

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
2	03/22/10	Open	Action	03/16/10

Subject: Amend and Restate the Cooperative Agreement between RT and Caltrans

ISSUE

Whether to amend and restate the Cooperative Agreement between RT and Caltrans for payment of settlement funds committed to RT as the result of the settlement of a lawsuit between Caltrans, the Environmental Council of Sacramento (ECOS), and Neighbors Advocating Sustainable Transportation (NAST).

RECOMMENDED ACTION

Adopt Resolution 10-03-_____, Amending and Restating the Cooperative Agreement with the State of California, Acting By and Through Its Department of Transportation.

FISCAL IMPACT

No change in the amount of funds received will occur as a result of this action.

DISCUSSION

In 2009, a total of \$7.5 million was committed to RT as the result of the settlement of a lawsuit between Caltrans, ECOS, and NAST. This amount includes \$3.9 million for signal improvements on the Gold Line to allow for the operation of limited stop express trains and to increase the frequency to and from the Hazel light rail station, as well as \$3.6 million to fund 3 years of RT's net operating costs to run 15-minute frequency service to downtown Folsom. The \$3.6 million in operating funds will not be needed until the Gold Line is double-tracked to Folsom.

Caltrans presented RT with a draft Cooperative Agreement that would permit RT to invoice Caltrans for the entire \$7.5 million up front, subject to later repayment of any amounts in excess of RT's actual costs to construct and operate the enhanced facilities and service. Rather than having these funds sit until RT completes the Folsom double-tracking project, Staff proposed to use the \$3.6 million, in the interim, to bridge the funding gap for the Downtown Natomas Airport Minimal Operating Segment I (DNA MOS 1), now known as the Green Line to the River District, through an interfund loan. The source of funding for the settlement is the Sacramento Transportation Authority's (STA) Measure A Capital Improvement Program (CIP).

Staff worked with Caltrans, ECOS, and NAST to gain approval for the use of up to \$3.6 million for the DNA MOS 1 project once the funds were received by RT. There was no opposition to the concept from either Caltrans, ECOS, or NAST representatives on this subject. On September 14, 2009, the Board delegated authority to the General Manager/CEO to execute a Cooperative Agreement reflecting the above terms. Staff executed the cooperative agreement with Caltrans on November 16, 2009 and notified ECOS and NAST through a letter of the planned interim use.

Approved:

Presented:

FINAL 3/18/10

General Manager/CEO

Chief Financial Officer

J:\Board Meeting Documents\2010\March 22, 2010\03-22-10 Amend and Restate Caltrans Agreementv.2.doc

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
2	03/22/10	Open	Action	03/16/10

Subject: Amend and Restate the Cooperative Agreement between RT and Caltrans

On September 14, 2009, the RT Board also authorized the interfund borrowing from the Reserve Fund that was to have been established when settlement funds were received from STA.

RT staff invoiced Caltrans for the full \$7.5 million upon execution of the agreement, Caltrans submitted the invoice to STA for payment and then learned from STA that funds would not be disbursed on other than a reimbursement-for-expenditure basis, even as a mitigation payment for settlement of the lawsuit on the Caltrans Highway 50 project.

Caltrans now seeks to amend the Cooperative Agreement between RT and Caltrans to change the payment methodology and terms to reflect the STA requirement to pay on a reimbursement basis.

STA does not object to the intended use of the funds under the interfund borrowing arrangement on the Green Line project as it is a capital project, and will pay invoices submitted through Caltrans for reimbursement of expenditures. In order to begin invoicing for expenditures on both projects, the Cooperative Agreement must be amended to reflect the change in payment terms from one up-front payment to a series of reimbursements. Work has begun on both the Green Line and signal improvement projects.

Repayment under the interfund borrowing will be to a reserve fund held by RT for future use to fund 3 years of RT's net operating costs to run 15-minute frequency service to downtown Folsom as stipulated in the Cooperative Agreement. The \$3.6 million in operating funds will not be needed until the Gold Line is double-tracked to Folsom.

Staff recommends adoption of the attached Resolution, Amending and Restating the Cooperative Agreement with the California Department of Transportation so that invoicing for reimbursements can begin.

RESOLUTION NO. 10-03-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

March 22, 2010

AMENDING AND RESTATING THE COOPERATIVE AGREEMENT WITH THE STATE OF CALIFORNIA ACTING BY AND THROUGH ITS DEPARTMENT OF TRANSPORTATION

WHEREAS, On November 16, 2009, CALTRANS and RT entered into an agreement for CALTRANS to provide funding not to exceed \$3,900,000 to RT for the Sacramento-Folsom Limited Stop Service and Hazel Frequency Enhancement Project ("RT PROJECT") and another \$3,600,000 for operation and maintenance ("RT PROJECT O&M") costs for RT to operate additional light rail services to provide 15 minutes frequency service between Hazel and Sunrise light rail stations (the "AGREEMENT"); and

WHEREAS, the parties agreed that the \$3.6 million RT PROJECT O&M amount could be borrowed by RT and used for RT's Minimal Operable Segment for the Downtown-Natomas-Airport Rail Corridor Project, hereinafter MOS 1, until October 1, 2014; and

WHEREAS, the AGREEMENT called for CALTRANS to provide \$7.5 million in one lump-sum payment upon receipt of an invoice from RT; and

WHEREAS, the Sacramento Transportation Authority has informed RT and CALTRANS that it will not pay on a lump-sum invoice, but will instead require submission of invoices for reimbursement as costs are incurred for the RT PROJECT, MOS 1 and RT PROJECT O&M; and

WHEREAS, RT and CALTRANS desire to amend the Agreement to revise the payment terms under the agreement to a series of invoices of reimbursements for expenditures made on the projects.

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Amended and Restated Cooperative Agreement between the Sacramento Regional Transit District, therein RT, and the State of California, acting by and through its Department of Transportation, therein "CalTrans", whereby the payment terms are revised to provide for payment on a reimbursement-for-expenditures basis rather than a one-time upfront payment, is hereby approved.

THAT, the General Manager/CEO is hereby authorized and directed to execute said Amended and Restated Cooperative Agreement.

STEVE MILLER, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary