May 31

2024

BOARD MEETING

CAPITAL | SOUTHEAST
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Regular Meeting of the Capital SouthEast Connector JPA
Board of Directors

Date: Friday, May 31, 2024, 8:30 a.m. to 10:30 a.m.

Meeting Location: City of Rancho Cordova City Hall
Council Chambers
2729 Prospect Park Drive,
Rancho Cordova, CA 95670

The Connector JPA welcomes, appreciates, and encourages public participation in the Board Meeting. If you wish to address the Board of Directors during the meeting, please complete a Speaker Card located at the back table and give it to the Secretary before considering the agenda item. The Board Chair will call your name at the appropriate time. Please speak into the microphone when addressing the Board.

The Board requests that you limit your presentation to three (3) minutes per person so that all present will have time to participate. The Board of Directors reserves the right to reasonably limit the total time for public comment on any particular noticed agenda item as necessary.

AGENDA

The Board may take action on any matter listed on this agenda to the extent permitted by applicable law. Staff Reports are subject to change without prior notice.

1. Call to Order & Roll Call: Directors Gatewood, Hidahl, Hume, Kozlowski, Robles

2. Pledge of Allegiance

3. Public Comment on Items Not on the Agenda

Individuals may comment on any item of interest to the public within the subject matter jurisdiction of the Board. Each person will be allowed three minutes. After ten minutes of testimony, the Chair may move testimony following the Discussion and Action Items. Please note the California Government Code prohibits the Board from discussing or taking action on any item that is not on the agenda. The Board cannot take action on non-agendized items raised under "Public Comment" until the matter has been specifically included on the agenda. Individuals who wish to address a specific item on the agenda should comment during consideration of that item.

4. Executive Director's Report

Consent Calendar Items

5. Approve Action Minutes of the February 23, 2024, Regular Board Meeting

6. Accept the Fiscal Year 2022-2023 Independent Auditor's Report
- Resolution 2024-03

7. Approve and Adopt a Fund Balance Reserve Policy, Retriement Benefit Funding Policy, and Financial Investment Policy
- Resolution 2024-04

8. Authorize the Executive Director to Execute Funding Agreements Required with the State of California to Receive Federal and State Grant Funding
- Resolution 2024-05

9. Election to Opt-In to the California Uniform Public Construction Cost Accounting Act
- Resolution 2024-06

10. Adopt Revisions to the Contracting and Purchasing Procedures Manual to Incorporate California Uniform Public Construction Cost Accounting Act Requirements
- Resolution 2024-07

11. Quarterly Report of Activities for the Sacramento Transportation Authority (Receive and File)

12. Notable Media Articles (Receive and File)

13. Federal Funding and State Legislation Update (Receive and File)

14. Authorize the Executive Director to Execute an Agreement with Townsend Raimundo Besler & Usher, Inc. for $120,000 for Transportation Funding Consulting and Government Relations
– Resolution 2024-08

15. Authorize the Executive Director to Execute an Agreement with Kimley-Horn & Associates, Inc. for $119,770 for a Market and Feasibility Assessment of Zero Emission Medium and/or Heavy-Duty Vehicle Infrastructure Along the Connector Project
- Resolution 2024-09

16. Authorize the Executive Director to Execute a Funding Agreement with the City of Rancho Cordova for $1,600,000 for Reimbursement of Design, Right of Way, and Construction Activities Related to Grant Line Road
- Resolution 2024-10

Discussion and Action Items

17. Update on the Kammerer Road Extension Project and identify the Project as the Top Priority for the United States Department of Transportation Multimodal Project Discretionary Grant Program
- Resolution 2024-11

18. Adopt Work Plan and Fiscal Year 2024-25 Budget and Member Agency Contribution
- Resolution 2024-12
- Resolution 2024-13
- Resolution 2024-14

19. Receive a Presentation on the formation of an Enhanced Infrastructure Finance District

20. Announcements or Final Comments from Board Members

ADJOURN

The next meeting of the Capital SouthEast Connector JPA Board will be held on
August 30, 2024
City of Rancho Cordova City Hall, Council Chambers
2729 Prospect Park Drive, Rancho Cordova, CA 95670

NOTICE REGARDING CHALLENGES TO DECISIONS
Pursuant to all applicable laws and regulations, including without limitation, California Government Code Section 65009 and or California Public Resources Code Section 21177, if you wish to challenge in court any of the above decisions (regarding planning, zoning or environmental decisions), you may be limited to raising only those issues you or someone else raised at the public hearing(s) described in this notice/agenda, or in written correspondence delivered to the Board at, or before, the public hearing.

GOVERNMENT CODE 54957.5 et seq.
Public records, including writings relating to an agenda item for an open session of a regular meeting and distributed less than 72 hours before the meeting, are available for public inspection at 10640 Mather Blvd., Suite 120, Mather, CA 95655. The online version of the agenda and associated materials are posted for your convenience at http://www.ConnectorJPA.com. Some documents may not be posted online because of their size or format (maps, site plans, and renderings). As they become available, hard copies of all documents are available at 10640 Mather Blvd., Suite 120, Mather, CA 95655.

ADA COMPLIANCE STATEMENT
In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Connector JPA at (916) 876-9094. Notification 48 hours before the meeting will enable the Connector JPA to make reasonable arrangements to ensure accessibility to this meeting. If requested, this agenda can be available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990 and the Federal Rules and Regulations adopted in implementation thereof. Persons seeking an alternative format should contact the Connector JPA for further information. A person with a disability who requires a modification or accommodation, including auxiliary aids or services, to participate in a public meeting should telephone or contact the Connector JPA 48 hours before the meeting. The Connector JPA may be reached at 10640 Mather Blvd., Suite 120, Mather, CA 95655, or by telephone at (916) 876-9094.

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NOTES ON PUBLIC COMMENT:

ITEM 4

MEETING DATE: May 31, 2024

TITLE: Executive Director's Report

PREPARED BY: Derek Minnema

Executive Summary

This quarter, the Capital SouthEast Connector project has made significant progress in securing funding, garnering robust political support, and advancing our shovel-ready strategy toward construction.

Congressional Funding:

Three requests were submitted to Congress for appropriations by representatives Bera, Kiley, and Matsui for $10M each, totaling $30M.

Federal Grants:

Three federal grant applications totaling $137 million were submitted to USDOT. These grants are crucial for accelerating key project milestones and enhancing infrastructure quality.

Strategic Planning and Engagements

Budget and Work Plan:

We have developed a new budget document and a strategic 5-year work plan that identifies three top-priority projects. The detailed budget and work plan provide a clear roadmap for achieving our goals, ensuring financial sustainability with a fund reserve balance, and strategically allocating resources to our priority projects. The work effort to prepare the budget included identifying new financial and contracting policies that would allow more efficient and timely use of resources.

Washington DC Trips:

We recently attended two important trips to Washington DC, one with the Chamber of Commerce and the other with the American Road and Transportation Builders

Association. These engagements have been instrumental in advocating for our project, securing additional support, and fostering strategic partnerships.

Political Support:

We are pleased to report that we have secured unanimous bipartisan support from our state representatives in the Senate and Assembly. We have been building a legislative outreach program to share the 5-year strategic work plan for the Connector and educate Assemblymembers and Senators who represent the cities and communities serviced by the project.

We are working with the State Council of Laborers on our outreach program to build awareness and support for our state and federal funding priorities. This strong political backing is a testament to the project's importance and our effective advocacy efforts.

Project Activities

Final engineering design and right-of-way work is underway on Kammerer Road, Grant Line Road, and White Rock Road. Activities include topographic surveys, boundary mapping, utility coordination and mapping, engineering design work progressing on approximately 9 miles of expressway, and ongoing coordination with adjacent development projects and property owners.

Looking Ahead

The upcoming quarter is poised to build on our recent successes, focusing on continuing to support and advocate for our project's federal grants and appropriations.

Electric Vehicle Infrastructure:

We are actively exploring infrastructure opportunities for electric vehicles in collaboration with the California Transportation Commission. This initiative positions the Capital SouthEast Connector project as a leader in sustainable transportation solutions.

Respectfully submitted,

Derek Minnema
Executive Director
Connector JPA

ITEM 5

MEETING DATE: May 31, 2024

TITLE: Action Minutes of the February 23, 2024, Regular Board Meeting

PREPARED BY: Derek Minnema

RECOMMENDATION

Approve Action Minutes of the February 23, 2024, Regular Board Meeting.

ACTION MINUTES

The Capital SouthEast Connector JPA Board of Directors met at its Regular Board Meeting on February 23, 2024, in the City of Rancho Cordova City Hall Council Chambers, located at 2729 Prospect Park Drive, Rancho Cordova, CA.

Call to Order Chair Hidahl called the meeting to order at 8:30 a.m.
Roll Call Present: Directors Gatewood, Hidahl, Kozlowski, Hume*
Absent: Director Robles
* Director Hume joined the meeting at 8:38 a.m.

Public Comments on Non-Agenda Items

There were no comments from the public on non-agenda items.

Open Session

Item #4: Election of Board Chair and Vice-Chair for Calendar Year 2024, Resolution 2024-01

Executive Director Minnema introduced and presented the item. A brief discussion ensued amongst the Board and JPA staff.

A motion was made by Director Gatewood and seconded by Director Kozlowski and passed with three* directors voting in favor that:

THE BOARD OF DIRECTORS ("BOARD") OF THE CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AUTHORITY ("CONNECTOR") HEREBY ELECTS THE DIRECTOR FROM

CAPITAL | SOUTHEAST
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THE CITY OF RANCHO CORDOVA TO SERVE AS CHAIR OF THE BOARD AND THE DIRECTOR FROM THE CITY OF FOLSOM TO SERVE AS VICE-CHAIR OF THE BOARD.

*Director Hume and Robles were absent for this item.

There were no comments from the public on this item.

Item #5: Executive Director's Report

The Board received Executive Director Minnema's comprehensive oral report for February 2024, and a brief discussion ensued between the Board and JPA staff.

There were no comments from the public on this item.

<u>Consent Calendar Items</u>

A motion was made by Director Hume and seconded by Director Kozlowski and passed with four directors voting in favor:

THE BOARD OF DIRECTORS OF THE CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AUTHORITY APPROVES THE FOLLOWING ITEMS ON THE CONSENT AGENDA:

Item #6: Approve Action Minutes of the December 8, 2023, Board Meeting

Item #7: Annual Report of Activities for the South Sacramento Habitat Conservation Plan

Item #8: Quarterly Report of Activities for the Sacramento Transportation Authority

Item #9: Project Construction Update

Item #10: Notable Media Articles

Item #11: Project Website Design

Item #12: Cooperative Agreement with Caltrans and the City of Elk Grove for the Interstate 5/Hood Franklin Rd Interchange Improvement and Modification Project

There were no comments from the public on this item.

Discussion and Action Items

Item #13: Update on Funding through the Trade Corridor Enhancement Program approved by the California Transportation Commission

Executive Director Minnema introduced and presented the item. A brief discussion ensued amongst the Board and JPA staff.

No action was taken on this item.

There were no comments from the public on this item.

Item #14: Authorize the Executive Director to Execute a Program Supplement Agreement with the State of California Department of Transportation for Grant Line Road, Resolution 2024-02

Executive Director Minnema introduced and presented the item. A brief discussion ensued amongst the Board and JPA staff.

A motion was made by Director Hume and seconded by Director Hidahl and passed with four directors voting in favor:

THE BOARD OF DIRECTORS OF THE CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AUTHORITY HEREBY AUTHORIZES THE EXECUTIVE DIRECTOR TO EXECUTE A MASTER AGREEMENT FOR STATE-FUNDED PROJECTS AND A PROGRAM SUPPLEMENT AGREEMENT WITH THE STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION RELATED TO GRANT LINE ROAD.

There were no comments from the public on this item.

Item #15: Announcement and Final Comments from Board Members

No action was taken on this item.

There were no comments from the public on this item.

Adjournment

The meeting adjourned at approximately 9:00 a.m.

APPROVAL OF ACTION MINUTES FOR February 23, 2024

Approved By: Attest:

____

Garrett Gatewood
Chair of the Board

____

Derek Minnema
Board Secretary

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ITEM 6

MEETING DATE: May 31, 2024

TITLE: Accept the FY 2022-23 Independent Auditor's Report

PREPARED BY: Derek Minnema and Rob Merritt, CPA

RECOMMENDATION

Approve Resolution 2024-03, accepting the FY 2022-23 Independent Auditor's Report.

BACKGROUND

Under Section 6.d(3) of the Joint Exercise of Powers Agreement establishing the Authority, the Authority must conduct an independent audit of all financial activities for each fiscal year and promptly deliver copies of the report to each member of the Board.

DISCUSSION

The Connector JPA received an unmodified (clean) opinion for FY 2022-23. Macias Gini & O'Connell LLP ("MGO") conducted the independent audit. The following notes are summarized in the audit transmittal letter:

- The financial statements present fairly, in all material aspects, the respective financial position of the governmental activities and the general fund of the Connector JPA as of June 30, 2023.

- The auditors commented that "during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses." (Page 23)

- The auditors commented that "The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards." (Page 24)

ATTACHMENTS

a. MGO Transmittal to the Governing Board
b. MGO FY 2022-23 Independent Auditor's Report
c. Resolution 2024-03

CAPITAL SOUTHEAST CONNECTOR JPA

Communication with the Board of Directors

For the Year Ended June 30, 2023

MGO. | Certified Public Accountants

May 7, 2024

Board of Directors
Capital Southeast Connector JPA
Mather, California

We are pleased to present this report related to our audit of the financial statements of the Capital Southeast Connector Joint Powers Authority (Connector JPA), as of and for the fiscal year ended June 30, 2023. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Connector JPA's financial reporting process.

This report is intended solely for the information and use of the Board of Directors, management, and others within the Connector JPA, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the Connector JPA.

Macias Gini & O'Connell LLP
Sacramento, California

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REQUIRED COMMUNICATIONS

Auditing standards generally accepted in the United States of America (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the Capital Southeast Connector Joint Powers Authority (Connector JPA) financial statement audit, as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Our Responsibilities With Regard to the Financial Statement Audit

Our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States have been described in our engagement letter dated January 3, 2024. Our audit of the Connector JPA's financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We conducted our audit consistent with the planned scope and timing in our engagement letter dated January 3, 2024.

Accounting Policies and Practices

Preferability of Accounting Policies and Practices

Under accounting principles generally accepted in the United States of America, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Connector JPA. The Connector JPA did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.

Significant Accounting Policies

We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Unusual Transactions

We did not identify any significant unusual transactions.

Management's Judgments and Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. There were no accounting estimates that were significant to the financial statements.

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Connector JPA's financial statements relate to:

- Commitments and contingencies disclosed in Note 8.

Audit Adjustments and Uncorrected Misstatements

In the course of the audit, no misstatements were identified.

Observations About the Audit Process

Disagreements With Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the Connector JPA's financial statements.

Consultations With Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed With Management

No significant issues arising from the audit were discussed or were the subject of correspondence with management.

Significant Difficulties Encountered in Performing the Audit

We did not encounter any significant difficulties in dealing with management during the audit.

Difficult or Contentious Matters That Required Consultation

We did not encounter any significant and difficult or contentious matters that required consultation outside the engagement team.

Shared Responsibilities for Independence

Independence is a joint responsibility and is managed most effectively when management, audit committees (or their equivalents), and audit firms work together in considering compliance with American Institute of Certified Public Accountants (AICPA) and Government Accountability Office (GAO) independence rules. For MGO to fulfill its professional responsibility to maintain and monitor independence, management, the Board of Directors, and MGO each play an important role.

Our Responsibilities

- AICPA and GAO rules require independence both of mind and in appearance when providing audit and other attestation services. MGO is to ensure that the AICPA's and the GAO's General Requirements for performing nonattest services are adhered to and included in all letters of engagement.
- Maintain a system of quality management over compliance with independence rules and firm policies.

Connector JPA's Responsibilities

- Timely inform MGO, before the effective date of transactions or other business changes, of the following:
  - New Directors, officers, or affiliates, as defined by the "State and Local Government Client Affiliates" interpretation (ET sec. 1.224.020).
  - Change in corporate structure impacting affiliates such as add-on acquisitions or exits.
- Provide necessary affiliate information such as new or updated structure charts, as well as financial information required to perform materiality calculations needed for making component unit determinations.
- Understand and conclude on the permissibility, prior to the Connector JPA and its affiliates, officers, directors, or persons in a decision-making capacity, engaging in business relationships with MGO.
- Not entering into arrangements of nonattest services resulting in MGO being involved in making management decisions on behalf of the Connector JPA.
- Not entering into relationships resulting in MGO, MGO covered persons or their close family members, temporarily or permanently acting as an officer, director, or person in an accounting or financial reporting oversight role at the Connector JPA.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the Connector JPA's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we applied certain limited procedures to the management's discussion and analysis, which is required supplementary information (RSI) that supplements the financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

EXHIBIT A

Recent Accounting Pronouncements

ACCOUNTING PRONOUNCEMENTS

The following accounting pronouncements have been issued as of the date of this communication but are not yet effective and may affect the future financial reporting by the Connector JPA.

Pronouncement	Summary
GASB Statement No. 99, *Omnibus 2022*	The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53 are effective for the Connector JPA's fiscal year ending June 30, 2024.
GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*	The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Statement No. 100 is effective for the Connector JPA's fiscal year ending June 30, 2024.
GASB Statement No. 101, *Compensated Absences*	The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement No. 100 is effective for the Connector JPAs fiscal year ending June 30, 2025.

Pronouncement	Summary
GASB Statement No. 102, *Certain Risk Disclosures*	The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. Statement No. 102 is effective for the Connector JPA's fiscal year ending June 30, 2025.

CAPITAL SOUTHEAST CONNECTOR
JOINT POWERS AUTHORITY

Independent Auditor's Reports, Management's Discussion and Analysis, Basic Financial Statements, and Required Supplementary Information

For the Fiscal Year Ended June 30, 2023

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CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AUTHORITY
Independent Auditor's Reports, Management's Discussion and Analysis,
Basic Financial Statements, and Required Supplementary Information
For the Fiscal Year Ended June 30, 2023

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Certified Public Accountants

Independent Auditor's Report

Board of Directors of the
Capital Southeast Connector JPA
Mather, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the general fund of the Capital Southeast Connector Joint Powers Authority (Connector JPA), as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Connector JPA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Connector JPA, as of June 30, 2023, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Connector JPA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The Connector JPA's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Connector JPA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Sacramento, CA 95814

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Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Connector JPA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Connector JPA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 7, 2024, on our consideration of the Connector JPA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Connector JPA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Connector JPA's internal control over financial reporting and compliance.

Macias Gini & O'Connell LLP

Sacramento, California
May 7, 2024

CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AUTHORITY

Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2023

This section of the Capital Southeast Connector Joint Powers Authority (Connector JPA) annual financial statements presents a discussion and analysis of the Connector JPA's financial performance during the fiscal year ended June 30, 2023. Please read it in conjunction with the Connector JPA's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The Connector JPA's total net position in Fiscal Year 2022-23 (FY 2022-23) increased by $2,243,708.
- Total revenues decreased from $11.1 million in Fiscal Year 2021-22 (FY 2021-22) to $2.3 million in FY 2022-23.
- The total investment in capital assets increased $5.1 million in FY 2022-23, from $45.8 million in FY 2021-22 to $50.9 million in FY 2022-23.
- The Connector JPA's fund balance in Fiscal Year 2022-23 (FY 2022-23) decreased by $2.4 million to $1.5 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Connector JPA's basic financial statements. The Connector JPA's basic financial statements are comprised of three components:

1) **Government-Wide** financial statements;
2) **Fund** financial statements;
3) **Notes** to the basic financial statements.

1) Government-Wide Financial Statements are designed to provide readers with a broad overview of the Connector JPA's finances in a manner similar to private-sector businesses.

The Statement of Net Position presents information on all of the Connector JPA's assets and liabilities, with the difference between the two reported amounts as net position. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the Connector JPA is improving or deteriorating.

The *Statement of Activities* shows changes in net position during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., accounts payable). The Statement of Activities identifies the Connector JPA's only function, public ways and facilities, which is principally supported by intergovernmental revenues and contributions from other governments (*governmental activities*).

The government-wide financial statements can be found on pages 11 through 12 of this report.

2) Fund Financial Statements represent a grouping of related accounts that are used to control resources that have been segregated for specific activities or objectives. The Connector JPA, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. The Connector JPA only reports a *governmental fund*, its General Fund.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Connector JPA's near-term financing decisions.

The governmental funds financial statements can be found on pages 13 through 14 of this report.

3) Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found starting on page 15 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the Connector JPA is improving or deteriorating. In the case of the Connector JPA, assets exceeded liabilities by $52.7 million at June 30, 2023.

Condensed Statement of Net Position
Governmental Activities
June 30,

			Increase/(Decrease)	
	2023	2022	Amount	Percentage
Assets:				
Current assets	$ 1,799,297	$ 4,677,450	$ (2,878,153)	(62%)
Capital assets, net	51,361,242	46,620,800	4,740,442	10%
Total assets	53,160,539	51,298,250	1,862,289	4%
Liabilities:				
Current liabilities	279,571	759,190	(479,619)	(63%)
Noncurrent liabilities	140,954	42,754	98,200	230%
Total liabilities	420,525	801,944	(381,419)	(48%)
Net Position:				
Investment in capital assets	50,940,717	45,818,856	5,121,861	11%
Unrestricted	1,799,297	4,677,450	(2,878,153)	(62%)
Total Net Position	$ 52,740,014	$ 50,496,306	$ 2,341,908	4%

The Connector JPA reported an increase of $2.2 million in *net position* compared to prior year balances. During FY 2022-23, net position increased primarily due to reimbursement of capitalized project expenditures.

Current assets decreased from $4.7 million at June 30, 2022, to $1.8 million at June 30, 2023. This decrease primarily came from a decrease in cash and investment balances. As stated above, capital assets increased approximately $4.8 million during FY 2022-23, from $46.6 million at June 30, 2022 to $51.3 million June 30, 2023. Significant additions to the Capital Southeast Connector Expressway project (Project) during FY 2022-23 included $3.2 million in construction related activities, and $1.6 million in project management, environmental, and engineering services.

Total liabilities decreased from $802 thousand at June 30, 2022 to $421 thousand as of June 30, 2023. These changes were due to lower amounts due to service providers, primarily the City of Folsom for construction related activities, at the end of the current fiscal year compared to the end of the prior fiscal year.

The following table indicates the changes in net position for the Connector JPA's governmental activities:

Statement of Activities
Fiscal Year Ended June 30,

	2023	2022	Increase/(Decrease) Amount	Increase/(Decrease) Percentage
Revenues				
Program Revenues:				
Capital grants and contributions	$ 2,207,017	$ 11,124,809	$ (8,917,792)	(80%)
General Revenues:				
Interest income	87,728	18,731	68,997	368%
Total Revenues	2,294,745	11,143,540	(8,848,795)	(79%)
Expenses				
Public ways and facilities	51,037	53,327	(2,290)	100%
Change in Net Position	2,243,708	11,090,213	(8,846,505)	(80%)
Net Position, July 1	50,496,306	39,406,093	11,090,213	28%
Net Position, June 30	$ 52,740,014	$ 50,496,306	$ 2,243,708	4%

The decrease in capital grants and contributions revenue was primarily due to a decrease in Measure A reimbursements and other local revenues for project-related expenses compared to the prior year; member contributions remained unchanged at $250,000 for FY 2021-22 and FY 2022-23. As stated above, significant additions to the Project during FY 2022-23 included $3.2 million in construction related activities, and $1.6 million in project management, environmental, and engineering services. Typically, the Connector JPA incurs these capitalized expenses, the reimbursement revenue follows. However, in FY 2022-23 the Connector utilized a combination of existing funds and reimbursements to fund project expenditures.

FUND FINANCIAL ANALYSIS

As noted earlier, the Connector JPA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The public ways and facilities function is contained in the General Fund. The focus of the Connector JPA's *governmental fund* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Connector JPA's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2023, and June 30, 2022, the Connector JPA's governmental funds reported a fund balance of $1.5 million and $4.0 million respectively, a decrease of approximately $2.5 million. The decrease in fund balance was attributed to a decrease in assets, notably a decrease in cash and investments of $2.9 million offset by a decrease in liabilities of $456 thousand at the end of FY 2022-23.

The Connector JPA recognized revenues from various sources. The following table presents the amount of revenues by source:

Revenues Classified by Source
General Fund

	2023	% of Total	2022	% of Total	Increase/(Decrease) Amount	Increase/(Decrease) Percentage
Revenues						
Intergovernmental revenues	$ 1,957,017	85%	$ 10,874,809	97%	$ (8,917,792)	(82%)
Contributions	250,000	11%	250,000	2%	-	0%
Interest	87,728	4%	18,731	1%	68,997	368%
Total Revenues	$ 2,294,745	100%	$ 11,143,540	100%	$ (8,848,795)	(79%)

The following provides an explanation of significant revenues by source that changed considerably over the prior year.

Intergovernmental revenues are allowable costs claimed from Measure A sales tax revenue bonds issued and disbursed by the Sacramento Transportation Authority (STA). The sales tax revenue is used to fund eligible Measure A capital projects. There was a decrease in intergovernmental revenues from STA Measure A during FY 2022-23 from $7.4 million during FY 2021-22 to $2.0 million during FY2022-23. As previously discussed, as the Connector JPA incurs project-related expenditures, these amounts are reimbursed to the organization. Also, during FY 2021-22, $3.5 million in local revenues were received from the City of Elk Grove. Significant capitalized expenditures during FY 2022-23 included $3.2 million in construction related activities, and $1.6 million in project management, environmental, and engineering services.

Federal revenues are funding grants. The grants are for transportation related projects and related activities financed in part with federal-aid funds and authorized by the State or the Federal Highway Administration. Every two years, the Sacramento Area Council of Governments (SACOG) conducts a programming round to allocate funds to projects based on regional apportionments of Federal Congestion Mitigation and Air Quality (CMAQ), Regional Surface Transportation Program (RSTP), and State Transportation Improvement Program (STIP) funds. These funds are then allocated to projects. The Connector JPA has executed an agreement with the California Department of Transportation (Caltrans) to allow for disbursement of federal funds directly to the Connector JPA. No federal revenues were received or recognized during FY 2022-23 or FY 2021-22.

The following table presents expenditures of the General Fund:

General Fund

	2023	% of Total	2022	% of Total	Increase/(Decrease) Amount	Increase/(Decrease) Percentage
Expenditures						
Current:						
Public Ways & Facilities	$ 4,664,480	99%	$ 8,006,855	99%	$ (3,342,375)	(42%)
Debt service - lease						
Principal	49,929	1%	44,853	1%	5,076	11%
Interest	2,674	0%	4,964	0%	(2,290)	(46%)
Total Expenditures	$ 4,717,083	100%	$ 8,056,672	100%	$ (3,342,375)	(41%)

The expenditure activity of the Project was $3.3 million less compared to the prior year. The primary category of decrease was mitigation of approximately $4.0 million. Construction activities increased from $1.2 million during FY 2021-22 to $3.2 million in FY 2022-23. Project management, environmental, and engineering services amounted to almost $1.6 million during the current year compared to $2.8 million in FY 2021-22.

Analysis of General Fund Budget

During the year, total revenues were less than the final budgeted amounts by $3.8 million. Anticipated expenditures for mitigation and engineering did not materialize as expected during FY 2022-23. Consequently, the revenue derived from reimbursements associated with the expenditures did not meet budgeted amounts. Measure A revenues recognized were $465 thousand less than budgeted. Capitalized expenditures to the project amounted to $4.7 million compared to a budget of $6.1 million.

Economic Factors and Next Year's Budget

The FY 2023-24 Final Budget was adopted by the Connector JPA's Board of Directors on May 26, 2023, and during the October 20, 2023 Board of Directors meeting, an additional $3 million was approved through a budget amendment. The additional state funding was allocated from the SB 1 Trade Corridor Enhancement Program.

The proposed means of financing the $10.8 million in budgeted expenditures for FY 2023-24 include:

- Measure A Bond Proceeds: $5.8 million
- Member Contributions: $250 thousand
- Other Local Funding: $1.0 million
- State Funding: $3.0 million
- Federal Funding: $700 thousand
- Interest: $16 thousand

Request for Information

This financial report is designed to provide a general overview of the Connector JPA's finances for all those with an interest in the Connector JPA's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Derek Minnema, Executive Director, Capital Southeast Connector Joint Powers Authority, 10640 Mather Blvd., Suite 120, Mather, California 95655.

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BASIC FINANCIAL STATEMENTS

CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AUTHORITY

Statement of Net Position - Governmental Activities

June 30, 2023

ASSETS	
Current Assets:	
Cash and investments	$ 1,372,043
Interest receivable	55,447
Prepaid items	37,633
Accounts receivable	334,174
Total Current Assets	1,799,297
Noncurrent Assets:	
Capital assets, non-depreciable	51,337,061
Right-to-use asset	24,181
Total Noncurrent Assets	51,361,242
Total Assets	53,160,539
LIABILITIES	
Current Liabilities:	
Accounts payable and accrued expenses	253,446
Lease liability - current portion	26,125
Total Current Liabilities	279,571
Noncurrent Liabilities:	
Retentions payable	140,954
Total Liabilities	420,525
NET POSITION	
Net investment in capital assets	50,940,717
Unrestricted	1,799,297
Total Net Position	$ 52,740,014

See accompanying notes to the basic financial statements.

CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AUTHORITY

Statement of Activities - Governmental Activities

For the Fiscal Year Ended June 30, 2023

	Expenses	Capital Grants and Contributions	Net Revenue and Change in Net Position
FUNCTIONS/PROGRAMS			
Public ways and facilities	$ 51,037	$ 2,207,017	$ 2,155,980
General revenues:			
Interest income			87,728
Change in Net Position			2,243,708
Net Position, July 1			50,496,306
Net Position, June 30			$ 52,740,014

See accompanying notes to the basic financial statements.

CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AUTHORITY

Balance Sheet - Governmental Fund

June 30, 2023

		General Fund
ASSETS:		
Cash and investments	$	1,372,043
Interest receivable		55,447
Prepaid items		37,633
Accounts receivable		334,174
Total Assets	$	1,799,297
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts payable and accrued liabilities	$	253,446
FUND BALANCE:		
Nonspendable		37,633
Unassigned		1,508,218
Total Fund Balance		1,545,851
Total Liabilities and Fund Balance	$	1,799,297

Reconciliation of the Balance Sheet of the Governmental Fund to the Statement of Net Position:

Total Fund Balance - governmental fund	$	1,545,851
Amounts reported for governmental activities in the Statement of Net Position (page 8) are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		51,361,242
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds		
Retentions payable		(140,954)
Net lease liability		(26,125)
Net Position of Governmental Activities (page 8)	$	52,740,014

See accompanying notes to the basic financial statements.

CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AUTHORITY

Statement of Revenue, Expenditures, and Change in Fund Balance - Governmental Fund
For the Fiscal Year Ended June 30, 2023

		General Fund
REVENUES:		
Intergovernmental	$	1,957,017
Contributions		250,000
Interest		87,728
Total Revenues		2,294,745
EXPENDITURES:		
Public ways and facilities		4,664,480
Debt service - lease payments		
Principal		49,929
Interest		2,674
Total Expenditures		4,717,083
Change in Fund Balance		(2,422,338)
Fund Balance - July 1		3,968,189
Fund Balance - June 30	$	1,545,851

Reconciliation of the Statement of Revenues, Expenditures, and Change in Fund Balance - Governmental Fund to the Statement of Activities

Change in Fund Balance - governmental fund	$	(2,422,338)
Amounts reported for governmental activities in the Statement of Activities (page 9) are different because:		
Lease principal payments		49,929
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.		
Change in retentions payable		(124,325)
Governmental funds report additions to capital assets as expenditures. However, in the statement of activities, the cost of those assets are capitalized and depreciated/amortized over their estimated useful lives. This is the amount by which expenditures for additions to capital assets exceeded amortization in the current period.		4,740,442
Change in Net Position of Governmental Activities (page 9)	$	2,243,708

See accompanying notes to the basic financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – REPORTING ENTITY

Authorized Legislation and Organization

The Capital Southeast Connector Joint Powers Authority, (Connector JPA), which was created effective December 12, 2006, pursuant to Section 6500 of the California State Government Code and the provisions of a Joint Exercise of Powers Agreement, is a political subdivision of the State of California

The Connector JPA is a jointly governed organization under Section 6500 of the California State Government Code. Parties to this agreement are the City of Elk Grove, County of Sacramento, City of Rancho Cordova, City of Folsom, and the County of El Dorado.

The Connector JPA was formed to acquire, plan, design, finance, construct, operate, and maintain a multi-modal transportation corridor (Project) to connect the City of Elk Grove, the County of Sacramento, the City of Rancho Cordova, the City of Folsom, and the County of El Dorado.

The Connector JPA is governed by a Board of Directors, which is composed of one member from the Sacramento County Board of Supervisors, one member from the Elk Grove City Council, one member from the Rancho Cordova City Council, one member from the Folsom City Council, and one member from the El Dorado County Board of Supervisors.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Government–wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the primary government (Connector JPA).

The Statement of Activities presents direct expenses and program revenues for the public ways and facilities function of the Connector JPA's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented instead as general revenues.

When both restricted and unrestricted resources are available, restricted resources are used first, then unrestricted resources as needed.

Fund Financial Statements

The fund financial statements provide information about the Connector JPA's fund, which include only *governmental funds.*

The Connector JPA reports the following major governmental fund:

The *General Fund* is used to account for all revenues and expenditures necessary to carry out the basic governmental activities of the Connector JPA.

Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Connector JPA gives (or receives) value without directly receiving (or giving) equal value in exchange, include member contributions. Revenues from member contributions are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Interest and certain state and federal grants are accrued when their receipt occurs within one hundred twenty days after the end of the accounting period, so as to be both measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

Cash and Investments

Pursuant to the Joint Exercise of Powers Agreement, the Treasurer of the County of Sacramento (County) has custody of all cash for the Connector JPA. The Connector JPA's share of the pooled cash account is separately accounted for and interest earned, net of related expenses, is apportioned at the end of each quarter based upon the relationship of its average daily cash balance to the total of the pooled account.

The value of the Connector JPA's shares in the County Pool is determined on an amortized cost basis, which approximates fair value.

Fair Value Measurement

The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As the Connector JPA participates in the County Investment Pool (County Pool), which is an external investment pool, it is not subject to the fair value hierarchy.

Net Position

Government-wide financial statements utilize a net position presentation.

- *Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

- *Unrestricted Net Position* – This category represents net position of the Connector JPA not restricted for any project or other purpose.

Fund Balances

Governmental funds report fund balance in classifications based primarily on the extent to which the Connector JPA is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances for government funds are made up of the following:

- *Nonspendable Fund Balance* – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: amounts held for perpetuity and prepaid amounts.

- *Restricted Fund Balance* – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

- *Committed Fund Balance* – includes amounts that can only be used for the specific purposes determined by a formal action of the Connector JPA's highest level of decision-making authority, which is the Connector JPA's Board of Directors. Commitments may be changed or lifted only by the adoption of a Board Resolution.

- *Assigned Fund Balance* – comprises amounts intended to be used by the Connector JPA for specific purposes that are neither restricted nor committed. Intent is expressed by the Connector JPA's Board of Directors.

- *Unassigned Fund Balance* – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are available for any purpose.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

As of June 30, 2023, all of the Connector JPA's General Fund balance is recorded as nonspendable and unassigned.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 3 – CASH AND INVESTMENTS

As discussed in Note 2, the Connector JPA maintains cash and investments with the County and participates in the investment pool of the County, which is not rated by the credit rating agencies. At June 30, 2023, the Connector JPA's investment in the County Pool totaled $1.4 million. Additional information regarding the County Pool, including the investment portfolio and related interest rate, custodial credit, credit and concentration of credit risks, is presented in Note 4 of the County's basic financial statements. The Connector JPA has not formally adopted an investment policy that addresses any of the risks previously noted. However, since the Connector JPA's investments are entirely in the County Pool, the Connector JPA follows the County's investment policy. Deposits and withdrawals from the County Pool are made on the basis of cost, and not fair value.

The County Pool is subject to regulatory oversight by the Treasury Oversight Committee of the County, as required by Section 27134 of the California Government Code. The County Pool is not registered with the U.S. Securities and Exchange Commission (SEC) as an investment company.

NOTE 4 – ACCOUNTS RECEIVABLE

The majority of the Connector JPA's accounts receivable is comprised of Measure A claims submitted to the Sacramento Transportation Authority (STA) for expenditures incurred through June 30, 2023.

NOTE 5 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2023, is as follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Governmental activities:				
Capital assets, not being depreciated:				
Land and right of way	$ 2,732,929	$ -	$ -	$ 2,732,929
Mitigation	8,994,675	11,645	-	9,006,320
Construction in progress	34,820,652	4,777,160	-	39,597,812
Total Capital Assets, not being depreciated	46,548,256	4,788,805	-	51,337,061
Capital assets, being amortized:				
Right-to-use asset,	120,907	-	-	120,907
Less accumulated amortization	(48,363)	(48,363)	-	(96,726)
Total Capital Assets, being amortized, net	72,544	(48,363)	-	24,181
Total Capital Assets, net	$ 46,620,800	$ 4,740,442	$ -	$ 51,361,242

NOTE 6 – LEASE LIABILITY

The Connector JPA entered into an office space lease agreement on July 1, 2020, for a lease term that expires on December 31, 2023.

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2023, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	$ 26,125	$ 382	$ 26,507

NOTE 7 – RELATED PARTY TRANSACTIONS

The Connector JPA uses the County of Sacramento departments for services such as payroll, payment services, internet technology, human resources, administrative, and accounting. Expenditures incurred for services provided by the County of Sacramento for fiscal year 2023 were approximately $51,000.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

The Connector JPA has executed contracts to purchase services from various vendors. The Connector JPA is contracted with these vendors through various dates. As of June 30, 2023, approximately $5.3 million may be payable upon future performance under these contracts.

NOTE 9 – SUBSEQUENT EVENT

At the October 20, 2023 Board of Directors meeting, a resolution was approved to extend the JPA's lease for office space out to December 2026. This is the seventh extension of the lease agreement; there will be no rental increases during the calendar year 2024, and increases of approximately 3.15% for calendar years 2025 and 2026.

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REQUIRED SUPPLEMENTARY INFORMATION

CAPITAL SOUTHEAST CONNECTOR JPA

Schedule of Revenues, Expenditures, and Changes in the General Fund Balance-Budget and Actual
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	$ 5,881,013	$ 5,881,013	$ 1,957,017	$ (3,923,996)
Contributions	250,000	250,000	250,000	-
Interest	10,000	10,000	87,728	77,728
Total Revenues	6,141,013	6,141,013	2,294,745	(3,846,268)
EXPENDITURES:				
Public ways and facilities	6,141,013	6,141,013	4,664,480	1,476,533
Debt service	-	-	52,603	(52,603)
Total Expenditures	6,141,013	6,141,013	4,717,083	1,423,930
NET CHANGES IN FUND BALANCE	$ -	$ -	$ (2,422,338)	$ (2,422,338)

See note to the required supplementary information.

NOTE 1 – BUDGETARY INFORMATION

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and are used as a management control device for the general fund. All annual appropriations lapse at fiscal year-end. The Executive Director and Administrative Services Officer prepare and submit a proposed budget to the Board of Directors in May for review. After reviewing the proposed budget and making such revisions as advised, a final budget is prepared and adopted no later than the June board meeting. Revisions to the adopted budget must be presented to the Board of Directors by the Executive Director and approved by resolution. The legal level of budgetary control is at the total fund level.

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors of the
Capital Southeast Connector JPA
Mather, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the Capital Southeast Connector Joint Powers Authority (Connector JPA) as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Connector JPA's basic financial statements, and have issued our report thereon dated May 7, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Connector JPA's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Connector JPA's internal control. Accordingly, we do not express an opinion on the effectiveness of the Connector JPA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Connector JPA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Macias Gini & O'Connell LLP

Sacramento, California
May 7, 2024

CAPITAL SOUTHEAST
CONNECTOR JPA
Connecting Communities

ITEM 6 c

RESOLUTION 2024-03

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AUTHORITY
ACCEPTING THE INDEPENDENT AUDITOR'S REPORT FOR
FISCAL YEAR 2022-23**

BE IT RESOLVED that the Board of Directors ("Board") of the Capital SouthEast Connector Joint Powers Authority ("Connector JPA") hereby accepts the Fiscal Year 2022-23 Independent Auditors' Report attached hereto.

This Resolution shall take effect from and after its passage and adoption date.

* * * * *

PASSED AND ADOPTED this 31st day of May 2024, on a motion by

Director ___________, seconded by Director____________, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Chairperson

ATTEST:

____
Secretary

ITEM 7

MEETING DATE: May 31, 2024

TITLE: Approve and Adopt a Fund Balance Reserve Policy, Retirement Benefit Funding Policy, and Financial Investment Policy

PREPARED BY: Osman Mufti, General Counsel

RECOMMENDATION

Adopt Resolution 2024-04, approving the addition of a fund balance reserve policy and policies aligning the Connector JPA with the County of Sacramento's retirement funding and investments policies.

BACKGROUND

For Fiscal Year 2024/25, Connector JPA staff developed a new budget document that comprehensively summarizes the agency and Connector Project to the Board, member agencies, stakeholders, and the public.

Staff desire to submit the Fiscal Year 2024/25 budget to the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award Program. This program was first established in 1984 and promotes greater transparency and accountability and reflects the guidelines established by the National Advisory Council on State and Local Budgeting and GFOA's best practices.

To be considered for the award, the budget document must meet program criteria and excel as a policy document, financial plan, operating guide, and communication tool. Therefore, adopting new financial policies is necessary to meet GFOA's budget criteria.

DISCUSSION

Fund Balance Reserve Policy

Establishing a fund balance reserve provides financial stability for economic uncertainties and other financial hardships or downturns in the local economy, contingencies for unforeseen operational and capital needs, and cash-flow requirements.

The attached Fund Balance Reserve Policy meets GFOA guidelines by establishing a reserve equivalent to three months' expenditures in the fund balance.

Retirement Benefit Funding Policy

The Connector JPA contracts with the County of Sacramento for its permanent employees. Under the agreement, employees are eligible for the same retirement benefits as County of Sacramento employees.

The attached Retirement Benefit Funding Policy meets GFOA guidelines by establishing that the Connector JPA provides defined-benefit retirement for its employees through the Sacramento County Employees' Retirement System.

Financial Investment Policy

All Connector JPA funds are held in the County of Sacramento treasury (County Treasury). The County Treasury funds are invested in the Sacramento County Pooled Investment Fund (Investment Fund).

The attached Financial Investment Policy meets GFOA guidelines by referring to the County's Investment Fund's entire policy since all Connector JPA cash is held in the Investment Fund. The Investment Fund is managed by the Sacramento County Director of Finance (Treasurer), who is responsible for making investments on behalf of the Connector JPA according to the Investment Fund's policy.

ATTACHMENTS

a. Fund Balance Reserve Policy
b. Sacramento County Employees' Retirement System Member Handbook
c. Sacramento County Annual Investment Policy of the Pooled Investment Fund
d. Resolution 2024-04

ITEM 7 a

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Fund Balance Reserve Policy

Adopted by:
Board Resolution No. 2024-04,
Dated May 31, 2024

Table of Contents

I. FUND BALANCE RESERVE POLICY

Introduction and Purpose

The purpose of the Fund Balance Reserve Policy of the Capital SouthEast Connector Authority (the "Connector") is to maintain an adequate fund balance in its only fund, the General Fund. The policy will ensure adequate fund balance is available to pay upfront costs for certain expenditures such as overhead and personnel costs, which are subsequently submitted for reimbursement under interagency agreements. Establishing a fund balance reserve also provides financial stability for the following:

- Economic uncertainties and other financial hardships or downturns in the local economy;
- Contingencies for unforeseen operational and capital needs; and
- Cash-flow requirements.

II. AUTHORITY

The Connector Board is responsible for the approval of financial policies which establish and direct the operations of Connector staff. The Executive Director is responsible for carrying out the policy directives of the Connector Board and managing the day-to-day operations of the Connector. This policy shall be administered on behalf of the Connector Board by the Executive Director.

III. MONITORING PERFORMACE

The Connector will measure its compliance with this policy on an annual basis during the Connector's budgeting process. During the course of the fiscal year the Executive Director shall closely monitor the Connector's revenues and expenditures to ensure reserves are not used beyond any planned usage.

At a minimum, during the annual financial planning/budget process staff will review the current and projected reserves to ensure that they are appropriate based on anticipated expenditures.

IV. FUNDING THE RESERVE

The Connector does not generate any revenue of its own but relies on interagency agreements for funding. Therefore, as it incurs expenditures, claims are submitted for reimbursement. Under this model, the Agency carefully monitors cash inflows and outflows to ensure that there is always adequate cash on hand to meet operating expenditures.

The Agency's mission is to build a single capital project and project funding significantly varies yearly, the Connector JPA's reserve policy is centered on meeting overhead and personnel costs. The Connector will maintain a fund reserve of three (3) months of overhead and personnel costs.

ITEM 7 b

MEETING DATE: May 31, 2024

TITLE: Sacramento County Employees' Retirement System Member Handbook

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Member Handbook: SCERS_Pepra_PRINT_Textpages(edited).indd

ITEM 7 c

MEETING DATE: May 31, 2024

TITLE: Sacramento County Annual Investment Policy of the Pooled Investment Fund

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Investment Policy: Investment Policy (saccounty.gov)

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ITEM 7 d

RESOLUTION 2024-04

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AUTHORITY APPROVING THE ADOPTION OF THE FUND BALANCE RESERVE POLICY, RETIREMENT BENEFIT FUNDING POLICY, AND FINANCIAL INVESTMENT POLICY

BE IT RESOLVED by the Board of Directors ("Board") of the Capital SouthEast Connector Joint Powers Authority ("Connector JPA") hereby approves and adopts a Fund Balance Reserve Policy, Retirement Benefit Funding Policy, and Financial Investment Policy, in substantially the same form as attached hereto.

This Resolution shall take effect from and after its passage and adoption date.

* * * * *

PASSED AND ADOPTED this 31st day of May 2024, on a motion by

Director ___________, seconded by Director____________, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Chairperson

ATTEST:

____
Secretary

ITEM 8

MEETING DATE: May 31, 2024

TITLE: Authorize the Executive Director to Execute Funding Agreements with the State of California Required for Receiving Federal and State Grant Funding

PREPARED BY: Matt Lampa

RECOMMENDATION

Approve Resolution 2024-05 authorizing the Executive Director to execute funding agreements required for receiving federal and state funding and any amendment thereto with the California Department of Transportation.

BACKGROUND

The California Department of Transportation ("Caltrans") Local Assistance Procedures Manual requires agencies to execute agreements with Caltrans before seeking reimbursement for work from federal or state funds. The agreements may consist of Master Agreements, Program Supplement Agreements, Baseline Agreements, Fund Exchange Agreements, and Fund Transfer Agreements.

DISCUSSION

Caltrans requires a governing board to adopt a resolution authorizing the agency to enter into the funding agreement or any amendments. The agency can delegate authority using a "blanket resolution" to streamline the process. Resolution 2024-05 includes language provided by Caltrans and will allow the Connector JPA to begin reimbursable work and invoice Caltrans more expeditiously.

