Capital Area Regional Tolling Authority
Board of Directors—Special Meeting

Wednesday, November 18, 2026, at 3:30 p.m.
SACOG Board Room
1415 L Street, Suite 300
Sacramento, CA 95814

Pursuant to California Government Code Section 54956, a special meeting of the Capital Area Regional Tolling Authority Board of Directors will be held in person, consistent with California Government Code Section 54953.

Attend or watch

- Attend the meeting at the location noted above
- Watch on CARTA's YouTube channel where the meeting will be streamed. If you do not see the live broadcast, indicated by the red "live" icon, refresh your browser.

Provide public comment - Public comment will not be accepted through the livestream or by telephone. Members of the public may provide comments on items listed on this special meeting agenda before or during the Board's consideration of those items. Comments may be submitted in person or in writing as described below.

• ***In-person*:**
Public comment may be made in person at the SACOG Board Room. Speakers will have three minutes to speak unless a different time is established by the Chair. Please complete a speaker form and provide it to the Clerk.

• ***Written:***
Written comment may be submitted via email to the clerk at rtadevich@sacog.ca.gov or by regular mail sent to the SACOG offices (see address above). Written comments received at least 24 hours before the meeting will be shared with the Board in advance. Comments received after that deadline will be shared with the Board as soon as practicable. Written comments will not be read into the record.

Agenda Timing: Time durations are estimates only. The Board may consider agenda items in an order different from those listed. Action may be taken only on items identified on this special meeting agenda.

Writings, Documents, Supplemental Materials: Any writings or documents provided to a majority of this board regarding any item on this agenda (other than writings legally exempt from public disclosure) are available on CARTA's website: https://carta.ca.gov/board-meetings

Accessibility and Title VI: CARTA provides access to all agenda and meeting materials online at https://carta.ca.gov/. Additionally, interested persons can sign up for email notifications at https://carta.ca.gov/about. CARTA provides modifications or accommodations, auxiliary aids or services, including receiving this agenda and attachments in an alternative format in order to participate in this meeting. CARTA also provides services/accommodations to individuals who are limited-English proficient who wish to address agency matters. For accommodation or translation assistance, please call (916) 321-9000, or for TDD/TTY dial 711, or email at contact@carta.ca.gov. We require three working days' notice to accommodate your request.

La CARTA puede proveer asistencia/facilitar la comunicación a las personas y los individuos con conocimiento limitado del inglés quienes quieran dirigirse a la agencia. Para asistencia, por favor llame al número 916.321.9000 o para TDD/TTY llame al numero 711, o email a contact@carta.ca.gov. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

Pledge of Allegiance

Roll Call: Directors Chapman, Hicks, Kennedy, Vice Chair Early, Chair Villegas, and Ex-Officio Members Click, Deloria and Talamantes

Public Communications: Members of the public may address the Board on any item listed on this special meeting agenda before or during the Board's consideration of that item. No other business may be considered at this special meeting.

Disclosures: Directors will disclose any item in which they have a conflict of interest under state law, and acknowledge whether they will recuse from that item. Among other state laws, the Levine Act may require recusal on items involving a contract or entitlement where a campaign donor is a participant.

Consent:

1. October 14, 2026, Meeting Minutes (0 minutes, Robert Tadevich, SACOG)
   a. Issue: Approval of the meeting minutes from the prior CARTA Board meeting
   b. Attachment 1A: Minutes

2. Amended Conflict of Interest Code (0 minutes, Kathleen Aziz, CARTA)
   a. Issue: Amend Conflict of Interest Code to add executive director position
   b. Attachment 2A: Staff Report
   c. Attachment 2B: Amendment

3. 2027 Board Meeting Schedule (0 minutes, Robert Tadevich, SACOG)
   a. Issue: Approval of the 2027 board meeting schedule
   b. Attachment 3A: Staff Report

c. Attachment 3B: Resolution

Action:

4. Fiscal Year 2025 and Fiscal Year 2026 Audited Annual Financial Reports (10 minutes, Nathan Edelman, Eide Bailly)
   a. Issue: Accept the final Audited Financial Reports for CARTA's first two fiscal years (FY)
   b. Attachment 4A: Staff Report
   c. Attachment 4B: FY 2025 and FY 2026 Audited Annual Financial Reports
   d. Attachment 4C: FY 2025 and FY 2026 Board Communications Letters

5. Personnel and Travel Policies, Injury and Illness Prevention Program, and Workplace Violence Prevention Plan (5 minutes, Kathleen Aziz, CARTA)
   a. Issue: Approval of three documents CARTA must maintain as an employer
   b. Attachment 5A: Staff Report
   c. Attachment 5B: Personnel and Travel Policies
   d. Attachment 5C: Injury and Illness Prevention Program
   e. Attachment 5D: Workplace Violence Prevention Plan

6. California Toll Operators Committee Agreement (5 minutes, Kathleen Aziz, CARTA)
   a. Issue: Approval of the California Toll Operators Committee (CTOC) agreement
   b. Attachment 6A: Staff Report
   c. Attachment 6B: CTOC Agreement

7. Transportation Corridor Agencies Back Office Services Agreement (15 minutes, Chadi Chazbek, Kimley-Horn)
   a. Issue: Approval of the Transportation Corridor Agencies (TCA) agreement
   b. Attachment 7A: Staff Report
   c. Attachment 7B: TCA Agreement
   d. Attachment 7C: Presentation

8. Sac 5 Revenue Forecast and Next Steps (25 minutes, Kathleen Aziz, CARTA & Carlos Contreras, C&M Associates)
   a. Issue: Discussion of the Sac 5 traffic and revenue (T&R) study results
   b. Attachment 8A: Staff Report
   c. Attachment 8B: Presentation

Information:

9. Toll Revenue Investment Plan: Policy Priorities (30 minutes, Kathleen Aziz, CARTA)
   a. Issue: Discussion of policy priorities for future Yolo 80 toll revenue
   b. Attachment 9A: Staff Report
   c. Attachment 9B: Presentation

10. CARTA Executive Director's Report (5 minutes, Kathleen Aziz, CARTA)
    a. Issue: A brief report from the CARTA Executive Director
    b. Attachment 10A: Staff Report
    c. Attachment 10B: Presentation

Closed Session:

11. CLOSED SESSION: PUBLIC EMPLOYEE PERFORMANCE EVALUATION (20 minutes, Andreas Booher, General Counsel)
    a. Government Code Section 54957(b)(1)
    Title: Executive Director

Receive and File:

12. Caltrans Yolo 80 Construction Update (0 minutes, Gurtej Bhattal, Caltrans)
    a. Issue: Informational report on status of Yolo 80 construction contract
    b. Attachment 12A: Staff Report
    c. Attachment 12B: Presentation

Adjournment

The next meeting of CARTA will be held on Wednesday, December 9, 2026, at 1:00 p.m. in the SACOG Board Room, 1415 L Street, Suite 300, Sacramento, CA.

