMENDMENT TO ORDINANCE NO. 04-01 (SAN DIEGO TRANSPORTATION IMPROVEMENT PROGRAM ORDINANCE AND EXPENDITURE PLAN) TO REVISE ENVIRONMENTAL MITIGATION PROGRAM PRINCIPLE NO. 10  
(Rob Rundle, SANDAG)  

RECOMMEND  

A.) Request to Approve Addition to Urgency Item to Agenda.  

B.) Amendment to Ordinance No. 04-01 (San Diego Transportation Improvement Program Ordinance and Expenditure Plan) to Revise Environmental Mitigation Program Principle No. 10.

ADJOURNMENT  

+ next to an item indicates an attachment
MEETING SUMMARY FOR THE OCTOBER 14, 2009, INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE (ITOC) MEETING

Attendance

Committee Members:
- Hamid Bahadori, ITOC Chair
- Jesus Garcia
- John Meyer
- Carolyn Lee
- Jim Ryan

Absent:
- Valerie Harrison
- Kevin Cummins

Staff:
- Charles “Muggs” Stoll
- Gary Gallegos

The meeting of the TransNet ITOC was called to order by Chair Bahadori at 9:37 a.m.

1. APPROVAL OF MEETING SUMMARY

Action: Upon a motion by Mr. Garcia and a second by Mr. Ryan, the ITOC approved the July 8, 2009, meeting summary. Vice Chair Meyer abstained due to his absence from the July meeting.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

There were no public comments.

REPORTS (3 through 11)

3. REQUEST FOR PROPOSALS (RFP) FOR INDEPENDENT AUDITING SERVICES FOR FY 2010-2014 TransNet FISCAL AND COMPLIANCE AUDITS (APPROVE)

At the October 15, 2008 meeting, the ITOC chose to continue with SANDAG’s auditors for the FY 2009 fiscal audit, which is the last year of the audit contract. In order to ensure auditors are selected to be in place for the FY 2010 audits, SANDAG will begin the RFP process for independent auditing services this month, with the assumption that the audit firm will be selected by March 2010.

Lauren Warrem, Acting Director of Finance, provided the report. The members expressed concerns regarding the independence both actual and perceived of the RFP process and the auditing firm under both options and discussed the composition of the review panel for the SANDAG audit and
the ITOC audit. Mr. Ryan stated his objection to having the same firm do both audits.

**Action:** Upon a motion by Vice Chair Meyer, and a second by Ms. Lee, the ITOC approved the SANDAG Contracts and Procurement department proceeding with an auditing services RFP using procedures under Option 1. The motion passed with a 3-2 vote; Vice Chair Meyer and Mr. Ryan opposed. The ITOC designated Tracy Sandoval, John Meyer, Carolyn Lee, and Jim Ryan as the ITOC evaluation panel members. The consensus was to include Lauren Warrem on the ITOC panel and Tracy Sandoval on the SANDAG panel.

4. **EXAMPLE FINANCIAL REPORTS PROPOSED FOR THE IMPLEMENTATION OF THE FIRST TransNet TRIENNIAL PERFORMANCE AUDIT (DISCUSSION)**

Based on the input received from the ITOC at their July 2009 meeting, SANDAG staff presented sample reports that are responsive to several of the financial reporting recommendations from the first Triennial TransNet Performance Audit and the Local Agency Balance Limitation Schedule (aka 30% Rule) also requested by the ITOC to be presented on a monthly basis.

Lisa Kondrat-Dauphin, Senior Accountant, presented the item.

Chair Bahadori requested that staff return with a report on how the original Plan of Finance sales tax revenues compare to the actual numbers of today on a year by year basis.

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

5. **ITOC PARTICIPATION PROCESS FOR THE 2050 REGIONAL TRANSPORTATION PLAN (RTP) TRANSPORTATION PROJECT EVALUATION CRITERIA AD HOC WORKING GROUP (DISCUSSION/POSSIBLE ACTION)**

As part of the development of the 2050 RTP, the Executive Director and Board Chair have established the Transportation Project Evaluation Criteria Ad Hoc Working Group (TPEC). The TPEC will provide input on transportation project evaluation criteria and plan performance measures, which will support the goals and objectives for the 2050 RTP to be established by the Board of Directors. The TPEC Ad Hoc Technical Working Group began meeting in September 2009, and will conclude its activities by summer 2010. The ITOC discussed its plans for participation and/or interaction with this Ad Hoc group.

Scott Strelecki, Regional Planner II, presented the item.

Chair Bahadori directed staff to report actions taken by the TPEC to the ITOC at its January and March 2010 meetings to keep them informed of TPEC activities.

**Action:** This item was presented for discussion and possible action. The consensus was not to appoint a member to the TPEC.
6. REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM (RTIP) OVERVIEW AND THE ITOC's ROLE IN THE APPROVAL PROCESS (INFORMATION)

At the request of the ITOC at their July 8, 2009 meeting, staff presented an overview of the RTIP process, including a review of the definition of "congestion relief" and "maintenance" in relation to the TransNet Local Streets and Roads program.

Sookyung Kim, Financial Programming Manager, and Charles “Muggs” Stoll, TransNet Program Manager, presented the item.

Chair Bahadori directed staff to send a copy of the RTIP process PowerPoint presentation via e-mail to Mr. Cummins and Ms. Harrison.

Action: This item was presented for information.

7. REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM (RTIP) AMENDMENT NO. 15 (DISCUSSION)

At its July 2008 meeting, the SANDAG Board approved the 2008 RTIP, which includes major transportation projects in the San Diego region including the TransNet Program of Projects (POP). SANDAG processes amendments on a quarterly basis based on requests from member agencies. The ITOC is asked to review and comment on the RTIP amendment focusing on the TransNet POP. Significant comments will be forwarded to the Transportation Committee.

Sookyung Kim, Financial Programming Manager, presented the item.

Action: This item was presented for discussion.

8. 2009 ITOC ANNUAL REPORT PROCESS (INFORMATION)

Work has begun on the 2009 ITOC annual report. Staff presented the preliminary work developed to date at the meeting and sought input from the full ITOC on the content and format of the report that is planned to be presented to the SANDAG Board of Directors in November 2009.

Mr. Stoll presented the report and proposed format, and the members provided input and suggestions for the report’s format. The consensus was to keep the same format as the previous year but to include results of the performance evaluation.

Action: This item was presented for discussion and the ITOC concurred that a draft of the report should be brought back for comment at the next meeting.

9. SOUTH BAY Bus RAPID TRANSIT RELEASE OF ENVIRONMENTAL DOCUMENT (INFORMATION)

This item was pulled from the agenda.
10. **OVERVIEW OF DEVELOPMENTS IN THE FINANCIAL MARKET (INFORMATION)**

Given the recent turbulence in the financial markets, the SANDAG Finance Director and Chief Economist provided an update of events that affect sales tax revenues and/or TransNet program financing plans.

Lauren Warrem, Acting Director of Finance, provided part of the staff report.

Marney Cox, Chief Economist, provided the second part of the staff report specifically dealing with the economy.

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

11. **EXAMPLE PERFORMANCE REPORTS BY SANDAG AND CALTRANS STAFF PROPOSED FOR THE IMPLEMENTATION OF THE FIRST TransNet TRIENNIAL PERFORMANCE AUDIT (DISCUSSION)**

Based on the input received from the ITOC at their July 2009 meeting, SANDAG and Caltrans staff presented sample reports that are responsive to several of the recommendations from the first Triennial TransNet Performance Audit. The ITOC reviewed and discussed the sample reports and provided feedback to staff.

Richard Chavez, Principal Engineer, presented a sample proposed report dealing with TransNet related project expenditures. The members directed staff to include the two pie charts used in this presentation in the 2009 ITOC annual report: the Expenditures by Corridor chart and the Expenditures by Phase chart.

Allan Kosup, Caltrans, presented a sample proposed report focusing on highway related projects and also provided a demonstration of the TransNet Dashboard system by reviewing the State Route 76 project.

Chair Bahadori requested that staff inform the Caltrans Corridor Directors to include a presentation of the Dashboard and an update of project status during any future presentation brought to the ITOC for each corridor.

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

12. **FUTURE MEETING SCHEDULE**

The members by consensus moved the next regular meeting from Wednesday, November 11, 2009, to Wednesday, November 4, 2009, at 9:30 a.m., due to the Veteran’s Day holiday on November 11, 2009.

Mr. Garcia requested a future report by Caltrans regarding their landscaping program.

13. **ADJOURNMENT**

Chair Bahadori adjourned the meeting at 1:40 p.m.
Introduction

A performance audit of the TransNet Extension program on behalf of the Independent Taxpayer Oversight Committee (ITOC) was conducted by Sjoberg Evashenk Consulting, Inc., in accordance with the requirements of the TransNet Extension Ordinance and was presented to the SANDAG Board of Directors in May 2009. Results of the performance audit recommendation 18 within the implementation plan are addressed in this report.

Discussion

Item 18 of the TransNet performance audit draft report recommendation response matrix includes the following recommendation:

Other data that would be valuable for the ITOC to receive is the quarterly data related to sales tax revenue collected in the particular quarter, collected to date, and distributed amongst the various Extension Ordinance projects, programs, and entities.

The TransNet Extension quarterly report (Attachment 1) provides this information for the quarter ending September 30, 2009.

The ITOC requested that three items be provided on a quarterly basis: (1) the ITOC budget to include future projections; (2) the TransNet recipients’ compliance with SANDAG Board Policy No. 031, Rule #17, Section IV ‘Local Agency Balance Limitations’; and (3) the TransNet Extension estimated annual sales tax revenue as compared to actual receipts. Attachments 2 – 4 provide this information.

Attachments: 1. TransNet Extension Quarterly Report - Fiscal Year: 2009-2010, Quarter: 1
   2. ITOC Operating Budget Analysis for the Quarter Ending September 30, 2009
   3. Compliance With 30 Percent Fund Balance Limitation
   4. TransNet Extension Estimated Annual Sales Tax Revenue as Compared to Actual Receipts through October 2009

Key Staff Contact: Lisa Kondrat-Dauphin, (619) 699-1942, lko@sandag.org
# TRANSNET EXTENSION QUARTERLY REPORT

## TransNet Allocations

### FISCAL YEAR: FY 2010  
### QUARTER: 1

<table>
<thead>
<tr>
<th>PROGRAM &amp; RECIPIENT</th>
<th>Sales Tax Allocations</th>
<th>Other Income</th>
<th>Total Allocation</th>
<th>Program Disbursements</th>
<th>Debt Service</th>
<th>Fund Disbursements</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>This Quarter</td>
<td>FY to Date</td>
<td>Program to Date</td>
<td>This Quarter</td>
<td>FY to Date</td>
<td>Program to Date</td>
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<td>$5,533,968</td>
<td>$5,570,206</td>
<td>$(708)</td>
<td>$(708)</td>
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</tbody>
</table>

### Local Streets and Roads

- **City of Carlsbad**: $488,826, $488,826, $2,642,277, $7,098,431, $9,740,708, $(337), $(337), $(2,423), $0, $0, $0
- **City of Chula Vista**: $931,067, $931,067, $5,059,116, $8,661,651, $(650), $(650), $(499,694), $0, $0, $0
- **City of Coronado**: $106,884, $106,884, $578,751, $412,513, $(67), $(67), $(160,486), $0, $0, $0
- **City of Del Mar**: $399,166, $399,166, $212,182, $158,832, $(19,020), $(19,020), $(200,200), $0, $0, $0
- **City of El Cajon**: $419,660, $419,660, $2,288,453, $1,878,566, $4,167,019, $(500,287), $(500,287), $(502,091), $0, $0, $0
- **City of Encinitas**: $301,363, $301,363, $1,639,020, $3,324,534, $4,962,563, $(204), $(204), $(201,481), $0, $0, $0
- **City of Escondido**: $614,664, $614,664, $3,341,884, $3,950,021, $7,291,905, $(426), $(426), $(3,081), $0, $0, $0
- **City of Imperial Beach**: $130,694, $130,694, $704,730, $518,567, $1,223,297, $(83), $(83), $(357,842), $0, $0, $0
- **City of La Mesa**: $273,593, $273,593, $1,488,697, $2,740,405, $4,229,402, $(132,679), $(132,679), $(370,505), $0, $0, $0
- **City of Lemon Grove**: $127,844, $127,844, $693,114, $469,802, $1,162,916, $(81), $(81), $(296,869), $0, $0, $0
- **City of National City**: $255,120, $255,120, $1,393,762, $997,521, $2,391,283, $(171), $(171), $(201,251), $(197,760), $(197,760), $(215,671), $(416,922)
- **City of Oceanside**: $802,346, $802,346, $4,367,289, $4,846,617, $9,215,906, $(559), $(559), $(4,044), $0, $0, $0
- **City of Poway**: $275,257, $275,257, $1,497,931, $1,117,597, $2,615,528, $(186), $(186), $(662,159), $0, $0, $0
- **City of San Diego**: $5,594,910, $5,594,910, $30,457,823, $22,115,114, $52,572,937, $(197,760), $(197,760), $(215,671), $(20,098,058), $(20,098,058), $(20,098,058)
- **City of San Marcos**: $363,231, $363,231, $1,948,547, $2,740,592, $4,689,139, $(248), $(248), $(1,022,770), $0, $0, $0
- **City of Santee**: $253,447, $253,447, $1,372,672, $958,215, $2,330,887, $(170), $(170), $(1,231), $(4,076), $(4,076), $(4,076)
- **City of Solana Beach**: $82,024, $82,024, $442,427, $379,903, $822,330, $(49), $(49), $(50,357), $0, $0, $0
## TransNet Allocations