ATTACHMENTS

a. Resolution 2024-05

ITEM 8 a

RESOLUTION 2024-05

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AUTHORITY AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE FUNDING AGREEMENTS REQUIRED WITH THE STATE OF CALIFORNIA TO RECEIVE FEDERAL AND STATE GRANT FUNDING

WHEREAS, the Capital SouthEast Connector Joint Powers Authority ("Connector JPA") is eligible to receive Federal and/or State funding for certain Transportation Projects through the California Department of Transportation; and

WHEREAS, Master Agreements, Program Supplemental Agreements, Fund Exchange Agreements, and/or Fund Transfer Agreements need to be executed with the California Department of Transportation before such funds can be claimed; and

WHEREAS, the Board of Directors of the Connector JPA wishes to delegate authorization to execute these agreements and any amendments thereto to its Executive Director, who shall be authorized to execute all Master Agreements, Program Supplemental Agreements, Fund Exchange Agreements, Fund Transfer Agreements, and any amendments thereto with the California Department of Transportation.

This Resolution shall take effect from and after its passage and adoption date.

* * * * *

PASSED AND ADOPTED this 31st day of May 2024, on a motion by

Director ___________, seconded by Director__________, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Chairperson

ATTEST:

____
Secretary

ITEM 9

MEETING DATE: May 31, 2024

TITLE: Election to Opt-In to the California Uniform Public Construction Cost Accounting Act

PREPARED BY: Osman Mufti, General Counsel

RECOMMENDATION

Approve Resolution 2024-06, electing to be subject to the California Uniform Public Construction Cost Accounting Act ("CUPCCAA").

BACKGROUND

The California legislature enacted the CUPCCAA in 1983 to promote "uniformity of the cost accounting standards and bidding procedures on construction work performed or contracted by public entities in the state."

The CUPCCAA is a voluntary program available to all public entities in the state, including the Capital Southeast Connector JPA. However, it applies only to public agencies that have "opted in" using the processes outlined in the statute.

Sacramento County, the City of Elk Grove, and the City of Rancho Cordova are member agencies that have opted-in to the CUPCCAA.

Agencies that opt-in to the CUPCCAA may perform public project work of $60,000 or less by force account using their own resources, negotiated contract, or purchase order.

For public construction projects in the amount of $200,000 or less, the Connector JPA may use the informal or formal bidding procedures that are set forth in Section 22032(b) or (c) of the Act.

The California Uniform Construction Cost Accounting Commission (the "Commission") administers the statute.

For public construction projects exceeding $200,000, the Connector JPA must use formal bidding procedures to award the contract.

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DISCUSSION

Benefits of adopting the CUPCCAA include an increased force account limit for smaller public project work, simplified bidding for projects that are $200,000 or less, reduced number of formal bids based on project size, and expedited contracting for projects under $200,000.

Additional benefits often include expedited project delivery with reduced time, effort, and expense associated with bidding projects under $200,000 and simplified administration for these smaller projects. The State Controller's Office states that few agencies have experienced challenges with the accounting requirements and overhead provisions. The current Standard Accounting Codes Structure satisfies reporting requirements.

If adopted, the Connector JPA would first develop a list of registered contractors per the Commission's Cost Accounting Policies and Procedures Manual. Public Contract Code 22034 requires the development of a list of registered contractors. This involves inviting contractors to be placed on the list by publishing notices in trade journals.

Once the Connector JPA establishes a list of qualified contractors, the list must be updated annually, and Contractors may be added to the list at any time. Construction projects exceeding $60,000 but less than $200,000 may be bid by issuing an invitation to bid to only those registered contractors.

Contractors interested in qualifying for the CUPCCAA list are required to submit:

1) The name and address to which a Notice to Contractors or Proposal should be mailed, faxed, or emailed;
2) A phone number at which the contractor may be reached;
3) The type of work in which the contractor is interested and currently licensed to do (earthwork, pipelines, electrical, painting, general building, etc.);
4) The class of contractor's license(s) held; and
5) The contractor license number(s)

Should the Board elect to opt-in to the CUPCCAA, the Connector JPA's Contracting and Purchasing Procedures Manual will be updated to reflect the CUPCCAA requirements as Connector JPA policies.

ATTACHMENTS

a. Resolution 2024-06

ITEM 9 a

RESOLUTION 2024-06

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AUTHORITY ELECTION TO BE SUBJECT TO THE UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

WHEREAS, before the passage of Assembly Bill No. 1666, Chapter 1054, Statutes of 1983, which added Chapter 2, commencing with Section 22000, to Part 3 of Division 2 of the Public Contract Code, existing law did not provide a uniform cost accounting standard for construction work performed or contracted by local public agencies; and

WHEREAS, Public Contract Code section 22000 et seq., the Uniform Public Construction Cost Accounting Act (the "Act"), establishes such a uniform cost accounting standard; and

WHEREAS, the commission established under the Act (the "Commission") has developed uniform public construction cost accounting procedures for implementation by local public agencies in the performance of or contracting for the construction of public projects.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Elk Grove-Rancho Cordova-El Dorado Connector Authority operating as the Capital SouthEast Connector Joint Powers Authority, hereby elects under Public Contract Code section 22030 to become subject to the procedures set forth in the Act and to the Commission's policies and procedures manual and cost accounting review procedures, as they may each from time to time be amended, and directs that the Executive Director notify the State Controller forthwith of this election.

This Resolution shall take effect from and after its passage and adoption date.

* * * * *

PASSED AND ADOPTED this 31st day of May 2024, on a motion by

Director ____________, seconded by Director_____________, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chairperson

ATTEST:

Secretary

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ITEM 10

MEETING DATE: May 31, 2024

TITLE: Adopt Revisions to Contracting and Purchasing Procedures Manual to Incorporate California Uniform Public Construction Cost Accounting Act Requirements

PREPARED BY: Osman Mufti, General Counsel

RECOMMENDATION

Approve Resolution 2024-07 adopting revisions to the Contracting and Purchasing Procedures Manual to incorporate procedures for contracting for public construction projects consistent with the California Uniform Public Construction Cost Accounting Act (CUPCCAA).

BACKGROUND AND DISCUSSION

Item 9 on the May agenda addresses the CUPCCAA and the Connector JPA's election to opt-in to the statutory procedures of the CUPCCAA. The CUPCCAA is a voluntary program available to all public entities in the state, including the Capital Southeast Connector JPA. However, it applies only to public agencies that have "opted-in" using the processes outlined in the statute. Sacramento County, the City of Elk Grove, and the City of Rancho Cordova are member agencies that have opted it into the CUPCCAA.

In addition to opting into the CUPCCAA, the Connector JPA must revise its Contracting and Purchasing Procedures Manual to incorporate the CUPCCAA's procedures concerning soliciting bids for public construction projects under $200,000.

Attached is a markup of the Contracting and Purchasing Procedures Manual reflecting the necessary changes.

ATTACHMENTS

a. Markup of the Contracting and Purchasing Procedures Manual
b. Resolution 2024-07

Item 10 a

Contracting and Purchasing Procedures Manual

Revised May, 2024
Adopted by:
Board Resolution No. 2024-07,
dated May 31, 2024

Revised January, 2017
Adopted by:
Board Resolution No. 2017-02,
dated January 27, 2017

Revised June, 2015
Adopted by:
Board Resolution No. 2015-16,
dated June 26, 2015

Original Adopted by:
Board Resolution No. 2010-18,
dated November 12, 2010

Table of Contents

I. GENERAL PROVISIONS

A. Introduction and Purpose

These Contract and Purchasing Procedures ("Procedures") are established for use by the Capital SouthEast Connector Authority ("Connector Authority" or "Connector") for the award of Connector Authority Contracts.

The Connector Authority is responsible for its own product and services acquisitions. This process includes ensuring the necessity of procuring the product or service, ensuring appropriate funding is available, complying with laws, and writing contracts in a manner that safeguards the program's and the organization's interest. The Connector management must maintain a written record of all persons authorized to sign Contracts. These Procedures are designed to ensure the best and most cost effective use of program funds through an open and fair procurement process.

These Procedures are for the use of the Connector Authority's Board of Directors and staff and shall not be construed to create or recognize any procedural or other right in any person or entity, including, but not limited to, any bidder, prospective bidder, or party to a Contract with the Connector Authority. The Board of Directors may adopt standard specifications setting forth procedures and controls for Contracts and the bidding and award thereof, to modify or supplement these Procedures. The Board of Directors may amend these Procedures from time to time.

B. Policy

It is the policy of the Connector that goods and services be acquired through a procurement process that provides full and open competition to the maximum extent feasible, consistent with federal and state statutes and regulations and that such procurements shall be consolidated, whenever possible, to ensure efficient use of Connector staff resources. The Connector will only contract with responsible contractors possessing the ability to perform successfully.

No Board member, officer, employee or agent of the Connector shall, on the grounds of race, color, creed, national origin, sex, age, or sexual orientation, discriminate or permit discrimination against any person or group of persons in connection with the procurement of goods and services.

It is the policy of the Connector that the Connector and its contractors shall take all reasonable steps to ensure that disadvantaged business enterprises (DBEs) have the maximum opportunity to compete for Connector contracting opportunities.

C. Responsibilities

The Connector Executive Director is responsible for administration of this policy, and for ensuring funds are available. The Executive Director may delegate responsibility for implementation to other Connector staff members, as appropriate.

Under the authority of the Executive Director, the Connector staff shall develop and maintain standard purchasing forms, purchase orders, and other forms as necessary to implement this policy and the procedures identified.

Connector staff is responsible for becoming familiar with this policy and for adhering to and carrying out this policy, for ensuring that these procedures are followed, for approving or recommending approval of the procurement of goods and services necessary to accomplish the goals of the Connector, and for reviewing the proposed procurements to avoid the purchase of unnecessary or duplicative items. The Executive Director may delegate these responsibilities to the Project Manager initiating the procurement.

D. Definitions

1. "A&E Contract" means a contract for architectural or engineering services, which includes program management, construction management, feasibility studies, preliminary engineering, design, architectural, landscape architecture, environmental services (including environmental documentation), engineering, surveying, mapping, and related services. Such services must be directly in support of, directly connected to, directly related to, or lead to construction, alteration, or repair of real property.

2. "Board" means the Connector Authority's Board of Directors.

~~2.~~3. "California Uniform Public Construction Cost Accounting Act" or "CUPCCAA" means Chapter 2 Section 22000, to Part 3 of Division 2 of the Public Contract Code.

4~~3~~. "Construction Contract" means a contract for a specified individual project of construction, alteration, renovation, improvement, demolition, or repair work involving a public facility, but not including Maintenance.

4. "Construction Manager/General Contractor Method" or "CM/GC" means the Construction Manager/General Contractor project delivery method for construction projects, subject to conditions and requirements set forth in Public Contract Code sections 6703, 6704 (a), and 6705 to 6708.

5. "Contract" means a Construction Contract, Special Services Contract, Supply Contract and any other agreement, whether written, oral or otherwise, that evidences a legal obligation, including, but not limited to, any contract, lease, purchase order, change order, or similar thing, and any amendment thereto.

6. "Emergency" means a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss and impairment of life, health, property, or essential public services.

7. "Executive Director" means the Executive Director of the Connector Authority or another individual given specific authorization by the Board of Directors to enter into a transaction on behalf of the Connector Authority.

8. "Invitation for Bid" or "IFB" means a solicitation for sealed bids which will be awarded to the responsible, responsive bidder whose bid is lowest in price and conforms to all the material terms and conditions in the IFB.

9. "Non-Federal Contracts" means a Contract that will be funded with State and/or local funds only. No federal funds will be utilized to pay the selected vendor or contractor.

10. "Maintenance" means ongoing maintenance and other services, including, but not limited to, real property maintenance, janitorial services, elevator maintenance and repair, equipment maintenance and repair, landscaping and other such services.

11. "Project Manager" means the Connector staff member assigned administrative responsibility for a Contract or procurement.

12. "Purchase" means the purchase, rental, or leasing of supplies, goods, equipment, materials, and other personal property.

13. "Purchasing Agent" means the Purchasing Agent of the Connector Authority and any person to whom the Purchasing Agent delegates authority and responsibility for the function involved.

14. "Request for Proposal" or "RFP" means a solicitation for competitive proposals, used to acquire services, supplies, or property. "Request for Proposal" ("RFP"), as used in these Procedures, also includes a "Request for Qualifications" ("RFQ").

15. "Special Services Contract" means a contract for special services which cannot readily be provided by the Connector Authority's employees. "Special Services" include, but are not limited to, financial, economic, accounting (including the preparation and issuance of payroll checks and warrants), engineering, legal, medical, administrative, architectural, security, maintenance, operational, advertising, and related services and any other services of a similar nature.

16. "Supplies" means supplies, goods, equipment, materials, and other personal property, excluding such items used in or incorporated into a specified individual project of construction, alteration, renovation, improvement, demolition, or repair work involving a public facility.

17. "Supply Contract" means any Contract for the Purchase of Supplies.

E. Basic Contracting Process

The contracting process starts with the recognition of a need for a product or service. From that point the process varies depending on the type of product or services needed. Key considerations include:

- *Time* – When the product or service is needed is a critical factor.

- *Cost and Funding* – Funding and payment for services rendered is important. The program should have funding available within its budget for the fiscal year in which the required services will be performed. If a multi-year contract, the necessary contingencies should be incorporated into the terms of the contract.

Prior to commencing any procurement or amending an existing contract that utilizes federal funds, the Executive Director must complete the Cost or Price Analysis Form, attached hereto as Attachment A.

- *Competitive Bidding* – Selection of a contractor must always be the result of an open and fair process in which all qualified providers of the product or service desired have the opportunity, and the information necessary, to submit a bid or proposal.

- *Management of the Contract* – The final step of managing the contract should be anticipated and planned during the contracting process. Deliverables should be clearly described so that they can be evaluated and payments can be approved.

For each contract utilizing federal funds and in excess of $2,500, the contract file must contain a completed "Consultant Contract Reviewers Checklist," attached hereto as Attachment B, and a "History of the Procurement," attached hereto as Attachment C. These forms must be completed by the Project Manager as applicable for every project.

F. Environmental and Energy Efficiency Preference

To the extent practicable and economically feasible, federally funded procurements will reflect the Connector's preference for products and services that conserve natural resources, protect the environment, and are energy efficient.

G. Record Keeping

The Connector shall prepare and maintain purchasing and financial records, covering procurement transactions as well as other aspects of project implementation for three years after final payment has been made and all other pending matters are closed.

H. Federal Contract Requirements

Federally funded contracts shall require compliance with Federal law and shall include the following contract clauses and requirements: "Responsibility" Requirements; Debarment and Suspension; Conflict of Interest; Lobbying Certification and Disclosure; Federal Civil Rights Laws and Regulations; Labor and Prevailing Wage Laws and Regulations; and Disadvantaged Business Enterprise Requirements.

I. Code of Conduct

1. Award and Administration of Contracts: No Board Director, officer, employee or agent of the Connector Authority shall participate in the selection, award or administration of a contract (including purchase orders) if a conflict of interest, real or apparent, would be involved. Such a conflict would arise if any prospective vendor or contractor (or any subcontractor) considered for an award is:

   a. The Board Director, employee, officer or agent;
   b. Any member of his/her immediate family;
   c. His/her domestic or business partner;

d. An organization that employs any of the above, or with which any of them has an arrangement concerning prospective employment.

No Board Director, officer, employee or agent of the Connector who participates in the procurement, management, or administration of contracts shall have, directly or indirectly, a financial or other personal interest in any contract made or influenced by him/her in his/her official capacity.

No Board Director, officer, employee or agent of the Connector shall solicit or accept gratuities, favors, or anything of monetary value from consultants, vendors, contractors, or potential consultants, or parties to sub-agreements in excess of the applicable gift limit established by the Fair Political Practices Commission ("FPPC"). Gifts shall be reported consistent with FPPC requirements.

No person or entity performing services on behalf of the Connector shall have, directly or indirectly, any financial or other personal interest, other than employment or retention by the Connector, in any contract or subcontract.

Violations of these standards may result in sanctions, or other forms of discipline up to and including termination.

2. Disciplinary Action: The purpose of this policy is to provide guidelines consistent with the Connector Personnel Rules that will insure uniform application of progressive discipline for Connector employees subject to disciplinary action "for cause."

Disciplinary action against a Connector Employee shall be for cause, as it may affect work performance and effectiveness within the organization, and shall be consistent with the Procedures set forth in the Connector Personnel Rules on Discipline.

Finally, Connector employees, officers, and agents who are not subject to disciplinary action "for cause," are covered by written "at-will" employment agreements or other contracts which allow for termination by the Connector for no reason or for any reason, including, but not limited to, violations of the standards set forth in this Section G. This policy is in addition to any discipline statutorily available for those participating in the selection, award or administration of a contract if a conflict of interest exists. (Cal. Gov. Code, §§ 81000-91014.)

J. References

All applicable federal and state laws and regulations are incorporated by reference in these Procedures to the extent required by law, including but not limited to: 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31 et seq.; Office of Management and Budget Circular *A-102, Grants and Cooperative Agreements with State and Local Governments*; 49 CFR, Part 18, *Uniform Administrative Requirements for Grants and Cooperative Agreements with State and Local Governments*; Chapter 11 of 40 U.S.C., *Brooks Act*; and FTA Circular 4220.1F, *Third Party Contracting Guidance*, and any amendments thereto.

II. AWARDING OF CONTRACTS

The contracts of the Authority, including contracts for supplies, construction services, special services, architectural and engineering services, and real estate, shall be awarded pursuant to the guidelines set forth below.

Once a vendor has been identified pursuant to the appropriate method of procurement, as set forth in Section III below, a contract must be negotiated. No work shall commence nor may goods be ordered until a contract has been negotiated and approved, as set forth below.

Price Threshold	Method of Procurement	Required Approval Level
Under $2,500	Purchase Order, No Bidding Required	Executive Director
$2,500 to $50,000	Small Purchase – for Supplies/Special Services and A&E IFB ~~at~~ if CM/GC – ~~Construction and~~/or Construction Management	Executive Director
$2,500-$60,000	Construction Contract pursuant to CUPCCAA- direct solicitation and negotiated agreement	Executive Director
More than $50,000	RFP or RFQ– for Supplies/Special Services RFP or RFQ – for A&E IFB ~~at~~ if CM/GC ~~– Construction and~~/or Construction Management	Connector Board
$60,001-$200,000	Construction contract pursuant to CUPCCAA- bids solicited list of registered contractors	Connector Board
More than $200,001	Construction contracts – IFB solicitation	Connector Board

A. Supply, Special Service, and Architectural & Engineering Services Contracts

Contracts which involve both Special Services and Supplies shall be deemed Special Services Contracts; except that such contracts for which Supplies account for more than 80% of the contract price shall be deemed Supply Contracts.

1. Expenditures of $50,000 or Less

The Executive Director is authorized to award all Supply Contracts, Special Service Contracts, and Architectural & Engineering ("A&E") Contracts when the expenditure is less than Fifty Thousand, Five Hundred Dollars ($50,000).

2. Expenditures Exceeding $50,000

All Supply Contracts, Special Service Contracts, and A&E Contracts of more than Fifty Thousand Dollars ($50,000) shall be awarded by the Board of Directors. Such contracts need not be awarded by the Board where the entire contract amount is to be paid by a state or local entity, or another joint powers agency.

B. Construction and Pre-Construction Services Contracts

Generally, Construction Contracts shall be awarded as set forth below. However, procurement of CM/GC, Design-Bid-Build, and Design-Build contracts may require alternative procedures. Prior to commencing a CM/GC, Design-Build, or Design-Bid-Build procurement, the Connector staff shall consult with legal counsel regarding the most up-to-date requirements under local, state, and/or federal law, as well as the CM/GC policies set forth in Section III.D., below.

The Connector Authority shall comply with the requirements of Public Contract Code Section 22034. A list of registered contractors shall be developed in accordance with the CUPCCAA and the Cost Accounting Policies and Procedures Manual. Where a public project is to be performed which is subject to the provisions of the CUPCCAA, a notice inviting informal bids shall be circulated as follows:

1. Notices inviting informal bids may be mailed, faxes, or emailed to all contractors for the category of work to be bid, as shown on the list developed in accordance with the CUPCCAA.

Additionally, the Connector Authority may in its discretion, invite informal bids as follows:

2. Notices inviting informal bids may be mailed to all construction trade journals as specified by the California Uniform Construction Cost Accounting Commission in accordance with section 22036 of the Public Contract Code.

1. **Expenditures of $~~25,000~~60,000 or Less**

   a. The Executive Director is authorized to award all Construction and Pre-Construction Services Contracts when the expenditure is less than ~~Twenty-Five~~Sixty Thousand Dollars ($60~~25~~,000). The Executive Director may employ such requirements for bid security, faithful performance bonds, or payment bonds as he or she deems necessary.

   b. ~~IFB shall be used for Construction Contracts of more than Ten Thousand Dollars ($10,000). For Construction Contracts under $10,000, the Executive Director shall use Small Purchasing Procedures.~~ For CM/GC contracts, staff shall utilize the CM/GC procedures set forth in Section III.D., below, and shall consult with legal counsel.

2. **Expenditures Exceeding $~~25~~60,000 and Less Than $200,000**

   a. The Board shall award Construction and Pre-Construction Services Contracts for expenditures of more than ~~Twenty Five Thousand Dollars~~Sixty Thousand Dollars ($60~~25~~,000) ~~or more~~and less than Two Hundred Thousand Dollars ($200,000), except that the Executive Director may award such contracts where the entire contract amount is to be paid by any other state or local entity, or another joint powers agency. Contracts shall be awarded pursuant to the CUPCCAA and bids shall be solicited through the issuance of an IFB from the Connector Authority's list of registered contractors.

   b. IFB shall be used for Construction Contracts. CM/GC Contracts shall be procured according to the procedures set forth in Section III.D., below.

3. **Day Labor**

   a. Notwithstanding any other provision of these Procedures, the Executive Director may carry out projects utilizing day labor. In carrying out projects by day labor, the Connector Authority shall be subject to the restrictions imposed upon local agencies in the utilization of day labor.

C. Real Property Contracts

1. **Contracts for the Lease of Real Property**

a. The Executive Director and his designee are authorized to lease real property for use by the Connector for a term not to exceed three years and for a rental not to exceed Five Thousand Dollars ($5,000) per month. Any lease for a term exceeding three years, or exceeding Five Thousand Dollars per month shall be approved by the Board of Directors.

b. Notice of the intent to execute a lease under this provision shall be posted in a public place for five working days prior to execution of the lease.

2. **Contracts for the Acquisition of Real Property**

a. The Connector Board of Directors shall approve all Contracts for the acquisition of Real Property, in any amount. Real Property purchased with federal funds shall comply with the Uniform Administrative Requirements for Grants and Agreements with State and Local Governments (49 CFR Pt. 18.), and the Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs (49 CFR Pt. 24).

D. Local Contracting Preference

No local preference will be applied when state or federal laws or regulations prohibit their application.

III. METHODS OF PROCUREMENT

All solicitations shall include a clear and accurate description of the Connector's technical requirements for the property or services to be acquired. The Connector shall utilize the following guidelines when procuring services, supplies, and property at the specified dollar amounts. In addition, any procurement for federally-funded contracts shall comply with the requirements set forth in Chapter 10 of Caltrans' Local Assistance Procedures Manual ("LAPM"). In the event of a conflict between these procedures and the LAPM, the LAPM shall control.

A. Procurement by Small Purchasing Procedures

1. **Small Purchasing Procedures**

Small purchasing procedures may be used to acquire services (including A&E services), supplies, or other property totaling $50,000 or less, except for Construction Contracts. If a potential contract amendment may cause the total contract amount to exceed $50,000, procurement should be made by competitive proposal, as set forth in subsections III.B. and III.C., below

a. A list of criteria for the materials or services to be provided must be developed.

b. Verbal or written price or rate quotations must be obtained from at least three possible sources. For the purpose of small purchases, a hard copy of a published or listed price is considered a written quotation. If verbal quotations are received, staff must complete the "Documentation of Bids Received by Telephone" form, attached hereto as Attachment D. Verbal quotations can be difficult to enforce, so a successful verbal quotation must be confirmed in writing by the offeror.

c. When small purchasing procedures are used and an award is made to other than the source with the lowest quotation, a written justification of the award decision will be made a part of the quotation record, unless the purchase is under $2,500.

2. **Prohibited Divisions**

   a. The recipient may not divide or reduce the size of its procurement to utilize small purchasing procedures and avoid the additional procurement requirements applicable to larger acquisitions.

B. Procurement by Competitive Proposal/Request for Proposals/Request for Qualifications (RFP/RFQ)

Procurement by competitive proposal/request for proposals/request for qualifications ("RFP/RFQ") shall be utilized to acquire services, supplies, or property totaling more than $50,000. RFP/RFQ's for procurements that exceed $50,000 shall be approved by the Board of Directors prior to publication, unless identified in the adopted budget. However, any RFP/RFQ may be taken to the Board if it is determined by management that there are issues surrounding the project that are of interest to the Board.

Either a fixed price or time and materials contract with a "not to exceed" contract amount will be awarded. The RFP/RFQ method of procurement will generally be used when conditions are not appropriate for the use of sealed bids. If this procurement method is used, the following requirements will apply:

1. RFPs shall be publicized, as set forth below in this section III.H, below;

2. All evaluation factors will also be identified, along with their relative importance;

3. Proposals will be solicited from an adequate number of qualified sources;

4. When conducting technical evaluations of the proposals received, at least three review panel members shall review proposals, and shall use the "Guidelines for Criteria and Considerations in Evaluating RFPs" attached hereto as Attachment E;

5. The Connector shall interview up to five proposers, but no less than three (if three or more bids were received), based on scoring of the submitted proposals. The Project Manager, in consultation with the proposal review panel, will determine the exact number of proposers to interview, based on scoring of proposals. All members of the proposal review panel shall complete and sign a conflict of interest form prior to selection process initiation (see Caltrans, Local Assistance Procedures Manual, Exhibit 10-T);

6. The contract will be awarded to the responsible firm whose proposal is most advantageous to the Authority's program when price and other factors are considered. Except when qualifications-based procedures are utilized, as set forth in Section III.C., below, the Authority normally will select the lowest bidder meeting the minimum qualifications, unless it can be demonstrated that accepting a higher cost proposal will provide a substantially better product or service that would justify the higher cost; and

7. In determining which proposal is most advantageous, the Authority may award the contract to the proposer whose proposal offers the best value. However, if the Authority uses the best value selection method as the basis for award, the solicitation must contain language establishing that an award will be made on a "best value" basis.

C. Procurement by Qualifications-Based Competitive Proposal Procedures

The Connector Authority shall use qualifications-based competitive proposal procedures (i.e., Brooks Act procedures) when contracting for Architectural and Engineering ("A&E") services in excess of $50,000. Services subject to this requirement include program management, construction management, feasibility studies, preliminary engineering, design, architectural, landscape architecture, engineering, land surveying, mapping, environmental services (including environmental documentation), and related services.

If services subject to this requirement are not directly in support of, directly connected to, directly related to, or lead to construction, alternation, or repair of real property, then the Connector Authority may not use qualifications-based procurement procedures to select the contractor that will perform those services.

1. Qualifications-Based Competitive Proposal Procedures

In addition to complying with the procedures for an RFP/RFQ, set forth in section III.B., above, except that qualifications-based competitive proposal procedures require that:

a. An offeror's qualifications be evaluated;

b. Price be excluded as an evaluation factor;

c. Negotiations be conducted with only the most qualified offeror;

d. The Connector shall request that the top-ranked offeror submit a sealed cost proposal. Or if time is of the essence and it can be justified, sealed cost proposals may be requested from all consultants with their technical proposals. The cost proposal for the top-ranked offeror shall be opened and used to begin negotiations. Failing agreement on price, negotiations must be formally terminated and the local agency must undertake negotiations with the next most qualified offeror until a contract award can be made to the most qualified offeror whose price is fair and reasonable to the Connector. Each offeror's cost proposal must remain sealed until negotiations commence with that offeror. At the conclusion of successful cost negotiations, all remaining sealed envelopes containing cost proposals shall be returned to offerors.

2. Additional Procedures for Federally-Funded Contracts

a. Cost proposals shall be submitted on Caltrans LAPM Exhibit 10-H.

b. Contracts shall only be awarded to a consultant with adequate financial management and accounting systems.

c. If only two proposals are received, a justification must be documented to proceed with the procurement, and the re-advertisement of the RFP must be considered as an option.

d. All consultants that submit proposals must be informed about the final ranking of consultants.

3. **Limitations**

These qualifications-based competitive proposal procedures can only be used for the procurement of the A&E services as set forth below. This method of procurement cannot be used to obtain other types of services even though a firm that provides A&E services is also a potential source to perform other types of services.

D. Procurement by Construction Manager/General Contractor

If the utilization of CM/GC is authorized by the Connector Authority's Board of Directors, a request for qualifications ("RFQ") the Connector Authority shall use qualifications-based competitive proposal procedures, consistent with Section III.C., above. In addition to the procedures set forth for qualifications-based competitive proposals, CM/GC procedures shall require that:

1. The RFQ shall require all submissions to provide the information required pursuant to Public Contract Code Section 6703, subdivision (a)(1)(A)-(L).
2. The Connector Authority shall enter into a written contract with the CM/GC contractor for preconstruction services and shall pay the CM/GC contractor a fee for preconstruction services in an amount agreed upon by the Connector Authority and the CM/GC contractor.
3. The Connector Authority shall not request or obtain a fixed price or a guaranteed maximum price ("GMP") for the Construction Contract from the CM/GC contractor or enter into a Construction Contract with the CM/GC contractor until after the Connector Authority has entered into a contract for preconstruction services. The preconstruction services contract shall provide for the subsequent negotiation for construction of all or any discreet phase or phases of the project. Prior to entering into a Construction Contract, any estimated construction costs provided by the CM/GC contractor shall be held by the Connector Authority as a confidential document, not subject to disclosure pursuant to the Public Records Act. The CM/GC contractor shall be required to submit a non-disclosure agreement to the Connector Authority.
4. Prior to award of any Construction Contract, the Connector Authority shall obtain an Independent Cost Estimate ("ICE") from a qualified independent construction cost estimator to validate the CM/GC contractor's proposed fixed price or GMP for construction services. The purpose of the ICE is to ensure a fair and reasonable price for construction services. Until the Connector Authority enters into a Construction Contract, the ICE and supporting documentation shall be held by the Authority as confidential documents, not subject to disclosure pursuant to the Public Records Act. The preparer of the ICE shall be required to submit a non-disclosure agreement to the Authority.
5. A Construction Contract shall be awarded after the plans have been sufficiently developed and either a fixed price or a GMP has been successfully negotiated. If no fixed price or GMP is negotiated, the Connector Authority shall not award the Construction Contract.
6. No construction services shall commence before the Connector Authority and the CM/GC contractor agree in writing on either a fixed price or GMP. The Authority's Board of Directors may award the Construction Contract to the CM/GC contractor if the Board determines that the fixed price or GMP is fair and reasonable in comparison to the ICE.

7. The CM/GC contractor shall perform not less than 30% of the work covered by the fixed price or GMP. Work that is not performed directly by the CM/GC contractor shall be bid to subcontractors pursuant to Public Contract Code Section 6705.
8. In the event that federal funds are utilized for a CM/GC contract, the Connector Authority shall obtain all necessary approvals to utilize CM/GC from the appropriate funding agency or agencies.
9. In the event that the Connector Authority and the CM/GC contractor cannot agree on a fixed price or GMP, consistent with the terms of the RFQ, the Connector Authority shall proceed with a traditional Invitation for Bids, pursuant to section III.E.,below.

E. Procurement by Sealed Bids/Invitation For Bid (IFB)

If sealed bids/invitation for bids ("IFB") are utilized, bids must be publicly solicited and a firm fixed-price contract (lump sum or unit price) will be awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price.

1. **IFB. IFB may be utilized when the following conditions are present:**
   a. A complete, adequate, and realistic specification or purchase description is available;
   b. Two or more responsible bidders are willing and able to compete effectively for the business;
   c. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price; and
   d. No discussion with bidders is needed.
2. **If the IFB procurement method is used, the following requirements apply:**
   a. The IFB will be publicly advertised, as set forth below in this section IIIH.;
   b. Bids shall be solicited from an adequate number of known suppliers, providing them sufficient time to prepare bids prior to the date set for opening the bids;
   c. The IFB, which will include any specifications and pertinent attachments, shall define the items or services sought in order for the bidder to properly respond;
   d. All bids will be publicly opened at the time and place prescribed in the invitation for bids;
   e. A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder, as set forth herein. When specified in bidding documents, factors such as discounts, transportation costs, and life cycle costs shall be considered in determining which bid is lowest;
   f. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
   g. Any or all bids may be rejected if there is a sound, documented business reason.
3. The IFB procurement method is the preferred method for procuring Construction Contracts that require bidding, if the conditions above apply.

F. Construction Contracts

~~Small Purchasing Procedures shall be~~CUPCCAA procedures shall be used for Construction Contracts of ~~Ten Thousand Dollars ($10,000) or less~~Two Hundred Thousand Dollars ($200,000) or less. For Construction Contracts over $~~10,000~~200,000, the Executive Director shall use IFB, except as stated below.

Procurement of Design-Bid-Build, Design-Build, and/or CM/GC contracts require alternative procedures. Prior to commencing such a procurement, Connector staff shall consult with legal counsel regarding the most up-to-date requirements under local, state, and/or federal law. CM/GC contracts shall be procured pursuant to Section III.D., above.

G. Procurement by Noncompetitive Proposals/Sole Source for Federally-Funded Contracts

Sole source procurements are accomplished through solicitation of a proposal from only one source, in the event of a public Emergency or compelling urgency, or if after solicitation of a number of sources, competition is determined inadequate. A contract change that is not within the scope of the original contract is also considered a sole source procurement that must comply with this subparagraph.

Where sole source procurement is used, the Executive Officer or the Project Manager must document the factual circumstances and the need for sole source procurement under one or more of the following reasons:

1. **Procurement by Sole Source:** Sole source procurements may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids, or competitive proposals and at least one of the following circumstances applies:
   a. The item is available only from a single source. The property or services are available only from a single source if one of the conditions described below is present:
      i. Unique Capability or Availability/Unique or Innovative Concept. The offeror demonstrates a unique or innovative concept or capability not available from another source. Unique or innovative concept means a new, novel, or changed concept, approach, or method that is the product of original thinking, the details of which are kept confidential or are patented or copyrighted, and is available to the Connector only from one source and has not in the past been available to the Connector from another source.
      ii. Patents or Restricted Data Rights. Patent or data rights restrictions preclude competition.

   The following conditions may also justify sole source contracting, except when the contract in question is funded, in part or in total, using federal funds from the Federal Highway Administration ("FHWA") or State funds (such as State Transportation Improvement Program funds):

      iii. Substantial Duplication Costs. In the case of a follow-on contract for the continued development or production of highly specialized equipment or services, when it is likely that award to another contractor would result in substantial duplication of costs that are not expected to be recovered through competition.

iv. Unacceptable Delay. In the case of a follow-on contract for the continued development or production of a highly specialized equipment or services, when it is likely that award to another contractor would result in unacceptable delays in fulfilling the Connector's needs.

b. A public Emergency exists as determined under Subsection G.6 below, and will not permit a delay resulting from competitive solicitation;

c. A compelling urgency exists such that the Connector's work progress would be inhibited or jeopardized if the competitive bidding process were observed;

d. After solicitation of a number of sources, a single bid or proposal is received, despite adequate competition; or

e. The Federal awarding agency authorizes noncompetitive solicitation.

2. **Upon receiving a single bid or proposal in response to a solicitation,** the Connector Authority will investigate and determine whether competition was adequate. This determination may include: (i) a review of the specifications to verify whether they were unduly restrictive; or (ii) contacting sources that chose not to submit a bid or solicitation.

   a. It is only if the Connector determines that competition was inadequate that the procurement should proceed as a sole source procurement. The mere fact that only one bid or proposal was received does not automatically mean competition was inadequate since many unrelated factors could cause potential sources not to submit a bid or proposal.

H. Exceptions to Bidding Requirements for Locally Funded Contracts

Notwithstanding any other provision of these Procedures, locally funded Contracts may be let without bidding, when permitted by law, under the following circumstances:

1. When a patented or proprietary item is being Purchased; or
2. To the extent not included in the definition of Special Services Contracts, when the following types of personal property or services are being acquired or Purchased: (a) advertising; (b) books, recordings, motion picture films, subscriptions; (c) property or services provided by or through other governmental agencies or obtainable from suppliers which have in force a current Contract with another governmental agency for the same item or service; (d) property or services the price of which is fixed by law; or (e) insurance; or
3. When the Executive Director or his designee, based on advice by legal counsel, determines that entering a Contract without bidding is reasonably necessary for the conduct of Connector business;
4. When the Executive Director or his designee determines that it is advantageous to the Connector to purchase supplies from another public agency or in cooperation with another public agency using that other public agency's bidding procedures;

5. When the Executive Director or his designee determines that it is advantageous to the Connector to purchase surplus supplies from the United States Government, or any agency thereof, or from the State of California, or any agency thereof, or any public body without bidding; or

6. In the event of an Emergency as follows:

    a. The Board finds, that the public interest and necessity in cases of Emergency often demands the immediate expenditure of money to safeguard life, health, or property and, therefore, the Board hereby delegates to the Executive Director and his designee, in cases of Emergency, the Connector to act in accordance with the procedures set forth in Public Contract Code section 22050. In the case of an Emergency, any sum required by the Emergency may be expended without complying with the Bidding provisions of these Procedures. The Executive Director and his designee shall report such Emergency expenditure at the next meeting of the Board.

I. Advertising

1. **Supply Contracts, Special Service Contracts, and A&E Contracts.** For Supply Contracts, Special Services Contracts, and A&E Contracts in excess of $50,000, the Connector shall publish notice of procurement by IFB or RFP/RFQ on the Connector's website, in a newspaper of general circulation, and by delivering notice to a list of potential bidders, as determined by the Executive Director or the Project Manager. In its discretion, the Connector may also post such notice as follows; (i) in an appropriate trade journal or other publication; and/or (ii) on the website of one of its partner agencies. The notice shall include a description of the supplies or services to be provided, and shall state where bid or proposal forms and specifications may be obtained, the time and place bids or proposals are to be submitted, and the time and place for opening bids, if applicable.

The Connector will post notice of procurement on its website for a period of at least 2 weeks before proposals are due. To document website postings, the Connector shall retain copies of screen shots displaying the posted "begin/end" dates.

2. **CM/GC and Construction Contracts.** For Construction Contracts and CM/GC Contracts, the Connector shall publish notice of procurement on the Connector website and in a newspaper of general circulation in the county in which the work is to be performed at least ten (10) calendar days before the date set for bid opening. Such newspaper notice shall be published at least twice, not less than five (5) calendar days apart. The notice shall include a description of the work to be performed, and shall state where bid forms and specifications may be obtained, the time and place bids are to be submitted, and the time and place for opening of bids.

~~2.~~ 3. **Projects performed pursuant to CUPCCAA.** For construction projects procured pursuant the CUPCCAA the Connector shall comply with Public Contract Code Section 22034 and 22036 and the most recent version of the California Uniform Construction Cost Accounting Commission's Cost Accounting Policies and Procedures Manual.

IV. ADDITIONAL BIDDING PROCEDURES

A. Prevailing Wages

California State Prevailing wages will apply to Construction , CM/GC, and service contracts if the services to be performed will involve land surveying (such as flag persons, survey party chief, rodman, or chainman), materials sampling and testing (such as drilling rig operators, pile driving, crane operators), inspection work, soils or foundation investigations, environmental hazardous materials, etc. Federal "Payment of Predetermined Minimum Wage" applies only to Federally-funded construction contracts.

B. Independent Price Determination

No person, company, firm or corporation submitting any bid or proposal to the Connector Authority shall do any of the following:

1. Propose or bid prices which have not been arrived at independently, and without consultation, communication, or agreement with any other bidder, offeror, or competitor for the purpose of restricting competition as to any matter relating to the prices bid or proposed;
2. Knowingly disclose any price, bid, or proposal to any other bidder, offeror, or to any competitor prior to opening the bids or proposals, unless otherwise required by law;
3. Make any attempt to induce any other person, firm, or other entity or association to submit or not to submit a bid or proposal for the purpose of restricting competition;
4. Make or be interested in more than one bid under any IFB or RFP; provided, however, that nothing herein shall limit the right of any person or entity to deal independently with the same subcontractor or supplier as other persons or entities in the preparation of a bid, or to limit the right of any person or entity dealing in any name brand supplies required by the Connector Authority to bid independently of any other person or entity dealing in the same supplies.

In the case of joint venture bids, the joint venture, and each and every member of the joint venture, shall for purposes of the foregoing be construed to be the person submitting the bid or proposal.

Any bid received, or Contract awarded, in violation hereof shall be a nullity, and the Board or Executive Director, as applicable, shall in such case dispose of the matter in the same manner as if the person or entity involved had failed to enter into the Contract after award thereof, as provided herein.

C. Bid Security; Disposition of Bid Security

Whenever, upon the call for bids for any Purchase of Supplies or work under a Construction Contract, the Executive Director deems it to be advisable, each bidder shall be required to submit bid security, either in cash, by cashier's check, or certified check in favor of, and payable on sight to, the Connector Authority, or by surety bond, insured by a corporate surety admitted to do business in California, in an amount determined by the Executive Director to be sufficient, but not to exceed ten percent (10%) of the aggregate amount of the bid. If the bidder to whom the Contract is awarded shall, for twenty (20) calendar days (or such longer period as specified in the IFB or RFP) after receipt of such award, fail or neglect to enter into the Contract and file the required bonds, the bid security may, at the discretion of the Executive Director, be forfeited and the Executive Director may draw the money due on such bid security and pay the same, or any cash deposited, into the Connector Authority's treasury. Upon good cause being shown, the Executive Director may, and to the extent the Connector Authority is responsible for any delay, shall, extend the time for the bidder to enter into the Contract for a period not to exceed forty (40) calendar days.

All bid securities and bid bonds, other than the bid securities and bid bonds of the two lowest bidders, shall be returned to the bidders after award of the Contract to the successful bidder. The remaining bid securities and bid bonds shall be returned after execution of the Contract and deposit of the necessary bonds by the successful bidder. In the event that all bids are rejected pursuant to subsection H., below, all bid securities and bid bonds shall be returned to the bidders.

Performance and Payment Bond requirements are set forth in Section VII, below.

D. Opening of Bids; Award

All bids shall be sealed, identified as bids or proposals on the envelope as specified in the IFB or RFP, and submitted to the Executive Director by the time and at the place specified in the IFB or RFP.

The remaining procedures of this sub-section apply to IFB's only: Bidders may withdraw bids up to the time specified for submission; however, no person who withdraws a bid may submit another bid unless no award is made and a new solicitation is made. Bids received after the specified time shall not be accepted and shall be returned to the bidder unopened. A tabulation of all bids received shall be open for public inspection during regular business hours for a period of not less than thirty (30) calendar days after the bid opening.

E. Determination of Lowest Responsible Bidder

If any Contract is awarded pursuant to competitive bidding, it must be awarded to the lowest responsive and responsible bidder in the case of an IFB and to the responsible bidder scoring the highest in evaluation of proposals in the case of an RFP. In determining who is a responsible bidder the Executive Director may consider (i) the quality of the Supplies or work to be provided by the bidder; (ii) the ability, capacity, and skill of the bidder to perform the Contract; (iii) the ability of the bidder to perform the Contract within the time specified, without delay; (iv) the character, integrity, reputation, judgment, experience, and efficiency of the bidder; and (v) the quality of the bidder's performance on previous Contracts with the Connector Authority, any member entity of the Connector Authority, the State of California, or any other entity.

F. Irregularities

The Executive Director reserves the right to reject any and all bids or proposals or to waive informalities or minor irregularities. The Executive Director reserves the right to make multiple awards and to prohibit "all or none" bids or proposals.

G. Alternative Award upon Failure of Bidder to Enter Into Contract

With respect to IFB's, if the bidder to whom the Contract is awarded fails to enter into a Contract within the specified time, the Executive Director may declare the award to that bidder a nullity, and (i) award the Contract to the next lowest responsible bidder, or (ii) reject all bids and (a) re-advertise for bids or (b) negotiate a Contract in accordance with subsection H., below.

H. Rejection of All Bids

In the event (i) the bidder to whom the Contract is awarded fails to enter into the Contract as required the Executive Director may (a) re-advertise for new bids; or (b) enter into direct negotiations with the contractors to achieve the best possible price; or (c) abandon the project. In the event the

Executive Director enters into direct negotiations with contractors to achieve the best possible price, the Executive Director shall consult with the Connector Authority's legal counsel prior to entering a negotiated Contract.

I. Protests

In order for a bid protest to be considered by the Connector, it must be submitted by an interested party (a) that is an actual or prospective proposer, bidder, or offeror in the procurement involved; and (b) whose direct economic interest would be affected by the award of the contract or by failure to award a contract (hereinafter "Protestor"). A protest which is submitted by a party which is not an interested party or which is not in accordance with the procedures shall not be considered by the Connector, and will be returned to the submitting party without any further action.

1. **Grounds for Protest**
   a. A Protestor may file a bid protest on the following grounds:
      i. Failure to comply with applicable Federal or State Law;
      ii. Alleged misconduct or impropriety by Connector officials or evaluation team members; or
      iii. Failure to follow the requirements of the solicitation in question.
2. **Contents of Protest**
   a. A bid protest must be filed in writing and must include:
      i. The name and address of the Protestor;
      ii. The name and number (if available) of the procurement solicitation;
      iii. A detailed statement of the grounds for the protest, including all relevant facts and a citation to the Federal or State law or specific term of the solicitation alleged to have been violated;
      iv. Any relevant supporting documentation the Protestor desires; and
      v. The desired relief, action, or ruling sought by the Protestor.
   b. Protests must be addressed to the Executive Director of the Connector, and received at the Connector's regular business address.
   c. If any of the information required by this section is omitted or incomplete, the Connector will notify the Protestor, in writing, and the Protestor will be given three (3) business days to provide the omitted or incomplete information in order for the protest to be further considered. Note that this provision only applies in the case of a failure to state any grounds for a protest and does not apply to stating inadequate grounds for a protest or the failure to submit documentation.
3. **Timing Requirements and Categories of Protests**

   The Connector will consider the following categories of bid protests within the time period set forth in each category:

   a. Any bid protest alleging improprieties in a solicitation process or in solicitation documents must be filed no later than five (5) calendar days prior to the deadline for submission of proposals. Any protest based on such grounds not filed within this period will not be considered. This category of protests includes, but is not limited to, allegation of restrictive or exclusionary specifications or conditions.

b. Any bid protests regarding the evaluation of bids or proposals by the Connector, or improprieties involving the approval or award or proposed approval or award of a contract must be filed with the Connector no later than five (5) business days after the Connector issues written notice of its decision or intended decision to award a contract. Any protest filed after such date will not be considered.

4. **Review of Protest**

a. The Connector will notify the Protestor within five (5) business days of timely receipt of a bid protest that the protest is being considered.

b. In the notification, the Connector will inform the Protestor of any additional information required for evaluation of the protest, and set a time deadline for submittal of such information. If the Connector requests additional information, and it is not submitted by the stated deadline, the Connector may either review the protest based on the information before it, or decline to take further action on the protest.

c. In its sole discretion, the Connector may give notice of any bid protest to other bidders or proposers for the procurement involved in the protest, as appropriate, and permit such bidders or offerors to submit comments to the Connector relative to the merits of the bid protest. The Connector will set a time deadline for the submittal of such comments, which will be no less than five (5) business days after the Connector provides notification of the protest.

~~d.~~ In its sole discretion, the Connector may schedule the matter for a meeting. All interested parties will be invited to participate in the meeting.

d.

