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**MINUTES OF THE BOARD OF DIRECTORS MEETING  
JANUARY 23, 2004**

Chairman Ron Morrison (National City) called the meeting of the SANDAG Board of Directors to order at 9:33 a.m. The attendance sheet for the meeting is attached.

1. APPROVAL OF MEETING MINUTES (APPROVE)

Chair Morrison noted a name correction in the minutes of the December 19, 2003, Business Meeting.

Action: Upon a motion by Councilmember Patricia McCoy (Imperial Beach) and a second by Councilmember Jim Madaffer (City of San Diego), the Board approved the minutes of the December 19, 2003, Business Meeting, as amended, and the January 9, 2004, Policy Development Board of Directors meeting. Yes – 17 (weighted vote, 92%). No – 1, Chula Vista (weighted vote, 7%). Abstain – 0. Absent – 1 (County of San Diego).

2. ADDITIONS AND DELETIONS

There were no additions or deletions to the agenda.

3. PUBLIC COMMENTS/COMMUNICATIONS/MEMBERS COMMENTS

Chuck Lungerhausen, a member of the public, stated that the 2004 Multiple Sclerosis (MS) Walk will be held on March 13-14, 2004; however, his team will do the MS Water Walk on Saturday, March 6, 2004, at the Mission Beach Plunge. He requested sponsorship donations for this event.

Jim Schmidt, a member of the public, distributed a San Diego Daily Transcript article dated January 14, 2004, that he authored entitled, "Banana Initiative: A negative for affordable housing." The "Banana Initiative" refers to Proposition A, the Rural Land Initiative, on the March 2004 ballot. He said that if this measure is approved, the County of San Diego will not have any decision-making authority over land use in the rural areas. Housing supply is the key for jobs. According to SANDAG studies, 60 percent of the future growth in population will be internal and not from external migration. This initiative will raise housing prices even more.

Chris Christasen, a member of the public, spoke in favor of condominium conversions as part of the solution to home ownership in San Diego. He said that condominium conversions provide home-ownership opportunities, will not affect traffic congestion, will increase property taxes, will provide community beautification projects, and an opportunity for home ownership for those people in the lower 25 percent economic level. He suggested

that SANDAG work with developers and the City of San Diego to promote condominium conversions.

Councilmember Christy Guerin (Encinitas) distributed a notification for an annual memorial wake to be held on Saturday, February 7, 2004, 6:00 p.m., at the Vista Elks Lodge, 1947 East Vista Way, Vista, CA 92084, 760/724-1968. This event benefits the families of law enforcement officers killed in the line of duty. Proceeds from this year's event will benefit the family of Oceanside Police Officer Tony Zeppatela.

Mayor Bud Lewis (San Diego County Water Authority) provided a short report regarding the desalinization situation in Carlsbad. He said that there is a breakdown in negotiations between the County Water Authority (CWA) and Poseidon, who is the project applicant. CWA is also withdrawing from working toward a Memorandum of Understanding (MOU) with the City of Carlsbad. The CWA has other ongoing projects and will review this issue in another six months to a year. The CWA is supporting local agencies working with Poseidon to secure new water supplies without the CWA being involved at this time. He believes the CWA, Poseidon, and the other agencies will work out this situation over time. He felt that desalting sea water will be an absolute necessity in the future.

Councilwoman Crystal Crawford (Del Mar) provide a briefing on the Interstate 15 (I-15) Interregional Partnership (IRP) related to a set of strategies for inclusion in the draft final report for the IRP. This draft report is scheduled for release in March. The strategies are intended to address the following issues: economic development, housing, and transportation. She noted that following acceptance of the draft report, outreach efforts will increase. She added that the final report is scheduled for completion in June.

### **CONSENT ITEMS (4 through 13)**

Chair Morrison indicated that he received a request to pull Item 12 from the Consent Calendar.

4. ACTIONS BY POLICY ADVISORY COMMITTEES (APPROVE)
5. LOCAL TECHNICAL ASSISTANCE PROJECTS REQUIRING MORE THAN \$1,000 OR THREE DAYS OF STAFF TIME (INFORMATION)

Local Technical Assistance (LTA) policy guidelines require that projects involving more than three days of staff time be reported to the Board of Directors. A transportation modeling project for the County of San Diego General Plan 2020 Update and the provision of special tabulations of the Final 2030 Forecast for the County Water Authority are included in this month's report.

