



### Meeting of the Board of Directors

**Location:** Rancho Cordova Council Chambers  
2729 Prospect Park Drive  
Rancho Cordova, CA

**Date:** Friday, December 11, 2009, 8:30 am – 10:30 am

**Roll Call:** Directors Budge, Hume, Knight, Nottoli, Starsky

Members of the public may comment on any item on the agenda at the time that it is taken up by the Board. We ask that members of the public complete a request to speak form, submit it to the Clerk of the Board, and keep their remarks brief. If several persons wish to address the Board on a single item, the Chair may impose a time limit on individual remarks at the beginning of the discussion.

**Public Communications:** Any person wishing to address the Board on any item not on the agenda may do so at this time. After ten minutes of testimony, any additional testimony may be heard following the New Business Items.

#### 1. Executive Director's Report

#### Consent Agenda

2. Minutes of November 17, 2009 Meeting
3. Resolution: Accept FY 2008-09 Audit Report
  - a. Attachment – Staff Report
  - b. Attachment – Resolution
4. Final Transit Policy
  - a. Attachment – Staff Report
  - b. Attachment – Resolution

#### New Business Items

5. Presentation – Draft Public/Private Partnership Concepts
  - a. Attachment – Staff Report
  - b. Attachment – Presentation
6. Integrated Modes Policy Approval
  - a. Attachment – Staff Report
  - b. Attachment – Discussion
7. Plan of Action for the Sheldon/Wilton Portion of the Connector
  - a. Attachment – Staff Report
  - b. Attachment – Discussion
8. Adjournment

The Board may take action on any matter, however listed on this Agenda, and whether or not listed on this Agenda, to the extent permitted by applicable law. Staff Reports are subject to change without prior notice.

*If requested, this agenda can be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990 and the Federal Rules and Regulations adopted in implementation thereof. Persons seeking an alternative format should contact the Board Secretary for further information. In addition, a person with a disability who requires a modification or accommodation, including auxiliary aids or services, in order to participate in a public meeting, should telephone or otherwise contact the Board Secretary as soon as possible. The Board Secretary may be reached at 428 J Street, Suite 400, Sacramento, California 95814, or by telephone at (916) 447-7933. The Connector JPA's address is 10640 Mather Blvd., Suite 120, Mather, CA 95655. The Connector JPA's phone number is (916) 876-9094.*



Capital SouthEast Connector Board of Directors

Item #1  
Receive and File

December 11, 2009

**Issue:** Executive Director's Report

**Recommendation:** Receive and file

**Discussion:** The following is a brief status report on some of the more significant issues and activities currently being pursued by the Connector JPA staff.

### Administrative

- Work continues on an independent accounting review in connection with the current services provided to the JPA by the County of Sacramento. This effort will clarify and finalize any transitional issues between the JPA, SACOG, and the County of Sacramento over the past two years.

### Project

- The Draft Notice of Preparation for a Program Environmental Impact Report for the project is scheduled to be presented to the Board at your January, 2010 meeting.
- Work continues on the development of a Plan of Finance for the project. This effort will coincide with the refinement of a project description and associated cost estimate that will be the basis for the plan. A report is expected to your Board in Spring, 2010.
- Coordination on the development of the County of Sacramento 4-lane project on White Rock Road is underway. The project is located between the intersection of White Rock Road/Grant Line Road and White Rock Road/Prairie City Road. It is expected to go to construction in 2011.

### Miscellaneous

- The Executive Director will be attending the IBTTA Public Policy and Finance Summit in Washington, D.C. from December 13<sup>th</sup> through 15<sup>th</sup>. The JPA has allocated sufficient funds in its current budget to support this effort. A full report on the trip will be provided to your Board in Spring, 2010.
- Staff continues to work to refine and improve the JPA website. Recent efforts have focused on improvements to the Library section as well as the Calendar. Changes in the maintenance of the website have resulted in a delay in the posting of some recent meeting information. Efforts are underway to provide a permanent solution to the maintenance issue.

- Discussions continue with the residents of El Dorado Hills to provide them information and analysis of future traffic volumes along White Rock Road and other critical El Dorado County roadways affected by the Connector.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Tom Zlotkowski". The signature is stylized and cursive.

Tom Zlotkowski  
Executive Director



Capital SouthEast Connector Board of Directors

Item #2  
Receive and File

December 11, 2009

**Action Minutes of the November 17, 2009, Meeting**

The Capital SouthEast Connector Authority's Board of Directors met in regular session on November 17, 2009, in the Rancho Cordova Council Chambers, located at 2729 Prospect Park Drive, Rancho Cordova, CA, at 2:30 p.m.

**Call to Order:** Chairperson Hume called the meeting to order at 2:44 p.m.

**Roll Call:** Directors Budge, Nottoli, and Starsky were present  
Director Knight was absent

**Executive Director's Report:** Mr. Tom Zlotkowski, the Executive Director of the Authority, summarized the highlights from his Executive Director's Report, including the progress on alternatives, meetings with stakeholders regarding transit, cycling, and other similar transportation modes, and the status of funding from the Sacramento Transportation Authority.

**Consent Agenda:**

The consent agenda included the Minutes of the October 23, 2009, Board Meeting and consideration of the Revised Joint Powers Agreement and Bylaws for Golden State Risk Management Authority. It was moved by Director Starsky, seconded by Director Nottoli, and passed by unanimous vote that:

**THE CAPITAL SOUTHEAST CONNECTOR AUTHORITY BOARD OF DIRECTORS (1) APPROVES THE MINUTES OF THE OCTOBER 23, 2009, MEETING AND (2) APPROVES THE REVISED JOINT POWERS AGREEMENT AND BYLAWS FOR GOLDEN STATE RISK MANAGEMENT AUTHORITY.**

**New Business Items:**

**Resolution – Adoption of Relocation Assistance Guidelines and Independent Self Purchasing Program Policies and Procedures:** The Directors heard a presentation from the Executive Director and Legal Counsel regarding a draft policy for the Independent Self Purchasing Program. Director Budge requested that the policy be clarified to state that it would apply only to a transaction between a willing buyer and a willing seller. It was moved by Director Nottoli, seconded by Director Budge, and passed by unanimous vote that:

