

Meeting of the Board of Directors

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

Date: Friday, December 12, 2008, 8:30 a.m. – 10:00 a.m.

Roll Call: Directors Budge, Dupray, Hume, Nottoli

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 will be heard following the New Business Items.

1. Executive Director's Report

Consent Agenda

2. Minutes of the October 31, 2008, Meeting

New Business Items

3. Discussion: Project Funding/Finance Plan
 - a. Attachment – Staff Report
4. Motion: Approve Draft Improvement Plan
 - a. Attachment – Staff Report
5. Motion: Approve Accounting System Report
 - a. Attachment – Staff Report
6. Presentation: Environmental Outreach Calendar Update
 - a. Attachment – Staff Report
 - b. Attachment – Schedule
7. Presentation: Environmental Prescoping Activities
 - a. Attachment – Staff Report
 - b. Attachment – Power Point Presentation
8. Resolution: Recognition of Director Dupray's Service to the Authority
 - a. Attachment – Staff Report
 - b. Attachment – Resolution
9. CLOSED SESSION:
PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Executive Director
10. 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.

Capital SouthEast Connector Board of Directors

**Item # 1
Receive and File**

December 12, 2008

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

- The Accounting Technician position has reported to work and is in training on the various elements of the fiscal accounting system. Other duties are expected to focus on support of the administrative needs of the JPA and the Connector Project.
- The Executive Director is expecting to sign a lease for new office space for the JPA at 10460 Mather Blvd. within the following week. Counsel will be reviewing the lease this week and any issues of significance will be brought to the Board's attention. Staff believes the space to be well-suited for the JPA's needs and containing a very competitive lease rate and provisions. Occupancy of the space is expected by February 1, 2009.
- The first meeting of the PDT (Project Development Team) will take place on December 17, 2008. This is a critical step in the development of technical information and details that will be carried forward as part of the environmental analysis. Staff has requested that representatives from the five member jurisdictions, as well as representatives from Caltrans, Regional Transit, and SACOG participate along side the consultant team, JPA staff, and JPA Legal Counsel.

Fiscal

- The annual audit of the JPA for Fiscal year 07-08 has been completed and staff is awaiting the final report to present to the Board for approval. Staff believes the report will indicate overall compliance with adopted accounting and administrative procedures with no issues of significance.
- Staff is working to determine the STA Bond revenues to be reallocated by STA in calendar year 2009. The preparation of the JPA's FY 09-10 budget this spring will assist staff to determine the funds available for redistribution. Any funds reallocated by STA will be available to the Connector Authority for Project development in the future.
- Staff is still pursuing the local contribution of \$40K from El Dorado County as agreed to in the FY08-09 budget. All other local member jurisdiction contributions have been secured.

Miscellaneous

- Staff anticipates that the re-branded JPA web site will be launched this week with new information and additional details on the JPA and the Connector Project. Staff has also developed a weekly update procedure to keep the site current with news, events, schedules, and details of the environmental process. The site address remains www.connectorjpa.net.
- JPA Staff is working with the member jurisdictions to coordinate comments on pending private development projects with the general corridor alignment that could have impacts on the Connector Project. Under the JPA's adopted CEQA procedures, the Executive Director has the authority and is responsible for providing comments on behalf of the JPA on any environmental documents that are submitted to the JPA for review. JPA staff is also requesting cooperation from selected member jurisdictions to consider the functional needs of the Connector in their comments on the Environmental Documents for these projects. Currently, the first of three mining permits located south of White Rock Road in unincorporated Sacramento County is being discussed and comments on the Draft EIR are being addressed by the County.
- JPA staff is working with the City of Elk Grove and Sacramento County on the details of a future alignment study being pursued west of Bruceville Road to Interstate 5. This work is still in the preliminary stages and once additional detail on a preferred alignment has been developed, it will be presented to your Board. Staff will pursue additional detail on the timing of this effort in recognition of the hybrid EIR process currently being undertaken by the JPA.
- The Executive Director attended the 9th annual Bond Buyers Public Finance Conference in Denver on November 17th & 18th. The conference was highly beneficial towards the investigation of alternative project delivery methods and available financing options which the JPA may consider pursuing. One of the elements of the prescoping work of the environmental analysis will focus on finance options for all or portions of the Connector once an alignment has been established. A report on the various finance options will be forthcoming in the next 90 days along with a presentation to your Board at an upcoming meeting.

Respectfully Submitted,

Tom Zlotkowski
Executive Director

Capital SouthEast Connector Board of Directors

Item # 2

Action Minutes of the October 31, 2008, Meeting

The Capital SouthEast Connector Authority's Board of Directors met in regular session on October 31, 2008, in the Rancho Cordova Council Chambers, located at 2729 Prospect Park Drive, Rancho Cordova, CA, at 8:30 a.m.

Call to Order: Chairperson Don Nottoli called the meeting to order at 8:37 a.m.

Roll Call: **Present:** Directors Budge*, Dupray, Hume, King, Nottoli

* Arrived after Roll Call, as noted below.

Public Communications: Tom Shine spoke during the opportunity to comment on matters not on the agenda regarding the need to investigate alternative routes and concerns regarding growth inducement.

Executive Director's Report: Mr. Tom Zlotkowski, the Executive Director of the Authority, provided an update on the EIR/EIS contract, the ongoing search for office space, his plans to attend the California Transportation Foundation's Educational Symposium and the 9th Annual Transportation Finance/P3 Conference, and plans to re-program \$500,000 of Measure A funding previously allocated to the Authority. The Executive Director also introduced the new Accounting Technician who is expected to report for work in late November.

