NOVEMBER 15

2024

BOARD MEETING

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WWW.CONNECTORJPA.NET
10640 Mather Blvd., Suite 120 · Mather, CA 95655
Tel: (916) 876-9094

Regular Meeting of the Capital SouthEast Connector JPA Board of Directors

Date: Friday, November 15, 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 Year-End Report

Consent Calendar Items

5. Approve Action Minutes of the August 30, 2024, Regular Board Meeting

6. Notable Media Articles and Community Update Mailer (Receive and File)

7. Quarterly Report of Activities (Receive and File)

8. Report to the Measure A Independent Taxpayer Oversight Committee (Receive and File)

9. Approve Release of a Request for Proposals for Legal Services for the Connector JPA
- Resolution 2024-17

10. Authorize the Executive Director to Execute an Amendment to the Agreement with Bryant Government Affairs for $67,500 for Transportation Funding Consulting and Government Relations
- Resolution 2024-18

11. Accept the Fiscal Year 2023-2024 Annual Comprehensive Financial Report
- Resolution 2024-19

12. Adopt 2025 Connector JPA Regular Board Meeting Schedule
- Resolution 2024-20

Discussion and Action Items

13. Authorize the Executive Director to Execute a Funding Agreement with the County of Sacramento for the Connector Project on Grant Line Road
- Resolution 2024-21

14. Authorize the Executive Director to Execute an Amended and Restated Agreement with Dokken Engineering, Inc. for Civil and Structural Design Services, Land Surveying, Right of Way Support, Environmental Services, Stakeholder Outreach, and Engineering Construction Support Services for the Connector Project on Grant Line Road
- Resolution 2024-22

15. Authorize Staff to Submit a Funding Application to the California Transportation Commission for the SB 1 Trade Corridor Enhancement Program
- Resolution 2024-23

16. Recognition and Acknowledgement of Director John Hidahl's Service to the Connector JPA
- Resolution 2024-24

17. Announcements or Final Comments from Board Members

ADJOURN

The next meeting of the Capital SouthEast Connector JPA Board will be held on **February 28, 2025*** City of Rancho Cordova City Hall, Council Chambers 2729 Prospect Park Drive, Rancho Cordova, CA 95670 *Date subject to Board approval of the 2025 JPA Board meeting schedule

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.

ITEM 4

MEETING DATE: November 15, 2024

TITLE: Executive Director's Report

PREPARED BY: Derek Minnema

Each meeting the Executive Director provides an oral report to the Board. The Executive Director will update the Board on the agency's activities at the meeting.

ITEM 5

MEETING DATE: November 15, 2024

TITLE: Action Minutes of the August 30, 2024, Regular Board Meeting

PREPARED BY: Derek Minnema

RECOMMENDATION

Approve Action Minutes of the August 30, 2024, Regular Board Meeting.

ACTION MINUTES

The Capital SouthEast Connector JPA Board of Directors met at its Regular Board Meeting on August 30, 2024, in the City of Rancho Cordova City Hall Council Chambers, located at 2729 Prospect Park Drive, Rancho Cordova, CA.

Call to Order Chair Gatewood called the meeting to order at 8:35 a.m.

Roll Call Present: Directors Gatewood, Hidahl, Kozlowski, Hume, Robles

Public Comments on Non-Agenda Items

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

Open Session

Item #4: Executive Director's Report

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

There were no comments from the public on this item.

Consent Calendar Items

A motion was made by Director Kozlowski and seconded by Director Hidahl and passed by unanimous vote that:

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

Item #5: Approve Action Minutes of the May 31, 2024 Board Meeting

Item #6: Adopt Revisions to the Travel Policy, Resolution 2024-15

Item #7: Quarterly Report of Activities (Receive and File)

Item #8: Notice of Award from the Government Finance Officers Association (Receive and File)

Item #9: Notice of Funding Award by the United States Department of Transportation (Receive and File)

Item #10: Notice of Approval of Project for Future Funding Consideration by the California Transportation Commission (Receive and File)

Item #11: Authorize the Executive Director to issue Notices of Decision to Appraise Affected Property Owners on Grant Line Road and White Rock Road, Resolution 2024-16

Item #12: Notable Media Articles (Receive and File)

There were no comments from the public on this item.

Discussion and Action Items

Item #13: 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 9:02 a.m.

APPROVAL OF ACTION MINUTES FOR AUGUST 30, 2024

Approved By:	Attest:
____________________________	____________________________
Garrett Gatewood Chair of the Board	Derek Minnema Board Secretary

ITEM 6

MEETING DATE: November 15, 2024

TITLE: Notable Media Articles and Community Update Mailer (Receive and File)

PREPARED BY: Matt Lampa

RECOMMENDATION

Receive and File this media summary.

MEDIA SUMMARY

- Back to School: Prioritizing Safety for Families on Grant Line Road – *"As the school year begins, the familiar challenges of commuting along Grant Line Road are once again at the forefront of concerns for many families in Rancho Cordova and Folsom. The road's current condition is more than just an inconvenience—it is a danger. The Capital SouthEast Connector Expressway is not just about repairing a dangerous roadway; it's about transforming it into a modern, efficient, and safe corridor that meets the needs of our growing population."* **The Grapevine Independent**

- Saluting Labor: SouthEast Connector Paves Path to Opportunity – *"This expressway project stands as a testament to how public infrastructure can create equitable opportunities for individuals and enhance the region's quality of life. By providing jobs and opening doors for career-seeking individuals, the Connector is building pathways to better lives. The laborers who bring these projects to life do so with skill, dedication, muscle and sweat. Their work is about more than just laying asphalt and concrete; it is about creating opportunities, enhancing safety, and producing economic prosperity."* - **The Elk Grove Citizen**

- Connector Provides 'Simple Pleasure of Riding a Bike – *"The new Connector trail will traverse southern Sacramento County's diverse landscapes, connecting users to small communities and scenic views along the way. Many new developments near the bike trail route have incorporated the trail into their design plans, giving residents the ability to go shopping or visit friends in nearby communities without using their cars. Safety is the forefront of the Capital SouthEast Connector's bike trail. Pedestrians and bicyclists are completely separated from vehicular traffic,* *eliminating the need to share narrow roads with speeding cars—a crucial feature for safety and enjoyment."* **– River Valley Times**

- The Capital SouthEast Connector: A Lifeline for Public Safety and Emergency Response – *"Every second counts in an emergency. Whether it is a medical crisis, a fire, or a flood, first responders need reliable, safe, and efficient routes to reach people in need. The Capital SouthEast Connector will be a crucial thoroughfare for emergency vehicles, reducing response times and ensuring that help arrives as quickly as possible."* **– The Grapevine Independent**

COMMUNITY UPDATE MAILER

As part of our continuing work on Grant Line Road and White Rock Road, staff has prepared a project notification flyer directing residents to the JPA website for project information and updates. Information on the flyer is printed in English, Spanish, Chinese, Vietnamese, Russian, and Hmong to address the diverse population adjacent to the Corridor and ensure our outreach is inclusive and equitable.

Staff has communicated with the Elk Grove Unified and Folsom-Cordova Unified School Districts about the Project details and timeline. McGarvey Elementary School, within the EGUSD and located in the neighborhood immediately adjacent to Grant Line Road, distributed the flyer to their email distribution list of approximately 1,700 email addresses. Additionally, on November 14th a hard copy of the flyer will be mailed to 6,300 addresses adjacent to the corridor.

The Capital SouthEast Connector's public outreach program is central to maintaining transparency, fostering community support, and ensuring the project's success. Through ongoing communication and engagement, staff is committed to keeping Sacramento County residents informed, involved, and supportive of this transformative infrastructure project.

ATTACHMENTS

a. Community Update Mailer

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CAPITAL SOUTHEAST CONNECTOR PROJECT UPDATE

ACTUALIZACIÓN DEL PROYECTO CONECTOR CAPITAL SOUTHEAST

首府东南连接项目更新

CẬP NHẬT DỰ ÁN CAPITAL SOUTHEAST CONNECTOR

ОБНОВЛЕНИЕ ПРОЕКТА CAPITAL SOUTHEAST CONNECTOR

KEV HLOOV KHO NTAWM CAPITAL SOUTHEAST CONNECTOR PROJECT

The Capital SouthEast Connector Project is currently underway and will transform White Rock and Grant Line Roads into a modern expressway.

This project will enhance safety, reduce congestion, and improve travel for all users in the Sacramento region.
To learn more about the project, please visit our website at www.SouthEastConnectorExpressway.com or scan the QR code below.

El Proyecto Conector Capital SouthEast está en curso y transformará White Rock y Grant Line Roads en una autopista moderna.

Este proyecto mejorará la seguridad, reducirá la congestión y mejorará los viajes para todos los usuarios en la región de Sacramento.
Para obtener más información sobre el proyecto, visite nuestro sitio web en www.SouthEastConnectorExpressway.com o escanee el código QR a continuación.

首府东南连接项目正在进行中，将把White Rock和Grant Line Roads改造成一条现代化的快速公路。该项目将提高安全性，减少拥堵，并改善萨克拉门托地区所有用户的出行体验。

该项目将提高安全性，减少拥堵，并改善萨克拉门托地区所有用户的出行体验。
欲了解更多项目详情，请访问我们的网站**www.SouthEastConnectorExpressway.com**或扫描以下二维码。

Dự án Capital SouthEast Connector hiện đang được triển khai và sẽ nâng cấp đường White Rock và Grant Line thành một xa lộ hiện đại.

Dự án này sẽ cải thiện an toàn, giảm tắc nghẽn giao thông và nâng cao điều kiện đi lại cho tất cả người dân trong khu vực Sacramento.
Để biết thêm thông tin về dự án, vui lòng truy cập trang web của chúng tôi tại www.SouthEastConnectorExpressway.com hoặc quét mã QR dưới đây.

Проект Capital SouthEast Connector в настоящее время находится в разработке и преобразует White Rock и Grant Line Roads в современное скоростное шоссе.

Этот проект улучшит безопасность, снизит заторы и улучшит транспортные условия для всех пользователей в регионе Сакраменто.
Чтобы узнать больше о проекте, посетите наш веб-сайт www.SouthEastConnectorExpressway.com или отсканируйте QR-код ниже.

Lub Capital SouthEast Connector Project tab tom ua haujlwm thiab yuav hloov kho White Rock thiab Grant Line Roads ua ib txoj kev loj niaj hnub no.

Qhov kev pab cuam no yuav txhim kho kev nyab xeeb, txo kev kub ntxhov, thiab txhim kho kev mus los rau cov neeg siv hauv cheeb tsam Sacramento. Yog xav paub ntau ntxiv txog qhov kev pab cuam, thov mus saib peb lub website ntawm www.SouthEastConnectorExpressway.com los yog luam tus QR code hauv qab no.

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Capital Southeast Connector JPA

10640 Mather Blvd., Suite 120
Mather, CA 95655

www.ConnectorJPA.com

ITEM 7

MEETING DATE: November 15, 2024

TITLE: Quarterly Report of Activities (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 9/30/2024

Kammerer Road

- Coordination with the City of Elk Grove on Caltrans performance audit
- Coordination with the City of Elk Grove regarding the design of Segment A1 and adjacent development infrastructure.

Grant Line Road

- Prepare TCEP Cycle 4 grant funding application.
- Attend CTC meetings.
- Coordination with the County of Sacramento and the City of Rancho Cordova on adjacent development infrastructure along Grant Line Rd.
- Continued work on utility coordination and engineering design between Chryanthy Blvd and White Rock Rd.
- Coordination with Caltrans regarding the USDOT RAISE grant.
- Prepare and submit SB 1 quarterly progress reports to Caltrans and CTC.

White Rock Road

- Continued work on project base mapping, utility coordination, and preliminary engineering for the White Rock Trail project.
- Coordination with City of Folsom and El Dorado County regarding adjacent development infrastructure.

SUMMARY OF MITIGATION ACTIVITIES QUARTER ENDING 9/30/2024

- 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. Quarterly Reports

Project Name: Capital SouthEast Connector - Capital

Measure A Capital Projects

Quarterly Status Report

PROJECT INFO

Quarter Ended:	09/30/2024	Fiscal Year:	2025	Reporting Quarter:	1
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:	$	38,425,445
Previous Contract(s) Spending:	$	(38,425,445)
Current Contract Award:	$	4,703,317
Current Contract Reimbursement:	$	(3,062,237)
Expended This Quarter:	$	(147,048)
Total Remaining:	$	1,494,031

Projected Spending by Fiscal Year	
2025	550,000
2026	550,000
2027	400,000
2028	200,000
2029	0

Federal and State Funds Awarded: $ 150,300,000

PROJECT MILESTONES

	Begin	Planned Completion	Completed
Project Study Environmental			03/07/2012
(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:
- **Segment A:**
  - A1 - 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:**
  - D3b rail crossing planning is ongoing.

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 design and 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:	09/30/2024	Fiscal Year:	2025	Reporting Quarter:	1
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
Previous Contract(s) Spending:	$	0
Current Contract Award:	$	2,000,000
Current Contract Reimbursement:	$	(150,616)
Expended This Quarter:	$	(95,984)
Total Remaining:	$	1,753,400

Projected Spending by Fiscal Year	
2025	3,727,000
2026	700,000
2027	300,000
2028	0
2029	0

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			09/17/2019
Right-of-Way Phase	01/26/2024	06/30/2026	
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 meetings in support of upcoming TCEP funding application. Coordination with FHWA and Caltrans regarding RAISE funding agreement. Completed topographic and boundary surveys, and utility coordination. Initiated preliminary engineering and preparation of geometric approval drawings. Initiated drainage analysis and design. Coordination with City and County related to developments adjacent to the alignment. Coordination with STA and SACOG regarding state funding priorities. Prepare funding application for TCEP cycle 4.

Anticipated Activities Next Quarter
Continued coordination with City and County regarding design and developments adjacent to the alignment. Coordination with STA and SACOG regarding State funding priorities. Submit finding application to CTC for TCEP cycle 4. Continued coordination with FHWA and Caltrans on RAISE funding agreement. Continue work on engineering and drainage design. Initiate preliminary right of way activities.

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:	09/30/2024	Fiscal Year:	2025
Reporting Quarter:	1		
Agency:	Capital SouthEast Connector	Project Mgr:	Derek Minnema
		Phone and Email:	916-876-9097 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:	$	(4,524,375)
Expended This Quarter:	$	(12,465)
Total Remaining:	$	463,160

Projected Spending by Fiscal Year	
2025	475,625
2026	0
2027	0
2028	0
2029	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% (9th of 11 positions selected)

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 8

MEETING DATE: November 15, 2024

TITLE: Report to the Measure A Independent Taxpayer Oversight Committee

PREPARED BY: Matt Lampa

RECOMMENDATION

Receive and file the Connector Comprehensive Project Status Report provided to the Independent Taxpayer Oversight Committee on September 26, 2024.

BACKGROUND

The passage of Measure A in 2004 established an Independent Taxpayer Oversight Committee (ITOC). The ITOC was created to ensure Measure A funds are used as intended under the Ordinance and Expenditure Plan. Acting as an independent advisory resource to the Sacramento Transportation Authority (STA) Governing Board, the ITOC conducts public meetings to review audits, expenditures, and program performance, aiming to maintain transparency and accountability.

Part of the ITOC's responsibilities includes Quarterly Reviews that provide regular updates on the status of capital projects and ongoing programs. In April 2024 STA staff, on behalf of the ITOC, requested JPA staff provide a project update to the ITOC. Staff prepared a Comprehensive Project Status Report (Report) outlining the Connector's purpose, benefits, scope, progress, and support.

On September 26, 2024, JPA staff presented the Report to the ITOC and STA staff. The report and information were well received by the ITOC. Staff would like to thank STA and the ITOC for allowing us to provide a comprehensive update on the Connector. A copy of the Report is attached for reference.