**THE CAPITAL SOUTHEAST CONNECTOR AUTHORITY BOARD OF DIRECTORS ADOPTS THE RELOCATION ASSISTANCE GUIDELINES AND INDEPENDENT SELF PURCHASING PROGRAM, SUBJECT TO THE AMENDMENTS APPROVED BY THE BOARD.**

**Resolution – Sheldon/Wilton Corridor Recommendations for Further Evaluation:** The Executive Director presented the Staff Report, which included a summary of meetings with the Community Working Group (CWG). The Community Working Group submitted changes to the Staff Report for this item, which were adopted by the Executive Director as an addendum to his Staff Report. Bill Myers of the CWG presented the group's report and the Board heard public comments that focused on opposition to the elimination of the Bypass as an option for further review. The Board directed staff to bring back more information on the time and cost associated with further study of the Bypass. It was moved by Director Budge, seconded by Director Nottoli, and passed by unanimous vote that:

THE CAPITAL SOUTHEAST CONNECTOR AUTHORITY BOARD OF DIRECTORS CONTINUES ITS CONSIDERATION OF THE SHELDON/WILTON CORRIDOR RECOMMENDATIONS FOR FURTHER EVALUATION TO ITS NEXT REGULARLY SCHEDULED MEETING.

**Adjournment:** The meeting was adjourned by Chairperson Hume at 5:36 p.m.

Approved By:

Attest:

\_\_\_\_\_  
Director Hume  
Chairperson

\_\_\_\_\_  
Kirk Trost  
Secretary



Capital SouthEast Connector Board of Directors

Item #3  
Consent

December 11, 2009

**Adopt Resolution Accepting the FY 2008-09 Audit Report**

**Issue:** To adopt a resolution accepting the FY 2008-09 Audit Report.

**Recommendation:** Receive and accept the FY 2008-09 Audit Report.

**Discussion:** Pursuant to Section 6.d(3) of the Joint Exercise of Powers Agreement establishing the Authority, the Authority shall cause an independent audit of all financial activities for each fiscal year to be prepared by an independent certified public accountant. The Joint Exercise of Powers Agreement requires that the Authority promptly deliver copies of the audit report to each member of the Board and the Members.

The audit report for FY 2008-09 is attached for the Board's review and Acceptance. Once accepted, the Executive Director shall distribute the audit report to the Member jurisdictions, as required.

Respectfully Submitted,

Tom Zlotkowski  
Executive Director



Item #3  
Resolution

RESOLUTION NO. 2009-16

RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE CAPITAL SOUTHEAST CONNECTOR AUTHORITY  
ACCEPTING THE AUDIT REPORT  
FOR THE 2008-09 FISCAL YEAR

**BE IT RESOLVED** that the Board of Directors ("Board") of the Capital SouthEast Connector Authority hereby accepts the 2008-09 Audit Report in substantially the same form as that attached hereto.

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

\*\*\*\*\*

PASSED AND ADOPTED this 11<sup>th</sup> day of December, 2009, by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Chairperson

ATTEST:

\_\_\_\_\_  
Secretary

## **Significant Audit Findings**

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2009. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated October 30, 2009.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of the Capital Southeast Connector JPA Authority and is not intended to be and should not be used by anyone other than these specified parties.

*Vavrinik, Trine, Day & Co. LLP*

Rancho Cucamonga, California  
October 30, 2009

**CAPITAL SOUTHEAST CONNECTOR JPA**  
Mather, California

Independent Auditors' Report,  
Management's Discussion and Analysis,  
Basic Financial Statements,  
Required Supplementary Information and Other Reports

**For the Fiscal Year Ended June 30, 2009**

**CAPITAL SOUTHEAST CONNECTOR JPA**  
**For the Fiscal Year Ended June 30, 2009**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Capital Southeast Connector JPA  
Mather, California

We have audited the accompanying financial statements of the governmental activities and the General Fund of the Capital Southeast Connector JPA (the Authority), as of and for the year ended June 30, 2009, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the Capital Southeast Connector JPA, as of June 30, 2009, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2009, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The management's discussion and analysis and General Fund budgetary comparison information on pages 3 through 7 and 16, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*Vavrinick, Trine, Day & Co. LLP*

Rancho Cucamonga, California  
October 30, 2009

**CAPITAL SOUTHEAST CONNECTOR JPA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

This section of Capital Southeast Connector JPA's (Connector Authority) annual financial statements presents a discussion and analysis of the Connector Authority's financial performance during the year ended June 30, 2009. Please read it in conjunction with the Connector Authority's basic financial statements following this section.

**FINANCIAL HIGHLIGHTS**

- The Connector Authority's total net assets in Fiscal Year 2008-2009 increased by \$151,875. This is attributable to the contributions the Connector Authority received from intergovernmental revenues and Measure A revenues.
- The increase in total liabilities was due mainly to the environmental services contract and other professional services incurred during the current fiscal year as a result of the connector environmental analysis.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Connector Authority's basic financial statements. The Connector Authority's basic financial statements comprise of three components 1) **Government-wide** financial statements; 2) **Fund** financial statements and 3) **Notes** to the basic financial statements.

**Government-wide Financial Statements** are designed to provide readers with a broad overview of Connector Authority's finances in a manner similar to private-sector businesses.

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

The *Statement of Activities* shows changes in net assets during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., interest payable). The Statement of Activities distinguishes functions of the Connector Authority that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the Connector Authority consist of public ways and facilities.

The government-wide financial statements can be found on pages 8 through 9 of this report.

**Fund Financial Statements** are groupings of related accounts that are used to control resources that have been segregated for specific activities or objectives. The Connector Authority, like other states and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. However, the Connector Authority only has *governmental funds*.

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

**CAPITAL SOUTHEAST CONNECTOR JPA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Connector Authority's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The governmental funds financial statements can be found on pages 10 through 11 of this report.

**Notes to the Basic Financial Statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found starting on page 12 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Over time, increases or decreases in net assets may serve as a useful indicator as to whether the financial position of the Connector Authority is improving or deteriorating. In the case of the Connector Authority, assets were more than the liabilities by \$14,436 at June 30, 2009.

