APPROVAL OF SEPTEMBER 12, 2003 MEETING MINUTES

Chairman Ron Morrison (South County) called the Executive Committee meeting to order at 9:14 a.m. Committee members in attendance were Vice Chairman Mickey Cafagna (North County Inland), Ramona Finnila (North County Coastal), Hal Ryan (East County), Jim Madaffer (City of San Diego), Greg Cox (County of San Diego), and alternates Lori Holt Pfeiler (North County Coastal), Christy Guerin (North County Coastal) and Art Madrid (East County).

CONSENT ITEMS (1-A and 1-B)

1. LEGISLATIVE UPDATE (INFORMATION)

A. AB 361 (KEHOE)

On September 8, 2003, the bill passed the legislature and will be sent to the Governor. The bill was amended on September, 2, 2003, to clarify and improve some of its provisions. Among other things, the amended language now requires any water supply components or provisions of the Integrated Regional Infrastructure Strategy regarding water supply that SANDAG may decide to put in the Regional Comprehensive Plan to be consistent with the urban water management plan and other adopted regional water facilities and supply plans of the San Diego County Water Authority.

B. PROPOSITION 53

Proposition 53, placed on the October 7, 2003 ballot by the Legislature through Assembly Constitutional Amendment 11, would dedicate a percentage of the General Fund to an Infrastructure Investment Fund (IIF) to address state and local government infrastructure investments. The measure does not change the overall level of General Fund revenues. The dedication to the IIF would result in a commensurate reduction in resources for all other purposes.

Action: The Executive Committee voted to approve consent items 1-A and 1-B.
Staff announced that an agreement was reached regarding SB 1055 (Committee on Budget and Fiscal Review). SB 1055, which deals with weight fees, is good news for transportation statewide and will provide approximately $600 million to the State highway account.

Chairman Morrison noted that the last session of the Regional Academy for Elected Officials will be held from 1:00 p.m. to 5:00 p.m. on Thursday, September 28, 2003 at the San Marcos Community Center. He encouraged all to attend.

REPORTS

3. REGIONAL ENERGY STRATEGY IMPLEMENTATION (APPOINT)

Staff reported that the SANDAG Board of Directors approved the Regional Energy Strategy (RES) at its meeting on July 25, 2003. At that meeting, the Board also heard a discussion of four options to implement the strategy. The preferred option (Option 2) recommended by the San Diego Regional Energy Office (SDREO) and its advisory committee, the Regional Energy Policy Advisory Council (REPAC), was to have SANDAG assume responsibility for the implementation of the RES (Option 1) and establish an Energy Committee within SANDAG (Option 2) with the possibility of this entity transitioning into a Regional Energy Authority, under state legislation (Option 3), after 18 months; and further transition into a Joint Powers Authority (Option 4) if needed.

The Executive Committee agreed that it would make sense to take action regarding establishing an Energy Task Force to investigate this issue and that members of the Executive Committee should be included in the make up the Task Force. Some members felt that it would be appropriate to include on the Task Force members from the three cities that already have powerplants in their jurisdictions. Those cities are Carlsbad, Chula Vista and Escondido. Executive Committee members also expressed concern with the size of the committee and the level of expertise on the Task Force, noting that those appointed should have some previous knowledge of the subject. It was suggested that Councilmember Jerry Jones (Lemon Grove) be appointed to the Task Force because of this participation on the REPAC. Some members added that the make up of the membership of the Task Force should be geographical to represent the entire region. If that is the case, then the County should also be included on the Task Force.

