Members

Jack Dale, Chair
Councilmember, City of Santee
(Representing East County)

Ron Roberts, Vice Chair
Supervisor, County of San Diego

Todd Gloria
Councilmember, City of San Diego

Jim Wood
Mayor, City of Oceanside
(Representing North County Coastal)

Chris Orlando
Councilmember, City of San Marcos
(Representing North County Inland)

Ron Morrison
Mayor, City of National City
(Representing South County)

Alternates

Bill Wells
Mayor, City of El Cajon
(Representing East County)

Bill Horn
Chair, County of San Diego

Sherri Lightner
Council President, City of San Diego

Lorie Zapf
Councilmember, City of San Diego

Matt Hall
Mayor, City of Carlsbad
(Representing North County Coastal)

Sam Abed
Mayor, City of Escondido
(Representing North County Inland)

Pamela Bensoussan
Deputy Mayor, City of Chula Vista
(Representing South County)

Gary L. Gallegos
Executive Director, SANDAG

EXECUTIVE COMMITTEE AGENDA

Friday, November 6, 2015
9 to 10 a.m.
SANDAG, 7th Floor Conference Room
401 B Street
San Diego

AGENDA HIGHLIGHTS

• ANNUAL REVIEW AND PROPOSED AMENDMENTS TO BOARD POLICIES AND BYLAWS

• SERVICE BUREAU: FY 2015 YEAR-END STATUS REPORT

• FY 2015 PROGRAM BUDGET: YEAR-END REPORT

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.
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.

In order to keep the public informed in an efficient manner and facilitate public participation, SANDAG also provides access to all agenda and meeting materials online at www.sandag.org/meetings. Additionally, interested persons can sign up for e-notifications via our e-distribution list at either the SANDAG website or by sending an email request to webmaster@sandag.org.

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请在会议前至少 72 小时打电话 (619) 699-1900 提出请求.
EXECUTIVE COMMITTEE
Friday, November 6, 2015

ITEM NO.                                    RECOMMENDATION
+1. APPROVAL OF MEETING MINUTES              APPROVE
The Executive Committee is asked to review and approve the minutes from its October 9, 2015, meeting.

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 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.

CONSENT

+3. LEGISLATIVE STATUS REPORT (Victoria Stackwick, Robyn Wapner) INFORMATION
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.

REPORTS

+4. REVIEW OF DRAFT BOARD AGENDAS (Kim Kawada) APPROVE
+4A. Draft Board Business Agenda - November 20, 2015
+4B. Draft Board Policy Agenda - December 4, 2015

+5. ANNUAL REVIEW AND PROPOSED AMENDMENTS TO BOARD POLICIES AND BYLAWS (John Kirk) DISCUSSION/POSSIBLE ACTION
The Executive Committee is asked to: (1) discuss the proposed amendments to the Board Policies, and either recommend that the Board of Directors approve the proposed amendments, or direct staff to return to the Executive Committee for further discussion or review; and (2) recommend that the Board of Directors renew the annual delegation of authority to the Executive Director pursuant to Board Policy No. 003: Investment Policy.

+6. SERVICE BUREAU: FY 2015 YEAR-END STATUS REPORT (Cheryl Mason) INFORMATION
SANDAG Board Policy requires that the Executive Committee, which governs the SANDAG Service Bureau, receive periodic progress reports on the project activities and financial status of the Service Bureau. Staff will summarize Service Bureau activities during FY 2015.
FY 2015 PROGRAM BUDGET: YEAR-END REPORT (Tim Watson)

This report presents highlights of the FY 2015 Program Budget from July 1, 2014, through June 30, 2015. Staff will present the significant accomplishments and issues from the year-end report.

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.

UPCOMING MEETINGS

The next meeting of the Executive Committee is scheduled for Friday, December 4, 2015, at 9 a.m. (Please note, this meeting will be held on the first Friday of the month due to the holiday schedule.)

ADJOURNMENT

+ next to an agenda item indicates an attachment
EXECUTIVE COMMITTEE
NOVEMBER 6, 2015

AGENDA ITEM NO. 15-11-1

ACTION REQUESTED – APPROVE

EXECUTIVE COMMITTEE DISCUSSION AND ACTIONS

OCTOBER 9, 2015

Chair Jack Dale (East County) called the meeting of the SANDAG Executive Committee to order at 9:01 a.m. The attendance sheet for the meeting is attached.

1. MEETING MINUTES (APPROVE)

**Action:** Upon a motion by Mayor Jim Wood (North County Coastal) and a second by Councilmember Chris Orlando (North County Inland), the minutes of the September 11, 2015, Executive Committee meeting were approved. Yes – Chair Dale, Vice Chair Ron Roberts (Supervisor, County of San Diego), Councilmember Orlando, Mayor Wood, and Councilmember Todd Gloria (City of San Diego). No - None. Abstain – None. Absent – South County.

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

Mayor Wood requested that the members take a moment to remember former San Diego County Sheriff Bill Kolender, who recently passed away.

REPORTS

3. REVIEW OF DRAFT BOARD AGENDAS (APPROVE)

The Executive Committee was asked to approve the draft agendas for the October 23, 2015, Board Business meeting, and the November 6, 2015, Board Policy meeting.

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

**Action:** Upon a motion by Councilmember Gloria and a second by Councilmember Orlando, the Executive Committee approved the draft agendas for the October 23, 2015, Board Business meeting and the November 6, 2015, Board Policy meeting, as amended. Yes – Chair Dale, Vice Chair Roberts, Councilmember Orlando, Mayor Wood, Councilmember Gloria. No - None. Abstain – None. Absent – South County.

4. LEGISLATIVE STATUS REPORT (INFORMATION)

Victoria Stackwick, Principal Legislative Analyst, introduced the item.
Peter Peyser and Beth Boehlert, Peyser Associates LLC, and Brooks Ellison and Kirk Blackburn, Ellison Wilson Advocacy, LLC, provided status reports regarding legislative activities at the federal and state level.

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

5. **CONTINUED PUBLIC COMMENTS**

There were no continued public comments.

8. **UPCOMING MEETINGS**

The next meeting of the Executive Committee is scheduled for Friday, November 6, 2015, at 9 a.m. (Please note, this meeting will be held on the first Friday of the month due to the holiday schedule.)

9. **ADJOURNMENT**

Chair Dale adjourned the meeting at 9:26 a.m.
## CONFIRMED ATTENDANCE
### SANDAG EXECUTIVE COMMITTEE MEETING
### OCTOBER 9, 2015

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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 – OCTOBER 2015

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**LEGISLATIVE UPDATE**

**2015 Legislation**

The Governor had until October 11 to sign or veto bills (per Art. IV, Sec. 10(b)(1)). The Legislature will formally reconvene on January 4, 2016.

The following SANDAG-supported bills were signed by the Governor and will become law.

**Senate Bill 374** (SB 374) (Hueso/Atkins), which clarified that SANDAG may utilize design-build for transit capital projects and development projects adjacent or related to transit facilities, was signed by the Governor on October 9. In addition to SANDAG support, the bill received widespread support from the labor community, the San Diego Regional Chamber of Commerce, San Diego City Councilmember Todd Gloria, the San Diego Metropolitan Transit System, and the Downtown San Diego Partnership. The bill will go into effect on January 1, 2016.

**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 signed by the Governor on October 9. In addition to SANDAG support, the bill was supported by a number of transportation groups, the local government community, and the American Council of Engineering Companies of California. The bill will go into effect on January 1, 2016.

**Senate Bill 9** (SB 9) (Beall), which modifies the Transit and Intercity Rail Capital Program to focus on capital rail and transit system improvements that will be “transformative,” was signed by the Governor on October 9. The bill will go into effect on January 1, 2016.

The following SANDAG-supported bill was vetoed by the Governor.

**Senate Bill 249** (SB 249) (Hueso), which would authorize the Department of Motor Vehicles to issue enhanced driver’s licenses, was vetoed by Governor Brown on October 9 with the following veto message:
I am returning Senate Bill 249 without my signature. This bill authorizes the Department of Motor Vehicles to enter into a memorandum of understanding with the U.S. Department of Homeland Security, allowing the department to issue "enhanced" driver’s licenses, provisional licenses, and identification cards. While I support the purpose of this bill to allow easier passage across certain borders within the Western Hemisphere, I believe that there are other means, such as the U.S. Passport Card, that achieve the same goal without imposing new burdens on the Department of Motor Vehicles. Sincerely, Edmund G. Brown Jr.

**Extraordinary Session – Transportation Funding**

On October 16, the Legislative Joint Transportation Infrastructure Conference Committee convened for the first time in Sacramento to receive an overview on the Governor’s proposal from Brian Kelly, Secretary of the California Transportation Agency, as well as feedback from a panel of interested parties, including representatives from the League of California Cities, State Building and Construction Trades Council, the Legislative Analyst’s Office, and many others. On October 21, the Conference Committee reconvened at Ontario City Hall to hear additional testimony from several representatives from local government. Now that the hearings have wrapped up, Conference Committee members will resume negotiations among themselves and leadership.

**ACTIVITY REPORT**

10/2: Reviewed Governor’s actions on Assembly Bill 1171 (Linder), which authorizes regional transportation agencies to use the Construction Manager/General Contractor project delivery method to design and construct projects on expressways; provided subsequent updates to SANDAG staff.

10/8: Provided SANDAG staff with Conference Committee hearing information.

10/9: Attended SANDAG Executive Committee meeting to provide a legislative overview of the 2015 legislative year; attended SANDAG Board of Directors meeting; reviewed Governor’s actions on SB 374, AB 914, SB 249, and SB 9; provided subsequent updates to SANDAG staff.

10/12: Provided SANDAG staff with comprehensive overview on Governor’s actions on all pertinent legislation.

10/14: Met with Senate Transportation and Housing Committee staff regarding upcoming Conference Committee meetings.

10/16: Attended/monitored Conference Committee hearing regarding transportation funding proposals at Capitol.

10/21: Monitored Conference Committee hearing regarding transportation funding proposals in Ontario; provided SANDAG staff with comprehensive overview on 2016 California ballot measures.
Transportation Update from Peyser Associates

House Leadership Struggles

Having barely recovered from the surprise announcement two weeks ago of Speaker John Boehner’s resignation from the Speakership and his House seat, Washington, D.C. was rocked again on October 8 when Majority Leader Kevin McCarthy (R-CA), previously the favor to succeed Boehner, withdrew from the race for Speaker. This announcement threw into turmoil the selection of new leaders, which has now been postponed until an uncertain date in the future.

Congressman McCarthy’s campaign was undone by his association with the current leadership and a very unfortunate comment he made last week suggesting the House’s Select Committee on Benghazi had been created for the purpose of damaging former Secretary of State Hillary Clinton’s campaign in 2016. The writing on the wall became clear when the House Freedom Caucus, made up of 40 of the most conservative Republican Members, threw its support behind Representative Daniel Webster (R-FL), a three-term Member from Orlando. Assuming those 40 votes for Webster and some unknown but possibly larger number for Representative Jason Chaffetz (R-UT), Congressman McCarthy would have been well below the 218 votes he would need on the floor of the full House to prevail. The Speaker is considered the leader of the whole House, not just his or her party, so must be elected by a majority of the entire body. Congressman McCarthy made it clear in his statement after withdrawing that he did not believe it was in the best interests of the caucus to go through a three-week struggle for him to round up votes from his own caucus Members. He maintains that someone needs to unite the Republican Party and that he didn’t believe that was him.

After adjourning the Republican Caucus meeting, Speaker Boehner issued a statement saying he planned to stay on as Speaker until a new Speaker is elected. This is different from his earlier announcement that he would leave at the end of October 2015. This leaves open the potential that Speaker Boehner may still be in his position as a lame duck Speaker as the Congress and the White House try to work out deals on annual spending, the debt limit, and the surface transportation bill.

Reauthorization Watch

Discussions over using taxation of repatriated foreign profits as a funding source for surface transportation programs have broken down. This was the only potential source under serious discussion that had the ability to fund highway and transit programs for six years with growth. Earlier last week, conversations between key Senators and House Ways and Means Committee Chair Paul Ryan (R-WI) had looked like they might come to fruition. In the aftermath of the breakdown of those talks, it became clear that the House Committee on Transportation and Infrastructure (T&I) would be forced to work on a bill with only three years of funding like the
Senate’s Transportation Authorization proposal, the Developing a Reliable and Innovative Vision for the Economy (DRIVE) Act.

This week, House T&I sources indicated October 28 or 29 were the targets for a markup of a long-term reauthorization bill. With the expected timing of the markup and the October 29 expiration of the current authorization, Moving Ahead for Progress in the 21 Century Act (MAP-21), it will come as a surprise to no one that another short-term extension will be required at the end of the month. It is unknown what sort of timeline Congress will use for another extension though the United States Department of Transportation (U.S. DOT) estimates show that the Highway Trust Fund will remain solvent into next year.

Senate Commerce Committee Chair John Thune (R-SD) was one of a few senators who told reporters this week that it would make things easier if the House would just take up the Senate-passed bill.

**Positive Train Control Extension**

The strength of momentum towards a stand-alone bill to extend the deadline for installation of Positive Train Control (PTC) was called into some question this week when a group of Democratic Senators indicated they could not support a PTC extension unless it were attached to a long-term surface transportation bill with a rail title. Put simply, these Senators were calling for enactment of the Senate’s DRIVE Act, which satisfied their criteria. Senate Environment and Public Works Committee Ranking Member Barbara Boxer (D-CA) went so far as to say Democratic Senators would block consideration of a stand-alone PTC extension.

It is unclear whether Senator Boxer has the votes to back up that threat, but her case was bolstered by the release of a letter signed by seven Democratic Senators making essentially the same demand. While 8 Senators is far short of the 40 needed to block a bill, they are enough to make it clear to Senate leadership that a significant amount of floor time may be needed to get it through. That by itself has many times been enough to cause leaders to look for a different way of get something done.

**TIGER Watch**

The Transportation Investment Generating Economic Recovery (TIGER) grant applicants all over the country had assumed announcements were imminent of the FY 2015 winners. In recent years, the announcements had come in mid-September. When the end of the fiscal year came and went last week, there were a lot of frustrated public agencies nationwide. While no definitive timeline has emerged, Federal Transit Administration (FTA) Acting Administrator Therese McMillan told attendees at the American Public Transit Administration annual meeting that TIGER grants would be announced “sometime this fall” and that she expected transit projects would do quite well.

**October 15, 2015**

**Transportation Update from Peyser Associates**

**Reauthorization Watch**

The House T&I Committee has scheduled an October 22 markup for a long-term surface transportation authorization bill. Even with the October 22 date, we expect another MAP-21
extension to be necessary when the current measure expires on October 29. Though both the House and Senate have put forth a long-term bill, the path to success before the end of the year is a difficult one. Opponents have begun to rally behind some of the offsets included in the Senate-passed DRIVE Act.

The House released a draft version of its bill on October 15. The bill is entitled “Surface Transportation Reauthorization and Reform Act of 2015.”

The bill is largely as we expected from a funding perspective. Programs across the board appear to receive increases of about 3 percent per year, so the bill tracks the Congressional Budget Office baseline for the six-year authorization period. The chart below shows funding levels for some key programs ($ in billions):

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Perhaps most notable is the sharp decline in dedicated funding for the Transportation Infrastructure Finance and Innovation Act (TIFIA) Program. Funds cut from TIFIA would go to pay the credit risk premium associated with making TIFIA loans. The current funding for this program is $1 billion. This reduction is mitigated by provisions in the bill that make it possible for states and regions to use Federal Highway Administration (FHWA) formula funds to pay credit risk premiums on TIFIA loans.

The bill does not authorize a TIGER grant program. It does, however include a Nationally Significant Highway and Freight Program authorized at $725 million in FY 2016, $735 in FY 2017, and $750 per fiscal year after that. Transit projects are not eligible under this program, as currently drafted.

Another interesting provision in the bill is one that creates within the DOT a new National Surface Transportation and Innovative Finance Bureau. This new bureau would manage the TIFIA and the Railroad Rehabilitation and Improvement Financing programs. This would create a “one-stop shop” for credit programs within the U.S. DOT.

While there is reason to be encouraged that the House T&I Committee is preparing to move on the policy front, the House Ways and Means Committee has yet to announce how they intend to proceed on this legislation. The role of the Ways and Means Committee is to find the revenues to support the authorizations in the House T&I Committee bill. With the Chairman of the House Ways
and Means Committee under consideration for Speakership, it remains unclear how this will impact the process.

With no realistic chance of the House and Senate clearing a multi-year bill before the current October 29 expiration date of surface transportation programs, we anticipate an extension until mid-December is likely to emerge either next week or early in the following week.

**Leadership Race/Debt Limit Increase**

With Congress in recess the halls of Capitol Hill were a little quieter than usual and there were not as many headlines about the House Republican leadership race. However, behind the scenes maneuvering is very much ongoing as the party waits to hear a final decision from House Ways and Means Chairman Paul Ryan (R-WI) as to whether he will jump into the race. To-date, Congressman Ryan has remained reticent to jump into the race for Speaker of the House. While Congressman Ryan, the 2012 Vice Presidential nominee, claims family obligations, others believe his hesitancy has to do with future goals for higher office.

As the race for Speaker unfolds, outgoing Speaker John Boehner has said that he wants to clear the decks of some of the most contentious issues before he leaves office. Raising the debt limit is certainly one of these controversial issues and the Treasury Department kept the pressure on Congress this week by moving the debt limit deadline date to November 3. With Boehner hoping to leave office at the end of October, he is left with two weeks to get legislation through the House. While budget negotiations are said to be ongoing between the House, Senate, and White House, Speaker Boehner has indicated that if no deal is shaping up, he will simply bring a clean debt-limit bill to the floor. If Speaker Boehner takes that path, it will most certainly pass with majority Democratic support and minimal support from his own party.

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

Service on ten daily Amtrak trains between St. Louis and Chicago will shut down for two weeks starting October 17 to accommodate high-speed rail construction. The service shutdown will allow upgrades to six bridges throughout the corridor. Some of the trains will be able to be rerouted during the timeframe, while other service will be replaced by buses. Amtrak and other stakeholders are working to bring 110-mile-per-hour service to the entire line by 2017. Some track sections have already been upgraded enough to accommodate the faster speeds.

**October 23, 2015**

**Transportation Update from Peyser Associates**

**Reauthorization Watch: House T&I Marks Up Reauthorization Bill**

The House T&I Committee marked up the Surface Transportation Reauthorization and Reform Act (STRRA) on October 22. The bill (H.R. 3763) was favorably reported out by voice vote. The committee approved a Managers’ Amendment during the markup, but only a handful of other amendments were approved. Though over 150 amendments were filed, the majority of amendments that were offered were withdrawn before a vote.

The Managers’ Amendment includes one change to current federal matching share policy on Capital Investment Grants. As amended, the bill would change the maximum Section 5309 share for
“New Starts” to 50 percent. It would leave in place the current statutory maximum of 80 percent for Core Capacity and Small Starts projects. The originally introduced bill would have changed the Section 5309 maximum to 50 percent for all three categories of projects.

Under current law, with the 80 percent maximum Section 5309 share across the board, the FTA has been using a 50 percent match as its policy level. So, this provision wouldn’t necessarily cause a change in current practice. However, it leaves open the door for a future administration to decide to expend significant funds on Core Capacity projects, while diminishing the pool of funds available for other types of projects.

Another provision in the originally introduced STRRA that caused some concern this week was one that was intended to elucidate the ways in which local share can be supplied to a project. It included a reference to the use of non-U.S. DOT federal funds eligible for transportation. Some people interpreted that to mean that U.S. DOT flexible funds, such as Surface Transportation Program funds, the Congestion Mitigation and Air Quality Improvement, and Urbanized Area Formula funds could not be used to increase the federal share of a project from 50 percent to 80 percent. We did not read the provision that way and reached out to House T&I Committee staff to verify that they did not intend that provision to change the current authority to use flexible federal funding to boost the federal share from 50 percent to 80 percent, or something in between. They confirmed that this was not their intent. During the markup, Representative Lipinski raised this issue and Chairman Shuster said the Committee did not intend to restrict the use of flexible funds for this purpose. Chairman Shuster said that the Committee would ensure this issue gets clarified before floor consideration.

As a reminder, here is the funding chart we circulated last week. The House Ways and Means Committee has still not progressed with the creation of a revenue title and it remains very much a question mark as to how much further this House bill will move through the legislative path. Until the House Ways and Means Committee acts, no additional floor action can occur. Programs across the board receive increases of about 3 percent per year, so the bill tracks the Congressional Budget Office baseline for the six-year authorization period.

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Reauthorization Watch: Short-Term Extension

With the current MAP-21 extension is scheduled to expire on October 29, it is clear that no long-term bill will be ready to go by next week. While Senate Environment and Public Works (EPW) Chair Jim Inhofe (R-OK) floated the idea of a short, three-week extension, an idea vocally supported by EPW Ranking Member Barbara Boxer (D-CA), House Chairman Shuster was quite clear this week
that such a short time period would be tough to do. We expect Congress to move an additional MAP-21 extension early next week.

Positive Train Control Deadline

House T& I Committee Chair Bill Shuster (R-PA) said Thursday that he expects a stand-alone bill to extend the PTC deadline to come to the House floor next week. House and Senate leaders have reportedly worked out an agreement to allow for a three-year extension, with the option for two one-year additional extensions for individual railroads at the discretion of the Secretary of Transportation.

As we have reported in earlier updates, some Democratic Senators have expressed an objection to moving the PTC extension outside the context of a comprehensive transportation authorization bill. This position appears to be weakening as it becomes more apparent that freight and commuter railroads need certainty on this issue sooner than the full reauthorization bill can be completed.

We expect a stand-alone bill will pass the House and the Senate within the next couple of weeks.
REVIEW OF THE NOVEMBER 20, 2015, DRAFT BOARD BUSINESS AGENDA

ITEM NO.  RECOMMENDATION
+1. APPROVAL OF MEETING MINUTES  APPROVE
   +1A. October 9, 2015, Board Policy Meeting Minutes
   +1B. October 23, 2015, Board Business Meeting Minutes

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.

3. ACTIONS FROM POLICY ADVISORY COMMITTEES (Victoria Stackwick)  APPROVE
   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

+4. APPROVAL OF PROPOSED SOLICITATIONS AND CONTRACTS (Laura Coté)  APPROVE
   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

+5. REVISED 2016 BOARD OF DIRECTORS AND POLICY ADVISORY COMMITTEE ANNUAL MEETING CALENDAR (Victoria Stackwick)  APPROVE
   The Board of Directors Retreat has been rescheduled for March 9 through 11, 2016. The Board of Directors is asked to approve the revised calendar of meetings of the Board and the Policy Advisory Committees for the upcoming year.
+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 Business 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 Business meeting.

