

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
8	04/10/17	Open	Action	04/03/17

Subject: Authorization for the Execution of the Low Carbon Transit Operations Program (LCTOP) and Certifications and Assurances for Fiscal Year 2016/17

## ISSUE

Whether or not to 1) authorize the submittal of project nominations and allocation requests to Caltrans for Fiscal Year 2016/17 Low Carbon Transit Operations Program (LCTOP) for the South Line Phase 2 Light Rail Expansion, Bus Route 25 Enhancement, Connect Card Implementation, and Golden 1 Center Special Event Service projects, and 2) authorize execution of the certifications and assurances for fiscal year 2016/17 LCTOP.

## RECOMMENDED ACTIONS

- A. Resolution: Authorizing the Execution of the Low Carbon Transit Operations Program (LCTOP) Project(s) and Submittal of Project Nominations and Allocation Requests to Caltrans for Fiscal Year 2016/17; and
- B. Resolution: Authorizing the Execution of the Certifications and Assurances and Authorized Agent Forms for Fiscal Year 2016/17 Low Carbon Transit Operations Program

## FISCAL IMPACT

Approval of authority to apply for and receive funds will enable RT to access \$875,171 in FY 2016-17 LCTOP funds to continue operating the South Line Phase 2 Light Rail Extension, Bus Route 25 Enhancement, Connect Card Implementation, and Golden 1 Center Special Event Service projects.

## DISCUSSION

The Low Carbon Transit Operations Program was created in 2014 by Senate Bill (SB) 862 to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities. Eligible LCTOP projects support new or expanded bus or rail service, and/or expand intermodal transit facilities; increase transit mode share; and/or support the purchase of zero emission buses and related equipment/infrastructure. Each project is required to reduce greenhouse gas emissions. For transit agencies serving disadvantaged communities, at least 50% of the LCTOP monies received must be spent on projects that benefit disadvantaged communities. Beginning in FY 2015/16, SB (Senate Bill) 862 continuously appropriates 5 percent of the annual Cap and Trade auction proceeds in the Greenhouse Gas Reduction Fund (GGRF) to LCTOP. RT's share of the FY 2016/17 LCTOP funding is \$875,171, to be divided between 4 continuing projects:

Approved:

Presented:

Final 04/05/17

General Manager/CEO

VP, Finance/Chief Financial Officer

J:\Board Meeting Documents\2017\05 April 10, 2017\2017-410 Authorize FY16\_17 LCTOP Program rev1.doc

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8	04/10/17	Open	Action	04/03/17

Subject: Authorization for the Execution of the Low Carbon Transit Operations Program (LCTOP) and Certifications and Assurances for Fiscal Year 2016/17

The South Line Phase 2 Light Rail Extension project started operations in August 2015. RT is requesting FY 2016/17 LCTOP funds to help cover FY 2017/18 operations costs of this light rail expansion project.

Bus Route 25 increased service frequency on a portion of the route and extended a bus turnaround beginning September 2015. RT is requesting FY 2016/17 LCTOP funds to help cover the operations cost of the enhancement in FY 2017/18.

The Connect Transit Card project commenced operations on a limited, phase in basis in November 2016. RT is requesting FY 2016-17 LCTOP funds to help cover operations cost in FY 2017-18.

The Golden 1 Center Special Event Service commenced operations in October 2016. RT is requesting FY 2016-17 LCTOP funds to help cover operations costs in FY 2017-18.

RT's service area includes multiple disadvantaged communities (DACs). All of the above projects are located in, or near, one or more disadvantaged communities, and more than 50% of the LCTOP funds are intended to benefit DACs, which is the minimum spending requirement for this purpose.

The LCTOP program requires an RT Board Resolution approving projects for which RT is requesting LCTOP funds. The resolution includes the amount of LCTOP funds requested, a description of the project, and the contributing sponsors. In addition, an RT Board resolution is required to approve the self-certification that RT will meet all requirements of the LCTOP guidelines, including reporting deadlines (Exhibit B- "Certifications and Assurances"). The deadline to apply for LCTOP funds for FY2016/17 was March 30, 2017. Because RT only had one Board meeting in March, we were unable to bring these resolutions to the Board before the deadline. RT discussed this with Caltrans and Caltrans advised RT staff to submit RT's applications by the deadline and submit these resolutions once approved by the Board. In approving the attached resolutions, the Board will be ratifying the actions taken by the General Manager/CEO to meet the March 30, 2017 deadline. If the Board does not approve these resolutions, RT staff will rescind the applications.

In Resolution, 16-01-08, the Board authorized the General Manager/CEO to execute documents necessary for the purpose of obtaining LCTOP funding, including certifications and assurances.

Staff recommends that the Board 1) authorize the submittal of project nominations and allocation requests to Caltrans for Fiscal Year 2016/17 Low Carbon Transit Operations Program (LCTOP) for the South Line Phase 2 Light Rail Expansion, Bus Route 25 Enhancement, Connect Card Implementation, and Golden 1 Center Special Event Service, for the amounts indicated in Exhibit A, and 2) approve certification that RT will meet all requirements of the FY 2016/17 LCTOP guidelines (Certifications and Assurances).