Staff reminded the Executive Committee that this Task Force will have start and end date and will have a certain time to complete its task. The purpose of this Task Force is to determine how to begin work to implement the regional energy strategy. The Task Force will: report to the Executive Committee on a monthly basis; make a recommendation to the Executive Committee; and in turn the Executive Committee will review the Task Force’s recommendation and forward its recommendation to the full Board for approval. Staff noted that the SDREO is an agency that SANDAG hired to develop the regional energy strategy. Right now budgets are tight and funding needs to be identified for implementation of the RES.
Public Comment:

Kurt Kammerer, former Executive Director of the SDREO, expressed concern with the timeliness of this item noting that the region does not have 18 months to complete this project. There is state funding currently available for this issue however, funding will most likely not be available after the 1st quarter of next year. He commented that he believes that the risk appears high but the region cannot afford to do nothing – and status quo is not the answer. There is legislation in place now to do what the region wants. He concluded that the region will not be able to achieve the objectives in the strategy 18 months from now and added that he is willing and available to serve on the Task Force.

Mitch Mitchell, representing the San Diego Regional Chamber of Commerce, stated that the Public Utilities Commission (PUC) has not helped the region in this matter. Creating a Task Force makes sense and is a step in the right direction, but 18 months is not enough time to evaluate this issue.

Bob Resley, Vice President of Resource Management for SDG&E, mentioned that he is happy to be part of this process and the staff recommendation makes sense.

Jennifer Badgeley, Organizer for the International Brotherhood of Electrical Workers, Local 569, felt that it is important for the electricians to provide input in this process and for the workforce to be represented. She requested a seat at the table on the Task Force.

Some Executive Committee members commented that an independent energy consultant be hired during the work of this Task Force. Decisions need to be based on facts, current market rate and availability. It was pointed out that there is no guarantee that the region will have a cheaper cost of gas or electricity. The $600 million that has been allocated over the next 10 years for energy projects can change rapidly. Members agreed that the region has not moved as quickly as it needs to on this issue but this is one of the biggest decisions that the region is facing. Moving quickly is not the answer. Executive Committee members commented that it is good that this is a Brown Act Task Force that way the public will be notified and can attend the meetings under the public process. It was noted that very seldom does the Executive Committee have the authority to create a committee to do valuable work. It was also suggested that the chair and vice chair of the Task Force be elected officials.

Action: The Executive Committee voted, subject to approval by the Board of Directors, to (1) convene an Energy Task Force; (2) designate the membership; and (3) direct the Task Force to report by the end of the calendar year on: (a) its finding regarding the feasibility of implementation of the Regional Energy Strategy by SANDAG; and (b) the identification of funding for the implementation program.

Chairman Morrison appointed Mayor Pro Tem Ramona Finnila (Carlsbad) and Councilmember Jerry Jones (Lemon Grove) as Chair and Vice Chair of the Task Force, respectively. He noted that additional members of the Task Force will include a representative from each of the following: the Regional Energy Office/Regional Energy Policy Advisory Council, SDG&E, Business/Industry, Consumer Representative and an
Environmental Organization. He added that this will be a 90-day Task Force, which will provide monthly reports to the Executive Committee and will come back to the Executive Committee in December with a recommendation for implementation and financing of the RES to consider. In addition to Mayor Finnila and Councilmember Jones, appointed to the Energy Task Force were Mayor Steve Padilla (Chula Vista), Mayor Lori Holt Pfeiler (Escondido), Supervisor Dianne Jacob (Second District), Mr. John Moot (SDREO/REPAC), Mr. Robert Resley (SDG&E), Mr. James Callahan (Qualcomm Inc.), Mr. Michael Shames (UCAN), and Mr. Dan Perkins (Sierra Club).

4. NEW SANDAG ADMINISTRATIVE POLICIES (REVIEW/COMMENT)

Staff reported that SANDAG’s legal staff has continued the process of reviewing existing policies to determine whether they need to be supplemented to address SANDAG’s expanded responsibilities and has determined that some additional policies and safeguards are needed. SANDAG’s legal staff has prepared three new policies for review and comment by the Executive Committee. The policies are entitled Procurement of Services, Delegation of Authority, and Discrimination Complaint Procedures. Any changes requested by Executive Committee members or staff over the next month will be incorporated into these proposed policies and brought back to the Executive Committee in October. At the October meeting, the Executive Committee will be asked to recommend approval of the policies to the SANDAG Board. The policies will be brought to the Board for approval at its October 24, 2003 meeting. Following is a description of the new administrative policies.

