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Kim Kawada
Chief Deputy Executive Director, SANDAG

SANDAG

Board of Directors

Agenda

Friday, December 7, 2018
10 a.m. to 12 noon
SANDAG Board Room
401 B Street, 7th Floor
San Diego

Agenda Highlights

• Connectivity to San Diego County International Airport

• Plan of Excellence

Please silence all electronic devices during the meeting

You can listen to the Board of Directors meeting by visiting our website at sandag.org

Message from the Clerk

In compliance with Government Code §54952.3, the Clerk hereby announces that the compensation for legislative body members attending the following simultaneous or serial meetings is: Executive Committee (EC) $100, Board of Directors (BOD) $150, and Regional Transportation Commission (RTC) $100. Compensation rates for the EC and BOD are set pursuant to the SANDAG Bylaws, and the compensation rate for the RTC is set pursuant to state law.

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 Board of Directors on any item at the time the Board is considering the item. Please complete a Request to Comment form located in the lobby. Members of the public may address the Board 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 Board may take action on any item appearing on the agenda.

Both agenda and non-agenda comments should be sent to the Clerk of the Board via clerk@sandag.org. Please include the meeting date, agenda item, your name, and your organization. Any comments, handouts, presentations, or other materials from the public intended for distribution at the meeting should be received by the Clerk no later than 5 p.m. two working days prior to the meeting. All public comments and materials received by the deadline become part of the official public record and will be provided to the members for their review at the meeting.

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Board of Directors  
Friday, December 7, 2018

Item No. | Recommendation
---|---
1.  | Public Comments/Communications/Member Comments

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

Chair’s Report

+2.  | Connectivity to San Diego County International Airport  
| | Approve

The Board of Directors is asked to approve the creation of a steering committee to identify future transportation solutions for improved connectivity to the San Diego County International Airport.

Reports

+3.  | Plan of Excellence (Cindy Burke, Melissa Coffelt, David Hicks, John Kirk, and José Nuncio)*  
| | Information

Staff will provide an update on implementation of the Plan of Excellence.

+4.  | Closed Session: Conference with Legal Counsel Regarding Potential Initiation of Litigation Pursuant to Government Code Section 54956.9(d)(4) (One Potential Case) (John Kirk)

The Board of Directors will be briefed on the potential initiation of a test claim proceeding with the California Commission on State Mandates regarding unfunded agency costs imposed by the implementation of Assembly Bill 805 (Gonzalez Fletcher, 2018).

5.  | 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.
6. **Upcoming Meetings**

The next Board Business meeting is scheduled for Friday, December 21, 2018, at 9 a.m. Please note, this meeting is scheduled for the third Friday of the month due to the holiday schedule.

7. **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 County Regional Transportation Commission for that item
Board of Directors
December 7, 2018

Connectivity to San Diego County International Airport

Overview
At the request of San Diego Mayor Kevin Faulconer and the SANDAG Board leadership, SANDAG has agreed to take a lead role in discussions to identify future transportation solutions (including transit and active transportation) to improve connectivity to the San Diego International Airport.

The timing of these discussions will be integral to the San Diego County Regional Airport Authority’s planning process for upgrading Terminal 1 and the development of San Diego Forward: The 2019-2050 Regional Plan.

Key Considerations
To facilitate these discussions, the Board of Directors is asked to assemble a steering committee that will include SANDAG Board members representing the City and County of San Diego, San Diego County Regional Airport Authority, Metropolitan Transit System, North County Transit District, San Diego Unified Port District, Caltrans, and others that the Board of Directors deems necessary.

It is anticipated that the first meeting of the steering committee will take place within the next month. A focus of the first meeting will be to align timelines for agency planning and project efforts underway, including, but not limited to San Diego Forward: The 2019-2050 Regional Plan, the Port of San Diego Harbor Drive Multimodal Corridor Study, and the Airport Master Plan.

SANDAG submitted a Caltrans planning grant application on December 3, 2018, for funding to analyze the projects identified by the steering committee.

Next Steps
Should the Board of Directors approve creation of the Airport Connectivity Steering Committee, its charter and membership list would be brought for consideration on December 21, 2018.

Hasan Ikhrata, Executive Director
Key Staff Contact: Coleen Clementson, (619) 699-1944, coleen.clementson@sandag.org

Action Requested: Approve
The Board of Directors is asked to approve the creation of a temporary steering committee to identify future transportation solutions for improved connectivity to the San Diego International Airport.

Fiscal Impact:
SANDAG submitted a Caltrans planning grant application to help fund the analysis of projects identified by the Airport Connectivity Steering Committee.

Schedule/Scope Impact:
The first meeting of the Airport Connectivity Steering Committee would take place in early 2019.
Plan of Excellence

Overview
The Plan of Excellence, which incorporates more than 35 action items, organized into 8 focus areas, is a comprehensive response to the requirements and recommendations SANDAG committed to undertake to become a better regional agency.

Key Considerations
The attached Plan of Excellence Final Report summarizes the accomplishments made since the Plan’s inception and outlines the expected timeframes for completion of the remaining action items.

A majority of the actions items were fully implemented in 2018. The few remaining items are directly tied to other agency activities, such as selection of the Independent Performance Auditor, which will be completed in the coming months.

Next Steps
A year after it was introduced by the Board of Directors, the Plan of Excellence continues to advance its primary objective of strengthening the credibility of the organization through increased transparency, accountability, and systematic improvements to communications and processes agencywide. SANDAG remains committed to undertaking enhancement initiatives that are responsive to the needs of the Board of Directors, agency stakeholders, and members of the public.

Kim Kawada, Chief Deputy Executive Director
Key Staff Contact: Melissa Coffelt, (619) 699-1955, melissa.coffelt@sandag.org
Attachment: 1. Plan of Excellence Final Report

Action Requested: Information
Staff will provide an update on implementation of the Plan of Excellence.

Fiscal Impact:
Efforts to implement the Plan of Excellence are funded through various project and program budgets in the FY 2019 Program Budget.

Schedule/Scope Impact:
A majority of the action items were fully implemented in 2018. The few remaining items are directly tied to other agency activities and will be completed in the coming months.
PLAN OF Excellence

An action plan committed to listening to stakeholders, learning from experience, and leading continual improvement.

