Attachment 1

Comments w/SANBAG Responses

SANBAG Responses to Jurisdiction Comments on the December 4, 2008 Draft of the Measure I 2010-2040 Strategic Plan

Jurisdiction	Comment No.	Jurisdiction Comment	SANBAG Response
Fontana	FO-01	Page IV-9 Project Funding Agreement Because interchange project priorities are different for each jurisdiction, language should be included in this section to address the scenario whereby a minority share agency is unwilling to be a party to the Funding Agreement or has agreed but is unable to contribute to the project at the time funds are needed. In the event a minority share jurisdiction is unable to contribute to an interchange project, the strategic plan should include funding options so the majority share jurisdiction can move forward.	SANBAG is currently pursuing options in the Valley to simplify the assignment of interchange fair share responsibility through the consolidation of fair share percentages. Increasing the number of jurisdictions that are 100% responsible for an interchange fair share percentage will reduce the need to coordinate between majority share and minority share jurisdictions. SANBAG staff will present a Valley Interchange consolidation proposal at the February Major Projects Committee meeting. Any resulting re-assignment of responsibility would be included in the next update of the Development Mitigation Nexus Study. If SANBAG is unable to consolidate the interchange fair share percentages in a way that is acceptable to the jurisdictions, options and tools will be put in place to facilitate coordination between the majority share and minority share jurisdiction. These options are already included in the draft Strategic Plan. Jurisdictions should recognize that inter-jurisdictional coordination is not a new challenge for local jurisdictions that wish to deliver an interchange with a multi-jurisdictional footprint. Many interchanges would present the challenge of the sharing of costs and coordination of project development even if the multi-jurisdictional fair shares had not been assigned. The tools defined within the Strategic Plan to facilitate the coordination of interchange project development are further discussed below: 1) The Development Mitigation Cooperative Agreement (Policy 40000 VFI-22) is designed to provide assurances to the lead agency and to SANBAG that all jurisdictions with a fair share responsibility for a freeway interchange project are committed to providing the private share funding to the project. Although the lead agency is responsible for execution of this agreement with each of the minority partners, SANBAG is available to assist the lead agency to negotiate terms with the

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			minority partners. SANBAG has already served in this capacity for other interchanges. Absent a commitment by all agencies to provide the development share funding to an interchange project, SANBAG cannot recommend allocation of the public share funding to the project. 2) The lead agency may enter into a loan arrangement with a minority share jurisdiction should the minority share jurisdiction be unwilling or unable to provide its development mitigation share at the time the lead agency wishes to deliver the project. 3) On an exception basis, SANBAG may enter into a loan arrangement with a minority share jurisdiction (Policy VFI-23) . However, it is not expected that SANBAG will be in a position to provide loans in every instance that a minority jurisdiction is unable to contribute its development share to an interchange project. Executing such a loan may delay allocations to another interchange project for which the full development share of funding is available. 4) SANBAG offers a more formal conflict resolution process to assist in resolving disputes over fair share availability. Appendix F (attached) of the SANBAG Congestion Management Program outlines the procedures for obtaining SANBAG assistance. A reference to this process will be included in the final Strategic Plan.
Fontana	FO-02	Page IV-11 Project Advancement Agreement Program Scope It is the City's opinion that a project on the Nexus list is a "complete" project from its inception to completion. The intent of the PAA's was to simply advance projects. The April 5, 2006 date should be re-evaluated or simply removed completely. At a minimum, interchanges should be exempt from April 5, 2006, date for eligible reimbursement.	SANBAG respectfully suggests that this characterization of the Project Advancement process' intent is not entirely correct. The Project Advancement process was always intended to avoid delays to near-shelf ready, Measure I 2010-2040 eligible projects in the absence of new Measure I revenues for several years after passage. It was designed to accomplish this by providing reimbursement for costs incurred on eligible projects that were able to meet a January 2008 construction deadline. This theme was consistent throughout the discussions at the Plans and Programs Committee in September and October

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			2005, adopted as the Project Advancement Strategy by the Board of Directors in December 2005 and incorporated into the model Inter Agency Project Advancement Agreement approved by the Board of Directors in April 2006. Subsequent action by the Board of Directors modified the date of construction to January 31, 2009 but the focus of the program has always been on delivering projects prior to the flow of Measure I 2010-2040 revenue. The second component of the comment addresses the time period established for project cost eligibility. The Board of Directors did not approve the Model Inter Agency Project Advancement Agreement until April 5, 2006. Therefore, that is the date established as the cut-off for project cost eligibility. Prior to that, no Board-approved guarantee of access to Measure I 2010-2040 revenue existed, and jurisdictions expended funds, entirely at their own risk, absent a reasonable expectation or assurance of reimbursement. Jurisdictions that avoided risk until SANBAG offered policy guidance should not be disadvantaged.
Fontana	FO-03	The Draft Plan only provides guidelines for the quarterly reimbursement of PAA's based on the date of expenditure. There should be provisions added to the plan giving the Board options to bond or provide credit to jurisdictions for projects later in the Measure should there be an opportunity to do so.	The Project Advancement process was structured to provide reimbursement to local jurisdictions with the explicit understanding that jurisdictions would receive reimbursement without interest and in accordance with a reimbursement rate determined through the Strategic Plan at a rate not to exceed 40% of the annual revenue for each eligible Measure I 2010-2040 program. Use of bond revenue for direct reimbursement of Project Advancement Agreements (PAAs) is inconsistent with the provisions and intent of the program as established by the SANBAG Board of Directors. First, bonding for the reimbursement of PAAs results in a cost to SANBAG, reducing the amount of Measure I 2010-2040 revenue available to fund other projects. Second, doing so would result in SANBAG exceeding the 40% threshold established for the reimbursement of each program's PAAs, further limiting the

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			ability of SANBAG to deliver projects contained in the Measure. Finally, SANBAG has limitations on its bond capacity and will be challenged to meet obligation to all programs that require bonding against Measure I 2010-2040 to meet its financial commitments. It is possible that the Board may provide an apportionment to a program in any given year that is greater than the Measure I percentage states. This could increase the funding available for repayment of project advancement agreements in that year. However, for the reasons discussed above, direct supplemental reimbursement of PAAs through bonding is not envisioned. Reimbursement of PAAs through a crediting mechanism toward future projects could be considered. To accomplish this, a crediting mechanism would need to be included in the PAA reimbursement policy. However, jurisdictions receiving credit toward a future project could not be allowed to access more credit than the quarterly reimbursement would otherwise provide. While there is no immediate monetary exchange associated with crediting, allowing jurisdictions to receive a credit amount greater than its quarterly reimbursement rate provides that jurisdiction faster payback than other jurisdictions under the PA process. As a result, SANBAG staff did not include a crediting mechanism for PAA reimbursement.
Fontana	FO-04	Although it is not stated in the Draft, it has been discussed that reimbursement of PAA's will be based on the 2006 Nexus Study project costs. It may be more appropriate to address this comment as an agreement issue and not a Strategic Plan issue. Either way, it does warrant additional discussion as it will place a heavy burden on those jurisdictions that currently have agreements. The attached spreadsheet compares the City's 10 original PAA costs and public share (based on the 2006 Nexus Study) to the current project costs. In total, the City's local development fee share increases approximately $32,000,000. This issue appears to be addressed Section 4.2.2.2 Advance	The terms of the Project Advancement Agreement were established by Board approval of the model agreement in April 2006. The agreements represent contracts between SANBAG and the local jurisdiction and were executed with a full understanding of the terms, conditions, and the risks involved. Revising the terms would result in a net negative impact to the Valley Freeway Interchange Program. Ultimately, however, this does not affect the funds available to a jurisdiction for PAAs under the Major Street Program, given that the equitable shares are guaranteed for each jurisdiction under Policy VMS-29.

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		Expenditure Process on page IV-11 which states, "As the sponsoring agency begins each subsequent phase of a project, the agreement will be amended to update the project scope, development mitigation commitments and the public share of the cost to be reimbursed by SANBAG." Adding similar language to the existing PAA's or the Strategic Plan should be taken into consideration.	
Fontana	FO-05	Page IV, Table IV-1. Delay Analysis This table indicates a ranking of 9 for the section of I-10 from Sierra to the I-215. As discussed at November's Plans and Programs Committee (2008) meeting, existing and forecast congestion levels should be revisited every two years. As development continues in the area and improvements to Cherry and Citrus interchanges occur, it is anticipated that congestion will increase on the I-10 mainline from the LA County Line to I-215. It is recommended that language be added to the Strategic Plan requiring Tables IV-1 and IV-3 to be updated every two years.	The Strategic Plan priorities and schedules represent a starting point for development of a 10-year Delivery Plan, to be prepared subsequent to the approval of the Strategic Plan. The scheduling of project development will be discussed in much greater detail in the Delivery Plan, and concerns about schedule should be raised again at that time. Periodic renewal of the delay analysis may or may not be necessary, pending those discussions.
Rancho Cucamonga	RC-01	*Policy PA-9: Expenditures incurred prior to April 5, 2006 (the date the model agreement for the Project Advancement process was adopted by the SANBAG Board of Directors) shall not be reimbursed.* This provision unfairly and punitively penalizes the City of Rancho Cucamonga by disallowing reimbursement for expenses paid on the Haven Avenue Widening Project, from Base Line Road to 19th Street. This project cost approximately $7,000,000 for construction. The construction contract was awarded by the City Council on April 20, 2005, and was completed in November of 2006. The Measure I 2010-2040 Ordinance was approved by San Bernardino County voters on November 2, 2004. The City of Rancho Cucamonga adopted a Development Impact Fee (DIF) program on May 18, 2005, as required by the Measure I 2010-2040 Ordinance, and obtained a finding from SANBAG on July 8, 2005, that our DIF program was in conformance with this ordinance. The City of	Please see response to comment FO-02 for background on this issue. Policy PA-9 does not single out any one jurisdiction but applies equally to all jurisdictions subject to the Project Advancement process. Although Measure I was passed on November 2, 2004 the availability of Measure I 2010-2040 will not begin until April 1, 2010. Additionally, the Ordinance required local jurisdictions to adopt a development financing mechanism within 24 months of voter approval of this Measure "I" that would: 1. Require all future development to pay its fair share for needed transportation facilities as a result of the development, pursuant to California Government Code Section 66000 et seq. and as determined by the Congestion Management Agency. 2. Comply with the Land Use/Transportation Analysis and Deficiency Plan provisions of the Congestion Management Program pursuant to California

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		Rancho Cucamonga collected fees and built projects all in conformance with Measure I 2010-2040 Ordinance requirements. The selection of a cut-off date for the reimbursement eligibility of projects "after" the City of Rancho Cucamonga had already started building Nexus Study projects is unfair. The City of Rancho Cucamonga constructed projects with the understanding that re-imbursement would occur sometime in the future after the rules were developed as a part of the Strategic Plan. If we had been told that reimbursement would not be paid prior to April 5, 2006, then we could have delayed the construction of this and other projects. Policy PA-9 should be amended to read as follows, "Expenditures incurred prior to the local agency receiving approval of their local Development Impact Fee Program by the SANBAG Board shall not be reimbursed." The City of Rancho Cucamonga is being singled out for punishment because we were diligent, and were the first agency to receive approval of our Development Impact Fee Program by SANBAG. <u>Important Dates:</u> February 17, 2005: City of Rancho Cucamonga provides SANBAG with a list of local arterial street projects for Appendix K of the SANBAG Congestion Management Program. May 18, 2005: City of Rancho Cucamonga City Council adopts a resolution to amend the City's Development Impact Fee Ordinance per Measure I 2010-2040 Ordinance requirements. June 9, 2005: City of Rancho Cucamonga sends a letter to SANBAG requesting a conformity finding of our Development Impact Fee Program. July 8, 2005: Norm King, Executive Director of SANBAG,	Government Code Section 65089. As noted in its comment, the City of Rancho Cucamonga adopted a development mitigation program well in advance of the deadline established by the Ordinance. While the Nexus Study was established as the basis for determination of development mitigation requirements, the Nexus Study was crafted for Measure I 2010-2040 with revenues set to flow beginning April 1, 2010. The Board of Directors did not approve the Model Inter Agency Project Advancement Agreement until April 5, 2006, so that is the date established by Board action as the cut-off for project cost eligibility. Without the approved Project Advancement Agreement there was no Board adopted policy to provide early access to Measure I 2010-2040 revenue. It should also be noted that each jurisdiction in the Valley will receive an equitable share of Measure I 2010-2040 funds from the Arterial Sub-program, as part of the Major Street program (see Policy VMS-29). The Haven Ave. widening project is included in the Nexus Study arterial project list. Even though the Haven Avenue widening project is not fully reimbursable because its construction preceded the April 2006 date, this does not impact the equitable share of Measure I Arterial Sub-program funds to which the City of Rancho Cucamonga will have access. Thus, the City will still have access to the same total amount of funding under the Arterial Sub-program even if the Haven Ave. project is partially ineligible, and the City may enter into a PAA for that part of the project for which costs were incurred after April 5, 2006.

