**EXECUTIVE COMMITTEE AGENDA**

Friday, September 11, 2015
9 to 10 a.m.
SANDAG, 7th Floor Conference Room
401 B Street
San Diego

**AGENDA HIGHLIGHTS**

- PROPOSED FY 2016 PROGRAM BUDGET AMENDMENT: BORDER WAIT TIMES STUDY
- MATTERS TO BE COMMUNICATED IN ACCORDANCE WITH AUDITING STANDARDS

PLEASE SILENCE ALL ELECTRONIC DEVICES DURING THE MEETING

**MISSION STATEMENT**

The 18 cities and county government are SANDAG serving as the forum for regional decision-making. SANDAG builds consensus, makes strategic plans, obtains and allocates resources, plans, engineers, and builds public transit, and provides information on a broad range of topics pertinent to the region’s quality of life.

San Diego Association of Governments · 401 B Street, Suite 800, San Diego, CA 92101-4231
(619) 699-1900 · Fax (619) 699-1905 · sandag.org
Welcome to SANDAG. Members of the public may speak to the Executive Committee on any item at the time the Committee is considering the item. Please complete a Speaker's Slip, which is located in the rear of the room, and then present the slip to the Clerk of the Committee seated at the front table. Members of the public may address the Committee on any issue under the agenda item entitled Public Comments/Communications/Member Comments. Public speakers are limited to three minutes or less per person. The Executive Committee may take action on any item appearing on the agenda.

Public comments regarding the agenda can be sent to SANDAG via comment@sandag.org. Please include the agenda item, your name, and your organization. Email comments should be received no later than 12 noon, two working days prior to the Executive Committee meeting. **Any handouts, presentations, or other materials from the public intended for distribution at the Executive Committee meeting should be received by the Committee Clerk no later than 12 noon, two working days prior to the meeting.**

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# EXECUTIVE COMMITTEE
Friday, September 11, 2015

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>RECOMMENDATION</th>
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<tbody>
<tr>
<td>+1.</td>
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## APPROVAL OF MEETING MINUTES

The Executive Committee is asked to review and approve the minutes from its July 10, 2015, meeting.

## PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Public comments under this agenda item will be limited to five public speakers. Members of the public shall have the opportunity to address the Executive Committee on any issue within the jurisdiction of the Committee that is not on this agenda. Other public comments will be heard during the items under the heading “Reports.” Anyone desiring to speak shall reserve time by completing a “Request to Speak” form and giving it to the Clerk prior to speaking. Public speakers should notify the Clerk if they have a handout for distribution to Committee members. Public speakers are limited to three minutes or less per person. Committee members also may provide information and announcements under this agenda item.

## REPORTS

### +3. REVIEW OF DRAFT BOARD AGENDAS (Kim Kawada)  
#### +3A. Draft Board Business Agenda - September 25, 2015
#### +3B. Draft Board Policy Agenda - October 9, 2015

### +4. PROPOSED FY 2016 PROGRAM BUDGET AMENDMENT: BORDER WAIT TIMES STUDY (Jim Miller)

The Executive Committee is asked to recommend that the Board of Directors approve an amendment to the FY 2016 Program Budget to: (1) accept $670,000 in Caltrans State Planning and Research and Coordinated Border Infrastructure grant funds to conduct the Border Wait Times Study (Overall Work Program Project No. 2301600); and (2) transfer $100,000 in matching funds carried over from the FY 2015 Program Budget.

### +5. LEGISLATIVE STATUS REPORT (Victoria Stackwick, Robyn Wapner)

Periodic status reports on legislative activities are reported to the Executive Committee throughout the year. This report provides a summary of the various state and federal activities.

### +6. MATTERS TO BE COMMUNICATED IN ACCORDANCE WITH AUDITING STANDARDS (Jennifer Farr, Davis Farr, LLP; Leeanne Wallace)

In accordance with the Statement of Auditing Standards 114 (SAS 114), the auditor will communicate with those charged with governance: (a) the auditor’s responsibilities under generally accepted auditing standards; (b) an overview of the planned scope and timing of the audit; and (c) significant findings from the audit.
7. CONTINUED PUBLIC COMMENTS
If the five speaker limit for public comments was exceeded at the beginning of this agenda, other public comments will be taken at this time. Subjects of previous agenda items may not again be addressed under public comment.

8. UPCOMING MEETINGS
The next meeting of the Executive Committee is scheduled for Friday, October 9, 2015, at 9 a.m.

9. ADJOURNMENT

+ next to an agenda item indicates an attachment
EXECUTIVE COMMITTEE DISCUSSION AND ACTIONS

JULY 10, 2015

Chair Jack Dale (East County) called the meeting of the SANDAG Executive Committee to order at 9:02 a.m. The attendance sheet for the meeting is attached.

1. APPROVAL OF MEETING MINUTES

Action: Upon a motion by Vice Chair Ron Roberts (County of San Diego) and a second by Councilmember Chris Orlando (North County Inland), the minutes of the June 12, 2015, Executive Committee meeting were approved. Yes – Chair Dale, Vice Chair Roberts, Councilmember Orlando, Mayor Jim Wood (North County Coastal), Councilmember Lorie Zapf (City of San Diego). No – None. Abstain – Councilmember Pamela Bensoussan (South County). Absent – None.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

There were no public/member comments.

3. PROPOSED SECOND AMENDMENT TO THE EXECUTIVE EMPLOYMENT AGREEMENT (RECOMMEND)

The Executive Committee was asked to recommend that the Board of Directors approve the proposed Second Amendment to the Executive Employment Agreement between SANDAG and the Executive Director.

Councilmember Orlando presented the item.

Action: Upon a motion by Mayor Wood and a second by Councilmember Todd Gloria (City of San Diego), the Executive Committee recommended that the Board of Directors approve the proposed Second Amendment to the Executive Employment Agreement between SANDAG and the Executive Director. Yes – Chair Dale, Vice Chair Roberts, Councilmember Orlando, Mayor Wood, Councilmember Gloria, and Councilmember Bensoussan. No – None. Abstain – None. Absent – None.