+8. QUARTERLY PROGRESS REPORT ON TRANSPORTATION PROJECTS – JULY THROUGH SEPTEMBER 2015 (Michelle Smith)*

This quarterly report summarizes the current status of major transit, highway, arterial, traffic management, and transportation demand management projects in the SANDAG five-year Regional Transportation Improvement Program for the period July through September 2015.


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 update on the SANDAG debt portfolio; and (3) information about the latest developments in the financial markets, the economy, and sales tax revenues.

**CHAIR’S REPORT**

+10. REPORT FROM NOMINATING COMMITTEE ON SLATE OF BOARD OFFICERS FOR 2016 (Lemon Grove Mayor Mary Sessom, Nominating Committee Chair)*

The Nominating Committee will make recommendations regarding 2016 SANDAG Board Officers.

**REPORTS**

+11. ANNUAL REVIEW AND PROPOSED AMENDMENTS TO BOARD POLICIES AND BYLAWS (Vice Chair Ron Roberts; John Kirk)*

The Executive Committee recommends that the Board of Directors: (1) approve the proposed Board Policy amendments; and (2) renew the annual delegation of authority to the Executive Director pursuant to Board Policy No. 003: Investment Policy.
+12. 2016 STATE TRANSPORTATION IMPROVEMENT PROGRAM (San Diego Councilmember Todd Gloria, Transportation Committee Chair; Sookyung Kim)  

The California Transportation Commission (CTC) has released its fund estimate for the 2016 State Transportation Improvement Program (STIP). The Transportation Committee recommends that the Board of Directors approve the programming and submission of the proposed 2016 STIP to the CTC.

+13. RECOMMENDATIONS FROM THE 2015 BINATIONAL SEMINAR (Santee Councilmember John Minto, Borders Committee Chair)  

The Borders Committee recommends that the Board of Directors accept the recommendations from the 2015 Binational Seminar.

14. 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.

15. UPCOMING MEETINGS  

The next Board Policy meeting is scheduled for Friday, December 4, 2015, at 10 a.m. The next Board Business meeting is scheduled for Friday, December 18, 2015, at 9 a.m. (Please note, these meetings are scheduled for the first and third Fridays, respectively, due to the holiday schedule.)

16. 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
# REVIEW OF THE DECEMBER 4, 2015, DRAFT BOARD POLICY AGENDA

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## REPORTS

+2. THE EFFECT OF PUBLIC SAFETY REALIGNMENT ON THE SAN DIEGO REGION (Del Mar Councilmember Terry Sinnott, Public Safety Committee Chair; San Diego County District Attorney Bonnie Dumanis; San Diego County Sheriff Bill Gore; San Diego County Probation Chief Mack Jenkins; San Diego Police Chief Shelley Zimmerman; Cynthia Burke)  
  A panel of public safety stakeholders will share how local law enforcement is working collaboratively to address the effects of the implementation of Assembly Bill 109 (Committee on Budget, 2011) and Proposition 47 (2014), while maintaining public safety in the San Diego region.

3. 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.

4. UPCOMING MEETINGS  
   The next Board Business meeting is scheduled for Friday, December 18, 2015, at 9 a.m. (Please note, this meeting is scheduled for the third Friday of the month due to the holiday schedule.)

5. ADJOURNMENT

+ next to an agenda item indicates an attachment
ANNUAL REVIEW AND PROPOSED AMENDMENTS
TO BOARD POLICIES AND BYLAWS

File Number 8000100

Introduction

Each year the Office of General Counsel solicits requests from staff and leadership for any suggested changes to Board Policies or Bylaws and reviews these documents to determine if updates or changes should be recommended to the Board of Directors. These proposed amendments are attached and brought to the Executive Committee for discussion and possible recommendation to the Board of Directors.

Discussion

The significant changes for each of the Board Policies proposed for amendment are discussed below. The actual language changes are tracked in the attached draft versions of the Board Policies. Staff is not recommending any changes to the Bylaws at this time.

Board Policy No. 003: Investment Policy (Attachment 1)

The Director of Finance, in consultation with the SANDAG investment advisors, Public Financial Management (PFM), and Cutwater Asset Management, has reviewed Board Policy No. 003. Based on that review, a number of changes are proposed addressing particular categories of investments that are permitted under the Policy.

Section 8.2 of the Policy is proposed to be amended to add notes, bills, and certificates of indebtedness to the categories of United States Treasury obligations that are permitted under the Policy. As with the preexisting categories, each of these instruments would be required to be backed by the full faith and credit of the United States.

A change also is proposed to Section 8.10.1 of the Policy, Negotiable Certificates Of Deposit. The Policy currently requires that negotiable certificates of deposit be purchased from banks with long-term ratings of “AA” or better. The California Government Code does not require credit ratings on
negotiable certificates of deposits, and SANDAG requires only an “A” rating on other types of corporate obligations. To provide SANDAG with additional investment flexibility and to make this section consistent with the Policy’s requirements for corporate debt, it is proposed that the minimum credit rating requirement for negotiable certificates of deposits be modified from “AA” to “A.” Given the limited number of banks with “AA” ratings, this change also would enhance portfolio diversification while still maintaining an emphasis on high credit quality. The SANDAG asset management consultants would continue to provide independent evaluation of the credit quality of issuers prior to any purchase.

A credit-rating amendment also is proposed for Section 8.16 of the Policy, Mortgage and Asset-Backed Obligations. The Policy currently requires that both the issuer and the obligations have “AA” ratings by two Nationally Recognized Statistical Rating Organizations (NRSROs). To provide SANDAG with additional investment flexibility, it is proposed that this section be revised to match the Government Code, which requires an “A” rating of the issuer and an “AA” rating for the particular obligation. Furthermore, it is proposed that the Policy only require the rating from one NRSRO, consistent with Government Code requirements.

A new section, 8.17, is proposed to be added to the Policy to allow investment in “supranationals” under specified conditions. Supranationals are international financial institutions that are generally established by agreements among nations, with member nations contributing capital and participating in management. In 2015 the Government Code was amended to allow local agencies to invest in the senior debt obligations of three specific supranational issuers. Supranational bonds finance economic and infrastructure development and support environmental protection, poverty reduction, and renewable energy around the globe. The three specific supranational issuers that SANDAG would be permitted to invest in have strong operating histories and benefit from broad, diverse membership. Allowing investment in supranationals would provide SANDAG with an additional diversification opportunity using a high-quality investment sector. The County of San Diego currently allows investment in supranationals under specified conditions.

Finally, the language in Section 5.1 of the Policy calls for the Board of Directors to renew its delegation of authority to the Executive Director for conducting investments on behalf of SANDAG on an annual basis subject to the limitations set forth in the Policy. The Executive Committee is asked to recommend that the Board of Directors renew this delegation for the coming year.

*Board Policy No. 004: Rules of Procedure for Board of Directors, Policy Advisory Committees, and Other Legislative Bodies (Attachment 2)*

Language is proposed to be modified at the beginning of this Policy to replace outdated language.

Modifications also are proposed to Section 6 of the Policy. Although the process for a Board member to request that an item be placed on a future agenda is addressed in Board Policy, no such procedure currently is addressed for Policy Advisory Committees. Language added in Section 6 would recognize the current practice of agenda creation for Committees as a collaboration between SANDAG staff and the Committee Chair. It also would adopt a practice similar to that applicable to the Board of Directors, directing Committee member requests for an item to be agendized to be presented in writing to both the Committee and Board Chair for consideration.
**Board Policy No. 011: Travel Expenses (Attachment 3)**

Section 2.5.6 of the Policy, relating to automobile rentals, is proposed to be amended to provide for the purchase of liability insurance as part of automobile rentals. This is based on updated agency insurance coverages, which do not otherwise specifically provide liability protection for rented vehicles.

Additionally, an amendment to section 2.5.7 is proposed to update the referenced Internal Revenue Service (IRS) publication that sets per diem reimbursement rates. Rather than referencing a particular IRS version of the publication, language is suggested to instead reference the most recent version of the IRS publication on this subject.

**Board Policy No. 031: TransNet Ordinance and Expenditure Plan Rules (Attachment 4)**

This Policy sets forth a number of rules to implement the provisions of the original TransNet Ordinance (San Diego Transportation Commission Ordinance 87-1) and the TransNet Extension Ordinance (San Diego Transportation Commission Ordinance 04-01). Rule 6 of the Policy, “Fund Accounting and Interest Allocation,” includes a requirement that each recipient agency create a separate fund for TransNet revenues or implement another similar method to maintain separate accountability for TransNet revenue and expenditures.

Section 2.C.1. of the TransNet Extension Ordinance establishes funding for the Local Street and Road Program. Under this section, a minimum of 70 percent of such funding should be allocated to “congestion relief” purposes, which comprise construction of new or expanded facilities, major rehabilitation and reconstruction of roadways, traffic signal coordination and related traffic operations improvements, transportation-related community infrastructure improvements to support smart growth development, capital improvements needed to facilitate transit services and facilities, and operating support for local shuttle and circulator routes and other services. No more than 30 percent of the remaining funding provided under this program may be allocated for local street and road maintenance purposes.

In order to clarify how the fund accounting called for under Rule 6 applies to interest accrued on funds provided under the Local Street and Road Program, language is proposed to be added to Rule 6 clarifying that all interest earned on Local Street and Road Programs is subject to the 70/30 split described above. This would treat interest income the same as other revenues under the Program, and is consistent with current practice.

**Board Policy No. 033: Implementation Guidelines for SANDAG Regional Housing Needs Assessment Funding Incentives (Attachment 5)**

A minor edit is proposed to Section 4.2 of the Policy reflecting the prior dissolution of the Regional Housing Working Group.

JOHN F. KIRK
General Counsel
Attachments:  1. Board Policy No. 003: Investment Policy
   2. Board Policy No. 004: Rules of Procedure for Board of Directors, Policy Advisory
      Committees, and Other Legislative Bodies
   3. Board Policy No. 011: Travel Expenses
   4. Board Policy No. 031: TransNet Ordinance and Expenditure Plan Rules
   5. Board Policy No. 033: Implementation Guidelines for SANDAG Regional Housing
      Needs Assessment Funding Incentives

Key Staff Contact: John F. Kirk, General Counsel, (619) 699-1997, john.kirk@sandag.org
INVESTMENT POLICY

1. Introduction

The purpose of this document is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment policy, and to organize and formalize investment-related activities.

The investment policies and practices of the San Diego Association of Governments (SANDAG) are based upon state law and prudent money management. All funds will be invested in accordance with the SANDAG Investment Policy and the California Government Code. The investment of bond proceeds will be further governed by the provisions of relevant bond documents.

2. Scope

It is intended that this policy cover all funds and investment activities, with the exception of bond proceeds, under the direction or care of SANDAG, including funds of the San Diego County Regional Transportation Commission, SourcePoint, the SANDAG chartered nonprofit corporation, and the Automated Regional Justice Information System (ARJIS). Investment of bond proceeds shall be subject to the conditions and restrictions of bond documents and Treasury regulations related to arbitrage restrictions on tax-exempt bonds.

3. Prudence

All persons authorized to make investment decisions on behalf of SANDAG are trustees and therefore fiduciaries subject to the prudent investor standard: “When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.”

Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.
4. **Objectives**

4.1 **Safety.** Safety of principal is the foremost objective of the investment program. Investments of SANDAG shall be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.

4.2 **Liquidity.** The investment portfolio of SANDAG will remain sufficiently liquid to enable SANDAG to meet its cash flow requirements.

4.3 **Return on Investment.** The investment portfolio of SANDAG shall be designed with the objective of attaining a market rate of return on its investments consistent with the constraints imposed by its safety objective and cash flow considerations.

5. **Delegation of Authority**

5.1. The Board of Directors delegates the authority to invest or to reinvest funds, or to sell or exchange securities so purchased, to the Executive Director for a one-year period. The Executive Director is charged with the responsibility for carrying out the policies of the Board of Directors and shall assume full responsibility for investment transactions until the delegation of authority is revoked or expires. In accordance with the SANDAG established system for internal control, all financial transactions of SANDAG require the signature of at least two individuals authorized by the Executive Director.

5.2. For the purposes of carrying out this investment policy, any two of the following individuals, unless delegated per Section 5.5, are hereby authorized to make investment decisions, in strict accordance with this investment policy, on behalf of SANDAG:

- Executive Director
- Chief Deputy Executive Director
- Director of Finance
- Finance Manager
- TransNet Department Director
- Such other individuals authorized, in writing, by the Executive Director

5.3. All accounts established for the purpose of investing SANDAG funds shall require the written authorization of the Executive Director.

5.4. No single individual, acting alone, may engage in an investment activity, except for an authorized investment advisor/manager with discretionary authority delegated per Section 5.5.

5.5. The Executive Director may delegate investment management and decision authority, via written agreement, to one or more professional investment advisors/managers who are duly qualified and registered with the Securities and Exchange Commission under
the Investment Advisers Act of 1940. All agents engaged in this capacity shall make all
investment decisions and transactions in strict accordance with state law and this
investment policy.

5.6. The daily management responsibility for the investment program is assigned to the
Director of Finance, who shall monitor and review all investments for consistency with
this investment policy.

6. Ethics (Conflict of Interest)

Officers, employees and agents thereof involved in the investment process shall comply with
state law and refrain from personal business activities that could conflict with proper
execution of the investment program, or which could impair their ability to make impartial
decisions.

7. Selection of Financial Institutions and Broker/Dealers

7.1. SANDAG shall transact business only with banks, savings and loan associations, and
registered investment securities dealers. The purchase by SANDAG of any investment
other than those purchased directly from the issuer shall be either from an institution
licensed by the State as a broker/dealer, as defined in Section 25004 of the Corporation
Code, who is a member of the Financial Industry Regulatory Authority, or a member of a
federally regulated securities exchange, a National or State-Chartered Bank, a Federal or
State Association (as defined by Section 5102 of the Financial Code), or a brokerage firm
designated as a Primary Government Dealer by the Federal Reserve Bank. The Director
of Finance shall investigate all institutions that wish to do business with SANDAG, in
order to determine if they are adequately capitalized, make markets in securities
appropriate to the needs of SANDAG, and agree to abide by the conditions set forth in
the SANDAG Investment Policy.

7.2. The Director of Finance shall maintain a list of authorized broker/dealers and financial
institutions which are approved for investment purposes, and it shall be the policy of
SANDAG to purchase securities only from those authorized institutions and firms. If
SANDAG has contracted investment advisors/managers, the Director of Finance may
approve and use a list of authorized broker/dealers provided by the investment
advisor/manager.

8. Permitted Investment Instruments

8.1. The portfolio shall be diversified by security type and institution to avoid incurring
unreasonable and avoidable risks regarding specific security types or individual financial
institutions. Government Code §53601 states that when there is a percentage limitation
for a particular category of investment, that percentage is applicable only at the date of
purchase. Credit requirements listed in the investment policy apply at the time of
purchase. In the event a security held by SANDAG is subject to a credit rating change
that brings it below the minimum credit ratings specified for purchase, the Director of
Finance shall review the security. The course of action to be followed will then be
decided by the Director of Finance and either the Executive Director or the Chief Deputy
Executive Director on a case-by-case basis, considering such factors as the reason for the change, prognosis for recovery or further rate drops, and the market price of the security. Any credit rating changes below the minimum credit ratings specified for purchase will be reported to the Board of Directors with the next Quarterly Investment Report, along with the findings and any actions taken.

8.2. **Treasury Obligations:** notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.

8.3. **Federal Agencies and U.S. Government Sponsored Enterprises:** Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

8.4. **State Municipal Obligations:** Registered treasury notes or bonds of any of the 50 United States, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency or authority of any of the states. Such obligations must be rated A-1/P-1, or equivalent or better short-term; or Aa/AA or better long-term by at least one of the nationally recognized statistical-rating organizations.

8.5. **Local Agency Obligations:** Bonds, notes, warrants, or other evidences of indebtedness issued by any local agency within the State, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. Such obligations must be rated A-1/P-1, or equivalent or better short-term; or Aa/AA or better long-term by one of the nationally recognized statistical-rating organizations.

8.6. **Repurchase Agreements:** Repurchase Agreements used solely as short-term investments not to exceed 90 days.

8.6.1 The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to SANDAG’s custodian bank or handled under a properly executed tri-party repurchase agreement. The total of all collateral for each Repurchase Agreement must equal or exceed, on the basis of market value plus accrued interest, 102 percent of the total dollar value of the money invested by SANDAG for the term of the investment. Since the market value of the underlying securities is subject to daily fluctuation, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

8.6.2 Market value must be calculated each time there is a substitution of collateral.

8.6.3 SANDAG or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to Repurchase Agreement.
8.6.4 SANDAG may enter into Repurchase Agreements with (1) primary dealers in U.S. Government securities who are eligible to transact business with, and who report to, the Federal Reserve Bank of New York, and (2) California and non-California banking institutions having assets in excess of $1 billion and in the highest short-term rating category, as provided by one of the nationally recognized statistical-rating organizations.

8.6.5 SANDAG will have properly executed a Securities Industry and Financial Markets Association (SIFMA) agreement with each firm with which it enters into Repurchase Agreements.

8.7. **Bankers’ Acceptances:** Bankers’ Acceptances issued by domestic banks or domestic branches of foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest rating category by one of the nationally recognized statistical-rating organizations. Purchases of Bankers’ Acceptances may not exceed 180 days maturity or 40 percent of SANDAG surplus money. No more than 10 percent of SANDAG surplus funds may be invested in the Bankers’ Acceptances of any one commercial bank.

8.8. **Commercial Paper:** Commercial paper of “prime” quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (a) or paragraph (b):

a) The entity meets the following criteria: (i) Is organized and operating in the United States as a general corporation. (ii) Has total assets in excess of five hundred million dollars ($500,000,000). (iii) Has debt other than commercial paper, if any, that is rated “A” or higher by a nationally recognized statistical-rating organization.

b) The entity meets the following criteria: (i) is organized within the United States as a special purpose corporation, trust, or limited liability company. (ii) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (iii) Has commercial paper that is rated “A-1” or higher, or the equivalent, by a nationally recognized statistical-rating organization.

Purchases of eligible commercial paper may not exceed 270 days maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation. No more than 10 percent of SANDAG surplus funds may be invested in Commercial Paper of any one U.S. corporation.

Purchases of commercial paper may not exceed 25 percent of SANDAG surplus money which may be invested.

8.9. **Medium-Term Notes:** Medium-term notes, defined as all corporate and depository institution securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or depository
institutions licensed by the United States or any state and operating within the United States. Medium-term notes shall be rated in a rating category of “A” or better by a nationally recognized statistical-rating organization.

Purchase of medium-term corporate notes may not exceed 30 percent of SANDAG surplus money. No more than 10 percent of SANDAG surplus funds may be invested in the Medium-Term Notes of any one corporation.

8.10. **Certificates of Deposit**: The maximum term for certificates of deposit shall be five years. The combined amount invested in negotiable certificates of deposit and certificates of deposit shall not exceed 30 percent of SANDAG surplus money.

8.10.1 **Negotiable Certificates of Deposit**: Negotiable certificates of deposit issued by a nationally or state-chartered bank or a state or federal savings and loan association or by a state-licensed branch of a foreign bank or by a federally licensed branch of a foreign bank; provided that the senior debt obligations of the issuing institution are rated “AA” or better by one of the nationally recognized statistical-rating organizations.

8.10.2 **Nonnegotiable Certificates of Deposit**: Nonnegotiable certificates of deposit shall meet the conditions in either paragraph (a) or paragraph (b):

   (a) Certificates of deposit shall meet the requirements for deposit under Government Code Section 53635 et. seq. To be eligible to receive SANDAG deposits, the financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation, as provided in Government Code Section 53635.2. Deposits are required to be collateralized as specified under Government Code Section 53630 et. seq. The Director of Finance, at his or her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. SANDAG shall have a signed agreement with the depository per Government Code Section 53649.

   (b) Certificates of deposit placed through a deposit placement service shall meet the requirements of Government Code Section 53601.8. The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by federal deposit insurance.

8.11. **State of California’s Local Agency Investment Fund**: State of California’s Local Agency Investment Fund (LAIF) may be invested in for the benefit of local agencies up to the current limit set by LAIF for regular accounts. For ongoing due diligence, the Director of Finance shall maintain on file a copy of LAIF’s current investment policy and its requirements for participation, including limitations on deposits or withdrawals.

8.12. **San Diego County Treasurer’s Pooled Investment Fund**: Deposits in the County pooled investment fund shall be limited to the dollar maximums of the State LAIF. For ongoing due diligence, the Director of Finance shall maintain on file a copy of the
County pool’s current investment policy and its requirements for participation, including limitations on deposits or withdrawals.

8.13. **Savings/Money Market Accounts:** Savings/Money Market Accounts deposits placed with commercial banks and savings and loans in California. The amount on deposit shall not exceed the shareholder’s equity in the financial institution. To be eligible to receive SANDAG deposits, the financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation, as provided in Government Code Section 53635.2. Deposits are required to be collateralized as specified under Government Code Section 53630 et. seq. The Director of Finance, at his or her discretion, may waive the collateralization requirements for any portion that is covered by federal insurance. SANDAG shall have a signed agreement with the depository per Government Code Section 53649.

8.14. **California Asset Management Program:** Shares in a portfolio of the California Asset Management Program, so long as the portfolio is rated among the top two rating categories by one of the nationally recognized statistical-rating organizations. For ongoing due diligence, the Director of Finance shall maintain on file a copy of the Program’s current information statement to include its requirements for participation, including limitations on deposits or withdrawals.

8.15. **Money Market Funds:** Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.). To be eligible for investment pursuant to this subdivision, these companies shall either: (1) attain the highest ranking letter or numerical rating provided by not less than two of the three largest nationally-recognized statistical-rating organizations, or (2) have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years experience managing money market mutual funds with assets under management in excess of $500,000,000.

The purchase price of shares shall not include any commission that the companies may charge. The purchase of shares may not exceed 20 percent of SANDAG surplus money. For ongoing due diligence, the Director of Finance shall maintain on file a copy of the money market fund’s current information statement to include its requirements for participation, including limitations on deposits or withdrawals.