Final Report, December 2018
To the SANDAG Board, agency stakeholders, and members of the public,

As chair of the SANDAG Board of Directors, I have endeavored to lead the agency with a straight-forward and deliberate approach to solving problems and building consensus. After a forecasting error resulted in significant damage to the agency’s credibility, we received significant input from a variety of sources recommending improvements to our communications and internal processes. Along with the Board and staff, I took these recommendations very seriously. Working together throughout 2017, we gathered them into this Plan of Excellence, developed strategies for addressing them, and then moved forward with implementing changes throughout 2018. While I believe the organization has always been sound and effective, I am pleased to report that this effort has resulted in systematic improvements to our communications and processes agencywide.

As I reflect on my year as chair, I am proud of the many achievements of this organization, significant among them the implementation of the Board’s Plan of Excellence. This body of work has been woven into the agency’s business practices and operations and has established a framework for continual improvement and sustainable success.

I would like to commend the SANDAG staff for their unwavering commitment to the plan, in particular, Kim Kawada and the department directors for leading their teams to identify and implement changes and enhancements that will have lasting positive impacts for the Board, the agency’s stakeholders, and residents of the San Diego region.

The increased levels of engagement, dialogue, and policy input from the Board on foundational items such as development of the regional growth forecast and revenue plans for capital investment initiatives are directly attributable to the Plan of Excellence. The format and methods of communication, with a focus on transparency and simplicity, also are noteworthy accomplishments. We have made an extra effort to present SANDAG activities to each of our 18 cities and the County. This has been a positive step forward. More is to come once the new independent performance auditor is hired to work with the Audit Committee and Board, as well as when the upcoming organizational review is complete.

SANDAG plays a vital role in shaping public policy on many critical issues that improve the quality of life for our constituents. With the changes that have occurred in the past 12 months, I am confident the organization will continue to be recognized for its exceptional regional leadership.

Hon. Terry Sinnott

Chair, SANDAG Board of Directors


**Introduction**

As a taxpayer-funded agency, integrity and reliability are essential for SANDAG to be effective. Introduced by the Board of Directors in late 2017, the Plan of Excellence (Plan) is a comprehensive response to the requirements and recommendations SANDAG committed to undertake to strengthen the organization through increased transparency and accountability.

The Plan reflects the convergence of people, processes, and technology that are fundamental to the agency’s success. More than 35 action items are organized into 8 focus areas that integrate improvements to existing business practices and introduce new operational procedures to help SANDAG become a better regional agency based on a standard for excellence that benefits the entire San Diego region.

The Plan’s components are derived from several sources and include implementing changes to governance and oversight functions, reviewing organizational structure and staffing resources, defining performance expectations for programs and employees, adopting efficient and effective project delivery and operational practices, and ensuring transparent communication both within and outside the agency. (See Appendix A for more information about the Plan’s source of recommendations.)

**Sources of recommendations**

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<thead>
<tr>
<th>SANDAG 7-Point Data Accuracy and Modeling Work Plan</th>
<th>San Diego County Taxpayers Association</th>
<th>Independent Examination of Measure A Revenue Estimate Communications</th>
<th>Assembly Bill 805</th>
<th>FY 2018 TransNet Triennial Performance Audit</th>
<th>SANDAG Board of Directors</th>
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Plan of Excellence

Organization structure
Conduct an independent review of department structure and staffing resources necessary for success

Data governance
Develop and implement practices to ensure the management, accuracy, and reliability of SANDAG data

Regional forecasting practices
Implement tools and practices to improve the accuracy, reliability, dissemination, and transparency of SANDAG forecasts

Cost and revenue plans
Improve communication of funding capacity, revenue projections, and project cost estimates

Independent performance audits
Enhance operational oversight and review by establishing a Board-level audit program

Records management
Prepare policies, procedures, and training for SANDAG employees regarding the creation, maintenance, and retention of public records

Transparency initiatives
Enhance internal and external information sharing by ensuring SANDAG communications are straightforward, easy to understand, and reach a variety of audiences

Stakeholder communication
Proactively inform member agencies, stakeholders, and the public to increase awareness of SANDAG programs and projects
Progress at a glance

More than half the commitments made in the Plan of Excellence have been completed as of August 2018. The Progress Reports that start on the following pages summarize the status of action items within the Plan. For items that are under way, or not yet started, an estimated completion date is provided.

### Data governance

*Develop and implement practices to ensure the management, accuracy, and reliability of SANDAG data*

- Review and validate the Demographic and Economic Forecast Model
- Conduct an analysis to determine impacts of the forecasting error
- Map modeling process flow to improve quality assurance processes
- Improve data, analytic, and process transparency
- Improve data management and consistency
- Re-organize the Data, Analytics, and Modeling Department
- Establish an Office of Quality Assurance

### Regional forecasting practices

*Implement tools and practices to improve the accuracy, reliability, dissemination, and transparency of SANDAG forecasts*

- Develop a new economic and demographic forecast model
- Explain the need for developing a long-range forecast
- Communicate the range of uncertainty associated with long-term forecasts

### Cost and revenue plans

*Improve communication of funding capacity, revenue projections, and project cost estimates*

- Implement a peer review process as part of developing cost and revenue projections
- Provide more frequent updates on Major Corridors Program projects
- Inform Board members, stakeholders, and others about the probabilities of cost estimates
- Demonstrate use of an “accordion” strategy for project implementation
- Report financial capacity to complete the TransNet Major Corridors and Transit Operations programs
### Independent performance audits

*Enhance operational oversight and review by establishing a Board-level audit program*

- Develop Board Policy No. 039: Audit Policy Advisory Committee and Audit Activities
- Establish the SANDAG Audit Policy Advisory Committee
- Hire an Independent Performance Auditor
- Adopt internal control guidelines
- Prepare an annual audit plan and budget
- Present reports to the Audit Committee and Board of Directors

### Records management

*Prepare policies, procedures, and training for SANDAG employees regarding the creation, maintenance, and retention of public records*

- Update Board Policy No. 015: Records Management
- Develop records management standards for SANDAG business records
- Develop a public records management policy for employees
- Conduct public records and records retention training for employees

### Transparency initiatives

*Enhance internal and external information sharing by ensuring SANDAG communications are straightforward, easy to understand, and reach a variety of audiences*

- Update Board Policy No. 025: Public Participation Plan Policy
- Implement new methods to exchange information
- Simplify agency communications

### Stakeholder communication

*Proactively inform member agencies, stakeholders, and the public to increase awareness of SANDAG programs and projects*

- Prepare an annual report to the State legislature that outlines various matters related to public transit
- Partner with member agency representatives to participate in community outreach efforts
- Present annual reports to member agencies regarding SANDAG programs and projects
- Develop tools to track TransNet accomplishments and provide regular performance monitoring reports
- Coordinate with recipient agencies to submit reports describing how SANDAG funds have been used for projects

### Organization structure

*Conduct an independent review of department structure and staffing resources necessary for success*

- Procure services from a management consultant
- Conduct an independent review of SANDAG internal structure
- Conduct an independent review of SANDAG staffing resources
- Present recommendations to the Board of Directors
Data governance

Develop and implement practices to ensure the management, accuracy, and reliability of SANDAG data.

