



CAPITAL AREA REGIONAL TOLLING AUTHORITY

CARTA Board of Directors

Thursday, May 23, 2024, at 3:30 PM

SACOG Board Room, 1415 L Street, Suite 300, Sacramento, CA 95814

Consistent with California Government Code Section 54953 a meeting of the board will be held in person.

Attend or watch

- Attend the meeting at the location noted above
- Watch on CARTA's [YouTube channel](#) where the meeting will be streamed. If you do not see the live broadcast, indicated by the red "live" icon, refresh your browser.

Provide public comment – Note: No public comment will be taken by telephone or through YouTube. Comments will be taken on the item at the time it is taken up by the board. Members of the public can participate in the meeting via written or verbal comments as described below:

- ***In-person:***

Public comment may be made in person at the meeting location. You will have 3:00 minutes to speak, unless a different time is set by the Chair. Please complete a speaker form and provide it to the clerk. If attending at an alternative meeting location, please inform an agency official in attendance that you request to speak.

- ***Written comments***

May be submitted via email to the clerk at rtadevich@sacog.org. Comments requested to be read at the meeting will be limited to 250 words. Comments requested to be distributed to the board members will be shared with members if they are received at least 24 hours prior to the meeting. Otherwise, they will be shared after the meeting. Any writings or documents provided to a majority of this board regarding any item on this agenda (other than writings legally exempt from public disclosure) are available on CARTA's website.

Agenda Timing: Time durations are estimates only. Action may be taken on any item on this agenda. The board may take up any agenda item at any time, regardless of the order listed.

Accessibility and Title VI: CARTA provides access to all agenda and meeting materials online at www.captollauthority.org. Additionally, interested persons can sign up for email notifications at www.captollauthority.org/about. CARTA provides modification or accommodation, auxiliary aids or services, including receiving this agenda and attachments in an alternative format accommodation in order to participate in this meeting. CARTA also provides services/accommodations to individuals who are limited-English proficient who wish to address agency matters. For accommodations or translations assistance, please call (916) 321-9000, or for TDD/TTY dial 711, or email at contact@captollauthority.org. We require three working days' notice to accommodate your request.

La CARTA puede proveer asistencia/facilitar la comunicación a las personas y los individuos con conocimiento limitado del inglés quienes quieran dirigirse a la agencia. Para asistencia, por favor llame al número 916.321.9000 o para TDD/TTY llame al numero 711, o email a contact@captollauthority.org. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

Pledge of Allegiance

Roll Call: Directors Aceves, Chapman, Desmond, Early, Villegas and Ex-Officio Members Click, Deloria and Guerra

Public Communications: Any person wishing to address the committee on any item not on the agenda may do so at this time. After ten minutes of testimony, any additional testimony will be heard following the action items.

Disclosures:

Directors will disclose any item in which they have a conflict of interest under state law, and acknowledge whether they will recuse from that item. Among other state laws, the Levine Act may require recusal on items involving a contract or entitlement where a campaign donor is a participant.

Consent:

1. Approve Minutes of the February 15, 2024, Board Meeting
2. Legal Services Disclosure

Action:

3. 2024 CARTA Meeting Schedule
4. Approve Budget for Fiscal Year 2024-2025
5. Loan Agreement with Sacramento Area Council of Governments
6. Toll Lane Program Development Consulting Services Request for Proposals
7. Conflict of Interest Code

Receive and File:

8. Joint Powers Authority Formation Activities

Other Matters

Adjournment

The next meeting of CARTA will be held on Monday, June 10, 2024, at 1:00 PM in the SACOG Board Room, 1415 L Street, Suite 300, Sacramento, CA.

This agenda and attachments are available on CARTA's website at www.captollauthority.org. CARTA is accessible to the disabled. As required by Section 202 of the Americans with Disabilities Act of 1990 and the Federal Rules and Regulations adopted in implementation thereof, a person who requires a modification or accommodation, auxiliary aids or services in order to participate in a public meeting, including receiving this agenda and attachments in an alternative format, should contact CARTA by phone at (916) 321-9000, email contact@captollauthority.org or in person as soon as possible and

preferably at least 72 hours prior to the meeting. Parking is available at 15th and K Streets. To take transit to a meeting, go to [google.com/maps](https://www.google.com/maps).



Capital Area Regional Tolling Authority

Meeting Date: May 23, 2024

Agenda Item: 1

Approve Minutes of the February 15, 2024, Board Meeting

Prepared By: Robert Tadevich, Sacramento Area Council of Governments

Attachments: Yes

Recommendation:

Staff recommend approval of the minutes as submitted.

Background:

The board met on February 15, 2024.

Discussion:

Each meeting the board is asked to approve the minutes from the previous meeting.



CARTA Board of Directors

Draft Action Minutes

The CARTA Board of Directors met in person on February 15, 2024, at 12:00 p.m. at the SACOG office, 1415 L Street, Suite 300, Sacramento, CA.

Call to Order: Chair Villegas called the meeting to order at 12:30 p.m.

Present: Directors Aceves, Chapman, Kennedy, Vice Chair Early, Chair Villegas and Ex-Officio Members Click, Deloria, and Guerra

Absent: None

Public Communications: None

Oath of Office

- The oath of office was administered by Mike Maurer, General Counsel, to all members of the CARTA Board of Directors.

Action:

1. Election of Chair/Vice Chair

Mike Maurer, General Counsel, presented the report. It was moved, seconded (Chapman/Early) and passed by majority vote that the CARTA Board of Directors:

Elect Oscar Villegas as the Chair and Dawnte Early as the Vice Chair of the CARTA Board of Directors.

2. Designation of Secretary, Auditor/Controller and Treasurer and Lead Agency

Mike Maurer, General Counsel, presented the report. It was moved, seconded (Early/Kennedy) and passed by majority vote that the CARTA Board of Directors:

(1) Designate the SACOG Executive Director as Secretary; (2) Designate Sacramento County as Auditor/Controller and Treasurer; and (3) Designate SACOG as the lead agency to conduct the day-to-day affairs of the JPA until such time as the board appoints an Executive Director.

3. Adoption of Bylaws

Mike Maurer, General Counsel, presented the report. It was moved/seconded (Kennedy/Early) and passed by majority vote that:

The board adopt the Bylaws.

- 4. Adoption of Meeting Schedule

Kathleen Hanley, SACOG staff, presented the report. It was moved/seconded (Early/Kennedy) and passed by majority vote that:

The board approve the meeting schedule and adopt the resolution.

- 5. Approval of Yolo 80 Facility Application

Kathleen Hanley, SACOG staff, presented the report. It was moved/seconded (Chapman/Early) and passed by majority vote that:

The board authorize the Secretary to submit a Toll Facility Application to the California Transportation Commission for the Yolo 80 Corridor Improvement Project pursuant to Assembly Bill 194.

Public comment was provided by Brian Abbanat, Yolo County Transportation District, in support of the application submission to the California Transportation Commission.

Adjournment: The meeting was adjourned at 12:55 p.m.

Approved by:

James Corless
Secretary

Approved by:

Oscar Villegas
Board Chair



Capital Area Regional Tolling Authority

Meeting Date: May 23, 2024

Agenda Item: 2

Legal Services Disclosure

Prepared By: Erik Johnson, Sacramento Area Council of Governments

Attachments: Yes

Recommendation:

Staff recommend that the Board authorize the Secretary to execute conflict of interest disclosure and waiver forms.

Background:

Under the State Bar's Rules of Professional Conduct, an attorney may represent two parties who may have conflicting interests if the potential conflicts are disclosed in writing. At their February 15, 2024 meeting, the board designated SACOG as the lead agency to conduct the day-to-day affairs of CARTA until the board appoints an Executive Director. As part of this role, SACOG will supply legal services through its retained counsel.

