

TRANSPORTATION COMMITTEE

December 8, 2006

AGENDA ITEM NO.: **1**

Action Requested: APPROVE

TRANSPORTATION COMMITTEE DISCUSSION AND ACTIONS MEETING OF NOVEMBER 3, 2006

The meeting of the Transportation Committee was called to order by Chair Joe Kellejian (North County Coastal) at 9:04 a.m. See the attached attendance sheet for Transportation Committee member attendance.

Chair Kellejian announced that this would be Mary Sessom's last meeting as the Airport Authority representative to the Transportation Committee.

1. APPROVAL OF MEETING MINUTES

Chair Kellejian noted one change on the minutes. On page 2, second paragraph, last line, the sentence should read "...and include the updated RAS in the 2007 RTP."

Action: Upon a motion by Second Vice Chair Lori Holt Pfeiler (North County Inland) and a second by Supervisor Bill Horn (County of San Diego), the Transportation Committee approved the minutes from the October 20, 2006, meeting, as corrected.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Don Stillwell, a member of the public, provided comments related to timing connections between the Green Line trolley and bus routes in Mission Valley. He requested that the bus schedules be delayed by 5 minutes to allow transfer time between the trolley and the bus. This would reduce the wait time from 30 minutes to either 5 minutes or 20 minutes between the 15-minute fixed frequency of the trolleys and the 30-minute variable frequency of the buses. It would also allow time for riders from other bus routes to make connections to the Route 14 bus. He said that it is time to provide good service to bus users. This is the only mode of transportation for a large number of people.

Chuck Lungerhausen, a member of the public, distributed a recent letter he wrote to the editor of the *San Diego Union-Tribune* regarding the relocation of the Chargers football team. He thought that SANDAG should have some input on where the new stadium is going to be located because it will be responsible for the transportation infrastructure no matter who pays for it. He added that the Chargers are interested in what makes economic sense for them, not for the taxpayers. He has been connected with transportation over the past 15 years and is interested in seeing trolley service continue to Qualcomm Stadium. He thought it was awful timing for the Chargers to be looking for a stadium in another location when this organization worked to get the trolley service to Qualcomm Stadium. He wondered who will reimburse SANDAG if the Chargers move to another location.

Pedro Orso-Delgado, Caltrans District 11 Director, noted that last Wednesday they turned on changeable message signs at several freeway locations. One location on State Route (SR) 52 coming westbound from Santee proved to be a little challenging as it created a bit of a traffic backup from drivers reading the sign. We know about this situation and are dealing with it. He wanted to review the situation in a week to see if the situation has been resolved.

Councilmember Jim Madaffer (City of San Diego) commented that this is a beneficial taxpayer investment, and Caltrans shouldn't be swayed by a few complaints.

Chair Kellejian mentioned that last Saturday he and several other SANDAG Board members attended a groundbreaking ceremony for the extension of SR 52. This event was widely covered by the press, and it was a good ceremony. This project is in our Early Action Program (EAP) and shows that we are keeping our promise to the people of San Diego County by moving these projects ahead.

CONSENT ITEMS (3 through 4)

3. CALIFORNIA STATEWIDE HIGH-SPEED PASSENGER RAIL SYSTEM QUARTERLY UPDATE (INFORMATION)

The California High-Speed Rail Authority (CHSRA) is the state agency responsible for planning, constructing, and operating a high-speed train system serving California's major metropolitan areas. The proposed system stretches over 800 miles and would connect San Diego, Los Angeles, the Central Valley, San Francisco, and Sacramento using a state-of-the-art, electrified system capable of speeds in excess of 200 miles per hour. SANDAG continues to monitor the work of the CHSRA. This report is the regular quarterly update to the Transportation Committee.

Sandor Shapery thought this study should include both freight and passengers on this line. Chair Kellejian agreed that would be an interesting subject to broach with the Interregional Partnership Policy Committee.