5. **Protest Decisions**

a. After review of a bid protest, the Executive Director or his designee shall recommend a decision to the Connector Board on the merits of the protest. The recommendation shall be made on the basis of the information provided by the Protestor and other parties, the results of any conferences or meetings, and the Connector's own investigation and analysis. The recommendation and information will be provided to the Board for review and decision.

b. If the protest is upheld, the Connector will take appropriate action to correct the procurement process and protect the rights of the Protestor, including re-solicitation, revised evaluation of bids, proposals, or the Connector's determination, or termination of the Contract.

c. If the protest is denied, the Connector will lift any suspension imposed and proceed with the procurement process or the Contract.

6. **Summary Dismissal of Protests**

a. The Connector reserves the right to summarily dismiss all or any portion of a bid protest that raises legal or factual arguments or allegations that have been considered and adjudicated by the Connector in a previous bid protest by any interested party in the same solicitation or procurement action.

7. **Effects of Protest on Procurement Actions**

a. Upon receipt of a timely protest regarding either the solicitation process or the solicitation documents in the case of sealed bids, the Connector will postpone the opening of bids until resolution of the protest. The filing of the protest will not, however, change the date on which bids are due, unless the Connector determines, and so notifies all bidders, that such a date change is necessary and appropriate to carry out the goals of the procurement and assure fair treatment for all bidders.

b. Upon receipt of a timely protest regarding evaluation of bids or proposals, or the approval or award of a Contract, the Connector will suspend Contract approval or other pending action, or issue a stop work order if appropriate, until the resolution of the protest. In this event, the successful bidder or proposer may not recover costs as a change order.

c. Notwithstanding the pendency of a bid protest, the Connector reserves the right to proceed with any appropriate step or action in the procurement process or in the implementation of the Contract in the following cases:

i. Where the item to be procured is urgently required;

ii. Where the Connector determines, in writing, that the protest is vexatious or frivolous;

iii. Where delivery or performance will be unduly delayed, or other undue harm to the Connector will occur, by failure to make the award promptly; or

iv. Where the Connector determines that proceeding with the procurement is otherwise in the public interest.

8. **Judicial Appeals**

A protest adversely affected by a bid protest decision may appeal such decision to an appropriate court of the State of California, if authorized under Federal or State law.

V. MODIFICATION OR AMENDMENT OF CONTRACTS

A. Amendments Generally

If the terms of a contract require modification, the contract must be formally amended, in writing, as follows:

a. An amendment should contain the same degree of specificity for changes that the original contract contained for the same item.

b. Only work within the original advertised scope of services shall be added by a contract amendment. The addition of work outside the original advertised scope of work will be ineligible for reimbursement.

c. The Executive Director may amend any Contract when the amount of the Contract, including the amendment, is less than the applicable dollar threshold set forth in Section II, herein. All modifications or amendments that exceed the applicable dollar threshold set forth in Section II shall be approved by the Board, except for time extensions without a budget increase.

B. Real Property Contracts

The Executive Director may amend any real property lease for improvements or alterations, or both, provided that the amendment is made in accordance with California Government Code section 25350.51.

VI. CONTRACT FORMS AND APPROVALS

A. Written Contracts

a. All federally funded Contracts exceeding Two Thousand Dollars ($2,000) must be written agreements. All State and locally funded Contracts exceeding Five Thousand Dollars ($5,000) must be written agreements. The Executive Director may waive the requirement for a written agreement in cases of public emergency or when the Executive Director determines that it is reasonably necessary for the conduct of the Connector Authority's business, in which case the Board shall be notified as a matter of information at its next meeting.

B. Approval by Legal Counsel

a. Written Contracts shall be approved as to form by legal counsel prior to execution, as determined by the Executive Director or recommended by the Board.

C. Time of Completion

a. All Contracts shall specify the time within which the supplies or work shall be furnished to the Connector Authority and may provide for liquidated damages for failure to comply. The Executive Director may extend such time for delays caused by the Connector Authority, acts of God, weather, strikes, or other circumstances over which the contractor has no control. The Board may extend such time for any reason it deems appropriate, including those causes for which the Executive Director may grant an extension of time.

D. Contract Prohibitions

1. **Contract Splitting**

No officer or employee of the Connector Authority shall split or separate into smaller units any Contract for the purpose of evading the provisions of these Procedures. Splitting or separating a transaction means reducing the amount of any Contract with knowledge that additional supplies or additional work, after such reduction, will be required within the same budgetary term.

2. **Collusion With Bidders**

No officer or employee of the Connector Authority shall:

a. Aid or assist a bidder in securing a Contract at a higher price than that proposed by any other bidder;

b. Favor one bidder over another;

c. Willfully mislead any bidder regarding the character of the supplies or work called for;

d. Knowingly accept supplies or work of a quality inferior to that called for by the Contract;

e. Knowingly represent to the Connector Authority the receipt of a greater amount, or different kind, of supplies or work than has been actually received; or

f. Draft any invitation to bid, or cause it to be drafted, in such manner as to limit the bidding, directly or indirectly, to any one bidder.

VII.PERFORMANCE AND PAYMENT BONDS

A. Faithful Performance Bond

The successful bidder for each CM/GC and Construction Contract of Twenty Five Thousand Dollars ($25,000) or more shall be required to supply a performance bond to guarantee the faithful performance of the Contract. The bond shall be in the amount of one hundred percent (100%) of the Contract price, except that a lesser amount may be approved by the Board, dependent upon legal requirements. Such bond shall be issued by a corporate surety admitted to do business in California and shall be subject to approval by counsel for the Connector Authority.

B. Payment Bond

The successful bidder for each CM/GC and Construction Contract of Twenty-Five Thousand Dollars ($25,000) or more shall provide a payment bond to secure payment of the claims of subcontractors, material men and employees of the general contractor and other amounts due pursuant to Civil Code section 3248 in the amount of one hundred percent (100%) of the Contract price, except that a lesser amount may be approved by the Board, dependent upon applicable legal requirements. Such bond shall be issued by a corporate surety admitted to do business in California and shall be subject to approval by counsel for the Connector Authority.

Attachment A

COST OR PRICE ANALYSIS

(To be Completed for Federally-Funded Contracts Exceeding $2,500)

A Cost or Price Analysis must be performed in connection with every procurement action involving federal funds, including contract modifications. Connector staff must make independent estimates before receiving bids or proposals.

A **Cost Analysis** must be performed to determine the reasonableness of the proposed contract price when the Prospective Contractor is required to submit the elements of the estimated cost (i.e., labor hours, overhead, materials, etc.), whenever adequate price competition is lacking, and for sole source procurements, including contract modifications or change orders, unless price reasonableness can be established on the basis of a catalogue or market price of a commercial product sold in substantial quantities to the general public or on the basis of prices set by law or regulation. The elements of a Cost Analysis are set forth in Section I below.

In all other circumstances, a **Price Analysis** must be completed to determine the reasonableness of the proposed contract price. See Section II below.

Separate Cost or Price Analyses are required for each phase of work, as well as for any milestone or task to be subcontracted.

I. COST ANALYSIS

Complete a Cost Analysis Table (sample provided below).

Cost Element	Prospective Contractor's Proposal	Pre-negotiation Objective
Direct Labor	$	$
Labor Overhead	$	$
Direct Material	$	$
Material Overhead	$	$
Other Direct Costs	$	$
Subtotal	$	$
G&A	$	$
Subtotal	$	$
Profit/Fee	$	$
Total	$	$

Additional information regarding each cost element category is provided below:

1. Direct Labor

In evaluating a Cost Proposal, staff should consider the following questions:

a. Are the proposed labor rates current actual rates for specific employees or a composite rate for personnel under each labor category?

b. If the labor rates are developed on a specific base rate, what escalation factor (if any), has the Prospective Contractor applied to the base rate? Is that a reasonable factor?

c. Are the proposed labor categories and hours based upon the Prospective Contractor's previous experience?

d. Do the proposed hours correspond to the performance period?

Staff must establish a reasonable cost objective after considering and analyzing all of the available data. Statements to the effect, "THE OFFEROR HAS PROPOSED THE SAME RATES ON OTHER CONTRACTS," are not adequate without discussing how price reasonableness was determined under the other contracts.

2. Labor Overhead, Material Overhead, and General and Administrative (G&A)

Staff must evaluate the basis for labor rates, overhead and G&A.

Are the estimated rates based upon recommendations or did staff request an audit of the Prospective Contractor's rates?

If not, staff must evaluate the Prospective Contractor's proposed rates in detail (i.e., cost elements included in the indirect pools) for allowability and allocability.

Comparing one Prospective Contractor's rates with those of another is not an acceptable method in any case. Also, comparing this year's proposed rates to last year's rates is not a basis for establishing reasonableness of the currently proposed rate.

3. Direct Material

Staff must make a determination of price reasonableness for the direct material items.

Provide a detailed breakdown and compare the Prospective Contractor's material quantities and unit prices, such as copies, brochures, computer discs, etc.

Address the basis of the proposed costs for direct materials (based on an engineering estimate? history?, etc.) and costs associated with the material (based on catalog prices? oral quotes? written quotes? historical prices escalated by $?, competitive?, etc.)

If staff takes exception to any material items and/or quantities, what information was relied upon to reach such conclusions? When challenging a cost, explain the basis for the position. "Appears too high," without rationale, is not sufficient.

4. Other Direct Costs (ODC)

Compare the proposal and the cost estimate for other direct costs, such as computer support, freight, air travel, per diem, and sub-consultants.

Provide an analysis of the items included under this cost element. For instance, are the number of trips scheduled considered reasonable by audit or staff's technical evaluation? Are the costs per trip reasonable?

Check air travel rates with commercial airlines. How do the proposed costs compare with previous history? Did the contractor apply an escalation factor? Is it reasonable?

5. Profit/Fee Analysis

Provide a summary which compares the proposal and the Connector's cost estimate.

Compare the Prospective Contractor's proposed profit/fee rate, with the Connector's cost estimate profit/fee rate. Both the Connector and Prospective Contractor should be concerned with profit as a motivator of efficient and effective contract performance. Negotiations aimed merely at reducing prices by reducing profit, without proper recognition of the function of the profit, are not in the Connector's best interest.

II. PRICE ANALYSIS

Where appropriate, staff must utilize the Price Analysis tool to determine whether the contract price is reasonable.

To analyze the price, use one of the available Price Analysis techniques listed below. Note in the file which technique below was utilized and provide a brief explanation for your selection. Additional information on each technique is provided below to assist in your selection:

1. Adequate price competition;
2. Prices set by law or regulation;
3. Established catalog prices and market prices;
4. Comparison to previous purchases;
5. Comparison to a valid independent estimate; and/or
6. Value analysis.

1. Adequate price competition exists where:

- At least two responsible contractors respond to a solicitation.
- Each contractor must be able to satisfy the requirements of the solicitation.

- Each contractor must submit priced offers responsive to the expressed requirements of the solicitation.

If the conditions above are met, price competition is adequate unless:

- The solicitation was made under conditions that unreasonably deny one or more known and qualified contractors an opportunity to compete.
- The low competitor has such an advantage over the competitors that it is practically immune to the stimulus of competition.
- The lowest final price is not reasonable, and this finding can be supported by facts.

2. Prices set by law or regulation are deemed fair and reasonable. The Connector should obtain a copy of the rate schedules set by the applicable law or regulation. Once these schedules are obtained, verify that they apply to the Connector's situation and that the Connector is being charged the correct price. For utility contracts, this policy applies only to prices prescribed by an effective, independent regulatory body.
3. Established catalog prices can be used when the following conditions exist:

- Established catalog prices exist.
- The items are commercial in nature.
- They are sold in substantial quantities.
- They are sold to the general public.

Catalog prices are considered reasonable because commercial demand exists and supplier prices are driven by that demand. Staff must try to ensure that the Connector is getting at least the same price as other buyers in the market for these items. Staff must be sure that catalogs are not simply internal pricing document, and shall retain a copy of the catalog or at least the page on which the price appears.

Established market prices are based on the same principle as catalog prices except there is no catalog. A market price is a current price established in the usual or ordinary course of business between buyers and sellers free to bargain. These prices must be verified by buyers and sellers who are independent of the Prospective Contractor. If this information is not available from other commercial buyers and sellers, it may be obtained from the Prospective Contractor.

4. Comparison to previous purchases:

This determination must be based upon a physical review of the documentation contained in the previous files. Changes in quantity, quality, delivery schedules, the economy, and inclusion of non-recurring costs such as design, capital equipment, etc. can cause price variations. Each differing situation must be analyzed. Staff must also ensure that the previous price was fair and reasonable.

5. Comparison to a valid independent estimate:

Verify the facts, assumptions, and judgments used by the Connector in its estimate. Review the method and data used in developing the estimate. For example, did prices come from current catalogs or industry standards? Staff must be comfortable with the estimate before relying on it as a basis for determining a price to be fair and reasonable.

6. Value analysis:

Requires staff to look at the item and the function it performs to determine its worth. The decision of price reasonableness remains with the Chief Executive Officer or Project Manager.

Attachment B

EXHIBIT 10-C CONSULTANT CONTRACT REVIEWERS CHECKLIST

[See Caltrans Local Assistance Procedures Manual for Current Form]

Attachment C

HISTORY OF THE PROCUREMENT

(Must be Completed for Federally-Funded Contracts and Contract Amendments Exceeding $2,500)

1. Date ____________
2. Project Name or Title ____
3. RFP/IFB or Contract Number ____
4. Modification Number ____
5. Contract Type [If Time and Materials contract is used, provide explanation of why no other type of contract is suitable]

   ____

   ____

6. Procurement Description (briefly describe the procurement)

   ____

   ____

7. Pricing Structure — Cost Estimate

Pricing Structure	Cost Estimate
Cost	$____________
Fee/Profit ______%	$____________
Total Price	$____________

RATIONALE FOR METHOD OF PROCUREMENT

a. In this paragraph, describe the acquisition, including a brief history of the requirement, the place of performance, and any other pertinent information. Questions to be answered include: What is it? Why is it needed? What is it for? Quantity? If this is a contract modification, what events or circumstances contributed to the needed change? State the Connector Authority's estimated amount of the proposed acquisition.

b. In this paragraph, address the extent of competition under the acquisition. Is the acquisition being accomplished under full and open competition? If other than full and open, the procurement file must contain a staff memo describing the justification for using a sole source contract. If applicable, include an explanation of why the use of sealed bid procedures is not appropriate for the acquisition. Additionally, was the requirement publicized in accordance with the Connector Authority's procedures? (If not, cite the exception.) How many requests for solicitations were received? How many offers were received?

c. In this paragraph, include an explanation of the reasons for selecting the type of contract to be used.

d. In this paragraph, include the planned negotiation schedule, and identification of the Connector Authority's negotiating team members by name and position.

Attachment D

Documentation of Bids Acquired by Telephone

Description of Program Need:	
Specific Description of Product or Service Desired:	
Person Requesting Product or Service:	Date Request Received:

Bids Received

Name and Address of Vendor Contacted:	Bid #1
Name of Vendor Representative Providing Bid:	Vendor Representative's Telephone Number:
Bid Provided:	
Program Staff Person Soliciting Bid:	Date Bid Provided:

Name and Address of Vendor Contacted:	Bid #2
Name of Vendor Representative Providing Bid:	Vendor Representative's Telephone Number:
Bid Provided:	
Program Staff Person Soliciting Bid:	Date Bid Provided:

Name and Address of Vendor Contacted:	Bid #3
Name of Vendor Representative Providing Bid:	Vendor Representative's Telephone Number:
Bid Provided:	
Program Staff Person Soliciting Bid:	Date Bid Provided:

Attachment E

Guidelines for Criteria and Considerations in Evaluating RFPs

The following are suggested criteria that may be used in evaluating proposals:

1. Does the Prospective Contractor understand the program's problems or needs?

2. Can the Prospective Contractor fit this work into its existing obligations?

3. Is the approach to the problem, recommended method, and procedure reasonable and feasible?

4. Do the expected results, outcomes, and deliverables appear to be achievable in a timely manner, given the approaches, methods and procedures proposed?

5. Does the firm have the organization, management capability and competency, fiscal and personnel resources, and experience to perform the services being sought?

6. Has the firm had experience performing work of similar nature, size and scope?

7. Does the Prospective Contractor's past experience complement the services being sought, or is the Prospective Contractor's past experience appropriate to qualify the proposer to perform these services?

8. What are the professional qualifications of the personnel that the firm will commit to the project?

9. Did the Prospective Contractor allocate sufficient staff resources?

10. Has the Prospective Contractor addressed all goals, objectives, service demands, and required deliverables specified in the RFP?

11. Does the Prospective Contractor appear to have the capacity to manage fiscal resources responsibly?

12. Does the Prospective Contractor have sound fiscal, accounting, and cost-monitoring or budget-monitoring procedures in place?

CAPITAL | SOUTHEAST
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ITEM 10 b

RESOLUTION 2024-07

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AUTHORITY APPROVING REVISIONS TO CONTRACTING AND PURCHASING PROCEDURES MANUAL

BE IT RESOLVED, that the Board of Directors of the Capital SouthEast Connector Joint Powers Authority ("Board") hereby approves the revisions to the Contracting and Purchasing Procedures Manual as presented to the Board.

This Resolution shall take effect from and after its passage and adoption date.

* * * * *

PASSED AND ADOPTED this 31st day of May 2024, on a motion by

Director ___________, seconded by Director____________, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Chairperson

ATTEST:

____
Secretary

ITEM 11

MEETING DATE: May 31, 2024

TITLE: Quarterly Report of Activities for the Sacramento Transportation Authority (Receive and File)

PREPARED BY: Matt Lampa

RECOMMENDATION

Receive and File this update.

BACKGROUND

The Sacramento Transportation Authority requires agencies to submit quarterly project activity reports for Capital or Mitigation Contracts. The reports summarize project costs, expenditures, and activities performed during the reporting period.

SUMMARY OF PROJECT ACTIVITIES QUARTER ENDING 3/31/2024

Kammerer Road

- Coordination with the City of Elk Grove & Caltrans to finalize the Cooperative agreement.
- Coordination with the City of Elk Grove regarding the design of Segment A1 and development infrastructure.

Grant Line Road

- Coordinate with the City of Elk Grove to initiate the next phase of environmental clearance and design of the Wilton Rd intersection.
- Coordination with Caltrans and the CTC regarding the TCEP Grant funding allocation and Program Supplement Agreement.
- Attend the January CTC meeting.
- Coordination with the County of Sacramento and the City of Rancho Cordova on development infrastructure along Grant Line Rd.
- Initiated work on topographic and boundary surveys, and utility coordination.

- Prepare consultant procurement and agreement documentation for engineering design and right-of-way services.
- Prepare and submit a grant funding application to the USDOT RAISE program.
- Coordination with STA and SACOG regarding federal funding prioritization.

White Rock Road

- Coordination with the City of Folsom on the SPTC rail crossing.
- Continued work on project base mapping, utility coordination, and preliminary engineering for the White Rock Trail project.
- Prepared and submitted a grant funding application for the USDOT RAISE program for the White Rock Trail project.

SUMMARY OF MITIGATION ACTIVITIES QUARTER ENDING 3/31/2024

- Environmental resource establishment/re-establishment activities on Grant Line Rd mitigation parcel.
- Evaluation of project environmental impact and mitigation strategies.
- Collaboration with conservation partners to identify potential mitigation properties to continue the open space preservation strategy.

ATTACHMENTS

a. STA Quarterly Reports

Item 11 a

Project Name: Capital SouthEast Connector - Capital

Measure A Capital Projects

Quarterly Status Report

PROJECT INFO

Quarter Ended:	03/31/2024	Fiscal Year:	2024	Reporting Quarter:	3
Agency:	Capital SouthEast Connector	Project Mgr:	Matt Lampa		
		Phone and Email:	916-876-9093 lampam@saccounty.gov		

This project consists of a 34-mile-long expressway that will serve as a beltway through the southern area of Sacramento County into El Dorado County, enabling travelers to bypass downtown Sacramento and Highway 50 congestion between Elk Grove, Rancho Cordova, Folsom, and El Dorado Hills. The Connector will provide easier access to jobs, reduced congestion, more efficient goods movement, increased safety, and significant economic impact. The project's first phase includes construction of four continuous lanes from Interstate 5 and Highway 99 in Elk Grove to the new Silva Valley Interchange at Highway 50 in El Dorado Hills, expanded at-grade intersections at all major access points, and a continuous path for pedestrians, bicyclists, and equestrians.

Sponsor Project ID Number:	N/A	STA Project ID Number:	A-16-JP (20)
Original Est. Project Cost:	$ 1,006,014,000	Current Est. Project Cost:	$ 588,190,000

MEASURE A CAPITAL FUNDING

Previous Contract(s) Award:	$ 38,428,762	Projected Spending by Fiscal Year	2024	367,139
Previous Contract(s) Spending:	$ (38,425,445)		2025	550,000
Current Contract Award:	$ 4,700,000		2026	550,000
Current Contract Reimbursement:	$ (2,695,758)		2027	400,000
Expended This Quarter:	$ (156,877)		2028	200,000
Total Remaining:	$ 1,850,682	Federal and State Funds Awarded:	$	150,300,000

PROJECT MILESTONES

	Begin	Planned Completion	Completed
Project Study Environmental (PA&ED) Phase			03/07/2012
Design (PS&E) Phase			
Right-of-Way Phase			
Construction Phase			

CURRENT STATUS

Current Phase (as of last day of reporting quarter): Environmental (PA&ED) Phase

Indicate overall progress of the current phase

0% ○ ○ ● ○ ○ ○ ○ ○ ○ ○ ○ 100%

Explanation of Activities and Expenditures this Quarter, Next Quarter, and Additional Notes

Explanation of activities:

- **Segment A:**
  - A1 - Coordination with City of Elk Grove & Caltrans to finalize Cooperative agreement. Coordination with City of Elk Grove regarding Segment A1 design and developments along Kammerer Rd.
- **Segment C:** Coordination with City regarding Wilton Rd intersection.
- **Segment D3/E1:**

Anticipated Activities Next Quarter

Segment A: Continued coordination w/ Sac County and City of Elk Grove on design of Segment A1 and developments along the corridor. Coordination with City on funding opportunities.

Segment C: Coordination w/ City of Elk Grove on Wilton Rd intersection

Segment D3/E1: Continued work on White Rock Trail project engineering. On-going rail crossing planning. Continued coordination on funding opportunities.

Additional Notes:

- Project segments are at various levels of planning, environmental analysis, design, and right of way.
- Connector Project updates are provided to the public at regularly scheduled JPA Board meetings. Additional details can be found at www.ConnectorJPA.com

Project Name: Capital SouthEast Connector - Grant Line Road

Measure A Capital Projects

Quarterly Status Report

PROJECT INFO

Quarter Ended:	03/31/2024	Fiscal Year:	2024	Reporting Quarter:	3
Agency:	Capital SouthEast Connector	Project Mgr:	Matt Lampa		
		Phone and Email:	916-876-9093 lampam@saccounty.gov		

This project will reconstruct Grant Line Road between Chrysanthy Blvd and White Rock Road to a multi-modal transportation corridor. The project is a component of the 34-mile-long Capital SouthEast Connector expressway that will serve as a beltway through the southern area of Sacramento County into El Dorado County, and will be consistent with the ultimate corridor design to provide easier access to jobs, reduced congestion, more efficient goods movement, increased safety, and significant economic impact.

Sponsor Project ID Number:	N/A	STA Project ID Number:	A-16-JP (20)
Original Est. Project Cost:	$ 56,000,000	Current Est. Project Cost:	$ 56,000,000

MEASURE A CAPITAL FUNDING

Previous Contract(s) Award:	$ 0	Projected Spending by Fiscal Year	2024	1,000,000
Previous Contract(s) Spending:	$ 0		2025	1,000,000
Current Contract Award:	$ 2,000,000		2026	0
Current Contract Reimbursement:	$ 0		2027	0
Expended This Quarter:	$ (63,684)		2028	0
Total Remaining:	$ 1,936,316	Federal and State Funds Awarded:		$ 3,000,000

PROJECT MILESTONES

	Begin	Planned Completion	Completed
Project Study Environmental (PA&ED) Phase			03/07/2012
Design (PS&E) Phase	01/26/2024	06/30/2026	09/17/2019
Right-of-Way Phase			
Construction Phase			

CURRENT STATUS

Current Phase (as of last day of reporting quarter): Design (PS&E) Phase

Indicate overall progress of the current phase

0% ○ ◉ ○ ○ ○ ○ ○ ○ ○ ○ ○ 100%

Explanation of Activities and Expenditures this Quarter, Next Quarter, and Additional Notes

Explanation of activities:
Attend CTC meeting in support of TCEP funding allocation per CTC staff request. Coordination with CTC and Caltrans regarding funding allocation and program supplement agreement. Prepared and submitted a RAISE grant funding application to U.S. DOT. Initiated topographic and boundary surveys, and utility coordination. Coordination with City and County related to developments adjacent to the alignment. Coordination with STA and SACOG regarding federal funding priorities.

Anticipated Activities Next Quarter
Continued coordination with CTC and Caltrans regarding design and developments adjacent to the alignment. Continued work on topographic surveys and boundary and utility mapping. Coordination with STA and SACOG regarding State funding priorities. Project kick-off meeting with City and County and initiate design work.

Additional Notes:
Connector Project updates are provided to the public at regularly scheduled JPA Board meetings. Additional details can be found at www.ConnectorJPA.com

Project Name: Capital SouthEast Connector - SGIP Mitigation

Measure A Capital Projects

Quarterly Status Report

PROJECT INFO

Quarter Ended:	03/31/2024	Fiscal Year:	2024	Reporting Quarter:	3
Agency:	Capital SouthEast Connector	Project Mgr:	Derek Minnema		
		Phone and Email:	916-876-9087 minnemad@saccounty.gov		

This project consists of a 34-mile-long expressway that will serve as a beltway through the southern area of Sacramento County into El Dorado County, enabling travelers to bypass downtown Sacramento and Highway 50 congestion between Elk Grove, Rancho Cordova, Folsom, and El Dorado Hills. The Connector will provide easier access to jobs, reduced congestion, more efficient goods movement, increased safety, and significant economic impact. The project's first phase includes construction of four continuous lanes from Interstate 5 and Highway 99 in Elk Grove to the new Silva Valley Interchange at Highway 50 in El Dorado Hills, expanded at-grade intersections at all major access points, and a continuous path for pedestrians, bicyclists, and equestrians.

Sponsor Project ID Number:	N/A	STA Project ID Number:	A-16-JPM
Original Est. Project Cost:	$ 5,000,000	Current Est. Project Cost:	$ 5,000,000

MEASURE A CAPITAL FUNDING

Previous Contract(s) Award:	$	0
Previous Contract(s) Spending:	$	0
Current Contract Award:	$	5,000,000
Current Contract Reimbursement:	$	(4,437,537)
Expended This Quarter:	$	(44,189)
Total Remaining:	$	518,274

Projected Spending by Fiscal Year		
	2024	0
	2025	0
	2026	0
	2027	0
	2028	0

Federal and State Funds Awarded: $ 0

PROJECT MILESTONES

	Begin	Planned Completion	Completed
Project Study Environmental (PA&ED) Phase			
Design (PS&E) Phase			
Right-of-Way Phase			
Construction Phase			

CURRENT STATUS

Current Phase (as of last day of reporting quarter): Environmental (PA&ED) Phase

Indicate overall progress of the current phase

0% ○ ○ ○ ○ ○ ○ ○ ○ ◉ ○ ○ 100%

Explanation of Activities and Expenditures this Quarter, Next Quarter, and Additional Notes

Explanation of activities:
- Environmental resource establishment/ re-establishment activities on Grant Line Rd mitigation parcel.
- Evaluation of project environmental impact and mitigation strategies.
- - Collaboration with conservation partners to identify potential mitigation properties to continue open space preservation strategy
- Connector Project updates are provided to the public at regularly scheduled JPA Board meetings. Additional details can

Anticipated activities Next Quarter:
- Continued environmental resource establishment/ re-establishment activities on Grant Line Rd mitigation parcel.
- Continued evaluation of project environmental impact and mitigation strategies.
- Continued collaboration with conservation partners to identify potential mitigation properties to continue open space preservation strategy

ITEM 12

MEETING DATE: May 31, 2024

TITLE: Notable Media Articles (Receive and File)

PREPARED BY: Derek Minnema

RECOMMENDATION

Receive and File this summary.

MEDIA SUMMARY

Various news articles are attached. Below is a sample from some of the articles:

- California Highway Regulators Approve I-80 Expansion Despite Air Worries – *"The Commission unanimously signed off on the plan to add express toll lanes on the stretch of highway from Sacramento to Davis and a separate proposal to approve $105 million in state funding, nearly two months after CTC Chair Carl Guardino pulled that funding item amid pushback from the California Air Resources Board."* **– Politico**

- California Needs "All-of-the-Above" Transportation Infrastructure Funding Strategy – *"There are some who are calling for an end to investments in traditional transportation infrastructure like congestion relief, local streets and roads upgrades, and freeway and highway capacity improvements that they say will increase vehicle miles traveled. These restrictive policies would harm millions of Californians who rely on safe road and highway every day, and would disproportionately impact low-income, disadvantaged Californians and communities of color."* **– Capitol Weekly**

- New Gas Tax Allocation Estimates Show Continued Growth – *"Overall allocations to cities and counties from the Highway Users Tax Account and the Road Maintenance and Rehabilitation Account are projected to climb 10.8% in the current fiscal year above the prior year. For the budget year 2024-25, Coleman is projecting a 4% growth over the current year."* **– League of California Cities**

ATTACHMENTS

a. Various Media Articles

E&E NEWS

California highway regulators approve I-80 expansion despite air worries

By Alex Nieves

05/17/2024 12:25 PM EDT

The California Transportation Commission approved a plan Thursday to widen a portion of Interstate 80 in the Sacramento area after air quality regulators dropped their opposition — clearing the final state hurdle for the project after intense scrutiny.

The commission unanimously signed off on the plan to add express toll lanes on the stretch of highway from Sacramento to Davis and a separate proposal to approve $105 million in state funding, nearly two months after CTC Chair Carl Guardino pulled that funding item amid pushback from the California Air Resources Board.

The CTC approval paves the way for the project to advance after a series of setbacks, including last fall when Jeanie Ward-Waller, a former Caltrans official, said she was demoted for raising concerns the agency was understating the plan's environmental impacts and illegally using road maintenance funds for widening.

The project then faced further uncertainty in March when CARB issued a rare rebuke to a fellow state agency, questioning its calculations for the project's impacts. CARB officials wrote in a letter to CTC's executive director that separate analyses for the project produced estimates of increased truck traffic that differed by as much as 565 percent.

CARB and Caltrans appeared to hash out those differences last month. A lengthy joint letter from Caltrans and CTC sent to air regulators April 24 attributed the discrepancies to differing state and federal modeling formulas that highway projects are required to undertake.

Steven Cliff, CARB's executive director, wrote in response that "as a result of ongoing collaboration" and Caltrans' explanation, the agency had "no further questions or comments on this project." A CARB spokesperson didn't immediately respond to a request for more details on the agencies' discussions.

Environmental groups slammed the decision Thursday, arguing historical data shows adding new lanes increases traffic and the project will exacerbate congestion and emissions.

"Adding more lanes will only increase greenhouse gas pollution at a time when global temperatures are already at a breaking point," said Elizabeth Reid-Wainscoat, a campaigner at the Center for Biological Diversity. "This horrible decision will cause tremendous harm for decades to come."

Caltrans and local agencies behind the project face a Sept. 30 deadline to hire a contractor or risk losing nearly $86 million in federal funds.

Environmental groups have also indicated they plan to challenge the project under the California Environmental Quality Act, and state officials face a discrimination and retaliation lawsuit from Ward-Waller. Caltrans and the California State Transportation Agency, which was also named in the lawsuit, said they don't comment on pending litigation.

CAPITOL WEEKLY (https://capitolweekly.net)
COVERING CALIFORNIA GOVERNMENT AND POLITICS

OPINION

California needs “all-of-the-above” transportation infrastructure funding strategy

BY *MICHAEL QUIGLEY & JACOB SANDOVAL* POSTED 03.10.2024

OPINION – Since the passage of the federal Infrastructure Investment and Jobs Act (https://rebuildingca.ca.gov/about-iija)(IIJA) in 2021, and the state's passage of Senate Bill 1 (https://rebuildingca.ca.gov/about-sb-1)in 2017, California is investing record amounts to improve our state's long-neglected and deteriorating transportation infrastructure system. This includes historic investments in public transportation, mass transit and active transportation, as well as traditional transportation infrastructure projects to improve local streets and roads, fixing potholes, bridge safety improvements, and reducing congestion on highways and freeways.

This balanced approach to transportation infrastructure funding is the right approach to address the needs of residents in a state as large and diverse as California.

There are some who are calling for an end to investments (https://www.nrdc.org/sites/default/files/2023-09/ca-transportation-investment-report.pdf)in traditional transportation infrastructure like congestion relief, local streets and roads upgrades, and freeway and highway capacity improvements that they say will increase vehicle miles traveled. These restrictive policies would harm millions of Californians who rely on safe roads and highways every day, and would disproportionately impact low-income, disadvantaged Californians and communities of color.

As the leader of an organization representing 80,000 diverse union construction workers who build and repair California's infrastructure, and the leader of a social justice organization advocating for disadvantaged residents, we support an "all-of-the-above" strategy for transportation infrastructure investments. We are joined by a broad coalition of local governments, labor unions, business leaders and social justice advocates.

We fully support and have been proud advocates of projects that reduce greenhouse gas emissions to improve air quality and address climate change, including investments in public transit and active transportation like bike and pedestrian lanes.

Through state and federal funding, California is investing tens of billions of dollars over the coming years in these projects – record amounts. Based on formula funding alone, California will receive about $10.3 billion over five years under the federal Infrastructure Investment and Jobs Act to improve public transportation options across the state with additional grant funding available to cities and our state.

And California's 2023-2024 state budget (https://ebudget.ca.gov/2023-24/pdf/Enacted/BudgetSummary/Introduction.pdf) provides $5.1 billion in funding for public transit—$4 billion in Transit and Intercity Rail Capital Program funding and $1.1 billion in zero-emission vehicle transit funding. Furthermore, under SB 1 funding, California has invested $4.3 billion (https://rebuildingca.ca.gov/sb-1-by-the-numbers)in planned, completed or in-progress transit, commuter rail, bike and walking path projects in just the last five years.

These are priority projects for the state and for our members.

But we must not neglect needed investments in the backbone transportation infrastructure that the overwhelming majority of residents need: local street and road repairs, filling potholes, freeway and highway congestion relief, bridge safety repairs, and goods movement projects.

Neglecting these projects will cost all Californians time and money and deteriorate our quality of life – while disproportionately impacting disadvantaged communities.

According to TRIP (https://tripnet.org/wp-content/uploads/2020/04/TRIP_Fact_Sheet_CA.pdf), a national transportation research nonprofit, 52% of California's major roads are in poor or mediocre condition. Driving on deteriorated roads costs California motorists $22 billion a year – $808 per driver –

in the form of additional repairs, accelerated vehicle depreciation, and increased fuel consumption and tire wear. These impacts hurt low-income and disadvantaged families by taking up a larger share of their overall income.

Studies confirm long commutes on congested roads and freeways have a disproportionate impact on people of color and lower-income families. According to the UCLA Luskin Center for Innovation (https://innovation.luskin.ucla.edu/environmental-equity/transportation-equity/), "due in part to the high cost of housing near job and transit centers, many low- and moderate-income individuals are stuck with long commutes in vehicles that are older, less efficient, and costlier to maintain than the average privately owned vehicle."

The evidence is clear: policies that exclude vital transportation projects hurt us all, especially those who can least afford it. Inclusive transportation infrastructure investments – an "all-of-the-above" strategy — benefits all Californians without leaving people behind.

Jacob Sandoval is executive director for California League of United Latin American Citizens LULAC (https://lulac.org/about/)*, the largest and oldest Hispanic organization in the United States.*

Michael Quigley is executive director of the California Alliance for Jobs (https://www.rebuildca.org/about/)*, represents more than 2,000 heavy construction companies and 80,000 union construction workers from Bakersfield to the Oregon border.*

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New gas tax allocation estimates show continued growth

May 22, 2024

By Brian Lee-Mounger Hendershot, **Cal Cities Advocate managing editor** (https://www.calcities.org/people/brian-hendershot)

Cal Cities this week released new (http://californiacityfinance.com/LSR2405.pdf) **local streets and roads revenue estimates** (http://californiacityfinance.com/LSR2405.pdf) , prepared by Cal Cities Fiscal Policy Advisor (https://www.californiacityfinance.com/michaelcolemanbio.php) **Michael Coleman** (https://www.californiacityfinance.com/michaelcolemanbio.php) . The allocations come from tax revenues collected at gas pumps and other sources. Cities and counties should use these estimates when budgeting for certain transportation projects.

The report is based on new statewide tax revenue estimates released by the California Department of Finance with Gov. Gavin Newsom's **May Revision** (https://www.calcities.org/news/post/2024/05/10/new-budget-proposal-includes-major-cuts-to-housing-and-homelessness-programs) released on May 14. The county estimates were prepared in collaboration with the California State Association of Counties.

This update contains individual city and county estimates for the current fiscal year 2023-24 and budget year 2024-25. Overall allocations to cities and counties from the Highway Users Tax Account and the Road Maintenance and Rehabilitation Account are projected to climb 10.8% in the current fiscal year above the prior year. For the budget year 2024-25, Coleman is projecting a 4% growth over the current year. Individual agency amounts and growth rates will vary.

The report includes specific city and county estimates, which are suitable for budgeting and long-range planning. The next update of these estimates will be in January 2025.

The revenue estimates, together with a detailed explanation of local streets and roads revenues and allocations **are available online (http://californiacityfinance.com/LSR2405.pdf)** .

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E&E NEWS

California EV sales continue to slow

By Alex Nieves

05/02/2024 06:07 AM EDT

California electric vehicle sales declined for the third straight quarter but are leveling off after last year's steep drop, according to California Energy Commission data released Wednesday.

Car dealers sold 102,507 new light-duty EVs through the first three months of this year, accounting for 24.1 percent of all vehicles sold in the state over that time period. Those numbers are slight decreases from the fourth quarter of 2023, which saw 103,127 EVs sold and a 24.7 percent market share.

While the figures don't represent growth, they are encouraging after California — by far the nation's largest EV market, accounting for a quarter of sales last year — saw a rapid decline through the back half of 2023.

Auto market analysts say California has largely exhausted its demand among early adopters and is moving into a new phase of market development where it needs to win over everyday consumers in order to meet its target of transitioning to all zero-emission new-car sales by 2035.

CEC officials touted the data Wednesday, pointing to it as a sign that California's EV market is healthy. The agency noted that the sales numbers are the highest ever for a first quarter, though they represent just a 647-vehicle increase over the same period last year.

"The EV transition is in full swing with nearly one in four California car shoppers choosing to go electric over the last year resulting in record sales," California Energy Commission Chair David Hochschild said in a statement.

California's EV sales hit a high-water mark in the second quarter of last year, when sales jumped to 122,387 vehicles. Sales dipped slightly in the subsequent quarter along with an overall downward trend in car buying, though EV market share jumped to a high of nearly 27 percent. But the last quarter of 2023 saw sales drop by around 16,000 vehicles and market share decline by 2 percent.

Despite the recent downward trends, 2023 as a whole represented the most successful year for California's EV market, as total sales jumped by more than 100,000 vehicles from 2022.

Automakers, however, are offering mixed signals. Companies like Cadillac, BMW and Kia have seen recent increases in EV sales as more vehicle options hit the market and industry leader Tesla's market share is decreasing. But other major players like Ford and Volkswagen are scaling back their EV forecasts and putting more focus into hybrids amid worries about whether consumers are ready to fully embrace electric cars.

Much of those consumer concerns center around availability and reliability of roadside chargers. California's public charging network has been riddled with reliability issues that are causing some potential buyers to shy away. A 2022 University of California, Berkeley, study found that nearly 30 percent of Bay Area fast chargers inspected weren't functional.

The California Air Resources Board in January voted to strengthen its settlement agreement with charger manufacturer Electrify America — which stemmed from Volkswagen's diesel emissions-cheating scandal — requiring stronger metrics on station reliability and response times.

EV advocates and market analysts will be closely watching to see if sales rebound in Q2 data, which is expected to be released around the end of July.

ITEM 13

MEETING DATE: May 31, 2024

TITLE: Federal Funding and State Legislation Update (Receive and File)

PREPARED BY: Derek Minnema

RECOMMENDATION

Receive and File this item.

FEDERAL FUNDING UPDATE

On February 28, the Connector JPA submitted a funding application to USDOT under the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) program. The application requested $25M for the reconstruction of Grant Line Road. The Connector JPA's application is the number 1 priority for the RAISE program in the six-county region.

Staff has been building a legislative outreach program designed to share the 5-year strategic work plan for the Connector and educate Assemblymembers and Senators who represent the cities and communities serviced by the project. We are working with the State Council of Laborers on our outreach program to build awareness and support for our state and federal funding priorities.

We appreciate Assemblywoman Stephanie Nguyen's (AD-10) efforts to circulate a RAISE support letter to our legislative delegation expressing support for the application and urging USDOT to award the Connector JPA with funding. The letter is signed by:

Asm. Stephanie Nguyen (D-Elk Grove, Sacramento)
Asm. Heath Flora (R-Wilton, Sloughouse, Rancho Murietta, portions of Jackson HWY)
Asm. Josh Hoover (R-Rancho Cordova, Mather, Folsom)
Asm. Joe Patterson (R-El Dorado Hills, Cameron Park)
Sen. Angelique Ashby (D-Sacramento)
Sen. Roger Niello (R-Folsom, Rancho Murietta, Mather)
Sen. Marie Alvarado-Gil (D-El Dorado Hills, Cameron Park)

Building bi-partisan, bi-cameral legislative support helps demonstrate to state officials (CTC and the Administration) and federal representatives (Bera, Kiley and Matsui) that the project has broad regional support and is worthy of additional support and funding.

CAPITAL | SOUTHEAST
CONNECTOR JPA
Connecting Communities

STATE BUDGET UPDATE

Faced with a shortfall of state revenues, the Governor proposed a revised budget plan that attempts to balance the state's sizeable budget deficit. Pegged at roughly $56 billion over the next two fiscal years, the Governor proposed more than $30 billion in ongoing and one-time cuts to various programs, including climate programs and social services.

In transportation, the latest proposal cuts $300M in the 2025-26 fiscal year and $99m in 2026-27 for funds appropriated for active transportation grants. The plan also cuts transit by shifting $555M from the General Fund to the Greenhouse Gas Reduction Fund (Cap & Trade Program budget category) above what was proposed in the Governor's January Budget for $1.3 billion in proposed fund shifts for transit. The budget also reduces $148M not used for awarded projects from the Competitive Transit and Intercity Rail Capital Program.

Formal negotiations between the Governor and the Legislature are ongoing, as the deadline to pass a state spending plan is June 15. Staff will continue following the budget process to verify if upcoming Connector Project-eligible grant programs are affected.

STATE LEGISLATION UPDATE

AB 2535 by Assemblywoman Mia Bonta (D-Oakland) would require the California Transportation Commission (CTC) to establish and increase targets to program higher percentages of Trade Corridor Enhancement Program (TCEP) funds to investments in zero-emission freight infrastructure.

Specifically, the bill requires, by January 1, 2025, the CTC, the Department of Housing and Community Development, and the CA Air Resources Board to create guidance for the programming of projects that expand the physical footprint of a highway to address the impact of transportation emissions on disadvantaged communities.

This bill has drawn opposition from labor organizations, construction, development, local governments, chambers of commerce, regional transportation commissions, and others.

Additional amendments to this bill are expected as it is currently on the Assembly Appropriations Suspense File, subject to an up-or-down vote on May 16. The bill could be held, amended, or passed out of Appropriations. The next stop would be the Assembly Floor before heading to the Senate for consideration.

ATTACHMENTS

a. RAISE Grant Support Letter

ITEM 13 a

STATE CAPITOL
P.O. BOX [illegible]
SACRAMENTO, CA [illegible]

California Legislature

April 29th, 2024

The Honorable Pete Buttigieg
Secretary of Transportation
1600 Pennsylvania Avenue NW
Washington, DC 20500

RE: Support for " Grant Line Road Safety & Mobility Project" for RAISE Grant Program Funding

Dear Secretary Buttigieg,

In California, we view our transportation future as an integral part of improving the quality of life for all residents, so it is our pleasure to support the Connector JPA's "Grant Line Road Safety & Mobility Project" (known commonly as Sacramento's SouthEast Connector Expressway) through the RAISE Grant Program funding process.

The RAISE program's objectives are nearly identical to California's Transportation Plan 2050, which vows: "California must strive for a transportation system that is equitable, safe, sustainable, integrated, and efficient for all."

We are pleased that our regional Metropolitan Planning Organization known as the Sacramento Area Council of Governments (SACOG) – whose leaders come together to advance equity, economy, and the environment – representing the region's six counties and 28 cities has designated this project as its highest priority for RAISE grant funding. According to SACOG,

" This project (Grant Line Road Safety & Mobility Project) is strictly focused on addressing the persistent safety and state of good repair issues with this section of Grant Line Road, and is a partnership between the County of Sacramento, City of Rancho Cordova, Sacramento Transportation Authority (STA) and Capital Southwest Connector JPA. The project has secured funding from local partners for the design, and the RAISE request is the construction funding."

The proposed project modernizes the existing roadway with state-of-the-art signal and communications systems, provides much-needed drainage improvements to avoid flooding, and utilizes longer-lasting environmentally friendly construction materials.

A separate, well-lit, all-weather bike and pedestrian trail is integral to the project's design. The trail connects to existing and future housing developments, parks, and retail areas, allowing residents to exercise, commute, shop, and socialize without driving a vehicle to visit key attractions. The pathway will support the surrounding community regardless of income, ethnicity, age, or mobility. The project also provides a much-needed fire break between grazing land and homes in an area subject to frequent grass fires in the summer months.

The proposed road and trail construction connects many small yet essential communities. It will help service the future residents of Southeast Sacramento County—in complete alignment with the County's master plan for climate-smart community development. The County's approved master plan for growth will usher in nearly 30,000 new homes and an estimated 75,000 residents in the Southeast region of Sacramento County within the next five years. The planned residential developments will feature accessible pathways from each community to the expressway's main trail.

The proposed road construction reduces congestion, removes fatal road deficiencies, creates useable flood and fire evacuation routes that do not exist, and provides new mobility opportunities for residents along the expressway, including those from disadvantaged communities within the region.

While bringing a 60-year-old road up to modern standards, the proposed RAISE funding would successfully realign a dangerous curve where a car turnover in February 2024, killing the driver and injuring two passengers.

The finished Southeast Connector Expressway project will significantly add to the six-county region's economy, creating new jobs, supporting existing businesses large and small, and serving as an essential catalyst for new economic activity. The Economic Impact Study found that the Connector Expressway would produce $528.2 million of economic output, create 2,802 new jobs, and generate $23.5 million additional state and local tax revenue.

Sacramento's Southeast Connector Expressway is vital to the region's economic and transportation future. We are pleased to support this project and respectfully urge you to grant RAISE funding to the Connector JPA.