<table>
<thead>
<tr>
<th>PROGRAM &amp; RECIPIENT</th>
<th>Sales Tax Allocations</th>
<th>Other Income</th>
<th>Total Allocation</th>
<th>Program Disbursements</th>
<th>Debt Service</th>
<th>Fund Disbursements</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>This Quarter</td>
<td>FY to Date</td>
<td>Program to Date</td>
<td>This Quarter</td>
<td>FY to Date</td>
<td>Program to Date</td>
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### 2008 ABCD Sales Tax Revenue Bond Activity

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### Other Activity

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<td>Prior Year</td>
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<td>FY to Date</td>
<td>Program to Date</td>
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### Commercial Paper Program Activity

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<td>Program to Date</td>
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<tr>
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### Commercial Paper Program Availability

<table>
<thead>
<tr>
<th>PROGRAM &amp; RECIPIENT</th>
<th>Commercial Paper Program Availability</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Prior Year</td>
<td>FY to Date</td>
<td>Repayment</td>
<td>Program to Date</td>
</tr>
<tr>
<td>CP Program</td>
<td>$100,000,000</td>
<td>0</td>
<td>0</td>
<td>$100,000,000</td>
</tr>
<tr>
<td>City of National City</td>
<td>0</td>
<td>$(4,500,000)</td>
<td>0</td>
<td>$(4,500,000)</td>
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<tr>
<td>NCTD</td>
<td>$(34,000,000)</td>
<td>0</td>
<td>0</td>
<td>$(34,000,000)</td>
</tr>
<tr>
<td>City of La Mesa</td>
<td>0</td>
<td>$(2,500,000)</td>
<td>0</td>
<td>$(2,500,000)</td>
</tr>
<tr>
<td>City of Santee</td>
<td>0</td>
<td>$(3,950,000)</td>
<td>0</td>
<td>$(3,950,000)</td>
</tr>
<tr>
<td><strong>CP AVAILABLE FOR ISSUANCE</strong></td>
<td>$66,000,000</td>
<td>$(10,950,000)</td>
<td>0</td>
<td>$55,050,000</td>
</tr>
</tbody>
</table>

### Footnotes:

1. Other Income includes interest revenue, transfers from TransNet I, other non-sales tax revenue, and one-time swap of Major Corridor Sales Tax (to LSI Cities and County) for ARRA funds.
2. Program Disbursements include payments to TransNet recipient agencies and program costs, including payments made for Early Action Projects in prior years, and return of funds.
3. Debt Service includes principal and interest payments, including debt payments beginning in March 2008 upon issuance of the 2008 ABCD Sales Tax Revenue Bond, and other debt service costs net of interest earnings.
4. Amounts are not final and subject to annual fiscal year-end audit.

Page 3 of 3   07/01/09 - 09/30/09
### ITOC Operating Budget Analysis
**FY 2010 Budget and Actual For the Quarter Ended September 30, 2009 and Projected Budget for Fiscal Years 2011, 2012, and 2013**

<table>
<thead>
<tr>
<th></th>
<th>FY 2010</th>
<th></th>
<th>FY 2011</th>
<th></th>
<th>FY 2012</th>
<th></th>
<th>FY 2013</th>
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<tbody>
<tr>
<td><strong>Revenues</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Budget Amount</td>
<td>$335,310</td>
<td>$83,828</td>
<td>$251,483</td>
<td></td>
<td>$347,089</td>
<td></td>
<td>$359,283</td>
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</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Fiscal Audits</td>
<td>131,481</td>
<td>-</td>
<td>131,481</td>
<td></td>
<td>187,500</td>
<td></td>
<td>187,500</td>
<td>194,063</td>
</tr>
<tr>
<td>Triennial Performance Audit</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td>-</td>
<td>285,090</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Mileage</td>
<td>1,383</td>
<td>-</td>
<td>1,383</td>
<td></td>
<td>1,431</td>
<td>1,482</td>
<td>1,533</td>
<td></td>
</tr>
<tr>
<td>Advertisement</td>
<td>1,227</td>
<td>-</td>
<td>1,227</td>
<td></td>
<td>1,270</td>
<td>1,314</td>
<td>1,360</td>
<td></td>
</tr>
<tr>
<td>Postage/Delivery</td>
<td>158</td>
<td>-</td>
<td>158</td>
<td></td>
<td>164</td>
<td>169</td>
<td>175</td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>134,249</td>
<td>-</td>
<td>134,249</td>
<td></td>
<td>190,365</td>
<td>475,555</td>
<td>197,131</td>
<td></td>
</tr>
<tr>
<td><strong>Net Change</strong></td>
<td>201,061</td>
<td>83,828</td>
<td>117,234</td>
<td></td>
<td>156,725</td>
<td>(116,272)</td>
<td>174,773</td>
<td></td>
</tr>
<tr>
<td><strong>Beginning of Year</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>64,121</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>End of Year</strong></td>
<td>$147,949</td>
<td></td>
<td></td>
<td></td>
<td>$304,673</td>
<td></td>
<td>$188,401</td>
<td></td>
</tr>
</tbody>
</table>

#### Notes:
- Annual budget is $250,000 in 2002 $ escalated by the Consumer Price Index (CPI).
- CPI for FY 2010 is approximately 3.5 percent.
- Assume CPI remains constant to FY 2011 - FY 2013 for revenues and expenses.
## Compliance With 30 Percent Fund Balance Limitation

### Fiscal Year 2008

<table>
<thead>
<tr>
<th>Streets and Roads</th>
<th>In compliance with the FY 2008 30% Rule?</th>
<th>30% Base</th>
<th>Excess Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad</td>
<td>No</td>
<td>809,109</td>
<td>2,848,609</td>
</tr>
<tr>
<td>Chula Vista</td>
<td>No</td>
<td>1,558,285</td>
<td>14,777,753</td>
</tr>
<tr>
<td>Coronado</td>
<td>No</td>
<td>193,678</td>
<td>220,206</td>
</tr>
<tr>
<td>Del Mar</td>
<td>Yes</td>
<td>61,738</td>
<td>N/A</td>
</tr>
<tr>
<td>El Cajon</td>
<td>No*</td>
<td>615,052</td>
<td>1,357,153</td>
</tr>
<tr>
<td>Encinitas</td>
<td>No</td>
<td>506,711</td>
<td>466,792</td>
</tr>
<tr>
<td>Escondido</td>
<td>No</td>
<td>1,036,360</td>
<td>7,111,416</td>
</tr>
<tr>
<td>Imperial Beach</td>
<td>No</td>
<td>215,347</td>
<td>620,940</td>
</tr>
<tr>
<td>La Mesa</td>
<td>Yes</td>
<td>380,225</td>
<td>N/A</td>
</tr>
<tr>
<td>Lemon Grove</td>
<td>No</td>
<td>212,225</td>
<td>1,191,499</td>
</tr>
<tr>
<td>National City</td>
<td>No*</td>
<td>103,648</td>
<td>3,555,774</td>
</tr>
<tr>
<td>Oceanside</td>
<td>No</td>
<td>1,354,770</td>
<td>10,699,954</td>
</tr>
<tr>
<td>Poway</td>
<td>Yes</td>
<td>383,321</td>
<td>N/A</td>
</tr>
<tr>
<td>San Diego City</td>
<td>No</td>
<td>9,014,806</td>
<td>14,873,365</td>
</tr>
<tr>
<td>San Marcos</td>
<td>No</td>
<td>588,824</td>
<td>513,158</td>
</tr>
<tr>
<td>Santee</td>
<td>Yes</td>
<td>316,737</td>
<td>N/A</td>
</tr>
<tr>
<td>Solana Beach</td>
<td>No</td>
<td>133,559</td>
<td>1,074,085</td>
</tr>
<tr>
<td>Vista</td>
<td>Yes</td>
<td>452,254</td>
<td>N/A</td>
</tr>
<tr>
<td>San Diego County</td>
<td>Yes</td>
<td>3,665,373</td>
<td>N/A</td>
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</tbody>
</table>

### Fiscal Year 2007

<table>
<thead>
<tr>
<th>Streets and Roads</th>
<th>In compliance with the FY 2007 30% Rule?</th>
<th>Excess Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad</td>
<td>No</td>
<td>3,500,145</td>
</tr>
<tr>
<td>Chula Vista</td>
<td>No</td>
<td>12,575,374</td>
</tr>
<tr>
<td>Coronado</td>
<td>Yes</td>
<td>N/A</td>
</tr>
<tr>
<td>Del Mar</td>
<td>Yes</td>
<td>12,979</td>
</tr>
<tr>
<td>El Cajon</td>
<td>No</td>
<td>2,376,790</td>
</tr>
<tr>
<td>Encinitas</td>
<td>No</td>
<td>8,207,379</td>
</tr>
<tr>
<td>Escondido</td>
<td>No</td>
<td>9,642,442</td>
</tr>
<tr>
<td>Imperial Beach</td>
<td>No</td>
<td>356,112</td>
</tr>
<tr>
<td>La Mesa</td>
<td>Yes</td>
<td>1,021,108</td>
</tr>
<tr>
<td>Lemon Grove</td>
<td>No</td>
<td>1,294,772</td>
</tr>
<tr>
<td>National City</td>
<td>No</td>
<td>3,108,733</td>
</tr>
<tr>
<td>Oceanside</td>
<td>No</td>
<td>7,650,155</td>
</tr>
<tr>
<td>Poway</td>
<td>No</td>
<td>690,200</td>
</tr>
<tr>
<td>San Diego City</td>
<td>No</td>
<td>10,431,231</td>
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<tr>
<td>San Marcos</td>
<td>No</td>
<td>604,917</td>
</tr>
<tr>
<td>Santee</td>
<td>Yes</td>
<td>N/A</td>
</tr>
<tr>
<td>Solana Beach</td>
<td>No</td>
<td>2,313,472</td>
</tr>
<tr>
<td>Vista</td>
<td>No</td>
<td>3,121,303</td>
</tr>
<tr>
<td>San Diego County</td>
<td>No</td>
<td>15,275,701</td>
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</table>

### Fiscal Year 2006

<table>
<thead>
<tr>
<th>Streets and Roads</th>
<th>In compliance with the FY 2006 30% Rule?</th>
<th>Excess Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad</td>
<td>No</td>
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<tr>
<td>Chula Vista</td>
<td>No</td>
<td>12,143,595</td>
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<td>Coronado</td>
<td>Yes</td>
<td>474,610</td>
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<tr>
<td>Del Mar</td>
<td>Yes</td>
<td>12,979</td>
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<tr>
<td>El Cajon</td>
<td>No*</td>
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<td>No</td>
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<td>No</td>
<td>273,090</td>
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<td>La Mesa</td>
<td>No</td>
<td>1,198,348</td>
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<td>Lemon Grove</td>
<td>No</td>
<td>1,355,630</td>
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<tr>
<td>National City</td>
<td>No</td>
<td>2,413,407</td>
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<tr>
<td>Oceanside</td>
<td>No</td>
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<tr>
<td>Poway</td>
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<td>690,992</td>
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<td>San Diego City</td>
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<tr>
<td>San Marcos</td>
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<tr>
<td>Santee</td>
<td>Yes</td>
<td>363,939</td>
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<tr>
<td>Solana Beach</td>
<td>No</td>
<td>1,945,657</td>
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<tr>
<td>Vista</td>
<td>No</td>
<td>5,972,559</td>
</tr>
<tr>
<td>San Diego County</td>
<td>No</td>
<td>23,757,185</td>
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</table>

### Transit

<table>
<thead>
<tr>
<th>Metropolitan Transit System</th>
<th>In compliance with the FY 2008 30% Rule?</th>
<th>Excess Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>No*</td>
<td>7,344,154</td>
<td>4,033,080</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>North County Transit District</th>
<th>In compliance with the FY 2006 30% Rule?</th>
<th>Excess Amount</th>
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</thead>
<tbody>
<tr>
<td>Yes</td>
<td>N/A</td>
<td>27,649,971</td>
</tr>
</tbody>
</table>

---

Yes = In compliance.