4. LOS ANGELES-SAN DIEGO-SAN LUIS OBISPO RAIL CORRIDOR AGENCY BOARD OF DIRECTORS MEETING REPORT (INFORMATION)

The Los Angeles-San Diego-San Luis Obispo (LOSSAN) Rail Corridor Agency seeks to increase ridership, revenue, capacity, reliability, and safety on the coastal rail line from San Diego to Los Angeles to San Luis Obispo. Known as Amtrak's Pacific Surfliner corridor, it is the second busiest intercity passenger rail corridor nationwide and Amtrak's fastest growing. This report summarizes the actions from the LOSSAN Board meeting on September 13, 2006.

Action: Upon a motion by Councilmember Bob Emery (Metropolitan Transit System [MTS]) and a second by Councilmember Phil Monroe (South County), the Transportation Committee approved Consent Items 3 and 4.

REPORTS (5 through 10)

5. DRAFT 2007 REGIONAL TRANSPORTATION PLAN PERFORMANCE MEASURES (APPROVE)

Chair Kellejian pointed out a change on page 5 of this item under "Livability;" it should read, "Percentage of peak-period trips within ¼-mile of a transit stop."

Rachel Kennedy, Transportation Planner, explained that the purpose of the performance measures are to evaluate the performance of the network, provide information on a regionwide basis, and benchmark progress toward meeting the plan's policy goals and objectives. She said that the performance measures were updated for the 2007 Regional Transportation Plan (RTP) by the Transportation Project Evaluation Criteria Ad Hoc Working Group (TPEC). She identified the members of this group and noted that TPEC has recommended modifications to a number of performance measures from absolute to per capita measures such as: daily vehicular crashes, smog-forming pollutants, on-road fuel consumption, daily vehicle miles traveled, and daily transit passenger miles. She stated that TPEC also recommended the addition of three new performance measures: daily hours of delay per 1,000 vehicle miles traveled (VMT) on the regional freight network, percentage of daily trips within ¼-mile of a transit stop, and average trip distance. Two additional modifications to the MOBILITY 2030 performance measures are: percentage of peak-period trips within ¼-mile of a transit stop and the percentage of homes within ½-mile of a transit stop (which was moved from the 'Livability' category to the 'Equity' category).

Councilmember Jerome Stocks (North County Transit District [NCTD]) asked for clarification on the measure related to the percentage of homes within ½-mile of a transit stop. He wondered if the percentage of homes means the number of homes that exist or homes that are created from 2006 on. Ms. Kennedy replied that it is the percentage of homes in the region in the year 2030 within ½-mile of a transit stop.

Councilmember Monroe suggested that another measure be considered and that is having a map that shows congestion on our highways in different timing segments; for example, from two hours per day, 2-4 hours, 4-6 hours, and greater than 6 hours. We ought to look at that number in the future and see if that has gone up or down. We sold *TransNet* to the public on reducing congestion. One straightforward way to show results of that regional investment is to show we have fewer miles of congestion. He suggested that we use miles of congestion instead of ratios.

Jack Boda, Director of Mobility Management and Project Implementation, said that we have the Congestion Management Program (CMP) where we identify the deficiencies and then take the RTP planned projects and superimpose them over the deficient areas. This is a program that is updated every two years and should be better integrated into the RTP.

Councilmember Monroe suggested that we move that CMP information into this effort. Mr. Gallegos explained that these two plans show different levels of congestion; one is a broader look, and the other is more detailed.

Chair Kellejian noted that staff will bring back the measures that Councilmember Monroe is talking about as we get into the projects. Mr. Gallegos said that this is the long-range plan you update every four years, but you have the Regional Transportation Improvement Program (RTIP) and the CMP that are updated more frequently. Staff will take Councilmember Monroe's suggestion into account.

Action: Upon a motion by Councilmember Monroe and a second by First Vice Chair Mary Sessom (San Diego County Regional Airport Authority [SDCRAA]), the Transportation Committee approved the draft Performance Measures for use in the 2007 RTP.

6. FY 2007 TRANSIT CAPITAL IMPROVEMENT PROGRAM AMENDMENT (APPROVE)

Kim York, Financial Project Control Manager, reported that the Transportation Committee has authority to approve budget transfers in amounts between \$100,000 and \$500,000. The proposed action would transfer \$200,216 from the closed MTS capital projects to cover the funding shortfall in the MTS FY 2007 Capital Improvement Program (CIP). She noted that the MTS Board approved these transfers on October 19, 2006.