Discussion:

The law firms of Best Best & Krieger LLP and Sloan Sakai Yeung & Wong LLP are both retained by SACOG for general counsel and contract services respectively. SACOG intends to utilize both firms for similar services for CARTA. In the event of an actual disqualifying conflict between the two agencies, CARTA could replace either or both firms but would agree in advance that the firms could continue to represent SACOG. Attachments A and B to this staff report are written disclosures from each firm. Staff recommend the Board authorize the Secretary to consent to and execute both conflict of interest and disclosure forms on behalf of CARTA.



Michael J. Maurer
Partner
(213) 787-2557
michael.maurer@bbklaw.com

May 7, 2024

VIA EMAIL

Mr. James Corless
Secretary to the Board
Capital Area Regional Tolling Authority
1415 L Street, Suite 300
Sacramento, CA 95814

Re: Conflict Waiver - Representation of Sacramento Area Council of Governments

Dear Mr. Corless:

As you know, Best Best & Krieger (“BBK”) serves the Sacramento Area Council of Governments (“SACOG”) as their General Counsel. BBK represents SACOG on various matters (“SACOG Matters”). One of the matters that BBK has been representing SACOG is regarding the creation of the Capital Area Regional Tolling Authority (“CARTA”). Now that CARTA has been created, SACOG has asked BBK to support CARTA as its General Counsel and represent CARTA on various matters (“CARTA Matters”).

We understand that BBK’s work for CARTA on the CARTA Matters are not adverse to SACOG currently. Furthermore, we understand that BBK’s work for SACOG on the SACOG Matters are not adverse to CARTA currently. However, because of the close interactions between CARTA and SACOG, there is the possibility for conflicts to arise between CARTA and SACOG. If we are to represent CARTA on the CARTA Matters while we concurrently represent SACOG on the SACOG Matters, we must obtain CARTA’s and SACOG’s informed written consent to any potential or actual conflict of interest.

RULES OF PROFESSIONAL CONDUCT

Rule 1.7 of the California Rules of Professional Conduct provides in pertinent part:

- (a) A lawyer shall not, without informed written consent from each client and compliance with paragraph (d), represent a client if the representation is directly adverse to another client in the same or a separate matter.
- (b) A lawyer shall not, without informed written consent from each affected client and compliance with paragraph (d), represent a client if there is a significant risk the lawyer’s representation of the client will be materially limited by the lawyer’s

responsibilities to or relationships with another client, a former client or a third person, or by the lawyer's own interests.

- . . .
- (d) Representation is permitted under this rule only if the lawyer complies with paragraphs (a), (b), . . . and:
- (1) the lawyer reasonably believes that the lawyer will be able to provide competent and diligent representation to each affected client;
 - (2) the representation is not prohibited by law; and
 - (3) the representation does not involve the assertion of a claim by one client against another client represented by the lawyer in the same litigation or other proceeding before a tribunal.

SCOPE OF REPRESENTATION & DISCLOSURES

Our representation of the CARTA and SACOG as described in this letter is not prohibited, but requires CARTA's and SACOG's consent. We do not believe our representation of SACOG will impair our competency, diligence or loyalty to CARTA nor will it otherwise materially limit our representation of CARTA or impair our independent professional judgment in any way. For example, we do not believe we will be tempted to favor the interests of one client over the other, nor do we think the relationship will create any appearance of impropriety. However, these are all things CARTA should consider before signing this waiver.

In the event that circumstances change or we become aware of new information that requires client consent or new notice, each client will be notified of that fact immediately, and continued representation will be subject to that notice and the informed written consent of each client will be obtained as necessary. Should an actual conflict of interest develop in the future or if the relationship should materially limit our representation of either client, CARTA and SACOG agree that BBK may continue to represent SACOG in the event that BBK must withdraw from representing CARTA.

CARTA'S CONSENT

If CARTA agrees to the above, we need an authorized representative of CARTA to sign this consent letter. This consent will not waive any protection that CARTA may have with regard to attorney-client communications with us. Those communications will remain confidential and will not be disclosed to any third party without CARTA's consent.

Please consider this matter carefully, and do not hesitate to contact us if you have any questions or concerns. You may wish to confer with independent legal counsel regarding this disclosure and your consent, and you should feel free to do so.

CARTA's execution of this consent form will constitute an acknowledgment of full disclosure in compliance with the requirements of Rule 1.7 of the California Rules of Professional

Mr. James Corless

May 7, 2024

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Conduct previously quoted in this letter, and CARTA's consent to the matters described in this letter.

Sincerely,



Michael J. Maurer

of BEST BEST & KRIEGER LLP

CONSENT

By this letter, Best Best & Krieger LLP has explained the existing and/or reasonably foreseeable potential risks and conflict(s) of interest in the above referenced matter, and has informed me of the possible consequences of this representation and these conflicts. I understand that I have the right to and have been encouraged to consult with independent counsel before signing this consent, and I acknowledge that I have been given sufficient time to do so. Notwithstanding the I hereby consent and agree to the terms described in this conflict waiver letter.

By: _____
For: Capital Area Regional Tolling Authority

Dated: _____

May 8, 2024

OSMAN I. MUFTI
916-258-8804
omufti@sloansakai.com

Mr. James Corless
Executive Director
Sacramento Area Council of Governments
1415 L Street, Suite 300
Sacramento, CA 95814

Re: Conflict Waiver - Representation of Capital Area Regional Tolling Authority

Dear Mr. Corless:

As you are aware, Sloan Sakai Yeung and Wong (“Sloan Sakai”) serves the Sacramento Area Council of Governments (“SACOG”) as special counsel for contracting and procurement matters (“SACOG Matters”). SACOG has been involved in and is a member agency of the Capital Area Regional Tolling Authority (“CARTA”) a California joint powers authority. Now that CARTA has been formed SACOG has been providing CARTA with certain administrative services and SACOG has asked Sloan Sakai to support CARTA as special counsel for contracting and procurement matters (“CARTA Matters”).

We believe that currently Sloan Sakai’s work for SACOG on the SACOG Matters is not adverse to CARTA and that there is no actual conflict. Additionally, it is our understanding that Sloan Sakai’s work for CARTA on the CARTA Matters is currently not adverse to SACOG. However, because of the close interactions between SACOG and CARTA, there is the possibility for conflicts to arise between SACOG and CARTA in the future. If we are to represent CARTA on the CARTA Matters while we concurrently represent SACOG on the SACOG Matters, we must obtain both SACOG’s and CARTA’s informed written consent to any potential or actual conflict of interest.

Additionally, Sloan Sakai serves as general counsel to the El Dorado County Transportation Commission (EDCTC) and the Placer County Transportation Planning Agency (PCTPA), both of whom have non-voting members on the CARTA Board and may become member agencies of CARTA under Section 5 of the CARTA JPA agreement in the future. It is our understanding that Sloan Sakai’s work for CARTA on CARTA Matters is currently not adverse to EDCTC or PCTPA. However, because of the close interactions between these agencies and CARTA, there is the possibility for conflicts to arise between PCTPA, EDCTC, SACOG and CARTA in the future, accordingly we must obtain all parties informed written consent to any potential or actual conflict of interest.



p: (916) 258-8800
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info@sloansakai.com
sloansakai.com



555 Capitol Mall, Suite 600
Sacramento, CA, 95814

Mr. James Corless

May 8, 2024

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RULES OF PROFESSIONAL CONDUCT

Rule 1.7 of the California Rules of Professional Conduct provides in pertinent part:

- (a) A lawyer shall not, without informed written consent from each client and compliance with paragraph (d), represent a client if the representation is directly adverse to another client in the same or a separate matter.
- (b) A lawyer shall not, without informed written consent from each affected client and compliance with paragraph (d), represent a client if there is a significant risk the lawyer's representation of the client will be materially limited by the lawyer's responsibilities to or relationships with another client, a former client or a third person, or by the lawyer's own interests.
- (c) . . .
- (d) Representation is permitted under this rule only if the lawyer complies with paragraphs (a), (b), . . . and:
 - (1) the lawyer reasonably believes that the lawyer will be able to provide competent and diligent representation to each affected client;
 - (2) the representation is not prohibited by law; and
 - (3) the representation does not involve the assertion of a claim by one client against another client represented by the lawyer in the same litigation or other proceeding before a tribunal.