Sources of recommendations

- SANDAG 7-Point Data Accuracy and Modeling Work Plan
- Independent Examination of Measure A Revenue Estimate Communications

Progress on actions

<table>
<thead>
<tr>
<th>Action</th>
<th>FY 2017</th>
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<td>Review and validate the Demographic and Economic Forecast Model</td>
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<td>Establish an Office of Quality Assurance</td>
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Staff contact

- Ray Major, Director of Data, Analytics, and Modeling, (619) 595-5668, ray.major@sandag.org
Review and validate the Demographic and Economic Forecast Model

- The findings of a comprehensive review of the Demographic and Economic Forecast Model (DEFM) were provided to the Board of Directors in November 2017. The analysis concluded that data input errors introduced to DEFM inflated industry output for 3 of DEFM’s 50 economic sectors. These errors caused the labor productivity, wages, personal income, and taxable retail sales variables in the model to be inflated. In particular, taxable retail sales were overestimated by about 25 percent, resulting in the miscalculation of Measure A revenue projections. Other economic variables also were affected, however the effects were not as pronounced or wide-ranging due to adjustments made by staff during the forecasting process.

- Staff determined that the most widely used planning variables from DEFM (population, jobs, and housing) were insulated from the effects of the over-estimations because they were developed independently from the economic variables and as such, did not have an effect on projections. Additional analysis showed the DEFM results for these variables appeared reasonable when compared to third-party forecasts.

- SANDAG discontinued the use of DEFM at the end of the Series 13 forecasting process and has developed a new long-range forecasting system – the San Diego Demographic and Economic Model (SanDE); this is described in the Regional Forecasting Practices component of the Plan of Excellence.

Conduct an analysis to determine impacts of the forecasting error

- An extensive examination was conducted to identify SANDAG reports that used Series 13 data and determine the extent to which the DEFM data error may have affected agency products and other reports. This included a comprehensive internal survey of staff and work products, as well as outreach to Service Bureau customers and Planning and Public Works directors across the region.

- All known issues related to the Series 13 data error have been addressed; SANDAG will remain alert for instances where the affected variables may have been used both within and outside SANDAG and take any corrective action necessary.

Map modeling process flow to improve quality assurance processes

- In preparation for future forecasts, staff has documented the flow of data for the Regional Growth Forecast and Travel Demand Forecast - from origin to output. A data development diagram maps all externally sourced data and outlines how SANDAG will use that data to produce the forecasts. A Regional Growth Forecast and Travel Demand Forecast model flow diagram documents the components used to produce the two forecasts and shows the links within and between the two models.

- The model flow diagrams are being used to institute and formalize quality assurance/quality control processes so that data review and checks occur on a consistent basis. These diagrams will serve as living documents as the SANDAG forecast and modeling processes continue to be improved and refined.
Improve data, analytic, and process transparency

- A new Peer Review Process (PRP) was introduced in 2017 that provides opportunities for internal and external analysts and experts to critically review and/or question models, calculations, assumptions, documentation, and analytics before work is finalized and released. The PRP also provides an opportunity for escalating anomalies/concerns to upper level management as needed.

- As of mid-November 2018, 48 PRPs have been convened, including interdepartmental, cross-departmental, and external reviews, leading to the identification of additional methods to improve the validity and reliability of the data, opportunities for further clarification and documentation, and alternative or additional data sources to consider.

- Results from the PRP and other independent expert review panels improve the accuracy, integrity, and transparency of the SANDAG data and modeling programs and other agency work products. For example, feedback from an expert review panel was incorporated into the development of the Regional Growth Forecast.

Improve data management and consistency

- Staff has implemented a formal data governance program to improve the availability, usability, accuracy, and integrity of data produced and used by SANDAG. A Data and Analysis Request process also has been implemented to track internal and external data requests. This process will help to ensure more efficient and consistent use of SANDAG data throughout the organization. Since inception in September 2017, more than 250 data requests have been logged.

- These efforts have been expanded to include the formation of a Data Governance Steering Committee that provides oversight for the development and implementation of agency-wide data governance and management policies. Consultant services have been retained to bring additional expertise to SANDAG as this program area is further developed.

- Building on the foundation of the Data Governance Plan, staff have developed a Data Acquisition and Management Strategic Plan. This effort leverages the work from the Data Accuracy and Modeling Work Plan that created an inventory and assessment of all data and associated workflows that support the SANDAG suite of modeling and forecasting tools. This strategic plan provides a standards-based roadmap for managing the data life-cycle.
Re-organize the Data, Analytics, and Modeling Department

- The Data, Analytics, and Modeling Department (formerly named Technical Services) underwent a significant reorganization effort in 2017 to advance the agency’s mission to build trust in SANDAG data and analytics by developing and formalizing processes to reduce errors and increase accountability, visibility, and efficiency.

- Six Centers of Excellence emerged as part of the reorganization:
  - Program Management
  - Data Standards and Tools
  - Quality Assurance/Quality Control (QA/QC)
  - Analytics
  - Visualization and Dissemination
  - Transparency

- Two of these - Program Management and Quality Assurance/Quality Control - have evolved into new functional units within the Department.

- A notable example of a process improvement is the development of a master schedule for the Regional Growth Forecast and Travel Demand Forecast model deliverables that are necessary to support the 2019 Regional Plan. This successful effort resulted in better coordination of work tasks, including the reallocation of resources to meet deadlines, an increased awareness of critical path tasks and the impact of delays to these items, and increased opportunities among team members to identify and resolve potential risks.

- A new Project Coordinator position was approved by the Board of Directors as part of the FY 2019 Program Budget. This position collaborates with department leads to develop master schedules, including resource allocations, to streamline efforts across departments and support on-time delivery of deliverables and outputs for major projects that are the responsibility of the Data, Analytics, and Modeling Department.

Establish an Office of Quality Assurance

- The Office of Quality Assurance (QA) has been established to provide independent verification of data and models. Establishing formal policies, processes, and safeguards to reduce single points of failure by conducting quality control (QC) for agency data and modeling efforts is critical to moving forward to building confidence in SANDAG data and analytics.