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		sends a letter to the City of Rancho Cucamonga stating that our Development Impact Fee program is in conformance with Measure I 2010-2040 Ordinance requirements.	
Rancho Cucamonga	RC-02	SANBAG needs to develop a methodology to provide funding for jointly owned freeway interchange projects. It is not fair that the lead agency bear all of the costs of the minor partner agencies if the minor partners do not have the funds available to participate in the project cost. SANBAG should provide loans to cover the cost of minor partners, and collect repayment for loans to minor partners from future Measure I 2010-2040 funds.	For the first part of the comment, see response to comment FO 01. As stated in response to comment FO-01, Strategic Plan policy makes provision for both loans between lead agencies and minority share agencies and, on an exception basis, between SANBAG and one or more of the responsible jurisdictions. However, SANBAG cannot use Measure I 2010-2040 revenue as a repayment source for loans to minority share jurisdictions. The local jurisdiction shares are to come from development contributions, and as such, the Measure I Ordinance does not allow the funds to be used in a manner that would supplant development dollars or absolve development of its fair share responsibility.
Rancho Cucamonga	RC-03	SANBAG needs to consider the ability of the local agency to provide their share of project cost when prioritizing freeway interchanges. A local agency that can show that they have the local share of funding available to build a freeway interchange project should be given top priority.	Interchanges with committed development share funding will be given priority over projects higher on the priority list for which development share funding is not committed. Each year, the SANBAG Board will make decisions on the apportionment of Measure I funds to programs and the allocation to specific projects. Project readiness and availability of the development share will be primary factors in this determination. Policy VFI-2 states that the Interchange Prioritization List will be used to determine an allocation of funding should a greater call on revenue than is available occur in a fiscal year. Further, it states that fund allocation shall anticipate the Measure I public share costs for subsequent years of a project so that commitments can be maintained to keep all active projects moving, to the extent possible. There may be times at which full Measure I funding requests cannot be honored in the given year because of limitations on funds. SANBAG staff will need to work with jurisdictions to balance the project readiness issues with the interchange rankings on

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			the priority list. Additionally, Policies VFI-19 through VFI-22 discuss the role of development mitigation in the funding of an interchange project. A lead agency without a commitment to the development share in its council-approved CPNA and, where applicable, an executed Development Mitigation Cooperative Agreement will not receive a recommendation for an allocation of funding. Consequently, projects with a commitment to fund the development share of a project will receive priority over other projects that do not have such a commitment.
Yucaipa	YU-01	Consistent with previous requests, we want to make sure a "bridge" is defined between the Project Advancement Process and the Advance Expenditure process, particularly for those projects that are nearing construction. This should include a clear reimbursement strategy.	SANBAG believes that policies AE-1 through AE-17 provide a clear strategy covering eligibility and reimbursement under the Advance Expenditure process. However, staff agreed that there was a gap between the end of the Project Advancement process and the beginning of the Advance Expenditure process. Consequently, staff took an agenda item on the Advance Expenditure Process to the Board of Directors, which was approved at its February 2009 meeting, designed to eliminate ambiguity regarding the gap between processes. The Board action defines eligible expenditures to be those incurred following the approval of the model PAA on April 5, 2006 to be reimbursed under the terms of the Advance Expenditure process.
Yucaipa	YU-02	The I-10 Widening from I-15 to the Riverside County Line is further described as an "Eastbound Truck Climbing Lane Project" further in the document (east of Ford Street). Staff requested, and the Major Projects Committee supported SANBAG reviewing the project scope with Yucaipa staff once additional technical information has been made available for Yucaipa staff to review. Our request is to leave some flexibility in the document until that has happened given we believe it was referred to as a full widening in the Measure I documents.	One of the primary goals of the Strategic Plan is to provide policies and procedures that enable Measure I 2010-2040 to deliver the projects promised to the voters within the revenue reasonably anticipated to be available to the program over the life of the Measure. The Strategic Plan does not foreclose project alternatives that should be considered in the future, but establishes the overall scale of expenditure for each program that the forecast of revenue sources appears to justify. The significant project cost escalation experienced between 2004 and 2006 required that SANBAG look at ways to possibly refine the scope of projects so that the agency is able to deliver all of the projects promised to the voters. The most serious bottleneck projected to exist on the I-10 in the Yucaipa area,

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			after completion of the westbound widening from Live Oak to Ford Street, is the eastbound I-10 east of the Live Oak interchange, where a truck climbing lane is proposed to match future plans in Riverside County. However, this should not be taken as a final decision on the proposed scope of this project. SANBAG will initiate the preparation of a 10 year Delivery Plan following adoption of the Measure I 2010-2040 Strategic Plan. The Delivery Plan will examine improvement options and priorities for all freeway segments and will be updated as required. Project scopes may be modified based on updated assessments of revenue, cost, and forecasts of congestion.
Ontario	ON-01	The acronym for Advance Expenditure Agreement is "AEA" in Section III.b, Definition. However, policy section V and thereafter the acronym is "AE." Change one or the other for consistency.	Comment noted. SANBAG will revise for consistency.
Ontario	ON-02	Policy AE-7 Add (Note: table to be provided in the Spring 2009 Nexus Study update).	SANBAG agrees with the concept of the comment, but proposes using different wording. SANBAG proposes revising the first sentence of the Policy to read: "SANBAG shall begin reimbursement for phases of a Freeway Interchange project or a Railroad/Highway Grade Separation project in the first year that funding becomes available to the project based on ranking of the project on the SANBAG Interchange or Grade Separation prioritization list ***contained in the current Board-adopted version of the Nexus Study in force*** at the time of the AEA's execution.
Ontario	ON-03	Policy VFI-20 Add the following or similar text. SANBAG will be responsible for coordination (collection) of all minority share development contributions for those projects managed by SANBAG. Also, language should be included to state that SANBAG will assist with (facilitate) negotiations between the sponsoring agency and other participating agencies when the sponsoring agency is unable to reach an agreement.	Policy VFI-1 states that "Initiation of project development work on freeway interchanges shall be the responsibility of local jurisdictions, with the exception that project development work on interchange improvements required to enable the construction of freeway mainline projects may be initiated by SANBAG at the discretion of the Board of Directors." It should be noted that project <u>initiation</u> and project <u>management</u> are two separate and distinct activities. As it is the responsibility of the local jurisdiction to initiate project development, it will also be the responsibility of the local lead

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			agency to prepare the Development Mitigation Cooperative Agreement with minority share partners, regardless of project management responsibility. Where SANBAG initiates an interchange project based on Policy VFI-1, it is logical that SANBAG would also coordinate the Development Mitigation Cooperative Agreements. The following language will be added to Policy VFI-22 to this effect: "Where SANBAG initiates project development on an interchange project, SANBAG shall be responsible for coordinating the execution of Development Mitigation Cooperative Agreements." Additional language is also needed covering SANBAG collection of development contributions from local jurisdictions for a project that is to be managed by SANBAG pursuan to Policy VFI-31. The language pertains to a project initiated by a local jurisdiction and having an executed Development Mitigation Cooperative Agreement and an allocation of funding from SANBAG. The following policy is proposed as VFI-35 "For projects subject to SANBAG project management, SANBAG will coordinate the collection of development mitigation funds from local jurisdictions and expenditure of those funds as required to complete the project." Regarding facilitation of negotiations between the sponsoring agency and other participating agencies, see response to Fontana comment FO-01.
Ontario	ON-04	Policy VFI-29, 3rd bullet. Allowance should be made to address cases when it is necessary to purchase an entire parcel even though only a portion of the parcel is needed for the project.	The policy was written to exclude right-of-way not required for the construction of the project to avoid issues and complications that arise when excess land is sold as surplus. To clarify, the following language will be added to the third bullet under Policy VFI-29: "SANBAG will either 1) reimburse the jurisdiction for the public share of the portion of the property acquisition required for the project, with the "project portion" calculated as the sales price times the percentage of the acreage actually required for the project, or 2) at the request of the jurisdiction, reimburse based on the

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			difference between the total sales price of the parcel and the residual value of the excess land not needed for the construction of the project, as determined by a qualified appraisal." SANBAG wishes to avoid the need to track the sale of surplus land and request reimbursement from the proceeds of the land sale. The additional property purchased byathe jurisdiction not reimbursed by SANBAG will be entirely under the ownership of the jurisdiction and able to be developed, used as part of a land swap, economic development incentive etc., without needing to track future reimbursements to Measure I.
Ontario	ON-05	Policy VFI-29, 4th bullet Recommend adding "except when SANBAG and the local agency mutually agree to a project scope change" to address cases where a change in the project scope is prudent or necessary.	Comment noted. SANBAG will revise based on the recommended language.
Ontario	ON-06	Policy VFI-30 Provision should be included to pay for justified project cost overruns that are required to satisfy the original or modified scope on a case-by-case basis.	Comment noted. SANBAG will add the following language to Policy VFI-30: "On an exception basis, SANBAG and the local jurisdiction may agree to the modification of the project scope, and the jurisdiction may be reimbursed for the public share of the additional costs pursuant to an amendment to the Project Funding Agreement."
Ontario	ON-07	Policy VMS-23 Allowance should be made to address cases when it is necessary to purchase an entire parcel even though only a portion of the parcel is needed for the project. Also, recommend adding "without prior SANBAG approval of a project scope change" to address cases where a change in the project scope is prudent or necessary.	For the first portion of the comment see response to comment ON-04. For the second part of the comment see response to comment ON-06.
Ontario	ON-08	Policy VMS-24 Provision should be included to pay for justified project cost overruns that are required to satisfy the original or modified	See response to comment ON-06.

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		scope on a case-by-case basis.	
Ontario	ON-09	Policy VMS-48 Allowance should be made to address cases when it is necessary to purchase an entire parcel even though only a portion of the parcel is needed for the project. Also, recommend adding "without prior SANBAG approval of a project scope change" to address cases where a change in the project scope is prudent or necessary.	For the first portion of the comment see response to comment ON-04. For the second part of the comment see response to comment ON-06.
Ontario	ON-10	Policy 40000-VMPR Valley Metrolink/Passenger Rail Program IV. A & B 3rd Bullet Pursuant to the recently completed Strategic Planning Study, extend the Metro Gold Line Limits from Montclair Transit Center to LA/Ontario Airport.	The Measure I 2010-2040 Expenditure Plan references only the extension of the Gold Line to the Montclair Transit Center. The Expenditure Plan would need to be amended to include an extension further to the Ontario Airport. The first opportunity for amendment is 2015. For an overview of the Amendment Process for the Measure I Ordinance refer to page 4 of the Ordinance. A thorough evaluation of available funds will need to occur prior to making a commitment to the extension to LA/Ontario Airport.
Ontario	ON-11	Policy VMPR-3 PA&ED, PS&E, right-of-way and construction of new Metrolink stations should be included as an eligible expenditure. Ontario may eventually have a new downtown station on the Riverside line and/or a new station at our proposes multi-modal transportation facility at the LA/Ontario Airport.	Discussions on the use of Measure I funds for new Metrolink stations should occur once a location has been agreed upon. Ontario's interest in constructing a new station on the Riverside Line in the downtown area and/or a multimodal facility at the airport will require the approval of the Union Pacific Railroad – something that might be difficult to obtain since UP is not presently enthused about operating limited passenger service on its railroad. The Expenditure Plan references the construction of additional parking at Metrolink stations in the County, but does not mention the construction of new stations. An amendment to the Expenditure Plan would likely be needed as noted above.
Grand Terrace	GT-01	Major Street Program, Page II-5 Equitable distribution of funding from this program should be a priority. Plan states the following: "equitable geographic	The language quoted is taken directly out of the Measure I Ordinance. The Strategic Plan establishes equity for the Major Street Program, Arterial Sub-program as based on the equitable share percentages in Table IV-4 on page IV-35 of the draft

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		distribution shall be taken into account over the life of the program." This should be revised to "equitable distribution of funding shall be taken into account annually as funding is allocated."	Strategic Plan. These percentages are calculated based on the public share dollars in the 2007 update of the SANBAG Development Mitigation Nexus Study. The percentage of Arterial Sub-program funds that each jurisdiction receives in any given year may vary, and will be based on the funds requested through the CPNA process and the apportionment and allocation processes described on pages IV-7 and IV-8 of the Strategic Plan. However, "an equitable share percentage of Arterial Sub-program funds shall be guaranteed to each jurisdiction over the 30-year life of the Measure…" as stated in Policy VMS-29. Policy VMS-33 further states the use of time-value of money calculations to ensure the receipt of equitable shares regardless of the year of project expenditure.
Grand Terrace	GT-02	Page III-12 Plan should elaborate on the terms "risk design" and "utilize risk management." It is not clear from the text what these terms mean or how they will be applied.	These terms will also be added to the Strategic Plan Glossary. See also response to comment SBC-10
Grand Terrace	GT-03	Page IV-6 Capital Project Needs Analysis (CPNA) Local agencies that do not have active projects being funded by Measure I and do not intend to submit funding in the subsequent year should be exempted from the requirement to prepare a CPNA.	A number of important points relate to this comment. 1) The Measure I Ordinance requires that SANBAG expend funds in the Major Street Program pursuant to a five-year project list to be annually adopted by SANBAG. The CPNA is the mechanism for implementing this provision. 2) The CPNA has been constructed to request only the information essential to SANBAG's management of Measure I cash flow to ensure maximum project delivery. This should not be a burdensome process. 3) The CPNA is a five-year planning document that covers all of the arterials, grade separations and interchange projects to be delivered by a jurisdiction over a five year period of time. Therefore it is highly unlikely that a jurisdiction will be without any projects that need to

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			be anticipated and planned for during any five year period. 4) The CPNA is to be annually adopted by the City/Town Council and Board of Supervisors as a public statement of the jurisdiction's Measure I priorities. If a jurisdiction has no project for which it will need Measure I during a five year period that needs to be reflected in a decision of the Council/Board of Supervisors and the documentation submitted to SANBAG for the record.
Grand Terrace	GT-04	Page IV-7 Apportionment Recommendations Geographic equity should be added as a factor to be considered for the apportionment of funds. As part of the recommendation process, SANBAG staff should report on the apportionment of program funds to date to the local agencies. This report will facilitate and promote geographic equitable distribution of program funds as part of the decision-making process in the apportionment of Major Street Program funds.	See response to Grand Terrace comment GT-01.
Grand Terrace	GT-05	Page IV-12 The Plan should state that local agencies have flexibility in meeting their development mitigation funding requirement. For example, the local agency should have the capability to substitute funds from alternative sources such as the general fund or redevelopment funds.	This comment references the Project Advancement/Advance Expenditure processes section of the Strategic Plan, but the comment requires broader consideration, as it impacts all of the projects for which development mitigation is required by the Measure I 2010-2040 Ordinance and the Nexus Study, including the Valley Freeway Interchange and Major Street Programs. The Strategic Plan indicates that jurisdictions may loan funds from these and other sources to their development mitigation accounts, with appropriate repayment, but the funds cannot be substituted for development contributions. For the Valley Freeway Interchange Program, Policy VFI-23 provides the option on an exception basis for SANBAG to provide loans to local jurisdictions to cover the development mitigation fair share percentage, subject to the terms included in the Strategic Plan.