Sincerely,

Stephanie Nguyen
Assemblymember, District 10

Josh Hoover
Assemblymember, District 7

Heath Flora
Assemblymember, District 9

Joe Patterson
Assemblymember, District 5

Roger W. Niello
Senator, District 6

Angelique Ashby
Senator, District 8

Marie Alvarado-Gil
Senator, District 4

ITEM 14

MEETING DATE: October 20, 2023

TITLE: Authorize the Executive Director to Execute an Agreement with Townsend Raimundo Besler & Usher, Inc. for Transportation Funding Consulting and Government Relations for an Amount Not-to-Exceed $120,000

PREPARED BY: Derek Minnema

RECOMMENDATION

Approve Resolution 2024-08 authorizing the Executive Director to execute an agreement with Townsend Raimundo Besler & Usher, Inc. ("TRBU") with the possibility of annual extensions for a total of four years, at the discretion of the Board.

BACKGROUND

- Section II A. of the JPA's Contracting and Purchasing Procedures Manual states that the Board of Directors shall award professional services contracts that exceed $50,000.

SUMMARY OF PROCUREMENT

- The JPA advertised a Request for Qualifications ("RFQ") on the agency website, and the RFQ was e-mailed to a list of consultants.

- The RFQ was available on April 23, 2024, and proposals were due no later than 4:00 p.m. on May 16, 2023.

- The JPA received two proposals, and a ranking committee of JPA staff and legal counsel evaluated the proposal for compliance with the requirements of the RFP. Both proposals were deemed responsive to the RFP for the requested services.

CONSULTANT SELECTION

Based on the evaluation of the SOQs, TRBU was considered the most qualified consultant based on their superior knowledge of garnering widespread support for the project and securing a pathway to funding at both state and federal levels.

After thoroughly reviewing the RFQ and the two proposals, staff and counsel have determined that the competition was adequate. Given this and the factors listed below, the conclusion recommends that the Board authorize the Executive Director to execute a contract with TRBU for the requested services over the one-year term outlined in the RFQ. This conclusion was based on the following considerations:

- A thorough review of the qualifications outlined in the TRBU proposal

- The satisfaction of the Executive Director of the qualifications, work product, and proposed fee charged by TRBU.

- The acceptable conformance of this procurement to current JPA contract procurement policies.

- Both companies submitted SOQs reflecting that they are qualified, and there is no basis to believe that readvertising the RFQ would result in the submission of additional proposals.

SCOPE OF SERVICES

TRBU will spearhead the development of a comprehensive funding strategy to secure federal and state funds to deliver the JPA's five-year strategic plan for the project. This work will encompass coalition building and managing public relations and communications between the JPA, media, and other prominent stakeholders. Responsibilities include creating alliances with organizations and outlining a roadmap for future opportunities.

FUNDING, SCHEDULE, AND BUDGET

Funding for this work will come from local funds and member agency dues.
The term for this proposed contract will be twelve months with the possibility of annual extensions for a total of four years, at the discretion of the JPA. The amount to be paid to the consultant under the Agreement shall not exceed $120,000. Funding for this contract has been allocated in the amended Fiscal year JPA Budget

ATTACHMENTS

a. Consultant Agreement
b. Resolution 2024-08

CAPITAL SOUTHEAST CONNECTOR
JOINT POWERS AUTHORITY

AGREEMENT

This AGREEMENT is made and entered into this 1st day of June 2024, at Sacramento, California, by and between the Capital SouthEast Connector Joint Powers Authority,[1] a joint powers authority, (hereinafter "Authority"), through its Executive Director, and Townsend Raimundo Besler & Usher, Inc., a California corporation with its principal offices in Sacramento (hereinafter "Consultant").

RECITALS:

1. **WHEREAS,** Consultant represents that it is specially trained and/or has the experience and expertise necessary to competently perform the Scope of Work set forth in this Agreement; and

2. **WHEREAS**, Consultant is willing to perform the services and work described in this Agreement under the terms and conditions set forth in this Agreement; and

3. **WHEREAS**, the Authority desires to contract with Consultant to perform the services and work described in this Agreement under the terms and conditions set forth in this Agreement.

NOW, THEREFORE, Authority and Consultant mutually agree as follows:

1. Time of Performance: Consultant shall commence work upon execution of this Agreement. Consultant shall complete work as expeditiously as is consistent with generally accepted standards of professional skill and care and the orderly progress of work. Work shall be completed and this Agreement shall expire on June 30, 2025, unless otherwise terminated as provided for in this Agreement or extended by written agreement between the parties.

2. Scope of Work: Upon the execution of this Agreement, Consultant agrees to fully perform the work described in **Exhibit "A" – Scope of Work**.

Consultant shall perform all professional and technical services, work, and tasks required to accomplish the objectives set forth herein, and shall provide and make available Consultant's own personnel, subconsultants, materials, equipment, and services customarily necessary to provide design services, and other services generally including, but not limited to, those tasks identified in **Exhibit "A"**, incorporated herein and made by reference a part hereof, to be issued in accordance with this Agreement.

In the event of any inconsistency between Exhibit "A" and other terms and conditions of this Agreement, Exhibit "A" shall control. The Authority reserves the right to review and approve all work to be performed by Consultant in relation to this Agreement. Any proposed amendment to the Scope of Work must be submitted by Consultant in writing for prior review and approval by the Authority's

[1] The full legal name of the Capital SouthEast Connector Joint Powers Authority is the "Elk Grove-Rancho Cordova-El Dorado Connector Authority."

Executive Director. Approval shall not be presumed unless such approval is made by the Authority in writing.

Deliverables for the specific items of work to be provided under the Scope of Work shall be as specified therein, shall be prepared using the software described in this Article, and shall be submitted in accordance with the timeframes specified in Exhibit "A", hereto. Modifications to the deliverables required and completion times specified in Exhibit "A", hereto or to the software requirements may only be made in accordance with the prior written approval of Authority's Executive Director.

If a submittal or deliverable identified in Exhibit "A" is required to be an electronic file, Consultant shall produce the file using Microsoft (MS) Office applications (specifically, MS Word, MS Project and MS Excel). Signed reports shall be submitted in Adobe portable document format (PDF).

Unless otherwise indicated, receipt of this executed Agreement is Consultant's Notice to Proceed with the work specified herein. No payment will be made for any work performed prior to the effective date of the Agreement.

3. Standard of Quality: All work performed by Consultant under this Agreement shall be in accordance with all applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise.

4. Compliance with Laws: Consultant shall comply with all applicable federal, state, and local laws, codes, ordinances, regulations, orders and decrees. Consultant warrants and represents to the Authority that Consultant shall, at its own cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals that are legally required for Consultant to practice its profession or are necessary and incident to the performance of the services and work Consultant performs under this Agreement. Consultant shall provide written proof of such licenses, permits, insurance and approvals upon request by the Authority. The Authority is not responsible or liable for Consultant's failure to comply with any or all of the requirements contained in this paragraph.

5. Consideration: Payment to Consultant by the Authority shall be **$10,000 per month, for a total not to exceed One Hundred Twenty Thousand Dollars ($120,000)**, unless expressly authorized in writing by the Executive Director. In no instance shall the Authority be liable for any payments or costs for work in excess of this amount, nor for any unauthorized costs. Consultant shall be paid at the times and in the manner set forth in this Agreement.

The consideration to be paid Consultant, as provided in this Agreement, shall be in compensation for all of Consultant's expenses incurred in the performance of work under this Agreement, including travel, per diem, and other direct costs, unless otherwise expressly so provided. Other direct costs include: filing fees and other fees fixed by law or assessed by courts and other agencies; courier and overnight delivery service; travel expenses, which consists of vehicle mileage only charged at the IRS business rate; investigation expenses (as pre-approved by the Authority); consultants' fees (as pre-approved by the Authority); and copy service fees. All costs and expenses shall be fully itemized at actual cost. No markup will occur on other direct costs.

6. Reporting and Payment: Consultant shall submit monthly billings in arrears to the Authority no later than the 10th of each month. Authority shall notify Consultant within ten (10) working days following receipt of said billing of any circumstances or data identified by the Authority in Consultant's written billing which would cause withholding of approval and subsequent payment.

Consultant shall be paid within thirty (30) days after Authority approval of each billing. Consultant acknowledges that Authority is a public agency subject to certain limitations on payments for services rendered within a fiscal year and hereby agrees to submit invoices for work performed pursuant to this Agreement within one hundred twenty (120) days of performance of said work. Invoices submitted more than one hundred twenty (120) days after work is performed will not be paid unless approved by the Authority in its sole discretion. The Authority reserves the right to withhold payment of disputed amounts.

7. Independent Consultant: The Consultant, and the agents and employees of the Consultant, in the performance of this Agreement, shall act as and be independent Consultants and not officers or employees or agents of the Authority. Consultant, its officers, employees, agents, and subconsultants, if any, shall have no power to bind or commit the Authority to any decision or course of action, and shall not represent to any person or business that they have such power. Consultant has and shall retain the right to exercise full control of the supervision of the services and work and over the employment, direction, compensation and discharge of all persons assisting Consultant in the performance of services under this Agreement. Consultant shall be solely responsible for all matters relating to the payment of its employees, including but not limited to compliance with social security and income tax withholding, workers' compensation insurance and all regulations governing such matters.

8. Termination:

a. The Authority shall have the right to terminate this Agreement by giving Consultant fifteen (15) days written notice. The notice shall be deemed served and effective for all purposes on the date it is deposited in the U.S. mail, certified, return receipt requested, addressed to Consultant at the address indicated in Section 17.

b. If the Authority issues a notice of termination:

(1) Consultant shall immediately cease rendering services pursuant to this Agreement.

(2) Consultant shall deliver to the Authority copies of all Writings, whether or not completed, which were prepared by Consultant, its employees or its subconsultants, if any, pursuant to this Agreement. The term "Writings" shall include, but not be limited to, handwriting, typesetting, computer files and records, drawings, blueprints, printing, photostating, photographs, and every other means of recording upon any tangible thing, any form of communication or representation, including, letters, works, pictures, sounds, symbols computer data, or combinations thereof.

(3) The Authority shall pay Consultant for work actually performed up to the effective date of the notice of termination, subject to the limitations in Section 5 less any compensation to the Authority for damages suffered as a result of Consultant's failure to comply with the terms of this Agreement. Such payment shall be in accordance with Section 6. However, if this Agreement is terminated because the work of Consultant does not meet the terms or standards specified in this Agreement, then the Authority shall be obligated to compensate Consultant only for that portion of Consultant's services which is of benefit to the Authority.

9. Assignment: The parties understand that the Authority entered into this Agreement based on the professional expertise and reputation of Consultant. Therefore, without the prior express written consent of the Authority, this Agreement is not assignable by the Consultant either in whole or in part.

10. Binding Agreement: This Agreement shall be binding on the parties hereto, their assigns, successors, administrators, executors, and other representatives.

11. Time: Time is of the essence in this Agreement.

12. Amendments: No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein, shall be binding on any of the parties hereto.

13. Consultants and Subconsultants: Consultant shall not subcontract any portion of the work without the prior express written authorization of the Authority. If the Authority consents to a subcontract, Consultant shall be fully responsible for all work performed by the subconsultant.

a. The Authority reserves the right to review and approve any contract or agreement to be funded in whole or in part using funds provided under this Agreement.

b. Any contract or sub-contract shall require the Consultant and its subconsultants, if any, to:

(1) Comply with applicable State and Federal requirements that pertain to, among other things, labor standards, non-discrimination, the Americans with Disabilities Act, Equal Employment Opportunity, and Drug-Free Workplace.

(2) Maintain at least the minimum State-required Workers' Compensation Insurance for those employees who will perform the work or any part of it.

(3) Maintain unemployment insurance and disability insurance as required by law, along with liability insurance in an amount that is reasonable to compensate any person, firm, or corporation who may be injured or damaged by the Consultant or any subconsultant in performing work associated with this Agreement or any part of it.

(4) Retain all books, records, computer records, accounts, documentation, and all other materials pertaining to the performance of this Agreement for a period of three (3) years from the date of termination of this Agreement, or three (3) years from the conclusion or resolution of any and all audits or litigation relevant to this Agreement and any amendments, whichever is later.

(5) Permit the Authority and/or its designees, upon reasonable notice, unrestricted access to any or all books, records, computer records, accounts, documentation, and all other materials pertaining to the performance of this Agreement for the purpose of monitoring, auditing, or otherwise examining said materials.

14. <u>Indemnity:</u> Consultant specifically agrees to indemnify, defend, and hold harmless the Authority, its directors, officers, members, agents, and employees (collectively the "Indemnitees") from and against any and all actions, claims, demands, losses, expenses, including reasonable attorneys' fees and costs, damages, and liabilities (collectively "Losses") arising out of or in any way connected with the performance of this Agreement. The parties agree that Consultant's obligation to defend the Authority is limited to reimbursing the Authority for its costs and expenses (collectively "Costs") for defending a claim, as those Costs are incurred by the Authority. The parties further agree that the Authority will reimburse Consultant for that portion of the reasonable Costs incurred by Consultant in the defense of the Authority which are attributable to the Authority's active negligence, recklessness, or willful misconduct, as determined through settlement, arbitration, or litigation. Consultant shall pay all Costs that may be incurred by the Authority in enforcing this indemnity, including reasonable attorneys' fees. The provisions of this Section shall survive the expiration, termination or assignment of this Agreement.

15. <u>Insurance Requirements:</u> Consultant hereby warrants that it carries and shall maintain, at its sole cost and expense, in full force and effect during the full term of this Agreement and any extensions to this Agreement, the described insurance coverage per Table 1.

<u>Table 1: Insurance Requirements</u>

POLICY	MINIMUM LIMITS OF LIABILITY
Workers' Compensation; Employer's Liability	Statutory requirements for Workers' Compensation; $1,000,000 Employer's Liability.
Comprehensive Automobile: Insurance Services Office, Form #CA 0001 covering Automobile Liability, code 1 (any auto).	Bodily Injury/Property Damage $1,000,000 each accident.
General Liability: Insurance Service Office Commercial General Liability coverage (occurrence Form #CG 0001).	$1,000,000 per occurrence. If Commercial General Liability Insurance or other form with a general aggregate limit, such limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

a. Deductibles and Self-insured Retentions: Any deductibles or self-insured retentions in excess of $5,000 must be declared to and approved by the Authority.

b. Required Provisions: The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

(1) For any claims related to this Agreement, the Consultant's insurance coverage shall be primary insurance as respects the Authority, its directors, officers, employees and agents. Any insurance or self-insurance maintained by the Authority, its directors, officers, employees or agents shall be in excess of the Consultant's insurance and shall not contribute to it.

(2) Any failure by Consultant to comply with reporting or other provisions of the policies including breaches of warrants shall not affect coverage provided to the Authority, its directors, officers, employees or agents.

(3) Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

(4) Each insurance policy required by this Agreement shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Authority.

c. Acceptability of Insurers: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII, unless otherwise approved by the Authority.

d. Certificate of Insurance and Additional Insured Requirement: Consultant shall furnish to the Authority an original Certificate of Insurance on a standard ACORD form, or other form acceptable to the Authority, substantiating the required coverages and limits set forth above and also containing the following:

(1) Thirty (30) days prior written notice to the Authority of the cancellation, non-renewal, or reduction in coverage of any policy listed on the Certificate; and

(2) The following statement with respect to the Commercial General Liability policy: "*The Elk Grove – Rancho Cordova – El Dorado Connector Authority and its directors, officers, employees and agents, are made additional insureds, but only insofar as the operations under this Agreement are concerned.*"

e. Certified Copies of Policies: Upon request by the Authority, Consultant shall immediately furnish a complete copy of any policy required hereunder, including all endorsements, with said copy certified by the insurance company to be a true and correct copy of the original policy.

f. Consultant's Responsibility: Nothing herein shall be construed as limiting in any way the extent to which Consultant may be held responsible for damages resulting from Consultant's operations, acts, omissions, or negligence. Insurance coverage obtained in the minimum amounts specified above shall not relieve Consultant of liability in excess of such minimum coverage, nor shall it preclude the Authority from taking other actions available to it under this Agreement or by law, including but not limited to, actions pursuant to Consultant's indemnity obligations.

16. Audit, Retention and Inspection of Records:

c. The Authority or its designee shall have the right to review, obtain, and copy all books, records, computer records, accounts, documentation and any other materials (collectively "Records") pertaining to performance of this Agreement, including any Records in the possession of any subconsultants, for the purpose of monitoring, auditing, or otherwise examining the Records. Consultant agrees to provide the Authority or its designees with any relevant information requested and shall permit the Authority or its designees access to its premises, upon reasonable notice, during normal business hours, for the purpose of interviewing employees and inspecting and copying such Records to determine compliance with any applicable federal and state laws and regulations. Consultant further agrees to maintain such Records for a period of three (3) years after final payment under the Agreement or three (3) years from the conclusion or resolution of any and all audits or litigation relevant to this Agreement and any amendments, whichever is later.

d. If so directed by the Authority upon expiration of this Agreement, the Consultant shall cause all Records to be delivered to the Authority as depository.

17. Project Managers: The Authority's project manager for this Agreement is the Executive Director unless the Authority otherwise informs Consultant. Any notice, report, or other communication required by this Agreement shall be mailed by first-class mail to the Authority's Project Manager at the following address:

Derek Minnema
Capital SouthEast Connector Joint Powers Authority
10640 Mather Blvd., Suite 120
Mather, CA 95655

Consultant's project manager for this Agreement is David Townsend. No substitution of Consultant's project manager is permitted without the prior written agreement of the Authority, which agreement shall not be unreasonably withheld. With the exception of notice pursuant to Section 8 (a) above, any notice, report, or other communication to Consultant required by this Agreement shall be mailed by first-class mail to:

David Townsend
Townsend Raimundo Besler & Usher Inc.
1717 I Street
Sacramento, CA 95811

18. Successors: This Agreement shall be binding on the parties hereto, their assigns, successors, administrators, executors, and other representatives.

19. Waivers: No waiver of any breach of this Agreement shall be held to be a waiver of any prior or subsequent breach. The failure of the Authority to enforce at any time the provisions of this Agreement or to require at any time performance by the Consultant of these provisions, shall in no way be construed to be a waiver of such provisions nor to affect the validity of this Agreement or the right of the Authority to enforce these provisions.

20. Litigation: Consultant shall notify the Authority immediately of any claim or action undertaken by it or against it that affects or may affect this Agreement or the Authority, and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement and the interests of the Authority.

21. National Labor Relations Board Certification: Consultant, by signing this Agreement, does swear under penalty of perjury that no more than one final unappealable finding of contempt of court by a federal court has been issued against Consultant within the immediately preceding two-year period because of Consultant's failure to comply with an order of a federal court which orders Consultant to comply with an order of the National Labor Relations Board (Public Contract Code § 10296).

22. Americans with Disabilities Act (ADA) of 1990: By signing this Agreement, Consultant assures the Authority that it complies with the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. § 12101, et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

23. Compliance with Non-Discrimination and Equal Employment Opportunity Laws: It is the Authority's policy to comply with state and federal laws and regulations including Title VI of the Civil Rights Act of 1964, Americans with Disabilities Act of 1990 (ADA) and other federal discrimination laws and regulations, as well as the Unruh Civil Rights Act of 1959, the California Fair Employment and Housing Act, and other California State discrimination laws and regulations. The Authority does not discriminate against any employee or applicant for employment because of race, religion (including religious dress and grooming practices) color, national origin, (includes use and possession of a driver's license issued to persons unable to prove their presence in the United States is authorized under federal law), ancestry, disability, (including physical and mental, including HIV and AIDS) medical condition, (including genetic characteristics, cancer or a record or history of cancer), military or veteran status, marital status, sex/gender (includes pregnancy, childbirth, breastfeeding, and/or related medical conditions), age (40 and above), gender identity, gender expression, or sexual orientation pursuant to Sections 12940 et seq. of the Government Code. The Authority prohibits discrimination by its employees, Consultants and consultants. Consultant assures the Authority that it complies with, and that Consultant will require that its subconsultants comply with, the following non-discrimination and equal opportunity laws. Any failure by Consultant to comply with these provisions shall constitute a material breach of this Agreement, which may result in the termination of this Agreement or such other remedy as the Authority may deem appropriate.

a. Consultant and its subconsultants shall comply with all provisions prohibiting discrimination on the basis of race, color, or national origin of Title VI of the Civil Rights Act of 1964, as amended, 42 U.S.C. §§ 2000d et seq., with U.S. D.O.T. regulations, "Nondiscrimination in Federally-Assisted Programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act", 49 C.F.R. Part 21, and with any applicable implementing federal directives that may be issued.

b. Consultant and its subconsultants shall comply with all applicable equal employment opportunity (EEO) provisions of 42 U.S.C. §§ 2000e, implementing federal regulations, and any applicable implementing federal directives that may be issued. Consultant and its subconsultants shall ensure that applicants and employees are treated fairly without regard to their race, color, creed, sex, disability, age, or national origin.

c. Consultant and its subconsultants will not unlawfully discriminate against any employee or applicant for employment because of race, religion (including religious dress and grooming practices) color, national origin, (includes use and possession of a driver's license issued to persons unable to prove their presence in the United States is authorized under federal law), ancestry, disability, (including physical and mental, including HIV and AIDS) medical condition, (including genetic characteristics, cancer or a record or history of cancer), military or veteran status, marital status, sex/gender (includes pregnancy, childbirth, breastfeeding, and/or related medical conditions), age (40 and above), gender identity, gender expression, or sexual orientation pursuant to

Sections 12940 et seq. of the Government Code. Consultant and its subconsultants will insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Consultant and its subconsultants will comply with all applicable federal and state employment laws and regulations including, without limitation, the provisions of the California Fair Employment and Housing Act (Government Code § 12900, et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, § 7285.0, et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code §§ 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Consultant and its subconsultants will give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

d. Consultant will include the non-discrimination and equal employment opportunity provisions of this section (provisions a. through c. above) in all contracts to perform work funded under this Agreement.

24. Drug-Free Certification: By signing this Agreement, Consultant hereby certifies under penalty of perjury under the laws of the State of California that Consultant will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code § 8350, et seq.) and will provide a drug-free workplace by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited, and specifying actions to be taken against employees for violations.

b. Establish a Drug-Free Awareness Program to inform employees about:

(1) The dangers of drug abuse in the workplace;

(2) The person's or the organization's policy of maintaining a drug-free workplace;

(3) Any available counseling, rehabilitation, and employee assistance programs; and

(4) Penalties that may be imposed upon employees for drug abuse violations.

c. Every employee of Consultant who works under this Agreement shall:

(1) Receive a copy of Consultant's Drug-Free Workplace Policy Statement; and

(2) Agree to abide by the terms of Consultant's Statement as a condition of employment on this Agreement.

25. Union Organizing: By signing this Agreement, Consultant hereby acknowledges the applicability of Government Code § 16645 through § 16649 to this Agreement, excluding § 16645.2 and § 16645.7.

a. Consultant will not assist, promote, or deter union organizing by employees performing work on this Agreement if such assistance, promotion, or deterrence contains a threat of reprisal or force, or a promise of benefit.

b. Consultant will not meet with employees or supervisors on the Authority's or state property if the purpose of the meeting is to assist, promote or deter union organizing, unless the property is equally available to the general public for meetings.

26. Debarment, Suspension, and Other Responsibilities: Consultant certifies and warrants that neither the Consultant firm nor any owner, partner, director, officer, or principal of Consultant, nor any person in a position with management responsibility or responsibility for the administration of funds:

a. Is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency.

b. Has within the three-year period preceding this Agreement, been convicted of or had a civil judgment rendered against it for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract; violation of federal or state antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.

c. Is presently indicted for or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commissions of any of the offenses enumerated in paragraph "b" above.

d. Has within a three-year period preceding this Agreement, had one or more public transactions or contracts (federal, state, or local) terminated for cause or default.

27. Conflicts of Interest: Consultant shall immediately notify Authority of any contract or agreement during the term of this Agreement which will create a conflict of interest with Consultant's duties to the Authority or that in any way compromises the services to be performed by Consultant under this Agreement. A conflict of interest arises when Consultant directly, or indirectly renders services, or undertakes any employment or consulting agreement with a third party with whom the Authority's interests are adverse. A personal conflict of interest arises in situations where financial or other personal or professional considerations compromise Consultant's objectivity, professional judgment and/or ability to perform services pursuant to the terms of this Agreement. Consultant shall immediately notify the Authority of any potential conflicts of interest upon becoming aware of the conflict or any contracts or potential contracts with member agencies of the Authority wherein the interests of the parties are adverse. If such conflicts are discovered during the term of this Agreement, Authority may, in Authority's sole discretion, terminate this Agreement.

28. Political Reform Act Compliance: Consultant is aware and acknowledges that certain Consultants that perform work for governmental agencies are "consultants" under the Political

Reform Act (the "Act") (Government Code § 81000, et seq.) and its implementing regulations (2 California Code of Regulations § 18110, et seq.). Consultant agrees that any of its officers or employees deemed to be "consultants" under the Act by the Authority, as provided for in the Conflict of Interest Code for the Authority, shall promptly file economic disclosure statements for the disclosure categories determined by the Authority, to be relevant to the work to be performed under this Agreement and shall comply with the disclosure and disqualification requirements of the Act, as required by law.

29. Campaign Contribution Disclosure: Consultant has complied with the campaign contribution disclosure provisions of the California Levine Act (Government Code § 84308) and has completed Levine Act Disclosure Statement.

30. Costs and Attorneys' Fees: If either party commences any legal action against the other party arising out of this Agreement or the performance thereof, the prevailing party in such action may recover its reasonable litigation expenses, including court costs, expert witness fees, discovery expenses, and reasonable attorneys' fees.

31. Governing Law and Choice of Forum: This Agreement shall be administered and interpreted under California law as if written by both parties. Any litigation arising from this Agreement shall be brought in the Superior Court of Sacramento County.

32. Integration: This Agreement represents the entire understanding of the Authority and Consultant as to those matters contained herein and supersedes all prior negotiations, representations, or agreements, both written and oral. This Agreement may not be modified or altered except in accordance with Section 12.

33. Severability: If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and shall be enforced to the fullest extent permitted by law, unless the exclusion of such term or provision, or the application of such term or provision, would result in such a material change so as to cause completion of the obligations contemplated herein to be unreasonable.

34. Headings: The headings of the various sections of this Agreement are intended solely for convenience of reference and are not intended to explain, modify, or place any interpretation upon any of the provisions of this Agreement.

35. Authority: Each person signing this Agreement on behalf of a party hereby certifies, represents, and warrants that he or she has the authority to bind that party to the terms and conditions of this Agreement.

36. Ownership; Permission:

a. Consultant agrees that all work products, including but not limited to, notes, designs, drawings, reports, memoranda, and all other tangible personal property produced in the performance of this Agreement, shall be the sole property of the Authority, provided that Consultant may retain file copies of said work products. Consultant shall provide said work products to the Authority upon request.

b. Consultant represents and warrants that: (i) all materials used or work products produced in the performance of this Agreement, including, without limitation, all computer software materials and all written materials, are either owned by or produced by Consultant or that all required permissions and license agreements have been obtained and paid for by Consultant; and (ii) the Authority is free to use, reuse, publish or otherwise deal with all such materials or work products except as otherwise specifically provided in Exhibit A. Consultant shall defend, indemnify and hold harmless the Authority and its directors, officers, employees, and agents from any claim, loss, damage, cost, liability, or expense to the extent of any violation or falsity of the foregoing representation and warranty.

37. Counterparts: This Agreement may be executed in multiple counterparts, each of which shall constitute an original, and all of which taken together shall constitute one and the same instrument. Documents executed, scanned, and transmitted electronically and electronic signatures shall be deemed original signatures for purposes of this Agreement and all matters related thereto, with such scanned and electronic signatures having the same legal effect as original signatures.

IN WITNESS WHEREOF, THE PARTIES HAVE ENTERED INTO THIS AGREEMENT AS OF THE DATE HEREIN ABOVE APPEARING:

CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AUTHORITY

____

DEREK MINNEMA
Executive Director

APPROVED AS TO FORM:

____

SLOAN SAKAI YEUNG & WONG LLP
Legal Counsel to the Authority

TOWNSEND RAIMUNDO BESLER & USHER INC.

____

DAVID TOWNSEND

Attachments:

Exhibit A: Scope of Work

EXHIBIT A

SCOPE OF WORK

Consultant will provide the following services:

1. Provide strategic counsel on transportation issues and policies, with a focus on historical state and federal monies that have funded the Connector project.

2. Offer guidance and insights on state legislative transportation policies affecting the Connector project, along with information on influential legislators in this context.

3. Provide Executive Consulting services to the Executive Director on a weekly basis.

4. Attend meetings and communicate regularly, if not daily, as needed to implement the scope of work.

5. Generate a strategic action plan, in coordination with JPA to advance the goals and mission of the JPA.

6. Develop key externally facing messaging, in coordination with JPA, on how the project is advancing, it's funding needs and project benefits.

7. Support the implementation of the action plan approved by the JPA with direct stakeholder engagement, in coordination with JPA for ongoing discussions with transportation partners, community-based organizations, geographically relevant elected officials..

CAPITAL | SOUTHEAST
CONNECTOR JPA
Connecting Communities

ITEM 14 b

RESOLUTION 2024-08

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AUTHORITY AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO AN AGREEMENT WITH TOWNSEND RAIMUNDO BESLER & USHER, INC. FOR TRANSPORTATION FUNDING CONSULTING AND GOVERNMENT RELATIONS

BE IT RESOLVED by the Board of Directors ("Board") of the Capital SouthEast Connector Joint Powers Authority ("Connector JPA") hereby authorizes the Executive Director to enter into an agreement with Townsend Raimundo Besler & Usher, Inc. for transportation funding consulting and government relations in an amount Not To Exceed $120,000.

This Resolution shall take effect from and after its passage and adoption date.

* * * * *

PASSED AND ADOPTED this 31st day of May 2024, on a motion by

Director ______________, seconded by Director______________, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Chairperson

ATTEST:

____
Secretary

ITEM 15

MEETING DATE: May 31, 2024

TITLE: Authorize the Executive Director to Execute an Agreement with Kimley-Horn & Associates, Inc. for $119,770 for a Market and Feasibility Assessment of Zero Emission Medium and/or Heavy-Duty Vehicle Infrastructure Along the Connector Project

PREPARED BY: Derek Minnema

RECOMMENDATION

Approve Resolution 2024-09, authorizing the Executive Director to enter into an Agreement with Kimley-Horn & Associates, Inc. for a Market and Feasibility Assessment of Zero Emission Medium and/or Heavy-Duty Vehicle Infrastructure Along the Connector Project for an amount Not to Exceed $119,770.

BACKGROUND

The Connector JPA Contracting and Purchasing Procedures Manual dictates that the Board of Directors shall consider approving engineering contracts exceeding $50,000.

In January 2023, a list of on-call consultants was approved to augment JPA staff and provide specialized services when necessary. Kimley-Horn & Associates, Inc. ("KHA") is on the JPA's Civil Engineering on-call list.

CONTEXT AND SETTING

California is actively transitioning to an electric vehicle (EV) fleet through regulatory mandates, executive orders, and substantial infrastructure funding.

Governor Gavin Newsom's Executive Order N-79-20 mandates that all new passenger vehicles sold in the state be zero-emission by 2035.

The California Air Resources Board (CARB) enforces the Zero-Emission Vehicle (ZEV) mandate, requiring automakers to increase their sales of zero-emission cars.

To support this shift, the California Transportation Commission (CTC) funds EV infrastructure projects through programs like the Trade Corridor Enhancement Program (TCEP) and the Local Partnership Program (LPP). Assembly Bill 2535 is currently being discussed in the state legislature. It would require the California

Transportation Commission to establish and increase targets for programming higher percentages of TCEP funds into investments in zero-emission freight infrastructure.

Additionally, the California Energy Commission (CEC) and initiatives like California Climate Investments (CCI) provide financial incentives and support for expanding EV charging networks, including infrastructure for electric freight vehicles at ports, further promoting the adoption of sustainable transportation across the state.

LOCAL EV ASSESSMENT

The passage of CA Senate Bill 671 in 2021 required the California Transportation Commission to establish the Clean Freight Corridor Efficiency Assessment ("Assessment"), which identifies freight corridors throughout the state that would be priority candidates for the deployment of zero-emission medium and heavy-duty vehicles.

The Assessment identified Interstate 5 ("I-5") and State Route 99 ("SR 99") as the top six freight corridors throughout the state. Additionally, the Assessment states that major connectors to these corridors are important, and building zero-emission freight infrastructure on them will be necessary to provide system resiliency.

Funding for improving major corridors is available through the SB 1 Trade Corridor Enhancement Program ("TCEP"), of which the Connector Project was included in 2023.

ANTICIPATED WORK

KHA will assist the Connector JPA by completing the following work:

- Perform a Market and Feasibility Assessment of Zero Emission Medium and/or Heavy-Duty Vehicle Infrastructure Along the Connector Project

- Identify applicable local, state, and federal funding opportunities for zero-emission infrastructure.

- Identify opportunity zones for zero-emission infrastructure along the alignment.

- Assist the JPA in identifying and engaging potential charging station/hub operators and preparing outreach material.

ATTACHMENT

a. Draft Agreement
b. Resolution 2024-09

TASK ORDER NO. 2
TO THE
MASTER ON-CALL SERVICES AGREEMENT
BETWEEN CAPITAL SOUTHEAST CONNECTOR JPA
AND KIMLEY-HORN AND ASSOCIATES, INC.

This Task Order No. 2 is entered into on this ______ day of May 2024 ("Effective Date") by and between **Capital SouthEast Connector JPA**[1] (the "Connector") and **Kimley-Horn and Associates, Inc.** ("Consultant"), a North Carolina Corporation.

WHEREAS, the Connector and Consultant entered into a Professional Services Agreement on July 19, 2023 (the "Agreement"); and

WHEREAS, the Consultant now agrees to perform the following scope of services for this Task Order No. 2.

NOW, THEREFORE, the parties agree to the following:

1. **Scope of Services**

The Capital SouthEast Connector JPA (JPA) desires to understand opportunities for potential zero-emission vehicle (ZEV) charging and/or refueling hubs to serve medium- and/or heavy-duty vehicles (M/HDV) along the Connector.[2] Consultant will summarize the broader market context for these hubs, assess the feasibility of such a deployment along the Connector, and identify related funding opportunities. The outcome of these analyses will be summarized in a draft and final technical memorandum, and key points will be included in a "brochure" summarizing the opportunity for prospective M/HDV charging/refueling hub partners.

Task 1 – Project Administration

This task includes general project administration, including management of project staff, quality control, project accounting, invoicing, and progress reporting. Consultant will participate in virtual 30-minute check-in meetings with JPA every two weeks during the project period (12 check-in meetings). Consultant will participate in up to two in-person meetings to present study findings to staff of the JPA (and, as relevant, Board members and/or other stakeholders designated by staff of the JPA).

Task 2 – Funding Opportunity Assessment

Objective: Identify all available grant funding from local, state, and federal entities to support ZEV charging/refueling, ZEV hubs, and/or zero emission freight. Summarize each program including available funding and application process.

[1] The full legal name of the Capital SouthEast Connector Joint Powers Authority is the "Elk Grove-Rancho Cordova-El Dorado Connector Authority."

[2] Charging hubs provide charging stations and related infrastructure to serve battery electric vehicles (BEVs or simply EVs) and refueling hubs provide hydrogen (H2) fueling stations and related infrastructure to serve hydrogen fuel cell electric vehicles (FCEVs).

Approach: Consultant will leverage an internal grant research tool to identify funding opportunities from entities including (as relevant) federal, state, regional, local, and/or utility entities to support deployment of a M/HDV charging/and or refueling hub along the Connector. Consultant will summarize key characteristics of each available funding opportunity including (as feasible) the minimum and/or maximum funding amount(s) and the application process. Consultant will provide a link to each program application, if available.

Consultant will prepare a draft summary memorandum summarizing the information described above, highlighting opportunities that may be particularly relevant to the JPA. Consultant will prepare a final memorandum in response to a single set of consolidated, non-conflicting comments from the JPA. Additional rounds of editing may incur additional fees.

At the JPA's request, Consultant may provide support for grant application preparation under separate scope and fee.

Deliverable(s): Summary memorandum (approximately 2-4 pages)

Task 3 – Market Assessment: ZEV Charging/Refueling Hubs for M/HDV

Objective: Summarize the current ZEV charging/refueling hub market related to M/HDV and related local business models potentially applicable to the JPA

Approach: Consultant will perform a limited literature review[1] to obtain and summarize information on:

1) The current market related to M/HDV charging and refueling hubs, including:
   - A high-level overview of the relevant infrastructure types; and
   - Major hub operators (as feasible)
2) The business model via which a hub provider has engaged recently with Sacramento County and (as feasible) other relevant business models

Deliverable(s): Inputs to Task 5 memorandum

Task 4 – Feasibility Assessment

Objective: Review the feasibility of a M/HDV charging and/or refueling hub along the Connector

Approach: Consultant will:

1) Review aerial imagery, traffic data (specifically for M/HDVs), disadvantaged community locations (per Justice40 initiative definitions), and other data and materials to identify potential Opportunity Areas along the Connector. Opportunity Areas will reflect roadway segments with characteristics conducive to supporting a M/HDV charging/refueling hub (such as high traffic, Connector access) and/or areas that may meet the criteria required by specific funding opportunities (such as proximity to disadvantaged communities).

[1] The literature review will include the Sacramento Area Council of Government's (SACOG) Megaregion Zero Emission Medium and Heavy Duty Vehicle Study as well as documentation from the California Freight Mobility Plan, Trade Corridor Enhancement Program, and other relevant materials.

2) Coordinate with Sacramento Municipal Utility District (SMUD) and review Opportunity Areas to identify areas in which available electrical capacity is more or less of a constraint.
3) Within the Opportunity Areas, identify specific land parcels that could potentially serve as hub sites (based on size, available electrical capacity, and other key variables).

Deliverable(s): Inputs to Task 5 memorandum

Task 5 – Summary Memorandum

Objective: Consolidate and review information from Tasks 3 and 4

Approach: Consultant will prepare a draft technical memorandum summarizing the efforts expended for the items identified in tasks 3 and 4 above. Consultant will prepare a final memorandum in response to a single set of consolidated, non-conflicting comments from the JPA. Additional rounds of editing may incur additional fees.

Deliverable(s): Summary memorandum (up to approximately 20 pages)

Task 6 - Letter of Opportunity

Objective: Prepare a brief marketing piece to generate interest among hub operators in sites along the Connector and seek to engage hub operators in discussion with the JPA
Approach: This task includes two components:

1) Based on outputs from tasks 2 and 3, Consultant will prepare a draft marketing brochure (1-2 pages) highlighting key features of the opportunity to deploy a M/HDV charging/refueling hub along the connector. Consultant will prepare a final brochure in response to a single set of consolidated, non-conflicting comments from the JPA. Additional rounds of editing may incur additional fees.
2) Consultant will conduct targeted outreach to hub operators and (as feasible) convene discussions between the JPA and up to three (3) operators to explore potential collaboration regarding a hub site along the Connector.

Deliverable(s):

- Marketing brochure (1-2 pages)
- Facilitation for discussions with hub operators

2. Fee

Consultant will provide the above Scope of Services for an amount Not-to-Exceed $119,770, per **Exhibit A**.

The Fees to be paid Consultant, as provided in this Task Order No. 2, shall be in compensation for all of Consultant's expenses incurred in the performance of work under this Task Order No. 2, including travel, per diem, and other direct costs, unless otherwise expressly so provided. Other direct costs include: filing fees and other fees fixed by law or assessed by courts and other agencies; courier and overnight delivery service; travel expenses, which consists of vehicle mileage only charged at the IRS business rate; investigation expenses (as pre-approved by the

Authority); consultants' fees (as pre-approved by the Authority); and copy service fees. All costs and expenses shall be fully itemized at actual cost. No markup will occur on other direct costs.

3. Schedule of Performance

All work under this task order shall be completed within approximately 6 months of being authorized, unless otherwise authorized in writing by the Executive Director of the Connector.

4. Deliverables

- As noted in Section 1 above

5. Assumptions and Exclusions

None.

This Task Order No. 2 is subject to the terms and conditions of the Agreement. This Task Order No. 2 may be executed in multiple counterparts, each of which shall constitute an original, and all of which taken together shall constitute on and the same instrument. Documents executed, scanned and transmitted electronically and electronic signatures shall be deemed original signatures for purposes of this Task Order No. 2 and all matters related thereto, with such scanned and electronic signatures having the same legal effect as original signatures.

IN WITNESS WHEREOF, Connector and Consultant have entered into this Task Order No. 2 as of the Effective Date.

CAPITAL SOUTHEAST CONNECTOR JPA

____
DEREK MINNEMA
Executive Director

APPROVED AS TO FORM:

____
Sloan Sakai Yeung & Wong, LLP
Legal Counsel to Connector

KIMLEY-HORN AND ASSOCIATES, INC.

Matthew D. Weir

____
MATTHEW D. WEIR, P.E. (PE No. C70216)
Vice President

Kimley»Horn

EXHIBIT "A"

Capital SouthEast Connector - Task Order No. 2 (EV Strategy)
Cost Proposal

Task	Senior Professional II	Senior Professional II	Senior Professional I	Senior Professional I	Professional	Analyst II	Hours	Cost
Description	$ 380	$ 340	$ 290	$ 270	$ 220	$ 185		
Task 1: Project Administration	18	28	2	20	0	6	72	$ 22,770
Project Launch	2	2	2	2		2	10	$2,830
Check-ins (12 @30 mins)	12	18		14			42	$13,760
In-person presentations (2 @2 hrs)	4	4		4			12	$3,960
Monthly status reporting/invoicing		4				4	8	$2,100
Task 2: Funding Opportunity Assessment	0	6	0	12	0	0	18	$ 5,220
Conduct grant research		4		8			12	$3,520
Prepare summary memo		2		4			6	$1,700
Task 3: Market Assessment	12	10	2	32	0	0	56	$ 17,180
Summarize M/HDV hub market	8	8	2	28			46	$13,880
Investigate Sacramento County model	4	2		4			10	$3,280
Task 3: Feasibility Assessment	24	14	20	40	0	0	98	$ 30,480
Identify opportunity areas	6	2	8	12			28	$9,290
Coordinate w/SMUD	6	8		4			18	$6,840
Identify sites	6	4	12	24			48	$14,360
Task 5: Summary Memo	16	50	12	72	0	0	150	$ 48,000
Summarize results from tasks 3-4	16	50	12	72			150	$48,000
Task 6: Letter of Opportunity	8	24	12	10	8	0	62	$ 19,000
Brochure	4	8	12	4	8		36	$10,680
Discussions w/hub operators	4	16		6			26	$8,580
Sub-Totals	**62**	**118**	**36**	**159**	**8**	**6**	**388**	$ 118,770
							Other Direct Costs	$ -
							Total:	$ 118,770

CAPITAL | SOUTHEAST
CONNECTOR JPA
Connecting Communities

ITEM 15 b

RESOLUTION 2024-09

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AUTHORITY
AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO AN AGREEMENT
WITH KIMELY-HORN & ASSOCIATES, INC. FOR A MARKET AND FEASIBILITY
ASSESSMENT OF ZERO-EMISSION MEDIUM AND/OR HEAVY-DUTY VEHICLE
INFRASTRUCTURE ALONG THE CONNECTOR PROJECT**

BE IT RESOLVED by the Board of Directors ("Board") of the Capital SouthEast Connector Joint Powers Authority ("Connector JPA") hereby authorizes the Executive Director to enter into an agreement with Kimley-Horn & Associates, Inc. for a Market and Feasibility Assessment of Zero Emission Medium and/or Heavy-Duty Vehicle Infrastructure Along the Connector Project for an amount Not To Exceed $119,770.

This Resolution shall take effect from and after its passage and adoption date.

* * * * *

PASSED AND ADOPTED this 31st day of May 2024, on a motion by

Director ______________, seconded by Director______________, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Chairperson

ATTEST:

____
Secretary

ITEM 16

MEETING DATE: May 31, 2024

TITLE: Authorize the Executive Director to Execute a Funding Agreement with the City of Rancho Cordova for $1,600,000 for Reimbursement of Design, Right of Way, and Construction Activities Related to Grant Line Road

PREPARED BY: Matt Lampa

RECOMMENDATION

Approve Resolution 2024-10, authorizing the Executive Director to execute a funding agreement with the City of Rancho Cordova for $1,600,000 to reimburse design, right of way, and construction activities related to Grant Line Road.

BACKGROUND

The Grant Line Rd Safety and Freight Mobility Project will reconstruct approximately 3.6 miles of Grant Line Road, from Chrysanthy Boulevard to White Rock Road.

In June 2023, the City of Rancho Cordova adopted its five-year Capital Improvement Plan, in which the City identified the project and allocated $1.6M for it.

On May 20, the City approved the Funding Agreement as Contract No. 2024-56.

FUNDING AGREEMENT

The JPA is the implementing agency advancing the project's design. The funding agreement will allow the JPA to be reimbursed for design, right-of-way, and construction work.

The construction phase is not fully funded, and the Connector JPA continues to pursue grants and other funding opportunities. The City acknowledges the need for additional funding and the importance of exploring funding alternatives to further the Project.

ATTACHMENTS

a. Rancho Cordova Staff Report and Funding Agreement
b. Resolution 2024-10

MEMORANDUM

ITEM 9.14.

DATE: May 20, 2024

TO: Honorable Mayor and Council Members

FROM: Albert Stricker, Public Works Director

SUBJECT: **A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE CONTRACT NO. 2024-56 WITH THE CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AUTHORITY IN AN AMOUNT NOT TO EXCEED $1,600,000 FOR DESIGN, RIGHT-OF-WAY AND CONSTRUCTION OF GRANT LINE ROAD IMPROVEMENTS BETWEEN WHITE ROCK ROAD AND CHRYSANTHY BOULEVARD**

RECOMMENDATION

Adopt the Resolution.

RESULT OF RECOMMENDED ACTION

Adoption of the Resolution would authorize the City Manager to execute Contract No. 2024-56 with the Capital Southeast Connector Joint Powers Authority for up to $1,600,000 for design, right-of-way and construction of Grant Line Road improvements between White Rock Road and Chrysanthy Boulevard.

BACKGROUND

The Capital Southeast Connector Joint Powers Authority (JPA) was formed in December 2006 and includes the cities of Elk Grove, Folsom, and Rancho Cordova, and the counties of El Dorado and Sacramento. The JPA is responsible for planning, environmental clearance, engineering design, and construction of the 34-mile limited-access roadway spanning from the Interstate 5/Hood-Franklin interchange, south of Elk Grove, to U.S. 50 at the Silva Valley Parkway interchange, east of El Dorado Hills. It will generally feature four travel lanes to accommodate vehicle travel, and a separated bicycle and pedestrian pathway.

The first phase of work within the City of Rancho Cordova will include reconstruction of 3.6 miles of Grant Line Road generally between White Rock Road and Chrysanthy (the Project, Attachment 3). The project will improve safety by realigning the road and improving drainage, and connect communities with a separated bicycle and pedestrian pathway. The project has environmental approval and is currently in design and right-of-way. The cost, including construction for this first phase, is estimated at $65 million. The JPA has identified funding in the amount of $9.5 million to date (Measure A and SB-1 funds) and is requesting participation from the City of Rancho Cordova in the amount of $1.6 million for design, right-of-way and construction. Additional funding may be requested based on available funding during the construction phase. The City included $1.6 million in transportation development impact fees in the Council-approved five-year capital improvement plan.

The construction phase is not fully funded and the JPA continues to pursue grants and other funding opportunities.

FISCAL IMPACT AND FUNDING SOURCE

Funding for this project is through transportation development impact fees. There is no impact on the City's General Fund.

