MEETING NOTICE
AND AGENDA

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

Wednesday, June 11, 2014
9:30 a.m.
SANDAG, 7th Floor Conference Room
401 B Street, 7th Floor
San Diego, CA 92101

Staff Contact: José A. Nuncio
(619) 699-1908
jose.nuncio@sandag.org

AGENDA HIGHLIGHTS

• ACCEPTANCE OF THE FY 2013 TransNet FISCAL AND COMPLIANCE AUDITS

• 2014 ITOC ANNUAL REPORT

• FY 2012 TransNet TRIENNIAL PERFORMANCE AUDIT: UPDATE ON IMPLEMENTATION OF RECOMMENDATIONS

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

This agenda and related staff reports can be accessed at www.sandag.org under Meetings on the SANDAG website. Public comments regarding the agenda can be forwarded to SANDAG via the email comment form also available on the website. Email comments should be received no later than noon, two working days prior to the ITOC meeting. Any handouts, presentations, or other materials from the public intended for distribution at the ITOC Committee meeting should be received by the Clerk of the Committee no later than 12 noon, two working days prior to the meeting.

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In the Independent Taxpayer Oversight Committee (ITOC) meeting on Wednesday, June 11, 2014, several items were discussed:

1. **Approval of Meeting Minutes**
   - Recommendation: APPROVE
   - The ITOC reviewed and approved the minutes from its May 14, 2014, meeting. Estimated Start Time: 9:30 a.m.

2. **Public Comments/Communications/Member Comments**
   - Recommendation: INFORMATION
   - Members of the public had the opportunity to address the ITOC on any issue within the Committee's jurisdiction that was not on the agenda. Public speakers were limited to three minutes or less per person. Committee members also provided information and announcements under this agenda item. Estimated Start Time: 9:35 a.m.

**Consent**

3. **TransNet Environmental Mitigation Program: Land Management Grant Program Quarterly Status Update**
   - (Katie Levy)
   - Information
   - The Board of Directors has awarded six cycles of the TransNet Environmental Mitigation Program Land Management Grant Program. This report provides information on the quarterly status of active projects. Estimated Start Time: 9:45 a.m.

4. **2012 Regional Transportation Improvement Program: Amendment No. 17 - Administrative Modification**
   - (Michelle Smith)
   - Information
   - On September 28, 2012, the Board of Directors approved the 2012 Regional Transportation Improvement Program, the multiyear program of proposed major transportation projects in the San Diego region, covering the period FY 2013 to FY 2017. SANDAG is processing this amendment due to timing-related issues. The Transportation Committee is scheduled to approve Amendment No. 17 at its June 6, 2014, meeting. This item is for information only. Estimated Start Time: 9:50 a.m.

**Reports**

5. **Summary of Transportation Committee and Board of Directors Actions on TransNet-Related Agenda Items**
   - (Ariana zur Nieden)
   - Information
   - This monthly briefing is intended to keep the ITOC informed about relevant SANDAG actions taken on TransNet-related projects and programs. Staff will provide a summary of Transportation Committee and Board of Directors actions on agenda items that the ITOC has reviewed. Estimated Start Time: 9:55 a.m.

ACCEPT


The TransNet Extension Ordinance requires the ITOC to share the initial findings of the annual fiscal and compliance audits and its recommendations with the Transportation Committee 60 days prior to their release. The ITOC presented the initial FY 2013 audit findings and recommendations to the Transportation Committee on March 21, 2014. The ITOC is asked to accept the final FY 2013 TransNet fiscal and compliance audit reports.

Estimated Start Time: 10:10 a.m.

6B. APPOINTMENT OF THE FY 2014 Fiscal and Compliance Audit Subcommittee Members (Lisa Kondrat-Dauphin)

APPOINT

The TransNet FY 2014 fiscal and compliance audit process is scheduled to begin on July 1, 2014. The ITOC is asked to appoint members to serve on its FY 2014 Fiscal and Compliance Audit Subcommittee.

Estimated Start Time: 10:20 a.m.

+7. 2014 ITOC Annual Report (Ariana zur Nieden) APPROVE

At the May 14, 2014, meeting, the ITOC discussed changes to the draft 2014 ITOC Annual Report. The ITOC is asked to approve the 2014 ITOC Annual Report. The final report is scheduled to be presented to the SANDAG Board of Directors at its June 27, 2014, meeting.

Estimated Start Time: 10:35 a.m.

+8. FY 2012 TransNet Triennial Performance Audit: Update on Implementation of Recommendations (Ariana zur Nieden) DISCUSSION

The ITOC accepted the final FY 2012 TransNet Triennial Performance Audit (second triennial audit) report at its June 2012 meeting. Staff has provided regular updates on the status of implementation of recommendations. The next update is scheduled for the June 11, 2014, ITOC meeting. The ITOC is asked to review and discuss implementation of audit recommendations.

Estimated Start Time: 10:50 a.m.

+9. BUS RAPID TRANSIT SERVICE IMPLEMENTATION (Jennifer Williamson) INFORMATION

Bus Rapid Transit (BRT) includes capital improvement projects and transit service included in the TransNet Early Action Program. Staff will provide an overview of BRT services scheduled to start service in June and September 2014.

Estimated Start Time: 11:10 a.m.

10. FUTURE MEETING SCHEDULE INFORMATION

The next regular ITOC meeting is scheduled for Wednesday, July 9, 2014, at 9:30 a.m.

Estimated Start Time: 11:30 a.m.

11. ADJOURNMENT INFORMATION

+ next to an agenda item indicates an attachment
MAY 14, 2014, MEETING MINUTES

The meeting of the TransNet Independent Taxpayer Oversight Committee (ITOC) was called to order by Chair Jonathan Tibbitts at 9:33 a.m.

1. MEETING MINUTES FOR THE APRIL 9, 2014, ITOC MEETING (APPROVE)

Action: Upon a motion by Dick Vortmann, and a second by Brad Barnum, the ITOC approved the April 9, 2014, meeting minutes. Yes - Chair Tibbitts, Vice Chair Kai Ramer, Mr. Barnum, and Dick Vortmann. No - None. Abstain - None. Absent - Paul Fromer, Stewart Halpern, and Carolyn Lee.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS (INFORMATION)

There were no public or member comments.

CONSENT (3)

3. 2012 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM: AMENDMENT NO. 16 - ADMINISTRATIVE MODIFICATION (INFORMATION)

On September 28, 2012, the Board of Directors adopted the 2012 Regional Transportation Improvement Program (RTIP), the multi-year program of proposed major transportation projects in the San Diego region, covering the period FY 2013 to FY 2017. SANDAG is processing this amendment due to timing-related issues. The Transportation Committee approved this amendment at its May 2, 2014, meeting.

Action: This item was presented for information only.

REPORTS (4 through 11)

4. SUMMARY OF TRANSPORTATION COMMITTEE AND BOARD OF DIRECTORS ACTIONS ON TransNet-RELATED AGENDA ITEMS (INFORMATION)

Ariana zur Nieden, Senior Regional Planner, provided this briefing to keep the ITOC informed about relevant SANDAG actions taken on TransNet-related projects and programs.
Ms. zur Nieden provided a summary of Transportation Committee and Board of Directors actions on agenda items that the ITOC has reviewed: 2012 RTIP Amendment No. 15; TransNet Smart Growth Incentive Program and Active Transportation Grant Program: Status Update and Proposed Grant Amendments; and TransNet Senior Mini-Grant Program.

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

5. **QUARTERLY TransNet FINANCIAL REPORTS FOR THE PERIOD ENDING MARCH 31, 2014, AND OTHER FINANCIAL DATA (INFORMATION)**

Staff provided TransNet quarterly financial information in accordance with requests from the ITOC as well as in response to recommendations from the first and second TransNet Triennial Performance Audits. Staff also presented an update on the monitoring of local jurisdiction balances.

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

The ITOC requested that the cities of Carlsbad, Encinitas, Imperial Beach, and Oceanside submit letters providing an explanation of local agency street and road balances.

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

6. **DRAFT 2014 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM: PROPOSED TransNet PROJECT LISTING (DISCUSSION)**

SANDAG, as the metropolitan planning organization, is required by state and federal laws to develop and adopt a RTIP, a multi-year program of proposed major transportation projects, including the TransNet Program of Projects (POP). The 2014 RTIP covers FY 2015 to FY 2019, and is due to the state by October 1, 2014. The ITOC was asked to review the proposed listing of TransNet POP for the 2014 RTIP and provide comments.

Michelle Smith, Associate Financial Analyst, presented the item.

The ITOC requested a separate listing to include only the new projects proposed for the 2014 RTIP.

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

7. **FY 2013 TransNet LOCAL STREET AND ROAD PROGRAM ANNUAL STATUS REPORT (INFORMATION)**

The ITOC was provided the Local Street and Road Program annual status report. The report has been developed with guidance from ITOC and in coordination with the Cities/County Transportation Advisory Committee to address recommendations from the 2012 TransNet Triennial Performance Audit.

Alex Estrella, Senior Transportation Planner, presented the item.
ITOC members requested that future reports include an additional section that highlights concerns, challenges, and issues related to spending down local street and road balances, and where possible, illustrate cumulative amounts spent and/or committed, or amounts spent/committed by project.

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

8. **DRAFT 2014 INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE ANNUAL REPORT (DISCUSSION)**

The ITOC was asked to review and discuss the draft 2014 ITOC Annual Report. The final report is scheduled to be presented for ITOC approval at its June 11, 2014, meeting with subsequent presentation to the SANDAG Board of Directors at its June 27, 2014, meeting.

Ms. zur Nieden presented the item.

The ITOC instructed staff to include additional reference to ITOC review of larger city balances and to add Tracy Drager to the ITOC membership listing.

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

9. **DRAFT 2013 STATE OF THE COMMUTE REPORT (INFORMATION)**

As part of ongoing performance monitoring efforts, SANDAG reports on various statistics related to the performance of the transportation system. Staff presented the draft 2013 State of the Commute report, which provides an overview of the region’s highways, transit, and local roadway usage and performance data through December 2013.

Ellison Alegre, Associate Transportation Planner, presented the item.

The ITOC requested that an overview of the 511 application be scheduled for presentation at a future ITOC meeting.

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

10. **FY 2015 TransNet EARLY ACTION PROGRAM BUDGET UPDATE (DISCUSSION)**

Richard Chavez, Principal Engineer, presented the proposed FY 2015 TransNet Early Action Program (EAP) Budget. The EAP budget includes the expenditure and funding plans for the development and delivery of TransNet projects designed to improve mobility on 11 of the region’s top transportation corridors. The Final FY 2015 SANDAG Program Budget will be presented to the Board of Directors on May 23, 2014.

**Action:** This item was presented for discussion only.
11. OVERVIEW OF DEVELOPMENTS IN THE FINANCIAL MARKETS (INFORMATION)

Staff provided the quarterly briefing intended to keep the ITOC informed about the latest developments in the financial markets, the economy, and sales tax revenues, and the strategies being explored and implemented to minimize possible impacts to the TransNet program.

André Douzdjian, Finance Director, discussed the strategies being explored and implemented to minimize possible impacts to the TransNet program.

Marney Cox, Chief Economist, presented the information about the latest developments in the financial markets, the economy, and sales tax revenues.

Action: This item was presented for information only.

12. FUTURE MEETING SCHEDULE (INFORMATION)

The next regular ITOC meeting is scheduled for Wednesday, June 11, 2014, at 9:30 a.m.

11. ADJOURNMENT

Chair Tibbitts adjourned the meeting at 11:52 a.m.
### INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

#### MEETING ATTENDANCE FOR MAY 14, 2014

<table>
<thead>
<tr>
<th>JURISDICTION/ORGANIZATION</th>
<th>NAME</th>
<th>ATTENDING</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil/Traffic Engineering</td>
<td>Jonathan Tibbitts</td>
<td>Yes</td>
<td>Chair</td>
</tr>
<tr>
<td>Finance/Budgeting</td>
<td>Stewart Halpern</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Biology/Environmental</td>
<td>Paul Fromer</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Licensed Engineer</td>
<td>Kai Ramer</td>
<td>Yes</td>
<td>Vice Chair</td>
</tr>
<tr>
<td>Right of Way Acquisition</td>
<td>Carolyn Lee</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Private Sector</td>
<td>Dick Vortmann</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Contractor/Construction</td>
<td>Brad Barnum</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

**ADVISORY MEMBERS LISTED BELOW (ATTENDANCE NOT COUNTED FOR QUORUM PURPOSES)**

| San Diego County Auditor's Office         | Tracy Drager (1st Alt.) | Yes |

**SANDAG STAFF MEMBERS LISTED BELOW**

- Kim Kawada, Chief Deputy Executive Director
- José Nuncio, TransNet Program Director
- Ariana zur Nieden, Senior Regional Planner
INTRODUCTION

The Board of Directors entered into a Memorandum of Agreement (MOA) with state and federal agencies on the implementation of the Environmental Mitigation Program (EMP). Originally signed on February 22, 2008, the MOA was most recently amended on April 26, 2013.

A provision of the MOA allocates $4 million annually for ten years to implement regional habitat management and monitoring efforts to help maintain the region’s biological integrity, with the intention of avoiding future listing of endangered species. Allocation of the $4 million is done on an annual basis by the Board of Directors pursuant to a Five-Year Funding Strategy (originally approved on December 15, 2006, and last updated by the Board of Directors on December 21, 2012).

The Five-Year Funding Strategy is designed to strategically allocate funding for land management and monitoring activities under the EMP, as approved annually by the Board of Directors. The Board of Directors allocates a portion of the $4 million annually for the TransNet EMP Land Management Grant Program. The purpose of this report is to provide the FY 2014 3rd Quarter status report (covering January 1, 2014, to March 31, 2014) to the TransNet Independent Taxpayer Oversight Committee (ITOC), which also is scheduled to be presented to the Regional Planning and Transportation Committees on June 6, 2014 (Attachment 1).

NEXT STEPS

The FY 2014 4th Quarter status report (covering April 1 to June 30, 2014) is expected to be presented in September 2014 to the ITOC and Regional Planning and Transportation Committees.

Attachment: 1. June 6, 2014, Transportation Committee Meeting Agenda Item No. 3 – TransNet Environmental Mitigation Program: Land Management Grant Program Quarterly Status Update

Key Staff Contact: Katie Levy, (619) 699-7312, katie.levy@sandag.org
TransNet ENVIRONMENTAL MITIGATION PROGRAM: LAND MANAGEMENT GRANT PROGRAM QUARTERLY STATUS UPDATE

Introduction

The Board of Directors entered into a Memorandum of Agreement (MOA) with state and federal agencies on the implementation of the Environmental Mitigation Program (EMP). Originally signed on February 22, 2008, the MOA was most recently amended on April 26, 2013.

A provision of the MOA allocates $4 million annually for ten years to implement regional habitat management and monitoring efforts to help maintain the region’s biological integrity, thus avoiding the future listing of endangered species. Allocation of the $4 million is done on an annual basis by the Board of Directors pursuant to a Five-Year Funding Strategy (originally approved on December 15, 2006, and last updated by the Board of Directors on December 21, 2012).

The Five-Year Funding Strategy is designed to strategically allocate funding for land management and monitoring activities under the EMP, as approved annually by the Board of Directors. The Board of Directors allocates a portion of the $4 million annually for the TransNet EMP Land Management Grant Program. The purpose of this report is to provide information to the Committee on the quarterly status of active land management grant projects (Attachment 1).

Discussion

The TransNet Extension Ordinance and Expenditure Plan, approved by the voters in November 2004, includes the EMP, which provides funding to mitigate habitat impacts from regional and local transportation projects, and provides funding for regional land management and biological monitoring. A portion of this funding is distributed through a competitive Land Management Grant Program, which is administered consistent with the requirements identified in Board Policy No. 035: Competitive Grant Program Procedures (Attachment 2).

Since the program’s inception, 70 land management grants totaling $11.3 million in TransNet funding have been awarded to land management entities in the region through a competitive grant program. Eligible applicants include land managers from private, non-profit organizations; local jurisdictions; and other government agencies. Thirty-four grants were completed when the FY 2014 2nd Quarter status report was presented to the Committee. Subsequently, two more grant projects have been completed: the San Diego National Wildlife Refuge Golden Eagle project by the U.S. Fish and Wildlife Service; and the San Pasqual Valley Weed Management project by the City of San Diego Public Utilities Department. Attachment 1 provides the FY 2014 3rd Quarter status report of the 34 active land management grants covering January 1 to March 31, 2014.
Projects under the EMP Land Management Grant Program are placed on the “watch list” if a grantee is not making timely progress toward their milestones (which are defined in Board Policy No. 035) and the grantee has not yet sought corrective action. Delays in tasks leading up to either the award of a contract or project completion may place grantees on the “watch list.” As of the date of this quarterly report, no projects are currently on the watch list.

Grant Oversight

SANDAG staff provides ongoing oversight of projects under the TransNet-funded EMP Land Management Grant Program through review of quarterly reports and invoices. Annual and quarterly status updates are provided to the TransNet Independent Taxpayer Oversight Committee (ITOC) and the Regional Planning and Transportation Committees.

Staff reviews quarterly reports to ensure that grantees are making timely progress with respect to Board Policy No. 035 provisions (described in Attachment 2), and to ensure that the project submission of deliverables matches the scopes of work in their grant contract agreements.

Next Steps

The FY 2014 4th Quarter status report (covering April 1 to June 30, 2014) is expected to be presented in September 2014, to the Regional Planning and Transportation Committees and the ITOC.

CHARLES “MUGGS” STOLL
Director of Land Use and Transportation Planning

2. Board Policy No. 035: Competitive Grant Program Procedures

Key Staff Contact: Katie Levy, (619) 699-7312, katie.levy@sandag.org
## Status of Active Land Management Grants FY 2014 3rd Quarter

**Reporting period January 1 to March 31, 2014**

<table>
<thead>
<tr>
<th>Grantee Project</th>
<th>Description of Project Activities</th>
<th>Grant Amount</th>
<th>Contract Execution Date</th>
<th>Contract / Project Expiration Date</th>
<th>Watch List</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2nd Cycle - FY 2008</strong></td>
<td></td>
<td></td>
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<tr>
<td>1 U.S. Fish and Wildlife Service Shinohara Vernal Pools</td>
<td>Continuation of existing vernal pool project. Needs continued weeding to keep weeds from invading created vernal pools. Thirty new pools to be created.</td>
<td>$ 308,238.00</td>
<td>07/02/09</td>
<td>12/31/14</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
</tr>
<tr>
<td>2 City of Chula Vista Cactus Wren Restoration</td>
<td>Coastal cactus wren habitat enhancement project - active management of suitable cactus wren habitat, restore degraded and/or fragmented cholla patches, and initiate activities to reduce edge effects.</td>
<td>$ 373,048.00</td>
<td>01/01/09</td>
<td>09/30/14</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
</tr>
<tr>
<td>3 U.S. Fish and Wildlife Service SDNWR Cactus Wren Habitat Enhancement</td>
<td>Enhance coastal cactus wren habitat in high priority area in San Diego National Wildlife Refuge.</td>
<td>$ 180,070.00</td>
<td>07/02/09</td>
<td>12/31/14</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
</tr>
<tr>
<td>4 County San Diego Salt Creek Cactus Wren Habitat Restoration</td>
<td>Enhance, restore, expand, and monitor coastal cactus wren habitat in the Salt Creek area</td>
<td>$ 125,000.00</td>
<td>01/01/09</td>
<td>05/30/15</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
</tr>
<tr>
<td><strong>3rd Cycle - FY 2009</strong></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>5 City of Carlsbad Calavera Preserve Planning Area</td>
<td>Provide access control, habitat restoration, and public outreach for the 735-acre Calavera Preserve Planning Area.</td>
<td>$ 286,667.00</td>
<td>09/30/09</td>
<td>12/31/14</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
</tr>
<tr>
<td><strong>4th Cycle - FY 2010</strong></td>
<td></td>
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<tr>
<td>6 San Diego River Conservancy San Diego River Habitat</td>
<td>Invasive species control, re-treatment, restoration of native species, access control, increased park patrol and landowner outreach along the river in San Diego, Santee, and El Monte Valley.</td>
<td>$ 527,736.15</td>
<td>02/15/11</td>
<td>03/01/15</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
</tr>
<tr>
<td>7 County of San Diego Lusardi Creek</td>
<td>Removal and treatment of non-native grasslands in order to restore ecological and hydrological functions of riparian areas of the Lusardi Creek Preserve that were burned in the 2007 wildfires.</td>
<td>$ 107,060.00</td>
<td>04/12/11</td>
<td>01/31/15</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
</tr>
<tr>
<td>8 County of San Diego Lakeside Linkage</td>
<td>Plant coast prickly pear cactus on 5 acres adjacent to cactus wren populations, and control invasive plant species.</td>
<td>$ 200,824.00</td>
<td>04/12/11</td>
<td>01/31/17</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
</tr>
<tr>
<td>9 City of Chula Vista Chula Vista Tarplant</td>
<td>Restoration and enhancement for San Diego thornmint and Otay tarplant. Invasive control, dethatching, fencing, and monitoring.</td>
<td>$ 268,428.00</td>
<td>05/03/11</td>
<td>11/30/14</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
</tr>
<tr>
<td>10 Rocks Biological Consultants Crest Canyon Invasive Removal</td>
<td>Invasive species mapping, and native species planting in Crest Canyon Open Space Park. Access control of unauthorized trail use through public outreach.</td>
<td>$ 74,480.00</td>
<td>03/28/11</td>
<td>11/30/14</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
</tr>
</tbody>
</table>
# Status of Active Land Management Grants FY 2014 3rd Quarter

**Reporting period January 1 to March 31, 2014**

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<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>11 San Elio Lagoon Conservancy</td>
<td>Carlsbad Hydrologic Unit</td>
<td>Throughout the Carlsbad Hydrologic Unit treat and monitor invasive plants, plant, and restore habitat. Map invasive plant infestations within the MHCP Core and Linkage Areas identified in Carlsbad Habitat Management Plan.</td>
<td>$194,455.00</td>
<td>04/06/12</td>
<td>07/31/14</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
</tr>
<tr>
<td>12 San Diego Audubon Society</td>
<td>Mission Bay Park</td>
<td>Use habitat evaluation program to establish baseline habitat health to implement invasive species control and habitat restoration in Mission Bay Park.</td>
<td>$98,200.00</td>
<td>04/06/12</td>
<td>12/01/14</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
</tr>
<tr>
<td>13 Chaparral Lands Conservancy</td>
<td>Proctor Valley Vernal Pools</td>
<td>Restore and enhance quality of vernal pools and habitat at a 6-acre site in Proctor Valley.</td>
<td>$183,605.00</td>
<td>05/09/12</td>
<td>09/30/15</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
</tr>
<tr>
<td>14 Conservation Biology Institute</td>
<td>Brachypodium Removal</td>
<td>Develop and implement treatment strategies for the emerging invasive plant species <em>Brachypodium</em>. Restore impacted habitat on South Crest properties within the San Diego National Wildlife Refuge and Crestridge Ecological Reserve.</td>
<td>$233,975.00</td>
<td>04/05/12</td>
<td>06/30/14</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
</tr>
<tr>
<td>15 Zoological Society of San Diego</td>
<td>San Pasqual Valley</td>
<td>Develop and begin initial implementation of a subwatershed-level management plan to restore and manage native habitat to support Coastal Cactus Wren population in the San Pasqual Valley/Lake Hodges region of the San Dieguito Watershed.</td>
<td>$269,339.00</td>
<td>05/31/12</td>
<td>05/31/14</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
</tr>
<tr>
<td>16 City of Chula Vista</td>
<td>Salt Creek Canyon</td>
<td>Restore and enhance degraded habitat for the Coastal Cactus Wren within the Salt Creek Canyon of the Otay Ranch Preserve. Conduct invasive species control, propagate cacti, and monitor Coastal Cactus Wren.</td>
<td>$182,282.00</td>
<td>04/30/12</td>
<td>08/31/15</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
</tr>
<tr>
<td>17 U.S. Geological Society</td>
<td>Western Pond Turtle</td>
<td>Conduct habitat suitability surveys for the Western Pond Turtle (WPT) on Marine Corps Base Camp Pendleton. Remove aquatic invasives and trap WPT.</td>
<td>$133,263.79</td>
<td>06/27/12</td>
<td>06/27/14</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
</tr>
<tr>
<td>18 Center for Natural Lands Management</td>
<td>Acanthomintha</td>
<td>Assess sites and collect plant materials, conduct local adaptation genetic study. Use the most appropriate molecular techniques to determine the genetic differences among occurrences.</td>
<td>$41,250.00</td>
<td>04/01/12</td>
<td>09/30/14</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
</tr>
<tr>
<td>19 Chaparral Lands Conservancy</td>
<td>Proctor Valley Vehicle Barriers</td>
<td>Install Off-Road-Vehicle barriers to close section of fencing between City of San Diego and CA Dept. of Fish and Game fencing in order to improve effectiveness of barriers in reducing illegal access.</td>
<td>$155,780.00</td>
<td>05/09/12</td>
<td>06/30/14</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
</tr>
</tbody>
</table>
# Status of Active Land Management Grants FY 2014 3rd Quarter