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			For the Valley Major Street Program, Rail-Highway Grade Separation Sub-program, Policy VMS-18 also provides the option for loans on an exception basis. For the Valley Major Street Program, Arterial Sub-program, Section F provides the policies covering local jurisdiction internal loans to meet the development mitigation fair share requirement. The use of the word "substitute" in the comment presents a significant challenge for implementation of the development based Measure I programs. Substituting general funds or redevelopment funds for development mitigation revenues would be inconsistent with the Measure I Ordinance, which requires that development pay its fair share for transportation improvements.
Grand Terrace	GT-06	Page IV-20 The Interstate 215 widening from Riverside County to Interstate 10 should be designated as the highest priority project in the Freeway Program. This is because it is the only remaining unfunded project from the original Measure I program. In addition, successful completion of the project will entail a major investment in effort to coordinate with RCTC. As such, the project should be identified as the highest priority to ensure that an appropriate level of effort is allocated to ensure completion of the project.	The I-215 project from Riverside County Line to Orange Show Road is indeed the only freeway project included in the Measure I 1990-2010 Expenditure Plan that was unable to initiate construction during the initial Measure. As the comment states, widening the facility to its ultimate cross-section is a significant challenge due to right-of-way issues, coordination with RCTC and its significant cost. SANBAG, however, has been working on project development documents for several years and has developed a strategy that provides interim improvements to the corridor, with the intent to deliver the "HOV gap closure" project by 2014, pursuant to a Board action on February 4, 2009. The Strategic Plan represents a starting point for development of a 10-year Delivery Plan, to be prepared subsequent to the approval of the Strategic Plan. The of project development will be discussed in much greater detail in that document and any additional concerns about schedule should be raised again at that time.
San Bernardino City	SB-01	A key component of the BRT system is the use of dedicated guideways, or travel lanes, that are used solely for the purposes of the buses. The use of these guideways allows for faster	The amount of available funding for BRT is 2% of the Measure at the outset and increases to a minimum of 5% and a maximum of 10% of Valley Measure I revenue, for an

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		travel times and shorter headways, thereby resulting in increased ridership. The City of San Bernardino believes that the ongoing maintenance of these dedicated guideways should be allowable reimbursable expenses under the Valley Express Bus and Bus Rapid Transit Program. Policy VEB-3 states that, "Eligible projects shall include contributions to operating and capital costs associated with implementing high-speed, express-type bus service in high density travel corridors." The policy goes on to state that, "Capital costs shall include the construction of BRT guideways . . ." The City believes that since maintenance of the dedicated guideways is not precluded from operating costs, it is an allowable expense. However, it should be expressly stated that maintenance of the dedicated guideway is an eligible expense.	estimated range of $530,000,000 to $1,010,000,000. Up to nine BRT corridors and several Express Bus corridors have been identified during the preparation of the Long Range Transit Plan. Due to the substantial need for construction capital in the Express Bus/BRT Program, it is staff's recommendation that the funding be used for capital construction costs, even though operating costs are allowable expenses under the Measure I Ordinance,. The Measure provides a significant amount of flexibility in the use of Local Street Program funds to be used for new arterial capacity and maintenance of existing arterial roadways. This is funding that is available to local jurisdictions for operation and maintenance that would allow the Express Bus/BRT Program to focus on delivery of capital projects. If operation and maintenance are allowed to be funded by the Express Bus/BRT Program a substantial number of BRT and Express Bus corridors could fail to be implemented.
San Bernardino County	SBC-01	Administrative Management of Measure I programs There is a need to streamline the administrative process further, especially for the Major Street Program and the Major Local Highway Program, to reduce administrative costs, both for SANBAG and the agencies. The Draft Strategic Plan is modeled on the federal and State reimbursement process which can be quite burdensome, requiring a great deal of paperwork and staff time from many County departments and the Board of Supervisors. This takes funds away from actual projects, and over the course of thirty years could amount hundreds of thousands if no millions of dollars in administrative costs. This is certainly contrary to what the voters intended when they supported the renewal of the Measure. To address this we propose:	SANBAG staff appreciates the concerns presented by the County of San Bernardino as they relate to the administration of the Measure I 2010-2040 programs. SANBAG also desires administrative simplicity, but has the additional responsibility of being accountable to the citizens of the County for the expenditure of Measure I funds countywide. We are seeking a balance between simplicity and the necessary financial discipline to effectively implement the Measure. The proposed process is much less complex than the federal and State reimbursement processes. Multiple issues are included in the first comment, and individual responses are provided for each issue. 1) The Measure I programs have been designed to provide administrative simplicity and flexibility to SANBAG and local jurisdictions while maintaining SANBAG's fiduciary responsibility and transparency to the voters of San Bernardino County. While administrative costs

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			will be incurred both by SANBAG and local jurisdictions, these costs are minimal when compared to the risks of insufficient accounting and oversight. The costs of correcting the mismanagement of Measure I resources can be much greater than the administrative costs imposed by the proposed Measure I Strategic Plan policies. Jurisdictions have the flexibility to invoice on a bi-monthly or quarterly basis, if billing monthly is too great of an administrative burden.
		a. Further simplification of the Apportionment and Allocation process outlined in the Programs, specifically, the Capital Projects Needs Assessment (CPNA) process. The County supports SANBAG's need to project cash flow, but aside from an annual submission of projects for which the local jurisdictions are requesting funding, little flexibility is available to revise, add, or delete projects. Funding requests submitted in September of the fiscal year prior to which the funds will be available does not take into account unforeseen programming changes that may be necessary for local jurisdictions to deliver projects at the earliest possible time.	2) The Capital Project Needs Analysis (CPNA) documents the projects that jurisdictions desire to deliver the subsequent fiscal year. The CPNA requires an estimation of projects to be delivered by fiscal year (and phase where appropriate) along with the amount of anticipated public share and development share funding that will be needed for the project. The CPNA is a crucial component of the cash flow analysis that is required for the Board of Directors to make an informed decision when apportioning Measure I funds to programs and subsequently allocating funds to Measure I projects each year. The CPNA was intended to provide the level of information needed to appropriately size each program's apportionment of funding, and additionally, each jurisdiction's allocation of funding to specific projects. In the Valley Arterial Sub-program, Policy VMS-43 provides substantial flexibility for local jurisdictions to be reimbursed for projects in either of the first two years of the CPNA. This allows current-year projects to be swapped out if unforeseen circumstances occur. No approvals are required by SANBAG. The two years of projects need only be included in the Jurisdiction Master Agreement. Jurisdictions have been provided additional flexibility in delivering Nexus Study projects not included in the Jurisdiction Master Agreement through the Advance Expenditure process contained in Policies AE-1 through AE-17 of the Strategic Plan.

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		The uncertainty year to year of whether SANBAG will make funds available to locally administered projects already underway places most of the burden on addressing or adjusting to cash flow problems on the back of local jurisdictions.	3) The Strategic Plan places a significant emphasis on SANBAG's ability to maintain financial commitments to multi-year projects that have received an allocation of funding. This issue is addressed in several places in the Strategic Plan. First, the apportionment recommendation will include consideration of the "revenue committed to projects or programs in previous apportionment cycles" (Page IV-7). Second, as it pertains to the Valley Freeway Interchange Program, "allocations of funding by SANBAG to initial phases of a project also represent a commitment to timely funding of subsequent project phases, barring a determination by the Board of Directors that exceptional circumstances warrant otherwise" (Page IV-25). Third, SANBAG staff included similar language in the Rail/Highway Grade Separation Sub-program expressing similar commitment to funding future phases of a project following PA&ED. The language is found in Policy VMS-5 on Page 23 of the Part II of the Strategic Plan. Finally, the commitment to fund future phases of a project allocated an initial phase of funding should alleviate a substantial amount of the concern raised on this point by the County. While SANBAG's goal is to eliminate uncertainty to the greatest degree possible, SANBAG also operates in an environment of financial uncertainty. Consequently, SANBAG needs to preserve the options required to meet these financial challenges, and these decisions will be made by the SANBAG Board year by year based on the best available information..
		b. Advancement of reimbursements to local agencies on awarded contracts rather than the proposed monthly reimbursement. The County understands SANBAG's concern regarding cash flow constraints, but the County's cash flow challenges are equally great, if not greater than SANBAG's. For example due to the	4) SANBAG cannot accommodate the cash-flow impact of fronting the reimbursement of contract costs. To do so would reduce the number of projects to which SANBAG could make a financial commitment in any given year. It also further limits the flexibility SANBAG has to respond to volatility in funding

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		current uncertainty of allocations of State and federal funds, Measure I is more reliable at this time than State Gas Tax and Propositions 1B and 42 revenues which fund the vast majority of the transportation maintenance needs of local jurisdictions. Given the more reliable Measure I revenue stream, SANBAG will be in a better position to advance project costs rather than local jurisdictions facing such cash flow challenges.	sources. SANBAG experiences the same volatility in State funding sources as the County. In addition, advance reimbursement on the scale suggested by the County would create auditing requirements to track how the funds were actually used, resulting in an additional administrative burden. However, SANBAG has incorporated the advanced reimbursement of expenditures on an exception basis to local jurisdictions during the right-of-way acquisition phase of the project. This is due to the typically large costs associated with the purchase and the singular nature of the transaction. The draft Policy VMS-41 also allowed for advance reimbursement for significant construction expenditures on arterial projects, on an exception basis. However, upon further consideration, SANBAG staff believes that the advance reimbursement policy for arterials should be limited to right-of-way only, consistent with the proposed policies for interchanges and grade separations. Therefore, Policy VMS-41 will be modified to refer to only right-of-way expenditures. For the Valley Freeway Interchange and Valley Major Street Programs, SANBAG has committed to the reimbursement of jurisdictions the public share of project cost within 30 days of receiving a complete and satisfactory invoice package. The 30 day reimbursement period will minimize the amount of time a jurisdiction will be required to incur expenses on a Measure I project.
San Bernardino County	SBC-02	Development Contribution requirements on MI Local Streets Pass-through funds. This is new to MI 2010-2040 and does not exist in the current Measure. In addition, it only appears in the Mountain/Desert subareas and not the San Bernardino Valley subarea in the Draft Strategic Plan. As the Measure states, Local Streets program funds "may be used flexibly for any eligible transportation purpose determined by a local priority . . . ." A	The Measure I 2010-2040 Ordinance is very specific on the role of development mitigation. The Ordinance states in Section VIII. Contributions from New Development "No revenue generated from the tax shall be used to replace the fair share contributions required from new development." Section VIII further states that the development mitigation requirements are to be implemented by the Congestion Management Agency, which is SANBAG, through the Congestion Management Program (CMP). The CMP

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		development contribution requirement would be contrary to this. For example, for Major Local Highway projects in the Victor Valley, it would prohibit local jurisdictions from using MI Local Streets funds to cover the local development match in the absence of sufficient development contributions, thus delay delivery of arterial projects vital to address existing traffic congestion and safety needs. We believe SANBAG is broadening the intent of the language contained in the Measure and placing unnecessary limitations on the use of these local funds. As such, we suggest that policies for MI 2010-2040 mirror those applied to Local Street funds in MI 1990-2010 and remove requirements for development contribution.	established a network of arterial roadways and capacity enhancing projects for both the Valley and the Victor Valley and assigned a development mitigation requirement for each jurisdiction. The Measure I Ordinance establishes separate expenditure plans for the subareas of the County. The San Bernardino Valley includes two programs established to deliver the capacity enhancing Nexus Study projects: the Valley Freeway Interchange and the Valley Major Streets Programs,. The Local Street Program in the Valley plays a much smaller role than the Local Street Programs established for each of the Mountain/Desert subareas. The Local Street Program represents 20% of the Valley Expenditure Plan and in practice has been used for maintenance and construction of other local, non-Nexus Study arterial roadways. However, the Valley Local Street Program could be used to deliver capacity enhancing projects on the Nexus Study arterial system, and should such expenditures occur, the jurisdiction will be required to produce its development mitigation contribution. Language will be added to the San Bernardino Valley program to cover the event that a Nexus Study project will be delivered under the Local Street Program. The Victor Valley Subarea differs substantially from the San Bernardino Valley in that it receives 70% of the subarea revenue, and the Expenditure Plan approved by the voters in 2004 specifically identified $281 million in development contributions for projects listed in the Local Street Program of Schedule E. Furthermore, the descriptions of projects listed in the Local Street Program of Schedule E are major arterial roadways on the Nexus Study Network identified in the CMP. The Strategic Plan identifies a development mitigation requirement in the Local Street Program of the Victor Valley only for capacity enhancing projects on major arterial facilities, The Measure does not require development mitigation for maintenance or operational improvements that do not increase capacity. Furthermore, the Nexus Study methodology has

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			been applied only to major arterial roadways included in the Nexus Study and not to other local streets, consistent with the approach in the San Bernardino Valley. But it is clear that a large proportion of Nexus Study projects in the Victor Valley will be delivered through the Local Street Program, which is not the case in the San Bernardino Valley.
San Bernardino County	SBC-03	Lack of prioritization process in the annual appropriations and allocations The Draft Strategic Plan does not address how allocation of funding will be prioritized if annual revenues are insufficient to fund all MI program needs. For example, since early on in the development of a Strategic Plan, the County has been concerned with the loss of arterial funds to make up shortfalls in the Freeway Program. Although freeway projects have far higher costs, major arterial roads may in fact be of equal or greater importance to transportation circulation and safety. High priority major arterial road projects, especially those funded previously should be protected from delay or cancellation due to funding shortfalls in the Valley Freeway Program or other programs administered by SANBAG	This comment pertains to the Valley programs. Several protections are already in place in the Strategic Plan for the funding of Measure I arterial projects. First, the Local Street Program is exempt from any cash-flow borrowing among programs by the SANBAG Board. The Local Street pass-through funds have never been diverted to another program in the current Measure. Further, SANBAG is <u>required</u> by the Measure I 2010-2040 ordinance to assign the prescribed percentages to each program. Any change to those percentages requires a formal amendment to the Expenditure Plan, which is a difficult process, as described in the ordinance itself. However, the SANBAG Board of Directors has the power to apportion and allocate funding to the programs of Measure I <u>annually</u> in a way that may be different from those percentages, so long as, at the end of the Measure each program receives its percentage of revenues as identified by the Measure I Ordinance. As indicated in Policies VS-1 and VS-3, adjustments will be made for the time-value of money. One of the primary reasons for the annual CPNA is to document the universe of funding needs for each Measure I program in a fiscal year, so that the Board of Directors can make an informed policy decision on how to best apportion and allocate the Measure I funds for any given year. In the apportionment process, the recommendation to the Board will be based on the consideration of "revenue committed to projects or programs in previous apportionment cycles" (Page IV-7). Additionally, SANBAG has included specific policy language in both the Valley Freeway Interchange Program and the Valley Rail/Highway Grade Separation Sub-program that provides a guarantee that phases of a project beyond PA&ED

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			will be funded in subsequent apportionment/allocation cycles, unless there is a determination by the Board that exceptional circumstances warrant otherwise.
San Bernardino County	SBC-04	III.B.2.1 1st paragraph, 2nd sentence. "In the Valley, year-to-year variation may be allowed in the percentage of revenue that is applied to each program" if funds are available in the fiscal year from programs and are not needed to deliver projects."	SANBAG staff will make a recommendation to the Board each year of the amount of funding to be apportioned to each program, based on the needs submitted by both the jurisdictions, through the CPNA process, and SANBAG departments. SANBAG staff believes it would not be wise to tie the Board's hands through a more rigid restriction on year-to-year flexibility in cash flow borrowing among programs. The proposed new language underlined in the comment would limit the ability of the SANBAG Board of Directors to cash flow borrow. As indicated in response to comment SBC-03, strong protections are in place to ensure that programs are made whole by the end of the Measure. Ultimately, the determination by the Board of Directors to cash flow borrow is a policy decision, and SANBAG's language included in the Strategic Plan provides the Board with maximum discretion in making that policy decision.
San Bernardino County	SBC-05	III.B.1.b, pg III-5, 2nd bullet. Rather than "Avoid obtaining federal earmarks for smaller scale projects . . .", suggest "Avoid obtaining federal earmarks insufficient to cover the cost of additional environmental clearance." For example, if a federal earmark is $1 million on a $3 million project and additional costs for NEPA are $500K, aren't we still ahead $500K? Why give up any additional funding?	This bullet of the Strategic Plan deals with maximizing the use of federal funds. The full statement reads, "Avoid obtaining federal earmarks for smaller scale projects and exchange funds for local funds, where appropriate, to expedite project delivery and reduce project development cost." Federal funds come with a number of rules and restrictions that can often impede the speed of project delivery. The goal of this statement in the Strategic Plan is to promote the use of funds on fewer, large scale projects that are already federalized for any number of reasons. To the extent that the use of federal funds offsets the burden of Measure I, SANBAG is advocating that the local funds be provided to jurisdictions to minimize the complexity and project development costs associated with delivering federal aid projects. However, the words "in general" will be added to the beginning of the