Action: Upon a motion by First Vice Chair Sessom and a second by Councilmember Madaffer, the Transportation Committee approved the transfer of \$200,216 from the indicated capital projects to the MTS FY 2007 CIP to cover the funding shortfall.

7. SPRINTER PROJECT STATUS REPORT AND SANDAG INDEPENDENT ASSESSMENT (INFORMATION)

Tom Lichterman, NCTD Director of Rail Services, provided a SPRINTER project description, operating plan, and service levels. He reviewed the current status of construction contracts; construction progress, including the contract percent completion; and net change order percent to date. He showed slides of construction progress to date including mainline status, California State University San Marcos (CSUSM) loop progress, and the vehicle maintenance facility (VMF). He also presented information related to the Diesel Multiple Unit (DMU) contract.

Mr. Lichterman provided information on the project budget and funding sources, the budget status as of September 30, 2006, and the recent project budget actions. He noted that the Federal Transit Administration (FTA) released funding in October thereby postponing the need to use the SANDAG Commercial Paper program. NCTD will continue to work with the SANDAG Board regarding any needed budget adjustments later this year. The NCTD Amended Recovery Plan, developed last August, identified risks to the NCTD final project budget. The FTA assigned a higher level of risk to certain categories in the project and, as a result, forecasted increased costs could be much higher than estimated. The FTA asked NCTD to show how these risks would be controlled. He reviewed several control measure efforts underway and reviewed added project control measures, as well as the cash flow status. Mr. Lichterman provided a schedule assessment for the mainline contract, CSUSM loop, VMF, and the DMUs.

Jim Linthicum, Director of Engineering, stated that at the September 22, 2006, SANDAG Board meeting staff was directed to oversee progress on this project and provide an

independent assessment to the Transportation Committee on the project schedule, cost, and quality. This oversight effort would examine the effectiveness of the project team in the following areas: technical abilities, overall organizational structure, communication and reporting of issues, and working relationships. With regard to schedule, the Construction Manager's role has been expanded to create a master project schedule of all activities, and there are now sufficient measures in place to accurately predict project completion, which are tied to mainline construction and start-up activities. The current master schedule forecasts completion by January 2008. Completion of the target date of December 2007 is still possible conditioned upon several aspects including selective acceleration of the mainline contractor, additional overlap of work between the mainline contractor and start-up activities, development of "work arounds" to mitigate construction or regulatory delays, and no substantial weather delays or other major setbacks. Construction cost controls are in place to monitor and predict construction costs, but other controls are not in place and are still under development. Once these are done, we will have a "Living" cost to complete. This should occur this month.

Mr. Linthicum reviewed the SPRINTER's Amended Recovery Plan and the following were identified as the biggest risks to the project: claims: cleanup work, additional construction management and design, communications systems, change orders, and startup and systems training. NCTD has developed mitigation measures to reduce these budget and schedule risks. He noted that none of these risks have come to fruition.

Mr. Linthicum stated that the FTA has established a "not to exceed" final cost of \$484.2 million and a "not to exceed" completion date of July 2008. The target service date is December 2007, but the current forecast service date is January 2008, and the FTA Amended Recovery Plan date is July 2008. The current FTA approved budget (2005) is \$385.6 million, the NCTD Adopted Budget (June 2006) is \$440.6 million, and the FTA Amended Recovery Plan budget based on FTA-identified risks is \$484.2 million.

Mr. Linthicum said that we want to ensure that the quality of the work is not being impacted by budget pressures. He reviewed the quality measures in place and thought that the organizational structure is adequate to manage a project of this size. The NCTD communication and reporting process is adequate, and it has a productive partnership relationship with the construction contractor.