This agenda and attachments are available on CARTA's website at https://carta.ca.gov/. *CARTA is accessible to the disabled. As required by Section 202 of the Americans with Disabilities Act of 1990 and the Federal Rules and Regulations adopted in implementation thereof, a person who requires a modification or accommodation, auxiliary aids or services in order to participate in a public meeting, including receiving this agenda and attachments in an alternative format, should contact CARTA by phone at (916) 321-9000, email contact@carta.ca.gov or in person as soon as possible and preferably at least 72 hours prior to the meeting. Parking is available at the meeting location. To take transit to a meeting, go to google.com/maps.*

Capital Area Regional Tolling Authority

Meeting Date: November 18, 2026
Agenda Item: 1

Approve Minutes of the October 14, 2026, Board Meeting

Prepared By: Robert Tadevich, SACOG
Attachments: Yes

Recommendation:
Staff recommend approval of the minutes as submitted.

Background:
The board met on October 14, 2026.

Discussion:
Each meeting the board is asked to approve the minutes (Attachment 1A) from the prior meeting.

Attachments:
1A: CARTA October 14, 2026, Minutes

Capital Area Regional Tolling Authority

1415 L Street,
Suite 300
Sacramento, CA
95814

www.captollauthority.org

CARTA Board of Directors

Draft Action Minutes

The CARTA Board of Directors met in person on October 14, 2026, at 1:00 p.m. at the CARTA office, 1415 L Street, Suite 300, Sacramento, CA.

Call to Order: Chair Villegas called the meeting to order at 1:01 p.m.

Present: Directors Aceves, Chapman, Vice Chair Early, Chair Villegas and Ex-Officio Members Click and Talamantes

Absent: Director Kennedy and Ex-Officio Member Deloria

Public Communications: None

Consent: It was moved, seconded (Aceves/Chapman), and passed by unanimous vote that the following Consent item be approved:

1. Minutes of the September 30, 2026, Board Meeting

Action:

2. Records Retention Policy

   Kathleen Aziz, CARTA Executive Director, presented the report. Following discussion, it was moved by Vice Chair Early, seconded by Director Aceves, and passed by unanimous vote that the CARTA Board:

   Adopt by Resolution 08-2026 a Records Retention and Destruction Policy for CARTA (Attachment 2B).

Information:

3. Equity Study Scope and Early Analysis

   The Board received and reviewed this report, presented by Tatum Lau and Aryeh Cohen of AECOM, and Julia Yankslowitz and Mona Abboud of InterEthnica.

4. Toll Revenue Investment Plan: Reserve, Replacement, Repayment Scenarios

   The Board received and reviewed this report, presented by Kathleen Aziz, CARTA Executive Director.

5. CARTA Executive Director's Report

   The Board received and reviewed this report, presented by Kathleen Aziz, CARTA Executive Director.

Other Matters: None

Adjournment: The meeting was adjourned at 2:26 p.m.

Capital Area Regional Tolling Authority
Meeting Date: November 18, 2026
Agenda Item: 2

Amended Conflict of Interest Code

Prepared By: Andreas Booher, BBK
Attachments: Yes

Recommendation:
Staff recommend that the Board adopt the Amended Conflict of Interest Code (Attachment 2B)

Background:
The Political Reform Act (the "Act") requires all state and local government agencies to adopt and promulgate a Conflict of Interest Code establishing the rules for reporting personal assets and the prohibition from making or participating in the making of any decisions that may affect any personal assets. A Conflict of Interest Code must specifically designate all agency positions, except for those listed in Government Code section 87200, that make or participate in the making of agency decisions which may foreseeably have an effect on any financial interest of that person, and assign specific types of personal assets to be disclosed that may be affected by the exercise of powers and duties of that position.

CARTA adopted its Conflict of Interest Code in May 2024. Multi-county agencies like CARTA are required to review their Code biennially to ensure it reflects any changes in organization structure, positions, or duties. Since CARTA last adopted its Conflict of Interest Code, CARTA has hired an employee, necessitating an amendment.

Discussion:
The proposed amended Conflict of Interest Code is included as Attachment 2B to this staff report. The attachment is highlighted to illustrate the changes from CARTA's current Conflict of Interest Code, adopted in May 2024. The proposed changes add CARTA's Executive Director and require disclosure under Categories 1 and 2.

CARTA's Draft Amendment to the Conflict of Interest Code was posted on the CARTA website on September 14th. The comment period closed on October 31st and no comments were received. CARTA Board Members are not listed on the Conflict of Interest Code because they are considered filers under Government Code section 87200. The Draft Amendment to the Conflict of Interest Code was also submitted to the Fair Political Practices Commission for review and the final version reflects their comments.

Attachments:
2B: Amended Conflict of Interest Code

CONFLICT OF INTEREST CODE
OF THE
CAPITAL AREA REGIONAL TOLLING AUTHORITY

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regulations section 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendix designating positions and establishing disclosure categories, shall constitute the conflict of interest code of the **Capital Area Regional Tolling Authority ("Authority").**

All officials and designated positions shall file their statements of economic interests with the **Clerk of the Board** as the Authority's Filing Officer/Official. The **Clerk of the Board** shall make all statements available for public inspection and reproduction. (Gov. Code Section 81008.) All statements will be retained by the **Authority**.