*Reporting period January 1 to March 31, 2014*

<table>
<thead>
<tr>
<th>Grantee</th>
<th>Project</th>
<th>Description of Project Activities</th>
<th>Grant Amount</th>
<th>Contract Execution Date</th>
<th>Contract / Project Expiration Date</th>
<th>Watch List*</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 Mision Resource Conservation District</td>
<td>San Luis Rey and Santa Margarita Watersheds Arundo Re-treatment</td>
<td>Continue retreatments to continue moving towards the long-term goal of 100% eradication of invasive non-native Arundo in the Santa Margarita and San Luis Rey Watersheds.</td>
<td>$174,000.00</td>
<td>09/01/13</td>
<td>12/01/15</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
</tr>
<tr>
<td>21 Groundwork San Diego-Chollas Creek</td>
<td>Phase 3 Radio-Encanto Restoration, Maintenance, and Monitoring</td>
<td>Monitor recently created native habitat to implement Phase 3 Radio-Encanto Canyons Restoration/ Maintenance/Monitoring Program. Use matching funds to restore additional habitat in Radio Canyon.</td>
<td>$100,316.00</td>
<td>09/01/13</td>
<td>09/01/15</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
</tr>
<tr>
<td>22 Conservation Biology Institute</td>
<td>South County Grasslands Phase 2</td>
<td>Implement Phase 2 of South County Grasslands restoration and invasive control. Determine the most effective methods for site preparation, weed management, and seeding to prepare for and inform large-scale grassland restoration.</td>
<td>$272,307.00</td>
<td>09/01/13</td>
<td>12/01/14</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
</tr>
<tr>
<td>23 U.S. Fish and Wildlife Service</td>
<td>SDNWR: (Shinohara) Vernal Pool Invasive Weed Treatment</td>
<td>Shinohara Parcel on SDNWR still has a substantial weed load. Hand weeding within restored pools and herbicide application adjacent to pools to treat weeds that inhibit full ecosystem function.</td>
<td>$95,400.00</td>
<td>09/01/13</td>
<td>01/01/15</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
</tr>
<tr>
<td>24 County of San Diego</td>
<td>Sycamore Canyon and Goodan Ranch Invasive Removal and Habitat Restoration</td>
<td>Treat and remove invasive non-native plant species in order to restore sensitive habitat within the Sycamore Canyon/Goodan Ranch Preserve.</td>
<td>$157,977.00</td>
<td>09/01/13</td>
<td>09/01/15</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
</tr>
<tr>
<td>25 Conservation Biology Institute</td>
<td>Dehesa nolina and Dudleya</td>
<td>Enhance, restore, and protect Dehesa nolina and variegated dudleya on portions of the South Crest property. Develop a science-based Conservation Vision and Management Strategy for Dehesa nolina in Management Unit 3.</td>
<td>$114,810.00</td>
<td>09/01/13</td>
<td>09/01/16</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
</tr>
<tr>
<td>26 Back Country Land Trust</td>
<td>San Diego thornmint and Quino Checkerspot Butterfly</td>
<td>Enhance native grassland habitat, populations of San Diego thornmint, and plantago erecta (host plant for Quino checkerspot butterfly) at Wright's Field.</td>
<td>$108,540.00</td>
<td>09/27/13</td>
<td>09/27/16</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
</tr>
<tr>
<td>27 San Diego Audubon Society</td>
<td>California least tern</td>
<td>Observe and record predation events in order to provide recommendations for improving efficacy of predator management actions and in turn improve breeding productivity of CA least tern in Mission Bay Park.</td>
<td>$58,464.00</td>
<td>09/01/13</td>
<td>09/01/16</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
</tr>
<tr>
<td>28 Otay Water District</td>
<td>Cactus wren</td>
<td>Create cactus dominated Diegan coastal sage scrub habitat at the San Miguel Habitat Management Area that can support wintering cactus wren and a minimum of two pairs of nesting coastal cactus wrens.</td>
<td>$88,840.00</td>
<td>09/01/13</td>
<td>10/01/16</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
</tr>
<tr>
<td>Grantee</td>
<td>Project</td>
<td>Description of Project Activities</td>
<td>Grant Amount</td>
<td>Contract Execution Date</td>
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<td>Watch List*</td>
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</tr>
<tr>
<td>----------------------------------------------</td>
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<td>------------------------------------------------------------------------</td>
</tr>
<tr>
<td>29 Chaparral Lands Conservancy</td>
<td>Rare Plants</td>
<td>Prepare site plans for stabilization and expansion of Orcutt’s spineflower populations and site protection for spineflower, San Diego thornmint, and Short-leaved dudleya.</td>
<td>$137,610.50</td>
<td>09/01/13</td>
<td>09/01/15</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
</tr>
<tr>
<td>30 San Elijo Lagoon Conservancy</td>
<td>North County Dunes Restoration (Coastal Species)</td>
<td>Survey and conduct restoration activities at potential dune habitat between northern Carlsbad and northern La Jolla in order to extend the range and increase the population of dune-dependent species CA least tern, Western snowy plover, and Nuttall’s lotus.</td>
<td>$180,144.00</td>
<td>09/01/13</td>
<td>09/01/15</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
</tr>
<tr>
<td>31 U.S. Fish and Wildlife Service</td>
<td>SD Bay NWR: California least tern and Western snowy plover Recovery at D Street Nesting Site</td>
<td>Support the recovery and protection of the CA least tern and western snowy plover through nest site preparation and predator management at the D St Fill.</td>
<td>$111,591.50</td>
<td>09/01/13</td>
<td>11/01/15</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
</tr>
<tr>
<td>32 Earth Discovery Institute</td>
<td>South San Diego County Community Outreach and Habitat Stewardship</td>
<td>Expand conservation outreach and education in South County.</td>
<td>$164,650.00</td>
<td>08/01/13</td>
<td>10/01/14</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
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<tr>
<td>33 San Diego River Park Foundation</td>
<td>San Diego River Park Watch</td>
<td>Institutionalize, enhance and further grow the San Diego River Park Watch program within Santee’s River Park to be more effective.</td>
<td>$145,005.00</td>
<td>09/20/13</td>
<td>09/20/15</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
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<tr>
<td>34 Los Penasquitos Lagoon Foundation</td>
<td>Los Penasquitos Management</td>
<td>Protect Los Penasquitos Lagoon’s biological resources, public health and use through restoring tidal circulation, buffering sensitive habitats, and removal of urban debris.</td>
<td>$90,345.00</td>
<td>09/01/13</td>
<td>11/01/14</td>
<td>No</td>
<td>Project IS making timely progress toward their milestones.</td>
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</tbody>
</table>
COMPETITIVE GRANT PROGRAM PROCEDURES

Applicability and Purpose of Policy

This Policy applies to the following grant programs administered through SANDAG, whether from TransNet or another source: Smart Growth Incentive Program, Environmental Mitigation Program, Bike and Pedestrian Program, Senior Mini Grant Program, Job Access Reverse Commute, New Freedom, and Section 5310 Elderly & Persons with Disabilities Transportation Program.

Nothing in this Policy is intended to supersede federal or state grant rules, regulations, statutes, or contract documents that conflict with the requirements in this Policy. There are never enough government grant funds to pay for all of the projects worthy of funding in the San Diego region. For this reason, SANDAG awards grant funds on a competitive basis that takes the grantees’ ability to perform their proposed project on a timely basis into account. SANDAG intends to hold grantees accountable to the project schedules they have proposed in order to ensure fairness in the competitive process and encourage grantees to get their projects implemented quickly so that the public can benefit from the project deliverables as soon as possible.

Procedures

1. Project Milestone and Completion Deadlines

   1.1. When signing a grant agreement for a competitive program funded and/or administered by SANDAG, grant recipients must agree to the project delivery objectives and schedules in the agreement. In addition, a grantee’s proposal must contain a schedule that falls within the following deadlines. Failure to meet the deadlines below may result in revocation of all grant funds not already expended. The final invoice for capital, planning, or operations grants must be submitted prior to the applicable deadline.

      1.1.1. Funding for Capital Projects. If the grant will fund a capital project, the project must be completed according to the schedule provided in the grant agreement, but at the latest, any necessary construction contract must be awarded within two years following execution of the grant agreement, and construction must be completed within eighteen months following award of the construction contract. Completion of construction for purposes of this policy shall be when the prime construction contractor is relieved from its maintenance responsibilities. If no construction contract award is necessary, the construction project must be complete within eighteen months following execution of the grant agreement.

      1.1.2. Funding for Planning Grants. If the grant will fund planning, the project must be completed according to the schedule provided in the grant agreement, but at the latest, any necessary consultant contract must be awarded within one year following execution of the grant agreement, and the planning project must be complete within two years following award of the consultant contract. Completion of planning for purposes of this policy shall be when grantee approves the final planning project deliverable. If no consultant contract award is necessary, the
planning project must be complete within two years of execution of the grant agreement.

1.1.3 Funding for Operations Grants. If the grant will fund operations, the project must be completed according to the schedule provided in the grant agreement, but at the latest, any necessary services contract for operations must be awarded within one year following execution of the grant agreement, and the operations must commence within six months following award of the operations contract. If no services contract for operations is necessary, the operations project must commence within one year of execution of the grant agreement.

1.1.4 Funding for Equipment or Vehicles Grants. If the grant will fund equipment or vehicles, the project must be completed according to the schedule provided in the grant agreement, but at the latest, any necessary purchase contracts for equipment or vehicles must be awarded within one year following execution of the grant agreement, and use of the equipment or vehicles for the benefit of the public must commence within six months following award of the purchase contract.

2. Project Milestone and Completion Deadline Extensions

2.1. Schedules within grant agreements may include project scopes and schedules that will identify interim milestones in addition to those described in Section 1 of this Policy. Grant recipients may receive extensions on their project schedules of up to six months for good cause. Extensions of up to six months aggregate that would not cause the project to miss a completion deadline in Section 1 may be approved by the SANDAG Executive Director. Extensions beyond six months aggregate or that would cause the project to miss a completion deadline in Section 1 must be approved by the Policy Advisory Committee that has been delegated the necessary authority by the Board. For an extension to be granted under this Section 2, the following conditions must be met:

2.1.1. For extension requests of up to six months, the grantee must request the extension in writing to the SANDAG Program Manager at least two weeks prior to the earliest project schedule milestone deadline for which an extension is being requested. The Executive Director or designee will determine whether the extension should be granted. The Executive Director’s action will be reported out to the Board in following month’s report of delegated actions.

2.1.2. A grantee seeking an extension must document previous efforts undertaken to maintain the project schedule, explain the reasons for the delay, explain why the delay is unavoidable, and demonstrate an ability to succeed in the extended time frame the grantee proposes.

2.1.3. If the Executive Director denies an extension request under this Section 2, the grantee may appeal within ten business days of receiving the Executive Director’s response to the responsible Policy Advisory Committee by sending the appeal to the SANDAG Program Manager.

2.1.4. Extension requests that are rejected by the Policy Advisory Committee will result in termination of the grant agreement and obligation by the grantee to return to SANDAG any unexpended funds within 30 days. Unexpended funds are funds for project costs not incurred prior to rejection of the extension request by the Policy Advisory Committee.
3. Project Delays and Extensions in Excess of Six Months

3.1 Requests for extensions in excess of six months, or that will cause a project to miss a completion deadline in Section 1 (including those projects that were already granted extensions by the Executive Director and are again falling behind schedule), will be considered by the Policy Advisory Committee upon request to the SANDAG Program Manager.

3.2 A grantee seeking an extension must document previous efforts undertaken to maintain the project schedule, explain the reasons for the delay, explain why the delay is unavoidable, and demonstrate an ability to succeed in the extended time frame the grantee proposes. The grantee must provide the necessary information to SANDAG staff to place in a report to the Policy Advisory Committee. If sufficient time is available, and the grant utilized TransNet funds, the request will first be taken to the Independent Taxpayer Advisory Committee (ITOC) for a recommendation. The grantee should make a representative available at the meeting to present the information to, and/or answer questions from, the ITOC and Policy Advisory Committee.

3.3 The Policy Advisory Committee will only grant an extension under this Section 3 for extenuating circumstances that the grantee could not have reasonably foreseen.

4. Resolution and Execution of the Grant Agreement

4.1 Two weeks prior to the review by the Policy Advisory Committee of the proposed grants, prospective grantees must submit a resolution from their authorized governing body that includes the provisions in this Subsection 4.1. Failure to provide a resolution that meets the requirements in this Subsection 4.1 will result in rejection of the application and the application will be dropped from consideration with funding going to the next project as scored by the evaluation committee. In order to assist grantees in meeting this resolution deadline, when SANDAG issues the call for projects it will allow at least 90 days for grant application submission.

4.1.1 Grantee governing body commits to providing the amount of matching funds set forth in the grant application.

4.1.2 Grantee governing body authorizes staff to accept the grant funding and execute a grant agreement if an award is made by SANDAG.

4.2 Grantee’s authorized representative must execute the grant agreement within 45 days from the date SANDAG presents the grant agreement to the prospective grantee for execution. Failure to meet the requirements in this Subsection 4.2 may result in revocation of the grant award.

5. Increased Availability of Funding Under this Policy

5.1 Grant funds made available as a result of the procedures in this Policy may be awarded to the next project on the recommended project priority list from the most recent project selection process, or may be added to the funds available for the next project funding cycle, at the responsible Policy Advisory Committee’s discretion. Any project that loses funding due to failure to meet the deadlines specified in this Policy may be resubmitted to compete for funding in a future call for grant applications.

Adopted: January 2010
2012 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM: File Number 1500300
AMENDMENT NO. 17 – ADMINISTRATIVE MODIFICATION

Introduction

SANDAG, at its meeting on September 28, 2012, approved the 2012 Regional Transportation Improvement Program (RTIP), the multi-billion dollar program of projects covering the period from FY 2013 to FY 2017 and funded by federal, state, TransNet local sales tax, and other local funding sources. SANDAG processed Amendment No. 17 to the 2012 RTIP as an administrative amendment due to timing-related issues. At its June 6, 2014, meeting, the Transportation Committee is scheduled to approve Amendment No. 17 to the 2012 RTIP. The federal agencies delegated the approval of administrative amendments to the state, thereby streamlining the approval process.

There are two types of processes to update the RTIP; administrative modifications and formal amendments. Formal amendments require, among other things, a 15-day public notice period, while administrative modification are considered minor in nature and do not require a public notice period. Chapter 2 of the adopted 2012 RTIP provides additional details regarding the differences between formal amendments and administrative modifications.

Role of the Independent Taxpayer Oversight Committee (ITO)

Based on the provisions of the TransNet Extension Ordinance, the ITOC is responsible for reviewing projects proposed for funding with TransNet funds and providing comments to the SANDAG Transportation Committee and to the Board of Directors for consideration when actions are taken on the RTIP. The text of Ordinance Paragraph No. 8 relating to the ITOC role in the RTIP process is provided below:

“Review and comment on the programming of TransNet revenues in the Regional Transportation Improvement Program (RTIP). This provides an opportunity for the ITOC to raise concerns regarding the eligibility of projects proposed for funding before any expenditures are made. In addition to a general eligibility review, this effort should focus on significant cost increases and/or scope changes on the major corridor projects identified in the Ordinance and Expenditure Plan.”
Discussion

Amendment No. 17 is detailed in the May 2, 2014, Transportation Committee report, included as Attachment 1. Attachment 2 provides the individual project changes in Amendment No. 17, specifically for TransNet-funded projects. This table does not include the State Highway Operations and Protection Program (SHOPP) projects (CAL46B and CAL46E) because no TransNet funds are programmed for these projects; therefore, it does not fall under the responsibility of ITOC. This item is being presented for informational purposes only.

2. Table 1 – 2012 Regional Transportation Improvement Program – TransNet Only – Amendment No. 17

Key Staff Contact: Michelle Smith, (619) 595-5608, michelle.smith@sandag.org
2012 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM: AMENDMENT NO. 17 – ADMINISTRATIVE MODIFICATION

File Number 1500300

Introduction

On September 28, 2012, the Board of Directors adopted the 2012 Regional Transportation Improvement Program (RTIP), the multiyear program of proposed major transportation projects in the San Diego region covering the period FY 2013 to FY 2017. The 2012 RTIP is a multibillion dollar program of projects funded by federal, state, TransNet local sales tax, and other local funding sources. The 2013 Federal Statewide Transportation Improvement Program, which incorporates the SANDAG 2012 RTIP, received federal approval on December 14, 2012.

Background

There are two types of processes to update the RTIP: Administrative modifications and formal amendments. Formal amendments require, among other things, a 15-day public notice period, while administrative modifications are considered minor in nature and do not require a public notice period. Chapter 2 of the adopted 2012 RTIP provides additional details regarding the differences between formal amendments and administrative modifications. Amendment No. 17 is considered an administrative modification because the programming for this project is increasing by less than 40 percent or $10 million, which is consistent with the federally accepted administrative modification procedures. The federal agencies delegated the approval of administrative modifications to the state, thereby streamlining the approval process.

Discussion

Below summarizes project changes included in this administrative modification with further programming details included in Table 1 (Attachment 1).

Caltrans

At its March 20, 2014, meeting, the California Transportation Commission (CTC) adopted the 2014 State Highway Operation and Protection Program (SHOPP). The projects included in the 2014 SHOPP were programmed as part of Amendment No. 15 to the 2012 RTIP so that the projects can begin
preliminary work. Since then, some SHOPP projects have been amended and approved by the CTC at its April meeting, to add additional projects to the 2014 SHOPP and update funding. The changes included in these SHOPP amendments are described below:

- **Grouped Projects for Safety Improvements – SHOPP Collision Reduction Program (CAL46B)** – This amendment proposes to increase funding for this group project listing by adding two new safety projects on State Route 163 and Interstate 8. The total amount programmed increases by $5,338,000 to $211,655,000.

- **Grouped Projects for Pavement Resurfacing and/or Rehabilitation – SHOPP Roadway Preservation Program (CAL46E)** – This amendment proposes two actions: (1) add the Otay Mesa Rehabilitation project (CAL38B), currently programmed as a stand-alone project, into this group listing, which currently includes $740,000 of federal High Priority Program funds; and (2) add $5,450,000 of SHOPP Roadway Preservation funds in FY 2013/2014 for the construction phase of the Otay Mesa Rehabilitation project. The total amount programmed increases by $6,190,000 to $213,146,000.

- **I-5 Genesee Interchange and Widening (CAL75)** – This amendment proposes to add $13.8 million in federal Regional Surface Transportation Program funds of in FY 2015/2016 in order to fully fund this project. A portion of this project is programmed by the City of San Diego (SD103) and although total amount programmed under CAL75 is reduced, the overall project budget increases to $105,189,000, as approved by the Board at its May 23, 2014, meeting.

**Fiscal Constraint Analysis**

Federal regulations require the 2012 RTIP to be a revenue-constrained document with programmed projects based upon available or committed funding and/or reasonable estimates of future funding. Funding assumptions are generally based upon: (1) authorized or appropriated levels of federal and state funding from current legislation; (2) conservative projections of future federal and state funding based upon a continuation of current funding levels; (3) the most current revenue forecasts for the TransNet Program; and (4) the planning and programming documents of the local transportation providers.

As an administrative modification, an updated fiscal constraint analysis is not required. The proposed change included in Amendment No. 17 does not affect the fiscal constraint submitted as part of Amendment No. 14 to the 2012 RTIP, the last federally approved formal amendment that updated the financial capacity for the 2012 RTIP. Chapter 4 of the final 2012 RTIP discusses in detail the financial capacity analysis of major program areas, including discussion of available revenues. The 2012 RTIP, including Amendment No. 17, continues to be reasonable when considering available funding sources.

**Air Quality Analysis**

On September 28, 2012, SANDAG found the 2012 RTIP in conformance with the Regional Air Quality Strategy/State Implementation Plan (SIP) for the San Diego region. All of the required regionally significant capacity increasing projects were included in the quantitative emissions analysis conducted for the 2050 San Diego Regional Transportation Plan: Our Region Our Future (2050 RTP) and the 2012 RTIP. The Federal Highway Administration and the Federal Transit Administration jointly approved the conformity determination for the 2012 RTIP and the conformity
redetermination for the 2050 RTP on December 14, 2012. On May 24, 2013, the Board of Directors approved the 2012 RTIP, Amendment No. 2, including the air quality conformity analysis and redetermination of the 2050 Revenue Constrained RTP, and received federal approval on June 28, 2013.

The proposed amendment does not reflect a change in the design, concept, or scope of the project or the conformity analysis years as modeled for the regional emissions analysis of the 2012 RTIP and 2050 RTP. Projects in the 2012 RTIP Amendment No. 17 meet the conformity provisions of the Transportation Conformity Rule (40 CFR §93.122(g)) and all capacity increasing projects in Amendment No. 17 were included in the quantitative emissions analysis conducted for the 2050 RTP and 2012 RTIP. All other projects not included in the air quality conformity analysis are either non-capacity increasing or are exempt from the requirement to determine conformity according to the Transportation Conformity Rule (40 CFR §93.126). SANDAG followed interagency consultation procedures to determine which projects are exempt. Amendment No. 17 does not interfere with the timely implementation of Transportation Control Measures. The 2012 RTIP, including Amendment No. 17, remains in conformance with the SIP.

