

Citizens Advisory Committee (CAC)
Yolo County Transportation District
350 Industrial Way, Woodland, CA 95776----(530) 661-0816

Topic: Yolo 80 Managed Lanes Update	Agenda Item#: Agenda Type:	<div style="font-size: 2em; font-weight: bold; margin-bottom: 10px;">7</div> <div style="font-weight: bold; margin-bottom: 10px;">Informational</div> Attachments: Yes No
Prepared By: B. Abbanat / A. Bernstein		Meeting Date: January 30, 2024

RECOMMENDATION:

Informational

BACKGROUND:

Note: On January 22, 2024 the YoloTD Board took affirmative action on this item to:

1. Approve the Joint Powers Authority (JPA) agreement (Attachment A) with the Sacramento Area Council of Governments (SACOG) and the California Department of Transportation (Caltrans) establishing the Capitol Area Regional Tolling Authority (CARTA); and
2. Approve the resolution (Attachment B) consenting to CARTA’s submission of a Toll Facility Application to the California Transportation Commission (CTC) for Yolo 80 pursuant to Assembly Bill (AB) 194.

This staff report focuses on establishing a regional highway tolling Joint Powers Authority (JPA), which is closely related to the Yolo 80 Managed Lanes project. Staff reports dating to the project’s inception can be found on the YoloTD website:

Yolotd.org → Planning & Projects → Freeways & Roads

Tolled lanes, including express lanes and high-occupancy toll lanes, are identified as a critical component of SACOG’s adopted MTP/SCS to improve traffic management, increase system reliability, expand modal choice, and increase person and freight throughput. The adopted MTP/SCS identified the following corridors in the region for tolled facilities: US 50, I-80, I-5, SR 51 (Capital City Freeway), SR 99, and SR 65. This report builds on previous tolling presentations and discussions over the past two years. YoloTD, SACOG, Caltrans, and other transportation stakeholders believe that a regional approach, rather than multiple organizations within the region, would be the best overall strategy for managing tolling facilities.

The CTC was delegated authority to approve tolled facilities on the state highway system through AB 194. The CTC requires each tolled facility, or project, seek approval prior to construction. Toll Facility Project Applications may be submitted by a Regional Transportation Planning Agency (RTPA), a JPA with the consent of the RTPA, or Caltrans. The CTC's approval process also requires a public hearing on each Toll Facility Project Application prior to the CTC commission meeting when the approval is considered.

The Yolo 80 is the first project in the region that will seek approval to toll from the CTC. The project extends along I-80 from the Yolo/Solano County line to West El Camino Avenue in Sacramento County and on US 50 from the I-80/US 50 Interchange to the US 50/I-5 interchange. Yolo 80 has received \$86 million in federal INFRA funds, which requires the project to begin construction in September 2024 or risk forfeiture of the funds. To meet this deadline, the project must go out to bid in April 2024. The project's draft environmental document was released on November 13, 2023, and comments were due January 12, 2024; the Notice of Determination is anticipated to be filed in Spring 2024. Twelve alternatives are included in the draft environmental document, including multiple that would construct tolled lanes.

Per the CTC, its approval to develop and operate a toll facility must occur at the March 2024 CTC meeting, which requires a Toll Facility Project Application to be submitted in early February 2024. As the RTPA covering Yolo County, SACOG must either submit the application for the Yolo 80 on its own or consent to a joint powers authority submitting the application. Through a contract with a consultant, YoloTD has been conducting the necessary analyses and preparing the required documentation for the application, in consultation and coordination with SACOG and Caltrans staff.

Discussion/Analysis:

YoloTD, SACOG, and Caltrans have been working together, along with other partners in the region, to develop a governance structure for a regional tolling authority. Staff believe a regional JPA capitalizes on the unique skillset of the region's transportation partners while minimizing risks to individual agencies. The staff recommendation is to create a regional JPA that serves as the tolling authority, called CARTA. As proposed, CARTA would have five voting board members to start: one at-large Director appointed by SACOG, one Director within Yolo County appointed by SACOG, two Directors appointed by YoloTD, and one Director appointed by Caltrans. In the future, if a new toll facility is approved within Sacramento County, three new Directors will be added: one Director within Sacramento County appointed by SACOG and two Directors appointed by Sacramento Transportation Authority (STA). If a new toll facility is approved within Placer or El Dorado Counties, Placer County Transportation Planning Agency (PCTPA) or El Dorado County Transportation Commission (EDCTC) could join CARTA and new Directors could be appointed in the same manner. However, as RTPAs, PCTPA and EDCTC retain the ability to establish their own tolling authorities. During the December meeting, the SACOG Board discussion highlighted the importance of creating a tolling governance structure that performs well on four metrics:

- Minimizes risk to the Yolo 80 project
- Minimizes risk to SACOG
- Promotes regional partnership
- Preserves local representation

YoloTD staff believe the recommended governance structure performs best on these four metrics. The staff-recommended structure is also supported by Caltrans, and was approved by the SACOG Board on January 18, 2024. Support from SACOG and Caltrans minimizes barriers to successfully delivering the \$86 million in discretionary federal funds on the Yolo 80 project. The staff-recommended structure also creates a separate entity, successfully minimizing legal and financial liability to YoloTD. Most importantly, the staff-recommended structure strikes a balance between the need for regional partnership on decisions that will impact counties who may have toll facilities in the future and the need for local representation on decisions that impact specific toll facilities in specific communities. The staff-recommended structure strikes this balance by including non-voting seats for potential future JPA members and creating clear means to add counties as new toll facilities are developed.

The SACOG Board of Directors approved the JPA agreement on January 18, 2024. In developing the recommended governance structure, SACOG staff reviewed six potential governance structures discussed by the SACOG Board or requested by partners. A discussion of how each alternative performs in each of the four metrics is detailed in Attachment C.

In addition, YoloTD, SACOG, and Caltrans have been working closely with STA to respond to their comments regarding representation and ensure the tolling authority governance structure works for all potential future members. SACOG staff presented the staff-recommended tolling governance structure and the options under consideration to the STA Board at their January 11th meeting. The STA Board directed their staff to continue to negotiate with SACOG and YoloTD to ensure STA is named as the appointing agency for Sacramento County and that plans to expend excess net toll revenue for a corridor require a supermajority vote of the county or counties along that corridor. The staff-recommended JPA agreement (Attachment A) is responsive to both requests.

This excess net toll revenue voting requirement would mean that for CARTA to adopt a plan to expend excess net toll revenue for a corridor--in addition to a majority of all CARTA Directors--two Directors from each county on the corridor would need to vote in the affirmative. Staff believe this additional voting requirement meets STA's request while limiting risk to Yolo 80 and SACOG, and balancing regional partnership and local representation. In developing the recommended voting requirement, staff reviewed three potential options. A discussion of how each voting alternative performs is detailed in Attachment B. Changes to the JPA agreement between the December Board and January Transportation Committee meetings are tracked in red. Changes to the agreement between the January Transportation Committee and January Board meetings are tracked in blue.

The role of Caltrans in the tolling authority was a key topic of discussion at the December SACOG Board and YoloTD Board meetings. As proposed in the staff recommendation, the CARTA Board would include one voting seat for Caltrans. Staff believe the inclusion of Caltrans as a participating member of the JPA has the potential to reduce costs through transportation management center, maintenance, and design support; and reduce institutional barriers through expedited permitting and review processes. Tolling facilities on the state highway system require numerous agreements with Caltrans, including cooperative agreements that cover design, construction, operations, and maintenance. Additionally, some tolling facilities operations can be delivered at a lower cost by Caltrans rather than the tolling agency contracting with a contractor and then additional oversight still performed by Caltrans. With their participation directly on the Board, Caltrans will be able to ensure more streamlined review and approval processes to execute these agreements. The involvement of Caltrans will also likely improve funding and financing opportunities, as US Department of Transportation, CTC, and municipal investors all highly value well-functioning partnerships when evaluating grant applications and bond sales. These benefits and their slides are included in Attachment C.

As a member agency in the newly formed JPA approval to submit a toll facility application within YoloTD's jurisdiction is appropriate. As YoloTD is the consolidated transportation services and congestion management agency for Yolo County, staff recommend the Board approve the resolution consenting to CARTA submitting a toll facility application for Yolo 80 (Attachment B).

Fiscal Impact:

The staff and legal costs associated with forming a tolling authority and participating as a stakeholder on the Yolo 80 project is funded by prior YoloTD Board actions.

Attachments

- A. Joint Powers Authority Agreement
- B. Joint Powers Authority Analysis (by SACOG)
- C. Presentation Slides

**JOINT EXERCISE OF POWERS AGREEMENT
FOR
CAPITAL AREA REGIONAL TOLLING AUTHORITY**

THIS JOINT EXERCISE OF POWERS AGREEMENT (“Agreement”), is made and entered as of the ___ day of _____, 2024, by and between the Yolo County Transportation District (“YoloTD”), the Sacramento Area Council of Governments (“SACOG”), and the California Department of Transportation (“CALTRANS”), hereinafter individually referred to as Member or collectively as Members, for the purpose of creating a multi-county entity that will develop and operate toll facilities throughout the region.

In adopting this Agreement and forming the Authority, the initial Members intend to create a mechanism to enable additional regional stakeholders to become Members, including but not limited to the Placer County Transportation Planning Agency (PCTPA), the El Dorado County Transportation Commission (EDTC), and the Sacramento Transportation Authority (STA).