SCOPE OF REPRESENTATION & DISCLOSURES

Our representation of SACOG, PCTPA, EDCTC and CARTA as described in this letter is not prohibited, but requires the parties informed written consent. We do not believe our representation of CARTA will impair our competency, diligence, or loyalty to the parties nor will it otherwise materially limit our representation of SACOG or impair our independent professional judgment in any way. For example, we do not believe we will be tempted to favor the interests of one client over the other, nor do we think the relationship will create any appearance of impropriety. However, these are all things that SACOG should independently be considered before signing this waiver.

In the event that circumstances change, or we become aware of new information that requires client consent or new notice in accordance with the California Rules of Professional Conduct, we will notify each client of that fact immediately, and continued representation will be subject to that notice and the informed written consent of each client will be obtained as necessary.

Mr. James Corless

May 8, 2024

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Should an actual conflict of interest develop in the future or if the relationship should materially limit our representation of either client, SACOG and CARTA agree that Sloan Sakai may continue to represent SACOG if Sloan Sakai must withdraw from representing CARTA.

SACOG'S CONSENT

If SACOG agrees to the above, an authorized representative of SACOG should sign this consent letter. This consent will not waive any protection that SACOG may have with regard to attorney-client communications with us. Those communications will remain confidential and will not be disclosed to any third party without SACOG's consent.

Please consider this matter carefully, and do not hesitate to contact me if you have any questions or concerns. You may wish to confer with independent legal counsel regarding this disclosure and your consent, and you should feel free to do so.

SACOG's execution of this consent form will constitute an acknowledgment of full disclosure in compliance with the requirements of Rule 1.7 of the California Rules of Professional Conduct stated above, and SACOG's consent to the matters described in this letter.

Sincerely,



Osman I. Mufti, Partner
Sloan Sakai Yeung & Wong LLP

Mr. James Corless

May 8, 2024

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CONSENT

By this letter, Sloan Sakai Yeung and Wong LLP has explained the existing and/or reasonably foreseeable potential risks and conflict(s) of interest in the above referenced matter, and has informed me of the possible consequences of this representation and these conflicts. I understand that I have the right to and have been encouraged to consult with independent counsel before signing this consent, and I acknowledge that I have been given sufficient time to do so. I hereby consent and agree to the terms described in this conflict waiver letter.

By: _____

Dated: _____



Capital Area Regional Tolling Authority

Meeting Date: May 23, 2024

Agenda Item: 3

2024 CARTA Meeting Schedule

Prepared By: Kathleen Hanley, Sacramento Area Council of Governments

Attachments: Yes

Recommendation:

Staff recommend that the Board approve the meeting schedule and adopt the resolution.

Background:

The Ralph M. Brown Act (Government Code Section 54954) requires a legislative body to adopt its regular meeting schedule by resolution. Sacramento Area Council of Governments (SACOG) has been designated as the administrative lead for CARTA until CARTA acquires its own staff or otherwise adopts a different means to execute administrative activities. The SACOG board typically meets the third Thursday of each month at their office. The CARTA Joint Powers Authority agreement states the CARTA board will meet quarterly, or more often as needed. At their February meeting, the CARTA board adopted a 2024 meeting schedule with meetings in May, September, and November.

Discussion:

As staff have developed the draft workplan for FY 2024-2025, staff have determined a bimonthly, rather than quarterly, board meeting schedule is needed to meet project milestones. Staff recommend the CARTA Board meet on the following dates in 2024:

Monday, June 10, 2024, at 1:00 PM

Thursday, August 1, 2024, at 12:00 PM

Thursday, October 17, 2024, at 12:00 PM

Thursday, December 19, 2024, at 12:00 PM

This updated meeting schedule increases board meeting frequency and avoids conflicts with SACOG's offsite board meetings.



CAPITAL AREA REGIONAL TOLLING AUTHORITY

RESOLUTION NO. 2-2024

ADOPTING THE CARTA BOARD OF DIRECTORS AND COMMITTEE SCHEDULE FOR 2024

WHEREAS, the Ralph M. Brown Act (Government Code Section 54954) requires that the CARTA board adopt its Board and Committee Meeting Schedule by resolution; and

WHEREAS, the CARTA board wishes to adopt its Board and Committee Meeting Schedule for 2024 at the May 23, 2024, board meeting;

NOW THEREFORE, BE IT RESOLVED that CARTA does hereby adopt the CARTA Board of Directors meetings for 2024 as indicated below:

Monday, June 10, 2024, at 1:00 pm
Thursday, August 1, 2024, at 12:00 pm
Thursday, October 17, 2024, at 12:00 pm
Thursday, December 19, 2024, at 12:00 pm.

PASSED AND ADOPTED this 23rd day of May 2024, by the following votes of the Board of Directors:

AYES:

NOES:

ABSTAIN:

ABSENT:

Oscar Villegas
Chair

James Corless
Secretary



Capital Area Regional Tolling Authority

Meeting Date: May 23, 2024

Agenda Item: 4

Approve Budget for Fiscal Year 2024-2025

Prepared By: Kathleen Hanley, Sacramento Area Council of Governments

Attachments: Yes

Recommendation:

Staff recommend that the Board approve the Budget for Fiscal Year (FY) 2024-2025.

Background:

The CARTA Joint Powers Authority agreement states the CARTA board will adopt an annual budget for each fiscal year. The agreement further states that a draft budget shall be provided to members at least 30 days prior to adoption of a final budget. This requirement was satisfied by presenting this budget to the CARTA Technical Advisory Committee (TAC) on April 8, 2024. The TAC includes executive staff from SACOG, Caltrans, YoloTD, Sacramento Transportation Authority (STA), El Dorado County Transportation Commission (EDCTC), and Placer County Transportation Planning Agency (PCTPA). The TAC supported the budget.

Discussion:

SACOG staff, as the administering agency for CARTA, have developed a budget for FY 2024-2025 based on the following goals:

- Support the successful delivery of the Yolo 80 Managed Lanes Project
- Develop a multi-year workplan that outlines necessary actions to prepare the region to operate a sustainable and equitable toll lane by 2028
- Increase public and stakeholder awareness and engagement on tolling policy issues

In support of these goals, CARTA staff work for FY 2024-2025 falls into two areas:

- Administration, including CARTA Board meetings, website and marketing materials, accounting and finance, legal services, and insurance.
- Toll Program, including a consulting services contract to develop a multi-year workplan and budget, toll policy development, interagency collaboration, and project development support for toll lane projects in the region.

CARTA's budget does not include the work conducted by Caltrans and YoloTD on the Yolo 80 Managed Lanes Project. Project expenses, including environmental, design, and construction, remain a part of the Yolo 80 project and are funded using separate revenue sources as part of those agencies' budgets. The CARTA budget includes only activities related to the creation and operations of a tolling authority. The development of a multi-year workplan for CARTA will include further discussions on what activities are project expenses that must be covered by a

toll lane project sponsor and what activities are tolling authority expenses that CARTA is responsible for.

The Budget for FY 2024-2025 (Attachment A) separates expenditures into Administration and Toll Program. Both work areas include a combination of SACOG staff time—consistent with previous board action designating SACOG as CARTA’s administering agency for FY 2024-2025—and consulting services. The SACOG staff line items are loaded rates for 1,400 hours of work spread across 11 employees. The largest line item is a consulting services contract for Toll Lanes Program Development. The scope of work for that contract is included for board consideration as Item 5 in this Agenda. Expenditures for FY 2024-2025, using conservative assumptions for all line items, total \$1,300,000. Revenues total \$1,300,000 all of which come from a loan from SACOG’s Managed Fund. A loan agreement for those revenues is included for board consideration as Item 4 in this Agenda.

Staff is recommending final action on the Budget for FY 2024-2025. Should the board have direction that requires further staff work, the budget could come back to the June 10, 2024, meeting.