- Current efforts are focused on the data and databases related to the Regional Growth Forecast; however, this QA/QC work will be expanded in the coming months to include modeling and software development.

- A new Quality Control Analyst position was approved by the Board of Directors as part of the FY 2019 Program Budget. This position will further develop, implement, and document QA/QC processes to ensure integrity of data assets developed or acquired by SANDAG in support of the agency’s modeling, forecasting, analysis, mapping, and data visualization program areas.
Regional forecasting practices

Implement tools and practices to improve the accuracy, reliability, dissemination, and transparency of SANDAG forecasts.

Sources of recommendations

- SANDAG 7-Point Data Accuracy and Modeling Work Plan
- Independent Examination of Measure A Revenue Estimate Communications
- FY 2018 TransNet Triennial Performance Audit
- SANDAG Board of Directors

Progress on actions

| Develop a new economic and demographic forecast model | ✔ |
| Explain the need for developing a long-range forecast | ✔ |
| Communicate the range of uncertainty associated with long-term forecasts | ✔ |

Staff contacts

- Ray Major, Director of Data, Analytics, and Modeling, (619) 595-5668, ray.major@sandag.org
- José Nuncio, TransNet Department Director, (619) 699-1908, jose.nuncio@sandag.org
Develop a new economic and demographic forecast model

- A new economic and demographic model has been developed to prepare Regional Growth Forecasts. This new model, the San Diego Demographic and Economic model, known as SanDE, has replaced the Demographic and Economic Forecasting Model (DEFM), and is being used for preparation of the 2019 Regional Plan.

- The new SanDE model is easier to use and understand. Automated processes have been implemented and documented, and rigorous quality control procedures have been incorporated to reduce the model’s susceptibility to error.

- As part of the work plan to create SanDE, staff convened an 11-person Peer Review Panel to provide input and recommendations regarding the methodology, data, and assumptions proposed for the new model, and assess the model’s appropriateness for forecasting population, jobs, and housing units out to 2050. The panel included a mix of local and national experts, and represented a broad range of disciplines from demography, econometrics, geography, and short- and long-term forecasting.

- Four critical, short-term recommendations from the panel related to demographic and economic-based scenarios, commute patterns, population assumptions, and long-term forecast uncertainties have been incorporated into the model.

- Medium and long-term recommendations for the SanDE model also were proposed by the panel. Staff will conduct research and seek further peer review before incorporating these changes.

Explain the need for developing a long-range forecast

- The preparation and adoption of a long-range forecast that anticipates trends in population, housing, and employment is a fundamental element of developing the San Diego region’s blueprint for the future – the Regional Plan. It also is a necessary tool for developing the TransNet Plan of Finance.

- The minimum time horizon for long-range plans is established under federal law and is currently 20 years plus one cycle (4 years). With TransNet being a significant source of funds for regional plans through the year 2048, SANDAG set its long-range planning horizon to 2050 starting with the Regional Plan adopted in 2011, to incorporate the anticipated availability of TransNet funds into revenue scenarios.

- The TransNet Plan of Finance looks out to the year 2048 and includes the Major Corridors program that is funded with TransNet as well as other state and federal funds. A long-range forecast is necessary for anticipating the available funding for all fund sources. The Plan of Finance’s horizon year is communicated with each Plan update, most recently in October 2017.

- Staff have incorporated clearer information about the current forecast horizon year into reports and presentations made to the Board of Directors, including the uncertainty of the long-range forecasts (described below), and will continue this practice.
Communicate the range of uncertainty associated with long-term forecasts

- SANDAG prepares numerous types of forecasts to support agency programs and responsibilities. Examples include population and housing, as well as financial projections related to anticipated revenues/sources of project funding as well as project costs.

- Staff has adopted new practices to educate and inform the Board of Directors, stakeholders, and the public about the assumptions used in developing long-term forecasts and the inherent uncertainty that exists when using past and present data to make predictions about the future.

- SANDAG also has implemented the use of ranges, instead of finite data points, as an effective way to clearly communicate the uncertainty and variability associated with long-term forecasts.

- Recent examples include:
  - Regional Growth Forecast: In December 2017, the Board of Directors was briefed on the approach that would be used to develop the Regional Growth Forecast, including the use of California Department of Finance data to determine future population growth in conjunction with job forecasts provided by the California Employment Development Department. In May 2018, the Board received an update on the initial results of the Preliminary Regional Growth Forecast and provided direction to staff on key assumptions to be used.
  
  - 2019 Regional Plan Funding Scenarios: At its February 23, 2018, meeting, the Board of Directors discussed the proposed approach for determining the funding level that will be used to develop the 2019 Regional Plan. Based on this feedback, three reasonable funding scenarios, which include revenues from at least three dozen federal, state, and local sources, were developed and presented in range format to the Board at its June 22, 2018, meeting.
Cost and revenue plans

Improve communication of funding capacity, revenue projections, and project cost estimates.

Sources of recommendations

- SANDAG 7-Point Data Accuracy and Modeling Work Plan
- Independent Examination of Measure A Revenue Estimate Communications
- FY 2018 TransNet Triennial Performance Audit
- SANDAG Board of Directors

Progress on actions

- Implement a peer review process as part of developing cost and revenue projections
- Provide more frequent updates on Major Corridors Program projects
- Inform Board members, stakeholders, and others about the probabilities of cost estimates
- Demonstrate use of “accordion” strategy for project implementation
- Report financial capacity to complete the TransNet Major Corridors and Transit Operations programs

Staff contacts

- Jim Linthicum, Director of Mobility Management and Project Implementation, (619) 699-1970, jim.linthicum@sandag.org
- José Nuncio, TransNet Department Director, (619) 699-1908, jose.nuncio@sandag.org
Implement a peer review process as part of developing cost and revenue projections

- This practice has been established and uses the Peer Review Process (PRP) established as part of the Data Accuracy and Modeling Work Plan.

- A peer review of revenue projections developed for the 2019 Regional Plan was conducted in February 2018. The peer review group was composed of TransNet Department staff as well as programming staff from the Orange County Transportation Authority (OCTA) with expertise in relevant local, state, and federal fund sources. In response to feedback provided by the peer review group, the revenue projections were adjusted to be more in line with recent trends. Staff presented the 2019 Regional Plan Project Cost Estimates and Funding Scenarios at the May 25, 2018, Board of Directors meeting.

- Going forward, staff will continue to conduct peer reviews of revenue projections and cost estimates for agency programs and projects; the level of peer review will be determined by the scope, complexity, and risk associated with the program or project.