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			sentence to indicate that there could be exceptions to this overall principle.
San Bernardino County	SBC-06	III.B.2.2 Will SANBAG have control over local jurisdiction projects that it deems are "inefficient" and "wasteful?" How will these be determined?	The statement referenced in the comment "it is inefficient and even wasteful to build more capacity than necessary in one part of the system and leave other parts of the system highly constrained." The context is that we must think of how the system works together to create a balanced system, not just build projects independently of how the system operates. The principal application here is the freeway mainline, where we need to coordinate with other counties to ensure that we neither under-build nor overbuild in San Bernardino County. The local jurisdiction project lists have been established, and principles of local discretion have been articulated in the Strategic Plan.
San Bernardino County	SBC-07	III.B.2.4 "State Highways" needs to be defined. Does this mean freeways or highways like SH-18, SH-247, etc. SANBAG and Caltrans can partner on Freeways but local jurisdictions also work with Caltrans on State Highways (e.g. SR18 in Lucerne).	Comment noted. The words "the two agencies" will be replaced with "SANBAG, Caltrans, and local jurisdictions."
San Bernardino County	SBC-08	III.B.3 pg III-10, 3rd bullet, "The SANBAG Board may allow exceptions to this principle when significant potential benefits exist to the delivery of Measure I projects." What are "significant potential benefits?" Will debt service in one program be allowed to reduce project delivery in another by borrowing from a program and not being able to pay it back? Need policy language to address this.	The principle referenced in bullet 3 on page III-10 deals with the need for each Measure I program to support its own debt service. There may, however, be times when another program's revenue stream needs to be pledged to provide the needed bond capacity or to service the debt incurred by bonding for another program. Should these rare instances occur, the Board of Directors has the authority to make such a decision, so long as all Measure programs receive their percent allocations as identified in the Measure I Ordinance. Policy VS-1 states specifically, "SANBAG shall ensure that all San Bernardino Valley Programs receive their percentage allocation of Measure I revenue in accordance with the Measure I 2010-2040 Expenditure Plan. The calculation of percentage allocation shall include adjustments for the time-

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			value of money based on time of expenditure of Measure I funds in all programs.
San Bernardino County	SBC-09	III.B.4 - pg III-11, 2nd bullet. If projects are delayed by unanticipated environmental or r/w issues and funds are not expended as planned, SANBAG should not take those funds away and use them on other projects/programs without consultation with local jurisdiction	This bullet does not state that projects already allocated funding will be withdrawn for performance failure. This bullet emphasizes the need to monitor performance and to periodically adjust programs based on successes and failures. The emphasis of this section in the Strategic Plan is maximizing project delivery.
San Bernardino County	SBC-10	III.B.4 - pg III-12, 5th bullet. What does this mean? This needs to be clarified.	A definition of "risk management" will be provided in the Strategic Plan Glossary. Risk management is a tool used by Caltrans and other DOTs to identify potential risks to schedule and cost with which a project may be confronted. The assessment is made early in the project development process, so that appropriate measures can be taken to minimize or avoid the impact posed by the risk.
San Bernardino County	SBC-11	IV.A.4 Add: further analysis of bonding availability and costs needed.	Agency bond strategy and further refinement of near term project costs are to be addressed in the Measure I 10-Year Delivery Plan to be initiated following the adoption of the Measure I 2010-204 Strategic Plan. A statement to that effect will be added.
San Bernardino County	SBC-12	- pg IV-7, Apportionment Recommendation Current projects need to be exempt from possibly not receiving apportionment percentage due to cash flow needs in other programs. Withholding percentage share from projects for which SANBAG has committed funding jeopardizes project completion and leads to delays and inefficiency.	See response to comments SBC-01 and SBC-03.
San Bernardino County	SBC-13	IV.B.1.b - Step 2, pg IV-7, Apportionment Recommendation. Policy language needs to address prioritization process between programs when there is a funding shortfall.	See response to comments SBC-01 and SBC-03.
San	SBC-14	IV.B.1.b - Step 4, pg IV-10,	See response to comments ON-07 and ON-09.

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Bernardino County		Reimbursement should occur for unforeseen cost increases over which local jurisdictions have no power. Add "unless approved prior" after scope of work.	
San Bernardino County	SBC-15	IV.B.2.a - pg IV-12, 1st full paragraph. "PAA repayment disbursements occurs quarterly in order of the date of expenditure as documents by consultant and contractor invoices, or documentation for in-house work performed by local jurisdictional staff, reflecting actual project expenditures." We need language to allow us to get reimbursed for design, environmental clearance, r/w, etc. performed by County staff.	It is the intent to allow reimbursement of jurisdiction staff time directly contributing to a phase advancing a Nexus Study project. This may include the PA&ED phase, right-of-way acquisition, design, and construction support. Oversight activities, such as attending PDT meetings and management of consultant or contractor progress and invoicing, would not be reimbursable. The following language will be added at the end of Policy PA-11: "If jurisdiction in-house staff time is submitted for reimbursement, documentation of hours by individual and salary rate must be provided, with tabulations from the payroll system by project task as backup. Overhead will only be allowed via an approved cost allocation plan or an equitable and auditable distribution of overhead among all departments." This language will be included in all Measure I programs containing a reimbursement process.
San Bernardino County	SBC-16	IV.B.2.b - pg IV-13, Valley Major Street AE Process. This paragraph should state that reimbursement will come from a jurisdiction's fair-share allocation and not reduce allocations to other jurisdictions.	The Valley Major Street AE Process allows jurisdictions to receive reimbursement of, or credit for, costs incurred by local jurisdictions that choose to complete delivery of projects in advance of when reimbursement will be available. This could, for example, include projects in the Arterial Sub-program that cost more than the equitable share revenue available in that year, or additional Nexus Study projects for which equitable share revenues are available in subsequent years. AE projects are then included in the subsequent year's CPNA and revised Jurisdiction Master Agreement prior to the initiation of reimbursement. Jurisdictions are able to deliver Major Street Program projects through Advance Expenditure up to an amount capped at the jurisdiction's five-year equitable share of Valley Arterial Sub-program funds (Policy AE-17). The five-year cap on the amount of funds a jurisdiction may receive in excess of its

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			equitable share is consistent with Policy VMS-34, which provides policy direction on the accounting of cash flow borrowing between local jurisdictions in the Valley Arterial Sub-program.
San Bernardino County	SBC-17	IV.B.6.a -pg IV-30, 4th paragraph. Should also state that upon award of contracts, SANBAG will allocate full contract amount to reduce administrative costs of monthly invoicing to be consistent with the last sentence on IV-35.	See response to comment SBC-01.
San Bernardino County	SBC-18	IV.B.6.a.2 -pg IV-35, last paragraph. Should have language stating that if unused portion of funds is borrowed by other programs, payback and availability will be guaranteed in the fiscal year needed by local jurisdictions to deliver arterial projects.	Every effort will be made to ensure that cash flow borrowed from one program will be reimbursed to the program when the program requests the funding. However, there may be instances when the Board of Directors makes a policy decision to cash flow borrow from a number of programs with the expressed understanding that the revenue will not be reimbursed until some point in the future. These decisions will need to be made by the Board on a year-by-year basis with the best possible information provided by both SANBAG and local jurisdiction staff. SANBAG staff understands that these may involve difficult choices, but each jurisdiction will be able to speak for itself regarding the impacts of any apportionment or allocation decision at the time it is made. In the end, each Measure I program will receive the percentage of revenue as specified in the Measure I Ordinance. Furthermore, to reiterate, Policy VS-1 states, "SANBAG shall ensure that all San Bernardino Valley Programs receive their percentage allocation of Measure I revenue in accordance with the Measure I 2010-2040 Expenditure Plan. The calculation of percentage allocation shall include adjustments for the time-value of money based on time of expenditure of Measure I funds in all programs.
San Bernardino	SBC-19	Victor Valley Subarea Programs (Generally):	Comment noted. SANBAG will revise the language to differentiate between the urban and rural portions of the Victor

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County		Language should be added to differentiate between the urban and rural areas, especially in references to the SANBAG Nexus Study and development contributions.	Valley Subarea.
San Bernardino County	SBC-20	Major Local Highways Program IV.C.1.b a. Page IV-51 paragraphs 2 and 3 should be deleted. The Local Streets Program is not part of the Nexus Study and the last two paragraphs in this section make it sound like the Local Street Program is part of the SANBAG Nexus Study. This is incorrect and confusing and should be removed. b. Language should be added to at least differentiate between urbanized Nexus Study areas and rural non-Nexus Study areas within the Victor Valley Subarea.	a. There is nothing in either of the referenced paragraphs that refers to the Nexus Study. Instead the paragraphs are intended to make the point as part of an overall Financial Analysis of the Local Streets Program that development mitigation fees are an anticipated funding source as identified in Schedule E – Victor Valley Subarea Expenditure Plan of the Measure I 2010-2040 Ordinance. The paragraphs are also intended to further state the clear expectation that development mitigation is a required part of Measure I by citing specific language in the Measure for development mitigation as well as where the guidelines for establishing development mitigation programs may be found. For additional information on the response to this comment, see response to comment SBC-02. b. Comment noted. SANBAG will revise the language to differentiate between the urban and rural portions of the Victor Valley Subarea.
San Bernardino County	SBC-21	Major Local Highways Program IV.C.2.a a. Step 1: First paragraph states that the CPNA is the principal tool used to determine project and program funding needs, which implies that other tools can be used, but the CPNA is the principal one. Yet, Policy VVMLH-5 restricts project and programming funding need tools to the CPNA. Policy VVMLH-5 needs to be modified to reflect that there is more than one programming tool. Also, County will need some sort of exception to the identification of needs for rural areas of the county that are outside of the Nexus Study area. Those residents pay sales taxes but will receive no benefits under the SANBAG proposal.	a. While the CPNA is the principal tool used to evaluate funding needs, the subarea representatives will also use their independent judgment as well as any testimony given during the deliberations of the subarea, Mountain/Desert Committee or ultimately the SANBAG Board of Directors. While the County does include rural areas of the County, this does not exclude or exempt the County for preparing the CPNA for projects included in the rural Victor Valley. The County has included rural Victor Valley MLH projects in the Victor Valley Candidate Project List, and the Victor Valley Subarea representatives, Mountain/Desert Committee and Board of Directors will

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			rely on the information contained in the CPNA to make apportionment and allocation decisions for those projects.
		b. Step 2: Cash Flow Analysis: Why do we need to do a CPNA, which is a long process when we have established a list of priorities?	b. The CPNA is required to be prepared on an annual basis to reflect the five-year planning and programming needs for the Victor Valley MLH Program. It involves the relatively simple task of preparing a spreadsheet with project funding needs and expectations by fiscal year. The CPNA is to be annually adopted by the City/Town Council and Board of Supervisors as a public statement of the jurisdiction's Measure I priorities. If a jurisdiction has no project for which it will need Measure I during a five-year period, that needs to be reflected in a decision of the Council/Board of Supervisors and the documentation submitted to SANBAG for the record. Finally, each year there will be changes to available funding, priorities of agencies and other variable factors. While it is true that there is currently an established list of priorities, those priorities could change over the course of the Measure and does not contain information on year-by-year cash flow requirements.
		c. Step 3: - 2nd paragraph. There are some areas of the unincorporated areas of the county that do not have development mitigation commitments. What then? See comments for Step 1.	c. If an area does not have a development mitigation commitment for a project because it is outside of the Nexus Study area or is not required to have a Traffic Impact Analysis then no development mitigation is required. In the Project Funding Agreement mentioned in this section, there is a possibility that a development mitigation commitment could be zero.
		d. Step 3: 3rd paragraph. This requirement for a fully executed Development Mitigation Cooperative Agreement could prohibit project development by individual jurisdictions. If one jurisdiction wants to advance a project through project development/design phases to get it shelf-ready, it should be able to tap into MI public share funds even if other agencies sharing jurisdiction do not have the development contribution	d. Comment noted. There is already language in this paragraph that states that the sponsoring agency may provide the entire development mitigation commitment on its own.

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		funding available at the time. Add language in which a local jurisdiction accepts full responsibility for development contribution or has a fully executed agreement.	
San Bernardino County	SBC-22	Major Local Highways Program IV.C.2.b Pg IV-57, 2nd to the last paragraph, 2nd to the last sentence. The 40% rate applies to the Valley MLH program. 20% was the figure established during discussions with Victor Valley jurisdictions and SANBAG staff. In addition, language should be included to establish that if a local jurisdiction uses up its 30-year allocation under their 20% reimbursement, they can make no claim for funds under the remaining 80% without agreement from the other jurisdictions.	The rate up to 40% was what was approved for all Project Advancement eligible programs by the Board of Directors on April 5, 2006. The specific percentage to be reimbursed annually by each program was to be further established in the Strategic Plan. Page IV-58, 1st paragraph provides the specific amount to be allocated to the reimbursement of PAAs under the Victor Valley MLH Program. The percentage is up to 20% for each individual jurisdiction. Furthermore, Policy VVPA-9 states, "SANBAG shall reimburse each local jurisdiction having one or more PAA executed under the Victor Valley MLH Program with up to 20% of annual program revenues until the PAA is fully reimbursed." The final portion of the comment is addressed in Policy VVPA-13 which states, "For the Victor Valley MLH Program, reimbursement pursuant to PAAs shall be included in the equitable share calculations for the respective jurisdictions, as specified in Policy VVMLH, maintained by SANBAG to ensure equity over the life of the Measure."
San Bernardino County	SBC-23	Major Local Highways Program IV.C.2.c Pg IV-58, 3rd paragraph. Same issue as in SB Valley Project Advancement/Advance Expenditure Agreements in IV.B.2.b above, except that this may apply to Vista Road Grade Sep and Rock Springs Road Bridge Replacement projects.	See response to comment SBC-15.
San Bernardino County	SBC-24	Rural Mountain/Desert Subarea Major Local Highway Program IV.D.2.b Pg IV-69, last paragraph of Financial Analysis	This is already part of the Victor Valley Major Local Highway Program see pg. IV-59 section IV.C.2.c second paragraph.