**CAPITAL AREA REGIONAL TOLLING AUTHORITY
BUDGET FY 2024-2025**

REVENUES:	
Local	
Loan from SACOG Managed Fund	\$ 1,300,000
Subtotal - Local Revenues	\$ 1,300,000
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TOTAL REVENUES	\$ 1,300,000
EXPENDITURES:	
Administration:	
Administrative Staff Costs	\$ 87,529
General Counsel	\$ 71,666
Contracts Counsel	\$ 50,000
Public Outreach / Education	\$ 60,000
Insurance	\$ 50,000
Audits	\$ 50,000
Website and Software	\$ 5,000
Meetings	\$ 10,000
Subtotal - Administration Expenditures	\$ 384,195
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Toll Program	
Transportation Staff Costs	\$ 215,805
Consulting Services: Toll Lanes Program Development	\$ 700,000
Subtotal - Toll Program Expenditures	\$ 915,805
<hr/>	
TOTAL EXPENDITURES	\$ 1,300,000



Capital Area Regional Tolling Authority

Meeting Date: May 23, 2024

Agenda Item: 5

Loan Agreement with Sacramento Area Council of Governments

Prepared By: Kathleen Hanley, Sacramento Area Council of Governments

Attachments: Yes

Recommendation:

Staff recommend that the Board approve a \$1.3 million loan (Attachment A) from the Sacramento Area Council of Governments (SACOG) and authorize the board chair to execute a loan agreement and a promissory note.

Background:

To ensure CARTA is prepared to operate the Yolo 80 Managed Lanes Project (Yolo 80) toll lanes when they open in 2028, start-up activities need to take place in the years prior. At their February meeting, the board designated SACOG as the administering agency for CARTA for fiscal year (FY) 2024-2025. Staff have developed a FY 2024-2025 budget, which is included as Item 3 in this agenda. CARTA's budgeted expenses for FY 2024-2025 total \$1.3 million. These expenses include SACOG staff time to administer CARTA; legal, insurance, and auditing costs; and consulting services to develop a multiyear workplan for CARTA.

Since 2005, SACOG has maintained a reserve of local funds called the SACOG Managed Fund (SMF). SACOG uses SMF to help its partners deliver transportation programs and projects, including to provide local match for state and federal grant applications and to implement projects that would be impractical or ineligible to deliver with state or federal funds. At their April meeting, the SACOG board authorized the use of \$1.3 million of SMF to fund CARTA's expenses for FY 2024-2025.

Discussion:

Because CARTA has no independent source of revenue until toll collection begins in 2028, staff recommend CARTA receive a \$1.3 million loan from SMF, to be repaid with interest from future toll revenue. The loan agreement stipulates that CARTA would begin repaying the interest within 60 days of initial receipt of toll revenue or June 30, 2028, whichever is sooner. From that point, CARTA would make annual payments of \$325,000 through 2031, with the final payment including accrued interest. Including interest, the total cost of this loan to CARTA is estimated to be between \$1.6 million to \$1.7 million depending on the interest rate and the timing of when toll revenues begin (and repayments on the loan begin).

As part of the development of the Yolo 80 project, Caltrans has forecasted revenue estimates. This analysis projects that Yolo 80 toll lanes will generate \$3 million in annual net revenue by

2029 and \$9 million annual net revenue by 2049. This analysis includes several assumptions—including toll price, toll operating hours, and operations costs—that are subject to further Board discussion and action. While these revenue estimates may change, they demonstrate sufficient revenue to make this repayment schedule.

The draft loan agreement was presented to the to the CARTA Technical Advisory Committee (TAC) which includes executive staff from SACOG, Caltrans, YoloTD, Sacramento Transportation Authority (STA), El Dorado County Transportation Commission (EDCTC), and Placer County Transportation Planning Agency (PCTPA). The TAC supported the SMF loan approach and the agreement. Staff recommend that the Board approve receiving a \$1.3 million loan from SACOG and authorize the board chair to execute a loan agreement and a promissory note.

LOAN AGREEMENT

THIS LOAN AGREEMENT is made and entered into as of the 23rd day of May 2024, by and between the CAPITAL AREA REGIONAL TOLLING AUTHORITY, a California joint powers agency (“Borrower”), and SACRAMENTO AREA COUNCIL OF GOVERNMENTS, a California joint powers agency (“Lender”).

RECITALS

WHEREAS, Borrower is a joint powers agency formed on February 15, 2024, by the Sacramento Area Council of Governments, Yolo Transportation District, and the California Department of Transportation District 3 for the purpose leading the implementation of toll facilities in the Sacramento region; and

WHEREAS, Lender desires to provide initial funding in order to develop, administer and operate toll lanes within the region, and Borrower intends to repay this debt as an operating expense payable from future toll revenues.

NOW, THEREFORE, in consideration of the promises and covenants herein, Borrower and Lender agree as follows:

ARTICLE I

1.01 Definitions. When used in this Loan Agreement, the following terms shall have the indicated definitions:

- (a) "Borrower," means Capital Area Regional Tolling Authority, a California joint powers agency.
- (b) “Lender” means the Sacramento Area Council of Governments, a California joint powers agency.
- (c) "Loan" means the financial accommodation being made by the Lender to the Borrower in accordance with the terms and provisions of this Loan Agreement.
- (d) "Loan Documents" means this Loan Agreement, the Promissory Note, and all other documents executed in connection with the Obligations or under this Loan Agreement, with all addendums, modifications and amendments thereto.
- (e) "Note" means the Promissory Note from the Borrower as maker, to the Lender, as payee of even date herewith, and all amendments, extensions or renewals thereof.

- (f) "Obligations" means all obligations under the Note, all of the obligations hereunder and all other obligations and liabilities of the Borrower, or any guarantor, surety, endorser or accommodation party, to the Lender, its successors and assigns, arising from or evidenced by the Loan Documents, whether direct or indirect, primary or secondary, joint or several, absolute or contingent, or now or hereafter existing or due or to become due in connection therewith.

ARTICLE II

Terms of Note

2.01 Promissory Note. The Note has been executed and delivered by the Borrower contemporaneously with the execution and delivery of this Loan Agreement. The terms of the Promissory Note are as follows:

- (a) The Borrower shall repay the Loan Amount of One Million Three Hundred Thousand Dollars (\$1,300,000.00) in annual installments bearing interest in the amount earned by the Sacramento County Pooled Investment Fund during the same period. Borrower's payments shall begin within of sixty (60) days of Borrower's initial receipt of toll revenue or June 30, 2028, whichever is sooner, unless otherwise agreed to in writing by Lender. Annual installments shall be in the amount of \$325,000, with any additional amount due to accrued interest added to the final payment due June 30, 2031.
- (b) The parties acknowledge that in accordance with California Streets and Highways Code Section 149.7(e)(4), revenue generated from Borrower's operation of a toll facility shall be available for repayment of the Loan and shall take priority over all other debt issued by Borrower.
- (c) The Borrower may prepay the Loan Amount or any portion thereof, at any time prior to the repayment term without penalty.

2.02 Default. Each of the following shall constitute and Event of Default under this Agreement:

- (a) Borrower fails to make any payment when due.
- (b) Borrower fails to comply with or to perform any other term, obligation or covenant or condition contained in this Agreement or any of the Loan Documents.
- (c) The dissolution or termination of the Borrower's existence as a joint powers agency, insolvency of the Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of Borrower's creditors or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

2.03 Lender's Rights. Upon and Event of Default, Lender may declare the entire unpaid balance of the Loan Amount immediately due.

ARTICLE III

Miscellaneous

3.01 No Implied Waiver. Neither failure to exercise nor any delay on the part of Lender in exercising any right, power or privilege, nor any single or partial exercise of any right, power or privilege under this Agreement, nor under any of the documents executed by Borrower in connection herewith, shall preclude any further exercise thereof by Lender or the exercise of any other right, power or privilege.

3.02 Changes Must Be In Writing. No provisions of the Loan Documents may be changed, waived, discharged or terminated orally, by telephone or by any other means except an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought and then the same shall be effective only in the specific instance for which it is given.