Provide more frequent updates on Major Corridors Program projects

- Staff has initiated a schedule for presenting regular updates to the Transportation Committee on major capital corridor program projects, including the Mid-Coast Corridor Transit project, North Coast Corridor Program, LOSSAN Rail Corridor, and Regional Bike Early Action Program (EAP).

- Status reports for each corridor have started to be presented, at minimum, every six months. Staff will continue to prepare project-level status reports for the Board of Directors each quarter and will present a summary report annually.

Inform Board members, stakeholders, and others about the probabilities of cost estimates

- Staff presented information about the methodology used for estimating capital project costs to the Transportation Committee in April 2018; this presentation also was provided to the Board of Directors on May 25, 2018.

- Staff highlighted the uncertainty associated with cost estimates at different points in the project development process as well as risk mitigation measures associated with cost volatility. Staff intends to show the total cost of projects within the 2019 Regional Plan in range format to indicate the degree of uncertainty associated with all projects.

- Going forward, staff will include cost estimate information in regular Corridor/Program Status reports presented to the Transportation Committee and Board of Directors.
Demonstrate use of an “accordion” strategy for project implementation

- SANDAG’s major capital projects are developed and delivered using an “accordion” approach. This involves identifying the major components or segments of a project, prioritizing the order in which the segments should be delivered, and applying available funding on a priority basis. If more funding becomes available, it can be stretched like an accordion to complete a larger number of segments, and if funding is reduced, it can be condensed and fewer projects would be completed.

- As part of the Major Corridors Program updates described above, staff will provide detail on the application of the ‘accordion’ approach to each project. This will help to inform policymakers and stakeholders on the relationship between project delivery and available funding.

Report financial capacity to complete the TransNet Major Corridors and Transit Operations programs

- The TransNet Major Corridors Plan of Finance is updated about once a year, with the last update presented to the Board of Directors in October 2017. The next update will be presented to the Board in 2019 in conjunction with selection of the preferred network of the Regional Plan, and will incorporate anticipated funding from Senate Bill 1 (SB 1). The Plan of Finance update will continue to provide an assessment and highlight significant changes to project cost estimates and funding opportunities.

- Staff intends to bring the updated Transit Operations Plan to the Transportation Committee in conjunction with updates to the Plan of Finance. The Transit Operations Plan monitors revenue forecasts and cost estimates associated with operating all TransNet-funded transit services at the approved level of service and proposes adjustments as necessary.

- A new TransNet Health Report was prepared and presented to the Board in September 2018. The Health Report included target and status information for key performance metrics for the capital program that demonstrate progress toward achieving goals and identify where corrective action or opportunities may be taken. Going forward, this report will be provided on a regular basis.
Independent performance audits
Enhance operational oversight and review by establishing a Board-level audit program.

Sources of recommendations
- Assembly Bill 805 (Gonzalez Fletcher, 2017)
- SANDAG Board of Directors

Progress

- Develop Board Policy No. 039: Audit Policy Advisory Committee and Audit Activities
- Establish the SANDAG Audit Policy Advisory Committee
- Hire an Independent Performance Auditor
- Adopt internal control guidelines
- Prepare an annual audit plan and budget
- Present reports to the Audit Committee and Board of Directors

Staff contacts
- Laura Coté, Director of Administration, (619) 699-6947, laura.cote@sandag.org
- John Kirk, General Counsel, (619) 699-1997, john.kirk@sandag.org
- Independent Performance Auditor
Develop Board Policy No. 039: Audit Policy Advisory Committee and Audit Activities

- Staff presented a draft of Board Policy No. 039 to the Executive Committee and Board of Directors in November 2017 for comment.
- The final policy was approved by the Board of Directors at its meeting on December 15, 2017.

Establish the SANDAG Audit Policy Advisory Committee

- An Audit Committee Public Member Screening Committee was approved by the Board of Directors on January 26, 2018. Applications for public members of the Audit Committee were accepted through April 20, 2018, and interviews with qualified candidates were conducted in late May.
- Applications for Board member positions on the Audit Committee were accepted through June 11, 2018.
- Recommendations from the Screening Committee for the three public members of the Audit Committee, and from the SANDAG Chair for the appointment of the two Board member representatives were approved by the Board of Directors on June 22, 2018.
- The Audit Committee is scheduled to hold its first meeting on July 13, 2018.

Hire an Independent Performance Auditor

- At its meeting on March 23, 2018, the Board of Directors directed staff to hire a contract employee to serve as the agency’s Independent Performance Auditor. A procurement to hire an executive search firm to conduct the recruitment for the Independent Performance Auditor position was conducted and the Board of Directors approved a contract award to Ralph Andersen & Associates on June 22, 2018. The selected firm began working with the Audit Committee at its first meeting in July.
- A workplan for the recruitment has been developed and the Independent Performance Auditor position was advertised in mid-September. The Audit Committee anticipates conducting interviews with short-listed candidates in mid-December.
- An appointment to the Independent Performance Auditor position is expected to be made by the Board of Directors in early 2019; the selected candidate is anticipated to commence employment in spring 2019.
Adopt internal control guidelines

- The Audit Committee will review and recommend internal control guidelines that SANDAG will follow to safeguard assets, provide reliable financial statements, and ensure the effectiveness and efficiency of operations, and compliance with laws, regulations, and policies.

- Staff is scheduled to present internal control guidelines for review by the Audit Committee at its meeting in January 2019.

- The Audit Committee is expected to present its recommendation for adoption of the internal control guidelines to the Board of Directors by January/February 2019.

Prepare an annual audit plan and budget

- The Independent Performance Auditor will prepare a proposed annual audit plan that includes performance audits of the agency’s core programs, projects, and plans that present the greatest risks to the agency, as well as a proposed budget for completion of audit activities.

- The Independent Performance Auditor will submit the proposed annual audit plan and budget to the Audit Committee for review and a recommendation to the Board of Directors.

- The Board of Directors is expected to take action on the proposed annual audit plan and budget in June 2019. In the interim, Internal Audit staff will continue to perform audit services under its FY 2019 Audit Plan and provide quarterly updates to the Audit Committee.

Present reports to the Audit Committee and Board of Directors

- The Independent Performance Auditor will present audit findings and recommendations to the Audit Committee.

- The Audit Committee will monitor the implementation of corrective action identified in audit and investigative reports and inform the Board of Directors when corrective action is insufficient or untimely.