RECITALS

- A. The Joint Exercise of Powers Act (California Government Code Section 6500 et seq., the "Act") authorizes the Members to enter into an agreement for the joint exercise of any power common to them and, by that agreement, create an entity that is separate from each of the Members.
- B. Pursuant to Streets and Highways Code section 149.7, a joint exercise of powers authority, with the consent of the Regional Transportation Planning Agency, may apply to the California Transportation Commission (“CTC”) to develop and operate high-occupancy toll lanes or other toll facilities, including but not limited to the administration and operation of value pricing programs and exclusive or preferential lane facilities for public transit or freight.
- C. YoloTD and CALTRANS are pursuing the Yolo 80 Corridor Improvements Project, which includes, among other improvements, the construction of toll lanes in both the eastbound and westbound direction of Interstate 80 in Yolo County. Additionally, future toll facilities may be constructed in Yolo County and other counties within the Sacramento region.
- D. SACOG serves as the metropolitan planning organization for the six counties within the region and, in this capacity, SACOG adopts a metropolitan transportation plan and sustainable communities strategy that establish transportation and land use planning goals to meet state and federal mandates, including state-mandated greenhouse gas

reduction targets and federal Clean Air Act requirements, which policies include the support for implementation of toll facilities.

- E. SACOG serves as the Regional Transportation Planning Agency for the Counties of Yolo and Sacramento (as well as the Counties of Sutter and Yuba) and is, therefore, the regional governmental entity that must submit, or consent to submitting, an application to the CTC for tolling authority within these counties pursuant to section 149.7 of the Street and Highways Code.
- F. Placer County Transportation Planning Agency and El Dorado County Transportation Commission serve as the Regional Transportation Planning Agencies for Placer County and El Dorado County, respectively, and are therefore the regional governmental entities that must submit, or consent to a joint powers agency submitting, an application to the CTC for tolling authority in their respective Counties pursuant to section 149.7 of the Street and Highways Code.
- G. By entering into this Agreement, CALTRANS does not waive its rights under Streets and Highways code sections 114 and 149.7 or any other rights and authorities of CALTRANS under the law on the state highway system.
- H. Transportation corridors serve constituents and customers from all areas of the region and beyond, and thus having a regional tolling authority governed by stakeholders from throughout the region will enable implementation of toll lanes in a manner that is consistent, equitable, innovative, collaborative, and economical.
- I. YoloTD's and CALTRANS's Yolo 80 Corridor Improvements Project presents an opportunity for development of the first toll lanes in the region, and the creation of a regional tolling authority will enable collaboration in the development of both this initial toll project and future toll projects within the region.
- J. By this Agreement, the Members intend to create a joint powers agency to apply to the CTC to develop and operate tolling facilities within the Project; to potentially share in the development and operation of potential future toll lanes in the greater region; and to exercise the powers described herein and as provided by law (including but not limited to California Streets and Highways Code Section 149.7, as it now exists and may hereafter be amended).

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the Members agree as follows:

**ARTICLE 1
ESTABLISHMENT**

There is hereby created an organization known and denominated as the Capital Area Regional Tolling Authority (Authority) which shall be a public entity, separate and apart from any Member. The Authority shall be governed by the terms of this Joint Powers Agreement and the Rules, duly passed and adopted by the Board.

**ARTICLE 2
AUTHORITY AND DEFINITIONS**

Section 2.0 – Authority

This Agreement is entered into pursuant to the authority in Title 1, Division 7, Chapter 5 of the Government Code (commencing with Section 6500 et seq.) of the State of California.

Section 2.1 – Definitions

The following words or terms shall have the meaning ascribed to them within this Section unless the content of their use dictates otherwise:

- a. "Act" means the Joint Exercise of Powers Act of the State of California, California Government Code Section 6500 et seq., as it now exists or may hereafter be amended.
- b. "Agreement" means this Joint Exercise of Powers Agreement.
- c. "Authority" means the Capital Area Regional Tolling Authority established by this Agreement as authorized by California Government Code Section 6503.5.
- d. "Board" means the Board of Directors of the Capital Area Regional Tolling Authority.
- e. "Controller" means the Controller of the Authority designated pursuant to this Agreement.
- f. "CTC" means the California Transportation Commission.
- g. "Director" means a member of the Board of Directors of the Authority.
- h. "Excess Net Toll Revenue" means funding available for various uses, as allowed by law, after other obligations are satisfied regarding debt service, funding of reasonable reserves, and proper operation and maintenance of the toll facility.
- i. "Fiscal Year" means July 1st through June 30th, or such other period as the Board may specify by resolution.

- j. “Gross Revenues” means all revenues received by the Authority for the operations of the toll lanes, including but not limited to tolls and interest on funds of the Authority.
- k. “Joint Facilities” means all facilities, equipment, resources, and property to be managed and operated by the Authority and, if and when acquired or constructed, any improvements and additions thereto and any additional facilities or property acquired or constructed by the Authority or any of the Members related to toll lanes in the region. Joint facilities excludes the state highway system, which is owned and controlled by Caltrans.
- l. “Member” means the parties to this Agreement, including any entities that become a party to this Agreement after its initial effective date.
- m. “Metropolitan Transportation Plan” or “MTP” means the long-range transportation plan that is required under federal law pursuant to 23 U.S.C § 134.
- n. “Regional Transportation Plan” or “RTP” means the regional transportation plan that is required under state law pursuant to Government Code section 65080.
- o. “Regional Transportation Planning Agency” or “RTPA” means the agency designated under Government Code section 29532 or 29532.1 for regional transportation planning.
- p. “Secretary” means the secretary of the Authority appointed pursuant to this Agreement.
- q. “Section 149.7” means section 149.7 of the Street and Highways Code, as may be amended, revised, or renumbered from time to time.
- r. “State” means the State of California.
- s. “Sustainable Communities Strategy” or “SCS” means the strategy each MPO in California is required to develop as part of an RTP pursuant to California Government Code Section 65080.
- t. “Treasurer” means the Treasurer of the Authority designated pursuant to this Agreement.

**ARTICLE 3
GENERAL PROVISIONS**

Section 3.1 – Capital Area Regional Tolling Authority

- a. Pursuant to Section 6503.5 of the Act, the parties to this Agreement hereby recognize and confirm the continued existence of a public entity separate and independent from the Members.

- b. Within thirty (30) days after the effective date of this Agreement, and after any amendment, the Authority must cause a notice of such Agreement or amendment to be prepared and filed with the office of the California Secretary of State containing the information required by the Act.
- c. Within thirty (30) days after the effective date of this Agreement, and after any amendment, the Authority must cause a copy of such Agreement or amendment to be filed with the State Controller pursuant to the Act.
- d. Within ten (10) days after the effective date of this Agreement, the Authority must cause a statement of the information concerning the Authority, required by the Act, to be filed with the office of the California Secretary of State and with the County Clerk, amending and clarifying the facts required to be stated pursuant to the Act.

Section 3.2 – Purpose

The purpose of the Authority is to exercise the common powers of the Members to:

- a. Plan, design, finance, construct, own, manage, operate, and maintain the Joint Facilities under authorities such as Section 149.7;
- b. Collect toll and any other revenues generated by the Joint Facilities;
- c. Implement the financing, acquisition, and construction of additions and improvements to the Joint Facilities;
- d. Enter into and manage contracts, which may include but are not limited to the following, for the operations, maintenance, enforcement of the Joint Facilities, and for professional services;
- e. Oversee operation of the Joint Facilities;
- f. Make policy decisions related to the toll lane operations, including but not limited to setting tolls to cover costs (operating and maintaining facility; administering system; contract costs) and setting revenue generation targets;
- g. Prepare and adopt the plan for expenditure of toll lane revenues within the corridor in which they are collected;
- h. Implement or contract for implementation of such expenditure plan;
- i. Create and implement an equity program associated with toll lanes, if desired; and
- j. Issue and repay indebtedness of the Authority.

Each of the Members is authorized to exercise all such powers (except the power to issue and repay indebtedness of the Authority) pursuant to its organic law, and the Authority is authorized to issue and provide for the repayment of indebtedness pursuant to the provisions of the Bond

Law or other applicable law. Nothing in this Agreement shall constitute a relinquishment, grant, or delegation of CALTRANS's rights in connection with the state highway system.

Section 3.3 – Term

This Agreement is effective upon the approval and execution by CALTRANS, YoloTD, and SACOG. The Effective Date of this Agreement is , 2024. This Agreement will continue in effect until such time as all of the following have occurred: (i) all indebtedness, if any, and the interest thereon issued by the Authority under the Bond Law, the Act, or other applicable law have been paid in full or provision for such payment have been made, (ii) the Authority and the Members have paid all sums due and owing pursuant to this Agreement or pursuant to any contract executed pursuant to this Agreement, and (iii) dissolution has occurred pursuant to Section 4.3.