8.16. **Mortgage and Asset-Backed Obligations:** Any mortgage pass-through security collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable-pass-through certificate, or consumer receivable-backed bond of a maximum of five years maturity. **Securities eligible for investment under this subdivision shall be issued by an issuer having an “A” or higher rating for the issuer’s debt as provided by an NRSRO and rated in a rating category of “AA” or its equivalent or better by an NRSRO**Such obligations must be rated Aa/AA or higher by two national rating agencies and the issuer of such obligations must be rated Aa/AA or higher by two of the national rating agencies as well. Purchases of securities authorized by this section may not exceed 20 percent of SANDAG surplus funds that may be invested pursuant to this section.
8.17. **Supranationals:** United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated “AA” or its equivalent or better by an NRSRO and shall not exceed 30 percent of the SANDAG funds that may be invested pursuant to this section.

8.178. **Ineligible Investments:** Security types which are thereby prohibited include, but are not restricted to:

(a) Reverse repurchase agreements.

(b) “Complex” derivative securities such as range notes, dual index notes, inverse floating-rate notes, leveraged or deleveraged floating-rate notes, or any other complex variable-rate or structured note.

(c) Interest-only strips that are derived from a pool of mortgages, or any security that could result in zero interest accrual if held to maturity.

(d) Securities lending.

In the event that SANDAG possesses ineligible investments purchased prior to the adoption of this policy, SANDAG may hold these investments to their maturity dates. The limitation in this section shall not apply to SANDAG investments in shares of beneficial interest issued by diversified management companies registered under the Investment Company Act of 1940.

9. **Maximum Maturity**

9.1. Investment maturities shall be based upon a review of cash flow forecasts. Maturities will be scheduled so as to permit SANDAG to meet all projected obligations.

9.2. Where the investment policy does not specify a maximum remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase agreement, that at the time of the investment has a term remaining to maturity in excess of five years, unless the Board has granted express authority to make that investment either specifically or as a part of an investment program approved by the Board no less than three months prior to the investment. The Board authorizes the investment of endowment funds in securities exceeding five (5) years, as long as the investment has been approved by the Director of Finance and either the Executive Director or the Chief Deputy Executive Director, and the maturity of such investments does not exceed the expected use of funds.

10. **Performance Standards**

The investment performance of the SANDAG portfolio shall be evaluated and compared to appropriate indices in order to assess the success of the investment program. The comparable
benchmarks should be consistent with the SANDAG portfolio in terms of maturity and composition, which includes credit quality and security type.

11. Reporting Requirements

11.1. The Director of Finance shall submit to the Board annually a statement of investment policy, which the Board shall consider at a public meeting.

11.2. A monthly report of all investment transactions shall be submitted to the Board Members.

11.3. A quarterly investment report shall be submitted to the Board Members. The reports should include information in accordance with Section 53646(b) of the California Government Code.

12. Safekeeping and Custody

12.1. All security transactions, including collateral for repurchase agreements, entered into by SANDAG shall be conducted on a delivery-versus-payment (DVP) basis. Securities shall be held by a third party custodian and evidenced by safekeeping receipts.

12.2. The only exception to the foregoing shall be securities purchases made with: (i) LAIF, (ii) San Diego County Treasurer’s Investment Pool, (iii) CAMP pool, (iv) Nonnegotiable Certificates of Deposit, (v) bank deposits, and, (vi) money market mutual funds, since the purchased securities are not deliverable. The Director of Finance shall keep a record of any funds in any of these investments.

Adopted January 2003
Amended November 2004
Amended September 2005
Amended December 2007
Amended July 2008
Amended July 2009
Amended November 2010
Amended February 2012
Amended October 2013
Amended November 2014
Amended November 2015
RULES OF PROCEDURE FOR BOARD OF DIRECTORS, POLICY ADVISORY COMMITTEES, AND OTHER LEGISLATIVE BODIES

This policy is intended to define and clarify Rules of Procedure for the Board of Directors and Policy Advisory Committees, and incorporate them in Board policy.

From time to time over the last 30 years the Board has utilized and amended rules of procedure. It is desirable to have these rules contained in Board Policy for ease of reference.

Procedures for the Board and Policy Advisory Committees

1. Ordinances
   1.1 Every ordinance shall be signed by the Chair of the Board, or for the comprehensive fare ordinance the Chair of the Transportation Committee, and attested by the Clerk of the Board.
   1.2 Upon the passage of an ordinance, the votes of the Board members or Transportation Committee members, as appropriate, shall be entered in the minutes.
   1.3 Ordinances shall not be passed within five days of their introduction, nor at any meeting other than a regular meeting. An urgency ordinance may, however, be passed immediately upon introduction and either at a regular or special meeting. Except when, after reading the title, further reading is waived by regular motion adopted by unanimous vote of the Board or Transportation Committee members present, all ordinances shall be read in full at the time of introduction or passage. When ordinances, other than urgency ordinances, are altered after introduction, they shall be passed only at a regular or at an adjourned regular meeting held at least five days after alteration. Corrections of typographical or clerical errors are not alterations within the meaning of this section.
   1.4 The Clerk of the Board shall cause a proposed ordinance or proposed amendment to an ordinance, and any ordinance adopted by the Board or Transportation Committee to be published at least once in a newspaper of general circulation in the SANDAG area of jurisdiction.
   1.5 The publication of an ordinance as required by this policy, may be satisfied by either of the following actions:
      1.5.1 Publication of a summary of a proposed ordinance or proposed amendment to an ordinance. The summary shall be prepared by the Clerk of the Board and the Office of General Counsel. The summary shall be published and a certified copy of the full text of the proposed ordinance or proposed...
amendment shall be posted in the office of the Clerk of the Board at least five days prior to the meeting at which the proposed ordinance or amendment is to be adopted. Within fifteen (15) days after adoption of the ordinance or amendment, the Clerk of the Board shall publish a summary of the ordinance or amendment with the names of the Board or Transportation Committee members voting for and against the ordinance or amendment and the Clerk of the Board shall post in the office of the clerk a certified copy of the full text of the adopted ordinance or amendment along with the names of those members voting for and against the ordinance or amendment; or

1.5.2 If the person designated by the Board determines that it is not feasible to prepare a fair and adequate summary of the proposed ordinance or amendment, and if the Board or Transportation Committee so orders, a display advertisement of at lease one-quarter of a page in a newspaper of general circulation in the SANDAG area of jurisdiction shall be published at least five (5) days prior to the meeting at which the proposed ordinance or amendment is to be adopted. Within fifteen (15) days after adoption of the ordinance or amendment, a display advertisement of at least one-quarter of a page shall be published. The advertisement shall indicate the general nature of, and prove information regarding, the adopted ordinance or amendment including information sufficient to enable the public to obtain copy of the complete text of the ordinance or amendment, and the name of those members voting for and against the ordinance amendment.

1.6 Ordinances and amendments shall take effect thirty (30) days after their final passage. Exceptions to this effective date are: 1. When the ordinance is for the immediate preservation of the public peace, health or safety, and contains a declaration of facts constituting urgency, and is passed by a two-thirds vote of the Board or Transportation Committee, the ordinance or amendment will take effect immediately; and 2. If otherwise provided by the ordinance or another law.

2. Board Policies

2.1 Board policies shall be reviewed to determine if updates are needed no less often than every three years.

2.2 Once updated, policies shall contain a footer identifying the last date they were modified by the Board.

3. Public Comment and Public Meetings

3.1 Persons wishing to provide comment or testimony shall be permitted to address the Board or Policy Advisory Committee after submitting a written request to speak, identifying themselves and the agenda item on which they want to be heard. Ordinarily, each speaker will be allowed no more than three minutes. The Chair, however, may extend or limit the time for each presentation or may permit additional time to speakers representing a group of individuals or organizations to
avoid duplicative testimony or for other reasons that are in the best interest of the Board or committee in the Chair’s discretion. Testimony must be limited to issues relevant to the agenda item.

3.2 The Board wishes to maximize the number of people who can address SANDAG legislative bodies within the time limits set for the meeting while a quorum is present. The Board believes that meetings that last longer than the time set for meeting adjournment can discourage public participation and can hinder the conduct of government business due to loss of a quorum. Therefore, meetings of SANDAG legislative bodies shall be adjourned by the end time set forth in the agenda, unless extended to a specific time by a majority vote of the legislative body. The meeting shall be extended no more than once and may be adjourned to a later date. The Board of Directors wishes to maximize the number of people who can address SANDAG legislative bodies within the time limits set for the meeting while a quorum is present. Accordingly, the chair of a SANDAG legislative body may reduce the speaking time allocated for each speaker or establish a time certain for completion of one or more agenda items when the number of speakers and/or number of items on the agenda are reasonably likely to prevent the conclusion of business prior to the time the meeting is set to adjourn. Decisions by the chair shall be based on the time allocated for the meeting, the number of agenda items, the complexity of each item, and the number of persons wishing to address the legislative body on each item.

3.3 Public comment on matters not on the agenda will be permitted on items of interest to the public that are within the subject matter jurisdiction of the Board or committee. Persons wishing to comment during the general public comment period must submit a written request in advance identifying themselves and the subject matter on which they wish to speak. The Chair may limit the time for each speaker. Ordinarily, each speaker will be allowed no more than three minutes.

3.4 The Board or a Policy Advisory Committee (PAC) Chair, as applicable, will determine with staff’s assistance whether additional public meetings at which formal public testimony will be taken outside of regularly scheduled Board or PAC meetings are appropriate. Such additional public meetings may take the form of scoping meetings, focus group meetings, open houses, workshops or similar alternative formats. The applicable Chair will appoint one or more members of the relevant legislative body to act as public meeting officer(s) at SANDAG public meetings that are not held during a meeting of a SANDAG legislative body. If no Board or PAC members are available to serve as public meeting officers, the Chair may appoint the Executive Director or his/her delegate to serve as the public meeting officer. When a public meeting occurs before a public meeting officer, the public meeting officer or Clerk of the Board shall ensure that all official public testimony given at the public regarding the subject matter of the public meeting are accurately included in the written records, and ensure those written records are forwarded to the Board of Directors or PAC for review prior to the time designated for the relevant legislative body to render its recommendation or final decision.
3.5 The public meeting officer’s written records regarding the public meeting must include, at least, the following elements:

3.5.1 An objective description of the subject matter of the public meeting.

3.5.2 The public comments received by proponents and opponents of the meeting’s subject matter. The records shall indicate the hour and minute when the public meeting was opened and closed.

3.5.3 A list of the notices that were published, mailed, or Internet-posted, including the date of mailing or publication, the name of any newspaper, Internet address or web site, and a list of addresses and entities to which the notice was delivered. If multiple public meetings at which official public testimony is taken regarding the same subject matter are held throughout San Diego County, information regarding the notices and agendas for each public meeting shall be included in the public meeting records.

3.5.4 A copy of the agenda for the public meeting, including the time period during which public testimony was heard. The agenda also shall list contact information for the transcriber attending the public meeting.

3.5.5 A reference to the location where an audio and/or video recording, or transcript of the public meeting is archived, and where all original written comments submitted to the public meeting officer are available for viewing.

3.6 Before the Board of Directors or PAC takes action on the item that was the subject of a public meeting conducted by a public meeting officer, it will allow additional public comment at a regularly scheduled meeting of the legislative body.

3.7 By voting at a meeting where a public meeting officer’s records will be relied upon, each voting member of the legislative body will be affirming that he or she has:

3.7.1 Thoroughly reviewed the public meeting officer’s records of any minutes or transcript from, or listened to an audio or watched a video recording of, the public meeting(s); and

3.7.2 Given due consideration to any letters, e-mails, voicemails, or other comments submitted by the public that are part of the public meeting record.

3.8 If a voting member of a legislative body cannot attest that he or she has met the criteria listed in Section 3.6, he or she may participate in the discussion regarding the subject matter of the public meeting, and need not leave the legislative body meeting room, but should not vote on the matter.

4. Standards of Conduct & Ethics Applicable to All of SANDAG Legislative Bodies

4.1 This policy shall be supplemental to the SANDAG Conflict of Interest Code and is not intended to supersede such Code or any provisions thereof. All Board and Policy
Advisory Committee members, and all other members of committees or working groups covered by the Brown Act, including alternates, shall file a Statement of Economic Interests with SANDAG upon request by the SANDAG Office of General Counsel.

4.2 Each Board member and alternate occupies a position of public trust that demands the highest moral and ethical standards of conduct. All references to “Board members” in Section 4 of this Policy shall be read to include all Board and Policy Advisory Committee members, and all other members of committees or working groups covered by the Brown Act, including ex officio members and alternates.

4.3 Board members shall not engage in any business or transaction or have a financial or other personal interest, actual, potential, or apparent that is incompatible with the proper discharge of his or her official duties or would tend to impair his or her independence of judgment or action in the performance of such duties. Such business, transaction, or interest shall constitute a conflict of interest.

4.4 Generally, no Board member shall engage in any enterprise or activity that will result in any of the following:

4.4.1 Using the prestige or influence of the Board office for private gain or advantage of the member or another person. Using time, facilities, equipment, or supplies of the Board for the private gain or advantage of the member or another person. Receiving or accepting money or other consideration from anyone other than the Board or another government agency for the performance of acts done in the regular course of duty.

4.4.2 Receiving or accepting, directly or indirectly, any gift or favor from anyone doing business with the Board under circumstances from which it could reasonably be inferred that such was intended to influence such person in their duties or as a reward for official action.

4.4.3 Soliciting any gift or favor in the member’s official capacity, either directly or indirectly, when such solicitation might reasonably be inferred as to have a potential effect on the member’s duties or decisions, or when the individual's position as a Board member would in any way influence the decision of the person being solicited.

4.5 Prohibited Interests

4.5.1 It is unlawful for any current SANDAG Board member to render a decision where a party to the decision has given the SANDAG Board member, promised to give the SANDAG Board member, or acted as an intermediary for the SANDAG Board member to have, an opportunity for compensation. For purposes of this section, opportunities for compensation provided to a SANDAG Board member include opportunities for compensation provided to the SANDAG Board member’s immediate family. When such an opportunity
for compensation is provided to a member of the SANDAG Board member's immediate family, the SANDAG Board member shall not participate in a decision involving a party to the decision unless the SANDAG Board member had no knowledge or involvement in securing the opportunity for compensation.

4.5.2 It is unlawful for any current SANDAG Board member to make, participate in making, or use his or her Board member position to influence a decision involving the interests of a person with whom he or she is seeking, negotiating, or securing an agreement concerning future employment.

4.5.3 It is unlawful for any current SANDAG Board Member to be financially interested in any contract made by them in their Board member capacity. It is also unlawful for any contract to be made by SANDAG or any board or commission established by SANDAG if any individual member of the body has a financial interest in the contract.

4.5.4 Definitions

4.5.4.1 For purposes of the prohibitions set forth in this section, the term "financial interest" means any interest, other than a remote interest as prescribed in California Government Code section 1091 or a noninterest prescribed in California Government Code section 1091.5, that would prevent SANDAG Board members involved from exercising absolute loyalty and undivided allegiance to the best interests of SANDAG.

4.5.4.2 For purposes of this section, "material financial effect" has the same meaning as that term is used in title 2, sections 18705 through 18705.5 of the California Code of Regulations.

4.5.4.3 For purposes of this section, "render a decision" means to take part personally and substantially in the project by rendering a decision, approval, or disapproval; by making a formal written recommendation; by conducting an investigation; by rendering advice on a significant basis; or by using confidential information.

4.5.4.4 For purposes of this section, "project" means any matter where a private business has made an application to SANDAG for discretionary funding or discretionary entitlements, or where SANDAG exercises discretion to enter into a lease, agreement, or contract with a private business.

4.5.5 Any SANDAG Board Member with a remote financial interest in a prospective contract of SANDAG must disclose the existence of the remote interest to the body of the board in which the SANDAG Board member is a member if that board has any role in creating, negotiating, reviewing, or approving the contract; and the SANDAG Board member must abstain from
influencing or participating in the creation, negotiation, review, or approval of the contract.

4.5.6 It is unlawful for any SANDAG Board member to knowingly influence a decision of the SANDAG Board if it is reasonably foreseeable that the decision will have a material financial effect on:

4.5.6.1 the SANDAG Board member or a member of his or her immediate family, if the material financial effect is distinguishable from its effect on the public generally; or any of the following economic interests:

4.5.6.1.1 any business entity in which SANDAG Board member or a member of SANDAG Board member’s immediate family has invested $2,000 or more; and

4.5.6.1.2 any business entity for which a SANDAG Board member or a member of the SANDAG Board member’s immediate family is a director, officer, partner, trustee, employee, or holds any position of management; and

4.5.6.1.3 any real property which SANDAG Board member or a member of SANDAG Board member’s immediate family has invested $2,000 or more; and

4.5.6.1.4 any person from whom a SANDAG Board member or a member of the SANDAG Board member’s immediate family has received (or by whom you have been promised) $500 or more in income within twelve months prior to the decision; and

4.5.6.1.5 any person from whom a SANDAG Board member or a member of the SANDAG Board member’s immediate family has received gifts that total $4201 or more within twelve months prior to the decision;

4.5.6.1.6 the personal expenses, income, assets, or liabilities of a SANDAG Board member or a member of SANDAG Board member’s immediate family.

4.5.7 Prohibitions Applicable to Former Board Members

4.5.7.1 It is unlawful for any former SANDAG Board Member who received compensation from SANDAG to render a decision on a particular project during his or her SANDAG service to engage in direct communication with SANDAG, for compensation, with regard to any pending application for discretionary funding or discretionary

1 This amount is subject to adjustment by the Fair Political Practices Commission.
entitlements before SANDAG relating to that particular project on behalf of any person other than a public agency for a one-year period immediately following the last payment from SANDAG to the Board Member.

4.5.7.2 It is unlawful for any former SANDAG Board member, for compensation, to knowingly counsel or assist any person other than a public agency in connection with an appearance or communication in which the former SANDAG Board Member is prohibited from engaging pursuant to subsection 4.5.7.1 for a one-year period immediately following termination of service with SANDAG.

4.6 Lobbying and Campaign-Related Activities

4.6.1 It is unlawful for any SANDAG Board Member to engage in campaign-related activities, such as fund-raising, the development of electronic or written materials, or research, for a campaign for any elective office using SANDAG facilities, equipment, supplies, or other SANDAG resources. Nothing in this section, however, shall prohibit the use of SANDAG resources to provide information to the public about the possible effects of any bond issue or other ballot measure relating to SANDAG activities, operations, or policies, provided that:

4.6.1.1 the use of public resources is otherwise legally authorized; and

4.6.1.2 the information provided constitutes a fair and impartial presentation of relevant facts to aid the electorate in reaching an informed judgment regarding the bond issue or ballot measure.

4.6.2 It is unlawful for any former SANDAG Board Member to engage in direct communication for the purpose of lobbying SANDAG if all of the following circumstances apply:

4.6.2.1 the former SANDAG Board Member served as a SANDAG Board Member within the previous twelve months; and

4.6.2.2 the former SANDAG Board Member received compensation from SANDAG for his or her service as a SANDAG Board Member; and

4.6.2.3 the former SANDAG Board Member is receiving compensation from a private business to engage in the direct communication with SANDAG.

4.6.3 The prohibitions contained in 4.6.2 shall not apply:

4.6.3.1 to prevent a former SANDAG Board Member from making or providing a statement, based on the former SANDAG Board Member’s own special knowledge in the particular area that is the subject of the statement, provided that no compensation is thereby
received other than that regularly provided for by law or regulation for witnesses;

4.6.3.2 to prevent any former SANDAG Board Member from representing himself or herself, or any member of his or her immediate family, in their individual capacities, in connection with any matter pending before SANDAG;

4.6.3.3 to the activities of any former SANDAG Board Member who is an elected or appointed officer or employee of any public agency, or a consultant of any public agency, when that former SANDAG Board Member is solely representing that agency in his or her Board Member capacity as an officer, employee, or consultant of the agency;

4.6.3.4 to any ministerial action. A ministerial action is one that does not require a SANDAG Board Member to exercise discretion concerning any outcome or course of action; or

4.6.3.5 to any individual who terminated status as a SANDAG Board Member prior to July 1, 2003, except that any such individual who returns to service as a SANDAG Board Member on or after July 1, 2003, shall thereafter be subject to the provisions of this section.

4.7 If a Board member has an actual, potential, or apparent conflict of interest in the subject of an agenda item, and the Board will be making a decision regarding the agenda item during an open session meeting, the Board member must recuse himself or herself or, in the case of uncertainty, request a binding determination from the Board’s legal counsel. If the Board member has a conflict, he or she may observe, but not participate, in the decision-making process.

4.8 If a Board member has an actual, potential, or apparent conflict of interest in the subject of an agenda item to be discussed during a closed session meeting, the Board must state that he or she has a conflict of interest and shall be disqualified and shall leave the room during such discussion so as not to make, participate in making, or in any way attempt to use his or her official position to influence the decision or discussion. In the case of uncertainty, the Board member must request a binding determination from the Board’s legal counsel. In accordance with the Brown Act, any Board member who is disqualified shall be entitled to any information that is publicly reported. The Board member will not, however, be privy to any confidential or privileged information or communications pertaining to the closed session agenda item.

4.9 No Board member shall disclose to any person, other than members of the Board and other Board staff designated to handle such confidential matters, the content or substance of any information presented or discussed during a closed session meeting unless the Board authorizes such disclosure by the affirmative vote of a majority of the Board.
4.10 No Board member may disclose confidential or privileged information or communication to any person other than a Board member, counsel to the Board, or other Board staff designated to handle such matters, unless disclosure is mandated by law or the Board authorizes such disclosure by the affirmative vote of a majority of the Board.

4.11 Confidential or privileged information concerning threatened, anticipated, or actual litigation or claims will not be disclosed to a Board member if he or she has an actual, potential, or apparent conflict of interest. In the case of uncertainty as whether a conflict of interest exists, the Board’s legal counsel will issue a binding determination.

4.12 No Board member shall represent a position on an issue to be the Board’s position unless the Board has formally adopted such position at a public meeting.

4.13 Any violation of this policy shall constitute official misconduct if determined as such by an affirmative vote of the majority of the Board in an open and public meeting. The Board may elect to censure the Board member and the violation may be subject to criminal and/or civil penalties as provided for by applicable law.

4.14 All SANDAG Board or committee members (including alternates) who may receive any type of stipend, compensation, salary, or reimbursement for travel expenses from SANDAG must attend at least two hours of ethics training every two years. All such persons who hold office with SANDAG as of January 1, 2006, must complete their first course no later than January 1, 2007. The ethics training course materials must be approved by the Fair Political Practices Commission and Attorney General’s Office in compliance with the requirements of Government Code § 53234 et seq. Proof of attendance may be issued by SANDAG or any other local government agency providing an ethics training course that complies with these requirements.