No = Not in compliance and not receiving TransNet payments; No* = Not in compliance per FY 2008 audit, however certification received and currently receiving TransNet payments.
### TransNet Extension Estimated Annual Sales Tax Revenue as Compared to Actual Receipts through October 2009

<table>
<thead>
<tr>
<th></th>
<th>Annual Estimate</th>
<th>Actual</th>
<th>Percentage (under) over</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2009</td>
<td>229,741,846</td>
<td>221,991,360</td>
<td>-3.4%</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>FY 2010</th>
<th>Estimate</th>
<th>Actual</th>
<th>Percentage (under) over</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>16,450,435</td>
<td>14,460,000</td>
<td>-13.8%</td>
</tr>
<tr>
<td>August</td>
<td>21,933,914</td>
<td>18,767,900</td>
<td>-16.9%</td>
</tr>
<tr>
<td>September</td>
<td>22,402,587</td>
<td>16,873,568</td>
<td>-32.8%</td>
</tr>
<tr>
<td>October</td>
<td>17,434,649</td>
<td>14,913,800</td>
<td>-16.9%</td>
</tr>
<tr>
<td>November</td>
<td>23,222,765</td>
<td>23,222,765</td>
<td>*</td>
</tr>
<tr>
<td>December</td>
<td>18,910,970</td>
<td>18,910,970</td>
<td>*</td>
</tr>
<tr>
<td>January</td>
<td>17,387,782</td>
<td>17,387,782</td>
<td>*</td>
</tr>
<tr>
<td>February</td>
<td>23,175,898</td>
<td>23,175,898</td>
<td>*</td>
</tr>
<tr>
<td>March</td>
<td>17,317,481</td>
<td>17,317,481</td>
<td>*</td>
</tr>
<tr>
<td>April</td>
<td>15,067,849</td>
<td>15,067,849</td>
<td>*</td>
</tr>
<tr>
<td>May</td>
<td>20,082,654</td>
<td>20,082,654</td>
<td>*</td>
</tr>
<tr>
<td>June</td>
<td>20,949,699</td>
<td>20,949,699</td>
<td>*</td>
</tr>
</tbody>
</table>

234,336,683 221,130,366

*Actual has not yet been received; therefore the estimated amount is reflected.
REVISION TO THE CITY OF SAN DIEGO TransNet
MAINTENANCE OF EFFORT (MOE) AUDIT

Introduction

The TransNet Extension Ordinance requires the setting of new MOE levels. This process was completed and approved by the SANDAG Board of Directors on multiple dates during Fiscal Year (FY) 2008.

A revision to the City of San Diego MOE audit is necessary at this time due to an error in the MOE level as reported in the previously approved audit.

Recommendation

The ITOC is asked to recommend that the Transportation Committee recommend that the Board of Directors approve the revised City of San Diego MOE level.

Discussion

Section 8 of the TransNet Extension Ordinance (Attachment 1) prescribes the requirement to develop a new MOE level, based on the level of discretionary funds expended for street and road purposes on average over the FY’s 2001, 2002, and 2003. The MOE level will then be subject to adjustment every three years based on the Construction Cost Index developed by Caltrans, not to exceed the growth rate in the local jurisdiction’s general fund revenues over the same time period.

On February 13, 2008, the ITOC reviewed and commented on the set of procedures that were proposed to be used by SANDAG’s auditors, Caporicci & Larson (C&L), to perform the MOE audits. The audits were completed and approved by the Board of Directors during FY 2008. The result of the procedures was a new MOE base level that would be applied for the FY 2009 compliance audits, which is the first year the requirements under the TransNet Extension Ordinance apply.

While preparing for the FY 2009 annual TransNet compliance audits, it was determined that the local discretionary funds used for transit pass subsidies in FY’s 2001, 2002, and 2003 were inadvertently understated in the approved City of San Diego MOE audit report. The auditors have subsequently conducted procedures for Section 2 (d) of the agreed-upon procedures (AUP), the results of which are presented for your review and recommendation (Attachment 2).

Attachments: 1. Section 8 of the TransNet Extension Ordinance
2. City of San Diego TransNet Draft MOE Report (Revised)

Key Staff Contact: Lisa Kondrat-Dauphin, (619) 699-1942, lko@sandag.org
SECTION 8. MAINTENANCE OF EFFORT: It is the intent of the Legislature, as stated in the Act, and the Commission that revenues provided from this measure be used to augment, not supplant existing local revenues being used for the purposes set forth in Section 4 herein. Each local agency receiving revenues pursuant to Section 4(D) shall annually maintain as a minimum the same level of local discretionary funds expended for street and road purposes on average over the last three fiscal years completed prior to the operative date of this Ordinance (Fiscal Years 2000-01, 2001-02, 2002-03), as was reported in the State Controller's Annual Report of Financial Transactions for Streets and Roads and as verified by an independent auditor. The maintenance of effort level as determined through this process shall be subject to adjustment every three years based on the Construction Cost Index developed by Caltrans. Any increase in the maintenance of effort level based on this adjustment shall not exceed the growth rate in the local jurisdiction's General Fund revenues over the same time period. The Commission shall not allocate any revenues pursuant to Section 4(D) to any eligible local agency in any fiscal year until that local agency has certified to the Commission that it will include in its budget for that fiscal year an amount of local discretionary funding for streets and roads purposes at least equal to the minimum maintenance of effort requirement. An annual independent audit shall be conducted to verify that the maintenance of effort requirement for each agency was met. Any local agency which does not meet its maintenance of effort requirement in any given year shall have its funding under Section 4(D)(1) reduced in the following year by the amount by which the agency did not meet its required maintenance of effort level. In the event that special circumstances prevent a local agency from meeting its maintenance of effort requirement, the local agency may request up to three additional fiscal years to fulfill its requirement. Such a request must be approved by the Commission. The Independent Taxpayer Oversight Committee shall also review such requests and make recommendations to the Commission. Any local street and road revenues not allocated pursuant to the maintenance of effort requirement shall be redistributed to the remaining eligible agencies according to the formula described in Section 4(D)(1). The maintenance of effort requirement also shall apply to any local agency discretionary funds being used for the other purposes specified under Section 4. In addition, revenues provided from this Ordinance shall not be used to replace other private developer funding that has been or will be committed for any project.
City of San Diego

TransNet

Maintenance of Effort

Independent Accountants' Report on Agreed-Upon Procedures Performed on the TransNet Ordinance Maintenance of Effort Requirements

As of October 29, 2009
INDEPENDENT ACCOUNTANTS’ REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
of the San Diego Association of Governments
San Diego, California

We have performed the procedures enumerated below which were agreed to by the San Diego Association of Governments, San Diego, California (SANDAG) solely to assist SANDAG with respect to an evaluation of the City of San Diego’s (City) Maintenance of Effort (MOE) base for compliance with the TransNet Extension Ordinance and Expenditure Plan – Commission Ordinance 04-01 (Ordinance) terms and conditions. It is understood that this report is only for the information of SANDAG for use in evaluating the City’s compliance with the provisions of the Ordinance that are referred to in the procedures described below. The engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures for the purposes of SANDAG is solely the responsibility of SANDAG. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Scope of Procedures Performed and Findings

Our procedures and findings were as follows:

1. In accordance with the Ordinance, performed the following:

   a. Calculated the average local discretionary expenditures on streets and roads (as reported in the Street Report and for other purposes as specified in Section 4 (as represented by the City) for the 3 fiscal years ending June 30, 2001, 2002, and 2003.

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>Revised MOE Base</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local discretionary expenditures:</td>
<td>$15,073,030</td>
<td>$24,076,536</td>
<td>$22,038,112</td>
<td>$20,395,893</td>
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<tr>
<td>(per Street Report, as adjusted, if applicable)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local discretionary expenditures:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specialized transportation services</td>
<td>150,918</td>
<td>150,918</td>
<td>150,918</td>
<td>150,918</td>
</tr>
<tr>
<td>Transit subsidies</td>
<td>759,280</td>
<td>846,823</td>
<td>831,261</td>
<td>812,455</td>
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<tr>
<td>Support of smart growth development</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Habitat-related mitigation activities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$15,983,228</td>
<td>$25,074,277</td>
<td>$23,020,291</td>
<td>$21,359,265</td>
</tr>
</tbody>
</table>
b. Calculated the growth rate in the Construction Cost Index for the period July 1, 2003 through June 30, 2006 over the Construction Cost Index as of June 30, 2003.

Index as of June 30, 2006 divided by Index as of June 30, 2003

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2003</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>280.60</td>
<td>148.60</td>
<td>1.89 Times</td>
</tr>
</tbody>
</table>

c. Calculated the growth rate in the City’s General Fund revenues as of June 30, 2006 over the amount of General Fund revenues as of June 30, 2003.

General fund revenues as of June 30, 2006 divided by General fund revenues as of June 30, 2003

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2003</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 833,162,000</td>
<td>$ 693,724,000</td>
<td>1.20 Times</td>
</tr>
</tbody>
</table>

d. Compared the growth rate in the Construction Cost Index as calculated in 6(b) above with the growth rate in General Fund revenues calculated in 6(c) above and selected the lowest rate.

Lowest Growth Rate

|          | 1.20 Times |

We were not engaged to, and did not, perform an audit of the City, the objective of which would be the expression of an opinion on the elements, accounts, or items specified above. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of SANDAG and this report should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

San Diego, California
October 29, 2009
2009 ITOC ANNUAL REPORT

Introduction

Work has begun on the 2009 ITOC Annual Report and a draft report has been developed with input received at the October 14, 2009, meeting (Attachment 1). The ITOC is asked to discuss and comment on the attached draft report. It is anticipated that the final report will be presented to the SANDAG Board of Directors at its November 20, 2009, business meeting.


Key Staff Contact: Charles “Mugs” Stoll, (619) 699-6945, mst@sandag.org.
Future ITOC Activities
Although many of the projects and initiatives addressed by the ITOC in fiscal year 2008/2009 will continue, activities in the coming year will likely concentrate on the implementation of the first triennial performance audit and the completion of the first annual fiscal audit under the direct control of the ITOC.

Future Challenges
As the economic downturn accelerated through the 2008/2009 fiscal year, there has been a substantial reduction in sales tax revenues. Although construction bid prices for key TransNet projects have largely been less than expected and have helped to offset the revenue reductions, the ITOC is monitoring the situation closely in order to consider potential options to address the funding plan, should that become necessary.

How can you get involved?
The ITOC is made up of citizens with selected expertise to provide effective oversight to protect the substantial investment the region has made in our transportation system. Citizens can receive real-time information on TransNet projects and programs through www.KeepSanDiegoMoving.com. Within this Web site visitors can access the TransNet Dashboard, which lists detailed project descriptions, updated schedules, and budgetary information for the region’s transportation corridors. ITOC information also is available by visiting the SANDAG Web site at www.sandag.org/TransNet. Here you will find key documents related to the TransNet Extension Ordinance and a listing of past and upcoming agendas of all ITOC meetings. The ITOC meets regularly every second Wednesday of the month at 9:30 a.m. The meetings are generally held in the SANDAG downtown office at 401 8th Street, Suite 800, San Diego, CA 92101, and all meeting agendas are posted to the Web site. Attendance by the public is welcome and encouraged!

Inquiries to the ITOC can be directed to itoc@sandag.org. Any persons interested in serving on the committee, as vacancies occur, are encouraged to use this same contact to request being placed on the vacancy notification list.

ITOCS Membership
Hamid Bahadori* - Traffic/Civil Engineering  
Kevin Cummins** - Biology/Environmental Science  
Jesus Garcia*** - Professional Licensed Engineer  
Carolyn Lee* - Real Estate/Right-of-Way Acquisition  
Valerie Harrison* - Private Sector Senior Decision Maker  
John Meyer* - Chair - Municipal/Public Finance  
Jim Ryan* - Construction Project Management  
* Term ends May 2013  
** Term ends May 2011  
*** Term ends December 2011

I-15
In October 2007, construction started at I-5 and Lumas Santa Fe that kicked-off an extensive project on I-5 and I-805 to widen and add Managed Lanes from Mira Mesa Boulevard at I-805 to I-5 and Vandegrift Boulevard at Camp Pendleton. Interchange improvements at Lumas Santa Fe and the HOV lane extension to Manchester Avenue were opened to users in February 2009, nearly a year ahead of schedule, easing the commute for thousands of motorists each day.

SuperLoop
Construction started on the south and north segments in March 2008 and September 2008, respectively. In March 2009, the last section of the middle segment opened to traffic, extending the existing lanes to 16 miles of “expressway-within-a freeway.” Changes include dynamic pricing and2004, 67 percent of the region’s voters supported the extension of TransNet from 2008 to 2048 — thereby generating an additional $14 billion to be distributed among highway, transit, and local road projects in approximately equal thirds. The San Diego Association of Governments (SANDAG) administers the TransNet half-cent sales tax.