6. PUBLIC PARTICIPATION POLICIES (APPROVE)

The Executive Committee accepted a draft Public Participation Policy concerning Project Development and Construction for review and comment at its January 9, 2004, meeting. Any changes that have been requested since that time are incorporated in the draft. Final Board approval of the policy is sought at this time.

7. AMENDED CONFLICT OF INTEREST CODE (APPROVE)

The Board approved the Notice and Proposed Amendment to SANDAG's Conflict of Interest Code for distribution at its December 19, 2003, meeting. The Proposed Amendment reflects updates to the list of designated positions subject to filing annual economic disclosure statements and the financial disclosure categories applicable to such designated positions, which were needed following the consolidation of employees under Senate Bill (SB) 1703.

8. ANNUAL INVESTMENT POLICY UPDATE (Resolution #2004-12) (APPROVE)

The California Government Code requires that the Board, at a public meeting, annually review a statement of the agency's investment policy and consider any changes to that policy. Two minor changes are being recommended.

Mayor Mark Lewis (El Cajon) suggested that some of the money in this investment fund be used to lower costs for the future. He also wondered how much we know about the companies we are investing in, especially as it relates to environmental concerns.

9. CALTRANS MASTER FUND TRANSFER AGREEMENTS (Resolutions #2004-13; #2004-14) (APPROVE)

Revisions to the Master Fund Transfer agreements between SANDAG and Caltrans are necessary to reflect changes in requirements for federal planning funds and to recognize SANDAG's new role under SB 1703 in receiving transit funding.

10. FY 2005 TRANSIT CAPITAL IMPROVEMENT (TCI) PROGRAM (APPROVE)

The Metropolitan Transit System (MTS) and the North County Transit District (NCTD) have developed their Capital Improvement Programs for FY 2005 which form the basis for the Federal Transit Administration's (FTA's) Section 5307 Urbanized Area formula fund grant and the Section 5309 Rail Modernization formula fund grant. SANDAG is now responsible for programming these funds and approving these grants.

11. FY 2004 OVERALL WORK PROGRAM (OWP)/BUDGET AMENDMENT (APPROVE)

The Board of Directors is asked to approve the following amendments to the FY 2004 OWP and Program Budget: (1) accept \$125,000 from the Family Health Centers of San Diego to study a program for preventing viral hepatitis; (2) accept \$3,000,000 from Caltrans to fund specialty contracts for capital facility projects; and (3) upon agreement of the two agencies, transfer the Human Resources Manager position and funds from the Metropolitan Transit Development Board/Metropolitan Transit System (MTDB/MTS) to SANDAG.

13. PERSONNEL: RENEWAL OF EXECUTIVE DIRECTOR'S CONTRACT (APPROVE)

The Executive Committee is recommending that the Board approve the renewal of the employment contract for the Executive Director. Mr. Gallegos' contract expires at the end of the fiscal year, at which time the new contract would take effect. The Chairman and Vice Chairman have reviewed the contract document, which includes provisions to extend employment for five years with an option of three additional years.

Councilmember McCoy congratulated SANDAG on approving the Executive Director's contract for an extended period of time.

Action: Upon a motion by Mayor Mickey Cafagna (Poway) and a second by Councilmember Madaffer, the Board approved Consent Items 4 through 13, with the exception of Item 12. Yes – 19 (100%). No – 0. Abstain - 0. Absent - 0.

12. COUNTYWIDE INTEGRATED WASTE MANAGEMENT PLAN, SUMMARY PLAN, AND SITING ELEMENT (TRANSMIT COMMENTS)

Staff reported that this item relates to submitting comments on the Integrated Waste Management Plan. The report summarizes the 17 elements which deal with the location of landfills and the overall view of the County's plan to provide adequate land fill space and programs to divert material from landfills.

Mayor Cafagna expressed a concern about the funding cap to the hazardous waste contract. He said that the amount of funds has not been sufficient to cover the entire year, and customers in some areas have had to be referred to the Ramona facility because the cap had been reached.