APPENDIX

CONFLICT OF INTEREST CODE

OF THE

CAPITAL AREA REGIONAL TOLLING AUTHORITY

PART "A"

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

Authority Officials who manage public investments, as defined by 2 Cal. Code of Regs. § 18700.3(b), are NOT subject to the Capital Area Regional Tolling Authority's Code, but must file disclosure statements under Government Code Section 87200 et seq. [Regs. § 18730(b)(3)] These positions are listed here for informational purposes only.

It has been determined that the positions listed below are officials who manage public investments[1]:

Members of the Board of Directors and their Alternates

Investment Consultant

---

[1] Individuals holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Government Code Section 87200.

DESIGNATED POSITIONS

GOVERNED BY THE CONFLICT OF INTEREST CODE

DESIGNATED POSITIONS' TITLE OR FUNCTION	DISCLOSURE CATEGORIES ASSIGNED
Executive Director	1, 2
Consultants and New Positions[2]	

[2] Individuals providing services as a Consultant defined in Regulation 18700.3, or in a new position created since this Code was last approved that makes or participates in making decisions, as identified in Reg. 18734, shall disclose pursuant to the broadest disclosure category in this Code subject to the following limitation:

The Members of the Board of Directors may determine that due to the range of duties or contractual obligations, it is more appropriate to assign a limited disclosure requirement. A clear explanation of the duties and a statement of the extent of the disclosure requirements must be in a written document. (Gov. Code Sec. 82019; FPPC Regulations 18219 and 18734.) The Members of the Board of Directors determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code. (Gov. Code Sec. 81008.)

PART "B"

DISCLOSURE CATEGORIES

The disclosure categories listed below identify the types of economic interests that the Designated Position must disclose for each disclosure category to which the designated is assigned. "Investment" means financial interests in any business entity (including a consulting business or other independent contracting business) and are reportable if they are either located in or doing business in the jurisdiction, are planning to do business in the jurisdiction, or have done business during the previous two years in the jurisdiction of the Capital Area Regional Tolling Authority.

Category 1: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are located in, do business in, or own real property within the jurisdiction of the Authority.

Category 2: All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of the Authority, including any leasehold, beneficial or ownership interest or option to acquire property.

Category 3: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are engaged in land development, construction or the acquisition or sale of real property within the jurisdiction of the Authority.

Category 4: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the Authority.

Category 5: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the designated position's department, unit or division.

CAPITAL AREA REGIONAL TOLLING AUTHORITY
RESOLUTION NO. 09-2026
AMENDING THE CAPITAL AREA REGIONAL TOLLING AUTHORITY
CONFLICT OF INTEREST CODE

PASSED AND ADOPTED this 18th day of November 2026, by the following votes of the Board of Directors:

AYES:

NOES:

ABSTAIN:

ABSENT:

_____	_____
Oscar Villegas	Kathleen Aziz
Chair	Secretary

CAPITAL AREA REGIONAL TOLLING AUTHORITY

EXPLANATION OF DESIGNATION OF POSITIONS AND THE ASSIGNMENT OF DISCLOSURE REQUIREMENTS

Pursuant to Government Code sections 87300 and 87303, as well as 2 California Code of Regulations section 18750.1, the Capital Area Regional Tolling Authority (the "Authority") has proposed an amendment to its Conflict of Interest Code (the "Code"). The Code must designate those employees, members, officers, and consultants who make or participate in the making of decisions which may foreseeably have a material effect on a financial interest and are therefore, subject to the disclosure and disqualification requirements of the Code.

The Code must also set forth Disclosure Categories to be assigned to the designated positions requiring individuals holding each position to disclose personal interests that may be affected by the exercise of the individual's duties.

Below is an explanation of the specific designations, their disclosure requirements and the requirements of the Disclosure Categories created.

"OFFICIALS WHO MANAGE PUBLIC INVESTMENTS"

The Authority has delineated those primary officials determined to fall under the definition of "Officials Who Manage Public Investments" as required by the Fair Political Practices Commission (the "FPPC"). The Code does not establish disclosure requirements for these officials as specified in Gov. Code Section 87200.

The positions meeting the definition of "Officials Who Manage Public Investments" have full disclosure requirements under Section 8720 and are as follows:

Members, Board of Directors and their Alternates: The Board is the primary body responsible for "formulating or approving investment policies," a pivotal component of the management of public funds. [§ 18700.3]. Therefore, it has been determined that the Members of the Board of Directors and their Alternates meet the definition of "officials who manage public investments." Pursuant to Section 18700.3, these officials are subject to the conflict-of-interest provisions of the Political Reform Act (the "Act") and have full disclosure responsibilities.

Investment Consultant: This generic position has been added to cover contracting with consultants that specifically advise in portfolio development and investments, or fall under other elements of the definition of the "management of investments."

"DESIGNATED POSITIONS"

The Authority's list of Designated Positions specifically enumerates all positions within the Authority which make or participate in the making of Authority decisions which may foreseeably have a material effect on that position's financial interests.

Disclosure Categories have been assigned to the Designated Positions on a narrow basis in relation to their official duties with the Authority to prevent requiring more disclosure than necessary.

Positions that, by virtue of their positions, are involved in all facets of Authority operations, including the Executive Director, have been assigned Categories 1 and 2, indicating "full disclosure" requirements. Likewise, positions having narrower involvement and/or responsibilities with the Authority have been assigned more limiting disclosure requirements based on the duties of the position. (See Explanation of Types of Disclosure Categories, below.)

Executive Director

The Executive Director serves as the Authority's chief executive officer and is involved in all facets of Authority operations, including implementation of Board policy, budgeting, financial management, contracting, consultant oversight, administration, and external relations. Because the position makes or participates in making decisions that may foreseeably affect a broad range of financial interests and real property interests within the Authority's jurisdiction, the position is assigned Disclosure Categories 1 and 2.

Consultants and New Positions

Consultants is a generic designated position to cover any contracted positions not specifically designated meeting the definition of Consultant under the Act and required to file disclosure statements because they may make, participate in making or influence decisions, as defined.

New Positions covers any newly created positions for interim filing requirements pending amendment of the Code.