The 40-year extension will help fund major highway expansion projects along Interstates 5, 8, 15, and 805 as well as State Routes (SR) 52, 54, 56, 67, 75, 76, 78, 94, 125, and 905. In addition, it will support improvements to the public transportation system, including new Bus Rapid Transit (BRT) services and carpool/Managed Lanes along many of the major corridors. The TransNet extension also includes an extensive $850 million environmental mitigation program, and a $280 million smart growth incentive fund. Two percent of the available funds will be earmarked annually for bicycle paths and facilities, pedestrian improvements, and neighborhood safety projects. TransNet funds also help pay for senior, disabled, and youth discounted transit passes.

Independent Taxpayer Oversight Committee
The Independent Taxpayer Oversight Committee (ITOC) monitors the expenditure of TransNet funds, the voter approved half-cent sales tax for transportation improvements. The Committee also helps ensure that all voter mandates are carried out and develops recommendations for improvements to the financial integrity and performance of the TransNet program. The Committee was established as a condition of the TransNet extension.

In 1987, voters first approved the TransNet program to fund a 20-year, $3.3 billion transportation improvement program in San Diego County. In 2004, 67 percent of the region’s voters supported the extension of TransNet from 2008 to 2048 — thereby generating an additional $14 billion to be distributed among highway, transit, and local road projects in approximately equal thirds. The San Diego Association of Governments (SANDAG) administers the TransNet half-cent sales tax.

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2009 Annual Report
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SuperLoop Transit Projects: Superloop began interbus service in June 2009 and provides transit service to major destinations in the University City area such as University of California, San Diego (UCSD) and University Towne Center (UTC). Expanded service is scheduled to open in late 2010.
The report revealed that SANDAG and Caltrans have launched a solid network with appropriate oversight, fiscal control, program management, and project delivery practices. In particular, the following was noted as part of the report:

- A robust governance structure is employed
- Solid management over TransNet exists
- Revenue and cost models are practical
- Project delivery methods are sound

However, the report also noted opportunities for improvement and made several recommendations regarding activities that could be enhanced at a program-wide as well as project-specific level as follows:

- Develop high-level project summary documents to capture project detail relating to key project budget, schedule, and scope changes;
- Standardize ITOC administrative documents, including meeting agendas and status reports used in the ITOC oversight and decision-making process;
- Revisit the intent and vision for the TransNet Dashboard to potentially include all TransNet projects as well as refine existing data to ensure accuracy, complements, and clarity of data nuances;
- Define and clarify project and program performance goals and targets to measure program performance;
- Continue to regularly monitor and review the debt to revenue ratio and report status monthly to the ITOC;
- Establish a mechanism to link and track TransNet Ordinance planned projects and amounts with current plans and budgets for all TransNet projects;
- Enhance current project management and delivery practices by ensuring post-evaluation forms are consistently used and completed for all projects after each project phase, as well as memorializing transit practices and uniform filing systems; and
- Ensure consistent implementation and reliance on best practices to tighten project delivery tools including risk assessment tools.

Examples of some of the performance monitoring reporting developed as a result of the performance audit are shown in the adjacent charts. The ITOC will continue to focus on the implementation of the performance audit recommendations over the next fiscal year and beyond.

**Indian Taxpayer Oversight Committee**

**TransNet Progress in FY 2008/2009**

The SANDAG Board of Directors is responsible for selecting and prioritizing the timing of projects. The role of the ITOC is to assure that the projects carried out as a result of SANDAG Board actions meet all of the requirements of the TransNet Ordinance. Billions of dollars in TransNet funding have been allocated by the SANDAG Board of Directors to improve, expand, and better manage our well-traveled highways and expanding transit systems. These funds are combined with state and federal dollars to maximize the effectiveness of transportation funding.

**ITOC Activities for Fiscal Year 2007/2008**

The ITOC reviewed and advised on many key TransNet-supported programs through this past fiscal year, including:

- Reviewed and recommended approval of the 2008 Regional Transportation Improvement Program (RTIP) - subsequently reviewed three quarterly amendments to the new 2008 RTIP
- Received updates from corridor directors/project managers on the following TransNet EAP Projects:
  - SR 52
  - SR 76
  - Mid-Coast Corridor Transit Project
  - Mid-City Rapid Bus
  - Mid-City Transit Stations
  - SPRINTER
  - I-15 Express Lanes
- Reviewed and recommended approval for the use of the commercial paper program for the City of La Mesa
- Received regular updates on the status of financial markets and the state budget situation and potential impacts to the TransNet program.

**SR 52**

In 2007, westbound SR 52 was widened from two to three lanes from Mast Boulevard to Santo Road and a third lane was opened in 2009 in the eastbound direction. The three extension projects through Santee are scheduled to open in December 2010.

**Bus Rapid Transit Service**

Planning for BRT service to provide convenient and reliable transit choices for travelers on I-15 from Escondido to downtown San Diego, using the four new Express Lanes, has continued toward the system implementation in 2012. Planning also is underway on the South Bay BRT from Otay Ranch to downtown San Diego and Sorrento Mesa via I-15. The draft environmental document advanced during the past year and is set to be released in early 2010.
BLUE AND ORANGE TROLLEY LINE CORRIDOR UPDATE

Introduction

This report provides an update to the ITOC for two EAP projects: the Blue Line Improvements and Orange Line Improvements. The report provides a status of these light rail improvement projects including funding and budget issues. Attached is a draft report to the SANDAG Transportation Committee that outlines the project and the related financial issues.

Attachment: 1. Draft Transportation Committee Report for the November 6, 2009, Meeting Summarizing the Progress on the Implementation of the Blue and Orange Line Improvement Projects

Key Staff Contacts: John Haggerty, (619) 699-6937, jhag@sandag.org
José Nuncio, (619) 699-1908, jnu@sandag.org
Introduction

The SANDAG FY 2010 Program Budget includes funding to implement $619.3 million of improvements to the light rail and freight systems operated over MTS right-of-way as shown in Attachment 1. Attachment 1 uses the proposed MTS operating plan to extend the Green Line to the 12th and Imperial Transfer Station. $454.2 million of improvements is in two EAP TransNet-funded projects that specifically implement low-floor service on the Trolley Blue and Orange Lines. These projects fund the procurement of low-floor vehicles and reconstruction of station platforms to provide eight-inch platforms to match the low-floor vehicle boarding ramps. The Blue and Orange Line projects also provide for rail and signaling infrastructure improvements needed to increase system capacity by providing for reduced headways and improved reliability. $147.5 million of the budgeted funds are dedicated to two freight capacity projects. The majority of the freight project funding was awarded to SANDAG by the California Transportation Commission (CTC) from the Prop 1B (Prop 1B), Trade Corridors Improvement Fund (TCIF) program. The freight projects double the capacity for freight movement between downtown San Diego and San Ysidro. The remaining $17.6 million replaces contact wire on the Blue Line, south of the 12th and Imperial Transfer Station. The financial and funding plan is a mix of TransNet (29%), state bond funds (56%), and federal grants including stimulus funds (15%), as detailed in Attachment 2.

All of these projects are being managed as a single corridor to coordinate the design and construction with the goal of minimizing impacts on rail operations, and scheduling construction to match with the delivery of the new low-floor vehicles. A corridor approach also provides for coordination of the freight and trolley design and construction.
All of these projects have impacts on Trolley operations during construction. The Trolley system can absorb a limited amount of planned construction disruptions and continue to provide quality service. Completing this program requires significant ongoing construction. Therefore, in order to assure delivery of the projects described, a program structure has been established with a SANDAG program manager coordinating the corridor, which is segregated into four project silos, as shown in Attachment 3.

Each of the project silos, TCIF Freight Improvements, Low-Floor Station Improvements, Track and Signaling Improvements, and Low-Floor Vehicle Procurement, have a primary project manager reporting to the corridor manager. The project managers are responsible for delivery of the projects within their project silos. The corridor manager will coordinate the overall schedule, quality, and project phasing. The corridor manager is working closely with MTS on program scheduling, operational issues, and vehicle procurement, and has established a program management team using on-call consultant expertise.

To facilitate effective program and project management, the two EAP TransNet-funded projects will be rearranged into one SANDAG Capital Improvement Program (CIP) budget which will be subdivided into project-specific budgets to match the program structure. The separate project budgets include: vehicle procurement, station reconstruction, and track infrastructure. The total budget for the EAP TransNet-funded projects remains at $454.2 million.

Status

In FY 2009, SANDAG and MTS staff conducted extensive analysis of the vehicle and infrastructure requirements needed to meet the TransNet objective of a low-floor light rail transit (LRT) system with at least one low-floor vehicle in every peak service train and rail infrastructure improvements needed to run tighter headways and improve speed and reliability. The results of this analysis were specific recommendations for vehicle procurement, infrastructure improvements, construction staging, and operational impact limits. These recommendations were reviewed by SANDAG and MTS management and have guided development of the work to date. Significant progress has been made toward implementing the low-floor system improvement program and the freight projects as indicated below.

Low-Floor Light Rail Vehicles

MTS has completed negotiations and executed a contract for 57 new light rail vehicles with Siemens Transportation System, Inc. These vehicles were procured off an option MTS added to a Utah Transit Authority vehicle procurement contract. The option allowed for a very short procurement timeframe and the certainty of procuring an 82-foot vehicle. The Siemens vehicle being procured, the Ultra Short S70, fits the length needed to operate in the downtown city blocks and is known to be compatible with the current MTS Siemens SD100 and S70 vehicles.

MTS negotiated a number of vehicle upgrades to the UTA vehicle including improved braking, lighting and communication systems, and paid the same price as UTA did in 2008. The price for each vehicle is $3.6 million, excluding use tax. Besides the time savings in utilizing the UTA option, another advantage is following a nearly identical vehicle into production which should increase the quality of the product. The region also will get a faster delivery with an experienced assembly line. Delivery of the last vehicle is schedule in June 2013, ahead of previous programming for vehicle expenditures. The accelerated pace of vehicle procurement will require changes to the SANDAG Plan of Finance to include earlier expenditure of TransNet funds. Changes to the Plan of Finance
resulting from the vehicle procurement and other circumstances will be proposed at the mid-year Plan of Finance review as detailed in Attachment 2.

Stations

Except for platforms on the Green Line, all the station platforms on the Trolley system need to be reconstructed to some level to provide the eight inches above rail level needed to accommodate the new low-floor vehicle boarding ramps. Specific phased station projects have been established as part of the program to reconstruct the stations in segments to facilitate implementation of low-floor service as quickly as possible.

The platform work will start on the Bayside stations between Old Town and the 12th and Imperial Transfer Station. Reconstruction of the Orange Line platforms between La Mesa and downtown will follow and could overlap construction on the Bayside platforms. This work is generally raising existing platforms by two inches and is currently in design. In most cases, design of the downtown stations is more complex. Preliminary design has started and will evaluate a number of issues before a design solution is selected. The issues include accessibility challenges, grade and drainage concerns, maintaining operations and coordination with Centre City Development Corporation and Civic Center redevelopment proposals. Completion of the Bayside and Orange Line stations is schedule for completion in 2012, concurrent with delivery of sufficient low-floor vehicles to begin additional low-floor service.

The Blue Line platforms at stations south of the 12th and Imperial Transfer Station are level with the top of rail and will need to be completely reconstructed and the tracks rebuilt in the station area. Design of these stations will start later this fall with the initial concepts being provided by MTS. Because of the extensive reconstruction required, trains will need to be single tracked through stations to provide efficient construction windows. To create the construction windows for the single tracking, up-front completion of contact wire replacement, additional crossovers, and improved signals will be needed. The Blue Line platforms could be completed in late 2013 depending on progress on track and systems work.

Track, Signal, and Other Infrastructure Upgrades

The program includes projects that improve the rail infrastructure to facilitate station reconstruction, improve operations and capacity, and improve reliability. Most of the infrastructure improvements are on the Blue Line south of 12th and Imperial Avenue. This work will be completed in two phases. The first phase is work needed prior to the construction of the Blue Line stations to provide construction widows for station work. The second phase provides for reliability improvements that will be implemented around or after station work is complete.

The first phase work is in final design. Construction will begin in 2010 and includes replacement of the contact wire, installation of fiber optic cable, signal system improvements, reverse running grade crossing gate protection, and installation of crossovers and interlocking systems needed to permit single track operations for station construction. The second phase will start design in 2010 and will include replacing failing 90 pound rail, rebuilding grade crossings and gates, and improvement to traction power substations.
Freight Capacity Projects

The California Transportation Commission awarded SANDAG $147.5 million of Trade Corridors Improvement Funds for two projects. One project will add freight crossovers, interlockings, siding tracks, train separation technology, and other mainline infrastructure improvements to move additional freight trains on the Blue Line at night after Trolley operations. The other project expands the San Ysidro freight yard to double car storage capacity and provides for improved intermodal freight transfers. Both projects are entering final design. The mainline capacity project could complete construction in 2015, and the yard expansion project is scheduled to be completed in late 2012, assuming state Prop 1B funding is available at the time of construction.