JOSÉ A. NUNCIO  
TransNet Department Director

Attachment:  1. Table 1: 2012 Regional Transportation Improvement Program – Amendment No. 17

Key Staff Contact: Michelle Smith, (619) 595-5608, michelle.smith@sandag.org
Table 1
2012 Regional Transportation Improvement Program - TransNet Only
Amendment No. 17
San Diego Region (in $000s)

<table>
<thead>
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<th>MPO ID: CAL75</th>
<th>RTIP #:12-17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Title:</td>
<td>I-5 Genesee Interchange and Widening</td>
</tr>
<tr>
<td>Project Description:</td>
<td>From Genesee Avenue to Sorrento Valley Overhead - reconstruct I-5 Genesee Bridge and interchange including ramps, retaining walls; add type 1 bicycle facility between Voigt and Sorrento Valley Road</td>
</tr>
<tr>
<td>Change Reason:</td>
<td>Add new funding source, Revise funding between fiscal years</td>
</tr>
<tr>
<td>Est Total Cost:</td>
<td>$105,189</td>
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<tr>
<td>Open to Traffic:</td>
<td>Jun 2017</td>
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| Amended Date: | 12-06 |

<table>
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<th>Category</th>
<th>12/13</th>
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<th>14/15</th>
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<td>RSTP - AC Conversion</td>
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<td>SHOPP (AC)-Mobility</td>
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<tr>
<td>Local Funds</td>
<td>$10,188</td>
<td>$1,688</td>
<td>$2,500</td>
<td>$6,000</td>
<td>$1,688</td>
<td>$2,500</td>
<td>$6,000</td>
<td>$1,688</td>
</tr>
</tbody>
</table>

**TransNet Subtotal** | $11,727 | $54 | $2,967 | $15,421 | $996 | $(12,583) | $3,324 | $901 | $5,273 | $5,553 |

**Other Subtotal** | $79,052 | $1,688 | $57,574 | $6,000 | $13,790 | $2,467 | $500 | $10,020 | $1,688 | $2,500 |

**TOTAL** | $90,779 | $1,742 | $60,541 | $21,421 | $996 | $1,207 | $3,324 | $3,368 | $7,461 | $79,950 |

* $14.4M of City of San Diego contribution programmed under SD103

**PROJECT LAST AMENDED 12-06**

<table>
<thead>
<tr>
<th>Category</th>
<th>12/13</th>
<th>13/14</th>
<th>14/15</th>
<th>15/16</th>
<th>16/17</th>
<th>PE</th>
<th>RW</th>
<th>CON</th>
</tr>
</thead>
<tbody>
<tr>
<td>TransNet - MC</td>
<td>$19,457</td>
<td>$54</td>
<td>$3,931</td>
<td>$5,595</td>
<td>$5,506</td>
<td>$4,149</td>
<td>$222</td>
<td>$787</td>
</tr>
<tr>
<td>HPP</td>
<td>$1,600</td>
<td>$1,600</td>
<td>$1,600</td>
<td>$1,600</td>
<td>$1,600</td>
<td>$1,600</td>
<td>$1,600</td>
<td>$1,600</td>
</tr>
<tr>
<td>Prop 1B - SLPP</td>
<td>$8,000</td>
<td>$8,000</td>
<td>$8,000</td>
<td>$8,000</td>
<td>$8,000</td>
<td>$8,000</td>
<td>$8,000</td>
<td>$8,000</td>
</tr>
<tr>
<td>SHOPP (AC)-Mobility</td>
<td>$12,987</td>
<td>$12,987</td>
<td>$12,987</td>
<td>$12,987</td>
<td>$12,987</td>
<td>$12,987</td>
<td>$12,987</td>
<td>$12,987</td>
</tr>
<tr>
<td>Local Funds</td>
<td>$18,598</td>
<td>$16,098</td>
<td>$2,500</td>
<td>$6,000</td>
<td>$13,610</td>
<td>$2,467</td>
<td>$500</td>
<td>$10,020</td>
</tr>
</tbody>
</table>

**TransNet Subtotal** | $19,457 | $54 | $3,931 | $5,595 | $5,506 | $4,149 | $222 | $787 | $5,273 | $13,397 |

**Other Subtotal** | $73,672 | $16,098 | $57,574 | $5,506 | $4,149 | $222 | $787 | $5,273 | $5,506 | $16,077 | $2,988 | $54,607 |

**TOTAL** | $93,129 | $16,152 | $61,505 | $5,595 | $5,506 | $4,149 | $222 | $787 | $5,273 | $5,506 | $16,864 | $8,261 | $68,004 |

Tuesday, June 3, 2014
### RTIP Fund Types

**Federal Funding**

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>HPP</td>
<td>High Priority Program under SAFETEA-LU</td>
</tr>
<tr>
<td>RSTP</td>
<td>Regional Surface Transportation Program</td>
</tr>
<tr>
<td>CMAQ/RSTP Conversion</td>
<td>Reimbursement of advanced federal funds which have been advanced with local funds in earlier years</td>
</tr>
</tbody>
</table>

**State Funding**

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>SHOPP</td>
<td>State Highway Operation &amp; Protection Program</td>
</tr>
<tr>
<td>SLPP</td>
<td>State Local Partnership Program (State Prop. 1B)</td>
</tr>
<tr>
<td>STA</td>
<td>State Transit Assistance</td>
</tr>
</tbody>
</table>

**Local Funding**

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Funds AC</td>
<td>Local Funds - Advanced Construction; mechanism to advance local funds to be reimbursed at a later fiscal year with federal/state funds</td>
</tr>
<tr>
<td>TransNet-MC</td>
<td>Prop. A Extension Local Transportation Sales Tax - Major Corridors</td>
</tr>
<tr>
<td>TransNet-MC AC</td>
<td>TransNet - Major Corridors - Advanced Construction; mechanism to advance TransNet funds to be reimbursed at a later fiscal year with federal/state funds</td>
</tr>
</tbody>
</table>
ACTION REQUESTED: ACCEPT

ACCEPTANCE OF THE FY 2013 TransNet FISCAL AND COMPLIANCE AUDITS  File Number 1500200

Introduction

The San Diego Transportation Improvement Program Ordinance and Expenditure Plan (Ordinance 04-01) specifies certain requirements for the recipients of TransNet funds, including a requirement for an independent annual fiscal and compliance audit of each recipient of TransNet funds. In accordance with the TransNet Extension Ordinance, the Independent Taxpayer Oversight Committee (ITOC) is required to share the initial findings of the independent fiscal audits and its recommendations with the SANDAG Transportation Committee 60 days prior to their release to resolve inconsistencies and technical issues related to the draft report and recommendations.

SANDAG Board Policy No. 031: TransNet Ordinance and Expenditure Plan Rules contains several rules detailing administration of the TransNet Program and addressing the fiscal and compliance audit procedures. In accordance with the audit schedule contained in Rule #17, Section I, Fiscal and Compliance Audit Procedures, Vice Chair Kai Ramer presented the initial draft audit results and findings for TransNet recipients to the ITOC at its March 12, 2014, Transportation Committee meeting; therefore, the earliest date that the ITOC could issue and accept the compliance audit results would be May 20, 2014. There were no significant comments regarding the audits presented at the Transportation Committee meeting.

Recommendation

The ITOC is asked to accept the final FY 2013 TransNet fiscal and compliance audit reports as prepared by the independent certified public accounting firm of Mayer Hoffman McCann P.C. (MHM) in accordance with the agreed-upon procedures (AUP), so the final audit reports may be issued.

Discussion

The independent certified public accounting firm of MHM performed the FY 2013 TransNet fiscal and compliance audit for the sales tax revenue recipient agencies using the FY 2013 AUP previously approved by the ITOC on July 10, 2013. The AUP include requirements specific to the TransNet Extension Ordinance and SANDAG Board Policy No. 031. In accordance with the TransNet Extension Ordinance and Rule #17 of SANDAG Board Policy No. 031, MHM presented the initial draft audit results and findings for TransNet recipients to the ITOC at its March 12, 2014, meeting. Draft audits may be viewed at http://www.sandag.org/uploads/committeeid/committeeid_75_17270.pdf.
**Transit Operator Eligibility**

The San Diego Metropolitan Transit System (MTS) was in noncompliance with the bus services and rail services requirements; and the North County Transit District (NCTD) was in noncompliance with the rail services requirement at the time of the initial draft audits. At its March 28, 2014, meeting, the SANDAG Board of Directors approved the MTS request to calculate the bus services and rail services requirements as an average over the previous three fiscal years, and the NCTD request to calculate the rail services requirement as an average over the previous three fiscal years with the exclusion of certain cost increases as permitted under Section 4(C)5 of the *TransNet* Extension Ordinance. The findings of both MTS and NCTD were removed from the draft reports with the addition of the approved calculations as shown in procedure 11 in the attached reports (Attachments 1 and 2).

The MTS and NCTD requests for exception were considered on the following dates:

- Independent Taxpayer Oversight Committee: March 12, 2014
- SANDAG Transportation Committee: March 21, 2014
- SANDAG Board of Directors (approval): March 28, 2014

**Maintenance of Effort Requirement**

The City of Vista was in noncompliance with the Maintenance of Effort (MOE) requirement at the time of the initial draft audits. At its March 28, 2014, meeting, the SANDAG Board of Directors granted the City of Vista two years to meet its MOE shortfall in accordance with the *TransNet* Extension Ordinance. The City of Vista also modified its management response to the MOE finding as follows:

> Management agrees with the finding and has taken steps to ensure that the Maintenance of Effort (MOE) requirement amount will be met in future periods. Specifically, the City will request from the Commission the allowance of two years or until June 30, 2015, to expend $57,072 over and above the regular MOE threshold to make up the shortfall. The City is meeting with the appropriate Boards during the month of March.

The request for exception was approved on the following dates:

- Independent Taxpayer Oversight Committee: March 12, 2014
- SANDAG Transportation Committee: March 21, 2014
- SANDAG Board of Directors (approval): March 28, 2014
Next Steps

The results of the FY 2013 TransNet fiscal and compliance audit reports will be incorporated into the 2014 ITOC Annual Report. At its June 11, 2014, meeting, the ITOC is scheduled to approve the final 2014 ITOC Annual Report for presentation to the SANDAG Board of Directors.


Key Staff Contact: Lisa Kondrat-Dauphin, (619) 699-1942, lisa.kondrat-dauphin@sandag.org
SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Report on Agreed-Upon Procedures
Applied to the TransNet Fund

Year Ended June 30, 2013
INDEPENDENT ACCOUNTANTS’ REPORT
ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the San Diego Metropolitan Transit System (MTS) was in compliance with the TransNet Ordinance and TransNet Extension Ordinance for the year ended June 30, 2013. MTS’ management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (TransNet Ordinance and Expenditure Plan), the 2004 Proposition A (TransNet Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: TransNet Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

   Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

   Results: No exceptions were noted as a result of our procedures.

3. We obtained the TransNet Grant Program spreadsheet from SANDAG.

   Results: No exceptions were noted as a result of our procedures.
4. We inquired of the recipient agency’s management and determined whether the recipient agency maintains a separate fund for TransNet revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: Per discussion with management, TransNet revenues and expenditures are not recorded in a separate fund, but MTS maintains separate accountability for all TransNet activity. This alternative approach to maintaining separate accountability is allowed per SANDAG Board Policy No. 031, Rule #6, if approved by SANDAG. SANDAG has accepted the MTS’ alternative approach.

5. We obtained a detailed general ledger for TransNet revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

6. We obtained the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, TransNet funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID and identifying recipient agency project number.

   a. We reviewed Schedule A and determined that the projects are properly classified and reported by TransNet program (i.e., original TransNet vs. TransNet Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

      Results: No exceptions were noted as a result of our procedures.

   b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

      Results: No exceptions were noted as a result of our procedures.

   c. We obtained a listing of TransNet payments made to the recipient agency from SANDAG and compared the TransNet revenue recorded by the recipient agency to the listing of payments received from SANDAG.

      Results: No exceptions were noted as a result of our procedures.

   d. We identified the interest income reported for the year ended June 30, 2013.

      i. We reviewed interest income reported on Schedule A and agreed it to the recipient agency’s general ledger.

      Results: No exceptions were noted as a result of our procedures.
ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

**Results:** No exceptions were noted as a result of our procedures.

e. We identified the total TransNet expenditures for the year ended June 30, 2013.

i. We reviewed the total project expenditures reported on Schedule A and agreed them to the recipient agency’s general ledger.

**Results:** No exceptions were noted as a result of our procedures.

ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

**Results:** MTS recorded total expenditures in the amount of $38,166,940. We selected $9,769,365 (25.60%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the TransNet and TransNet Extension Ordinances and Expenditure Plan requirements.

**Results:** No exceptions were noted as a result of our procedures.

iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

**Results:** MTS allocates their personnel wage costs at a fringe benefit rate of 40% to MTS33A and MTS23A. No exceptions noted as a result of our procedures.

f. We determined that any amounts reported in the “adjustments” columns are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

**Results:** No exceptions were noted as a result of our procedures.

g. We obtained a list of completed projects from the recipient agency that is reported by the TransNet program and MPO ID. We determined whether any remaining TransNet funds for completed projects were transferred to another TransNet-eligible project within the same program or related program. We
determined that projects identified as completed in the previous fiscal year are not presented in Schedule A for the current fiscal year.

**Results:** No exceptions were noted as a result of our procedures.

i. If the balance of a completed project has not been transferred to another TransNet-eligible project, we ensured that a footnote is presented that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

**Results:** No exceptions were noted as a result of our procedures.

h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is provided that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

**Results:** No exceptions were noted as a result of our procedures.

i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

**Results:** No exceptions were noted as a result of our procedures.

j. We obtained a signed staff report or resolution from the recipient agency’s governing body consenting to the transfer of TransNet funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

**Results:** No exceptions were noted as a result of our procedures.

k. We determined whether the recipient agency reported non-TransNet activity separate from TransNet activity in Schedule A.

**Results:** No exceptions were noted as a result of our procedures.

7. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all TransNet Extension projects including TransNet funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

a. We reviewed Schedule B and determined that projects are properly classified and reported by TransNet program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and
ensured that the balances agreed for those projects reported in both Schedules A and B.

**Results:** No exceptions were noted as a result of our procedures.

b. We identified completed projects reported in the prior year’s schedule A and ensured that all completed projects are reported in the current year’s Schedule B completed section by category.

**Results:** No exceptions were noted as a result of our procedures.

8. We determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency’s annual TransNet apportionment did not exceed 30% of the recipient agency’s current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

**Results:** MTS is in compliance with the 30% requirement. The fund balance under the apportionment is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Sr. &amp; Disabled</th>
<th>Transit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year 2013 apportionment</td>
<td>$709,697</td>
<td>$26,755,580</td>
</tr>
<tr>
<td>Less: debt service payment</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net estimated apportionment</td>
<td>709,697</td>
<td>26,755,580</td>
</tr>
<tr>
<td>30% base</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>Fiscal year 2013 30% threshold</td>
<td>212,909</td>
<td>8,026,674</td>
</tr>
<tr>
<td>Less: Fund Balance</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fund balance under apportionment</td>
<td><strong>$212,909</strong></td>
<td><strong>$ 8,026,674</strong></td>
</tr>
</tbody>
</table>

9. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt, additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG.

**Results:** This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2013.

10. For SANDAG only, we obtained a schedule of bond financing costs related to Highway and transit capital projects indicating beginning balance, additions and ending paid to
date balance. We ensured the financing costs were properly supported and have not exceeded $500,000,000 (2002 dollars). We agreed the current year financing costs to SANDAG records.

**Results:** This procedure is not applicable for MTS.

11. For the cities and the County of San Diego only, we reviewed the MOE requirement.

**Results:** This procedure is not applicable as MTS is not subject to MOE requirements.

12. We reviewed transit operator eligibility for receipt of funds.

   a. We calculated and reported the total operating cost per revenue vehicle hour for bus services, and total operating cost per revenue vehicle mile for rail services for the current year and the prior year.

   b. We obtained the increase in the Consumer Price Index for San Diego County (CPI) over the same period of the prior year.

   c. We reviewed and reported the increase in total operating cost per revenue vehicle hour for bus services, and total operating cost per revenue vehicle mile for rail services in excess of the increase in the CPI.

**Results:** The growth rate in the total operating cost per vehicle hour for bus services and the growth rate for total rail operating cost per revenue mile exceeded the increase in the CPI. However, MTS submitted to the SANDAG Board, a request to calculate the requirement based upon the average over the previous three fiscal years, as allowed per Section 4(C)5 of the TransNet Extension Ordinance (04-01). The SANDAG Board of Directors approved MTS’ request. Therefore, we have calculated the increase in operating cost per revenue vehicle hour for bus and operating cost per revenue vehicle mile for rail services based upon the average, and the growth rates are now in compliance with the requirements.
### Operating Cost per Revenue Vehicle Hour for Bus Services

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating cost for bus services</th>
<th>Revenue vehicle hours</th>
<th>Total operating cost per revenue vehicle hours</th>
<th>Consumer Price Index</th>
<th>Increase/ (Decrease) in CPI</th>
<th>Increase/ (Decrease) in Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$161,801,667</td>
<td>1,747,714</td>
<td>$92.58</td>
<td>227.028</td>
<td>(1.2)%</td>
<td>3.0%</td>
</tr>
<tr>
<td>2012</td>
<td>$151,951,288</td>
<td>1,689,974</td>
<td>$89.91</td>
<td>229.775</td>
<td>3.1%</td>
<td>7.9%</td>
</tr>
<tr>
<td>2011</td>
<td>$140,008,751</td>
<td>1,680,436</td>
<td>$83.32</td>
<td>222.913</td>
<td>12.3%</td>
<td>1.5%</td>
</tr>
<tr>
<td>2010</td>
<td>$142,314,150</td>
<td>1,733,857</td>
<td>$82.08</td>
<td>198.572</td>
<td>4.7%</td>
<td>4.1%</td>
</tr>
</tbody>
</table>

#### 3-Year Average Growth Rate

### Operating Cost per Revenue Vehicle Mile for Rail Services

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating cost for rail services</th>
<th>Revenue vehicle miles</th>
<th>Total operating cost per revenue vehicle mile</th>
<th>Consumer Price Index</th>
<th>Increase/ (Decrease) in CPI</th>
<th>Increase/ (Decrease) in Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$66,350,716</td>
<td>7,758,089</td>
<td>$8.55</td>
<td>227.028</td>
<td>(1.2)%</td>
<td>1.0%</td>
</tr>
<tr>
<td>2012</td>
<td>$63,839,409</td>
<td>7,544,239</td>
<td>$8.46</td>
<td>229.775</td>
<td>3.1%</td>
<td>4.6%</td>
</tr>
<tr>
<td>2011</td>
<td>$60,815,846</td>
<td>7,518,512</td>
<td>$8.09</td>
<td>222.913</td>
<td>12.3%</td>
<td>3.9%</td>
</tr>
<tr>
<td>2010</td>
<td>$61,127,104</td>
<td>7,848,443</td>
<td>$7.79</td>
<td>198.572</td>
<td>4.7%</td>
<td>3.2%</td>
</tr>
</tbody>
</table>

#### 3-Year Average Growth Rate

13. For the cities and the County of San Diego, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2013.

#### Results: The RTCIP is a requirement for local jurisdictions that have newly constructed residential housing units. Therefore, these procedures are not applicable to transit operators such as MTS.

14. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC’s responsibilities under the TransNet Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled “Statement of Understanding Regarding
the Implementation of the Independent Taxpayer Oversight Committee for the
TransNet Program.”

Results: This procedure is not applicable for MTS.

15. For the cities and the County of San Diego only, we reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects are included in the RTIP, we ensured that administrative cost included in Local Street improvement is no more than 1% of the annual apportionment.

Results: These procedures are not applicable for MTS.

16. For SANDAG only, we reviewed SANDAG’s administrative expenditures to determine whether they complied with Section 12 of the TransNet Extension Ordinance and Expenditure Plan.

   a. We reviewed and ensured that the total administrative expenditures do not exceed one percent of annual TransNet apportioned revenues, plus any funds not utilized in prior years.

   b. We reviewed at least 25% of the administrative expenditures and ensured that they are expended by SANDAG for staff salaries, wages, benefits, overhead, and for those services, including contractual services, necessary to administer TransNet.

Results: These procedures are not applicable for MTS.

17. For SANDAG only, we performed the following procedures:

   a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.

   b. We reviewed the fiscal year 2013 TransNet Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for MTS.

18. We reviewed and documented the status of any prior year findings and recommendations.

Results: This procedure is not applicable as there were no findings and recommendations noted in the prior year report.
19. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included MTS’ response to the findings, if applicable.

**Results:** This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2013.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on MTS’ receipt and disbursement of TransNet funds. 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 information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than this specified party.

Irvine, California
March 28, 2014
## SAN DIEGO METROPOLITAN TRANSIT SYSTEM

**TransNet and TransNet Extension Activities**

Schedule of Status of Funds by Project

Year Ended June 30, 2013

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>CIP Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>MTS Adjustments</th>
<th>Project Status</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>July 1, 2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>June 30, 2013</td>
</tr>
</tbody>
</table>

### TransNet Extension:

#### Capital:

**Major Corridor:**

<table>
<thead>
<tr>
<th>SAN 67</th>
<th>47120</th>
<th>Blue Line Rehab</th>
<th>$ -</th>
<th>$ 7,675,466</th>
<th>$ -</th>
<th>$ (7,675,466)</th>
<th>$ -</th>
<th>$ -</th>
</tr>
</thead>
</table>

Total Capital:

|                  | - | 7,675,466 | - | (7,675,466) | - | - |

#### Operating:

**Senior and Disabled Transportation:**

<table>
<thead>
<tr>
<th>MTS 33A</th>
<th>47130</th>
<th>MTS Access</th>
<th>-</th>
<th>710,531</th>
<th>-</th>
<th>(710,531)</th>
<th>-</th>
<th>-</th>
</tr>
</thead>
</table>

Total Senior and Disabled Transportation:

| - | 710,531 | - | (710,531) | - | - |

**Transit and Trolley:**

<table>
<thead>
<tr>
<th>MTS 23A</th>
<th>47110</th>
<th>MTS Operating Support</th>
<th>-</th>
<th>26,849,599</th>
<th>-</th>
<th>(26,849,599)</th>
<th>-</th>
<th>-</th>
</tr>
</thead>
</table>

#### Major Transit Corridor Operations:

<table>
<thead>
<tr>
<th>SAN 80</th>
<th>47150</th>
<th>Bus Rapid Transit</th>
<th>-</th>
<th>283,988</th>
<th>-</th>
<th>(283,988)</th>
<th>-</th>
<th>-</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAN 80</td>
<td>47140</td>
<td>SuperLoop</td>
<td>-</td>
<td>2,647,356</td>
<td>-</td>
<td>(2,647,356)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>-</td>
<td>2,931,344</td>
<td>-</td>
<td>(2,931,344)</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Total Major Transit Corridor Operations:

| - | 2,931,344 | - | (2,931,344) | - | - |

Total Transit and Trolley:

| - | 29,780,943 | - | (29,780,943) | - | - |

Total Operating:

| - | 30,491,474 | - | (30,491,474) | - | - |

Total TransNet Extension:

| $ | - | $ 38,166,940 | $ - | (38,166,940) | $ - | - |
## SCHEDULE B

**San Diego Metropolitan Transit System**

*TransNet Extension Activities*  
Cumulative Schedule of Status of Funds by Project  
Year Ended June 30, 2013

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>CIP Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>MTS Adjustments</th>
<th>Status</th>
<th>June 30, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><strong>TransNet Extension</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Capital:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Major Corridor:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAN 67</td>
<td>47120</td>
<td>Blue Line Rehab</td>
<td>$50,985,873</td>
<td>-</td>
<td>$(50,985,873)</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Capital</td>
<td>50,985,873</td>
<td>-</td>
<td>(50,985,873)</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Operating:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Senior and Disabled Transportation:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MTS 33A</td>
<td>47130</td>
<td>MTS Access</td>
<td>3,203,407</td>
<td>-</td>
<td>(3,203,407)</td>
<td>-</td>
<td>-</td>
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<tr>
<td></td>
<td></td>
<td>Total Senior and Disabled Transportation:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>3,203,407</td>
<td>-</td>
<td>(3,203,407)</td>
<td></td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Transit and Trolley:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MTS 23A</td>
<td>47110</td>
<td>MTS Operating Support</td>
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<td>(109,917,091)</td>
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<td>-</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td><strong>Major Transit Corridor Operations:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAN 80</td>
<td>47150</td>
<td>Bus Rapid Transit</td>
<td>546,835</td>
<td>-</td>
<td>(546,835)</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>SAN 80</td>
<td>47140</td>
<td>SuperLoop</td>
<td>8,120,091</td>
<td>-</td>
<td>(8,120,091)</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Major Transit Corridor Operations:</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>8,666,926</td>
<td>-</td>
<td>(8,666,926)</td>
<td></td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total Transit and Trolley:</strong></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>118,584,017</td>
<td>-</td>
<td>(118,584,017)</td>
<td></td>
<td>-</td>
<td>-</td>
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<tr>
<td></td>
<td></td>
<td><strong>Total Operating:</strong></td>
<td>121,787,424</td>
<td>-</td>
<td>(121,787,424)</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total Cumulative TransNet Extension:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$172,773,297</td>
<td>-</td>
<td>$(172,773,297)</td>
<td></td>
<td>-</td>
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<td></td>
</tr>
</tbody>
</table>
NORTH COUNTY TRANSIT DISTRICT
OCEANSIDE, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the TransNet Fund

Year Ended June 30, 2013
INDEPENDENT ACCOUNTANTS’ REPORT
ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the North County Transit District, Oceanside, California (NCTD), was in compliance with the TransNet Ordinance and TransNet Extension Ordinance for the year ended June 30, 2013. NCTD’s management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (TransNet Ordinance and Expenditure Plan), the 2004 Proposition A (TransNet Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: TransNet Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

   Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

   Results: No exceptions were noted as a result of our procedures.