Supervisor Dianne Jacob (County of San Diego) stated that the County has had a good working relationship with Poway on this issue. The County would like to continue to provide service, but there are conditions that impact its funding for household hazardous wastes.

Jack Miller, Chief of the County's Department of Environmental Health, said that if they receive timely reports they can determine whether funds can be shifted between facilities to cover the need. He stated that the Ramona facility is now open every weekend. Mayor Cafagna said that opening the Ramona facility on weekends will be helpful.

Action: Upon a motion by Mayor Cafagna and a second by Mayor Pro Tem Phil Monroe (Coronado), the Board accepted this report for information. Yes – 18 (weighted vote, 97%). No – 0 (weighted vote, 0%). Abstain – 1 (3%). Absent – 0.

**CHAIR'S REPORT**

14. PRESENTATION OF AWARD OF RECOGNITION TO ASSEMBLYMEMBER CHRISTINE KEHOE

Mayor Cafagna presented Assemblymember Christine Kehoe with a crystal bear and thanked her for her leadership in putting together Assembly Bill 361. This legislation recognizes the region's unique approach to coordinate housing with land use and transportation. It will also allow local cities and SANDAG the opportunity to properly integrate local plans with our new Regional Comprehensive Plan (RCP). He added that he really enjoyed working with the Assemblymember on this project. He found her to be fair and her concerns to be genuine and just. He stated that Assemblymember Kehoe has strengthened regional governance and accountability for our citizens.

Assemblymember Kehoe thanked Mayor Cafagna for his work with her on this bill. She said that it is a small step toward regional governance, and the closer we are to the voters, the better job we do. She said that she remains very committed to regional government. Regional issues call out for regional responses. She thanked the Board for its acknowledgement of her efforts.

15. **APPOINTMENTS TO THE POLICY ADVISORY COMMITTEES (PACs)**

Chair Morrison distributed a membership list for the PACs for this next year. The appointments were made by individual subregions and the City and County of San Diego. He said that the exciting thing about this committee system is that it allows more involvement by Board members. He has received positive feedback from the public about SANDAG's expectation that alternates attend meetings and be involved in discussions. He noted that there will be a new Public Safety Committee commencing in March and he appointed Mayor Steve Padilla (Chula Vista) chair of this committee and Councilmember Christy Guerin as Vice Chair. He said that the committees are what make this association work.

## **REPORTS**

18. **IMPACTS OF GOVERNOR'S FY 2004-05 BUDGET PROPOSAL (INFORMATION)**

The Executive Director provided this update. The proposed \$97.2 billion state budget includes \$76.1 million in General Fund and \$21.1 billion in Special Fund expenditures. He reviewed several elements of this budget proposal that will significantly affect transportation: the repeal of the special statutory designation of Traffic Congestion Relief Program (TCRP) projects; suspension of the Proposition 42 transfer of \$1.127 billion for FY 2004-05; elimination of the \$189 million for TCRP cash management needs; a repeal of Chapter 697, which would place before the voters a \$9.95 billion general obligation bond to fund and construct intercity high-speed rail service. Staff has prepared fact sheets that demonstrate the impact of each of these proposals on San Diego projects. It will be important for SANDAG to work closely with the Administration and the Legislature during this budget process.

The Executive Director stated that on the positive side, the Governor's proposal includes \$800 million from federal Grant Anticipation Revenue Vehicles (GARVEE) bonds for allocation by the California Transportation Commission (CTC), and full reimbursement to local governments for the Vehicle License Fee (VLF) offset program. The Administration is also committed to actively pursuing the reauthorization of the federal transportation program and will work with transportation stakeholders and business and labor communities in a review of the opportunities to fully leverage state and federal transportation resources.

The Executive Director noted that in late June, the Legislature is to submit the Budget Act to the Governor. The Governor then has line-item veto authority. The next steps will be to monitor the budget process and provide updates to the Board as soon as information is known.

The Executive Director announced that Ms. Sunne McPeak, the state Secretary of Business, Transportation, and Housing, will attend the Board Retreat. Ms. McPeak has a strong interest in linking housing and transportation, and she has indicated that she is impressed with what we are doing in San Diego. She will want to look at projects that are under construction and in areas where we have already made financial investments.