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		The paragraph discusses returning revenue after 5 years of revenue upon a finding made by Mountain/Desert committee. This should also be part of the Victor Valley section also.	
San Bernardino County	SBC-25	Rural Mountain/Desert Subarea Major Local Highway Program IV.D.2.d Cities and County within each rural subarea should develop a MLH priority project list similar to the VV subarea.	The program already anticipates the agencies in the subarea getting together to develop subarea priorities. See section IV.D.2.b on pg. IV-69 first paragraph. SANBAG staff began facilitating similar discussions in each of the rural Mountain/Desert Measure I subareas in 2008. None of the subareas pushed the creation of a project candidate list with the level of urgency experienced in the Victor Valley and no agency identified a project for consideration in SANBAG's bond analysis. Consequently, it is SANBAG's understanding that such a list will be prepared for each subarea in accordance with the Strategic Plan policies following the adoption of the Strategic Plan.
San Bernardino County	SBC-26	POLICY VS – VALLEY SUBAREA (pg 1-4) IV.D Policy VS-15: Should add language that SANBAG will commit to fund all phases of a project once approved.	Policy VFI-3 and Policy VMS-5 provide this guarantee to Valley Freeway Interchange and Valley Rail/Highway Grade Separation projects. However, the allocation will not be made up front for all phases of a project, but commitment to fund the PA&ED phase of the project is a commitment to fund the project's subsequent phases, unless a determination by the Board of Directors that exceptional circumstances warrant otherwise. Each subsequent allocation must be made with the most current scheduling and cost data available at the time the decision is made.
San Bernardino County	SBC-27	IV.F Policy VS-24: rather than "actively advocate for <u>its</u> share of State and federal dollars," why not stronger language, such as "actively advocate for <u>an increasingly greater</u> share of State and federal dollars."	The word "actively" can be replaced with the word "aggressively" to connote the stronger intent. It is agreed that SANBAG should always be advocating for the maximum return to San Bernardino County projects.
San Bernardino County	SBC-28	IV.A Exceptions to the January 31, 2009 initiate construction deadline need to be made for Cherry, Cedar, and Pepper interchange projects.	The County has pointed out that clarification is needed of the Project Advancement and Advance Expenditure policies so that there is no gap in the ability to cover eligible expenditures

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Jurisdiction	Comment No.	Jurisdiction Comment	SANBAG Response
			for projects now in progress. An agenda item was approved at the February 4, 2009 Board meeting clarifying that eligible expenditures that occur after April 5, 2006 will be reimbursable under both the PA and AE processes. Thus, I-10/Cedar and I-10/Pepper interchange expenditures incurred after that date will be reimbursable under either the PA process (where construction began by January 31, 2009) or the AE process (where construction did not begin by that date). The Cherry interchange, for which Trade Corridor Improvement Funds (TCIF) are being used, will need to be handled in a way that is unique to those circumstances. See response to comment SBC-30 for additional information.
San Bernardino County	SBC-29	IV.B Policy PA-10. Percentage should not be increased if time of reimbursement becomes greater than 6 years unless this policy has already been adopted by SANBAG Board.	This issue was approved by the Board of Directors on September 3, 2008. The language from the Board of Directors Agenda item is: "**Commitment of Available Revenues**: Commit the full 40% of available revenues for each program to the reimbursement of Project Advancement Agreements on an annual basis, to provide additional certainty to jurisdictions regarding reimbursement timelines. The SANBAG Board, at its discretion, may increase the 40% apportionment level to a higher percentage specific to each program if the time between expenditure and reimbursement has become greater than six years or if the other project needs for the fiscal year are less than the remaining 60% of the pertinent program."
San Bernardino County	SBC-30	V.B. Freeway Interchange Program and Rail/Highway Grade Separation Sub-program Projects–Policy AE-6. This should be eliminated. Public share of costs incurred after approval of Nexus study should be included.	Policy AE-6 will be amended based on the item approved at the February 4, 2009 Board meeting. The policy will be amended to state the following: "For freeway interchanges and railroad/highway grade separation projects, public share costs incurred for Nexus Study projects prior to April 5, 2006 shall not be reimbursed by SANBAG, nor shall they be credited against the development share of a future project.

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Jurisdiction	Comment No.	Jurisdiction Comment	SANBAG Response
San Bernardino County	SBC-31	POLICY VLS – Valley Local Streets (pg 9-14) III Definitions p. 1 of 6 – Local Street projects – add interchanges to list	SANBAG will add the definition of interchanges.
San Bernardino County	SBC-32	POLICY VLS – Valley Local Streets (pg 9-14) IV.C Policy VLS-8 (a.) Construction – add design, planning, and support costs to list. – should also include improvements to handicap ramps to make them ADA compliant	"design, planning and support" costs are eligible under Policy VLS-8 (c). Comment noted. SANBAG will revise.
San Bernardino County	SBC-33	POLICY VFI – Valley Freeway Interchange (pg 17-21) IV.A Policy VFI-3 – this should also be in arterial section	This same language is not necessary for the Arterial Sub-program since jurisdictions have the flexibility reassign their annual allocation on alternate projects and phases.
San Bernardino County	SBC-34	POLICY VFI – Valley Freeway Interchange (pg 17-21) IV.B Policy VFI-5: Should not be limited only to R/W phase. This should apply to large Design and Construction phase contracts when awarded. SANBAG should allocate funds upon award of a contract to reduce cash flow issues with Local agencies	See response to comment SBC-01
San Bernardino County	SBC-35	POLICY VFI – Valley Freeway Interchange (pg 17-21) IV.F Policy VFI-13: SANBAG will require development share of cost even if they initiate an interchange project to facilitate delivery of a freeway project. How is this possible if local agencies do not have their development share? Need language clarified to require SANBAG to front development share if local jurisdiction doesn't have it or has another priority interchange project underway that would be delayed.	It is recognized that the timing of any SANBAG initiation of an interchange project may not be convenient to the local jurisdiction responsible for its development fair share. However, the jurisdiction remains responsible for the collection of development fees that will contribute to the development and construction of the interchange. To clarify the flexibility of the timing, language will be added to Policy VFI stating: "However, SANBAG shall work with the responsible jurisdiction(s) on such projects to transact a loan for the fair share amount or negotiate other payment terms that will allow for reimbursement of the fair share amount to SANBAG over a mutually agreeable timeframe."

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Jurisdiction	Comment No.	Jurisdiction Comment	SANBAG Response
San Bernardino County	SBC-36	POLICY VFI – Valley Freeway Interchange (pg 17-21) Policy VFI-17, last sentence states "Sponsoring agencies shall not be reimbursed for any costs incurred prior to the execution of the Project Funding Agreement." Creates problem with Cherry, Cedar, and Pepper interchanges where County has already used local funds to advance interchange improvements. We would like those expenditures acknowledged as local match toward public share of projects.	See response to comment SBC-28. Expenditures incurred prior to the execution of a Project Funding Agreement may be captured through the Advance Expenditure process.
San Bernardino County	SBC-37	POLICY VFI – Valley Freeway Interchange (pg 17-21) IV.H pg 20, 3rd bullet: Language should be added that Major Streets Program funds will not be taken if interchange project was initiated by SANBAG as part of a mainline freeway project. SANBAG would be loaning development contributions to local jurisdictions without giving local jurisdictions the right of refusal and then penalizing for slow development rate by canceling delivery of arterial projects. In essence, local jurisdictions could be forced to fund interchange improvements and freeway projects using their Major Street Program funds.	The following language will be added to the end of Policy VFI-23: "Loans that are a result of initiation of a project by SANBAG, pursuant to Policy VFI-13, shall be negotiated on a case-by-case basis with terms that may vary from those above."
San Bernardino County	SBC-38	POLICY VFI – Valley Freeway Interchange (pg 17-21) (page 20) – 2nd Bullet, On August 6, 2008, The SANBAG Board approved language allowing for repayment period longer than 10 years on an exception basis, subject to Board of Approval, if projected or collected development fees are insufficient for repayment during the 10-year time frame. This language is missing from this policy and needs to be included.	Further discussion by SANBAG staff and legal counsel following the August 6 meeting suggested that the terms of repayment needed to be firmed up to require a fixed repayment period regardless of the rate of collection of development fees. It is the view of SANBAG staff that a jurisdiction that initiates an interchange project needs to be responsible for the funding of its fair share, and the terms should be as stated in VFI-23. If a jurisdiction believes that such terms are too great a hardship in any specific instance, a request for alternate terms would need to be brought before the SANBAG Board. It should be noted that if agreement is reached on the consolidation of fair share percentages for the interchange program, per response to comment FO-01, most of the concern over terms for interchange fair share loans will have been

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Jurisdiction	Comment No.	Jurisdiction Comment	SANBAG Response
			addressed.
San Bernardino County	SBC-39	POLICY VFI – Valley Freeway Interchange (pg 17-21) -3rd bullet - In addition, the Board approved language stating that *"neither SANBAG nor local jurisdictions are obligated to enter into loan agreements for these projects."* This language is also missing from this policy and needs to be included.	See response to comment SBC-38 for treatment of this issue.
San Bernardino County	SBC-40	Policy VMS-7: Like Policy VFI-5 in Freeway Interchange Program, advanced reimbursement should not be limited only to R/W phase. This should apply to large Design and Construction phase contracts when awarded.	See response to comment SBC-01
San Bernardino County	SBC-41	Policy VVPA-9: should also state that reimbursement amount will be accounted for toward a jurisdiction's fair-share allocation and not reduce allocations to other jurisdictions	See response to comment SBC-22.
San Bernardino County	SBC-42	Policy VVAE-2: This excludes projects in unincorporated areas of the Victor Valley not in spheres of influence, such as Vista Road grade sep. Language should state, "Only projects included in the Victor Valley MLH Candidate Project List and included in the most recent Board-approved version of the Development Mitigation Nexus Study as applicable for urbanized areas of the Victor Valley shall be eligible for the AE program."	Comment noted. SANBAG will make the requested revision.
San Bernardino County	SBC-43	Victor Valley Local Streets Policy VVLS-8 This will prohibit a jurisdiction from using pass-thru MI on a Nexus Study Road (like Ranchero).	This does not preclude a jurisdiction from using Local Streets funds on a Nexus Study Road; it simply states that the jurisdiction must demonstrate that the Development Fair Share Contribution to the project is accounted for in some way. See response to comment SBC-02.
San Bernardino County	SBC-44	Victor Valley Local Streets Policy VVLS-10 The same language should be used for this section as is found	Comment noted. SANBAG will revise the language to all three programs where appropriate.

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Jurisdiction	Comment No.	Jurisdiction Comment	SANBAG Response
		in Valley Local Streets Program and Rural Mountain/Desert Local Streets Program policies. Should be consistent through all 3 programs since jurisdictions are adopting a single 5 year plan for local pass-thru funds.	
San Bernardino County	SBC-45	Victor Valley Major/Local Highways Policy VVMLH-12 Should include large contracts for Environmental and Design phases as well.	See response to comment SBC-01. Advance reimbursement is proposed to apply to only large right-of-way expenditures.
San Bernardino County	SBC-46	Rural Mountain/Desert Local Street Program Policy MDLS-4 and MDLS-5 Should these also be included in the Victor Valley Local Streets policies?	This portion of the Local Streets Program will be reconciled for each Local Street Program included in the Measure.
San Bernardino County	SBC-47	Rural Mountain/Desert Major/Local highways Program Policy MDMLH-10: Should include large contracts for Environmental and Design phases as well.	See response to comment SBC-01. Advance reimbursement is proposed to apply to only large right-of-way expenditures.
San Bernardino County	SBC-48	II.B.1 - Should be II.B.2	Comment noted. SANBAG will revise.
San Bernardino County	SBC-49	Percentages in Table II-1 do not add up to 100%	The table does not include the Cajon Pass, which is a separate Expenditure Plan, but not a Measure I Subarea. See note under the table.
San Bernardino County	SBC-50	II.B.1.c - "Shelf-ready" needs to be defined for clarity. Each local jurisdiction may have a different interpretation is of what is "shelf-ready."	"A definition of "shelf-ready" will be provided in the Strategic Plan Glossary.
San Bernardino County	SBC-51	II.C.2.2 top of page II-12, should read "are: Barstow, Big Bear Lake, Needles, Twentynine Palms, Yucca Valley and the County of San Bernardino for unincorporated areas in the Mountain/Desert Subareas.	Comment noted. SANBAG will revise.
San Bernardino County	SBC-52	II.D Figure II-4 on page II-13 should be labeled Figure II-2	Figure is labeled correctly. Figure II-1 is the Subarea Map, Figure II-2 is Distribution of Measure I Revenue for Valley Programs, Figure II-3 is Distribution of Measure I Revenue for

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Jurisdiction	Comment No.	Jurisdiction Comment	SANBAG Response
			Mountain/Desert Programs.
San Bernardino County	SBC-53	II.D Should be II.E	Comment Noted. Independent Taxpayer Oversight Committee will be renumbered Section II.E
San Bernardino County	SBC-54	II.E Should be II.F	Comment Noted. Strategic Plan Updates and Amendments will be renumbered Section II.F
San Bernardino County	SBC-55	III. Measure I Strategic Plan Framework III.A 1st paragraph: Did the SANBAG Board "endorse" or did the "adopt" these principles?	The Measure I principles were "endorsed" by the Board on January 10, 2007. The item was approved on the consent calendar.
San Bernardino County	SBC-56	III. Measure I Strategic Plan Framework III.B.2.3 - "Shelf-ready" needs to be defined for clarity. Each local jurisdiction may have a different interpretation is of what is "shelf-ready."	Comment noted. SANBAG will incorporate the definition into the Strategic Plan Glossary.
San Bernardino County	SBC-57	III.B.2.4 Is the "Program Control System" only for freeway, interchange and grade seps, or does it include local arterial projects too?	The project control system only applies to interchanges, grade separations and freeway projects. It does not directly pertain to local jurisdiction arterial projects unless, as the Strategic Plan states on Page III-8, "SANBAG may participate on large arterial projects at the invitation of a local jurisdiction."
San Bernardino County	SBC-58	III.B.4 - pg III-10, Strategy 4,- 1st bullet. Many projects have to be federalized anyway. Clarity for this paragraph needed. SANBAG alternative process is still costly, so no savings can be anticipated.	As the bullet states, many projects will require SANBAG and local agencies to obtain federal environmental clearance for projects that will use federal funds for construction or are on the federal-aid highway system, but in general using "clean" local funds, such as Measure I, for project development activities provides substantially greater flexibility in the contracting and procurement process that leads to time and cost savings to the project. See also response to comment SBC-05.
San Bernardino County	SBC-59	III.B.4 - pg III-10, Strategy 4, - 2nd bullet should be "Limit the use of federal funds to…", not "on	Comment noted. SANBAG will revise.