Consent Agenda:

Meeting Minutes: It was moved by Director King, seconded by Director Hume, and passed by unanimous vote that:

THE CAPITAL SOUTHEAST CONNECTOR BOARD OF DIRECTORS APPROVES THE MINUTES OF THE JUNE 27, 2008, MEETING.

THE CAPITAL SOUTHEAST CONNECTOR BOARD OF DIRECTORS APPROVES THE MINUTES OF THE AUGUST 22, 2008, MEETING.

New Business Items:

Adopt a 2009 Calendar Year Meeting Schedule: Mr. Zlotkowski, the Executive Director, presented the staff report and resolution. Pursuant to section 6(b) of the Joint Exercise of Powers Agreement, the Board must establish the number of regular meetings to be held each year and the date, hour, and location at which such regular meetings will be held. It was moved by Director King, seconded by Director Hume, and passed by unanimous vote that:

THE CAPITAL SOUTHEAST CONNECTOR BOARD OF DIRECTORS ADOPTS THE 2009 CALENDAR YEAR MEETING SCHEDULE AS AMENDED TO INDICATE THAT THE BOARD'S REGULAR MEETINGS WILL BE HELD AT RANCHO CORDOVA CITY HALL.

* Director Budge arrived at 8:58 a.m. during the following item:

Ratification of EIR/EIS Contract with Parsons Brinkerhoff: Mr. Zlotkowski presented the report recommending that the Board ratify the contract entered into with Parsons Brinkerhoff on October 23, 2008. Mr. Zlotkowski explained that, in negotiating the scope of work, several project tasks were augmented to avoid future contract modifications and the accompanying delays to the greatest extent possible. Mr. Zlotkowski felt it was important for the entire Board to approve this contract in light of the central role that the environmental review process will play in the Authority's activities over the next three years. It was moved by Director Budge, seconded by Director Dupray, and passed by unanimous vote that:

THE CAPITAL SOUTHEAST CONNECTOR AUTHORITY BOARD OF DIRECTORS RATIFIES THE CONTRACT BETWEEN THE CONNECTOR AUTHORITY AND PARSONS BRINCKERHOFF FOR ENVIRONMENTAL SERVICES.

Presentation Introducing the Project Financial/Funding Plan: Mr. Zlotkowski presented the report, explaining that, pursuant to the Joint Exercise of Powers Agreement, the Authority must, by unanimous vote, adopt a Financial/Funding Plan. The Joint Exercise of Powers Agreement specifies that this Plan must include an allocation of costs among the members. Because Measure A funds are the primary funding source for the first phase of the Project, the Board must determine whether and to what extent El Dorado County will be expected to contribute to the costs of Project Planning and Development. The Board requested that the Executive Director and Agency Staff continue to search for available federal funding and develop an equitable approach to cost sharing.

Presentation of Project EIR/EIS Outreach Schedule: Mr. Zlotkowski presented the staff report and introduced Michelle McCormick of MMC Communications. Ms. McCormick discussed the timetable for outreach activities, including opinion leader interviews, the launch of the new website, and additional public meetings.

Recognize the Contribution of Director Eric King to the Connector Authority: Mr. Zlotkowski expressed the Authority's appreciation for Director King's contribution. It was moved by Director Budge, seconded by Director Hume, and passed by unanimous vote that:

THE CAPITAL SOUTHEAST CONNECTOR AUTHORITY BOARD OF DIRECTORS RECOGNIZES DIRECTOR KING FOR HIS OUTSTANDING LEADERSHIP AND CONTINUED DEDICATION AND COMMITMENT TO THE CONNECTOR PROJECT.

Adjournment: The meeting was adjourned at 10:05 a.m.

Approved By:

Attest:

Director Nottoli
Chairperson

Kirk Trost
Secretary

DRAFT

Capital SouthEast Connector Board of Directors**Item # 3
Discussion**

December 12, 2008

Discussion of Funding/Financial Plan

Issue: The Joint Powers Agreement establishing the Connector JPA requires the development of a plan or formula for funding the Authority's operations and any project phases that are the responsibility of the Authority.

Recommendation: Hear a staff presentation outlining significant additional elements of the Funding/Financial Plan and provide input into the further development of the final Plan to be presented to your Board for approval in early 2009.

Discussion: As discussed during the October 2008 meeting of the Board, the Joint Powers Agreement establishing the Capital SouthEast Connector Authority requires the Authority to develop and adopt a Funding/Financial Plan specifying a plan or formula for funding the Authority's operations and any project phases that are the responsibility of the Authority. This Plan must be unanimously approved by the five Board members.

In addition to establishing project costs and associated funding mechanisms, the Plan must also include an allocation of costs amongst the member jurisdictions, as well as any other funding sources.

At your October meeting, staff introduced a draft Funding/Financing Plan that focused on the Planning and Project Development Phase of the Connector Project. The draft Plan outlined options for addressing the issue of cost allocation between the various jurisdictions, and in particular El Dorado County. Without the availability of Measure A funds, concern was expressed about El Dorado County's contribution to share of the planning and project development costs. Also at issue is the basis by which El Dorado County's fair share will be calculated. While the Board agreed that El Dorado County should contribute to overall project development costs, it recognized the need for as much flexibility in the calculation and timing of the contribution as possible, given its disadvantage in not having an available dedicated local funding source.