Councilmember Rindone (Chula Vista) said he hoped the SANDAG Board would be responsive to the high-speed rail issue. He stated that we need to speak out on transportation issues that will make a difference, and wondered what the appropriate action would be for the SANDAG Board to take on this matter. *The Executive Director said that at this point the Administration is proposing to fund the environmental and planning work for high-speed rail. What is being repealed is the \$10 million bond measure before the voters in March.* Councilmember Rindone requested that this issue be a discussion item at the Retreat.

Mayor Corky Smith (San Marcos) asked how much it will take to complete our projects. *The Executive Director replied that the impact for this next year with the governor's proposal is \$215.5 million.* Mayor Smith asked how much of the GARVEE bonding will we receive. *The Executive Director responded that there will be competitive process across the state. To our knowledge, no formal process has yet been developed.*

Councilmember Ramona Finnila (Carlsbad) asked if the CTC is doing an evaluation of TCRP projects. *The Executive Director said that we have been working with the CTC. The CTC plans to follow the Governor's evaluation criteria. We have not made funding allocations until we know how much we will have to work with.*

Mayor Joe Kellejian (Solana Beach) stated that we have to balance the ability of moving projects forward without jeopardizing the *TransNet* funding vote. The high-speed rail project from Sacramento to San Diego is a very important piece, especially the improvements in the corridor from San Diego to Oceanside. He suggested that staff develop a strategy for these efforts.

Mayor Pro Tem Monroe asked if the SANDAG Board should take a position on the \$15 billion bond issue related to the state budget. Chair Morrison answered that we don't know the details of the bond issue. There will be time for us to discuss it and determine how we want to weigh in on it before the March primary.

Supervisor Jacob asked if it would be possible for the GARVEE bonding to include the list of TCRP projects in order to keep those projects moving forward. *The Executive Director replied affirmatively. He said that our challenge will be getting San Diego's fair share, which is typically somewhere between 7-10 percent. All the projects on the list are eligible for GARVEE bonding.*

Action: The Board accepted this report.

A break was called at 10:40 a.m., and the meeting was reconvened at 10:53 a.m.

16. CONSOLIDATED TRANSPORTATION AGENCY: ANNUAL REPORT (INFORMATION)

Staff reported that it has been one year since Senate Bill (SB) 1703 became effective. This report will serve as a model for the ongoing evaluation process, provides an opportunity to recognize the accomplishments made since January 1, 2003, quantifies the remaining activities, and will serve as a repository for key materials associated with consolidation. The majority of the tasks required have been implemented, and it is anticipated that the remaining tasks will be complete by the middle of 2004.

Staff stated that this legislation created a new agency, transferred certain functions from MTDB and NCTD to the new agency, required a new voting system, and added representation from Imperial County as an advisory member. Staff reviewed the new committee structure and subregions as well as the consolidation implementation process. Staff noted that pursuant to the legislation, a SANDAG progress report is required to be submitted to the Governor and Legislature by December 31, 2004, and every two years thereafter. The Legislative Analyst's Office (LAO) is charged with evaluating and making recommendations to the Governor and Legislature by December 31, 2005, in the following four areas: governance, transportation, quality of life, and regional decision-making. Progress on consolidation will be measured by several surveys; one by stakeholders was conducted in fall 2003, a public opinion survey will be taken in summer 2004, and focus groups will be developed.

Chair Morrison called upon the chairs from the two transit boards for a status report.

NCTD Chair Judy Ritter congratulated staff and the three boards on the accomplishments made. The activities focused largely on the new agency structure, at the same time working on regional issues. Consolidation has provided us with an opportunity to evaluate our focus as a consolidated agency. Today's report only addresses the changes to be implemented. MTS and NCTD also have made significant organizational structure changes. She said that this is an evolving process.

MTS Chair Leon Williams stated that when the notion of consolidation came up, MTDB was the single agency that did not take an adversarial position. MTDB thought that we needed regional coordination. He has been pleasantly pleased that it is working as well as it is and he is looking for more progress in the future. He expressed concern about what's left with regard to personnel at MTDB and there is a lot to be done. He stated that we must realize that all of us have to work together for the region's welfare.