ATTACHMENTS

a. Connector Comprehensive Project Status Report available here: https://connectorjpa.com/financial-reports

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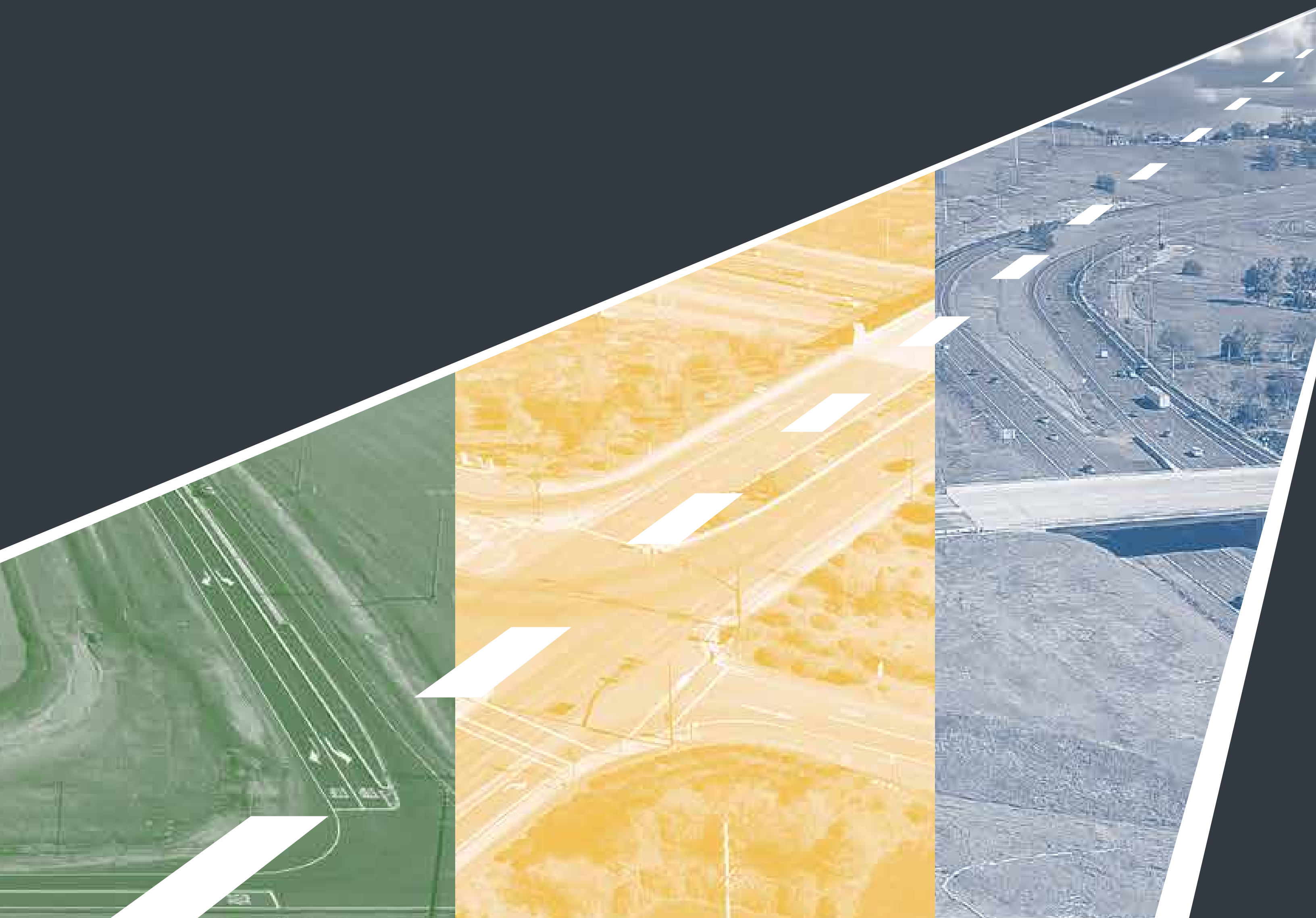
COMPREHENSIVE PROJECT STATUS REPORT

to the SACRAMENTO COUNTY MEASURE A INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

CAPITAL SOUTHEAST CONNECTOR PROJECT



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COMPREHENSIVE PROJECT STATUS REPORT

to the SACRAMENTO COUNTY MEASURE A INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

CAPITAL SOUTHEAST CONNECTOR PROJECT

MESSAGE FROM THE EXECUTIVE DIRECTOR

As the civil engineer and chief executive who has led the Capital SouthEast Connector project for over a decade, I have learned how crucial this project is to Sacramento County's future. The Capital SouthEast Connector is much more than a transportation solution—it is our region's economic and transportation development backbone, and a necessary response to the ever-growing demand for safe, efficient, and sustainable ways for people and goods to travel through the area.

The Connector's strategic purpose is to improve traffic flow and link growing residential areas to employment centers and business parks while preserving agricultural operations, open space, and the environment. The route bypasses downtown Sacramento traffic by connecting Interstate 5 and Highway 99 near Elk Grove to Highway 50 in Folsom and El Dorado Hills.

The Connector is the southern loop of a beltway around Sacramento that state planners suggested in the 1970s to avoid traffic congestion. Unfortunately, Caltrans abandoned other portions of the envisioned beltway. However, the southern portion remains a viable solution to the region's traffic challenges.

To construct the project, Sacramento County voters overwhelmingly approved Measure A in 2004, authorizing a transportation sales tax to fund it. This project was the only road project explicitly named on the ballot statement. It became a cornerstone of the campaign and was envisioned as a major initiative that would link growing communities, improve mobility, and stimulate economic growth.

Measure A's spending formula allocated a small portion of the revenue to the Connector project, and other transportation projects have received the lion's share of the tax revenue. The Connector has received about $43 million in capital funds, less than half of its initial promise, and less than 2 percent of the $2 billion the sales tax has generated.

What funds the project has received have been leveraged as matching funds and used efficiently. The Connector JPA has completed CEQA review for the entire project and obtained its environmental permits. Eleven miles of the project are complete, and another nine miles are currently underway with final engineering design.

The planned Capital SouthEast Connector is a well-considered solution to one of the Sacramento region's growing transportation needs. It will greatly improve local and regional travel, enhance access to business and manufacturing, facilitate the movement of agricultural and other goods in our supply chain, and offer a new safe travel alternative for bicyclists and pedestrians.

We hope to enlist your support for the Connector locally and with state and federal agencies as we seek funds. In the following pages, you will learn of the Capital SouthEast Connector's history, what challenges we face to finish the job so that voters know their wishes are being followed, and how we completed 11 project miles, including two new highway interchanges and grade separated a previously dangerous railroad crossing.

I encourage you to stay connected and get involved with our ongoing efforts, and contact us with any questions you might have. We welcome you to our quarterly board meetings, and you can sign up for our email updates at www.connectorjpa.com.

Thank you for participating on the Independent Taxpayer Oversight Committee, helping fulfil Measure A's promise to build this road, and for working with us to meet the needs of our growing communities.

Sincerely,

Derek Minnema

Derek Minnema

CONTENTS

BACKGROUND AND IMPORTANCE

The Capital SouthEast Connector project is one of the most important infrastructure initiatives in Sacramento County. Its importance is rooted in three key components that reinforce why the project is necessary and essential for the future growth and sustainability of the Sacramento region:

KEY COMPONENTS

- *A direct mandate from voters*
- *Critical benefits in terms of safety, congestion relief, and economic development*
- *Its role in the region's long-term strategic infrastructure plan.*

KEY COMPONENT #1 - MEASURE A, SACRAMENTO'S HALF-CENT TRANSPORTATION SALES TAX

In 2004, the Sacramento County voters clearly recognized their communities' growing needs, so they supported a significant investment in their transportation network by approving the sales tax and an impact fee on new housing developments.

Collections began in 2009 and will sunset in 2039 without further action by voters. Current and original estimates for the total revenues continue to be an estimated $5 billion over the 30-year span.

Measure A was not just about maintaining existing roads or enhancing public transit—it was about building for the future. The Connector represented a forward-looking solution to the challenges posed by growing congestion, outdated infrastructure, and the need to connect residential areas to employment and businesses. It also explicitly set aside funding for open space preservation.

Sacramento County residents clearly stated their priorities by voting to fund this project. Our ongoing efforts to advance the project honors their trust and expectations. We aim to ensure that their vision for a connected, accessible, and thriving region is realized.

KEY COMPONENT #2 - BENEFITS

Beyond the voter mandate, the Capital SouthEast Connector offers tangible benefits that significantly improve the region's transportation network. One of the most critical improvements is safety. Many existing roadways in the project corridor, such as Grant Line Road, are outdated and ill-equipped to handle the region's increasing traffic volumes. These roads are known for high accident rates, particularly in rural areas where freight and passenger traffic converge on narrow, two-lane roads with narrow or no shoulders. The Connector project aims to transform these hazardous sections into modern expressways that meet current safety standards. Upgrading these routes will reduce accident rates and enhance the overall safety for commuter and freight traffic in the region. For this reason, all of the region's public safety and law enforcement agencies support the increased mobility and reduced emergency response times that the project would provide.

Congestion relief is another major Connector project benefit. As Sacramento's population grows, the demand for highways and roads has increased dramatically. Major highways such as Interstate 5, Hwy 99 and Hwy 50 are becoming increasingly congested, leading to longer commute times, increased emissions, and reduced productivity. The Capital SouthEast Connector offers an alternative route designed to reduce travel times, lower vehicle emissions, and improve the overall efficiency of the regional transportation system. This is particularly important for commercial vehicles that rely on efficiently moving goods throughout the supply chain. As the voters realized, the Connector is a project that is intended to provide regional benefits by providing alternative routes to the vibrant and growing employment and residential hubs in the southern and eastern portions of the County.

The Capital SouthEast Connector will also be a significant driver of economic development, unlocking access to employment centers, industrial zones, and commercial areas. This will make the region more attractive to businesses looking to expand or relocate, creating jobs and stimulating local economies.

The Connector's efficient movement of goods will reduce shipping costs, increase the competitiveness of local businesses, and support broader economic growth throughout the region. The project's ability to catalyze economic development is documented by the project's Economic Impact Study as one of its most compelling attributes that will provide long-lasting benefits extending far beyond the immediate transportation improvements. Planned industrial development at the former Mather Field Air Force Base, increasing traffic at the regional landfill, and the high concentration of aggregate mining operations east of Jackson Highway are examples of the growing need to divert increasing freight traffic away from the downtown corridor and onto the Connector.

PROJECT BENEFITS

REDUCES
traffic congestion and significantly improve flow on area roadways

ENHANCES
the link between the key employment centers of Rancho Cordova and Folsom, and provides enhanced multimodal transportation options

DECREASES
harmful greenhouse gas emissions by decreasing vehicle hours traveled

KEY COMPONENT #3 - STRATEGIC INTERREGIONAL INVESTMENT IN CRITICAL INFRASTRUCTURE

The Capital SouthEast Connector plays a central role in the Sacramento region's long-term transportation strategy. The project is a major component of the general plan for each city that will be connected by the project, and the backbone of Sacramento County's General Plan Circulation Element.

Once completed, the alignment will provide dedicated right of way and utility easements that will reduce future costs to improve backbone water, sewer, and power infrastructure. The project serves as the main entrance to the Sacramento County landfill, is a major mover of agricultural and ranching products, and is the primary emergency evacuation route for the south county when wildfire or flooding emergencies occur.

> *The importance of this project to the region cannot be overstated. As the Sacramento area grows, its roadways must keep pace with the population. By integrating with the broader regional transportation network and reducing travel times between established urban areas, the Connector ensures that Sacramento's transportation system will remain robust, adaptable, and capable of supporting future development.*

CONNECTOR JOINT POWERS AUTHORITY (CONNECTOR JPA)

The Elk Grove - Rancho Cordova - El Dorado Connector Authority, commonly called the Connector JPA, oversees the planning, design, funding, and construction of the Capital SouthEast Connector project.

Five local jurisdictions, Sacramento County, El Dorado County, the City of Elk Grove, the City of Rancho Cordova, and the City of Folsom, created the Connector JPA through a Joint Powers Agreement signed in 2006.

THE CONNECTOR JPA

formed and governed by five local jurisdictions

The Connector JPA is a collaborative body that brings together representatives from the cities and counties directly involved in the project. Its primary responsibility is to navigate the complexities of regional governance, secure the necessary funding from local, state, and federal sources, and coordinate the phased construction of the Connector.

The Connector JPA is also tasked with engaging with the public and stakeholders, ensuring transparency throughout the project's development, and addressing any challenges or changes during the planning and implementation phases.

PROJECT SCOPE

The Capital SouthEast Connector project is a 34-mile expressway designed to connect Interstate 5 (I-5) in the west with Hwy 99 (State Route 99), the Jackson Highway (State Route 16), and Hwy 50 (U.S. Highway 50) in the east, forming a critical transportation corridor through southeastern Sacramento.

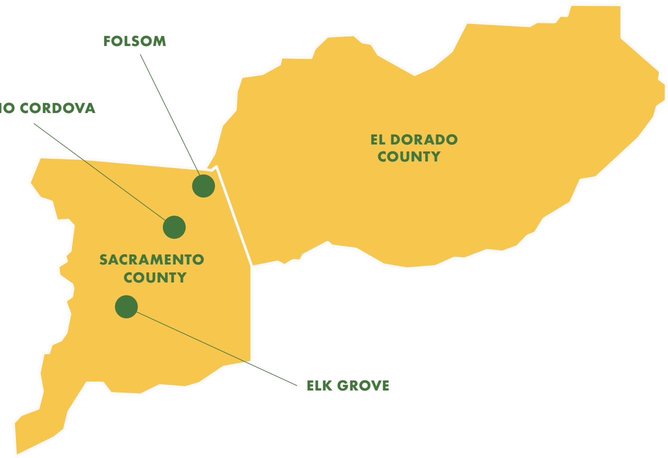
34-MILE
multimodal corridor

5 99 50
connects three major highways

2035
targeted project buildout date

CONNECTING COMMUNITIES

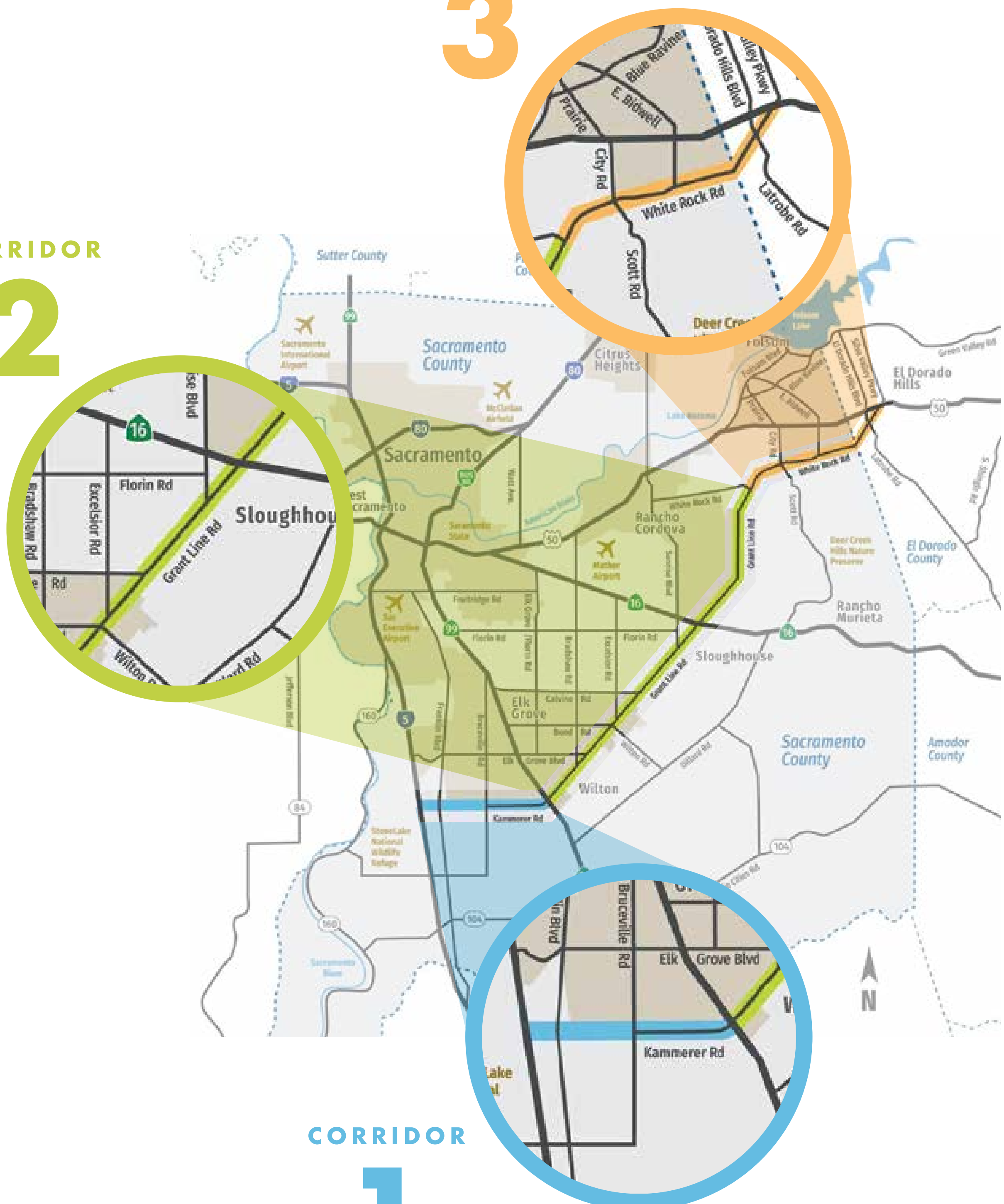
Once complete, the Connector Project will serve to connect the cities of Elk Grove, Rancho Cordova, and Folsom, as well as unincorporated areas of both Sacramento and El Dorado counties.