ATTACHMENT(S)

1. Resolution
2. Connector JPA Funding Agreement
3. The Project Location Map

FUNDING AGREEMENT
BETWEEN
THE CITY OF RANCHO CORDOVA AND THE
CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AGENCY

THIS FUNDING AGREEMENT, is made and entered into this __ day of ______, **2024,** at Sacramento, California, by and between the Capital SouthEast Connector Joint Powers Authority (the "JPA")[1] and the City of Rancho Cordova, a California Municipal Corporation ("City").

RECITALS

WHEREAS, the City has been involved in the development of the Capital SouthEast Connector Expressway Project ("Connector Project") since its inception and has been a member agency of the JPA; and

WHEREAS, the Connector Project will connect the City with other business and housing centers in the region, providing economic development opportunities to the City; and

WHEREAS, a portion of the Connector Project, Grant Line Road between the intersections of White Rock Road and Chrysanthy Boulevard (the "Project"), is within City limits and is a portion of the Connector Project in need of engineering design and right of way acquisition; and

WHEREAS, the JPA is the implementing agency performing engineering design right of way acquisition, environmental permitting and approvals, utility coordination and relocation, and construction funding feasibility analysis for the Project (the "Work"); and

WHEREAS, insufficient funds are available to complete the Work. Accordingly, supplemental funding is needed for the Project; and

WHEREAS, the City adopted its Fiscal Year 2023/24 – Fiscal Year 2027/28 five year Capital Improvement Plan wherein the City identified the Project and allocated funding for the Work; and

WHEREAS, the City and JPA recognize the need to explore additional and alternative funding opportunities for the future construction phase of the Project ("Construction Funding Strategy").

NOW, THEREFORE, the City and the JPA agree as follows:

---

[1] The full legal name of the Capital SouthEast Connector Joint Powers Authority is the "Elk Grove – Rancho Cordova – El Dorado Connector Authority."

1. Incorporation: The forgoing recitals are true and correct and are incorporated herein.

2. Term: The term of this Agreement shall begin ___________, **2024**, and shall terminate on **June 30, 2028**, unless extended by written agreement of the parties.

3. Payment of Funds: The City agrees to reimburse or advance to the JPA Project costs related to the Work and other Project purposes mutually agreed to by the parties. Costs shall be paid by the City within sixty (60) days of receipt of an invoice from the JPA. The total Project costs paid by the City to the JPA under this Agreement shall not exceed One Million Six Hundred Thousand Dollars ($1,600,000.00). The City acknowledges the need for additional funding for the Project and the importance of exploring funding alternatives in furtherance of the Project. The City is committed to exploring funding alternatives for the Project.

4. Use of Funds: The JPA agrees to use all funds conveyed by the City to the JPA under this Agreement for the sole purpose of performing the Work in connection with the Project. During the engineering design and right-of-way acquisition process, the City shall have the opportunity to provide input through its participation in scheduled project update meetings. The City acknowledges the need for additional funding for the Project and the importance of exploring Project funding alternatives to continue the advancement of the Project, including, evaluating options for the establishment of an Enhanced Infrastructure Financing District ("EIFD") within the City for purposes of the Project. The City agrees to provide the JPA with fair-share funding for the Construction Funding Strategy for purposes of exploring Project funding opportunities including the establishment of an EIFD.

5. Records: The JPA shall maintain financial and project records that fairly reflect the activities of the JPA and its consultants pertaining to the Work and that would otherwise be required by law to be maintained. Upon reasonable request by the City, the JPA shall make available for inspection and audit by the City, all books, financial records, program information, and other records pertaining to the operation of the JPA in relation to the Work.

6. Eminent Domain Authority: Pursuant to section 7.a. of the Joint Exercise of Powers Agreement for the JPA, dated December 12, 2006, as amended, the City by approval of this Agreement by the City's City Council, hereby authorizes the JPA's use, of eminent domain within the City's jurisdiction. The JPA shall provide the City not less than 15 days' written notice of its intent to adopt a resolution of necessity to commence eminent domain proceedings with respect to any property, and the JPA shall provide the City with a copy of any notice of intent to adopt a resolution of necessity concurrently with the JPA providing the notice of intent to adopt a resolution of necessity to any owner or other person with an interest in any such property. The City reserves the right to revoke and rescind this authorization for the JPA to exercise eminent domain at any time upon 30 days' written notice to the JPA provided, however, that if the JPA files an eminent domain complaint in a court of competent jurisdiction pursuant to this section prior to the delivery of such notice of rescission or revocation of authority by the CITY, the authorization to the JPA to

exercise of eminent domain may not be rescinded or revoked unless agreed to by the JPA. Unless otherwise expressly agreed by the Parties, the JPA shall be responsible for the payment of any and all required relocation assistance, all as required by applicable law.

7. Indemnification: The JPA and the City shall each defend, indemnify, and hold harmless each other, as well as their respective officers, agents, and employees, from any claim, loss, or liability, arising out of or connected with any acts or omissions of that party or its officers, agents, or employees when performing activities or obligations required of that party under this Agreement.

8. Notices: All notices required by this Agreement shall be in writing and shall be delivered in person or by certified mail to the other party at the address set forth below. Either party may change its address or point of contact by notifying the other party of the change.

Capital SouthEast Connector JPA
Derek Minnema
10640 Mather Blvd., Ste 120
Mather, CA 95655

City of Rancho Cordova
Albert Stricker
2729 Prospect Park Drive
Rancho Cordova, CA 95670

9. Amendment/Termination: This Agreement may only be modified or terminated in writing, and with the prior written consent of both parties.

SIGNATURE PAGE FOLLOWING

IN WITNESS WHEREOF, THE PARTIES HAVE ENTERED INTO THIS AGREEMENT AS OF THE DATE HEREIN ABOVE APPEARING:

CITY OF RANCHO CORDOVA,
a California Municipal Corporation

_______________________________ Date ____________________

Micah Runner
City Manager

APPROVED AS TO FORM:

____

Adam U. Lindgren
City Attorney

ELK GROVE – RANCHO CORDOVA –
EL DORADO CONNECTOR AUTHORITY

_______________________________ Date ____________________

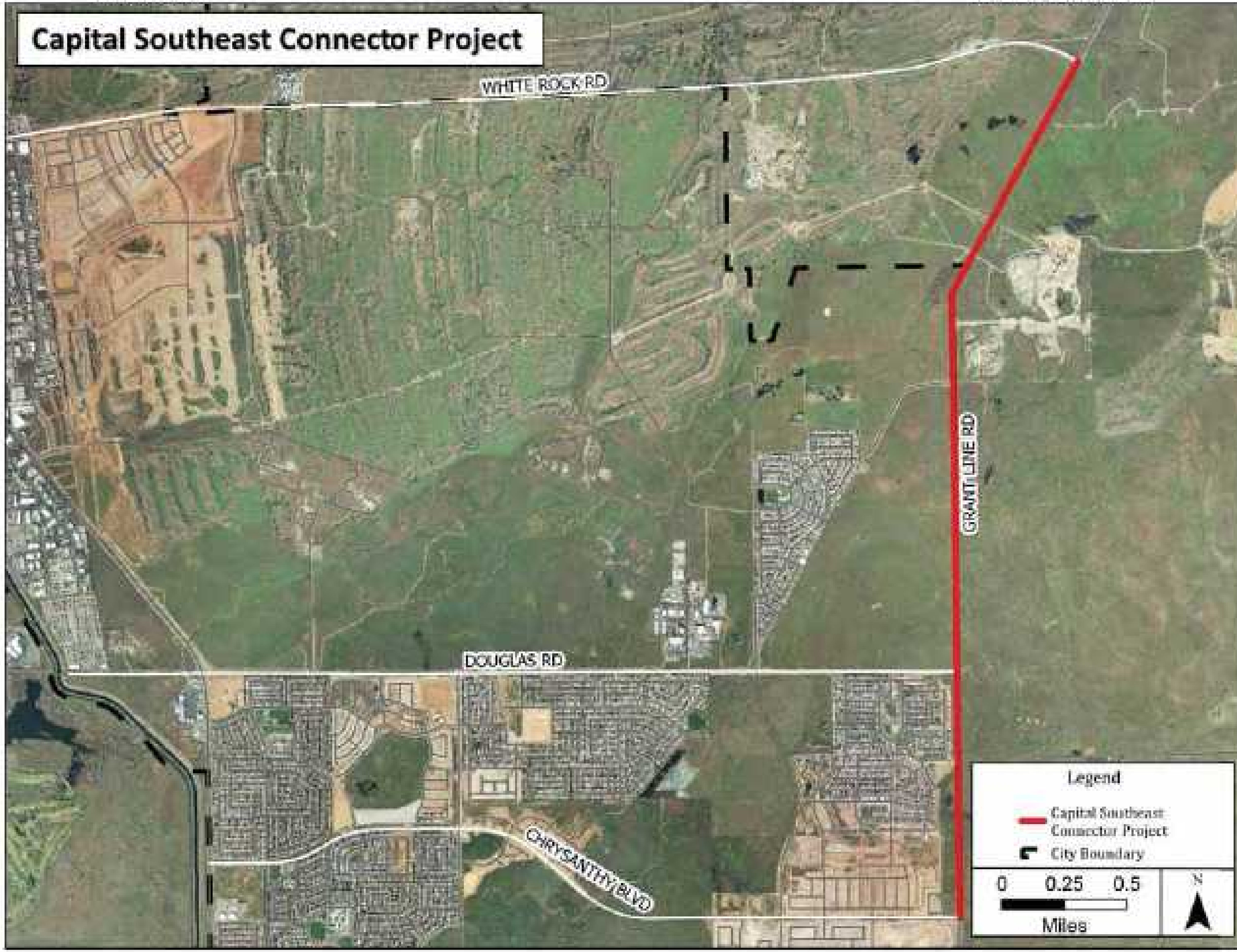
Derek Minnema
Executive Director

APPROVED AS TO FORM:

____

Sloan Sakai Yeung & Wong LLP
Legal Counsel to the JPA

5715854.1


Capital Southeast Connector Project
WHITE ROCK RD
GRANT LINE RD
DOUGLAS RD
CHRYSANTHY BLVD
Legend
Capital Southeast Connector Project
City Boundary
0 0.25 0.5
Miles
N

CAPITAL | SOUTHEAST
CONNECTOR JPA
Connecting Communities

ITEM 16 b

RESOLUTION 2024-10

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AUTHORITY AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A FUNDING AGREEMENT WITH THE CITY OF RANCHO CORDOVA RELATED TO GRANT LINE ROAD

BE IT RESOLVED, that the Board of Directors ("Board") of the Capital SouthEast Connector Joint Powers Authority ("Connector JPA") hereby authorizes the Executive Director to Execute a Funding Agreement with the City of Rancho Cordova for $1,600,000 related to Grant Line Road.

This Resolution shall take effect from and after its passage and adoption date.

* * * * *

PASSED AND ADOPTED this 31st day of May 2024, on a motion by

Director ___________, seconded by Director__________, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Chairperson

ATTEST:

____
Secretary

CAPITAL | SOUTHEAST
CONNECTOR JPA
Connecting Communities

ITEM 17

MEETING DATE: May 31, 2024

TITLE: Update on the Kammerer Road Extension Project and identify the Project as the Top Priority for the United States Department of Transportation Multimodal Project Discretionary Grant Program

PREPARED BY: Matt Lampa

RECOMMENDATION

Receive an Update on the Kammerer Road Extension Project and approve Resolution 2024-11 identifying the project as the Top Priority for the JPA in the Multimodal Project Discretionary Grant Program

BACKGROUND

At today's meeting, the City of Elk Grove will present the Board with highlights of its $107M grant funding request to the U.S. DOT Multimodal Project Discretionary Grant Program.

The Kammerer Road Extension Project will create the following local and regional benefits:

- Reduce vehicle miles traveled and greenhouse gas emissions.
- Reduce regional congestion and delay by bypassing downtown Sacramento by providing an alternative route between I-5, SR 99, and US 50.
- Improve freight mobility between I-5 and SR99 on the National Highway Freight Network and part of the Primary Highway Freight System.
- Close an east-west gap in the regional transportation network.
- Provide a critical east-west evacuation route higher than the 100-year flood event.
- Provide a safe vehicular/bike/pedestrian crossing over the existing railroad tracks.
- Improve mobility, access, and connections, including a Class 1 Multi-Use Path.

ATTACHMENT

a. Kammerer Road Project Information Sheet
b. Kammerer Support Letters
c. Resolution 2024-11

ITEM 17 a

Kammerer Road (Capital SouthEast Connector Segment A1)

Project Overview

The Kammerer Road (Capital SouthEast Connector Segment A1) Project in Sacramento County is led by the City of Elk Grove, in collaboration with the California Department of Transportation, Capital SouthEast Connector JPA and Sacramento County. *(See back side for project location.)*

This project will construct a new two-lane extension of Kammerer Road from Bruceville Road to Interstate 5, improving freight mobility, closing a significant gap in the regional transportation network and providing an east-west evacuation route above the 100-year flood event. The Project includes modification of the existing I-5 Hood Franklin Interchange, a grade separated crossing of existing railroad tracks, and a Class 1 bi-directional Multi-Use Path for the full length of the extension. The new vehicular/bike/pedestrian overcrossing of existing railroad tracks will in turn accommodate the closure of one or two existing at-grade railroad crossings.

This project is a key part of the City's broader initiative to improve mobility, access, and connections between residential and nonresidential land use, which have been limited due to increasing congestion. The project is intended to link employment centers and residential areas in the transportation corridor and contribute to the remedy for current and future deficiencies in transportation capacity and land use compatibility. The project is also intended to improve regional traffic operations, and reduce existing and projected congestion.

Project Status

November 2023: Completed Environmental Phase (NEPA & CEQA)
January 2024: Began Right-of-Way Acquisition and Final Design Phase (Fully Funded)

Project is currently seeking funding for the Construction Phase

FUNDING PLAN

Local Funds	$35.8M
Grants Awarded (Federal & State)	$14.4M
Funding Need	$73.8M
Total Project Cost	$124M

Project Highlights

The Kammerer Road Extension Project will:

- Reduce vehicle miles traveled and greenhouse gas emissions
- Reduce regional congestion and delay by providing an alternative route between I-5, SR 99, and US 50, bypassing downtown Sacramento
- Improve freight mobility between I-5 and SR99, both on the National Highway Freight Network and part of the Primary Highway Freight System
- Close an east-west gap in the regional transportation network
- Provide a critical east-west evacuation route higher than the 100-year flood event
- Provide a safe vehicular/bike/pedestrian crossing over the existing railroad tracks (on priority list for Section 190 Grade Separation Program)
- Improve mobility, access and connections including a Class 1 bi-directional Multi-Use Path

Supporters

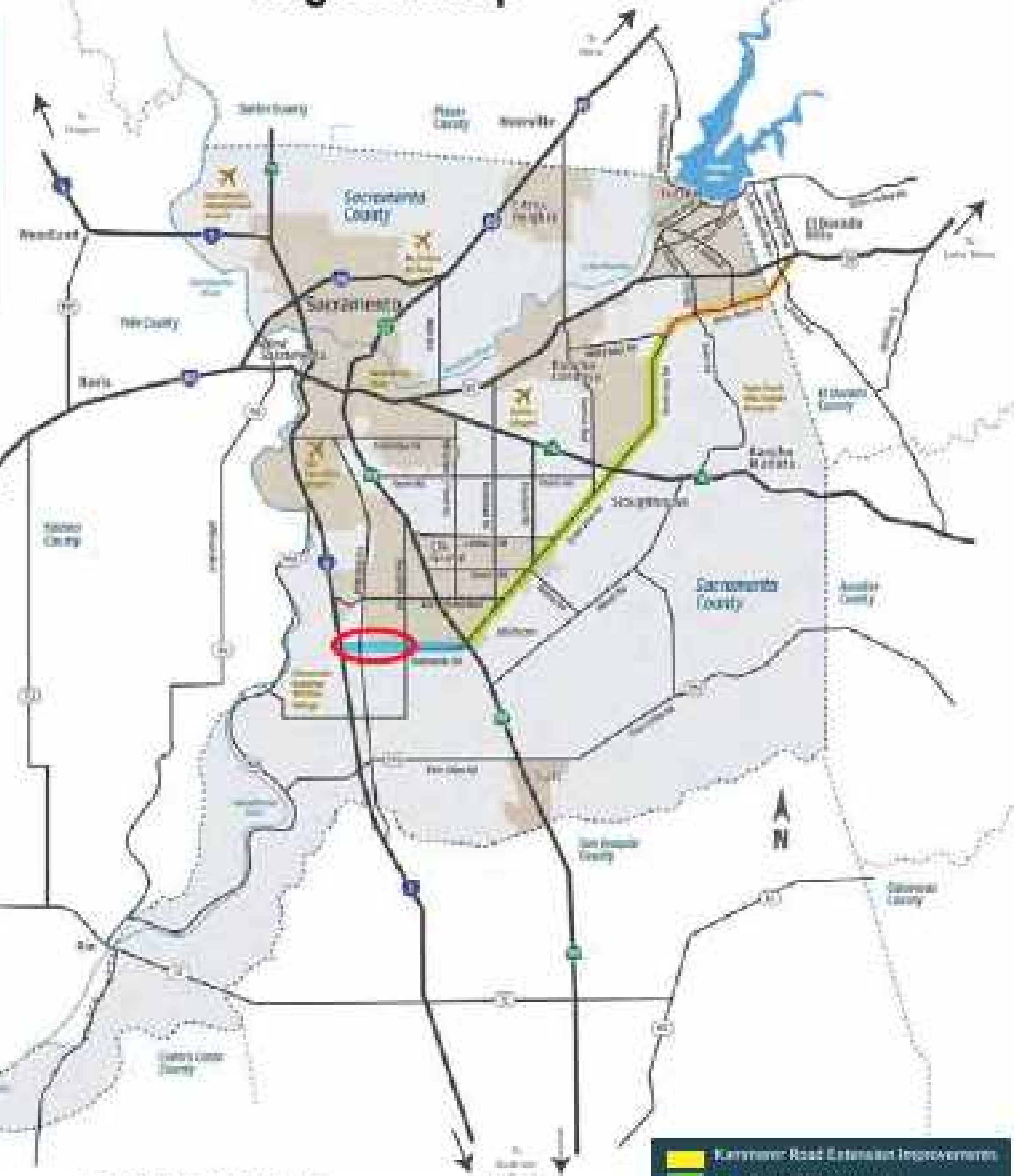
- Caltrans
- Sacramento Transportation Authority
- Capital SouthEast Connector JPA
- Union Pacific Railroad
- Pat Hume, Sacramento County Supervisor
- Stephanie Nguyen, State Assemblymember
- Wilton Rancheria

Stay Connected at: elkgrovecity.org/kammererextension

Project Manager: Tom Metcalf, tmetcalf@elkgrovecity.org | PIO: Kristyn Laurence, klaurence@elkgrovecity.org

Statewide Context

Regional Map



Project Map

ITEM 17 b

BOBBIE SINGH-ALLEN
MAYOR

KEVIN D. SPEASE
VICE MAYOR

ROD BREWER
COUNCIL MEMBER

SERGIO ROBLES
COUNCIL MEMBER

DARREN SUEN
COUNCIL MEMBER

8401 LAGUNA PALMS WAY • ELK GROVE, CALIFORNIA 95758
TEL: 916.683.7111 • FAX: 916.627.4201 • www.elkgrovecity.org

May 1, 2024

The Honorable Pete Buttigieg
Secretary
Office of the Secretary of Transportation
1200 New Jersey Ave, SE
Washington DC, 20590

Subject: Support for 2024 Multimodal Project Discretionary Grant (MPDG) Kammerer Road (Capital SouthEast Connector Segment A1)

Dear Secretary Buttigieg,

As the Mayor of the City of Elk Grove, I support the application by the City of Elk Grove to the United States Department of Transportation' s (USDOT) 2024 Multimodal Projects Discretionary Grant (MPDG) program for the Kammerer Road Capital SouthEast Connector Segment A1 (Project).

The purpose of the Project is to construct a new two-lane extension of Kammerer Road from Bruceville Road to Interstate 5, improving freight mobility, closing a significant gap in the regional transportation network, and providing an east-west evacuation route above the 100-year flood event. The Project includes modification of the existing I-5 Hood Franklin Interchange, a grade separated crossing of existing Union Pacific Railroad tracks that provide freight and commuter rail service, and a Class 1 Bikeway/Multi-Use Path for the full length of the extension. The new vehicular/bike/pedestrian overcrossing of existing railroad tracks will in turn accommodate the closure of one or two existing at grade railroad crossings.

The Project aligns with the MPDG program criteria by constructing improvements that will increase safety, improve mobility, reduce congestion, modernize core infrastructure, improve system operations and reliability, and reduce transportation-related pollution. This project is a key part of the City's broader initiative to improve mobility, access, and connections between residential and nonresidential land use, which have been limited due to increasing congestion. The project is intended to link employment centers and residential areas in the transportation corridor and contribute to the remedy for current and future deficiencies in transportation capacity and land use compatibility. The project is also intended to improve regional freight mobility and overall traffic operations while reducing existing and projected congestion.

The City of Elk Grove would like to thank USDOT for its consideration and welcomes the opportunity to support the City of Elk Grove in the pursuit of this critical Project that will have lasting local and regional benefits.

Sincerely,

Bobbie Singh-Allen
MAYOR
City of Elk Grove

SACOG
Sacramento Area Council of Governments

1415 L Street
Suite 300
Sacramento, CA
95814

916.321.9000
sacog.org

May 1, 2024

The Honorable Pete Buttigieg
Secretary
Office of the Secretary of Transportation
1200 New Jersey Ave, SE
Washington DC, 20590

Subject: Kammerer Road (Capital SouthEast Connector Segment A1)

Dear Secretary Buttigieg,

On behalf of the Sacramento Area Council of Governments, I am writing to confirm that the proposed the Kammerer Road Capital SouthEast Connector Segment A1 (Project) is consistent with the transportation investments in our region's 2020 Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS).

As the designated Metropolitan Planning Organization (MPO) for the Sacramento region, SACOG is required to maintain a regional transportation plan that must be updated every four years in coordination with each local government. The current 2020 MTP/SCS lays out a transportation investment and land use strategy to support a prosperous region, with access to jobs and economic opportunity, transportation options, and affordable housing that works for all residents. The plan also describes a path for improving our air quality, preserving open space and natural resources, and helping California achieve its goal to reduce greenhouse gas emissions that contribute to climate change.

The purpose of the Project is to construct a new two-lane extension of Kammerer Road from Bruceville Road to Interstate 5. The Project includes modification of the existing I-5 Hood Franklin Interchange, a grade separated crossing of existing Union Pacific Railroad tracks that provide freight and commuter rail service, and a Class 1 Bikeway/Multi-Use Path for the full length of the extension.

SACOG would like to thank USDOT for its consideration of this project.

Sincerely,

James Corless
Executive Director

Auburn
Citrus Heights
Colfax
Davis
El Dorado County
Elk Grove
Folsom
Galt
Isleton
Lincoln
Live Oak
Loomis
Marysville
Placer County
Placerville
Rancho Cordova
Rocklin
Roseville
Sacramento
Sacramento County
Sutter County
West Sacramento
Wheatland
Winters
Woodland
Yolo County
Yuba City
Yuba County

Wilton Rancheria

9728 Kent Street, Elk Grove, CA 95624

April 23, 2024

The Honorable Pete Buttigieg
Office of the Secretary of Transportation
1200 New Jersey Ave, SE
Washington DC, 20590

Subject: Support for 2024 Multimodal Project Discretionary Grant (MPDG)
Kammerer Road (Capital South East Connector Segment A1)

Dear Secretary Buttigieg,

Wilton Rancheria supports the application by the City of Elk Grove to the United States Department of Transportation's (USDOT) 2024 Multimodal Projects Discretionary Grant (MPDG) program for the Kammerer Road Capital SouthEast Connector Segment A1 (Project).

The purpose of the Project is to construct a new two-lane extension of Kammerer Road from Bruceville Road to Interstate 5, improving freight mobility, closing a significant gap in the regional transportation network, and providing an east-west evacuation route above the 100-year flood event. The Project includes modification of the existing I-5 Hood Franklin Interchange, a grade separated crossing of existing Union Pacific Railroad tracks that provide freight and commuter rail service, and a Class 1 Bikeway/Multi-Use Path for the full length of the extension. The new vehicular/bike/pedestrian overcrossing of existing railroad tracks will in turn accommodate the closure of one or two existing at grade railroad crossings.

The Project aligns with the MPDG program criteria by constructing improvements that will increase safety, improve mobility, reduce congestion, modernize core infrastructure, improve system operations and reliability, and reduce transportation-related pollution. This Project is a key part of the City's broader initiative to improve mobility, access, and connections between residential and nonresidential land use, which have been limited due to increasing congestion. The Project is intended to link employment centers and residential areas in the transportation corridor and contribute to the remedy for current and future deficiencies in transportation capacity and land use compatibility. The Project is also intended to improve regional freight mobility and overall traffic operations while reducing existing and projected congestion.

Wilton Rancheria would like to thank USDOT for its consideration and welcomes the opportunity to support the City of Elk Grove in the pursuit of this critical Project that will have lasting local and regional benefits.

Sincerely,

Jesus Tarango

Jesus Tarango Jr.
Chairman

DORIS MATSUI
7TH DISTRICT, CALIFORNIA

COMMITTEE ON ENERGY
AND COMMERCE

SMITHSONIAN INSTITUTION
BOARD OF REGENTS

Congress of the United States
House of Representatives
Washington, DC 20515-0506

May 3, 2024

The Honorable Pete Buttigieg
Secretary
Office of the Secretary of Transportation
1200 New Jersey Ave, SE
Washington DC, 20590

Dear Secretary Buttigieg,

I am writing in strong support of the City of Elk Grove's application for the United States Department of Transportation's 2024 Multimodal Projects Discretionary Grant (MPDG) program for the Kammerer Road Capital SouthEast Connector Segment A1 (Project).

The project is designed to construct a new two-lane extension of Kammerer Road from Bruceville Road to Interstate 5. This extension aims to enhance freight mobility, closing a significant gap in the regional transportation network, and providing an east-west evacuation route above the 100-year flood event. The components of this project include modification of the existing I-5 Hood Franklin Interchange, a grade-separated crossing of existing Union Pacific Railroad tracks that provide freight and commuter rail service, and a Class 1 Bikeway/Multi-Use Path for the entire length of the extension. In addition, the new vehicular/bike/pedestrian overcrossing of existing railroad tracks will accommodate the closure of one or two existing at-grade railroad crossings.

The project, a significant part of the City's broader initiative, is poised to revolutionize mobility, access, and connections between residential and nonresidential land use, which have been severely hampered due to increasing congestion. Furthermore, it seeks to bolster regional freight mobility, optimize overall traffic operations, and mitigate both current and anticipated congestion, thereby bringing immense benefits to the City of Elk Grove and the entire region.

I strongly urge this proposal and commend the City of Elk Grove's application for the MPDG program. This project aligns with the MPDG's criteria by constructing improvements that will increase safety, improve mobility, reduce congestion, modernize core infrastructure, improve system operations and reliability, and reduce transportation-related pollution. Thank you for considering the vital nature of this project, which will have lasting local and regional benefits.

Sincerely,

Doris Matsui

DORIS MATSUI
Member of Congress

AMI BERA, M.D.

COMMITTEE ON FOREIGN AFFAIRS

COMMITTEE ON SCIENCE, SPACE, AND TECHNOLOGY

WASHINGTON OFFICE

DISTRICT OFFICE

Congress of the United States
House of Representatives

May 6, 2024

The Honorable Pete Buttigieg
Office of the Secretary of Transportation
1200 New Jersey Ave, SE
Washington DC, 20590

Re: Multimodal Project Discretionary Grant (MPDG) - Kammerer Road (Capital SouthEast Connector Segment A1)

Dear Secretary Buttigieg,
It is with great pleasure that I introduce the City of Elk Grove's application to the Multimodal Project Discretionary Grant (MPDG) program for the Kammerer Road Capital SouthEast Connector Segment A1 (Project). The purpose of the Project is to construct a new two-lane extension of Kammerer Road from Bruceville Road to Interstate 5, improving freight mobility, closing a significant gap in the regional transportation network, and providing an east-west evacuation route above the 100-year flood event.

This project is a key part of the City's broader initiative to improve mobility, access, and connections between residential and nonresidential land use, which have been limited due to increasing congestion. The extension would help link employment centers and residential areas in the transportation corridor and contribute to the remedy for current and future deficiencies in transportation capacity and land use compatibility.

Improvement of his road will lead to increased regional freight mobility and overall traffic operations while reducing existing and projected congestion. Thank you for your careful consideration of the City of Elk Grove's application.

Be well,

Ami Bera

Ami Bera, M.D.

Member of Congress

California State Senate

SENATOR
ANGELIQUE V. ASHBY, J.D.
EIGHTH SENATE DISTRICT

May 2, 2024

The Honorable Pete Buttigieg
Secretary
Office of the Secretary of Transportation
1200 New Jersey Ave, SE
Washington DC, 20590

Re: Support for 2024 Multimodal Project Discretionary Grant (MPDG) Kammerer Road (Capital SouthEast Connector Segment A1)

Dear Secretary Buttigieg,

I am writing to support the application by the City of Elk Grove to the United States Department of Transportation' s (USDOT) 2024 Multimodal Projects Discretionary Grant (MPDG) program for the Kammerer Road Capital SouthEast Connector Segment A1 (Project).

The purpose of the Project is to construct a new two-lane extension of Kammerer Road from Bruceville Road to Interstate 5 - improving freight mobility, closing a significant gap in the regional transportation network, and providing an east-west evacuation route above the 100-year flood event. The Project includes modifying the existing I-5 Hood Franklin Interchange, a grade-separated crossing of existing Union Pacific Railroad tracks that provide freight and commuter rail service, and a Class 1 Bikeway/Multi-Use Path for the full length of the extension. The new vehicular/bike/pedestrian overcrossing of existing railroad tracks will in turn accommodate the closure of one or two existing at-grade railroad crossings.

The Project aligns with the MPDG program criteria by enhancing safety, mobility, and reducing congestion. It modernizes infrastructure, improves reliability, and cuts transportation-related pollution. It's pivotal in the City's efforts to enhance mobility, access, and connectivity amid growing congestion. It aims to link work hubs and residential zones in the transport corridor, addressing current and future capacity issues and improving land use compatibility. Additionally, it enhances regional freight mobility and traffic operations, mitigating existing and anticipated congestion.

Through this letter, I affirm my support of this project and the benefits it will provide to the Elk Grove community. Please do not hesitate to contact my District Director, Daniel Washington, at 916-319-0309 or Daniel.Washington@sen.ca.gov if you have any questions or concerns.

Sincerely,

Angelique Ashby

ANGELIQUE V. ASHBY
Senator, 8[d] District

STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0010
(916) 319-2010
FAX (916) 319-2110

DISTRICT OFFICE
9250 LAGUNA SPRINGS DRIVE, SUITE 220
ELK GROVE, CA 95758
(916) 670-7888
FAX (916) 670-7893

E-MAIL
Assemblymember.StephanieNguyen@assembly.ca.gov

Assembly
California Legislature

STEPHANIE NGUYEN
ASSISTANT SPEAKER PRO TEMPORE
ASSEMBLYMEMBER, TENTH DISTRICT

COMMITTEES
BUSINESS AND PROFESSIONS
COMMUNICATIONS AND CONVEYANCE
JOBS, ECONOMIC DEVELOPMENT, AND
THE ECONOMY
PUBLIC EMPLOYMENT AND RETIREMENT
PUBLIC SAFETY

SELECT COMMITTEE
CHAIR: MENTAL HEALTH ACCESSIBILITY
WITHIN NON-ENGLISH SPEAKING
COMMUNITIES

May 2, 2024

The Honorable Pete Buttigieg
Secretary
Office of the Secretary of Transportation
1200 New Jersey Ave, SE
Washington DC, 20590

Subject: Support for 2024 Multimodal Project Discretionary Grant (MPDG)
Kammerer Road (Capital SouthEast Connector Segment A1)

Dear Secretary Buttigieg,

Please consider my support for the City of Elk Grove application to the United States Department of Transportation' s (USDOT) 2024 Multimodal Projects Discretionary Grant (MPDG) program for the Kammerer Road Capital SouthEast Connector Segment A1 (Project).

The purpose of the Project is to construct a new two-lane extension of Kammerer Road from Bruceville Road to Interstate 5, improving freight mobility, closing a significant gap in the regional transportation network, and providing an east-west evacuation route above the 100-year flood event. The Project includes modification of the existing I-5 Hood Franklin Interchange, a grade separated crossing of existing Union Pacific Railroad tracks that provide freight and commuter rail service, and a Class 1 Bikeway/Multi-Use Path for the full length of the extension. The new vehicular/bike/pedestrian overcrossing of existing railroad tracks will in turn accommodate the closure of one or two existing at grade railroad crossings.

The Project aligns with the MPDG program criteria by constructing improvements that will increase safety, improve mobility, reduce congestion, modernize core infrastructure, improve system operations and reliability, and reduce transportation-related pollution. This project is a key part of the City's broader initiative to improve mobility, access, and connections between residential and nonresidential land use, which have been limited due to increasing congestion. The project is intended to link employment centers and residential areas in the transportation corridor and contribute to the remedy for current and future deficiencies in transportation capacity and land use compatibility. The project is also intended to improve regional freight mobility and overall traffic operations while reducing existing and projected congestion.

I would like to thank USDOT for its consideration and welcome the opportunity to support the City of Elk Grove in the pursuit of this critical Project that will have lasting local and regional benefits.

Respectfully,

STEPHANIE NGUYEN
Assemblymember, District 10

BOARD OF SUPERVISORS
COUNTY OF SACRAMENTO
700 H STREET, SUITE 2450 · SACRAMENTO, CA 95814

PAT HUME
SUPERVISOR, FIFTH DISTRICT
Telephone (916) 874-5465
FAX (916) 874-7593
E-MAIL: PatHume@saccounty.gov

May 1, 2024

The Honorable Secretary Pete Buttigieg
Office of the Secretary of Transportation
U.S. Department of Transportation
1200 New Jersey Ave, SE
Washington, DC 20590

Subject: Support for 2024 Multi-Modal Project Discretionary Grant Kammerer Road (Capital SouthEast Connector Segment A1)

Dear Honorable Secretary Buttigieg,

As Sacramento County Supervisor for District 5, I am writing to express support for the City of Elk Grove's application for the Kammerer Road Capital SouthEast Connector Segment A1 (Project) to the United States Department of Transportation' s (USDOT) 2024 Multi-Modal Projects Discretionary Grant (MPDG) program.

In January 2023, the southeastern areas in Sacramento County experienced the devastating impacts of the flooding of the Cosumnes River with 65,000 square feet per second of water moving east to west towards Interstate 5 and closing Highway 99 with limited evacuation routes in the broad watershed area. The Project will construct a new two-lane extension of Kammerer Road from Bruceville Road to Interstate 5, improving freight mobility, closing a significant gap in the regional transportation network, and providing an east-west evacuation route above the 100-year flood event.

The Project also includes modification of the existing I-5 Hood Franklin Interchange, a grade separated crossing of existing Union Pacific Railroad tracks providing freight and commuter rail service, and a Class 1 Bikeway/Multi-use Path for the full length of the extension. The new multi-modal overcrossing of existing railroad tracks will in turn accommodate the closure of one or two existing at grade railroad crossings. The Project also aligns with the MPDG program criteria by increasing safety, modernizing core infrastructure, improving system operations and reliability, and reducing transportation-related pollution.

I am keenly aware of how this project fits into the City's broader initiative to improve mobility, access and connections, particularly linking employment centers and residential areas in the transportation corridor. County Supervisorial District 5 includes 650 square miles of our county's most productive agricultural land uses. The Project will also help improve agricultural commodity movement, regional freight mobility and overall traffic operations while reducing existing and projected congestion.

I would like to thank USDOT for its consideration and welcome the opportunity to support the City of Elk Grove in the pursuit of this critical Project that will have lasting local and regional benefits.

Sincerely,

Pat Hume
Sacramento County Supervisor
District 5

CAPITAL | SOUTHEAST
CONNECTOR JPA
Connecting Communities

10640 Mather Blvd., Suite 120
Mather, CA 95655
(916) 876-9094
www.ConnectorJPA.net

May 2, 2024

The Honorable Pete Buttigieg
Secretary
Office of the Secretary of Transportation
1200 New Jersey Ave, SE
Washington DC, 20590

Subject: Support for 2024 Multimodal Project Discretionary Grant (MPDG)
Kammerer Road (Capital SouthEast Connector Segment A1)

Dear Secretary Buttigieg,

The Connector JPA strongly supports the application by the City of Elk Grove to the United States Department of Transportation' s (USDOT) 2024 Multimodal Projects Discretionary Grant (MPDG) program for the Kammerer Road Capital SouthEast Connector Segment A1 (Project).

The purpose of the Project is to construct a new two-lane extension of Kammerer Road from Bruceville Road to Interstate 5, improving freight mobility, closing a significant gap in the regional transportation network, and providing an east-west evacuation route above the 100-year flood event. The Project includes modification of the existing I-5 Hood Franklin Interchange, a grade-separated crossing of existing Union Pacific Railroad tracks that provide freight and commuter rail service, and a Class 1 Bikeway/Multi-Use Path for the full length of the extension. The new vehicular/bike/pedestrian overcrossing of existing railroad tracks will in turn accommodate the closure of one or two existing at grade railroad crossings.

The Project aligns with the MPDG program criteria by constructing improvements that will increase safety, improve mobility, reduce congestion, modernize core infrastructure, improve system operations and reliability, and reduce transportation-related pollution. This project is a key part of the City's broader initiative to improve mobility, access, and connections between residential and nonresidential land use, which have been limited due to increasing congestion. The project is intended to link employment centers and residential areas in the transportation corridor and contribute to the remedy for current and future deficiencies in transportation capacity and land use compatibility. The project is also intended to improve regional freight mobility and overall traffic operations while reducing existing and projected congestion.

We would like to thank USDOT for its consideration and welcomes the opportunity to support the City of Elk Grove in the pursuit of this critical Project that will have lasting local and regional benefits.

Sincerely,

Derek Minnema

Derek Minnema
Executive Director

SSBCTC

SACRAMENTO-SIERRA'S BUILDING & CONSTRUCTION TRADES COUNCIL

Representing over 25,000 union construction workers in Sacramento, Yolo, Placer, El Dorado, Amador, Nevada & Sierra Counties

May 3, 2024
The Honorable Pete Buttigieg
Secretary
Office of the Secretary of Transportation
1200 New Jersey Ave, SE
Washington DC, 20590

Subject: Support for 2024 Multimodal Project Discretionary Grant (MPDG) Kammerer Road (Capital SouthEast Connector Segment A1)

Dear Secretary Buttigieg,

The **Sacramento-Sierra's Building & Construction Trades Council** supports the application by the City of Elk Grove to the United States Department of Transportation' s (USDOT) 2024 Multimodal Projects Discretionary Grant (MPDG) program for the Kammerer Road Capital SouthEast Connector Segment A1 (Project).

The purpose of the Project is to construct a new two-lane extension of Kammerer Road from Bruceville Road to Interstate 5, improving freight mobility, closing a significant gap in the regional transportation network, and providing an east-west evacuation route above the 100-year flood event. The Project includes modification of the existing I-5 Hood Franklin Interchange, a grade separated crossing of existing Union Pacific Railroad tracks that provide freight and commuter rail service, and a Class 1 Bikeway/Multi-Use Path for the full length of the extension. The new vehicular/bike/pedestrian overcrossing of existing railroad tracks will in turn accommodate the closure of one or two existing at grade railroad crossings.

The Project aligns with the MPDG program criteria by constructing improvements that will increase safety, improve mobility, reduce congestion, modernize core infrastructure, improve system operations and reliability, and reduce transportation-related pollution. This project is a key part of the City's broader initiative to improve mobility, access, and connections between residential and nonresidential land use, which have been limited due to increasing congestion.

The project is intended to link the Building Trades Pre-Apprenticeship's and creating Career Pathways in Union Apprenticeship Programs as well as other employment centers and residential areas in the transportation corridor and contribute to the remedy for current and future deficiencies in transportation capacity and land use compatibility. The project is also intended to improve regional freight mobility and overall traffic operations while reducing existing and projected congestion.

The **Sacramento-Sierra's Building & Construction Trades Council** would like to thank USDOT for its consideration and welcomes the opportunity to support the City of Elk Grove in the pursuit of this critical Project that will have lasting local and regional benefits.

Sincerely,

Kevin Ferreira
Executive Director

LABORERS
LOCAL 185
JUSTICE - HONOR
STRENGTH

LiUNA! LOCAL 185

Feel the Power

1320 National Drive
Sacramento, CA 95834
(916) 928-8300 Office
(916) 928-8311 Fax

2210 Twin View Blvd
Redding, CA 96003
(530) 221-0961 Office
(530) 221-0964 Fax

April 24th, 2024

The Honorable Pete Buttigieg
Secretary
Office of the Secretary of Transportation
1200 New Jersey Ave, SE
Washington DC, 20590

Subject: Support for 2024 Multimodal Project Discretionary Grant (MPDG)
Kammerer Road (Capital SouthEast Connector Segment A1)

Dear Secretary Buttigieg,

LiUNA Local 185 supports the application by the City of Elk Grove to the United States Department of Transportation's (USDOT) 2024 Multimodal Projects Discretionary Grant (MPDG) program for the Kammerer Road Capital SouthEast Connector Segment A1 (Project).

The purpose of the Project is to construct a new two-lane extension of Kammerer Road from Bruceville Road to Interstate 5, improving freight mobility, closing a significant gap in the regional transportation network, and providing an east-west evacuation route above the 200-year flood event. The Project includes modification of the existing I-5 Hood Franklin Interchange, a grade separated crossing of existing Union Pacific Railroad tracks that provide freight and commuter rail service, and a Class 1 Bikeway/Multi-Use Path for the full length of the extension. The new vehicular/bike/pedestrian overcrossing of existing railroad tracks will in turn accommodate the closure of one or two existing at grade railroad crossings.

The Project aligns with the MPDG program criteria by constructing improvements that will increase safety, improve mobility, reduce congestion, modernize core infrastructure, improve system operations and reliability, and reduce transportation-related pollution. This project is a key part of the City's broader initiative to improve mobility, access, and connections between residential and nonresidential land use, which have been limited due to increasing congestion. The project is intended to link employment centers and residential areas in the transportation corridor and contribute to the remedy for current and future deficiencies in transportation capacity and land use compatibility. The project is also intended to improve regional freight mobility and overall traffic operations while reducing existing and projected congestion.

LiUNA Local 185 would like to thank USDOT for its consideration and welcomes the opportunity to support the City of Elk Grove in the pursuit of this critical Project that will have lasting local and regional benefits.

Respectfully,

Doyle S. Radford Jr.
Business Manager

Affiliated with the Laborers' International Union of North America serving Alpine, Amador, Butte, Colusa, El Dorado, Glenn, Lassen, Modoc, Nevada, Placer, Plumas, Sacramento, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, Yolo and Yuba Counties

Sacramento Transportation Authority

STA

801 12th Street, 5th Floor
Sacramento, CA 95814

(916) 323-0080 Phone
(916) 323-0850 Fax

Email: info@sacta.org
Web: SacTA.org

April 25, 2024

The Honorable Pete Buttigieg, Secretary
Office of the Secretary of Transportation
1200 New Jersey Ave, SE
Washington DC, 20590

SUBJECT: **Support for 2024 Multimodal Project Discretionary Grant (MPDG) Kammerer Road (Capital SouthEast Connector Segment A1)**

Dear Secretary Buttigieg,

The Sacramento Transportation Authority supports the application by the City of Elk Grove to the United States Department of Transportation' s (USDOT) 2024 Multimodal Projects Discretionary Grant (MPDG) program for the Kammerer Road Capital SouthEast Connector Segment A1 (Project).

The purpose of the Project is to construct a new two-lane extension of Kammerer Road from Bruceville Road to Interstate 5, improving freight mobility, closing a significant gap in the regional transportation network, and providing an east-west evacuation route above the 100-year flood event. The Project includes modification of the existing I-5 Hood Franklin Interchange, a grade separated crossing of existing Union Pacific Railroad tracks that provide freight and commuter rail service, and a Class 1 Bikeway/Multi-Use Path for the full length of the extension. The new vehicular/bike/pedestrian overcrossing of existing railroad tracks will in turn accommodate the closure of one or two existing at grade railroad crossings.

The Project aligns with the MPDG program criteria by constructing improvements that will increase safety, improve mobility, reduce congestion, modernize core infrastructure, improve system operations and reliability, and reduce transportation-related pollution. This project is a key part of the City's broader initiative to improve mobility, access, and connections between residential and nonresidential land use, which have been limited due to increasing congestion. The project is intended to link employment centers and residential areas in the transportation corridor and contribute to the remedy for current and future deficiencies in transportation capacity and land use compatibility. The project is also intended to improve regional freight mobility and overall traffic operations while reducing existing and projected congestion.

Sacramento Transportation Authority would like to thank USDOT for its consideration and welcomes the opportunity to support the City of Elk Grove in the pursuit of this critical Project that will have lasting local and regional benefits.

Respectfully submitted,

Kevin Bewsey

Kevin Bewsey, ***Executive Director***
Sacramento Transportation Authority
(916) 213-0126, kevin@sacta.org

COSUMNES
COMMUNITY SERVICES DISTRICT

OFFICE OF THE GENERAL MANAGER
8820 Elk Grove Blvd. Elk Grove, CA 95624
(916) 405-7150
CosumnesCSD.gov

April 23, 2024

The Honorable Pete Buttigieg
Secretary
Office of the Secretary of Transportation
1200 New Jersey Ave, SE
Washington DC, 20590

Subject: **Support for 2024 Multimodal Project Discretionary Grant (MPDG) Kammerer Road (Capital SouthEast Connector Segment A1)**

Dear Secretary Buttigieg,

The Cosumnes Community Services District supports the application by the City of Elk Grove to the United States Department of Transportation' s (USDOT) 2024 Multimodal Projects Discretionary Grant (MPDG) program for the Kammerer Road Capital SouthEast Connector Segment A1 (Project).

The purpose of the Project is to construct a new two-lane extension of Kammerer Road from Bruceville Road to Interstate 5, improving freight mobility, closing a significant gap in the regional transportation network, and providing an east-west evacuation route above the 100-year flood event. The Project includes modification of the existing I-5 Hood Franklin Interchange, a grade separated crossing of existing Union Pacific Railroad tracks that provide freight and commuter rail service, and a Class 1 Bikeway/Multi-Use Path for the full length of the extension. The new vehicular/bike/pedestrian overcrossing of existing railroad tracks will in turn accommodate the closure of one or two existing at grade railroad crossings.

The Project aligns with the MPDG program criteria by constructing improvements that will increase safety, improve mobility, reduce congestion, modernize core infrastructure, improve system operations and reliability, and reduce transportation-related pollution. This project is a key part of the City's broader initiative to improve mobility, access, and connections between residential and nonresidential land use, which have been limited due to increasing congestion. The project is intended to link employment centers and residential areas in the transportation corridor and contribute to the remedy for current and future deficiencies in transportation capacity and land use compatibility. The project is also intended to improve regional freight mobility and overall traffic operations while reducing existing and projected congestion.

Cosumnes Community Services District would like to thank USDOT for its consideration and welcomes the opportunity to support the City of Elk Grove in the pursuit of this critical Project that will have lasting local and regional benefits.