**Statement of Net Assets (Deficit)**  
 Governmental Activities  
 June 30,

	2009	2008	Increase/(Decrease)	
			Amount	Percentage
Total current assets	\$ 695,133	\$ 16,718	\$ 678,415	4058%
Current and other liabilities	680,697	154,157	526,540	342%
Total liabilities	680,697	154,157	526,540	342%
Net assets (deficit):				
Unrestricted	<u>\$ 14,436</u>	<u>\$ (137,439)</u>	<u>\$ 151,875</u>	1052%

At the end of the current fiscal year, the Connector Authority reported an increase of \$151,875 in *net assets*. This is attributable to the contributions the Connector Authority received from intergovernmental revenues and Measure A revenues. The increase in current assets was also due to receivables for claim reimbursements against Measure A revenues outstanding at year end. The increase in total liabilities was due mainly to the environmental services contract and other professional services incurred during the current fiscal year as a result of the connector environmental analysis.

**CAPITAL SOUTHEAST CONNECTOR JPA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

The following table indicates the changes in net assets (deficit) for the Connector Authority's governmental activities:

<b>Statement of Activities</b>				
Year Ended June 30,				
	2009	2008	Increase/(Decrease)	
			Amount	Percentage
Revenues				
Program revenues:				
Operating grants and contributions	\$ 1,988,208	\$ 409,435	\$ 1,578,773	386%
General revenues				
Interest & Other	3,165	\$ 2,489	676	27%
Total revenues	1,991,373	411,924	1,579,449	
Expenses:				
Public ways and facilities	1,839,498	549,363	1,290,135	235%
Total expenses	1,839,498	549,363	1,290,135	
Change in net assets	\$ 151,875	\$ (137,439)	\$ 289,314	-211%
Net assets, July 1	(137,439)	-		
Net assets, June 30	\$ 14,436	\$ (137,439)	\$ 151,875	-111%

The increase in operating grants and contributions was due to the additional contributions received from the members of the five jurisdictions, the Municipal Services Agency's contributions, and the revenues from Measure A. In 1988, Sacramento County's voters approved Measure A, which is a countywide one-half cent sales tax to be levied over a 20-year period, (1989-2009). In November 2004, a ballot measure was placed by the Sacramento Transportation Authority to renew the Measure for 30 more years after the original measure expires. The new Measure A was approved, and it took effect in April 2009.

The increase in public ways and facilities expenditures was due to the environmental services contract and other professional services incurred during the current fiscal year. The Capital Southeast Connector JPA is currently in the phase of the project where we are initiating our environmental clearance for the project which requires the use of public outreach, traffic engineering, preliminary engineering and fiscal investigation.

**FINANCIAL ANALYSIS OF THE CONNECTOR AUTHORITY'S FUNDS**

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

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

- At June 30, 2009, the Connector Authority's governmental fund reported negative fund balance of \$77,050 and negative fund balance of \$137,439 at June 30, 2008. This was due to the contributions the Connector Authority received from intergovernmental revenues and Measure A revenues which exceeded the Connector Authority's expenditures.

**CAPITAL SOUTHEAST CONNECTOR JPA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

The following table presents the amount of revenues from various sources:

**Revenues Classified by Source**  
**Governmental Funds**

Revenues by Source	FY 2009		FY 2008		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
Taxes	\$ 1,451,000	76.4%	\$ -	0%	\$ 1,451,000	100%
Interest	3,165	0.2%	2,489	0.6%	676	27%
Contributions	245,937	12.8%	104,734	25.4%	141,203	135%
Aid from Other Governments	199,785	10.5%	304,701	74.0%	(104,916)	(34%)
Total	<u>\$ 1,899,887</u>	<u>100.0%</u>	<u>\$ 411,924</u>	<u>100.0%</u>	<u>\$ 1,487,963</u>	<u>361%</u>

The Connector Authority received revenues from various sources. Taxes were from Measure A revenues. Contributions were received from the members of the five jurisdictions and from the Municipal Services Agency. The aid from other governments was from the sub-recipient agreement between the Connector Authority and Sacramento Council of Governments (SACOG) for federal funds. Interest allocation from the Treasury pool accounted for the interest income.

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

- Taxes – Allowable costs were claimed and revenues were received from the Measure A funding.
- Contributions - Revenues from additional contributions from the members of the five jurisdictions and the Municipal Services Agency. The member contributions increased in the current fiscal year to \$40,000 per jurisdiction from the \$20,000 contribution initially adopted by the board during the year ending June 30, 2008. The increase is contingent on the ability of the JPA to secure an agreement with the Sacramento Transportation Authority on the use of Measure A funds for administration expenses related to project delivery. There were no new members to the Connector Authority JPA during the year.
- Aid from Other Governments – The Regional Service Transportation Planning (RSTP) funds available were decreased as claims against Measure A revenues were increased.

**CAPITAL SOUTHEAST CONNECTOR JPA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

The following table presents expenditures by function:

Expenditures by Function	FY 2009		FY 2008		Increase/(Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Change
	Public ways and facilities	\$ 1,839,498	100.0%	\$ 549,363	100.0%	\$ 1,290,135
Total	\$ 1,839,498	100.0%	\$ 549,363	100.0%	\$ 1,290,135	70%

Expenditures in fiscal year 2008-2009 changed significantly over the prior year primarily due to the environmental services contract with PB Americas and other professional services contracts executed this fiscal year. The Connector Authority is currently in the environmental clearance phase of the connector project which requires the use of public outreach, traffic engineering, preliminary engineering and fiscal investigation.

**Economic Factors and Next Year's Budget**

The fiscal year 2009-2010 Final Budget was adopted by the Connector Authority's Board of Directors on July 6, 2009.

The proposed means of financing the \$2,775,507 in budgeted expenditures for fiscal year 2009-10 includes:

- Sales Tax 1/2 Cent (Measure A): \$2,712,307
- Contributions: \$50,000
- Federal Grant: \$10,000
- Interest: \$3,200

**Request for Information**

This financial report is designed to provide a general overview of the Connector Authority's finances for all those with an interest in the Connector Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County of Sacramento, Municipal Services Agency, Accounting and Fiscal Services, 700 H Street, Room 6720, Sacramento, California 95814.