3. We obtained the TransNet Grant Program spreadsheet from SANDAG.

   Results: No exceptions were noted as a result of our procedures.
4. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for TransNet revenues or has an alternative approach to maintaining separate accountability for reasonableness.

**Results:** Per discussion with NCTD management, TransNet revenues and expenditures are not recorded in a separate fund. However, since NCTD is an enterprise fund, it does maintain separate accountability for all TransNet activity. This alternative approach to maintaining separate accountability is allowed per SANDAG Board Policy No. 031, Rule #6 if submitted to SANDAG for concurrence. SANDAG has accepted NCTD's alternative approach.

5. We obtained a detailed general ledger for TransNet revenues and expenditures from the recipient agency for the current fiscal year.

**Results:** No exceptions were noted as a result of our procedures.

6. We obtained the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, TransNet funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID and identifying recipient agency project number.

   a. We reviewed Schedule A and determined that the projects are properly classified and reported by TransNet program (i.e., original TransNet vs. TransNet Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

      **Results:** No exceptions were noted as a result of our procedures.

   b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

      **Results:** No exceptions were noted as a result of our procedures.

   c. We obtained a listing of TransNet payments made to the recipient agency from SANDAG and compared the TransNet revenue recorded by the recipient agency to the listing of payments received from SANDAG.

      **Results:** No exceptions were noted as a result of our procedures.

   d. We identified the interest income reported for the year ended June 30, 2013.

      i. We reviewed interest income reported on Schedule A and agreed it to the recipient agency's general ledger.

      **Results:** No exceptions were noted as a result of our procedures.
ii. We reviewed the interest allocation methodology in accordance with the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

e. We identified the total TransNet expenditures for the year ended June 30, 2013.

i. We reviewed the total project expenditures reported on Schedule A and agreed them to the recipient agency’s general ledger.

Results: No exceptions were noted as a result of our procedures.

ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: NCTD recorded total expenditures in the amount of $12,444,879. We selected $3,516,983 (28.26%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the TransNet and TransNet Extension Ordinances and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: This procedure is not applicable as there are no indirect costs allocated to the projects for the year ended June 30, 2013.

f. We determined that any amounts reported in the “adjustments” column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

gh. We obtained a list of completed projects from the recipient agency that is reported by the TransNet program and MPO ID. We determined whether any remaining TransNet funds for completed projects were transferred to another TransNet-eligible project within the same program or related program. We determined that projects identified as completed in the previous fiscal year are not presented in Schedule A for the current fiscal year.
Results: No exceptions were noted as a result of our procedures.

i. If the balance of a completed project has not been transferred to another TransNet-eligible project, we ensured that a footnote is presented that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is provided that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

j. We obtained a signed staff report or resolution from the recipient agency’s governing body consenting to the transfer of TransNet funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

k. We determined whether the recipient agency reported non-TransNet activity separate from TransNet activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

7. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all TransNet Extension projects including TransNet funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

a. We reviewed Schedule B and determined that projects are properly classified and reported by TransNet program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.
Independent Taxpayer Oversight Committee  
San Diego Association of Governments  
San Diego, California

Results: No exceptions were noted as a result of our procedures.

b. We identified completed projects reported in the prior year’s schedule A and ensured that all completed projects are reported in the current year’s Schedule B completed section by category.

Results: No exceptions were noted as a result of our procedures.

8. We determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency’s fiscal year annual TransNet apportionment did not exceed 30% of the recipient agency’s current year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

Results: NCTD is in compliance with the 30% requirement. The fund balance under the apportionment is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Sr. &amp; Disabled</th>
<th>Transit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year 2013 apportionment</td>
<td>$ 290,532</td>
<td>$10,953,064</td>
</tr>
<tr>
<td>Less: debt service payment</td>
<td>-</td>
<td>(234,241)</td>
</tr>
<tr>
<td>Net estimated apportionment</td>
<td>290,532</td>
<td>10,718,823</td>
</tr>
<tr>
<td>30% base</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>Fiscal year 2013 30% threshold</td>
<td>87,160</td>
<td>3,215,647</td>
</tr>
<tr>
<td>Less: Fund Balance</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fund balance under apportionment</td>
<td>$ 87,160</td>
<td>$ 3,215,647</td>
</tr>
</tbody>
</table>

9. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt, additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: NCTD has $31,775,000 in outstanding commercial paper. However, it does not use TransNet funds for the payment of principal and interest. For the year ended June 30, 2013, NCTD paid $234,241 in interest on commercial paper, which represents the cost of being in the commercial paper program.

10. For SANDAG only, we obtained a schedule of bond financing costs related to Highway and transit capital projects indicating beginning balance, additions and ending paid to date balance. We ensured the financing costs were properly supported and have not
exceeded $500,000,000 (2002 dollars). We agreed the current year financing costs to SANDAG records.

**Results:** This procedure is not applicable for NCTD.

11. For the cities and the County of San Diego only, we reviewed the MOE requirement.

**Results:** This procedure is not applicable as NCTD is not subject to MOE requirements.

12. We reviewed transit operator eligibility for receipt of funds.
   a. We calculated and reported the total operating cost per revenue vehicle hour for bus services, and total operating cost per revenue vehicle mile for rail services for the current year and the prior year.
   b. We obtained the increase in the Consumer Price Index for San Diego County (CPI) over the same period of the prior year from SANDAG.
   c. We reviewed and reported the increase in total operating cost per revenue vehicle hour for bus services, and total operating cost per revenue vehicle mile for rail services in excess of the increase in the CPI.

**Results:** The increase in the total operating cost per revenue vehicle hour for bus services was lower than the increase in the CPI. However, the growth rate for rail total operating cost per revenue vehicle mile exceeded the increase in the CPI. NCTD submitted to the SANDAG Board, a request to calculate the requirement based on the average over the previous three fiscal years, as allowed for in Section 4(C)5 of the TransNet Extension Ordinance (04-01), as well as a request to exclude certain increased operating costs due to an unusual shutdown of the SPRINTER service which was beyond the control of NCTD. The SANDAG Board of Directors approved NCTD’s request. Therefore, we have calculated the operating cost per revenue vehicle mile based on the average, and the growth rate is now in compliance with the requirements.

### Operating Cost per Revenue Vehicle Hour for Bus Services

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cost for bus services</td>
<td>$45,490,584</td>
<td>$44,760,253</td>
<td></td>
</tr>
<tr>
<td>Revenue vehicle hours</td>
<td>516,882</td>
<td>454,558</td>
<td></td>
</tr>
<tr>
<td>Total operating cost per revenue vehicle hour</td>
<td>$88.01</td>
<td>$98.47</td>
<td>(10.62)%</td>
</tr>
<tr>
<td>Consumer Price Index</td>
<td>227.028</td>
<td>229.75</td>
<td>(1.20)%</td>
</tr>
</tbody>
</table>
Operating Cost per Revenue Vehicle Mile for Rail Services

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
<th>3-Year Average Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cost for rail services</td>
<td>$33,517,569</td>
<td>$31,433,211</td>
<td>$28,912,425</td>
<td>$28,197,382</td>
<td></td>
</tr>
<tr>
<td>Revenue vehicle miles</td>
<td>795,561</td>
<td>791,558</td>
<td>761,909</td>
<td>740,828</td>
<td></td>
</tr>
<tr>
<td>Total operating cost per revenue vehicle mile</td>
<td>$42.13</td>
<td>$39.71</td>
<td>$37.95</td>
<td>$38.06</td>
<td></td>
</tr>
<tr>
<td>Consumer Price Index</td>
<td>227.028</td>
<td>229.775</td>
<td>222.913</td>
<td>198.572</td>
<td></td>
</tr>
<tr>
<td>Increase/ (Decrease) in CPI</td>
<td>(1.2)%</td>
<td>3.1%</td>
<td>12.3%</td>
<td>4.7%</td>
<td></td>
</tr>
<tr>
<td>Increase/ (Decrease) in Ratio</td>
<td>6.1%</td>
<td>4.6%</td>
<td>(0.3)%</td>
<td>3.5%</td>
<td></td>
</tr>
</tbody>
</table>

13. For the cities and the County of San Diego only, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the fiscal year ended June 30, 2013.

Results: The RTCIP is a requirement for local jurisdictions that have newly constructed residential housing units. Therefore, these procedures are not applicable to transit operators such as NCTD.

14. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC’s responsibilities under the TransNet Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled “Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the TransNet Program.”

Results: This procedure is not applicable for NCTD.

15. For the cities and the County of San Diego only, we reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects are included in the RTIP, we ensured that administrative cost included in Local Street improvement is no more than 1% of the annual apportionment.

Results: This procedure is not applicable for NCTD.

16. For SANDAG only, we reviewed SANDAG’s administrative expenditures to determine whether they complied with Section 12 of the TransNet Extension Ordinance and Expenditure Plan.
a. We reviewed and ensured that the total administrative expenditures do not exceed one percent of annual *TransNet* apportioned revenues, plus any funds not utilized in prior years.

b. We reviewed at least 25% of the administrative expenditures and ensured that they are expended by SANDAG for staff salaries, wages, benefits, overhead, and for those services, including contractual services, necessary to administer *TransNet*.

**Results:** These procedures are not applicable for NCTD.

17. For SANDAG only, we performed the following procedures:

a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.

b. We reviewed the fiscal year 2013 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

**Results:** These procedures are not applicable for NCTD.

18. We reviewed and documented the status of any prior year findings and recommendations.

**Results:** This procedure is not applicable, as there were no prior year findings and recommendations.

19. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included NCTD’s response to the findings, if applicable.

**Results:** This procedure is not applicable, as there were no findings and recommendations required to be prepared for the year ended June 30, 2013.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on NCTD’s receipt and disbursement of *TransNet* funds. 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.
Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

Irvine, California
March 28, 2014
# NORTH COUNTY TRANSIT DISTRICT

TransNet and TransNet Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2013

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Adjustments</th>
<th>NCTD Status</th>
<th>Notes</th>
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<td></td>
<td></td>
<td>July 1, 2012</td>
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<tr>
<td><strong>TransNet:</strong></td>
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<td></td>
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<td></td>
<td></td>
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<tr>
<td><strong>Capital:</strong></td>
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<tr>
<td>NCTD16</td>
<td>709501</td>
<td>Inland (O-E Line)</td>
<td>$6,416</td>
<td>$ -</td>
<td>$15</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$6,431</td>
</tr>
<tr>
<td>NCTD18</td>
<td>112005</td>
<td>Coastal</td>
<td>1,670,240</td>
<td>-</td>
<td>1,674</td>
<td>(1,046,315)</td>
<td>-</td>
<td>625,599</td>
<td></td>
</tr>
<tr>
<td>412770</td>
<td></td>
<td>STP Projects and Services</td>
<td>28,639</td>
<td>-</td>
<td>54</td>
<td>(11,417)</td>
<td>(71)</td>
<td>17,205 (a)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Transit</strong></td>
<td></td>
<td></td>
<td>1,705,295</td>
<td>-</td>
<td>1,743</td>
<td>(1,057,732)</td>
<td>(71)</td>
<td>649,235</td>
<td></td>
</tr>
<tr>
<td><strong>Total Capital</strong></td>
<td></td>
<td></td>
<td>1,705,295</td>
<td>-</td>
<td>1,743</td>
<td>(1,057,732)</td>
<td>(71)</td>
<td>649,235</td>
<td></td>
</tr>
<tr>
<td><strong>Total TransNet</strong></td>
<td></td>
<td></td>
<td>$1,705,295</td>
<td>-</td>
<td>$1,743</td>
<td>$(1,057,732)</td>
<td>(71)</td>
<td>$649,235</td>
<td></td>
</tr>
</tbody>
</table>

**TransNet Extension:**

**Operating:**

- **Senior and Disabled Transportation:**
  - Elderly and Disabled: $296,441 (N/A)
  - Total Senior and Disabled Transportation: $296,441 (N/A)

- **Transit:**
  - Expanded Transit Service: $10,693,273 (N/A)
  - Total Transit: $10,693,273 (N/A)

Subtotal TransNet Extension: $10,989,714 (N/A)
### NORTH COUNTY TRANSIT DISTRICT

**TransNet and TransNet Extension Activities**

Schedule of Status of Funds by Project

(Continued)

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>FundsReceived</th>
<th>InterestIncome</th>
<th>ProjectExpenditures</th>
<th>NCTDAdjustments</th>
<th>Project Status</th>
<th>June 30, 2013</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>July 1, 2012</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Balance carried forward</td>
<td>$ -</td>
<td>$ 10,989,714</td>
<td>$ -</td>
<td>$ (10,989,714)</td>
<td>$ -</td>
<td>$ -</td>
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#### TransNet Senior Mini Grant:

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>FundsReceived</th>
<th>InterestIncome</th>
<th>ProjectExpenditures</th>
<th>NCTDAdjustments</th>
<th>Project Status</th>
<th>June 30, 2013</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>809015, 810015</td>
<td>NCTD34</td>
<td></td>
<td>(27,310)</td>
<td>25,364</td>
<td>-</td>
<td>(22,545)</td>
<td>-</td>
<td>(24,491)</td>
<td>(b)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TransNet Senior Services</td>
<td></td>
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<td></td>
<td></td>
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Total TransNet Senior Mini Grant

<table>
<thead>
<tr>
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<th>Project Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>FundsReceived</th>
<th>InterestIncome</th>
<th>ProjectExpenditures</th>
<th>NCTDAdjustments</th>
<th>Project Status</th>
<th>June 30, 2013</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>(27,310)</td>
<td>25,364</td>
<td>-</td>
<td>(22,545)</td>
<td>-</td>
<td>(24,491)</td>
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</table>

Total Operating

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>FundsReceived</th>
<th>InterestIncome</th>
<th>ProjectExpenditures</th>
<th>NCTDAdjustments</th>
<th>Project Status</th>
<th>June 30, 2013</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>(27,310)</td>
<td>11,015,078</td>
<td>-</td>
<td>(11,012,259)</td>
<td>-</td>
<td>(24,491)</td>
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#### Capital:

**Major Corridor:**

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>FundsReceived</th>
<th>InterestIncome</th>
<th>ProjectExpenditures</th>
<th>NCTDAdjustments</th>
<th>Project Status</th>
<th>June 30, 2013</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>512554, 512556</td>
<td>512557, 709501</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>709506, 709507</td>
<td>NCTD16</td>
<td>Oceanside-Escondido Rail Project</td>
<td>866,915</td>
<td>-</td>
<td>1,635</td>
<td>(374,466)</td>
<td>-</td>
<td>494,084</td>
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<tr>
<td></td>
<td>508050</td>
<td>NCTD40</td>
<td>Rail Station Improvement</td>
<td>1,036,935</td>
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<td>2,454</td>
<td>(422)</td>
<td>-</td>
<td>1,038,967</td>
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Total Major Corridor

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>FundsReceived</th>
<th>InterestIncome</th>
<th>ProjectExpenditures</th>
<th>NCTDAdjustments</th>
<th>Project Status</th>
<th>June 30, 2013</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>1,903,850</td>
<td>-</td>
<td>4,089</td>
<td>(374,888)</td>
<td>-</td>
<td>1,533,051</td>
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</table>

Total Capital

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>FundsReceived</th>
<th>InterestIncome</th>
<th>ProjectExpenditures</th>
<th>NCTDAdjustments</th>
<th>Project Status</th>
<th>June 30, 2013</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>1,903,850</td>
<td>-</td>
<td>4,089</td>
<td>(374,888)</td>
<td>-</td>
<td>1,533,051</td>
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</table>

Total TransNet Extension

<table>
<thead>
<tr>
<th>MPO ID</th>
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<th>Project Name</th>
<th>Project Status</th>
<th>FundsReceived</th>
<th>InterestIncome</th>
<th>ProjectExpenditures</th>
<th>NCTDAdjustments</th>
<th>Project Status</th>
<th>June 30, 2013</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>1,876,540</td>
<td>$ 11,015,078</td>
<td>$ 4,089</td>
<td>$(11,387,147)</td>
<td>$ -</td>
<td>$(1,508,560)</td>
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</table>

Total TransNet and TransNet Extension

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>FundsReceived</th>
<th>InterestIncome</th>
<th>ProjectExpenditures</th>
<th>NCTDAdjustments</th>
<th>Project Status</th>
<th>June 30, 2013</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td>3,581,835</td>
<td>$ 11,015,078</td>
<td>$ 5,832</td>
<td>$(12,444,879)</td>
<td>$(71)</td>
<td>$ 2,157,795</td>
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</tbody>
</table>

Notes:

(a) $71 of FY 2012 expenditures, funded by STP interest, was not included in the FY 2012 report.
(b) $22,187 was received from SANDAG in FY 2014. Additional reimbursement requests will be sent in FY 2014.
<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>NCTD Adjustments</th>
<th>Project Status</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td><strong>TransNet Extension:</strong></td>
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<tr>
<td></td>
<td></td>
<td><strong>Operating:</strong></td>
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<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td><strong>Senior and Disabled Transportation:</strong></td>
<td></td>
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<tr>
<td>NCTD03</td>
<td>N/A</td>
<td>Elderly and Disabled</td>
<td>$1,314,766</td>
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<td>$(1,314,766)</td>
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<td>Total ADA</td>
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<td>$(1,314,766)</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>NCTD34</td>
<td>N/A</td>
<td>Expanded Transit Service</td>
<td>$1,313,066</td>
<td>$ -</td>
<td>$(1,313,066)</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Major Corridor</td>
<td>$1,313,066</td>
<td>$ -</td>
<td>$(1,313,066)</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td></td>
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<td><strong>Transit:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NCTD16B</td>
<td>N/A</td>
<td>Oceanside to Escondido Rail Operations</td>
<td>6,449,369</td>
<td>$ -</td>
<td>(6,449,369)</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>NCTD34</td>
<td>N/A</td>
<td>Expanded Transit Service</td>
<td>42,499,292</td>
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<td>48,948,661</td>
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<td>(48,948,661)</td>
<td>$ -</td>
<td>$ -</td>
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<tr>
<td></td>
<td></td>
<td><strong>TransNet Senior Mini Grant:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>809015</td>
<td>810015</td>
<td>TransNet Senior Services</td>
<td>138,914</td>
<td>$ -</td>
<td>(163,405)</td>
<td>$ -</td>
<td>(24,491)</td>
</tr>
<tr>
<td>NCTD34</td>
<td>811015</td>
<td>Total TransNet Senior Mini Grant</td>
<td>138,914</td>
<td>$ -</td>
<td>(163,405)</td>
<td>$ -</td>
<td>(24,491)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Operating</td>
<td>51,715,407</td>
<td>$ -</td>
<td>(51,739,898)</td>
<td>$ -</td>
<td>(24,491)</td>
</tr>
</tbody>
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### NORTH COUNTY TRANSIT DISTRICT
**TransNet Extension Activities**
Cumulative Schedule of Status of Funds by Project
(Continued)

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>NCTD Adjustments</th>
<th>Project Status June 30, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital:</td>
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<td></td>
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</tr>
<tr>
<td>Major Corridor:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>512554, 512556</td>
<td>512557, 709501</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>709506, 709507</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NCTD16 709508, 709510</td>
<td>Oceanside-Escondido Rail Project</td>
<td>65,304,611</td>
<td>365,499</td>
<td>(65,591,081)</td>
<td>415,055</td>
<td>494,084</td>
<td></td>
</tr>
<tr>
<td>NCTD40 508050</td>
<td>Rail Station Improvements</td>
<td>1,230,000</td>
<td>45,333</td>
<td>(242,925)</td>
<td>6,559</td>
<td>1,038,967</td>
<td></td>
</tr>
<tr>
<td>Total Major Corridor</td>
<td></td>
<td></td>
<td>66,534,611</td>
<td>410,832</td>
<td>(65,834,006)</td>
<td>421,614</td>
<td>1,533,051</td>
</tr>
<tr>
<td>Total Capital</td>
<td></td>
<td></td>
<td>66,534,611</td>
<td>410,832</td>
<td>(65,834,006)</td>
<td>421,614</td>
<td>1,533,051</td>
</tr>
</tbody>
</table>

### Completed Projects:
Capital:
Major Corridor

| Bike, Pedestrian and Neighborhood Safety (BPNS) | Inland Rail Trail | 3,870,000 | 25,257 | (4,753,091) | 857,834 |

Total Cumulative *TransNet* Extension $ 123,437,551 $ 442,648 $ (122,786,694) $ 415,055 $ 1,508,560
CITY OF VISTA, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the TransNet Fund

Year Ended June 30, 2013
INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Vista, California (City) was in compliance with the TransNet Ordinance and TransNet Extension Ordinance for the year ended June 30, 2013. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (TransNet Ordinance and Expenditure Plan), the 2004 Proposition A (TransNet Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: TransNet Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

   Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

   Results: No exceptions were noted as a result of our procedures.

3. We obtained the TransNet Grant Program spreadsheet from SANDAG.
Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency’s management and determined whether the recipient agency maintains a separate fund for TransNet revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: With the exception of the Senior Mini Grants, Transnet revenues and expenditures are recorded in a separate fund. The Senior Mini Grants were recorded in the General Fund.

5. We obtained a detailed general ledger for TransNet revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

6. We obtained the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, TransNet funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID and identifying recipient agency project number.

a. We reviewed Schedule A and determined that the projects are properly classified and reported by TransNet program (i.e., original TransNet vs. TransNet Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

c. We obtained a listing of TransNet payments made to the recipient agency from SANDAG and compared the TransNet revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of our procedures.

d. We identified the interest income reported for the year ended June 30, 2013.

i. We reviewed the interest income reported on Schedule A and agreed it to the recipient agency’s general ledger.
Results: The City did not allocate interest to the TransNet fund during FY13 because fund balance was negative.

ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

e. We identified the total TransNet expenditures for the year ended June 30, 2013.

i. We reviewed the total project expenditures reported on Schedule A and agreed it to the recipient agency’s general ledger.

Results: No exceptions were noted as a result of our procedures.

ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total expenditures in the amount of $2,004,119. We selected $712,019 (35.53%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the TransNet and TransNet Extension Ordinances and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: This procedure is not applicable to the City, as there are no indirect costs allocated to projects for the year ended June 30, 2013.

f. We determined that any amounts reported in the “adjustments” column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

g. We obtained a list of completed projects from the recipient agency that are reported by the TransNet program and MPO ID. We determined whether any
remaining TransNet funds for completed projects were transferred to another TransNet-eligible project within the same program or related program. We determined that projects identified as completed in the previous fiscal year are not presented in the Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

i. If the balance of a completed project has not been transferred to another TransNet-eligible project, we ensured that a footnote is presented that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is provided that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

j. We obtained a signed staff report or resolution from the recipient agency’s governing body consenting to the transfer of TransNet funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

k. We determined whether the recipient agency reported non-TransNet activity separate from TransNet activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

7. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all TransNet Extension projects including TransNet funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.
We reviewed Schedule B and determined that projects are properly classified and reported by TransNet program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

b. We identified completed projects reported in the prior year’s schedule A and ensured that all completed projects are reported in the current year’s Schedule B completed section by category.

Results: No exceptions were noted as a result of our procedures.

