



CITY OF  
**FOLSOM**  
DISTINCTIVE BY NATURE

## Folsom City Council Staff Report

<b>MEETING DATE:</b>	10/27/2020
<b>AGENDA SECTION:</b>	Consent Calendar
<b>SUBJECT:</b>	Resolution No. 10540 - A Resolution Authorizing the City Manager to Execute a Memorandum of Understanding Agreement with the Capital SouthEast Connector Joint Powers Authority for the Capital SouthEast Connector Segment D3(A), Project No. PW1607, Federal Project No. 5288(046)
<b>FROM:</b>	Public Works Department

### **RECOMMENDATION / CITY COUNCIL ACTION**

The Public Works Department recommends that the City Council pass and approve Resolution No. 10540 - A Resolution Authorizing the City Manager to Execute a Memorandum of Understanding Agreement with the Capital SouthEast Connector Joint Powers Authority for the Capital SouthEast Connector Segment D3(A), Project No. PW1607, Federal Project No. 5288(046).

### **BACKGROUND / ISSUE**

The planned Capital SouthEast Connector is a 34-mile limited-access roadway spanning from U.S. 50 at Silva Valley Parkway interchange in El Dorado County to Interstate 5 at the Hood-Franklin Interchange in Elk Grove. The Connector is planned to be constructed in segments as funding and priorities allow. Segment D3 includes the length of the Connector that borders the City of Folsom and Sacramento County from Prairie City Road to the El Dorado County Line. Segment E1 is the El Dorado County Segment that Segment D3 ties into.

Segment D3 has been further segmented into two additional segments: D3(A) and D3(B). Segment D3(A) will upgrade existing White Rock Road to a four-lane expressway beginning near the intersection of Prairie City Road and continuing through the intersection of East Bidwell Street. The project entails constructing four lanes between these two major intersections, including a bridge over Alder Creek. The bridge also serves as a “wildlife crossing,” as contemplated in the South Sacramento Habitat Conservation Plan.

The project is a complete reconstruction that will create a new alignment of White Rock Road adjacent and immediately south of the existing White Rock Road. The existing White Rock Road will remain open to traffic during construction.

The City of Folsom is leading the construction of this project on behalf of the Capital SouthEast Connector Joint Powers Authority (JPA) and in collaboration with Sacramento County.

The City has secured Surface Transportation Block Grant Program (STBG) and SB1 funding from Sacramento Area Council of Governments (SACOG) in partnership with the Capital SouthEast Connector JPA. A request for authorization to proceed with construction was submitted to Caltrans on May 15, 2020. The Authorization to Proceed (E-76) was received on June 25, 2020 and the subsequent Supplemental Agreement was received on August 8, 2020.

The Memorandum of Understanding with the Capital SouthEast Connector Joint Powers (JPA) authority will identify any additional financial transactions and/or responsibilities between the City and JPA. Additional grant funding has been sought by the JPA to supplement Rubberized Asphalt and for some funding for the recently completed Utility Corridor Grading Project.

### **POLICY / RULE**

Execution of a Memorandum of Understanding Agreement between Agencies require City Council approval.

### **ANALYSIS**

Memorandum of Understanding provides the framework of transactions between the City of Folsom and Capital SouthEast Connector Joint Powers Authority.

The construction project has held a public bid opening and award is to be presented to City Council at the October 27, 2020 meeting along with the award for the Construction Engineering Contracts.

### **FINANCIAL IMPACT**

The Capital SouthEast Connector JPA will provide \$30,000 to supplement funding for the Utility Corridor Grading Project.

The Capital SouthEast Connector JPA will reimburse the City up to \$220,000 from a Cal Recycle Grant they have recently received to supplement the Rubberized Hot Mix Asphalt placed on the project.

All funds received by the City will be placed in the Transportation Impact Fund (Fund 446).

The project budget for construction and construction engineering is as follows:

The Capital SouthEast Connector Segment D3A is eligible to receive funds from FAST Act funding based on a SACOG Regional Surface Transportation Block Grant and SB1 Funding. Funding for construction and construction engineering is shown below:

Fund	Fund Type	Amount
FAST Act	Surface Transportation Block Grant to match SB-1 Funding 1 to 1 at \$10,000,000	\$15,000,000
SB1	Competitive	\$10,000,000
Local Transportation Fund (446)	To match Surface Transportation Block Grant of \$15,000,000 at 11.47%	\$1,720,500
Local Transportation Fund (446)	To Cover Balance of Project Funding	\$1,194,896
	Project Budget for Construction	\$27,915,396

The FAST Act funding requires a local match of 11.47%. The Transportation Fund (Fund 446) will be utilized to meet the required match of \$1,720,500. The SB1 Funding requires a match of 100%, of which the FAST Act funding will be utilized for the match. The Fast Act Grant and will be reimbursed by Caltrans.