4.15 Pursuant to Section 18944.1 and 18944.2 of Title 2 of the California Code of Regulations, certain procedures must be followed in order for a gift (travel, tickets, seats at an event, food, etc.) to be considered a gift to SANDAG instead of to an individual SANDAG public official or designated employee. A document entitled “Guidance Regarding Gifts” shall be posted on the SANDAG Web site to provide information regarding SANDAG practices, which are intended to assist public officials and designated employees in complying with regulations promulgated by the California Fair Political Practices Commission.

5. Additional Advisory Membership on Board and Policy Advisory Committees

5.1 From time to time, the Board may determine it is in best interest of SANDAG to supplement the Board with additional members that can provide beneficial advice and information to the Board on matters of interest to the region.

5.2 In determining whether to supplement the Board with additional regular or temporary advisory members, the Board will first review whether the existing Board and Policy Advisory Committees (PAC) membership structures provide the
opportunity for beneficial advice and information to SANDAG on matters of interest to the region.

5.2.1 The Board will consider adding a new regular advisory member to the Board or a PAC if it finds that the additional advisory member would provide beneficial advice and information to the Board or PAC, and that such advice/information cannot be provided by the existing Board and PAC membership structures. The agency/group wishing to become a regular advisory member shall submit a written request to the Board Chair or PAC Chair. For new regular advisory Board or PAC members, the finding and review required by this Section 5.2.1 as well as the selection criteria in Section 5.3 shall apply.

5.2.2 From time to time, the Board or a PAC may determine it is in best interest of SANDAG to provide an agency/group with temporary advisory “seat” at the Board or at one of its PACs when specific agenda items arise. The agency/group wishing to obtain a temporary advisory seat shall meet the criteria listed in Section 5.3 and shall submit a written request to the Board Chair or PAC Chair at least three days prior to the meeting, identifying the reasons for its request and the specific agenda item(s) to be considered. The decision about whether to fulfill the request shall be at the sole discretion of the Board Chair or PAC Chair.

5.3 The following criteria for selection of additional advisory members also shall apply:

5.3.1 Agency/group has land use and/or eminent domain authority;

5.3.2 Agency/group has regional authorities and responsibilities important to the SANDAG mission;

5.3.3 Membership by the agency/group would enhance SANDAG regional decision-making;

5.3.4 Agency/group desires representation, submits a written request, and commits to participation; and

5.3.5 Agency/group is able to agree on the form of representation and who will represent it.

6. Agenda Creation for Policy Advisory Committees

6.1 Policy Advisory Committee agendas will be developed jointly by the Committee’s Chair and SANDAG staff.

6.2 Any request by a Committee member to add an item to a Committee agenda shall be presented in writing to the Committee Chair and the Board Chair for consideration.
7. Procedures Applicable to SANDAG Legislative Bodies Other Than the Board and Policy Advisory Committees

The Brown Act is a state law which governs open meetings for local governmental bodies. The Brown Act (also “Act”) is contained in the Government Code at § 54950 et seq., and establishes rules designed to ensure that actions and deliberations of public bodies of local agencies are taken openly and with public access and input. The Brown Act governs the meetings of all local “legislative bodies,” that is, all multi-member committees and the like, of a local governmental agency such as SANDAG. Bodies created by ordinance, resolution, or formal action of the SANDAG Board or one of the Policy Advisory Committees are covered by the Act.

7.1 All of the SANDAG legislative bodies are required to comply with the requirements of the Act, including but not limited to the following:

7.1.1 Agendas for all regular meetings must be posted at least 72 hours in advance of the meeting and all meetings must be open to the public.

7.1.2 The Act applies whenever a majority of the voting members of the legislative body meet to discuss, deliberate or acquire information about a matter within the subject matter of the body.

7.1.3 A public comment period must be provided at each meeting.

7.1.4 The Act prohibits “serial meetings.” Serial meetings are a series of in-person meetings, phone calls, emails, or other types of communication that ultimately involve a majority of the legislative body to develop a consensus as to action to be taken on a matter coming before the body. This prohibition is based on the Act’s goal to ensure that the public's business is in fact conducted in public. In addition, a third party cannot be used to communicate among the members to obtain a consensus; an intermediary cannot be used to accomplish the actions directly prohibited by the Act.

7.1.5 Secret ballots and anonymous voting are prohibited.

7.1.6 An attendance, registration, or sign-in sheet may be used at public meetings to document the presence of persons other than the members of the legislative body, however, the sheet must clearly state that its completion is voluntary and not a precondition for attendance.

7.1.7 Meetings may not be held in facilities that are inaccessible to disabled persons or in facilities that prohibit the admittance of any persons on the basis of race, religious creed, color, national origin, ancestry or sex.

7.1.8 Meetings must be held within the County of San Diego, unless some exception under the Act applies. Questions regarding the applicability of the Act should be directed to the SANDAG Office of General Counsel.
7.1.9 The agenda must list all items that will be discussed or acted upon by the legislative body. That listing should be described in an informative way so that members of the body as well as members of the public understand the general nature of the agenda item and can make an informed decision whether to attend the meeting or not. The Act provides that this description need not exceed 20 words, but as many words as necessary to give adequate notice should be used.

7.1.10 Members may take action to add an item to the agenda of a regular meeting if, by two-thirds vote of the members of the legislative body present at the meeting, or, if less than two-thirds of the members are present, a unanimous vote of those members present, the body determines that there is a need to act immediately, that the body’s consideration of the matter cannot await the next meeting and that the need for immediate action arose after the posting of the agenda. This should only occur in very rare occasions, and the SANDAG Office of General Counsel should be consulted before relying on this exception.

7.2 In addition to the requirements of the Act, SANDAG legislative bodies must also comply with the following requirements:

7.2.1 Only the regular members, or in their absence, a designated alternate, may vote on action items. Seating or placards at meetings should be arranged so that it is clear which persons in the room are voting members, as compared to nonvoting members, alternates, speakers, or members of the public. Nonvoting members and alternates in attendance may participate in the body's discussion, but may not vote.

7.2.2 The members of a legislative body may only designate an alternate if their service on the legislative body is based on their capacity as a representative of another group; members selected for their individual qualifications do not act as a representative of another group and may not designate an alternate.

7.2.3 A quorum shall be a majority of the voting members of a legislative body. A majority of the quorum must approve all actions taken by the legislative body.

7.2.4 Unless otherwise provided by the Board or Policy Advisory Committee, each legislative body should select a chair and vice chair by a vote of the majority of a quorum on an annual basis.

7.2.5 Roberts Rules of Order should be used by legislative bodies for guidance on procedural matters such as the making of motions and voting.

7.2.6 The chair of a legislative body may direct that comments from the public shall be limited to no more than three minutes per person. Comments from the public should be requested following introduction of each agenda item.
Efforts should be made to make it clear to the members of the legislative body and audience when a comment is being made by a member of the public versus a member of the legislative body.

7.2.7 In the event a legislative body is having difficulty taking action on items due to lack of attendance to create a quorum, the legislative body may make a recommendation regarding changes to membership and seek approval of these recommendations from the Board or Policy Advisory Committee that created the legislative body.

7.3 The scope of topics within the jurisdiction of the legislative body shall be limited to those issues delegated to the legislative body by the Board or relevant Policy Advisory Committee.

7.4 Legislative bodies created by the Board or a Policy Advisory Committee do not have authority to take action on behalf of SANDAG, make a final determination on behalf of SANDAG, and/or take a position on behalf of SANDAG, unless that authority has been specifically delegated by an action of the Board.

7.5 The SANDAG Committee and Working Group Guidelines should be used for additional guidance.

7.6 New committees shall not be created by SANDAG staff without approval of either (1) the Board, (2) a Policy Advisory Committee, or (3) the Executive Director with the concurrence of the Chair of the Board. A Policy Advisory Committee or the Board must approve all charter or membership changes for committees that are created by ordinance, resolution, or formal action of the Board or one of the Policy Advisory Committees. An informational report shall be provided to the Board on an annual basis concerning the status of all standing and ad hoc committees and working groups.

7.7 Upon assuming office, the Chair of Board shall be provided with a list of all of the SANDAG legislative bodies that are not Policy Advisory Committees and the Chairs and Vice Chairs of those bodies. The Chair shall determine if a new Chair and/or Vice Chair should be appointed for these bodies and shall report any changes he/she wishes to make at a Board meeting. When making decisions concerning the Chair and Vice Chair appointments to legislative bodies, the potential appointee's participation at the Policy Advisory Committee reported to by the legislative body shall be taken into consideration.

Adopted June 2003
Amended November 2004
Amended January 2006
Amended December 2006
Amended December 2007
Amended September 2008
Amended January 2010
Amended February 2012
Amended 2015
TRAVEL EXPENSES

This policy is intended to establish a basis for budgeting Board member and employee attendance at conferences, training, seminars, or other meetings and provide guidelines for Board members and employees who have been approved to travel on behalf of SANDAG.

It is desirable and beneficial to SANDAG and its constituents to have Board members and employees participate in state and national activities, training, and conferences related to SANDAG’s subject matter jurisdiction.

Procedures

1. Budgeting

   1.1 Each year the Executive Director will survey the Board and committee (Board) members to ascertain their interest in attending upcoming conferences and meetings. These conferences may include legislative and annual meetings for the California Transit Association, the American Public Transit Association, and the National Association of Regional Councils, as well as California Transportation Commission meetings and legislative hearings. The Chair of the Board will make the final decision regarding who should attend all conferences and meetings. Upon return, Board members will be asked to present their experiences to the Board in order to share the knowledge obtained from their attendance.

   1.2 Employees also may attend conferences related to their respective disciplines. The Executive Director will make the final decision regarding which employees should attend conferences and meetings within the adopted budget. Upon return, employees will submit a report to their director in order to share the knowledge obtained from their attendance.

   1.3 Board member and employee attendance will be funded in the annual budget subject to the availability of funds and based on the results reported by previous attendees. As part of the budgeting process, the Executive Director or his/her designee will set objectives to ensure minimum representation at key conferences, and to make sure that cumulative attendance by Board members and employees at any one conference is not excessive.

   1.4 The number of Board members or committee members attending any conference or meeting should not exceed a quorum unless this provision is specifically waived by the Board after seeking advice from legal counsel.

   1.5 Basic travel arrangements for flights, hotels, and rental cars will be made by the Clerk of the Board or other designated staff. Board members and employees are responsible for contacting the Clerk of the Board or the designated staff if itinerary...
changes are needed. Board members or employees desiring different travel arrangements will contact the Clerk of the Board or other designated staff to place her/him on notice and will be financially responsible for any costs over and above those determined by SANDAG’s travel agent for the basic trip.

1.6 If a Board member or employee initiates a change in travel plans that is not due to a medical/death emergency by the Board member or employee, or his/her immediate family, then the Board member or employee will be responsible for the cost impacts of those changes.

1.7 Employees must fill out a travel request form prior to traveling out of San Diego County on SANDAG business. The project code, purpose of travel, and trip budget must be filled in on the form. The form must be approved by the Executive Director or Chief Deputy Executive Director prior to the time of travel. The Clerk of the Board or Executive Assistant will fill out the top portion of the travel request form for Board members and the Executive Director or Chief Deputy Executive Director shall determine whether to approve it. The expense report must document that expenses meet existing SANDAG policy. All documents related to reimbursable expenditures are public records subject to disclosure under state and federal law.

1.8 Penalties for falsifying expense reports include, but are not limited to the following:

1.8.1 Loss of reimbursement privileges
1.8.2 Restitution to SANDAG
1.8.3 Civil penalties for misuse of public resources
1.8.4 Prosecution for misuse of public funds
1.8.5 Disciplinary action for employees

2. Out-of-Town Travel Expense Reimbursement

2.1 The lower portion of the travel request form must be used by Board members and employees to record actual trip expenses. The report must be completed within one week from the return date. For employees, the actual expenses must be approved by a department director unless a department director is the traveler, in which case the Chief Deputy Executive Director must approve the expenses. For Board members, the actual expenses must be approved by the Chief Deputy Executive Director. The form should then be forwarded to the Finance Department for processing, with a personal check attached for any funds due to SANDAG. Failure to submit expense reports within the required time frame may result in the traveler not being reimbursed or collection action being taken if money is owed to SANDAG. Late expense reports must be approved by the Chief Deputy Executive Director.

2.2 All expenses should be itemized, including items SANDAG may have paid for in advance so that the report provides a complete record of expenses. It is the
traveler’s responsibility to submit a completed report in order to receive prompt reimbursement.

2.3 Receipts for expenditures must be attached to the expense report for all expenses where a receipt is practicably attainable. A receipt is mandatory for all expenses in excess of $10 unless a written satisfactory explanation is provided. Such written explanations are subject to approval by the Finance Department.

2.4 Travel advances may be requested. Any travel advance shall not exceed the total estimated amount of the trip, minus any items prepaid by SANDAG, such as airfare and registration.

2.5 Board members and employees will be reimbursed for reasonable travel expenses up to the reimbursement amounts as stated in IRS Revenue Procedure 2011-47 Section 5. The expenditure guidelines in IRS Notice 2012-63 should be observed as upper limits unless the circumstances dictate otherwise and the expense is approved by a department director or the Chief Deputy Executive Director. Notwithstanding the foregoing, travel to Sacramento, California and Washington, D.C. will be reimbursed up to a maximum daily rate of $300 per day for lodging and food expenses instead of the amounts listed in IRS Notice 2012-63.

2.5.1 Air Travel – Air travel is to be coach class for the most direct route. Travelers are encouraged to book at least 21 to 14 days in advance to qualify for the lowest airfares. SANDAG will cover the cost if it is more cost-effective (i.e., difference in airfare as compared to the additional cost for hotel and meals) to include a Saturday stay. Travelers should consider this option, when practical.

2.5.2 Personal Auto Use – In the event that a private auto is used for the trip, mileage shall be paid at the currently established Internal Revenue Service rate. Maximum reimbursement shall not exceed the cost of using a rental car, train, or commercial airline to reach the same destination.

2.5.3 Ground Transportation – In using surface transportation, the least expensive alternative must be utilized where practical. For example, an airport shuttle should be used instead of a taxi. Such transportation should be used for travel to and from the airport and for reasonable business-related trips at the location.

2.5.4 Parking – SANDAG will reimburse the lesser of the parking cost for a personal auto left at the airport or the cost of a shuttle service or cab to and from the airport.

2.5.5 Personal Travel – If a traveler wishes to combine SANDAG travel with personal travel, or to travel with family members, the traveler may do so, provided that it does not exceed the cost equivalent of a single-person trip.

2.5.6 Rental Car – Use of rental cars must be pre-approved. SANDAG only will reimburse for the cost of renting the least expensive size vehicle necessary
for the number of people traveling, as well as liability insurance. SANDAG will not reimburse for rental car insurance coverage because employees are included under SANDAG general automobile insurance coverage.

2.5.7 Meals – SANDAG will pay for meals while the traveler is in travel status. The maximum reimbursement amount for meals will be calculated by multiplying the applicable per diem rate in the most recent IRS Notice 2012-63 regarding per diem rates by the number of days of travel.

2.5.8 Business Meals – Reasonable business meals involving outside persons or when necessary to conduct SANDAG-related business are permitted. All such meals must be itemized with justification on the Expense Report to determine if eligible for reimbursement.

2.5.9 Hotel – Travelers will be reimbursed for the cost of a moderate and reasonably priced single occupancy hotel room. Travelers should request the “government rate” when making hotel reservations. If a hotel stay is needed in connection with a conference or other education activity, lodging costs shall not exceed the maximum group rate published for the conference. If the group rate is not available, the traveler must use comparable lodging.

2.5.10 Other Business-Related Expenses – Other business-related expenses that arise when traveling such as supplies, equipment rental, reprographics, facsimiles, and other documented business-related expenses may be reimbursed when traveling on SANDAG business and used for SANDAG purposes.

2.5.11 Travel Outside of the U.S. – Reimbursement for travel to a foreign country will be calculated at the average exchange rate during the trip as posted by the Federal Reserve. All reimbursement for any Value Added Taxes (VAT) charged for hotel accommodations must be reimbursed to SANDAG.

2.5.12 Telephone Calls – Reimbursement for telephone calls made while traveling are permitted, provided that such calls are directly related to SANDAG business. Personal calls are permitted to a maximum of $10 per day. Calls charged to personal calling cards or wireless phone accounts may be submitted for reimbursement no later than thirty days for the time that the expense report is submitted.

2.5.13 Registration – Travelers requesting to attend a conference or training that requires registration should do so in sufficient time to take advantage of any discounts.

2.5.14 Cancellation Penalties – In the event that registration, airfare, hotel deposit, or similar items that require prepayment are paid and nonrefundable and the traveler is unable to attend, then the traveler will be responsible for reimbursing SANDAG for all prepaid amounts, unless the inability to attend is for valid medical reasons or personal emergencies, as approved by the
Executive Director for employees or the Executive Committee for Board members.

2.5.15 Nonallowable Expenses – SANDAG will not provide any reimbursement for personal entertainment expenses, travel expense for family members, movies in hotels, personal items, charitable contributions, alcohol, air travel insurance, or any other expenses not deemed necessary for business purposes. SANDAG also will not provide reimbursement for the purpose of attending political events or for expenses incurred with any private club that discriminates on the basis of race, gender, religion, sexual orientation, disability, or any other discriminatory criteria in its membership policy.

3. **Local Expense Reimbursement**

3.1 Expense reports must be submitted that record any potentially eligible expenses. The form must be submitted together will all receipts and should be submitted within thirty days of the expense being incurred. The report must describe the item or the destination (if mileage reimbursement is requested) and the purpose. The traveler should indicate which project number each item should be charged to.

3.2 Expenses are eligible for reimbursement if they are related to and necessary to carrying out SANDAG business. They may include, but are not limited to: phone calls, business meals or meetings, mileage, parking, and miscellaneous out-of-pocket expenses. The Director of Finance or Executive Director may disallow any extraordinary or inappropriate expense. Whenever possible, travel should be by public transportation.

3.3 All necessary approvals must be obtained in advance and the form must be submitted to the Finance Department for processing. Reimbursement will ordinarily occur within thirty days.

Adopted June 2003
Amended January 2006
Amended December 2006
Amended December 2008
Amended January 2010
Amended November 2012
Amended 2015
**TransNet ORDINANCE AND EXPENDITURE PLAN RULES**

The following rules have been adopted and amended by the SANDAG Board of Directors in its role as the San Diego County Regional Transportation Commission (RTC). The purpose of these rules is to implement the provisions of the original TransNet Ordinance (87-1) and the TransNet Extension Ordinance (04-01) and amendments thereto.

**Rule #1: Procedure for Distribution of Revenues for Transportation Services for Seniors and the Disabled**

**Adoption Date:** February 26, 1988 (Resolution RC88-2)

**Amendment:** Repealed November 18, 2005. This rule was superseded by Rule #11.

**Rule #2: Loan of Funds for Privately Funded Projects**

**Adoption Date:** April 22, 1988 (Resolution RC88-5)

**Amendment:** Amended November 18, 2005

**Text:** The Commission may approve a loan of sales tax funds to a city or county from its formula-based share of Local Street and Road funds to finance a project which is prohibited from receiving funding under Section 9 of Commission Ordinance 87-1 or Section 8 of Ordinance 04-01 if the following terms and conditions are met.

1. A finding is made by the Commission that absent private sector funding, the project would be an eligible street and road project.

2. The City or County agrees to enter into an agreement to repay the loan plus interest (at a rate determined by the Commission) prior to the termination of the sales tax in accordance with Section 3 of Commission Ordinance 87-1 or Section 3 of Ordinance 04-01.

3. That the City or County agrees to guarantee repayment of the loan if private developer funding is determined to be inadequate to repay the loan prior to termination of the sales tax.

**Rule #3: Reimbursement of Local Funds to Advance Approved Projects**

**Adoption Date:** May 27, 1988 (Resolution RC88-6)

**Amendment:** Amended November 18, 2005

**Text:** A city or county may advance improvements on a project(s) which is included in the approved transportation sales tax Program of Projects with local agency funds (other than private developer funds as set forth in Section 9 of Ordinance 87-1 or Section 8 of Ordinance 04-01) prior to sales tax.
funds being available and receive reimbursement including interest from sales tax funds if it is determined by the Commission that the following terms and conditions are met.

1. The project(s) is included in the approved transportation sales tax Program of Projects, and no other financing technique is found to be more desirable or cost effective to utilize in order to advance the improvement.

2. The city or county shall be reimbursed for the local funds expended as soon as sales tax funds become available, or on a schedule agreed to between the local agency and the Commission.

3. That no more than 30 percent of the funds will be used for maintenance projects if the funds are borrowed from TransNet revenues pursuant to Section 2(C)(1) of Ordinance 04-01.

Rule #4: SR 78 Corridor Reserve Fund Allocation Policies

Adoption Date: Originally Adopted May 26, 1989 (Resolution R-89-82), Wording changed December 14, 1990 (Resolution RC91-10)

Amendment: Amended November 18, 2005

Text: For purposes of allocating funds under Section 2(a)(3) in Ordinance 87-1:

1. Only those projects designated as "funded" on the SR 78 Corridor project list approved on December 13, 1990 by the SR 78 Corridor Policy Committee are eligible to receive SR 78 Corridor Reserve Funds.

2. The list of SR 78 Corridor projects and their priority and funding eligibility may be revised by a majority vote of the SR 78 Corridor Policy Committee and the approval of the Board of Directors.

3. The basic contribution for a non-Caltrans project on the SR 78 Corridor Reserve funded list is 50 percent of the estimated right-of-way, engineering, and construction costs. However, the total amount of Corridor Reserve Funds designated for projects within one jurisdiction may be allocated to vary from the basic 50 percent for any given project as long as the cumulative total for programmed projects at any point in time does not exceed 50 percent.

4. The basic contribution for a Caltrans project on the SR 78 Corridor Reserve funded list is 100 percent of the estimated right-of-way, engineering, and construction costs.

5. Contributions from the SR 78 Corridor Reserve Fund to any one jurisdiction cannot exceed 50 percent (100 percent for Caltrans) of the project cost estimates shown on the approved funded list of December 13, 1990. If actual project costs are less than estimated, a maximum contribution of 50 percent (100 percent for Caltrans) of the new costs shall be in effect.