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Jurisdiction	Comment No.	Jurisdiction Comment	SANBAG Response
San Bernardino County	SBC-60	III.B.4 - pgs III-11-12 Bulleted items need greater clarification..	Comment noted. No action to be taken.
San Bernardino County	SBC-61	SB Valley Apportionment, Allocation & Expenditure Process. IV.B.1.a - Figure IV-1 (page IV-5) Fund Expenditure, this should read "the following fiscal year." If allocations are made in March, the fiscal year ends in June, leaving a scant two months for expenditure.	Comment noted. SANBAG will revise.
San Bernardino County	SBC-62	SB Valley Apportionment, Allocation & Expenditure Process. IV.B.1.a - Figure IV-1 (page IV-5) - Step 4, pg IV-9, Jurisdiction Master Agreement, 2nd to last sentence. Should read, "Each year, or more often as needed, the Jurisdiction Master Agreement is amended..." This will allow changes to project lists and shift funds mid-year rather than having to wait until the next fiscal year if we need to. Also, it should state that SANBAG will prepare these agreements prior to July 1st unless otherwise requested by the local jurisdiction to insure that funds will be available July 1st in the next fiscal year.	See paragraph 2) of SANBAG's response to comment SBC-01. A jurisdiction has the flexibility to expend funds on any project in the first two years of its CPNA. This should address the concern. In addition, SANBAG will add language to the Step 4 – Expenditure Section of the Strategic Plan to state that both the Project Funding Agreement and the Jurisdiction Master Agreement will be prepared prior to July 1 each fiscal year. There is, however, a distinction between having the agreement prepared and having the agreement approved by both governing bodies. If substantive discussion results in the delayed approval of either agreement by either the Board of Directors or the local jurisdiction Council/Board, the timely receipt of funds may be delayed.
San Bernardino County	SBC-63	Valley Local Street Program IV.B.3.a 2nd to the last sentence, Should read "Local Streets Project funds shall be disbursed monthly...." To clarify that disbursements are not done on an annual basis.	Comment Noted. Policy VLS-3 covers this point: "The Local Streets allocation shall be remitted to local jurisdictions monthly."
San Bernardino County	SBC-64	Valley Freeway Program IV.B.4.b - pg IV-19, 2nd paragraph, states "A set of policies was also developed to provide direction for allocation of State and federal funds for Valley programs. These policies are documented in Section IV.B.1." There is no language in Section IV.B.1 addressing	Comment Noted. SANBAG reference will be stated to Policy VS-21 through VS-29, which are the policies providing guidance on the use of State and Federal funds for Measure I 2010-2040.

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Jurisdiction	Comment No.	Jurisdiction Comment	SANBAG Response
		allocation of State and federal funds. Probably it should be III.B.1.	
San Bernardino County	SBC-65	Valley Freeway Program IV.B.4.b - pg IV-19, - pg IV-21 Revenue, 2nd paragraph. This states that 100% of all State and federal funds will go to Freeway program, except those already committed to certain interchanges and grade separations. Compare with Freeway Interchange program, pg IV-28, IV.B.5.b, Financial Analysis, 2nd paragraph, it sounds like Interchange Program will still need State and federal funds to be fully funded. Is there a contradiction here?	Policy direction from the Major Projects Committee was provided on this point at the September 2008 MPC meeting. Opportunity will still exist for some State and federal funding for interchanges and grade separations through earmarks, STIP funding, or other initiatives by the State or federal governments, such as the Proposition 1B bond initiative. It is difficult to predict the source of such funding over the next 30 years, but SANBAG and local jurisdictions will aggressively pursue opportunities consistent with this policy.
San Bernardino County	SBC-66	Valley Freeway Interchange Program	See comment under IV.B.4.b above.
San Bernardino County	SBC-67	VV Major Local Highways Program IV.C.1.a 2nd paragraph, last sentence should read "Local Streets Project funds shall be disbursed monthly . . ." to clarify that disbursements are not done on an annual basis.	Comment Noted. Policy VVLS-3 covers this point: "The Local Streets allocation shall be remitted to local jurisdictions monthly."
San Bernardino County	SBC-68	VV Major Local Highways Program IV.C.2.c Program Policies should be IV.C.2.d	Comment noted. SANBAG will make the requested revision.
San Bernardino County	SBC-69	VV Major Local Highways Program IV.C.2.d Implementation Actions should be IV.C.2.e	Comment noted. SANBAG will make the requested revision.
San Bernardino County	SBC-70	VV Senior and Disabled Transit Program IV.C.3.a 1st paragraph, "Such increases shall automatically occur unless each local jurisdiction within the subarea makes a finding . . . ." Does this mean one or more jurisdictions could opt out or does it mean that all jurisdictions must make the finding?	See response to comment VV-18 and VVTA-01

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Jurisdiction	Comment No.	Jurisdiction Comment	SANBAG Response
San Bernardino County	SBC-71	Rural Mountain/Desert Local Street Program IV.D.1.a 2nd paragraph, last sentence should read "Local Street Project funds shall be distributed monthly . . ." to clarify that disbursements are not done on an annual basis.	Comment Noted. Policy MDLS-3 covers this point: "The Local Streets allocation shall be remitted to local jurisdictions monthly."
San Bernardino County	SBC-72	Rural Mountain/Desert Senior and Disabled Transit Program IV.D.3.b Total figure in chart should be $24,420,000	Comment noted. SANBAG will revise the table to make the necessary correction.
San Bernardino County	SBC-73	POLICY VS – Valley Subarea (pg 1-4) III."d" & "e" Should specify the type of programs as it does in Part I, e.g. Jurisdiction Master Agreement for arterial projects and Project Funding Agreement for Interchange and grade sep projects?	The definition for the Jurisdiction Master Agreement identifies it as the proper agreement for the Arterial Sub-program. SANBAG will add language to the definition covering the Project Funding Agreement to state that it applies to interchange and grade separation projects.
San Bernardino County	SBC-74	POLICY VS – Valley Subarea IV.B There are duplicate IV.B's. The sections will have to be renumbered.	Comment noted. SANBAG will revise.
San Bernardino County	SBC-75	Advance Expenditure V.A. General Policies –Policy AE-2. Please clarify "most recent Board-approved version of the Development Mitigation nexus Study"	The "most recent Board-approved version of the Development Mitigation Nexus Study" could also be considered the current Board-adopted version of the Nexus Study. Previous versions of the Nexus Study that have been superseded by a more recent Nexus Study update do not apply. Similarly, projects included in proposed revisions to the Nexus Study will not apply until they have been approved by the Board of Directors.
San Bernardino County	SBC-76	POLICY VLS – Valley Local Streets (pg 9-14) D. Ineligible expenses – 7- Clarify this work outside right of way	This is determined as an ineligible expenditure for purposes of using State Gas Tax subventions. SANBAG has included the list of ineligible expenditures verbatim. These are also the currently adopted Local Street Program policies for Measure I 1990-2010 approved by the Board of Directors.
San	SBC-77	POLICY VLS – Valley Local Streets (pg 9-14)	This is determined as an ineligible expenditure for purposes of

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Jurisdiction	Comment No.	Jurisdiction Comment	SANBAG Response
Bernardino County		D. Ineligible expenses – 9- County has some cattle guard crossings in rural area and should be eligible if part of road project	using State Gas Tax subventions. SANBAG has included the list of ineligible expenditures verbatim. These are also the currently adopted Local Street Program policies for Measure I 1990-2010 approved by the Board of Directors.
San Bernardino County	SBC-78	POLICY VLS – Valley Local Streets (pg 9-14) Ineligible expenses – 12- clarify	This is determined as an ineligible expenditure for purposes of using State Gas Tax subventions. SANBAG has included the list of ineligible expenditures verbatim. These are also the currently adopted Local Street Program policies for Measure I 1990-2010 approved by the Board of Directors. See Policy VLS-8 (c) Overhead, for a discussion of permissible expenditures relating to salaries and other non-construction or non-maintenance expenses.
San Bernardino County	SBC-79	POLICY 4000 VFI – Valley Freeway Interchange (pg 17-21) IV. J Clarify "support costs." Should be as noted in approved SANBAG policy F "Exclude project management costs, with exception of construction support costs"	Reference to policy F in the comment is unclear. Policy VFI-29 states that project oversight costs with the exception of construction support costs are ineligible expenses. Project oversight costs refer to costs for general staff time used to oversee a project's development and implementation activities.
San Bernardino County	SBC-80	POLICY VFI – Valley Freeway Interchange (pg 17-21) IV. K Policy VFI-30 – add "unless approved"	Comment Noted. See response to comments ON-07, ON-09, and SBC 14.
San Bernardino County	SBC-81	POLICY VFI – Valley Freeway Interchange (pg 17-21) IV. L Policy VFI-34 – should also be per nexus percentages	SANBAG's project management cost is considered a project oversight cost, as it is staff time to oversee the project development of a project, not to produce a deliverable. As such it is a cost that is ineligible for reimbursement per Policy VFI-29.
San Bernardino County	SBC-82	Rail/Highway Grade Separation Sub-program V.I 2nd bullet: How are "project oversight costs" defined? Shouldn't this say "project management costs" to be consistent with the Board adopted guidelines (Attachment 1 in August 6, 2008 agenda, Item#7)	This language is consistent with the language included in Policy VFI-29 of the Valley Freeway Interchange Program. The term project oversight costs was used in the preparation of the Strategic Plan to differentiate staff and general project oversight costs that are not part of a specific project deliverable, as in PA&ED documents, from project management costs associated with a project deliverable.

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Jurisdiction	Comment No.	Jurisdiction Comment	SANBAG Response
			Project management, consultant or non-consultant that is required as part of a project deliverable is an eligible expenditure.
San Bernardino County	SBC-83	Rail/Highway Grade Separation Sub-program V.K Policy VMS-25: Under what conditions will SANBAG decide to assume project management responsibilities? These are specified in the Freeway Interchange Program under policy VFI-31, but not here. Do the same apply?	The intent of Policy VMS-25 is to provide the same conditions for project management as Policy VFI-31 of the Valley Freeway Interchange Program with the exception of bullet 3. SANBAG will revise as noted.
San Bernardino County	SBC-84	POLICY VSDT – Valley Senior and Disabled Transit (pg 34-36) IV.C Policy VSDT-5: Since LTF comes from actual sales tax collected, shouldn't maintenance of effort be determined based upon changes in statewide sales tax revenues year to year rather than consumer price index? This is indirectly suggested in Policy VSDT-6 (a)(2).	The sales tax has both a component of regional growth (positive or negative) as well as inflation. The maintenance of effort should be pegged to the inflation rate.
San Bernardino County	SBC-85	Policy VTMS – Valley Traffic Management Systems VI should be V.	Comment noted. SANBAG will revise.
San Bernardino County	SBC-86	VV Local Streets (pg. 42-48), IV.A. Last paragraph in section states "will occur automatically unless each local jurisdiction within the subarea makes a finding . . ." Does this mean one or more jurisdictions could opt out or does it mean that all jurisdictions must make the finding? Language should be clarified.	See response to comment SBC-70, VV-18 and VVTA-01
San Bernardino County	SBC-87	POLICY VVMLH – VV Major Local Highways (pg 49-53) IV.A Policy VVMLH-6: Should be consistent with SB Valley Fund apportionment Policy VS-14 which states "the SANBAG Board of Directors	Comment noted. SANBAG will revise language to make consistent with the Valley fund apportionment language. For the second part of the comment, see response to comment SBC-21.

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Jurisdiction	Comment No.	Jurisdiction Comment	SANBAG Response
		shall apportion funds by its February meeting...," not "In approximately February each year, the SANBAG Board shall apportion…" as written in this policy. In the VV Major Local Highways Program Description in Part 1, item IV.C.2.a, Step 1, the first paragraph states that the CPNA is the principal tool used to determine project and program funding needs, which implies that other tools can be used, but the CPNA is the principal one. Yet, Policy VVMLH-5 restricts project and programming funding need tools to the CPNA. Policy VVMLH-5 needs to be modified to reflect that there is more than one programming tool for consistency with item IV.C.2.a.	
San Bernardino County	SBC-88	VV Senior and Disabled Transit Policy VVSDT-2: See comment on VV Local Streets IV.A above.	See response to comment SBC-70, VV-18 and VVTA-01
San Bernardino County	SBC-89	VV Traffic Management Systems: IV.C Policy VVTMS-6: Should state "in March of each year…" instead of "in approximately March of each year…" to be consistent with SB Valley Appropriation and Allocation language.	Comment noted. SANBAG will revise language to make consistent with the Valley fund apportionment language.
San Bernardino County	SBC-90	Rural Mountain/Desert Local Streets (pg 60-66) IV.A Shouldn't Policy MDLS-4 and MDLS-5 also be included in the Victor Valley Local Streets policies?	Comment noted. SANBAG will revise the Local Street Program language for all Local Street Programs to maintain consistency.
San Bernardino County	SBC-91	Rural Mountain/Desert Local Streets (pg 60-66) IV. Policy MLDS-17 should be a new paragraph. And #2 and #3 should be separate policies to be consistent with SB Valley and VV Valley Local Street Policies.	Comment noted. SANBAG will revise the comment numbers and provide the proper paragraph structure.
San Bernardino County	SBC-92	Rural Mountain/Desert Major Local Highways (pg 67-70) Policy MDMLH-2 (c): should state "Allocations may serve . .	The language approved by the Board as part of the Rural Mountain/Desert Issue paper uses the word "should." SANBAG will revise the language to change the word "shall"

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Jurisdiction	Comment No.	Jurisdiction Comment	SANBAG Response
		." not "Allocations shall serve. . ."	to "should" in Policy MDMLH-2 (c).
San Bernardino County	SBC-93	POLICY MDSDT – Rural Mountain/Desert Senior and Disabled Transit (pg 71-73) IV.B B (2) (b) 2nd line, Program I, typo	Comment noted. SANBAG will make the requested revision.
San Bernardino County	SBC-94	POLICY MDTMS – Rural Mountain/Desert Project Development & Traffic Management Systems (pg 74-75) IV.C Policy MDTMS-6: Should state "in March of each year…" instead of "in approximately March of each year…" to be consistent with SB Valley Appropriation and Allocation language.	Comment noted. SANBAG will revise language to make consistent with the Valley fund apportionment language.
Highland	HI-01	Please revise Figure IV-5 to include the list of arterial projects currently included in Highland's Nexus Study project list (List of projects contained in the letter dated January 26, 2009).	SANBAG will make the requested revision.
Highland	HI-02	San Bernardino Subarea Policies Definitions: Project Funding Agreement – Modify to read "An agreement for and interchange or grade separation project between SANBAG and a local jurisdiction.	See response to comment SBC-73.
Highland	HI-03	Policy VS-1: Add reference to Policy VS-3 regarding time-value of money.	Comment noted. SANBAG will add the cross-reference to Policy VS-3, which specifies the methodology for calculating the time-value of money.
Highland	HI-04	Policy VS-3: What is the base year for calculation of the time-value of money? Suggest adding a sample calculation in Part I of the Strategic Plan to illustrate how the time-value of money is determined.	The base year for the calculation of the time-value of money will be 2010, when the Measure begins. SANBAG staff does not anticipate including a sample of the time-value of money calculation in the Strategic Plan, but can provide samples of the calculation at a future TAC meeting and as necessary in the future for apportionment and allocation decisions by the Board of Directors.
Highland	HI-05	Policy VS-4: This policy sounds like local jurisdictions are	Policy VS-4 is intended to provide the general blanket policy

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Jurisdiction	Comment No.	Jurisdiction Comment	SANBAG Response
		involved in submittal of CPNAs for "all" programs, which is not consistent with Policy VS-6. Please clarify.	authorizing CPNA preparation for all programs of the Measure. Policies VS-5 and VS-6 provides the specificity with regards to which agency prepares the CPNA for specific Measure I programs. SANBAG will revise to provide additional clarity.
Highland	HI-06	Valley Project Advancement and Advance Expenditure Policies Policy PA-8: Suggest language – ". . . public share of either the Nexus Study project cost or actual cost, whichever is less."	Comment noted. SANBAG will revise.
Highland	HI-07	Policy PA-11: Replace "contractor" with "contractor/consultant" in two places.	Comment noted. SANBAG will revise.
Highland	HI-08	Policy AE-9 and AE-10: Policy AE-9 indicates the amount of reimbursement is determined by the project cost in the Nexus Study, but Policy AE-10 indicates the amount of reimbursement is also limited by the actual cost. Suggest combining the two policies into one policy to avoid and inconsistency. Limiting the amount of reimbursement for an interchange project to the project cost listed in the Nexus Study prevailing at the time the Advance Expenditure Agreement is approved is too huge of a risk for a local jurisdiction to take if the Agreement is for the PSR or PA&ED phases of the project. This is because the project cost listed in the Nexus Study could be significantly less than the actual project cost, and the local jurisdiction often does not have a relatively good project cost estimate until it has completed the PA&ED phase or the PSR phase of the project. The Advance Expenditure Agreement for the PSR or PA&ED phases of an interchange project should not limit the amount of reimbursement, and that only the Agreement for construction would limit the amount of reimbursement to that listed in the Nexus Study that is prevailing at the time the Agreement for	Policy AE-10 includes all of the pertinent information required. Policy AE-9 is less specific and should be deleted. SANBAG will revise. Policy AE-10 is designed to protect the Measure from lower priority projects being delivered over-budget. SANBAG in the Spring update of the Nexus Study is planning to include standardized percentages of the total project cost for PSR, PA&ED and PS&E phases of a project. It is reasonable to limit the Advance Expenditure Agreement (AEA) to standardized percentage of total project cost listed in the current Board-adopted Nexus Study in force at the time the AEA is executed. The AEA would be amended by phase as new cost information is available, similar to process provided in the Project Funding Agreement. SANBAG will revise the AE policies to reflect the response above.