**CAPITAL SOUTHEAST CONNECTOR JPA**  
**STATEMENT OF NET ASSETS – GOVERNMENTAL ACTIVITIES**  
**JUNE 30, 2009**

**ASSETS**

Cash and investments	\$ 122,875
Accounts receivable	528,512
Due from County of Sacramento	<u>43,746</u>
Total Assets	<u>695,133</u>

**LIABILITIES**

Warrants payable	661,946
Accrued liabilities	15,877
Due to other government agencies	<u>2,874</u>
Total Liabilities	<u>680,697</u>

**NET ASSETS**

Unrestricted	<u><u>\$ 14,436</u></u>
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See accompanying notes to the basic financial statements.

**CAPITAL SOUTHEAST CONNECTOR JPA**

**STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009**

	Expenses	Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
<b>FUNCTIONS/PROGRAMS</b>			
Public ways and facilities	\$ 1,839,498	\$ 1,988,208	\$ 148,710
Total Governmental Activities	\$ 1,839,498	\$ 1,988,208	148,710
General Revenues:			
Interest and other income			3,165
Total General Revenues			3,165
Change in Net Assets			151,875
Net Assets (Deficit), July 1			(137,439)
Net Assets, June 30			\$ 14,436

See accompanying notes to the basic financial statements.

**CAPITAL SOUTHEAST CONNECTOR JPA**  
**BALANCE SHEET - GOVERNMENTAL FUND**  
**JUNE 30, 2009**

	<b>General Fund</b>
<b>ASSETS:</b>	
Cash and investments	\$ 122,875
Accounts receivable	528,512
Due from County of Sacramento	43,746
Total Assets	\$ 695,133
 <b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES:</b>	
Warrants payable	\$ 661,946
Accrued liabilities	15,877
Due to other government agencies	2,874
Deferred Revenues	91,486
Total Liabilities	772,183
 <b>FUND BALANCE:</b>	
Unreserved	(77,050)
Total Fund Balance	(77,050)
Total Liabilities and Fund Balance	695,133
 <b>Reconciliation to statement of net assets:</b>	
Total Fund Balance - Above	\$ (77,050)
Amounts reported for Governmental Activities in the Statement of Net Assets (page 8) are different because:	
Accounts receivable not available to pay for current period expenditures are deferred in the fund	91,486
Net assets of Governmental Activities (page 8)	\$ 14,436

See accompanying notes to the basic financial statements.

**CAPITAL SOUTHEAST CONNECTOR JPA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2009**

	General Fund
<b>REVENUES:</b>	
Taxes	\$ 1,451,000
Interest	3,165
Contributions	245,937
Aid from other governments	199,785
Total Revenues	1,899,887
<b>EXPENDITURES:</b>	
Current:	
Public ways and facilities	1,839,498
Total Expenditures	1,839,498
Excess of Revenues Over Expenditures	60,389
Beginning Fund Balance	(137,439)
Ending Fund Balance	\$ (77,050)
Reconciliation to statement of activities:	
Net Change in Fund Balance - Above	\$ 60,389
Amounts reported for governmental activities in the Statement of Activities (page 9) are different because:	
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund.	
Deferred Taxes Revenues Earned, but not received within the 60-day Accrual Period	91,486
Change in Net Assets of Governmental Activities (page 9)	\$ 151,875

See accompanying notes to the basic financial statements.

**CAPITAL SOUTHEAST CONNECTOR JPA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**NOTE 1 – REPORTING ENTITY**

**Authorized Legislation and Organization**

The Capital Southeast Connector JPA, (Connector Authority), which was created effective December 12, 2006, pursuant to Section 6500 of the California State Government Code and the provisions of a Joint Exercise of Powers Agreement, is a political subdivision of the State of California. The Connector Authority is a jointly governed organization under GASB Statement No. 14, *The Financial Reporting Entity*. Parties to this agreement are the City of Elk Grove, County of Sacramento, City of Rancho Cordova, City of Folsom, and the County of El Dorado. The Connector Authority was formed to acquire, plan, design, finance, construct, operate, and maintain a multi-modal transportation corridor to connect the City of Elk Grove, the County of Sacramento, the City of Rancho Cordova, the City of Folsom, and the County of El Dorado. The Connector Authority is governed by a Board of Directors, which is composed of one member from the Sacramento County Board of Supervisors, one member from the Elk Grove City Council, one member from the Rancho Cordova City Council, one member from the Folsom City Council, and one member from the El Dorado County Board of Supervisors.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

*Government-wide Financial Statements*

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

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

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

*Fund Financial Statements*

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

The Connector Authority reports the following major governmental fund:

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

## CAPITAL SOUTHEAST CONNECTOR JPA

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

#### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### **Basis of Accounting**

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

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

##### **Cash and Investments**

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

Cash and investments in the Connector Authority's investment pools are presented at fair value in accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. The value of the Connector Authority's shares in the pools is determined on an amortized cost basis, which may be different from fair value. The County's Comprehensive Annual Financial Report, containing all of the applicable provisions of GASB 40, can be obtained from the County Auditor-Controller's Office.

#### NOTE 3 – CASH AND INVESTMENTS

As discussed in Note 2, the Connector Authority's cash and investment are held in the County Treasurer's pool. The County Treasurer's pool is not rated by credit rating agencies. At June 30, 2009, the Connector Authority's cash and investments held in the County Treasurer's pool totaled \$122,875.

Additional information regarding the Pool, including the investment portfolio and related interest rate, custodial credit, credit and concentration of credit risks, is presented in Note 3 of the County's basic financial statements.

#### NOTE 4 – ACCOUNTS RECEIVABLE

The Connector Authority's accounts receivable is made up of Measure A claims submitted to the Sacramento Transportation Authority (STA) for expenditures through June 30, 2009. On August 30, 2007, STA allocated \$3,347,500 to the Connector Authority for expenditures on the connector capital project through October 2009 but decreased the allocation to \$2,347,500 in 2008. During fiscal year 2009, the Connector Authority expended and submitted claims for \$1,451,000. As of June 30, 2009, \$528,512 of the amount submitted for reimbursement is included in accounts receivable.

**CAPITAL SOUTHEAST CONNECTOR JPA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**NOTE 5 – RELATED PARTY TRANSACTIONS**

The Connector Authority uses other County of Sacramento departments for other services, such as administrative, accounting, etc. Expenditures paid to the County of Sacramento during the year were \$27,687.