JACK BODA
Director of Mobility Management and Project Implementation

Attachments: 1. Low-Floor System Improvement Program
               2. Financial and Funding Plan
               3. Program Organization Chart

Key Staff Contact: John Haggerty, (619) 699-6937, jhag@sandag.org
Low Floor System Improvement Program

Green Line Extension
- 8” Platform lift
- Re-signal Sante Fe Depot

Downtown Stations
- 8” Platforms solutions
- Crossover America Plaza

Orange Line Stations
- 8” Platforms lift
- Grade Crossings

Blue Line
- Contact wire
- Fiber Optic
- Crossover
- Signals/Reverse running
- 8” Platform re-construction
- Transit Center improvements
- Grade crossings
- Rail replacement
- Retaining walls
- Freight Capacity & Yard
Financial and Funding Plans

Financial Plan

The Blue and Orange Lines Corridor is currently funded in the FY 2010 Budget with approximately $619 million. Table 1 below shows the funding sources anticipated to be applied for this project.

Table 1. Blue and Orange Line Corridor Funding Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>Approved or Potential Amount ($000s)</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>TransNet Major Corridors</td>
<td>165,111</td>
<td></td>
</tr>
<tr>
<td>TransNet Border Improvements</td>
<td>14,230</td>
<td>Match for TCIF funds</td>
</tr>
<tr>
<td>MTS’s ARRA Federal Economic Stimulus</td>
<td>52,915</td>
<td>Funding programmed for rail upgrades.</td>
</tr>
<tr>
<td>Prop 1B Trade Corridor Improvement Fund</td>
<td>123,960</td>
<td>Funding programmed by the CTC on the San Ysidro South Line and Intermodal Stations</td>
</tr>
<tr>
<td>Federal DEMO and Border Improvement Program</td>
<td>9,300</td>
<td>Funding programmed by the CTC and SANDAG on the San Ysidro South Line and Intermodal Stations</td>
</tr>
<tr>
<td>MTS’s Prop 1B PTMISEA*</td>
<td>164,000</td>
<td>Subject to annual state budget process; currently only approximately $27.7 million has been made available by the state. An additional $15.7 million has been appropriated by the state but has not yet been made available. AB 672 allows Letter of No Prejudice to be approved which permits sponsor agency to be reimbursed for work accelerated with other funds.</td>
</tr>
<tr>
<td>Prop 1A High Speed Rail - Rail Modernization Element (estimate only)</td>
<td>57,855</td>
<td>Subject to annual state budget process. The figure provided is a preliminary estimate prepared by the CTC. Actual amount will be dependent on future state guidelines for the distribution of light rail transit (LRT) modernization element.</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>619,327</strong></td>
<td></td>
</tr>
</tbody>
</table>
It should be noted that the timing of the availability of some of these revenue sources remains uncertain. In particular, additional funding from Prop 1B Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) as well as from the Prop 1A Rail Modernization remains tied to the annual state appropriations process as well as to the ability of the state to issue bonds. Nonetheless, the region has sufficient funds available from other sources to continue the initial work on this high priority corridor. The financial plan relies on the following assumptions:

1. State will continue to appropriate and make available Prop 1B PTMISEA funds.
2. SANDAG and MTS will apply for a Letter of No Prejudice for remaining Prop 1B PTMISEA to insure the State can reimburse TransNet account.
3. State will appropriate and make available Prop 1A High Speed Rail funds for the LRT Modernization Element beginning in FY 2013.
4. CTC will allocate Prop 1A funds on a timely basis.
5. Advances of TransNet funding may be required to keep projects moving.

The financial plan by fund source and fiscal year is summarized in Table 2. The plan is based on the fact that certain funding sources are already available (ARRA, the first year’s installment of the Prop 1B PTMISEA funds and TransNet, for example). Funding shown in negative are reimbursements assumed from the Prop 1B PTMISEA made available through the use of the newly enacted AB 672 Letter of No Prejudice which allows SANDAG to pay for the project using TransNet but be reimbursed by the state.

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. TransNet Major Corridors</td>
<td>1,828</td>
<td>20,410</td>
<td>3,086</td>
<td>110,763</td>
<td>76,139</td>
<td>(22,253)</td>
<td>(15,761)</td>
<td>165,111</td>
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<tr>
<td>2. TransNet Border Improvements</td>
<td>328</td>
<td>8,750</td>
<td>5,152</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>14,230</td>
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<tr>
<td>3. ARRA</td>
<td>-</td>
<td>23,421</td>
<td>27,500</td>
<td>1,994</td>
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<td>-</td>
<td>-</td>
<td>52,915</td>
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<td>4. Prop 1B TCIF</td>
<td>-</td>
<td>-</td>
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<td>98,060</td>
<td>25,900</td>
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<td>5. Federal DEMO and BIP</td>
<td>432</td>
<td>-</td>
<td>8,868</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9,300</td>
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<tr>
<td>6. Prop 1B PTMISEA (or MTS equivalent)</td>
<td>-</td>
<td>27,788</td>
<td>15,654</td>
<td>27,788</td>
<td>27,788</td>
<td>27,788</td>
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<td>9,406</td>
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<td>7. FTA 5307 (or MTS equivalent)</td>
<td>-</td>
<td>1,313</td>
<td>5,643</td>
<td>4,000</td>
<td>8,000</td>
<td>10,000</td>
<td>3,000</td>
<td>-</td>
</tr>
<tr>
<td>8. Prop 1A Rail Modernization</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>33,430</td>
<td>24,425</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Total</td>
<td>2,588</td>
<td>81,682</td>
<td>65,903</td>
<td>242,605</td>
<td>171,257</td>
<td>39,960</td>
<td>15,027</td>
<td>305</td>
</tr>
</tbody>
</table>

At this time, a potential significant amount of other sources is being leveraged by the TransNet program. Overall, approximately $179 million in TransNet funds (approximately $165 million in Major Corridor and approximately $14 million in Border Improvement Program) leverage an additional $440 million in approved and potential funds for a grand total of approximately $619 million for corridor improvements.
SANDAG staff will review the financial plan with MTS staff annually, more frequently if needed, and if appropriate, propose adjustments to the financial plan. As appropriate, adjustments to the funding plan will be presented to the ITOC for its review, and discussed with the Transportation Committee for approval. If required, an amendment to the Regional Transportation Improvement Program will be processed. Any significant changes to the project scope or budget will be presented to the Board of Directors.

As other funds from outside the region become available, staff will strive to obtain allocations to defer the need to expend TransNet or other agency flexible funds. There are two near-term examples of this effort. The first instance involves requesting Prop 1B State and Local Partnership Program (SLPP) funds. The first appropriation of these funds, approved by the Board of Directors for EAP projects but not yet available, have been requested for allocation by staff. Upon receipt of an allocation, staff will replace TransNet funds and substitute the SLPP funding. The second instance involves the use of Prop 1B PTMISEA funds originally intended for the SPRINTER. Since the project was completed using TransNet funds before the PTMISEA funds were made available, staff is pursuing these PTMISEA funds instead for the Blue and Orange Lines Corridor. If successful with these two fund sources, the need for over $120 million in TransNet funds could be deferred.

**Plan of Finance**

The acceleration of the implementation of the Blue and Orange Lines Corridor will result in the need to issue bonds about two to three quarters earlier than originally anticipated, likely moving it up from about the middle of FY 2011 to the end of FY 2010. This revised timing may help the region take advantage of favorable market and statutory conditions, including historically low rates and Build America Bonds that are currently available.

A more detailed Plan of Finance analysis will be developed as part of the annual process coming up in the next few months. This Plan of Finance update would take into account revised cash flow need and revenue projections.
Program Organization Chart

Program Manager
John Haggerty

Program Support
Consultant - General

Schedule Support
Consultant - Schedule

Freight
Project Manager: Pete d’Ablaing

Mainline $107 M
Yard $40.5 M

Stations
Project Manager: Dave Ragland

Stations Imperial - SY $70 M
Stations 37.4

Trackwork & Systems
Project Manager: Chip Finch/Ray Rizman

Contact Wire $17.6 M
Crossovers $40M
Rehabilitation $73.8 M

LRT Vehicles
Project Manager: Ray Rizman
LRV Manager Lee Summerlott
Procurement $233 M

MTS Staff
San Diego Association of Governments - TransNet Program

INDEPENDENT TAXPAYER
OVERSIGHT COMMITTEE

November 4, 2009

AGENDA ITEM NO.: 7

Action Requested: INFORMATION

OVERVIEW OF DEVELOPMENTS IN THE FINANCIAL MARKET AND
PROPOSED REVISION TO FISCAL YEAR (FY) 2010 TransNet REVENUES

File Number 1500100

Introduction

In addition to the regular update on developments in the financial markets, staff will update the
ITOC on the proposed revised FY 2010 TransNet revenue allocation to be considered by the
Transportation Committee and the SANDAG Board of Directors in November 2009.

Attachment: 1. Draft November 6, 2009, Transportation Committee Report, “Revision to FY 2010
TransNet Revenues and Transportation Development Act Apportionment”

Key Staff Contacts: Sookyung Kim, (619) 699-6909, ski@sandag.org
Marney Cox, (619) 699-1930, mco@sandag.org
Lauren Warrem, (619) 699-6931, lwa@sandag.org
ATTACHMENT 1

San Diego Association of Governments
TRANSPORTATION COMMITTEE

November 6, 2009

AGENDA ITEM NO.: 3

Action Requested: RECOMMEND

REVISION TO FY 2010 TransNet REVENUES AND
TRANSPORTATION DEVELOPMENT ACT APPORTIONMENT

File Number 1500300

Introduction

At the May 22, 2009, meeting, the Board of Directors approved a revision to the FY 2009 and FY 2010 TransNet revenues based on the lower than anticipated actual sales tax received. The FY 2009 revision estimated a 6 percent decline in sales tax receipts from FY 2008 (or $229.7 million). The FY 2010 revision continued to use an estimated 2 percent growth rate, however, the amount was revised to $234.3 million since it was calculated from a lower FY 2009 base. Based on actual receipts through September 2009, the receipts are lower than projected. As a result, a reduction in the FY 2010 estimate is proposed to reflect a projected 6.5 percent decline (to $207.6 million) from actual FY 2009 receipts. Attachment 1 contains the approved versus the actual receipts for FY 2009 and approved versus proposed revenues for FY 2010. Attachments 1a and 1b contain details of the projections for the Local Street Improvement program and the Transit Services program, respectively.

The Transportation Development Act (TDA) receipts also have been in similar decline. The County of San Diego Auditor and Controller Office in consultation with SANDAG determines the apportionment. This proposal is to also revise and reduce the FY 2010 TDA revenues by 6.5 percent (to $101.0 million) from the actual FY 2009 receipts. Attachment 2 shows the comparison between the approved amount versus the proposed apportionment.

Background

San Diego’s economy, like many regions across the nation, has been impacted by the increasingly global economic slowdown. Nationwide, employment is down nearly 8 million jobs with losses occurring in each month since the recession began in December 2007. Locally, job losses have not occurred each month over the past year; however, the general trend has been the same with more than 80,000 jobs lost over the same time period. The recession and job losses have spread to virtually all employment categories and industries, pushing up the local and national unemployment rates to above or near 10 percent for the first time since the 1982-84 recessions.

As deep and widespread as the recession has become, it has progressed in line with expectations expressed during the fall of 2008 when the size of the financial crises was brought into perspective. However, an important and unexpected trend has emerged that has pushed sales tax receipts down further than expected during FY 2009, and may prove to have long-term consequences. Nationwide,
consumers have cut monthly household expenditures for goods and services and instead are beginning to save. Nationally the savings rate has risen from about one percent of personal income before the recession began to about 4 percent, recorded in September 2009. During the same time period, retail sales declined about 10 percent, when compared with the same month for the previous year. One exception to this trend occurred during August 2009 due to the “cash for clunkers” program. With the surge in car sales during August 2009 retail sales were down 5 percent when compared with the same month of the previous year. The increase in car sales from this incentive program do not appear to be permanent, car sales are showing signs of tapering off now that the program has ended.

A second trend that is impacting retail sales is the decline in home prices which has reduced the amount of home equity that had risen rapidly between 2002 and 2006. Homeowners have become more cautious about taking out a home equity loan and financial institutions have raised the standards to qualify. The reduction in home equity expenditures also has helped push down retail sales.

These two trends may not be short-term in nature, and likely will have a lasting “structural” effect on how quickly retail sales begin to grow and what level they may reach once the recession has ended. When a structural change occurs, the past is no longer a good guide to help predict future events. For this reason, staff has begun to alter the process used to estimate future sales tax revenue. Although the process, or model, is not yet complete, the work is sufficient to provide an updated estimate of TransNet sales tax revenue for FY 2010.