The following three corridors comprise the entirety of the voter-approved project.

CORRIDOR 3

CORRIDOR 2



CORRIDOR 1

PROJECT CORRIDORS

CORRIDOR 1

KAMMERER ROAD *6-mile segment*

One of the most critical portions of the Capital SouthEast Connector is the Kammerer Road corridor, a 6-mile stretch between Interstate 5 and Hwy 99. This segment, implemented in collaboration with the City of Elk Grove, is a vital connection between I-5 and Hwy 99, easing congestion on local roads and providing direct access to growing residential and commercial areas and tribal lands.

CORRIDOR 2

GRANT LINE ROAD *19-mile segment*

The longest section of the project, the Grant Line Road corridor, stretches 19 miles between Hwy 99 and White Rock Road. This segment, implemented in collaboration with the City of Elk Grove, the County of Sacramento, and the City of Rancho Cordova, is crucial for improving access to key employment centers, residential communities, and industrial areas.

CORRIDOR 3

WHITE ROCK ROAD *9-mile segment*

The 9-mile section of the Capital SouthEast Connector runs along White Rock Road, connecting Grant Line Road to U.S. Highway 50. This portion is being developed in partnership with Sacramento and El Dorado Counties and the city of Folsom. The White Rock Road segment provides parallel capacity to Hwy 50, one of Northern California's most heavily used east-west highways.

MULTIMODAL TRANSPORTATION FEATURES

In addition to vehicle traffic, the Capital SouthEast Connector will feature a Class 1 multi-use path parallel to the expressway that is the southern backbone of the Sacramento Regional Trail Network, a planned system of trails linking cities and counties across the region. This pathway will offer safe and convenient options for pedestrians, cyclists, and equestrians, supporting regional goals of reducing greenhouse gas emissions by promoting non-motorized travel. The multi-use path will include access points and trailheads along the route, ensuring that residents can easily take advantage of these alternative transportation options.

PRESERVING OPEN SPACE AND AGRICULTURAL LANDS

The Capital SouthEast Connector project is designed with significant environmental considerations that contribute to regional sustainability and habitat conservation efforts. The project's approach to environmental protection focuses on preserving open space, protecting sensitive habitats, providing wildlife crossing corridors, reducing greenhouse gas emissions, and promoting non-motorized transportation options.

By balancing road development with environmental protection, the Connector is a model for engineering excellence in California. The project showcases responsible growth that meets the region's transportation needs while safeguarding its natural resources.

One of the core environmental benefits of the project is Measure A's commitment to preserving open spaces and agricultural lands. The Connector has allocated funds as part of a $15 million effort to preserve open space and mitigate environmental impacts as envisioned by voters when they approved the project and hundreds of acres of land are protected with conservation easements.

As the Connector passes through areas designated for agricultural use or open space, the Connector project applies access control measures to discourage unplanned growth. This approach follows the South Sacramento Habitat Conservation Plan (SSHCP), a joint effort between the Connector JPA and regulatory agencies such as the US Army Corps of Engineers, the US Fish and Wildlife Service, and the California Department of Fish and Wildlife. As a partner with the SSHCP, the Connector project models a framework for balancing the needs of road development and habitat preservation.

FLOOD MITIGATION AND RESILIENCE

Certain portions of the project corridor lie within FEMA's 100-year flood plain or the State's 200-year flood plain, which makes these areas vulnerable to flooding during periods of heavy rainfall. The Connector will incorporate flood mitigation designs, such as bridges, culverts, drainage facilities, and roadway elevation adjustments, to ensure that the expressway remains accessible even in severe weather conditions for first responders and evacuees.

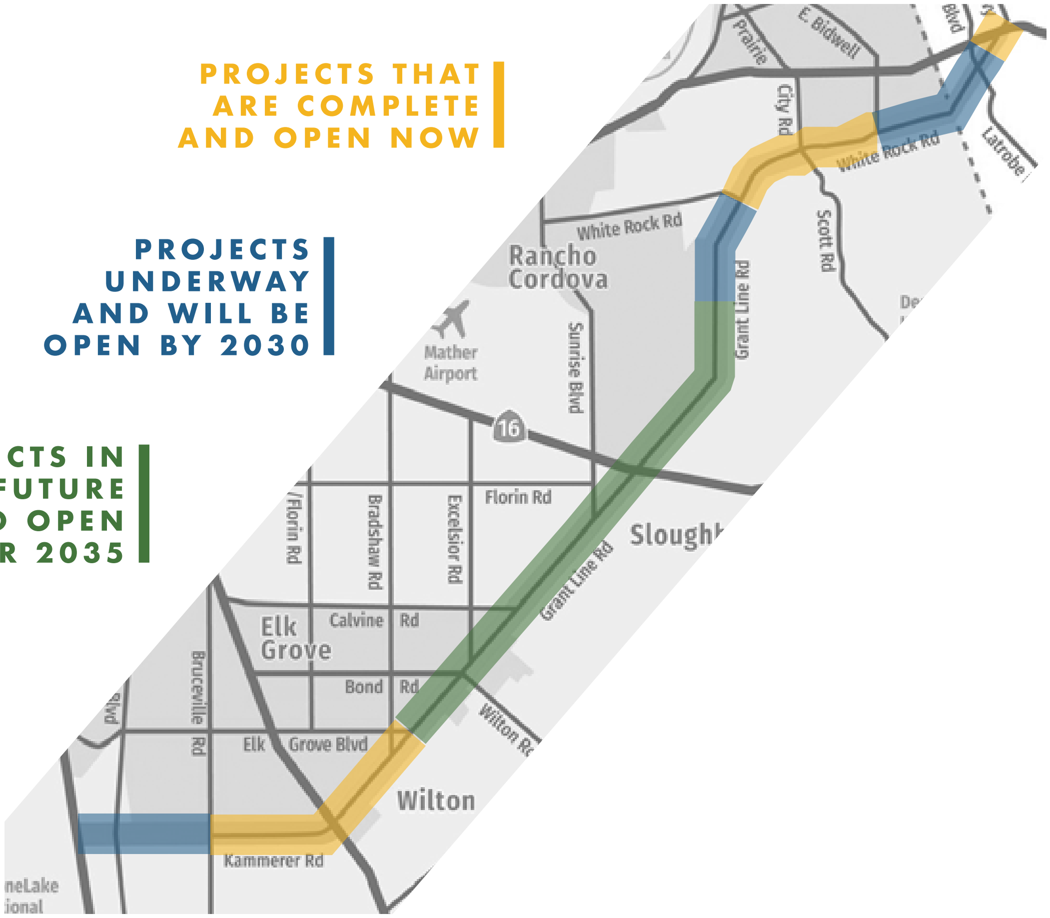
PROJECT STATUS

Development of the Capital SouthEast Connector Project is not linear from one point to the next. Segments have been completed/are scheduled to be completed according to different timetables and funding. Segments of the project fall into one of three categories:

PROJECTS THAT ARE COMPLETE AND OPEN NOW

PROJECTS UNDERWAY AND WILL BE OPEN BY 2030

PROJECTS IN THE FUTURE AND OPEN AFTER 2035



PROJECTS THAT ARE COMPLETE AND OPEN NOW

As of 2024, the project has completed **two major highway interchanges** and approximately **11 miles of the expressway.** Key segments are now operational and benefiting local commuters and businesses.

2
highway interchanges completed

11
expressway miles completed

$230 MILLION
total cost of constructed improvements

COMPLETED PROJECTS

From west to east along the alignment:

- Kammerer Road Reconstruction Project between Bruceville Road and Hwy 99 was completed in 2023
- Hwy. 99/Kammerer Road/Grant Line Road Interchange Project was completed in 2009
- Grant Line Road/Union Pacific Railroad Overhead Project was completed in 2015
- Grant Line Road Widening Project between Waterman Road and Bradshaw Road was completed in 2023.
- White Rock Road reconstruction between Grant Line Road and Prairie City Road was completed in 2018
- White Rock Road Expressway Phase 1 between Prairie City Road and East Bidwell Street was completed in 2023.
- Scott Road Realignment was completed in 2023.
- Hwy 50/White Rock Road/Silva Valley Parkway Interchange Project was completed in 2015.

KAMMERER ROAD RECONSTRUCTION PROJECT

completed in 2023

GRANT LINE ROAD/ UNION PACIFIC OVERHEAD PROJECT

completed in 2015

SILVA VALLEY PARKWAY INTERCHANGE PROJECT

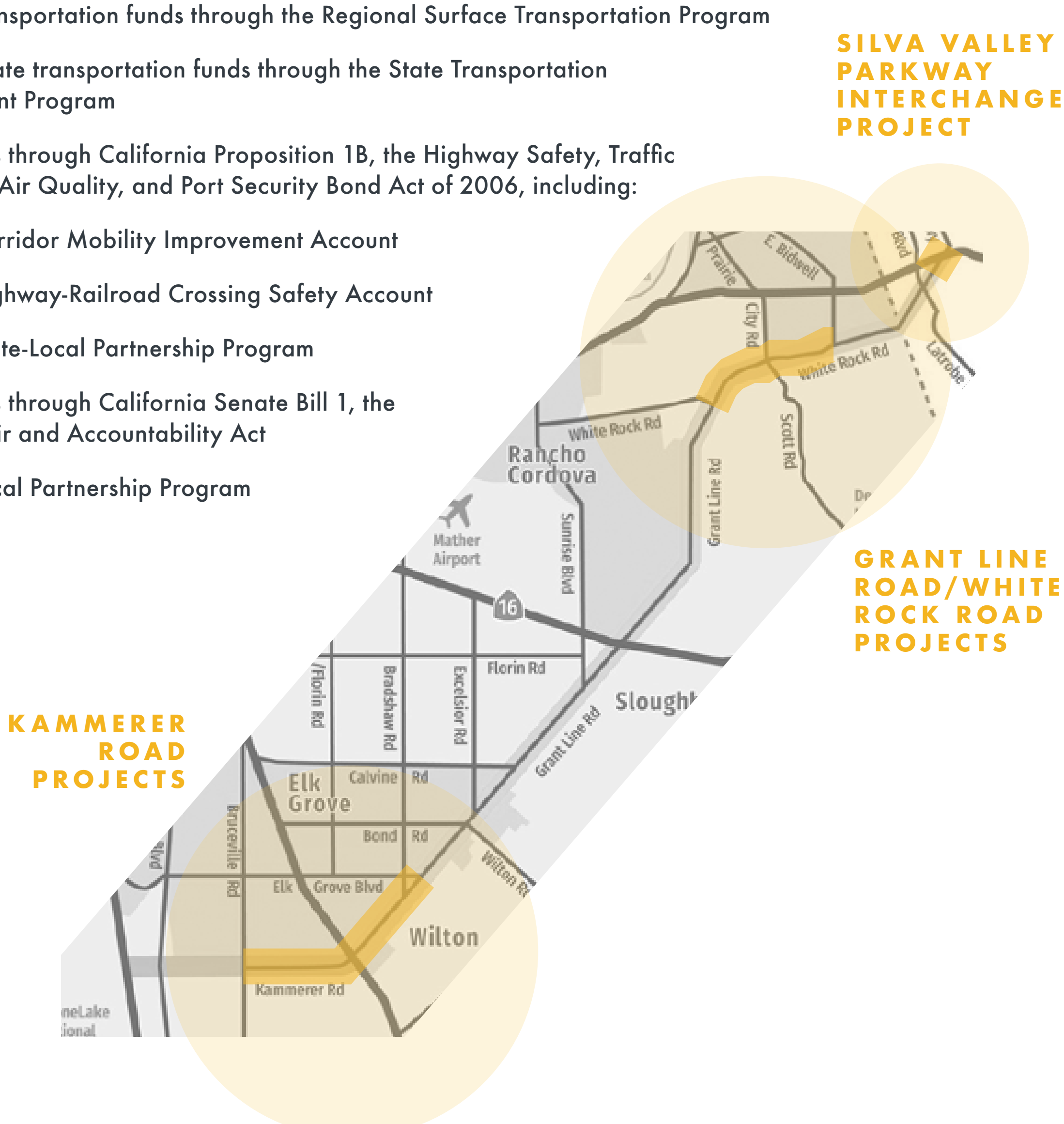
completed in 2015

The cost of these constructed improvements total approximately $230 million, which includes:

- Environmental approvals, permits, and mitigation
- Engineering design and construction management
- Utility relocations
- Right-of-way acquisitions

Funding for these projects included Measure A, as well as:

- Development and traffic impact mitigation fees
- Local City/County general fund allocations
- Federal transportation funds through the Regional Surface Transportation Program
- Federal/State transportation funds through the State Transportation Improvement Program
- State Funds through California Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, including:
    - o Corridor Mobility Improvement Account
    - o Highway-Railroad Crossing Safety Account
    - o State-Local Partnership Program
- State Funds through California Senate Bill 1, the Road Repair and Accountability Act
    - o Local Partnership Program



PROJECTS UNDERWAY AND ANTICIPATED TO BE OPEN BY 2030

The Connector JPA's budget identifies three priority projects totaling nine miles currently underway for the Capital SouthEast Connector:

#1 - KAMMERER ROAD EXTENSION PROJECT

This three-mile extension of Kammerer Road as an expressway between Interstate 5 and Bruceville Road is being implemented in partnership with the City of Elk Grove. The project is fully funded through design, but construction funding is needed to move it forward. The City of Elk Grove estimates this project will cost **$170 million.**

#2 - GRANT LINE ROAD SAFETY AND FREIGHT MOBILITY PROJECT

This 3.5-mile reconstruction of Grant Line Road into a modern expressway between Chrysanthy Boulevard and White Rock Rd is being implemented with the City of Rancho Cordova and Sacramento County. The project is fully funded through design and partially funded through construction, but additional funding is still needed. The City of Rancho Cordova estimates this project will cost **$55 million**.