**NOTE 6 – OPERATING LEASES**

The Connector Authority entered into two lease agreements on February 1, 2009, for office space and equipment. The lease terms are 3 years and 2 years, respectively. Rental expenditures for the year ended June 30, 2009 were \$27,811. The following is a schedule, by year, of future minimum lease payments under operating leases at June 30, 2009, that have initial or remaining lease terms in excess of one year:

2010	\$ 54,518
2011	54,976
2012	<u>31,760</u>
Total	<u>\$ 141,254</u>

**NOTE 7 – DEFERRED REVENUES**

**Unavailable Revenue**

Governmental funds report deferred revenue on the balance sheet in connection with resources that have been earned, but are not yet available to finance expenditures of the current fiscal period. This type of deferred revenue is unique to governmental funds, since it is tied to the modified accrual basis of accounting. Accordingly, these deferred unavailable revenues are not reported on the Statement of Net Assets. At the end of the current fiscal year, the components of unavailable deferred revenue resulting from taxes revenue not received with the 60-day accrual period were as follows:

Major Fund:

General Fund	<u>\$ 91,486</u>
Total Deferred Unavailable Revenue for Governmental Funds	<u>\$ 91,486</u>

**NOTE 8 – COMMITMENTS**

The Connector Authority has contracted with PB Americas, Inc. for environmental services and project management until January 31, 2011. This contract is cancelable at anytime, with or without cause, upon 15-days written notice by the Authority. The aggregate contractual commitment totaled \$3,201,745 through the end of the contract.

**CAPITAL SOUTHEAST CONNECTOR JPA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**NOTE 9 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

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

**Accumulated Fund Deficit**

As of June 30, 2009, the Connector Authority reported a deficit in unrestricted net assets in the amount of \$77,050. The deficit is a result of unavailable sales tax ½ cent revenues at June 30, 2009, and will be eliminated upon receipt of the sales tax reimbursement in the subsequent fiscal year.

Fund	Deficit
General Fund	\$ 77,050

**Expenditures in Excess of Appropriations**

Expenditures for the year ended June 30, 2009, exceeded the appropriations in the following fund:

	Budget	Actual	Variance
General Fund	\$1,776,454	1,839,498	(63,044)

The excess expenditures were covered by available fund balance in the fund.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CAPITAL SOUTHEAST CONNECTOR JPA  
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN  
FUND BALANCE – BUDGET AND ACTUAL (GAAP BASIS)  
FOR THE YEAR ENDED JUNE 30, 2009  
GENERAL FUND**

	Budgeted amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 1,350,858	\$ 1,350,858	\$ 1,451,000	\$ 100,142
Intergovernmental	226,196	226,196	199,785	(26,411)
Interest and other income	199,400	199,400	249,102	49,702
<b>Total Revenues</b>	<u>1,776,454</u>	<u>1,776,454</u>	<u>1,899,887</u>	<u>123,433</u>
<b>EXPENDITURES:</b>				
Current:				
Public ways and facilities	<u>1,776,454</u>	<u>1,776,454</u>	<u>1,839,498</u>	<u>(63,044)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>60,389</u>	<u>60,389</u>
<b>NET CHANGE IN FUND BALANCE (GAAP BASIS)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,389</u>	<u>\$ 60,389</u>

## **OTHER REPORTS**



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors  
Capital Southeast Connector JPA  
Mather, California

We have audited the financial statements of the governmental activities and General Fund of the Capital Southeast Connector JPA (the Authority), as of and for the year ended June 30, 2009, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated October 30, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority's financial statements that is more than inconsequential will not be prevented or detected by the Authority's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses, as defined above.

### Compliance and Other Matters

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

This report is intended solely for the information and use of the Board of Directors, Authority's management and Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Vavrinick, Trine, Day & Co. LLP*

Rancho Cucamonga, California  
October 30, 2009

**CAPITAL SOUTHEAST CONNECTOR JPA  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
YEAR ENDED JUNE 30, 2009**

Summarized below is the current status of all audit findings reported in the prior year audit's schedule of audit findings and responses.

<b>Finding No.</b>	<b>Condition</b>	<b>Status</b>
2008-01	Year End Cutoff	Implemented
2008-02	Financial Reporting	Implemented



## Capital SouthEast Connector Board of Directors

Item #4  
Resolution

December 11, 2009

### Transit Components of Connector Project

**Issue:** To approve policies related to the transit components of the Connector Project.

**Recommendation:** Receive the revisions to the draft transit policy and approve the policy as attached.

**Discussion:** During your October meeting, staff presented a Transit Policies paper that was developed by the project team after consultation with Sacramento Regional Transit District (RT) and the Sacramento Area Council of Governments (SACOG). The policy paper provided the Board with options for the inclusion of transit services on the project that will enhance service along routes that are considered strong transit-oriented corridors. These corridors are defined by a number of positive attributes such as higher density land uses, readily available connections, available or pre-arranged transit rights of way, and strong interest on the part of the provider.

During the meeting, Board members requested changes to the draft policy. The Board requested that staff combine draft policies two and four. The Board also asked staff to strengthen the language of the draft policies so that they read more like policy statements. These policies also reflect staff's recommendation to adopt overall policies for future implementation as opposed to identifying a particular fixed service provision or level of service commitment. These policies recognize the JPA's overall perspective regarding establishing transit as an integral component of the project rather than a separate consideration.

The following information is provided in support of the attached draft policies.

#### Background

While most proposed roadway-based infrastructure designs can facilitate transit directly, it must be recognized that such provisions are not necessarily robust enough to achieve the desired goals of increased transit ridership in both the project corridor and region-wide. Recognizing this, the Connector transit policy is proposed to provide the necessary flexibility to take advantage of opportunities both directly on the selected alignments but also where analysis shows the potential for successful service through the partnership of several elements including:

- Support for higher density land uses that would be designated by the appropriate land use authority
- A receptive development market that desires to attract higher transit ridership via product density and designation
- A supportive transit provider that indicates strong interest in the corridor through a priority designation in a TMP (transit master plan) or similar policy document
- Ability to implement the desired corridor improvements as outlined in this policy without significant impediment or financial obligation above and beyond what is considered practical

The Purpose and Need Statement calls for the Capital Southeast Connector Project to provide transportation options that “enable flexibility among automobile, transit service, bicycle, and pedestrian uses, while incorporating ITS (Intelligent Transportation Systems) elements where possible.”