Cost Allocation Methodologies

Initial estimates discussed at your last Board meeting placed El Dorado County's fair share of planning and project development costs between \$500,000 and \$3 million dollars over the next five years. This was based on a variety of funding options but in recognition that many additional cost allocation methodologies could be used. To arrive at this contribution range, staff used traditional transportation project apportionment factors in the development of the fair share calculation that include:

- A straight 1/5th contribution to all anticipated Planning and Project Development expenditures.
- A contribution based on proportionate lanes miles in El Dorado County as compared to the remaining member jurisdictions.
- A contribution based on the percentage of anticipated capital construction costs in El Dorado County as compared to the remaining member jurisdictions as a whole.
- A contribution based on the proportion of total Vehicle Miles Traveled (VMT) in El Dorado County as compared to the remaining member jurisdictions as a whole.

As requested by the Board at the October Board meeting, staff developed several additional allocation methods for consideration, including:

- A 1/5th contribution to administrative costs only during the Planning and Project Development Phase (i.e., not including environmental clearance expenditures). (This option assumes that El Dorado County will complete, at its own expense, environmental clearance for connector-related projects in El Dorado County.)
- A contribution based on the percentage difference in Average Daily Traffic (ADT) in El Dorado County along White Rock Road in the year 2020, with and without the development of the Connector Project as compared to that same difference along the connector alignment at specific locations in Sacramento County.
- A contribution based on the difference in Vehicle Miles Traveled (VMT) in El Dorado County in the year 2020, with and without the development of the Connector Project as compared to that same difference in Sacramento County.

These methodologies, however, like the methodologies presented at the October Board meeting, result in potential contributions between \$335,000 to \$1.8 million dollars over the next five years.

In order to avoid this immediate burden of annual contribution, however calculated, an alternative solution is to use Measure A funding as a finance mechanism for project development and planning activities while additional sources of long range project funding are secured. These funding sources could include, but are not limited to, the following:

- Federal earmarks
- Federal TIFIA (The Transportation Infrastructure Finance and Innovation Act of 1998) loans
- Federal Economic Stimulus programs
- Federal Surface Transportation Program Funds
- Federal Congestion Mitigation and Air Quality Improvement Program Funds
- State Gas Tax Funds
- State Bond Funds
- State Transportation Development Act Funds
- Grant programs that may emerge from a new Federal Transportation Bill to be written over the next two years that will likely include categorical funding or loans specific to regional projects
- State STIP allocations
- State economic stimulus programs
- State Infrastructure bank programs
- Local/regional transportation fees
- Public/Private Partnerships

Many of these potential future revenue sources could be used to reimburse the Authority for El Dorado County's fair share of planning and project development costs. Should the Board agree to defer El Dorado County's fair share contribution, El Dorado County Board of Supervisors could provide a letter of intent to use its best efforts to identify and secure future funds to reimburse the Authority for its fair share contribution.

Respectfully Submitted,

Tom Zlotkowski
Executive Director

Capital SouthEast Connector Board of Directors

**Item # 4
Motion**

December 12, 2008

Approve Draft Improvement Plan

Issue: To approve the Connector Project Improvement Plan for the Authority's project development over the next three years.

Recommendation: Staff recommends that the Board approve the Project Improvement Plan, as presented at this meeting and attached hereto.

Discussion: Pursuant to section 5.d. of the Joint Exercise of Powers Agreement establishing the Capital SouthEast Connector Joint Powers Authority, within 8 to 12 months of the execution of the Agreement, the Authority must use its best efforts to develop and adopt an Improvement Plan specifying a plan or formula for determining the timing and sequencing of project improvements, consistent with the Functional Guidelines, as discussed in further detail below.

Because the Authority is only just beginning environmental review of the Project, there is a certain level of uncertainty regarding how segments of the Connector Project will be built, the associated project and operational costs, and how the Project will be funded. Based on these uncertainties, staff has determined that the Improvement Plan must be dynamic and capable of evolving as the Project evolves. While it is difficult to determine whether the Connector JPA will be directly responsible for construction of Project segments, staff has used its best efforts to estimate the timing and sequencing of the Environmental Review Process for the Project over the next three years. The schedule set forth herein, however, is approximate and will require revision as the Project advances.

The term for this initial Improvement Plan is three years. During this term, the Connector JPA will be focused on Planning and Project Development, including the completion of environmental review and the selection of a Project Alignment. As stated in the Finance/Funding Plan, staff does not anticipate that the JPA will initiate project segment construction for approximately five years. For this reason, the Improvement Plan does not address the construction phase of the Project. A second component to this Plan will be developed in the future to address Construction Improvements after additional information on construction costs and timing is available.

Though it will not be initiated for approximately five years, the Construction Phase of the Project will be ongoing for a number of years. This phase will include not only the physical construction of the project, but other project related tasks, including right-of-way purchase, environmental mitigation, obtaining permits, design and engineering, and obtaining financing. The timing of these tasks will be addressed in detail in a subsequent revision to the Plan in the future.

Respectfully Submitted:

Tom Zlotkowski
Executive Director

Capital SouthEast Connector JPA Improvement Plan

December 2008 Draft

Introduction

Pursuant to section 5.d. of the Joint Powers Agreement establishing the Capital SouthEast Connector JPA (“Connector JPA”), the JPA must use its best efforts to develop and adopt, within 8 to 12 months of the execution of the Agreement, an Improvement Plan specifying a plan or formula for determining the timing and sequencing of project improvements, consistent with the Functional Guidelines.

Staff has used its best efforts to estimate the timing and sequencing of the Project over the next three years. Because the Connector JPA is only just beginning environmental review of the Project, there is still a great deal of uncertainty regarding how segments of the Connector will be built, the associated project and operational costs, and how the Project will be funded. As a result, the schedule set forth herein is approximate and will require revision as the Project advances.