- The Audit Committee will monitor the implementation of the annual audit plan and provide an annual report to the Board of Directors; the first annual report is expected in January 2020.
Records management

Prepare policies, procedures, and training for SANDAG employees regarding the creation, maintenance, and retention of public records.

Source of recommendations

- Independent Examination of Measure A Revenue Estimate Communications

Progress

- Update Board Policy No. 015: Records Management
- Develop records management standards for SANDAG business records
- Develop a public records management policy for employees
- Conduct public record and records retention training for employees

Staff contacts

- Laura Coté, Director of Administration, (619) 699-6947, laura.cote@sandag.org
- John Kirk, General Counsel, (619) 699-1997, john.kirk@sandag.org
- Ray Traynor, Director of Operations, (619) 710-4001, ray.traynor@sandag.org
Update Board Policy No. 015: Records Management

- Staff presented draft amendments to Board Policy No. 015 to the Executive Committee and Board of Directors in December 2017 for comment. The final amendments were approved by the Board at its meeting on February 23, 2018.
- The substantive changes to the policy are summarized below:
  - Clarification that the policy is applicable to both SANDAG employees and non-employees who act on SANDAG’s behalf.
  - The term “SANDAG Business Record” was introduced to more clearly define the types of records SANDAG staff may collect and review in response to a California Public Records Act (CPRA) request.
  - New language regarding the potential disclosure of records on personal devices (e.g., personal computers, cell phones, etc.) that are used for work purposes was added.
  - Language regarding records retention and the disposal of records, including the need to preserve records when a CPRA request is received, was added.
  - The requirement for annual public records management training for all employees was introduced to ensure staff are aware of SANDAG retention policies and procedures.

Develop records management standards for SANDAG business records

- Staff researched and evaluated best practices applicable to SANDAG’s need for creating, sharing, storing, accessing, and managing data and records. These practices were incorporated into the public records management policy developed for employees.

Develop a public records management policy for employees

- Following approval of Board Policy No. 015, staff developed a public records management policy for employees to clarify agency practices and expectations regarding the retention of work products, and SANDAG processes for responding to requests under the CPRA.
- The core components of the new policy include:
  - Definitions of public records and SANDAG Business Records, including examples
  - SANDAG’s records maintenance and records retention expectations
  - Employee responsibilities regarding CPRA requests
- The new policy was approved by management and communicated to all employees in early April 2018; it has been incorporated into the SANDAG Employee Handbook.
- The policy will be reviewed annually in conjunction with the review of the Employee Handbook; any updates will be communicated to employees and incorporated into the annual training on this topic.
Conduct public records and records retention training for employees

- A custom training program was developed and implemented by the Office of General Counsel in conjunction with the rollout of the public records management policy. All employees participated in the training in April 2018.
- The new public records and records retention training has been added to the agency’s required training program and all employees will participate on an annual basis.
- Established methods for tracking and documenting employee attendance at the public records and records retention training have been used.
Transparency initiatives
Enhance internal and external information sharing by ensuring SANDAG communications are straightforward, easy to understand, and reach a variety of audiences.

Sources of recommendations
- San Diego County Taxpayers Association
- Independent Examination of Measure A Revenue Estimate Communications
- SANDAG Board of Directors

Progress on actions

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<thead>
<tr>
<th>Action</th>
<th>FY 2018</th>
<th>FY 2019</th>
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<tbody>
<tr>
<td>Update Board Policy No. 025:</td>
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<tr>
<td>Public Participation Plan Policy</td>
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<tr>
<td>Implement new methods to exchange information</td>
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<tr>
<td>Simplify agency communications</td>
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</tr>
</tbody>
</table>

Staff contacts
- David Hicks, Director of Communications, (619) 699-6939, david.hicks@sandag.org
- John Kirk, General Counsel, (619) 699-1997, john.kirk@sandag.org
Update Board Policy No. 025: Public Participation Plan Policy

- Staff presented draft amendments to Board Policy No. 025 to the Executive Committee and Board of Directors in December 2017 for comment. The final amendments were approved by the Board of Directors at its meeting on February 23, 2018.
- The policy update focused on increased transparency and a recognition that the public has a right to expect SANDAG officials and employees to conduct business in an efficient, fair, and impartial manner and with the utmost integrity to promote and maintain the public’s confidence and trust. SANDAG management will continue to model and emphasize the importance of transparency to agency employees.
- The SANDAG ethics training class, which certain employees are required to take every two years, has been updated to include a section specifically addressing transparency and openness in conducting public business. This information is reinforced in the Standard of Conduct policy included as part of the SANDAG Employee Handbook.

Implement new methods to exchange information

- SANDAG is continuing to build on its current outreach efforts to enhance and modernize the way the agency delivers information. Examples include:
  - Staff has increased efforts to provide information and opportunities for education to Board members. For example, Board members have been provided individual briefings on the 2019 Regional Plan, including its purpose, components, and development timeline. Board members also have been provided with opportunities to get involved with Regional Plan outreach activities, including attending focus groups, open house meetings, and community conversations.
  - New digital media solutions have been deployed to maximize participation across broad demographics, collect informed input, and provide decision-makers with quantifiable results. An online public engagement tool was used to present and gather input on 2019 Regional Plan transportation network scenarios in late summer 2018.
  - For technical topics, like the Regional Growth Forecast and Regional Housing Needs Assessment Determination, specific questions were presented to Policy Advisory Committees and the Board of Directors to solicit clear direction on key assumptions.
  - Staff is implementing additional ideas and suggestions, like weekly meeting action summaries and project tours, to help Board members stay informed about SANDAG programs, projects, and services, and share information with their stakeholders and constituents.
- In addition to responding to a steady stream of inquiries from the media, stakeholders, and the public, SANDAG has increased its use of email, web, and social media methods to convey information in a timely and easy to understand manner.
• The SANDAG Office of General Counsel is committed to responding to requests for information about agency business, consistent with the requirements of the California Public Records Act (CPRA). SANDAG has seen a steady increase in the number and complexity of public records requests in recent years. The agency responded to 262 PRA requests in calendar year 2017; 164 requests have been received through October 2018. Staff resources have been added to the Legal team in response to the demand, and combined with the streamlined processes, enhanced technology, and employee training, SANDAG continues to respond thoroughly and in a timely manner to records requests.

• SANDAG management conducted an Employee Engagement survey in November 2017 to gather input regarding the work environment, internal communications, resource needs, and opportunities for improvement. Based on this feedback, an action plan was developed to improve internal communication and strengthen relationships between management and employees.