3.03 Applicable Law. This Agreement shall be deemed to be a contract made in the State of California and entered into under and pursuant to the laws of such state, and to be governed, construed and enforced in accordance with the laws of the State of California.

3.04 Counterparts. This Agreement and any of the other Loan Documents may be executed in any number of counterparts, each of which shall constitute an original.

3.05 Survival of Covenants. This Agreement and all covenants, agreements, representations and warranties made herein in any other Loan Document, shall survive the making by the Lender of the Loan and the execution and delivery to the Lender of the Note, and shall continue in full force and effect so long as the Note and any other indebtedness of the Borrower to the Lender hereunder or under any other Loan Document is outstanding and unpaid.

3.06 Successors and Assigns. Except as herein provided, this Agreement and the other Loan Documents shall be binding upon and inure to the benefit of Borrower and Lender and any other successors and assigns. Notwithstanding the foregoing, Borrower or any other person other than Lender, without the prior written consent of the Lender, which consent may be withheld in Lender's sole discretion, may not assign, transfer or set over to another person, in whole or in part, all or any part of its benefits, rights, duties and obligations hereunder, including, without limitation, performance of and compliance with conditions hereof and the right to receive the proceeds of current or future advances. Whenever in this Agreement or in any of the other Loan Documents any of the parties hereto or thereto is referred to, such reference shall be deemed to include the successors and assigns of such party (but without any implied consent to any transfer or other action which violates the term of any Loan Document); and all covenants, promises and agreements contained in this Agreement, or in any of the other Loan Documents by or on behalf of Borrower or any other Person other than Lender, shall inure to the benefit of the respective successors and assigns of Lender.

3.07 Severability. Any provision of this Agreement or of any other Loan Document which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or thereof or affecting the validity or enforceability of such provision in any other jurisdiction.

3.08 Amendment, Waiver or Consent. No waiver, consent, modification, or amendment shall be effective as against the Lender unless the same is in writing and signed by an authorized officer. No such waiver, consent, modification, or amendment shall extend to or affect any obligation or right except to the extent expressly provided for therein.

3.09 Applicable Law and Costs of Enforcement. The laws of the state of California shall govern the validity, performance and enforcement of this Loan Agreement. Borrower agrees to pay the costs and expenses, including but not limited to reasonable attorneys' fees and legal expenses incurred by Lender in the exercise of any right or remedy available to it, whether or not suit is commenced, including, without limitation, reasonable attorneys' fees and legal expenses incurred in connection with any appeal of a lower court's order or judgment.

3.10 Further Assurances. Borrower will execute and deliver such other and further instruments and documents, and will do such other and further acts as in the opinion of the Lender may be necessary or desirable to carry out more effectively the purposes of this Loan Agreement.

3.11 Binding Effect. This Loan Agreement shall be binding upon the Borrower and his successors and assigns, and shall inure to the benefit of the Lender and the benefit of its successors and assigns, including any subsequent holder or holders of the Note or any interest therein.

3.12 Survival. All representations, warranties, covenants, and agreements made herein shall survive the execution and delivery of this Loan Agreement, the Loan Documents and the issuance of the Note.

3.13 Integration of Loan Documents. The Parties agree that this Loan Agreement shall incorporate by reference all of the terms, covenants, conditions, obligations, stipulations and agreements contained in the Loan Documents, to the same extent and effect as if fully set forth herein and made a part of this Loan Agreement.

3.14 Entire Contract. This Loan Agreement with the Loan Documents constitutes the entire Loan Agreement between the parties. No oral representation shall be binding on any Party hereto, and all parties acknowledge that no reliance will be placed on any oral representations of any person or entity which vary, in any manner whatsoever, any portion of this Loan Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Loan Agreement executed and delivered as of the day and year first above written.

[SIGNATURES ON NEXT PAGE]

SACRAMENTO AREA COUNCIL OF GOVERNMENTS

James Corless, Executive Director

APPROVED AS TO FORM:

Osman Mufti, Counsel
Sloan Sakai Yeung and Wong

CAPITAL AREA REGIONAL TOLLING AUTHORITY

Oscar Villegas, Board Chair

APPROVED AS TO FORM:

Michael Maurer, Counsel
Best Best & Krieger

PROMISSORY NOTE

Loan Amount: \$1,300,000

May 23, 2024

1. FOR VALUE RECEIVED, the CAPITAL AREA REGIONAL TOLLING AUTHORITY, a California joint powers agency (“Borrower”), promises to pay to the order of SACRAMENTO AREA COUNCIL OF GOVERNMENTS, a California joint powers agency (“Lender”), the Principal sum of One Million Three Hundred Thousand Dollars (\$1,300,000) with interest from the date first above written until paid at the rate earned by the Sacramento County Pooled Investment Fund during the same period (“Rate”).
2. The Principal sum borrowed pursuant to this Promissory Note, together with all interest due on it, is due and payable on or before June 30, 2031.
3. Borrower will use the Principal sum borrowed pursuant to this Promissory Note for Borrower’s administrative operations consistent with Borrower’s 2024-2025 fiscal year budget.
4. Borrower will timely pay to Lender all sums owing under this Promissory Note without deduction, offset, or counterclaim of any kind.
5. All payments on this Note will be applied first to the payment of any costs, fees, late charges, or other charges incurred in connection with the indebtedness evidenced by this Note; next, to the payment of accrued interest; then to the reduction of the principal balance; or in any other order that Lender requires.
6. Failure to pay any part of the Principal of this Promissory Note when due, or failure to carry out any of the terms, covenants, or conditions of this Promissory Note, shall authorize the holder of this Promissory Note to declare as immediately due and payable the then-unpaid Principal and to exercise any and all of the rights and remedies provided by the California Commercial Code as well as all other rights and remedies either at law or in equity possessed by the holder of this Promissory Note.
7. If Lender incurs fees and expenses for legal services by any attorney to enforce or construe any provision of this Note or as a consequence of any event of default, with or without the filing of any legal action or proceeding, then Borrower will immediately pay to Lender on demand all attorneys' fees and other costs incurred by Lender, together with interest from the date of the demand until paid.
8. Borrower hereby waives presentment, notice of dishonor, and protest.

9. This Note may be prepaid in whole or in part without penalty.

Dated: May 23, 2024

By: _____

Name: Oscar Villegas

Title: Capital Area Regional Tolling Authority, Chair

DRAFT



Capital Area Regional Tolling Authority

Meeting Date: May 23, 2024

Agenda Item: 6

Toll Lane Program Development Consulting Services Request for Proposals

Prepared By: Kathleen Hanley, Sacramento Area Council of Governments

Attachments: Yes

Recommendation:

Staff recommend that the board authorize the release of a request for proposals (RFP) for Toll Lane Program Development with a maximum budget of \$700,000 and authorize the Secretary to select a vendor, negotiate, and execute a contract.

Background:

The Yolo 80 Managed Lanes Project (Yolo 80) is scheduled to finish construction and begin collecting revenue in 2028. Prior to collecting toll revenue, a toll operator needs to:

- Adopt a toll ordinance outlining toll prices, operating hours, and discounts;
- Procure a financial back-office provider to process transactions;
- Procure a customer service back-office provider to provide transponders and work with customers on issues accessing their accounts;
- Procure an integrator to connect roadside technology with financial and customer service back-offices;
- Negotiate and sign agreements with the California Department of Transportation and California Highway Patrol regarding maintenance and enforcement of the facility;
- Adopt an excess toll revenue expenditure plan;
- And work with the California Toll Operators Committee to ensure interoperability with other toll bridges and lanes in the state.

These required activities are not considered part of the Yolo 80 project and must occur at the same time the project is under construction.

The Executive Director of SACOG, James Corless, is serving as Secretary of CARTA.