4. PERFORMANCE EVALUATION OF EXECUTIVE DIRECTOR (RECOMMEND)

The Executive Committee was asked to recommend that the Board of Directors approve: (1) the Executive Director’s evaluation for the period July 2014 to June 2015, determining his performance
satisfactory; and (2) FY 2016 Strategic Goals, Major Initiatives, and Key Success Indicators that would be used to evaluate the overall performance of the Executive Director. The Committee also was asked to consider recommending a bonus award based on the Executive Director’s performance during the past year.

**Action:** Upon a motion by Mayor Wood and a second by Councilmember Gloria, the Executive Committee recommended that the Board of Directors approve the Executive Director’s evaluation for the period July 2014 to June 2015, determining his performance satisfactory, the FY 2016 Strategic Goals, Major Initiatives, and Key Success Indicators, and a bonus award based on the Executive Director’s performance during the past year. Yes – Chair Dale, Vice Chair Roberts, Councilmember Orlando, Mayor Wood, Councilmember Gloria, and Councilmember Bensoussan. No – None. Abstain – None. Absent – None.

**REPORTS**

5. REVIEW OF DRAFT BOARD AGENDAS (APPROVE)

The Executive Committee was asked to approve the draft agenda for the July 24, 2015, Board Business meeting. Staff also provided a verbal update on the August 14, 2015, Board Policy meeting agenda.

Kim Kawada, Chief Deputy Executive Director, presented the item.

**Action:** Upon a motion by Mayor Wood and a second by Councilmember Orlando, the Executive Committee approved the draft agenda for the July 24, 2015, Board Business meeting, as amended. Yes – Chair Dale, Vice Chair Roberts, Councilmember Orlando, Mayor Wood, Councilmember Gloria, and Councilmember Bensoussan. No – None. Abstain – None. Absent – None.

6. SERVICE BUREAU: CALIFORNIA COASTAL COMMISSION AND CITY OF CARLSBAD PILOT PROJECT (APPROVE)

The SANDAG Service Bureau has been asked to facilitate a pilot project between the California Coastal Commission (Commission) and the City of Carlsbad for expedited project review and coordination on issues related to City of Carlsbad projects that fall within the Commission’s jurisdiction. The Executive Committee was asked to approve the pilot project and authorize the Executive Director to enter into all agreements necessary for implementation of the pilot project.

Cheryl Mason, Service Bureau Director, presented the item.

**Action:** Upon a motion by Mayor Wood and a second by Councilmember Gloria, the Executive Committee approved the pilot project and authorized the Executive Director to enter into all agreements necessary for implementation of the pilot project. Yes – Chair Dale, Vice Chair Roberts, Councilmember Orlando, Mayor Wood, Councilmember Gloria, and Councilmember Bensoussan. No – None. Abstain – None. Absent – None.

7. LEGISLATIVE STATUS REPORT (DISCUSSION/POSSIBLE ACTION)

Periodic status reports on legislative activities are reported to the Executive Committee throughout the year. This report provided a summary of the various state and federal activities.
Robyn Wapner, Senior Legislative Analyst, presented the item.

**Action:** Upon a motion by Councilmember Gloria and a second by Mayor Wood, the Executive Committee voted to support in concept Senate Bill 9 (Beall). Yes – Chair Dale, Vice Chair Roberts, Councilmember Orlando, Mayor Wood, Councilmember Gloria, and Councilmember Bensoussan. No – None. Abstain – None. Absent – None.

8. **CONTINUED PUBLIC COMMENTS**

There were no continued public comments.

7. **UPCOMING MEETINGS**

The next meeting of the Executive Committee is scheduled for Friday, September 11, 2015, at 9 a.m.

8. **ADJOURNMENT**

Chair Dale adjourned the meeting at 9:45 a.m.
## CONFIRMED ATTENDANCE
### SANDAG EXECUTIVE COMMITTEE MEETING
### JULY 10, 2015

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## REVIEW OF THE SEPTEMBER 25, 2015, DRAFT BOARD BUSINESS AGENDA

### ITEM NO. 1. APPROVAL OF MEETING MINUTES

+ **1A.** July 10, 2015, Board Policy Meeting Minutes  
+ **1B.** July 24, 2015, Board Business Meeting Minutes

### ITEM NO. 2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Public comments under this agenda item will be limited to five public speakers. Members of the public shall have the opportunity to address the Board on any issue within the jurisdiction of SANDAG that is not on this agenda. Other public comments will be heard during the items under the heading “Reports.” Anyone desiring to speak shall reserve time by completing a “Request to Speak” form and giving it to the Clerk of the Board prior to speaking. Public speakers should notify the Clerk of the Board if they have a handout for distribution to Board members. Public speakers are limited to three minutes or less per person. Board members also may provide information and announcements under this agenda item.

### ITEM NO. 3. ACTIONS FROM POLICY ADVISORY COMMITTEES (Victoria Stackwick)

This item summarizes the actions taken by the Policy Advisory Committees since the last Board Business Meeting. The Board of Directors is asked to ratify these actions.

### CONSENT

### ITEM NO. 4. APPROVAL OF PROPOSED SOLICITATIONS AND CONTRACTS (Laura Coté)

The Board of Directors is asked to review and approve the proposed solicitations and contract awards summarized in the attached reports.

+ **4A.** Solicitations  
+ **4B.** Contract Awards

### ITEM NO. 5. APPROVAL OF 2015 METROPOLITAN PLANNING ORGANIZATION TITLE VI TRIENNIAL PROGRAM UPDATE AND LANGUAGE ASSISTANCE PLAN (Jane Clough)

The Board of Directors is asked to adopt Resolution No. 2016-XX, approving the 2015 Metropolitan Planning Organization Title VI Triennial Program Update and Language Assistance Plan for submittal to the Federal Transit Administration.
+6. REPORT SUMMARIZING DELEGATED ACTIONS TAKEN BY THE EXECUTIVE DIRECTOR (André Douzdjian)*

In accordance with various SANDAG Board Policies, this report summarizes certain delegated actions taken by the Executive Director since the last Board of Directors meeting.