RESOLUTION NO. 17-04-\_\_\_\_\_

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

April 10, 2017

**AUTHORIZING THE EXECUTION OF THE LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP) PROJECT(S) AND SUBMITTAL OF PROJECT NOMINATIONS AND ALLOCATION REQUESTS TO CALTRANS FOR FISCAL YEAR 2016/17**

WHEREAS, the Sacramento Regional Transit District is an eligible project sponsor and may receive state funding from the Low Carbon Transit Operations Program (LCTOP) now or sometime in the future for transit projects, and

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

WHEREAS, Senate Bill 862 (2014) named the Department of Transportation (Department) as the administrative agency for the LCTOP; and

WHEREAS, the Department has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors (local agencies); and

WHEREAS, the Sacramento Regional Transit District wishes to implement the LCTOP projects listed in Exhibit A.

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

THAT, the Board agrees to comply with all conditions and requirements, including Disadvantaged Community (DAC) requirements, set forth in the applicable statutes, regulations and guidelines for all LCTOP funded transit projects.

THAT, the Board hereby authorizes the submittal of the project nominations and allocation requests to the Department in FY 2016/17 LCTOP funds for the projects listed in Exhibit A.

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ANDREW J. MORIN, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary

**SACRAMENTO REGIONAL TRANSIT DISTRICT  
FY 2016/17 LOW CARBON OPERATIONS PROGRAM (LCTOP)  
ALLOCATION REQUEST PROJECT LIST**

**1) South Line Phase 2 Light Rail Expansion**

LCTOP Funds requested: \$ 771,475

Description: Operate the Phase 2 segment in FY 2017/18

Contributing Sponsor: SACOG

DAC Status: In or near multiple DACs

**2) Bus Route 25 Enhancement**

LCTOP Funds requested: \$ 31,989

Description: Operate enhancement of Bus Route 25 in FY 2017/18.

Contributing Sponsor: SACOG

DAC Status: Near a DAC

**3) Connect Transit Card**

LCTOP Funds requested: \$ 20,862

Description: Operate universal fare card system in the Sacramento region in FY 2017/18

Contributing Sponsor: SACOG

DAC Status: In or near multiple DACs

**4) Golden 1 Center Special Event Service**

LCTOP Funds requested: \$ 50,845

Description: Operate Light Rail Service after major events at the downtown Golden 1 Center in FY 2017/18

Contributing Sponsor: SACOG

DAC Status: In or near multiple DACs

RESOLUTION NO. 17-04-\_\_\_\_\_

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

April 10, 2017

**AUTHORIZING THE EXECUTION OF THE CERTIFICATIONS AND ASSURANCES  
AND AUTHORIZED AGENT FORMS FOR FISCAL YEAR 2016/17 LOW CARBON  
TRANSIT OPERATIONS PROGRAM**

WHEREAS, the Sacramento Regional Transit District is an eligible project sponsor and may receive state funding from the Low Carbon Transit Operations Program (LCTOP) for transit projects, and

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

WHEREAS, Senate Bill 862 (2014) named the Department of Transportation (Department) as the administrative agency for the LCTOP; and

WHEREAS, the Department has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors (local agencies); and

WHEREAS, the Sacramento Regional Transit District Board wishes to delegate authorization to execute these documents and any amendments thereto to Henry Li, RT's General Manager/CEO.

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

THAT, the Board hereby agrees to comply with all conditions and requirements set forth in the Certifications and Assurances listed in Exhibit B for all Fiscal Year 2016/17 LCTOP funded transit projects.

THAT, the Board authorizes Henry Li, RT General Manager/CEO be authorized to execute all required documents of the LCTOP program and any amendments thereto with the California Department of Transportation.

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ANDREW J. MORIN, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary

Lead Agency: 0

Project Name: 0

Prepared by: 0

The California Department of Transportation (Caltrans) has adopted the following Certifications and Assurances for the Low Carbon Transit Operations Program (LCTOP). As a condition of the receipt of LCTOP funds, project lead must comply with these terms and conditions.

**A. General**

1. The project lead agrees to abide by the current LCTOP Guidelines and applicable legal requirements.
2. The project lead must submit to Caltrans a signed Authorized Agent form designating the representative who can submit documents on behalf of the project sponsor and a copy of the board resolution appointing the Authorized Agent.