Discussion:

Staff believe CARTA needs a multi-year workplan that outlines what activities CARTA needs to complete occur prior to Yolo 80 opening in 2028, as well as what activities are needed generally for CARTA as a multi-county tolling authority for any future projects and in general as an entity. This workplan needs to explain how these activities should occur, how much they will cost, and how they can be paid for. Staff believe that this work can be most efficiently accomplished by utilizing consulting services. Staff has developed a scope of work (Attachment A) for Toll Lane Program Development to meet this need. This one-year contract will lay the foundation for

future CARTA activities and enable the board to determine the overall strategy for the Sacramento region's future toll lane operations. The scope of work is divided into five tasks:

- **Project Management and Mobilization:** which includes monthly project management meetings, project administration, contract administration, and invoicing.
- **Toll and Other Managed Lane System Review:** which includes a review of existing managed lane plans and project documents in the Sacramento region, an assessment of the status of planned and in-progress managed lane projects, and an evaluation of the general operations of the San Francisco Bay Area's toll system for interoperability.
- **Implementation Work Plan:** which identifies tasks and duties of CARTA, implementation timing and sequence, and cost estimates for these future activities.
- **Near-Term Policy Development and Management:** which includes the development of toll policies and business rules that will describe CARTA's priorities and guide operations decisions and public communications materials to build understanding of the future toll system.
- **Staffing Support:** which includes CARTA board reports and presentations, and meetings with stakeholders and CARTA member agencies.

The scope of work was presented to the to the CARTA Technical Advisory Committee (TAC) which includes executive staff from SACOG, Caltrans, YoloTD, Sacramento Transportation Authority (STA), El Dorado County Transportation Commission (EDCTC), and Placer County Transportation Planning Agency (PCTPA). The TAC supported the scope of work.

Some of the necessary activities that will be outlined in this Work Plan developed under this contract need to begin in 2025. To expedite procurement of consulting services for this contract and ensure timely implementation of those activities, staff recommend that the board authorize the Secretary to select a vendor, negotiate, and execute a contract. Utilizing this process, staff expect to have a consultant onboard in August. The interview panel for vendor selection will include representatives from current and future members of CARTA.

The board may also authorize staff to release the RFP but require staff to return to a future board meeting with the selected vendor for authority to negotiate and sign. If the board chooses this process, that action would occur at the October 17th CARTA board meeting, delaying the start of work under this contract.

ATTACHMENT A: DRAFT CARTA TOLL LANES PROGRAM SCOPE OF WORK

Consultant shall develop a comprehensive work plan for development and implementation of CARTA's Toll Lanes Program through the following tasks:

Task 1: Project Management and Mobilization

To mobilize the CONSULTANT team, an initial meeting will be scheduled with SACOG staff after a written notice to proceed is received by the CONSULTANT. At this initial meeting, protocols for communication, documentation, and other matters related to project administration will be discussed and agreed upon. A review of the Consultant's work plan and schedule will also be discussed. The CONSULTANT will provide mobilization meeting documentation including:

- Any potential revisions to the work plan or schedule
- Meeting notes and action items

The CONSULTANT will provide overall project management, coordination, and supervision of project staff to facilitate the performance of the work, including:

- Maintain the work plan and schedule
- Submit monthly invoices and progress reports
- Perform other contract administration tasks, as required
- Lead monthly Project Management Team (PMT) meetings to review progress and performance. The PMT will include staff from each of CARTA's member agencies, currently SACOG, Yolo Transportation District (YoloTD), and Caltrans.

Task 1 Deliverables:

- Monthly PMT meeting attendance and coordination
- Agenda, materials, notes, and action items preparation
- Monthly invoices and progress reports
- Contract documents, as required

Task 2: Toll and Other Managed Lanes System Review

For background and context of managed lanes in development and planned for the region, the CONSULTANT shall review and assess existing plans and project development documents related to Managed Lanes, which will include the following:

- Established regional goals guiding managed lanes
- Location of planned managed lanes facilities and system connections
- Historical traffic counts, previous traffic and revenue studies and available reports
- Information on planned highway improvements in the managed lanes network
- Plans of potential managed lane configurations, alignments, and conceptual designs
- Estimated capital investment required to design and construction planned facilities
- Traffic and revenue studies, concepts of operations, and other applicable documents for toll facilities in development within the region
- Expected system performance across a range of modes including single occupancy vehicles, high occupancy vehicles, very high occupancy vehicles, vanpools/group transit, transit and commuter buses
- General operational policies and facility designs of toll systems in neighboring regions, including the San Francisco Bay Area, for interregional usability

Task 2 Deliverable:

- Draft and Final Toll and Other Managed Lanes System Review Memo, summarizing the region's context and key issues that to be addressed in the implementation of the Toll Lanes Program.
- Presentation to the CARTA Technical Advisory Committee (TAC) regarding the current state of the toll and other managed lanes system in the region, and the potential next steps for partner project development regarding the current state of the toll and other managed lanes system in the region, and the potential next steps for partner project development. The CARTA TAC includes executives from CARTA's current and future members including SACOG, YoloTD, Caltrans, Placer County Transportation Planning Agency, El Dorado County Transportation Commission, and Sacramento Transportation Authority and meets one month prior to each CARTA Board meeting.
- Presentation to CARTA Board regarding the current state of the toll and other managed lanes system in the region, and the potential next steps for partner project development

Task 3: Implementation Work Plan

In collaboration with the PMT, the CONSULTANT will identify a high-level implementation schedule and narrative for CARTA's activities between now and when revenue service begins, currently anticipated in 2028. The CONSULTANT will facilitate a series of meetings with SACOG and partner agency staff to recommend and review elements of the work plan. The CONSULTANT will identify tasks/duties of the Toll Lanes Program that are the most critical and urgent in terms of priority and timing of implementation. Specifically, which items should be implemented in the near-term, mid-term, and long-term, along with the rationale for their implementation timing. The CONSULTANT will also develop cost estimates for these activities. The CONSULTANT will also identify potential dependencies that must be addressed in the implementation plan to determine the overall implementation sequence. This will include major decision points and recommendations for the timing of board actions; key decisions will be captured by the CONSULTANT in a written log.

Key elements will address the timing and approximate duration for the following:

- Financing and financial agreements
- Organizational readiness
- Toll policies and business rules/requirements
- Violation rules and local ordinance for enforcement
- Revenue recognition rules
- Expenditure plans for net excess toll revenue
- Procurement and contracting for program elements (roadside toll system, operators, back office, marketing, etc.)
- Interagency agreements (MOUs, Co-Ops, etc.)
- Roles and responsibilities matrix
- Equity program assessment and development
- Asset management strategy

- Operations plan
- Traffic and incident management plans
- Public education plan

Task 3 Deliverables:

- Meetings, including agendas, materials, notes, and action items
- Written log of key decisions
- Draft and Final Implementation Work Plan, including presentations to CARTA TAC and Board, and other agency boards in the region if necessary.

Task 4: Near-Term Policy Development and Management

Upon completion of the roadmap/implementation plan, the CONSULTANT shall initiate development of the most immediate policy-related needs identified in the workplan. These will include, at a minimum, creation of the toll policies and business rules/requirements, and collaboration with other tolling work being performed under separate contracts. The CONSULTANT is expected to work with the PMT to develop policy documents that are amenable to regional partners and consistent with the region's plans and goals. As part of this, the CONSULTANT will plan and facilitate workshops throughout the development with the staff and executive-level CARTA advisory committees, as well as with the CARTA board. The development of toll policies and business rules/requirements should also include some stakeholder and community engagement to support public acceptance and understanding of regional toll policies. CARTA will likely have two efforts happening under separate contracts during this contract: equity program framework and roadside toll system procurement. The CONSULTANT is expected to work with the teams on those contracts to ensure the toll policies and business rules/requirements are aligned with the outcomes of those efforts.

Task 4 Deliverables:

- For the toll policy/business rules: Up to six (6) workshops with staff and executive-level committees, including agenda and materials, and output such as notes and action items; Up to six (6) Board meetings and workshops; Up to two (2) public engagement activities
- Up to monthly coordination meetings with equity program framework and roadside toll system procurement consultant(s)

Task 5: Staffing Support

The CONSULTANT will support CARTA in board/stakeholder engagement activities, communications strategy and message development, preparation of communications materials, meeting preparation and follow up.

