



**BOARD OF DIRECTORS
JUNE 27, 2003**

**AGENDA ITEM NO. 03-06-1
ACTION REQUESTED - APPROVE**

**MINUTES OF THE BOARD OF DIRECTORS MEETING
May 23, 2003**

Chairman Morrison called the meeting of the SANDAG Board of Directors to order at 9:10 a.m.
Attendance was as follows:

Voting Members

- City of Carlsbad Bud Lewis, Mayor
- City of Chula Vista Steve Padilla, Mayor
- City of Coronado Phil Monroe, Mayor Pro Tem
- City of Del Mar Crystal Crawford, Councilmember
- City of El Cajon Mark Lewis, Mayor
- City of Encinitas Christy Guerin, Councilmember
- City of Escondido Lori Holt Pfeiler, Mayor
- City of Imperial Beach Patricia McCoy, Councilmember
- City of La Mesa Art Madrid, Mayor
- City of Lemon Grove Mary Teresa Sessom, Mayor
- City of National City Ron Morrison, Councilmember
- City of Oceanside Jack Feller, Councilmember
- City of Poway Mickey Cafagna, Mayor
- City of San Diego A Dick Murphy, Mayor
- City of San Diego B Jim Madaffer, Councilmember
- City of San Marcos Corky Smith, Mayor
- City of Santee Hal Ryan, Vice Mayor
- City of Solana Beach Joe Kellejian, Councilmember
- City of Vista Morris Vance, Mayor
- County of San Diego Greg Cox, Supervisor

Advisory Liaison Members

- County of Imperial Hon. Victor Carrillo, Supervisor
- Department of Transportation Pedro Orso-Delgado, District 11 Director
- U.S. Department of Defense CAPT. Christopher Schanze, Commanding Officer,
Naval Facilities Engineering Command
- Mexico Hon. Javier Diaz De Leon, Deputy Consul
- San Diego Unified Port District Jess Van Deventer, Commissioner
- San Diego County Water Authority Absent
- Metropolitan Transit Development Board Hon. Leon Williams, Chair
- North San Diego County Transit
Development Board Hon. Judy Ritter, Chair

1. MINUTES OF THE APRIL 25, 2003, BOARD MEETING (APPROVE)

Action: Solana Beach – San Diego - B. A motion and second was made to approve the minutes of the April 25, 2003, Board of Directors meeting. Yes – 17 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 2 (County of San Diego, El Cajon). Absent – 0.

2. ADDITIONS AND DELETIONS

None.

CONSENT ITEMS (3 through 7)

3. SUMMARY OF SOUTH COUNTY BUS TOUR ON MAY 9, 2003 (INFORMATION)

4. DISCUSSIONS AND ACTIONS FROM POLICY ADVISORY COMMITTEES (APPROVE)

A. EXECUTIVE COMMITTEE MEETING (May 9, 2003)

B. TRANSPORTATION COMMITTEE MEETING (May 16, 2003)

C. REGIONAL PLANNING COMMITTEE MEETING (May 2, 2003)

D. BORDERS COMMITTEE MEETING (May 16, 2003)

5. PROGRESS REPORT ON TRANSPORTATION PROJECTS (INFORMATION)

6. QUARTERLY INVESTMENT REPORT – PERIOD ENDED MARCH 31, 2003 (INFORMATION)

7. COMPREHENSIVE ANNUAL FINANCIAL REPORT AND SINGLE AUDIT REPORTS FOR THE FISCAL YEAR ENDED JUNE 30, 2002 (INFORMATION)

Action: Imperial Beach - Poway. A motion and second was made to approve Consent Items 3 through 7. Yes – 19. No – 0. Abstain - 0. Absent - 0.

8. PUBLIC COMMENTS/COMMUNICATIONS

Jim Knott III, a member of the public from Oceanside, expressed his concern that College Boulevard is unsafe for children to walk to school and wondered why there were barricades on the sidewalk of College Boulevard prohibiting a safe environment for pedestrians. He felt that the mediation between the Cities of Oceanside and Carlsbad on this matter has not been successful

Mayor Pro Tem Phil Monroe (Coronado) mentioned a similar circumstance in Coronado where the residents took the City to court, and the court decided that since the statute of limitations to put the barrier up had ended, the City would have to conduct an environmental study to take the barrier down. This is an important issue for everyone trying to work circulation plans within their city.

Thomas J. Dempsey, a member of the public, indicated that there were no community meetings to discuss the decision by McMillan to barricade Esplanade Street. The barricades prevent children from walking the quarter-mile to school from Esplanade Street.