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		construction is approved.	
Highland	HI-09	Policy AE-12: First bullet point – Suggest language ". . . project costs incurred after April 5, 2006 but prior to the commencement of Measure I 2010-2040 . . ."	Comment Noted. SANBAG will revise.
Highland	HI-10	Valley Local Street Program Policies Policy VLS-8: Include environmental studies and mitigation, design, right-of-way acquisition and project management as part of eligible expenditures.	SANBAG has included the list of eligible and ineligible expenditures verbatim from the State Guidelines Relating to Gas Tax Expenditures. These are also the currently adopted Local Street Program policies for Measure I 1990-2010 approved by the Board of Directors. All of the improvements mentioned are consistent with the Gas Tax Guidelines.
Highland	HI-11	Valley Local Street Program Policies Policy VLS-8 7) Add "installation of new culvert".	SANBAG has included the list of eligible and ineligible expenditures verbatim from the State Guidelines Relating to Gas Tax Expenditures. These are also the currently adopted Local Street Program policies for Measure I 1990-2010 approved by the Board of Directors. If the new culvert is required as part of a new transportation improvement or requires reconstruction as part of a transportation improvement then this type of expenditure is eligible. However, if the new culvert is not related to transportation improvement then this project would not be eligible.
Highland	HI-12	Valley Local Street Program Policies Policy VLS-8 25) Replace "major signs" with "signs"	SANBAG has included the list of eligible and ineligible expenditures verbatim from the State Guidelines Relating to Gas Tax Expenditures. These are also the currently adopted Local Street Program policies for Measure I 1990-2010 approved by the Board of Directors.
Highland	HI-13	Valley Local Street Program Policies Policy VLS-9: 13) Add to the end of sentence ". . .except required for proper transition to new street profile."	SANBAG has included the list of eligible and ineligible expenditures verbatim from the State Guidelines Relating to Gas Tax Expenditures. These are also the currently adopted Local Street Program policies for Measure I 1990-2010 approved by the Board of Directors.

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Highland	HI-14	Valley Freeway Interchange Program Policies Policy VFI-2 Third Sentence – Replace "the intent of Policy VFI-2 can be achieved" with "the following intents can be achieved."	The reference was to have referred to Policy VFI-3. SANBAG will make the correction to refer to Policy VFI-3.
Highland	HI-15	Valley Freeway Interchange Program Policies Policy VFI-7: Replace "contractor" with "contractor/consultant" in two places.	SANBAG will make the requested revision.
Highland	HI-16	Valley Freeway Interchange Program Policies VFI-11: Replace "private share" with "private (development) share." Also, comment only: involve local agency in updating interchange construction cost estimates.	SANBAG will revise the term "private share" to read "development share" to be consistent with the definitions established in Section III: Definitions of Policy VFI. To address the second comment, the SANBAG Development Mitigation Nexus Study updates are always prepared in collaboration with local jurisdiction staff. It is important that all parties involved with implementation of the Development Mitigation Program be comfortable with the design scope and costs included in the document.
Highland	HI-17	Valley Freeway Interchange Program Policies Policy VFI-12: Replace "fair share collection" with "development fair share collection." Allowing adding new freeway interchange projects to the Nexus Study project list if the sponsoring agency provides a comparable reduction in the public share by eliminating other interchanges or arterial projects	SANBAG will revise Policy VFI-12 to replace "the fair share collection" with "the local jurisdiction's development share contribution" to be consistent with the terminology established in Section III: Definitions of Policy VFI. The proposed recommendation unfortunately would not work according to the Measure I Ordinance. The Ordinance establishes percent shares by program for the San Bernardino Valley that at the end of the Measure must be achieved. Therefore, jurisdictions could not add additional interchange cost by reducing the public share burden in the arterial program because that would result in the Valley Freeway Interchange Program receiving a greater allocation of funding than established under the Ordinance. If, however, local jurisdictions wish to amend the Expenditure Plan, the

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			Ordinance provides provisions for doing so beginning in 2015. For an overview of the Amendment Process for the Measure I Ordinance refer to Page 4 of the Ordinance.
Highland	HI-18	Valley Freeway Interchange Program Policies Policy VFI-13: The policy indicates that initiation of an interchange project by SANBAG to facilitate delivery of a freeway project does not waive any requirements for local jurisdictions to provide the development share of the interchange project cost. However, since the interchange project referred to in this policy is not initiated by a local jurisdiction, and the local jurisdiction may not be prepared to provide the required matching development share for the SANBAG-initiated project, this policy should include language as to "when" the local jurisdiction is required to provide the matching development share. There should be more discussion on this topic.	See response to comments SBC-35 and SBC-37.
Highland	HI-19	Valley Freeway Interchange Program Policies Policy VFI-14: Change reference to funding allocation from Policy VFI-13 to Policy VFI-2.	This is a more detailed discussion of interchange prioritization. The subset of interchanges that require construction as part of the mainline widening will receive funding priority. This is established in Policy VFI-13. Policy VFI-14 provides the mechanism for allocation to all other interchanges. The reference to Policy VFI-13 is warranted.
Highland	HI-20	Valley Freeway Interchange Program Policies Policy VFI-17: The Project Funding Agreement for <u>one</u> phase of a project should only require the local jurisdiction to commit to providing the development share for the same phase but not for <u>all</u> phases of the project.	Local jurisdictions must be prepared to make a commitment of development share contributions to an interchange or grade separation project up front for the entire project as part of the initial Project Funding Agreement. If SANBAG were to make allocations of funding to the less expensive PA&ED and PS&E phases of a project without the jurisdiction's commitment to fund the development share of subsequent phases, SANBAG would be forced into a situation where it would be required to either issue loans to cover the development share of a project or to allow the documents to grow stale, resulting in additional future costs to the Measure to make the necessary updates. To avoid either scenario, the Project Funding Agreement requires

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			the upfront commitment to provide the development share. If a jurisdiction is unwilling or unable to make such a commitment upfront, SANBAG will recommend funding a lower priority interchange with a lead agency that is willing to make the commitment.
Highland	HI-21	Valley Freeway Interchange Program Policies Policy VFI-23: Clarify that the project for which a local jurisdiction requests loans from SANBAG for the development share should be a project ready for allocation of Measure I funds by the SANBAG Board pursuant to project priority referred to in Policy VFI-2. Also clarify whether the loans from SANBAG will come out of the same Valley Freeway Interchange Program.	It is implicit in the policy that a jurisdiction seeking a loan to cover the development share of a project is not ready for an allocation of Measure I funds. If the project were not ready, there would be no allocation of Measure I required. Policies VFI-13 through VFI-15 cover the Valley Freeway Interchange Prioritization for the program. A reference to these policies will be made to address the second part of the comment. Finally, the loans of Measure I could come from a number of Measure I programs depending on the cash-flow needs of other programs and the desire of the Board of Directors to cash-flow borrow to cover loans of development share. Limiting loans of Measure I to only one source, such as the Valley Freeway Interchange Program could limit the ability of the Board of Directors to engage in such loans.
Highland	HI-22	Valley Freeway Interchange Program Policies Policy VFI-24, 25 and 26: Replace "credit agreement" with "credit agreement/arrangement."	The connotation associated with the use of the word "arrangement" is that it is something less formal than a credit agreement. Any credit provided to a developer should take the form of a formal credit agreement, so that documentation can be provided to substantiate costs/expenditures as required by Policy VFI-26.
Highland	HI-23	Valley Freeway Interchange Program Policies Policy VFI-29: Delete the entire second bullet point. Doesn't SANBAG use consultants to oversee freeway interchange and other major projects? Project oversight costs should be eligible for reimbursement from the Valley Freeway Interchange Program.	In the past, the SANBAG General Consultant has provided oversight services for certain interchanges at no cost to the local jurisdictions. This policy is changing with the new Measure, per Policies VFI-32 and VFI-34. This cost was not viewed to be part of the Nexus Study cost buildup, and the oversight costs are being treated consistently regardless of whether oversight is being provided by SANBAG, local

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			jurisdiction staff, or a consultant hired to represent staff. If such costs are reimbursed, the total amount available for construction of the full complement of interchanges will be reduced.
Highland	HI-24	Valley Freeway Interchange Program Policies Policy VFI-30: The policy indicates that local jurisdictions are fully responsible for all construction cost overruns in excess of the construction bid amount and reasonable contingencies. This is not a logical requirement and will put an undue burden on the local jurisdiction. Will SANBAG be fully responsible for all construction cost overruns if the interchange project is initiated by SANBAG in conjunction with a freeway project? As long as the scope of the interchange project is included in the Project Funding Agreement, the final construction cost, including any cost overrun, should be shared between SANBAG and the local jurisdiction pursuant to the Agreement.	Current SANBAG policy is to allow up to 10 percent contingency in construction contracts. The wording in this policy will be modified from reference to "reasonable contingencies: to "contingencies up to 10 percent of the construction bid." See response to comments ON 05 and ON 06 regarding changes in project scope.
Highland	HI-25	Valley Major Street Program Policy VMS-25: Second bullet point – editing comment ". . . to manage the project and the request is . . ."	SANBAG will revise Policy VMS-25 to be consistent with the similar policy contained in Policy VFI-31.
Highland	HI-26	Valley Major Street Program Policy VMS-30: Change "Table 1" to "Table IV-4 in Part 1 of the Strategic Plan."	SANBAG will make the requested revision.
Highland	HI -27	Valley Major Street Program Policy VMS-33: It would be helpful to provide an example in Part 1 to illustrate how the time-value of money adjustment will be made.	See response to comment HI-04.
Highland	HI-28	Valley Major Street Program Policy VMS-40: Amend second sentence to indicate that the documentation will be regularly provided to local jurisdictions	SANBAG will amend the comment to include both annual reporting and on a request basis.

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		as it is reported to appropriate policy and technical committees and on a request basis if the local jurisdiction requests the information prior to the scheduled timeline of the regular reporting period.	
Highland	HI-29	Valley Major Street Program Policy VMS-44: Replace "contractor" with "contractor/consultant" in two places	See response to comment HI-15
Highland	HI-30	Valley Major Street Program Policy VMS-48: Delete the second bullet point. All project-related costs should be eligible for reimbursement from the Arterial Sub-program up to the amount available for reimbursement pursuant to other program policies.	See response to comment HI-23.
Highland	HI-31	Valley Major Street Program Policy VMS-51: Change the second sentence to read "The internal accounts shall be reimbursed by development mitigation account as development occurs."	SANBAG will make the requested revision.
Highland	HI-32	Valley Major Street Program Policy VMS-54, 55 and 56: Replace "credit agreement" with "credit agreement/arrangement."	The connotation associated with the use of the word "arrangement" is that it is something less formal than a credit agreement. Any credit provided to a developer should take the form of a formal credit agreement, so that documentation can be provided to substantiate costs/expenditures as required by Policy VMS-55.
Victor Valley Transit Agency	VVTA-01	Policy VVSDT – 2 – In reference to the .5% increase every 5 years, couldn't VVTA end up with different %'s from each jurisdiction?	The Measure I Ordinance apportions funding to the Senior and Disabled Transit program in the Victor Valley based on the revenue of the entire subarea. Additionally, the Ordinance states that the increase of 0.5% will occur automatically unless each jurisdiction makes a finding that such an increase is not required to meet the unmet transit needs.
Victor	VVTA-02	Policy VVSDT – 3 – Fare subsidies can be used for fare	Yes, VVTA could do one or the other or both. If used to offset

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Valley Transit Agency		stabilization or for fare subsidy. VVTA would have to take away some Measure I funding of ADA expenses if it uses these same funds to offset any increases. If the funds were used to offset fare increases it would benefit the fare box recovery ratio.	fare increases it would benefit the fare box recovery.
Victor Valley Transit Agency	VVTA-03	Policy VVSDT – 3 - Service and Capital Subsides Section (a) states that these funds may be used to support existing, new, expanded or enhanced transportation services. Isn't this in conflict with any fare subsidy?	Yes, this would be in conflict. The decision will have to be made at the subarea level on how they would most benefit by using those funds.
Victor Valley Transit Agency	VVTA-04	Policy VVSDT – 3 - Service and Capital Subsides Section (b) states the percentage of Senior and Disabled funds used to support operating expenses cannot exceed the percentage of elderly and persons with disabilities carried by the system in the fiscal year proceeding the year in which the annual operating budget is prepared. How will the agency calculate that figure?	Accurate data collection must be ensured, and in the current data collection system, Transtrack, this information is collected by passenger fare type and service type.
Victor Valley Transit Agency	VVTA-05	Policy VVSDT – 3 - Service and Capital Subsides Section (c) states these funds may be used to support social service agency transportation provided service is coordinated with VVTA. What is considered coordination? Could/should coordination require $'s from social service agencies?	The definition of coordination could mean that a local match is required, the question then becomes, if there is a requirement for a local match, should that be consistent for all subareas? This is a decision that would have to be made at the subarea(s) level. Currently, we do offer funding for programs that do not require a match. We will need further discussion on this.
Victor Valley Transit Agency	VVTA-06	Policy VVSDT – 5 – Calculating maintenance of effort Will SANBAG supply the Los Angeles, Riverside and Orange Counties area Consumer Price Index?	Yes, SANBAG will supply CPI information.
Victor Valley Transit Agency	VVTA-07	Policy VVSDT – 7 Allocation of VV Subarea Funding These funds may be allocated to other entities providing transportation services provided those services are coordinated	Language will be added to state that funds spent on any new or additional projects should ensure that projects do not duplicate projects or programs that VVTA is currently providing. In addition, any additional projects identified would need to be