6. A project that for any reason is removed from the funded list can only be replaced by the next highest ranked unfunded project (or projects), regardless of jurisdiction and only if the funded list of projects does not exceed the total Corridor Reserve dollars available. As with other funded projects, Corridor Reserve funds can only be used to improve the replacement project(s) to minimal four-lane standards (six lanes at freeway interchanges).
Added June 22, 1990 (Resolution RC90-40):

7. SR 78 Corridor Reserve funds for right-of-way will not be encumbered until a project has environmental clearance and the first 25 percent of the total value of the right-of-way is acquired. When a total of 75 percent of the right-of-way has been acquired, the construction funds will be encumbered at the request of the agency.

Added December 14, 1990 (Resolution RC91-10):

8. All agencies submitting projects from the SR 78 Corridor Funded Project List for programming are encouraged to pursue matching funds from the state's SB 300 program.

Added February 22, 1991 (Resolution RC91-13):

9. Any new source of state highway funds for the San Diego region should be considered for allocation to the TransNet SR 78 Corridor Reserve to offset local funds which were used for projects which are normally the responsibility of the State, such as freeway-freeway interchange improvements and ramp metering systems.

Rule #5: Use of Local Street and Road TransNet Funds for the Development of Transportation Demand Management Programs

Adoption Date: August 25, 1989 (Resolution RC90-23)

Amendment: Amended November 18, 2005

Text: The development and implementation of a Transportation Demand Management Program shall be an eligible use of Local Street and Road funds pursuant to Section 19(E) of Ordinance 87-1 and Section 21(c) of Ordinance 04-01. Transportation Demand Management shall mean a comprehensive set of strategies designed to influence travel behavior with respect to mode, time, frequency, route, or distance in order to improve the efficiency and effectiveness of local streets and roads. Principal strategy measures involve, but are not limited to, ridesharing, alternative work hours, and parking management.

Rule #6: Fund Accounting and Interest Allocation

Adoption Date: March 23, 1990 (Resolution RC90-35)


Text: For the purposes of determining compliance with Section 12 of Ordinance 87-1 and Section 13 of Ordinance 04-01, each agency shall maintain a separate fund (fund accounting) for TransNet revenues, if possible. Where the creation of a separate fund is not possible due to accounting methodology used by the agency, an alternative approach to maintaining separate accountability for TransNet revenue and expenditures must be developed and submitted to the Commission staff for concurrence. Interest earned on TransNet revenues received by the agency must be allocated to the TransNet fund and used only for projects approved by the Commission in the Program of Projects. Except as allowed below for the Local Street and Road Program and Transit System Service Improvements Program, interest accrued must be applied to each active project that carries an
outstanding balance. The agency can determine the method of the interest distribution to be validated by the audit.

For the Local Street and Road Program and Transit System Service Improvements Program that receive annual funding allocations, interest accrued may be pooled and must be applied to one or more active projects in accordance with the RTIP process. All interest earned on Local Street and Road Programs is subject to Section 2.C.1. of Ordinance 04-01.

Rule #7: Program of Projects Approval Process and Amendments

Adoption Date: March 23, 1990 (Resolution RC90-35)


Text: Each local agency shall develop a five-year list of projects to be funded with TransNet revenues under Section 2D of Ordinance 87-1 and Section 4D of Ordinance 04-01 in accordance with the Regional Transportation Improvement Program (RTIP) update schedule. All projects a local agency wishes to include in its Program of Projects (POP) must be consistent with the long-range Regional Transportation Plan and approved by the Commission for inclusion in the RTIP. A local agency's projects shall not receive Commission approval until the Commission receives a resolution from the local agency that documents that the local agency held a noticed public meeting with an agenda item that clearly identified the proposed list of projects prior to approval by the local agency's legislative body of the projects. The language that must be included in the resolution and the deadlines for submission shall be prescribed by the Commission. The resolution shall contain the provisions set forth in Rule #15.

A POP amendment shall be initiated when a local agency desires to revise the approved POP, which includes but is not limited to, adding a new project, deleting an existing project, revising the project scope, or otherwise changing the TransNet funds programmed. A TransNet POP amendment must be consistent with the requirements outlined in the RTIP. Projects proposed in the amendment must first be approved by the governing body of the local agency within the preceding 12 months. The local agency shall initiate the amendment process by holding a noticed public meeting with an agenda item that clearly identifies the proposed project amendments and submitting a resolution using the language and deadlines prescribed by the Commission as documentation of governing body approval. The amendment must be approved by the Commission prior to the expenditure of funds on the new or amended projects.

Rule #8: Determination of New Transit Services

Adoption Date: March 23, 1990 (Resolution RC90-35)

Amendment: Amended November 18, 2005

Text: For the purpose of determining compliance with Section 4(B)(2)(c) of Ordinance 87-1, the level of service provided in FY 1988 shall be considered at the base level of service in existence prior to the availability of TransNet revenues which must be maintained through other funding sources. Compliance with the “new” service requirement shall be determined using the following procedure:
1. Determine the number of vehicle service miles operated during the fiscal year using TransNet revenues for any given operator by dividing the TransNet revenues for operations by the total systemwide operating cost for that operator and multiplying the total vehicle service miles operated by the quotient.

2. Subtract the number of miles determined in Step 1 from the total system vehicle service miles operated during the year.

3. If the adjusted number of miles from Step 2 is greater than or equal to the FY 1988 base level, then the compliance test is met.

4. The attached table of base statistics from FY 1988 (Attachment 1) will be used to determine compliance. These figures reflect all publicly funded operators within the MTDB (MTS) and North County Transit District (NCTD) service areas (Articles 4, 4.5, and 8) because TransNet revenues could potentially be used by the operators to fund service improvements on any of these systems.

**Rule #9: Use of TransNet Revenue for Bus Purchases**

**Adoption Date:** March 23, 1990 (Resolution RC90-35)

**Amendment:** Amended November 18, 2005

**Text:** TransNet revenues may be used to support the purchase of buses required to operate new services funded with TransNet revenues. The number of buses which can be purchased with TransNet revenues shall be determined using the following procedures.

1. Determine the number of annual new vehicle service miles service being operated in accordance with Rule Number 8 – Determination of New Transit Services.

2. Divide the number of new miles of service by the systemwide average annual vehicle services miles per bus for a given operator to determine the equivalent number of buses required to operate the new service. Round up to the nearest whole number of bus equivalents.

The TransNet revenues used for bus purchases shall come out of the revenues available under Section 4(B)(2)(c) of Ordinance 87-1. The use of TransNet revenues for bus purchases shall be used to the maximum extent possible as matching funds for available state and federal capital funds. If, at some point in the future, the number of buses purchased with TransNet revenues cannot be justified based on the number of new miles being operated with TransNet revenues, then a prorated reimbursement to the TransNet fund will be required based on the remaining useful life of the vehicles. TransNet revenues may not be used to support the purchase of replacement buses for the “existing” (FY 1988) level of service. Any buses purchases with TransNet revenues will remain under the ownership of MTDB (MTS) or NCTD and be made available to the operator chosen to operate the new services.

**Rule #10: Use of TransNet Revenues to Replace Reduced State and Federal Operating Support**

**Adoption Date:** March 23, 1990 (Resolution RC90-35)
**Amendment:** Amended November 18, 2005

**Text:** For purposes of determining compliance with Section 4(B)(2)(c) of Ordinance 87-1, the maximum amount of TransNet funds that MTDB (MTS) or NCTD are eligible to use to replace federal funds in a given year is equal to the FY 1987 base year levels of federal and state operating support ($6,113,307 for MTS and $2,511,816 for NCTD) less the amount of state and federal operating support available in that year. The priority on the use of funds under this section is to provide new service improvements. MTS and NCTD are encouraged to use other available revenues, such as Transportation Development Act (TDA) funds, to offset reductions in state and federal funds, if possible, and to use TransNet funds under these sections for new service improvements.

**Rule #11: Use of TransNet Revenues for Transportation Services for Seniors and the Disabled**

**Adoption Date:** March 23, 1990 (Resolution RC90-35)

**Amendment:** Amended November 18, 2005, and December 21, 2007

**Text:** The funds made available under Section 4(B)(1) of Ordinance 87-1 or Section 4(c)(1) of Ordinance 04-01 for improved transportation services for seniors and the disabled shall be used to augment the revenues made available under the Transportation Development Act (TDA) Article 4.5 program for the same purposes. These TransNet funds shall be allocated to eligible service providers using the fund distribution formula approved by the SANDAG Board of Directors for use in distributing the TDA Article 4.5 funds. For accounting purposes, following the expenditure of fare revenues and other local and other local operating revenues, the interest earnings on the TransNet and TDA funds shall be considered to be spent first, followed by the TDA funds, then the TransNet funds.

**Rule #12: Use of TransNet Revenues for Accessibility Improvements**

**Adoption Date:** March 23, 1990 (Resolution RC90-35)

**Text:** In the development of TransNet-funded local street and road projects, local jurisdictions may include, within the street right-of-way, improvements to enhance accessibility to the transportation system, including, but not limited to, accessibility improvements to bus stop areas.

**Rule #13: Investments**

**Adoption Date:** July 27, 1990 (Resolution RC91-2)

**Amendment:** Repealed November 18, 2005. This rule has been superseded by the Annual Investment Policy Update (see Resolution No. 2006-06 approved at the September 23, 2005, SANDAG Board of Directors meeting).

**Rule #14: Capital Equipment Acquisition Loans to SANDAG**

**Adoption Date:** November 16, 1990 (Resolution RC91-6)
Text: The loan of unused administrative allocations from TransNet funds to SANDAG for the purpose of acquiring office and computer equipment is authorized when lower cost financing is not available. The repayment schedule shall be based upon funding authorized in the SANDAG-approved budget and will include interest at a rate equal to the interest earning rate of the San Diego County Pooled Money Fund.

Rule #15: Local Agency Hold Harmless Agreements

Adoption Date: October 25, 1992 (Resolution RC92-7)

Text: Each local agency shall be required to hold harmless and defend the Commission against challenges related to local TransNet projects. This rule is to be implemented by requiring that each local agency agree in its resolution approving its projects for TransNet funding to hold the Commission harmless.

Rule #16: Repayment of Commercial Paper Program Proceeds

Adoption Date: September 23, 2005

Amendment: Amended November 18, 2005, and October 25, 2013

Text: Each agency receiving proceeds from the TransNet Commercial Paper Program shall be responsible for its proportionate share of the ongoing interest and related administrative costs from the date the proceeds are received until the principal amount of the loan is fully repaid. Repayment of the principal amount shall commence within three years of the agency’s receipt of the proceeds and shall be completed within five years of the agency’s receipt of the proceeds. Unless otherwise prohibited by law or regulation, repayment of the proceeds may be accomplished by rolling the outstanding amount into a long-term bond issue during the five-year repayment period. In such cases, the agency would then be responsible for its proportionate share of the bond issuance costs and annual debt service costs. The repayment of debt, in all cases, is the first priority on the use of the agency’s share of annual TransNet revenues.

Rule #17: Fiscal and Compliance Audits

Adoption Date: November 18, 2005


Text:

I. Fiscal and Compliance Audit Procedures

The fiscal and compliance audit is an essential tool to determine that TransNet funds are being used for the intended purposes. The Commission has the fiduciary responsibility to ensure that the public funds are used in accordance with the TransNet Ordinance and Expenditure Plans (87-01 and 04-01).

Pursuant to the TransNet Extension Ordinance (04-01), the Independent Taxpayer Oversight Committee (ITOC) is responsible for the conduct of an annual fiscal audit and compliance audit of
all TransNet-funded activities beginning with the FY 2009 audit. In order to complete the audits in a timely manner, the following audit schedule is set forth:

A. July/August: ITOC designee and appropriate SANDAG staff coordinate with the auditors to review the audits required for the year and provide all necessary documentation/information for the auditors to begin work.

B. September to November: Auditors schedule and perform site visits. Recipient agencies must be ready and available to meet with the auditors and provide requested financial schedules and other information necessary for the completion of the audit.

C. December 1 (required deadline): Regional Transportation Congestion Improvement Program (RTCIP) expenditure plan and financial records must be submitted for a review and audit.

D. November/December: Auditors issue preliminary draft reports to both SANDAG and the recipient agencies no later than December 31. Recipient agencies must be available to review and comment on the draft report in a timely manner. All outstanding issues should be resolved within four weeks of preliminary draft report issuance.

E. March: Auditors issue a report of compliance audit results and present to ITOC at its March meeting. ITOC presents initial finding(s) of the audit and its recommendations to the Transportation Committee.

F. May: ITOC issues all compliance reports and adopts the annual report.

G. June: The ITOC annual report, which includes results of the annual audit and its process, is presented to the SANDAG Board of Directors.

ITOC Responsibility: In accordance with 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,” ITOC will conduct an annual fiscal and compliance audit of all TransNet-funded activities using the services of an independent fiscal auditor to assure compliance with the voter-approved Ordinance and Expenditure Plan, and will prepare an annual report for presentation to the SANDAG Board of Directors that includes the results of the annual audit process.

SANDAG Responsibility: SANDAG will provide all information necessary to complete the audit.

Agency Responsibility: All agencies must be ready for the site visit, provide requested information, and review and comment on the draft reports in a timely manner.

If the auditor is unable to complete the audit for initial draft acceptance by the ITOC (per Rule #17(I)(E)), because an agency was not ready or did not provide the required information or reviews in a timely manner, then the agency will be deemed in noncompliance of the Ordinance. SANDAG will withhold future TransNet payments (except for required debt service payments) until the audit draft is completed and accepted by the ITOC.
II. Ordinance Requirements

Section 4(C)(5) of the TransNet Extension Ordinance contains the fiscal and compliance audit requirements applicable beginning in FY 2009.

Section 8 of the Ordinance contains the Maintenance of Effort requirements for the local agencies.

Section 9 of the Ordinance and the attachment “TransNet EXTENSION REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM” contain the Regional Transportation Congestion Improvement Program (RTCIP) requirements for the local agencies.

Section 11 of the Ordinance and 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” contains the ITOC spending requirements.

Section 12 of the Ordinance contains the Administrative Expenses requirements for SANDAG.

III. Audit Adjustments

The audit identifies the status of each project funded with TransNet funds – i.e., completed projects, projects that have negative balances, inactive projects, and ongoing projects. The agencies are responsible to work with the auditors to make proper adjustments as follows:

A. This section applies to funding allocated for the specified projects under the Highway and Transit Programs under Ordinance 87-1, including funding allocated for bicycle facility improvements. Under the TransNet Extension (Ordinance 04-01), this section applies to the Major Corridor funding – Section 4(A) and (B) and the four discretionary programs: (1) Transit Senior program – Section 4(C)(2); (2) Local Environmental Mitigation program – Section 4(D)(2); (3) Local Smart Growth Incentive program – Section 4(D)(3); and (4) Bicycle, Pedestrian, and Neighborhood Safety Program – Section 2(E).

1. Completed projects: once a project is identified as completed and there are TransNet funds remaining with that project, the agency is required to return the money back to the program. After the fiscal audit determines that the project has been completed, SANDAG will transmit a letter to the agency to return the unexpended funds, including any unexpended interest earned, to the Commission. The agency must remit the balance within 60 days of the letter. Should an agency fail to respond in a timely manner, all future TransNet payments (including funds from the other programs) to that agency will be suspended until the funds are returned.

2. Projects with negative balances: if a project ending balance is negative, then a footnote should be provided detailing the subsequent year’s intended action.

3. Inactive projects: if a project has had no activity over a period of two audits, the agency must either close out the project or note when the project will be completed (see Board Policy No. 035 for project completion deadlines and other Competitive Grant Program Procedures). Closed projects should no longer show in the following year’s audit and any funds remaining must be returned to SANDAG (see instructions in Section III(A)(1)).
B. This section applies to funding allocated for the specified projects under the Local Street and Road Formula Program (Section 4(C) of Ordinance 87-1 and Section 4(D)(1) of Ordinance 04-01) and Transit Funding (Section 4(B) of Ordinance 87-1 and Sections 4(C)(1), 4(C)(3), and 4(C)(4) of Ordinance 04-01).

1. Completed projects: once a project is identified as completed and there are TransNet funds remaining with that project, the agency is required to transfer the unexpended principal balance to another TransNet-eligible project (projects included in the approved Program of Projects and in accordance with Section 2(C)(1) of the Ordinance 04-01 for Local Street and Road Formula projects) while the interest may be so transferred or pooled in accordance with Rule #6. The audit should make note to which project the principal funds will be transferred. Completed projects should no longer show in the following year’s audit.

2. Projects with negative balances: if a project ending balance is negative, then a footnote should be provided detailing the subsequent year’s intended action.

3. Inactive projects: if a project has had no activity over a period of two audits, other than interest earnings, the agency must either close out the project or note when the project will be completed. Closed projects should no longer show in the following year’s audit. Any remaining TransNet funds must be transferred to another TransNet-eligible project (projects included in the approved Program of Projects and in accordance with Section 2(C)(1) of the Ordinance 04-01 for Local Street and Road Formula projects).

4. Transfer of funds: any transfer of TransNet funds from one project to another requires the local agency to provide documentation that its governing body consents to the transfer proposed prior to or concurrent with the final issuance of the annual fiscal and compliance audit. Such documentation shall consist of a signed staff report or resolution. Transfers that require an amendment to the RTIP must follow the amendment process outlined in Rule #7. Transfers between Local Street and Road Formula projects are subject to Rule #18.

IV. Local Agency Balance Limitations

Based on the audit, an agency that maintains a balance of more than 30 percent of its annual apportionment (after debt service payments) must use the remaining balance to fund projects. SANDAG will defer payment until the recipient agency’s Director of Finance, or equivalent, submits to SANDAG a certification that the unused balance has fallen below the 30 percent threshold, and will remain below the threshold until such time that a new threshold is determined.

V. Annual Fiscal and Compliance Audit Report to the Board

Pursuant to the TransNet Extension Ordinance, beginning with the FY 2009 audits, ITOC is responsible for the annual fiscal and compliance audit of all TransNet-funded activities.

**Rule #18: Local Street and Road Program**

Adoption Date: June 23, 2006

**Amendment:** Amended July 24, 2009
Text: As specified in Section 2(C)(1) of the Ordinance 04-01, at least 70 percent of the revenues provided for local street and road purposes should be used for congestion relief purposes and no more than 30 percent for maintenance purposes. Grade separation projects are identified in Section 2(C)(1) of Ordinance 04-01 as projects that qualify as congestion relief projects. Attachment 2 provides a set of guidelines to be used in the implementation of this 30 percent maintenance limitation beginning with the 2006 Regional Transportation Improvement Program (RTIP) update. These guidelines apply to the programming of all available local TransNet funding (annual formula funds and prior year original TransNet carry-over balances) beginning with July 1, 2008 (Fiscal Year 2008-09).

It is the intent of this Section that over the life of Ordinance 04-01, local agencies do not cumulatively use more than 30 percent of the revenues for maintenance-related projects.

Rule #19: Conflict of Interest for ITOC Representatives

Adoption Date: December 15, 2006

Text: The Board intends to make every effort to ensure the representatives selected to serve on the Independent Taxpayers Oversight Committee (ITOC) are free from any bias that would interfere with objective decision making by the ITOC. The Conflict of Interest section of the “Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the TransNet Program,” which is part of the TransNet Extension Ordinance, states in part: “ITOC members shall not have direct commercial interest or employment with any public or private entity, which receives TransNet sales tax funds authorized by this Ordinance.” The Board interprets this language to impose the same level of restrictions on the ITOC representatives as those that apply to SANDAG Board members pursuant to California state law found at Government Code sections 87100 et seq. and 1090 et seq.

Rule #20: Selection Procedures for ITOC Representatives

Adoption Date: December 21, 2007

Text: The “Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the TransNet Program,” which is part of the TransNet Extension Ordinance, Section 3 under the heading “Membership and Selection Process” of that document states that a Selection Committee shall be established to select the ITOC members from the list of qualified candidates recommended by the technical screening committee. The Selection Committee is to consist of two members of the County of San Diego Board of Supervisors; the Mayor of the City of San Diego; and a mayor from each of the four subregions. It is the mayors from each of the subregions that are to select from among themselves to sit on the Selection Committee, not the representatives who sit on the Board who may or may not be a mayor. The members of the Selection Committee who are mayors from the subregions shall serve for a period of two years or until the designee no longer holds the office of mayor. At the end of this term, the mayors from the affected subregion(s) shall either inform the Clerk of the SANDAG Board that the same representative is being redesignated or identify the new mayor who they have selected to represent their subregion on the Selection Committee.
Rule #21: Accommodation of Bicyclists and Pedestrians

Adoption Date: February 22, 2008

Text: Adequate provisions for bicycle and pedestrian travel is determined within the context of the roadway type, its existing and planned surrounding land uses, existing bicycle and pedestrian plans, and current or planned public transit service. When addressing the access needs dictated by land use, the responsible agency must consider demand created by current and expected land uses (as determined by the local general plan) within the useful life of the TransNet project. The table Appropriate Bicycle and Pedestrian Accommodation Measures provides a guide to appropriate accommodation measures for each transportation facility type and land use context. In the table, “urban” means within the urbanized area as defined by U.S. Census Bureau.