Sincerely,

PHIL LEWIS
General Manager

San Joaquin
Joint Powers Authority

May 3, 2024

The Honorable Pete Buttigieg
Secretary
Office of the Secretary of Transportation
1200 New Jersey Ave, SE
Washington DC, 20590

Subject: Support for 2024 Multimodal Project Discretionary Grant (MPDG)
Kammerer Road (Capital SouthEast Connector Segment A1)

Dear Secretary Buttigieg,

San Joaquin Joint Powers Authority (SJJPA) supports the application by the City of Elk Grove to the United States Department of Transportation' s (USDOT) 2024 Multimodal Projects Discretionary Grant (MPDG) program for the Kammerer Road Capital SouthEast Connector Segment A1 (Project). SJJPA is the managing agency for the San Joaquins intercity passenger rail service.

The purpose of the Project is to construct a new two-lane extension of Kammerer Road from Bruceville Road to Interstate 5, improving freight mobility, closing a significant gap in the regional transportation network, and providing an east-west evacuation route above the 100-year flood event. The Project includes modification of the existing I-5 Hood Franklin Interchange, a grade separated crossing of existing Union Pacific Railroad tracks that provide freight and commuter rail service, and a Class 1 Bikeway/Multi-Use Path for the full length of the extension. The new vehicular/bike/pedestrian overcrossing of existing railroad tracks will in turn accommodate the closure of one or two existing at grade railroad crossings.

The Project aligns with the MPDG program criteria by constructing improvements that will increase safety, improve mobility, reduce congestion, modernize core infrastructure, improve system operations and reliability, and reduce transportation-related pollution. This project is a key part of the City's broader initiative to improve mobility, access, and connections between residential and nonresidential land use, which have been limited due to increasing congestion. The project is intended to link employment centers and residential areas in the transportation corridor and contribute to the remedy for current and future deficiencies in transportation capacity and land use compatibility. The project is also intended to improve regional freight mobility and overall traffic operations while reducing existing and projected congestion. The City of Elk Grove has been a great partner in working to provide connectivity to our future Elk Grove Station for the Valley Rail expansion program.

SJJPA would like to thank USDOT for its consideration and welcomes the opportunity to support the City of Elk Grove in the pursuit of this critical Project that will have lasting local and regional benefits.

Sincerely,

Dan Leavitt
Manager of Regional Initiatives
dleavitt@sjrrc.com

San Joaquin Regional Rail Commission

May 3, 2024

The Honorable Pete Buttigieg
Secretary
Office of the Secretary of Transportation
1200 New Jersey Ave, SE
Washington DC, 20590

Subject: Support for 2024 Multimodal Project Discretionary Grant (MPDG)
Kammerer Road (Capital SouthEast Connector Segment A1)

Dear Secretary Buttigieg,

San Joaquin Regional Rail Commission (Rail Commission) supports the application by the City of Elk Grove to the United States Department of Transportation' s (USDOT) 2024 Multimodal Projects Discretionary Grant (MPDG) program for the Kammerer Road Capital SouthEast Connector Segment A1 (Project). The Rail Commission is the owner/operator of the ACE commuter rail service.

The purpose of the Project is to construct a new two-lane extension of Kammerer Road from Bruceville Road to Interstate 5, improving freight mobility, closing a significant gap in the regional transportation network, and providing an east-west evacuation route above the 100-year flood event. The Project includes modification of the existing I-5 Hood Franklin Interchange, a grade separated crossing of existing Union Pacific Railroad tracks that provide freight and commuter rail service, and a Class 1 Bikeway/Multi-Use Path for the full length of the extension. The new vehicular/bike/pedestrian overcrossing of existing railroad tracks will in turn accommodate the closure of one or two existing at grade railroad crossings.

The Project aligns with the MPDG program criteria by constructing improvements that will increase safety, improve mobility, reduce congestion, modernize core infrastructure, improve system operations and reliability, and reduce transportation-related pollution. This project is a key part of the City's broader initiative to improve mobility, access, and connections between residential and nonresidential land use, which have been limited due to increasing congestion. The project is intended to link employment centers and residential areas in the transportation corridor and contribute to the remedy for current and future deficiencies in transportation capacity and land use compatibility. The project is also intended to improve regional freight mobility and overall traffic operations while reducing existing and projected congestion. The

949 East Channel Street, Stockton, CA 95202 | www.sjrrc.com

City of Elk Grove has been a great partner in working to provide connectivity to our future Elk Grove Station for the Valley Rail expansion program.

The Rail Commission would like to thank USDOT for its consideration and welcomes the opportunity to support the City of Elk Grove in the pursuit of this critical Project that will have lasting local and regional benefits.

Sincerely,

Dan Leavitt
Manager of Regional Initiatives
dleavitt@sjrrc.com

May 1, 2024

The Honorable Pete Buttigieg
Secretary
Office of the Secretary of Transportation
1200 New Jersey Ave, SE
Washington DC, 20590

Subject: Support for 2024 Multimodal Project Discretionary Grant (MPDG)
Kammerer Road (Capital Southeast Connector Segment A1)

Dear Secretary Buttigieg,

The Sky River Casino supports the application by the City of Elk Grove to the United States Department of Transportation's (USDOT) 2024 Multimodal Projects Discretionary Grant (MPDG) program for the Kammerer Road Capital Southeast Connector Segment A1 (Project).

The purpose of the Project is to construct a new two-lane extension of Kammerer Road from Bruceville Road to Interstate 5, improving freight mobility, closing a significant gap in the regional transportation network, and providing an east-west evacuation route above the 100-year flood event. The Project includes modification of the existing I-5 Hood Franklin Interchange, a grade-separated crossing of existing Union Pacific Railroad tracks that provide freight and commuter rail service, and a Class 1 Bikeway/Multi-Use Path for the full length of the extension. The new vehicular/bike/pedestrian overcrossing of existing railroad tracks will in turn accommodate the closure of one or two existing at-grade railroad crossings.

The Project aligns with the MPDG program criteria by constructing improvements that will increase safety, improve mobility, reduce congestion, modernize core infrastructure, improve system operations and reliability, and reduce transportation-related pollution. This project is a key part of the City's broader initiative to improve mobility, access, and connections between residential and nonresidential land use, which have been limited due to increasing congestion. The project is intended to link employment centers and residential areas in the transportation corridor and contribute to the remedy for current and future deficiencies in transportation capacity and land use compatibility. The project is also intended to improve regional freight mobility and overall traffic operations while reducing existing and projected congestion.

Sky River Casino would like to thank USDOT for its consideration and welcome the opportunity to support the City of Elk Grove in the pursuit of this critical Project that will have lasting local and regional benefits.
Sincerely,

Michael J. Facenda
President and General Manager
Sky River Casino

ITEM 17 c

RESOLUTION 2024-11

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AUTHORITY IDENTIFYING THE KAMMERER ROAD EXTENSION PROJECT AS THE TOP PRIORITY TO RECEIVE FUNDING THROUGH THE USDOT MULTI-MODAL PROJECT DISCRETIONARY GRANT PROGRAM

WHEREAS, the Kammerer Road Extension Project (Connector Segment A1) is part of the Capital SouthEast Connector Project; and

WHEREAS, the City of Elk Grove submitted a $107M grant funding request on May 6, 2024, to USDOT under the Multi-modal Project Discretionary Grant ("MPDG") Program for the Kammerer Road Extension Project;

NOW THEREFORE, the Board of Directors ("Board") of the Capital SouthEast Connector Joint Powers Authority ("Connector JPA") resolves that the Board identifies the Kammerer Road Extension Project as the top priority to receive funding through the U.S. DOT FY 2025-2026 MPDG Program.

This Resolution shall take effect from and after its passage and adoption date.

* * * * *

PASSED AND ADOPTED this 31st day of May 2024, on a motion by

Director ___________, seconded by Director___________, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Chairperson

ATTEST:

____
Secretary

ITEM 18

MEETING DATE: May 31, 2024

TITLE: Adopt Work Plan, Fiscal Year 2024-25 Budget and Member Agency Contribution

PREPARED BY: Derek Minnema and Matt Lampa

RECOMMENDATION

1. Approve Resolution 2024-12 adopting the Work Plan
2. Approve Resolution 2024-13 adopting the Fiscal Year ("FY") 2024-25 Budget
3. Approve Resolution 2024-14 adopting the FY 2024-25 Member Contribution

BACKGROUND

Section 6.d.4 of the Joint Powers Exercise of Powers Agreement requires that the Board adopt an annual budget no later than June 30 of each year. Additionally, Sacramento County, acting as the JPA's Treasurer/Auditor, requires an adopted budget for processing transactions.

WORK PLAN AND FY 24/2025 BUDGET

This year, staff undertook a new effort to prepare an FY 24/25 Budget and Work Plan that provides a comprehensive picture of the agency and project for the Board, stakeholders, and the public. Some of the highlights include:

- The proposed FY24/25 budget is balanced, with a beginning fund balance and revenues exceeding expenses while maintaining a fund reserve balance.

- Agency strategic goals have been developed to focus on Public Outreach and Engagement, Developing Collaborative Partnerships, and Priorities for Project Delivery.

- A comprehensive funding strategy is included to secure federal, state, regional, and local funding.

- A long-term finance plan has been developed to demonstrate the agency's financial stability and allow the Board to plan and prioritize expenditures.

- A Capital Improvement Program section comprehensively describes the project and its benefits, status, and priority projects.

Staff identified three priority projects that will be completed by 2030. These projects are environmentally approved, permitted, included in the MTP/SCS, and under contract for design. Acquisition of right of way is anticipated to begin in 2025:

1. Kammerer Road Extension Project

The 3-mile extension of Kammerer Road between Interstate 5 and Bruceville Road is one the most significantly important projects along the corridor. This new connection to Interstate 5 is being implemented in partnership with the City of Elk Grove. It will provide major economic benefits and new access to growing communities. The project is fully funded through design, but construction funding is needed.

2. Grant Line Road Safety and Freight Mobility Project

Grant Line Road will be completely reconstructed into a modern expressway, bringing urgent safety improvements and improving rural freight traffic throughput. This project was recently awarded design funds from the State of California and is the number 1 regional priority for federal funding in the RAISE Program. This project is being implemented in partnership with the City of Rancho Cordova and the County of Sacramento. The project is fully funded through design, but construction funding is needed.

3. White Rock Road Expressway Project, Phase 2

Phase 1 of the White Rock Road Expressway recently completed construction. The expressway with an adjacent Class 1 bike path earned Project of the Year in 2022 by the American Public Works Association. Phase 2, which will extend the expressway to El Dorado Hills, is under design and is being implemented in partnership with the City of Folsom and El Dorado County. The project is only partially funded through design, and construction funding is also needed.

ATTACHMENTS

a. Proposed FY24/25 Budget and Work Plan
b. Resolution 2024-12
c. Resolution 2024-13
d. Resolution 2024-14

CAPITAL | SOUTHEAST
CONNECTOR JPA
Connecting Communities

2024/25

The Capital SouthEast Connector Authority

Fiscal Year 2024/25 Final Budget

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THE CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AUTHORITY GOVERNING BOARD

CITY OF RANCHO CORDOVA
COUNCILMEMBER

GARRETT GATEWOOD (CHAIR)

SACRAMENTO COUNTY
BOARD OF SUPERVISORS

PATRICK HUME

CITY OF FOLSOM
COUNCILMEMBER

MIKE KOZLOWSKI (VICE-CHAIR)

EL DORADO COUNTY
BOARD OF SUPERVISORS

JOHN HIDAHL

CITY OF ELK GROVE
COUNCILMEMBER

SERGIO ROBLES

AUTHORTY
EXECUTIVE DIRECTOR

DEREK MINNEMA

AUTHORITY
PRINCIPAL ENGINEER

MATT LAMPA

SLOAN, SAKAI, YEUNG
& WONG LLP

LEGAL COUNSEL

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1

LETTER OF TRANSMITTAL

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1 LETTER OF TRANSMITTAL

May 31, 2024

Chairman and Member of the Governing Board:

We are pleased to submit the Fiscal Year 2024/25 (FY 2024/25) final budget for the Capital SouthEast Connector Joint Powers Authority (Connector JPA). Section 6(d)(4) of the Connector Joint Powers Agreement instructs the Connector JPA to adopt an annual budget no later than June 30th each year. This budget was created per State law, the Connector JPA's policies, and the Government Finance Officers Association (GFOA) criteria for the Distinguished Budget Presentation Awards Program. This budget is balanced in that beginning fund balance, total revenues and other financing sources are greater than or equal to total expenditures and other financing uses.

As the Connector JPA's policymakers, the Governing Board of Directors (Governing Board) is charged with setting its direction. This budget provides a framework for the Connector JPA's short and long-term finances. It serves as a source of information for the Governing Board, staff, partner agencies, and the public. The programs and services represented in this budget focus on the Connector JPA's mission to maximize the use of limited available resources to build the Capital SouthEast Connector Expressway Project (Connector Project).

HIGH-PRIORITY GOALS

Maximize project delivery through the efficient and effective use of all public resources;

Collaborate with program partners to ensure the complementary alignment of funding sources and uses;

Transparent and timely financial reporting; and

Engaging stakeholders by facilitating meaningful, regular communication.

The budget process is structured to allow the Governing Board, staff, and the public adequate time to review, analyze, and engage in the Connector JPA's budget. The budget process begins in February after completion of the prior year's audited annual financial statements. Staff use last year's ending fund balance as the beginning balance for the current year. Staff then work with agencies that provide funding to estimate revenues for the budget year and beyond. At the same time, expenditure estimates are developed.

Prior to the Governing Board's May 31, 2024, public meeting, a draft of the final budget is agendized and made available to the public for review and comment. During the Governing Board meeting in May, the final draft will be discussed. If there are any material changes requested by the Governing Board, stakeholders or the public, the item will be continued and the budget brought back to the Governing Board during a special meeting in June. If there are not any material changes, then the budget is recommended for adoption during the May meeting.

CONNECTOR JPA BACKGROUND

In December 2006, the cities of Elk Grove, Rancho Cordova, and Folsom, and the counties of Sacramento and El Dorado established the Elk Grove - Rancho Cordova - El Dorado Connector Authority - now known as the Capital SouthEast Connector Joint Powers Authority (Connector JPA) - to provide for the coordinated planning, environmental evaluation, engineering design, real property acquisition, regulatory permitting, financing, and construction of the Connector Project. The Connector JPA comprises a Governing Board of five Directors, one from each member agency, and alternates.

A COOPERATIVE EFFORT

The Connector Project is a cooperative effort of five local jurisdictions: Sacramento County, El Dorado County, and the cities of Elk Grove, Rancho Cordova, and Folsom.

Given the size of the Connector Project, successful completion will require cooperation and coordination among the participating jurisdictions and other agencies such as the California Department of Transportation (Caltrans), Sacramento Area Council of Governments (SACOG), the Sacramento Transportation Authority (STA), and the El Dorado County Transportation Commission (EDCTC), as well as other agencies.

The Connector Project is in each member agency's General Plan, was approved by Sacramento County voters in 2004, has been a feature of long-range transportation planning in the Sacramento region since the early 1980s, was planned and included in the Federal Metropolitan Transportation Plan blueprint, is environmentally approved pursuant to the California Environmental Quality Act, and has obtained its environmental permits from Federal regulatory agencies.

BENEFITS OF THE CONNECTOR PROJECT

THE PROJECT:

- supports long-range regional planning efforts;
- is consistent with the need identified by Measure A, which was approved in 2004 by over 75% of voters in Sacramento County;
- supports transportation and land use principles consistent with the General Plans of the local jurisdictions;
- provides strategic access controls to manage growth which will enhance regional transportation goals;
- provides efficient and safe facilities for multi-modal travel;
- will improve accessibility to job centers and commercial areas, aiding economic activity crucial to the region's economic health and sustainability;
- supports habitat conservation and open space preservation;
- provides regional and local transportation benefits; and
- provides an all-weather transportation facility to enable mobility and emergency vehicle access for improved health and safety.

SACRAMENTO COUNTY AT-A-GLANCE

COUNTY POPULATION	UNEMPLOYMENT RATE	PER CAPITA PERSONAL INCOME
1.6 MILLION	**3.5%** (in 2022)	**$61,829** (in 2022)

Sacramento County was incorporated in 1850 as one of the original 27 counties in California. The county's largest city, the City of Sacramento, is the seat of government for the State of California and serves as the County Seat. Sacramento became the State Capitol in 1854. The County encompasses approximately 994 square miles in the middle of the 400-mile-long Central Valley, California's prime agricultural region.

Contra Costa and San Joaquin Counties border the County to the south, Amador and El Dorado Counties to the east, Placer and Sutter Counties to the north, and Yolo and Solano Counties to the west. The County extends from the low delta lands between the Sacramento and San Joaquin Rivers north to about ten miles beyond the State Capitol and east to the foothills of the Sierra Nevada Mountains. The southernmost portion of Sacramento County has direct access to the San Francisco Bay. The County's geographic boundaries include seven incorporated cities: Sacramento, Folsom, Galt, Isleton, Citrus Heights, Elk Grove, and Rancho Cordova. Each of these cities contributes a rich and unique dimension to the Sacramento County region.

The County's population is about 1.6 million, with an average annual growth rate of approximately 1.0%. In December 2022, the County's unemployment rate was 3.5%, down from 4.7% in December 2021. Per capita personal income increased by 6.0% to $61,829 in 2022 compared to 2021, which was $58,307. The region enjoys a diverse employment base, as many State agencies are headquartered in Sacramento. In addition, healthcare entities such as UC Davis Health Systems and Kaiser Permanente employ large pools of highly skilled workers, technology Intel employs manufacturing personnel, and construction in the commercial, infill, and residential sectors continues to be robust.

EL DORADO COUNTY AT-A-GLANCE

COUNTY POPULATION	UNEMPLOYMENT RATE	PER CAPITA PERSONAL INCOME
192,000	4.4% (in 2023)	55,455 (in 2022)

El Dorado County, located east of Sacramento, encompasses 1,805 square miles of rolling hills and mountainous terrain. The County's western boundary contains part of Folsom Lake, and the eastern boundary is the California-Nevada State line. The northeast portion of the County is in the Lake Tahoe basin, while the remainder is in the "western slope" of the Sierra Nevada Mountain range, the area west of Echo Summit.

There are two municipalities within El Dorado County. According to a report published by the Census Bureau, the largest city in the County is South Lake Tahoe, with a July 2022 population of 21,175. The City of Placerville, the County seat, is 45 miles northeast of Sacramento, the State capital. The city's population in July 2022 was 10,664. The remaining 192,000 residents live outside these two incorporated areas.

The county's average annual population growth rate is currently about 0.8%. In December 2023, the county's unemployment rate was 4.4%, up from 3.1% in December 2022. Per capita personal income increased to $55,455 in 2022 compared to 2021, when it was $48,953. The county is home to diverse employers such as Barton Health and Blue Shield of California, Lake Tahoe Community College, Marriot's Timber Lodge, Safeway, and Sierra-at-Tahoe. The county is renowned for outdoor activities, including hiking, skiing, mountain biking, and water sports.

BUDGET OVERVIEW

The Connector JPA receives funding from many sources, including Measure A sales tax, Measure A mitigation fees, various State and Federal grants, and member agency contributions.

Total estimated revenue for FY 2023/24 came in at $1.35 million, while the budget year FY 2024/25 proposes about $7 million – an increase of roughly $5.65 million. The final budget contains three years of data – prior year actual amounts identified as "FY 22/23 Actual," current year amounts identified as "FY 23/24 Estimate", and the budget year amount, reported as "FY 24/25 Proposed."

The FY 2023 Estimate is based on roughly nine months of actual accounting data (modified accrual basis), while the remainder of the fiscal year is based on estimates.

The variance between actual revenues and budgeted amounts for Fiscal Year 2023 is attributed to several factors, notably the nature of revenues as reimbursements of expenditures. In FY 2023/24, spending on mitigation, State-funded engineering work, and federally- funded engineering work did not materialize as initially projected. Consequently, the revenue derived from reimbursements associated with these expenditures remained unrealized, thus contributing to the observed shortfall in actual revenues compared to budgeted figures. Mitigation purchases did not transpire during FY 2023/24. However, these mitigation purchases are slated for execution in the budget year and beyond. The budget envisioned the commencement of two engineering contracts, each facilitated through State and Federal funding mechanisms. While these contractual engagements did not materialize in FY 2023/24, they will progress in FY 2024/25.

CONSOLIDATED BUDGET - GENERAL FUND*

Description	FY 22/23 Actual	FY 23/24 Budget	FY 23/24 Estimate	FY 24/25 Proposed	Change from FY 23/24	Change in Percent
Revenues						
Measure A - Capital**	1,883,358	2,030,360	1,013,777	1,400,000	(630,360)	-31.0%
Measure A - Mitigation***	93,661	3,767,000	71,011	2,759,137	(1,007,863)	-26.8%
Other Local Funding	-	1,000,000	-	533,333	(466,667)	-46.7%
State Funding	-	3,000,000	-	1,300,000	(1,700,000)	-56.7%
Federal Funding	-	700,000	-	800,000	100,000	14.3%
Member Contributions	250,000	250,000	250,000	250,000	-	0.0%
Interest Income	67,726	15,550	18,006	9,004	(6,546)	-42.1%
Total Revenues	**2,294,745**	**10,762,910**	**1,352,794**	**7,051,474**	**(3,711,436)**	**-34.5%**
Expenditures						
Land Acquisition and ROW	-	-	-	200,000	200,000	100.0%
Mitigation Purchases	11,665	3,767,000	-	2,759,137	(1,007,863)	-26.8%
Construction	3,164,925	-	339,647	150,000	150,000	100.0%
Project Professional Services	402,444	5,510,000	774,875	2,800,000	(2,710,000)	-49.2%
Project Overhead						
Salaries and Benefits	742,086	796,244	651,093	677,658	(118,586)	-14.9%
Legal Services	237,006	300,000	202,112	250,000	(50,000)	-16.7%
Audit, Fiscal and County Services	74,637	148,316	70,329	75,000	(73,316)	-49.4%
Rent	65,668	60,000	64,512	65,000	5,000	8.3%
Office Equipment and Supplies	37,001	50,600	43,898	50,000	(600)	-1.2%
Conferences, Meetings, and Travel	25,597	41,500	35,030	40,000	(1,500)	-3.6%
Insurance	15,008	17,850	17,303	17,850	-	0.0%
Other Operating	24,306	71,300	33,417	70,000	(1,300)	-1.8%
Total Expenditures	**4,819,503**	**10,762,910**	**2,231,776**	**7,154,645**	**(3,608,265)**	**-33.5%**
Net Increase (decrease) in Fund Balance	(2,524,758)	-	(878,982)	(103,171)	(103,171)	
Beginning Fund Balance	**4,018,006**	**1,545,881**	**1,493,248**	**614,266**	**(931,615)**	**-60.3%**
Ending Fund Balance	**1,493,248**	**1,545,881**	**614,266**	**511,095**	**(1,034,786)**	**-66.9%**
Fund Reserve	-	-	-	311,377	311,377	-
Ending Fund Balance Less Reserve	1,493,248	1,545,881	614,266	199,718	(1,346,163)	-87.1%

* The Capital SouthEast Connector Authority reports a single fund - the General Fund

** Measure A Sales Tax Revenue Administered by the Sacramento Transportation Authority

*** Sacramento Countywide Transportation Mitigation Fee Program Administered by the Sacramento Transportation Authority

BUDGET IMPROVEMENTS FOR FY 2024/25

For FY 2024/25, the Connector JPA developed an entirely new budget document that contains significantly more information about the Agency, its mission, the Project, and more granular financial details.

This budget is designed to comply with all criteria established by the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award Program in an effort to promote greater transparency and accountability. The GFOA program was established in 1984 to encourage and assist Local and State governments in preparing budget documents of the very highest quality that reflect the guidelines established by the National Advisory Council on State and Local Budgeting and GFOA's best practices on budgeting. Budget documents must meet program criteria and excel as a policy document, financial plan, operating guide, and communication tool to earn recognition.

Additionally, the Connector JPA established a fund balance reserve policy in May 2024 that aligns with guidelines published by the GFOA. Specifically, the GFOA recommends that an amount equal to two to four months' revenue or expenditures, whichever is more stable, be set aside for economic uncertainties and any other unforeseeable changes in revenue or expenditures that may negatively impact fund balance. In the Connector JPA's case, expenditures are more stable. Therefore, the Connector JPA has set aside an amount equal to 3 months' of its Project Operating expenditures as its fund reserve for FY 2024/25.

Furthermore, the Connector JPA made the following improvements:

- Created a Five-year Strategic Planning Goals and Strategies section;
- Incorporated a Long-term Financial Planning section;
- Added a Budget Development Process section;
- Developed a Fiscal Policies section;
- Established an Investment Policy section;
- Created a Capital Improvement Program by Segment section;
- Added a Contracting Practices section; and
- Developed an Accomplishments section

Finally, this document demonstrates the Connector JPA's commitment to pursuing excellence in financial planning, fiscal integrity, and transparent reporting.

FIVE-YEAR STRATEGIC PLANNING GOALS AND STRATEGIES

The Connector JPA's mission is to build the Connector Project as a means to relieve traffic congestion, improve air quality, improve public safety, expand public transit, and increase access to biking and walking trails.

The following Strategic Planning Goals and Strategies articulate the Authority's long-term goals, objectives, and priorities. It is comprised of three goals – Public Outreach and Engagement, Develop Collaborative Partnerships, and identify Priorities for Project Delivery.

PUBLIC OUTREACH AND ENGAGEMENT | **DEVELOP PARTNERSHIPS** | **IDENTIFY PRIORITIES**

GOAL 1
PUBLIC OUTREACH AND ENGAGEMENT

Responding to public needs through community engagement and coordination of efforts with the public is critical to the success of the Connector Project. Addressing community safety concerns along the Connector Project alignment related to traffic accidents, flooding, and emergency evacuation is an essential aspect of the Connector Project. This effort includes educating the public on the use of funds and the need for additional funds is supported by the following:

This effort includes educating the public on the use of its funds and supported by the following:

- *Identify and secure additional agency funding and provide opportunities for public advocacy in support of the agency's pursuit of additional Project funding;*
- *Regularly assess revenue and expenditures in comparison to planned amounts and address any fiscal imbalances;*
- *Regularly provide project and fiscal updates to the Governing Board, member agencies, and funding agencies;*
- *Adopt an annual budget prior to June 30;*
- *Maintain a fund balance reserve as a means to continue operating in seasons of economic and/or other fiscal uncertainties; and*
- *Complete an annual financial audit.*

GOAL 2
DEVELOP COLLABORATIVE PARTNERSHIPS

Collaborative partnerships are critical to the success of the Connector Project. The Connector JPA will continue to foster meaningful discussions with its member agencies, and project stakeholders, and the public in an effort to align the group's regional priorities. Regional priorities are dynamic in nature and securing funding for the Project is a challenge.

Recent efforts have led to many Project wins and growing support throughout the region. This effort is supported by the following:

- *Regularly engage Project partners through meetings, the Local Professional Advisory Group (PAG), and ongoing coordination activities;*
- *Meet regularly with funding and regulatory agencies involved in the transportation sector at Local, State and Federal level;*
- *Support Project partners through consultation, advocacy, and letters of support;*
- *Engage with the Governing Board which consists of representatives from each member agency; and*
- *Promote public educational opportunities.*

GOAL 3

PRIORITIES FOR PROJECT DELIVERY

To address the challenge of securing funding, the Connector JPA has identified three priority projects that will be completed by 2030.

These projects are environmentally approved, permitted, and underway with final engineering design, with right of way acquisition of real property anticipated to begin in 2025:

KAMMERER ROAD EXTENSION PROJECT

The 3-mile extension of Kammerer Road between Interstate 5 and Bruceville Road is one of the most significantly important projects along the corridor. This new connection to Interstate 5 is being implemented in partnership with the City of Elk Grove. It will provide major economic benefits and new access to growing communities. The project is fully funded through design, but construction funding is needed.

GRANT LINE ROAD SAFETY AND FREIGHT MOBILITY PROJECT

The existing Grant Line Road will be completely reconstructed into a modern expressway, bringing urgent safety improvements, and improving rural freight traffic throughput. This project was recently awarded design funds from the State of California and is the number one regional priority for Federal funding in the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Program. This project is being implemented in partnership with the City of Rancho Cordova and the County of Sacramento. The project is fully funded through design, but construction funding is needed.

WHITE ROCK ROAD EXPRESSWAY PROJECT, PHASE 2

Phase 1 of the White Rock Road Expressway recently completed construction. The expressway with an adjacent Class 1 bike path earned Project of the Year in 2022 by the American Public Works Association. Phase 2, which will extend the expressway to El Dorado Hills, is under design and is being implemented in partnership with the City of Folsom and El Dorado County. The project is only partially funded through design, and construction funding is also needed.

IDENTIFYING NEW FUNDING SOURCES

Securing the needed construction funding for these projects is a top priority for the Connector JPA, and will require a mix of Local, State, and Federal revenues. Positioning the Connector Project as critical to the region's economy and sustainability and helping those decision-makers understand the economic, equity, mobility, and sustainability benefits of having infrastructure in the Sacramento region is key to strategically engaging with policymakers. Decision-makers who understand the Connector Project's critical role in regional mobility will be more inclined to advocate for its success.

Below are the strategies the Connector JPA is developing:

$ FEDERAL

GOAL

Elevate the project profile among Federal audiences to secure funding through all available Federal funding opportunities including Infrastructure for Rebuilding America (INFRA), RAISE, or member-specific community project funding.

STRATEGY

Educate members of the California congressional delegation within the project footprint about the project's benefits and obtain their support for grant funding. Develop and increase partnerships with Federally recognized transportation investment advocacy organizations, such as the American Road and Transportation Builders Association, and Federally recognized tribal nations, such as the Locally established Wilton Rancheria.

DELIVERABLES

- **$105 million** application *to the Multimodal Project Discretionary Grant program for Kammerer Road;*
- **$25 million** application *to the Rebuilding American Infrastructure with Sustainability and Equity RAISE grant program for Grant Line Road; and*
- **$5 million** *RAISE grant program for White Rock Road.*

$ STATE

GOAL

Position the project to capture available State opportunities, including Senate Bill 1 (SB 1) Local Partnership Program (LPP), Solutions for Congested Corridors Program and the Trade Corridor Enhancement Program (TCEP).

STRATEGY

Educate California Legislators, the California Transportation Commission (CTC) and their respective staff about the benefits of the project, including mobility and safety issues that directly impact their constituencies. Develop and increase partnerships with State-wide transportation investment advocacy organizations, such as the California Alliance for Jobs, the Self-Help County Coalition, and the California Supply Chain Council. The support for the project will be leveraged to advocate for funding in existing programs such as TCEP.

DELIVERABLES

- **$25 million** *application to the TCEP grant program for Grant Line Road.*

$ REGIONAL

GOAL

In 2025, the Sacramento Area Council of Governments (SACOG) will offer another round of State and Federal funding for projects. The Connector JPA has secured approximately $20 million from SACOG in the past ten years. The objective for 2025 is to capture construction funds for the Class 1 trail through the Active Transportation Program, and for a 2-lane reconstruction of Grant Line Road in the City of Rancho Cordova, between Chrysanthy Blvd and Douglas Rd.

STRATEGY

Create a coalition with SACOG members to support a funding application in the 2025 funding program.

DELIVERABLES

- **$7 million** *application in the maintenance/modernization grant program for Grant Line Road between Chrysanthy Blvd and Douglas Rd; and*
- **$1 million** *application in the Active Transportation Program for the White Rock Road Class 1 trail.*

$ LOCAL

GOAL

Support the creation of an Enhanced Infrastructure Finance District (EIFD) in 2025. EIFDs are a way to leverage private investment and maximize the impact of public funds on infrastructure development. An EIFD is a financing tool used by local governments to fund infrastructure projects within a designated area and involves the formation of a public financing authority by a local city or county.

STRATEGY

Work with city officials and other stakeholders to develop a detailed plan for the EIFD, including the boundaries of the district, the specific projects to be funded, and the financing mechanisms to be used. Form a coalition of supporters for the EIFD, including local businesses, advocacy groups, and other key stakeholders. Engage with these stakeholders to build consensus around the need for the EIFD and the potential benefits it could bring to the community.

DELIVERABLES

- *Conduct research on EIFDs;*
- *Identify priority projects and geographic boundaries; and*
- *Create a public financing plan that includes the Connector Project as a top priority.*

LONG-TERM FINANCIAL PLANNING

A strategic approach to long-term planning is vital in navigating the financial landscape where an agency's revenue hinges on securing discretionary grants. This involves understanding the dynamics of grant funding, exploring diverse revenue streams, forecasting budgets with scenario analysis, establishing reserve funds, managing costs effectively, maintaining a varied grant portfolio, advocating for funding support, having contingency plans, and continuously adapting strategies to handle fluctuations in grant funding.

The table below incorporates a comprehensive application of the Connector JPA's mission, vision, and priorities into a financial action plan over the next several years. New revenue has been identified through FY 2026/27 which will fund continued progress on the priority segments. However, the Connector JPA will continue pursuing additional new funding opportunities at the Local, State, and Federal level.

GENERAL FUND* FIVE-YEAR FORECAST

Description	FY 22/23 Actual	FY 23/24 Adopted	FY 23/24 Estimate	FY 24/25 Projected	FY 25/26 Projected	FY 26/27 Projected
Revenues						
Measure A - Capital**	1,823,356	2,030,360	1,013,777	1,400,000	3,300,000	1,374,936
Measure A - Mitigation***	93,661	3,757,000	71,011	2,759,137	2,759,137	-
Other Local Funding	-	1,000,000	-	633,333	633,333	633,334
State Funding	-	3,000,000	-	1,200,000	1,800,000	187,735
Federal Funding	-	700,000	-	800,000	2,000,000	1,087,885
Member Contributions	250,000	250,000	250,000	250,000	250,000	250,000
Interest Income	87,728	15,580	18,008	9,004	9,004	9,004
Total Revenues	**2,254,745**	**10,752,940**	**1,352,796**	**7,051,474**	**10,351,474**	**3,442,896**
Expenditures						
Land Acquisition and ROW	-	-	-	200,000	1,500,000	-
Mitigation Purchases	11,665	3,757,000	-	2,759,137	2,759,137	-
Construction	3,154,925	-	336,647	150,000	650,000	1,150,000
Project Professional Services	432,444	6,510,000	774,576	2,800,000	3,200,000	975,620
Project Overhead	-	-	-			
Salaries and Benefits	742,566	786,344	651,596	677,656	697,366	718,928
Legal Services	237,006	300,000	202,112	250,000	250,000	250,000
Audit, Fiscal and County Services	74,637	146,316	70,329	75,000	75,000	75,000
Rent	63,863	60,000	64,812	65,000	66,950	68,959
Office Equipment and Supplies	37,901	50,600	43,588	50,000	51,500	53,045
Conferences and Travel	25,597	41,500	35,000	40,000	40,000	40,000
Insurance	15,008	17,850	17,303	17,850	18,386	18,937
Other Operating	24,300	71,300	33,417	70,000	72,150	74,263
Total Expenditures	**4,819,503**	**10,752,940**	**2,231,778**	**7,154,646**	**9,381,061**	**3,424,751**
Net Increase (decrease) in Fund Balance	**(2,524,758)**	**-**	**(878,982)**	**(103,171)**	**970,413**	**18,145**
Beginning Fund Balance	**4,018,006**	**1,545,851**	**1,493,248**	**614,266**	**511,095**	**1,481,508**
Ending Fund Balance	**1,493,248**	**1,545,851**	**614,266**	**511,095**	**1,481,508**	**1,499,653**
Fund Reserve	-	-	-	311,377	317,981	324,763
Ending Fund Balance Less Reserve	1,493,248	1,545,851	614,266	199,717	1,163,527	1,174,890

* The Connector Authority reports a single fund - the General Fund

** Measure A Sales Tax Revenue Administered by the Sacramento Transportation Authority

*** Sacramento Countywide Transportation Mitigation Fee Program Administered by the Sacramento Transportation Authority

CHALLENGES

CHALLENGE: SECURING PROJECT FUNDING

The primary challenge the Connector JPA faces is securing sufficient funding for design and construction. Coordinating and obtaining funding from a diverse mix of Local, State, and Federal sources entails navigating complex bureaucratic processes, aligning priorities across different levels of government, and satisfying various funding requirements and regulations. Local funding may be limited, requiring State and Federal support to bridge the gap, while Federal funding availability can fluctuate based on political priorities and budget allocations. Additionally, competition among other regional priorities is intensifying as population growth fuels the need for infrastructure improvements.

One example of this challenge is local funding, which is crucial for matching State and Federal grants. The project's primary local funding source, Measure A administered by the Sacramento Transportation Authority, is currently limited to pay-as-you-go funding to finance more than 50 projects envisioned under the Measure voters approved in November 2004.

FACTORS AFFECTING FINANCIAL CONDITION

Several factors impact the financial condition of the Connector JPA which, in part, is reliant on securing discretionary grants:

GRANT AVAILABILITY AND COMPETITION: The availability of discretionary grants and the level of competition for those grants can directly influence the Agency's ability to secure funding. Changes in government and regional priorities, budget allocations, and the number of applicants competing for grants can all affect grant success rates;

ECONOMIC CONDITIONS: Economic factors such as recessions, tax revenue fluctuations, and changes in government spending priorities can impact grant funding levels. Governments may reduce discretionary spending during economic downturns, leading to fewer available grants;

POLICY AND REGULATORY CHANGES: Changes in government policies, regulations, or legislative priorities can affect grant eligibility criteria, funding priorities, and the overall grant-making landscape. The Connector JPA will monitor regulatory developments that could impact its funding sources;

EXTERNAL PARTNERSHIPS: Partnerships with other organizations, collaborations with stakeholders, and leveraging resources from the community will enhance the Agency's competitiveness for grants and its ability to deliver on grant objectives. Strong partnerships will also provide additional funding sources and support sustainability efforts; and

Public Support and Advocacy: Public support, community engagement, and advocacy efforts influence funding decisions and help secure additional resources for the agency. Building relationships with policymakers, elected officials, and key stakeholders strengthens the Agency's position and support its funding goals.

In summary, the Connector JPA will continue to monitor national, regional, and local trends as it carries out its mission to build this important regional project. This endeavor will continue to require strategic collaboration with the Project's stakeholders and the public it serves. The Governing Board and staff remain committed to addressing regional transportation and safety needs through the Connector Project.

Derek Minnema, PE

Executive Director

Matt Lampa, PE

Principal Engineer

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CONNECTOR JPA OVERVIEW

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2 CONNECTOR JPA OVERVIEW

CONNECTOR JPA OVERVIEW

THE CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AUTHORITY GOVERNING BOARD

CITY OF RANCHO CORDOVA
COUNCILMEMBER
GARRETT GATEWOOD (CHAIR)

SACRAMENTO COUNTY
BOARD OF SUPERVISORS
PATRICK HUME

CITY OF FOLSOM
COUNCILMEMBER
MIKE KOZLOWSKI (VICE-CHAIR)

EL DORADO COUNTY
BOARD OF SUPERVISORS
JOHN HIDAHL

CITY OF ELK GROVE
COUNCILMEMBER
SERGIO ROBLES

AUTHORTY
EXECUTIVE DIRECTOR
DEREK MINNEMA

AUTHORITY
PRINCIPAL ENGINEER
MATT LAMPA

SLOAN, SAKAI, YEUNG
& WONG LLP
LEGAL COUNSEL

The Connector JPA was created pursuant to Chapter 5 of Division 7 of Title 1 of the California Government Code, commencing with Section 6500, and by Resolution of the Sacramento County Board of Supervisors in December 2006.

The Connector JPA comprises a Governing Board of five Directors, one from each member agency, and alternates. The member agencies represented are the Counties of Sacramento and El Dorado, and the Cities of Elk Grove, Rancho Cordova, and Folsom.

The Capital SouthEast Connector Expressway Project (Connector Project) is a cooperative effort of the five member agencies; however, given the size of the Connector Project, successful completion will require cooperation and coordination among the participating jurisdictions and other agencies such as the California Department of Transportation (Caltrans), Sacramento Area Council of Governments (SACOG), the Sacramento Transportation Authority (STA), and the El Dorado County Transportation Commission (EDCTC), as well as other agencies.

The Connector JPA's purpose is to provide for the planning, design, financing, regulation, permitting, environmental evaluation, public outreach, acquisition of real property, and construction of the Connector Project. The roughly $500 million effort is envisioned to be completed in 2035.

2006
PROJECT STARTED

2035
ESTIMATED COMPLETION

$500 MILLION
ESTIMATED PROJECT COST

REVENUE SOURCES

The Connector JPA relies on revenue sources from Local, State, and Federal agencies. The Connector JPA does not generate internal revenue but relies entirely on external sources.

Each fiscal year, the Counties of Sacramento and El Dorado, and the Cities of Elk Grove, Rancho Cordova, and Folsom provide member contributions. Currently, each member agency contributes $50,000 for a total of $250,000. This source is a relatively small portion of the Connector JPA's total revenue.

Other sources include funding from Sacramento County's Measure A, administered by the Sacramento Transportation Authority (STA). In 1989, in passing Measure A, the voters imposed a countywide one-half percent sales tax levied over 20 years (1989-2009) and established STA. Subsequently, a "New" Measure A was placed on the November 2004 ballot to renew the Measure for 30 more years after the original measure sunsetted in 2009. Voters overwhelmingly approved the Measure in 2004. The "New" Measure A took effect in April 2009 and included the Connector Project. The proceeds of the Measure A tax are used to fund a comprehensive program of roadway and transit improvements, including the Connector Project, which was a flagship project identified in the Measure as the "I-5/SR99/US50 Connector." The "New" Measure A also includes $15 million for open space preservation or other mitigation related to the Connector Project. These funds are generated through the Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP) – which imposes a fee on certain construction throughout the County.

In addition, every two years, a Metropolitan Planning Organization (MPO) allocates State and Federal transportation funds to projects based on regional apportionments of Federal Congestion Mitigation and Air Quality (CMAQ), Regional Surface Transportation Program (RSTP), and State Transportation Improvement Program (STIP) funds. Some funds are received through a formula allocation, while others are competitive. As the designated MPO for the six-county region, SACOG must develop the Federally required Metropolitan Transportation Plan (MTP) and the new State-required Sustainable Communities Strategy (SCS) in coordination with the 22 cities, six counties, and other partner agencies in the greater Sacramento region.

Connector JPA staff work continuously with member agencies and financial partners to identify new funding sources. This budget incorporates funding under contract as well as anticipated funding from local and Federal sources over the next several years. In addition, there are several Federal grant applications that have been submitted and are pending review.

GENERAL FUND SUMMARY

The Connector JPA budget supports agency and project costs in the following six areas:

- **Project related professional services**
- **Right of way (ROW)**
- **Mitigation**
- **Construction**
- **Project related professional services**
- **Project related operations and fiscal services**

The Connector JPA reports a single fund for its only project: the Connector Project. The General Fund supports the Connector JPA's operating activities and all project-related costs. The following table provides three years of fiscal information – actual amounts for FY 2022/23, estimated amounts for FY 2023/24, and projected amounts for the budget year FY 2024/25.

The following budget takes into consideration all anticipated project costs for FY 2024/25. All assumptions in this budget except for Project Overhead costs are based on project delivery schedules, regional priorities, and any known external constraints. The process is dynamic in nature, requiring continuous monitoring throughout the year.

Project Overhead costs are based almost entirely on prior year baseline information that has been updated to reflect expectations in the budget year – FY 2024/25. Salaries and benefits were less than expected in the current year and lower in FY 2024/25 than in FY 2023/24 because a staff member retired in December 2023 and that position is currently vacant and will continue to be in the budget year as the Executive Director identifies future staffing needs. In the meantime, professional service contractors are filling Agency needs as they arise.

CONSOLIDATED BUDGET - GENERAL FUND*

Description	FY 22/23 Actual	FY 23/24 Budget	FY 23/24 Estimate	FY 24/25 Proposed	Change from FY 23/24	Change in Percent
Revenues						
Measure A - Capital**	1,869,356	2,030,360	1,013,777	1,400,000	(630,360)	-31.0%
Measure A - Mitigation***	60,001	3,767,000	71,011	2,759,137	(1,007,863)	-26.8%
Other Local Funding	-	1,000,000	-	533,333	(466,667)	-46.7%
State Funding	-	3,000,000	-	1,300,000	(1,700,000)	-56.7%
Federal Funding	-	700,000	-	800,000	100,000	14.3%
Member Contributions	250,000	250,000	250,000	250,000	-	0.0%
Interest Income	87,726	15,550	18,008	9,004	(6,546)	-42.1%
Total Revenues	**2,264,746**	**10,762,946**	**1,352,796**	**7,051,474**	**(3,711,486)**	**-34.5%**
Expenditures						
Land Acquisition and ROW	-	-	-	200,000	200,000	100.0%
Mitigation Purchases	11,940	3,767,000	-	2,759,137	(1,007,863)	-26.8%
Construction	3,154,025	-	336,847	150,000	150,000	100.0%
Project Professional Services	452,444	5,510,000	774,579	2,800,000	(2,710,000)	-49.2%
Project Overhead						
Salaries and Benefits	742,598	796,344	531,593	677,656	(118,688)	-14.9%
Legal Services	237,006	300,000	202,112	250,000	(50,000)	-16.7%
Audit, Financial and County Services	74,697	148,316	70,329	75,000	(73,316)	-49.4%
Rent	55,960	60,000	64,812	65,000	5,000	8.3%
Office Equipment and Supplies	37,501	50,600	40,899	50,000	(600)	-1.2%
Conferences, Meetings, and Travel	25,597	41,500	35,000	40,000	(1,500)	-3.6%
Insurance	16,098	17,850	17,303	17,850	-	0.0%
Other Operating	24,300	71,300	30,417	70,000	(1,300)	-1.8%
Total Expenditures	**4,819,503**	**10,762,946**	**2,231,778**	**7,154,646**	**(3,608,300)**	**-33.5%**
Net Increase (decrease) in Fund Balance	(2,524,758)	-	(878,982)	(103,171)	(103,171)	
Beginning Fund Balance	**4,018,006**	**1,545,881**	**1,493,248**	**614,266**	**(931,595)**	**-60.3%**
Ending Fund Balance	**1,493,248**	**1,545,881**	**614,266**	**511,095**	**(1,034,786)**	**-66.9%**
Fund Reserve	-	-	-	311,377	311,377	-
Ending Fund Balance Less Reserve	1,493,248	1,545,881	614,266	199,717	(1,346,164)	-87.1%

* The Capital SouthEast Connector Authority reports a single fund - the General Fund

** Measure A Sales Tax Revenue Administered by the Sacramento Transportation Authority

*** Sacramento Countywide Transportation Mitigation Fee Program Administered by the Sacramento Transportation Authority

3

BUDGET PROCESS AND FISCAL POLICIES

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3 BUDGET PROCESS AND FISCAL POLICIES

BUDGET PROCESS

Budget development begins in January after the prior year's audited annual financial statements are prepared. The ending fund balances from the preceding year serve as the beginning balances for the current year. Using this information as a starting point, staff develop expectations for revenues and expenditures for the remainder of the current fiscal year.

At the beginning of the budget process, staff will determine how much potential funding is available in the budget year and beyond through revenue sources such as State or Federal grants and local Measure A funds. Most of the Project's funding is negotiated through a competitive or formulaic process, which causes significant fluctuations in the amount of funding available in any given year because of competing regional priorities. This effort is central to determining cash flows for the budget year and is based on contractual agreements between the Connector JPA and its funding partners.