#3 - WHITE ROCK ROAD EXPRESSWAY PROJECT - PHASE 2

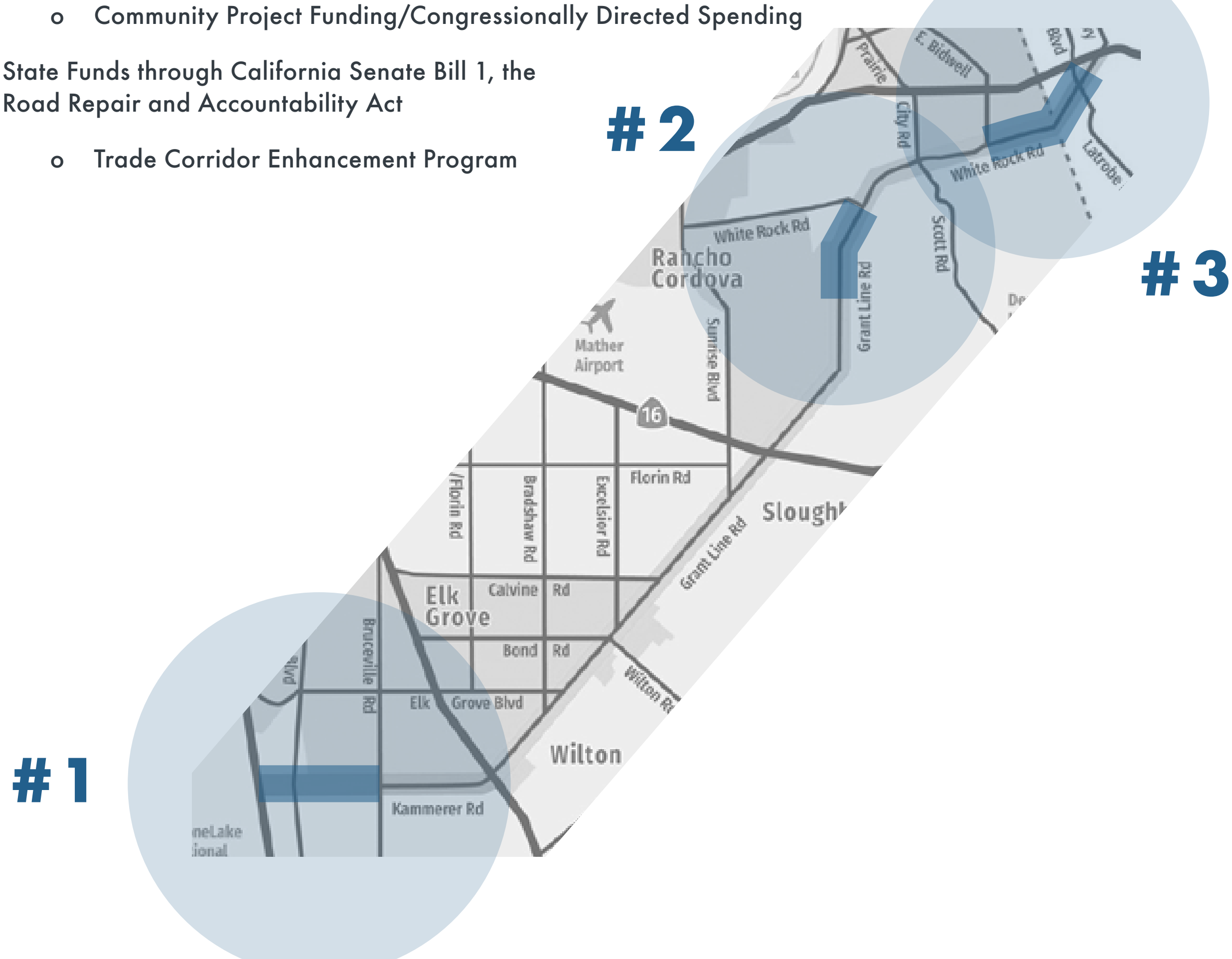
This 2.5-mile reconstruction of White Rock Road into a modern expressway between East Bidwell Street and Latrobe Rd is being implemented by the City of Folsom, Sacramento and El Dorado Counties. The project is partially funded through design; construction funding is also needed. The City of Folsom estimates this project will cost **$40 million**.

$265 MILLION
total cost to construct improvements

9
total miles of current projects

While total funding for these three project segments is not yet secured, the Connector JPA and its member agencies have already successfully obtained some of the funding through various sources, including:

- Measure A and other local city general fund sales taxes
- Development and traffic impact mitigation fees
- Community Facility District fees
- Tribal funds through citywide road funding commitments
- Federal transportation funds through the Regional Surface Transportation Program
- Federal and state transportation funds through the State Transportation Improvement Program
- Federal funds through the Infrastructure Investment and Jobs Act of 2021
    - Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Program
- Federal Funds through the Consolidated Appropriations Act of 2023
    - Community Project Funding/Congressionally Directed Spending
- State Funds through California Senate Bill 1, the Road Repair and Accountability Act
    - Trade Corridor Enhancement Program



#1 - KAMMERER ROAD EXTENSION PROJECT

#2 - GRANT LINE ROAD SAFETY AND FREIGHT MOBILITY PROJECT

#3 - WHITE ROCK ROAD EXPRESSWAY PROJECT - PHASE 2

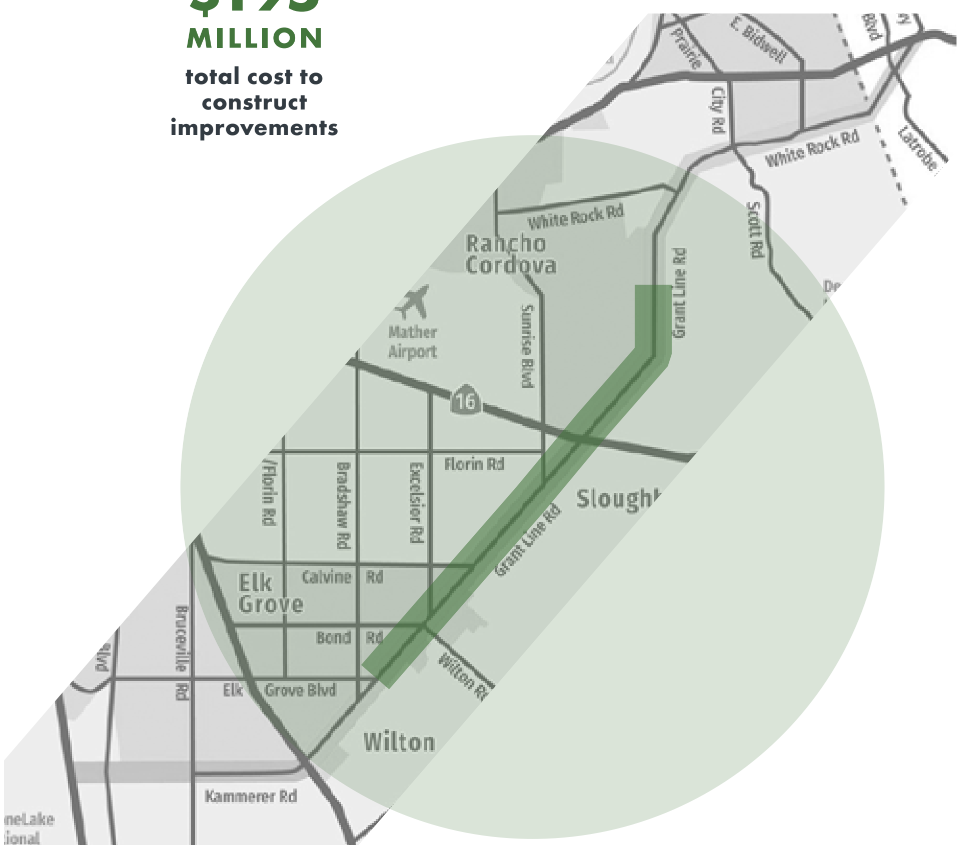
FUTURE PROJECTS

The Capital SouthEast Connector will make significant progress by 2030. Looking forward, fourteen miles of Grant Line Road between Bradshaw Road and Douglas Road are expected to open after 2035.

The timeline for completion of this section depends on several factors, including securing funding, completing environmental reviews, and resolving any engineering or construction challenges that arise during earlier phases of the project.

$195 MILLION

total cost to construct improvements



CURRENT AND FUTURE CHALLENGES

With environmental review complete, one hurdle that the Capital SouthEast Connector Project faces is securing adequate funding to complete the remaining segments. The Capital SouthEast Connector Project's funding challenges partly stem from the Sacramento Area Council of Governments' (SACOG) decision in 2016 to exclude portions of the project from a regional plan that identifies which transportation projects will receive state and federal transportation funds. Addressing these two interrelated issues will be crucial to completing the project and delivering the intended benefits to the Sacramento region

FUNDING GAP

By leveraging Measure A funds as matching funds for state and federal grants, the Connector Project has obtained and spent about $230 million on completed projects, including their environmental review, project design, right of way, mitigation and construction. Staff estimates that an additional $460 million will be needed to bring the project to completion.

This project requires many funding sources in addition to Measure A sales tax revenue. The funding plans incorporate significant state and federal contributions, much of which relies on local matching funds.

Sacramento Transportation Authority estimates that it will allocate an additional $13 million to the Connector project through 2039, bringing the total to approximately $56 million in capital and $15 million in development impact fees. These numbers are a significant reduction from the initial estimates in 2004. While the Connector JPA has shown it can effectively leverage local funds, the importance of timing and additional local funding cannot be underestimated.

WHAT IS BEING DONE

The Connector JPA continually monitors and evaluates grant opportunities to ensure that applications are competitive. The agency typically applies to multiple grant programs annually. For additional funding, the Connector JPA engages with local, state, and federal officials and project partners, such as the California Transportation Commission. The Connector JPA and its partners are employing several strategies to pursue:

- **State and Federal Grants:** The Connector JPA is actively applying for state and federal grants, such as the State Trade Corridor Enhancement Program, the State Local Partnership Program, and the Federal Infrastructure for Rebuilding America program. These funds are crucial for advancing critical segments of the project and reducing the overall funding gap.
- **Enhanced Infrastructure Finance Districts (EIFDs):** The JPA is working with its member jurisdictions to explore the creation of EIFDs, which would use tax increment financing to fund the project. By capturing future tax revenue generated by increased property values along the corridor, EIFDs provide a potential long-term funding source.
- **Direct Congressional Spending:** Through close collaboration with elected representatives, the JPA is securing direct federal spending through appropriations in infrastructure legislation. These targeted funds are helping finance critical phases of the Connector, ensuring progress even amidst funding challenges.
- **Phased Construction Approach:** The Connector JPA is implementing a phased construction approach that allows for completing project segments as funding becomes available. This strategy helps demonstrate tangible progress while continuing efforts to secure additional funding for future phases.

These strategies are resulting in incremental progress towards the project's larger goals, with the Connector recently obtaining a federal award of $25 million from the US Department of Transportation.

SACOG'S IMPACT ON CONNECTOR PROGRESS

SACOG plays a critical role in determining Sacramento's regional transportation priorities. As the entity responsible for developing long-term transportation plans and recommending the allocation of federal and state transportation funds, SACOG's decisions significantly influence the progress of the Capital SouthEast Connector project. While SACOG has traditionally been a strong advocate for the Connector, its decision to remove a portion of the project from the construction phase in the 2016 update to the Metropolitan Transportation Plan (MTP) introduced notable funding challenges for the project and the broader region.

TIMELINE OF EVENTS

1984/1985 The East Area Transportation Study, conducted by Sacramento County, and initial feasibility studies by SACOG identified the need for a transportation beltway to address the region's growing population and transportation demands.

1990s SACOG explored various alternatives for a multi-modal corridor through studies such as the Metro Study and the Southeast Area Transportation Study, led by Caltrans.

2002 SACOG included the Capital SouthEast Connector in its Metropolitan Transportation Plan (MTP).

2004 SACOG incorporated the Connector into its "Blueprint" marking the project's first formal recognition as a key regional infrastructure initiative aligned with SACOG's broader transportation strategy.

2006 SACOG recommended the formation of a Joint Powers Authority to manage the planning, design, and construction of the Capital SouthEast Connector.

2008 SACOG adopted the MTP 2035, which implemented the Blueprint principles and included the Connector project.

Despite SACOG's strong support for the Connector leading up to the 2004 Measure A vote, the organization's position began to shift after the election, as new SACOG staff emphasized reducing interregional highways and focused on promoting urban development in downtown Sacramento and West Sacramento.

2016 SACOG removed a central section of the Connector from the construction phase in its MTP update.

Road projects included in SACOG's MTP are typically prioritized for state and federal funding. The 2016 decision signaled to regional transportation stakeholders that the Connector may no longer be fully aligned with SACOG's objectives, complicating funding efforts for the project.

2016 - PRESENT

The Capital SouthEast Connector project has continued to face challenges in gaining full regional support from SACOG. Segments of the Connector in the SACOG MTP in Folsom and Elk Grove have received limited funding from SACOG, but the entire project has not been reinstated into the Blueprint, making it difficult to compete for state and federal funding at the scale needed for full project implementation. This partial support for smaller projects, while helpful, has not addressed the broader infrastructure needs of the region, leaving the Connector's long-term progress hampered by a lack of alignment with SACOG's regional priorities.

WHAT IS BEING DONE

The Connector JPA strategically engages with SACOG and influential partners such as the California Transportation Commission and Federal Highway Administration so that the will of Sacramento County voters is still met as originally envisioned and approved. The Connector JPA and its partners are employing several strategies:

- **Reinforcing Regional and Political Support and Ongoing Public and Stakeholder Engagement:** The JPA actively works with local elected officials and stakeholders to reaffirm the project's importance and benefits to interregional mobility.
- **Leveraging External Funding and Partnerships**: The Connector JPA has secured funding from other sources, such as federal earmarks and state programs like the Road Repair and Accountability Act.
- **Strategic Phasing of the Project:** The JPA uses a phased approach to deliver road segments and build momentum. The project demonstrates tangible results by completing critical expressway sections in phases, such as White Rock Road and portions of Kammerer Road.
- **Adapting to Current Planning Principles:** The Connector JPA is aligning segments of the project with Caltrans' strategic interregional objectives, funding guidelines of the Road Repair and Accountability Act, and exploring new opportunities in zero-emission infrastructure.

GOVERNANCE AND TRANSPARENCY

JOINT POWERS AGREEMENT

The Joint Powers Agreement is the foundational document that establishes the governance structure of the Connector JPA. It defines the Board's powers and responsibilities, sets forth the rules for financial management, and establishes the Connector JPA's authority to plan, design, and construct the Capital SouthEast Connector project. The agreement provides the legal framework for the Connector JPA to operate as a collaborative entity representing multiple jurisdictions.

KEY PROVISIONS

Key provisions of the Joint Powers Agreement include:

Establishment of the Board of Directors
The Connector JPA formalizes the Board's structure and composition, ensuring each jurisdiction has a voice in the decision-making process.

Powers and Duties
The Board is authorized to approve project budgets, enter contracts, secure funding, and oversee the various phases of project development, including land acquisition, environmental reviews, and construction.

Decision-Making and Voting
The Board operates on a majority voting system for most decisions, ensuring that decisions are made collaboratively. However, specific critical issues, such as the approval of the project funding plan, require unanimous approval from all member jurisdictions.

Financial Accountability
The Connector JPA must maintain strict financial oversight. The Executive Director is responsible for preparing an annual budget for Board approval. With approval from the Board, the Connector JPA is also authorized to issue bonds and levy assessments to secure funding for the project.

BOARD OF DIRECTORS

The Connector JPA's board of directors includes elected officials from each member jurisdiction. This governance structure ensures that the interests of each jurisdiction are represented, promoting collaboration and unified decision-making on key project milestones.

THE CONNECTOR JPA
Board of Directors

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

Responsibilities

Budget Approval and Financial Management
The JPA is responsible for developing an annual budget that outlines the project's financial needs and projected expenditures for the year. The board must approve the budget, which includes allocations for design, construction, and operational expenses related to the project.