The Procurement of Services policy provides direction from the Board to staff concerning procurement of contracts. The policy is in compliance with the procurement and contracting mandates in SB 1703. The policy will be enhanced by a contracting procedures manual that is being prepared by staff using the best practices from SANDAG, NCTD, and MTDB, and will be approved by the Executive Director upon completion. The Delegation of Authority policy establishes the authority of the Executive Director and his/her authority to delegate functions to staff. Among other things, it provides the Executive Director with authority to take action in emergency situations, to approve design plans, specifications and estimates, and to initiate litigation. The Discrimination of Complaint Procedures policy establishes a procedure under which complaints alleging disability discrimination in SANDAG’s provision of services or SANDAG activities can be made by persons who are not employees of SANDAG and to set forth the Board’s policy concerning other forms of discrimination against protected classes of persons.

Executive Committee members asked how staff will select consultants, and were concerned that qualified private entities may be excluded because of a low bid process. Members also addressed the emergency limit for the Executive Director and questioned if that amount needs to be increased.

Staff responded that consultants will be selected on a case by case basis and that the goal is to get the best value for the agency. Staff added that currently there is a $100,000 threshold for the Executive Director that could be changed by the Executive Committee, if needed. Staff reminded the Executive Committee that it has a $500,000 limit, as does the Transportation Committee.
Chairman Morrison directed staff to benchmark some member agencies for their emergency limits and bring that information back to the Executive Committee for discussion.

5. AMENDED FY 2004 FINAL PROGRAM BUDGET AND CONSOLIDATION PROGRESS REPORT (APPROVE)

The FY 2004 Final Program Budget was adopted in May 2003, was amended in June and is being amended once again to include additional consolidation of the transit agencies, MTDB and NCTD, per SB 1703. The Budget structure has been changed and the projects renumbered to reflect the new SANDAG organization and to accommodate a new accounting system. This transition brings payroll from 119 staff to 172 ½. Most of these staff are capital project managers and engineers but there are also some executive, administrative, and financial positions included in this latest transfer. The budget will increase to over $400,000,000 consisting of Federal, State and Local Funds. Because of capital projects with TransNet funding, the appropriate amount of TransNet has been transferred from “Pass-through” funds to actual SANDAG projects, however, the 1/3 split is still accurate.

The Executive Committee requested that staff prepare a document that compares what the three agencies spent on overhead, individually, to what the regional agency will be spending. Committee members also questioned when the regional agency’s report to the Legislative Analysts’ Office (LAO) will be due.

Staff noted that even though overhead will increase, the budget amounts will end up being the same. This information will be brought back to the Executive Committee for its information. Staff also noted that currently AB 361 (Kehoe) is on the Governor’s desk for signature. If the bill is signed, the LAO dates will be switched where the regional agency report will be due in December 2004 and the LAO’s report will be due in December 2005. This action to swap the dates makes sense; therefore, the regional agency can assess itself first. SANDAG staff will be sending out a stakeholders survey and public opinion survey and will create a focus group. All tools will be used to provide information to the LAO for its report. In addition, staff introduced new staff members to the Executive Committee: Bob Leiter, Director of Land Use and Transportation Planning; Jack Boda, Director of Mobility Management and Project Implementation; Ellen Roundtree, Director of Governmental Relations; and Jim Linthicum, Director of Design and Construction Engineering. Staff also announced that Debra Greenfield, SANDAG’s General Counsel, will be retiring next month and Jack Limber, Acting General Manager/General Counsel at MTDB has agreed to come on board as soon as MTDB selects a General Manager.

Action: Cafagna-Madaffer: Motion passed unanimously.

6. REVIEW OF DRAFT BOARD AGENDA FOR SEPTEMBER 26, 2003 (APPROVE)

Action: The Executive Committee unanimously approved the draft Board agenda for the September 26, 2003 meeting.

7. ADJOURNMENT

Chairman Morrison adjourned the meeting at 10:21 p.m.