+7. REPORT ON MEETINGS AND EVENTS ATTENDED ON BEHALF OF SANDAG (Victoria Stackwick)

Board members will provide brief reports orally or in writing on external meetings and events attended on behalf of SANDAG since the last Board of Directors meeting.

+8. QUARTERLY FINANCE REPORT AND ANNUAL INTEREST RATE SWAP EVALUATION - PERIOD ENDING JUNE 30, 2015 (Lisa Kondrat-Dauphin, André Douzdjian, and Marney Cox)*

This quarterly report provides various finance-related items to the Board of Directors, including: (1) a quarterly report of investments, including all money under the direction or care of SANDAG; (2) an annual report and evaluation of all outstanding interest rate swaps; and (3) information about the latest developments in the financial markets, the economy, and sales tax revenues.

+9. QUARTERLY PROGRESS REPORT ON TRANSPORTATION PROJECTS - APRIL THROUGH JUNE 2015 (Asitha Seneviratne)

This quarterly report summarizes the current status of major transit, highway, arterial, traffic management, and Transportation Demand Management projects and programs in the SANDAG five-year Regional Transportation Improvement Program for the period April through June 2015.

CHAIR’S REPORT

+10. APPOINTMENT OF NOMINATING COMMITTEE FOR SANDAG BOARD OFFICERS*

In accordance with SANDAG Bylaws, the Chair will appoint up to a six-person nominating committee for Board officers made up of Board members from each of the four subregions and a member from the City of San Diego and the County of San Diego. The nominating committee will submit its slate of nominees, in writing, for mailing to Board members, in or around November 2016.

REPORTS

+11. TransNet ENVIRONMENTAL MITIGATION PROGRAM: FY 2016 – FY 2017 WORK PLAN AND FY 2016 ANNUAL FUNDING (Solana Beach Mayor Lesa Heebner, Regional Planning Committee Chair; Keith Greer)*

The Regional Planning and Transportation Committees recommend that the Board of Directors approve: (1) the proposed FY 2016 - FY 2017 Work Plan for regional land management and biological monitoring; and (2) the allocation of $4 million of funding for FY 2016.
The Executive Committee recommends that the Board of Directors approve an amendment to the FY 2016 Program Budget to: (1) accept $670,000 in Caltrans State Planning and Research and Coordinated Border Infrastructure grant funds to conduct the Border Wait Times Study (Overall Work Program Project No. 2301600); and (2) transfer $100,000 in matching funds carried over from the FY 2015 Program Budget.

The Regional Planning and Transportation Committees recommend that the Board of Directors accept the Regional Transit Oriented Development Strategy for inclusion as an appendix of San Diego Forward: The Regional Plan.

If the five speaker limit for public comments was exceeded at the beginning of this agenda, other public comments will be taken at this time. Subjects of previous agenda items may not again be addressed under public comment.

The next Board Policy meeting is scheduled for Friday, October 9, 2015, at 10 a.m. The next Board Business meeting is scheduled for Friday, October 23, 2015, at 9 a.m.
REVIEW OF THE OCTOBER 9, 2015, DRAFT BOARD POLICY AGENDA

ITEM NO. 15-09-3B

AGENDA ITEM NO. 15-09-3B
SEPTEMBER 11, 2015

EXECUTIVE COMMITTEE

ACTION REQUESTED – APPROVE

REVIEW OF THE OCTOBER 9, 2015, DRAFT BOARD POLICY AGENDA

ITEM NO. 1.

PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Public comments under this agenda item will be limited to five public speakers. Members of the public shall have the opportunity to address the Board on any issue within the jurisdiction of SANDAG that is not on this agenda. Other public comments will be heard during the items under the heading “Reports.” Anyone desiring to speak shall reserve time by completing a “Request to Speak” form and giving it to the Clerk of the Board prior to speaking. Public speakers should notify the Clerk of the Board if they have a handout for distribution to Board members. Public speakers are limited to three minutes or less per person. Board members also may provide information and announcements under this agenda item.

REPORTS

+2. FINAL SAN DIEGO FORWARD: THE REGIONAL PLAN, INCLUDING ITS SUSTAINABLE COMMUNITIES STRATEGY AND FINAL ENVIRONMENTAL IMPACT REPORT (San Diego Councilmember Todd Gloria, Transportation Committee Chair; Phil Trom, Andrew Martin)

The Board of Directors is asked to: (1) approve Resolution No. 2015-XX, certifying that the Final Environmental Impact Report (EIR) for San Diego Forward: The Regional Plan (Regional Plan) has been completed in compliance with the California Environmental Quality Act and considered by the Board of Directors prior to approving the Regional Plan, and adopting the Findings, Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Program; (2) find the Regional Plan Revenue Constrained Plan in conformance with the State Implementation Plans for air quality; (3) find that the Regional Plan and its Sustainable Communities Strategy (SCS) meet the greenhouse gas (GHG) reduction targets established by the California Air Resources Board (ARB); and (4) approve Resolution No. 2015-XX, adopting the air quality conformity determination, finding that the SCS achieves the GHG reduction targets established by ARB and meets the requirements codified in Government Code §65080(b) et seq., and adopting the Regional Plan, including its SCS, and the Final 2050 Regional Growth Forecast.
+3. 2014 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM: AMENDMENT No. 7 AND AIR QUALITY CONFORMITY ANALYSIS
(San Diego Councilmember Todd Gloria, Transportation Committee Chair; Dawn Vettese)*

On September 26, 2014, the Board of Directors adopted the 2014 Regional Transportation Improvement Program (RTIP) and found it in conformance with the Regional Air Quality Strategy/State Implementation Plans (SIPs). Amendment No. 7 reflects changes to projects that have been updated as part of San Diego Forward: The Regional Plan (Regional Plan). The Transportation Committee recommends that the Board of Directors adopt Resolution No. RTC-2016-XX, approving Amendment No. 7 to the 2014 RTIP, including findings that Amendment No. 7 is in conformance with the SIPs for air quality and is consistent with the Regional Plan.

4. CONTINUED PUBLIC COMMENTS

If the five speaker limit for public comments was exceeded at the beginning of this agenda, other public comments will be taken at this time. Subjects of previous agenda items may not again be addressed under public comment.