The Consultant Team has been working with RT, SACOG, and other area transit providers to define and test several future transit scenarios to help determine the range of transit services that would be effective at attracting transit ridership under long-range development scenarios. Once adopted, staff will provide this policy to the area transit providers for their information and future consideration.

Staff recommends that the Board approve the attached transit policy because it evidences the important role that transit will play in the project.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Tom Zlotkowski". The signature is stylized and cursive.

Tom Zlotkowski  
Executive Director



Item #4  
Attachment

RESOLUTION NO. 2009-17

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CAPITAL  
SOUTHEAST CONNECTOR AUTHORITY ADOPTING TRANSIT POLICIES

**BE IT RESOLVED** by the Board of Directors ("Board") of the Capital SouthEast Connector Authority that the Transit Policies, as presented to the Board at this meeting, are hereby adopted in substantially the same form as attached hereto.

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

\* \* \* \* \*

PASSED AND ADOPTED this 11<sup>th</sup> day of December, 2009, by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Chairperson

ATTEST:

\_\_\_\_\_  
Secretary



## Transit Policies

Transit is an integral component of the Connector project. These policies will be revised on an ongoing basis as the project and conditions in the Connector Corridor area evolve. The JPA will provide the necessary commitments to insure that a desired level of capital support is provided as required.

1. The transit services operating on the Connector Project and on parallel routes will be operated by Regional Transit and/or other transit providers in the Connector Corridor. The Capital SouthEast Connector JPA will work with transit providers to plan future transit services, identify methods to fund operating costs, and provide facilities that would help make those services effective. New and enhanced transit services in the Connector Corridor will be added over time as new development occurs in the Corridor.
2. The Capital SouthEast Connector Project will help provide right-of-way and/or facilities that create a meaningful travel time improvement for transit routes within the Connector Corridor. While the emphasis of the Capital SouthEast Connector Project will be to provide cost-effective transit facilities along the selected Connector alignment, it may also support strategic, cost-effective transit improvements (such as queue jumps and transit signal priority/ITS equipment) on other roadway segments in the Connector Corridor, especially on routes that parallel the selected Connector alignment and show strong potential for successful, well utilized service.
3. For the expressway segments of the Capital SouthEast Connector Project that will have more than four travel lanes, the fifth and sixth lanes will be HOV/transit lanes unless analysis indicates that unacceptable traffic operations will exist for a segment.
4. The Capital SouthEast Connector Project will help provide park-and-ride lots and transit centers at strategic locations within the Corridor.
5. The JPA will encourage smart growth in the Connector Corridor, especially the creation of villages or "nodes" of development of significant size and density that are easy to serve by transit, in order to reach desired levels of transit ridership. Capital funding and provision of facilities by the Connector will encourage jurisdictions and developers to partner with the JPA to provide transit-friendly development within the Connector Corridor.



Capital SouthEast Connector Board of Directors

Item #5  
Presentation

December 11, 2009

### Presentation of Draft Public/Private Partnership Concepts

**Issue:** It is important that the Board be aware of the current opportunities available to provide financing through Public Private Partnerships (P3).

**Recommendation:** Hear an overview presentation from the JPA consultant team on the basics of P3's and how they could be utilized by the Connector project.

**Discussion:** To build the Connector project in a timely manner, significant capital financing is required. Recently, the State of California passed critical legislation that makes projects like the Capital SouthEast Connector eligible and attractive to a P3 program. Staff is preparing to present a *Plan of Finance* to your Board in early 2010 to outline mechanisms that will ultimately fund and deliver the project. Given the current state of the economy, challenges abound in the areas of both federal and state funding that could assist in the delivery of the project. While local sales tax and development fees are anticipated to eventually rebound and provide the originally allocated level of funding, the timing of that revenue stream remains uncertain.

Today, DJ Smith of the consulting firm of Smith, Watts & Co., LLC, will provide your Board with an overview of the P3 process and the latest information on how the State of California plans to administer and support this program. The presentation will also provide insight into current P3 opportunities across the state and how the Capital Connector fits into framework. Should the Board consider having the JPA proceed towards including a P3 in its Plan of Finance, staff will work with the consultant team to provide additional documentation and information to you at a future meeting.

Respectfully Submitted,

Tom Zlotkowski  
Executive Director



CAPITAL | SOUTHEAST  
**CONNECTOR**  
*Connecting Communities*

# Public Private Partnership Overview

# I. California's Version Of Public Private Partnership (P3)

- A. P3 As Utilized Around The World
- B. SB 4 (Cogdill) Broad P3 State Legislative Authority
- C. California Transportation Commission Guidelines Adopted In October 2009
- D. AB 798 (Nava) Transportation Specific Authority For Public Agency Tolling Under The Direction Of The State Treasurer's Office

## II. 3P Variations As Applied To Transportation Projects

- A. Tollroad
- B. Availability Payments
- C. A Combination Of Funding
- D. Federal Loan/Guarantee Programs For P3s

### III. Current California P3 Projects

- A. Orange County Transportation Corridor Agency's Program – Authorized by State Legislature in 1987.
- B. State Route 91 – High Occupancy Toll (HOT Lanes) Between Orange And Riverside Counties
- C. I-15 – Hot Lanes In San Diego County
- D. State Route 125 Tollroad In San Diego County (City of Chulavista) – Concessionaire is Macquarie from Australia.
- E. Proposed Expansion Of P3s
  1. Bay Area Metropolitan Transportation Commission
  2. LA METRO Adopted Program – October 2009
  3. Riverside County Transportation Commission State Route 91 HOT Lane Extension

## IV. Capital SouthEast Connector JPA As A P3

- A. Tollroads Require Limited Access
- B. Definition Of An Initial “Backbone Facility”
- C. Tolling Technology For This Facility
- D. Potential Financial Plan
- E. Potential New Legal Structure For P3 Implementation

## V. Discussion Points Regarding A P3 For the Connector Road

- A. Advantages/Disadvantages Of A Limited Access Facility
- B. Cost Advantages Of A P3
- C. Schedule Advantages Of A P3
- D. California Drivers And Tollroads
- E. Local Community/Developer Advantages Of A P3

## VI. Next Steps

- A. Initial Baseline Feasibility Study
  - 1. Traffic/Toll Revenue Forecast
  - 2. Facility/R-O-W Cost Estimate
  - 3. Preliminary P3 Financial Modeling
- B. Accomplish Legal/Financial Research for “Board of Control” For P3 Project.
- C. If Feasible And Acceptable To The Connector Board, JPA Would Then Develop And Issue Request For Qualifications/Request For Proposals In Open Solicitation.
- D. Select Private P3 Partner.
- E. Negotiate Predevelopment Agreement With Selected Private Partner.
- F. After Certified EIR Is Issued, Negotiate Long Term Franchise Agreement With Private Partner



Capital SouthEast Connector Board of Directors

Item #6  
Discussion

December 11, 2009

### Integrated Modes Policy Review

**Issue:** To review draft policies related to the integrated modes components of the Connector Project.

**Recommendation:** Hear a staff presentation on the draft integrated modes policy and provide comment on the policy for adoption at a future Board meeting.