ARTICLE 4 POWERS AND OBLIGATIONS OF AUTHORITY

Section 4.1 – General Powers

The Authority will have the power in its own name to exercise any and all common powers of its Members reasonably related to the purposes of the Authority, including, but not limited to, the powers to:

- a. Seek, receive, and administer funding from any available public or private source, including toll and any other revenues and grants or loans under any available federal, state, and local programs for assistance in achieving the purposes of the Authority;
- b. Contract for the services of engineers, attorneys, planners, financial, and other necessary consultants, and/or other public agencies;
- c. Make and enter into any other contracts;
- d. Employ agents, officers, or employees;
- e. Adopt and utilize a fictitious business name or other trademarks;
- f. Acquire, lease, construct, own, manage, maintain, dispose of, or operate (subject to the limitations herein) any buildings, works, or improvements, including but not limited to the Joint Facilities;
- g. Acquire, hold, manage, maintain, or dispose of any other property by any lawful means, including without limitation gift, purchase, lease, lease-purchase, license, or sale;
- h. Incur all authorized Indebtedness;

- i. Receive gifts, contributions, and donations of property, funds, services, and other forms of financial or other assistance from any source;
- j. Sue and be sued in its own name;
- k. Seek the adoption or defeat of any federal, state, or local legislation or regulation necessary or desirable to accomplish the stated purposes and objectives of the Authority;
- l. Adopt rules, regulations, policies, plans, programs, bylaws, and procedures governing the operation of the Authority and the Joint Facilities;
- m. Invest any money in the treasury pursuant to California Government Code Section 6505.5 that is not required for the immediate necessities of the Authority, as the Authority determines is advisable, in the same manner and upon the same conditions as local agencies, pursuant to California Government Code Section 53601, as it now exists or may hereafter be amended;
- n. With the consent of the appropriate Regional Transportation Planning Agency, apply to the CTC to develop and operate toll facilities consistent with the applicable MTP, SCS, and RTP, and consistent with the requirements of Streets and Highways Code section 149.7;
- o. Enter into memoranda of understanding, intergovernmental agreements, joint powers agreements, and other similar agreements with Members and other governmental agencies to delineate respective responsibilities for planning, environmental, funding, design, construction, implementation, and similar activities for the development and completion of projects that will involve tolling;
- p. Carry out and enforce all the provisions of this Agreement; and
- q. Exercise all other powers not specifically mentioned herein, but common to the Members, and authorized by California Government Code Section 6508 as it now exists or may hereafter be amended.

Section 4.2 – Specific Powers and Obligations

- a. Audit. The records and accounts of the Authority must be audited annually by an independent certified public accountant, and copies of such audit report must be filed with the State Controller and the County Auditor and will be provided to each Member no later than fifteen (15) days after receipt of such audit reports by the Authority. If not otherwise required by law, regulation, or any contract, the Board of Directors may, by unanimous vote, replace the annual audit with an audit covering up to a two-year period.

- b. Securities. The Authority may use any statutory power available to it under the Act and any other applicable laws of the State of California, whether heretofore or hereinafter enacted or amended, for issuance and sale of any Bonds or other evidences of indebtedness necessary or desirable to finance the exercise of any power of the Authority, and may borrow from any source including, without limitation, the federal government, for these purposes.
- c. Liabilities. The debts, liabilities, and obligations, whether contractual or non-contractual, of the Authority will be the debts, liabilities, and obligations of the Authority alone, and not the debts, liabilities, or obligations of the Members or their member entities. The Authority is not liable for the debts, liabilities, or obligations of its Members, including debts, liabilities, or obligations incurred prior to the Effective Date of this Agreement or prior to the Member joining the Authority.
- d. Manner of Exercise. For purposes of California Government Code Section 6509, the powers of the Authority will be exercised subject to the restrictions upon the manner of exercising such powers as are imposed upon SACOG. The Authority shall follow SACOG's policies and procedures for procurement, unless and until the Authority Board adopts its own policies and procedures; provided, however, that as long as SACOG staff provides procurement or administrative services to the Authority, the Authority shall continue to follow SACOG's policies and procedures unless SACOG consents to alternative procedures.
- e. Restrictions. The Authority shall only engage in activities, including construction, operations, and ownership of real property or facilities, related to tolling, the operation of toll lanes, or the Joint Facilities. This limitation shall not preclude the Authority from expending toll revenues on corridor enhancement or similar projects, or for any other purpose allowed by law for the use of toll revenues. However, the Authority shall not expend toll revenues, or any other Authority funds, for any purpose that is inconsistent with the applicable MTP, SCS or RTP, that would not conform to Clean Air Act requirements, or that would violate regional, state, or federal laws. The Authority shall not submit an application to develop and operate toll facilities without the consent of the applicable RTPA to submit the application.
- f. Review of Agreement. This Agreement will be reviewed every four (4) years by the Members, but its terms and conditions may be reviewed more frequently whenever the Members agree to do so. Upon the completion of every such review, the Authority will prepare a report regarding any recommended changes to the Agreement and transmit such report to each of the Members.

Section 4.3 – Dissolution of Authority

- a. Notice of Dissolution. An individual Member can express its intent to dissolve the Authority with at least 12 months' written notice, which dissolution must occur on

June 30 of the year that is at least 12 months from the date of notice. An intent to dissolve shall be expressed in a resolution of the Member. This section does not limit dissolution by mutual agreement of all Members.

- b. Agreement with Successor Entity. The Authority cannot be dissolved unless and until a successor entity, qualified by State law then in-effect, has agreed to (i) assume ownership of the Authority's Joint Facilities and other assets, (ii) provide for the assumption or discharge of the Authority's Indebtedness and other liabilities, and (iii) carry out all duties associated with operation and maintenance of the toll lanes and management of the expenditure of the Gross Revenues. Such agreement must be expressed in a contract between the successor entity, the Authority, and all Members. This subsection shall not apply if a successor entity would serve no purpose.

ARTICLE 5

ORGANIZATION, GOVERNANCE, AND FUNCTIONS OF AUTHORITY

Section 5.1 – Members

- a. Initial Members. The initial Members will be YoloTD, SACOG and CALTRANS.
- b. Additional Members. With the intent of creating an entity that is representative of the entire region, the Members stipulate that other public agencies may join as Members of the Authority as follows:
 - i. PCTPA, EDCTC, and STA may each become a Member by executing this Agreement and delivering to the Authority a duly adopted resolution of the agency's governing board, authorizing execution of this Agreement and agreeing to be fully subject to and bound by its terms, as well as to all other binding agreements, if any, among all of the Members related to the governance or operation of the Authority, *provided that*:
 1. The RTP governing, and/or adopted by, its jurisdiction allows for and considers implementation of one or more tolling projects;
 2. The authorizing resolution, or other formal governing board action, requests that the Authority apply to the CTC for tolling authority or otherwise initiate a tolling project; and
 3. The agency is not separately operating, or applying for authority to operate, any other toll facilities.

An agency will become eligible to become a Member no later than 30 days after the CTC approval for the Authority's development and operation of toll

lanes. Notwithstanding the foregoing, the Board may adopt a resolution making PCTPA, EDCTC, or STA a Member at an earlier time, and such resolution may be based on a memorandum of understanding or other agreement detailing the parties' roles and responsibilities. The Board shall in good faith consider requests to become a Member from the agencies identified in this subsection in order to facilitate an application to the CTC to develop and operate toll lanes. The intent of this Section is to add new Members in an efficient and responsible manner, and in advance of preparation and submittal of an application to the CTC. The Authority, therefore, shall not unreasonably deny, or unreasonably delay approval of, a potential new Member's request to join the Authority.

Prior to, and as a condition of, becoming a Member, the interested agency shall submit an operations plan satisfactory to the Authority that details how the agency will fund and implement its tolling project and enter into a memorandum of understanding or other agreement with the Authority delineating the roles, responsibilities, and financial obligations of the Authority and the agency for implementation of one or more specific toll projects. The Authority shall not be obligated to expend Authority funds for a potential new Member's application costs, and a new Member shall not have authority to compel the use of any of Authority's (or any other Member's) funds or other resources.

- ii. Other public agencies, including agencies from additional counties, that propose toll projects may become Members upon the approval of all Members and subject to terms substantially similar to the terms for the agencies identified in subsection (i) above.

Section 5.2 – Governing Board

- a. Governance. The Board will govern the Authority in accordance with this Agreement. All voting power of the Authority will reside in the Board.
- b. Appointments. Appointments to the Board will be as follows:
 - i. YoloTD will appoint two (2) Directors.
 - ii. SACOG initially will appoint two (2) Directors. At least one SACOG appointment shall be from Yolo County or a city within Yolo County. If any additional Members join, SACOG shall make one (1) additional appointment per county. SACOG's additional appointments shall be from the county, or a city within the county, of the additional Member so that SACOG will always

appoint one Director per county represented in the Authority and one at-large Director.

- iii. CALTRANS will appoint one (1) Director, who shall be an employee of CALTRANS.
 - iv. As applicable, each additional Member that joins the Authority pursuant to Section 5.1.b.i shall appoint up to two (2) Directors upon joining the Authority as a Member.
 - v. With the exception of CALTRANS's appointment, all Directors shall concurrently serve on the governing board of the appointing Member.
- c. Alternates. Each Member may appoint one alternate Director. In the absence of an appointed Board Member, the alternate may act as a full voting Director. The Board may adopt a policy allowing additional alternate Directors.
 - d. Vacancies. Each Director will cease to be a member of the Authority Board if and when such Director ceases to hold office on the legislative body of the appointing Member or, in the case of CALTRANS, ceases to be employed by CALTRANS. Vacancies will be filled by the respective appointing Member in the same manner as initial appointments.
 - e. Nonvoting Directors. Prior to becoming a Member, as set forth in Section 5.1 above, EDCTC, PCTPA, and STA may each appoint a nonvoting Director, which Director shall either serve on their governing board or the staff of the agency.

Nonvoting Directors shall not be counted toward a quorum, but shall receive notice of all meetings and may participate in all public discussions. Nonvoting Directors shall not be entitled to receive confidential information of the Authority or participate in closed sessions. The Board may approve the inclusion of additional Nonvoting Directors at its discretion.