5. UPCOMING MEETINGS

The next Board Business meeting is scheduled for Friday, October 23, 2015, at 9 a.m.

6. ADJOURNMENT

+ next to an agenda item indicates an attachment
* next to an agenda item indicates that the Board of Directors also is acting as the San Diego Regional Transportation Commission for that item
PROPOSED FY 2016 PROGRAM BUDGET AMENDMENT: BORDER WAIT TIMES STUDY

Introduction

SANDAG has received two Caltrans grants totaling $670,000 to conduct a Border Wait Times Study. In addition, SANDAG proposes to match these funds with $100,000 to enhance the effort.

The proposed action will allow SANDAG to conduct a major update of the 2006 Border Wait Times Study and to enhance the study with an estimate of pollutants emitted in the border area as well as recommendations to reduce wait times and the associated economic and environmental impacts at this economically critical link.

Discussion

The link between San Diego and Imperial Counties and the Baja California border region has local, regional, statewide, and national importance to the economies of both the United States and Mexico. The economic impacts of delays at the border have been shown to be significant. Additionally, the greenhouse gas (GHG) emissions impacts of these delays to border communities are unknown. This study primarily will address these two concerns.

Building upon previous studies by SANDAG, the Imperial County Transportation Commission, and Caltrans, this project will refine the economic models developed to assess economic impacts of delays at the land ports of entry (POEs) on the San Diego and Imperial County border region economies. It also will examine the methodologies used to automate data collection of border wait times at the land POEs and recommend options for ongoing data collection. Additionally, the project will estimate particulate matter, nitrogen oxide, and GHG emissions of passenger and commercial vehicles due to northbound and southbound border delays at the six California POEs and propose strategies to reduce GHG emissions at the border region. Lastly, extensive outreach to government agencies, local border communities, and private sector stakeholders will be conducted. Extensive data collection and modeling work has been conducted in these areas by SANDAG and other agencies, and this project will build upon that work.

Recommendation

The Executive Committee is asked to recommend that the Board of Directors approve an amendment to the FY 2016 Program Budget to: (1) accept $670,000 in Caltrans State Planning and Research and Coordinated Border Infrastructure grant funds to conduct the Border Wait Times Study (Overall Work Program Project No. 2301600); and (2) transfer $100,000 in matching funds carried over from the FY 2015 Program Budget.
Next Steps

Pending approval by the Board of Directors, work on the project will commence when funding is received from Caltrans. The study is anticipated to take approximately 18 months to complete.

KURT KRONINGER
Director of Technical Services

Attachment: 1. Overall Work Program Project No. 2301600 - Detailed Work Element Description

Key Staff Contact: Jim Miller, (619) 699-7325, jim.miller@sandag.org
Overall Work Program Project No. 2301600 - Detailed Work Element Description

WORK ELEMENT: 23016.00 NEW - Fresh Look at Impacts of Border Delays
FY 2016 BUDGET: $250,169
AREA OF EMPHASIS: Modeling and Research

Amendment Title: New Project - A Fresh Look at the Impacts of Border Delays

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<td><strong>$250,169</strong></td>
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OBJECTIVE

The objectives of this study are to address two primary concerns: (1) to estimate the potentially significant economic effects of delays at the border - the critical economic link between San Diego/Imperial Counties and the Baja California border region; and (2) to estimate the greenhouse gas (GHG) emissions impacts of these delays.
**PREVIOUS ACCOMPLISHMENTS**

The 2006 Border Wait Times Study identified critical economic losses resulting from congestion at the border. This project will build on the previous study and the associated Traffic and Revenue Study.

**Project Manager:** Miller, Jim

**Committee(s):** Transportation Committee, Borders Committee

**PRODUCTS, TASKS, AND SCHEDULES FOR FY 2016**

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<th>Task No.</th>
<th>% of Effort</th>
<th>Task Description / Product / Schedule</th>
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| 1        | 5           | Task Description: Project Management  
|          |             | Product: Project Management Plan     
|          |             | Completion Date: 6/30/2016           |
| 2        | 30          | Task Description: Project Methodology  
|          |             | Product: Detailed plans for methodology to: (1) collect/estimate border wait times; (2) develop survey instrument; (3) develop economic and emission outreach plans; and (4) develop economic and emissions model methodology  
|          |             | Completion Date: 6/30/2016           |
| 3        | 40          | Task Description: Data Collection, Survey Administration, Outreach  
|          |             | Product: Collect data on wait times, administer survey, conduct outreach, develop, and apply economic and emissions models  
|          |             | Completion Date: 6/30/2016           |
| 4        | 15          | Task Description: Study Recommendations  
|          |             | Product: Identify strategies and recommendation to reduce wait times, and reduce GHG emissions  
|          |             | Completion Date: 6/30/2016           |
| 5        | 10          | Task Description: Reports and Presentations  
|          |             | Product: Reports on Economic and Emissions Impacts of border delays; presentations to relevant committees and stakeholders  
|          |             | Completion Date: 6/30/2016           |
### FUTURE ACTIVITIES

#### PRODUCTS, TASKS, AND SCHEDULES

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<td>Product: Ongoing Project Management</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Completion Date: 6/30/2017</td>
</tr>
<tr>
<td>2</td>
<td>20</td>
<td>Task Description: Project Methodology</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Product: Ongoing refinement of methodology to: (1) collect/estimate border wait times; (2) develop survey instrument, (3) develop economic and emission outreach plans; and (4) develop economic and emissions model methodology</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Completion Date: 6/30/2017</td>
</tr>
<tr>
<td>3</td>
<td>40</td>
<td>Task Description: Data Collection, Survey Administration, Outreach</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Product: Continue collection of data on wait times, administer survey, conduct outreach, and apply economic and emissions models</td>
</tr>
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<td></td>
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<td>Completion Date: 6/30/2017</td>
</tr>
<tr>
<td>4</td>
<td>20</td>
<td>Task Description: Study Recommendations</td>
</tr>
<tr>
<td></td>
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<td>Product: Identify, refine, and consult with stakeholders regarding strategies and recommendation to reduce wait times, and reduce GHG emissions.</td>
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<td>Completion Date: 6/30/2017</td>
</tr>
<tr>
<td>5</td>
<td>15</td>
<td>Task Description: Reports and Presentations</td>
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<tr>
<td></td>
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<td>Product: Final preparation of reports on Economic and Emissions Impacts of border delays; presentations to relevant committees and stakeholders</td>
</tr>
<tr>
<td></td>
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<td>Completion Date: 6/30/2017</td>
</tr>
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LEGISLATIVE STATUS REPORT

Introduction

Monthly status reports on legislative activities are provided to the Executive Committee. Attachments 1 and 2 respectively include summaries from Ellison Wilson Advocacy, LLC on state legislative activity and from Peyser Associates LLC on federal legislative activity related to SANDAG.