Staff is forecasting a decline of 6.5 percent for sales tax revenue during FY 2010 as compared to prior year, or FY 2009, actual receipts. Since the fiscal year began in July 2009, SANDAG has received sales tax revenue distributions from the state Board of Equalization through October 2009. These distributions are 16.3 percent below what SANDAG received during the same period of the prior year.

The expected trend, nationally and locally, is for moderate job growth and a stabilizing unemployment rate during the first quarter of the new calendar year (2010), which should be sufficient to support higher monthly retail sales. Continuing job losses and a higher unemployment rate beyond the first quarter could lead to lower sales tax revenue collections than forecasted.

As the second quarter of FY 2010 begins, there are signs that the voracity of the recession is letting up, evidenced by the slowing in the rate of job losses each month as well as leveling out of new unemployment claims filed each week. Similar trends have been emerging locally. For example, the number of homes sold is increasing spurred by lower prices and interest rates, the rate of job losses in the construction and financial activities sectors has leveled off and started to improve, and the military has begun a construction process that will ultimately expend between $4 billion to $6 billion to improve local bases over the next two to three years. These activities will help end the local recession. For example, the number of unemployed and the unemployment rate are expected to rise during the current quarter, however, fewer and fewer people are expected to become unemployed with each passing month, slowing the economy’s rate of descent.

The impact of the recession on all areas of the economy has been significant. Some economists are suggesting that it may take until 2017 for the national economy to grow sufficiently to lower the unemployment rate to where it was prior to start of the recession. If true, retail sales and sales tax
revenue would likely follow a similar path. The table below shows the annual change in TransNet sales tax revenue since the recession began as well as staff’s forecast for FY 2010.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Actual &amp; Projected Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>-1.4% (actual)</td>
</tr>
<tr>
<td>2009</td>
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</tr>
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</table>

**Transportation Development Act**

The TDA is a major subsidy source that supports the region’s public transit operators and nonmotorized transportation projects. The TDA comes from 1/4 percent of state sales tax assessed in the region. SANDAG, as the Regional Transportation Planning Agency (RTPA), is responsible for the apportionment of TDA funds each year in conformance with legislative priorities. The transit operators and other member agencies submit their annual TDA claims based on these apportionments and in compliance with SANDAG’s TDA Administration Policy (Board Policy No. 027).

The County of San Diego Auditor and Controller is statutorily responsible for annually providing estimates of TDA sales tax receipts by February 1 for the ensuing fiscal year’s TDA apportionment and does so in consultation with SANDAG. In addition, the County Auditor and Controller is required to furnish a revised or updated estimate of funds available whenever requested to do so by SANDAG. Given the actual decline in sales tax receipts through October 2009, SANDAG staff and the County have determined that a downward adjustment of 6.5 percent from FY 2009 receipts is also appropriate for the FY 2010 TDA apportionment. Attachment 2 provides a comparison of the approved versus proposed FY 2010 apportionment.

Upon Board approval of the revised apportionment, the FY 2010 TDA claims will be amended.

**TransNet**

This half-cent sales tax approved by the voters of San Diego County includes several subprograms such as the Local Street Improvements for local agencies and the Transit System Improvements (16.5 percent) funding from which the transit revenues are derived. Within the transit share, services provided pursuant to Americans with Disabilities Act (ADA) and subsidies for seniors have specific earmarks (2.5 percent and 3.25 percent, respectively). The remaining revenues can be used for operating or miscellaneous capital purposes.

Attachment 1 contains the actual receipt for FY 2009 and approved versus proposed estimate for FY 2010 for the TransNet overall program with Attachments 1a and 1b containing details of the projections for the Local Street Improvement program and the Transit Services program, respectively.

SANDAG staff has communicated the receipts and the potential for reduction with both transit agencies. Upon approval of the revised TransNet revenue estimates and TDA apportionment for FY 2010 by the Board of Directors, the revised projections will be distributed to all affected agencies.
Staff continues to monitor the sales tax receipts, and should there be any new developments that warrant additional action, those will be presented to the Independent Taxpayer Oversight Committee (ITOC), Transportation Committee, and the Board of Directors.

LAUREN WARREM  
Director of Finance (Acting)

Attachments: 1. Proposed FY 2010 Revision to Overall TransNet Program Budget Revenues  
1a. Proposed FY 2010 Revision to Local System Improvements TransNet Revenues  
1b. Proposed FY 2010 Revision to TransNet Transit Services Program Revenues  
2. Proposed FY 2010 Revision to TDA Apportionment

Key Staff Contacts:  Marney Cox, (619) 699-1930, mco@sandag.org  
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REVISION TO FY 2010 TransNet REVENUES AND TRANSPORTATION DEVELOPMENT ACT APPORTIONMENT

Introduction

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                  Sookyung Kim, (619) 699-6909, ski@sandag.org
## Proposed FY 2010 Revision to Overall TransNet Program Budget Revenues

<table>
<thead>
<tr>
<th>TransNet Program Revenues</th>
<th>FY 2009</th>
<th></th>
<th></th>
<th>FY 2010</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Sales Tax Receipts</td>
<td>$229,741,846</td>
<td>$221,991,360</td>
<td>-3.4%</td>
<td>$234,336,683</td>
<td>$207,561,920</td>
<td>-11.4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TransNet Program Allocations</th>
<th>FY 2009</th>
<th></th>
<th></th>
<th>FY 2010</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Allocations(^1)</td>
<td>$2,297,419</td>
<td>$2,219,914</td>
<td>-3.4%</td>
<td>$2,343,367</td>
<td>$2,075,619</td>
<td>-11.4%</td>
</tr>
<tr>
<td>Independent Taxpayer Oversight Committee(^3)</td>
<td>$323,930</td>
<td>$323,930</td>
<td>0.0%</td>
<td>$335,310</td>
<td>$335,310</td>
<td>0.0%</td>
</tr>
<tr>
<td>Bike, Pedestrian &amp; Neighborhood Safety(^2)</td>
<td>$4,594,837</td>
<td>$4,439,827</td>
<td>-3.4%</td>
<td>$4,686,734</td>
<td>$4,151,238</td>
<td>-11.4%</td>
</tr>
<tr>
<td>Total off-the-top Programs</td>
<td>$7,216,186</td>
<td>$6,983,671</td>
<td>-3.2%</td>
<td>$7,365,411</td>
<td>$6,562,167</td>
<td>-10.9%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Program Allocations (net of total revenues less off the top programs)</th>
<th>FY 2009</th>
<th></th>
<th></th>
<th>FY 2010</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Major Corridors Program(^4)</td>
<td>$94,350,880</td>
<td>$91,163,260</td>
<td>-3.4%</td>
<td>$96,235,819</td>
<td>$85,223,895</td>
<td>-11.4%</td>
</tr>
<tr>
<td>New BRT/Rail Operations(^5)</td>
<td>$18,024,578</td>
<td>$17,415,623</td>
<td>-3.4%</td>
<td>$18,384,673</td>
<td>$16,280,980</td>
<td>-11.4%</td>
</tr>
<tr>
<td>Transit System Improvements(^6)</td>
<td>$36,716,734</td>
<td>$35,476,269</td>
<td>-3.4%</td>
<td>$37,450,260</td>
<td>$33,164,959</td>
<td>-11.4%</td>
</tr>
<tr>
<td>Local System Improvement(^7)</td>
<td>$73,433,468</td>
<td>$70,952,537</td>
<td>-3.4%</td>
<td>$74,900,520</td>
<td>$66,329,919</td>
<td>-11.4%</td>
</tr>
<tr>
<td>Total Program Allocations</td>
<td>$222,525,660</td>
<td>$215,007,689</td>
<td>-3.4%</td>
<td>$226,971,272</td>
<td>$200,999,753</td>
<td>-11.4%</td>
</tr>
</tbody>
</table>

**NOTES:**
The TransNet Ordinance established the rules for the allocation of all Commission revenues. Commission funds are allocated according to the following priorities:

1. Up to one percent of the annual revenues shall be allocated for administrative expenses which includes Commission/Board expenses, administrative reserve.
2. Total of two percent shall be allocated for bicycle facilities.
3. The ITOC allocation is based on the annual increase in CPI beginning with FY 2002, using $250,000 as the starting base.
4. 42.4\% of the total revenues less off the top programs shall be allocated for Major Corridor projects which include transportation mitigation under the Environmental Mitigation (EMP) program and any finance charges incurred.
5. 8.1\% of the total revenues less off the top programs shall be allocated to operate new rail or BRT services.
6. 16.5\% of the total revenues less off the top programs shall be allocated for purposes of public transit services including providing for senior and ADA related services.
7. 33\% of total revenues less off the top programs shall be allocated for local street improvement services which includes roadway projects as well as local EMP and smart growth incentive programs.
### Proposed FY 2010 Revision to Local System Improvements TransNet Revenues

<table>
<thead>
<tr>
<th></th>
<th>FY 2009 Approved</th>
<th>FY 2009 Actual</th>
<th>Additional from ARRA Exchange</th>
<th>FY 2010 Approved</th>
<th>FY 2010 Proposed</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad</td>
<td>$2,228,136</td>
<td>$2,164,506</td>
<td>$1,766,592</td>
<td>$2,283,976</td>
<td>$2,024,620</td>
<td>-11.4%</td>
</tr>
<tr>
<td>Chula Vista</td>
<td>4,272,841</td>
<td>4,127,707</td>
<td>3,360,353</td>
<td>4,358,099</td>
<td>3,857,945</td>
<td>-11.5%</td>
</tr>
<tr>
<td>Coronado</td>
<td>486,846</td>
<td>468,988</td>
<td>390,142</td>
<td>492,661</td>
<td>441,270</td>
<td>-10.4%</td>
</tr>
<tr>
<td>Del Mar</td>
<td>176,607</td>
<td>171,703</td>
<td>148,801</td>
<td>178,579</td>
<td>163,652</td>
<td>-8.4%</td>
</tr>
<tr>
<td>El Cajon</td>
<td>1,933,370</td>
<td>1,857,463</td>
<td>1,517,330</td>
<td>1,959,586</td>
<td>1,737,890</td>
<td>-11.3%</td>
</tr>
<tr>
<td>Encinitas</td>
<td>1,383,376</td>
<td>1,332,318</td>
<td>1,091,008</td>
<td>1,404,769</td>
<td>1,247,486</td>
<td>-11.2%</td>
</tr>
<tr>
<td>Escondido</td>
<td>2,822,275</td>
<td>2,723,128</td>
<td>2,220,092</td>
<td>2,874,161</td>
<td>2,546,287</td>
<td>-11.4%</td>
</tr>
<tr>
<td>Imperial Beach</td>
<td>592,642</td>
<td>574,687</td>
<td>475,950</td>
<td>604,333</td>
<td>539,977</td>
<td>-10.6%</td>
</tr>
<tr>
<td>La Mesa</td>
<td>1,256,782</td>
<td>1,209,043</td>
<td>990,932</td>
<td>1,274,530</td>
<td>1,132,367</td>
<td>-11.2%</td>
</tr>
<tr>
<td>Lemon Grove</td>
<td>583,565</td>
<td>562,036</td>
<td>465,680</td>
<td>590,966</td>
<td>528,162</td>
<td>-10.6%</td>
</tr>
<tr>
<td>National City</td>
<td>1,177,295</td>
<td>1,127,037</td>
<td>924,357</td>
<td>1,187,890</td>
<td>1,055,785</td>
<td>-11.1%</td>
</tr>
<tr>
<td>Oceanside</td>
<td>3,689,743</td>
<td>3,556,283</td>
<td>2,896,461</td>
<td>3,754,390</td>
<td>3,324,324</td>
<td>-11.5%</td>
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<tr>
<td>Poway</td>
<td>1,264,310</td>
<td>1,216,432</td>
<td>996,929</td>
<td>1,282,336</td>
<td>1,139,266</td>
<td>-11.2%</td>
</tr>
<tr>
<td>San Diego</td>
<td>25,743,899</td>
<td>24,831,449</td>
<td>20,168,008</td>
<td>26,231,612</td>
<td>23,192,023</td>
<td>-11.6%</td>
</tr>
<tr>
<td>San Marcos</td>
<td>1,639,828</td>
<td>1,606,969</td>
<td>1,313,974</td>
<td>1,694,938</td>
<td>1,503,967</td>
<td>-11.3%</td>
</tr>
<tr>
<td>Santee</td>
<td>1,157,187</td>
<td>1,119,615</td>
<td>918,332</td>
<td>1,180,049</td>
<td>1,048,854</td>
<td>-11.1%</td>
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<tr>
<td>Solana Beach</td>
<td>371,425</td>
<td>358,630</td>
<td>300,551</td>
<td>376,067</td>
<td>338,212</td>
<td>-10.1%</td>
</tr>
<tr>
<td>Vista</td>
<td>1,851,688</td>
<td>1,783,761</td>
<td>1,457,497</td>
<td>1,881,719</td>
<td>1,669,063</td>
<td>-11.3%</td>
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<tr>
<td>County</td>
<td>12,123,152</td>
<td>11,775,483</td>
<td>9,568,950</td>
<td>12,437,979</td>
<td>10,999,780</td>
<td>-11.6%</td>
</tr>
<tr>
<td>Total Local Street Improvements</td>
<td>$64,754,967</td>
<td>$62,567,238</td>
<td>$50,971,939</td>
<td>$66,048,640</td>
<td>$58,490,930</td>
<td>-11.4%</td>
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<tr>
<td>Local EMP³</td>
<td>4,005,462</td>
<td>3,870,138</td>
<td>N/A</td>
<td>4,085,483</td>
<td>3,617,995</td>
<td>-11.4%</td>
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<td>Local Smart Growth Incentive Program³</td>
<td>4,673,039</td>
<td>4,515,161</td>
<td>N/A</td>
<td>4,766,397</td>
<td>4,220,995</td>
<td>-11.4%</td>
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<tr>
<td>Total Local System Improvement Allocations</td>
<td>$73,433,468</td>
<td>$70,952,537</td>
<td>$50,971,939</td>
<td>$74,900,520</td>
<td>$66,329,920</td>
<td>-11.4%</td>
</tr>
</tbody>
</table>

¹ Local program funds are allocated based on $50,000 to each jurisdiction and the balance allocated by a formula using 2/3 population and 1/3 miles of maintained roads. Excludes debt service.