Section 5.3 – Compensation and Expense Reimbursement

- a. Stipend. Directors may be entitled to a stipend for attending each Board meeting upon the enactment of a resolution of the Board to authorize such stipends.
- b. Waiver. A Director may waive the compensation to which the Director would otherwise be entitled under the preceding paragraph by notifying the Secretary in writing that he or she expressly and irrevocably waives any such compensation that he or she would otherwise be entitled to be paid in the future for services as a Director. This written waiver must: (i) be voluntary; (ii) be irrevocable; (iii) expressly waive any and all future compensation to which the Director may be entitled under

- this Section 5.2; (iv) acknowledge that, by waiving compensation, the Board member understands he or she is not entitled to any compensation he or she would otherwise be eligible to receive pursuant to this Section 5.2; (v) acknowledge that the amount of the waived compensation will be retained in the Authority's general assets; and (vi) be dated and signed by the Director and filed with the Secretary before the compensation is paid.
- c. Expenses. Each Director will be entitled to be reimbursed for reasonable and necessary expenses actually incurred in the conduct of the Authority's business, pursuant to an expense reimbursement policy established by the Board in full accordance with all applicable statutory requirements.
 - d. Nonvoting Directors. Nonvoting Directors and CALTRANS's appointed Director may not receive compensation but may receive expense reimbursement only if authorized by a policy adopted by the Board and if the Board determines that allowing expense reimbursement will serve the public purpose of the Authority.

Section 5.4 – Conflicts of Interest

- a. Political Reform Act. Board members will be considered "public officials" within the meaning of the Political Reform Act of 1974, as amended, and its regulations, for purposes of financial disclosure, conflict of interest, and other requirements of such Act and regulations, subject to a contrary opinion or written advice of the California Fair Political Practices Commission. The Authority must adopt a conflict of interest code in compliance with the Political Reform Act.
- b. Levine Act. Board members are "officials" within the meaning of California Government Code Section 84308 et seq., commonly known as the "Levine Act," and therefore subject to the restrictions of such act on the acceptance, solicitation, or direction of contributions.

Section 5.5. – Board Meetings

- a. Time and Place. The Board will meet quarterly, or more often as needed, at a place designated by the Board with the location included in the notice of each meeting under the Ralph M. Brown Act, California Government Code Section 54950 et seq. The date, time, and place of regular meetings of the Board will be designated on a meeting calendar adopted by the Board each year.
- b. Call and Conduct. All meetings of the Board will be called and conducted in accordance with the provisions of the Ralph M. Brown Act and any other applicable law.
- c. Quorum. A quorum for the transaction of business shall be a majority of the Directors.

- d. Rules. The Board may adopt from time to time such bylaws, rules, and regulations for the conduct of meetings of the Board and of the affairs of the Authority consistent with this Agreement and other applicable law.
- e. Minutes. The Secretary will cause minutes of all meetings of the Board to be drafted and provided to each Member promptly after each meeting. Upon approval by the Board, such minutes will become a part of the official records of the Authority.
- f. Confidential Proceedings. All information received by the Board in a closed session shall be confidential. However, a Director may disclose information obtained in a closed session that has direct financial or liability implications for the Director's Member agency to the following individuals: legal counsel of the Member agency for purposes of obtaining advice on whether the matter has direct financial or liability implications for that Member; other members of the Member's governing board present in a closed session of that local agency member; and any designated alternate Director of who is attending a closed session of the Authority in place of the Director. To the extent that any information referenced in this paragraph is requested pursuant to a California Public Records Act request, the Member in receipt of the request will inform the legal counsel of the Authority within five (5) working days of receipt and make the Authority's legal counsel aware of any documents subject to disclosure. The Member and the Authority will consult with each other prior to the release of any documents pursuant to the CPRA request.

Section 5.6 – Voting

- a. All actions of the Board will require a quorum of the Board to be present for voting.
- b. Except as expressly set forth in this Agreement or otherwise limited by law, actions of the Board require the affirmative vote of a majority of a quorum that is present and voting. Board members may not cast proxy or absentee votes.
- c. Except as provided in subsection d. below, adoption or amendment of a budget or an expenditure plan, adoption of an ordinance, or approval of an agreement with a successor agency as a prerequisite for dissolution of the Authority under Section 4.3, requires the affirmative vote of a majority of all Directors.
- d. To approve the expenditure of Excess Net Toll Revenue, there must be both: (i) a majority vote of the full Board, and (ii) an affirmative vote of at least two (2) Directors from each county within the respective corridor that has an operating toll facility. The affirmative vote may be from any Director from a jurisdiction within the respective county.

Section 5.7 – Officers

- a. The Board will elect a Chair and Vice-Chair from among its members, and will appoint a Secretary who may, but need not, be a member of the Board. The Chair and Vice Chair will serve one-year terms and must be appointees of different Members. The officers will perform the duties normal to said offices as described below. If the Chair or Vice Chair ceases to be a member of the Board, the resulting vacancy will be filled, for the remainder of the vacant term, at the next meeting of the Board held after each vacancy occurs.
- b. Chair. The Chair will preside over all meetings of the board and will sign all contracts on behalf of the Authority, except contracts that the Board may authorize an officer or agent, or employee of the Authority to sign. The Chair will perform such other duties as may be imposed by the Board in accordance with law and this Agreement.
- c. Vice Chair. The Vice Chair will act, sign contracts, and perform all of the Chair’s duties in the absence of the Chair.
- d. Secretary. The Secretary must countersign contracts signed on behalf of the Authority and will be the official custodian of all records of the Authority. The Secretary will attend to such filings as required by applicable law. The Secretary will perform such other duties as may be imposed by the Board.

Section 5.8 – Common Interest and Confidentiality

The Members have a common interest in all operations and proceedings of the Authority. Each agrees to maintain the confidentiality of all confidential, proprietary, or privileged information of the Authority. The Authority acting through the Board shall be the holder of all privileges.

Section 5.9 – Auditor/Controller and Treasurer

The Treasurer of Sacramento County will serve as the Auditor/Controller and Treasurer of the Authority. The Treasurer will be the depository and will have custody of all of the accounts, funds, and money of the Authority from whatever source. The Auditor/Controller and the Treasurer will perform the duties and functions, assume the obligations and authority set forth in Sections 6505, 6505.5 and 6505.6 of the Act, and assure strict accountability of all funds and reporting of all receipts and disbursements of the Authority. The Auditor/Controller and Treasurer are designated as having charge of, handling, or having access to funds or property of the Authority for purposes of the Official's Bond required under Section 6505.5 of the Act and Section 5.10 of this Agreement. The Authority may change the Auditor/Controller, and/or Treasurer, and/or appoint other persons possessing the qualifications set forth in Section 6505.5 of the Act to these offices, by resolution of the Board of Directors.

Section 5.10 – Staffing

The member agencies may commit staff resources to the Authority as may be required or requested in order to fulfil the purposes and obligations of the Authority until such time as the Board adopts a permanent/interim staffing and organizational plan for the Authority. The Authority shall not participate in, or contract with, a public retirement system unless each Member first mutually enters a binding agreement to apportion the Authority's retirement obligations among the Members.

Section 5.11 – Additional Officers and Consultants

The Board may appoint any additional officers deemed necessary or desirable. Such additional officers also may be officers or employees or contractors/consultants of a Member or of the Authority. The Board may also retain such other consultants or independent contractors as may be deemed necessary or appropriate to carry out the purposes of this Agreement.

Section 5.12 – Official's Bond

The officers or persons designated to have charge of, handle, or have access to any funds or property of the Authority will be so designated and empowered by the Board. Each such officer or person will be required to file an official bond with the Authority in an amount established by the Board. Should the existing bond or bonds of any such officer or persons be extended to cover the obligations provided herein, said bond will be the official bond required herein. The premiums on any such bonds attributable to the coverage required herein will be appropriate expenses of the Authority. If it is prudent to do so, the Authority may procure a blanket bond on behalf of all such officers and persons.

Section 5.13 -- Status of Officers

All of the privileges and immunities from liability, exemption from laws, ordinances, and rules, all pension, relief, disability, worker's compensation, and all other benefits that apply to the activity of officers or agents of the Authority when performing their respective functions within the territorial limits of a Member will apply to them to the same degree and extent while engaged in the performance of any of their functions and duties under the provisions of this Agreement and Chapter 5 of Division 7 of Title 1 of the California Government Code, commencing with Section 6500. However, none of the officers or agents appointed by the Board will be deemed to be employed by any of the Members or to be subject to any of the requirements of such Members by reason of their appointment or employment by the Authority.

Section 5.14 – Committees

The Board may create permanent or ad hoc committees to give advice to the Board of Directors on such matters as may be referred to such committees by the Board. Qualified persons will be appointed to such committees by the Board and each such appointee will serve at the pleasure

of the Board. The Board may delegate authority to committees, except that the Board may not delegate authority to adopt or amend a budget or expenditure plan, to enact an ordinance, or to hire a chief executive officer.

ARTICLE 6 OPERATIONS AND FACILITIES

Section 6.1 – Formation of Board

As soon as practicable after the date of this Agreement, the Members must appoint their representatives to the Board. At its first meeting, the Board will elect a Chair and Vice Chair, and appoint a Secretary as prescribed in Article 5.

Section 6.2 – Delegation of Powers; Revenues

The Members delegate to the Authority the power and duty to maintain, operate, manage, and control the Joint Facilities, as they may be planned, constructed, and expanded from time to time. The revenues generated by the Authority's tolls shall belong to the Authority. Nothing in this Article is intended to: (i) delegate the RTPA's right to consent to the Authority's submittal of an application to the CTC pursuant to Section 149.7, (ii) restrict the Authority from entering into agreements for the implementation of toll lanes that designate the rights and responsibilities of the Authority and other parties, including Members, or (iii) cause the Authority to assume any debt or liability of a Member.