VICTORIA STACKWICK
Principal Legislative Analyst

Attachments:  1. Report from Ellison Wilson Advocacy, LLC
2. Report from Peyser Associates LLC

Key Staff Contact: Victoria Stackwick, (619) 699-6926, victoria.stackwick@sandag.org
Robyn Wapner, (619) 699-1994, robyn.wapner@sandag.org
TO: SANDAG BOARD OF DIRECTORS  
FROM: ELLISON WILSON ADVOCACY, LLC  
SUBJECT: SANDAG LEGISLATIVE ACTIVITY REPORT: JULY - AUGUST 2015

LEGISLATIVE UPDATE

2015 Legislation

The Legislature returned from Summer Recess on August 17th in order to begin the necessary work to close out the final chaotic month of the legislative year. August 28th was the deadline for fiscal committees to pass all bills, thus both Appropriations Committees took up their “suspense files” on August 27th. The final day of the legislative year is September 11th.

SANDAG-supported bills have continued to be passed successfully by the Legislature.

Senate Bill 249 (SB 249) (Hueso), which would authorize the Department of Motor Vehicles to issue enhanced driver’s licenses, successfully advanced off the Assembly Appropriations Committee’s suspense file on August 27th, 17-0. In addition to SANDAG support, the bill is being supported by a wide range of stakeholders, including those from the San Diego business and governmental communities. The bill will now head to the Assembly Floor.

Assembly Bill 516 (AB 516) (Mullin), which requires vehicles sold or leased without a permanent license plate to be affixed with a temporary license plate, successfully advanced off the Senate Appropriations Committee’s suspense file on August 27th, 6-1. In addition to SANDAG support, the bill is being supported by the law enforcement community, transportation agencies, and the California New Car Dealers Association. The bill will now head to the Senate Floor.

Assembly Bill 914 (AB 914) (Brown), which grants the San Bernardino County Transportation Commission authority to develop High Occupancy Toll Lanes and other facilities under certain conditions, was passed by the Senate Appropriations Committee on July 13th, 5-2. The bill will be taken up next on the Senate Floor.

Senate Bill 321 (SB 321) (Beall), which would amend the method used to adjust the excise tax on fuel by requiring the Board of Equalization to adjust the excise tax rate based on a five-year average, was passed by the Assembly Appropriations Committee on August 26, 17-0. In addition to
support by SANDAG, the bill is being supported by a wide range of stakeholders, including the California Transportation Commission, California Association of Council of Governments, California State Association of Counties, and Self-Help Counties Coalition. The bill will be heard next on the Assembly Floor.

**Senate Bill 9 (SB 9) (Beall)**, which modifies the Transit and Intercity Rail Capital (TIRC) Program to focus on “transformative” capital rail and transit system improvements, was passed by the Assembly Natural Resources Committee on July 13th, 9-0, and the Assembly Appropriations Committee on August 19th, 16-1. It will be heard next on the Assembly Floor.

**Extraordinary Session – Transportation Funding**

On June 16th, Governor Brown announced special sessions to fix how California funds roads, highways, other infrastructure, and Medi-Cal. Since its announcement, both the Senate and Assembly each formally convened a special session Transportation and Infrastructure Committee composed of the following individuals:

**Senate Transportation and Infrastructure Development Committee – 1st Extraordinary Session**
Jim Beall (Chair)
Anthony Cannella (Vice Chair)
Benjamin Allen
Patricia C. Bates
Tom Berryhill
Ted Gaines
Robert M. Hertzberg
Connie M. Leyva
Carol Liu
Mike McGuire
Tony Mendoza
Fran Pavley
Bob Wieckowski

**Assembly Transportation and Infrastructure Development Committee – 1st Extraordinary Session**
Jim Frazier (Chair)
Katcho Achadjian (Vice Chair)
Luis A. Alejo
Autumn R. Burke
David Chiu
Bill Dodd
Susan Talamantes Eggman
Mike Gatto
David Hadley
Young O. Kim
Eric Linder
Adrin Nazarian
Patrick O’Donnell
Each committee has met on several occasions to discuss the merits of the special session bills introduced or related topics. On August 24th, SANDAG Executive Director Gary L. Gallegos testified at an Assembly Transportation and Infrastructure Development Committee to discuss goods movement in California.

Thus far, 26 special session bills have been introduced, each attempting to tackle these issues in a variety of ways. Senate Bill First Extraordinary Session (SBX1 1) (Beall) appears to be the chief Democrat-supported bill in the Senate. A variation on Senate Bill 16 (Beall) introduced earlier this year, SBX1 1 would generate an estimated $4.3 billion annually for repairs by increasing the gas tax by 12 cents a gallon and boosting annual vehicle registration fees by $35 for most cars. Fees for all-electric vehicles would go up $100. Per Committee analysis, the new funds raised by this bill are formulaically allocated to both state and local projects. Five percent is set aside for counties which pass local sales and use taxes for transportation purposes, and which have not previously passed such taxes. The remainder is split 50/50 between state and local projects (Local Streets and Roads). The local project funding is allocated pursuant to an existing statutory formula, where 50 percent goes to cities based on population and 50 percent goes to counties based on a combination of the number of registered vehicles and the miles of county roads.