Consultants and New Positions have specific language appended to them indicating that these positions have full disclosure responsibilities unless specifically narrowed or waived, in writing, by the Members of the Board of Directors, based on their duties and placed on file with the Authority's Filing Officer. Identification of New Positions and Consultants will be done on FPPC Forms 804 and 805, respectively, and filed with the Authority's Filing Officer.

EXPLANATION OF DISCLOSURE CATEGORIES

Disclosure Categories identify the types of investments, business entities, sources of income, including gifts, loans and travel payments, or real property which the Designated Employee must disclose for each disclosure category to which the designated is assigned.

The Authority cannot require a Designated Position to over-disclose. Disclosure Categories must be designed and assigned **depending on the duties and responsibilities of the position held**. Therefore, Disclosure Categories one and two have been designed to be assigned to the position listed in Part "A" of the Appendix to the proposed Code. The Authority added Disclosure Categories three through five for additional designated positions in the future. This list of Disclosure Categories provides flexibility in the application of the various Categories to the different designated positions but are narrow enough so as not to require over-disclosure by a Designated Position or Consultant.

ASSIGNMENT OF DISCLOSURE CATEGORIES:

Category 1: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are located in, do business in, or own real property within the jurisdiction of the Authority.

Category 2: All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of the Authority, including any leasehold, beneficial or ownership interest or option to acquire property.

Category 3: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are engaged in land development, construction or the acquisition or sale of real property within the jurisdiction of the Authority.

Category 4: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the Authority.

Category 5: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the designated position’s department, unit or division.

Capital Area Regional Tolling Authority

Meeting Date: November 18, 2026
Agenda Item: 3

2027 Board Meeting Schedule

Prepared By: Robert Tadevich, SACOG
Attachments: Yes

Recommendation:
Staff recommend that the Board approve the meeting schedule and adopt the resolution.

Background:
The Ralph M. Brown Act (Government Code Section 54954) requires a legislative body to adopt its regular meeting schedule by resolution. The CARTA Joint Powers Authority agreement states the CARTA board will meet quarterly, or more often as needed.

Discussion:
Staff recommend the CARTA Board meet on the following dates and at the following locations in 2027:

Wednesday, February 24, 2027 at 10:00 a.m. at SACOG's Board Room
Wednesday, March 10, 2027 at 10:00 a.m. at SACOG's Board Room
Wednesday, April 14, 2027 at 10:00 a.m. at SACOG's Board Room
Wednesday, May 12, 2027 at 10:00 a.m. at SACOG's Board Room
Wednesday, June 9, 2027 at 10:00 a.m. at SACOG's Board Room
Wednesday, August 11, 2027 at 10:00 a.m. at SACOG's Board Room
Wednesday, September 8, 2027 at 10:00 a.m. at SACOG's Board Room
Wednesday, October 13, 2027 at 10:00 a.m. at SACOG's Board Room
Wednesday, November 10, 2027 at 10:00 a.m. at SACOG's Board Room
Wednesday, December 8, 2027 at 10:00 a.m. at SACOG's Board Room

Attachments:
3B: 2027 Board Schedule Resolution

Attachment 3B

CAPITAL AREA REGIONAL TOLLING AUTHORITY

RESOLUTION NO. 10-2026

ADOPTING THE CARTA BOARD OF DIRECTORS AND COMMITTEE SCHEDULE FOR 2027

WHEREAS, the Ralph M. Brown Act (Government Code Section 54954) requires that the CARTA board adopt its Board and Committee Meeting Schedule by resolution; and

WHEREAS, the CARTA board wishes to adopt its Board and Committee Meeting Schedule for 2027 at the November 18, 2026, board meeting;

NOW THEREFORE, BE IT RESOLVED that CARTA does hereby adopt the CARTA Board of Directors meetings for 2027 as indicated below:

Wednesday, February 24, 2027 at 10:00 a.m. at SACOG's Board Room
Wednesday, March 10, 2027 at 10:00 a.m. at SACOG's Board Room
Wednesday, April 14, 2027 at 10:00 a.m. at SACOG's Board Room
Wednesday, May 12, 2027 at 10:00 a.m. at SACOG's Board Room
Wednesday, June 9, 2027 at 10:00 a.m. at SACOG's Board Room
Wednesday, August 11, 2027 at 10:00 a.m. at SACOG's Board Room
Wednesday, September 8, 2027 at 10:00 a.m. at SACOG's Board Room
Wednesday, October 13, 2027 at 10:00 a.m. at SACOG's Board Room
Wednesday, November 10, 2027 at 10:00 a.m. at SACOG's Board Room
Wednesday, December 8, 2027 at 10:00 a.m. at SACOG's Board Room

PASSED AND ADOPTED this 18th day of November 2026, by the following votes of the Board of Directors:

AYES:

NOES:

ABSTAIN:

ABSENT:

Capital Area Regional Tolling Authority

Meeting Date: November 18, 2026
Agenda Item: 4

Fiscal Year 2025 and Fiscal Year 2026 Audited Annual Financial Reports

Prepared By: Nathan Edelman, Eide Bailly LLP
Attachments: Yes

Recommendation:
Staff recommend that the Board accept the Audited Annual Financial Reports for the fiscal years (FY) ending in June 30, 2025 and June 30, 2026.

Background:
The CARTA Joint Powers Authority agreement stipulates that the Authority's records and accounts must undergo an annual audit conducted by an independent certified public accountant. These financial audits are designed to verify that appropriate internal controls are in place to prevent loss, theft, or misuse, as well as to confirm the accuracy and completeness of all financial information. Additionally, completion of a single audit is required for the Authority to remain eligible for state and federal funding.

Due to the relative simplicity of CARTA's financial operations during its inaugural fiscal year (2024-2025), the Board approved, in August 2025, the replacement of the standard annual audit with a comprehensive audit covering up to two fiscal years for FY 2024-2025. In December 2025, the Board authorized staff to release a request for proposals (RFP), select, negotiate, and execute a contract with an independent audit firm. In July 2026, CARTA awarded the audit contract to Eide Bailly LLP and Richardson & Company LLP. In August 2026, the Board received a presentation from Eide Bailly about the scope and schedule of the initial two audits.