8. We determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency’s annual TransNet apportionment did not exceed 30% of the recipient agency’s current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

Results: The City is in compliance with the 30% requirement. The fund balance under the apportionment is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year 2013 apportionment</td>
<td>$1,986,103</td>
</tr>
<tr>
<td>Less: debt service payment</td>
<td>-</td>
</tr>
<tr>
<td>Net estimated apportionment</td>
<td>1,986,103</td>
</tr>
<tr>
<td>30% base</td>
<td>595,831</td>
</tr>
<tr>
<td>Fiscal year 2013 30% threshold</td>
<td></td>
</tr>
<tr>
<td>Less:</td>
<td></td>
</tr>
<tr>
<td>Local streets and roads fund balance</td>
<td>118,399</td>
</tr>
<tr>
<td>Local streets improvement</td>
<td></td>
</tr>
<tr>
<td>– Congestion Relief fund balance</td>
<td>(205,531)</td>
</tr>
<tr>
<td>– Maintenance fund deficit</td>
<td>(408,180)</td>
</tr>
<tr>
<td>Total local streets and roads and local street improvement fund balance</td>
<td>(495,312)</td>
</tr>
<tr>
<td>Fund balance under apportionment</td>
<td>$1,091,143</td>
</tr>
</tbody>
</table>

9. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt, additions, repayments and the ending balance.
We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG.

**Results:** This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2013.

10. For SANDAG only, we obtained a schedule of bond financing costs related to Highway and transit capital projects indicating beginning balance, additions and ending paid to date balance. We ensured the financing costs were properly supported and have not exceeded $500,000,000 (2002 dollars). We agreed the current year financing costs to SANDAG records.

**Results:** This procedure is not applicable for the City.

11. For the cities and the County of San Diego only, we reviewed the MOE requirement.
   a. We obtained the current MOE requirements for each recipient agency from SANDAG.
   b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
   c. We identified the excess (deficiency) of discretionary expenditures over (under) the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.
   d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and report a roll forward schedule.

**Results:** The City was not in compliance with the MOE requirement. The City did not have an unmet MOE requirement from the prior year. See Finding Number 1 in the Findings and Recommendations section of this report. MOE activity for the year ended June 30, 2013, is summarized as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current year local discretionary expenditures</td>
<td>$2,328,025</td>
</tr>
<tr>
<td>Less MOE base year requirement</td>
<td>(2,385,097)</td>
</tr>
<tr>
<td>Excess MOE for the year ended June 30, 2013</td>
<td>$(57,072)</td>
</tr>
</tbody>
</table>

12. We reviewed transit operator eligibility for receipt of funds.

**Results:** This procedure is not applicable for the City.
13. For the cities and the County of San Diego only, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2013.

a. We obtained a general ledger for the RTCIP fund from the recipient agency.

   Results: No exceptions were noted as a result of our procedures.

b. We obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program from the recipient agency.

   Results: No exceptions were noted as a result of our procedures.

c. Obtain the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, cumulative ending balance, and prior year cumulative ending balance.

   i. We determined that the recipient agency is using the most current approved fee amount.

      Results: No exceptions were noted as a result of our procedures.

   ii. We inquired of management as to whether procedures are in place to track each exaction fee paid by development.

      Results: No exceptions were noted as a result of our procedures.

   iii. We determined whether all exaction fees have been expended within seven years of collection.

      Results: This procedure is not applicable as seven years have not yet passed since the TransNet Extension Ordinance has been in effect.

   iv. We obtained a list of RTCIP-approved regional arterial system projects from SANDAG and tested at least 10% of the current year expenditures to ensure that the expenditures are for projects on the approved regional arterial system project list.

      Results: The City recorded total expenditures in the amount of $78,815. We selected $58,312 (73.99%) for testing. No exceptions were noted as a result of our procedures.

   v. We reviewed and ensured that the recipient agency provided its full monetary contribution required by Section 9(A) of the TransNet Extension Ordinance. Inquired of management and ensured that procedures exist to ensure all qualified properties are included in the program.

      Results: No exceptions were noted as a result of our procedures.
vi. We identified interest income for the fiscal year ended June 30, 2013, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

14. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC’s responsibilities under the TransNet Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled “Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the TransNet Program.”

Results: This procedure is not applicable for the City.

15. For the cities and the County of San Diego only, we reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects are included in the RTIP, we ensured that administrative cost included in Local Street improvement is no more than 1% of the annual apportionment.

Results: No exceptions were noted as a result of our procedures.

16. For SANDAG only, we reviewed SANDAG’s administrative expenditures to determine whether they complied with Section 12 of the TransNet Extension Ordinance and Expenditure Plan.

   a. We reviewed and ensured that the total administrative expenditures do not exceed one percent of annual TransNet apportioned revenues, plus any funds not utilized in prior years.

   b. We reviewed at least 25% of the administrative expenditures and ensured that they are expended by SANDAG for staff salaries, wages, benefits, overhead, and for those services, including contractual services, necessary to administer TransNet.

Results: These procedures are not applicable to the City.

17. For SANDAG only, we performed the following additional procedures:

   a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
b. We reviewed the fiscal year 2013 TransNet Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable to the City.

18. We reviewed and documented the status of any prior year findings and recommendations.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2012.

19. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included the City’s response to the findings, if applicable.

Results: See the Findings and Recommendations section of this report.

The City’s written response to the recommendations identified in the procedures performed is described in the accompanying Findings and Recommendations section of this report. We did not perform additional agreed-upon procedures related to the City’s response and express no opinion on it.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the City’s receipt and disbursement of TransNet funds. 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 information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

Irvine, California
March 28, 2014
(1) **Need to Meet Maintenance of Effort (MOE) Requirement**

The City was not able to meet its MOE requirement for Streets and Roads by $57,072 for the year ended June 30, 2013. The City’s Streets and Roads discretionary expenditures were $2,328,025 and the City’s MOE requirement was $2,385,097.

*TransNet* Extension Ordinance Section 8 states in part:

> “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 operative date as of this Ordinance…”

**Recommendation**

We recommend the City budget and incur adequate discretionary expenditures in order to meet its MOE requirement.

**Management Response**

Management agrees with the finding and has taken steps to ensure that the Maintenance of Effort (MOE) requirement amount will be met in future periods. Specifically, the City will request from the Commission the allowance of two years or until June 30, 2015 to expend $57,072 over and above the regular MOE threshold to make up the shortfall. The City is meeting with the appropriate Boards during the month of March.

The request was approved on the following dates:

- Independent Taxpayer Oversight Committee: March 12, 2014
- SANDAG Transportation Committee: March 21, 2014
- SANDAG Board of Directors: March 28, 2014
## City of Vista, California

### TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

Year Ended June 30, 2013

<table>
<thead>
<tr>
<th>Project Name</th>
<th>MPO ID</th>
<th>Number</th>
<th>Project Status</th>
<th>Funds</th>
<th>Interest</th>
<th>Expenditures</th>
<th>Adjustments</th>
<th>City Status</th>
<th>June 30, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SR-78 Corridor Enhancement</strong></td>
<td>VISTA 07</td>
<td>7456</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Maryland Drive Sidewalks</strong></td>
<td>VISTA 19</td>
<td>8030</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>La Mirada Dr. &amp; Poinsettia Ave. Sig</strong></td>
<td>VISTA 29</td>
<td>8152</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>W. Vista Way Widening Construction - Phase 1</strong></td>
<td>VISTA 08A</td>
<td>8191</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>East Vista Way Street Improvements</strong></td>
<td>VISTA 12</td>
<td>8054</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Inland Rail Trail Bike Lane Facility (Bikeway)</strong></td>
<td>VISTA 22</td>
<td>8088</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Foothill Overlay &amp; Improvements</strong></td>
<td>VISTA 27</td>
<td>8141</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Street Rehab &amp; Resurface</strong></td>
<td>VISTA 34</td>
<td>8155</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Bobolink Storm Drain</strong></td>
<td>VISTA 45</td>
<td>8197</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Street Construction/Overlay-Annual</strong></td>
<td>VISTA 46</td>
<td>8225</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Melrose Dr/Hacienda Dr Turn Lane</strong></td>
<td>VISTA 47</td>
<td>8242</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Regional Arterial Management Systems</strong></td>
<td>SAN54</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

**TransNet: Local Streets and Roads:**

<table>
<thead>
<tr>
<th>Project Name</th>
<th>MPO ID</th>
<th>Number</th>
<th>Project Status</th>
<th>Funds</th>
<th>Interest</th>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total Local Streets and Roads

<table>
<thead>
<tr>
<th>Total Funds</th>
<th></th>
<th></th>
<th>Total Expenditures</th>
<th>Adjustments</th>
<th>City Status</th>
<th>June 30, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>123,106</strong></td>
<td>$</td>
<td>$</td>
<td><strong>(4,707)</strong></td>
<td>$</td>
<td>$</td>
<td><strong>118,399</strong></td>
</tr>
</tbody>
</table>

**Total TransNet:**

<table>
<thead>
<tr>
<th>Total TransNet</th>
<th>Funds</th>
<th>Interest</th>
<th>Expenditures</th>
<th>Adjustments</th>
<th>City Status</th>
<th>June 30, 2013</th>
</tr>
</thead>
<tbody>
<tr>
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<td>$</td>
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<td><strong>(4,707)</strong></td>
<td>$</td>
<td>$</td>
<td><strong>118,399</strong></td>
</tr>
</tbody>
</table>

**TransNet Extension:**

<table>
<thead>
<tr>
<th>Project Name</th>
<th>MPO ID</th>
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<th>Project Status</th>
<th>Funds</th>
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<tbody>
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<tr>
<td><strong>Regional Arterial Management Systems</strong></td>
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<td></td>
<td></td>
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</table>

Total Congestion Relief

<table>
<thead>
<tr>
<th>Total Congestion Relief</th>
<th>Funds</th>
<th>Interest</th>
<th>Expenditures</th>
<th>Adjustments</th>
<th>City Status</th>
<th>June 30, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1,531,940</strong></td>
<td>$</td>
<td>$</td>
<td><strong>(1,737,470)</strong></td>
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<td>$</td>
<td><strong>(205,531)</strong></td>
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</table>

**Congestion Relief Pass Through:**

<table>
<thead>
<tr>
<th>Project Name</th>
<th>MPO ID</th>
<th>Number</th>
<th>Project Status</th>
<th>Funds</th>
<th>Interest</th>
<th>Expenditures</th>
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<th>City Status</th>
<th>June 30, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Regional Arterial Management Systems</strong></td>
<td>SAN54</td>
<td>N/A</td>
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</tbody>
</table>

Total Congestion Relief-Pass Through

<table>
<thead>
<tr>
<th>Total Congestion Relief-Pass Through</th>
<th>Funds</th>
<th>Interest</th>
<th>Expenditures</th>
<th>Adjustments</th>
<th>City Status</th>
<th>June 30, 2013</th>
</tr>
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<tbody>
<tr>
<td><strong>-</strong></td>
<td>$</td>
<td>$</td>
<td><strong>-</strong></td>
<td>$</td>
<td>$</td>
<td><strong>-</strong></td>
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</tbody>
</table>
## Schedule of Status of Funds by Project

### Maintenance:

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Adjustments</th>
<th>City Status</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>VISTA 17</td>
<td>8018</td>
<td>Grapevine Road Street Improvements</td>
<td>41,154</td>
<td>-</td>
<td>-</td>
<td>(41,154)</td>
<td>-</td>
<td>(b) (d)</td>
</tr>
<tr>
<td>VISTA 25</td>
<td>7650</td>
<td>Roadway Rehab (Street Rehab/Curbs &amp; Gutters)</td>
<td>(26,731)</td>
<td>45,000</td>
<td>(110,380)</td>
<td>-</td>
<td>(92,111)</td>
<td>(g)</td>
</tr>
<tr>
<td>VISTA 28</td>
<td>8151</td>
<td>Thibido Road Curb &amp; Landscape</td>
<td>(246,823)</td>
<td>210,187</td>
<td>-</td>
<td>36,636</td>
<td>-</td>
<td>(b) (d)</td>
</tr>
<tr>
<td>VISTA 30</td>
<td>8154</td>
<td>Street Rehab &amp; Maintenance - FY2007-08</td>
<td>(1,659,138)</td>
<td>1,356,138</td>
<td>-</td>
<td>4</td>
<td>(302,996)</td>
<td>(e) (f) (i)</td>
</tr>
<tr>
<td>VISTA 42</td>
<td>8218</td>
<td>Bobier Drive Storm Drain Rehabilitation</td>
<td>(4,518)</td>
<td>-</td>
<td>-</td>
<td>4,518</td>
<td>-</td>
<td>(b) (d)</td>
</tr>
<tr>
<td>VISTA 43</td>
<td>8219</td>
<td>Pavement and Sidewalk Management Systems</td>
<td>(23,592)</td>
<td>62,000</td>
<td>(51,481)</td>
<td>-</td>
<td>(13,073)</td>
<td>(g)</td>
</tr>
</tbody>
</table>

**Total Maintenance**

(1,919,648) 1,673,325 - (161,861) 4 (408,180)

**Total Local Street Improvements**

(387,708) 1,682,125 - (1,908,131) 3 (613,711)

### Bikes and Pedestrians:

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Adjustments</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>VISTA 22</td>
<td>8088</td>
<td>Inland Rail Trail Bike Lane Facility (Bikeway)</td>
<td>(6,280)</td>
<td>9,376</td>
<td>(3,095)</td>
<td>(1)</td>
<td>-</td>
</tr>
<tr>
<td>VISTA 39</td>
<td>8187</td>
<td>Longhorn Dr. Sidewalk Improvement Project</td>
<td>(5,063)</td>
<td>5,065</td>
<td>-</td>
<td>(2)</td>
<td>-</td>
</tr>
</tbody>
</table>

**Total Bikes and Pedestrians**

(11,343) 14,441 - (3,095) (3) -

### Senior Mini-Grants:

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Adjustments</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>VISTA 44</td>
<td>8219</td>
<td>Out &amp; About Vista</td>
<td>(13,246)</td>
<td>57,607</td>
<td>(88,186)</td>
<td>-</td>
<td>(43,825)</td>
</tr>
</tbody>
</table>

**Total Senior Mini-Grants**

(13,246) 57,607 - (88,186) - (43,825)

**Total TransNet Extension**

$ (412,297) $ 1,754,173 $ - $ (1,999,412) $ - $ (657,536)

**Total TransNet and TransNet Extension**

$ (289,191) $ 1,754,173 $ - $ (2,004,119) $ - $ (539,137)
CITY OF VISTA, CALIFORNIA  
*TransNet* and *TransNet Extension Activities*  
Schedule of Status of Funds by Project  
(Continued)

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Name</th>
<th>Status</th>
<th>Funds</th>
<th>Interest</th>
<th>Expenditures</th>
<th>Adjustments</th>
<th>City Status</th>
<th>Project Status</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>July 1, 2012</td>
<td>Received</td>
<td>Income</td>
<td>Expenditures</td>
<td>Adjustments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>June 30, 2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes:

(a) Council Resolution number 2013-34 authorized the transfer from VISTA 19 to VISTA 29 to eliminate negative balance.
(b) Project is complete.
(c) Council Resolution number 2013-34 authorized the transfer from VISTA 34 and VISTA 12 to VISTA 08A to eliminate negative balance. In FY 2013, VISTA 08A was cancelled due to issues with CalTrans.
(d) Council Resolution number 2013-34 authorized the transfer from VISTA 17 to VISTA 42 and VISTA 28 to eliminate negative balances.
(e) $100,000 of programmed funding will be drawn down in March 2014. VISTA 30 is a completed project that was removed from the RTIP before funds were drawn down. City adjustment to go to City Council in Spring 2014 to program carryover funds in RTIP and then draw down to eliminate negative balance.
(f) TransNet funded portion completed FY 2013.
(g) City to request draw down of programmed funding in March 2014 to eliminate negative balances.
(h) Amendment to programmed funding to go to City Council in Spring 2014, and then funds will be drawn down to eliminate negative balances.
(i) Adjustments of immaterial remaining amounts ranging from $1 to $2 have been transferred from projects VISTA 08A, 22, and 39 and have been added to VISTA 30 in the “City Adjustments” column.
(j) Received payments from SANDAG totaling $43,825 in July and August 2013.
### SCHEDULE B

**CITY OF VISTA, CALIFORNIA**  
*TransNet Extension Activities*  
Cumulative Schedule of Status of Funds by Project  
Year Ended June 30, 2013

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Project City Status</th>
<th>June 30, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>VISTA 08A 8191</td>
<td>W. Vista Way Widening Construction - Phase 1</td>
<td>$250,000</td>
<td>$474</td>
<td>$(240,988)</td>
<td>$(9,486)</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>VISTA 12 8054</td>
<td>East Vista Way Street Improvements</td>
<td>-</td>
<td>-</td>
<td>$(409,145)</td>
<td>409,145</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>VISTA 22 8088</td>
<td>Inland Rail Trail Bike Lane Facility</td>
<td>146,035</td>
<td>-</td>
<td>$(142,585)</td>
<td>(3,450)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>VISTA 27 8141</td>
<td>Foothill Overlay &amp; Improvements</td>
<td>1,704,645</td>
<td>696</td>
<td>$(1,350,965)</td>
<td>(354,376)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>VISTA 34 8155</td>
<td>Street Rehab &amp; Maintenance - Annual</td>
<td>578,542</td>
<td>-</td>
<td>$(2,172,903)</td>
<td>1,421,298</td>
<td>(173,063)</td>
<td></td>
</tr>
<tr>
<td>VISTA 45 8197</td>
<td>Bobolink Storm Drain</td>
<td>-</td>
<td>-</td>
<td>$(30,125)</td>
<td>14,020</td>
<td>(16,105)</td>
<td></td>
</tr>
<tr>
<td>VISTA 46 8225</td>
<td>Street Construction/Overlay-Annual</td>
<td>-</td>
<td>-</td>
<td>$(2,138)</td>
<td>-</td>
<td>(2,138)</td>
<td></td>
</tr>
<tr>
<td>VISTA 47 8242</td>
<td>Melrose Dr/Hacienda Dr Turn Lane</td>
<td>-</td>
<td>-</td>
<td>$(14,225)</td>
<td>-</td>
<td>(14,225)</td>
<td></td>
</tr>
</tbody>
</table>

**Total Congestion Relief**  
2,679,222 | 1,170 | $(4,363,074) | 1,477,151 | (205,531) |

**Congestion Relief Pass Through:**  
SAN54 N/A  Regional Arterial Management Systems  
- | 8,800 | - | (8,800) | - |

**Total Congestion Relief-Pass Through**  
- | 8,800 | - | (8,800) | - |

**Maintenance:**  
VISTA 17 8018  Grapevine Road Street Improvements  
45,000 | 63 | (3,909) | (41,154) | - |
VISTA 25 7650  Roadway Rehab & Upgrade  
95,000 | 7 | (187,117) | - | (92,110) |
VISTA 28 8151  Thibido Road Curb & Landscape  
210,187 | - | (246,823) | 36,636 | - |
VISTA 30 8154  Street Rehab & Maintenance - FY2007-08  
2,536,429 | - | (2,839,429) | 4 | (302,996) |
VISTA 42 8218  Bobier Drive Storm Drive & Street Rehabilitation  
2,000 | - | (5,577) | 3,577 | - |
VISTA 43 8219  Pavement & Sidewalk Management System  
62,000 | - | (75,074) | - | (13,074) |

**Total Maintenance**  
2,950,616 | 70 | (3,357,929) | (937) | (408,180) |

(Continued)
## CITY OF VISTA, CALIFORNIA

*TransNet Extension Activities*

Cumulative Schedule of Status of Funds by Project

Year Ended June 30, 2013

(Continued)

<table>
<thead>
<tr>
<th>Project Name</th>
<th>MPO ID</th>
<th>Number</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Project Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bikes and Pedestrians:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inland Rail Trail Bike Lane Facility</td>
<td>VISTA 22</td>
<td>8088</td>
<td>27,939</td>
<td>-</td>
<td>(7,313)</td>
<td>(20,626)</td>
<td>-</td>
</tr>
<tr>
<td>Longhorn Dr. Sidewalk Improvement Project</td>
<td>VISTA 39</td>
<td>8187</td>
<td>45,770</td>
<td>-</td>
<td>(50,647)</td>
<td>4,877</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Bikes and Pedestrians</strong></td>
<td></td>
<td></td>
<td>73,709</td>
<td>-</td>
<td>(57,960)</td>
<td>(15,749)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Senior Mini-Grants:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Out &amp; About Vista</td>
<td>VISTA 44</td>
<td></td>
<td>57,607</td>
<td>-</td>
<td>(101,432)</td>
<td>-</td>
<td>(43,825)</td>
</tr>
<tr>
<td><strong>Total Senior Mini-Grants</strong></td>
<td></td>
<td></td>
<td>57,607</td>
<td>-</td>
<td>(101,432)</td>
<td>-</td>
<td>(43,825)</td>
</tr>
<tr>
<td><strong>Completed Projects:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Street Improvements:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Congestion Relief</td>
<td></td>
<td></td>
<td>404,000</td>
<td>3,595</td>
<td>(75,768)</td>
<td>(331,827)</td>
<td>-</td>
</tr>
<tr>
<td>Bikes and Pedestrian</td>
<td></td>
<td></td>
<td>151,723</td>
<td>-</td>
<td>(146,844)</td>
<td>(4,879)</td>
<td>-</td>
</tr>
<tr>
<td>Senior Mini Grants</td>
<td></td>
<td></td>
<td>75,848</td>
<td>-</td>
<td>(75,848)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Completed Projects</strong></td>
<td></td>
<td></td>
<td>631,571</td>
<td>3,595</td>
<td>(298,460)</td>
<td>(336,706)</td>
<td>-</td>
</tr>
</tbody>
</table>

Total Cumulative *TransNet Extension* $6,392,725 $13,635 $(8,178,855) $1,114,959 $(657,536)
## SCHEDULE C

**CITY OF VISTA, CALIFORNIA**  
*TransNet Extension Activities*  
RTCIP Fund  
Year Ended June 30, 2013

<table>
<thead>
<tr>
<th>Project Year</th>
<th>Last Date to Spend funds</th>
<th>Funds Received</th>
<th>Other Revenue</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Cumulative Status</th>
<th>Cumulative Revenue</th>
<th>Cumulative Interest</th>
<th>Cumulative Project Expenditures</th>
<th>Cumulative City Adjustments</th>
<th>Cumulative Revenue</th>
<th>Cumulative Interest</th>
<th>Cumulative Project Expenditures</th>
<th>Cumulative City Adjustments</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Fiscal Year ended June 30, 2009</td>
<td>June 30, 2016</td>
<td>$32,000</td>
<td>$ -</td>
<td>$346</td>
<td>$(32,346)</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2010</td>
<td>June 30, 2017</td>
<td>$69,360</td>
<td>$ -</td>
<td>$1,543</td>
<td>$(70,903)</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$65,171</td>
<td>$ -</td>
<td>$-</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2011</td>
<td>June 30, 2018</td>
<td>$101,969</td>
<td>$ -</td>
<td>$2,348</td>
<td>$(13,644)</td>
<td>$ -</td>
<td>$90,673</td>
<td>$104,343</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$-</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2012</td>
<td>June 30, 2019</td>
<td>$186,824</td>
<td>$ -</td>
<td>$2,288</td>
<td>$ -</td>
<td>$ -</td>
<td>$189,112</td>
<td>$189,165</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$-</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2013</td>
<td>June 30, 2020</td>
<td>$43,762</td>
<td>$ -</td>
<td>$(12)</td>
<td>$ -</td>
<td>$ -</td>
<td>$43,750</td>
<td>$43,750</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$-</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Total RTCIP Funds</td>
<td></td>
<td>$433,915</td>
<td>$ -</td>
<td>$6,513</td>
<td>$(116,893)</td>
<td>$ -</td>
<td>$323,535</td>
<td>$358,679</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$-</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>
AGENDA ITEM NO.: 7

Action Requested: APPROVE

2014 ITOC ANNUAL REPORT

File Number 1500200

Introduction

At the May 14, 2014, Independent Taxpayer Oversight Committee (ITOC) meeting, staff presented the draft 2014 ITOC Annual Report. The ITOC reviewed and discussed the report and provided direction to staff regarding the proposed content and format. A final draft copy of the 2014 ITOC Annual Report is included as Attachment 1. ITOC Chair Jonathan Tibbitts is scheduled to present the 2014 ITOC Annual Report to the SANDAG Board of Directors on June 27, 2014.