Section 6.3 – Joint Facilities Costs, Reserves, and Capital

The Authority will have financial responsibility for the improvement, alteration, maintenance, and operation of the Joint Facilities and will pay all contractual and administrative expenses of the Authority. Once revenues are generated by the Authority's toll lanes, the Authority will establish reasonable reserves and undertake appropriate capital projects to maintain the Joint Facilities. The Authority may incur indebtedness for contractual and administrative expenses.

Section 6.4 – CALTRANS Services

CALTRANS has agreed to provide the Authority, including both the current Project and future Joint Facilities, with the following services in connection with the implementation and operation of Joint Facilities: Transportation Management Center services; access to the CALTRANS Freeway Service Patrol Contract; maintenance services; engineering services; access to the CALTRANS communications network; and expedited review of closures and permits. Within ___ days of the effective date of this agreement, CALTRANS shall provide the Authority with a memorandum detailing the scope, terms, and condition of services to be provided to the Authority. Upon acceptance by all other initial Members, the memorandum shall become an incorporated addendum to this Agreement.

ARTICLE 7
BUDGET AND OTHER FINANCIAL PROVISIONS

Section 7.1 – Fiscal Year

The Authority Fiscal Year will begin each July 1 and end on the following June 30.

Section 7.2 – Annual Budget

The Authority will adopt an annual budget for each fiscal year. Once the Authority first annual budget is adopted, no expenditures may be made by or on behalf of the Authority unless authorized by a budget or budget amendment. A draft budget shall be provided to the Members at least thirty (30) days prior to adoption.

Section 7.3 – Expenditures Within Approved Annual Budget

All expenditures within the limitations of the approved annual budget will be made in accordance with the rules, policies and procedures adopted by the Board.

Section 7.4 – Disbursements

Warrants will be drawn upon the approval and written order of the Board, and the Board will requisition the payment of funds only upon approval of claims, disbursements, and other requisitions for payment in accordance with this Agreement and other rules, regulations, policies, and procedures adopted by the Board.

Section 7.5 – Accounts

All funds will be received, transferred, or disbursed by the Controller. The Treasurer will account for such funds separately, in accordance with the generally accepted accounting principles applicable to governmental entities, with strict accountability of all funds. All revenues, expenditures, and status of bank accounts and investments will be reported to the Board quarterly or as the Board may direct and, in any event, not less than annually, pursuant to procedures established by the Board.

Section 7.6 – Expenditure Plan

The Authority shall develop the expenditure plan in consultation with CALTRANS and the applicable RTPA. The expenditure plan shall: be consistent with the applicable MTP/SCS and RTP; conform to the Clean Air Act requirements; consider the goals, policies, and funding priorities in the applicable MTP/SCS and RTP; give priority consideration to mitigation measures in any environmental impact reports, environmental assessments, mitigation monitoring and reporting plans, or other documents related to the approval of a project containing toll facilities; and consider programmatic mitigation measures in the applicable MTP/SCS and RTP.

This Section shall apply equally to all updates or amendments to an expenditure plan.

ARTICLE 8 INDEMNITY

Section 8.1 – Indemnity to Members from Authority

To the fullest extent permitted by law, the Authority agrees to save, indemnify, defend, and hold harmless each Member and its officers, employees, volunteers, or agents, from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses, or costs of any kind, whether actual, alleged, or threatened, including attorneys' fees and costs, court costs, interest, defense costs, and expert witness fees, where the same arise out of, or are in any way attributable in whole or in part, to negligent acts or omissions of the Authority or its officers, or agents or the employees, officers, or agents of any Member while acting within the course and scope of an agency relationship with the Authority

The provision of indemnity set forth in this Section shall not be construed to obligate the Authority to pay any liability, including but not limited to punitive damages, which by law would be contrary to public policy or otherwise unlawful.

Section 8.2 – Indemnity to Authority and Other Members

To the fullest extent permitted by law, Members agree and covenant to defend, hold harmless and indemnify the Authority, its elected officers, employees, volunteers and its other Members from any claim, damage or liability in connection with acts, errors, omissions or breach or default of any Member or any person or entity acting on behalf of any Member, except to the extent the Member is acting in the course and scope of performing services for or on behalf of the Authority.

Section 8.3 – Certain Tort Liabilities

By this Agreement, the Members intend that the debts, liabilities, and obligations of the Authority, including tort liabilities, shall not be the debts, liabilities, and obligations of the Members. The indemnities in Sections 8.1 and 8.2 are intended to protect the Members from such debts, liabilities, and obligations, if necessary, including any liabilities that may be imposed pursuant to Government Code section 895.2. In the event of liabilities imposed pursuant to Government Code section 895.2, the Members, as among themselves, pursuant to the authorization contained in Government Code Sections 895.4 and 895.6 each assume the full liability imposed upon it or any of its officers, agents, employees or representatives by law for injury caused by a negligent or wrongful action or inaction, or omission, occurring in the performance of this Agreement, to the same extent that such liability would be imposed in the absence of Government Code Section 895.2. To achieve this purpose, each Member indemnifies and holds harmless each other Member and the Authority, for any loss, cost or expense, including reasonable attorney's and consultant fees, that may be imposed upon or incurred by such other Member or the Authority solely by virtue of Government Code Section 895.2.

Pursuant to this Section 8.3, CALTRANS shall indemnify and hold harmless the other Members from any liability imposed solely pursuant to Government Code Section 895.2 that results from construction on, or conditions of, the state highway system or that would otherwise be attributable to CALTRANS; this Section 8.3 shall be subordinate to a specific indemnity provision in any agreement between CALTRANS and the Authority.

Section 8.4 – Retirement Liabilities

To the extent applicable, each Member shall pay its apportioned share of the retirement liabilities of the Authority described in Government Code section 6508.2. Each Member shall defend and indemnify the other members for any failure to pay apportioned retirement liabilities. The Authority shall not incur any retirement liabilities unless and until each Member agrees to an apportionment of liabilities among the Members.

Section 8.5 – Officers and Employees

The Authority shall provide for the defense of its officers and employees to the extent required by law as set forth in Government Code sections 995 et seq. or other applicable laws.

Section 8.6 – Insurance

The Authority shall insure itself, to the extent required by law and deemed appropriate by the Board of Directors, against loss, liability, and claims arising out of or connected with this revised Agreement. The Authority shall, at a minimum, procure adequate insurance prior to acquiring any real property interests or hiring for any construction work.

Section 8.7 – Implementation Agreements

This Article shall not limit the Authority from entering separate agreements with Members, such as project implementation agreements, that include indemnity and other contractual risk provisions between the Authority and a Member.

ARTICLE 9 MISCELLANEOUS

Section 9.1 – Amendments

This Agreement may be amended by a writing or writings executed by the Members approved by resolution of each Member's governing body.

Section 9.2 – Notice

Any notice required to be given or delivered by any provision of this Agreement will be personally delivered or deposited in the U.S. Mail, registered or certified, postage prepaid, addressed to the Members at their addresses as reflected in the records of the Authority, and

will be deemed to have been received by the Member to which the same is addressed upon the earlier of receipt or seventy-two (72) hours after mailing.

Section 9.3 – Good Faith Negotiations

The Members acknowledge that differences between them and among the Board members may arise from time to time and agree to make good faith efforts to resolve any such differences via good faith negotiations among the Members or Board members, as the case may be. If such negotiations do not resolve the dispute, and no Member gives a notice to dissolve the Authority as provided in this Agreement, then the Members may resolve disputes in any manner permitted by law or in equity.

Section 9.4 – Attorney’s Fees

In the event litigation or other proceeding is required to enforce or interpret any provision of this Agreement, the prevailing party in such litigation or other proceeding will be entitled to an award of its actual and reasonable attorney’s fees, costs, and expenses incurred in the proceeding.

Section 9.5 – Successors

This Agreement will be binding upon and inure to the benefit of any successor of a Member.

Section 9.6 – No Third Party Beneficiaries

The rights and obligations set forth in this Agreement are solely for the benefit of the Members, and this Agreement is not intended to, and does not, confer upon any other person any rights or remedies, including any right to enforce its provisions. The rights granted to third parties are strictly limited to those rights expressly provided.

Section 9.7 – Assignment and Delegation

No Member may assign any rights or delegate any duties under this Agreement without the written consent of the other Members, and any attempt to make such an assignment will be null and void for all purposes.

Section 9.8 – Counterparts

This Agreement may be executed in one (1) or more counterparts, all of which together will constitute a single agreement, and each of which will be an original for all purposes.

Section 9.9 – Severability

Should any part, term, or provision of this Agreement be decided by any court of competent jurisdiction to be illegal or in conflict with any applicable law, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms, or provisions of this

Agreement will not be affected thereby and to that end the parts, terms, and provisions of this Agreement are severable.

Section 9.10 – Integration

This Agreement represents the full and entire Agreement among the Members with respect to the matters covered herein.

Section 9.11 – Execution

Each individual executing this Agreement represents and warrants that they are duly authorized to execute this Agreement on behalf of their respective Member. Members other than Caltrans represent and certify that they have, through their regular process, authorized the execution of this Agreement by appropriate resolution, delegation, or plenary authority, as required.

IN WITNESS WHEREOF, the Parties have hereunder subscribed their names the day and year indicated below.