² At the April 24, 2009 meeting, the Board approved to exchange the local share of federal American Recovery and Reinvestment funding with TransNet using the same distribution formula.

³ The local EMP and Smart Growth programs are a subset under Local System Improvements designed to encourage early project mitigation and smart growth planning. These funds are available on a competitive call for projects process.
## Proposed FY 2010 Revision to TransNet Transit Services Program Revenues

<table>
<thead>
<tr>
<th></th>
<th>Approved FY 2009</th>
<th>% Change</th>
<th>Approved FY 2010 Proposed</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Available For Transit Purposes:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$36,716,734</td>
<td>$35,476,269</td>
<td>-3.4%</td>
<td>$37,450,260</td>
<td>-11.4%</td>
</tr>
<tr>
<td><strong>Less 2.5% for ADA-related Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>($917,918)</td>
<td>($886,907)</td>
<td>-3.4%</td>
<td>($936,256)</td>
<td>-11.4%</td>
</tr>
<tr>
<td><strong>Less 3.25% for Senior Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>($1,193,293)</td>
<td>($1,152,979)</td>
<td>-3.4%</td>
<td>($1,217,133)</td>
<td>-11.4%</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>$34,605,523</td>
<td>-3.4%</td>
<td>$35,296,871</td>
<td>-11.4%</td>
</tr>
</tbody>
</table>

### MTS Projects And Services:
- **Available for Transit Service Improvements (Operations and Supporting Capital Improvements):**
  - $24,541,685
  - $23,712,550
  - -3.4%
  - $24,988,289
  - $22,128,967
  - -11.4%

- **Less Pass Sales Subsidy to SANDAG:**
  - ($5,500,000)
  - ($5,500,000)
  - 0.0%

- **Net Available:**
  - $19,041,685
  - $18,212,550
  - -4.4%
  - $19,488,289
  - $16,628,967
  - -14.7%

- **Available for ADA Services:**
  - $650,973
  - $628,980
  - -3.4%

### NCTD Projects And Services:
- **Available for Transit Service Improvements (Operations and Supporting Capital Improvements):**
  - $10,063,838
  - $9,723,833
  - -3.4%
  - $10,308,582
  - $9,129,008
  - -11.4%

- **Available for ADA Services:**
  - $266,945
  - $257,927
  - -3.4%

### Regional Discretionary Programs:
- **Competitive Grant Program for Senior Transportation Services:**
  - $1,193,293
  - $1,152,979
  - -3.4%
  - $1,217,133
  - $1,077,860
  - -11.4%

### SANDAG:
- **Pass Sales Program:**
  - $5,500,000
  - $5,500,000
  - 0.0%
## Proposed FY 2010 Revision to Transportation Development Act (TDA) Apportionment

<table>
<thead>
<tr>
<th></th>
<th>FY 2009</th>
<th>FY 2010</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Approved</td>
<td>Actual&lt;sup&gt;1&lt;/sup&gt;</td>
<td>% Change</td>
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<tr>
<td>Total Apportionment</td>
<td>$113,800,000</td>
<td>$107,980,439</td>
<td>-5.1%</td>
</tr>
<tr>
<td>Less County Auditor Expenses (PUC 99233.1)</td>
<td>($42,000)</td>
<td>($42,000)</td>
<td>0.0%</td>
</tr>
<tr>
<td>Less SANDAG Administration (PUC 99233.1)</td>
<td>($421,481)</td>
<td>($399,912)</td>
<td>-5.1%</td>
</tr>
<tr>
<td>Less 3% Planning Funds (PUC 99233.2)</td>
<td>($3,400,096)</td>
<td>($3,226,156)</td>
<td>-5.1%</td>
</tr>
<tr>
<td>Less 2% Bicycle/Pedestrian Funds (PUC 99233.3)</td>
<td>($2,198,728)</td>
<td>($2,086,247)</td>
<td>-5.1%</td>
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<tr>
<td>Less 5% Community Transit Service (PUC 99233.7)</td>
<td>($5,388,985)</td>
<td>($5,113,406)</td>
<td>-5.1%</td>
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<tr>
<td>Subtotal</td>
<td>$102,348,710</td>
<td>$97,112,718</td>
<td>-5.1%</td>
</tr>
<tr>
<td>Total Available for MTS</td>
<td>$72,584,074</td>
<td>$68,870,792</td>
<td>-5.1%</td>
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<tr>
<td>Less Regional Planning/Capital Projects</td>
<td>($951,080)</td>
<td>($951,080)</td>
<td>0.0%</td>
</tr>
<tr>
<td>Less Transferred Functions</td>
<td>($2,121,958)</td>
<td>($2,013,404)</td>
<td>-5.1%</td>
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<tr>
<td>Total Community Transit Service</td>
<td>$3,745,346</td>
<td>$3,553,819</td>
<td>-5.1%</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$73,256,382</td>
<td>$69,460,127</td>
<td>-5.2%</td>
</tr>
<tr>
<td>Total Available to Claim</td>
<td>$73,256,382</td>
<td>$69,460,127</td>
<td>-5.2%</td>
</tr>
<tr>
<td>Total Available for NCTD</td>
<td>$29,764,636</td>
<td>$28,241,926</td>
<td>-5.1%</td>
</tr>
<tr>
<td>Less Regional Planning/Capital Projects</td>
<td>$0</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Less Transferred Functions</td>
<td>($498,558)</td>
<td>($473,052)</td>
<td>-5.1%</td>
</tr>
<tr>
<td>Total Community Transit Service</td>
<td>$1,535,859</td>
<td>$1,457,319</td>
<td>-5.1%</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$30,801,937</td>
<td>$29,226,193</td>
<td>-5.1%</td>
</tr>
<tr>
<td>Prior Year Carryover</td>
<td>$4,618,837</td>
<td>$4,618,837</td>
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</tr>
<tr>
<td>Total Available to Claim</td>
<td>$35,420,774</td>
<td>$33,845,030</td>
<td>-4.4%</td>
</tr>
<tr>
<td>Total Available for SANDAG:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regional Planning/Capital Projects</td>
<td>$951,080</td>
<td>$951,080</td>
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</tr>
<tr>
<td>Transferred Functions</td>
<td>$2,620,516</td>
<td>$2,486,456</td>
<td>-5.1%</td>
</tr>
<tr>
<td>SANDAG Expenses</td>
<td>$421,481</td>
<td>$399,912</td>
<td>-5.1%</td>
</tr>
<tr>
<td>3% Planning Funds</td>
<td>$3,400,096</td>
<td>$3,226,156</td>
<td>-5.1%</td>
</tr>
<tr>
<td>Prior Year Carryover</td>
<td>$0</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Total Available to Claim</td>
<td>$7,393,173</td>
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<td>-4.5%</td>
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<tr>
<td>Total Community Transit Service (CTSA)</td>
<td>$107,780</td>
<td>$102,268</td>
<td>-5.1%</td>
</tr>
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<td>Prior Year Carryover</td>
<td>$5,205</td>
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</tr>
<tr>
<td>Total Available to Claim</td>
<td>$112,985</td>
<td>$107,473</td>
<td>-4.9%</td>
</tr>
</tbody>
</table>

<sup>1</sup>This column is shown for comparative purposes only. The actual amount paid in FY 2009 was based on the FY 2009 Approved column.
INDEPENDENT TAXPAYER
OVERSIGHT COMMITTEE

November 4, 2009

AGENDA ITEM NO.: 8

Action Requested: INFORMATION

SPRINTER PROJECT STATUS REPORT

Introduction

The ITOC has reviewed the status of the SPRINTER project since it was made a TransNet early action project in 2006. Attached is a draft report to the SANDAG Transportation Committee that outlines the project and the related financial issues.

Attachment: 1. Draft Transportation Committee Report for the November 6, 2009, Meeting Summarizing the Progress on the Implementation of the SPRINTER Rail Project

Key Staff Contact: Jim Linthicum, (619) 699-1970, jlin@sandag.org
San Diego Association of Governments

TRANSPORTATION COMMITTEE

November 6, 2009

AGENDA ITEM NO.: 11

Action Requested: INFORMATION

SPRINTER PROJECT STATUS REPORT

File Number 1115200

Introduction

The North County Transit District (NCTD) SPRINTER Rail Project converted an existing 22-mile freight rail corridor into a Diesel Multiple Unit (DMU) transit system connecting Oceanside, Vista, unincorporated County areas, San Marcos, and Escondido. The SPRINTER is a TransNet-funded project to increase east-west mobility in the State Route (SR) 78 corridor. In response to requests from NCTD and the Federal Transit Administration (FTA), SANDAG staff is currently providing support and oversight services for the project and has been asked by the Board of Directors to report on its progress monthly to the Transportation Committee.

Discussion

All major work is complete. However, a $208,000 contract for minor concrete and grading work along the corridor has been let.

All issues with both the Mainline construction contractor and the project designer have been resolved. A final settlement agreement was signed in June resolving all outstanding construction issues on the Mainline project. In the agreement, NCTD acknowledged that the contractor was delayed by problems outside its control and therefore the contractor is entitled to the constructive acceleration payment of $3.3 million previously agreed to in the May 2007 initial settlement agreement. NCTD also agreed that the contractor is entitled to $7.4 million of the $20.5 million of additional compensation claimed for impacts and inefficiencies outside control of the contractor.

Last month, NCTD came to an agreement with the SPRINTER design team on the final cost of the design and the design support through construction. The designer will rebate $4.7 million to NCTD for impacts due to its redesign. NCTD agreed to pay $2 million of the $5 million of outstanding invoices for additional design services.

NCTD has not calculated a new estimate at completion (EAC) that reflects the final settlement with the designer described above. The previous EAC was $478.4 million. All major risks to budget have been resolved. However, the final cost still needs to account for the cost of the owner-controlled insurance program (OCIP) and the Inland Rail Trail (IRT). The final cost of the OCIP will be determined after all insurance claims and credits have been processed. Likewise, the final cost of the IRT will be determined after its costs are separated from the SPRINTER construction costs. The project budget set by the NCTD Board and included in the Amended Recovery Plan for the FTA is $484.1 million. It is anticipated the final SPRINTER cost will remain below $480 million.

JACK BODA
Director of Mobility Management and Project Implementation

Key Staff Contact: Jim Linthicum, (619) 699-1970, jlin@sandag.org
REQUEST TO APPROVE ADDITION OF URGENCY ITEM TO AGENDA

Introduction

The ITOC is asked to vote and approve the addition of an urgency item to the November 4, 2009, agenda. The ITOC must approve the addition to the agenda by two-thirds of the entire body or if less than two-thirds is present, by 100 percent of those present.

Attachment:  1. Urgency Item
AMENDMENT TO ORDINANCE NO. 04-01 (SAN DIEGO TRANSPORTATION IMPROVEMENT PROGRAM ORDINANCE AND EXPENDITURE PLAN) TO REVISE ENVIRONMENTAL MITIGATION PROGRAM PRINCIPLE NO. 10

Introduction

As part of the TransNet Extension Ordinance and Expenditure Plan approved by the voters in 2004, a set of principles for the proposed TransNet Environmental Mitigation Program (EMP) was included. EMP Principle No. 10 requires the Board of Directors “to act on additional regional funding measures to meet the long-term requirements for implementing habitat conservation plans in the San Diego region no later than four years after the passage of the TransNet Extension,” which originally would have been November 2008. The Ordinance was amended in 2008 with Ordinance CO-08-01 to extend this deadline by two years, to 2010. Due to economic conditions and tasks necessary to successfully meet the obligation, another amendment to the language in the TransNet Extension Ordinance is being sought to extend the deadline for compliance by two additional years. The second reading of the amendment is scheduled for the November 20, 2009, Board of Directors meeting.