**Discussion:** The Connector Project's Purpose and Need Statement calls for the Project to provide transportation options that "enable flexibility among automobile, transit service, bicycle, and pedestrian uses, while incorporating ITS (Intelligent Transportation Systems) elements where possible". The transit component of this statement is addressed as Item #4 of today's Board agenda. This draft Integrated Modes Policy defines the approach and design for the non-motorized transportation components for the Connector project. In order to assist in the development of this policy, two pre-scoping focus group meetings were held with members of the bicycle, pedestrian, equestrian and disabled user communities. Of primary consideration was their perspective on the development of an off-corridor trail system associated with Alternatives 3 & 4 as opposed to one that would be integrated into the main roadway corridor of Alternatives 1 & 2. The JPA consultant team and staff provided the focus groups with background information and preliminary layouts for the currently proposed configurations for various roadway segments along the route alternatives. The groups provided feedback and additional considerations to refine the material presented. Each meeting lasted approximately two hours and was well received by the attendees.

**Approach:** Bicycle and pedestrian usage are essential modes of transportation that must be incorporated into the Connector project. Bicycle and pedestrian facilities are not "add-ons", mitigation measures, aesthetic treatments, or intended to address recreational use only. They are elementary to the provision of transportation options for non-motorized mobility in the corridor. As it was with the Transit Policy, it is too early in the development of the project to be specific to the actual final design of many of the components of it. Rather, these policies recognize the JPA's overall intent regarding the establishment of Integrated Modes as an integral component of the project rather than a separate consideration. And since there are many aspects, considerations, and variations involved in non-motorized travel, these policies will be used as the framework by which future specific design criteria and details will be introduced.

In general, bicycle and pedestrian facilities must satisfy the following user requirements:

- High degree of safety
- Connectivity to roadway, transit and other bicycle/pedestrian facilities
- Physically easy to access
- Convenient to destinations of choice
- Accommodating to all levels of bicycle usage (commuter, recreational, low-intensity) and pedestrians

Equestrians, while an element of the overall recreational user group, are not defined in the same category as the primary transportation users. One example of that definition would be their inapplicability for use in Home to Work trips. Bicycles and pedestrians most often prefer separate paths from equestrians. Equestrian crossings of roadways and parallel paths in close proximity to automobiles, trucks and transit present safety concerns. The Connector Project is currently not proposing to include facilities designated specifically for equestrian usage adjacent to the roadway corridor. Off-corridor trails could consider opportunities to address equestrian usage where feasible should they be included as an element of the project.

SACOG's previous study identified, for the most part, a Class I trail either adjacent to the roadway(Alts. 1 & 2) or off-corridor(Alts. 3 & 4) linking existing facilities, along with Class II bike lanes provided on the road alignments with sidewalks and other pedestrian amenities where appropriate. Since it is recommended that all four Alternatives from the SACOG study be included in the NOP(Notice of Preparation), the design details of these facilities will be further defined in the NOP based on the policies presented herein.

An underlying basic premise associated with the development of these policies is that regardless of which alternative or variation thereof is ultimately chosen as the preferred project, there will be minimum alternative modes component associated with it. That is, only in unique and justifiable circumstances would the Connector build less than the following facilities within the roadway corridor itself:

- The Connector Project will provide for sidewalks and Class II bike lanes to be located within the right of way in the thoroughfare segments. The sidewalk may be separated from the back of the curb by a landscape strip, depending on the proximity to the intersection and right of way width available.
- In the rural roadway segments through the Sheldon area and consistent with the City of Elk Grove Rural Road Standards, Class II bike lanes and sidewalks are not proposed. However, there will be a 5' paved shoulder in this segment. Also, both sidewalks and bike lanes could be accommodated on parallel and connecting local roads as appropriate.
- In the expressway segments a paved multi-use path with graded shoulders is proposed on one side of the corridor. The path would reside on the outer portion of the corridor right of way and be separated from the remainder of the corridor by restriction fencing. It will be separated from the motor vehicle traffic at cross streets where appropriate and practical

In addition to the minimum standards proposed above, the non-motorized path/trail will comply with the following intent throughout:

- The off-corridor path Alternative(if chosen) will include bicycle and pedestrian facilities consistent with the minimum standards identified in the expressway configuration following the alignments that include the Laguna Creek Trail, the Folsom South Canal, Folsom Boulevard, Alder Creek and the Union Pacific Railroad right of way to White Rock Road. Portions of the alignment along Laguna Creek and the Folsom South Canal already exist. This alignment is consistent with the local jurisdictions Bicycle Master Plans
- The intent of the Connector project is to build a single integrated trail/path configuration in accordance with the selected Alternative alignment to the fullest extent possible to promote continuity and connection throughout its entire length as identified in the approved project description in the Final Programmatic EIR.

- The Connector project will strive to develop bicycle and pedestrian components that provide for the most safe, effective, and innovative facilities consistent with established local standards and industry benchmarks for best practice and operation.
- Individual design features will be developed in concert with local stakeholder groups and user group resource materials.
- As the roadway construction is phased over time, additional crossings may be required prior to construction of interchanges to maintain bicycle and pedestrian access and connectivity. As new development occurs, these crossings could be provided by the developer, along with access from the development to the path. Treatment options at the interchanges and cross street intersections such as bridges or tunnels will be considered where feasible.
- The draft Integrated Modes Policies are intended to be flexible. They will be applied on an on-going basis as the Project and corresponding corridor development evolves. The JPA will provide the necessary commitments to insure that bicycle and pedestrian transportation users are accommodated consistent with the overall objectives of the project. Additional detail on the policy will be developed as the concept is advanced through Board direction and the appropriate environmental review.