The term for this initial Improvement Plan is three years. During this term, the Connector JPA will be focused on Planning and Project Development, including the completion of environmental review and the selection of a Project Alignment. As stated in the Finance/Funding Plan, staff does not anticipate that the JPA will initiate project segment construction for approximately five years. For this reason, the Improvement Plan does not address the Construction phase of the Project. A second component to this Plan will be developed in the future to address Construction Improvements after additional information on construction costs and timing is available.

Planning and Project Development Schedule

Connector staff and the selected Environmental Consultant initiated the Environmental Review Process in October 2008. The anticipated three-year schedule for Planning and Project Development is as follows:

Public Outreach

Staff anticipates that the JPA will begin its public outreach efforts in 2009, starting with community group briefings in February 2009 and pre-scoping and scoping meetings in May/June 2009. Public outreach will continue throughout the environmental review process, until approximately December 2010.

Project Delivery Methods and Funding/Financing Options

The investigation into project delivery methods and funding/financing options began in November 2008, with the Executive Director's attendance at a transportation financing conference in Denver, Colorado. During that trip, the Executive Director also toured a facility similar in size and purpose to the Connector Project. Staff efforts to further investigate Project Delivery Methods and Funding/Financing options will continue throughout the project, but will be concentrated in the first six months of project development.

Initiating Environmental Studies

Between December 2008 and February 2009, the JPA will be reviewing the Purpose and Need Statement for the Project. This will serve as the basis for evaluating project alternatives.

Once the Purpose and Need Statement is revised and approved, the JPA will begin its Alternatives Analysis. This analysis is scheduled to be conducted between March 2009 and June 2009.

The JPA will issue a NOP/NOI between June 2009 and July 2009.

Revising Functional Guidelines

Between December 2008 and February 2009, the JPA will be reviewing and revising its Functional Guidelines, as necessary.

Travel Demand Forecasting

Work will begin on Travel Demand Forecasting in December 2008, and is estimated to continue until April 2009.

GIS Development

GIS Development began in November 2008, and will continue until approximately June 2009.

Preliminary Engineering

The Preliminary Engineering for the Project will begin in December 2008, and will continue until May 2010.

Alternatives Screening

The JPA will conduct its Alternatives Screening from January 2009 to March 2009. Following the completion of the Alternatives Screening, the JPA will refine the Project Alignments. This refinement process will begin in April 2009, and continue until June 2009.

Hydraulic Study and Floodplain Evaluation

Work will begin on the Hydraulic Study and Floodplain Evaluation in July 2009, and is estimated to continue until January 2010.

Identify Additional Corridor Alignments/Segments

The JPA will identify additional corridor alignments or segments for study, if any, between February 2010 and May 2010.

Technical Studies

The required Technical Studies will be initiated in July 2009. These Studies will be completed by January 2010. The required studies include: (1) A Community Impact Assessment/Relocation Study; (2) Cultural Resources Study; (3) Paleontological Resources Study; (4) Air Quality Impact Study; (5) Noise Study; (6) Water Quality Study; (6) Natural Environment Study; (7) Section 4(f) Evaluation; (8) Visual Impact Assessment; and (9) Hazardous Materials Study.

Draft EIR/EIS

The Draft EIR/EIS will be developed between January 2010 and October 2010. The Administrative Draft EIR/EIS will be released for review and comment in October 2010, and the Final EIR/EIS will be released in December 2010.

Project Alignment Selection

Following the final approval of an EIR/EIS for the Connector Project, the JPA must approve and adopt a General Alignment. Each member jurisdiction's legislative body must approve the portion of the General Alignment within that jurisdiction's boundaries. For areas within the City of Folsom's sphere of influence, the approval of both the City of Folsom and the County of Sacramento shall be required. It is estimated that the General Project Alignment will be approved by all jurisdictions by June 2011.

Purchase of Right of Way and Environmental Mitigation Land

The purchase of Right of Way and Environmental Mitigation Lands will commence no later than July 2011, at approximately \$1.0M annually.

Construction Schedule

Because the Connector JPA is only just beginning environmental review of the Project, there is a great deal of uncertainty regarding the funding that will be required to construct the Project and the timing of such construction. It is also unknown whether the Connector JPA will be charged with constructing portions of the Connector, or if the individual jurisdictions will maintain control over constructing all project segments.

Prior to beginning any construction, the JPA must approve and adopt a General Alignment. Each member jurisdiction's legislative body must approve the portion of the General Alignment within that jurisdiction's boundaries. For areas within the City of Folsom's sphere of influence, the approval of both the City of Folsom and the County of Sacramento shall be required.

In light of these issues, staff cannot develop a construction schedule at this time. This Plan will be revised at a future date when additional information regarding the timing and cost of construction becomes available through the environmental review process. To assist the JPA in addressing these issues and developing a construction schedule, the environmental consultant team will provide an analysis and evaluation of the timing of project components and the financing options for such components.

Capital SouthEast Connector Board of Directors

**Item # 5
Motion**

December 12, 2008

Receive Accounting System Report

Issue: To receive the Accounting System Report presented at this meeting describing the transparent accounting system that has been established for the Authority.

Recommendation: Staff recommends that the Board receive the Accounting System Report, as presented at this meeting.

Discussion: Under the Government Code and the Joint Exercise of Powers Agreement establishing the Connector Authority, the Authority's Board must establish and maintain such funds and accounts as may be required by good accounting practice. The attached Report describes the accounting system that staff has implemented to fulfill this requirement.