The attached October 23, 2009, Board of Directors report (Attachment 1) describes the background information regarding the proposal to amend the TransNet Extension Ordinance.

Recommendation

The ITOC is asked to recommend approval to the SANDAG Board of Directors of an amendment to the TransNet Extension Ordinance (Commission Ordinance No. CO-10-02, Attachment 1) to extend the deadline for acting on additional regional funding measures to meet the long-term requirements for implementing habitat conservation plans in the San Diego region by two additional years to 2012.

Attachment: 1. October 23, 2009, SANDAG Board of Directors report, “FIRST READING OF AN AMENDMENT TO ORDINANCE NO. 04-01 (SAN DIEGO TRANSPORTATION IMPROVEMENT PROGRAM ORDINANCE AND EXPENDITURE PLAN) TO REVISE ENVIRONMENTAL MITIGATION PROGRAM PRINCIPLE NO. 10.”

Key Staff Contact: Rob Rundle, (619) 699-6949, rru@sandag.org
FIRST READING OF AN AMENDMENT TO ORDINANCE NO. 04-01 (SAN DIEGO TRANSPORTATION IMPROVEMENT PROGRAM ORDINANCE AND EXPENDITURE PLAN) TO REVISE ENVIRONMENTAL MITIGATION PROGRAM PRINCIPLE NO. 10

Introduction

As part of the TransNet Extension Ordinance and Expenditure Plan approved by the voters in 2004, a set of principles for the proposed TransNet Environmental Mitigation Program (EMP) was included. EMP Principle No. 10 requires the Board of Directors “to act on additional regional funding measures to meet the long-term requirements for implementing habitat conservation plans in the San Diego region no later than four years after the passage of the TransNet Extension,” which originally would have been November 2008. The Ordinance was amended in 2008 with Ordinance CO-08-01 to extend this deadline by two years, to 2010. Due to economic conditions and tasks necessary to successfully meet the obligation, another amendment to the language in the TransNet Ordinance is being sought to extend the deadline for compliance by two additional years. The second reading of the amendment is scheduled for the November 20, 2009, Board of Directors meeting.

Discussion

The EMP principles provide guidance on the purpose of the EMP and identify an obligation for SANDAG to act on additional regional funding measures (a ballot measure and or other secure funding commitments) to meet the long-term requirements for implementing habitat conservation plans in the San Diego region, within a timeframe necessary to allow a ballot measure to be considered by the voters no later than four years after the passage of the TransNet Extension. Since the TransNet Extension was passed by the voters in November 2004, and amended in 2008, a November 2010 measure would be necessary to meet the obligation.

The Board began discussing strategies to meet this obligation in January 2007 and have continued to discuss this issue since. The Board has conducted several Board Policy meetings to allow a thorough discussion of issues related to the need for additional regional funding for habitat conservation as addressed in the EMP principles, as well as to discuss shoreline management, water...
quality enhancement, and transit improvements. These infrastructure areas were considered important regional “quality of life” components in the Regional Comprehensive Plan that should be considered for regional funding since they did not have a dedicated, long-term funding source.

In June 2009, the Quality of Life Ad Hoc Steering Committee was presented with the results of an independent public opinion poll on Quality of Life funding. The Steering Committee discussed the challenges of meeting the November 2010 deadline and asked the stakeholders to present their findings to the Board of Directors. In July 2009, the Board of Directors heard a presentation by The Nature Conservancy and other Quality of Life stakeholders on their independent public opinion research that indicated support for funding these Quality of Life needs. However, the support did not exceed the super-majority (two-thirds) threshold that would be necessary to pass such a measure if one were placed on the ballot. The Board directed staff to return with a proposed amendment to the Ordinance to extend the timeframe by an additional two years.

Next Steps

If the Board of Directors amends the TransNet Extension Ordinance with Ordinance CO-10-02, it will supersede Ordinance CO-08-01. The following milestones would be necessary to meet the revised schedule.

<table>
<thead>
<tr>
<th>Key Milestones</th>
<th>Start Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Community Outreach, Public Education, and Research</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Focus Groups</td>
<td>July 2010</td>
</tr>
<tr>
<td>Expenditure Plan Options</td>
<td>February 2011</td>
</tr>
<tr>
<td>Expenditure Plan Survey</td>
<td>June 2011</td>
</tr>
<tr>
<td>Environmental Review of Expenditure Plan</td>
<td>June 2011</td>
</tr>
<tr>
<td>Workshops on Expenditure Plan</td>
<td>October 2011</td>
</tr>
<tr>
<td>Final Expenditure Plan Adoption</td>
<td>March 2012</td>
</tr>
<tr>
<td>Ballot Language</td>
<td>June 2012</td>
</tr>
</tbody>
</table>

GARY L. GALLEGOS  
Executive Director

Attachment: 1. TransNet Extension Ordinance Amendment, Ordinance CO-10-02

Key Staff Contact: Rob Rundle, (619) 699-6949, rru@sandag.org

Funds are budgeted in Work Element #3200000
COMMISSION ORDINANCE NO. CO-10-02

AN ORDINANCE OF THE SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION AMENDING COMMISSION ORDINANCE CO-04-01 TO EXTEND THE TIMEFRAME NECESSARY TO ALLOW A REGIONAL FUNDING BALLOT MEASURE TO BE CONSIDERED BY THE VOTERS AND SUPERSEDE ORDINANCE CO-08-01

The SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION ordains as follows:

Section 1. That Section 10 of the attachment to Commission Ordinance CO-04-01 entitled “TransNet EXTENSION ENVIRONMENTAL MITIGATION PROGRAM (EMP) PRINCIPLES” is hereby amended to read as set forth below and that Ordinance CO-08-01 be superseded upon the effective date of Ordinance CO-10-02:

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

PASSED AND ADOPTED by the San Diego County Regional Transportation Commission, State of California, on November 20, 2009, by the following vote:

AYES:

NOES:

ABSENT:

Chairperson
San Diego County Regional Transportation Commission

Attest:

(Signature)

Executive Director
Blue and Orange Trolley Line Corridor Update

TransNet

November 4, 2009

Trolley System Map
Corridor Project Map

Green Line Extension
- 8’ Platform lift
- Re-signal Sante Fe Depot

57 New Low Floor Light Rail Vehicles

Orange Line Stations
- 8’ Platform lift
- Grade Crossings

Downtown Stations
- 8’ Platform Alternatives
- Crossover America Plaza

Blue Line
- Contact wire
- Fiber Optic
- Crossover
- Signals/Reverse running
- 8’ Platform Re-construction
- Transit Center improvements
- Grade crossings
- Rail replacement
- Retaining walls
- Freight Capacity & Yard

Mission and Objectives

Coordinate $619.3 Million Rail Program To:

- Implement Low Floor Trolley Service
  - Procure Low Floor Trolleys
  - Rebuild Platforms to 8 inches
- Improve Trolley Capacity & Infrastructure
- Improve Freight Rail Capacity

Phase Program To:

- Minimize Trolley Disruption
- Minimize Duplication & Conflict
Low Floor Vehicles Status

Siemens S70US LRV – San Diego

- $3.6 Million/Vehicle Negotiated Option
- 82 Foot Fits 3 Car Downtown Limit
- Fully Compatible SD100/S70 Fleet
- Delivery Spring 2012 to Fall 2013
Station Improvement Status

Green Line Extension/Bayside Stations

Station Improvement Status

Downtown Stations
Station Improvement Status

Blue Line Stations - South of 12th and Imperial

Blue Line Freight Improvements

- Double San Ysidro Freight Yard Capacity
- Double Main Line Capacity
Blue and Orange Trolley Line Corridor Update

November 4, 2009

Corridor Projects

• TransNet Early Action Projects
  – Blue & Orange Line Upgrades x
  – Blue & Orange Line Vehicles x

• Capital Improvement Project
  – Blue Line Contract Wire Replacement

• Trade Corridor Improvement Projects
  – San Ysidro Intermodal Freight Facility x
  – South Line Rail Freight Capacity x
Blue and Orange Line Project Reorganization

Total Budget

$ Millions

- TransNet Early Action Projects
  - Blue & Orange Line Upgrades $172.5
  - Blue & Orange Line Vehicles $281.7
  Total $454.2

- Combine/Regroup Early Action Project
  - Program Management $6.7
  - Blue Line Stations $70.0
  - Blue Line Signaling & Infrastructure $103.5
  - Downtown & Orange Line Stations $41.0
  - Light Rail Vehicles $233.0
  Total $454.2
Program Management

- Managing Project Phasing
- Providing LRV Procurement Support
- Preparing Work Plan & Schedule
- Preparing Operations & Construction Impact Models
- Managing Environmental Documentation
- Managing Document Control

Station Improvement Status

Green Line/Bayside Station Platforms
- Designing, 2 inch platform rises, signaling at Santa Fe Depot

Orange Line Station Platforms
- Designing, 2 platform rises

Downtown Station Platforms
- Conceptual Design/Issues Resolution for 2 inch rises

America Plaza – curves, building floor elevations
Civic Center - narrow platforms for accessibility/loading
5th Avenue – existing slopes, walkway around Trolleys
C Street Improvements – coordination CCDC/City
Blue Line Improvement Status

Blue Line Trolley Improvements
• Contact Wire - construction early 2010
• Fiber Optic - construction spring 2010
• Crossover & Signaling – construction summer 2010
• Stations & Transit Center - design starts in November

Contractor Qualifications
Coordinating - contact wire, fiber optic, crossovers/signaling & station construction
Stations and Transit Centers – coordinating platform, bus & pedestrian design elements

Blue Line Freight Improvements
• San Ysidro Freight Yard - 100% PE, starting final design
• Main Line Capacity - 10% Design

Issues
Funding – TCIF timely availability
Environmental - fairy shrimp & gnatcatchers
SANDAG Variable Rate Bonds

- Interest rates over time from 3/27/08 to 10/29/09
- SANDAG Swap Payment
- 30 Year Fixed Rate Bond Index
- SANDAG Total Cost, Net of LIBOR Receipt
Status Report

November 4, 2009

Status

• All major work complete
• New $208K contract
  – Minor concrete and grading along corridor
• All construction claims resolved
• All design issues resolved
Construction Claims

- Mainline contract
- $3.3M for “constructive acceleration”
- $7.4M of $20.5M claimed paid for impacts and inefficiencies
- San Marcos Loop & VMF: No remaining issues

Design Issues

- NCTD: Damaged by design errors
- Designer: Outstanding invoices to NCTD
- Settlement:
  - $4.7M to NCTD for damages
  - $2M of $5M to designer for outstanding invoices
Estimate at Completion (EAC)

- August 2009: $478.4M
- Excludes settlement with designer
- Next update by end of year
- Outstanding issues:
  - Owner controlled insurance
  - Inland Rail Trail
- Anticipated final cost: < $480M

Lessons Learned -- Budget

- Project Controls person for all work
- Match contingency to future risks
- Resolve high risk items before FFGA
- Realistic soft costs
- Calculate final quantities early
- Take advantage of opportunities to resolve disputes
- Executive level partnering
Lessons Learned -- Schedule

- Single integrated schedule showing all work
- Complete the design prior to bid
- Don’t build stations on a curve
- Co-locate designer/CM/owner staff on site
- Take advantage of all available resources

SPRINTER

- $22M per mile
- APWA National Transportation Project of Year
- ASCE Project of Year (San Diego)
- WTS award for innovation (San Diego)
- CMAA award (San Diego)
- Orchids & Onions “Orchid”
SPRINTER Completion Schedule

<table>
<thead>
<tr>
<th>Project</th>
<th>Cost</th>
<th>Date</th>
<th>Key Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>MS 5.5</td>
<td>$825K, no LD's</td>
<td>8/2/07</td>
<td>Track complete, Dispatch from CCF, three stations functional</td>
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<tr>
<td>MS 6</td>
<td>$940K, no LD's</td>
<td>9/3/07</td>
<td>Six stations fully complete and operational</td>
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<tr>
<td>MS 7</td>
<td>$660K, $20K/Day LD's</td>
<td>10/1/07</td>
<td>Substantial Completion</td>
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<tr>
<td>MS 8</td>
<td>$495K, $20K/Day LD's</td>
<td>10/14/07</td>
<td>Safety Certification Submittals</td>
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<tr>
<td>MS 9</td>
<td>$330K, $3K/Day LD's</td>
<td>12/1/07</td>
<td>Complete Landscaping at Eleven Stations</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Pre-Revenue</td>
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<tr>
<td>Final</td>
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<td>11/30/07</td>
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<tr>
<td>Completion: $20K/day LD's</td>
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<td></td>
<td>Revenue Operations: December 2007</td>
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<td></td>
<td></td>
<td></td>
<td>3/7/08</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Complete all Landscaping and Maintenance Period</td>
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