Recommendation

The ITOC is asked to approve the 2014 ITOC Annual Report in substantially the same form as shown in Attachment 1.

Attachment: 1. Final Draft 2014 ITOC Annual Report

Key Staff Contact: Ariana zur Nieden, (619) 699-6961, ariana.zurnieden@sandag.org
Established as a condition of the 2004 TransNet Extension Ordinance, the Independent Taxpayer Oversight Committee (ITOC) monitors the expenditure of TransNet funds, the voter approved half-cent sales tax for transportation improvements in the San Diego region. The Committee helps ensure that all voter mandates are carried out and develops recommendations for improving the financial integrity and performance of the TransNet program.

In 2004, 67 percent of the region’s voters supported the extension of TransNet from 2008 to 2048 – which is expected to generate $14 billion to be distributed among transit, highway, and local road projects. SANDAG administers the TransNet half-cent sales tax.

TransNet is helping to fund major highway projects along Interstates 5, 8, 15, and 805 as well as State Routes 11, 52, 54, 56, 67, 75, 76, 78, 94, 125, and 905. It supports improvements to the public transportation system, including new Rapid bus services and high occupancy vehicle lanes and Express Lanes along many of the major corridors. TransNet funds also help pay for discounted transit passes for seniors, persons with disabilities, and youth. In addition, the TransNet Extension Ordinance includes the $850 million Environmental Mitigation Program, and the $280 million Smart Growth Incentive Program. Under the Bicycle, Pedestrian, and Neighborhood Safety Program, two percent of the available funds are earmarked annually for bicycle paths and facilities, pedestrian improvements, and neighborhood safety projects.

**ITOC**

The Independent Taxpayer Oversight Committee

**2014 ANNUAL REPORT**

**TransNet**

In 2004, 67 percent of the region’s voters supported the extension of TransNet from 2008 to 2048 – which is expected to generate $14 billion to be distributed among transit, highway, and local road projects. SANDAG administers the TransNet half-cent sales tax.

TransNet is helping to fund major highway projects along Interstates 5, 8, 15, and 805 as well as State Routes 11, 52, 54, 56, 67, 75, 76, 78, 94, 125, and 905. It supports improvements to the public transportation system, including new Rapid bus services and high occupancy vehicle lanes and Express Lanes along many of the major corridors. TransNet funds also help pay for discounted transit passes for seniors, persons with disabilities, and youth. In addition, the TransNet Extension Ordinance includes the $850 million Environmental Mitigation Program, and the $280 million Smart Growth Incentive Program. Under the Bicycle, Pedestrian, and Neighborhood Safety Program, two percent of the available funds are earmarked annually for bicycle paths and facilities, pedestrian improvements, and neighborhood safety projects.

**LOSSAN**

Along the LOSSAN (Los Angeles-San Diego-San Luis Obispo) coastal rail corridor between Oceanside and Downtown San Diego, construction is ongoing to increase both passenger and freight capacity by adding a second main line track. To date, half of the rail corridor has been double tracked, with about 20 projects in design or under construction. Other improvements in development include bridge and track replacements, new station platforms, and pedestrian rail undercrossings. In the first quarter of 2014, construction began on the Sorrento Valley Double Track Project and San Onofre to Pulgas Double Track Project.

**TROLLEY RENEWAL**

Work on the final phase of the $660-million project to modernize the entire San Diego Trolley system and expand freight capacity continued through 2014 and is expected to be completed in late 2015. Blue Line stations, tracks and grade crossings are being refurbished from Barrio Logan to San Ysidro. Station upgrades include new shelters, next arrival signs, enhanced lighting, security cameras, and other amenities. In addition, the Blue Line will be upgraded with the same low-floor vehicles that run on the Orange and Green lines.

**SR 76**

The first phase of the SR 76 East Segment Project, which consists of rebuilding the SR 76/I-15 interchange, was completed in summer 2013. The second phase of the project to widen and realign SR 76 to a four-lane highway from just east of South Mission Road to the newly improved interchange is expected to begin in summer 2014.
ITOC Activities for Fiscal Year 2014

The ITOC reviewed and advised on many key TransNet-supported programs during the July 1, 2013, to June 30, 2014, fiscal year, including:

- Conducted the FY 2013 TransNet Fiscal and Compliance Audits
- Reviewed implementation of the recommendations from the FY 2012 TransNet Triennial Performance Audit (covering fiscal years 2009 to 2011), including implementation of Local Street and Road program recommendations, and selected an independent auditing firm for the upcoming FY 2015 TransNet Triennial Performance Audit (covering fiscal years 2012 to 2014)
- Reviewed the Regional Transportation Improvement Program and its amendments
- Continued to oversee the Environmental Mitigation Program (EMP), including review of the EMP Regional Management Strategic Plan, EMP funding recommendations, proposed grant amendments, progress reports, acquisition of new parcels, and habitat management and monitoring activities
- Continued to review funding recommendations, progress reports, proposed grant amendments, and performance for the TransNet Senior Mini-Grant, Smart Growth Incentive, and Active Transportation Grant programs
- Continued to receive regular updates on the status of financial markets, the state and federal budgets, and potential impacts to the TransNet program, as well as the performance of the TransNet debt program
- Reviewed TransNet FY 2014 revenue revisions and FY 2015 to FY 2019 revenue estimates
- Recommended approval of the 2013 TransNet Plan of Finance
- Reviewed quarterly financial reports and other financial data
- Reviewed the TransNet Regional Bike Early Action Program
- Accepted the annual Regional Transportation Congestion Improvement Program (RTCIP) submittals from local jurisdictions, and reviewed the annual RTCIP fee adjustment
- Continued reviewing regular reports on the use of TransNet local street and road funds for each jurisdiction, including the City of San Diego Transportation Capital Improvement Program streamlining plan; ITOC continues to review efforts by the cities to ensure effective project delivery
- Reviewed a performance update for the North County Transit District
- Recommended Board approval of a City of Del Mar request to use the SANDAG Commercial Paper Program
- Reviewed the proposed transportation project evaluation criteria and network performance measures for San Diego Forward: The Regional Plan
- Recommended an annual ITOC operating budget for FY 2015; ITOC continued operating under budget during the year
- Reviewed the proposed FY 2015 budget for the TransNet Early Action Program
- Reviewed the 2013 State of the Commute report
- Reviewed progress reports on the TransNet program, including I-5, I-805, Trolley Renewal, and Mid-Coast, among others
TransNet Progress in FY 2014

The SANDAG Board of Directors is responsible for selecting and prioritizing the timing of TransNet projects. The role of the ITOC is to ensure that the projects carried out as a result of SANDAG Board actions meet the requirements of the TransNet Extension Ordinance. Billions of dollars in TransNet funding are being administered by SANDAG to improve and better manage our regional transit system, well-traveled highways, local streets and roads, and bicycle and pedestrian facilities. These funds are leveraged with state and federal dollars to maximize the effectiveness of transportation funding. In 2014, TransNet celebrated 25 years of keeping San Diego moving.

BIKE/PEDESTRIAN ENHANCEMENTS

In September 2013, the SANDAG Board allocated $200 million in TransNet revenues to significantly expand the regional bike network over the next decade. The Regional Bike Early Action Program (EAP) comprises 42 projects totaling about 77 miles of new bikeways that would make it much easier for people to ride their bike to school, work, transit stations, and other major destinations. The first Bike EAP project—a 2,000-foot segment of the Coastal Rail Trail—opened in Oceanside in April 2014.

SUPERLOOP

Four new SuperLoop stations were completed in September 2013 at UC San Diego on the east and west sides of Medical Center Drive, and the north and south sides of Voigt Drive near Scripps Memorial Hospital. In addition, new traffic signals were installed on Voigt Drive at Scripps Hospital and on Gilman Drive to incorporate transit signal priority so SuperLoop buses can move through traffic more efficiently. A transit center that will accommodate MTS and NCTD buses, and two additional SuperLoop stations, will be under construction on the UC San Diego campus starting summer 2014.

MID-COAST TROLLEY EXTENSION

Progress continues on the extension of the Trolley from Old Town to University City. In November 2013, the SANDAG Board decided to add a station at the VA Medical Center for a total of nine stations. The environmental report for the project is expected to be certified in 2014.

I-805 SOUTH

In March 2014, eight miles of new carpool lanes on I-805 between East Naples Street in Chula Vista and SR 94 in San Diego opened to traffic. Construction continues on the north-facing Direct Access Ramp at Palomar Street and is scheduled to open to the public in December 2014.

I-805 NORTH

In March 2014, the north-facing Carroll Canyon Road Direct Access Ramp opened in the Sorrento Valley area, along with two miles of new carpool lanes, to complete a continuous 10-mile carpool lane system from Carroll Canyon Road on I-805 to Manchester Avenue on I-5.
HABITAT CONSERVATION

The TransNet extension created the Environmental Mitigation Program (EMP) to protect, preserve, and restore native habitats as offsets to disturbance caused by transportation projects. Since 2008, about $100 million has been spent to conserve 3,334 acres of open space countywide for mitigation purposes. In addition, 70 grants have been distributed to support land management activities, such as invasive plant removal, trail maintenance, and fencing projects.

SMART GROWTH

To date, more than $25 million has been generated for the TransNet Smart Growth Incentive Program. The funds are used to provide grants to municipalities for compact, transit-oriented development. For example, thanks to a smart growth grant, Lemon Grove’s Main Street Promenade opened in fall 2013. Located next to a bustling Trolley station and a mixed-use development, the promenade features a plaza, park, playground, amphitheater, and mosaic art.

SR 94

The SR 94 Express Lanes Project is undergoing environmental review. The project proposes to connect the I-805 South Express Lanes with Downtown San Diego by constructing two new Express Lanes along SR 94, one in each direction, and a new direct connector between SR 94 and I-805.

RAPID TRANSIT

Three transit stations along the I-15 have been renovated in preparation for the launch of Rapid bus services from Escondido to Downtown San Diego starting in June 2014, and from Rancho Bernardo to UC San Diego via Sorrento Mesa starting in August/September 2014.

In March 2014, the Sabre Springs/Peñasquitos Transit Station reopened with a new parking garage that features electric vehicle charging stations, a bike parking building, and other innovative amenities. A year earlier, upgrades to the Rancho Bernardo and Del Lago transit stations were completed.

Also scheduled to go into service in 2014 is Mid-City Rapid, which will run between San Diego State University and downtown. Construction of upgraded stations, signage, and an exclusive guideway began in July 2013 and is expected to be finished in summer 2014.

A fourth Rapid bus line connecting the Otay Mesa border crossing with downtown via eastern Chula Vista is moving closer to construction. The SANDAG Board adopted the route and the environmental document for the South Bay Rapid line in July 2013. Construction of the first segment could begin as early as 2014, and service is expected to start in late 2016.
FY 2013 TransNet Annual Fiscal and Compliance Audit

The TransNet Extension Ordinance requires recipients of TransNet funds to comply with the requirements for an independent annual fiscal and compliance audit. The ITOC is responsible for issuing an annual audit statement on each jurisdiction’s compliance with this requirement. The audit report for the year ending June 30, 2013, is available on the SANDAG website at sandag.org/itoc.

Recipient agencies were in compliance with the major TransNet provisions. The annual audit report noted the following key results:

- As required by SANDAG Board Policy No. 031, each recipient agency accounted for TransNet activities in a separate fund, or via an alternative method, as approved by SANDAG.
- SANDAG appropriately allocated TransNet revenues to local jurisdictions – at least 70 percent for congestion relief purposes and no more than 30 percent for maintenance purposes – in accordance with the TransNet Extension Ordinance.

FY 2013 was the fifth year recipient agencies were required to comply with the agreed-upon procedures under the TransNet Extension Ordinance. Based upon results of the procedures performed, the report also noted the following:

- Revenues for each recipient agency were recorded. Expenditures claimed by all recipient agencies, with the exception of the City of Escondido, were allowable in accordance with the TransNet Ordinance, TransNet Extension Ordinance, and SANDAG Board Policy No. 031. Escondido corrected ineligible costs ensuring that only allowable expenditures are charged to TransNet, as noted in its management response.
- All recipient agencies were in compliance with the Maintenance of Effort (MOE) requirements, with the exception of the City of Vista, ensuring that TransNet revenues were used to augment, not supplant local revenues; the SANDAG Board of Directors approved allowing Vista to meet its MOE requirement over a two-year period, as permitted by the TransNet Extension Ordinance.
- The SANDAG Board of Directors approved allowing the City of Oceanside to meet a prior year MOE shortfall in accordance with the TransNet Extension Ordinance. This year, Oceanside resolved this shortfall.
- All reporting agencies, with the exception of the cities of Chula Vista, Imperial Beach, National City, and Oceanside were in compliance with Board Policy No. 031, Rule #17, Section IV, requiring TransNet recipient agencies to maintain a fund balance of no more than 30 percent of its annual apportionment. The intent of this Board Policy requirement was reviewed as part of the FY 2012 TransNet Triennial Performance Audit. This year, the ITOC implemented additional effective measures to track local agency use of TransNet funds.
- Revenue collected by all recipient agencies under the Regional Transportation Congestion Improvement Program was in compliance with Section 9 (a) of the TransNet Extension Ordinance and SANDAG Board Policy No. 031, with the exception of the cities of La Mesa and National City, which collected less than the minimum amount. La Mesa and National City corrected their shortfall, as noted in their management responses.
- North County Transit District and the Metropolitan Transit System were not in compliance with the operator eligibility requirements. The SANDAG Board of Directors approved an adjustment to both transit operators’ annual calculation as allowed in the TransNet Extension Ordinance thereby rendering them in compliance.

The FY 2013 audit results for the Local Street Improvement and MOE requirements are highlighted in the charts on the following pages.
Compliance with Allocation of Local Street Improvements Revenues

The TransNet Extension Ordinance requires at least 70 percent of the revenues provided for local street and road purposes to be used for congestion relief purposes and no more than 30 percent for maintenance purposes. The FY 2013 audits found that SANDAG appropriately allocated TransNet revenues to local jurisdictions – at least 70 percent for congestion relief and no more than 30 percent for maintenance purposes – in accordance with the TransNet Extension Ordinance.

<table>
<thead>
<tr>
<th>Recipient Agency</th>
<th>Allocation of Sales Tax Revenues Received</th>
<th>70% Congestion Relief Allocated</th>
<th>30% Maintenance Allocated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad</td>
<td>$2,399,285</td>
<td>$1,679,500</td>
<td>$719,786</td>
</tr>
<tr>
<td>Chula Vista</td>
<td>$4,792,310</td>
<td>$3,354,617</td>
<td>$1,437,693</td>
</tr>
<tr>
<td>Coronado</td>
<td>$518,566</td>
<td>$362,996</td>
<td>$155,570</td>
</tr>
<tr>
<td>Del Mar</td>
<td>$183,934</td>
<td>$128,754</td>
<td>$55,180</td>
</tr>
<tr>
<td>El Cajon</td>
<td>$2,047,123</td>
<td>$1,432,986</td>
<td>$614,137</td>
</tr>
<tr>
<td>Encinitas</td>
<td>$1,467,349</td>
<td>$1,027,144</td>
<td>$440,205</td>
</tr>
<tr>
<td>Escondido</td>
<td>$3,045,755</td>
<td>$2,132,029</td>
<td>$913,727</td>
</tr>
<tr>
<td>Imperial Beach</td>
<td>$629,099</td>
<td>$440,370</td>
<td>$188,730</td>
</tr>
<tr>
<td>La Mesa</td>
<td>$1,335,461</td>
<td>$934,823</td>
<td>$400,638</td>
</tr>
<tr>
<td>Lemon Grove</td>
<td>$615,925</td>
<td>$431,147</td>
<td>$184,777</td>
</tr>
<tr>
<td>National City</td>
<td>$1,176,296</td>
<td>$823,407</td>
<td>$352,889</td>
</tr>
<tr>
<td>Oceanside</td>
<td>$4,087,742</td>
<td>$2,861,420</td>
<td>$1,226,323</td>
</tr>
<tr>
<td>Poway</td>
<td>$1,336,103</td>
<td>$935,272</td>
<td>$400,831</td>
</tr>
<tr>
<td>San Diego, City</td>
<td>$27,747,150</td>
<td>$19,423,005</td>
<td>$8,324,145</td>
</tr>
<tr>
<td>San Marcos</td>
<td>$1,771,642</td>
<td>$1,240,149</td>
<td>$531,492</td>
</tr>
<tr>
<td>Santee</td>
<td>$1,282,925</td>
<td>$898,047</td>
<td>$384,877</td>
</tr>
<tr>
<td>Solana Beach</td>
<td>$390,703</td>
<td>$273,492</td>
<td>$117,211</td>
</tr>
<tr>
<td>Vista</td>
<td>$1,964,450</td>
<td>$1,375,115</td>
<td>$589,335</td>
</tr>
<tr>
<td>San Diego, County</td>
<td>$12,991,298</td>
<td>$9,093,909</td>
<td>$3,897,389</td>
</tr>
</tbody>
</table>

Source: FY 2013 TransNet Fiscal and Compliance Audit
Compliance with the Maintenance of Effort Requirement

The TransNet Extension Ordinance includes a Maintenance of Effort requirement to ensure that TransNet revenues are used to augment, not supplant, existing local funding. TransNet funds are used to leverage other revenues available for local street and road improvements – making the most of every TransNet dollar.

<table>
<thead>
<tr>
<th>Fiscal Year 2013</th>
<th>Fiscal Year 2012</th>
<th>Fiscal Year 2011</th>
<th>Fiscal Year 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Compliance</strong></td>
<td><strong>Streets and Roads</strong></td>
<td><strong>Specialized Transportation Services (1)</strong></td>
<td><strong>Transit Bus Subsidies (1)</strong></td>
</tr>
<tr>
<td>Carlsbad</td>
<td>Yes</td>
<td>$5,564,996</td>
<td>N/A</td>
</tr>
<tr>
<td>Chula Vista</td>
<td>Yes</td>
<td>$3,749,587</td>
<td>N/A</td>
</tr>
<tr>
<td>Coronado</td>
<td>Yes</td>
<td>$778,768</td>
<td>N/A</td>
</tr>
<tr>
<td>Del Mar</td>
<td>Yes</td>
<td>$418,597</td>
<td>$19,288</td>
</tr>
<tr>
<td>El Cajon</td>
<td>Yes</td>
<td>$1,595,336</td>
<td>N/A</td>
</tr>
<tr>
<td>Encinitas</td>
<td>Yes</td>
<td>$1,892,771</td>
<td>$52</td>
</tr>
<tr>
<td>Escondido</td>
<td>Yes</td>
<td>$2,880,601</td>
<td>N/A</td>
</tr>
<tr>
<td>Imperial Beach</td>
<td>Yes</td>
<td>$247,546</td>
<td>N/A</td>
</tr>
<tr>
<td>La Mesa</td>
<td>Yes</td>
<td>$1,738,723</td>
<td>N/A</td>
</tr>
<tr>
<td>Lemon Grove</td>
<td>Yes</td>
<td>$167,474</td>
<td>N/A</td>
</tr>
<tr>
<td>National City</td>
<td>Yes</td>
<td>$1,658,957</td>
<td>N/A</td>
</tr>
<tr>
<td>Oceanside</td>
<td>Yes</td>
<td>$2,638,484</td>
<td>N/A</td>
</tr>
<tr>
<td>Poway</td>
<td>Yes</td>
<td>$1,005,319</td>
<td>N/A</td>
</tr>
<tr>
<td>San Diego, City</td>
<td>Yes</td>
<td>$22,027,565</td>
<td>$162,992</td>
</tr>
<tr>
<td>San Marcos</td>
<td>Yes</td>
<td>$4,323,369</td>
<td>N/A</td>
</tr>
<tr>
<td>Santee</td>
<td>Yes</td>
<td>$551,186</td>
<td>N/A</td>
</tr>
<tr>
<td>Solana Beach</td>
<td>Yes</td>
<td>$472,898</td>
<td>N/A</td>
</tr>
<tr>
<td>Vista</td>
<td>No*</td>
<td>$2,385,097</td>
<td>N/A</td>
</tr>
<tr>
<td>San Diego, County (2)</td>
<td>Yes</td>
<td>$0</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Source: FY 2013 TransNet Fiscal and Compliance Audit

Yes = In Compliance  •  No = Not in compliance  •  N/A = Not applicable

*Results: There was one instance of non-compliance for the year ending June 30, 2013. The SANDAG Board of Directors approved the City of Vista request to meet its MOE requirement over a two-year period in accordance with TransNet Extension Ordinance requirements. The City of Oceanside had an outstanding unmet MOE requirement for the year ending June 30, 2010, in the amount of $1,310,184. The City of Oceanside had committed to eliminating its unmet MOE by June 30, 2013. The unmet MOE deficit for the City of Oceanside was reduced to $728,867 as of June 30, 2011; and $302,594 as of June 30, 2012. As of June 30, 2013, the City of Oceanside had resolved the issue and eliminated the unmet MOE. In addition, the City of Del Mar had an outstanding unmet requirement for the year ended June 30, 2011, which was resolved during the year ended June 30, 2012.

Note 1 - The MOE categories were determined with the initial MOE audit. If a jurisdiction had activity during the MOE base years in any of the three categories, then their MOE requirement will always include those categories and will be re-indexed every three years.

Note 2 - The County does not have discretionary expenditures or projects that can be reported under the MOE.
Future ITOC Activities

Many of the projects and initiatives addressed by the ITOC during FY 2014 will continue in the coming year. This includes continued implementation of the TransNet Early Action Program (EAP), continued implementation of recommendations from the second triennial performance audit, and completion of the FY 2014 annual fiscal and compliance audits. The ITOC also will conduct the FY 2015 performance audit (third audit) and will continue supporting progress on the EAP and reviewing the agency’s work preparing additional “shovel-ready” projects for future funding opportunities.

Future Challenges

SANDAG has seen growth in sales tax revenues consistent with expectations that revenue increases would occur as the economy begins to experience job growth, which has occurred nationwide and locally. However, the economy still faces challenges over the next couple of years. FY 2014 TransNet revenues are projected to be five percent higher than actual FY 2013 revenues. Although the outlook for future sales tax revenue has improved, the economic turnaround has been slow and sporadic. The ITOC continues to closely monitor the latest developments in the financial markets and the economy to minimize possible impacts to the TransNet program. A modest four percent increase in TransNet revenue is projected in FY 2015.

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 on KeepSanDiegoMoving.com. Through this website, visitors can access the TransNet Dashboard, which lists detailed project descriptions, updated schedules, and budgetary information for the region’s major transportation corridors.

ITOC information also is available by visiting the SANDAG website at sandag.org/transnet. Here you will find key documents related to the TransNet Extension Ordinance and a listing of past and upcoming agendas for all ITOC meetings. The ITOC meets on a regular basis, usually every second Wednesday of the month at 9:30 a.m. The meetings are held at SANDAG offices at 401 B Street, Suite 800, San Diego, CA 92101, and all meeting agendas are posted to the website. Attendance by the public is welcomed 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.
FY 2012 TransNet TRIENNIAL PERFORMANCE AUDIT:  File Number 1500200
UPDATE ON IMPLEMENTATION OF RECOMMENDATIONS

Introduction

In June 2012, the Independent Taxpayer Oversight Committee (ITOC) accepted the FY 2012 TransNet Triennial Performance Audit report and recommendations. To ensure audit recommendations are implemented, staff was asked to return to ITOC on a regular basis with the status of implementation of the recommendations. At the June 11, 2014, ITOC meeting, staff will provide an overview of progress made to date. The ITOC is asked to review and discuss implementation of audit recommendations (Attachment 1).

Discussion

ITOC accepted the final FY 2012 TransNet Triennial Performance Audit (second triennial audit) report in June 2012. The last update was provided in September 2013. Since then, ITOC has received regular reports on the implementation of audit recommendations, and staff has continued making progress toward implementation of audit recommendations.