Project Oversight and Implementation
The board is responsible for overseeing the progress of the Capital SouthEast Connector project through its various phases. This includes approving contracts, managing construction schedules, and ensuring that the project stays on track to meet its projected completion timeline.

Securing Funding and Grants

One of the Board's most critical functions is obtaining funding for the project. The JPA relies on local, state, and federal funds to finance the Connector's construction. The JPA is also authorized to levy assessments and issue bonds to raise the capital for project completion.

Environmental Compliance and Land Use Coordination

The board ensures that the Connector project complies with all applicable environmental regulations, including those related to the California Environmental Quality Act (CEQA) and federal environmental laws. The JPA is also tasked with coordinating land use approvals with the member jurisdictions to ensure the project aligns with local general plans and regional growth strategies.

Public Engagement and Transparency

The JPA maintains transparency in its operations and decision-making processes. The board holds quarterly public meetings, where community members can provide input and stay informed about the project's status.

The Connector JPA is a collaborative governance body critical to delivering one of the region's most significant transportation projects. Through its Board of Directors and under the framework of the Joint Powers Agreement, the JPA ensures that the Capital SouthEast Connector project is managed effectively, with transparency and accountability to the public.

FINANCIAL TRANSPARENCY

The Connector JPA has consistently demonstrated its commitment to the highly efficient use of taxpayer funds as well as financial transparency and accountability through various initiatives designed to provide clear and detailed financial reporting. As stewards of public funds, we understand the importance of keeping the public, stakeholders, and oversight entities fully informed of our budgeting and financial management practices.

Our dedication to these principles was recently recognized by the Government Finance Officers Association, which awarded the Connector project the prestigious Distinguished Budget Presentation Award for its FY 2024/2025 budget. This award reflects our success in meeting the highest standards of governmental budgeting, and it underscores our commitment to creating a budget that serves as a policy document, financial plan, operations guide, and communications tool.

In addition to this recognition, the Connector JPA has taken proactive steps to ensure financial stability and readiness for unforeseen financial challenges. In May 2024, the JPA established a fund balance reserve that ensures sufficient reserves to cover any unexpected changes in revenue or expenditures. This reserve is a safeguard, ensuring the project's continued progress without disruption.

The Connector project provides quarterly project updates to the Sacramento Transportation Authority detailing the financial status, progress, and milestones of the Connector project. These updates provide:

- insight into how funds are being used,
- the timelines for project completion and
- any adjustments or improvements in project planning.

Further enhancing our commitment to openness, the Connector JPA holds public board meetings each quarter, where the public can participate and engage with the project.

COMMUNITY SUPPORT AND ENGAGEMENT

The Capital SouthEast Connector project enjoys widespread public support from a broad coalition of stakeholders, including federal and state lawmakers, Native American tribes, law enforcement agencies, fire services, emergency management offices, and the business community. This level of support reflects the project's significance to the Sacramento region.

With strong bipartisan backing, endorsements from public safety officials, and active engagement with Native American tribes, the Connector project has proven to be a unifying initiative that addresses the region's diverse needs. One of the most vital indicators of the importance of Capital SouthEast Connector is the strong bipartisan support it has received from federal and state lawmakers.

Members from both houses of Congress from the Sacramento region have written letters advocating for project funding and highlighting the project's importance to regional mobility and economic vitality. This level of support has been crucial in securing federal funding for the project, such as the $25 million RAISE grant awarded by the U.S. Department of Transportation earlier this year to advance critical safety improvements along Grant Line Road and other sections of the Connector. The congressional delegation that represents the areas of the region served by the Connector are:

- Senator Alex Padilla
- Representative Ami Bera
- Representative Doris Matsui
- Representative Kevin Kiley

Members of both the California State Assembly and the State Senate have championed the project at the state level. This bipartisan and bicameral support underscores the project's wide-reaching impact and ability to unite policymakers from different political backgrounds.

The legislative delegation that represents the areas of the region served by the Connector are:

- Senator Angelique Ashby
- Assemblymember Heath Flora
- Senator Marie Alvarado-Gil
- Senator Roger Niello
- Assemblymember Josh Hoover
- Assemblymember Stephanie Nguyen
- Assemblymember Joe Patterson

SUPPORT FROM NATIVE AMERICAN TRIBES

Support for the Connector project has also come from the region's Native American tribes, particularly the Wilton Rancheria, whose tribal lands are near the project corridor. The Wilton Rancheria has recognized the value of the project for enhancing roadways and improving accessibility to their land, which is crucial for both economic development and the well-being of tribe members.

The Wilton Rancheria's partnership with the Connector JPA has focused on ensuring that the project respects the cultural and historical significance of Native American lands while providing tangible benefits for the tribe. The Connector will play a significant role in supporting the tribe's long-term economic development goals, and tribal leaders have also highlighted the Connector's importance in improving access to emergency services.

SUPPORT FROM LAW ENFORCEMENT AND PUBLIC SAFETY AGENCIES

The Sacramento County Sheriff's Office and Sacramento Metropolitan Fire District strongly support the Connector project, citing the critical safety improvements it will deliver. Sheriff's departments and fire services across the region note that many roads in the project corridor, particularly Grant Line Road, have been the site of frequent, sometimes fatal accidents.

Law enforcement officials have emphasized the importance of the Connector upgrades for improving emergency vehicle response times. Every second counts in medical emergencies, fires, or accidents, and the Connector will help ensure that first responders can reach the scene quickly and safely.

SUPPORT FROM THE OFFICE OF EMERGENCY SERVICES

The Sacramento County Office of Emergency Services has also supported the Connector, recognizing its importance for improving regional mobility during emergencies. Portions of the project corridor lie within FEMA's designated 100-year flood zone, meaning specific rural road segments are impassable for emergency responders or evacuees during floods or wildfires.

SUPPORT FROM THE BUSINESS COMMUNITY

The business community has shown unwavering support the Connector, recognizing its potential to enhance economic vitality by improving access to job centers, industrial parks, and commercial areas. The Rancho Cordova Chamber of Commerce, the Elk Grove Chamber of Commerce, and other business groups have highlighted the importance of the Connector for reducing commute times to and from employment centers, facilitating the movement of goods, and making the region more attractive to new businesses and industries.

CAPITAL | SOUTHEAST
CONNECTOR JPA
Connecting Communities

WWW.CONNECTORJPA.COM

www.youtube.com/@southeastconnectorexpressway

www.instagram.com/connectorjpa

www.linkedin.com/in/derekminnema/

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CONNECTOR JPA
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ITEM 9

MEETING DATE: November 15, 2024

TITLE: Approve Release of a Request for Proposals for Legal Services for the Connector JPA

PREPARED BY: Derek Minnema

RECOMMENDATION

Approve Resolution 2024-17 authorizing the Executive Director to release a Request for Proposals (RFP) for legal services.

BACKGROUND

The Connector JPA Contracting and Purchasing Procedures Manual requires an RFP for any procurement that exceeds $50,000 to be approved by the Board of Directors before its publication unless identified in the adopted budget.

DISCUSSION

The Agreement for legal services with Sloan Sakai Yeung & Wong LLP (formerly Renne Sloan Holtzman Sakai LLP), will expire on March 1, 2025, and additional extensions are not authorized. Therefore, the Connector JPA must solicit competitive proposals.

Staff anticipates returning to the Board for approval to award the contract at the February 2025 meeting.

ATTACHMENTS

a. Resolution 2024-17

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ITEM 9 a

RESOLUTION 2024-17

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AUTHORITY AUTHORIZES THE EXECUTIVE DIRECTOR TO RELEASE A REQUEST FOR PROPOSALS FOR LEGAL SERVICES FOR THE CONNECTOR JPA

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 release a Request for Proposals for Legal Services for the Connector JPA.

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

* * * * *

PASSED AND ADOPTED this 15th day of November, 2024, on a motion by Director ___________, seconded by Director____________, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Chairperson

ATTEST:

____
Secretary

ITEM 10

MEETING DATE: November 15, 2024

TITLE: Authorize the Executive Director to Execute an Amendment to Agreement with Bryant Government Affairs for $67,500 for Transportation Funding Consulting and Government Relations

PREPARED BY: Derek Minnema

RECOMMENDATION

Approve Resolution 2024-18, authorizing the Executive Director to execute an amendment to agreement with Bryant Government Affairs for $67,500 for Transportation Funding Consulting and Government Relations.

BACKGROUND

The JPA entered into an agreement with Bryant Government Affairs for Transportation Funding Consulting and Government Relations on January 1, 2024, with a not to exceed amount of $50,000.

Jason Bryant, principal at Bryant Government Affairs has been instrumental in developing the JPA's state funding strategy and advocating on the JPA's behalf at all levels of state government, including the California Transportation Commission (CTC). Jason has assisted the JPA in informing state legislators regarding the project and obtaining bicameral letters of support in connection with state and federal funding requests.

Additional follow-on services are necessary through August 31, 2025 as the JPA submits its funding request to the CTC for construction funding for Segment D2 and the Grant Line Road project and prepares to apply for other state and federal funding opportunities next year.

ATTACHMENTS

a. Amendment to Agreement with Bryant Government Affairs
b. Resolution 2024-18

AMENDMENT NO. 1 TO
AGREEMENT BETWEEN
THE CAPITAL SOUTHEAST CONNECTOR AUTHORITY
AND BRYANT GOVERNMENT AFFAIRS, LLC

This Amendment No. 1 to the January 1, 2024, Agreement ("Agreement") between the Capital SouthEast Connector Authority ("Authority"), and Bryant Government Affairs, LLC ("Consultant"), is entered into effective November 15, 2024.

WHEREAS, on January 1, 2024, the Executive Director of the Authority entered into an agreement with Consultant for advice and strategic consulting regarding funding matters; and

WHEREAS, the Authority and Consultant now wish to further amend the Agreement to extend the term and amend the consideration.

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

1. Authority and Consultant hereby agree to amend Section 1 of the Agreement to read as follows:

    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 August 31, 2025, unless otherwise terminated as provided for in this Agreement or extended by written agreement between the parties.

2. Authority and Consultant hereby agree to amend Section 5 of the Agreement to read as follows:

    5. Consideration: Payment to Consultant for the remainder of the Time of Performance shall not to exceed **One Hundred Seventeen Thousand Five Hundred Dollars ($117,500)** in total. 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.

3. Except as expressly amended herein, all terms and conditions of the Agreement shall remain in full force and effect.

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

CAPITAL SOUTHEAST CONNECTOR AUTHORITY

____
DEREK MINNEMA
Executive Director

APPROVED AS TO FORM:

____
SLOAN SAKAI YEUNG & WONG LLP
Legal Counsel to the Authority

BRYANT GOVERNMENT AFFAIRS LLC

____
JASON BRYANT

ITEM 10 b

RESOLUTION 2024-18

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AUTHORITY
AUTHORIZES THE EXECUTIVE DIRECTOR TO EXECUTE AN AMENDMENT TO
THE AGREEMENT WITH BRYANT GOVERNMENT AFFAIRS, LLC**

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 an amendment with Bryant Government Affairs, LLC to increase the not-to-exceed amount to $117,500

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

* * * * *

PASSED AND ADOPTED this 15th day of November, 2024, on a motion by

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

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Chairperson

ATTEST:

____
Secretary

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CONNECTOR JPA
Connecting Communities

ITEM 11

MEETING DATE: November 15, 2024

TITLE: Accept the FY 2023-24 Annual Comprehensive Financial Report

PREPARED BY: Derek Minnema and Rob Merritt, CPA

RECOMMENDATION

Approve Resolution 2024-19, accepting the FY 2023-24 Annual Comprehensive Financial 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

Historically, Connector JPA staff have prepared basic financial statements which meet the minimum requirements of the Joint Exercise of Powers Agreement. However, authoritative standards encourage governments to issue their basic financial statements in the broader context of an Annual Comprehensive Financial Report (ACFR) which Connector JPA staff prepared for the first time this year.

The ACFR supplements the basic financial statements by providing (1) introductory information, (2) information on individual funds as applicable, (3) schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, and (4) statistical data. By definition, the ACFR includes at a minimum, three basic sections: (1) introductory section, (2) a financial section, and (3) a statistical section.

The Connector JPA received an unmodified (clean) opinion for FY 2023-24. Richardson & Company, LLP 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, 2024.

- The auditors commented that "during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses." (Page 56)

- 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 56)

ATTACHMENTS

a. Annual Comprehensive Financial Report
b. Resolution 2024-19

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CONNECTOR JPA
Connecting Communities

2024

The Capital SouthEast Connector Authority

Annual Comprehensive Financial Report
For The Fiscal Year Ended June 30, 2024

Prepared By Connector JPA Staff

Sacramento, CA

www.connectorJPA .com

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2024

The Capital SouthEast Connector Authority

Annual Comprehensive Financial Report
For The Fiscal Year Ended June 30, 2024

Prepared By Connector JPA Staff

Sacramento, CA

www.connectorJPA .com

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CAPITAL SOUTHEAST CONNECTOR JPA
Annual Comprehensive Financial Report
For The Fiscal Year Ended June 30, 2024

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INTRODUCTORY SECTION

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LETTER OF TRANSMITTAL

November 15, 2024

Chair and Members of the Board
and Citizens of Sacramento County:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) for the Capital SouthEast Connector Joint Powers Authority (Connector JPA) for the fiscal year ending June 30, 2024. Per California law and Section 6(d)(4) of the Connector Joint Powers Agreement, the Connector JPA is required to present its financial statements in conformity with Generally Accepted Accounting Principles (GAAP) and ensure they are independently audited per Generally Accepted Auditing Standards (GAAS).

Management assumes responsibility for the completeness and reliability of the information presented in this report based on the Connector JPA's comprehensive framework of internal controls established for this purpose. Because the cost of internal controls should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from any material misstatements.

California law requires that the Connector JPA publish a complete set of financial statements within six months of the close of each fiscal year. Pursuant to this requirement, we are pleased to present the Connector JPA's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024.

The Connector JPA's independent audit for FY 2023-24, conducted by Richardson & Company, LLP, resulted in an unmodified opinion confirming the accuracy and reliability of our financial statements. This audit and accompanying financial statements offer a comprehensive view of the Connector JPA's fiscal activities and performance, reflecting the organization's commitment to transparency and accountability.

Included herein is the Independent Auditor's Report. Management's Discussion and Analysis (MD&A) follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this Letter of Transmittal.

PROFILE OF THE AUTHORITY

The Connector JPA 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 and is a political subdivision of the State of California. The Connector JPA is a jointly governed organization consisting of five member agencies – the Counties of Sacramento and El Dorado, and the Cities of Elk Grove, Rancho Cordova, and Folsom.

The Connector JPA was formed solely to acquire, plan, design, finance and construct a 34-mile, multi-modal transportation corridor. The Connector JPA's primary revenue sources are Measure A sales tax and transportation mitigation fees, state and federal grants, and member dues.

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

FINANCIAL MATTERS

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 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.

The Connector JPA operates its finances as a single fund – the General Fund - within the County of Sacramento Treasury. The General Fund supports the Connector JPA's operating activities and all project-related costs. Since the Agency exists to build a single capital project, a single fund is an appropriate structure.

All budgetary information is reported using the modified accrual basis of accounting, such as the fund financial statements found in the ACFR. 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 budget supports agency and project costs in the following five areas:

- Project related professional services;
- Right of way (ROW);
- Mitigation;
- Construction; and
- Project related operations and fiscal services.

The Connector JPA has taken proactive steps to ensure financial stability and readiness for unforeseen financial challenges. In May 2024, the JPA established a fund balance reserve that ensures sufficient reserves to cover any unexpected changes in revenue or expenditures. This reserve is a safeguard, ensuring the project's continued progress without disruption.