Discussion:
Eide Bailly, an independent public accounting firm, has completed audits of the Annual Financial Reports for CARTA's first two years of operating as an agency (Attachment 4B) and has submitted the required communications letters with the Board at close (Attachment 4C).

Attachments:
4B: FY 2025 and FY 2026 Audited Annual Financial Reports
4C: FY 2025 and FY 2026 Board Communications Letters

The FY 2025 Audited Annual Financial Reports are available at the following link:
https://carta.ca.gov/files/f9af54df2/Capital+Area+Regional+Tolling+Authority+-+2025+Financial+Statements.pdf

The FY 2026 Audited Annual Financial Reports are available at the following link:
https://carta.ca.gov/files/a8a7669fc/Capital+Area+Regional+Tolling+Authority+-+2026+Financial+Statements.pdf

October 12, 2026

To the Board of Directors
Capital Area Regional Tolling Authority
Sacramento, California

We have audited the financial statements of the business-type activities of the Capital Area Regional Tolling Authority (the Authority) as of and for the year ended June 30, 2025, and have issued our report thereon dated October 12, 2026. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards*

As communicated in our letter dated July 23, 2026, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements 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 entity's system of internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the Authority solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have issued our Independent Auditor's 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* dated October 12, 2026. During our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses, and the results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

As stated in our auditor's report, professional standards require us to design our audit to provide reasonable assurance that the financial statements are free of material misstatement whether caused by fraud or error. In designing our audit procedures, professional standards require us to evaluate the financial statements and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as "significant risks." As communicated to you during planning, we identified the following as significant risks:

- Management override of controls, which is considered a presumed risk under generally accepted auditing standards. Management is able to override controls that otherwise appear to be operating effectively and to record inappropriate journal entries or other adjustments, including entries recorded outside the normal course of business at period end.
- Related-party transactions and financing arrangements. The Authority is funded through loans from the Sacramento Area Council of Governments (SACOG), which serves concurrently as the Authority's administering agency and as a voting member of its Board. We identified the existence, valuation and disclosure of these related-party loans and financing arrangements as a significant risk requiring special audit consideration, including evaluation of the terms, the authorization of the borrowing and the adequacy of the note disclosure.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Authority is included in Note 1 to the financial statements. Fiscal year 2025 is the Authority's first fiscal year of operations, and the policies described in Note 1 represent the Authority's initial selection of accounting policies. The Authority elected to implement GASB Statement No. 103, Financial Reporting Model Improvements, for the year ended June 30, 2025, one year before that Statement's required effective date, so that fiscal years 2025 and 2026 are presented on the same basis. That change is reported as a change in accounting principle under GASB Statement No. 100 and is disclosed at Note 1N. It changed the content and organization of management's discussion and analysis, the captions, subtotals and the operating and nonoperating definitions used in the statement of revenues, expenses and changes in net position, and the related note content; it had no effect on total assets, total liabilities, net position, the change in net position or cash flows for the year. Because there is no prior period presented, there is no restatement and no cumulative effect of the change to report. No other matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. No such sensitive accounting estimates were identified.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Authority's financial statements relate to the concentrations disclosed under GASB Statement No. 102 at Note 8, the net position deficit and future operations at Note 6, and the terms of, and the toll revenue pledged to secure, the note payable to SACOG at Note 5.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. There were no uncorrected or corrected misstatements identified as a result of our audit procedures.

Disagreements with Management

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

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. We did not identify any circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management which are included in the management representation letter dated October 12, 2026.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Authority's auditors.

This report is intended solely for the information and use of the Board of Directors and management of the Capital Area Regional Tolling Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Eide Bailly LLP

Sacramento, California
October 12, 2026

October 12, 2026

To the Board of Directors
Capital Area Regional Tolling Authority
Sacramento, California

We have audited the financial statements of the Capital Area Regional Tolling Authority (the Authority) as of and for the year ended June 30, 2026, and have issued our report thereon dated October 12, 2026. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards*

As communicated in our letter dated July 23, 2026, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements 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 entity's system of internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the Authority solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have issued our Independent Auditor's 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* dated October 12, 2026. During our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses, and the results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

As stated in our auditor's report, professional standards require us to design our audit to provide reasonable assurance that the financial statements are free of material misstatement whether caused by fraud or error. In designing our audit procedures, professional standards require us to evaluate the financial statements and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as "significant risks." As communicated to you during planning, we identified the following as significant risks:

- Management override of controls, which is considered a presumed risk under generally accepted auditing standards. Management is able to override controls that otherwise appear to be operating effectively and to record inappropriate journal entries or other adjustments, including entries recorded outside the normal course of business at period end.
- Related-party transactions and financing arrangements. The Authority is funded in part through loans from the Sacramento Area Council of Governments (SACOG), which serves concurrently as the Authority's administering agency and as a voting member of its Board. We identified the existence, valuation and disclosure of these related-party loans and financing arrangements as a significant risk requiring special audit consideration, including evaluation of the terms, the authorization of the borrowing and the adequacy of the note disclosure.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Authority is included in Note 1 to the financial statements. As described in Note 1N, the Authority implemented GASB Statement No. 104, Disclosure of Certain Capital Assets, for the year ended June 30, 2026; the Statement had no effect on the financial statements because the Authority holds no capital assets. There have been no initial selection of accounting policies and no other changes in significant accounting policies or their application during the year ended June 30, 2026. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain

accounting estimates are particularly sensitive (or present higher risk of material misstatement) because of their significance to the financial statements and because of their complexity, subjectivity, inherent risk factors, greater degree of estimation uncertainty, and the possibility that future events affecting them may differ markedly from management's current judgments. No such sensitive accounting estimates were identified.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Authority's financial statements relate to the concentrations disclosed under GASB Statement No. 102 at Note 8, the net position deficit and future operations at Note 6, and the terms of, and the toll revenue pledged to secure, the notes payable to SACOG and the City of West Sacramento at Note 5.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. There were no uncorrected or corrected misstatements identified as a result of our audit procedures.

Disagreements with Management

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

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. We did not identify any circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management which are included in the management representation letter dated October 12, 2026.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Authority's auditors.