Councilmember Jack Feller (Oceanside) discussed the need to start planning for transportation for seniors. He said that there are a number of seniors who do not meet the Americans with Disabilities Act (ADA) qualifications and are not eligible for lifeline service, yet they cannot walk a mile or more to a bus stop. The City of Oceanside has identified senior transportation as a priority concern, and directed its staff to make up a senior transportation task force. This should be a regional responsibility and the 2030 plan needs to address this issue. The City of Oceanside requested that this be forwarded to the SANDAG Transportation Committee for review.

Councilmember Joe Kellejian (Solana Beach), Chair of the Transportation Committee, agreed that this issue should be reviewed. He asked staff to prepare a report on the status of current efforts and plans for the future. He also asked staff to notify Councilmember Feller when that issue is docketed for discussion at the Transportation Committee meeting.

Mayor Bud Lewis (Carlsbad) expressed concern about the issue of water availability in the region and asked that this matter be docketed on the agenda for discussion at the June SANDAG Board meeting

Mayor Art Madrid (La Mesa) asked about the SANDAG mediation efforts between Carlsbad and Oceanside on the barrier issue. Staff responded that we had set up a mediation date between those two cities, but the day before the mediation session the cities met and settled on a date when the street would be opened.

Staff reminded the Board that this is not a docketed agenda item and that if the SANDAG Board needs to review it further, it should be docketed on a future agenda.

Councilmember Kellejian recommended that this issue be discussed by the Transportation Committee prior to coming back to the Board.

CHAIR'S REPORT

9. ROUND 2 OF REGIONAL COMPREHENSIVE PLAN (RCP) WORKSHOPS – FOCUS ON URBAN FORM SCENARIOS (INFORMATION)

Mayor Lori Holt Pfeiler (Escondido), Chair of the Regional Planning Committee, provided the status to date and discussed the next steps for the Regional Comprehensive Plan (RCP) workshops. A list of workshop dates was distributed to Board members and Mayor Holt Pfeiler encouraged all Board members to attend. She indicated that we are also looking at the possibility of partnership with other jurisdictions. There is a letter from the County of San Diego expressing concern about the workshop content. Mayor Holt Pfeiler said she would like to work cooperatively with the County in generating the information for a regional comprehensive plan.

Staff recommended that the dates be held and that the Board direct staff to report back at the June meeting with a workshop content that is satisfactory to all jurisdictions.

Mayor Madrid expressed concern that the County is bringing up questions about the workshop content at this late date. He said he was offended by the content of the letter from the County of San Diego and will prepare a personal letter in response.

Public Comment

Mike Stepner, a member of the Stakeholders Working Group for the RCP, stated that we have to have people engaged in this process, and between now and the June meeting we should consider the role of the various interest groups as co-sponsors.

Robert Hoffman, representing SMART, suggested that the Board consider future transportation concepts. He would like to see a more active approach to evaluate new concepts.

10. PRESENTATION OF IMPERIAL COUNTY PLANNING ISSUES (INFORMATION)

Supervisor Victor Carrillo, Imperial County, provided a presentation including a history, the current economy, the General Plan, bi-national and common issues with nearby counties, infrastructure, transportation, energy production, and health/safety issues.

Mayor Dick Murphy (San Diego – A) asked about the distance from an identified site for a cargo airport to San Diego. *Supervisor Carrillo replied that it is about 120 miles from the site to the City of El Cajon.*

Mayor Murphy asked if the naval air facility would be a viable cargo airport center. *Supervisor Carrillo indicated that it would be an ideal site.*

Vice Chair Mickey Cafagna (Poway) asked about population growth in Imperial County. *Supervisor Carrillo said that in the next 20-50 years the population is expected to double.*

Mayor Holt Pfeiler asked how Imperial County became a member of the Southern California Association of Governments (SCAG). *Supervisor Carrillo said that at the time SCAG thought it would be a benefit. However, Imperial County will take steps to become a permanent seat on the SANDAG Board.*

Mayor Mark Lewis (El Cajon) noted that El Cajon has found it cost effective to send trash to a location 25 miles east of Yuma. He suggested that a time trial be conducted from that location to El Cajon with a fully loaded trash truck.

Councilmember Patricia McCoy (Imperial Beach) asked about the long-term and short-term perspective on water transfer negotiations. *Supervisor Carrillo replied that he felt the settlement agreement will occur.*

Supervisor Greg Cox (County of San Diego) noted that both San Diego and Imperial Counties have worked to establish a 3-mile zone just north of the border to help create

new, higher-paying jobs within this zone. They were also leaders in putting together a United States/Mexico border coalition to conduct studies on the costs of border arrests, the incarceration of illegal immigrants, and health care.