Mayor Mary Sessom (Lemon Grove) expressed concern about the governance aspect and the reference to "directly elected" representation. She said that when the surveys and public opinion polls are conducted, we need to be sure that the information garnered is unbiased.

Mayor Pro Tem Monroe reminded the Board that various agencies have different cultures and timing requirements and we need to be mindful of those differences.

Mayor Pro Tem Finnilla said that she hoped that Assemblymember Kehoe's intention to go to direct representation will not undermine the work that we have done. She suggested that in the next consolidation progress report, we indicate how we intended to spend the

money we anticipated receiving, and what we did with the money that was actually received.

Councilmember McCoy asked about the actual consolidation cost and if any money was saved. She thought it was important to provide an accounting to the public. She also asked about the proposal to change state and federal lobbying efforts. *The Executive Director said that we will have a breakdown of consolidation costs for the three agencies by the end of the year. With regard to lobbying, what we are proposing is to pay our lobbyists for specific tasks rather than paying them a retainer. This is a different business model than has been used in the past.*

Chair Morrison noted that we would be consolidating both lobbyists and lobbying efforts. We will also be providing a unified effort for legislative matters.

Mayor Cafagna said that he is surprised at how well we are doing and what we have achieved by this time. He is pleased with the lack of parochialism. This Board is working for the region's good. SANDAG staff is doing a tremendous job on the consolidation effort.

Mayor Bud Lewis thanked the City of San Diego for its support of this consolidation effort.

Councilmember Hal Ryan (Santee) expressed his appreciation for all of the work that went into consolidation. He stated that with the *TransNet Extension* effort, it would be helpful to have information about the benefits of consolidation. *The Executive Director stated that we still don't have all of the staff under one roof yet, but he agreed to provide the available information within 30 days.*

Mayor Dick Murphy (City of San Diego) stated that the structure that was developed fairly balances the great need for the region to work together to solve the problems, yet leaving some autonomy as well.

Councilmember Crystal Crawford asked how we will include tangible and intangible benefits that relate to quality of life issues as well as decision making. She noted that energy is not listed in the quality of life category. *The Executive Director said that energy is included as part of SANDAG's adoption of the RCP, where cities/county update their regional plans and in the performance measures. Staff will include those efforts in the report for the LAO.*

Supervisor Jacob state that she would also like to see the financial information related to consolidation with a cost comparison before January 1, 2003, and where we are now, including the proposed cost savings for this calendar year.

Mayor Mark Lewis expressed his concern about congestion on local streets and roads. He stated that telecommuting and staggered work hours can help relieve traffic congestion, but he didn't see these reflected in this report. He thought that we should fairly report on all types of efforts related to relieving transportation issues.

Leon Williams introduced Paul Jablonski, the new Executive Director of MTS.

Mayor Holt-Pfeiler (Escondido) reminded the Board that consolidation was not about saving money. The effectiveness of consolidation will be the measure of our decisions related to transportation in the region.

Chair Morrison commented that consolidation has been a great collective effort and it is a product in progress. SANDAG is on the cutting edge of regionalism around the United States. The major success here is the lack of parochialism on this Board.

Action: The Board accepted this report.

17. TEA-21 REAUTHORIZATION AND FY 2005 APPROPRIATIONS FUNDING REQUEST (APPROVE)

Staff announced that the U.S. Senate approved the FY 2004 appropriations bill. If the U.S. House of Representatives approves this bill, it will be a true success story of the regional board and transit boards working together. Final approval of this appropriations bill will mean that San Diego will receive over \$123 million. The Transportation Committee approved the list of projects to be funded. The Transportation Efficiency Act for the 21<sup>st</sup> Century (TEA-21) reauthorization is due by June 29.

Staff indicated that one major change to our request is the Mid-Coast Trolley Extension. The request was changed from funding only Phase 1 from Old Town to Balboa Avenue to a fully phased project from Old Town to University Towne Centre. Another change was the addition of the San Luis Rey Transit Center in Oceanside. In addition, we requested expansion of the rail corridor definition to include the San Diego and Arizona Eastern (SD&AE) Railway to identify future funding for rail. The double tracking cost of the Sprinter was added for future consideration.