As set forth in the attached report, staff has established an accounting process that ensures that the Authority properly handles cash receipts and cash disbursements, and that those duties are properly segregated. The process complies with Generally Accepted Accounting Principles (GAAP), the Governmental Accounting Standards Board (GASB), and the California State Controller's Manual.

Sacramento County's Auditor-Controller's Office performs pre-audits on all expenditures, in accordance with their policies and procedures. In addition, an independent audit must be performed annually. The Authority's first annual audit is in progress and should be completed before the end of the calendar year. Once complete, the Authority will deliver copies of the audit report to each member of the Board and the member jurisdictions.

Respectfully Submitted:

Tom Zlotkowski
Executive Director

ACCOUNTING SYSTEM IMPLEMENTATION REPORT

FOR THE

CAPITAL SOUTHEAST CONNECTOR AUTHORITY

Under the Government Code and the Joint Exercise of Powers Agreement establishing the Connector Authority, the Authority's Board must establish and maintain such funds and accounts as may be required by good accounting practice. This report describes the accounting system that has been implemented pursuant to this requirement.

Treasurer and Auditor

Sacramento County has served as treasurer and auditor for the Authority since its creation, as provided in the Joint Exercise of Powers Agreement. After the Authority began meeting regularly in 2007, Sacramento County began establishing the necessary accounts and ledgers for the Authority. The Connector Authority now maintains its accounting and budget records in Sacramento County's financial system, known as "COMPASS" ("Comprehensive Online Management Personnel and Accounting System"). COMPASS is a financial system developed by SAP, the world's second largest business software company. All of the Authority's purchase orders and claims are processed through COMPASS.

The Authority's accounting transactions are processed and recorded in accordance with Generally Accepted Accounting Principles (GAAP), the Governmental Accounting Standards Board (GASB), and the California State Controller's Manual. Sacramento County's Auditor-Controller's Office performs pre-audits of all expenditures in accordance with their policies and procedures.

The Connector Authority has been assigned a unique fund within Sacramento County's Department of Transportation grouping. Though the initial cost accounting structure is fairly streamlined, the County is able to segregate costs and revenues by program and funding source. As the Connector Authority's business grows more complex, the flexible accounting structure developed by the County will accommodate debt, tax, and capital construction activities for the multiple member jurisdictions.

The processes and procedures described in detail below have been implemented to ensure that the Connector Authority properly handles cash receipts and cash disbursements, and that those duties are properly segregated.

Budgets

The Authority must adopt a budget prior to the start of each new fiscal year. Pursuant to the Joint Exercise of Powers Agreement, the Authority's fiscal year spans from July 1st of each year to the following June 30th.

The budget sets forth the Authority's anticipated revenue and expenses, as approved by the Board of Directors. The budget is subject to change, however, upon approval by the Board. Upon budget approval, or the approval of any subsequent amendment, the budget must be provided to Sacramento County. Until an approved budget is received for the fiscal year, Sacramento County cannot process any invoices submitted to the Authority.

Accounts Payable

Invoices received by the Connector Authority are reviewed and approved for payment by the Executive Director. The Authority's staff also must determine which revenue source will be utilized for the payment of each invoice. The Authority currently has three revenue sources, including local contributions from its member jurisdictions, Measure A funds from the Sacramento Transportation Authority (STA), and Regional State Transportation Program (STP) funds available through SACOG. Most of the Connector Authority's expenses are eligible for reimbursement from either STA or SACOG. For non-reimbursable expenses, the Authority must utilize the local contributions from the member jurisdictions. Additional information regarding the SACOG and STA reimbursement process is provided below.

Upon approval by the Executive Director, invoices are sent to the County's Municipal Services Agency, Accounting and Fiscal Services Division (AFS) for processing. AFS processes purchase orders or generates claims. Once generated, claims are then submitted with original vendor invoices to the Department of Finance, Auditor-Controller's Office, where warrants are generated and mailed to the vendors.

When an expenditure is eligible for reimbursement through either SACOG or STA, the invoice is sent not only to the County, but directly to SACOG or STA as well.

Once SACOG receives a request for payment of an eligible STP expense, a reimbursement request is immediately sent to Caltrans. Once this reimbursement request is processed, Caltrans issues payment to SACOG. Reimbursement from Caltrans is 88.53% of the invoice total invoice amount. After payment is received from Caltrans, SACOG notifies the Authority's staff of the remaining 11.47% and requests that the Authority deposit those matching funds into SACOG's cash account at the County. SACOG then directs the County to pay the appropriate vendor the full amount of the invoice. All claims for STP funds comply with the Federal Office of Management and Budget Circular A-87 and with Caltrans' Local Programs Procedures.

Similarly, when an expenditure is eligible for reimbursement from STA, the invoice is sent directly to STA for payment. Unlike SACOG, however, STA does not have to request reimbursement from a third party such as Caltrans, but can reimburse the Authority for eligible expenses directly. No matching funds are required for STA payments.

Accounts Receivable

Accounts receivable are also created and processed through the County's AFS Division. This process is initiated with a request from the Authority's Executive Director that the County issue an invoice. Upon the receipt of such a request, County creates billing documents and records the corresponding transaction. The invoice is then mailed to the Authority's customer or member jurisdiction.

When payments are received, the County's Cashiering section processes the checks, produces the deposit permit, and delivers the document and checks to the Department of Finance, Treasurer's Office, for deposit in the Authority's accounts.