However, because tax increases require the support of two-thirds of the Legislature, the Democrats will need votes from a few Republicans (1 in the Senate, 2 in the Assembly). Thus far, Republicans have indicated reluctance to raising the gas tax for the first time in more than two decades. Their list of demands varies from passage of a ballot measure restricting the use of transportation funds for fixing roads, to Caltrans layoffs, to siphoning money from High-Speed Rail and cap and trade programs.

A coalition of organizations representing local government, business, labor, and transportation has been developed (fixcaroads.com), which has come up with a framework in order to express its legislative priorities to both houses as these deals are being made. It is a $6 billion annual package for the next ten years that would focus on the following priorities: 1) maintaining and rehabilitating the current system; 2) investing a portion of diesel tax and/or cap and trade revenue to high-priority goods movement projects; 3) raising revenues across a broad range of options; 4) dividing 50/50 split between cities and counties, $3 billion for cities, and $3 billion for counties; 5) implementing strong accountability requirements to protect taxpayer investments; and 6) providing consistent annual funding levels.

All of these groups will continue to meet in an effort to reach a compromise deal over the next couple of weeks.

**ACTIVITY REPORT**

7/1: Met with Assembly Member Alejo’s office regarding Assembly Bill 2 (AB 2) (Alejo), which would establish the Community Revitalization and Investment Authority.

7/2: Reviewed and analyzed special session bills and amendments to AB 914; provided subsequent updates to SANDAG staff.

7/6: Reviewed and analyzed amendments to Senate Bill 34 (Hill) related to Automated License Plate Readers; attended/monitored the Assembly 1st Extraordinary Session Transportation
and Infrastructure Committee hearing; reviewed Metropolitan Planning Organization Joint Letter for Special Session; provided subsequent updates to SANDAG staff.

7/7: Weekly teleconference with SANDAG staff.

7/8: Met with Assembly Member Alejo’s office regarding AB 2; reviewed and analyzed amendments to SB 9 regarding TIRC Program and AB 2; provided subsequent updates to SANDAG staff, including an update on the AB 516 policy committee hearing.

7/9: Reviewed and analyzed Legislative Analyst Office analysis regarding cap-and-trade budget funding; provided subsequent updates to SANDAG staff.

7/10: Met with Senator Hueso’s staff regarding SB 249.

7/13: Testified on behalf of SANDAG in support of SB 249 in the Assembly Judiciary Committee and supportive in concept of SB 9 in the Assembly Natural Resources Committee; provided subsequent updates to SANDAG staff, including committee hearings on SB 321 and AB 914.

7/14: Weekly teleconference with SANDAG staff.

7/15: Reviewed and analyzed amendments to SBX1 1; provided subsequent updates to SANDAG staff, including committee hearings on AB 516 and AB 2.

7/16: Teleconference with SANDAG staff.

7/17: Reviewed and analyzed amendments to AB 516, Assembly Bill 552 (O’Donnell), Assembly Bill First Extraordinary Session 7 (Nazarian) and Senate Bill First Extraordinary Session 8 (Hill), Assembly Bill First Extraordinary Session 8 (Chiu) and Senate Bill First Extraordinary Session 7 (Allen), SB 249, Senate Bill First Extraordinary Session 10 (Bates), and Assembly Bill 464 (Mullin); provided subsequent updates to SANDAG staff.

7/23: Pursuant to SANDAG staff request, reviewed and analyzed all special session legislation introduced by Assembly Member Frazier.

7/29: Pursuant to SANDAG staff request, reviewed and analyzed Senate Bill 741 (SB 741) (Hill), which requires local agencies to publicly approve the acquisition of cellular communications interception technology.

7/31: Provided SANDAG staff with updated bill tracking list.

8/10: Provided SANDAG staff with Fix Our Roads coalition materials; met with Senator Hill’s office regarding SB 741.

8/12: Met with SANDAG staff, Senator Hill’s office, and Legislative Counsel regarding SB 741.

8/14: Reviewed Regional Chief Executive Officer letter regarding support for trade corridor amendment to SBX 1 1.
8/18: Weekly teleconference with SANDAG staff; reviewed Governor’s AB 464 veto message; reviewed and analyzed amendments to SB 741, SB 9, and Assembly Bill 1347 (Chiu); provided subsequent updates to SANDAG staff, including Senate Appropriations Committee actions on legislation.

8/19: Testified on behalf of SANDAG on SBX1 1 at Senate Transportation and Infrastructure Committee hearing; reviewed and analyzed amendments to SB 321, Assembly Bill 975 (Frazier), and SB 249; provided subsequent updates to SANDAG staff.

8/20: Reviewed and analyzed amendments to Assembly Bill 779 (Garcia) and Assembly Bill First Extraordinary 10 (Levine); provided subsequent updates to SANDAG staff, including proposed amendments to Senate Bill First Extraordinary 12 (Runner).

8/24: Met with Assembly Transportation and Infrastructure Committee staff regarding goods movement hearing; attended goods movement hearing.

8/25: Weekly teleconference with SANDAG staff.

8/27: Attended/monitored appropriations committees suspense file hearings; met with Assembly Member Alejo’s office regarding AB 2; provided subsequent updates to SANDAG staff.
Transportation Update from Peyser Associates

Both chambers are adjourned for August recess and will return to session on September 8, 2015. September will be a busy month for Congress with the start of next fiscal year looming a mere four weeks after it returns. The Pope’s visit and the Jewish holidays also will impact the Congressional work schedule later in the month. Taking a vote on the nuclear deal with Iran will be the first order of business when Congress returns.

Reauthorization Update

Even with so much going on, lawmakers working on transportation issues will stay focused on the October 29, 2015, deadline for the current extension of the Moving Ahead for Progress in the 21st Century Act (MAP-21). The House and Senate seemed to be working in opposing directions during June and July as they tackled the reauthorization process. As the Senate worked on floor passage for the long-term Developing a Reliable and Innovative Vision for the Economy (DRIVE) Act bill, the House passed a five-month MAP-21 extension, eventually cutting it down to three-months to gain Senate approval. As the legislative process unfolded, leaders in both chambers took shots at their counterparts’ plans.