Mr. Linthicum indicated that there were four major issues of immediate concern: railroad signaling and communication design construction, which could delay pre-revenue training by the operator; city traffic signal preemption at grade crossings, which needs to be expedited; management controls to ensure quality and timely redesigns that are within budget; and cost/schedule impacts from change orders. The next steps will implement additional cost control measures and develop a living cost to complete, develop project metrics that will measure the overall health of the project, develop an accelerated project schedule that meets the December 2007 completion date, and investigate any regulatory issues that may impact the cost and schedule.

Chair Kellejian thanked NCTD and SANDAG staffs and FTA staff for moving this project along and making it a reality. He said that we have come a long way since July, and this partnership has made progress in addressing the concerns.

Councilmember Jerry Rindone (South County) expressed appreciation for Mr. Linthicum's report and said he puts a lot of credence in it. He asked what the FTA's "not to exceed" completion date means. Mr. Linthicum replied that during this recovery process, the top risks were identified. If these risks happen, the schedule will be pushed from January 2008 to July 2008. The goal is to develop mitigation so that these risks don't come true. The FTA wants a guaranteed completion date.

Councilmember Stocks added that the FTA has to report back to Congress on the project budget, scope, and schedule whenever there is a change.

Councilmember Rindone asked if there is a penalty for not meeting the schedule date or is it just a reporting date. Mr. Linthicum said that the significant cost impacts from a schedule extension are the soft costs of construction management, which would continue every month the project continues.

Councilmember Madaffer asked if there were liquidated damages from the FTA. Mr. Linthicum replied that there will not be any.

Councilmember Rindone asked what "Living" cost to complete means. Mr. Linthicum replied that things happen during the life of the project, and if the original budget amount remains static, there would not be a realistic cost.

Councilmember Stocks thanked staff for a great report. He also personally thanked Chair Kellejian and Gary Gallegos for partnering in negotiations and coming up with plans and strategies. FTA now has a higher level of confidence in the project and, as a result, has released funding. We also now have better controls in place and another set of eyes on the project.

Mr. Shapery asked about the original contingency amount. Mr. Lichterman responded that the contingency was originally at \$30 million; however, in the revised budget there will be a significant new contingency allocated as well as unallocated contingency.

Councilmember Madaffer said that the third project concern listed relating to the designer troubles him. He asked what is being done to rectify this concern. Mr. Linthicum stated that NCTD is working very hard on this. There are always redesigns due to actual field conditions. Mr. Lichterman added that they have requested the design firm provide a recovery plan of its own. A lot of the design staff members are not locally based, and the design firm has brought on a new project manager.

Councilmember Madaffer said that a "red flag" should be sent to the project designer. Mr. Gallegos noted that one piece we left out is that while we want to use the designer of record to make the changes we need, we have to be able to procure over \$200 million in on-call consultant services. If we have an incompetent designer, we can fire the firm and bring on another. That's a tool that is in place. The long-term plan is to develop enough in-house expertise so if outside consultants can't do the job, we can do it for them.

Mayor Art Madrid (East County) asked about a lawsuit brought by an individual on this project. He asked if this issue has been resolved. Mr. Lichterman said that it was a right-of-way acquisition issue, and it has been resolved and settled. The final settlement of 30 different parcels totaled about \$1 million.

Mayor Madrid asked about the second project concern listed related to city traffic signal preemption at grade crossings. Mr. Lichterman stated that all four of the cities and the County along the right-of-way have intersections near the grade crossings. The controllers at these intersections have to be adjusted. We are working with the cities/County and our own consultants along the line from east to west.

Mayor Madrid asked who pays for the adjustments. Mr. Lichterman answered that NCTD does.

Mayor Madrid asked what happens if the project exceeds the \$54 million contingency amount. Mr. Gallegos replied that we will have to show FTA a budget of \$484 million. Staff shows that there may be an additional \$98 million needed; however, we are confident that it will cost less than that. The difference is about risk. That's why in terms of our assessment we are working hard to manage the risk so that the \$98 million number gets as close to zero as possible. We want to discipline ourselves to report back on a monthly basis so that you are informed about problems. Over the past few months, we have done a pretty good job at mitigating those risks and to date none of them have come true. Over time, we will get closer to meeting the timeframe.