Audits

As required under Government Code section 6505 and the Joint Exercise of Powers Agreement establishing the Authority, an annual audit of the Authority's accounts and records must be performed by an independent certified public accountant within 120 days after the close of each fiscal year. Once complete, the Authority is required to deliver copies of the audit report to each member of the Board and the member jurisdictions.

The Authority's first annual audit is in progress and should be completed before the end of the calendar year. Once complete, the Authority will deliver copies of the audit report to each member of the Board and the member jurisdictions.

Capital SouthEast Connector Board of Directors**Item #6
Presentation**

December 12, 2008

Presentation of Project EIR/EIS Outreach Calendar

Issue: To keep the public informed as to the status of the EIS/EIR process, an extensive public outreach effort will be undertaken in conjunction with the development of the Environmental Document for the project.

Recommendation: Hear a report by staff on the details of the anticipated public outreach calendar for the initial phases of the environmental review process and provide feedback on its content.

Discussion: At last month's Board hearing, the Board heard a presentation on the proposed themes for the EIR/EIS public outreach program. The proposed program relies on a proactive and responsive outreach approach that builds resident/stakeholder confidence in the process as well as conveying respect to especially sensitive areas along the proposed alignment alternatives. Attached to this staff report is a proposed outline for the initial stages of the outreach program.

It can be noted on the attached timetable that both the launch of the web site and stakeholder interviews are proposed to be the first order of work with significant progress in both areas anticipated by year's end. The updated web site is anticipated to be fully operational by the time of this Board meeting with the stakeholder interviews to be completed by mid-January 2009.

The next element of work will be to provide presentation and outreach materials at regularly scheduled community meetings. This will include Community Council meetings, Planning Commissions, larger area-wide Community group meetings and selected regional advocacy group meetings. It is anticipated that these meetings will continue throughout the entire environmental analysis process, concluding with the eventual completion of the final EIR process in December 2010

Jurisdictional updates before County Boards and City Councils will begin in April of 2009 in parallel with public meetings held specifically within the member jurisdictions to obtain input on Alternatives development prior to the release of the Notice of Preparation of the Environmental Document.

Once the actual environmental analysis process is underway on the selected alternatives, monthly small group meetings will be held with selected interest groups to provide information and monitor progress along specific areas of interest. These meetings are expected to continue for the majority of calendar year 2009.

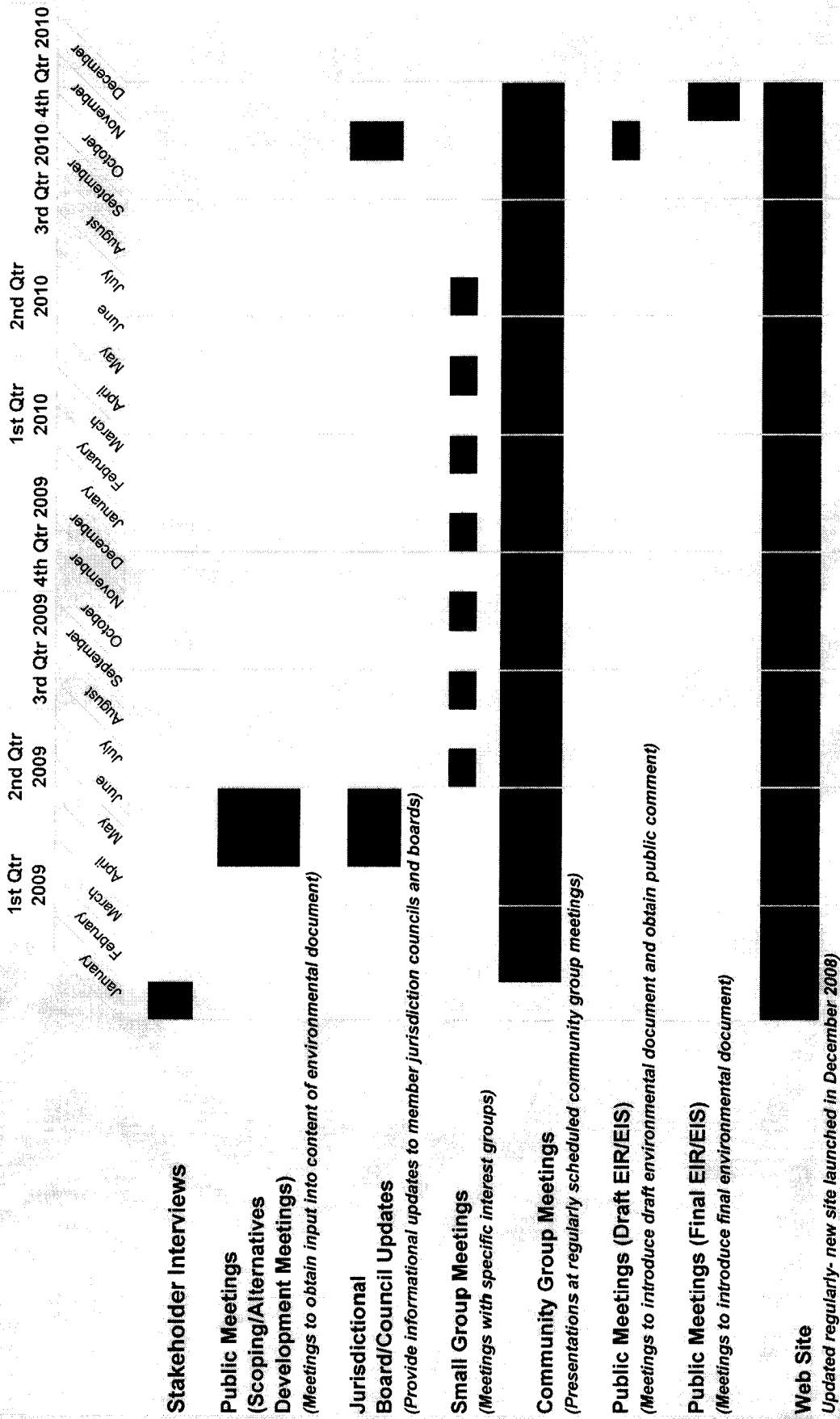
The final meetings of significance on the Outreach timeline are the various meetings associated with the release of the draft EIR. These meetings will be held both within the member jurisdictions and at selected public meeting locations within the corridor to present the findings of the Draft EIR and provide a forum for discussion of the recommended project. These meetings will be in addition to actual JPA Board meetings that will address both the Draft and the Final EIR.