Attachment 1 has been updated to reflect the most recent status as of June 2014, including partial completion of four and full completion of the remaining 18 out of the total 22 recommendations since acceptance of the audit report. The partially completed recommendations are scheduled to be completed by summer 2014 (Recommendation Nos. 1 and 8) and fall 2015 (Recommendation Nos. 10 and 14). An update would be provided to the ITOC following implementation of those recommendations. Changes to the attached matrix since the last update in September 2013, are reflected in tracked changes.

Next Steps

Staff will continue working with the ITOC member leads for the audit report chapters with remaining recommendations to monitor implementation in preparation for the next update to ITOC. The next regular update is scheduled for presentation to the ITOC in winter 2014/spring 2015.


Key Staff Contact: Ariana zur Nieden, (619) 699-6961, ariana.zurnieden@sandag.org
Second TransNet Triennial Performance Audit Report
Implementation of Recommendations Matrix
As of June 2014

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Report Reference</th>
<th>Priority</th>
<th>Initial Response and Implementation Plan (June 2012)</th>
<th>Status of Actions Taken to Implement Recommendations As of June 2014 (To be Updated on an Ongoing Basis)</th>
</tr>
</thead>
<tbody>
<tr>
<td>To build upon the improved performance measure foundation and enhance current tracking and measurement of the impact and outcome of TransNet modes and programs, the ITOC should ask SANDAG to:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Continue ongoing efforts and develop a plan to incorporate arterial roadway and transit performance metrics into SANDAG’s performance processes and develop additional performance measures including multi-modal measures or those related to other goals of the Regional Transportation Plan such as safety and environment. Plans and efforts should be documented and include:</td>
<td>Chapter 1, pages 14-23</td>
<td>Medium</td>
<td>Initial Response and Implementation Plan: In collaboration with our local and regional partners, SANDAG will continue to develop and implement systems to monitor the performance of the region’s multimodal transportation network. Specific efforts include:</td>
<td>Implementation Status:</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• The Arterial Performance Measurement System Module (A-PeMS) and Transit Performance Measurement System Module (T-PeMS) were completed in 2011 and is scheduled to go live in February 2013 as part of the I-15 Integrated Corridor Management (ICM) project.</td>
<td>• Current efforts are underway that include the design of the ICM project system with the integration of the A-PeMS and T-PeMS module. Project is on track to be completed and implemented by February 2013. Modules have been completed and next steps are to integrate them into C-PeMS planned to be operational in January-September 2014.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Current efforts are focused on defining a regional arterial detection deployment plan (expected to be completed in fall 2012) that will define an arterial network priority system for installation of future detection infrastructure.</td>
<td>• The Regional Arterial Detection Deployment Plan is on track to be completed in October 2012. Completed</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• SANDAG in partnership with local, state,</td>
<td>• The C-PeMS Corridor Module is on track</td>
</tr>
</tbody>
</table>

---

1 Tracked changes noted in blue are updates as of September 2013; changes in purple indicate status as of June 2014
Second *TransNet* Triennial Performance Audit Report
Implementation of Recommendations Matrix
As of June 2014

| Recommendation                                                                 | Priority | Initial Response and Implementation Plan (June 2012)                                                                 | Status of Actions Taken to Implement Recommendations¹
|-------------------------------------------------------------------------------|----------|--------------------------------------------------------------------------------------------------|-----------------------------------------------
| performance; and • Vehicles to be used for communicating actual performance results. |          | and federal agencies will be initiating work to complete a Corridor System Performance Measurement Module (C-PeMS). The project is an integral part of SANDAG efforts for establishing a multimodal performance measurement tool that will leverage the completion of the A-PeMS and T-PeMS with the Freeway PeMS. SANDAG intends to use C-PeMS for tracking and evaluating the performance of the I-15 ICM project to attain multimodal performance measures (expected completion spring 2013). As arterial detection is introduced and transit vehicles in the region are outfitted with automated passenger counters (APC) and automated vehicle location (AVL) units, the A-PeMS and T-PeMS modules will serve as the regional platform/vehicle to analyze and assess arterial and transit performance data. These statistics will be incorporated into the established Coordinated Plan and Regional Short-Range Transit Plan, ITOC Quarterly Reports, State of the Commute Reports, and Regional Comprehensive Plan Performance Reports. • Additionally, the Coordinated Plan and Regional Short-Range Transit Plan to be completed and operational by JanuarySeptember 2014. Spring 2013. | to be completed and operational by JanuarySeptember 2014. Spring 2013. |

¹Sandag will continue to annually track 21 transit performance measures, 11
<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Report Reference</th>
<th>Initial Response and Implementation Plan (June 2012)</th>
<th>Status of Actions Taken to Implement Recommendations(^1) As of June 2014 (To be Updated on an Ongoing Basis)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td></td>
<td>annually track 21 transit performance measures, 11 specialized transportation performance measures, and include the six performance metrics required by the state’s Transportation Development Act (TDA).&lt;br&gt;Staff leads: Richard Chavez, Alex Estrella, and Phil Trom&lt;br&gt;ITOC lead: Jim Ryan, Brad Barnum</td>
<td>specialized transportation performance measures, and include the six performance metrics required by the state’s Transportation Development Act (TDA) in the Coordinated Plan and Regional Short-Range Transit Plan. These will be reflected in the next update to the annual performance monitoring report expected to be completed in June 2014. Recommended.</td>
</tr>
</tbody>
</table>
## Second TransNet Triennial Performance Audit Report
### Implementation of Recommendations Matrix
#### As of June 2014

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Report Reference</th>
<th>Initial Response and Implementation Plan (June 2012)</th>
<th>Status of Actions Taken to Implement Recommendations</th>
<th>Implementation Status</th>
</tr>
</thead>
</table>
| Dashboard portals, or through some other mechanisms such as an annual report. | | Staff lead: Richard Chavez  
ITOC lead: John Chalker  
Stewart Halpern |  | this recommendation at the March 13, 2013, ITOC meeting. In July, staff met with the IT consultant responsible for updates to the Dashboard. The consultant is scheduled to submit an implementation plan and related costs in October 2012.  
☑ Completed |
| To more closely manage and monitor the Local Street and Road program performance as well as eliminate process inefficiencies, the ITOC should have SANDAG work collaboratively with the local agencies to: | | | | |
| 3. Consider assigning certain Local Street and Road Program responsibilities and activities—such as setting and monitoring program goals, reviewing and modifying rules and processes in place, and measuring program performance towards meeting overall TransNet goals—to a SANDAG program staff. | Chapter 3, Pages 32-41 | Medium | Initial Response and Implementation Plan:  
The effort required by Recommendation Nos. 3 to 6 could be costly to implement and could delay the delivery of local agency projects. There also is the question of whether this type of detailed oversight is permitted by the TransNet Extension Ordinance. Staff proposes discussing this recommendation with the ITOC to gain a better understanding and to address their concerns by working collaboratively with both ITOC and the Cities/ County Transportation Advisory Committee (CTAC) to evaluate how the Local Street and Roads program may be improved. Some initial steps toward this effort could include the following:  
1. Gathering Local Streets and Roads | Implementation Status: At its May 3, 2012, meeting, the Cities/County Transportation Advisory Committee (CTAC) established an Ad Hoc Working Group to help develop responses for addressing the audit recommendations. Initial efforts by the CTAC Ad Hoc Working Group have included gathering available information on programs, policies, and performance programs, which were presented at the January 9, 2013, ITOC meeting. Staff presented performance monitoring examples at the May 8, 2013, meeting and will present a proposed approach for annual reporting on the Local Street and Road Program at the September 11, 2013, ITOC meeting. |
Second *TransNet* Triennial Performance Audit Report
Implementation of Recommendations Matrix
As of June 2014

<table>
<thead>
<tr>
<th>Recommendation</th>
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<th>Initial Response and Implementation Plan (June 2012)</th>
<th>Status of Actions Taken to Implement Recommendations¹ As of June 2014 (To be Updated on an Ongoing Basis)</th>
</tr>
</thead>
</table>
| 4. Develop a method, process, or practice over the Local Street and Road program to more closely monitor program outcomes and performance towards congestion relief and maintenance of roadways including the following:  
  - Establishing defined program policies, goals, and performance measures for each jurisdiction;  
  2. Drafting sample report(s) that would provide useful information for ITOC and CTAC review;  
  3. Reviewing data collected with both ITOC and CTAC; and  
  4. Proposing an approach on next steps that will meet the overall intent of the *TransNet* Extension Ordinance.  
Staff lead: Jim Linthicum  
ITOC lead: Jonathan Tibbitts | Chapter 3, Pages 32-41 | High |  |  |
|  |  |  | *Initial Response and Implementation Plan:*  
See response to Recommendation No. 3 above.  
Staff lead: Jim Linthicum  
ITOC lead: Jonathan Tibbitts |  |
|  |  |  | Implementation Status:  
See implementation status for Recommendation No. 3.  
☑ Completed |  |

¹ For all recommendations, the status is determined based on the implementation progress as of June 2014 and subject to ongoing updates.
Second TransNet Triennial Performance Audit Report  
Implementation of Recommendations Matrix  
As of June 2014

| Recommendation | Report Reference | Priority | Initial Response and Implementation Plan (June 2012) | Status of Actions Taken to Implement Recommendations¹  
As of June 2014  
(To be Updated on an Ongoing Basis) |
|----------------|-----------------|---------|----------------------------------------------------|--------------------------------------------------|
| 5. Require local agencies to submit specific Local Street and Road performance statistics currently available—such as ratio of miles resurfaced to miles maintained, pavement condition indices over time, or others related to level of service ratings of roadway operating conditions—on a predetermined set schedule and | Chapter 3, Pages 44-48 | Medium | Initial Response and Implementation Plan:  
See response to Recommendation No. 3 above.  
Staff lead: Jim Linthicum  
ITOC lead: Jonathan Tibbitts | Implementation Status:  
See implementation status for Recommendation No. 3.  
☑ Completed |
### Second TransNet Triennial Performance Audit Report
### Implementation of Recommendations Matrix
### As of June 2014

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>6. make the data available to the public.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| 7. Analyze Local Street and Road performance data provided for trends or comparisons between local agencies; further, use analysis to make program changes as warranted. | Chapter 3, Pages 44-48 | Medium | **Initial Response and Implementation Plan:**  
See response to Recommendation No. 3 above.  
Staff lead: Jim Linthicum  
ITOC lead: Jonathan Tibbitts | Implementation Status:  
See implementation status for Recommendation No. 3.  
☑ Completed |
| 7. Revisit existing rules and practices in the Local Street and Road program, and consider the following:  
• Replacing the 30 percent fund balance limitation with a more effective measure to monitor performance (such as those described in recommendation 5) where SANDAG and ITOC could observe progress and performance through administrative processes rather than through an audit compliance mechanism; and  
• Exploring the feasibility of revising the interest allocation rule to allow local agencies to use interest earnings as | Chapter 3, Page 36 | Medium | **Initial Response and Implementation Plan:**  
See response to Recommendation No. 3, above.  
Staff will work with the ITOC to determine alternate measures that could replace the 30 percent fund balance rule.  
Staff will explore the feasibility of revising the interest allocation rule as suggested, while taking into account programming guidelines. Staff will discuss possible rule revisions with ITOC.  
Staff leads: Lisa Kondrat-Dauphin and Sookyung Kim  
ITOC lead: Jonathan Tibbitts | Implementation Status:  
Replacing 30 percent fund balance limitation – See implementation status for Recommendation No. 3.  
In addition, the To further assist the ITOC in monitoring performance and use of funds, the quarterly financial data report now includes current and anticipated Local Street and Road program balances to assist the ITOC in monitoring use of funds. This report is supplemented with a number of other regular monitoring reports provided to the ITOC, such as biannual reports provided by the City of San Diego on streamlined project delivery and fund balance updates; regular review of programming of TransNet revenues in the Regional Transportation |
### Second TransNet Triennial Performance Audit Report
Implementation of Recommendations Matrix
As of June 2014

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Report Reference</th>
<th>Priority</th>
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<th>Status of Actions Taken to Implement Recommendations¹ As of June 2014 (To be Updated on an Ongoing Basis)</th>
</tr>
</thead>
<tbody>
<tr>
<td>“savings account” that can be used on eligible projects—similar to a construction project contingency fund—where interest could be pooled and drawn down for projects as needed.</td>
<td></td>
<td></td>
<td></td>
<td>Improvement Program (RTIP) and related reports documenting programming balances for all agencies; and annual Local Street and Road Program reports as prepared by the Cities/County Transportation Advisory Committee (CTAC). In addition, although modification removal of the 30 percent fund balance rule was approved in the FY 2013 Agreed Upon Procedures, the mechanism remains in place as a means to further monitor the Local Street and Road Program. Corresponding amendments to Board Policy No. 031 are scheduled for Board approval in winter 2013.</td>
</tr>
</tbody>
</table>

- Revising interest allocation rule – Staff discussed the possibility of changes to the interest allocation rule with the ITOC TransNet Compliance Audit Subcommittee and subsequently drafted proposed language per the audit recommendation. The proposed amendments to Board Policy No. 031, Rules #6 and #17 were presented to the ITOC on July 11, 2012, the Executive Board approved the changes, and they were implemented as of June 2014. |

[¹]: As of June 2014 (To be Updated on an Ongoing Basis)
<table>
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| 8. Continue efforts working with wildlife agencies and conservancies to identify coastal wetland opportunities and develop wetland mitigation bank. Also, continue negotiating with regulatory permitting agencies to accept a package of mitigation efforts that provide “no net-loss.” | Chapter 4, Pages 58-61 | High | **Initial Response and Implementation Plan:** SANDAG and Caltrans staffs have identified a package of coastal wetland opportunities in the Interstate 5 North Coast Corridor (I-5 NCC). Profiles of these opportunities will be included in the I-5 NCC Public Works Plan (PWP) for approval by the California Coastal Commission (CCC) with the support of the other regulatory agencies. The draft PWP is currently scheduled for public review in late fall 2012.  
Staff leads: Keith Greer (SANDAG); Bruce April (Caltrans)  
ITOC lead: Paul Fromer | **Implementation Status:** SANDAG and Caltrans staffs have completed an inventory of coastal wetland mitigation opportunities and have been working with the state and federal wildlife agencies on the review and acceptance of a mitigation package. The details of the mitigation have been worked out under the Caltrans National Environmental Policy Act (NEPA) Section 404 streamlining process with the resource agencies. The mitigation will be included in the Resource Enhancement and Mitigation Program section of the Public Works Plan that is scheduled for consideration by the California Coastal Commission in be sent out for public review in December 2012 spring summer 2014.  
**Committee on July 13, 2012, and the Board of Directors on July 27, 2012. The proposed amendments were approved at the July 27, 2012, Board meeting. Changes have been implemented and are now applicable to the FY 2012 compliance audit.**  
☑ Completed |
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<td>9. Develop a process to track local mitigation activity expenditures separately from regional mitigation activity expenditures.</td>
<td>Chapter 4, Page 64</td>
<td>Low</td>
<td><strong>Initial Response and Implementation Plan:</strong> SANDAG staff will insert a separate tracking column in the account spreadsheet to specifically track mitigation expenditures associated with local streets and roads. SANDAG staff will also track the use of any mitigation acreage. Staff leads: Keith Greer (SANDAG); Bruce April (Caltrans) ITOC lead: Paul Fromer</td>
<td><strong>Implementation Status:</strong> A separate column in the account spreadsheet has been added to specifically track mitigation expenditures associated with local streets and roads and also track the mitigation acreage once they are utilized. ✓ Completed</td>
</tr>
<tr>
<td>10. Continue efforts and establish timelines for developing comprehensive and coordinated strategic plans and measurable program objectives related to the Regional Habitat Conservation Fund program activities and efforts including the following:</td>
<td>Chapter 4, Pages 66-71</td>
<td>High</td>
<td><strong>Initial Response and Implementation Plan:</strong> SANDAG will continue efforts to enhance collaboration and continued coordination among regional entities. The Strategic Management and Monitoring Plans identified in the response to Recommendation No. 13 below will define these objectives, activities and milestones. SANDAG staff will continue to update ITOC, Policy Advisory Committees, and the Board of Directors on Environmental Mitigation Program (EMP) progress on at least an annual basis as well as when any significant policy or funding issues arise. Together the efforts of these plans and the funding are geared to ensuring the</td>
<td><strong>Implementation Status:</strong> SANDAG is currently under contract to have a draft Strategic Plan for Management completed in November 2012. A final version of the plan to be completed in May 2013— has completed a draft Management Strategic Plan and has revised the draft pursuant to that addresses comments received during public review. The first draft was presented to the ITOC in May 2013, and the revised final draft was presented to ITOC in October 2013. A Strategic Plan for The Monitoring Chapter of the Strategic Plan will follow one year later be presented in October 2015.</td>
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\(^1\) For a detailed description of the implementation status, see the report section on each recommendation.
Second *TransNet* Triennial Performance Audit Report
Implementation of Recommendations Matrix
As of June 2014

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<td>and assignment of staff “owners” responsible for task completion as warranted; • Developing performance measures that measure progress and success while also linking strategic plans and objectives to funding priorities; and Ensuring impediments identified via the 2011 draft needs assessment are adequately addressed.</td>
<td></td>
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<td>will have goals, objectives, and prioritized activities to meet objectives for strengthening conservation efforts in the San Diego region. Once in place, these plans will guide the regional management and monitoring efforts. In essence, they are assembling the institutional knowledge of the collective region and formalizing this knowledge into an action plan, which will allow strategic decisions to be made on where and how best to fund projects identified in the plans. The performance of the program will be measured against the objectives in the Strategic Plans to demonstrate progress. These Plans will be brought back to ITOC and other SANDAG committees along with The FY 2015 funding priorities and recommendations for management and monitoring FY 2015, which are scheduled to be presented at the September 2014 ITOC meeting. For discussion and input to the SANDAG Board of Directors.</td>
</tr>
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Second *TransNet* Triennial Performance Audit Report  
Implementation of Recommendations Matrix  
As of June 2014

| Recommendation | Report Reference | Priority | Initial Response and Implementation Plan (June 2012) | Status of Actions Taken to Implement Recommendations

| 11. | Maintain focus on clarifying and defining how to apply the economic benefit concept, and identify tasks and timelines needed to address economic benefit issue. Develop corresponding methodologies to calculate the amount of economic benefit achieved as well as processes to release and allocate the resulting funding. | Chapter 4, Pages 71-72 | High | *Initial Response and Implementation Plan:* As the audit identifies, the memorandum of understanding (MOU) implementing the EMP program allowed for a 10-year period to form a track record to establish economic benefit. Through Senate Bill 468 (Kehoe, 2011), SANDAG agreed to prepare an economic benefit analysis in conjunction with the permitting for the I-5 NCC project. SANDAG staff is working on determining the methodology and process for release of these funds. A proposal is scheduled to be vetted in summer 2012, with review and action by the various working groups, ITOC, Policy Advisory Committees, and in the Board of Directors in late 2012.

*Staff leads:* Marney Cox, Keith Greer (SANDAG); Bruce April (Caltrans)

*ITOC lead:* Paul Fromer | *Implementation Status:* SANDAG staff has been meeting to develop draft “policy points” on the methodology and timing of any release of any economic benefit. An initial meeting with key stakeholders has been scheduled for was held on September 14, 2012. Based on those upcoming discussions, staff has developed 14 policy points with key stakeholders on the process and release of any economic benefit. The EMP Working Group recommended approval of these policy points. Staff is revising existing memoranda of understanding to reflect these policy points. It is anticipated that the policy points will be brought to ITOC and SANDAG Policy Advisory Committees starting in late fall 2012/early winter 2013 for discussion / recommendation.

*In May 2013,* the SANDAG Board of Directors approved an amended Memorandum of Agreement that includes the provisions for the methodology, timing, and release of funding of economic benefit. Subsequent release of funding would be tied to the annual budget process. would be required to approve the release of economic benefit funds.

☑ Completed |
## Second TransNet Triennial Performance Audit Report
Implementation of Recommendations Matrix
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| 12. Continue efforts and establish timelines to develop information management systems that can share habitat management and monitoring results between local agencies and serve as a single source of EMP information. | Chapter 4, Pages 71-72 | Medium | **Initial Response and Implementation Plan:** SANDAG is under contract with the USGS to expand an existing centralized database that could be accessible by the public and flexible enough to be used across Southern California. A draft of the new database is scheduled to be completed in June 2012 with a final version scheduled for completion by December 2012. Staff leads: Keith Greer (SANDAG); Bruce April (Caltrans) ITOC lead: Paul Fromer | **Implementation Status:** The information management system has been created and is available to the public at the following location: [http://mtx.sdmmp.com/](http://mtx.sdmmp.com/)

The system referred to as South Coast Multi-Taxa Database is soliciting additional data to expand the database.

Additional user enhancements continue to be explored to provide information to the public in a more simplistic format; features are planned to make the database more user-friendly and to generate online reports. [☑ Completed](#) |
| 13. Strengthen conservation efforts in its role as the regional entity by:  
• Preparing a succession plan for the critical independent consultants—such as those charged with the San Diego Monitoring and Management Program—to ensure | Chapter 4, Pages 66-71 | High | **Initial Response and Implementation Plan:** SANDAG is currently under contract to have both a Strategic Plan for Management and a Strategic Plan for Monitoring completed. The draft Strategic Plan for Management is scheduled to be completed in November 2012 and finalized in May 2013. The Strategic Plan for Monitoring is scheduled for completion in the following year. | **Implementation Status:** SANDAG has created the San Diego Management and Monitoring Program (SDMMP) to assist with regional collaboration efforts. SDMMP is fully staffed, working on Strategic Plans (see response to item 10 above), and facilitating discussions among land managers, and federal, state and local agencies.

See [www.sdmmp.com](http://www.sdmmp.com) for more details. |
Second TransNet Triennial Performance Audit Report  
Implementation of Recommendations Matrix  
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| Recommendation | Report Reference | Priority | Initial Response and Implementation Plan (June 2012) | Status of Actions Taken to Implement Recommendations 1  
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<td>12.</td>
<td></td>
<td></td>
<td>These strategic plans will have goals, objectives, and prioritized activities to meet objectives for strengthening conservation efforts in the San Diego region. Once in place, these plans will guide the regional management and monitoring efforts. In essence, they are assembling the institutional knowledge of the collective region and formalizing this knowledge into an action plan, which will allow strategic decisions to be made on where and how best to fund projects identified in the plans. Staff leads: Keith Greer (SANDAG); Bruce April (Caltrans) ITOC lead: Paul Fromer</td>
<td>✔ Completed</td>
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To assess whether grant activities are meeting program outcomes and make grant processes more efficient, ITOC should have SANDAG:

| 14.            | Chapter 5, Pages 75-78 | High    | 
|----------------|-------------------------|---------|------------------------------------------------|
| Initial Response and Implementation Plan:  
- As discussed above in the response to Recommendation No. 13, the strategic plans for habitat conservation management and monitoring (currently |  
Implementation Status:  
- See implementation status for Recommendation No. 10. |
Program so that outcomes can be tracked and measured to evaluate whether grant activities are achieving what was intended for the program.