• Additional initiatives could be undertaken at the direction of the Board, including webcasting and/or televising Board and Policy Advisory Committee meetings, initiating an “open data” program, or holding Board meetings at times and locations most convenient to the community.

Simplify agency communications

• The 2019 SANDAG Board Retreat included a new lightning learning session format and supplemental agenda materials to encourage questions and dialogue on complex topics like the 2019 Regional Plan, energy and climate planning, and funding scenarios.

• 2019 Regional Plan materials clearly state the development timeline, reiterate what has been accomplished to date, and outline next steps for policymakers and the public to get involved. When people subscribe to receive email updates about the Regional Plan, they can see past email archives to get a sense for the type of information and frequency with which it has been shared in the past.

• A cross-departmental team was formed to streamline the agenda development, report writing, and presentation processes for SANDAG meetings. This effort included a review of the number and substance of items presented to the Board of Directors and Policy Advisory Committees and training programs to encourage simple and effective report writing and presentations by staff.

• Fact sheets and other communications materials have been reviewed and prepared to ensure content is up to date, accurate, and simple. Wherever possible, data is presented visually to make information easier to understand for a variety of audiences.

• Ongoing updates to the SANDAG website, as well as plans for a future redesign, are focused on simplifying information and promoting the ease of finding and using the massive amount of information available through the site.
Stakeholder communication

Proactively inform member agencies, stakeholders, and the public to increase awareness of SANDAG programs and projects.

Sources of recommendations

- San Diego County Taxpayers Association
- Assembly Bill 805 (Gonzalez Fletcher, 2017)
- FY 2018 TransNet Triennial Performance Audit
- SANDAG Board of Directors

Progress on actions

<table>
<thead>
<tr>
<th>Action</th>
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<tr>
<td>Prepare an annual report to the State legislature that outlines various matters related to public transit</td>
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<tr>
<td>Partner with member agency representatives to participate in community outreach efforts</td>
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<td>Present annual reports to member agencies regarding SANDAG programs and projects</td>
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<td>Develop tools to track TransNet accomplishments and provide regular performance monitoring reports</td>
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<tr>
<td>Coordinate with recipient agencies to submit reports describing how SANDAG funds have been used for projects</td>
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</tbody>
</table>

Staff contacts

- David Hicks, Director of Communications, (619) 699-6939, david.hicks@sandag.org
- José Nuncio, TransNet Department Director, (619) 699-1908, jose.nuncio@sandag.org
Prepare an annual report to the State Legislature that outlines various matters related to public transit

- Staff worked with the transit operators to develop an annual report that outlines the region’s public transit needs, transit funding criteria, and recommended transit funding levels. The annual report also provided an overview of major public transit projects under way or completed and funds spent explicitly on public transportation in the previous fiscal year.
- The inaugural annual public transit report was approved by the Board of Directors at its meeting on June 22, 2018, and submitted to the Legislature on June 29, 2018.

Partner with member agency representatives to participate in community outreach efforts

- Staff holds monthly communications coordination meetings with Caltrans and also has initiated regular coordination meetings with communications staff from the local jurisdictions, and NCTD and MTS.
- SANDAG continues to share eToolkit resources with counterparts at member agencies to encourage the promotion and involvement with various campaigns and events, from Bike to Work Day and Rideshare, to FasTrak and Regional Plan efforts.
- Communications staff updated its Process Workbook, which outlines best practices for conducting effective public outreach and engagement activities, specifies methods, and emphasizes the need for communication, collaboration, and coordination with elected officials, staff, and other stakeholders from member agencies during the outreach process. Many of these efforts are standard procedure at certain points in the project development and construction processes; going forward, SANDAG staff will apply a more consistent approach.

Present annual reports to member agencies regarding SANDAG programs and projects

- Staff developed a custom, simple, and concise annual report for each member agency. The report includes a description of significant, regionwide SANDAG accomplishments, as well as a summary of the programs, projects, and services provided in each member agency’s jurisdiction.
- Between August and November 2018, SANDAG Board leadership and staff made presentations to each of the 18 city councils and the County Board of Supervisors, providing the report and an update on major SANDAG initiatives, as well as answering questions and addressing concerns.
- SANDAG has implemented monthly Board Info reports for use by member agencies and the public. The reports provide concise descriptions of actions taken by the Board of Directors.
- Develop tools to track TransNet accomplishments and provide regular performance monitoring reports
  - Staff provides various TransNet program and performance monitoring reports on a regular basis to the Independent Taxpayer Oversight Committee, Transportation Committee, and Board of Directors.
  - Staff presented recommendations from the FY 2018 TransNet Triennial Performance Audit to the Board of Directors in July 2018. Staff is contuing to work with local and partner agencies to develop proposals and potential costs to implement the audit recommendations, including the development of additional tools to track performance and accomplishments, and brought preliminary information to the Board for consideration as part of the first annual TransNet Health Report in September 2018.

- Coordinate with recipient agencies to submit reports describing how SANDAG funds have been used for projects
  - A status report on each jurisdiction’s TransNet Local Street and Road Program is provided to the Independent Taxpayer Oversight Committee on an annual basis to highlight TransNet project and program accomplishments. The most recent report was provided at the June 18, 2018, meeting.
  - A TransNet Local Streets and Roads Output and Outcome Report also is provided to the Independent Taxpayer Oversight Committee on a biennial basis in conjunction with the draft Regional Transportation Improvement Program. The most recent report, provided in June 2018, highlighted programming for 34,000 feet of new or wider sidewalks and improvements to more than 500 traffic signals, which will improve pedestrian safety and access; 8 additional lanes of bridge capacity; and 17 additional lanes on regionally significant local roads to reduce congestion and improve traffic flow.
  - Staff currently is working to develop a draft charter outlining goals, priorities, and activities designed to increase regional oversight and coordination of projects funded by the TransNet Local Streets and Roads program. The charter is anticipated to be completed in early 2019, with potential next steps proposed as part of the FY 2020 annual program budget.
Organization structure

Conduct an independent review of department structure and staffing resources necessary for success.

Sources of recommendations

- Independent Examination of Measure A Revenue Estimate Communications
- SANDAG Board of Directors

Progress on actions

- Procure services from a management consultant
- Conduct an independent review of SANDAG internal structure
- Conduct an independent review of SANDAG staffing resources
- Present recommendations to the Board of Directors

Staff contact

- Laura Coté, Director of Administration, (619) 699-6947, laura.cote@sandag.org
Procure services from a management consultant

- Staff are drafting a Request for Proposals (RFP) for professional management consulting services to conduct a review of the agency's internal department structure and staff reporting relationships, as well as staffing levels and employee skills sets required to support SANDAG core responsibilities.
- The procurement for management consulting services is anticipated to begin in December 2018 with a firm selected in early 2019.
- Recommendations from the organizational review will be presented to the Board of Directors for consideration.