<table>
<thead>
<tr>
<th>Context/Facility Type</th>
<th>Bicycle Measures</th>
<th>Pedestrian Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban Highway</td>
<td>• Required facility type will be based on the recommendations for any regional bikeway corridors in urban highway alignments developed through the 2007 Regional Bicycle Plan. Pending completion of this plan, appropriate bicycle accommodation will be developed on a project by project basis by local and regional authorities in consultation with appropriate stakeholders. • Freeways and freeway interchanges may not eliminate existing bikeways or preclude planned bikeways on local streets and roads.</td>
<td>• Continuous sidewalks and marked crosswalks through freeway interchanges where sidewalks exist or are planned on the intersecting roadway. • Where new freeway construction severs existing pedestrian access, grade separated pedestrian crossings with no more than 0.3 mile between crossings.</td>
</tr>
<tr>
<td>Transit Project</td>
<td>• Bicycle lockers and racks at stations sufficient to meet normal expected demand. • Bicycle access to all transit vehicles except those providing exclusive paratransit service to the disabled as required by the Americans with Disabilities Act. • Transit priority measures on roadways may not prevent bicycle access.</td>
<td>• Direct sidewalk connections between station platforms and adjacent roadway sidewalks. • Pedestrian crossings where a new transit way severs existing pedestrian access with no more than 0.3 miles between crossings.</td>
</tr>
<tr>
<td>Context/Facility Type</td>
<td>Bicycle Measures</td>
<td>Pedestrian Measures</td>
</tr>
<tr>
<td>---------------------------------------</td>
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<td>--------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Major Urban Street</td>
<td>• Class 2 bike lanes</td>
<td>• Continuous sidewalks or pathways(^2), both sides of the street with marked crosswalks at traffic controlled intersections.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• ADA compliant bus stop landings for existing and planned transit service.</td>
</tr>
<tr>
<td>Urban Collector Street (design speed &gt;35 mph)</td>
<td>• Class 2 bike lanes</td>
<td>• Continuous sidewalks or pathways(^2), both sides of the street with marked crosswalks at traffic controlled intersections.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• ADA compliant bus stop landings for existing and planned transit service.</td>
</tr>
<tr>
<td>Urban Collector Street (design speed ≤ 35 mph)</td>
<td>• Shared roadway. Where planned average daily motor vehicle traffic exceeds 6,500, the outside travel lane should be at least 14 feet wide.</td>
<td>• Continuous sidewalks or pathways(^2) both sides of the street.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• ADA compliant bus stop landings for existing and planned transit service.</td>
</tr>
<tr>
<td>Urban Local Street</td>
<td>• Shared roadway</td>
<td>• Continuous sidewalks or pathways(^2) both sides of the street.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• ADA compliant bus stop landings for existing and planned transit service.</td>
</tr>
<tr>
<td>Rural Highway</td>
<td>• Minimum 8-foot paved shoulder</td>
<td>• ADA compliant bus stop landings for existing bus stops.</td>
</tr>
<tr>
<td>Rural Collector Road</td>
<td>• Minimum 8-foot paved shoulder</td>
<td>• Not required with no fronting uses.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Paved or graded walkway consistent with community character on streets with fronting uses.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• ADA compliant bus stop landings for existing bus stops.</td>
</tr>
<tr>
<td>Context/Facility Type</td>
<td>Bicycle Measures</td>
<td>Pedestrian Measures</td>
</tr>
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</tbody>
</table>
| Rural Local Road     | • Minimum 6-foot paved shoulder | • Not required with 85th percentile speeds $\leq 25$ mph.  
• Paved or graded walkway consistent with community character on streets with fronting uses and 85th percentile speeds $> 25$ mph.  
• ADA compliant bus stop landings for existing bus stops. |

1 Application of these accommodation measures is subject to sound planning and engineering judgment to ensure the facility is reasonable and appropriate within the land use and transportation context of the overall project.

2 Unpaved pathways of decomposed granite or other suitable material that are set back from the roadway where feasible would be considered appropriate only on roads serving areas that are rural in nature.

Where a local jurisdiction has a bicycle or pedestrian master plan adopted by the city council or Board of Supervisors and approved by SANDAG, the local agency may use that plan to determine the appropriate means of accommodating bicyclists and pedestrians in a given project and at a minimum provide the facilities called for in the plan. These plans must be updated and approved no less than every five years to qualify as a means of satisfying this provision.

**Best Available Standards.** All bicycle facilities must be designed to the standards established in the California Highway Design Manual, Chapter 1000. Bicycle parking facilities should conform to the guidelines established in the Regional Bicycle Plan adopted by SANDAG. Shared roadways on collector streets should have a curb lane or curb lane plus shoulder that measures at least 14 feet. Where parallel parking is in place, consideration should be given to installing the shared lane pavement marker. All sidewalks must be designed consistent with the design standards established in the AASHTO Guide for the Planning, Design, and Operation of Pedestrian Facilities, the Department of State Architect’s California Access Compliance Reference Manual, and the U.S. Department of Transportation ADA Accessibility Guidelines for Buildings and Facilities (ADAAG). Consistency with the design recommendations in SANDAG’s *Planning and Designing for Pedestrians* is encouraged.

**Bicycle and Pedestrian Accommodation in Reconstruction Projects.** Street and road reconstruction is the time to re-evaluate the function of a road and its context, and to reallocate the right-of-way if appropriate to meet the needs of bicyclists and pedestrians. An agency is not required to acquire additional right of way to improve bicycle and pedestrian access. However, the agency should consider reduced motor vehicle lanes and lane widths, and reduced median widths as a means of providing the appropriate bicycle or pedestrian facility. While such an evaluation is recommended for reconstruction projects of any size, compliance with these guidelines is required for “major” reconstruction projects meeting the definitions established under Rule 18 of SANDAG Board Policy No. 031 regarding the guidelines for implementing the “70/30” requirement.
When Provisions for Bicyclists and Pedestrians Accommodation May Be Excluded. Section 4(E)(3) is based on the premise that pedestrians and bicyclists need safe and convenient access to the same destinations as other users of the public right of way. Consequently, those portions of the transportation network where pedestrians and bicyclists need not be accommodated are the exception, and the decision not to provide for them in a construction or major reconstruction project must be made by the responsible agency for good cause such as severe topographic or biological constraints. Any impacts on the roadway’s motor vehicle capacity that result from providing for pedestrian and bicycle access would not, in themselves, justify excluding bicycle and pedestrian facilities. However, these impacts and their mitigation costs should be considered in determining if the cost of providing the facilities is disproportionate to the probable use.

This provision only requires an agency to provide appropriate bicycle or pedestrian facilities that are within the construction or reconstruction area of the project. Consideration of the provision of sidewalks as part of major rehabilitation roadway projects involving only new pavement overlays of 1-inch thickness or greater (see Rule 18 under Board Policy 031) on streets where sidewalks do not currently exist would only be required if curb, gutter, and related drainage facilities were already in place.

The cost of providing for bicycle and pedestrian access can vary significantly relative to the overall project cost. For this reason, specifying a proportional or absolute limit on spending for bicycle or pedestrian improvements relative to probable use would not allow the kind of discretion necessary to make a significant investment in facilities when necessary, or to withhold an investment when the benefits are marginal. Therefore, the decision to exclude accommodations for bicyclist and pedestrians must be a policy-level decision made by the Board or city council based on the body of information about context, cost, and probable use available at the time. Such a decision must be made in the public hearing required by Section 5(A) of the Ordinance.

Pedestrian Access. Sidewalks or other walkways may be excluded from a project when it can be demonstrated that there are no uses (including bus stops) that would create demand for pedestrian access. In making this determination, the agency must consider the potential for future demand within the useful life of the project. Access to and from public transit, including crossing improvements, also must be considered and accommodated where there is existing or planned transit service.

Bicycle Access. A new project or major reconstruction project may not include the expected bikeway treatment when a suitable parallel route with the appropriate accommodations exists that would require no more than ¼-mile total out of direction travel.

Procedures for Excluding Accommodations for Pedestrians and Bicyclists from Projects. When an agency determines not to include bicycle or pedestrian accommodations in a project because the cost of doing so would be excessively disproportionate to the need or probable use, the agency must include a notice of that decision in the notice of the public hearing required by Sections 5(A) and Section 6 of the Ordinance. In submitting the project to SANDAG for inclusion in the TransNet Program of Projects as part of the Regional Transportation Improvement Program (RTIP) process, the agency must notify SANDAG that bicycle and/or pedestrian facilities, as described in Table 1 or in its bicycle or pedestrian master plan, will not be included in the project along with written justification for that decision. The decision and justification is subject to review and comment by SANDAG through the Bicycle-Pedestrian Working Group, which would forward its
comments to the SANDAG Transportation Committee. The Independent Taxpayer Oversight Committee also would review and comment on such projects as part of its role in the RTIP process. The Transportation Committee in approving the TransNet Program of Projects must make a finding that the local decision not to provide bicycle or pedestrian facilities is consistent with the provisions of this Ordinance prior to approving the project for funding under the TransNet Program. If this consistency finding is not made, the agency would have the opportunity to revise its fund programming request for consideration in a future RTIP amendment.

**Effective Implementation.** This rule will be effective for projects added to the TransNet Program of Projects subsequent to their adoption by the SANDAG Board of Directors. Within three years of their adoption, the rule will be re-evaluated by SANDAG to ensure they are effectively encouraging provision of a balance transportation network without imposing an excessive cost burden on projects funded under the program.

**Rule #22: TransNet Extension Ordinance Maintenance of Effort (MOE) base level implementation guidelines**

**Adoption Date:** March 28, 2008

**Text:** Section 8 of the Extension Ordinance provides guidelines regarding the MOE base level calculation and implementation.

Section 8 of the Extension Ordinance states the intended purpose of the MOE requirement is to ensure that revenues provided from TransNet be used to augment, not supplant, existing local revenue. Some flexibility in accounting for spikes in expenditures would be consistent with the intent of ensuring that the local agencies do not supplant local funds with TransNet funds. Therefore, one-time expenditures that were a result of “banking” general fund monies and subsequently expending those funds during the base period Fiscal Years 2001 – 2003 may be isolated and removed so that the MOE is representative of a normal annual spending level, subject to review by the ITOC and approval by the Board of Directors.

In addition, the language in Section 8 of the Extension Ordinance states the MOE will be determined on the basis of “discretionary funds expended for street and road purposes...as was reported in the State Controller's Annual Report of Financial Transactions for Streets and Roads.” The Extension Ordinance also states “the MOE also shall apply to any local agency discretionary funds being used for the other purposes specified under Section 4.” Based on this language, the MOE levels are to be established separately for each category in Section 4 of the Ordinance: major highway and transit congestion relief projects; transit programs to support seniors and disabled persons; specialized transportation services for seniors; monthly transit passes for seniors, disabled, and youth riders; transit operations; local streets and roads; habitat-related mitigation costs of local transportation projects; and the smart growth incentive program. The annual audits of the MOE expenditure requirement will report the expenditures for each of these separate categories.

**Rule #23: Application of TransNet Extension Ordinance Regional Transportation Congestion Improvement Program (RTCIP) Requirements**

**Adoption Date:** July 10, 2009

**Amendment:** Amended January 22, 2010, and November 19, 2010
A. Section 9 of Ordinance 04-01 provides that starting on July 1, 2008, each local agency in the San Diego region shall contribute $2,000 in exactions from the private sector, for each newly constructed residential housing unit in that jurisdiction to the RTCIP. Each agency is required to establish its own collection program, known as its RTCIP Funding Program. Each jurisdiction is required to either establish a new Fund for the RTCIP or to set up accounts specific to the RTCIP for tracking purposes. Interest earned on RTCIP revenues received by the jurisdiction must be allocated to the RTCIP Fund.

B. Local agencies, SANDAG staff, hired auditors, and the Independent Taxpayers Oversight Committee (ITOC) are subject to the timelines set forth in Rule #17, Section I (Fiscal and Compliance Audit Procedures) in this Board Policy, Ordinance 04-01, and the attachment to Ordinance 04-01 entitled “REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM” (RTCIP Attachment). Section 9 of Ordinance 04-01 states that any local agency that does not provide its “full” RTCIP contribution in a given fiscal year will not be eligible to receive funding for local streets and roads for the immediately following fiscal year. It further provides that any funding not allocated under 4(D)(1) as a result of this requirement shall be reallocated to the remaining local agencies that are in compliance with Section 9. This Rule #23 is intended to provide clarification regarding how this language will be implemented.

1. By June 30 of each year, which is the last day of SANDAG’s fiscal year, each local agency must record as revenue, the full amount of each RTCIP exaction due for any new residential unit subject to the RTCIP within its jurisdiction. This means that if the RTCIP exaction is not yet collected, the local agency should invoice, but does not need to collect all of the RTCIP exactions due in a given fiscal year by June 30. Each local agency may choose when the exaction is due, but in no event can the local agency allow a residential unit subject to the RTCIP to be occupied by a resident prior to receipt of the RTCIP exaction. The local agency must record the revenue in the fiscal year the exaction is due according to its Funding Program or when the revenue is received, whichever occurs first.

2. Section G(4) of the RTCIP Attachment states that each local agency shall have up to, but no more than seven years after receipt of the revenue to expend the revenues on Regional Arterial System or regional transportation infrastructure projects. To ensure consistency in implementation, this provision shall mean that the seven year term shall begin on the July 1 following the date on which the local agency recorded the exaction as revenue or received the revenue, whichever occurred first. If it is not spent within seven years it will be subject to the reallocation process in Section G(4) of the RTCIP Attachment.

3. Pursuant to Ordinance 09-01, which amended Ordinance 04-01, the audit reports for all RTCIP Funding Programs are to be completed by June of the fiscal year immediately following the end of the fiscal year being audited. If during the audit process it is determined that a local agency failed to collect the full amount of exactions due under its Funding Program, the local agency may cure the defect by recording the amount due as an account receivable for the fiscal year being audited and avoid losing its TransNet funding. If the local agency has already closed out its books for the fiscal year being audited by the time the RTCIP audit discloses the defect, the local agency may record the revenue and cure the defect in the current fiscal year in order to avoid losing its TransNet funding. The seven-year period discussed in Section B(2) of this Rule will commence from the fiscal year in which the revenue is recorded if this latter situation occurs.
4. The following exceptions will be permitted to the requirement that each local agency record as revenue, the full amount of each RTCIP exaction due for any new residential unit subject to the RTCIP within its jurisdiction by the June 30 deadline. These exceptions are permissible because the purpose of the RTCIP exactions is to mitigate residential traffic impacts on the regional transportation infrastructure. If a new unit subject to the RTCIP is not occupied this impact does not occur.

   a. If litigation, bankruptcy, or other similar situation occurs that delays occupation of a new residential unit pending resolution by the courts or another body assigned to resolve the dispute, and the local agency has invoiced, but been unable to collect amounts due under its Funding Program, the local agency may delay recording the account receivable until the outcome is known or the unit is occupied, whichever occurs first. The local agency shall provide documentation to the auditor establishing litigation, bankruptcy, etc. has occurred that has precluded the local agency from collecting the exaction.

   b. If a local agency records an RTCIP exaction as revenue and subsequently determines that the amount is uncollectible (i.e., the developer never completes the project or goes bankrupt), the local agency may write-off the RTCIP exaction until such time, if ever, the unit is occupied and subject to the RTCIP. The local agency shall provide documentation to the auditor establishing that the write-off was justified.

5. Due to the timeline for completion of RTCIP audits, it may be up to one year after the fiscal year being audited has ended before ITOC adopts a final report that includes a finding that a local agency failed to provide the full amount of RTCIP exactions due under its Funding Program. During this interim audit period, SANDAG will make the payments due to local agencies for local streets and roads pursuant to Section 4(D)(1) of Ordinance 04-01 in good faith by presuming that the audit will establish each local agency is in compliance. If, however, the audit establishes a local agency did not provide its full monetary contribution under the RTCIP and the local agency does not cure defects of which it was notified by the time the audit is finalized and adopted by the ITOC, then the local agency will have forfeited its Section 4(D)(1) contribution. Any amount paid to the local agency in the fiscal year following the year that was the subject of the audit will be retroactively owed to the Commission. SANDAG will deduct any such amount, with interest at the monthly Local Agency Investment Fund (LAIF) rate. This amount will be deducted from the local agency annual allocation during the next fiscal year in which the local agency is eligible for Section 4(D)(1) funding.

C. The Board has determined that a nursing home, home for the aged, assisted living facility, or similar institutional unit (“institutional unit”) is not the type of unit the RTCIP was intended to cover. Local agencies are not required to charge for a new institutional unit for purposes of compliance with the Ordinance’s RTCIP Funding Program requirements when the local agency documents that it has made the following findings prior to issuance of a final certificate of occupancy:

   1. The individual unit will not have both a bathroom and permanent built-in kitchen facilities equipped with a cooking range, refrigerator, and sink; and
2. The principal reason a person will live in the unit is because the person needs medical and/or nursing care; and

3. The local agency has required that the developer agree that the unit in substance will be used as health care facility rather than as a residence.

D. Section G(2) of the TransNet EXTENSION REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM, as amended on July 24, 2009, states that ‘each jurisdiction must submit its Funding Program documents, including an expenditure plan and financial records pertaining to its Funding Program, to the Independent Taxpayer Oversight Committee for a review and audit by December 1 of each year beginning December 1, 2009.

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1 All references to “unit” in these criteria are intended to apply to an individual living unit, not the institutional facility as a whole.

Adopted: February, April, and May 1988; August 1989; March, July, and November 1990; October 1992; September and November 2005

## FY 1988 Base Year Statistics
(for use in TransNet Ordinance Rule #8)

### Metropolitan Transit Development Board (MTS) Area

<table>
<thead>
<tr>
<th>Fund Source</th>
<th>Operator/Service</th>
<th>Vehicle Service Miles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Article 4.0</td>
<td>Chula Vista Transit</td>
<td>559,734</td>
</tr>
<tr>
<td></td>
<td>National City Transit</td>
<td>276,303</td>
</tr>
<tr>
<td></td>
<td>County Transit System:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Suburban Service</td>
<td>646,904</td>
</tr>
<tr>
<td></td>
<td>Rural Bus</td>
<td>170,953</td>
</tr>
<tr>
<td></td>
<td>Poway Fixed Route</td>
<td>313,425</td>
</tr>
<tr>
<td></td>
<td>San Diego Transit</td>
<td>10,473,323</td>
</tr>
<tr>
<td></td>
<td>San Diego Trolley</td>
<td>1,033,084</td>
</tr>
<tr>
<td></td>
<td>Strand Express Agency</td>
<td>400,738</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>13,874,464</td>
</tr>
</tbody>
</table>

| Article 8  | County Transit System:              |                       |
|            | Express Bus                          | 189,276               |
|            | Total                                | 189,276               |

| Article 4.0 Dial-A-Ride | El Cajon Express | 308,331      |
|                        | La Mesa Dial-A-Ride  | 251,516      |
|                        | Lemon Grove Dial-A-Ride | 62,090    |
| County Transit System:| Poway Dial-A-Ride | 23,030       |
|                        | Poway Airporter     | 103,925      |
|                        | Spring Valley Dial-A-Ride | 73,298    |
|                        | San Diego Transit DART | 309,370   |
| Total                  |                        | 1,131,560    |

| Article 4.5 | Chula Vista Handytrans | 2 | 128,807 |
|             | County Transit System – WHEELS    |   | 219,906 |
|             | National City Wheels             |   | 15,159  |
|             | Poway Call-A-Ride                |   | 60,156  |
|             | San Diego Dial-A-Ride            |   | 1,149,541 |
| Total       |                                 |   | 1,573,623 |

| MTDB (MTS) Area Total | 16,768,923 |
North County Transit District

<table>
<thead>
<tr>
<th>Fund Source</th>
<th>Operator/Service</th>
<th>Vehicle Service Miles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Article 4.0</td>
<td>NCTD Fixed Route</td>
<td>7,651,408</td>
</tr>
<tr>
<td></td>
<td>NCTD FAST</td>
<td>126,744</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>7,778,152</strong></td>
</tr>
<tr>
<td>Article 4.5</td>
<td>NCTD Lifeline</td>
<td><strong>386,680</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>386,680</strong></td>
</tr>
</tbody>
</table>

NSDCTDB (NCTD) Area Total  8,164,832

REGIONAL TOTAL  24,933,755
The TransNet Ordinance requires that at least 70 percent of the revenues provided for local street and road purposes should be used to fund direct expenditures for facilities contributing to congestion relief. No more than 30 percent of these funds should be used for local street and road maintenance purposes. The required multi-year Regional Transportation Improvement Program (RTIP) project lists submitted by local agencies that are found to be out of compliance with this requirement will not be approved. Local agencies may request an exception to this requirement and must provide justification for such a request as part of its project list submittal.

The following table categorizes and lists the more typical types of facilities that are considered to contribute to congestion relief. For other facilities not listed, it must be demonstrated that congestion relief can be obtained before the project can be considered part of the 70 percent Congestion Relief category. Maintenance costs of items listed in the 70 percent Congestion Relief category are eligible under the 30 percent category. Facilities that are not considered to contribute to congestion relief (Items 28-30) are eligible under the 30 percent category.

| Congestion Relief  
(at least 70%) | Maintenance and Non-Congestion Relief  
(no more than 30%) |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New or Expanded Facilities</strong></td>
<td></td>
</tr>
<tr>
<td>1. New roadways and bridges</td>
<td></td>
</tr>
<tr>
<td>2. Roadway and bridge widening</td>
<td></td>
</tr>
<tr>
<td>3. Roadway widening for bike lanes</td>
<td></td>
</tr>
<tr>
<td><strong>Major Rehabilitation and Reconstruction</strong></td>
<td></td>
</tr>
<tr>
<td>4. Roadway rehabilitation (grinding and overlay, or new structural pavement, or new overlay 1-inch thick or greater)</td>
<td></td>
</tr>
<tr>
<td>5. Roadway realignment</td>
<td></td>
</tr>
<tr>
<td>6. Bridge retrofit or replacement</td>
<td></td>
</tr>
<tr>
<td>7. Roadway drainage improvements for the purpose of improving capacity-impeding conditions such as significant and frequent roadway flooding</td>
<td></td>
</tr>
<tr>
<td>8. New sidewalk or sidewalk widening</td>
<td></td>
</tr>
<tr>
<td><strong>Traffic Operations</strong></td>
<td></td>
</tr>
<tr>
<td>9. Median installation for safety improvement or left-turn movement</td>
<td></td>
</tr>
<tr>
<td>10. New traffic signal, passive permissive left turn (PPLT) installation, signal removal for congestion relief reasons, traffic signal upgrades, intersection lighting</td>
<td></td>
</tr>
<tr>
<td>11. Traffic signal coordination</td>
<td></td>
</tr>
<tr>
<td>12. Traffic signal interconnection</td>
<td></td>
</tr>
<tr>
<td>• Lane removal for bike lanes</td>
<td></td>
</tr>
<tr>
<td>• Pavement overlay (less than 1 inch)</td>
<td></td>
</tr>
<tr>
<td>• Pot hole repair, chip seal, fog seal, crack seal (except when part of roadway rehabilitation project)</td>
<td></td>
</tr>
<tr>
<td>• Roadway realignment that does not increase roadway capacity</td>
<td></td>
</tr>
<tr>
<td>• Bridge replacement for aesthetic purposes</td>
<td></td>
</tr>
<tr>
<td>• Minor drainage improvements not part of a congestion relief project</td>
<td></td>
</tr>
<tr>
<td>• Stand-alone landscaping project of an existing median</td>
<td></td>
</tr>
<tr>
<td>• Traffic signal replacement, bulb replacement, hardware, software, inductive loop repair</td>
<td></td>
</tr>
<tr>
<td>Congestion Relief (at least 70%)</td>
<td>Maintenance and Non-Congestion Relief (no more than 30%)</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>----------------------------------------------------------</td>
</tr>
<tr>
<td>13. Centrally controlled traffic signal optimization system</td>
<td></td>
</tr>
<tr>
<td>14. Traffic surveillance or detection system (video)</td>
<td></td>
</tr>
<tr>
<td>15. Traffic data collection system for performance monitoring purposes (in pavement detection, radar)</td>
<td></td>
</tr>
<tr>
<td><strong>Smart Growth-Related Infrastructure</strong>*</td>
<td></td>
</tr>
<tr>
<td>16. Traffic calming measures</td>
<td></td>
</tr>
<tr>
<td>17. Pedestrian ramps</td>
<td></td>
</tr>
<tr>
<td>18. Pedestrian traffic signal activation</td>
<td></td>
</tr>
<tr>
<td>19. Pedestrian crossings/overcrossings</td>
<td></td>
</tr>
<tr>
<td>20. Buffer area between sidewalk and street</td>
<td></td>
</tr>
<tr>
<td>21. Pedestrian roadway lighting</td>
<td></td>
</tr>
<tr>
<td><strong>Transit Facilities</strong></td>
<td></td>
</tr>
<tr>
<td>22. New bus stops</td>
<td></td>
</tr>
<tr>
<td>23. Bus stop enhancements</td>
<td></td>
</tr>
<tr>
<td>24. Bus-only lanes</td>
<td></td>
</tr>
<tr>
<td>25. Queue jumper lanes for buses</td>
<td></td>
</tr>
<tr>
<td>26. Traffic signal priority measures for buses</td>
<td></td>
</tr>
<tr>
<td>27. Transit operational costs for shuttle and circulator routes</td>
<td></td>
</tr>
<tr>
<td>28. Erosion control (unless required as part of a congestion relief project)</td>
<td></td>
</tr>
<tr>
<td>29. Landscaping (unless required as part of a congestion relief project)</td>
<td></td>
</tr>
<tr>
<td>30. Roadway signing and delineation (unless it is a congestion relief project)</td>
<td></td>
</tr>
<tr>
<td><strong>Light bulb replacement</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Bus-only lanes that do not provide congestion relief</strong></td>
<td></td>
</tr>
</tbody>
</table>

Note: Staff costs for congestion relief project development (environmental, preliminary engineering, design, right-of-way acquisition, and construction management) are eligible expenditures under the 70 percent category. Staff costs for transportation infrastructure maintenance or traffic operations efforts are eligible under the 30 percent category. Costs for general TransNet fund administration and transportation planning are eligible up to 1 percent of annual revenues.