Councilmember Kellejian mentioned several more issues in common such as the Caltrans review, the Boy Scouts, and the American Red Cross. He asked about possible sand transfers. Supervisor Carrillo said that communication is the key to success on that issue.

Mayor Madrid asked if it was appropriate to make a motion for Imperial County to become a voting member of the SANDAG Board. *Staff responded that it is a complicated process to change Metropolitan Planning Organization (MPO) designations, and it requires several approval steps. Staff will discuss this with Imperial County, then with SCAG.*

A break was called at 10:43 a.m., and the meeting was reconvened at 10:50 a.m.

11. APPOINTMENT OF NOMINATING COMMITTEE FOR BOARD OFFICERS (APPOINT)

Chair Morrison appointed the following members to the nominating committee: Lori Holt Pfeiler (Chair), Mark Lewis, Patricia McCoy, Ramona Finnilla, and Jim Madaffer. He asked the nominating committee to report back in June with a list of nominations.

REPORTS

12. INTRODUCTION OF ORDINANCE CO-03-2 AMENDING ORDINANCE CO-87-1 (SAN DIEGO TRANSPORTATION IMPROVEMENT PROGRAM ORDINANCE AND EXPENDITURE PLAN) REVISING THE EXPENDITURE OF TRANSIT FUNDS TO PROVIDE ADDITIONAL FLEXIBILITY FOR TRANSIT OPERATING PURPOSES (APPROVE)

Staff read the title of the Ordinance into the record; further reading of the Ordinance was waived.

Councilmember Kellejian reported that the Transportation Committee received a presentation on the MTDB FY 2004 budget development process including the various financial strategies that MTDB has considered in an effort to bring its budget into balance. The original Ordinance contemplated that changes would be required over the 20 years of the program and included an amendment procedure requiring a two-thirds vote of the SANDAG Board for approval. The Transportation Committee discussed this issue and unanimously recommended support of MTDB's request to change the 80/20 percentage capital/operating split to a 60/40 percentage split. Sufficient capital funds would remain to allow MTDB to complete current project commitments and also allow the transit agency to continue project development work on the Mid-Coast Light Rail Transit (LRT) extension, Transit First Showcase projects, and Early Action bus rapid transit (BRT) projects. The North County Transit District (NCTD) would not be impacted by the proposed change but would have the flexibility to shift its share of *TransNet* funds as well.

Public Comment

Bob Emery, MTD Board Member, spoke in favor of this item. He noted that our transit systems have greatly expanded since the institution of *TransNet* on a greater scale than imagined, and operating costs have increased more than anticipated. MTDB has taken a number of actions including operations cuts, cost efficiencies, and fare increases. A formula change will allow MTDB to be able to continue to operate the system at the fullest level within allowable funding levels. The request to change the *TransNet* formula is supported by the NCTD and MTD Boards, and the SANDAG Transportation Committee.

Clive Richard, a member of the public, spoke in support of the formula change.

Mayor Murphy supported the recommendation although he expressed his concern that we are increasing our dependence on *TransNet* to subsidize operations. He said that if the *TransNet* funding is not extended, we will have serious problems in the future.

Supervisor Cox suggested that this action include an annual review of the funding. Staff replied that staff is considering the inclusion of a ten-year review in the *TransNet* extension measure.

Councilmember Feller expressed concern about the affect this action would have on the public's view of the *TransNet* extension.

Mayor Mary Sessom (Lemon Grove) cautioned that there has been no money placed in the capital replacement reserves in the past two years.

Councilmember Christy Guerin (Encinitas) suggested that staff evaluate how we carry this amendment into the reauthorization and explain the uses of the funding flexibility. She noted that Riverside County does not have any restrictions on the percentages of its sales tax measure. She suggested that this be evaluated as well.

Mayor Madrid stated that MTDB's Policy No. 43 provides an evaluation of proposed and existing services. He thought that SANDAG should have such a policy. Staff indicated that it will bring a series of policies for SANDAG Board review at the next several meetings.

Councilmember Jim Madaffer (San Diego – B) expressed his concern about the dependence on *TransNet* monies for operations.

Councilmember Crystal Crawford (Del Mar) recommended the development of a strategy if the *TransNet* extension is not approved. Staff indicated that the adopted 2030 Regional Transportation Plan (RTP) has three financial plans with and without approval of the *TransNet* extension.

Vice Chair Cafagna noted that the transit system actually saves the community in carrying people to work and taking people off the highways. It is important to understand that the

system operates well within the subsidies received. We will have to find another way to fund it or not have a transit system.