Task 5 Deliverables:

- Support in development of staff reports and presentations for CARTA Board meetings, CARTA member agency Board meetings, and other partner Board meetings as necessary
- Stakeholder communication materials, as requested
- Coordination of staff-level meetings with CARTA member agencies, as requested



Capital Area Regional Tolling Authority

Meeting Date: May 23, 2024

Agenda Item: 7

Conflict of Interest Code

Prepared By: Michael Maurer, Legal Counsel, Sacramento Area Council of Governments

Attachments: Yes

Recommendation:

Staff recommend that the Board adopt the Conflict of Interest Code (Attachment A)

Background:

The Political Reform Act (the "Act") requires all state and local government agencies to adopt and promulgate a conflict of interest code establishing the rules for reporting personal assets and the prohibition from making or participating in the making of any decisions that may affect any personal assets. A conflict of interest code must specifically designate all agency positions, except for those listed in Government Code section 87200, that make or participate in the making of agency decisions which may foreseeably have an effect on any financial interest of that person, and assign specific types of personal assets to be disclosed that may be affected by the exercise of powers and duties of that position. Because CARTA is an independent authority, it will be subject to the Political Reform Act and requires a Conflict of Interest Code.

For a multi-county agency, the Political Reform Act requires a 45-day public notice and comment period before adopting a Conflict of Interest Code. At their February meeting, the CARTA Board released a draft Conflict of Interest Code for public notice and comment. No public comments were received.

Discussion:

The proposed Conflict of Interest Code (Attachment A), incorporates FPPC Regulation 18730 by reference, and includes an Appendix designating positions that make or participate in making decisions of the agency and assigning appropriate disclosure categories in Part "A," listing disclosure categories in Part B, and declaring primary positions that specifically manage public investments (Attachment B). This is commonly referred to as the FPPC Standard Code. Because CARTA currently has no employees or consultants, the Code only reflects that it may have consultants in the future. In the event that CARTA acquires employees or other officers, the Code will need to be amended. CARTA Board Members are not listed on the Conflict of Interest Code because they are considered filers under Government Code section 87200. Board Members will have to file a Form 700 within 30 days of taking office (i.e., within 30 days of February 15).



CONFLICT OF INTEREST CODE
OF THE
CAPITAL AREA REGIONAL TOLLING AUTHORITY

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regulations section 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendix designating positions and establishing disclosure categories, shall constitute the conflict of interest code of the **Capital Area Regional Tolling Authority** ("**Authority**").

All officials and designated positions shall file their statements of economic interests with the **Clerk of the Board** as the Authority's Filing Officer/Official. The **Clerk of the Board** shall make all statements available for public inspection and reproduction. (Gov. Code Section 81008.) All statements will be retained by the **Authority**.

APPENDIX
CONFLICT OF INTEREST CODE
OF THE
CAPITAL AREA REGIONAL TOLLING AUTHORITY
PART “A”

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

Authority Officials who manage public investments, as defined by 2 Cal. Code of Regs. § 18700.3(b), are NOT subject to the Capital Area Regional Tolling Authority’s Code, but must file disclosure statements under Government Code Section 87200 et seq. [Regs. § 18730(b)(3)] These positions are listed here for informational purposes only.

It has been determined that the positions listed below are officials who manage public investments¹:

Members of the Board of Directors and their Alternates

Investment Consultant

¹ Individuals holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Government Code Section 87200.

DESIGNATED POSITIONS

GOVERNED BY THE CONFLICT OF INTEREST CODE

DESIGNATED POSITIONS' **TITLE OR FUNCTION**

DISCLOSURE CATEGORIES **ASSIGNED**

Consultants and New Positions²

² Individuals providing services as a Consultant defined in Regulation 18700.3, or in a new position created since this Code was last approved that makes or participates in making decisions, as identified in Reg. 18734, shall disclose pursuant to the broadest disclosure category in this Code subject to the following limitation:

The Members of the Board of Directors may determine that due to the range of duties or contractual obligations, it is more appropriate to assign a limited disclosure requirement. A clear explanation of the duties and a statement of the extent of the disclosure requirements must be in a written document. (Gov. Code Sec. 82019; FPPC Regulations 18219 and 18734.) The Members of the Board of Directors determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code. (Gov. Code Sec. 81008.)

PART “B”

DISCLOSURE CATEGORIES

The disclosure categories listed below identify the types of economic interests that the Designated Position must disclose for each disclosure category to which the designated is assigned. “Investment” means financial interests in any business entity (including a consulting business or other independent contracting business) and are reportable if they are either located in or doing business in the jurisdiction, are planning to do business in the jurisdiction, or have done business during the previous two years in the jurisdiction of the Capital Area Regional Tolling Authority.

Category 1: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are located in, do business in, or own real property within the jurisdiction of the Authority.

Category 2: All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of the Authority, including any leasehold, beneficial or ownership interest or option to acquire property.

Category 3: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are engaged in land development, construction or the acquisition or sale of real property within the jurisdiction of the Authority.

Category 4: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the Authority.

Category 5: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the designated position’s department, unit or division.



CAPITAL AREA REGIONAL TOLLING AUTHORITY
RESOLUTION NO. 3-2024
ADOPTING THE CARTA BOARD OF DIRECTORS CONFLICT OF INTEREST CODE

PASSED AND ADOPTED this 23rd day of May 2024, by the following votes of the Board of Directors:

AYES:

NOES:

ABSTAIN:

ABSENT:

Oscar Villegas
Chair

James Corless
Secretary

CAPITAL AREA REGIONAL TOLLING AUTHORITY

EXPLANATION OF DESIGNATION OF POSITIONS AND THE ASSIGNMENT OF DISCLOSURE REQUIREMENTS

Pursuant to Government Code sections 87300 and 87303, as well as 2 California Code of Regulations section 18750.1, the Capital Area Regional Tolling Authority (the "Authority") has proposed its initial Conflict of Interest Code (the "Code"). The Code must designate those employees, members, officers, and consultants who make or participate in the making of decisions which may foreseeably have a material effect on a financial interest and are therefore, subject to the disclosure and disqualification requirements of the Code.

The Code must also set forth Disclosure Categories to be assigned to the designated positions requiring individuals holding each position to disclose personal interests that may be affected by the exercise of the individual's duties.

Below is an explanation of the specific designations, their disclosure requirements and the requirements of the Disclosure Categories created.

"OFFICIALS WHO MANAGE PUBLIC INVESTMENTS"

The Authority has delineated those primary officials determined to fall under the definition of "Officials Who Manage Public Investments" as required by the Fair Political Practices Commission (the "FPPC"). The Code does not establish disclosure requirements for these officials as specified in Gov. Code Section 87200.

The positions meeting the definition of "Officials Who Manage Public Investments" have full disclosure requirements under Section 8720 and are as follows:

Members, Board of Directors and their Alternates: The Board is the primary body responsible for "formulating or approving investment policies," a pivotal component of the management of public funds. [§ 18700.3]. Therefore, it has been determined that the Members of the Board of Directors and their Alternates meet the definition of "officials who manage public investments." Pursuant to Section 18700.3, these officials are subject to the conflict-of-interest provisions of the Political Reform Act (the "Act") and have full disclosure responsibilities.

Investment Consultant: This generic position has been added to cover contracting with consultants that specifically advise in portfolio development and investments, or fall under other elements of the definition of the "management of investments."

“DESIGNATED POSITIONS”

The Authority’s list of Designated Positions specifically enumerates all positions within the Authority which make or participate in the making of Authority decisions which may foreseeably have a material effect on that position’s financial interests.

Disclosure Categories have been assigned to the Designated Positions on a narrow basis in relation to their official duties with the Authority to prevent requiring more disclosure than necessary.