*To receive credit for providing congestion relief under the 70 percent category, smart growth-related infrastructure must be provided in one of the existing or planned (not potential) seven Regional Comprehensive Plan smart growth land use type characteristic areas: Metropolitan Center, Urban Center, Town Center, Community Center, Transit Corridor, Special Use Center, or Rural Community. Smart growth-related infrastructure built outside of one of the seven types of characteristic areas is eligible under the 30 percent category.
IMPLEMENTATION GUIDELINES FOR SANDAG REGIONAL HOUSING NEEDS ASSESSMENT FUNDING INCENTIVES

Purpose

Board Policy No. 033 sets forth specific provisions regarding the allocation by SANDAG of discretionary funding to local agency projects, e.g., the Smart Growth Incentive Program and Active Transportation Grant Program, in relation to local jurisdiction housing element compliance and factors related to lower income housing.

This policy shall be reviewed and evaluated annually or as necessary to determine if amendments are needed. Issues to be considered during the review include but are not limited to the relationship between the Regional Housing Needs Assessment (RHNA) allocation and achievement of SANDAG smart growth goals and new or changed funding sources.

Board Policy No. 033 was initially approved by the SANDAG Board in April 2006, following the adoption of the RHNA for the fourth housing element cycle. The policy was first amended in November 2008. The second set of amendments to Board Policy No. 033 (January 2012) was undertaken following the adoption of the RHNA for the fifth housing element cycle, which occurred on October 28, 2011.

1. “Discretionary funding allocated to local agency projects by SANDAG” shall be defined as: those funds allocated by SANDAG through a competitive process to local jurisdictions only (i.e., cities or the County). These funds are listed in Table 1 (Exhibit 1) and include the TransNet Smart Growth Incentive Program and Active Transportation Grant Program (formerly known as the Transportation Development Act (TDA) Non-motorized Program, and TransNet Bicycle Program).

2. The following funds are not subject to the provisions of Board Policy No. 033:

   2.1 Formula funds allocated by population or number of miles because they are not allocated on a competitive basis.

   2.2 Discretionary funds allocated to Caltrans, the two transit agencies (Metropolitan Transit System and North County Transit District), or SANDAG as they are not considered local jurisdictions.

   2.3 Funds allocated directly by Caltrans to local jurisdictions because SANDAG is not involved in their allocation.

   2.4 Funds that can be allocated to entities other than local jurisdictions (e.g., TransNet Environmental Mitigation Program Regional Habitat Conservation Fund and the Senior Transportation Mini-grant Program).
Table 2 (Exhibit 2) provides a more detailed list of funding sources/programs that are not subject to Board Policy No. 033.

3. As new funding sources become available, the Regional Planning Committee (RPC) shall review and make a recommendation to the Board of Directors if these new funding sources should be subject to Board Policy No. 033.

4. To be eligible to apply for future discretionary funding (see examples in Table 1) allocated by SANDAG to local jurisdiction projects, local jurisdictions shall meet the following thresholds:

4.1 Housing Element Compliance: In order to qualify for points under Board Policy No. 033, a jurisdiction must have an adopted Housing Element found to be in compliance by the California Department of Housing and Community Development (HCD) or its equivalent at the time of the funding program’s application deadline. No Board Policy No. 033 points will be awarded to projects in jurisdictions that have not received a letter of compliance from HCD prior to the funding program’s application deadline. A court-upheld Housing Element qualifies a jurisdiction to receive Board Policy No. 033 points.

4.2 Annual Housing Element Progress Reports: Jurisdictions shall be required to submit an annual report with the information described below in order to be eligible for funding programs for the following calendar year. This annual report shall include the same information that HCD requests in the Annual Housing Element Progress reports required by housing element law, as well as the information described below, and shall be submitted to SANDAG by the deadline in state law, which is April 1 of each year. SANDAG will prepare a report with this information for review by the Regional Planning Technical Working Group, Regional Housing Working Group and Regional Planning Committee each year. Funding applications subject to this Policy shall be evaluated based on the annual report for the preceding year that was submitted to SANDAG and HCD.

4.3 The annual report shall provide information regarding the number of building permits issued for new residential construction by income category (very low, low, moderate, and above moderate) using the forms provided by HCD for its Annual Housing Element Progress Report. If the report is submitted for the first time in years two, three, four, or five of the housing element cycle, it shall include the total number of building permits issued for new residential construction by income category during each year of the housing element cycle (including the two and a half years preceding the housing element due date). The annual report also shall indicate how many acquired/rehabilitated/deed restricted units were permitted and how many “at risk” units were preserved during each year.

5. Board Policy No. 033 ties the allocation of funding to four criteria related to each local jurisdiction’s efforts to plan for and produce lower income housing through the award of incentive points (a minimum of 25 points out of 100, or 25 percent of the total points in a funding program). Each criterion is assigned a value of one-fourth of the total points. The four criteria are: (1) Greater RHNA Share Taken, (2) Regional Share of Cumulative Total of Lower Income Units Produced, (3) Total Number of Affordable Housing Units, and (4) Percent of Lower Income Households.
5.1 The Scoring Criteria in Exhibit 3 describes in detail how the incentive points are calculated for each of the four criteria.

Exhibits: 1. Table 1, Discretionary Funding Programs Subject to Board Policy No. 033 (Local Jurisdiction Projects)  
2. Table 2, Funding Programs Not Subject to Board Policy No. 033  
3. Scoring Criteria Concerning Calculation of Board Policy No. 033 Incentive Points

Adopted April 2006  
Amended November 2008  
Amended January 2012  
Amended 2015
### TABLE 1
DISCRETIONARY FUNDING PROGRAMS
SUBJECT TO BOARD POLICY NO. 033
(LOCAL JURISDICTION PROJECTS)

<table>
<thead>
<tr>
<th>Funding Programs</th>
<th>Total Funding</th>
<th>Timeframe Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Transportation Enhancements (TE) Program</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>State</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Transportation Development Act (TDA) Article 3- Non-</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>motorized Program</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• TransNet Bicycle, Pedestrian and Neighborhood Safety</td>
<td>$280 M*</td>
<td>2009 to 2048</td>
</tr>
<tr>
<td>Program</td>
<td>$285 M*</td>
<td></td>
</tr>
<tr>
<td>• TransNet Smart Growth Incentive Program</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regional Rail Grade Separation Program</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>(Funding source TBD)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* In 2002 dollars
### EXHIBIT 2

#### TABLE 2
**FUNDING PROGRAMS NOT SUBJECT TO BOARD POLICY NO. 033**

<table>
<thead>
<tr>
<th>Funding Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Federal</strong>1</td>
</tr>
<tr>
<td>• Regional Surface Transportation Program (RSTP)2</td>
</tr>
<tr>
<td>• Congestion Mitigation &amp; Air Quality (CMAQ)2</td>
</tr>
<tr>
<td>• Transportation Enhancement (TE) Program2</td>
</tr>
<tr>
<td>• Federal Transit Administration (FTA) Urbanized Area Formula Program (Section 5307)</td>
</tr>
<tr>
<td>• FTA Fixed Guideway Modernization Program (Section 5309 Rail Mod)</td>
</tr>
<tr>
<td>• FTA Section 5310 Elderly &amp; Disabled Program</td>
</tr>
<tr>
<td>• FTA New Freedom Program</td>
</tr>
<tr>
<td>• FTA Job Access and Reverse Commute (JARC) Program</td>
</tr>
<tr>
<td><strong>State</strong>2</td>
</tr>
<tr>
<td>• State Transportation Improvement Program (STIP) – Regional Improvement Program (RIP)2</td>
</tr>
<tr>
<td>• STIP – Interregional Improvement Program (IIP)</td>
</tr>
<tr>
<td>• State Highway Operation and Protection Program (SHOPP)</td>
</tr>
<tr>
<td>• TDA Article 4 – General Public Transit Services (Fixed Transit Route Services)</td>
</tr>
<tr>
<td>• TDA Article 4.5 – Community Transit Service (Accessible Service for the Disabled)</td>
</tr>
<tr>
<td>• TDA Article 8 – Special Provisions (Express Bus and Ferry Services)</td>
</tr>
<tr>
<td>• TDA Planning and Administration</td>
</tr>
<tr>
<td>• State Transit Assistance (STA)</td>
</tr>
<tr>
<td><strong>Local</strong></td>
</tr>
<tr>
<td>• TransNet Senior Transportation Mini-grant Program</td>
</tr>
<tr>
<td>• TransNet Congestion Relief Program – Major Transportation Corridor Improvements</td>
</tr>
<tr>
<td>o Highway &amp; transit capital projects</td>
</tr>
<tr>
<td>o Operating support for bus rapid transit (BRT) &amp; rail transit capital improvements</td>
</tr>
<tr>
<td>• TransNet Congestion Relief Program – Transit System Services Improvements &amp; Related Programs</td>
</tr>
<tr>
<td>• TransNet Congestion Relief Program – Local System Improvements &amp; Related Programs</td>
</tr>
<tr>
<td>o Local Street &amp; Road Program</td>
</tr>
<tr>
<td>• Environmental Mitigation Program (EMP)2</td>
</tr>
<tr>
<td>• TransNet Administration and Independent Taxpayer Oversight Committee (ITOC)</td>
</tr>
</tbody>
</table>

---

1 There are a variety of federal and state discretionary funding programs allocated directly by Caltrans that provide funding to local jurisdictions (e.g., Highway Bridge Repair & Replacement (HBRR), Safe Routes to School, etc.) Because SANDAG does not have decision-making authority over these funding programs, they would not be subject to the Board Policy No. 033.

2 With the exception of the EMP funds, these funds (STIP-RIP, RSTP, CMAQ, TE) are being used to match the TransNet Early Action Program (EAP) and other high-priority regional projects. If, however, some portion of these funds were allocated by the SANDAG Board of Directors to local jurisdictions through a competitive process, they would be subject to Board Policy No. 033.
EXHIBIT 3

SCORING CRITERIA

Concerning Calculation of Board Policy No. 033 Incentive Points

The following four criteria, weighted equally, will be used to calculate the incentive points (25 percent of the total points) for each program subject to Board Policy No. 033.

1. Greater RHNA Share Taken: Jurisdictions with an assigned Lower Income RHNA percentage that is higher than the regional average of lower income households shall eligible to receive these points using the following percentages.
   - Jurisdictions at or above 39.6 percent (the regional average) shall be eligible for the total number of points for this criterion
   - Jurisdictions below 39.6 percent shall not be eligible for any points for this criterion

2. Regional Share of Cumulative Total of Lower-Income* Units Produced: Jurisdictions shall be eligible to receive up to one-fourth of the total Board Policy No. 033 points awarded based on each jurisdiction’s share of the total number of lower-income units produced in the region over the most recent five years using the following percentages:
   - 0 percent share or no units produced (0 points)
   - >0 – 5 percent (1/3 of the points)
   - >5 – 10 percent (2/3 of the points)
   - greater than 10 percent (the total number of points available for this criterion)

Units that are acquired/rehabilitated and deed restricted at affordable levels for lower income households or “at risk” units that are preserved for a period of 30 years or longer shall be included for the purposes of the above calculation at full credit (i.e., one unit each).

*Units will be counted that are deed restricted to lower income households at affordable prices as defined in the instructions for the HCD Annual Housing Element Progress Report. This number will be taken from the “Deed Restricted” rows in HCD Annual Housing Element Progress Report Table B.

3. Total Number of Affordable Housing Units: This criterion will be based on the actual number of Lower Income Housing Units** in a jurisdiction as a percentage of the total number of housing units in a jurisdiction. Jurisdictions shall be eligible to receive up to one-fourth of the total Board Policy No. 033 points for this criterion using the following percentages:
   - >0 – 3 percent (1/4 of the points)
   - >3 – 6 percent (1/2 of the points)
• >6 – 10 percent (3/4 of the points)
• Greater than 10 percent (the total number of points available for this criterion)

**This number will be taken from the most current version of the Affordable Housing Inventory as updated by the San Diego Housing Federation, and it will be provided to each local jurisdiction to review for accuracy.

4. Percent of Lower-Income Households: Jurisdictions shall be eligible to receive up to one-fourth of the total Board Policy No. 033 points for this criterion based on the percent of lower-income households residing in each jurisdiction (based on the most recent American Community Survey data) using the following percentages:

• 0 – 40 percent lower-income households (1/3 of the points)
• >40 – 50 percent lower-income households (2/3 of the points)
• >50 percent lower income households (the total number of points available for this criterion)
SERVICE BUREAU: FY 2015 YEAR-END STATUS REPORT

Introduction

In accordance with SANDAG Board Policy No. 012: SANDAG Service Bureau, periodic progress reports on the project activities and financial status of the Service Bureau are provided to the Executive Committee. The Service Bureau provides informational and technical services through SANDAG and its nonprofit public-benefit corporation, SourcePoint. The Executive Committee serves as the governing body of the Service Bureau and the Board of Directors of SourcePoint. This report summarizes the financial performance of the Service Bureau during FY 2015 and highlights some of the projects completed.

Discussion

The Service Bureau is a fee-based operation that provides informational and technical services to member agencies, nonmember government agencies, private organizations, and individuals. The purpose of the Service Bureau is to offer products and services that meet the needs of decision-makers in the public and private sectors, while enhancing the quality and extent of demographic, economic, transportation, land use, criminal justice, and other information maintained in the SANDAG Regional Information System (RIS) and the technology used to support it. One of the goals of the Service Bureau is to generate revenue to update and enhance the RIS.

Financial Status

As of June 30, 2015, the Service Bureau had revenues of $384,524 from projects begun during FY 2015 and projects carried over from previous fiscal years. Expenses related to performing these projects were $333,564, meaning that revenues exceeded expenses by $50,960, or 15.3 percent. Nonrecoverable costs related to management and business development are covered by these revenues. When those costs are taken into account, revenues exceeded expenses by $36,525, or 10.5 percent (see Table 1 below).
### Table 1
SANDAG Service Bureau
Revenues and Expenses as of 6/30/2015

<table>
<thead>
<tr>
<th>Type of Project</th>
<th>Revenue</th>
<th>Expenses</th>
<th>Change in Net Position</th>
<th>Percent Change ¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation Modeling</td>
<td>$163,147</td>
<td>$121,744</td>
<td>$41,403</td>
<td>34%</td>
</tr>
<tr>
<td>Feasibility Studies</td>
<td>$173,108</td>
<td>$171,270</td>
<td>$1,838</td>
<td>1.1%</td>
</tr>
<tr>
<td>Demographic and Economic Analyses</td>
<td>$26,587</td>
<td>$19,660</td>
<td>$6,918</td>
<td>35.2%</td>
</tr>
<tr>
<td>Survey, GIS and Other Services</td>
<td>$21,691</td>
<td>$17,605</td>
<td>$4,086</td>
<td>23.2%</td>
</tr>
<tr>
<td>Comprehensive Plans</td>
<td>$0</td>
<td>$3,285</td>
<td>-$3,285</td>
<td>-100%</td>
</tr>
<tr>
<td><strong>Total All Projects</strong></td>
<td><strong>$384,524</strong></td>
<td><strong>$333,564</strong></td>
<td><strong>$50,960</strong></td>
<td><strong>15.3%</strong></td>
</tr>
<tr>
<td>Non-Project Expenses</td>
<td>$0</td>
<td>$14,435</td>
<td>-$14,435</td>
<td>-100%</td>
</tr>
<tr>
<td><strong>Net Total</strong></td>
<td><strong>$384,524</strong></td>
<td><strong>$347,999</strong></td>
<td><strong>$36,525</strong></td>
<td><strong>10.5%</strong></td>
</tr>
</tbody>
</table>

#### Non-RIS-Generating Projects

| Construction Contract Management Services to Member Agencies ² | $11,891,792 | $11,891,792 | $0       | 0%        |

¹ Percent change is calculated based on expenses.

² In 2011, the City of Santee requested that SourcePoint enter into a multi-year contract with it to provide access to SANDAG on-call engineering contracts, conduct competitive procurements, and serve as the contract administrator for the construction of certain projects in the City of Santee. The Executive Committee approved a waiver of the RIS fee.

### Overview of Projects

In FY 2015, a total of 88 projects were started or carried over from the previous fiscal year. The services provided are concentrated in the areas of transportation modeling, demographic and economic services, surveys and Geographic Information System (GIS) services, feasibility studies and comprehensive plans, and other services.

The largest revenue-generating category is transportation modeling. More than 80 percent of projects are concentrated in this category. In addition to a number of smaller requests for estimating traffic impacts due to development projects, the Service Bureau also is working on some larger projects that assist local jurisdictions with community and general plan updates.

The next largest revenue-generating category is feasibility studies. The Service Bureau worked on three feasibility studies during the fiscal year. One, completed in June 2015, was for the San Diego Bay to Balboa Skyway study. The other two studies explore the feasibility of a bicycle/pedestrian tube on the San Diego-Coronado Bridge and a freeway cap on State Route 94.
In addition, the Service Bureau completed several requests for customized demographic and economic analyses, including an analysis of Section 8 housing and jobs within a 30-minute transit commute. Staff also completed several short-term GIS mapping requests and is working on one multi-year GIS project to develop a mapping application for the CaliBaja Binational Mega-region website.

The comprehensive plans category shows a negative $3,285 due to a change in general accounting rules, which resulted in expenses being recorded in the current fiscal year, while offsetting revenues were recorded in the previous fiscal year.

**Planned Projects in FY 2016**

Requests for transportation modeling from various private and public agencies have started strong in FY 2016, and we have received some routine requests for demographic and GIS services. Staff will seek opportunities to partner with other organizations and researchers and continue to offer products and services that meet the needs of the community.

In addition, as approved by the Executive Committee in July 2015, the California Coastal Commission and the City of Carlsbad have asked the Service Bureau to facilitate a pilot project for early coordination on issues related to Carlsbad projects that fall within the Coastal Commission’s jurisdiction. Carlsbad will provide funding to the Coastal Commission to hire an additional analyst, and in exchange, will receive enhanced services and expedited project review. The funding and agreements will be processed through the Service Bureau.

KURT KRONINGER  
Director of Technical Services  

Key Staff Contact: Cheryl Mason, (619) 699-1951, cheryl.mason@sandag.org
FY 2015 PROGRAM BUDGET: YEAR-END REPORT

Introduction

This report summarizes the financial and overall performance of the FY 2015 SANDAG Program Budget, including major accomplishments as well as any significant delays in planned progress. Key accomplishments for the three major components of the SANDAG Program Budget – the Overall Work Program (OWP), Regional Operations, and the Capital Program – are summarized in the attached year-end report (Attachment 1).

Discussion

The OWP comprises regional modeling, research, forecasting, sustainable development planning and strategies, mobility programs and services, and external coordination activities. Most OWP projects are funded on an annual basis, although unspent funds can be carried over into the next fiscal year. Actual OWP expenses were 93 percent of the amended FY 2015 budget of $36.3 million. The majority of the remaining unspent funds was carried over to fund planned work efforts in FY 2016 and beyond. The vast majority of work efforts identified and approved as part of the amended FY 2015 OWP budget were accomplished. Of the budgeted work elements and associated tasks, 91 percent were completed.

Regional Operations is composed of the following programs: managing toll facilities on State Route 125 and Interstate 15; motorist aid, including Freeway Service Patrol and call box services; and maintenance and support of intelligent transportation and regional law enforcement data systems. Compared to the amended FY 2015 Regional Operations budget of $52.2 million, $50.2 million, or 96 percent in actual expenditures and reserve commitments were recorded. The remaining unspent funds were carried over for FY 2016 operations or held in reserve accounts.

The Capital Program includes 84 TransNet Early Action Program projects and 27 regional capital projects, totaling $7.7 billion, with an amended budget of approximately $796.2 million in projected spending for FY 2015. For FY 2015, 57 percent of the amended capital budget for SANDAG and Caltrans was expended. Capital projects are by their nature multi-year projects, and the difference in FY 2015 budgeted versus actual amounts were due to schedule revisions or cost savings for certain capital projects.
**Ongoing Activities and Monitoring**

Action plans relating to incomplete projects in the OWP have been carried forward and are being tracked in the current fiscal year. Staff will continue to track progress on incomplete items, confirm their continued need, and see them through to completion.