This report is intended solely for the information and use of the Board of Directors and management of the Capital Area Regional Tolling Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Eide Bailly LLP

Sacramento, California
October 12, 2026

Personnel and Travel Policies, Injury and Illness Prevention Program, and Workplace Violence Prevention Plan

Prepared By: Kathleen Aziz, CARTA
Attachments: Yes

Recommendation:
Staff recommends that the Board:

1. Adopt the Personnel and Travel Policies (Attachment 5B), Injury and Illness Prevention Program (Attachment 5C), and Workplace Violence Prevention Plan (Attachment 5D)
2. Delegate administration of these policies to the Executive Director
3. Authorize the Executive Director to amend the policies as needed to ensure they remain cohesive and comply with state and federal employment laws and regulations

Background:
In August 2026, CARTA hired its first employee. Now that CARTA is an employer, it must maintain written policies related to employment and labor relations, an Injury Illness and Prevention Program, and a Workplace Violence Prevention Plan.

Discussion:
The purpose of the CARTA Personnel and Travel Policies (Attachment 5B) is to establish and maintain a fair and uniform system for administering all matters affecting the status and activities of CARTA employees. In addition to general employment policies, the document covers travel policies, credit card use, and other policies necessary for employee activities.

The purpose of the CARTA Injury and Illness Prevention Program (Attachment 5C) is to establish policies and procedures to proactively identify and control workplace hazards before employees get hurt or sick. California law requires all employers to establish, implement, and maintain a written Injury and Illness Prevention Program.

The purpose of the CARTA Workplace Violence Prevention Plan (Attachment 5D) is to establish policies and procedures to protect employees from threats, intimidation, and acts of violence. California law requires CARTA to maintain a written Workplace Violence Prevention Plan.

Staff recommend delegating the administration and minor amendments of all three policies to the Executive Director. This authority is limited to amendments that clarify or implement the policies' basic provisions or bring the policies into compliance with applicable law. Any changes

to benefits for individual employees or groups of employees require separate Board authorization.

Attachments:
5B: Personnel and Travel Policies
5C: Injury and Illness Prevention Program
5D: Workplace Violence Prevention Plan

Attachment 5B

Capital Area Regional Tolling Authority
Personnel and Travel Policies

Current Version: 1 – November 18, 2026

Table of Contents

To be updated

DRAFT

SECTION 1: PURPOSE

Section 1.1 - Purpose of this Document

The intent of these policies is to establish and maintain a fair and uniform system for administering all matters affecting the status and activities of employees of the Capital Area Regional Tolling Authority (CARTA). It is designed to acquaint CARTA employees with CARTA and provide information about working conditions, benefits, and policies that affect employment. All CARTA employees are responsible for complying with these policies. These policies and procedures are guidelines only and are not intended to confer contractual rights upon an employee or impose contractual obligations on CARTA.

No set of policies can anticipate every circumstance. CARTA reserves the right to revise, supplement, or rescind any policies as deemed appropriate. The Executive Director is responsible for administering these policies.

Section 1.2 – Governing Laws, Ordinances, and Regulations

It is CARTA's policy to follow applicable all federal, state and local law. To the extent that there are sections of this handbook that are in conflict with applicable law, the law shall prevail, and this handbook subject to revision. CARTA may implement these changes administratively and will share revised versions of this handbook with all staff.

Section 1.3 – Responsibility for Administration

The Executive Director has responsibility for personnel matters covered by this handbook, subject to any authority reserved to the CARTA Board of Directors or otherwise required by law. Certain human resources functions may be performed by the Sacramento Area Council of Governments or another service provider under contract with CARTA; however, CARTA remains the employer. The Executive Director has authority to administer CARTA rules, policies, and procedures, and may modify them administratively without requiring formal amendment of this handbook, provided such changes are consistent with applicable law and any direction of the CARTA Board of Directors.

SECTION 2: EMPLOYMENT PRACTICES

Section 2.1 – Nature of Employment

Employment with CARTA is "at will," and employees serve at the pleasure of the Executive Director (who, in turn, serves at the pleasure of the CARTA Board of Directors.) CARTA may terminate the employment relationship at-will, at any time, with or without notice or cause, in accordance with these policies and applicable federal and state law. Employees may also separate from CARTA employment at any time, and they are

DRAFT

requested to provide at least two weeks' advance notice before resigning whenever practicable. Employees who resign should promptly coordinate with the Executive Director regarding final time reporting, return of CARTA property, and final payment processing.

Section 2.2 – Equal Employment Opportunity

CARTA is an equal opportunity employer that does not discriminate on the basis of any status protected by federal, state, or local law. As of the time of this handbook's publication, the California Civil Rights Department listed protected status examples such as race, color, religion, national origin, primary language, ethnicity, ancestry, citizenship status, age (40 years and older), sex, pregnancy and related medical conditions, gender, gender identity and expression, sexual orientation, marital status, familial status, military service and veteran status, physical or mental disability, and legally protected medical condition or information (including genetic information,) .

In addition, CARTA's Equal Employment Opportunity policy prohibits discrimination, harassment, and other disrespectful or unprofessional conduct based on any protected characteristic listed above, including any combination or intersection of such characteristics. CARTA also prohibits such conduct based on the perception that an individual has a protected characteristic, or because the individual is associated with someone who has or is perceived to have a protected characteristic.

CARTA also prohibits retaliation against individuals who raise complaints of discrimination or harassment or who participate in workplace investigations into such concerns.

In accordance with California law, CARTA also prohibits discrimination, harassment, or retaliation against employees who are victims of certain acts of violence, including domestic violence, sexual assault, stalking, or other acts as defined by laws, as well as those who have family members who are victims. Employees are protected when taking leave or requesting accommodations related to such acts and they may not be retaliated against for exercising their rights under AB 2499 or any other applicable law.

Section 2.3 – Commitment to Diversity

CARTA values diversity and believes that a range of backgrounds brings a variety of ideas, perspectives and experiences that contribute to an innovative and collaborative environment in which talents are fully utilized, uniqueness is valued, and CARTA's objectives are met. CARTA is committed to building a culturally diverse workplace. Women, people from all ethnic and religious backgrounds, people from varied

socioeconomic backgrounds, individuals with disabilities, members of the LGBTQ community, formerly incarcerated individuals, and veterans are encouraged to apply.