Mr. Shapery pointed out that when you have a project with 400 change orders, the project designer can get backed up. The fact there is extra support with on-call consultants is the best solution when the designer is overworked.

Councilmember Monroe asked if the major changes in the pipeline are covered. Mr. Lichterman said that we are still finalizing two significant changes: a slope failure in Oceanside for which we will have to put in a system to prevent a threat to the track; and a freight derailment in August that will cost \$750,000 to repair. These two items are covered in the revised budget contingency.

Councilmember Monroe asked why the item related to working with the cities on grade crossing controller adjustments is a concern. Mr. Linthicum said that it is something that needs to be done in the critical path activities. The signals have to be coordinated and preemption has to be in place. It's a communication issue, and you have to get the right people out in the field at the right time.

Councilmember Stocks stated that we are looking at all of the risks. Some of these are not wholly within control of the construction project. We must rely on staff from other agencies to do something. It doesn't mean it is not being worked on, but it is a risk.

Councilmember Monroe asked how many people will be standing each day on the SPRINTER line. Mr. Lichterman replied that they don't anticipate anyone standing. The seats will turn over two to three times during each trip.

Mr. Gallegos commented that we lost some credibility with the FTA regarding completion of this project. FTA Deputy Administrator Sandy Bushue had a chance to come to San Diego and meet with people here, and Mr. Gallegos had a chance to meet with her in Washington, D.C. Ms. Bushue told him that she was impressed with the political leadership and capability of the agencies in San Diego, and while she originally had some reservations about the project, she now felt we were taking the steps to correct the problems.

Action: This item was presented for information only.

8. PROPOSED REVISIONS TO *TransNet* EARLY ACTION PROGRAM (DISCUSSION/POSSIBLE ACTION)

Craig Scott, *TransNet* Project Manager, said that this item relates to the financial plan for completing the SPRINTER, a proposed amendment to the *TransNet* Ordinance, and related financial analysis work. He reviewed two options for fully funding the SPRINTER project. The goal is to come up with a funding plan for the FTA. The difference between the two options is whether Proposition 1B passes. Mr. Scott mentioned that both of these options rely on revenues from the *TransNet* Extension and would require an amendment to the *TransNet* Ordinance. He explained the way the Ordinance is currently worded. The SPRINTER was not included in the *TransNet* Extension because it was assumed to be fully funded. With the current language, staff feels this project is eligible for *TransNet* Extension funds, but to be clear the Ordinance should be amended to add the completion of the initial SPRINTER project. The *TransNet* Ordinance does allow for amendment with two-thirds approval by the SANDAG Board after the first and second readings of an Ordinance amendment. If the Ordinance is to be amended, the first reading would be held at the November Board meeting, and the second reading and adoption would occur at the December meeting. Mr. Scott indicated that ITOC discussed this but wanted to wait for the results of the November election and further review of the financial impacts of the change.

Mr. Scott stated that the SANDAG Board approved the Plan of Finance for the Early Action Program (EAP) in December 2005. Updates to the EAP would occur at a minimum annually in the fall of each year to reflect prior fiscal year actual data. Staff has been working on the annual update of the Plan of Finance to replace estimates with actual data and adding in cash flow for the SPRINTER. With potential new funding from the infrastructure bond measure, staff is also exploring the possibility of adding more projects to the EAP. Matching funds provided by the bond measure could allow some key transit projects to be accelerated. Additional Environmental Mitigation Program (EMP) expenditures could allow us to accelerate the delivery of additional major corridor projects and put SANDAG in a better position to complete for additional bond funds. As a result, staff is suggesting that several components be included as part of an update to the Plan of Finance for the EAP over the next two months: (1) update the approved Plan of Finance for the EAP to replace the estimated revenues and expenditures for FY 2006 with actual revenue and expenditure data now that the fiscal year has been completed, (2) include the additional *TransNet* funds needed to fully fund the SPRINTER based on the SPRINTER financial plan options, (3) include additional EMP mitigation cost estimates to reflect the total mitigation costs for the corridors included in the EAP and to meet the Board-approved guidelines for implementing the EMP, and (4) include trolley capital improvements. He asked for the Transportation Committee's feedback on these topics.