The Executive Director referred to a map that shows the congressional districts and where the projects are located. He said this has been helpful when talking with members of our congressional delegation.

Mayor Corky Smith asked about the additional funding request for the Sprinter project. Staff replied that the project's Full Funding Grant Agreement will include an additional request.

Pedro Orso-Delgado (Caltrans) suggested that the word "Southbound" be deleted from the "Otay Mesa Port of Entry Southbound Lane Improvements" project to provide for more flexibility.

Councilmember Christy Guerin asked how the new projects were determined. *The Executive Director replied that these projects came out of the RTIP and are as a result of working with stakeholders and the transit agencies. These projects were reviewed by the Transportation Committee at its last meeting and are being recommended for approval.*

Action: Upon a motion by Mayor Kellejian and a second by Councilmember Rindone, the Board approved the list of transportation project federal funding requests for use in the ongoing multi-year TEA-21 reauthorization and FY 2005 appropriations process. Yes – 18

(weighted vote, 100%). No – 0. Abstain – 0. Absent – 1 (Oceanside). (Note: Mayor Corky Smith [San Marcos] voted “no” on the Sprinter project.)

19. UPCOMING MEETINGS

The next Board of Directors Business meeting is scheduled for Friday, February 27, 2004. The February 13, 2004, and March 12, 2004, Policy Board meetings have been cancelled. Immediately following Executive Committee meetings, the Ad Hoc Working Group on *TransNet* will be meeting in the usual time slot for Policy Board meetings. Chair Morrison highly recommended that Board members and alternates attend the Retreat.

Chair Morrison noted that all of the SANDAG telephone numbers will change on Monday, January 26, 2004, and the Board should have received updated information.

20. ADJOURNMENT

The meeting was adjourned at 11:58 a.m.

A handwritten signature in cursive script that reads "Gary L. Gallegos".

GARY L. GALLEGOS  
Secretary

**DRAFT ATTENDANCE  
SANDAG BOARD OF DIRECTORS' MEETING  
JANUARY 23, 2004**

JURISDICTION/ ORGANIZATION	NAME	ATTENDING	COMMENTS
City of Carlsbad	Ramona Finnila (Member)	Yes	
City of Chula Vista	Jerry Rindone (Alternate)	Yes	
City of Coronado	Phil Monroe (Member)	Yes	
City of Del Mar	Crystal Crawford (Member)	Yes	
City of El Cajon	Mark Lewis (Member)	Yes	
City of Encinitas	Christy Guerin (Member)	Yes	
City of Escondido	Lori Holt Pfeiler (Member)	Yes	
City of Imperial Beach	Patricia McCoy (Member)	Yes	
City of La Mesa	Barry Jantz (Member)	Yes	
City of Lemon Grove	Mary Sessom (Member)	Yes	
City of National City	Ron Morrison, Chair (Member)	Yes	
City of Oceanside	Jack Feller (Member)	Yes	
City of Poway	Mickey Cafagna, Vice Chair (Member)	Yes	
City of San Diego – A	Dick Murphy (Member)	Yes	
City of San Diego - B	Jim Madaffer (Member)	Yes	
City of San Marcos	Corky Smith (Member)	Yes	
City of Santee	Hal Ryan (Member)	Yes	
City of Solana Beach	Joe Kellejian (Member)	Yes	
City of Vista	Judy Ritter (Alternate)	Yes	
County of San Diego	Diane Jacob (Member)	Yes	
<b>ADVISORY MEMBERS LISTED BELOW (ATTENDANCE <b>NOT</b> COUNTED FOR QUORUM PURPOSES)</b>			
Caltrans	Pedro Orso-Delgado (Alternate)	Yes	
MTDB	Leon Williams (Member)	Yes	
NCTD	Tom Golich	Yes	
Imperial County	Victor Carrillo (Member)	No	
US Dept. of Defense	CAPT Christopher Schanze (Member)	Yes	
SD Unified Port District	Jess Van Deventer (Member)	Yes	
SD County Water Authority	Bud Lewis (Alternate)	Yes	
Baja California/Mexico	Javier Diaz de Leon (1st Alternate)	Yes	