Once the revenues for the budget year have been established, staff begin aligning expenditures with the available resources and their respective expenditure requirements. The expenditures' baseline consists of overhead, salaries, benefits, and certain professional services contracts, in addition to mitigation, right-of-way (ROW), and construction costs. The Connector JPA has ongoing contracts for various phases and portions of the Project and related services. As such, it works with each vendor to determine priority tasks so that the costs of those tasks (i.e., right of way acquisition) can be incorporated into the budget year. If there is any unobligated funding, then staff identify discretionary project tasks to integrate into the budget.

The budget process is fluid. Staff continually monitor regional factors with potential implications to the Agency and Project. Pursuing funding sources is a constant effort that, when successful, often requires timely planning to ensure the funds are spent according to law or contractual requirements.

During the budget hearing in May, the Governing Board or members of the public may ask questions, make comments, or provide direction to staff. If any substantive budget revisions are required in response to comments, then a special meeting of the Governing Board will be arranged for June when an updated budget will be presented to the Governing Board for its consideration and adoption.

If there are material changes to the budget after its adoption, the Executive Director will confer with the finance team to determine if budget amendments are needed. As necessary, the adopted budget will be revised accordingly and presented to the Governing Board for consideration and adoption.

BUDGET TIMELINE

JANUARY

Review prior year audited financial statements

FEBRUARY

Review year-to-date expenditures

Kick-off meeting with staff and consultants to set expectations and timeline

MARCH

Begin gathering data and documentation, holding ongoing conversations with finance team

Update budget templates

APRIL

Prepare draft budget document including preliminary fiscal tables with beginning and ending balances and updated text

Prepare message from Executive Director, present several formatting options, and begin to finalize text

MAY

Present fully formatted final draft budget to Executive Director

Present draft final budget to the Governing Board. If there are not any material changes needed, recommend for adoption. If changes are necessary, ask that the item be continued to a special meeting in June

JUNE

Present updated draft of final budget. Recommend for adoption

Submit adopted budget to GFOA's Distinguished Budget Presentation Award Program

AFTER JUNE

An amended budget may be necessary if there any material changes subsequent to budget adoption in June

BASIS OF BUDGETING

All budgetary information is reported using the modified accrual basis of accounting like the fund financial statements found in the audited annual financial report. This method recognizes revenue when it becomes measurable and available, while expenditures are recognized when the obligation to pay them is incurred. The Connector JPA's cut off for financial reporting purposes is 120 days after the fiscal year ends – October 31.

FISCAL POLICIES

Stewardship of public funds is a primary responsibility to the Agency's Board, member agencies, other stakeholders and the public. Fiscal policies designed to protect all public assets under the Connector JPA's administration are foundational to this effort.

The Connector JPA annually develops a balanced budget in which the beginning fund balance, revenues, and other financing sources are greater than or equal to total expenditures and other financing uses.

OVERVIEW

The Connector JPA is committed to the following principles as a steward of public funds, demonstrate fiscal integrity, and ensure compliance with all Local, State, and Federal law and recommended best practices.

PRINCIPLES

ESTABLISHING Governing Board approved policies demonstrating the Agency's commitment to the appropriate stewardship of public funds and building the public's confidence in the Connector JPA;

LINKING long-term financial planning with day-to-day operations;

PROMOTING positive financial condition by setting a forward-looking approach to planning;

ENSURING the legal use of all public funds through a sound system of administrative policies and internal controls;

PRIORITIZING the efficient use of limited financial and staffing resources; and,

STRATEGICALLY ALIGNING the source and use of funds through a balanced budget.

FUND STRUCTURE

The Connector JPA a single fund – the General Fund. Since the Agency exists to build a single capital project, a single fund is an appropriate structure. Under the Agency's Capital Asset and Expenditure Policy, nearly all expenditures are capitalizable – they are primarily either direct design, engineering, and construction costs or indirect overhead, salaries, and benefits costs.

CAPITAL ASSET AND EXPENDITURE POLICY

The Connector JPA was formed in 2006 for the sole purpose of constructing a single transportation infrastructure capital asset – the Capital Southeast Connector Expressway Project (Connector Project) for its member jurisdictions. As such, nearly all Connector JPA expenditures are capitalizable because they support Project construction.

As defined by the United States Department of Transportation, a capital expenditure in transportation is any expenditure that increases the capacity and efficiency of the transportation infrastructure, whether by reducing travel times, improving access, creating capacity for more passenger and goods traffic, reducing costs, or reducing adverse safety and environmental impacts. It includes outlays for the planning, engineering, approval, permitting, mitigation, and construction and inspection of transportation infrastructure, including the necessary purchase of land and existing structures, purchase of equipment, research activities, and outlays for major maintenance and repairs to existing infrastructure and equipment.

Capital expenditures reported by the Connector JPA include, but are not limited to, direct and indirect outlays for the planning, engineering, management, administration, approval, permitting, mitigation, inspection, and construction for the Connector Project. Expenditures also include relocation and acquisition of rights-of-way easements, utilities or public facilities or other real property interests.

The Connector JPA has adopted the Modified Approach for the 30-year useful life of the Connector Project.

At the time of project completion or termination of the Connector JPA, capital asset costs will be transferred internally to the applicable capital asset class. Pursuant to the Joint Exercise of Powers Agreement for the Elk Grove – Rancho Cordova – El Dorado Connector JPA dated December 12, 2006, the capital assets will be allocated to the member in whose jurisdiction the real property is located, according to a formula to be determined by the Connector JPA.

FINANCIAL PLANNING

A long-term financial plan uses technical analysis to identify long-term imbalances in financial position in relation to project needs and then develops strategies to counteract those imbalances. The tools and data required for this effort include long-term forecasts, trends in key indicators of financial health (e.g., reserve levels and revenues versus expenditures), and analysis of context-specific issues. A long-term financial plan assists in aligning the supply of and demand of limited resources by proactively recognizing and addressing issues impacting financial position.

Long-term financial planning combines financial forecasts with strategic planning. It is a highly collaborative process that considers future fiscal scenarios to identify challenges and/or confirm program sustainability. Effective strategic planning positions the Connector JPA for long-term success.

Projecting revenues and expenditures over the long term by making assumptions about economic conditions, future spending scenarios, and other notable objectives is imperative to good financial planning. It provides insight into future financial capacity so that strategies can be developed to achieve long-term program stability while considering potential financial challenges.

Long-term financial planning is the process of aligning financial capacity with long-term program objectives. The Connector JPA is committed to regularly updating its financial plan to ensure long-term program sustainability. Elements of this plan are incorporated annually into the budget. The financial tables included in this document are updated throughout each year as the revenue and spending outlook becomes clearer.

The Connector JPA uses this information as part of a package of tools that:

- Identify preliminary spending priorities for future years;
- Incorporates necessary budget adjustments into the long-term financial projections;
- Ensures that both additions and reductions to the budget are sustainable;
- Maintains options to deal with unexpected contingencies; and
- Continues advancing planning to anticipate factors affecting revenues and project needs.

LONG-TERM FINANCIAL PLANNING COMPONENTS

Planning Element	Essential	Important	Discretionary
Commit to preparing a plan	X		
Scope of the plan	X		
Relationship between financial and strategic planning		X	
Find imbalances	X		
Long-term balance	X		

DEBT POLICY

The Connector JPA has never issued debt, nor does it have current plans to do so anytime in the future. Since the Agency does not have a dedicated revenue source as a pledge to service debt and all its expenditures are reimbursed under interagency contracts or grants, it does not have the financial fundamentals necessary to attract investors or issue debt in the publicly traded market.

However, as part of the Joint Exercise of Powers Agreement establishing the Connector JPA in December 2006, there is a provision for the Agency to issue debt with the unanimous affirmative vote of all five Governing Board members. Should the Connector JPA decide to pursue debt issuance, which is highly unlikely, it will develop a comprehensive debt policy that closely aligns to that of the County of Sacramento.

FUND BALANCE RESERVE

The Connector JPA strives to maintain an adequate fund balance in its only fund – the General Fund. This is a best practice recommended by the Government Finance Officers Association (GFOA) and it aligns with the Agency's short and long-term financial planning objectives. Additionally, adequate fund balance is necessary to pay upfront costs for certain expenditures such as overhead and personnel costs – which are subsequently submitted for reimbursement under interagency agreements.

Establishing a reserve provides financial stability for the following:

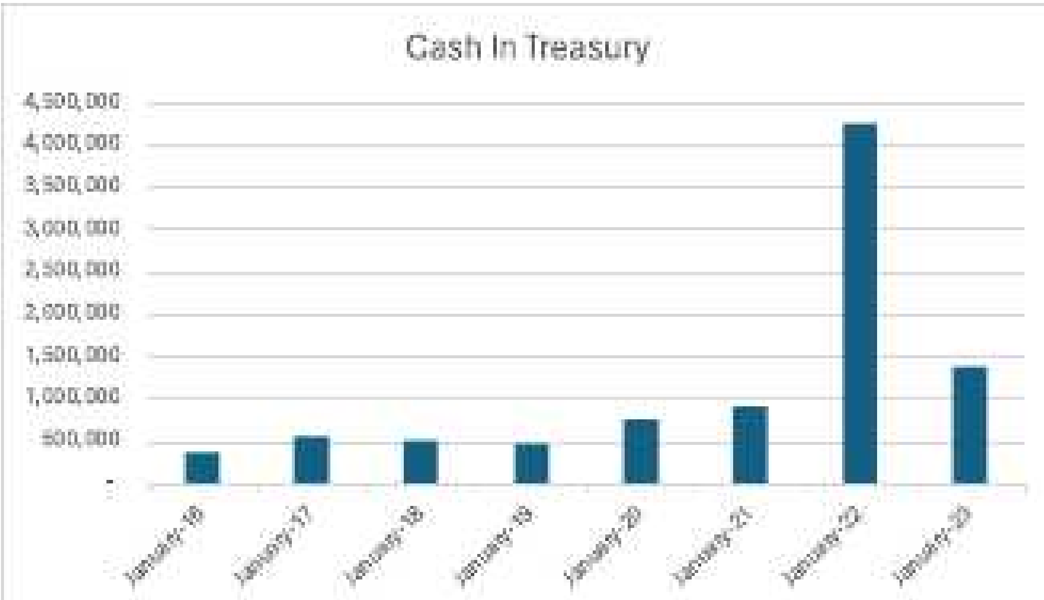
Economic uncertainties and other financial hardships or downturns in the local economy;

Contingencies for unforeseen operational and capital needs; and

Cash-flow requirements

The following graph shows that the Agency often operates on minimal cash balances. As mentioned previously, the Agency does not generate any revenue of its own but relies on interagency agreements for funding. Therefore, as it incurs expenditures, claims are submitted for reimbursement. Under this model, the Agency carefully monitors cash inflows and outflows to ensure that there is adequate cash on hand at all times to meet operating expenditures. However, as the graph shows, there was a spike in the cash balance when the Connector JPA received $3.5 million in Regional and

Community Design Funds for the Scott Road Realignment Project. Unlike the reimbursement model, the Agency received these funds in advance of the capital outlay, so the cash in treasury balance was much higher than normal until most of the funds were deployed in June 2022.



GFOA guidelines recommend the equivalent of two to four months' revenue or expenditures, whichever is more stable. In the Connector JPA's case, both are relatively stable since revenues follow the submission of claims. However, since the Agency's mission is to build a single capital project and project funding significantly varies yearly, the Connector JPA's reserve policy is centered on meeting overhead and personnel costs. The table below shows the calculation to determine an amount equal to three months' reserve for FY 2024/25.

FUND BALANCE RESERVE CALCULATION - GENERAL FUND

Fund Balance Reserve Calculation - General Fund			
	Annual Expenditures	Average Monthly Expenditures	Three Months Reserve
FY 2024-25	1,245,508	103,792	311,377

* Based on estimated project overhead expenditures only

The FY 2024/25 budget incorporates a fund balance reserve amount of $311,000 per the Connector JPA's policy and GFOA best practices.

INVESTMENT POLICY

All funds are held in the County of Sacramento treasury (County Treasury). The County Treasury funds are invested in the Sacramento County Pooled Investment Fund (Investment Fund). California Government Code section 53646 requires that the Board of Supervisors review and approve the investment policy annually during a public meeting.

Since all Connector JPA cash is held in the Investment Fund, the Connector JPA's investment policy refers to the Investment Fund's policy in its entirety. The Connector JPA annually adopts a policy that aligns with the updated Investment Fund policy. The Investment Fund is managed by the Sacramento County Director of Finance (Treasurer), who is responsible for making investments on behalf of the Connector JPA according to the Investment Fund's policy.

The Investment Fund is prudently invested to earn a reasonable rate of return, while awaiting application for governmental purposes. The specific objectives for the Investment Fund are ranked in order of importance.

INVESTMENT FUND OBJECTIVES

SAFETY OF PRINCIPAL

The **PRIMARY** object is the preservation of principal. Each transaction shall seek to ensure that capital losses are avoided, whether they be from securities default or market value erosion;

LIQUIDITY

The **SECOND** objective of the Investment Fund is to remain sufficiently flexible to enable meeting all operating requirements that may be reasonably anticipated;

PUBLIC TRUST

The **THIRD** objective in managing the Investment Fund is to avoid any transactions that might impair public confidence. Investments should be made with precision and care, considering the probable safety of the capital as well as the probable derived income; and

MAXIMUM RATE OF RETURN

As the **FOURTH** objective, the Investment Fund should be designed to attain a market average rate of return through budgetary and economic cycles consistent with desirable risk limitations, prudent investment principles, and cash flow characteristics.
The performance benchmark for the Investment Fund is the State of California Local Agency Investment Fund (LAIF).

PERSONNEL RESOURCE MANAGEMENT

The Connector JPA strives to provide competitive compensation and benefits for its workforce to attract and retain staff. To manage staffing costs, the Connector JPA will:

- Authorize all staff positions; and
- Give the Executive Director the authority to leave a position open, partially filled (part-time), or filled at a lower classification, but not above

To augment the activities of regular employees, the Governing Board and Executive Director may authorize the use of professional service consultants to perform activities such as the following:

- Legal counsel;
- Financial advisory services;
- Public relations and outreach;
- Economic studies;
- Tax, financial, and performance audit services; and
- Engineering design and right of way acquisitions.

PRODUCTIVITY REVIEW

The Connector JPA regularly monitors and reviews its operational procedures to ensure that all services are provided in the most cost-effective manner. Staff proactively look for opportunities to streamline workload using technology and procedural improvements.

COST ALLOCATIONS

The Connector JPA employs two staff who oversee the Connector Project. Both staff members are primarily engaged in project delivery. The Agency relies on professional services contractors and County of Sacramento staff for most support services.

The County of Sacramento provides personnel, IT, fiscal, benefit administration, employment, training, and labor relations services. Charges for these services are determined annually by County staff and allocated to the Connector JPA on a pro-rata basis.

Estimated charges for services are communicated by County staff in January of each year so that the charges can be incorporated in the County and Connector JPA's budgets for the coming fiscal year. If the actual costs are expected to be more than budgeted, then County staff and Connector JPA staff work together to revise the estimated charges for the year and request a budget amendment as appropriate.

RECORDS RETENTION POLICY

The Connector JPA's comprehensive Records Retention Policy (Retention Policy) is periodically reviewed and updated. The Retentions Policy ensures the safekeeping of records with administrative, legal, fiscal, programmatic, or historical value. It also ensures the ease of access to Agency records by staff and the public in accordance with applicable law and provides the necessary guidance to ensure the efficient and economical management methods to the creation, utilization, maintenance, retention, preservation, and disposal of the Agency's records. Effective records management ensures that records are kept only as long as they have some administrative, fiscal, or legal value. Below is a description of certain records and the retention period related to the adopted policy.

- Governing Board agendas and agenda packets and minutes – permanent;
- Governing Board resolutions, rules, and procedures – permanent;
- Governing Board members and Chair correspondence – permanent;
- Bylaws/Joint Powers Agreements – permanent;
- Claims/lawsuits/litigation – permanent (high profile) and completion plus seven years (routine);
- Insurance policies – permanent;
- Audits and management letters – permanent;
- Adopted budgets – permanent;
- Grant agreements/funding contracts – project termination plus five years;
- Governing Board-approved agreements/contracts/MOUs – completion plus five years; and
- Accounting records – audit date plus five years.

The Connector JPA reviews and updates the policy as necessary and as may be required by applicable law.

CONTRACTING PRACTICES

It is the policy of the Connector JPA that goods and services be acquired through a procurement process that provides full and open competition to the maximum extent feasible, consistent with State and Federal statutes and regulations, and that such procurements shall be consolidated, whenever possible, to ensure efficient use of Connector staff resources. The Connector will only contract with responsible contractors possessing the ability to perform successfully.

The Connector JPA's Executive Director administers this policy and ensures funds are available for needed services. The Executive Director may delegate responsibility for implementation to other Connector JPA staff members, as appropriate. Staff develop and maintain standard purchasing forms, purchase orders, and other forms as necessary to implement this policy and the following procedures:

- Competitive bidding - Selecting a contractor must always be the result of an open and fair selection process in which all qualified providers of the product or service desired have the opportunity, and the information necessary, to submit a bid or proposal;

- Contract management – Managing the contract should be anticipated and planned during the contracting process. Deliverables should be clearly described so that they can be evaluated, and payments can be approved;

- Federally funded contracts – Contracts utilizing Federal funds of more than $2,500 must contain a completed "Consultant Contract Reviewers Checklist" and a "History of the Procurement" documents. These forms must be completed by the Project Manager as applicable for every project; and

- The Connector JPA is required to prepare and maintain purchasing and financial records, covering procurement transactions as well as other aspects of project implementation for three years after final payment has been made and all other pending matters are closed.

The table below summarizes the appropriate method of procurement based on the contract price threshold.

Price Threshold	Method of Procurement*	Required Approval level
Under $2,500	Purchase Order, No Bidding Required	Executive Director
$2,500 to $50,000	Small Purchase - for Supplies/Special Services and A&E, IFB, or CM/GC - Construction and/or Construction Management	Executive Director
More than $50,000	RFP or RFQ - for Supplies/Special Services and RFP or RFQ for A&E, IFB, or CM/GC - Construction and/or Construction Management	Connector JPA Board

* A&E IFB - Architectural and Engineering Invitation for Bids, CM - Construction Manager, GC - General Contractor

The Executive Director or an approved designee are authorized to lease real property for use by the Connector for a term not to exceed three years and for a rental not to exceed $5,000 per month. Any lease for a term exceeding three years or $5,000 per month is required to be approved by the Governing Board.

RETIREMENT BENEFIT FUNDING POLICY

The Connector JPA provides defined benefit retirement benefits through the Sacramento County Employees' Retirement System (SCERS).

SCERS was established in 1941 by the Sacramento County Board of Supervisors and is governed by specified provisions of the California State Constitution, State law (County Employees Retirement Law of 1937 or "CERL" and the California Public Employees' Pension Reform Act of 2013 or "PEPRA"), and the Federal Internal Revenue Code (IRC). SCERS benefits are as follows:

- SCERS is a Defined Benefit Pension Plan, in which benefits are fixed by law based on years of service, final compensation, and age at retirement. Once SCERS benefits have been earned, they cannot be reduced or eliminated;
- SCERS has a broadly diversified investment program designed to help mitigate the impact of bad investment performance in one or more areas of the financial markets; and
- SCERS has successfully weathered difficult financial market experiences in the past and rebounded strongly when the investment markets recovered.

Currently, the Connector JPA employs two staff members: the Executive Director and Principal Civil Engineer. Both were hired after December 31, 2012, so they are covered under SCERS' Public Employees' Pension Reform Act (PEPRA) formula. Under the PEPRA plan, they are classified as "Miscellaneous Tier 5" members. Funding for each employee is a mix of member and employer contributions based on Membership Category, Benefit Tier, and pension-eligible compensation. A member must be "vested" to earn the right to receive a monthly SCERS retirement benefit. Staff members are considered vested if any of the following apply:

- Receive credit for five years of full-time service with a Participating Employer;
- Reach the age of 70, regardless of the number of years of service; and
- Eligible for "vested" status based on prior public employment covered by a Reciprocal System.

The monthly lifetime retirement benefit amount is calculated using the following three factors:

- Age at retirement;
- Years of service credit at retirement; and
- Final compensation.

Tier 5 members are eligible for the 2%@ age 62 formula. This formula refers to the percentage of pay that a recipient will receive as a retirement benefit for every year of service credit earned. For example, if an eligible employee retires at age 62, 2% of their final compensation multiplied by the years of service credit will be the benefit. If the employee retires before age 62, the percentage is less; if the employee retires after age 62, the percentage is more.

PERFORMANCE MEASURES

The Connector JPA tracks select performance measures that are tied to its key five-year strategic goals and strategies. These metrics are a means of demonstrating the Agency's effectiveness, efficiency, timeliness, and productivity. Some activities carry over from year to year, while others change from year to year. The Performance Measures identified in the table below represent current and planned efforts designed to further the Agency's core business operations and project priorities over multiple years.

CONNECTOR JPA PERFORMANCE MEASURES

Performance Measure	Area of Responsibility	Relates to Strategic Goal	FY 2023-24 Planned	FY 2023-24 Estimate	FY 2024-25 Planned
Public Outreach and Engagement:					
Provide quarterly financial updates to the STA*	Finance	Public Outreach and Engagement	4	4	4
Adopt annual budget prior to June 30	Finance	Public Outreach and Engagement	Yes	Yes	Yes
Complete annual financial audit	Finance	Public Outreach and Engagement	Yes	Yes	Yes
Identify and secure additional Project funding	Finance	Public Outreach and Engagement	Yes	Yes	Yes
Develop Collaborative Partnerships:					
Regularly engage Project partners	Collaboration	Develop Collaborative Partnerships	Yes	Yes	Yes
Meet regularly with funding and regulatory agencies	Collaboration	Develop Collaborative Partnerships	Yes	Yes	Yes
Support project partners through consultation and advocacy	Collaboration	Develop Collaborative Partnerships	Yes	Yes	Yes
Engage with the Governing Board	Collaboration	Develop Collaborative Partnerships	4	4	4
Promote public educational opportunities	Collaboration	Develop Collaborative Partnerships	Yes	Yes	Yes
Project Delivery Priorities:					
Identify and regularly promote Project priorities	Project	Project Delivery Priorities	Yes	Yes	Yes
Elevate Project profile among federal audiences	Project	Project Delivery Priorities	Yes	Yes	Yes
Collaborate and build consensus with member agencies	Project	Project Delivery Priorities	Yes	Yes	Yes

* Sacramento Transportation Authority

LONG-TERM FINANCIAL PLANNING

The Connector JPA is committed to long-term financial stability. As part of this commitment, it provides a long-term financial plan, effectively a "road map," summarizing where the agency intends to go financially and how it plans to get there by combining financial forecasting with financial strategizing.

This plan is intended to serve as a tool to identify challenges and opportunities and to provide the Governing Board, stakeholders, staff, and the public with the insight required to address issues impacting the Connector JPA's financial condition. It also provides a starting point for future decision-making regarding the budget by identifying the balance between potential spending needs and the projected revenue outlook. Some of the benefits from having a long-term financial plan are as follows:

GOVERNING BOARD

long-term financial plans offer guidance to seasoned and new members. The plan also provides context and an up-to-date view of the Agency's financial condition as an ongoing context for Governing Board decisions;

STAKEHOLDERS

provides foundational financial information used to collaborate and align fiscally with Project partner agencies; and

PUBLIC

demonstrates a clear understanding and vision for the fiscal viability of the Project.

The long-term outlook provides a key tool for financial planning. The information in the table below is monitored throughout the year as the outlook for revenue and expenditures becomes clearer. The Connector JPA uses this information as part of a package of tools that:

- Identify preliminary spending priorities for future years;
- Incorporate necessary budget adjustments into the long-term financial projections;
- Ensure that the impact of changes to the budget are understandable and sustainable;
- Maintain options to deal with unexpected contingencies; and
- Continue planning to anticipate factors affecting revenues for project delivery.

The table below is a forward-looking view of the General Fund operating and capital outlay budget:

GENERAL FUND* FIVE-YEAR FORECAST

Description	FY 22/23 Actual	FY 23/24 Adopted	FY 23/24 Estimate	FY 24/25 Projected	FY 25/26 Projected	FY 26/27 Projected
Revenues						
Measure A - Capital**	1,883,356	2,030,360	1,013,777	1,400,000	3,300,000	1,374,938
Measure A - Mitigation***	93,661	3,767,030	71,011	2,759,137	2,759,137	-
Other Local Funding	-	1,000,000	-	533,333	533,333	533,334
State Funding	-	3,000,000	-	1,300,000	1,500,000	187,736
Federal Funding	-	700,000	-	800,000	2,000,000	1,087,885
Member Contributions	250,000	250,000	250,000	250,000	250,000	250,000
Interest Income	67,728	15,560	18,008	9,004	9,004	9,004
Total Revenues	**2,294,745**	**10,762,946**	**1,352,796**	**7,051,474**	**10,351,474**	**3,442,896**
Expenditures						
Land Acquisition and ROW	-	-	-	200,000	1,500,000	-
Mitigation Purchases	11,846	3,767,030	-	2,759,137	2,759,137	-
Construction	3,154,925	-	338,647	150,000	650,000	1,150,000
Project Professional Services	432,444	5,510,000	774,675	2,800,000	3,205,000	975,620
Project Overhead	-	-	-			
Salaries and Benefits	742,088	796,344	651,596	677,059	697,565	718,828
Legal Services	237,006	300,000	202,112	250,000	250,000	250,000
Audit, Fiscal and County Services	74,637	148,316	70,329	75,000	75,000	75,000
Rent	53,863	60,000	64,812	65,000	66,950	68,959
Office Equipment and Supplies	37,501	50,600	43,888	50,000	51,500	53,045
Conferences and Travel	25,567	41,500	35,000	40,000	40,000	40,000
Insurance	15,038	17,850	17,303	17,450	18,386	18,937
Other Operating	24,300	71,300	33,417	70,000	72,100	74,263
Total Expenditures	**4,819,503**	**10,762,946**	**2,231,776**	**7,154,646**	**9,381,061**	**3,424,751**
Net Increase (decrease) in Fund Balance	**(2,524,758)**	**-**	**(878,982)**	**(103,171)**	**970,413**	**18,145**
Beginning Fund Balance	**4,018,006**	**1,545,851**	**1,493,248**	**614,266**	**511,095**	**1,481,508**
Ending Fund Balance	**1,493,248**	**1,545,851**	**614,266**	**511,095**	**1,481,508**	**1,499,652**
Fund Reserve	-	-	-	311,377	317,981	324,783
Ending Fund Balance Less Reserve	1,493,248	1,545,851	614,266	199,717	1,163,527	1,174,870

* The Connector Authority reports a single fund - the General Fund

* Measure A Sales Tax Revenue Administered by the Sacramento Transportation Authority

** Sacramento Countywide Transportation Mitigation Fee Program Administered by the Sacramento Transportation Authority

The table includes a balance of funding that is already committed to the Connector JPA through interagency agreements as well as funding that is anticipated but not yet committed under contract. Those amounts that are not yet committed generally require that one or more criteria are met before receiving the funding; however, the strategic goals and financing plans incorporate all elements needed to meet those requirements.

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BUDGET SCHEDULES AND FUND INFORMATION

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4 BUDGET SCHEDULES AND FUND INFORMATION

GENERAL FUND

The Connector JPA reports a single fund – the General Fund. The table below summarizes three fiscal years of information – FY 2022/23 actual amounts, FY 2023/24 estimated amounts, and FY 2024/25 proposed amounts. The estimates for FY 2023/24 are based on roughly nine months of actual information, while the remaining three months are estimated.

In FY 2023/24, spending on Mitigation, State-funded engineering work, and Federally funded engineering work did not materialize as initially projected. Consequently, the revenue derived from reimbursements associated with these expenditures remained unrealized, thus contributing to the observed shortfall in actual revenues compared to budgeted figures.

It is imperative to underscore that the budget is a strategic planning instrument, outlining anticipated expenditures, including those earmarked for mitigation efforts. Mitigation purchases did not transpire during FY 2023/24. However, these mitigation purchases are slated for execution in forthcoming fiscal years.

Likewise, the budget envisioned the commencement of two engineering contracts, each facilitated through State and Federal funding mechanisms. While these contractual engagements did not materialize in FY 2023/24, they are expected to progress during FY 2024/25.

Interest income over the last several years has been trending downward as fund balance has decreased.

The variance in salaries and benefits can be explained by the retirement of the Agency's Administrative Services Officer in December 2023. That vacancy was not filled in the current year and may not be in the budget year. The short-term plan is to use professional services contractors to perform most of that work while the Executive Director determines future staffing needs.

Legal services which are performed under a professional services agreement are annually budgeted at $300,000 given historical costs for those services. However, in addition to baseline services, each year brings a unique mix of legal services that often create a material variance such as found in the current year.

Similar to legal services, fiscal services vary significantly from year to year based on the demand for accounting, financial reporting, compliance, and audit services. Some services are routine such as monthly accounting, accounts payable and receivables, and the annual financial audit, but other on-demand reporting is common for grants and other Local, State, and Federal funding.

The overall impact on fund balance based on the estimated revenues and expenditures in FY 2023/24 led to a decrease of almost $900,000. As mentioned previously, much of the revenue anticipated in FY 2023/24 did not materialize, nor did the related expenditures. However, the Agency still incurred project professional services and overhead costs during the year which led to the fund balance decrease. This situation is not unique to this fiscal year which is one reason the Agency is committed to being proactive in its financial oversight.

CONSOLIDATED BUDGET - GENERAL FUND*

Description	FY 22/23 Actual	FY 23/24 Budget	FY 23/24 Estimate	FY 24/25 Proposed	Change from FY 23/24	Change in Percent
Revenues						
Measure A - Capital**	1,663,350	2,030,360	1,013,777	1,400,000	(630,360)	-31.2%
Measure A - Mitigation***	83,881	3,767,000	71,011	2,759,137	(1,007,863)	-26.8%
Other Local Funding	-	1,300,000	-	833,333	(466,667)	-45.2%
State Funding	-	3,000,000	-	1,300,000	(1,700,000)	-56.7%
Federal Funding	-	700,000	-	800,000	100,000	14.3%
Member Contributions	250,000	250,000	250,000	250,000	-	0.0%
Interest Income	87,736	15,000	16,008	9,004	(6,546)	-42.1%
Total Revenues	**2,084,765**	**10,762,948**	**1,350,796**	**7,351,474**	**(3,711,886)**	**-34.5%**
Expenditures						
Land Acquisition and ROW	-	-	-	200,000	200,000	100.0%
Mitigation Purchases	11,845	3,767,000	-	2,759,137	(1,007,863)	-26.8%
Construction	3,154,925	-	598,947	150,000	150,000	100.0%
Project Professional Services	432,444	5,510,000	774,075	2,800,000	(2,710,000)	-49.2%
Project Overhead						
Salaries and Benefits	742,536	756,344	651,565	577,658	(118,686)	-14.8%
Legal Services	357,306	300,000	702,113	250,000	(50,000)	-16.7%
Audit, Fiscal and County Services	74,837	148,316	70,326	75,000	(73,316)	-49.4%
Rent	63,693	60,000	64,012	66,000	6,000	9.3%
Office Equipment and Supplies	37,507	50,600	40,666	50,000	(600)	-1.2%
Conferences, Meetings, and Travel	25,537	41,500	35,000	40,000	(1,500)	-3.6%
Insurance	15,096	17,000	17,303	17,000	-	0.0%
Other Operating	24,300	71,200	30,417	70,000	(1,200)	-1.8%
Total Expenditures	**4,818,523**	**10,762,948**	**2,231,778**	**7,154,645**	**(3,608,295)**	**-33.5%**
Net Increase (decrease) in Fund Balance	(2,524,758)	-	(870,982)	(103,171)	(103,171)	
Beginning Fund Balance	**4,018,006**	**1,946,851**	**1,483,248**	**614,266**	**(931,585)**	**-60.2%**
Ending Fund Balance	**1,483,248**	**1,946,851**	**614,266**	**511,095**	**(1,034,756)**	**-66.5%**
Fund Reserve	-	-	-	311,377	311,377	-
Ending Fund Balance Less Reserve	1,483,248	1,946,851	614,266	199,717	(1,346,134)	-87.2%

* The Capital SouthEast Connector Authority reports a single fund - the General Fund

** Measure A Sales Tax Revenue Administered by the Sacramento Transportation Authority

*** Sacramento Countywide Transportation Mitigation Fee Program Administered by the Sacramento Transportation Authority

5

CAPITAL IMPROVEMENT PROGRAM

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5 CAPITAL IMPROVEMENT PROGRAM

South Sacramento County lacks sufficient connectivity and multi-modal facilities to accommodate the community's needs and growing economy. Existing roadways are in poor condition and often flood during severe storm events. Current facilities lack bicycle and pedestrian accommodations for non-motorized travel. There are limited roadway connections from east to west, causing motorists to use the already congested freeways to travel.

The Capital SouthEast Connector Expressway Project (Connector Project) is a long-term capital project that replaces existing two-lane rural roads with a four-lane modern expressway, including a separated Class 1 multi-use path. The redesigned roadway provides capacity for a growing population, active transportation opportunities, access to employment centers, addresses climate resiliencies, deploys innovative technology, and improves quality of life.

The Project is more than a regional multi-modal roadway facility. Economists agree that the Project provided significant economic development benefits to the region. In 2022, the Connector JPA prepared an economic study to determine the direct and indirect benefits of the Project's construction cost, which was estimated at $552.5 million. The incremental economic impact to the region between 2021 and 2040 is estimated to produce $1.1 billion in economic output and create 7,347 new full-time jobs. The Project is also expected to generate $43.1 million in new indirect business taxes. Creating new, well-paying jobs will provide a tremendous economic lift to the region's economy.

KEY PROJECT BENEFITS

Key project benefits are summarized below:

- Provides new interregional route connecting I-5, SR 99, SR 16, and US 50; reducing congestion throughout the Sacramento region, particularly the south county;
- $585.7 million in travel time savings benefits to commuters;
- Replaces two-lane rural roads with a four-lane modern expressway;
- Adds a separated Class 1 multi-use path along the corridor;
- $37.3 million in residual investment value from Project construction;
- Establishes an efficient and reliable freight corridor in the region;
- Addresses regional climate resiliency and environmental stewardship issues;
- $19.5 million in safety benefits from reduced collisions which are more prone in congested corridors;
- Deploys innovative smart technologies to manage and improve traffic flow;
- Reduces vehicle miles traveled and travel times for commuters;
- $17.2 million in avoided pavement rehabilitation costs;
- Enhances safety by constructing medians, improved intersections, and buffered bike lanes;
- $6.8 million in increased walking and biking benefits for the community;
- Reduces greenhouse gas emissions, corrects roadway flooding issues, and supports habitat conservation;
- Improves traffic operations to job centers and supports regional job creation;
- $6.3 million in reduced vehicle emissions in the region;
- Improves affordable transportation choices for underserved communities with the accessibility to bicycle, pedestrian, and public transportation facilities;
- $3.5 million in operating cost savings from reduced truck miles traveled; and
- Extensive support from Local, State, and Federal elected officials, labor unions, business groups, public agencies, and residents.

The population in the region has nearly doubled over the last 40 years. Investing in expanded infrastructure like the Connector Project, which includes multi-modal roadways for pedestrians, bikes, and vehicular use, will benefit the existing communities the Project serves and foster continued growth and investment in the region.

The table below facilitates continuing the envisioned project over the next several years by factoring in regional priorities, limitations of available funding, and the strategic collaboration of the Governing Board, staff, stakeholders, and members of the public.

FIVE-YEAR CAPITAL FINANCING PLAN

Description	FY 22/23 Actual	FY 23/24 Estimate	FY 24/25 Projected	FY 25/26 Projected	FY 26/27 Projected
Beginning Balance	**4,018,006**	**1,493,248**	**614,266**	**511,095**	**1,481,508**
Revenues					
Measure A - Capital*	1,863,356	1,013,777	1,400,000	3,300,000	1,374,938
Measure A - Mitigation**	93,661	71,011	2,759,137	2,759,137	-
Other Local Funding	-	-	533,333	533,333	533,334
State Funding	-	-	1,300,000	1,500,000	187,735
Federal Funding	-	-	800,000	2,000,000	1,087,885
Member Contributions	250,000	250,000	250,000	250,000	250,000
Interest Income	87,728	18,008	9,004	9,004	9,004
Total Revenues	**2,294,745**	**1,352,796**	**7,051,474**	**10,351,474**	**3,442,896**
Expenditures					
Land Acquisition and ROW	-	-	200,000	1,500,000	-
Mitigation Purchases	11,645	-	2,759,137	2,759,137	-
Construction	3,154,925	338,647	150,000	650,000	1,150,000
Project Professional Services	432,444	774,675	2,800,000	3,200,000	975,620
Project Overhead	1,220,489	1,118,456	1,245,508	1,271,924	1,299,131
Total Expenditures	**4,819,503**	**2,231,778**	**7,154,645**	**9,381,061**	**3,424,751**
Ending Balance	**1,493,248**	**614,266**	**511,095**	**1,481,508**	**1,499,652**

*Measure A Sales Tax Revenue Administered by the Sacramento Transportation Authority

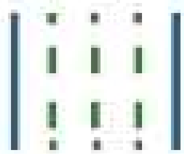
** Sacramento Countywide Transportation Mitigation Fee Program Administered by the Sacramento Transportation Authority

THE PROJECT

The Connector Project is envisioned to be 34 miles long, running from Interstate 5 (I-5) to State Route 50 (US-50). When completed, the $500 million Connector Project will run through Sacramento County, Elk Grove, Rancho Cordova, Folsom, and El Dorado County. It will be an alternative route to the Greater Sacramento region's current highway system. The Project will consist of four travel lanes, a high-speed expressway, bike and pedestrian paths, and a traditional thoroughfare.

34 MILES LONG

I-5 TO US 50



FOUR TRAVEL LANES

DETAILED ALIGNMENT DESCRIPTION

When completed, the Connector Project will begin at the Interstate5/ Hood-Franklin Road Interchange as a four-lane expressway heading east until the intersection with Bruceville Road, where it will connect with the existing Kammerer Road and become a four to six-lane thoroughfare to State Route 99.

At State Route 99, four lanes will be constructed as a thoroughfare consistent with the design standards of the City of Elk Grove, until it reaches the intersection of Bond Road, at which point it becomes the Sheldon Section until it reaches the Calvine Road intersection.

The Sheldon corridor is 2.6 miles long, and its design is governed by the Precise Roadway Plan adopted by the City of Elk Grove in 2023. Roundabouts are planned at five intersections, and an environmental review will be conducted at the intersection of Grant Line Rd and Wilton Rd.

At Calvine Rd the project transitions to a 4-lane high-speed expressway with limited access. The expressway continues northeast towards Rancho Cordova. At the intersection of Grant Line Road and White Rock Road the expressway continues through the City of Folsom until it reaches the Sacramento – El Dorado County line. The project then transitions to a 4-lane thoroughfare ending at the Hwy 50/Silva Valley Parkway Interchange in El Dorado Hills.

PROJECT UPDATE

During calendar year 2023, there was significant progress in constructing the Connector Project. Approximately $65 million in construction activity was officially completed, with Notices of Completion issued along three segments, totaling 6.5 miles of improvements. An additional 2.5 miles of Class 1 trail adjacent to White Rock Road was constructed and opened to cyclists and pedestrians.

Almost $18 million in Local, State, and Federal funding agreements were secured during 2023 for engineering, right of way, construction, and environmental mitigation.

Federal funding of $4 million was secured through the Consolidated Appropriations Act of 2023 to advance the design, right of way, and construction of the White Rock Road Class 1 trail. This will continue the 2.5 miles of trail completed in 2023.

State funding for $3 million was awarded by the California Transportation Commission (CTC) through the SB 1 Trade Corridor Enhancement Program for Grant Line Road in Rancho Cordova. These funds will advance the design of the segment from Douglas Road to White Rock Road.

Locally, staff partnered with the Sacramento Transportation Authority to allocate $6.7 million in Measure A capital funding. An additional $5 million was allocated for environmental mitigation work along the alignment.

PROJECT CORRIDORS

The Capital SouthEast Connector Expressway consists of three main corridors as follows:

CORRIDOR 1
KAMMERER ROAD

The 6.5-mile Kammerer Road corridor between Interstate 5 and State Route 99 in Elk Grove is being implemented in partnership with the City of Elk Grove and the County of Sacramento.

STATUS

- Environmental review complete;
- The initial construction of a three-mile segment between Bruceville Road and SR 99 was completed in 2023. In August 2023, the American Public Works Association awarded it the Project of the Year award; and
- The final engineering design between Interstate 5 and Bruceville Road will be underway in 2024, with right-of-way acquisitions anticipated in 2025.

PROJECTS

The Kammerer Road corridor currently has two projects:

- A1 - Kammerer Road Extension: I-5 Hood-Franklin Interchange to Bruceville Road. *Underway Now*
- A2 – Kammerer Road Reconstruction: Bruceville Road to State Route 99/Grant Line. *Complete*

CORRIDOR 2
GRANT LINE ROAD

At 19 miles between State Route 99 and White Rock Road, the Grant Line Road corridor is the Connector Project's longest and is being implemented in partnership with the City of Elk Grove, County of Sacramento, and City of Rancho Cordova.

STATUS

- The Hwy 99/Grant Line Road/Kammerer Road Interchange, the Union Pacific Railroad grade separation project, and the Grant Line Road Widening Project to Bradshaw Rd are complete;
- A Precise Roadway Plan for Grant Line Rd between Bond Road and Calvine Road is complete;
- Environmental review is complete for Grant Line Rd between SR 16 and White Rock Road; and
- The final engineering design between Douglas Rd and White Rock Rd will be underway in 2024, with right-of-way acquisitions anticipated in 2025.

PROJECTS

The Grant Line Road corridor currently has five projects:

- B1a – SR 99/Grant Line Road/Kammerer Rd Interchange. Complete
- B1b – Grant Line Road Railroad Grade Separation Project. Complete
- B2 – Grant Line Road Widening Project. Complete
- C1 – Grant Line Road/Wilton Road Roundabout Project. Upcoming
- D2a - Grant Line Road Safety and Freight Mobility Project. Underway Now

CORRIDOR 3
WHITE ROCK ROAD

The nine-mile White Rock Road corridor between Grant Line Road and US Highway 50 is being implemented in partnership with the County of Sacramento, City of Folsom, and the County of El Dorado.

STATUS

- The Hwy 50/Silva Valley Parkway interchange and the reconstruction of White Rock Road between Grant Line Road and East Bidwell Street are complete;
- Environmental review complete;
- The final engineering design of the White Rock Rd Expressway between East Bidwell Street and Carson Crossing Road will be underway in 2024, with right-of-way acquisitions anticipated in 2025; and
- The White Rock Rd Widening Project between Carson Crossing Dr and Latrobe Road is shovel-ready and seeking construction funds.

PROJECTS

The White Rock Road corridor currently has five projects:

- D3_CMIA – White Rock Rd Reconstruction between Grant Line Road and Prairie City Road. Complete
- D3a – White Rock Rd Expressway Phase 1. Complete
- D3b – White Rock Rd Expressway Phase 2. Underway Now
- E1 – White Rock Rd Widening Phase 1. Underway Now
- E2 – White Rock Rd Widening Phase 2. *Pending*
- E3 – US 50/Silva Valley Parkway Interchange. Complete

CAPITAL PROJECT FINANCING

The Connector JPA relies primarily on Local, State, and Federal funding to support the completion of the Connector Project and Agency operations. In general, funding is received on a reimbursement basis. Under this arrangement, the Connector JPA submits claims to the various funding entities, which, in turn, remit payment once the claims have been reviewed and approved.

Most of the Project's local funding is received from the Sacramento Transportation Authority (STA). STA administers Measure A, which is a voter approved half-cent regional retail sales tax that funds transportation-related operations and projects throughout the region. The Measure also provides funding from the Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP). When voters approved Measure A in 2004, they also approved 54 projects eligible for Measure A funding – including the Connector Project.

Because the Connector Project was included in the voter approved Measure A, there are funding allocations that are competitively and formulaically available. As of April 2024, the Connector JPA had five allocation contracts with STA totaling $16.7 million, of which $9.3 million remains available. In addition, the Agency anticipates a future funding allocation in the amount of $2.3 million. Staff regularly work with STA to align Project financing needs with available resources. This effort is ongoing.

	WBS Code	Funding Amount	Amount Remaining 4/1/2024	Contract #	Contracting Agency
Local Funding	PW-CONSTA-20	$ 4,000,000	$ 1,147,385	STA-21-CAE-005	STA
	PW-CONSTA-30	$ 700,000	$ 700,000	STA-24-CAE-01	STA
	PW-CONSTA-D2	$ 2,000,000	$ 1,966,001	STA-24-CAE-003	STA
	PW-CONRC-D2	$ 1,800,000	$ 1,800,000		Rancho Cordova
	PW-CONSTA-D2	$ 2,281,572	$ 2,281,572	Anticipated in Five-year Financing Plan	STA
Mitigation Funding	PW-MITSTA-20	$ 5,000,000	$ 518,274	STA-21-AE-001	STA
	PW-MITSTA-30	$ 5,000,000	$ 5,000,000	STA-24-CAE-02	STA
State Funding	PW-CATCEP-D2	$ 3,000,000	$ 2,987,735		Caltrans
Federal Funding	PW-CONFED-D3	$ 2,000,000	$ 1,887,885	03-6498F15-F003-ISTEA	Caltrans
	PW-CONFED-D3	$ 2,000,000	$ 2,000,000	Anticipated in Five-year Financing Plan	Caltrans
Totals		$ 27,781,572	$ 20,088,833		

Local government funding is crucial because it serves as a matching fund for other financing sources, such as those from State and Federal programs. For example, one dollar of local funding can be leveraged to secure two or more dollars from other funding sources. This is an essential component of the Connector Project's overall financing strategy since it depends on local and non-local funding. In general, State and Federal funding will not be awarded without a local matching component, and the Project cannot be completed with local funding alone.

Currently, the most promising source of State funding is the Senate Bill 1 (SB 1) program, the Road Repair and Accountability Act of 2017. SB 1 provides the first significant, stable, and ongoing increase in State transportation funding in over two decades. Funds are formulaically allocated to regional entities throughout the State but competitively awarded within each region.

The Connector Project was recently awarded $3 million from the California Transportation Commission (CTC) through the SB 1 Trade Corridor Enhancement Program. This funding represents continued support from the State, which has contributed $23 million from SB 1.

Federal funds are awarded through a competitive grant application process. The Connector JPA regularly competes for Federal funding through the grant process. Currently, there are three grants submitted awaiting review and one grant anticipated for submission later this year. Below is a table summarizing the various funding sources – actuals for the prior year, an estimate for the current year, and projections for the next three years.