Environment and Public Works Chair Jim Inhofe (R-OK) told reporters that he and Transportation and Infrastructure Chair Bill Shuster (R-PA) met to clear the air and reiterate that each chamber is committed to working with the other to push forward on a long-term bill in the fall. Later however, Majority Leader Mitch McConnell (R-KY) stated forcefully that he did not see a scenario where revenue derived from taxation of foreign profits of U.S. companies would be used to support transportation. By pre-emptively ruling out what House leaders have identified as their primary potential source of revenue, McConnell’s position is perilously close to a “take it or leave it” demand.

FY 2016 Appropriations

The FY 2016 appropriations process essentially stalled out over the summer, with the Senate not bringing a single spending bill to the floor. One item lawmakers will discuss over August recess will focus on a strategy to move forward in the fall. While talk of a shutdown has been discussed, McConnell made clear that his goal is to work with Democrats and the White House and avoid a government shutdown. “[L]et me say it again: no more government shutdowns. We have divided government, and different parties control the Congress and White House and, at some point, we will negotiate the way forward,” McConnell said. Democrats have been asking Republicans for months to sit down and have budget talks about the impacts of the ongoing sequestration cuts.
Final Interim Policy Guidance on Capital Investment Grants

On August 5, 2015, the Federal Transit Administration (FTA) released its Final Interim Policy Guidance on the Capital Investment Grants Program. This document will serve as the key policy document governing the New Starts, Small Starts, and Core Capacity categories for the next year while the FTA works on a Final Rule implementing MAP-21 (which expired last year).

With the release of the Draft Interim Rule earlier this year, the FTA is proposing to “lock-in” the federal contribution to the project in absolute dollar terms at the time of approval of entry into the engineering phase. The combination of the requirement to complete project development within two years of entry and this new required lock-in caused a number of transit agencies to comment to the FTA on their opposition to the FTA-imposed lock-in on the basis that the rush to complete project development might run contrary to the need of project sponsors to do engineering work well beyond the customary 30 percent in order to limit the risk of cost escalation.

In a document accompanying the Final Interim Rule, the FTA acknowledged that it received 37 comments on this topic and that all of them opposed the lock-in. FTA explained in this document that they were making the lock-in mandatory nonetheless. Here is a key portion of the FTA response to the comments:

“FTA believes that project sponsors, not the federal government, should bear the risk of the project cost escalating once it is in the Engineering phase, as it is the project sponsor’s decision to enter into Engineering prior to completing extensive engineering and design work. To address the concerns noted in the comments received, FTA made changes in the final interim policy guidance (page 6 of New Starts Chapter and page 9 of Core Capacity Chapter) explaining that project sponsors can write a request to FTA to postpone entry into Engineering if they wish to perform more engineering and design prior to locking in the CIG amount, provided they can demonstrate they have completed the steps required during PD within the 2-year timeframe specified in law.”

The FTA also pointed out that it would be possible to get into Engineering with only 30 percent design work completed. However, it cautioned sponsors that they would need to ensure that their contingencies were sufficient to address potential cost increases.

While the indication of some flexibility on the timing of entering engineering may be of some value, the effect of taking this approach is to slow down the process of getting to a Full Funding Grant Agreement. That runs in direct opposition to the intent of MAP-21.

High-Speed Rail in America – All Aboard Florida

The Florida Development Finance Board gave All Aboard Florida permission to issue $1.75 billion in tax-exempt bonds to build a high-speed rail line from Miami to Orlando. All Aboard Florida says that the bonds will be unrated and marketed mainly to institutional investors and accredited buyers. The decision was made after eight hours of testimony from both supporters and opponents of the project.

Additionally, the Federal Railroad Administration (FRA) issued a report on the proposed high-speed rail line stating that the corridor would not have any noticeable environmental impact in the region.
Transportation Update from Peyser Associates

FY 2016 Appropriations

While congressional recess continues until September 8, 2015, there is still behind-the-scenes activity in Washington regarding the FY 2016 appropriations process. Congressional staffers have been telling outsiders that Republican leadership is expected to offer some kind of an approach to a continuing resolution shortly after Congress returns. A likely outcome could be an initial continuing resolution until late fall to give Congress time to determine if a deal on spending caps can be reached in time to prepare an omnibus appropriations measure before the end of the year. Prospects for such a deal are uncertain. During recess, positions on defunding Planned Parenthood appear to have hardened on both sides. The same appears to be true on the issue of removing the 2013 spending caps.

Positive Train Control

In mid-August, the FRA published a status report on the implementation of positive train control (PTC) across the nation. The official report was eagerly anticipated by Congress, though the results were a surprise to few. Only 39 percent of freight railroads and 29 percent of commuter railroads will have installed PTC equipment by the end-of-year deadline. In addition, as of August, the FRA only has certified 3 of the 38 required PTC safety plans. While the Senate-passed reauthorization bill includes a three-year deadline extension (to 2018), the focus of many lawmakers has now turned to what sort of action the FRA will take once the deadline passes. The agency has remained vague regarding what sort of fines and penalties it will institute for noncompliance come January 1, 2016. However, following the status report’s release, Senator Richard Blumenthal (D-CT) sent the FRA a letter calling for more specific information and requested that the penalties be severe in nature.

High-Speed Rail in America – All Aboard Florida

Commissioners in Martin County, Florida voted last week to file a legal appeal challenging a state board’s decision to allow All Aboard Florida to sell $1.75 billion in tax exempt bonds to help pay for the rail project. Martin County officials said that the legal challenge will focus on the Florida Development Finance Corporation’s (FDFC) authority to approve the bond sale. According to documents filed with the FDFC, the 30-year bonds will not be rated and the minimum denomination for the bonds will be $100,000.