Conduct an independent review of SANDAG internal structure

- This review will be conducted by the management consultant.

Conduct an independent review of SANDAG staffing resources

- This review will be conducted by the management consultant.

Present recommendations to the Board of Directors

- The management consultant will present a summary of recommendations at the conclusion of the project.
Sources of recommendations

The Plan of Excellence’s components are derived from several sources, both within and outside the organization, and include the following:

<table>
<thead>
<tr>
<th>Data governance</th>
<th>SANDAG 7-Point Data Accuracy and Modeling Work Plan</th>
<th>San Diego County Taxpayers Association</th>
<th>Independent Examination of Measure A Revenue Estimate Communications</th>
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<td>Regional forecasting practices</td>
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SANDAG 7-Point Data Accuracy and Modeling Work Plan

In February 2017, the SANDAG Board of Directors approved the Data Accuracy and Modeling Work Plan proposed by staff. The work plan outlined seven actions to investigate the Measure A forecasting error, identify the potential impacts, address any substantive problems that may have resulted with the agency’s work products, and put in place policies and safeguards to ensure similar problems do not occur again and that any concerns that may arise are brought to the attention of the Board.
San Diego County Taxpayers Association

In April 2017, the San Diego County Taxpayers Association provided SANDAG with a report outlining recommendations to enhance communication and understanding between SANDAG, local governments, and San Diego County residents. In summary, the recommendations include:

- Amend Article VII, Section of the SANDAG Bylaws to read “The Board of Directors shall advise Member Agencies on the coordination of general plans, or on the resolution of conflicts between the general plans of agencies in the San Diego region.”
- SANDAG staff should provide simple and graphical summary presentations to the Board of Directors that Board members may use to communicate with their local councils and constituents.
- Amend Board Policy No. 025 to establish processes for receiving public input and providing information to the public that incorporate involvement of member jurisdictions so local governments and other relevant groups can assist in the dissemination of information.
- Adopt a policy that requires Board representatives to report back to their respective agencies on program developments, project updates, changes to expenditure plans, and potential ballot measure initiatives, on at least an annual basis.
- Member agencies should adopt policies requiring SANDAG Board members transmit to the SANDAG Board their list of local funding/project priorities and community concerns about all policy issues subject to funding or policy direction by SANDAG, on at least an annual basis.
- Adopt a policy requiring member agencies to provide reports to the SANDAG Board on the member agencies’ use of funds provided by SANDAG, as well as the results of performance audits.

Independent Examination of Measure A Revenue Estimate Communications

In April 2017, the Board of Directors hired Hueston Hennigan, LLC to conduct an independent investigation into the Measure A revenue estimate communications. Hueston Hennigan reported their findings to the Board in August 2017 which are as follows: 1. SANDAG executives and legal counsel should not have instructed staff to delete draft documents before the vote on Measure A; 2. SANDAG executives and legal counsel should not have approved the creation and use of the Hana Tools folder; and 3. SANDAG executives should have been more forthcoming in their responses to the Measure A forecasting error.

Three specific recommendations were provided:

- SANDAG legal counsel should conduct regular training with executives and staff instructing them on the agency’s Records Retention policy. Training should not be delayed until after a crisis emerges. SANDAG employees should be familiar with the policy should any crisis arise and know which documents they must preserve, and which they can delete.
- If SANDAG chooses to implement a policy whereby it will store and then mass-delete draft documents related to a particular project, it should disclose this policy publicly, much as it has done with other aspects of its Records Retention policy. Further, the location of this folder must be searchable and disclosed to legal counsel.
- SANDAG should be more transparent in its public relations responses to issues like the Measure A forecasting error. As a government agency, SANDAG has a responsibility to be honest and straightforward to the public. By failing to adequately explain how and why it overestimated the Measure A revenue forecast, SANDAG lost employee morale and forfeited the public’s trust.
In addition, three best practice recommendations were described:

- SANDAG should maintain internal expertise regarding its forecasting models, and ensure numerous staff members have the necessary knowledge and experience to run the model in the event of turnover.
- SANDAG should implement an effective quality control program, both methods and staffing resources, to ensure the accuracy and validity of its forecasting model outputs.
- SANDAG should foster better collaboration, cooperation, and information sharing between all departments and employees who produce and use the forecasting model outputs.

Assembly Bill 805

In September 2017, Assembly Bill 805 (Gonzalez Fletcher) was signed into law. Among its provisions, the bill made various changes to the governance and duties of SANDAG, including:

- Develop accounting and financing internal control guidelines and an administration policy to ensure and monitor regular performance evaluations.
- Provide annual reports to the Legislature and local jurisdictions on public transit and overall agency programs and projects, respectively.
- Establish an Audit Policy Advisory Committee and Board-level Independent Performance Audit function to prepare and implement an annual audit plan.

FY 2018 TransNet Triennial Performance Audit

In June 2017, the Independent Taxpayer Oversight Committee (ITOC) selected an independent auditing firm, Sjoberg Evashenk Consulting, Inc., to conduct the required triennial performance audit of the TransNet Program for the three-year period between July 1, 2014 and June 30, 2017 (Fiscal Years 2015, 2016, and 2017). The audit concluded that SANDAG and its partner agencies have made significant progress toward accomplishing many TransNet goals and identified several areas where improvements could be made.

Twenty-six (26) recommendations from the audit were categorized as either critical, high, medium, or low priority based on their impact to TransNet program goals and SANDAG responsibilities. The three critical priority recommendations are described below:

- Ensure the 7-Point Data Accuracy and Modeling Work Plan is implemented to reduce the potential for future errors and develop formal procedures to update, validate, and report on data.
- Implement a comprehensive performance framework by setting targets to measure TransNet performance against TransNet Extension Ordinance goals, and capturing performance outcome data.
- Modify Board of Directors and Committee reports to summarize public input, the pros, cons, and implications of recommended actions, in addition to summarizing reports in one or two pages.

SANDAG Board of Directors

The SANDAG Board of Directors has been engaged in evaluating agency practices and directing staff to make improvements to reporting and communication strategies necessary for effective oversight and stewardship of agency responsibilities. Staff will present ongoing progress reports to the Board and ITOC to keep them and the public informed.