Staff from the Public Outreach team is available at today's meeting to provide additional details and to answer questions, if requested.

Respectfully Submitted,

Tom Zlotkowski
Executive Director

Public Outreach Timeline



Capital SouthEast Connector Board of Directors

**Item # 7
Presentation**

December 12, 2008

Presentation of Project EIR/EIS Environmental Process

Issue: As part of the initial work program for the environmental team, a series of Environmental Prescoping elements will be pursued to support subsequent decisions necessary in the development of the EIR/EIS.

Recommendation: Hear a presentation on the proposed elements of the Environmental Prescoping Activities by the consultant team and provide feedback on its content.

Discussion: The Phase 1 Studies that were provided by SACOG have been of tremendous value to the early development of an environmental report for the Connector Project. Much of the work product from that effort has been the basis for the various alignments and required documentation of the environmental process including:

- Purpose and Need Statement
- Project Description
- Functional Guidelines
- Alternatives Screening

By utilizing this information, the consultant team is now preparing to initiate discussions with the Project Development Team on the update of these materials for use in the EIR/EIS. The firm of ICF Jones and Stokes will be responsible for the development of the technical elements of the environmental document and is here today to provide the Board with an overview of the Prescoping Activities.

Respectfully Submitted,

Tom Zlotkowski
Executive Director

Environmental Process

December 12, 2008

Environmental Team

- Maggie Townsley
 - Project Director
- Vicki Axiag
 - Project Manager

Current Environmental Activities

- Review Phase 1 documentation and mapping for building on for the Tier 1 analysis – December 2008
- Initiate informal contacts with Key Regulatory and Resource Agencies, such as USFWS and USACE – December 2008
- Gather information on the 3 projects for the Tier 2 analysis – December 2008-January 2009
 - White Rock Road from Rancho Cordova City limits to the El Dorado County limit (White Rock Road GPA & Widening Draft EIR)
 - Grant Line Road from Survey Road to Bradshaw
 - Kammerer Road from Bruceville Road to I-5 (draft constraints mapping prepared by City for PSR)

Current Environmental Activities

- Develop a white paper exploring context-sensitive solutions and sustainable design principles to incorporate into the overall project planning for the Connector – January 2009
 - Contact Caltrans' Headquarters' Office of Community Planning, UC Davis Road Ecology unit, ABAG, SCAG, and SACOG
 - Research proposed UW “Greenroad” rating system for sustainable design
 - Research Caltrans and US EPA smart mobility trends and smart mobility screening tools.

Current Environmental Activities

- Preliminary Purpose and Need, Functional Guidelines, and Project Description for Board Approval – February 2009
 - Refine Purpose and Need Statement (Tier 1 and Tier 2)
 - Update traffic data
 - Incorporate sustainable design principles/context sensitive solutions
 - Consistency with functional guidelines
 - Screen Preliminary Tier 1 and Tier 2 Alternatives
 - Identify study area for project corridor