The Connector project provides quarterly project updates to the Sacramento Transportation Authority detailing the financial status, progress, and milestones of the Connector project. These updates provide:

- insight into how funds are being used,
- the timelines for project completion, and
- any adjustments or improvements in project planning.

Further enhancing our commitment to transparency, the Connector JPA holds public board meetings each quarter, where the public can participate and engage with the Board and project.

FINANCIAL AWARDS AND ACKNOWLEDGMENTS

The Connector JPA has consistently demonstrated its commitment to the highly efficient use of taxpayer funds, financial transparency, and accountability through various initiatives designed to provide clear and detailed financial reporting. As stewards of public funds, we understand the importance of keeping the public, stakeholders, and oversight entities fully informed of our budgeting and financial management practices.

The Government Finance Officers Association recently recognized dedication to these principles, which awarded the Connector JPA the prestigious Distinguished Budget Presentation Award for its FY 2024/25 budget. This award reflects our success in meeting the highest standards of governmental budgeting, and it underscores our commitment to creating a budget that serves as a policy document, financial plan, operations guide, and communications tool.

In addition, this report represents the first time the Connector JPA has created an Annual Comprehensive Financial Report (ACFR). Historically, the Connector JPA has delivered Basic Financial Statements. The ACFR goes beyond the basic financial report by providing detailed financial data and historical, statistical, and contextual information. It offers a complete and comprehensive view of the entity's financial activities. Furthermore, the audited ACFR has been completed within four months after the end of the fiscal year, rather than the usual nine-month completion time, allowing the Board of Directors to have a comprehensive understanding of the entity's financial position.

Finally, the Connector JPA will submit its ACFR to the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting award program for the first time. To receive the award, a government must publish an easily readable and efficiently organized ACFR and meet all program reporting criteria. This report must satisfy Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

This ACFR is a collaborative effort by Authority staff and its independent auditors. The undersigned is grateful to the staff for their willingness to expend the effort necessary to ensure the financial information contained herein is accurate and completed within established deadlines.

CONNECTOR PROJECT

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 and access to employment centers, will improve safety and emergency response, and will improve the overall quality of life in Sacramento County.

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 that point, it becomes the Sheldon/Wilton Corridor until it reaches the Calvine Road intersection.

The Sheldon/Wilton 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. Five intersections will have roundabouts, and an environmental review will be conducted at Grant Line Rd and Wilton Rd.

At Calvine Rd, the project transitions to a four-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 four-lane thoroughfare ending at the Hwy 50/Silva Valley Parkway Interchange in El Dorado Hills.

PROJECT UPDATE

The Connector JPA made significant progress in constructing the Connector Project during the calendar year 2023. Approximately $65 million in construction activity was officially completed, with Notices of Completion issued along three segments, totaling 6.5 miles of improvements. The Connector JPA constructed an additional 2.5 miles of Class 1 trail adjacent to White Rock Road and opened it to cyclists and pedestrians.

During 2023, almost $18 million in Local, State, and Federal funding agreements were secured 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, which will continue the 2.5 miles of trail completed in 2023.

The California Transportation Commission (CTC) awarded $3 million in state funding 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. STA allocated an additional $5 million for environmental mitigation work along the alignment.

CLOSING

In closing, this report's preparation was possible due to the Board of Directors' leadership and support. The Board's prudent management must be credited for the strength of the Connector JPA's fiscal condition. Its vision ensures that the Connector Project will be on the move, planning for and building a better future for Sacramento County residents and commuters.

We hope this report provides valuable insights for the Board of Directors, partner agencies, and the public as we continue to manage and allocate resources supporting the Connector Project.

Sincerely,

Derek Minnema

Derek Minnema
Executive Director

Timothy T. Jones

Timothy T. Jones, CPA, CPFO
Fiscal Consultant

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LIST OF PRINCIPAL OFFICIALS AND ORGANIZATION CHART

CITY OF RANCHO CORDOVA
COUNCILMEMBER
GARRETT GATEWOOD (CHAIR)

CITY OF FOLSOM
COUNCILMEMBER
MIKE KOZLOWSKI (VICE-CHAIR)

SACRAMENTO COUNTY
BOARD OF SUPERVISORS
PATRICK HUME

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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2

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Governing Board
Capital SouthEast Connector JPA
Mather, California

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINIONS

We have audited the accompanying financial statements of the governmental activities and each major fund of the Capital SouthEast Connector Joint Powers Authority (the Connector JPA), as of and for the year ended June 30, 2024, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Connector JPA, as of June 30, 2024, and the respective changes in financial position thereof for the 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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

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.

AUDITOR'S RESPONSIBILITIES 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 generally accepted auditing standards 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 generally accepted auditing standards 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 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 auditing standards generally accepted in the United States of America, 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 INFORMATION

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information to consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with Government Auditing Standards, we have also issued our report dated November 5, 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.

Richardson & Company, LLP

November 5, 2024

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, 2024. 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 2023-24 (FY 2023-24) increased by $2,423,796.
- Total revenues in fiscal year 2023-24 of $2.4 million were slightly higher than total revenues in fiscal year 2022-23 at $2.3 million.
- The total investment in capital assets increased $2.8 million in FY 2023-24, from $51.0 million in FY 2022-23 to $53.8 million in FY 2023-24.
- The Connector JPA's fund balance in Fiscal Year 2023-24 decreased by $360 thousand.
- Total General Fund revenues of $2.4 million in Fiscal Year 2023-24 were $129 thousand higher than General Fund revenues in FY 2022-23 of $2.3 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 27 and 28** 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 states 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 27 and 28** 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 29** of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS

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 $55.3 million at June 30, 2024.

Condensed Statement of Net Position
Governmental Activities
June 30, 2024

	2024	Restated 2023	Increase/(Decrease) Amount	Percentage
Assets:				
Current assets	$ 1,492,663	$ 1,799,297	$ (306,634)	(17%)
Capital assets	54,251,440	51,465,605	2,785,835	5%
Total assets	55,744,103	53,264,902	2,479,201	5%
Liabilities:				
Current liabilities	354,098	279,571	74,527	27%
Other liabilities	121,832	140,954	(19,122)	(14%)
	475,930	420,525	55,405	13%
Net Position:				
Investment in capital assets	53,775,510	51,045,080	2,730,430	5%
Unrestricted	1,492,663	1,799,297	(306,634)	(17%)
Total Net Position:	$ 55,268,173	$ 52,844,377	$ 2,423,796	5%

The Connector JPA reported an increase of $2.4 million in net position compared to prior year balances. During FY 2023-24, net position increased primarily due to the $2.8 million increase in capital assets.

Current assets decreased from $1.8 million at June 30, 2023, to $1.5 million at June 30, 2024. This decrease primarily came from a decrease in cash and investment balances. As stated above, capital assets increased approximately $2.8 million during FY 2023-24, from $51.5 million at June 30, 2023 to $54.3 million June 30, 2024. Significant additions to the Capital SouthEast Connector Expressway project (Project) during FY 2023-24 included $2.3 million in project management, environmental, and engineering services.

Current liabilities increased from $280 thousand at June 30, 2023 to $354 thousand at the end of the current fiscal year. These changes were due to higher amounts due to service providers of the project, 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:

Condensed Statement of Net Position
Governmental Activities
June 30, 2024

	2024	Restated 2023	Increase/(Decrease) Amount	Increase/(Decrease) Percentage
Revenues				
Program Revenues:				
Capital grants & contributions	$ 2,366,163	$ 2,207,017	$ 159,146	7%
General Revenues:				
Interest & other	57,633	87,728	(30,095)	(34%)
Total Revenues	2,423,796	2,294,745	129,051	6%
Change in Net Position	2,423,796	2,294,745	129,051	6%
Net Position, July 1	52,844,377	50,549,632	2,294,745	5%
Net Position, June 30	$ 55,268,173	$ 52,844,377	$ 2,423,796	5%

Capital grant and contribution revenues during FY 2023-24 of $2.4 million were slightly higher than the same revenues of FY 2022-23 of $2.2 million. Member contributions remained unchanged at $250,000 for FY 2022-23 and FY 2023-24. As stated above, significant additions to the Project during FY 2023-24 included $2.3 million in project management, environmental, and engineering services. As the Connector JPA incurs these capitalized expenses, the reimbursement revenue follows.

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, unrestricted 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, 2024, and June 30, 2023, the Connector JPA's governmental funds reported a fund balance of $1.2 million and $1.5 million respectively, a decrease of approximately $360 thousand. The decrease in fund balance was attributed to a decrease in assets, notably a decrease in cash and investments of $627 thousand offset by an increase in amounts due from other governments of $350 thousand at the end of FY 2023-24.

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

Revenues Classified by Source
General Fund

	2024	% of Total	2023	% of Total	Increase/(Decrease) Amount	Increase/(Decrease) Percentage
Revenues						
Intergovernmental revenues	$ 2,116,163	87%	$ 1,957,017	85%	$ 159,146	8%
Member contributions	250,000	10%	250,000	11%	-	0%
Interest	57,633	3%	87,728	4%	(30,095)	(34%)
Total Revenues	$ 2,423,796	100%	$ 2,294,745	100%	$ 129,051	6%

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

Intergovernmental revenues are allowable costs claimed from Local sales tax and mitigation fees, State, and Federal grants. There was a decrease in revenues from Measure A administered by the Sacramento Transportation Authority (STA). During FY 2023-24 the Connector JPA received $2.0 million which is an increase from $1.7 million during FY 2022-23. As previously discussed, as the Connector JPA incurs project-related expenditures, these amounts are reimbursed to the organization.

Federal and State 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 Transport Action 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. During FY 2023-24, $340 thousand and $95 thousand respectively were received in Federal and State revenues; no Federal or State revenues were received during FY 2022-23.

The following table presents expenditures of the General Fund:

Expenditures by Function
General Fund

	2024	% of Total	2023	% of Total	Increase/(Decrease) Amount	Increase/(Decrease) Percentage
Expenditures						
Current:						
Public Ways & Facilities	$ 2,730,562	98%	$ 4,664,480	99%	$ (1,933,918)	(41%)
Debt service - lease						
Principal	46,919	2%	49,929	1%	(3,010)	(6%)
Interest	6,095	0%	2,674	0%	3,421	128%
Total Expenditures	$ 2,783,576	100%	$ 4,717,083	100%	$ (1,933,507)	(41%)

Project expenditures were $1.9 million less compared to the prior year. The primary category of decrease was construction activities of approximately $2.9 million offset by a current year increase in project management, environmental, and engineering services.

Although some construction activity has occurred in recent years, the Project is still in the planning stages, and final completion is expected in 2035.

CAPITAL ASSETS

At June 30, 2024, the Connector JPA had $54.3 million invested in capital assets including land and right of way. Changes in capital asset balances are shown in the table below:

Capital Assets

	As of June 30, 2024	As of June 30, 2023	Increase (Decrease)
Land and right of way	$ 2,745,264	$ 2,732,929	$ 12,335
Mitigation	9,006,320	9,006,320	-
Construction in progress	42,376,460	39,702,175	2,674,285
Right-to-use asset, net	123,396	24,181	99,215
	$ 54,251,440	$ 51,465,605	$ 2,785,835

The majority of the increase in capital asset balances were in Construction in Progress. Included in this component is $2.3 million in project management, environmental, and engineering services for FY 2023-24. See Note 4 for more information on the Connector JPA's capital assets.

Throughout the progress of the project, the Connector JPA has executed contracts to purchase services from vendors for construction, engineering, project management and consulting, and environmental services. The Connector JPA is contracted with these vendors through various dates. As of June 30, 2024, approximately $6,100,386 may be payable upon future performance under these contracts.

DEBT

During FY 2023-24, the Connector JPA extended its office lease from December 2023 to December 2026. With this extension, the value of the Right to Use asset and Lease Liability was increased $148 thousand at the time of the new extension agreement. The table below identifies the change in the Lease Liability for FY 2023-2024.

	As of June 30, 2024	As of June 30, 2023	Increase (Decrease)
Office Lease	$ 127,448	$ 26,125	$ 101,323

See Note 5 for more information on the Connector JPA's lease liability

ANALYSIS OF GENERAL FUND BUDGET

Intergovernmental revenues originally budgeted at $7.5 million were increased through a budget amendment in October 2023 to include an additional $3 million awarded by the State from the Trade Corridor Enhancement Program. This increased the total budgeted amount to $10.5 million. During the year, total revenues were less than the final budgeted amounts by $8. million. Measure A revenues were budgeted at $5.8 million but the actual amount was $1.7 million. In addition, none of the other Local funding of $1 million was recognized during the year. Furthermore, federal and State revenues for FY 2023-24 were budgeted at $700 thousand and $3.0 million respectively, however only $340 thousand in Federal revenues and $95 thousand in State revenues were recognized. Engineering staff project expenditures for the budget year based on anticipated design, environmental, and construction activity. However, because of the complex nature of this large multi-jurisdictional project, projecting the timing of the expenditures continues to be challenging.

Because of higher interest rates in FY 2023-24 for cash and investment balances, interest earnings were $42 thousand higher than the budget. Capitalized expenditures to the project amounted to $2.7 million compared to a budget of $10.8 million.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The FY 2024-25 Final Budget was adopted by the Connector JPA's Board of Directors on May 31, 2024.

The proposed means of financing the $7.2 million in budgeted expenditures for FY 2024-25 include:

- Measure A Proceeds: $4.2 million
- Member Contributions: $250 thousand
- Other Local Funding: $533 thousand

- State Funding: $1.3 million
- Federal Funding: $800 thousand
- Interest: $9 thousand

The Connector Project is entering a critical stage as public officials and funding agencies recognize the need to complete the Project for the benefit of the region. To support the momentum, the agency needs to consider adding additional professional staff – namely another transportation engineer and a Chief Financial Officer. Currently, two Professional Engineers (PE) carry the workload of the entire project, including overseeing financial duties and administrative functions. This model is not sustainable as funding increases and the Project advances.

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.

BASIC FINANCIAL STATEMENTS

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CAPITAL SOUTHEAST CONNECTOR JPA

STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET

June 30, 2024

	General Fund	Adjustments (Note 10)	Statement of Net Position
ASSETS			
Current Assets:			
Cash and investments	$ 745,198	$ -	$ 745,198
Interest receivable	27,938	-	27,938
Prepaid items	35,499	-	35,499
Due from other governments	684,028	-	684,028
Total Current Assets	1,492,663	-	1,492,663
Noncurrent Assets:			
Capital assets, non-depreciable	-	54,128,044	54,128,044
Right-to-use asset	-	123,396	123,396
Total Noncurrent Assets	-	54,251,440	54,251,440
TOTAL ASSETS	$ 1,492,663	54,251,440	55,744,103
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued liabilities	$ 306,592	-	306,592
Lease liability - current portion	-	47,506	47,506
Total Current Liabilities	306,592	47,506	354,098
Noncurrent Liabilities:			
Lease liability	-	79,942	79,942
Retentions payable	-	41,890	41,890
Total Noncurrent Liabilities	-	121,832	121,832
TOTAL LIABILITIES	306,592	169,338	475,930
FUND BALANCE			
Nonspendable	35,499	(35,499)	
Unassigned	1,150,572	(1,150,572)	
TOTAL FUND BALANCE	1,186,071	(1,186,071)	
TOTAL LIABILITIES AND FUND BALANCE	$ 1,492,663		
NET POSITION			
Net investment in capital assets		53,775,510	53,775,510
Unrestricted		1,492,663	1,492,663
TOTAL NET POSITION		$ 55,268,173	$ 55,268,173

The accompanying notes are an integral part of these financial statements.