[SIGNATURE PAGE TO FOLLOW]

Attachment B - Evaluation of Tolling Governance Options

This attachment summarizes the evaluation SACOG staff and partners have done of potential tolling governance structures. The evaluation is based on four criteria: risk to the Yolo 80 project, risk to SACOG, regional partnership, and local representation. Staff believe Option 2A performs best on these criteria and therefore is the staff-recommended governance structure.

1. Option 1A: SACOG serves as the tolling authority permanently.
 - a. Overview: In this option, the SACOG existing Board structure and practices would be carried over to the tolling authority. This could be accomplished by SACOG becoming the tolling authority itself, or through the creation of a separate agency managed by the SACOG Board and staffed by SACOG staff, similar to Capital Valley Regional Service Authority for Freeways and Expressways (CVR-SAFE).
 - b. Risk to Yolo 80: This option creates significant risk to the Yolo 80 project. Both Caltrans and YoloTD have significant concerns with this option and a lack of clarity among the project partners creates additional barriers to delivering the discretionary federal funding on-time.
 - c. Risk to SACOG: This option creates significant risk to SACOG. SACOG alone would have to carry the financial burden and liability of the tolling authority. Serving as the tolling authority would also require SACOG to significantly alter its staffing to bring in expertise related to project implementation and tolling operations. These requirements would significantly impact SACOG's ability to complete its mandated planning and programming responsibilities.
 - d. Regional Partnership: This option promotes strong regional partnership by including representation from all jurisdictions within the six-county region on the tolling authority board.
 - e. Local Representation: This option promotes weak local representation as the jurisdictions with toll facilities are greatly outnumbered on the tolling authority board and would have limited voice in decisions that impact their facilities.
2. Option 1B: SACOG serves as the tolling authority temporarily to provide more time to discuss a JPA governance structure.
 - a. Overview: In this option, SACOG would serve as the tolling authority temporarily to keep the Yolo 80 project on track while providing more time for discussions on the ultimate governance structure. Once the ultimate governance structure has been decided, the tolling authority would be transferred.
 - b. Risk to Yolo 80: This option creates significant risk to the Yolo 80 project. The CTC is unlikely to approve tolling authority for an agency that does not intend to serve as a tolling authority long term. This option is also not supported by YoloTD or Caltrans and a lack of clarity among the project partners creates additional barriers to delivering the discretionary federal funding on-time.
 - c. Risk to SACOG: This option creates moderate risk to SACOG. The risks for Option 1A are maintained while SACOG is the tolling authority but could be mitigated once the risk is transferred.
 - d. Regional Partnership: Without a clear understanding of what the ultimate governance structure will be, the level of regional partnership is unclear.

- e. Local Representation: Without a clear understanding of what the ultimate governance structure will be, the level of local representation is unclear.
3. Option 2A (Staff Recommendation): A JPA is the tolling authority with one voting seat for Caltrans, one voting at-large seat for SACOG, and three voting seats for each county that has a toll facility.
- a. Overview: With this option, In the initial structure, SACOG has one at-large voting seat, Caltrans has one voting seat, and Yolo County has three voting seats (two appointed by YoloTD and one appointed by SACOG). When a toll facility is added in Sacramento County, three additional voting seats are added (two appointed by STA and one appointed by SACOG). Similarly, Placer and El Dorado Counties would have the option to join and add three seats each (two appointed by PCTPA or EDCTC and one appointed by SACOG).
 - b. Risk to Yolo 80: This option is agreed upon by YoloTD but not preferred by Caltrans. Agreement between the project partners minimizes barriers to successfully delivering the discretionary federal funds.
 - c. Risk to SACOG: This option creates a separate entity, minimizing SACOG’s financial risk and preserving its capacity to complete its mandated planning and programming responsibilities.
 - d. Regional Partnership: This option promotes regional partnership by creating a clear structure for the tolling authority to grow regionally as tolling facilities are developed. It also provides non-voting seats for potential future members to provide a means to weigh in on decisions that could impact them in the future.
 - e. Local Representation: This option promotes regional partnership by giving the counties with toll facilities the greatest power on the Board, elevating their voices in decisions that impact their facilities.
4. Option 2B: A JPA with a similar structure to Option 2A is the tolling authority but Caltrans has two voting seats
- a. Overview: In this option, the tolling authority Board’s initial structure has one SACOG at-large voting seat, two Caltrans voting seats, and Yolo County has three voting seats (two appointed by YoloTD and one appointed by SACOG). The board would grow in the same manner as Option 2A.
 - b. Risk to Yolo 80: This option is preferred by Caltrans and was initially proposed by YoloTD. Agreement between the project partners minimizes barriers to successfully delivering the discretionary federal funds.
 - c. Risk to SACOG: This option creates a separate entity, minimizing SACOG’s financial risk and preserving its capacity to complete its mandated planning and programming responsibilities.
 - d. Regional Partnership: This option promotes regional partnership by creating a clear structure for the tolling authority to grow regionally as tolling facilities are developed. It also provides non-voting seats for potential future members to provide a means to weigh in on decisions that could impact them in the future.
 - e. Local Representation: This reduces local representation compared to Option 2A. Caltrans, as a state agency, reflects statewide interests and goals and priorities of the state administration, in addition to its interests as the owner and operator of the state

highway system within the SACOG region.

5. Option 2C: A JPA with a similar structure to Option 2A is the tolling authority but Sacramento County gets a fourth seat once a significant amount of toll lanes are operational in Sacramento County.
 - a. Overview: This option has the same initial board structure and expansion structure as Option 2A but Sacramento County receive a fourth voting seat appointed by STA once a significant portion of toll facilities are in operation in Sacramento County. This option was proposed by STA, but discussions with STA has shifted away from an extra seat in favor of voting rules. This information is included to reflect the analysis that was done when this option was in discussion.
 - b. Risk to Yolo 80: This option creates significant risk to the Yolo 80 project. This option is not supported by YoloTD and other counties and a lack of clarity among the project partners creates additional barriers to delivering the discretionary federal funding on-time.
 - c. Risk to SACOG: This option creates a separate entity, minimizing SACOG's financial risk and preserving its capacity to complete its mandated planning and programming responsibilities.
 - d. Regional Partnership: This option may discourage other counties from joining the tolling authority in the future and reduces the effectiveness of regional partnership.
 - e. Local Representation: While this option improves local representation for Sacramento County, it reduces local representation for all other counties.
6. Option 2D: A JPA is the tolling authority with one voting seat for Caltrans, one voting at-large seat for SACOG, and three total county seats that shift as new toll facilities are developed.
 - a. Overview: This option presents a fundamentally different structure that focuses on keeping the total number of board members as small as possible by maintaining five voting seats and shifting the seats between counties.
 - b. Risk to Yolo 80: This option creates significant risk to the Yolo 80 project. This option is not supported by YoloTD or other counties and a lack of clarity among the project partners creates additional barriers to delivering the discretionary federal funding on-time.
 - c. Risk to SACOG: This option creates a separate entity, minimizing SACOG's financial risk and preserving its capacity to complete its mandated planning and programming responsibilities.
 - d. Regional Partnership: This option moderately promotes regional partnership. At the ultimate configuration with one seat per county, power is balanced across the region.
 - e. Local Representation: This option reduces local representation by limiting each county to one seat. This limits the ability for different jurisdictions within a county to be represented on the Board and requires the one member to represent multiple communities' needs.

Evaluation of Voting Options

Voting Option 1A: (JPA supermajority - two votes - for every county) Require that any plans to spend excess net toll revenue be approved by (i) a majority vote of the whole JPA board AND (ii) an affirmative vote from at least two Directors from every County serving on the JPA.

- Pros: ensures that each county affirms plan to spend excess net toll revenue and reduces chance that any one county can be outvoted. Possibly creates incentive for regional compromises.
- Cons: allows a few voting directors to potentially block plans to spend excess net toll revenue, allows directors to potentially block plans to spend excess net toll revenue on projects outside their county.

Voting Option 1B (Staff Recommendation): (JPA supermajority - two votes - for each county on a corridor by corridor basis) Require that any plans to spend excess net toll revenue be approved by (i) a majority vote of the whole JPA board AND (ii) an affirmative vote from at least two Directors from each County serving on the JPA for the applicable corridor.

- Pros: focuses on a corridor approach, ensures the plans to spend excess net toll revenue are supported by the county(ies) involved, provides a clear governance structure for initial and future members.
- Cons: allows a few voting directors to potentially block plans to spend excess net toll revenue.

Voting Option 2: (JPA supermajority – future determination) Require that the Board revisit and consider the voting mechanism for expenditure plans and potentially other corridor-specific issues when the JPA expands beyond the initial members.

- Pros: can reflect conditions at the time the JPA expands; allows additional time for continuing dialogue on these issues without impacting current project.
- Cons: may be difficult to actually implement as new requirements once operations have begun; voting changes may require an amendment to the JPA to be binding, creates uncertainty in governance for potential future members.