Positions that, by virtue of their positions, are involved in all facets of Authority operations have been assigned Categories 1, 2 indicating "full disclosure" requirements. Likewise, positions having narrower involvement and/or responsibilities with the Authority have been assigned more limiting disclosure requirements based on the duties of the position. (See Explanation of Types of Disclosure Categories, below.)

Consultants and New Positions

Consultants is a generic designated position to cover any contracted positions not specifically designated meeting the definition of Consultant under the Act and required to file disclosure statements because they may make, participate in making or influence decisions, as defined.

New Positions covers any newly created positions for interim filing requirements pending amendment of the Code.

Consultants and New Positions have specific language appended to them indicating that these positions have full disclosure responsibilities unless specifically narrowed or waived, in writing, by the Members of the Board of Directors, based on their duties and placed on file with the Authority’s Filing Officer. Identification of New Positions and Consultants will be done on FPPC Forms 804 and 805, respectively, and filed with the Authority’s Filing Officer.

EXPLANATION OF DISCLOSURE CATEGORIES

Disclosure Categories identify the types of investments, business entities, sources of income, including gifts, loans and travel payments, or real property which the Designated Employee must disclose for each disclosure category to which the designated is assigned.

The Authority cannot require a Designated Position to over-disclose. Disclosure Categories must be designed and assigned **depending on the duties and responsibilities of the position held**. Therefore, Disclosure Categories one and two have been designed to be assigned to the position listed in Part "A" of the Appendix to the proposed Code. The Authority added Disclosure Categories three through five for additional designated positions in the future. This list of Disclosure Categories provides flexibility in the application of the various Categories to the different designated positions but are narrow enough so as not to require over-disclosure by a Designated Position or Consultant.

ASSIGNMENT OF DISCLOSURE CATEGORIES:

Category 1: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are located in, do business in, or own real property within the jurisdiction of the Authority.

Category 2: All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of the Authority, including any leasehold, beneficial or ownership interest or option to acquire property.

Category 3: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are engaged in land development, construction or the acquisition or sale of real property within the jurisdiction of the Authority.

Category 4: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the Authority.

Category 5: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the designated position's department, unit or division.



Capital Area Regional Tolling Authority

Meeting Date: May 23, 2024

Agenda Item: 8

Joint Powers Authority Formation Activities

Prepared By: Kathleen Hanley, Sacramento Area Council of Governments

Attachments: Yes

Recommendation:

None; this item is for information only.

Background:

The CARTA Joint Powers Authority (JPA) agreement was executed by all parties on January 24, 2024, referred to as the JPA's effective date. California Government Code Section 6500 et seq. establishes required tasks for a newly-formed JPA and deadlines for those activities. This report outlines those required tasks and provides information on progress that has been made to meet these requirements for CARTA.

Discussion:

Attachment A to this staff report lists required JPA formation tasks according to their deadline in relation to the effective date and provides information regarding the status of that task. Staff will provide similar updates at future CARTA meetings to keep the Board informed on the progress of these activities.



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ATTORNEYS AT LAW

Memorandum

To: CARTA via SACOG
From: Best Best & Krieger, LLP
Date: May 23, 2024
Re: **REVISED** Post-Formation Timeline/Checklist for CARTA

POST-FORMATION TIMELINE / CHECKLIST

Effective Date

- The last date on which all Parties to this Agreement have executed the Agreement. [Agreement has fully executed on January 24, 2024.](#)

Within 30 Days of Effective Date of the JPA Agreement (and any Amendment)

- File two notices of the JPA Agreement with the California Secretary of State. The notices must contain:
 - (a) the name of each public agency that is a party;
 - (b) the date that the agreement became effective; and
 - (c) a statement of the purpose of the agreement or the power to be exercised. A notice form is available on the Secretary of State's website.

(Gov. Code § 6503.5) This same requirement applies to any amendment to the JPA Agreement. [The notices were filed with the Secretary of State.](#)



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- File a copy of the full text of the original JPA Agreement and any amendment with the State Controller. (Gov. Code § 6503.6) [The copy was sent to the Controller.](#)
- File a copy of the full text of the original JPA Agreement and any amendment with the Yolo County Local Agency Formation Commission (LAFCO). (Gov. Code § 6503.6) [This was not required.](#)

At First Board Meeting

- Administer the oath of office.¹ (Cal. Const. art. XX, § 3) [Completed.](#)
- Appoint a Chair, Vice-Chair, Secretary, and Treasurer. (JPA Agreement) [Completed.](#)
- Adopt a resolution establishing the time and location of regular meetings. Under the JPA Agreement, a copy of the resolution must be provided to the governing body of each of the member agencies. (Gov. Code § 54954) [Completed.](#)

Within 30 Days of Oath of Office

- Board Members (and alternates who have taken the oath of office) file Assuming Office Statements (Form 700s). (Gov. Code § 87202.)

Within 70 Days of Effective Date

- File a Statement of Facts – Roster of Public Agencies form with the California Secretary of State and Sacramento County Clerk-Recorder. The statement must contain the following facts, the form for which is available on the Secretary of State’s website (Gov. Code § 53051.):
 - (1) the full, legal name of the Authority;
 - (2) the official mailing address of the Board of Directors of the Authority;
 - (3) the name and residence or business address of each member of the Authority’s Board of Directors;
 - (4) the name, title, and residence or business address of the Chair and Secretary of the Authority’s Board of Directors.

¹ The Authority may also administer the oath of office to alternates at this meeting. If one or more alternates do not take the oath of office at this meeting, they must take the oath prior to participating in any meeting or other official business of the Authority.



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Within 180 Days of Effective Date

- Adopt a Conflict of Interest Code and submit proposed code to Yolo County Board of Supervisors, which serves as the code-reviewing body. (Gov. Code § 82011). Officers and employees designated in the Conflict of Interest Code must file Assuming Office Statements (Form 700s) within 30 days of the effective date of the Conflict of Interest Code. (Gov. Code § 87300, *et seq.*) [This will be adopted at the May 23, 2024 meeting.](#) [Need a copy of the signed declaration and resolution to forward to FPPC for review.](#)

Additional Tasks Required By Law

- Adopt procurement policies and procedures, including bidding procedures, for the purchase of supplies, services, and equipment, and establish signature authority. (Gov. Code § 54202.) [This is covered under the JPA .](#)
- Adopt objectives, criteria, and procedures for the evaluation of projects and the preparation of environmental impact reports and negative declarations. This task must be completed no later than 60 days after the Secretary of the Resources Agency has adopted revised CEQA guidelines. (Pub. Res. Code § 21082.) [Not yet started; Caltrans prepared EIR.](#)
- Designation and bonding of persons having charge of Authority property (Gov. Code §6505.1) [In progress; awaiting to hear back from insurer.](#)
- Establish an account as an awarding body with Department of Industrial Relations prior to the award of any “public work” under the Labor Code. (Labor Code § 1720, *et seq.*)
- Procure workers’ compensation insurance (if applicable when the Authority has its first employee). (Labor Code § 3700, *et seq.*) [There are no employees at this time.](#)

BBK
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Additional Tasks Regarding Administration and Operation of the Authority

- Procure general liability, business property, and other appropriate insurance – **Completed.**
- Adopt resolutions, bylaws, or policies concerning:
 - Preparation of agendas;
 - Board members and alternates; **Completed – bylaws.**
 - Additional standing committees;
 - Board expense reimbursement policy;
 - Rules of conduct for Board meetings, including public comment rules; **Completed – bylaws.**
 - Locations for posting of ordinances and resolutions;
 - Signatories on Authority checks and financial documents; **Completed – JPA Agreement.**
 - Designation of Authority holidays, establishment of regular business hours and designation of Authority’s mailing address;
 - Insurance and risk management policy;
 - Budget, accounting and audit policy;
 - Annual investment policy;
 - Travel and reimbursement policy;
 - Personnel rules and policy;
 - Record retention policy and schedule;
 - Delegation of authority to accept easements and other real property interests; and
 - Public Records Act procedures.