CAPITAL SOUTHEAST CONNECTOR JPA

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2024

	General Fund	Adjustments (Note 11)	Statement of Activities
PROGRAM EXPENSES			
Governmental activities:			
Public ways and facilities			
Capital outlay	$ 2,730,562	$ (2,730,562)	
Debt service			
Principal	46,919	(46,919)	
Interest	6,095	(6,095)	
TOTAL PROGRAM EXPENSES	2,783,576	(2,783,576)	-
PROGRAM REVENUE			
Capital grants and contributions			
Intergovernmental	2,116,163		$ 2,116,163
Member contributions	250,000		250,000
	2,366,163	-	2,366,163
NET PROGRAM (EXPENSES) REVENUE	(417,413)	2,783,576	2,366,163
GENERAL REVENUES			
Interest earnings	57,633		57,633
TOTAL GENERAL REVENUES	57,633	-	57,633
CHANGE IN FUND BALANCE/NET POSITION	(359,780)	2,783,576	2,423,796
Fund balance/net position at beginning of year, as previously reported	1,510,352	51,229,662	52,740,014
Restatement	-	104,363	104,363
Fund balance/net position at beginning of year, as restated	1,510,352	51,334,025	52,844,377
NET POSITION AT END OF YEAR	$ 1,150,572	$ 54,117,601	$ 55,268,173

The accompanying notes are an integral part of these financial statements.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Capital SouthEast Connector Joint Powers Authority (Connector JPA) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Organization: The 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 Counties of Sacramento and El Dorado, and the Cities of Elk Grove, Rancho Cordova and Folsom.

The Connector JPA was formed solely to acquire, plan, design, finance and construct a multi-modal transportation corridor (Project) to connect the Counties of Sacramento and El Dorado, and the Cities of Elk Grove, Rancho Cordova and Folsom. The Connector JPA's primary revenue sources are Measure A sales tax and transportation mitigation fees, member dues, and state and federal grants.

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

Basis of Presentation – Government-wide financial statements: The government-wide financial statements (the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. Governmental activities are primarily supported by intergovernmental revenues. The Connector JPA does not report any business-type activities.

The Statement of Net Position reports all financial resources of the Authority as a whole in a format in which assets and deferred outflows of resources equal liabilities and deferred inflows of resources, plus net position.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: a) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Interest and other items properly excluded among program revenues are reported as general revenues.

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 when a liability is incurred, regardless of the timing of related cash flows.

When both restricted and unrestricted resources are available for use, it is the Connector JPA's policy to use restricted resources first, then unrestricted resources as they are needed.

Basis of Presentation – Fund Financial Statements: The accounts of the Connector JPA are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Each fund is established for the purpose of accounting specific activities in accordance with applicable regulations, restrictions, or limitations.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Connector JPA considers all revenues to be available if they are collected within 180 days of the end of the current fiscal period are considered available. Expenditures generally are recorded when the related fund liability is incurred. Payable balances are primarily payables to vendors.

All revenues are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

The Connector JPA reports the following major governmental fund:

- **General Fund** – The General Fund is the general operating fund of the Connector JPA and accounts for revenues collected to provide services and finance the fundamental operations of the Connector JPA.

Budgets: Budgets are adopted on a basis consistent with generally accepted accounting principles and in accordance with the Connector JPA's policies and procedures. Budgetary control is exercised by major object. Budgetary changes, if any, during the fiscal year require the approval of the Connector JPA's

Governing Board. Unencumbered budget appropriations lapse at the end of the fiscal year.

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid costs in both government-wide and fund financial statements. Prepaid items are reported in the fund financial statements as nonspendable fund balance to indicate they do not constitute resources available for appropriation.

Capital Assets: Capital assets for governmental fund types are not capitalized in the funds used to acquire or construct them. Capital acquisitions are reflected as expenditures in the governmental fund, and the related assets are reported in the government-wide financial statements. Capital assets reported by the Connector JPA are stated at historical cost or estimated historical cost, if actual historical cost is not available. Contributed capital assets are recorded at the acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. The only asset of the Connector JPA is the self-constructed roadway infrastructure project. The infrastructure project entails making roadway improvements, but ownership of the asset and underlying land remains with the member jurisdictions.

The Connector JPA capitalizes all costs for the roadway infrastructure project. Maintenance of the roadway infrastructure project is the responsibility of the Connector JPA members, so no such costs are incurred by the Connector JPA. The Connector JPA will not be depreciating the roadway infrastructure project because at the time the entire infrastructure project is completed and placed into service, the infrastructure project will be formulaically allocated to the member in whose jurisdiction the asset is located, and the Connector JPA will cease to exist.

Lease Liability: Lease liabilities represent the Connector JPA's obligation to make lease payments arising from the lease of office space. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments is discounted based on a borrowing rate determined by the Connector JPA.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position: The government-wide financial statements report the following categories of net position:

- **Net Investment in Capital Assets** – This category groups all capital assets into one component of net position. Accumulated depreciation and any outstanding debt related to the acquisition, construction or improvement of capital assets reduce the balance in this category.
- **Restricted Net Position** – This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The Connector JPA does not report any restricted net position.
- **Unrestricted Net Position** – This category represents net position of the Connector JPA not restricted for any project or other purpose.

Fund Balance: In the General Fund financial statements, the Connector JPA reports the following fund balances:

- **Non-spendable fund balances** are not expected to be converted to cash within the next operating cycle and are typically comprised of prepaid costs.
- **Unassigned fund balance** is the residual classification for the Connector JPA's funds and includes all spendable amounts not contained in the other classifications.

The Connector JPA typically spends resources in the following order when an expenditure is incurred: restricted, committed, assigned and unassigned.

Use of Estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – 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 ratio of its average daily cash balance to the total of the County's pooled account.

Investment Policy: California statutes authorize special districts to invest idle or surplus funds in a variety of credit instruments as provided for in California Government Code, Section 53600, Chapter 4 – Financial Affairs. The Connector JPA does not have its own investment policy that addresses its interest rate risk, credit risk and concentration of credit risk, but annually adopts the County's policy since all Connector JPA funds are held there.

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

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 ratio of its average daily cash balance to the total of the County's pooled account.

Investment Policy: California statutes authorize special districts to invest idle or surplus funds in a variety of credit instruments as provided for in California Government Code, Section 53600, Chapter 4 – Financial Affairs. The Connector JPA does not have its own investment policy that addresses its interest rate risk, credit risk and concentration of credit risk, but annually adopts the County's policy since all Connector JPA funds are held there.

Investment in the County of Sacramento's Investment Pool: The Connector JPA maintains its cash in Sacramento County's cash and investment pool, which is managed by the Sacramento County Treasurer. The total fair value amount invested by all public agencies in Sacramento County's cash and investment pool is $744,895 at June 30, 2024. Sacramento County does not invest in any derivative financial products. The Sacramento County Treasury Investment Oversight Committee (Committee) has oversight responsibility for Sacramento County's cash and investment pool. The Committee consists of ten members as designated by State law. The value of pool shares in Sacramento County that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the Connector JPA's position in the pool. Investments held in the County's investment pool are available on demand to the Connector JPA and the balance available for withdrawal is based on the accounting records maintained by the County, which are recorded at fair value.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2024, the weighted average maturity of the investments contained in the County's investment pool was approximately 274 days.

Credit Risk: Generally, credit risk is the risk that an issue of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating issued by a nationally recognized statistical rating organization. The County Pool is not rated by a nationally recognized statistical rating organization.

Custodial Credit Risk: Custodial credit risk is the risk that the government will not be able to recover its deposits or the value of its investments that are in the possession of an outside party. Custodial credit risk does not apply to a local government's indirect deposits or investment in securities through the use of government investment pools (such as the County's investment pool).

NOTE 3 – DUE FROM OTHER GOVERNMENTS

The majority of the Connector JPA's due from other governments is comprised of Measure A claims submitted to the Sacramento Transportation Authority (STA) for expenditures incurred through June 30, 2024.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

	Restated Balance July 1, 2023	Additions	Disposals	Balance June 30, 2024
Capital assets not being depreciated:				
Land and right of way	$ 2,745,264	$ -	$ -	$ 2,745,264
Mitigation	9,006,320	-	-	9,006,320
Construction in progress	42,376,460		-	42,376,460
Total capital assets not being depreciated, net	54,128,044	-	-	54,128,044
Capital assets being amortized:				
Right to use assets	269,149		-	269,149
Less accumulated amortization	(145,753)		-	(145,753)
Total capital assets being amortized	123,396	-	-	123,396
Capital assets, net	$ 54,251,440	$ -	$ -	$ 54,251,440

Amortization expense of $49,027 for the year ended June 30, 2024 was capitalized and reflected in construction in process.

Capital outlay can be reconciled to additions to capital assets for the year ended June 30, 2024 as follows:

Capital outlay	$ 2,730,562
Retentions payable amount expensed in fund statements	(99,063)
Lease principal and interest amounts reclassified to capital outlay	55,121
Additions to capital assets	$ 2,686,620

NOTE 5 – LEASE ASSET AND LIABILITY

The Connector JPA leases the administrative facility that has been extended through December 31, 2026. For the purposes of discounting future payments on the lease, the Connector JPA used a discount rate of 6%, which represents the Connector JPA's estimated incremental borrowing rate. The total amount of lease assets for the year ended June 30, 2024 was $148,242, and related accumulated amortization was $145,753. The intangible right-of-use asset is being amortized over 3 years, the remaining term of the lease. Amortization was $49,027 and interest was $6,095 during the year ended June 30, 2024, both of which were capitalized. Minimum lease payments over the remaining term of the lease include:

Year Ended June 30	Principal	Interest	Total
2025	$ 47,506	$ 6,367	$ 53,873
2026	52,203	3,389	55,592
2027	27,739	487	28,226
	$ 127,448	$ 10,244	$ 109,466

NOTE 6 – RELATED PARTY TRANSACTIONS

The Connector JPA uses the County of Sacramento for services such as payroll, payment, internet technology, human resources, administrative, and accounting. Expenditures incurred for services provided by the County of Sacramento for the fiscal year ended June 30, 2024 were approximately $89,676. TheConnector JPA also reimbursed the County of Sacramento for payroll-related costs totaling $720,696.

NOTE 7 – 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, 2024, $6,100,386 may be payable upon future performance under these contracts.

NOTE 8 – EMPLOYEE BENEFITS

The Connector JPA personnel are employees of the County of Sacramento and the County is solely responsible and liable for all costs, expenses, damages and other financial obligations imposed by law as a result of their employment. As a result, the Connector JPA does not record liabilities related to compensated absences, pension benefits and other postemployment benefits. The Connector JPA reimburses the County for employee payroll costs, including benefits, and its share of the debt service on the County's pension obligation bonds.

NOTE 9 – CONTINGENCIES

The Connector JPA receives funding for specific purposes that are subject to review and audit by the granting agencies funding source. Such audits could result in a request for reimbursement for expenditures disallowed under the terms and conditions of the contracts. Management is of the opinion that no material liabilities will result from such potential audits.

NOTE 10 – RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS

Fund balance - total governmental funds, June 30, 2024	$ 1,150,572
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds:	
Governmental capital assets	54,128,044
Right-to-use asset	123,396
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Retentions payable	(41,890)
Net lease liability	(127,448)
Net position - governmental activities, June 30, 2024	$ 55,232,674

NOTE 11 – RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

Net change in fund balance - total governmental funds for the year ended June 30, 2024	$ (359,780)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures. In the statement of activities, however, the cost of those assets are allocated over their estimated useful lives as depreciation expense.	
Capital outlay expenditures	2,688,672
Capital Outlay in the Government-wide Statement of Activities that do not provide current financial resources are not reported as revenues and expenses in the governmental funds.	
Change in retentions payable	41,890
Lease principal payments	46,919
Lease interest payment	6,095
Change in net position - governmental activities for the year ended June 30, 2024	$ 2,423,796

NOTE 12 – RISK MANAGEMENT

The Connector JPA participates in the Golden State Risk Management Authority (GSRMA), a joint powers agency comprised of California governmental agencies for general, property, automobile, employment practices and public officials' errors and omissions. Loss contingency reserves established by the GSRMA are funded by contributions from member agencies. The Connector JPA pays an annual contribution to the GSRMA that includes its pro-rata share of excess insurance premiums, charges for pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the GSRMA. GSRMA provides insurance through the pool up to a certain level, beyond which group purchased commercial excess insurance is obtained.

The Connector JPA's self-insured retention level and maximum coverage under the GSRMA are as follows:

	Pool Coverage	Commercial Coverage	Self-Insured Retention
GSRMA			
General	$ 500,000	$ 500,000	$ -
Property	$ 25,000	$ 25,000	$ 1,000
Automobile liability	$ 500,000	$ 500,000	$ -
Employee dishonesty	$ 25,000	$ 25,000	$ 2,500

NOTE 13 – RESTATEMENT

Net position as of July 1, 2023 was increased by $104,363 due to the retroactive reclassification of right-of-use amortization and lease interest from expense to construction in progress. Net position and change in net position would have decreased by $104,363 and $51,037 as of and for the year ended June 30, 2023.

NOTE 14 – NEW PRONOUNCEMENTS

In December 2023, the GASB issued Statement No. 102, Certain Risk Disclosures. This statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The provisions of this Statement are effective for year ended June 30, 2025.

In April 2024, the GASB issued Statement No. 103, Financial Reporting Model Improvements. This statement will implement changes to the financial reporting model including the Management's Discussion and Analysis, Unusual or Infrequent Items, presentation of the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position, Major Component Unit Information, and Budgetary Comparison Information. The provisions of this Statement are effective for the year ended June 30, 2026.

In October 2024, the GASB issued Statement No. 104, Disclosure of Certain Capital Assets, that requires certain types of assets to be disclosed separately in the note disclosures and establishes requirements for capital assets held for sale. The provisions of this Statement are effective for the year ended June 30,2026.

The Connector JPA will analyze the impact of these new Statements prior to the effective dates listed above.

REQUIRED SUPPLEMENTARY INFORMATION

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CAPITAL SOUTHEAST CONNECTOR JPA

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – GENERAL FUND

For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	$ 7,497,390	$ 10,497,390	$ 2,116,163	$ (8,381,227)
Member contributions	250,000	250,000	250,000	
Interest	15,550	15,550	57,633	42,083
TOTAL REVENUES	7,762,940	10,762,940	2,423,796	(8,339,144)
EXPENDITURES				
Capital outlay	7,762,940	10,762,940	2,730,562	(8,032,378)
Debt service				
Principal			46,919	46,919
Interest			6,095	6,095
TOTAL EXPENDITURES	7,762,940	10,762,940	2,783,576	(7,979,364)
NET CHANGE IN FUND BALANCE			(359,780)	(359,780)
Fund balance at beginning of year	1,510,352	1,510,352	1,510,352	-
FUND BALANCE AT END OF YEAR	$ 1,510,352	$ 1,510,352	$ 1,150,572	$ (359,780)

The accompanying notes are an integral part of these financial statements.

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3

STATISTICAL SECTION

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STATISTICAL SECTION

This part of the Connector JPA's annual comprehensive financial report presents detailed information as context for understanding the information in the financial statements, note disclosures, and required supplementary information of the government's overall financial health.

Financial Trends – These schedules contain trend information to help the reader understand how the Connector JPA's financial performance changed over time.

Revenue Capacity – These schedules contain information to help the reader assess the Connector JPA's most significant local revenue source - sales tax and mitigation fees.

Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the Connector JPA's financial activities take place and to help make comparisons over time and with other governments.