The FY 2020-21 Capital Improvement Plan (CIP) included the Capital SouthEast Connector project with a project budget of \$5,550,000. Award of the construction and construction engineering agreements will be presented to the City Council on October 27, 2020.

**ENVIRONMENTAL REVIEW**

In 2016 the Capital SouthEast Connector JPA approved a California Environmental Quality Act (CEQA) Tiered Initial Study with Mitigated Negative Declaration for the Capital Southeast Connector Segment D3/E1.

Caltrans approved the National Environmental Policy Act (NEPA) Categorical Exclusion for Segment D3/E1.

The project is not located in an environmentally sensitive area and would not result in potential impacts to the environment, including traffic, noise, air quality and water quality.

**ATTACHMENTS**

1. Resolution No. 10540 - A Resolution Authorizing the City Manager to Execute a Memorandum of Understanding Agreement with the Capital SouthEast Connector

Joint Powers Authority for the Capital SouthEast Connector Segment D3(A), Project  
No. PW1607, Federal Project No. 5288(046)

2. Memorandum of Understanding Agreement

Submitted,



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Dave Nugen, PUBLIC WORKS DIRECTOR

# **ATTACHMENT 1**

**RESOLUTION NO. 10540**

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A MEMORANDUM OF UNDERSTANDING AGREEMENT WITH THE CAPITAL SOUTHEAST CONNECTOR JOINT POWERS AUTHORITY FOR THE CAPITAL SOUTHEAST CONNECTOR SEGMENT D3(A), PROJECT NO. PW1607, FEDERAL PROJECT NO. 5288(046)**

**WHEREAS**, the Capital SouthEast Connector Project is the Sacramento region's largest single transportation project; and

**WHEREAS**, the City of Folsom is a Member Jurisdiction of the Capital SouthEast Connector Joint Powers Authority and will implement the Project; and

**WHEREAS**, the Capital SouthEast Connector Project has, to date, been funded primarily through a Sacramento County sales-tax measure approved in 2004 by 75 percent of voters; and

**WHEREAS**, the Capital SouthEast Connector Project has developed a program development budget that requires the use of Federal and State funds to advance the project towards timely construction; and

**WHEREAS**, the City of Folsom desires to construct the Capital SouthEast Connector Project Segment D3(A) along the City's border to four lanes with two eight foot shoulders; and

**WHEREAS**, the City of Folsom received Surface Transportation Black Grant Program funding, and is eligible for federal reimbursement; and

**WHEREAS**, the City of Folsom received SB-1 funding, and is eligible for state reimbursement; and

**WHEREAS**, the City of Folsom and Capital SouthEast Connector Joint Powers Authority desires to enter into a Memorandum of Understanding; and

**WHEREAS**, the Memorandum of Understanding will identify responsibilities and financial transactions between the City and Capital SouthEast Connector Joint Powers Authority; and

**WHEREAS**, funds received will be credited to Transportation Fund (Fund 446); and

**WHEREAS**, the agreement will be in a form acceptable to the City Attorney;

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Folsom authorizes the City Manager to Execute a Memorandum of Understanding with the Capital SouthEast Joint Powers Authority for the Capital SouthEast Connector Segment D3(A), Project No. PW1607, Federal Project No. 5288(046).

**PASSED AND ADOPTED** this 27<sup>th</sup> day of October 2020, by the following roll-call vote:

**AYES:** Council Member(s):  
**NOES:** Council Member(s):  
**ABSENT:** Council Member(s):  
**ABSTAIN:** Council Member(s):

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Sarah Aquino, MAYOR

ATTEST:

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Christa Freemantle, CITY CLERK

## **ATTACHMENT 2**



**MEMORANDUM OF UNDERSTANDING**  
**BETWEEN THE CAPITAL SOUTHEAST CONNECTOR JPA AND THE CITY OF**  
**FOLSOM RELATED TO A PORTION OF SEGMENT D3 OF THE CAPITAL**  
**SOUTHEAST CONNECTOR EXPRESSWAY**

This Memorandum of Understanding (“MOU”) is made and entered into on this \_\_\_ day of October, 2020 by and between the Capital Southeast Connector Joint Powers Authority, a joint powers authority, (“JPA”) and the City of Folsom, a Municipal Corporation (“City”).