Chair Kellejian asked Mr. Gallegos to describe the trolley capital improvements. Mr. Gallegos said that we have been working with MTS on transit improvements to be added to the EAP including: (1) extending the Green Line to downtown San Diego; (2) the rehabilitation and improvement of the Blue line; and (3) Orange Line rehabilitation. He added that the additional EAP expenditures would give San Diego a competitive advantage. We have been working on projects such as I-5 and I-805, which need to have the mitigation completed before they can go to construction. The advance mitigation will allow San Diego to compete well for infrastructure bond dollars for construction.

Councilmember Emery agreed that the Ordinance changes for the SPRINTER are a must. The recommendation for the MTS trolley improvements are also necessary. We need to move forward on these projects.

Councilmember Rindone expressed appreciation for Mr. Gallegos' clarification. Trolley improvements are an issue that he has been focusing on for 2½ years. He asked if the Blue Line improvements include the retrofit of trolley stations to the border. Mr. Gallegos responded affirmatively. Mr. Gallegos said that one key component is that there is a lot of development going on at the Chula Vista Bayfront. This is a good time to bring that into the discussion.

Councilmember Rindone said that Chula Vista has already paid its fair share of trolley improvements.

Supervisor Horn said that we have been dealing with the SPRINTER project for a long time. We are on schedule and our goal is to stay that way. We have had to go through a lot of redesign work to resolve unforeseen issues. He thanked SANDAG for its help on this project.

Harry Mathis, MTS Chair, said that the trolley improvements also include the rehabilitation of the U2 cars to extend their operating life.

Paul Jablonski, MTS Chief Executive Officer, commented that we have spent a lot of time working with SANDAG to understand what is in the *TransNet* Extension. There is \$135 million in real dollars for transit for the Blue and Orange Lines. We are still about \$100 million short for all of the needed improvements. We will be looking for partnerships along the Blue Line to help pay for those improvements.

Action: Upon a motion by Councilmember Emery and a second by First Vice Chair Sessom, the Transportation Committee supported the proposed amendment to the *TransNet* Ordinance and directed staff to add the SPRINTER project to the *TransNet* EAP, along with the additional funding for the EMP and capital improvements to the Trolley.

9. COST IMPLICATIONS OF NEW EMISSION REQUIREMENTS FOR OFF-ROAD DIESEL ENGINES (INFORMATION)

Dean Hiatt, Senior Engineer, provided some historic events related to air quality. He said that much has been accomplished to clean vehicle emissions. The California Air Resources Board (CARB) is producing strategies for reducing the level of airborne particulate matter (PM). PM has been linked to a variety of respiratory health concerns in both adults and children. To address this health concern, CARB will be implementing new regulations designed to reduce PM from off-road diesel engines. The goal is to reduce PM emissions by 75 percent by 2010 and 85 percent by 2020. It is estimated that the cost of the new regulations to San Diego regional transportation programs will be approximately \$200 million. The plan developed by CARB outlines new diesel fuel regulations, more stringent standards for new equipment, and a program to retrofit the existing off-road engines. The Plan also outlines a schedule for phasing out older, high-emission engines. CARB has already put in place new regulations for diesel fuel. As of September 1, 2006, diesel fuel sold in California is required to be Ultra Low Sulfur Diesel Fuel. These regulations have reduced the sulfur content by 97 percent. Regulations focusing on equipment are expected to be approved in January 2007.

Mr. Hiatt stated that the construction industry is concerned that it will be difficult and costly to meet the reduction requirements. Retrofit devices are still being developed and to date only one has been approved for use. Replacing existing engines and equipment will be expensive and may cause supply issues and construction equipment manufacturers may not be able to keep up with the demand for newer, cleaner equipment. Fleet averaging will be a method used by CARB to monitor the construction industry; however, this will require the owner of a fleet to meet average emission targets for the entire fleet rather than for an individual piece of equipment. If the owner cannot meet these requirements, he/she must show that "off-ramp" requirements are being met. Off-ramp requirements define a schedule for retrofitting and retiring equipment until emission targets are met. This would phase out existing fleet equipment starting in the year 2013 at a rate of 10 percent each year.