Section 2.4 – Harassment, Discrimination, and Retaliation Prevention

CARTA's policy prohibiting harassment applies to all persons involved in the operation of CARTA. CARTA prohibits harassment, as well as disrespectful or unprofessional conduct by any employee of CARTA, including supervisors, managers and co-workers. CARTA's anti-harassment policy also applies to CARTA Board members, vendors, customers, independent contractors, interns, volunteers, persons providing services pursuant to a contract, and other persons with whom you come into contact while working.

Prohibited harassment, disrespectful or unprofessional conduct includes, but is not limited to, the following behavior:

- Verbal conduct such as epithets, derogatory jokes or comments, slurs or unwanted sexual advances, invitations, comments, posts or messages
- Visual displays such as derogatory and/or sexually-oriented posters, photography, cartoons, drawings or gestures
- Physical conduct including assault, unwanted touching, intentionally blocking normal movement or interfering with work because of sex, race or any other protected basis
- Threats and demands to submit to sexual requests or sexual advances as a condition of continued employment, or to avoid some other loss, and offers of employment benefits in return for sexual favors
- Retaliation for reporting or threatening to report harassment
- Communication via electronic media of any type that includes any conduct that is prohibited by state and/or federal law or by CARTA policy.

Sexual harassment does not need to be motivated by sexual desire to be unlawful or to violate this policy. For example, hostile acts toward an employee because of his/her gender can amount to sexual harassment, regardless of whether the treatment is motivated by sexual desire. Prohibited harassment is not just sexual harassment, but harassment based on any protected category. Inappropriate statements or conduct that may not fall within the definition of "harassment" may violate other CARTA policies.

CARTA is committed to compliance with all applicable laws providing equal employment opportunities. This commitment applies to everyone involved in CARTA operations. CARTA prohibits unlawful discrimination against any job applicant, employee or unpaid volunteer by any employee of CARTA, including supervisors and coworkers.

Pay discrimination between employees of the opposite sex performing substantially similar work, as defined by the California Fair Pay Act and federal law, is prohibited. Pay differentials may be valid in certain situations defined by law. Employees will not be retaliated against for inquiring about or discussing wages.

CARTA will not retaliate against employees for filing a complaint or participating in any workplace investigation and will not tolerate or permit retaliation by management, employees or co-workers.

Section 2.5 – Reasonable Accommodation

Discrimination can also include failing to reasonably accommodate religious practices or disabilities where the accommodation does not pose an undue hardship.

Any job applicant or employee who requires an accommodation to perform the essential functions of the job should contact the Executive Director and discuss the need for an accommodation. CARTA will engage in an interactive process with the employee or applicant to identify the need and possible accommodations, if any, that will help the applicant participate or the employee perform the job. An applicant, employee or intern who requires an accommodation of a religious belief or practice (including religious dress and grooming practices, such as religious clothing or hairstyles) should also contact the Executive Director and discuss the need for an accommodation. If there is an accommodation that is reasonable and will not impose an undue hardship, CARTA will make the accommodation.

CARTA will not retaliate against employees for requesting a reasonable accommodation and will not knowingly tolerate or permit retaliation by management, employees or co-workers.

Section 2.6 – Complaint Process

CARTA encourages all individuals to report any incidents of harassment, discrimination, retaliation, or other prohibited conduct forbidden by this policy immediately so that complaints can be quickly and fairly resolved. Complaints regarding the Executive Director should be reported to CARTA's Board Chair or general counsel. All other complaints should be reported to the Executive Director. Reports should include all known details of the incident or incidents, names of individuals involved and names of any witnesses. It would be best to communicate the report in writing, but this is not required.

When CARTA receives allegations of misconduct, it will promptly undertake a thorough and objective investigation of the allegations in accordance with all legal requirements.

CARTA will maintain confidentiality to the extent possible in the investigations process. However, CARTA cannot promise complete confidentiality. The employer's duty to investigate and take corrective action may require the disclosure of information to individuals with a need to know.

Complaints will be:

- Responded to in a timely manner
- Kept confidential to the extent possible
- Investigated impartially by qualified personnel in a timely manner
- Documented and tracked for reasonable progress
- Given appropriate options for remedial action and resolution
- Closed in a timely manner

If CARTA determines that harassment, discrimination, retaliation or other prohibited conduct has occurred, appropriate and effective corrective and remedial action will be taken in accordance with the circumstances involved. CARTA also will take appropriate action to deter future misconduct.

Any employee determined by CARTA to be responsible for harassment, discrimination, retaliation or other prohibited conduct will be subject to appropriate disciplinary action, up to, and including termination. Employees should also know that if they engage in unlawful harassment, they can be held personally liable for the misconduct.

The federal Equal Employment Opportunity Commission and the California Civil Rights Department investigate and prosecute complaints of prohibited harassment, discrimination, and retaliation in employment. If you think you have been harassed or discriminated against or that you have been retaliated against for resisting, complaining, or participating in an investigation, you may file a complaint with www.calcivilrights.ca.gov. Their nearest offices can be found by visiting the agency websites at www.civilrights.ca.gov and www.eeoc.gov.

Section 2.7 – Employment Eligibility Requirement

In accordance with federal law, each new and rehired employee must provide original and unexpired documentation to CARTA to establish employment eligibility and identification. A completed Employment Eligibility Verification Form I-9 must be furnished to CARTA within three days of date of hire, and an employee cannot continue working if required verification is not completed as required by law. Failing to provide, providing false documentation or making false statements on the verification form will be grounds for immediate termination.

Section 2.8 – Outside Employment

Outside employment that constitutes a conflict of interest is prohibited. Employees may not perform work that conflicts with their duties at CARTA. Employees may not receive any income or material gain from individuals outside CARTA for materials produced or services rendered in connection with their duties with CARTA.