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| Program so that outcomes can be tracked and measured to evaluate whether grant activities are achieving what was intended for the program. | | | under development) will include the goals, objectives, and prioritized activities to meet objectives for strengthening conservation efforts in the San Diego region, including providing a framework for future allocation of TransNet Land Management grants.  
• The Regional Bicycle Plan, adopted by the Board of Directors in May 2010, serves as a strategic plan with goals and objectives for the bicycle component of the TransNet Bicycle, Pedestrian, and Neighborhood Safety (BPNS) grant program.  
• The Transportation Committee established goals for the Active Transportation Grant Program in April 2012 as part of the FY 2011/2012 call for projects.  
☑ Completed  
• As part of the FY 2011/2012 grant requirements, grantees are required to collect existing conditions data in the project area so that bicycling and walking can be measured over time.  
☑ Completed  
• An Active Transportation team of internal staff and key on-call consultants has been formed to undertake the extensive planning and project development activities to deliver the projects included in the Regional Bicycle Plan. A proposal for an Early Action Plan for Bicycle projects was presented to the Transportation Committee and Board of Directors. | |
### Second TransNet Triennial Performance Audit Report
### Implementation of Recommendations Matrix
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|                |                  |          |                                                   | **For the pedestrian and neighborhood safety components, the Board made a commitment as part of the October 2011 adoption of the 2050 Regional Transportation Plan and its Sustainable Communities Strategy to develop an Active Transportation “early action program” within two years (October 2013). The SANDAG draft FY 2013 Program Budget and Overall Work Program includes a work element to develop this program; it will involve the development of clear goals and objectives for all aspects of Active Transportation, including the pedestrian and neighborhood safety elements of the TransNet BPNS grant program.**  
Staff leads: Muggs Stoll, Keith Greer, Coleen Clementson  
ITOC lead: Carolyn Lee | **Completed**  
**Directors in spring-September 2013 for approval to advance several of the key regional projects contained in the Plan. The Board of Directors approved the Regional Bike Early Action Program on September 27, 2013. The Board also advanced initial phases of twelve Bike EAP projects through the FY 2014 SANDAG Program Budget amendment process and through the FY 2015 SANDAG Program Budget approval.** |
### Implementation of Recommendations Matrix

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| 15. Augment grant monitoring practices by conducting site visits or desk-audits using a risk-based approach to determine what grantees to visit or review and in what frequency. | Chapter 5, Pages 80-81 | Medium High | **Initial Response and Implementation Plan:** The SANDAG internal auditor plans to do an assessment of grant administrative practices as a follow up to the recommendations identified in this Triennial Performance Audit. Recommendation Nos. 15 through 19 will be addressed as part of this internal grant assessment process.  
**Staff leads:** Coleen Clementson and Muggs Stoll  
**ITOC lead:** Carolyn Lee | **Implementation Status:** The assessment internal audit is planned to begin in late September/December 2012 and to be concluded by the end of the calendar year in September 2013. Any proposed changes and/or recommendations for implementation will be communicated in future status updates.  
**On-site reviews are conducted for the Senior Mini and EMP Land Management grant programs by SANDAG staff using a risk-based approach. The Active Transportation and Smart Growth grant programs will begin on-site reviews in July 2014.** | ☑ Completed |

<sup>1</sup> Several elements of the program are underway and this broader Early Action Program is on track to be developed by its October 2013 deadline.
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<td>16.</td>
<td>Employ a checklist, or other standardized documentation, as guidance for conducting grant program site-visits or desk-audits to ensure all critical items are reviewed and that monitoring activities are consistently applied. Consider discussing and using a checklist similar to that used in the Senior Mini-Grant program.</td>
<td>Chapter 5, Pages 80-81</td>
<td>Initial Response and Implementation Plan: See response to Recommendation No. 15, above. Staff leads: Coleen Clementson and Muggs Stoll ITOC lead: Carolyn Lee</td>
<td>Implementation Status: See implementation status for Recommendation No. 15. On-site review protocols are now in place for EMP Land Management, Active Transportation and Smart Growth grant programs. Standardized documentation in the form of on-site review protocols are now in place for EMP Land Management, Active Transportation, and Smart Growth grant programs. The protocols provide guidance for conducting the on-site reviews. ✓ Completed</td>
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<td>17.</td>
<td>Verify grant program deliverables and data reported to SANDAG, as appropriate, through site visits or desk-audits.</td>
<td>Chapter 5, Pages 80-81</td>
<td>Initial Response and Implementation Plan: See response to Recommendation No. 15, above. Staff leads: Coleen Clementson and Muggs Stoll ITOC lead: Carolyn Lee</td>
<td>Implementation Status: See implementation status for Recommendation No. 15. Included in on-site review protocols. ✓ Completed</td>
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<td>18.</td>
<td>Use grant result details reported on quarterly progress reports as well as on close out reports to track and measure grant</td>
<td>Chapter 5, Pages 80-81</td>
<td>Initial Response and Implementation Plan: See response to Recommendation No. 15 above.</td>
<td>Implementation Status: See implementation status for Recommendation No. 15. In addition to the items listed below, the status of each of the grant programs are reported quarterly to the</td>
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<td>program outcomes and progress toward meeting goals by individual grants, nature of service, and overall grant program. Communicate these performance metrics to oversight bodies and the public through the Dashboard, other on-line format, annual performance reports, or other widely distributed vehicle.</td>
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<td>appropriate policy committee(s). Senior Mini-Grant Program: Fact Sheets are updated annually and posted to the SANDAG website. EMP Land Management Grant Program: Program accomplishments are reported to the SANDAG Board annually. In addition, a program brochure is produced and posted to the KeepSanDiegoMoving.com website. Active Transportation and Smart Growth Grant Programs: A communication plan is currently under development and will include, at a minimum, postings to both the SANDAG and KeepSanDiegoMoving.com websites. ☑ Completed with enhancements in process</td>
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| Revisit grant processes to identify steps that can be streamlined to minimize delays and process awards on a timely basis. | Chapter 5, Pages 81-84 | **Initial Response and Implementation Plan:** See response to Recommendation No. 15 above.    
Staff leads: Coleen Clementson and Muggs Stoll    
ITOC lead: Carolyn Lee | Implementation Status: See implementation status for Recommendation No. 15. The results of the most recent review of grant processes are incorporated in the updated SANDAG Grant Implementation Guidelines. The Guidelines will be reviewed quarterly and will reflect further improvements as they are identified. ☑ Completed |
| Ensure that grant expiration dates are clearly stated in grant | Chapter 5, Pages 84-85 | **Initial Response and Implementation Plan:** Staff will ensure that the grant expiration dates are clearly stated in the grant | Implementation Status: This recommendation has been implemented |
To increase transparency to the public related to the performance of TransNet’s Transit Services program, the ITOC should request that SANDAG:

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<td>21.</td>
<td></td>
<td>Medium</td>
<td><strong>Initial Response and Implementation Plan:</strong> SANDAG will continue to communicate transit performance data via the Coordinated Plan &amp; Regional Short-Range Transit Plan. SANDAG also will work with MTS and NCTD to explore other opportunities to communicate transit performance data to the general public via methods, such as the State of the Commute report, agency web sites, dashboard reports, or other venues. <strong>Staff leads:</strong> Muggs Stoll, Dave Schumacher, Phil Tran, Brian Lane <strong>ITOC lead:</strong> Dick Vortmann</td>
<td><strong>Implementation Status:</strong> SANDAG will continue to communicate transit performance data via existing channels but also will work with the ITOC to identify existing quarterly or annual performance reports for ITOC review. Staff will continue working with ITOC to identify any additional information that may be incorporated into existing reports such as the next State of the Commute report scheduled for presentation to the ITOC in spring of 2013. The 2012 State of the Commute report was presented at the June 12, 2013, ITOC meeting. Staff will continue to communicate transit performance data via the Coordinated Plan &amp; Regional Short-Range Transit Plan, via annual TDA Performance Monitoring Reports to the...</td>
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agreement provisions.  
Staff leads: Coleen Clementson and Muggs Stoll  
ITOC lead: Carolyn Lee

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<sup>1</sup> Includes recommendations from the First TransNet Triennial Performance Audit Report.
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| 22. Obtain specific performance targets related to metrics such as fare box recovery ratio or on-time performance, through collaboration with its transit partners, to increase accountability to the public and help those charged with oversight better assess whether program is achieving intended benefits. | Chapter 6, Pages 92-94 | Medium | **Initial Response and Implementation Plan:** SANDAG maintains a robust transit performance monitoring program (covering both transit operators) that is published in Chapter 4 of its Coordinated Plan & Regional Short-Range Transit Plan. This monitoring program includes 21 specific transit measures that cover the following categories: greenhouse gas reduction; ridership growth; financial performance (including fare box recovery); productivity; access; convenience; reliability and speed (including on-time performance); environmental justice; and comfort. As discussed in response to Recommendation No. 21 above, SANDAG also will work with MTS and NCTD to explore other opportunities to communicate transit performance data to the general public and the ITOC.  
  
  **Staff leads:** Muggs Stoll, Dave Schumacher, Phil Trom, Brian Lane  
  ITOC lead: Dick Vortmann | **Implementation Status:**  
  SANDAG will continue its robust transit performance monitoring program and will provide any information to ITOC as requested. As noted in Recommendation No. 21 above, staff will take advantage of existing recurring reports reviewed by ITOC to continue working with ITOC to identify any additional information to be included.  
  
  The 2012 State of the Commute report was presented at the June 12, 2013, ITOC meeting. Staff will continue to communicate transit performance data via the Coordinated Plan & Regional Short-Range Transit Plan, via annual TDA Performance Monitoring Reports to the Transportation Committee and Board of Directors, and via the annual State of Commute reports to the ITOC.  
  
  ✔ Completed |
San Diego Association of Governments – TransNet Program

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

June 11, 2014

AGENDA ITEM NO.: 9

Action Requested: INFORMATION

BUS RAPID TRANSIT SERVICE IMPLEMENTATION

File Number 1201508

Introduction

Bus Rapid Transit (BRT) consists of capital improvement projects and transit service included in the TransNet Early Action Program (EAP) and is being implemented by SANDAG in cooperation with the Metropolitan Transit System. BRT implementation will provide transit service and improvements to support faster, more comfortable and more reliable bus services. This report provides an overview of the BRT services that are currently in various stages of design, construction, and operation.

Discussion

Based on provisions in the TransNet Extension Ordinance, of the total funds available, funding for BRT will be used to operate and maintain new or expanded transit services. The text of Ordinance Section 4.B. is provided below:

_Eight and one-tenth percent for operation of the specific transit Congestion Relief projects as described in section 2(A)(2). This funding is for the operation of new or expanded services only and is not available for the operation of services in existence prior to the effective date of this Ordinance._

The TransNet EAP includes funding for four BRT services. These include SuperLoop, two routes in the Interstate 15 (I-15) Corridor, Mid-City Rapid, and the South Bay Rapid. These routes are in various stages of operation, construction, final design, and permitting. The BRT services are being branded as “Rapid”, with this brand being used on vehicles, stations, public information, and marketing materials. An update on the status of each of these TransNet EAP projects is provided below.

Rapid Implementation

SuperLoop

The SuperLoop service is a circulator route that operates in the University City area with connections to University of California, San Diego (UCSD), University Town Center, regional hospitals, and businesses and residents in the area (Attachment 1). SuperLoop has been in operation since June 2009. The latest ridership reports indicate an average of 5,200 daily riders, which is considerably higher than the initial projections of 3,800 daily riders.
**I-15 Rapid**

There are two I-15 Rapid services that will be implemented in 2014:

- **Rapid Route 235** – This Rapid will provide all-day service along the I-15 corridor between Escondido and downtown San Diego. It will utilize the I-15 Express Lanes and Direct Access Ramps along the northern portion of the route to serve park-and-ride stations at the Escondido Transit Center, South Escondido/Del Lago, Rancho Bernardo, Sabre Springs/Penasquitos, and Miramar College/Mira Mesa locations. South of the I-15 Express Lanes, the route will serve Kearny Mesa along the Clairemont Mesa Boulevard corridor between State Route 163 (SR 163) and I-15, and the Mid-City area via freeway off-ramp stations at El Cajon Boulevard and University Avenue. South of Mid-City, Rapid Route 235 enters downtown San Diego via SR 94 and serves several stations along the Broadway corridor (Attachment 2).

  Rapid Route 235 will operate seven days a week from 5 a.m. to 11 p.m., every 15 minutes during the weekday peak hours and every thirty minutes during the off-peak and on weekends. There are over 1,000 park-and-ride spaces being provided along the I-15 Corridor for this service. The recent opening of the Sabre Springs Park-and-Ride provides 600 of these spaces.

- **Rapid Route 237** – Scheduled to open September 2, 2014, Rapid Route 237 will operate between the Rancho Bernardo Transit Center and University City/UCSD via the I-15 Express Lanes and Mira Mesa Boulevard (map included in Attachment 2). This will be a weekday only commuter service with expanded commute hours on 15 minute peak frequencies. From the I-15 Express Lanes, it will use the Direct Access Ramp at Hillery Drive to access a new transit center located at Miramar College. Service will continue across Mira Mesa Boulevard with four stops to serve businesses and residents in the Mira Mesa and Sorrento Mesa areas. The University City area will be served via the La Jolla Village Drive corridor, including a stop at Genesee Avenue to tie in the University Town Center transit center.

**Mid-City Rapid**

The Mid-City service (Rapid Route 215) will provide all-day service between San Diego State University (SDSU) and downtown San Diego along El Cajon Boulevard and Park Boulevard corridors. The ten-mile project will directly service the communities of downtown, Balboa Park, North Park, City Heights, and the College area (Attachment 3). Mid-City Rapid received a Very Small Starts grant from the Federal Transit Administration that is funding half the cost of the project (about $22 million based on the current project budget), with the balance funded by the TransNet program.

Construction of new stations and related street improvements for Mid-City Rapid began in July 2013, with implementation of the service planned for August 31, 2014. The project includes a median-running transitway on Park Boulevard, and extensive use of transit signal priority treatments and queue jump lanes along the El Cajon Boulevard corridor. Twelve stations will be located along the Rapid alignment in addition to the stations at SDSU and in downtown San Diego. Rapid Route 215 will operate seven days a week from 5 a.m. to 11 p.m., every 10 minutes during the weekday peak hours and every 15 minutes during the off-peak and on weekends. The route will connect to Rapid Route 235 at the SR 15/El Cajon Boulevard transit plaza station.
**South Bay Rapid**

South Bay Rapid Route 225 will operate from the Otay Mesa Border Crossing to downtown San Diego via Eastern Chula Vista (Attachment 4). This Rapid will use the recently completed HOV lanes on I-805 between East Palomar Street and SR 94 as well as a Direct Access Ramp at I-805 and East Palomar (future freeway in-line stations are planned at Plaza Boulevard and H Street). Along East Palomar Street, the route will operate in the median transitway with four stations located along this corridor. Two park-and-ride locations (I-805/Palomar Street and Otay Ranch Town Center) will be served by the Rapid service. Two additional future stations will open with the development of Village 9 and the Millenia project. From eastern Chula Vista, the Rapid will operate to the Otay Mesa Border Crossing via SR 125.

This Rapid project is currently in final design and scheduled to begin construction in 2014 for an anticipated open to public date in late 2016.

**Other Future Rapid Facilities**

Work is continuing on two other major projects that will enhance the Rapid service in the near future. Centerline stations are planned along I-15 in the Mid-City area with stations at El Cajon Boulevard and University Avenue. The project is in the final design phase with construction projected to commence in mid-2015 and beginning of operations anticipated for late 2016. In addition, construction of the Downtown Rapid Stations is underway along 11th Avenue from Broadway to Ash Street. Work will continue for the Smart Corner, 4th/5th Avenue, First/Front and Kettner/Santa Fe Depot stations with an anticipated completion date of late 2016.

**Features of Rapid Services**

In order to differentiate the Rapid service from other transit modes and attract new mode choice riders, the service is upgraded with various amenities to ensure a reliable, safe, and attractive ride. The routes listed above include new transit stations with upgraded shelters, next bus arrival signage, enhanced lighting, transit signal priority, and improved paving and pedestrian access at many of the stops along the routes. Additionally the routes will operate with newly-acquired New Flyer articulated vehicles that are branded specifically as Rapid vehicles. More about the Rapid services can be found at www.RapidMTS.com.

**Next Steps**

Future performance of the Rapid services (ridership, farebox recovery, operating statistics) would be reported to the Independent Taxpayer Oversight Committee (ITOC) on a regular basis. The ITOC receives regular progress reports on the progress of TransNet EAP projects, and staff is evaluating reporting format options that could include similar updates. The first update on BRT services is anticipated to be presented to the ITOC in fall 2014/winter 2015.

Attachments: 1. SuperLoop Map  
2. Interstate 15 Rapid 235 and Rapid 237 Maps  
3. Mid-City Rapid 215 Map  
4. South Bay Rapid 225 Map

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I-15 Corridor: Rapid Bus Service Map

Rapid Bus Service Transit Facts

In 2014, a Rapid bus service will begin running on the I-15 Express Lanes. This new high-frequency bus service will offer increased reliability and customer convenience, similar to the services of a light rail system. Along with more routes connecting residential areas to major employment centers, Rapid includes transit signal priority, real-time arrival signs, enhanced passenger shelters, and fewer stops. Other planned transit improvements will support Rapid services, creating a vast network of quick and efficient public transit throughout the region.

RAPID BUS SERVICE
- Beginning in 2014
- Offering 29 new buses for service start
- Providing higher frequency service and extended hours of service
- Linking North County communities via I-15 with key regional destinations and employment centers

FACILITIES
I-15 Corridor:
- 20-miles of Express Lanes on I-15 between SR 78 and SR 163
- 5 Direct Access Ramps (DARs) connected to transit stations with rider parking:
  » Escondido Transit Center
  » Del Lago Transit Station
  » Rancho Bernardo Transit Station
  » Sabre Springs/Peñasquitos Transit Station – 630 parking spaces
  » Miramar College Transit Station & Mira Mesa Direct Access Ramp - opening summer 2014
- 2 Mid-City Centerline freeway level transit stations:
  » The Boulevard Transit Plaza on El Cajon Boulevard – opening 2015
  » City Heights Transit Plaza on University Avenue – opening 2015

REGIONAL DESTINATIONS
Downtown San Diego:
- Along Broadway – 4 stops
- Terminus at Santa Fe Depot
Sorrento Mesa, UTC, and UC San Diego:
- Sorrento Mesa/along Mira Mesa Boulevard – 6 stops
- La Jolla Village Drive/Genesee Avenue
- Terminus at UC San Diego Transit Station
Kearny Mesa:
- Along Clairemont Mesa Boulevard – 3 stops

FUNDING
- Funding for the Rapid bus service transit projects and routes comes from TransNet, the regional half-cent sales tax for transportation improvements administered by SANDAG. Existing Rapid Express (Premium Express) commuter route services are funded through MTS.
MID-CITY RAPID BUS ROUTE

TRANSIT ROUTE
DEDICATED TRANSIT LANES
STATION
TRANSIT SIGNAL PRIORITY
STATION AND INTERSECTION IMPROVEMENTS

SAN DIEGO REGIONAL TRANSPORTATION AUTHORITY
NORTH PARK
NORMAL HEIGHTS
KENSINGTON-TALMADGE
EASTERN AREA
SDSU
TRANSIT PLAZA
MONTEZUMA RD
30TH ST
35TH ST
43RD ST
UNIVERSITY AVE
CITY HEIGHTS
PARK BLVD
TEXAS ST
30TH ST
163
15
54TH ST
WINONA
CITY COLLEGE
NAVAL HOSPITAL
BALBOA PARK
BROADWAY
MARKET ST
C ST
DOWNTOWN
SANTA FE DEPOT
SANDAG
MAP NOT TO SCALE

Attachment 3
6
Direct Connectors

Direct connectors are roadways that link Express Lanes on one freeway to another. The I-805 South Project will include one convenient direct connector to SR 15. This will help maintain consistent traffic speed within the Express Lanes. A direct connector at SR 94 is planned as part of a separate project.

In-Line Transit Stations

New transit stations will be constructed in the center of the freeway at H Street in Chula Vista and Plaza Boulevard in National City. These stops will provide convenient access to the high-frequency SANDAG South Bay Bus Rapid Transit system and reduce travel times by eliminating the need for buses to exit the freeway.

Park & Ride Stations

Park & Ride stations will be constructed near the in-line transit stations on Plaza Boulevard and H Street and near the proposed DAR and transit station at Palomar Street. The purpose of the stations is to provide carpoolers with convenient access to the Bus Rapid Transit system, and to provide carpoolers with a convenient location to leave their cars.

Bus Rapid Transit (BRT)

The new Express Lanes, in-line transit stations, and Park & Ride locations would accommodate the proposed SANDAG South Bay Bus Rapid Transit Project. This rapid and reliable new transit service will connect the Otay Mesa Port of Entry to downtown San Diego via eastern Chula Vista. The system’s upscale, high-frequency buses will have signal priority and use dedicated lanes to ensure faster travel times and fewer stops.

Express Lanes will be constructed in the center of the freeway between East Palomar Street and the I-805/SR 15 interchange. The new lanes will offer users expanded transportation choices to bypass congestion, improving travel times for carpools, vanpoolers, motorcycles, solo drivers using FasTrak, and Bus Rapid Transit riders.

A new Direct Access Ramp (DAR) will be constructed on East Palomar Street in Chula Vista. DARs connect surface streets directly to Express Lanes in the center median, allowing carpools, vanpoolers, solo drivers using FasTrak, motorcycles, and buses to enter the Express Lanes without having to navigate through the freeway’s general purpose lanes. This will help improve travel times and reduce congestion.

The new Express Lanes, in-line transit stations, and Park & Ride stations would accommodate the proposed SANDAG South Bay Bus Rapid Transit Project. This rapid and reliable new transit service will connect the Otay Mesa Port of Entry to downtown San Diego via eastern Chula Vista. The system’s upscale, high-frequency buses will have signal priority and use dedicated lanes to ensure faster travel times and fewer stops.

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Rapid
Bus Rapid Transit Implementation

ITOC – June 11, 2014

2050 Transit Network
• *Rapid* = Higher quality service with more features and passenger amenities

• Arterial-Based *Rapid*
  ▪ Designed for medium-distance trips
  ▪ Focused on key regional arterial corridors – uses low-cost transit priority measures

• Freeway-Based *Rapid*
  ▪ Designed for long-distance trips (10+ miles)
  ▪ Stations spaced 4-5 miles on average
  ▪ Uses Managed Lanes as “transit guideway”

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**Background Information**

• Board approved a network of Bus Rapid Transit (BRT) services to provide travel choices

• Partnership between SANDAG, MTS, and Caltrans.

• *SuperLoop*, the first *Rapid* service, started in 2013.

• I-15 all-day *Rapid* service started June 8, 2014.
SuperLoop

- New transit stations
- Signal priority
- New bus transit station at UCSD
- Ties into future Mid-Coast Trolley, UCSD, UTC, and surrounding residential and businesses
- Opening day ridership projections – 3,800; Spring 2014 ridership counts – 5,200
I-15 Corridor **Rapid** Project: *Escondido – Downtown San Diego*

- 35-mile long corridor
- Stations spaced 4-5 miles on average
- Part of regional system of Trolley and **Rapid** routes
- Service will be every 15 min/peak every 30 min/off peak

**Rapid Routes**

**Rapid Express** is a weekday, peak-hour service with 10 trips south in the morning and 11 trips north in the evening.

**Rapid 235** is an all-day service, 5 a.m. to 11 p.m. During peak-hours, commuter service will be every 15 minutes. Off-peak service is every 30 minutes.
• Arterial Rapid service between RB and UCSD via Mira Mesa Blvd. and La Jolla Village Dr.

• Limited stop/weekday/peak hour service

• Starting in fall 2014
**Mid City Rapid**

- Arterial Running Rapid service
  - Queue jumps
  - Bulb-out stations
  - TSP & next arrival signs
  - Transit-only lanes
  - New buses/stations/branding
- Stations currently under construction
- Expected start of service fall 2014
Transit Station Elements
(El Cajon Blvd.)

Elements:
- 10’ x 30’ Shelter
- Real-time bus arrival signs
- Improved sidewalks and crossings
- Ticket vending machines at some stations
- Benches
- Landscaping

Rapid225
South Bay BRT

- SANDAG Board approved EIR in July 2013
- Project in final design
- Slated for construction in late fall 2014
- Service anticipated to start in late 2016
Typical Guideway

Otay Ranch Town Center Station
Downtown Station Design Features
Amenities Layout

Station Pylon
Elevation View
Next Steps

• Service implementation and monitoring
• Ridership/revenue updates to be included in quarterly reports by TransNet office
• Comprehensive report annually on ridership, service operation, and budget projections