Sources – Unless otherwise noted; the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

Capital Southeast Connector JPA
Net Postion by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2015	**2016**	**2017**	**2018**
Governmental Activities				
Net investment in capital assets	$ -	$ -	$ 14,228,145	$ 22,468,803
Unrestricted	183,052	761,730	1,053,709	857,139
Total Governmental Activities Net Position	**$ 183,052**	**$ 761,730**	**$ 15,281,854**	**$ 23,325,942**

Source: Audited Financial Statements

Fiscal Year					
2019	2020	2021	2022	2023	2024
$ 28,036,205	$ 33,292,560	$ 38,524,772	$ 45,818,856	$ 50,940,717	$ 53,775,510
912,657	678,062	881,321	4,677,450	1,799,297	1,492,663
$ 28,948,862	**$ 33,970,622**	**$ 39,406,093**	**$ 50,496,306**	**$ 52,740,014**	**$ 55,268,173**

Capital Southeast Connector JPA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2015	**2016**	**2017**	**2018**
Expenses				
Governmental Activities:				
Public Ways and Facilities	$ 2,301,307	$ 2,696,040	$ -	$ -
Total governmental activities expenses	2,301,307	2,696,040	-	-
Program Revenues				
Capital grants and contributions	2,266,143	3,272,442	4,567,826	8,031,520
Net (expense) revenue	(35,164)	576,402	4,567,826	8,031,520
General Revenues and Other Changes in Net Position				
Investment earnings	1,019	2,276	3,976	12,568
Total general revenues	1,019	2,276	3,976	12,568
Change in Net Position	**$ (34,145)**	**$ 578,678**	**$ 4,571,802**	**$ 8,044,088**

Source: Audited Financial Statements

Fiscal Year					
2019	**2020**	**2021**	**2022**	**2023**	**2024**
$ -	$ -	$ -	$ 53,327	$ 51,037	$ -
-	-	-	53,327	51,037	-
5,607,891	5,010,652	5,429,750	11,124,809	2,207,017	2,366,163
5,607,891	5,010,652	5,429,750	11,071,482	2,155,980	2,366,163
15,029	11,108	5,721	18,731	87,728	57,633
15,029	11,108	5,721	18,731	87,728	57,633
$ 5,622,920	**$ 5,021,760**	**$ 5,435,471**	**$ 11,090,213**	**$ 2,243,708**	**$ 2,423,796**

Capital Southeast Connector JPA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2015	**2016**	**2017**	**2018**
General Fund				
Nonspendable	$ -	$ -	$ -	$ -
Assigned	38,421	-	-	-
Unassigned	144,631	761,730	1,020,681	857,139
Total General Fund	**$ 183,052**	**$ 761,730**	**$ 1,020,681**	**$ 857,139**

Source: Audited Financial Statements

Fiscal Year					
2019	2020	2021	2022	2023	2024
$ 3,892	$ 2,500	$ 2,500	$ 24,357	$ 37,633	$ 35,499
-	-	-	-	-	-
828,765	637,562	878,821	3,943,832	1,508,218	1,150,572
$ 832,657	**$ 640,062**	**$ 881,321**	**$ 3,968,189**	**$ 1,545,851**	**$ 1,186,071**

Capital Southeast Connector JPA
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2015	**2016**	**2017**	**2018**
Revenues				
Intergovernmental	$ 2,242,976	$ 2,947,442	$ 4,409,798	$ 7,889,548
Member contributions	55,000	75,000	125,000	175,000
Interest earnings	1,372	2,276	3,976	12,568
Other	-	250,000	-	-
Total Revenues	**2,299,348**	**3,274,718**	**4,538,774**	**8,077,116**
Expenditures				
Capital outlay	2,301,307	2,696,040	4,279,823	8,240,658
Debt Service - lease payments				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	**2,301,307**	**2,696,040**	**4,279,823**	**8,240,658**
Excess (deficiency) of revenues over (under) expenditures	**(1,959)**	**578,678**	**258,951**	**(163,542)**
Net change in fund balance	**$ (1,959)**	**$ 578,678**	**$ 258,951**	**$ (163,542)**

Source: Audited Financial Statements

Fiscal Year					
2019	**2020**	**2021**	**2022**	**2023**	**2024**
$ 5,302,891	$ 4,827,652	$ 5,242,750	$ 10,874,809	$ 1,957,017	$ 2,116,163
225,000	225,000	225,000	250,000	250,000	250,000
15,029	11,108	5,721	18,731	87,728	57,633
-	-	-	-	-	-
5,542,920	**5,063,760**	**5,473,471**	**11,143,540**	**2,294,745**	**2,423,796**
5,567,402	5,256,355	5,232,212	8,006,855	4,664,480	2,730,562
-	-	-	44,853	49,929	46,919
-	-	-	4,964	2,674	6,095
5,567,402	**5,256,355**	**5,232,212**	**8,056,672**	**4,717,083**	**2,783,576**
(24,482)	**(192,595)**	**241,259**	**3,086,868**	**(2,422,338)**	**(359,780)**
$ (24,482)	**$ (192,595)**	**$ 241,259**	**$ 3,086,868**	**$ (2,422,338)**	**$ (359,780)**

Capital Southeast Connector JPA
Sales Tax and Mitigation Fee Collections and Receipts
Last Ten Fiscal Years
(modified accrual basis of accounting)
(000's)

Fiscal Year	Measure A Sales Tax Collected*	JPA Sales Tax Received**	Ratio
2015	$ 105,564	$ 1,846	1.75%
2016	110,708	2,711	2.45%
2017	116,878	150	0.13%
2018	119,188	5,014	4.21%
2019	131,757	231	0.18%
2020	131,591	2,344	1.78%
2021	153,560	561	0.37%
2022	172,916	158	0.09%
2023	174,234	-	0.00%
2024	177,813	-	0.00%
Totals	**$ 1,394,209**	**$ 13,015**	**0.93%**

* Source: Audited Financial Statements Sacramento Transportation Authority
** Source: Sacramento Transportation Authority
*** Fiscal year 2022 included accumulated fund balance from prior years

Mitigation Fees Collected*	JPA Mitigation Fees Received**	Ratio***
$ 4,624	$ -	0.00%
4,364	-	0.00%
7,848	2,276	29.00%
7,622	2,317	30.40%
6,684	4,659	69.70%
7,552	2,400	31.78%
8,957	4,007	44.74%
5,432	7,899	145.42%
6,003	1,957	32.60%
9,465	1,680	17.75%
$ 68,551	**$ 27,195**	**39.67%**

Capital Southeast 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 Healh System	16,075	1	2.30			
Kaiser Pemanente	10,934	2	1.56	9,109	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	7,397	3	1.19
Intel Corporation	5,000	5	0.71	6,000	5	0.97
Raley's Inc./Bel Air	2,756	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	0.25			
Pacific Gas and Electric Co.	1,370	10	0.20			
Wells Fargo & Co.				3,249	6	0.52
Hewlett-Packard				3,200	7	0.52
Cache Creek Casino Resort				2,400	8	0.39
Health Net of Califonia				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)
* Latest information available

Capital Southeast 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	$ 61,775	3.9
2022	1,589	98,241,828	61,829	7.0
2021	1,559	90,908,707	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	72,878,458	48,122	5.4
2016	1,497	70,110,138	46,845	6.0
2015	1,478	65,486,553	44,303	7.3
2014	1,460	61,654,690	42,229	10.5

Source: June 30, 2023 Sacramento County Annual Comprehensive Financial Report (ACFR)
*Latest information available

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OTHER

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COMPLIANCE REPORT

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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

To the Board of Trustees
Capital SouthEast Connector JPA
Mather, California

We have audited, in accordance with the 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 each major fund of the Capital SouthEast Connector JPA (the Connector JPA), as of and for the year ended June 30, 2024, 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 November 5, 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 audit 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 were not 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.

Richardson & Company, LLP

November 5, 2024

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CAPITAL | SOUTHEAST
CONNECTOR JPA
Connecting Communities

ITEM 11 b

RESOLUTION 2024-19

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AUTHORITY ACCEPTING THE INDEPENDENT AUDITOR'S REPORT FOR FISCAL YEAR 2023-24

BE IT RESOLVED that the Board of Directors ("Board") of the Capital SouthEast Connector Joint Powers Authority ("Connector JPA") hereby accepts the Fiscal Year 2023-24 Annual Comprehensive Financial Report attached hereto.

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

* * * * *

PASSED AND ADOPTED this 15th day of November 2024, on a motion by

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

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Chairperson

ATTEST:

____
Secretary

ITEM 12

MEETING DATE: November 15, 2024

TITLE: Adopt 2025 Connector JPA Regular Board Meeting Schedule

PREPARED BY: Derek Minnema

RECOMMENDATION

Approve Resolution 2024-20, adopting the 2025 Connector JPA regular Board meeting schedule.

BACKGROUND

Section 6.b. of the Joint Exercise of Powers Agreement requires the Board to meet quarterly and shall establish, by resolution, the number of regular meetings to be held each year and the date, hour, and location at which such regular meetings will be held.

REGULAR BOARD MEETING SCHEDULE FOR THE CALENDAR YEAR 2025

The proposed schedule for 2025 has quarterly meetings at 8:30 a.m. on a Friday.

Historically the meetings are held at the City of Rancho Cordova City Council Chambers and may continue at this location in 2025.

ATTACHMENTS

a. Proposed 2025 Connector JPA Regular Board Meeting Schedule
b. Resolution 2024-20

CAPITAL | SOUTHEAST
CONNECTOR JPA
Connecting Communities

ITEM 12 a

Calendar Year 2025 Regular Board Meeting Calendar

January

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

February

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	**28**	

March

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

April

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

May

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	**30**	31

June

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

July

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

August

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	**29**	30
31						

September

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

October

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

November

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	**14**	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

December

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

ITEM 12 b

RESOLUTION 2024-20

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AUTHORITY ADOPTING THE 2025 REGULAR BOARD MEETING SCHEDULE

BE IT RESOLVED that the Board of Directors ("Board") of the Capital SouthEast Connector Joint Powers Authority ("Connector JPA") hereby adopts the 2025 regular Board meeting schedule attached hereto.

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

* * * * *

PASSED AND ADOPTED this 15th day of November 2024, on a motion by Director ___________, seconded by Director____________, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Chairperson

ATTEST:

____
Secretary

ITEM 13

MEETING DATE: November 15, 2024

TITLE: Authorize the Executive Director to Execute a Funding Agreement with the County of Sacramento for the Connector Project on Grant Line Road for an amount Not-To-Exceed $2,400,000

PREPARED BY: Derek Minnema

Staff recommendation is to remove this item from the agenda and consider it at a future meeting

ITEM 14

MEETING DATE: November 15, 2024

TITLE: Authorize the Executive Director to Execute an Amended and Restated Agreement with Dokken Engineering, Inc. for Civil and Structural Design Services, Land Surveying, Environmental Support Stakeholder Outreach, and Engineering Construction Support Services for the Connector Project on Grant Line Road

PREPARED BY: Matt Lampa

Staff recommendation is to remove this item from the agenda and consider it at a future meeting

ITEM 15

MEETING DATE: November 15, 2024

TITLE: Authorize Staff to Submit a Funding Application to the California Transportation Commission for the SB 1 Trade Corridor Enhancement Program

PREPARED BY: Matt Lampa

RECOMMENDATION

Approve Resolution 2024-23 authorizing staff to submit a grant funding application to the California Transportation Commission ("CTC") related to Cycle 4 of the Senate Bill ("SB") 1 Trade Corridor Enhancement Program for improvements to Grant Line Road between White Rock Road and Chrysanthy Boulevard in Rancho Cordova/Sacramento County.

BACKGROUND

The Trade Corridor Enhancement Program ("TCEP") was created by SB 1 and is administered by the CTC. Its purpose is to make targeted funding investments towards advancing the goals of the National Highway Freight Program, California Freight Mobility Plan, and California Sustainable Freight Action Plan.

Applications for the grant program are due to the CTC on November 22, 2024, and project awards are expected in June 2025.

The CTC has expressed a need for TCEP project nominations to be regionally significant and provide benefits in multiple geographic areas through a collaborative approach. As a result of the CTC's desire that projects be of regional significance, projects involving multiple jurisdictions and agencies are well received, accordingly, SacDOT, the JPA, and the City of Rancho Cordova are proposing to partner to submit a joint TCEP application to improve Grant Line Road.

The program requires Caltrans or Metropolitan Planning Organizations ("MPOs") to compile nominations and prioritize projects that intend to submit applications to the program. Funding for the TCEP program is divided between approximately a 40 percent share for Caltrans and a 60 percent share for projects nominated by MPOs in regional corridors across the state. The Bay Area/Sacramento regional corridor has a TCEP funding target of approximately $123 million for freight projects for this cycle of the program.

PROJECT DETAILS

The Connector project will reconstruct Grant Line Road, from Chrysanthy Boulevard to White Rock Road. The project is needed to correct a geometrically deficient horizontal curve with a 25 mph advisory and reconstruct failing pavement. The curve has resulted in safety risks, given the increased traffic, and JPA consultants have identified the area as a high collision-density area.

Additionally, the project proposes constructing a traffic signal at the Raymer Way intersection and associated turn pockets, adding shoulders, and making access improvements consistent with the ultimate corridor plan.

Ultimately, these improvements will collectively address existing safety concerns on Grant Line Road and improve freight throughput and velocity through the corridor.

REGIONAL PRIORITY AND FUNDING REQUEST

The Project was awarded $3M for engineering design (PS&E) from TCEP in 2022 as part of the Cycle 3 funding round. As such, shovel ready activities are fully funded with state and local funding from Measure A and development impact fees.

In March 2024 the SACOG Boad unanimously nominated the project as the number one priority to receive federal funding the Rebuilding American Infrastructure with Sustainability and Equity grant program (RAISE). In June 2024 the Project was awarded $25M for construction. These funds will be used as the matching funds for the program's 30% minimum matching funds requirement.

In October 2024 the SACOG Board again unanimously nominated the project as the top regional priority to receive TCEP funding. The project is currently adopted into the Trade Corridor Program with the funding award from Cycle 3 and the large federal commitment and matching funds provides significant leverage, making this project highly competitive in TECP Cycle 4.

JPA Staff met with CTC staff in April to discuss the project. The CTC concluded this segment represents a good investment of TCEP funds due to improved freight throughput, and increased reliability of freight movement, while addressing safety concerns along the corridor.

ATTACHMENTS

a. Resolution 2024-24

ITEM 15 a

RESOLUTION 2024-23

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AUTHORITY AUTHORIZING STAFF TO SUBMIT A FUNDING APPLICATION TO THE CALIFORNIA TRANSPORTATION COMMISSION UNDER THE TRADE CORRIDOR ENHANCEMENT PROGRAM

BE IT RESOLVED by the Board of Directors ("Board") of the Capital SouthEast Connector Joint Powers Authority ("Connector JPA") hereby authorizes staff to submit a grant funding application to the California Transportation Commission related to the Senate Bill 1 Trade Corridor Enhancement Program.

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

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PASSED AND ADOPTED this 15th day of November, 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

RESOLUTION NO. 2024-24

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AUTHORITY
RECOGNIZING JOHN HIDAHL AND HIS SERVICE TO
THE CONNECTOR JPA**

WHEREAS, Director John Hidahl served as an instrumental leader on the Capital SouthEast Connector Joint Powers Authority Board of Directors, beginning his service in 2017 and serving as Board Chair on two occasions; and

WHEREAS, throughout his tenure on the Board of Directors, Director Hidahl provided strong leadership and valuable insights on all matters before the Connector JPA, consistently serving as a steadfast advocate for the project across the region; and

WHEREAS, Director John Hidahl's good-natured character and enthusiasm contributed greatly to the outstanding reputation of the JPA, earning him the friendship, respect, and gratitude of all who had the privilege to work alongside him; and

WHEREAS, with the passing of Director John Hidahl, the Capital SouthEast Connector Joint Powers Authority and the community have lost a devoted advocate and dedicated leader whose unwavering commitment to public service will leave a lasting legacy.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Capital SouthEast Connector Joint Powers Authority that, in memory of Director John Hidahl, the Board extends its heartfelt condolences to his family and expresses deep gratitude for his invaluable contributions, which will continue to guide and inspire the mission and accomplishments of the Connector JPA.

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

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Adopted by the Board of Directors of the Capital SouthEast Connector Joint Powers Authority on the 15th day of November, 2024

________________________ Sergio Robles City of Elk Grove	________________________ Patrick Hume County of Sacramento
________________________ Mike Kozlowski City of Folsom	________________________ Garrett Gatewood City of Rancho Cordova