Each quarter, SANDAG submits required progress reports to various funding agencies for OWP and Regional Operations projects, providing information on the progress made for each work element. For internal project management reporting, progress on each project is reported quarterly at the Task/Product level, estimated completion dates are confirmed or updated, and overall progress is monitored. Projects with budget variances and/or schedule delays also are identified and reviewed by management staff. More than 480 tasks and deliverables included in 112 individual work elements were tracked using this process in FY 2015.

For the Capital Program, progress is monitored monthly using a variety of performance metrics, including schedule adherence, budget burn rate, percentage of work complete, estimate at complete, and risk analysis. A web-based dashboard is used to monitor trends, risks, issues, and progress. Performance metrics are summarized in a report that is reviewed by management at quarterly project status meetings. Progress reports, construction notices, fact sheets, key documents, social media updates, and news releases are posted on an ongoing basis on the Keep San Diego Moving website. Quarterly reports on the progress and challenges of key projects are presented to the Independent Taxpayer Oversight Committee, the Transportation Committee, and the Board of Directors.

ANDRÉ DOUZDJIAN  
Director of Finance

Attachment: 1. FY 2015 Program Budget Year-End Performance Report

Key Staff Contact: Tim Watson, (619) 699-1966, timothy.watson@sandag.org
**FY 2015 PROGRAM BUDGET YEAR-END PERFORMANCE REPORT**

Table 1 – Amended Budget to Actual Summary (in Millions)

<table>
<thead>
<tr>
<th>Program</th>
<th>FY 2015 Original Budget</th>
<th>FY 2015 Amended Budget</th>
<th>FY 2015 Actual Expenses</th>
<th>Difference</th>
<th>Percent of Amended Budget Spent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Work Program</td>
<td>$44.1</td>
<td>$36.3</td>
<td>$33.6</td>
<td>$2.7</td>
<td>93%</td>
</tr>
<tr>
<td>Regional Operations</td>
<td>44.8</td>
<td>52.2</td>
<td>50.2</td>
<td>2</td>
<td>96%</td>
</tr>
<tr>
<td>Capital Program - SANDAG</td>
<td>605.4</td>
<td>561.5</td>
<td>297</td>
<td>264.5</td>
<td>53%</td>
</tr>
<tr>
<td>Capital Program - Caltrans</td>
<td>225</td>
<td>233</td>
<td>152.3</td>
<td>80.7</td>
<td>65%</td>
</tr>
<tr>
<td>Capital Program - Others</td>
<td>1.7</td>
<td>1.7</td>
<td>0</td>
<td>1.7</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$921</strong></td>
<td><strong>$884.7</strong></td>
<td><strong>$533.1</strong></td>
<td><strong>$351.6</strong></td>
<td><strong>60%</strong></td>
</tr>
</tbody>
</table>

**FY 2015 Overall Work Program Revenue and Expenditure Performance**

The Overall Work Program (OWP) comprises regional modeling, research, forecasting, sustainable development planning and strategies, mobility programs and services, and external coordination activities. As of June 30, 2015, actual revenue for the OWP portion of the FY 2015 Program Budget came in as planned. Approved discretionary grants and federal planning funds were available as appropriated. FY 2015 Transportation Development Act and *TransNet* actual revenues increased 5.4 and 3.4 percent respectively, compared to the projection of 4 percent. Amendments to the original FY 2015 OWP Budget of $44.1 million resulted in a net decrease of $7.8 million, for a final amended budget of $36.3 million. Of the 94 approved OWP projects, 91 percent of the work elements and associated tasks were completed.

Actual FY 2015 OWP expenditures were $33.6 million, compared to FY 2014 spending of $31.4 million. The resulting Budget to Actual spending of 93 percent ($2.7 million under the amended budget) is a significant improvement compared to previous years due to the concerted effort to pursue budget adjustments and update project timelines prior to the close of year-end. In summary, 91 percent of the planned OWP activities was completed using 93 percent of the budgeted resources. Some of the projects that came in significantly under budget due to delayed expenditures include the San Diego Airport Intermodal Transportation Center (31011.00), where the planning work on ground access was delayed pending further definition of north side airport uses; Intelligent Transportation Systems (ITS) planning for the New Border Crossing at State Route 11 (SR 11) (34200.00), which is contingent upon the completion of other planning efforts; and the Active Transportation Implementation Strategy (33007.00), where about half of the implementation strategy planning efforts were completed.

The ending uncommitted balance of the contingency reserve for the OWP as of June 30, 2015, was approximately $11 million. The uncommitted balance represents approximately 27 percent of the FY 2016 OWP Budget, which exceeds the minimum target of 10 percent, as required by current Board Policy.
FY 2015 Regional Operations Revenue and Expenditure Performance

Regional Operations is composed of the following programs: managing toll facilities on State Route 125 (SR 125) and Interstate 15 (I-15); motorist aid, including Freeway Service Patrol (FSP) and call box services; and maintenance and support of intelligent transportation and regional law enforcement data systems. The Regional Operations Program had an approved amended budget of $52.2 million, of which $50.2 million in actual expenditures and reserve commitments were recorded. The primary reasons for being under budget include $0.6 million in lower FSP expenditures due to less construction mitigation needs, $0.8 million lower expenditures for call box operations, and $0.3 million in unspent funds for ITS Operations, which were carried over into FY 2016.

The ending uncommitted balance of the contingency reserve for Regional Operations as of June 30, 2015, was approximately $13.5 million. The uncommitted balance represents approximately 24 percent of the FY 2016 Regional Operations Budget.

FY 2016 Capital Program Revenue and Expenditure Performance

The Capital Program includes 84 TransNet Early Action Program projects and 27 regional capital projects. Progress is monitored monthly using a variety of performance metrics, including schedule adherence, budget burn rate, percentage of work complete, estimate at complete, and risk analysis. A web-based dashboard is used to monitor trends, risks, issues, and progress. Performance metrics are summarized in a report that is reviewed by management at a quarterly project status meeting. Progress reports, construction notices, fact sheets, key documents, social media updates, and news releases are posted on an ongoing basis on the Keep San Diego Moving website. Quarterly reports on the progress and challenges of key projects are presented to the Independent Taxpayer Oversight Committee, the Transportation Committee, and the Board of Directors.

The amended Capital Program was projected to spend approximately $796.2 million in FY 2015. This total includes phases controlled by SANDAG, Caltrans, and others. The amended budget that flows directly through SANDAG was $561.5 million. Of that, $297 million in actual expenditures was incurred. The amended budget for direct oversight by Caltrans was $233 million, of which $152.3 million was expended. Throughout the annual budget development process, project managers are refining phase durations and estimating costs to align with the projected schedule. While incorporating risk into the schedule is common practice, there also are project-specific complexities which occur that impacted the timing of actual expenditures during FY 2015. A few projects experienced revisions to their schedule, as reported to the Transportation Committee and the Board of Directors. In general, revenue and other funding were available as planned.

The contingency reserve for the Capital Program as of June 30, 2015, was approximately $186.6 million. This represents approximately 8 percent of SANDAG’s portion of the remaining budget for FY 2016-FY 2024 of the Capital Program.

FY 2015 Administrative Services Revenue and Expenditure Performance

Administrative Services had an approved budget of $11.9 million for FY 2015, of which $10.6 million was spent. The majority of the $1.3 million difference between the budget and actual expenses was due to savings or deferral of professional services, additional allocations of administrative costs to
projects, and postponed or delayed purchase of equipment. The $100,000 Administrative contingency was unused in FY 2015.

**Summary of SANDAG Staffing Costs**

Agency salaries and benefits were budgeted at $35.5 million in FY 2015, of which $34.8 million, or 98 percent, was incurred. The unspent amount of $0.7 million, or 2 percent, resulted from salary savings of $351,000 and employee benefits savings of $346,000.

**FY 2015 Accomplishments**

<table>
<thead>
<tr>
<th>FY 2015 ACCOMPLISHMENTS BY AREA OF EMPHASIS</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Modeling, Research, Estimates, and Forecasts</td>
</tr>
<tr>
<td>• Completed the first phase of active transportation model enhancements, fully integrating biking and walking into the SANDAG activity-based transportation model. Finalized a pilot project with the San Diego Supercomputer Center to configure, load, and run the SANDAG transportation model on the UC San Diego Supercomputer to improve runtimes. Continued to develop a common activity-based transportation model framework in coordination with four other transportation planning agencies via the Association of Metropolitan Planning Organizations. (23000.00)</td>
</tr>
<tr>
<td>• In coordination with the Regional Military Working Group, conducted vehicle traffic counts at all military installations in the San Diego region. (23000.00)</td>
</tr>
<tr>
<td>• Added real estate pro-forma analysis to the sub-regional land forecasting model. (23004.00)</td>
</tr>
<tr>
<td>• Deployed the SANDAG Data Surfer application to modernize and consolidate the SANDAG Data Warehouse, Profile Warehouse, and Census Profiles websites. Released the 2014 population estimates for the San Diego region. (23005.00)</td>
</tr>
<tr>
<td>• Completed several significant mapping projects, including the San Diego – Baja California Border Region Atlas, the technical update of the Smart Growth Concept Map, and story and interactive maps for the Smart Growth Incentive and Active Transportation Grant Program websites. (23007.00)</td>
</tr>
<tr>
<td>• In cooperation with the Metropolitan Transit System (MTS) and North County Transit District, launched a survey onboard all fixed bus and rail routes examining how people use transit to travel throughout the San Diego region. The results are used by planning and marketing staff for Title VI equity analyses, and to calibrate and validate the activity-based transportation model. Final survey results are expected in December 2015. (23011.00)</td>
</tr>
<tr>
<td>• Launched a binational study to identify economic drivers of the CaliBaja Region, which includes the state of Baja California and the counties of San Diego and Imperial, and drafted a technical report describing the methodology and preliminary findings. (23012.00)</td>
</tr>
<tr>
<td>• Completed a comprehensive economic analysis for San Diego Forward: the Regional Plan (Regional Plan), including development of a Benefit-Cost Analysis (BCA) tool that works</td>
</tr>
</tbody>
</table>
with the activity-based transportation model, and can be used to analyze any project or group of projects that are modeled with the activity-based transportation model. Leveraging the BCA tool in conjunction with others that quantify the extended effects of transportation investments resulted in a broader and deeper economic analysis for the Regional Plan than for any previous Regional Transportation Plan. (23012.00)

- Hosted a hands-on workshop on the Integrated Public Use Microdata Series to teach attendees how to access historical and current Census microdata for social and economic research. (23014.00)

- Updated and configured the geometry and lane configuration for every traffic signal in the region for the Dynamic Traffic Assignment model. (23015.00)

- Collaborated with numerous public and nonprofit partners to serve informational needs through publications, presentations, and other venues regarding crime and drug use trends and best practices in maintaining public safety. (23400.00)

- Continued conducting the Substance Abuse Monitoring Program, going into the local jails to conduct interviews with adult and juvenile arrestees, and measuring drug use and other behavior trends among those populations. (23401.00)

- Completed approximately 90 projects through the Service Bureau during the fiscal year, providing customized data and analysis to public and private entities to help inform decision-making. (75000.00)

- The Service Bureau also was retained by Caltrans to update the California-Baja California Border Master Plan (BMP). The BMP is a binational comprehensive approach to coordinate planning and delivery of projects at land Ports of Entry (POEs) and transportation infrastructure serving those POEs in the California-Baja California region. (75000.00)

II. Sustainable Development: Planning and Strategies

- Implemented the approved 2050 Regional Transportation Plan and its Sustainable Community Strategy (2050 RTP/SCS), including advanced planning for the new rail segments and advancing active transportation implementation strategies (33002.00, 33007.00, and 33210.00). Initiated the development of a Transit Oriented Development strategy (33004.00) and completed the Regional Complete Streets Policy and an update to the Regional Smart Growth Concept Map. (31020.00)

- Completed the 2012-2013 Biennial Regional Comprehensive Plan Performance Monitoring Report and produced the 2012-2013 Regional Housing Progress Report. (31020.00)

- Several major milestones in the development of the Regional Plan occurred, including an update of project evaluation criteria and plan performance measures; the selection of the preferred regional transportation network; and the development and public circulation of the Draft Regional Plan, Sustainable Communities Strategy, and Environmental Impact Report. A comprehensive public engagement process for the development of the Regional Plan was conducted throughout. (31020.00) In addition, involved tribal nations in the development of the Regional Plan. (34005.00)
• Conducted a public information survey in April 2015 to gauge public support for the development of an expenditure plan in FY 2016 for a potential funding measure. (32000.00)

• Completed all Energy Roadmaps for participating jurisdictions through the Local Government Partnership with San Diego Gas and Electric. Also worked with those same jurisdictions on implementation of energy efficiency measures and retrofits resulting in energy and cost savings. (32007.00)

• Awarded California Energy Commission Grant to prepare Alternative Fuels Readiness Plan to complement the work already completed by SANDAG on Electric Vehicle Readiness. (32009.00)

III. Sustainable Mobility Programs and Services

• Advanced regional Transportation Demand Management strategies, including deployment of an updated iCommute ridematching system and a program management tool, implementation of a regional telework pilot, targeted outreach to employers, completion of the Vanpool and Carpool Program Analysis and Expansion Plan, completion of the Parking Management Toolbox for local jurisdictions, and the coordination of Rideshare Month; Walk, Ride, and Roll to School; and Bike Month promotional events and activities. (33107.00 – 33107.11)

• Continued assistance to the transit agencies with planning, funding, passenger counting, updating the Coordinated Plan, Transportation Development Act performance monitoring, transition of ongoing and back office operations of the Compass Card Program, and implementing transit planning recommendations from the 2050 RTP/SCS. (33201.00 – 33211.00)

• Approved funding of more than $6.8 million from two competitive grant programs: the federal Section 5310 Grant program and local TransNet Senior Mini-Grant program. More than 60 projects throughout the San Diego region will benefit from the funding that is designed for transportation capital and operating projects that serve the special needs of senior citizens and other transit dependent populations. (33201.00, 33202.00)

• Completed a Border Health Equity Transportation Study, which was funded through a Caltrans environmental justice planning grant. The study evaluated how mobility and built environment factors relate to the health of the people who live and work in the community of San Ysidro and recommended capital projects and programs that address key health issues in the community. (33010.00)

• Deployed enhancements to the existing 511 Automated Traveler Information System, including the transition to a new vendor, launch of a redesigned website, and updates to the mobile application. (33105.00)

• Issued a call for projects for the third cycle of the TransNet Smart Growth Incentive and Active Transportation Programs. Worked with the California Transportation Commission to assist in the conduct of the State of California’s Active Transportation Program through calls for projects and evaluations, resulting in grants for two SANDAG projects (the State Route
15 [SR 15] Commuter Bikeway and a portion of the Coastal Rail Trail in Encinitas) and several other projects sponsored by local agencies. (33001.00 and 33003.00)

- Launched GO by BIKE, the brand for the Regional Bike Network, representing both infrastructure and encouragement programs, including unveiling of a new landing page at GObyBIKEsd.com and a variety of public outreach collateral templates to be used across all Regional Bike Plan projects. (33002.00)

**Capital Program**

- The Mira Mesa Direct Access Ramp (DAR) and Bus Rapid Transit (BRT) Station Project were opened to the public in October 2014. Construction included DARs, a parking structure, and a transit station with bus staging platforms, bike lockers, and station amenities. (12015.06)

- Awarded first land acquisition grants from the TransNet Environmental Mitigation Program. Among the successes of the grant program are the acquisition of a 410-acre property in East County and a 241-acre property in Elfin Forest. (12002.01)

- The North Coast Corridor Public Works Plan, which comprehensively envisions rail, Managed Lane, active transportation, and environmental enhancements between north San Diego and Oceanside, was unanimously approved by the California Coastal Commission. (12005.01)

- Final environmental documents were completed for the Los Angeles – San Diego – San Luis Obispo (LOSSAN) double track projects over the San Diego River and Batiquitos Lagoon in July 2014 (12398.15, 12398.16). Environmental clearance obtained and construction started on Elvira to Morena Double Track Project with owner procured universal crossovers (12398.11). Opened four miles of new LOSSAN double track in Camp Pendleton at San Onofre in May 2015 (11442.00). Opened one mile of new LOSSAN double track in Sorrento Valley and provided additional parking at the Sorrento Valley COASTER Station (12398.07). The Sorrento to Miramar Phase 1 Double Track construction project was completed, adding 1.2-miles of new track, retaining walls, and the replacement of an old timber single track bridge with a new double track bridge (12398.01). The Sorrento Valley Double Track Project was placed into service, adding one mile of new passing track and a new bridge over Las Peñasquitos Creek (12398.07). The San Onofre Pulgas Phase 1 Double Track Project was placed into service, adding 4.2 miles of new passing track and a new replaced bridge (11442.00). Began replacement of four wooden trestles across Los Peñasquitos Lagoon along the LOSSAN Corridor (11450.00).

- The Mid-City Rapid 215 Project opened to the public in October 2014. This ten-mile service runs between San Diego State University and Downtown San Diego along El Cajon and Park Boulevards. The line provides North Park, City Heights, and College area residents, students, and workers with a limited-stop, high-frequency service in one of the key transit corridors in the region. Ridership in FY 2015 totaled 1,490,479. (12400.01)

- Contracts will be awarded beginning in January 2016 to construct the South Bay Bus Rapid Transit Project. When constructed, this project will include 11 stations along a 21-mile long corridor from the Otay Mesa border area, through Chula Vista, and along the Interstate 805 (I-805) corridor and State Route 94 corridor, to Downtown San Diego. (12805.04)
• The Final Environmental Document for the Mid-Coast Corridor Transit Project was approved by the Board of Directors in November 2014. This TransNet “lockbox” project will extend Trolley service to UC San Diego, the Veterans Affairs Hospital, University City, and Westfield University Town Center shopping mall. (12570.01)

• Construction on the East County Bus Maintenance Facility began in September 2014. This project will provide for an operations and maintenance facility for up to 120 vehicles used by MTS. (10496.00)

• The South Bay Bus Maintenance Facility was completed in October 2014. This facilitates the maintenance of Rapid vehicles. (12015.13)

• Construction on the Interstate 5 (I-5)/Genesee Avenue Project began in January 2015. The project will widen the Genesee Avenue bridge across I-5 and add an auxiliary lane on southbound I-5 between Sorrento Valley Road and Genesee Avenue. (12005.06)

• Construction continues on SR 11 from State Route 905 to Enrico Fermi Road. This first phase of the planned toll road is scheduled to be completed in late 2015. It will provide a more direct access route to the state highway system from the California Highway Patrol Truck Inspection Facility near the Otay Mesa Port of Entry. (12011.01)

• Bayshore Bikeway Segment 4 (0.6 miles from 32nd Street to Vesta Street) and the 0.5-mile Plaza Bonita segment of the Sweetwater Bikeway were completed in spring 2015. (11437.00)

• The permanent transit stations along I-15 at Del Lago, Rancho Bernardo, and Sabre Springs with a 500-car parking structure completed construction and was open to the public in summer 2014. (12015.12, 12015.05)

• Construction on Downtown Rapid stations started in April 2015 and is expected to finish in spring/summer 2016. This project will build 11 new stations on and near the Broadway corridor in Downtown San Diego. Distinctive pylon signs featuring digital displays of next vehicle arrival times will be installed on station blocks. As part of the project, street, sidewalk, and crosswalk improvements also will be made in the vicinity of the stations. (12015.09)

• Commenced low-floor Trolley service system-wide with the completion of new permanent and temporary stations along the Blue Line. This was part of an overall Trolley Renewal Program that modernized stations and shelters, replaced rail and overhead wires, and added traction power substations. (12100.30)

• Construction of the last phase of the State Route 76 (SR 76) East Segment Project started in fall 2014 and is expected to be complete in fall 2017. This phase consists of expanding this conventional highway from two lanes to four lanes between South Mission Road to the newly improved SR 76/SR 15 interchange. (completed in August 2013) (12076.06)

• The I-805 North Express Lanes Project achieved a major milestone in June 2015 when one southbound carpool lane from just south of La Jolla Village Drive to just north of State Route 52 (SR 52) opened to traffic. The first stage of this five-stage project includes constructing one carpool lane in each direction, from just north of SR 52 to just north of Mira Mesa Boulevard.
and the south-facing DAR at Carroll Canyon Road. The first phase is scheduled to be completed in fall 2016. (12805.11)

IV. Intermodal Planning and Implementation

- Completed the Intermodal Transportation Center strategy for the San Ysidro area. (33305.00)

V. Internal and External Coordination

- Developed/enhanced several of the SANDAG websites, including 511sd.com, sdforward.com, shiftsandiego.com, RapidMTS.com, and GObyBIKESd.com. (73003.00)

VI. Regional Operations and Programs

- The Board of Directors approved Automated Regional Justice Information System (ARJIS) Acceptable Use Policies for Facial Recognition and the Regional License Plate Reader System. (73501.00)

- The Board of Directors approved changes to Board Policy No. 026: Public Safety Policy Advisory Committee, giving the Board of Directors and Public Safety Committee a bigger role in: (1) establishing public safety policies and procedures; (2) evaluating potential public policy impacts resulting from SANDAG public safety activities; and (3) vetting public safety grant proposals prior to submittal. (73502.00)

- ARJIS-enhanced regional law enforcement information sharing through the development of new interfaces for partner agency justice systems and expansion of the eReporting System to include mapping, graphics, and collaboration capabilities. (73503.00)

- ARJIS provided ongoing management and coordination of the region-wide Graffiti Tracker Program. (73516.00)

- ARJIS continued to support Department of Homeland Security and Department of Justice efforts by enhancing mobile applications on handheld devices for police officers in the field. (73520.00)

- Continued steady growth in traffic on the SR 125 Toll Road, resulting in sufficient revenues to cover all operating costs and debt service obligations, and contribute funds toward planned tolling equipment and back office upgrades. (33121.00)

- Introduced co-marketing of FasTrak® for I-15 (33103.00) and SR 125 toll facilities (33121.00); completed the second full year of operations for the Motorist Aid – Call Box Program (33122.00); and continued operations of the Freeway Service Patrol (33102.00) and I-15 Managed Lanes. (33103.00)

- Continued the assessment of violation enforcement system strategies for the I-15 Express Lanes. (33104.00)