Mr. Hiatt said that a significant number of construction vehicles have long lives and were manufactured prior to these emission standards. The Engineers and General Contractors Association (EGCA) brought this matter to our attention. There will be CARB workshops in December and January to receive additional input from various groups.

Chair Kellejian asked if CARB has already approved these new regulations. Mr. Hiatt said that they are not approved and the implementation date has been pushed back to spring 2007.

Mr. Gallegos said the purpose of this report was to advise the Committee of this new regulation and the fact that it will impact costs. These additional costs will be imposed on our construction industry. He asked for direction from the Committee.

Chair Kellejian noted that there were two requests to speak on this item.

Dan Fauchier, EGCA, said that he has asthma and wants clean air, and our equipment operators and our children and grandchildren need clean air. That is not the issue. He said that the cost of the retrofit program could be close if the new technology on which it is based is available. Unfortunately few are yet approved by CARB. Some are in testing phases but don't reduce the carbons to the 75 percent target and don't reduce the NOX emissions. There is no new technology being introduced by manufacturers that achieves the Tier 4 standard. In addition, the equipment manufacturers will not be able to meet the production standards. Construction companies cannot replace 10 percent of their equipment every year. The equipment retrofit cost does not include financing and fines. Fines have to be part of the construction costs. He said that much of a contractor's assets and net worth are invested in equipment and these regulations could virtually wipe out as much as half that value when pre-1996 equipment is no longer permitted to be used or sold in California. This will affect bonding ability and costs and will result in fewer bidders.

Scott Molloy, Building Industry Association (BIA), urged the Committee to take this matter very seriously. A bigger issue for small contractors is that they will not be able to financially meet these standards and will be forced to move out of state. This will reduce competition and increase costs. He recommended that SANDAG take an official position on this.

Councilmember Monroe stated that reducing the number of hours to run the equipment will extend project schedules; however, he didn't understand the logic for these regulations.

Mr. Fauchier noted that you will still have to pay the operator for 8 hours. He didn't understand the logic either.

Chair Kellejian suggested that staff report back to the Transportation Committee as more information is developed and available. Mr. Gallegos said that CARB's official position is that it will implement these actions, and it is now discussing the possibility of delaying implementation of the regulations. Mr. Hiatt added that there will be additional hearings for input.

Supervisor Horn said that he sits on the Air Pollution Control District (APCD) Board and has a colleague on CARB. He stated that our air is now the cleanest it has ever been. He thought that the State of California through CARB should put up the money to help retrofit this equipment. At some point, we should oppose this or come up with recommendations for the State to consider.

Julie Wiley, General Counsel, said that the Transportation Committee may take action on this item today.

Chair Kellejian stated that he didn't think the Transportation Committee was prepared to act on this matter. He would prefer that staff report back with more information.

Mr. Gallegos said that staff can bring a report back. He thought the Committee should hear from all parties before taking a position on this matter.

Councilmember Emery suggested that staff be directed to attend the CARB workshops and audit what happens, and report back to the Committee.

Mr. Mathis asked staff to address the fact that technology needed to retrofit equipment to meet the CARB standards is not yet available.

Action: The Transportation Committee directed staff to attend CARB workshops, audit the meetings, and report back with information on those meetings and retrofit technology.

10. STATE ROUTE 163/FRIARS ROAD INTERCHANGE PROJECT UPDATE (INFORMATION)

Richard Chavez, Principal Engineer, said that the Transportation Committee allocated \$2.2 million to study congestion improvements at the intersection of SR 163/Friars Road. The City of San Diego provided a \$300,000 match to complete this study. Mr. Chavez introduced Patti Boekamp and Dave Zumaris with the City of San Diego.

Ms. Boekamp identified the issues with this intersection.