Mayor Murphy stated that if *TransNet* is not extended we will be faced with service cuts and fare increases.

Mayor Steve Padilla (Chula Vista) asked about the initial contingency planning if the funding is not available. *Tom Larwin, MTDB General Manager, replied that there is a policy (MTDB Policy No. 43) that will assist in evaluating service standings for new services and the deletion of unproductive services, and it is used in MTDB's budget process. MTDB's fare policy indicates that fares should keep pace with the cost of living. The problem is that the system is not generating enough money due to discounts for seniors/disabled and youths. About 50 percent of riders use a discounted pass. In addition, after 1987, the Federal Government required the provision of ADA service, which is an unfunded mandate. We have consolidated the Transportation Development Act (TDA) revenues in the region, allowing the cities to be eligible for federal money. With this action we have eliminated the capital replacement reserve and use federal monies for this purpose. If TransNet is not extended, we are going to have to reduce the size of the system and plan a schedule of fare increases.*

Councilmember Kellejian mentioned that the *TransNet* Ordinance provided for changes, and there have been four amendments to this Ordinance over the years. In 1987, they didn't anticipate the significant increased in costs of operations related to fuel and electricity.

Mayor Corky Smith (San Marcos) expressed concern about asking the voters for a *TransNet* extension when the Governor is proposing to raise the sales tax. *Staff replied that on the one-third part that went to highways, all projects except one have been accomplished; and of the one-third that went to rail, all projects except for the Mid-Coast project have been accomplished. The amount of remaining TransNet monies is not sufficient to complete these capital projects.*

Councilmember Monroe asked about the voting procedures on this item since they have changed at the SANDAG Board since 1987. *Staff responded that the new voting procedures apply to all votes equally. Today's action is a majority vote but next month adoption will require a two-thirds vote. In 1987 the Ordinance was clear on what changes would go back to the voters and the amendments the SANDAG Board could make with a two-thirds vote.*

Mayor Madrid asked if there could be a decrease in the amount of federal capital funds. *Mr. Larwin said that in the federal formula program for capital purposes, the definition was broadened to include a preventive maintenance limit. This funding goes through the reauthorization process and could be decreased by Congressional action.*

Councilmember Feller noted that the BRT projects will be a good sales tool for the *TransNet* extension.

MTDB Chair Leon Williams said that the transit system will deteriorate without sufficient operating funds, and that people who drive benefit from the transit system.

Action: San Diego - A - Poway. A motion and second was made to (1) approve the introduction of Ordinance CO-03-2 amending Section 4B(2)9(a) of the San Diego Transportation Improvement Program Ordinance and Expenditure Plan to reduce the amount that must be expended on the rail capital facilities and the bus capital facilities from 80 percent to 60 percent, and that the Ordinance be scheduled for adoption at the June 27, 2003, meeting; and (2) that staff be directed to address the contingency plans if the *TransNet* extension is not approved. Yes – 18 (weighted vote, 78%). No – 2 (San Diego – B, San Marcos) (weighted vote, 22%). Abstain – 0 (0%). Absent – 0.

13. ENERGY PLANS (INFORMATION)

A. SAN DIEGO GAS & ELECTRIC (SDG&E) ELECTRIC RESOURCE PLAN (INFORMATION)

Robert Resley, Vice President of Strategy and Resource Planning, San Diego Gas & Electric (SDG&E), presented information about the recent past, planning for the future, conservation and energy efficiency reducing demand, renewable sources to provide clean energy, the need for more transmission, and the need for new local generation. He noted that the California Public Utilities Commission (CPUC) asked them to plan and procure electricity for San Diego and manage the contracts. They want to work with SANDAG on the regional plan.

Councilmember Crawford asked about the timing of the comment period and to whom should comments be directed. Mr. Resley replied that the comments are due by mid-June directly to the CPUC. There will be a 30-day process for rebuttal comments, then public hearings for three weeks in July.

Councilmember Crawford asked about a transmission interconnection. Mr. Resley stated that the CPUC needs to understand the case for a northern connection.

Mayor Murphy inquired if the transmission line power is incoming. Mr. Resley answered that it is incoming on peak days, but on other days there are imports and exports.

Mayor Murphy asked why SDG&E does not support agencies dealing in power. Mr. Resley said it is an accountability issue where the grid should serve all customers equally.

Mayor Murphy indicated that the region could benefit if the County Water Authority or the City of San Diego generates hydroelectric power because it is a renewable source., but we have to sell it to the grid then buy it back at a higher price. This is a societal benefit that is overlooked by SDG&E and the CPUC.