Capital Area Regional Tolling Authority and the Yolo 80 Corridor Improvement Project

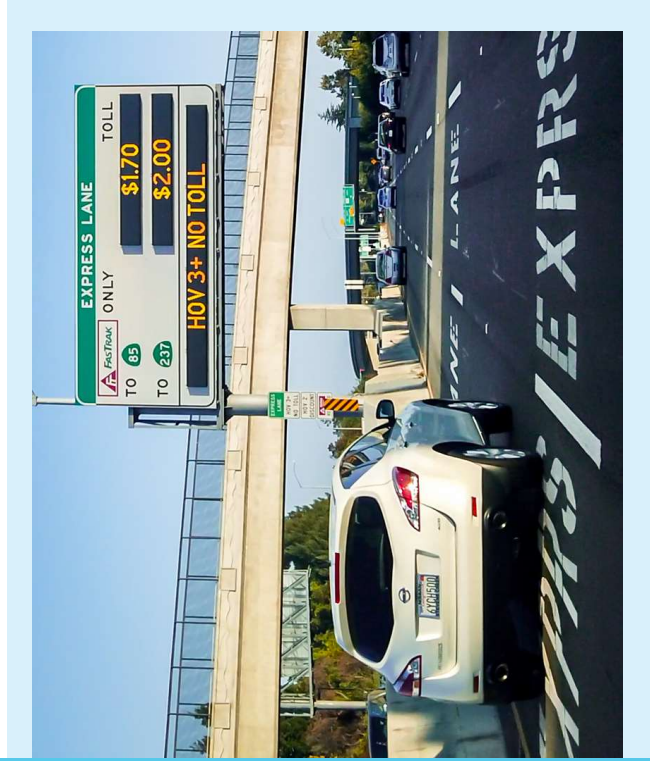
YoloTD Board Meeting

Item 4

22 January 2024



What we heard from the region



Caltrans' role in the JPA

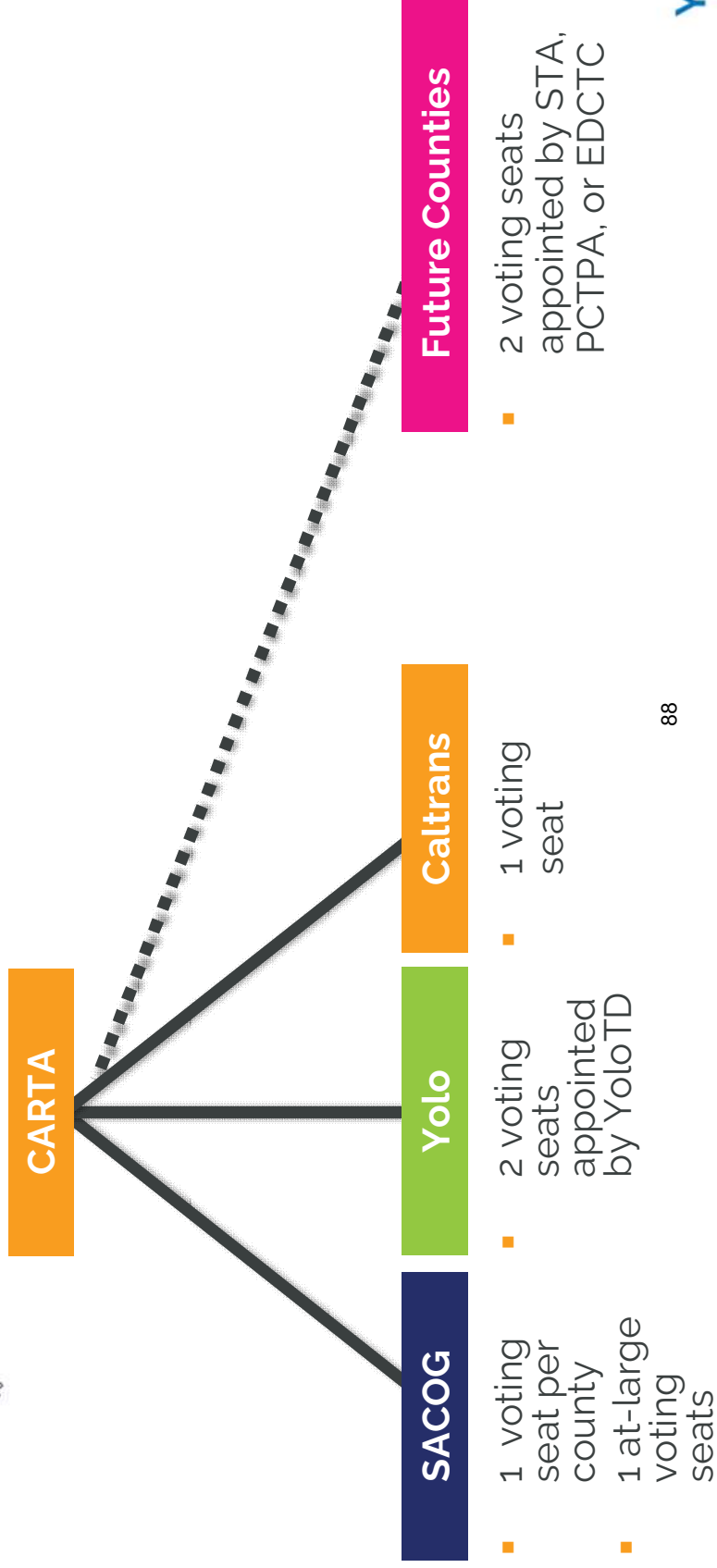
- Lack of clarity on voting role
- Concern with non-elected Directors
- Desire for productive partnership with Caltrans

JPA appointments

- Ensure sufficient local representation
- Clarity on how the board grows
- Regional involvement for regional decisions
- Clarity on Sacramento County representation

Governance staff recommendation

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Scenario 1: Yolo Only

27



Scenario 2: Yolo and Sacramento

27



Scenario 3: Yolo, Sac, Placer, El Dorado

47



Tolling governance options

Option 1: SACOG

- Existing government structure
- Adds significant financial risk for SACOG
- Areas with toll facilities have less influence
- SACOG staff lack expertise in project development and delivery

Option 2: A new joint powers authority

- Insulates SACOG and jurisdictions from financial risk
- Combines expertise of SACOG, YoloTD, and Caltrans
- Gives areas with toll facilities sufficient control
- Potential for new layer of government

SACOG governance options

Option 1A: SACOG permanent authority

- SACOG serves as the tolling authority in name or an agency is created that is managed and staffed by SACOG like CVR-SAFE

Option 1B: SACOG temporary authority

- SACOG temporarily serves as the tolling authority until an ultimate governance structure can be decided on

JPA governance options

Option 2A: Staff rec

- Board starts with 5 voting members who are directly involved
- As new toll facilities are approved, new board seats are added
- Provides three seats from each county with a toll facility

Option 2B: Two Caltrans

- Same basic structure as Option 2A
- Caltrans gets two voting seats

Option 2C: Extra Sac seat

- Same basic structure as Option 2A
- When there are a significant amount of toll lanes in operation in Sacramento County, it gets a fourth seat

Option 2D: Shifting seats

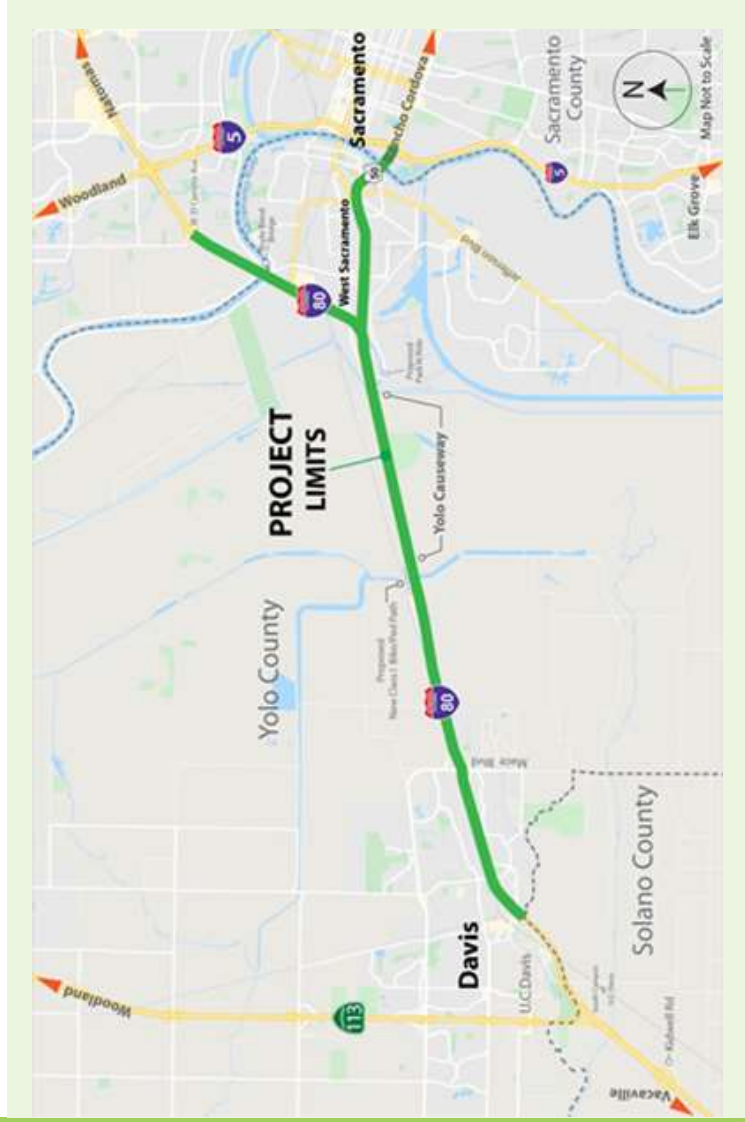
- Board starts with 5 voting members who are directly involved
- As new facilities are approved, board seats are given from one county to another
- Provides one seat from each county with a toll facility

NOTE: All JPA options name STA as Sacramento member and any could include Section 7.6 voting requirement