Mr. Zumaris said that the project scope would modify the interchange to include the following project features: widening of Friars Road, widening of SR 163, improving connections with I-8, including a new bridge crossing over the San Diego River, a new on-ramp flyover bridge, and improving pedestrian and bicycle crossings. These improvements would be built in three phases. Mr. Zumaris described the work and project costs for each phase and noted that the total cost of the improvement is estimated at \$136 million. He said that we are currently 75 percent complete on the environmental phase. The funding strategies under consideration include: local *TransNet*, developer impact fees, Proposition 1B, and potential federal appropriations. He said the project schedule indicates completion by 2014; however, the schedule is funding-dependent.

Ms. Boekamp stated that these improvements will simplify traffic moves, separate moves into separate lanes, and will correct some of the spacing issues.

Chair Kellejian indicated that there were two requests to speak on this item.

Janay Kruger, representing the Quarry Falls Sudberry Property, had to leave and did not present comments.

Mark Silverman, representing property owners affected in Phase 2, agreed that these improvements are needed and they are in favor of the project but don't want it to impact their properties

Councilmember Emery asked if these improvements were in the RTP. Mr. Gallegos responded affirmatively, but he said that this piece is not part of the *TransNet* program. This project includes improvements for local roads as well as to the state highway system.

Mr. Orso-Delgado said that Caltrans supports the need for this project. He thanked Councilmember Madaffer for his assistance with this project. He said that since there is not sufficient money to do everything, a priority list of improvements should be developed.

Councilmember Madaffer said that we will have to come up with \$38 million, possibly through *TransNet*. The rest of the phases are clearly areas that are eligible for state money

and regional money. He hoped this is a project that could be funded if Proposition 1B passes. He asked about the requirements for state funding. Mr. Gallegos replied that the legislative mandate is that projects have to be under construction by 2012. The schedule for this project shows a range from 2010 to 2014 so it could compete for these state funds.

Action: This item was presented for information only.

11. UPCOMING MEETINGS

The next meeting of the Transportation Committee is scheduled for December 8, 2006, at 9 a.m. **Please note that the December Transportation Committee meeting will be held on the second Friday of the month and will meet once due to the Christmas holiday schedule.**

12. ADJOURNMENT

Chair Kellejian adjourned the meeting at 11:16 a.m.

Attachment: Attendance Sheet

**CONFIRMED ATTENDANCE
SANDAG TRANSPORTATION COMMITTEE MEETING
NOVEMBER 3, 2006**

GEOGRAPHICAL AREA/ ORGANIZATION	JURISDICTION	NAME	MEMBER/ ALTERNATE	ATTENDING
North County Coastal	City of Solana Beach	Joe Kellejian (Chair)	Member	Yes
	City of Del Mar	David Druker	Alternate	Yes
North County Inland	City of Escondido	Lori Holt Pfeiler	Member	Yes
	City of Vista	Bob Campbell	Alternate	No
East County	City of Santee	Jack Dale	Member	No
	City of La Mesa	Art Madrid	Alternate	Yes
South County	City of Coronado	Phil Monroe	Member	Yes
	City of Chula Vista	Jerry Rindone	Alternate	Yes
City of San Diego	----	Jim Madaffer	Member	Yes
	----	Toni Atkins	Alternate	Yes
	----	Jerry Sanders	Alternate	No
County of San Diego	----	Bill Horn	Member	Yes
	----	Ron Roberts	Alternate	No
	----	Greg Cox	Alternate	No
Metropolitan Transit System	City of Poway	Bob Emery	Member	Yes
	MTS	Harry Mathis	Alternate	Yes
North County Transit District	City of Encinitas	Jerome Stocks	Member	Yes
	City of Carlsbad	Norine Sigafoose	Alternate	No
	City of Solana Beach	Lesa Heebner	Alternate	No
San Diego County Regional Airport Authority	City of Lemon Grove	Mary Sessom	Member	Yes
	Governor's Appointee	Xema Jacobson	Alternate	No
ADVISORY/LIAISON Caltrans	----	Pedro Orso-Delgado	Member	Yes
	---	Bill Figge	Alternate	Yes
Regional Planning Stakeholders Working Group	---	Sandor Shapery	Member	Yes
		Kathy Keehan (Alternate)	Alternate	No