**RECITALS**

**WHEREAS**, the City and JPA have collaborated on the design of a portion of Segment D3 of the Capital Southeast Connector Expressway beginning at the intersection of Prairie City Road and continuing to the intersection of East Bidwell Street (the “Project”); and

**WHEREAS**, the Project involves the construction of four lanes and a bridge over Alder Creek, which will result in a new alignment of White Rock Road adjacent and immediately south of its existing location; and

**WHEREAS**, on May 13, 2020, the California Transportation Commission authorized \$25 million for construction of the Project; and

**WHEREAS**, the City received construction authorization from the California Department of Transportation (“Caltrans”) on June 25, 2020 and subsequently released the Project for bid; and

**WHEREAS**, the City and JPA desire to address certain ancillary issues related to costs associated with preliminary grading for the Project and the use of funds awarded to the JPA in connection the Department of Resources Recycling and Recovery (“CalRecycle”) Fiscal Year 2019-20 Rubberized Pavement Grant Program, Grant Number TRP12-19-0002 (the “Grant”).

**NOW, THEREFORE**, the parties hereto, in consideration of the mutual covenants, promises, and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, do hereby agree as follows:

1. **Recitals**. The above recitals are true and correct and are hereby made a part of this MOU.
2. **Term**. This MOU shall terminate on April 1, 2022 or upon completion of the Project, whichever is sooner.
3. **Project Utility Grading**. Within sixty (60) days of execution of this MOU, the JPA shall pay the City thirty thousand dollars (\$30,000.00) for use in connection with certain Project costs associated with preliminary grading related to utility relocations.
4. **Reimbursement of Grant Funds**. The parties acknowledge the JPA has been awarded Grant funds in an amount not to exceed two hundred twenty thousand dollars (\$220,000.00) and that the Grant is reimbursement based in accordance with rates established in the Grant agreement. In connection with the Project and consistent with the terms of the Grant

agreement, the JPA shall seek reimbursement of all eligible costs and expenses from Grant funds awarded to the Project and remit any such Grant reimbursement received to the City. The City shall provide all requisite information and supporting documentation necessary for the completion of any forms, reports and documents required in connection with seeking reimbursement of Grant funds. The JPA and City acknowledge that determination of eligibility of costs and expenses for reimbursement is made by exclusively by CalRecycle in accordance with the terms of the Grant agreement and that the JPA is only obligated to remit to the City as reimbursement any Grant funds received by the JPA.

5. Eligibility for Receipt of Grant Funds. The City hereby certifies that California Labor Code Section 1782 does not prohibit the City from receiving state funds for the Project. The City further certifies that it complies with California Labor Code Section 1770-1782.
6. Amendment. This MOU and all of the covenants and conditions set forth herein, may be modified, amended or terminated only by a writing duly authorized and executed by both the City and the JPA.
7. Construction and Interpretation. It is agreed and acknowledged by the parties hereto that the provisions of this MOU have been arrived at through negotiation, and that each of the parties has had a full and fair opportunity to revise the provisions of this MOU and to have such provisions reviewed by legal counsel. Therefore, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this MOU.
8. Venue. This MOU and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this MOU shall be held exclusively in a state court in Sacramento County.
9. Severability. If any provision of this MOU is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of this MOU shall not be affected, except as necessarily required by the invalid provisions, and shall remain in full force and effect unless amended or modified by mutual consent of the parties.
10. Notices. All notices, requests, certifications or other correspondence required to be provided by the parties to this MOU shall be in writing and shall be personally delivered or delivered by first class mail to the respective parties at the following addresses:

CITY

City of Folsom  
Attn: City Manager  
50 Natoma Street  
Folsom, CA 95630

JPA

Capital SouthEast Connector JPA

Attn: Executive Director

10640 Mather Blvd., Ste. 120

Mather, CA 95655

Notice by personal delivery shall be effective immediately upon delivery. Notice by mail shall be effective upon receipt or three days after mailing, whichever is earlier.

11. Counterparts. This MOU may be executed in multiple counterparts, each of which shall constitute an original, and all of which taken together shall constitute one and the same instrument. Documents executed, scanned, and transmitted electronically and electronic signatures shall be deemed original signatures for purposes of this Agreement and all matters related thereto, with such scanned and electronic signatures having the same legal effect as original signatures.

[SIGNATURES ON NEXT PAGE]

**IN WITNESS WHEREOF**, the parties hereto have executed this MOU in the County of Sacramento, State of California, on the date set forth above.

**CITY OF FOLSOM**

\_\_\_\_\_  
Elaine Andersen, City Manager

Approved as to Form:

\_\_\_\_\_  
Steven Wang, City Attorney

Attest:

\_\_\_\_\_  
Dave Nugen, Public Works Director

\_\_\_\_\_  
Stacey Tamagni, Finance Director

\_\_\_\_\_  
Christa Freemantle, City Clerk

**CAPITAL SOUTHEAST CONNECTOR AUTHORITY**

\_\_\_\_\_  
Derek Minnema, Executive Director

Approved as to Form:

\_\_\_\_\_  
Sloan Sakai Yeung & Wong, LLP  
Legal Counsel to JPA