Governance options compared

	Yolo 80 Risk	SACOG Risk	Regional Partnership	Local Representation
Option 1A: SACOG permanent	Red	Red	Green	Red
Option 1B: SACOG temporary	Red	Yellow	Yellow	Yellow
Option 2A: Staff rec	Yellow	Green	Green	Green
Option 2B: Two Caltrans	Green	Green	Green	Yellow
Option 2B: Extra Sac seat	Red	Green	Green	Yellow
Option 2C: Shifting seats	Red	Green	Yellow	Yellow

Yolo 80 Corridor Improvement Project



Project Purpose

- Improve person throughput
- Support goods movement
- Improve modality and travel reliability

Project Management

- Caltrans District 3
- Yolo TD

Funding

- Committed: \$97 million
 - INFRA: \$86 million
- Likely Project Cost: \$XXX million
- Gap: \$XX million

Toll facility application

Corridor performance

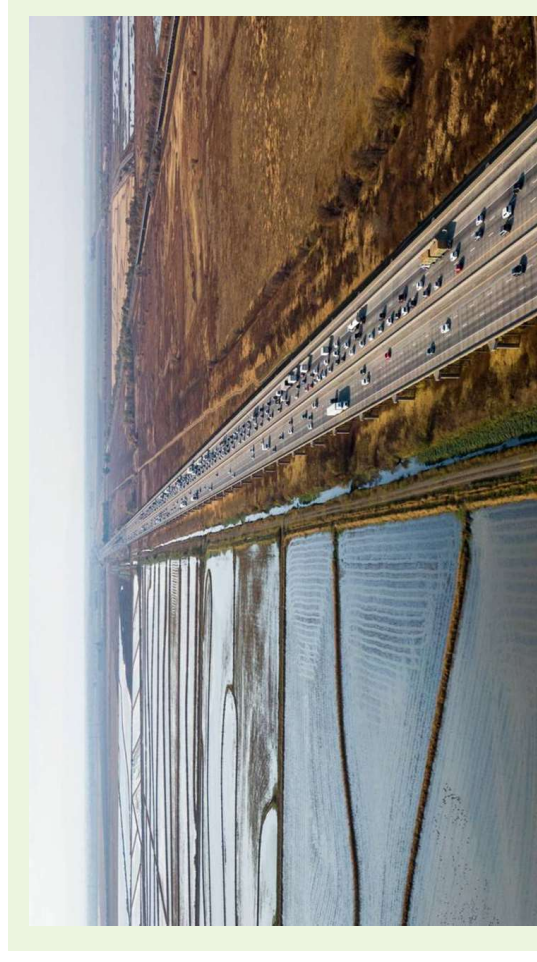
- Up to 15 minutes travel time saved eastbound, 69 minutes westbound
- FREIGHT BENEFIT

Regional support

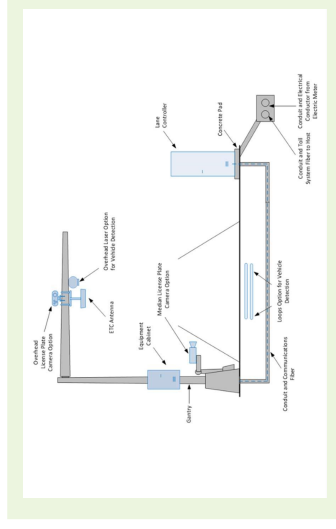
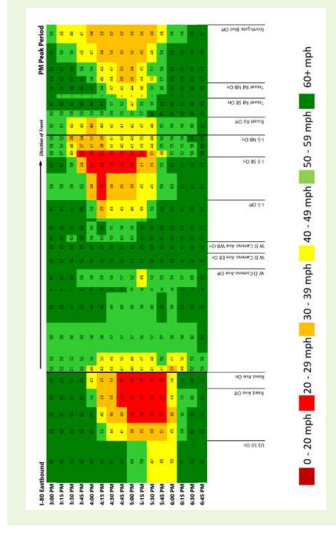
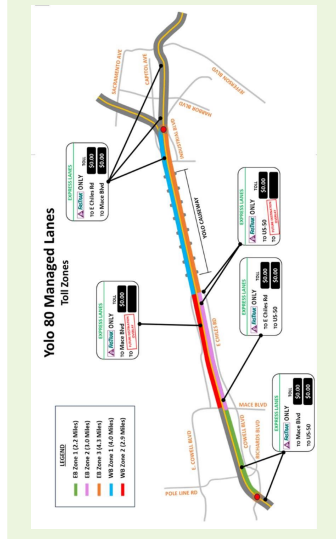
- Demonstrated Caltrans partnership
- In adopted MTP/SCS and MTIP
- Supports local general plans and transportation plans

Feasibility

- Compliance with state law
- Complete funding plan
- Concept of Operations



Concept of Operations



Facility design and performance

- Toll zones and access
- Signage
- Traffic performance: bottlenecks and travel times
- Transit considerations

Roles and responsibilities

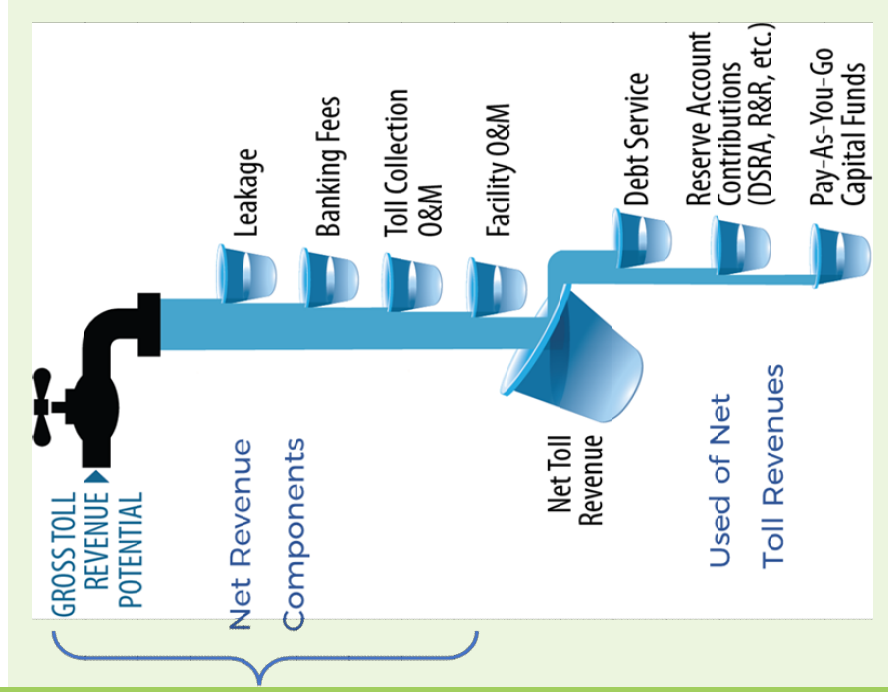
- CARTA as the lead for policy decisions, contracts, reporting, and performance
- Caltrans, YoloTD, SACOG supporting based on expertise
- Mandated roles of FHWA, CHP, CTC, other operators

Operations and technical requirements

- Operates 5am-8pm 7 days a week
- Mandated discounts
- Vehicle exemption
- Toll collection interoperability with CA (FasTrak)
- Back offices contracted out by CARTA



Toll revenue and expenditures



Additional impacts to gross and net toll revenue

- Toll prices and operating hours
- Discount programs
- Required mitigation

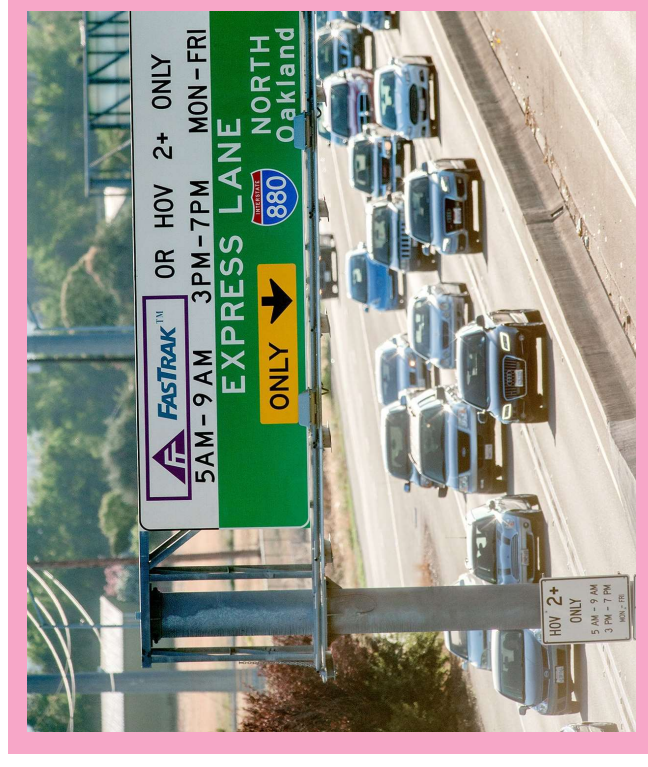
Revenue generation factors

- Toll facility length
- Direct connectors
- Dual-lane facilities

Voting staff recommendation (Option 1B)

Plans for excess net toll revenue

- Affirmative vote from majority of CARTA Directors
- Affirmative vote from 2 of 3 Directors in each county for applicable corridor



Staff recommendation

- Approve JPA agreement (Option 2A).
 - One at-large SACOG voting seat
 - One Caltrans voting seat
 - Three voting seats per county with a toll facility
 - Corridor supermajority voting for plans to spend excess net toll revenue (Voting Option 1B)
- Approve resolution consenting to CARTA's submission of a Toll Facility Application to the CTC for Yolo 80 pursuant to AB 194.