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		with VVTA, can that be clearer?	included in VVTA's yearly budget and short range transit plan.
Victor Valley Transit Agency	VVTA-08	Policy VVSDT – 9 Disbursement of funds VVTA will always be one quarter in arrears?	Yes.
Victor Valley Transit Agency	VVTA-09	Policy VVSDT – 10 – Disbursement of funds Do social service agencies get their own disbursements?	SANBAG's preference is for funds to flow through VVTA – this would help to ensure coordination with the local jurisdictions and such programs should be incorporated into VVTA's 5 year SRTP. VVTA will not be provided additional administrative funds for these coordination activities.
Omnitrans	OMNI-01	Policy VSDT – 3 Can Omnitrans operate as the CTSA in the service area?	SANBAG released an RFP for the design of a CTSA in the Valley on January 7th. In the Scope of Work there are various governance options that will be considered. Omnitrans will participate in the oversight of the study, but SANBAG initiated this work with no preconceived CTSA solution in mind.
Omnitrans	OMNI-02	Policy VEB – 12 – Funds allocated for capital items and documentation of progress payments This basically squeezes Omnitrans on the cash management on the progress payments. Why wouldn't invoice presentation suffice on those items as it does on capital items?	If we don't handle payment after the fact or in progress payments as proposed, then we would have to require a specific audit of the funds advanced. Even with progress payments, we would expect that to be backed by "documentation" which would be contractor invoices.
Omnitrans	OMNI-03	Policy VEB – 13 - Operating expenses disbursed quarterly in arrears. Omnitrans would prefer not to wait until final quarterly numbers on operating expenses and passenger revenue are available each quarter. Could we use estimates with a truing up on the prior quarter?	This is similar to the prior comment in that if payment is not after the fact, specific audit requirements would need to be developed and implemented. We can discuss that as an option.
Victorville	VV-01	Language should be added to explain that contributions from new development may include redevelopment agency funds or other funds generated by new development or redevelopment (with more intensive uses) as determined by the local agency. There is a nexus between traffic impacts to roads and	It is the opinion of SANBAG staff and SANBAG counsel that Redevelopment Agency funds cannot be used as a substitute for a local jurisdiction's development fair share mitigation responsibility. It should be noted that the policies in the Strategic Plan do allow for money to be borrowed by local

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		redevelopment agency funds. For vacant land, new development has a clear nexus to traffic impacts. This issue was raised in the January 20, 2009 Mountain/Desert Committee meeting and should be addressed in the Strategic Plan. If it is SANBAG staff's opinion that redevelopment agency funds should not be eligible to pay for the development fair share, the opinion should be in writing. The local agencies should have enough time to respond to this opinion for Board consideration prior to the scheduled approval of the Strategic Plan on April 1, 2009.	agencies from any source in their control (i.e. redevelopment funds) to fund the development fair share for projects that require them; however, the policy further requires that the source of these loans be repaid once development occurs and fees are collected. (See Policies VVLS-9 and VVMLH-10). In regards to a written opinion, SANBAG counsel is working on a written opinion specific to this point and that written opinion will be made available upon its completion.
Victorville	VV-02	Victor Valley Local Streets Program Policy VVLS-2: This policy gives SANBAG more control than is in the Measure I Ordinance or current Measure I policies. The language should be revised to read that the SANBAG Board may withhold the allocation of funds if an agency failed to submit their annual update to the Five Year Plan.	In the Expenditure Plan that was included as Exhibit A of the Measure I Ordinance there is language that addresses this point. Specifically Subsection C of the Mountain/Desert Expenditure Plan Section states: "Local Street Project funds shall be disbursed to local jurisdictions upon receipt of the annually adopted Five Year Plan." This language is the basis for Policy VVLS-2 as drafted.
Victorville	VV-03	Victor Valley Local Streets Program Policies VVLS-6,7,8,9 and 10e	See Response to Comment SBC-02
Victorville	VV-04	Victor Valley Local Streets Program Policies VVLS-10(c) and 10(d): The 50% requirement should be for the entire five year CIP and not hold for each year individually. The City routinely will program a slurry seal or an overlay project that may exceed the 50% requirement for a particular fiscal year. Giving more flexibility on this requirement is important to avoid audit problems in unnecessarily naming large numbers of streets and limits.	SANBAG is committed to the recommendation that the 50% requirement be applied annually. Allowing the audit requirement to be over a five year period and not each year could cause an increasing deficit that would need to be made up each year and create an unnecessarily difficult auditing challenge. The audit would have to annually calculate each agencies' required program category percentage to meet the five year test. The requirement for the 50% requirement is consistent with current practice and allows SANBAG to demonstrate and audit that the intent of the measure is being met.
Victorville	VV-05	Victor Valley Local Streets Program	This amount is doubled from the amount approved as part of the current Measure I policies.

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		Policy VVLS-11: Where does the $100,000 come from? This seems too low.	
Victorville	VV-06	Victor Valley Local Streets Program Policies VVLS-13 and 14: Eligible and Ineligible Expenditures Are those the same eligible and ineligible expenditures under the current 1990-2010 Measure I or are there proposed changes? The requirements should be identical to those for State Gas Tax expenditures.	These rules are identical to the current Measure I regulations and are based on those used for State Gas Tax expenditures.
Victorville	VV-07	Victor Valley Local Streets Program Policy VVLS-19: The current requirement to have contractor's invoices separate the cost for a road project by streets and limits to comply with audit requirements should be removed. It is unnecessary, impractical and very difficult to comply with. In the bid schedules for projects involving multiple streets, the items are all combined for AC paving, road base, etc. Bid items are not separated by streets and limits.	The Policy does not specifically require that type of separation though this has been the practice in some instances with the current Measure. Staff will work with agencies to develop an appropriate way to reduce paperwork while still maintaining SANBAG's ability to audit appropriately as required by the Measure.
Victorville	VV-08	Victor Valley Major Local Highway Program The list of candidate projects should be included. Fig. IV-9 should be deleted. It does not clearly show the projects and emphasizes I-15 and the State highways.	A list of the candidate projects as approved by the Mountain/Desert Committee and the Board will be added. Figure IV-9 will either be changed to more clearly reflect the candidate projects or will be removed.
Victorville	VV-09	Victor Valley Major Local Highway Program Policy VVMLH-2d: The following should be added: "Based on a recommendation of the Victor Valley Subarea group and Mountain/Desert Committee."	This will be changed to read: "Allocations shall be made to projects from candidate project lists developed according to Policy VVMLH-3." Policy VVMLH-3 spells out the role of the Victor Valley subarea and the Mountain/Desert Committee.
Victorville	VV-10	Victor Valley Major Local Highway Program	Change will be made as noted in comment.

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		Policy VVMLH-2f: "Major Improvements" should be changed to "projects."	
Victorville	VV-11	Victor Valley Major Local Highway Program Policy VVMLH-3: Reference should be made to the approved project list. Language should indicate that the master project list will be prepared by the Victor Valley Group members. Who are the stakeholders?	No reference was made to an "approved" project list because that list can change over time. The policy as written makes it clear that it is the SANBAG Board on the recommendation of the Victor Valley subarea and then the Mountain/Desert Committee that determines the candidate project list. While currently there is a list, that list might change over time. The current list will be in the narrative section, but the policy section establishes the rules and needs to be independent of any changes over time. The term "stakeholders", refers to any other organization that may have valuable input on transportation projects in the region. That might include Caltrans, neighboring counties, Transit agencies and federal agencies. At this point in time we can't predict all possibilities and thus we must use some flexible language to keep options open.
Victorville	VV-12	Victor Valley Major Local Highway Program Policy VVMLH-4: The time value of money would relate better to the Caltrans Price Index for Highway Construction Items than the Consumer Price Index. Most of the expenditures will be on construction.	The goal of accounting for the time value of money is to help achieve parity in each jurisdiction's share of the revenue raised by Measure I. Measure I is a sales tax, the value of which is most directly affected by the Consumer Price Index. In addition, the Measure I revenue is used for transit and transportation programs that are not directly affected by measures of construction cost.
Victorville	VV-13	Victor Valley Major Local Highway Program Policy VVMLH-5: The Capital Projects Needs Analysis (CPNA) should require the minimum amount of information necessary to allocate the MLHP funds in the Mountain/Desert Region to make the process as streamlined as possible.	SANBAG will require the amount of information necessary to provide policy makers the information they need and request to make adequate apportionment decisions.
Victorville	VV-14	Victor Valley Major Local Highway Program Policy VVMLH-6: The timing of allocation of MLHP funds should be flexible to facilitate the delivery of projects. For	It is important for the Board to make allocation decisions within the context of all funding requests. Making a decision on a project outside of the normal process used by every other project gives policy makers an incomplete picture on which to

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		example, say a project needs to get authorization to proceed with construction by September, has not received an allocation from the previous year and would have to wait until March the next year for SANBAG Board approval. This would delay the project six months. There should be an amendment process to allow for changes from time to time through the year.	base their allocation decisions. However, in cases that merit separate consideration, the Board always has the ability to make special findings and make a separate action as long as it is consistent with the Measure language.
Victorville	VV-15	Victor Valley Major Local Highway Program Policy VVMLH-9 and 10: As stated above, the funding sources eligible for the development share should be defined in the Strategic Plan and in the CMP. This will facilitate the expeditious execution of a Project Funding Agreement. SANBAG should not be involved in auditing the City's internal funds.	The types of funding sources are established in the Congestion Management Program and its appendices. It should be noted that the policies in the Strategic Plan allow for money to be borrowed by local agencies from any source in their control (i.e. redevelopment funds) to fund the development fair share for projects that require them; however, the policy further requires that the source of these loans be repaid once development occurs and fees are collected.
Victorville	VV-16	Victor Valley Major Local Highway Program Policy VVMLH-22: How is project oversight defined?	The term "project oversight costs" was used in the preparation of the Strategic Plan to differentiate staff and general project oversight costs that are not part of a specific project deliverable, as in PA&ED documents, from project management costs associated with a project deliverable. Project management, either through a consultant or non-consultant, that is required as part of a project deliverable is an eligible expenditure.
Victorville	VV-17	Victor Valley Major Local Highway Program Policy VVMLH-23: The contingency amount should be defined as up to 10%. Eligib e expenditures for contingencies should be defined. There should be a provision for an administrative amendment, similar to what has been used for federal funds suc as STP.	Comment noted. SANBAG will revise to reflect that a reasonable contingency is defined as an amount not to exceed 10% of the construction contract.
Victorville	VV-18	Victor Valley Subarea Senior and Disabled Transit Program Victorville wants to maintain local control of the potential 2.5% increase in apportionment of funds. The funding of unmet transit needs and potential increase in apportionments	In the Expenditure Plan that was included as Exhibit A of the Measure I Ordinance there is language that addresses this point. Specifically Subsection E of the Mountain/Desert Expenditure Plan Section states in part: "Such increases shall automatically occur unless each local jurisdiction within the

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		should be made independently for each local agency. A CTSA should not be the agency that decides if there should be an increased apportionment above the 5% of Measure I. An increased apportionment for transit has an equal decrease in the local agency's local Measure I funds. The local agency should be in control of these funds.	subarea makes a finding that such an increase is not required to address unmet transit needs of senior and disabled transit users." Also of relevance is Subsection F of the Expenditure Plan which states: "The Mountain/Desert Committee of the Authority shall remain in effect and provide oversight to implementation of the Mountain/Desert Expenditure Plan." Taken together, this makes it clear that individual agencies will not be able to make determinations regarding the adjustment to the Senior and Disabled Transit. Rather, all agencies in the subarea will need to make the appropriate finding. The Senior and Disabled Transit funds are for the entire subregion.
Victorville	VV-19	Victor Valley Project Development and Traffic Management Systems Program What is the interpretation of "contribute to environmental enhancement"?	Comment noted: SANBAG will incorporate a definition into the Strategic Plan Glossary.
Victorville	VV-20	Victor Valley Project Development and Traffic Management Systems Program Policy VVTMS-3: There should be some limit on the expenditures in a given year exceeding the funds available; otherwise, this would have too large of a decrease in available funding for the Victor Valley Local Streets Program.	Comment noted. This section of the Policies will be deleted so as to not encourage an overdraw of this fund that would negatively affect Local Street funding.
Victorville	VV-21	Victor Valley Project Development and Traffic Management Systems Program Policy VVTMS-9: Project selection and prioritization should agree with the Measure I ordinance language and include "to improve traffic flow . . ." etc.	Projects listed in the Measure I ordinance are examples only as the Ordinance specifically states the projects are "at the discretion of local subarea representatives". Because the list is not exhaustive, it should not be used as the basis for project selection and prioritization.
Victorville	VV-22	Victor Valley Project Development and Traffic Management Systems Program Policy VVTMS-9: What are the mandated projects?	This includes any projects mandated by the state or federal government for implementation by local agencies. One example may be studies that will be required for the implementation of SB 375. This policy simply identifies this potentiality and the appropriate use of these funds.

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Jurisdiction	Comment No.	Jurisdiction Comment	SANBAG Response
Big Bear Lake	BBL-01	"In review, we noticed several subareas have specific allocations for regional projects. We understand how these projects are programmed and believe the projects identified in the *Big Bear Enhanced Ground Access Feasibility Study,* dated December 1996, may warrant the same consideration."	The structure for the policies for the Rural Mountain/Desert Subareas allows for local agencies to set the priorities for regional projects. In the case of the Major Local Highways Funds, that is accomplished through a collaborative effort in each subarea. The policies also allow agencies to use Local Street Funds allocations very flexibly to help fund regional projects if that is the agency's desire. Similar to the process the Victor Valley Subarea has experienced, the Mountains Subarea Representatives will need to meet and based on projected revenues determine a set of projects to be funded out of the Major Local Highway Program.
Big Bear Lake	BBL-02	Policy MDLS – 2 a. The title "Five Year Plan", at least in the last few years of the program, is not in reality a Five year Plan. The wording may need to reflect that. b. We are requesting to have a portion of funds, possibly 10%, withheld; and not the entire allocation if the Five Year Plan update is not submitted on a timely basis.	a. Comment noted. b. In the Expenditure Plan that was included as Exhibit A of the Measure I Ordinance there is language that addresses this point. Specifically Subsection C of the Mountain/Desert Expenditure Plan Section states: "Local Street Project funds shall be disbursed to local jurisdictions upon receipt of the annually adopted Five Year Plan." This language is the basis for Policy MDLS - 2 as drafted.
Big Bear Lake	BBL-03	Policy MDLS – 13 Include in Section a. 10) wheel chair access ramps as eligible expenditures.	SANBAG includes work for wheel chair ramps as part of the normal work included under the definition of "Installations or extensions of curb, gutter, sidewalks or underdrain." SANBAG, however, will revise the language to make this type of eligible expenditure more explicit.

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