FIVE-YEAR CAPITAL FINANCING PLAN

Description	FY 22/23 Actual	FY 23/24 Estimate	FY 24/25 Projected	FY 25/26 Projected	FY 26/27 Projected
Beginning Balance	**4,018,006**	**1,493,248**	**614,266**	**511,095**	**1,481,508**
Revenues					
Measure A - Capital*	1,863,356	1,013,777	1,400,000	3,300,000	1,374,938
Measure A - Mitigation**	93,661	71,011	2,759,137	2,759,137	-
Other Local Funding	-	-	533,333	533,333	533,334
State Funding	-	-	1,300,000	1,500,000	187,735
Federal Funding	-	-	800,000	2,000,000	1,087,885
Member Contributions	250,000	250,000	250,000	250,000	250,000
Interest Income	87,728	18,008	9,004	9,004	9,004
Total Revenues	**2,294,745**	**1,352,796**	**7,051,474**	**10,351,474**	**3,442,896**
Expenditures					
Land Acquisition and ROW	-	-	200,000	1,500,000	-
Mitigation Purchases	11,645	-	2,759,137	2,759,137	-
Construction	3,154,925	338,647	150,000	650,000	1,150,000
Project Professional Services	432,444	774,675	2,800,000	3,200,000	975,620
Project Overhead	1,220,489	1,118,456	1,245,509	1,271,924	1,299,131
Total Expenditures	**4,819,503**	**2,231,778**	**7,154,646**	**9,381,061**	**3,424,751**
Ending Balance	**1,493,248**	**614,266**	**511,095**	**1,481,508**	**1,499,652**

*Measure A Sales Tax Revenue Administered by the Sacramento Transportation Authority

** Sacramento Countywide Transportation Mitigation Fee Program Administered by the Sacramento Transportation Authority

PRIORITY PROJECTS UNDERWAY NOW

KAMMERER ROAD EXTENSION

The 3-mile extension of Kammerer Road between Interstate 5 and Bruceville Road is one the most significantly important projects along the corridor. This new connection to Interstate 5 is being implemented in partnership with the City of Elk Grove and will provide major economic benefits and new access to growing communities. The project is fully funded through design, but construction funding is needed.

GRANT LINE ROAD SAFETY AND FREIGHT MOBILITY PROJECT

Existing Grant Line Road will be completely reconstructed into a modern 4-lane expressway, bringing urgent safety improvements and improving rural freight traffic. This project was recently awarded design funds from the State of California and is the number 1 regional priority for federal funding in the RAISE Program. This project is being implemented in partnership with the City of Rancho Cordova. The project is fully funded through design, but construction funding is needed.

WHITE ROCK ROAD EXPRESSWAY

Phase 1 of the White Rock Road Expressway recently completed construction. The 4-lane expressway with an adjacent Class 1 bike path earned Project of the Year in 2022 by the American Public Works Association. Phase 2, which will extend the expressway to El Dorado Hills, is under design and is being implemented in partnership with the City of Folsom. The project is only partially funded through design, and construction funding is also needed.

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ORGANIZATIONAL OVERVIEW

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6 ORGANIZATIONAL OVERVIEW

The Connector JPA exists to build the Connector Project. The following section summarizes the organization structure, each staff member's area of responsibility, pay schedules, and Agency accomplishments over the past year.

The Connector JPA is independent of the County of Sacramento. It retains the exclusive right and responsibility to establish terms and conditions of personnel and work. However, because it had no administrative structure (payroll processing, human resources, etc.) to employ its employees, it relies on an agreement with the County of Sacramento to employ its staff, subject to reimbursement by the Connector JPA.

In the past five years, the agency's workload and the engineering and accounting services required to deliver the Connector Project have increased as the details needed to advance the Project from concept to design have been realized. Therefore, an amendment to the contract with the County of Sacramento was necessary to revise and update the positions to be commensurate with the workload and complexity of the Agency and Project.

In October 2023, the Executive Director recommended to the Governing Board that the contract with the County of Sacramento be amended and restated to align staffing classifications and the number of positions with the Agency's needs. The Governing Board adopted the recommendation. However, the Executive Director will assess the timing of the needed changes--perhaps not until FY 2025/26.

There were three full-time staff members in the prior year and through December of the current year. At that time, one staff member filling an Administrative Services Officer II (ASO II) position retired, and that position has not been refilled. The current plan is to utilize professional services contractors as needed to fill some of the duties previously handled by the retired staff member until a permanent plan is implemented. Below is a staffing summary for the prior year, current year, and budget year.

Below is a staffing summary for the prior year, current year, and budget year.

FULL TIME EQUIVALENT (FTE) POSITIONS

Description	FY 2022-23	FY 2023-24	FY 2024-25
Executive Director	1	1	1
Principal Engineer	1	1	1
Administrative Services Officer (ASO) II	1	1*	0

*Currently vacant after the December 2023 retirement of the previous ASO II

POSITION DESCRIPTIONS

EXECUTIVE DIRECTOR

The Executive Director is the Chief Executive Officer responsible for the effective administration of all the Connector JPA's activities, such as project management, funding, and community and governmental relations. The Executive Director is appointed by and serves at the pleasure of the Governing Board. The position is charged with overseeing the collaboration of the member agencies, which may require the reconciliation of competing interests.

RESPONSIBILITIES/DUTIES

- Administers and exercises supervision and control over all employees, consultants, and programs in accordance with all established policies;
- Plans, organizes, directs, and evaluates the operations of the Connector JPA; develops and evaluates program/project proposals and services, responds to regulatory and legislative changes, resolves problems, ensures the effective utilization of available resources by managing organizational change, allocates staff resources, and oversees work processes;
- Directs the planning, development, preparation, and administration of the annual budget;
- Ensures appropriate fiscal controls and reporting processes are in place;
- Identifies and oversees the Connector JPA's strategic direction based on the Agency's vision, mission, and overall strategic plan;
- Safeguards the Connector JPA through adherence to all applicable laws and regulations by identifying and responding to risks in cooperation with legal counsel;

- Represents the Agency by working closely with all public and private stakeholders to provide technical assistance;
- Develops strong working relationships with the Governing Board and member agencies;
- Prepares meeting agendas and oversees the development of meeting materials;
- Updates the Governing Board on important issues facing the Agency and requests input and direction to address them;
- Promotes partnership, mutual respect, open communication, and equal treatment to all members; and
- Builds strong relationships with various Local, State, and Federal government partners, as well as community members and various business organizations.

PRINCIPAL ENGINEER

The Principal Civil Engineer reports to the Executive Director and is responsible for a variety of civil engineering duties in connection with the planning, design, surveying, environmental clearance, right of way, and construction of the Project.
This management level class requires a high degree of professional skill and knowledge in administering and evaluating complex engineering programs. The position also includes administrative responsibilities, short and long-term planning and budget control, and other responsibilities as assigned by the Executive Director.

RESPONSIBILITIES/DUTIES

- Overseeing activities such as engineering design, contract preparation and review, and site suitability studies;
- Participates in negotiations with consultants, grant agencies, and regulatory bodies;
- Prepares special studies and reports;
- Develops short and long-term project/segment budgets;
- Understands laws and regulations pertaining to public works construction and design;

- Implements civil engineering principles and practices applicable to the planning and design of highways, bridges, traffic control systems, and related facilities;
- Develops and interprets policies and procedures for coordinating the furtherance of the project with other agencies;
- Understands Local, State, and Federal laws, ordinances, and regulations pertaining to the Connector Project;
- Evaluates complex design and consulting work; and
- Prepares and presents technical reports.

ADMINISTRATIVE SERVICES OFFICER II

The Administrative Services Officer (ASO) II reports to the Executive Director and performs a full range of administrative support services. The ASO II may work independently. The emphasis of duties is on several major administrative activities, including preparing and monitoring the Agency's budget and other fiscal matters, policies, procedures, facilities, systems, collections, grants, equipment, supplies, personnel, and special projects.

RESPONSIBILITIES/DUTIES

- Prepares, directs, and participates in preparing the department's annual budget, including analysis and estimates of expenditures; analysis and projections of revenue; review of intra-department requests and sub-budgets; and recommendations on allocations of funds and personnel;
- Analyzes and evaluates department personnel requests for budget allocations changes throughout the fiscal year in staffing levels, facilities, systems, and equipment; coordinates and consults with other department personnel and other departments; makes recommendations; and obtains final approval for changes;
- Conducts, directs, or participates in studies of new and existing programs and special projects to determine feasibility, resolve problems, and increase efficiency, including organizational, technical, and fiscal research and analysis;

- Assists in evaluating existing and proposed organization policies and procedures; consulting with and advising Agency personnel;
- Responds to requests from the public and from other governmental and private entities for organization, technical, operations, and administrative information about the department.
- Coordinates, monitors, and directs the acquisition, allocation and use of equipment, supplies, telecommunication systems, office and facility space, records storage and retrieval systems, and forms; conducts research and develops procedures to improve efficiency and cost-effectiveness; and monitors expenditures; and
- Performs related duties as assigned.

The Connector JPA aligns its pay scales to comparable Sacramento County classifications. The following pay schedules represent the monthly minimum and maximum published amounts for FY 2023/24 with an estimated 4% cost of living adjustment (COLA) for FY 2024/25.

Where a County classification includes a wage differential or incentive such as for education or certifications, those amounts are added to the pay schedules below. The intent is to be in parity with the compensation for Sacramento County Employees.

PAY SCHEDULES FOR FY 2024/25*

Classification	Monthly Minimum	Monthly Maximum
Executive Director	20,240	22,314
Principal Engineer	13,485	14,888

*Including anticipated 4% Cost of Living Adjustment (COLA)

AUTHORITY ACCOMPLISHMENTS

PLANNING, PROJECT APPROVALS, ENVIRONMENTAL CLEARANCE, AND DESIGN

- Obtained National Environmental Policy Act (NEPA) clearance on 6.5-miles of Kammerer Road (Interstate 5 to State Route 99);
- Obtained Caltrans approval of the Kammerer Road Project Report (Interstate 5 to State Route 99);
- Executed a Cooperative Agreement with Caltrans, allowing Kammerer Road project to advance with final engineering design, right of way, and construction;
- Grant Line Road Precise Roadway Plan incorporated into the City of Elk Grove General Plan, identifying roundabouts and the preferred alternative for Segment C of the Connector (Bond Road to Calvine Road); and
- Initiated final engineering design on approximately 9 miles of the Connector alignment in all five-member jurisdictions. This includes Kammerer Road, Grant Line Road, and White Rock Road.

MITIGATION

- Prepared and submitted the Connector JPA's South Sacramento Habitat Conservation Plan Annual Report of Covered Activities to the South Sacramento Conservation Agency; and
- Cattle grazing fencing and stock pond repairs completed on project mitigation property acquired by the JPA.

FUNDING

Allocated $18M in Federal, State, and Local funding:

- $4M – Consolidated Appropriations Act 2023;
- $3M – SB1 Trade Corridor Enhancement Program;
- $6.7M – Measure A Capital; and
- $5M – Measure A Mitigation.

PROJECT SUPPORT

- Obtained bipartisan support from the following public representatives;
  - Senator Alex Padilla
  - Representative Ami Bera
  - Representative Kevin Kiley
- Obtained support from the Laborers' International Union of North America (LiUNA) General President ; and
- Obtained support from the National League of Cities.

PROJECT OUTREACH/EDUCATION

- Refreshed the JPA website to provide greater accessibility to project information, benefits, reports, and Governing Board meeting information, making it more user-friendly for mobile devices.

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STATISTICAL INFORMATION

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7 STATISTICAL INFORMATION

CONNECTOR JPA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	-	-	-	-	-	3,892	2,403	2,581	25,357	37,634
Assigned	-	38,421	-	-	-	-	-	-	-	-
Unassigned	195,011	144,631	761,738	1,020,681	857,138	828,765	637,562	878,821	5,845,852	1,806,216
Total General Fund	**195,011**	**183,052**	**761,738**	**1,020,681**	**857,138**	**832,657**	**640,062**	**881,221**	**5,869,169**	**1,843,851**

Source: Audited Financial Statements

CONNECTOR JPA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Intergovernmental	1,651,674	2,225,427	2,334,689	2,369,810	7,495,001	4,077,901	4,789,652	5,204,750	10,874,909	1,987,017
Contributions	50,000	55,000	75,000	125,000	175,000	225,000	220,000	220,000	250,000	250,000
Federal	-	17,348	612,776	2,345,180	424,047	321,942	42,000	36,000	-	-
Interest	-	1,073	2,279	3,876	17,068	15,526	11,108	6,731	18,731	67,729
Other	-	-	250,000	-	-	-	-	-	-	-
Total Revenues	**1,701,674**	**2,299,348**	**3,274,718**	**4,838,774**	**8,077,118**	**5,642,935**	**5,065,760**	**5,470,471**	**11,143,540**	**2,294,746**
Expenditures										
Public Ways and Facilities	1,583,996	2,301,307	2,696,040	4,579,823	8,240,659	5,667,492	5,256,353	5,232,212	8,058,955	4,665,483
Debt Service - lease payments:										
Principal	-	-	-	-	-	-	-	-	44,653	49,928
Interest	-	-	-	-	-	-	-	-	4,964	2,014
Total Expenditures	**1,583,996**	**2,301,307**	**2,696,040**	**4,579,823**	**8,240,659**	**5,667,492**	**5,256,353**	**5,232,212**	**8,058,572**	**4,717,085**
Excess (deficiency) of revenues over (under) expenditures	**117,678**	**(1,959)**	**578,678**	**258,951**	**(163,542)**	**(24,557)**	**(192,595)**	**241,259**	**3,084,968**	**(2,422,339)**
Net change in fund balance	**117,678**	**(1,959)**	**578,678**	**258,951**	**(163,542)**	**(24,557)**	**(192,595)**	**241,259**	**3,084,968**	**(2,422,339)**

Source: Audited Financial Statements

CONNECTOR JPA
PRIVATE SECTOR PRINCIPAL EMPLOYERS
JUNE 30, 2023 AND 2014

	2023			2014		
Employer	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
UC Davis Health System	16,076	1	2.30			
Kaiser Permanente	10,934	2	1.56	9,100	2	1.47
Sutter/California Health Services	9,350	3	1.33	9,494	1	1.53
Dignity/Mercy Healthcare	7,353	4	1.05	7,387	3	1.19
Intel Corporation	5,000	5	0.71	6,000	5	0.97
Raley's Inc./Bel Air	2,758	6	0.39	6,240	4	1.01
Siemens Mobility Inc.	2,500	7	0.36			
Safeway	1,874	8	0.27			
Golden 1 Credit Union	1,776	9	0.20			
Pacific Gas and Electric Co.	1,370	10	0.20			
Wells Fargo & Co.				3,240	6	0.52
Hewlett-Packard				3,200	7	0.52
Cache Creek Casino Resort				2,400	8	0.39
Health Net of California				2,358	9	0.38
VSP Global				2,223	10	0.36
Total	58,988		8.42	51,670		8.34

Source: June 30, 2023 Sacramento County Annual Comprehensive Financial Report (ACFR)

CONNECTOR JPA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (000's)	Personal Income (000's)	Per Capital Personal Income	Unemployment Rate (percent)
2023	1,588	98,105,641	61,776	3.9
2022	1,589	98,241,828	61,829	7.0
2021	1,559	90,906,707	58,307	9.3
2020	1,552	85,775,621	55,266	3.7
2019	1,541	80,969,087	52,544	3.8
2018	1,531	76,832,120	50,197	4.6
2017	1,514	72,876,458	48,122	5.4
2016	1,497	70,119,138	46,845	6.0
2015	1,478	65,486,553	44,303	7.3
2014	1,460	61,654,600	42,229	10.5

Source: June 30, 2023 Sacramento County Annual Comprehensive Financial Report (ACFR)

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GLOSSARY

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8 GLOSSARY

A

accrual basis – also referred to as "full accrual" basis. Revenues and expenditures are recognized in the period earned or incurred regardless of whether cash is received or disbursed in that period.

actual – actual level of expenditures.

adopted budget – approved annual budget establishing the legal authority to spend in specific accounts.

Annual Comprehensive Financial Report - financial statements comprising the Connector JPA's financial report that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board (GASB).

appropriation – authorization by the Connector JPA to make expenditures and to incur obligations for a specific purpose. An appropriation is usually limited in amount and to the time when it may be expended.

audit – systematic collection of sufficient and competent evidential matter needed to attest to the fairness of management's assertions in the financial statements, or to evaluate whether management has efficiently and effectively carried out its responsibilities.

B

balanced budget – refers to a budget in which beginning fund balance and revenues are greater than or equal to the total appropriations and fund transfers.

beginning/ending fund balance – total accumulation of resources available in a fund from the prior/current year after payment of the prior/current year's expenditures. Not necessarily cash on hand. Also refer to fund balance.

bond – issuing a written promise to pay a specific sum of money at a specified date or dates in the future together with periodic interest payments.

budget – plan of financial operation consisting of proposed/approved appropriations for specified purposes and the proposed/approved means of financing them.

budget calendar – schedule of key dates and milestones that a government follows in the preparation and adoption of its budget.

budget message – included in the opening section of the budget, the budget message (Transmittal Letter) provides an overall summary of the most important elements of the budget including changes from the prior fiscal year.

C

capital expenditures – expenditures related to specific capital construction projects identified in the Expenditure Plan.

Capital Improvement Program (CIP) – capital project funded in part, by Measure A revenues.

E

expenditures – authorized spending such as employee salaries and benefits, professional services, and capital construction costs.

F

final budget – presented during the May Governing Board meeting and adopted if there are not any material changes needed.

fiscal year – the Connector JPA's fiscal year is July 1 through June 30.

full-time equivalent (FTE) – hours worked by one employee on a full-time basis - equal to 2,080 hours annually.

F

fund - group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Connector JPA reports only one fund – the General Fund.

fund balance – total amount remaining after current appropriations and other financing uses are subtracted from the sum of the beginning fund balance, revenue, and other financing sources.

G

General Fund – fund used for the capital program. The Connector JPA reports only this fund.

Government Finance Officers Association (GFOA) – GFOA was founded in 1906 to represent public finance officials throughout the United States and Canada. GFOA's mission is to promote excellence in state and local government financial management.

governmental funds – typically used to account for most of a government's activities, including those that are tax supported.

M

Modified accrual basis of accounting - recognizes revenue when it becomes measurable and available, while expenditures are recognized when the obligation to pay them is incurred.

P

performance measures – an important component of decision making, and at a minimum, are based on program goals and objectives, measure program results or accomplishments, provide for comparisons over time, measure efficiency and effectiveness, and are reliable, verifiable, and understandable.

R

RAISE - Rebuilding American Infrastructure with Sustainability and Equity, a Federal grant program

reimbursement – payment of an amount remitted on behalf of another party, department, or fund.

reserve – portion of a fund's balance that is available for appropriation but has been reserved for economic uncertainties.

resolution – written motion adopted by the Governing Board.

revenues – income received from various sources including intergovernmental taxes and fees, grants, and other contributions.

S

SACOG – Sacramento Area Council of Governments

salaries and benefits – employee salaries and benefits such as medical, dental, and retirement.

Sacramento County Pooled Investment Fund – pool of local agency funds managed by the Sacramento County Department of Finance.

STA – Sacramento Transportation Authority

CAPITAL | SOUTHEAST
CONNECTOR JPA
Connecting Communities

CAPITAL | SOUTHEAST
CONNECTOR JPA
Connecting Communities

ITEM 18 b

RESOLUTION 2024-12

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AUTHORITY
ADOPTING THE FISCAL YEAR 2024-25 WORK PLAN**

BE IT RESOLVED by the Board of Directors ("Board") of the Capital SouthEast Connector Joint Powers Authority ("Connector JPA") that the proposed Fiscal Year 2024-25 Work Plan for the Connector JPA presented to the Board at this meeting is hereby adopted in substantially the same form as attached hereto.

This Resolution shall take effect from and after its passage and adoption date.

* * * * *

PASSED AND ADOPTED this 31st day of May 2024, on a motion by

Director ___________, seconded by Director___________, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Chairperson

ATTEST:

____
Secretary

ITEM 18 c

RESOLUTION 2024-13

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AUTHORITY ADOPTING THE FISCAL YEAR 2024-25 BUDGET

BE IT RESOLVED by the Board of Directors ("Board") of the Capital SouthEast Connector Joint Powers Authority ("Connector JPA") that the proposed Fiscal Year 2024-25 Budget for the Connector JPA presented to the Board at this meeting is hereby adopted in substantially the same form as attached hereto.

This Resolution shall take effect from and after its passage and adoption date.

* * * * *

PASSED AND ADOPTED this 31st day of May 2024, on a motion by

Director ____________, seconded by Director____________, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Chairperson

ATTEST:

____
Secretary

ITEM 18 d

RESOLUTION 2024-14

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AUTHORITY ADOPTING THE MEMBER JURISDICTION CONTRIBUTION FOR THE FISCAL YEAR 2024-25

BE IT RESOLVED by the Board of Directors ("Board") of the Capital SouthEast Connector Joint Powers Authority ("Connector JPA") that each member jurisdiction shall contribute local funds in the amount of $50,000 for FY 2024-25.

This Resolution is intended to facilitate the expeditious transfer of funds from member jurisdictions to the Authority, pursuant to the Joint Exercise of Powers Agreement executed by each member jurisdiction.

This Resolution shall take effect from and after its passage and adoption date.

* * * * *

PASSED AND ADOPTED this 31st day of May 2024, on a motion by

Director ___________, seconded by Director____________, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Chairperson

ATTEST:

____
Secretary

ITEM 19

MEETING DATE: May 31, 2024

TITLE: Receive a Presentation on the formation of an Enhanced Infrastructure Finance District

PREPARED BY: Derek Minnema

RECOMMENDATION

Receive a presentation and provide input as desired.

HISTORY AND BACKGROUND

Earlier this year, the Board of Directors directed staff to identify strategic new funding sources to construct the 34-mile, 4-lane Connector project and to explore a long-term financing plan.

In addition to federal, state, and regional grant funding programs, staff has been researching additional funding and financing mechanisms to advance the project. One such mechanism includes an Enhanced Infrastructure Finance District ("EIFD").

An EIFD is a tool local governments use to fund infrastructure projects within a designated area. It involves the formation of a public financing authority by a local city or county.

An EIFD does not impose new taxes. Instead, it redirects a portion of the property tax increment created following establishing the base year set when the EIFD is formed.

The enhanced infrastructure financing district model for a multi-agency regional project has been recognized as an effective financing tool and implemented in several areas throughout the state.

TODAY'S PRESENTATION

Today's presentation by Constantine Baranoff, Partnerat Lozano Smith, and Jamie Gomes, Managing Director at Economic & Planning Systems, will provide an overview of how an EIFD could be formed to support the Connector project and how different scenarios will generate the revenue needed to construct the project in its entirety.

INTRODUCTION

Enhanced Infrastructure Financing Districts are districts that receive tax increment generated from the growth in property taxes collected from within a designated district boundary from certain entities that consent to an agreed-upon allocation of their property tax revenues. An EIFD does not engage in construction but is designed to finance infrastructure through an Infrastructure Financing District Plan ("EIFD Plan").

The creation of a public finance authority governs the implementation of the EIFD Plan. The statutory framework for EIFDs is in Government Code section 53398.50 et seq.

An EIFD does not impose new taxes. Instead, it redirects a portion of the property tax increment created following establishing the base year set when the EIFD is formed. EIFDs may only collect tax increment from those cities, counties, and special districts that voluntarily agree to contribute those funds. School districts, community colleges, and county offices of education may not participate in the EIFD process.

Unlike most financing districts, EIFD formation does not require a vote unless the formation process is opposed by more than 25% of the registered voters and landowners within the EIFD boundaries. The EIFD formation process is halted if there is a majority protest.

PERTINENT PRELIMINARY FORMATION DISCUSSION

Forming an EIFD is initiated by a county or a city that adopts a Resolution of Intention. This Resolution of Intention is followed by each participating taxing entity agreeing to join the EIFD formation process. At the outset of the formation process, the participating taxing entities agree to establish a public financing authority ("PFA") whose membership will include the members of the legislative bodies that form the district as well as at least two members of the public.

If there is more than one participating taxing entity, then the majority of the PFA board will be comprised of legislative members from the participating entities (Gov. Code, § 53398.51.1).

The boundaries of an EIFD may be non-contiguous and may include any portion of the participating taxing entities (Gov. Code, § 53398.55(c). Tax increment generated will come from within the EIFD boundaries. Recent legislation allows for project areas to be created with separate tax increment start dates (Gov. Code, § 53398.59(a).

EIFDS may finance any capital project with a useful life of at least 15 years. Facilities need not be located within the boundaries of the EIFD (Gov. Code, § 53398.52(a)(2).

Such facilities must be of community significance and benefit the EIFD or the surrounding community. Such facilities may also include traditional public works such as highways, interchanges, ramps and bridges, arterial streets, parking facilities, and transit facilities (Gov. Code, § 53398.52(b)(1).

An EIFD may only finance facilities that are in addition to those provided in the district's territory before the EIFD was created. Such facilities may not supplant facilities already available within the territory when the district was created but may supplement, rehabilitate, upgrade or make more sustainable those facilities (Gov. Code, § 53398.55).

There are special requirements that must be included within the EIFD Plan in the event any occupied dwelling units are proposed to be removed or destroyed in the course of public works construction or by private development within the area of the EIFD that is subject to a written agreement with the EIFD or financed in whole or in part by the EIFD (Gov. Code, § 53398.56).

Specific EIFD formation steps are found in Government Code section 53398.59 et seq, and include holding three noticed public hearings, distribution of multiple mailed notices along with CEQA documentation, adoption of the EIFD Plan by each of the participating taxing entities, and the adoption of the EIFD Plan by the PFA board.

EIFD PLAN

The EIFD Plan forms the heart of the EIFD. It shall be consistent with the general plan and specific plan, if applicable, of the city or county within which the EIFD is located (Gov. Code, § 53398.63). It is designed to lay out what the EIFD may finance, how much tax increment will be contributed by each participating agency and in what amount, the different revenue sources the EIFD may utilize, the term of the EIFD, and a fiscal analysis of the impacts the financed project will have on the participating taxing entities. The EIFD Plan is developed by a consultant who, among other things, analyzes the fiscal impact and the level of tax increment available from the subject parcels.

USE AND VIABILITY OF THE EIFD TOOL BY THE CONNECTOR JPA

As the Connector JPA does not collect tax increment, it may not participate as member of the EIFD. However, because the purpose of the EIFD is to finance infrastructure to be built by the Connector JPA, the Connector JPA plays a part in both the EIFD formation and its implementation.

As a point of context, the recently formed Mossdale EIFD located within the communities of Lathrop, Manteca, Stockton and unincorporated San Joaquin County used the San Joaquin Area Flood Control Agency (which is a JPA) as the entity that spearheaded the formation efforts for that district. Mossdale EIFD was explicitly created to finance flood control projects that the San Joaquin Area Flood Control District would construct.

PFA BOARD MEMBERSHIP

As discussed above, the membership of the PFA Board must consist of a majority of the legislative bodies of the participating taxing entities plus at least two members of the public. As the Connector JPA consists of two counties and three cities, having as much overlap with the Connector JPA board and the PFA board as possible makes sense. To that end, Government Code section 53398.51.1, subdivisions (a) and (f) provide, in relevant part, as follows:

> (a) The public financing authority shall have a membership consisting of one of the following, as appropriate:
>
> > (3) If a district has more than three participating affected taxing entities, the legislative bodies of the taxing entities may, upon agreement by all participating affected taxing entities, appoint only one member and one alternate member of their respective legislative bodies to the public financing authority, and a minimum of two members of the public chosen by the legislative bodies of the participating entities. The appointment of the public members shall be subject to the provisions of sections 54970 and 54972.
> >
> > (4) For purposes of this subdivision, "legislative body" may include a directly elected mayor of a charter city who is not a member of the city's legislative body under the city's adopted charter.
>
> (f) Notwithstanding any other law, any member of the legislative body of a participating affected taxing entity who serves as a member of the public financing authority pursuant to this section may also serve as a member of the governing body of an agency or entity formed pursuant to an agreement for the joint exercise of power that the participating affected taxing entity has entered into in accordance with the Joint Exercise of Powers Act (Chapter 5 (commencing with § 6500) of Division 7 of Title 1).

Accordingly, to the extent desired by the parties (and the level of participation by the taxing entities), the PFA Board membership may include membership in common with the Connector JPA.

BOUNDARY OF THE EIFD AND IMPACT ON FORMATION PROCESS

The boundary of an EIFD is designed to include the territory from which the tax increment will be generated. A city or a county may initiate the EIFD formation process by adopting the Resolution of Intention.

Because the Connector JPA membership includes two counties and three cities and its jurisdiction includes the entirety of both Sacramento and El Dorado County, a practical consideration would need to be made as to how large the EIFD boundary would be.

REDEVELOPMENT AGENCY DISSOLUTION PRECONDITIONS

Our research shows that four out of five Connector JPA members had redevelopment agencies. These agencies are Sacramento County, El Dorado County, the City of Folsom, and the City of Rancho Cordova.

Reaching out to each entity participating with a due diligence checklist will be necessary to ensure they have complied with the dissolution preconditions before commencing the EIFD formation process. As it has been at least ten years since redevelopment agencies were dissolved, the preconditions have likely been satisfied.

COMBINING OF REVENUE STREAMS & REVENUE AMOUNTS

As noted above, the Connector JPA may not form the EIFD. Rather, the role of the Connector JPA in connection with the EIFD would be to utilize the EIFD revenues to finance projects either on a pay-as-you-go basis, by using financing proceeds raised by a PFA financing, or by bundling both EIFD revenues and CFD/assessment revenues levied by the Connector JPA.

Any of these models involving EIFD revenues would involve a series of agreements by and between the PFA, the Connector JPA, and the participating taxing entities.

There have been only a handful of tax increment bond issues because the tool is still relatively new. However, the level of issuances should increase as the number of established EIFDs starts to climb and the level of tax increment that may be leveraged in financing starts to increase.

In terms of revenues raised via an EIFD platform, the actual amount depends on a variety of factors, including EIFD boundary, market forces, and the willingness of participating taxing entities to contribute tax increments and in what amounts.

EIFD REVENUE PROJECTIONS

Lozano Smith and EPS explored two potential geographic scenarios: a 1-mile boundary around the entire alignment and a limited boundary within the City of Rancho Cordova. The team explored two different percentages of tax increment availability: capturing 50% or 100% of the estimated available tax increment. Below is a summary of the two potential boundaries and associated revenue scenarios.

Scenario 1: Entire Alignment 1-mile Boundary

- In 2050 (SACOG Blueprint Plan Year), the incremental assessed value growth within a 1-mile boundary of the alignment is approximately $13 billion.
  - An EIFD with this same boundary capturing 100% of the estimated available tax increment, would generate a cumulative total of $420.5 million in revenue between 2023 and 2050.
  - An EIFD within this same boundary, capturing 50% of the estimated available tax increment, would generate a cumulative total of $210.3 million in revenue between 2023 and 2050.

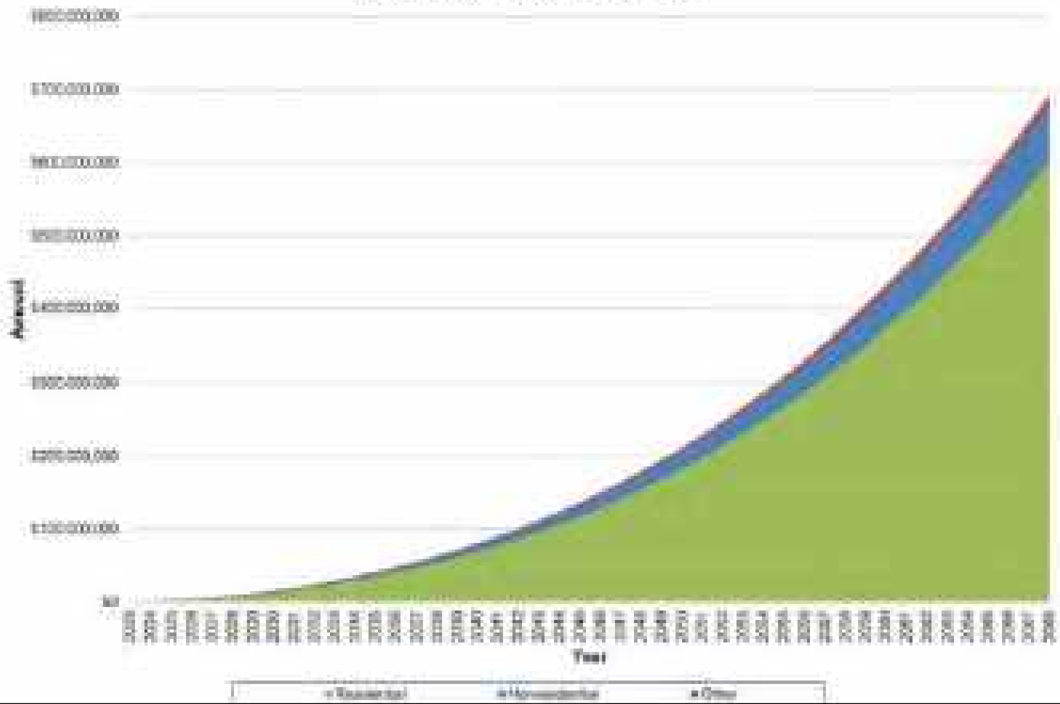
Scenario 2: Limited Rancho Cordova Boundary

- In 2050 (SACOG Blueprint Plan Year), the incremental assessed value growth within a limited boundary in the City of Rancho Cordova is approximately $37 billion and would result in approximately $374 million in revenue from the 1 percent property tax. The City of Rancho Cordova is set to receive approximately 12.63 percent of the 1 percent ad valorem property tax.
  - An EIFD with this same boundary capturing 100% of the estimated available tax increment, would generate a cumulative total of $508.1 million in revenue between 2023 and 2050.
  - An EIFD within this same boundary, capturing 50% of the estimated available tax increment, would generate a cumulative total of $254.0 million in revenue between 2023 and 2050.

Based on the assumptions of the two different scenarios, the sub area within the City of Rancho Cordova would generate a higher tax increment than the 1-mile buffer surrounding the Connector. The large gap is a result of including future growth/new development in Scenario 2 as opposed to Scenario 1.

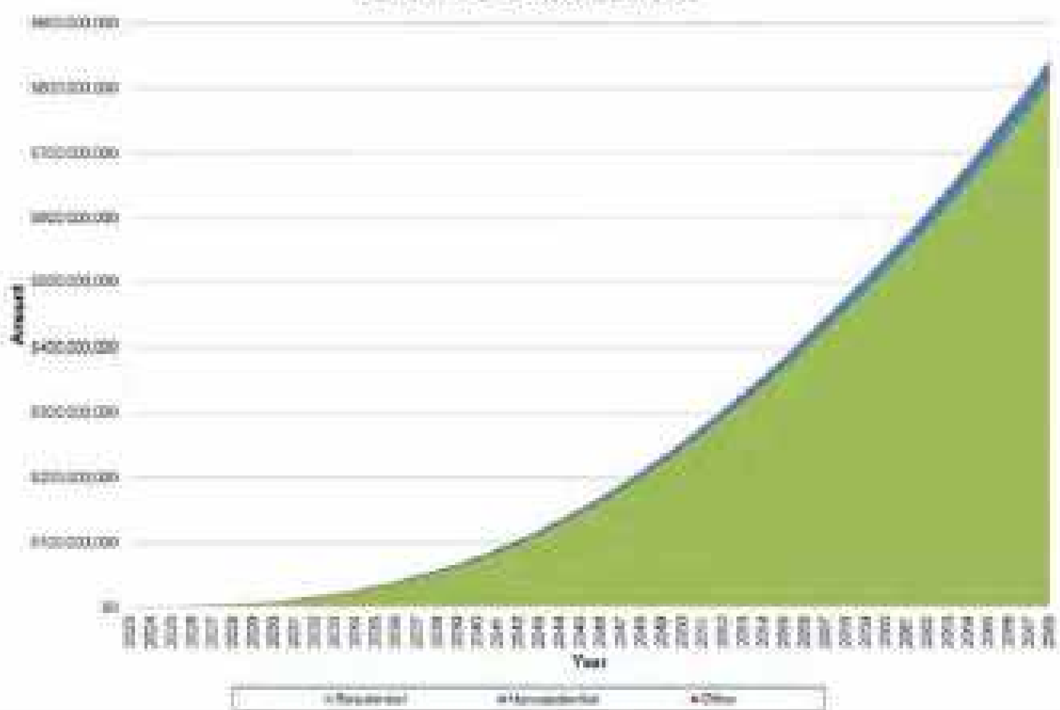
Scenario 1

Cumulative EIFD Revenue at 50%



Scenario 2

Cumulative EIFD Revenue at 50%



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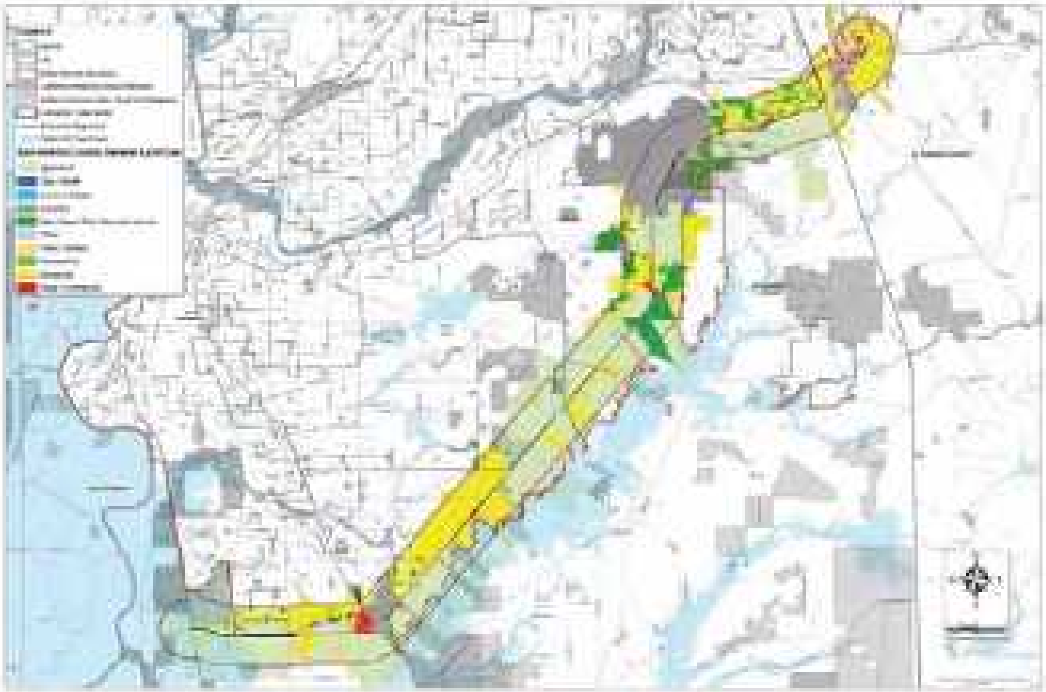
Scenario 1 – Entire Connector alignment with one-mile boundary



Scenario 2 – Sunrise Blvd east to the Rancho Cordova City limits boundary

Table 1, Annual Revenue Generation

Capital SouthEast Connector JPA EIFD Feasibility
Summary of Initial Estimate of Projected Incremental Revenue - Annual

Fiscal Year	Scenario 1 Estimated Available Tax Increment - Annual		Scenario 2 Estimated Available Tax Increment - Annual	
	1 mile Boundary @ 50%	1 mile Boundary @ 100%	Rancho Cordova @ 50%	Rancho Cordova @ 100%
2023	$389,712	$779,423	$135,605	$251,811
2024	$781,068	$1,562,137	$326,050	$648,101
2025	$1,204,356	$2,408,712	$566,851	$1,133,702
2026	$1,629,952	$3,259,903	$870,403	$1,740,807
2027	$2,068,223	$4,136,446	$1,230,428	$2,460,856
2028	$2,519,548	$5,039,095	$1,494,869	$2,989,739
2029	$2,984,316	$5,968,612	$1,820,548	$3,641,067
2030	$3,462,929	$6,925,859	$2,363,871	$4,727,742
2031	$3,955,841	$7,911,682	$3,026,631	$6,053,263
2032	$4,463,357	$8,926,713	$3,818,238	$7,636,476
2033	$4,986,035	$9,972,060	$4,707,253	$9,414,505
2034	$5,524,287	$11,048,574	$5,636,806	$11,273,612
2035	$6,078,578	$12,157,157	$6,417,483	$12,834,965
2036	$6,649,388	$13,298,776	$7,237,381	$14,474,763
2037	$7,237,209	$14,474,418	$8,098,154	$16,196,307
2038	$7,842,550	$15,685,130	$9,001,913	$18,003,826
2039	$8,405,934	$16,821,868	$9,982,185	$19,964,371
2040	$9,107,980	$18,215,798	$11,028,918	$22,056,836
2041	$9,769,062	$19,538,086	$12,125,872	$24,259,143
2042	$10,449,813	$20,899,627	$13,284,118	$26,568,236
2043	$11,150,922	$22,301,844	$14,397,654	$28,795,307
2044	$11,872,934	$23,745,868	$15,563,601	$31,127,803
2045	$12,616,475	$25,232,950	$16,783,796	$33,567,593
2046	$13,382,187	$26,764,374	$18,060,758	$36,121,516
2047	$14,170,733	$28,341,466	$19,396,687	$38,793,374
2048	$14,982,795	$29,965,591	$20,793,973	$41,587,945
2049	$15,819,076	$31,638,153	$22,255,094	$44,510,188
2050	$16,680,300	$33,360,600	$23,628,487	$47,256,974
2051	$17,567,212	$35,134,424	$24,421,971	$48,843,943
2052	$18,480,579	$36,961,158	$25,239,255	$50,478,510
2053	$19,421,193	$38,842,385	$26,081,051	$52,162,103
2054	$20,389,867	$40,779,733	$26,948,080	$53,896,162
2055	$21,387,440	$42,774,880	$27,841,146	$55,682,292
2056	$22,414,776	$44,829,552	$28,760,982	$57,521,964
2057	$23,472,765	$46,945,530	$29,709,407	$59,418,813
2058	$24,562,323	$49,124,648	$30,684,246	$61,368,496
2059	$25,684,393	$51,368,785	$31,689,359	$63,378,717
2060	$26,839,947	$53,679,894	$32,724,610	$65,449,232
2061	$28,029,987	$56,059,973	$33,790,924	$67,581,849
2062	$29,255,542	$58,511,085	$34,888,210	$69,779,431
2063	$30,517,676	$61,035,353	$36,026,449	$72,048,897
2064	$31,817,482	$63,634,963	$37,195,612	$74,371,224
2065	$33,156,085	$66,312,170	$38,385,723	$76,771,446
2066	$34,534,646	$69,069,292	$39,621,830	$79,243,660
2067	$35,954,360	$71,908,730	$40,896,813	$81,799,626
2068	$37,416,457	$74,832,914	$42,206,384	$84,412,768
Total	**$691,158,134**	**$1,382,316,262**	**$841,129,998**	**$1,682,259,996**

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Table 2, Cumlative Revenue

Capital SouthEast Connector JPA EIFD Feasibility
Summary of Initial Estimate of Projected Incremental Revenue - Cumulative

Fiscal Year	Scenario 1 Estimated Available Tax Increment - Cumulative		Scenario 2 Estimated Available Tax Increment - Cumulative	
	1-mile Boundary @ 50%	1-mile Boundary @ 100%	Rancho Cordova @ 50%	Rancho Cordova @ 100%
2023	$385,232	$770,463	$125,806	$251,611
2024	$1,190,800	$2,381,600	$445,856	$891,711
2025	$2,385,156	$4,770,312	$1,012,707	$2,025,413
2026	$4,015,108	$8,030,215	$2,352,704	$4,705,408
2027	$6,083,330	$12,166,661	$3,113,628	$6,227,256
2028	$8,602,878	$17,205,756	$4,608,496	$9,216,992
2029	$11,587,194	$23,174,388	$6,929,044	$13,858,088
2030	$15,095,124	$30,190,247	$8,782,915	$17,565,830
2031	$19,005,625	$38,011,249	$11,919,547	$23,839,093
2032	$23,469,281	$46,938,562	$15,637,785	$31,275,570
2033	$29,455,316	$58,910,632	$20,346,037	$40,692,075
2034	$33,979,600	$67,959,200	$25,981,843	$51,963,687
2035	$40,058,191	$80,116,383	$32,399,326	$64,798,652
2036	$46,707,569	$93,415,139	$39,636,707	$79,273,415
2037	$53,944,779	$107,889,558	$47,734,861	$95,469,722
2038	$61,787,329	$123,574,658	$56,736,374	$113,472,748
2039	$70,263,263	$140,526,526	$66,718,559	$133,437,118
2040	$79,361,163	$158,722,325	$77,746,578	$155,493,155
2041	$89,130,165	$178,260,330	$89,871,649	$179,743,298
2042	$99,579,979	$199,159,957	$103,155,767	$206,311,534
2043	$110,730,900	$221,461,801	$117,553,421	$235,106,841
2044	$122,603,835	$245,207,670	$133,116,922	$266,233,843
2045	$135,220,310	$270,440,620	$149,900,718	$299,801,436
2046	$148,602,497	$297,204,994	$167,961,476	$335,922,952
2047	$162,773,230	$325,546,460	$187,358,163	$374,716,326
2048	$177,756,025	$355,512,051	$208,152,135	$416,304,271
2049	$193,575,102	$387,150,204	$239,407,229	$478,814,458
2050	$210,255,402	$420,510,808	$254,935,716	$509,871,432
2051	$227,922,614	$455,845,229	$279,457,689	$558,915,378
2052	$246,393,193	$492,786,386	$303,651,943	$607,303,885
2053	$265,723,386	$531,446,771	$329,777,984	$659,555,968
2054	$286,114,253	$572,228,505	$356,726,093	$713,452,186
2055	$307,591,692	$615,183,384	$394,567,236	$789,134,472
2056	$329,916,469	$659,832,937	$413,328,219	$826,656,438
2057	$353,388,233	$706,776,467	$449,936,625	$899,873,249
2058	$377,951,556	$755,903,112	$473,720,873	$947,441,746
2059	$403,635,849	$807,271,697	$505,410,231	$1,010,820,462
2060	$430,475,896	$860,951,791	$538,134,847	$1,076,269,694
2061	$458,505,852	$917,011,704	$571,925,772	$1,143,851,543
2062	$487,761,424	$975,522,849	$606,814,937	$1,213,629,874
2063	$518,278,101	$1,036,556,201	$642,935,436	$1,285,870,872
2064	$550,096,583	$1,100,193,165	$680,921,048	$1,361,842,096
2065	$583,252,667	$1,166,505,335	$718,406,771	$1,436,813,541
2066	$617,787,314	$1,235,574,627	$758,328,601	$1,516,657,201
2067	$653,741,674	$1,307,483,347	$798,923,614	$1,597,847,227
2068	**$691,158,131**	**$1,382,316,262**	**$841,129,996**	**$1,682,259,991**

REVENUE VS. BOND FINANCING

It's important to note that revenue is different from the ability to issue bonds and secure financing to obtain funding for construction within the first ten years.

Del Rio Advisors, LLC performed a preliminary financing analysis for Scenario 1, which assumed a bond issue in 2025, another in 2028, and a final one in 2031 (10-year buildout). The bonds were sized to 1.25x coverage, picking up the following year's tax increment, which assumes projects are underway but have not yet hit the tax roll. It also assumed a current interest rate between BBB+ (5.32%) and A (4.68%), so an A- (5.00%) with a 25bp (0.25%) cushion (5.25%). The preliminary analysis showed:

- $112.945 million in bonds over three series, which spans a period of 10 years (100% tax increment)
- $56.465 million in bonds over three series, which spans a period of 10 years (50% tax increment)

TYPICAL INITIAL STEPS

Most EIFD formation proceedings begin the preparation of the Infrastructure Financing Plan months in advance of the first Public Financing Authority meeting

1. prepare the boundary map of the EIFD
2. identify the facilities to be financed.
3. identify the landowners and identify residents who are over 18 years of age within the proposed boundaries.
4. confirm that successor agency for former redevelopment agency has received finding of completion.
5. identify Public Financing Authority legislative body membership;
6. identify Public Financing Authority public membership