**B. Project Administration**

1. The project lead certifies that required environmental documentation is complete before requesting an allocation of LCTOP funds. The project lead assures that projects approved for LCTOP funding comply with Public Resources Code § 21100 and § 21150.
2. The project lead certifies that a dedicated bank account for LCTOP funds only will be established within 30 days of receipt of LCTOP funds.
3. The project lead certifies that when LCTOP funds are used for a transit capital project, that the project will be completed and remain in operation for its useful life.
4. The project lead certifies that it has the legal, financial, and technical capacity to carry out the project, including the safety and security aspects of that project.
5. The project lead certifies that they will notify Caltrans of pending litigation, dispute, or negative audit findings related to the project, before receiving an allocation of funds.
6. The project lead must maintain satisfactory continuing control over the use of project equipment and facilities and will adequately maintain project equipment and facilities for the
7. Any interest the project lead earns on LCTOP funds must be used only on approved LCTOP
8. The project lead must notify Caltrans of any changes to the approved project with a Corrective Action Plan (CAP).
9. Under extraordinary circumstances, a project lead may terminate a project prior to completion. In the event the project lead terminates a project prior to completion, the project lead must (1) contact Caltrans in writing and follow-up with a phone call verifying receipt of such notice; (2) pursuant to verification, submit a final report indicating the reason for the termination and demonstrating the expended funds were used on the intended purpose; (3) submit a request to reassign the funds to a new project within 180 days of termination.
10. Funds must be encumbered and liquidated within the time allowed

### C. Reporting

1. The project lead must submit the following LCTOP reports:
  - a. Semi-Annual Progress Reports by May 15th and November 15th each year.
  - b. A Final Report within six months of project completion.
  - c. The annual audit required under the Transportation Development Act (TDA), to verify receipt and appropriate expenditure of LCTOP funds. A copy of the audit report must be submitted to Caltrans within six months of the close of the year (December 31) each year in which LCTOP funds have been received or expended.
2. Other Reporting Requirements: ARB is developing funding guidelines that will include reporting requirements for all State agencies that receive appropriations from the Greenhouse Gas Reduction Fund. Caltrans and project sponsors will need to submit reporting information in accordance with ARB's funding guidelines, including reporting on greenhouse gas reductions and benefits to disadvantaged communities.

### D. Cost Principles

1. The project lead agrees to comply with Title 2 of the Code of Federal Regulations 225 (2 CFR 225), Cost Principles for State and Local Government, and 2 CFR, Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local
2. The project lead agrees, and will assure that its contractors and subcontractors will be obligated to agree, that:
  - a. Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allow ability of individual project cost items and
  - b. Those parties shall comply with Federal administrative procedures in accordance with 2 CFR, Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments. Every sub-recipient receiving LCTOP funds as a contractor or sub-contractor shall comply with Federal administrative procedures in accordance with 2 CFR, Part 200, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
3. Any project cost for which the project lead has received funds that are determined by subsequent audit to be unallowable under 2 CFR 225, 48 CFR, Chapter 1, Part 31 or 2 CFR, Part 200, are subject to repayment by the project lead to the State of California (State). All projects must reduce greenhouse gas emissions, as required under Public Resources Code section 75230, and any project that fails to reduce greenhouse gases shall also have its project costs submit to repayment by the project lead to the State. Should the project lead fail to reimburse moneys due to the State within thirty (30) days of demand, or within such other period as may be agreed in writing between the Parties hereto, the State is authorized to intercept and withhold future payments due the project lead from the State or any third-party source, including but not limited to, the State Treasurer and the State Controller.

**A. Record Retention**

1. The project lead agrees, and will assure that its contractors and subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate incurred project costs and matching funds by line item for the project. The accounting system of the project lead, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles (GAAP), and enable the determination of incurred costs at interim points of completion. All accounting records and other supporting papers of the project lead, its contractors and subcontractors connected with LCTOP funding shall be maintained for a minimum of three (3) years after the "Project Closeout" report or final Phase 2 report is submitted (per ARB Funding Guidelines, Vol. 3, page 3.A-16), and shall be held open to inspection, copying, and audit by representatives of the State and the California State Auditor. Copies thereof will be furnished by the project lead, its contractors, and subcontractors upon receipt of any request made by the State or its agents. In conducting an audit of the costs claimed, the State will rely to the maximum extent possible on any prior audit of the project lead pursuant to the provisions of federal and State law. In the absence of such an audit, any acceptable audit work performed by the project lead's external and internal auditors may be
  
2. For the purpose of determining compliance with Title 21, California Code of Regulations, Section 2500 et seq., when applicable, and other matters connected with the performance of the project lead's contracts with third parties pursuant to Government Code § 8546.7, the project sponsor, its contractors and subcontractors and the State shall each maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts. All of the above referenced parties shall make such materials available at their respective offices at all reasonable times during the entire project period and for three (3) years from the date of final payment. The State, the California State Auditor, or any duly authorized representative of the State, shall each have access to any books, records, and documents that are pertinent to a project for audits, examinations,
  
3. The project lead, its contractors and subcontractors will permit access to all records of employment, employment advertisements, employment application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission, or any other agency of the State of California designated by the State, for the purpose of any investigation to ascertain compliance with this document.

**F. Special Situations**

Caltrans may perform an audit and/or request detailed project information of the project sponsor's LCTOP funded projects at Caltrans' discretion at any time prior to the completion of the LCTOP.

I certify all of these conditions will be met.

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(Print Authorized Agent)

0  
(Title)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)