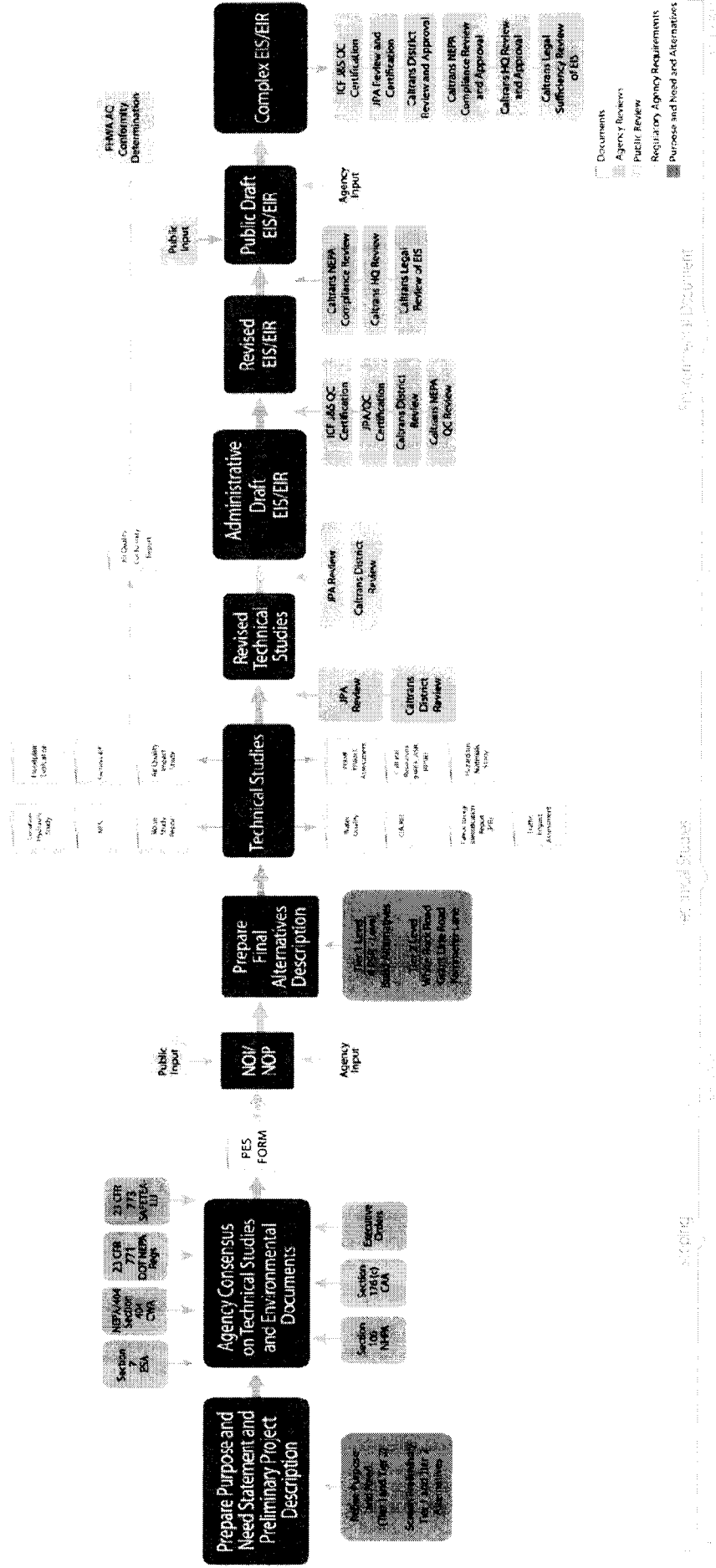
Environmental Process – Next Steps

- Agency Consensus on Technical Studies and Environmental Document – May 2009
 - Prepare information packet for FHWA-CT use in initiating formal Modified NEPA 404 MOU
 - Integration Process with signatory agencies
 - Prepare PES form to be approved by CT for consensus on tech studies and Environmental Document – May 2009

Environmental Process – Next Steps

- Prepare Final Alternatives Description – June 2009
- Prepare NOI/NOP of an EIS/EIR – July 2009
- Initiate Technical Studies – August 2009

Anticipated CEQA/NEPA Clearance Process for Hybrid Tier1/Tier2 EIS/EIR



Capital SouthEast Connector Board of Directors

**Item # 8
Resolution**

December 12, 2008

Recognition of Director Dupray's Service to the Authority

Issue: Recognizing the contribution of Supervisor Rusty Dupray of El Dorado County to the Connector Authority.

Recommendation: Recognize the contribution of Supervisor Dupray and his continued dedication to the Connector Project.

Discussion: Supervisor Dupray was involved in Phase I of the Connector's Environmental Review Process, during which he assisted with the preparation of the draft Purpose and Need Statement, Functional Guidelines, and the development of the Joint Exercise of Powers Agreement that created the Authority as it exists today.

Supervisor Dupray's involvement in the Project continued with his appointment to the Authority's Board of Directors once the Joint Exercise of Powers Agreement was finalized and adopted. In this capacity, Supervisor Dupray has ably represented El Dorado County since the Board's first meeting on May 2, 2007.

During his tenure on the Board of Directors, Supervisor Dupray has been instrumental in encouraging cooperation between the El Dorado County and the other member jurisdictions, and has provided invaluable input on the selection of an environmental consultant, the development of a new name and logo for the Authority, the passage of the Authority's current budget and work plan, and the ongoing development of a five year Funding/Financing Plan.

Though Supervisor Dupray will no longer serve on the Board of the Connector JPA, he will leave behind a strong organization that he was indispensable in creating. The levity Supervisor Dupray brought to each monthly Board meeting will be missed by all, particularly by the Authority's legal counsel.

Respectfully Submitted:

Tom Zlotkowski
Executive Director

RESOLUTION NO. 2008-22

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CAPITAL SOUTHEAST CONNECTOR AUTHORITY
IN RECOGNITION OF THE CONTRIBUTION OF
SUPERVISOR RUSTY DUPRAY TO THE CONNECTOR PROJECT**

WHEREAS, Supervisor Dupray was involved in Phase I of the Connector's Environmental Review Process, during which he assisted with the preparation of the draft Purpose and Need Statement, Functional Guidelines, and the development of the Joint Exercise of Powers Agreement that created the Authority as it exists today,

WHEREAS, Supervisor Dupray has ably represented El Dorado County on the Authority's Board of Directors since the Authority's first Board meeting on May 2, 2007,

WHEREAS, Supervisor Dupray has shown sound judgment and collaborative thinking in the pursuit of JPA related matters that have come before the Board,

WHEREAS, Supervisor Dupray has provided valuable input into the establishment of JPA policies and project related issues,

WHEREAS, Supervisor Dupray is well-deserving of this honorable recognition for his leadership in the development and advancement of the Capital SouthEast Connector Project.

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of the Capital SouthEast Connector Authority hereby recognizes Supervisor Dupray for his continued dedication, commitment, and outstanding leadership towards the advancement of this significant regional facility.

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

* * * * *

PASSED AND ADOPTED this 12th day of December, 2008, by the following vote:

AYES:

NOES:

ABSENT:

Chairperson

ATTEST:

Secretary