High-Speed Rail in America – St. Louis to Chicago

Construction began on the first new station to be built along the St. Louis to Chicago high-speed rail line. The $3.26 million station in Dwight, Illinois is one of seven new stations to be built along the corridor. Updates and improvements to the rail line along the corridor have been ongoing for a number of years, with both state and federal funding being used.
<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
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</thead>
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<tr>
<td>8/3</td>
<td>Email exchange with R. Wapner and V. Stackwick on Transit-Oriented Development (TOD) Grant Program; research TOD Program history.</td>
</tr>
<tr>
<td>8/4</td>
<td>Biweekly teleconference with SANDAG and Metropolitan Transit System (MTS).</td>
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<tr>
<td>8/6</td>
<td>Prepare weekly transportation update and send to SANDAG and MTS.</td>
</tr>
<tr>
<td>8/24</td>
<td>State Route 11 teleconference.</td>
</tr>
<tr>
<td>8/28</td>
<td>Prepare weekly transportation update and send to SANDAG and MTS.</td>
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MATTERS TO BE COMMUNICATED IN ACCORDANCE WITH AUDITING STANDARDS

Introduction

The independent certified public accounting audit firm of Davis Farr LLP (formerly a governmental division of Mayer Hoffman McCann P.C.) will perform the annual audit of SANDAG for the fiscal year ending June 30, 2015. With the consent of SANDAG, Davis Farr LLP assumed all rights and obligations under the original Mayer Hoffman McCann P.C. contract, originally selected through a competitive procurement process, with the FY 2015 audit encompassing the third year of a multiyear contract for independent auditing services.

Discussion

Professional auditing standards require that as part of an audit, the auditor inquire of those in governance to ascertain whether they have knowledge of matters that might have a bearing on the auditor’s risk assessment for the annual audit of SANDAG financial statements. Additionally, in compliance with the Statement of Auditing Standards (SAS) No. 114, the auditor is required to communicate certain matters to the governing body, including an overview of the planned scope and timing of the audit. In summary, the required communication contains audit risk areas identified by the auditors and the planned audit approach to address those risks. Davis Farr LLP will present to the Executive Committee the SAS No. 114 letter, included as Attachment 1.

Also, in accordance with SAS No. 114, the auditor should communicate with those charged with governance significant findings from the completed audit. Significant findings will be communicated in an additional SAS No. 114 letter after the audit is complete and the FY 2015 Comprehensive Annual Financial Report (CAFR) is issued. The CAFR is anticipated for presentation to the Executive Committee and Board of Directors in January 2016.

ANDRÉ DOUZDJIAN
Director of Finance

Attachment: 1. SAS No. 114 Required Audit Communications Letter

Key Staff Contact: André Douzdjian, (619) 699-6931, andre.douzdjian@sandag.org
Leeanne Wallace, (619) 699-0728, leanne.wallace@sandag.org
August 24, 2015

Executive Committee
San Diego Association of Governments
San Diego, California

We are in the process of planning the audit of the San Diego Association of Governments (“SANDAG”) for the year ending June 30, 2015.

Professional auditing standards require that, as a part of our audit, we inquire of those in governance to ascertain whether or not the Executive Committee (the “Committee”) has knowledge of matters that might have a bearing on the auditor’s risk assessment for the annual audit of SANDAG’s financial statements.

Examples of these matters are:

- Known or suspected instances of employee fraud
- Areas in which the internal controls of SANDAG are thought by the Committee to be weak
- Known or suspected misstatements in the accounting records of SANDAG
- Known or suspected use of improper accounting practices by SANDAG
- Any awareness of pressure upon SANDAG or SANDAG management with respect to achieving certain financial results
- Matters that warrant particular attention during the audit
- Information about unusual transactions or other matters relevant to the audit

Please email Jennifer Farr at JFarr@davisfarr.com within 45 days from the date of this letter if the Committee has any matters to report that meet the above criteria.

Statement on Auditing Standards No. 114 requires the auditors to communicate the planned scope and timing of the audit. Additionally, at the conclusion of the audit, we plan to meet with the Committee to communicate the auditor’s responsibilities under generally accepted auditing standards and significant findings from the audit.

Timing of Audit

We began the interim audit procedures in June 2015. We plan to begin final audit fieldwork for Sourcepoint, the Automated Regional Justice Information System, SR-125, SANDAG and the San Diego County Regional Transportation Commission in October 2015. We began fieldwork on TDA and TransNet agency recipients in August 2015.

Planned Scope of Audit

In addition to our standard audit approach, we have modified our audit plan to include additional testing in the following risk areas:
• Risk of errors in implementing GASB 68, the new Pension Liability Standard: We will review the journal entries to record the pension liability and related transactions. We will review the CalPERS Accounting Valuation Report and Actuarial Valuation Report. We will review the CalPERS plan auditor’s reports that reflect the allocation of Net Position to SANDAG. We will test the CalPERS census data supporting the pension liability balances. We will ensure SANDAG has properly reflected the pension related transactions in the financial statements and footnote disclosures.

• Risk of errors in record OPEB liability: We will review the most recent Other Post Employment Benefit actuarial valuation for compliance with GASB Statement No. 45. We will test the census data used by the actuary to estimate the liability. We will ensure SANDAG is recording the OPEB liability accurately and all footnote disclosures are complete.

• Risk of errors recording new debt transactions: We will evaluate new debt transactions including the bond documents and journal entries to ensure they are recorded properly and the footnotes contain complete and accurate disclosures.

• Risk of errors associated with recording capital asset additions: As a result of the significance of capital projects, we plan to test the most significant capital projects to ensure asset additions are properly recorded and removed from construction in progress when completed. We also plan to test uses of bond proceeds to ensure they are for allowable projects.

• Risk of unallowable grant expenditures and noncompliance: We will perform a Single Audit of Federal Awards. While the final determination cannot be made until we have the final Schedule of Expenditures of Federal Awards, we are anticipating auditing the Department of Transportation Highway Planning and Construction Grants as the major program this year.

• We are required to incorporate an element of unpredictability into the audit procedures each year. This year we are planning to evaluate SANDAG’s information systems using our internal specialist. Additionally, we will be reviewing controls over vendor management and checks held for pickup for fraud risk.

If any member of the Committee has information relevant to our audit (matters involving amounts that would be significant to the financial statements of SANDAG taken as a whole), please contact the undersigned at JFarr@davisfarr.com.

Sincerely,
Davis Farr LLP

Jennifer Farr, CPA
Partner