Councilmember Monroe said that Imperial County has many acres for development of thermal power. He suggested that Mr. Resley make the acquaintance of the Imperial County representative on the Borders Committee.

Councilmember Madaffer said his problem is SDG&E's lack of assistance to the City of San Diego regarding power generation. The City can generate electricity from methanol, but it is not allowed to use excess power for another city facility.

Councilmember McCoy expressed concern about our dependence on outside sources for energy, and thought that the draft plan should have more emphasis on seeking ways to free ourselves from foreign sources of energy.

Mr. Resley commented that the business community has been a major contributor to these recommendations and there was unanimous consensus on this strategy.

B. DRAFT REGIONAL ENERGY STRATEGY: ENERGY 2030 – STRATEGY AND ACTIONS (ACCEPT FOR DISTRIBUTION)

Ms. Irene Stillings, Executive Director, San Diego Regional Energy Office, presented highlights of the Resource Plan, including the vision, objectives, and goals. She summarized that the goals are aggressive but attainable, there is broad stakeholder support for the goals, the strategy will require reasonable public policy support and incentives, and achieving these goals could reduce the need for energy generation or transmission infrastructure capacity over the next 30 years.

Ms. Stillings noted that public comments have been incorporated. The final strategy will be presented at the July SANDAG Board meeting. In September SANDAG will be asked to adopt the whole package.

Public Comments

Holly Duncan, a member of the public, said that the plan is heavily weighted to keep us on fossil fuels and we need to get off of this dependence.

Albert Huang, representing the Environmental Health Coalition, indicated that they were generally supportive. However, he expressed a concern about the existing power plants that are old and inefficient, and have environmental impacts.. He suggested that the language in the plan be stronger related to replacing existing power plants.

Dan Perkins, representing the Sierra Club, said that they are encouraged by this plan, and that solar and hydrogen fuel cells are exciting alternatives for the future. The Sierra Club is interested in obtaining hydrogen from nonpotable water.

Mayor Lewis (El Cajon) thought that SANDAG voted for SDG&E to be a member of the Regional Energy Policy Advisory Council (REPAC) board. Mr. Resley said that a decision was made early on to have a specific group and an advisory group, and it would not be beneficial to change the process one month before the report was due. Staff clarified that REPAC is an advisory committee to the REO, not to SANDAG.

Councilmember Monroe thought that SDG&E should be a REPAC voting member. He felt that it would be irresponsible for him to vote on this plan before the resources and priorities are known.

Mayors Padilla and Madrid indicated that they both would individually be providing written comments on the plan.

Councilmember Guerin suggested that the release of the plan include Mexico, higher educational institutions, and other jurisdictions.

Councilmember Crawford asked if members of REO are available to come to council meetings and make a presentation. *Ms. Stillings responded affirmatively.*

Councilmember Crawford asked that when this report comes back to the Board it includes specific actions or programs that each city can implement to help accomplish the goals.

Action: Imperial Beach – San Diego - B. A motion and second was made to accept the Draft Regional Energy Strategy for distribution and public review. Yes – 12 (weighted vote, 93%). No – 1 (weighted vote, 7%). Abstain – 0 (0%). Absent – Carlsbad, Escondido, Poway, San Diego – B, San Marcos, Santee.

14. FY 2004 FINAL PROGRAM BUDGET (Resolution 2003-38) (ADOPT)

Chair Morrison reported that our Interim Bylaws require approval of a final budget prior to June 1 each year. The final budget is just under \$265 million and it includes the first phase of consolidation. About 92 percent of the budget consists of pass-through funds and contracts. The budget holds the line on assessment and clearinghouse fees. He noted that there will be amendments with further consolidation actions. The final budget program was overseen, reviewed, and approved by the Executive Committee.

Action: La Mesa – Imperial Beach. A motion and second was made to adopt the FY 2004 Final Program Budget, including the budget for the San Diego County Regional Transportation Commission, as the expenditure plan to carry forward the regional work program for FY 2004. Yes – 13 (weighted vote, 100%). No – 0 (weighted vote, 0%). Abstain – 0 (0%). Absent – Carlsbad, County of San Diego, Escondido, Poway, San Diego – B, San Marcos, and Santee.

15. ANNUAL UPDATE ON THE ACTIVITIES OF THE CRIMINAL JUSTICE RESEARCH DIVISION AND CLEARINGHOUSE (INFORMATION)

This item was postponed to the next meeting.

ADJOURNMENT – 1:23 p.m.

GARY L. GALLEGOS
Secretary