Staff requests that the Board reviews the proposed Integrated Modes Policy and provides comment and direction; it evidences the important role that non-motorized transportation will play in the project.

Respectfully Submitted,



Tom Zlotkowski  
Executive Director



## Capital SouthEast Connector Board of Directors

## Item #7 Discussion

December 11, 2009

### Sheldon/Wilton Recommendations

**Issue:** To consider the project alternatives to be identified in the Notice of Preparation (NOP) of the Environmental Impact Report (EIR) and a scope of work for the Limited Access Roadway (LAR) study.

**Discussion:** At your meeting on November 17, 2009, the Board heard from staff and members of the public on the Sheldon/Wilton Corridor Recommendations for Further Evaluation (Item 5). The staff recommendation was to eliminate the Consumes River bypass alternative (Bypass) referenced in the Community Working Group (CWG) report due to environmental concerns, SSHCP considerations, and excessive costs. The Board continued the item to the December Board meeting for additional discussion and consideration. Since that meeting, staff has reviewed options with the Project Development Team (PDT) for continuing to consider the Bypass alternative. The following discussion and recommendation is for the Board's consideration in directing staff with regard to the preparation of the NOP.

- **Identify the Bypass as an alternative in the upcoming NOP.** Staff recommends that the Bypass be identified as a project alternative in the NOP, which is expected to be released for a 30-day public review period in late January 2010. Identifying the Bypass as a project alternative in the NOP will allow for additional review and further input from resource and regulatory agencies and from the general public. Further, as part of this effort, staff will conduct additional studies on the Bypass alternative with respect to potential alignments, costs, and a more quantified assessment of the potential environmental impacts. The extra cost associated with continuing to identify the Bypass as a project alternative through the NOP comment period is estimated to be \$18,000.
- **Identify Alternatives 1, 2, 3, and 4 in the upcoming NOP.** In addition to including the Bypass as a project alternative in the NOP, staff also recommends that Connector Alternatives 1, 2, 3, and 4 be identified in the NOP. Section 15083 of the State CEQA Guidelines encourages early consultation and scoping to help identify the range of alternatives, mitigation measures, and potential significant effects to be analyzed in an EIR, and to help resolve concerns of the affected agencies and individuals. Based on the above, and discussions at the November 17, 2009, Board meeting, staff and the PDT believes that identifying all four project alternatives through the NOP comment period is appropriate. Similar to the Bypass alternative, including all of the alternatives allows further agency and public comments and would provide a more extensive public record prior to screening out any of the project alternatives from consideration in the draft EIR. At the end of the NOP comment period, staff will conduct a final screening process and make any appropriate recommendation to the Board regarding the elimination of any of the project alternatives from the draft EIR. Recommendations will be based on all relevant considerations, including additional public and agency input, as well as the more detailed studies completed by the PDT.

- **Sheldon/Wilton Community Working Group Community-Based process for the Grant Line Road Alternative (Limited Access Roadway).** Staff has developed a scope of work for a request for proposals (RFP) and recommends that the JPA retain a consultant by the end of January 2010 to prepare a community-based process to investigate and assess the feasibility of reconfiguring various elements of the Sheldon community as part of the Connector project. The results of this work will be used to support the analysis in the Program EIR. The proposed work program would include a substantial community scoping element that incorporates local stakeholder consultation involving parties that would be affected by the expansion of Grant Line Road as part of the Connector project. A listing of the various issues to be studied could include:
  - **Business-Related**
    - Potential impact of loss of direct access to Grant Line on businesses
    - Potential impact of installation of interior streets on businesses
    - Potential impact of higher traffic volume and indirect access on community use of Old Town
    - Potential economic loss to non-profit organizations and charities (business donations, etc.)
    - Potential employment losses
    - Possible building loss and preservation of historic and rural characteristic buildings
    - Potential Impact on and relocation of wells and septic systems
    - Drainage and flooding problems
    - Business losses during construction, plus lingering loss effect
    - Ability of roads and shared access to accommodate stock trailers, large trucks, etc.
    - Potential pedestrian circulation issues
  - **Agricultural-Residential Related**
    - Closing, capping, and relocation of domestic and agricultural wells, plus piping
    - Septic tank abandonment and relocation, with all piping
    - Leach field or dry well abandonment and relocation, with all piping
    - Relocation of electric utilities
    - Relocation of propane tanks and piping
    - Relocation of phone and cable points of connection to residences
    - Relocation of driveways and/or garages, with room to turn trucks and trailers
    - House or other building moving costs, with new foundations
    - Family disruption and interim living costs
    - Construction noise, pollution, and other inconvenience to residents
    - Removal of trees, with loss of economic, habitat and "heritage" value
    - Mitigation for loss of trees—particularly "heritage" trees—and other habitat
    - Loss of home agriculture or business income
    - Lot line adjustments for relocation of roadways, fences, etc.
    - Loss of land use from new roads, bisected properties, lot line adjustments, etc.
    - Property value of loss, to both directly affected and nearby properties
    - Drainage, flooding and relocation of drainage ditches, swales, etc.
    - Impact of road relocation and signalization on local and schools
    - Emergency response time and ability, new maps, etc.
    - Road design to accommodate heavy trucks, agricultural equipment, large stock trailers, etc.

It should be noted that some of the possible areas of investigation may be inappropriate for a programmatic EIR. These areas should be noted for analysis and mitigation in a project level document. Also, some of the impacts associated with the specific areas of investigation may require more in the way of financial commitments that can be outlined as part of the process.

The effort will be conducted in partnership with an enhanced engineering effort specifically focused on the Sheldon area to provide the preliminary engineering necessary for inclusion in the Program EIR. This effort would also be managed directly by the JPA and integrated into the processing of the draft EIR by the JPA's environmental consultant. It is estimated that the costs to complete such a study is \$75,000 – \$100,000 and four to five months to complete.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Tom Zlotkowski". The signature is stylized with a large initial "T" and "Z".

Tom Zlotkowski  
Executive Director