Under some circumstances, employees may hold outside jobs as long as there is no conflicts and the employees meet the performance standards of their job with CARTA. All employees will be judged by the same performance standards and will be subject to CARTA's scheduling demands, regardless of any existing outside work requirements. Employees must submit a request for approval of outside employment to the the Executive Director or designee before accepting outside employment to determine if it would conflict with their position at CARTA.

If CARTA determines that an employee's outside work creates a conflict, or interferes with performance or the ability to meet the requirements of CARTA as they are modified from time to time, the employee may be asked to terminate the outside employment if he or she wishes to remain with CARTA.

Section 2.9 – Employment Categories

The following definitions of employee classifications speak to employment status and benefit eligibility. These classifications do not guarantee employment for any specified period. The right to terminate the employment relationship at-will at any time is retained by both he employee and CARTA.

Section 2.9.1 – Exempt and Non-Exempt Employees

All CARTA positions are classified as either exempt or non-exempt regarding the payment of overtime, in accordance with the Fair Labor Standards Act (FLSA) and other applicable laws.

- Exempt employees are employees whose positions are exempt from the overtime requirements of the FLSA and other applicable laws. Exempt employees are generally paid on a salary basis and are expected to fulfill the duties and responsibilities of their position without additional compensation for hours worked beyond their regular work schedule.
- Non-exempt employees are employees whose positions are subject to the overtime requirements of the FLSA and other applicable laws. Non-exempt employees are eligible for overtime pay for hours worked in excess of the applicable thresholds established by law (40 hours per 7-day work period).
- CARTA classifies each position as exempt or non-exempt based on applicable law and the duties and responsibilities assigned to the position.

The fact that an employee is paid a salary does not, by itself, determine whether the position is exempt from overtime requirements.

Section 2.9.2 – Full-Time and Part-Time Employees

In addition to the above categories, each employee will belong to one other employment category:

- Regular full-time employees are those who are regularly scheduled to work at least 40 hours per week. Generally, they are eligible for all CARTA benefits, subject to the terms, conditions, and limitations of each benefit program.
- Regular part-time employees are those who are regularly scheduled to work less than the 40 hours per week. Regular part-time employees are eligible for some benefits sponsored by CARTA, subject to the terms, conditions, and limitations of each benefit program.

Section 2.10 – Pay

CARTA complies with applicable federal and state laws requiring records to be maintained of hours worked, leave used, and compensation paid. Timekeeping records help ensure that employees are paid accurately and that leave balances, accounting, and other administrative records are maintained properly. Any falsification of timekeeping records is grounds for corrective action or discipline, up to and including termination.

Employees are paid monthly on the last business day of each month according to the payroll schedule established by CARTA and administered by CARTA or its designated payroll provider. CARTA will identify any applicable payroll processing deadlines for employees. If the last business day of the month falls on a CARTA-observed holiday or other nonbusiness day, pay will be issued on the preceding regularly scheduled business day unless CARTA establishes a different lawful schedule.

CARTA offers automatic payroll deposit through its designated payroll provider. Employees who wish to begin, change, or stop automatic payroll deposit must submit the required authorization or change request using the process and timing established by CARTA or its payroll provider. Employees should review their payroll deposits and pay statements promptly and report any discrepancies to CARTA's designated payroll or human resources support contact.

Final pay will be provided in accordance with applicable law and CARTA's payroll procedures. Employees who resign should promptly coordinate with the Executive Director regarding final time reporting, return of CARTA property, and final payment processing.

If employment is involuntarily terminated, final pay will be provided in accordance with applicable law and CARTA's payroll procedures.

Section 2.11 – Classifications and Salary Schedules

As of initial publication of this handbook, CARTA has not yet adopted a formal classification plan. Until a classification plan, salary schedule, position descriptions, or benefit eligibility rules are adopted, classifications, compensation, and benefit eligibility are established by the CARTA Board of Directors, by way of an approved employment agreement, board resolution, budget action, or other authorized CARTA policy. Once adopted, current classification and salary information will be maintained by CARTA or CARTA's designated human resources support provider.

The Executive Director may recommend classifications, salary ranges, position descriptions, or modifications to existing classifications to the CARTA Board of Directors as needed. The classification plan, if adopted, may include position titles, descriptions of duties and responsibilities, minimum qualifications or employment standards, FLSA status, and any other information CARTA determines appropriate for workforce planning, budgeting, recruitment, compensation, or benefit administration.

Section 2.12 – Workweek and Hours

CARTA's standard workweek is 40 hours. The workweek begins at 12:01 a.m. Sunday and ends at midnight the following Saturday. (This workweek is also the designated 7-day work period for FLSA purposes, subject to future adjustment as part of flexible schedule approvals.) Regular business hours are generally 8:00 a.m. to 5:00 p.m., Monday through Friday.

The Executive Director may approve an alternative or flexible work schedule based on CARTA's operational needs. Approved schedules may be modified or withdrawn if they interfere with agency operations, public service, coordination, or employee performance. Employees must maintain accurate calendars showing their work schedules and planned work away from their regular work location.

Non-exempt employees must obtain advance approval before working overtime or outside their approved schedule. All hours actually worked must be reported, whether or not they were approved in advance.

Section 2.13 – Meal and Rest Periods

Employees will be provided reasonable meal and rest periods consistent with operational needs and applicable federal requirements. Meal periods for non-exempt employees are generally unpaid when the employee is completely relieved of duty. Short authorized rest

DRAFT

periods will be set by the applicable manager as part of the designated work schedule. Such breaks are paid time and may not be accumulated, used to shorten the workday, or substituted for other leave.

Section 2.14 – Attendance and Absences

Employees are expected to report to work as scheduled and to be punctual and prepared to perform their duties. An employee who will be absent or late must notify the employee's supervisor as soon as practicable, and before the employee's scheduled start time except in cases of emergency. Unreported or excessive absences or tardiness may result in corrective or disciplinary action.

Section 2.15 – Timekeeping

Employees must accurately record time worked and leave used in the timekeeping system or format designated by CARTA. Non-exempt employees must record all hours worked and may not work off the clock. Overtime or compensatory time (if a CTO program is established) must be authorized in advance unless emergency circumstances make prior authorization impracticable. Exempt employees may be required to record time and leave for administrative, leave accounting, project accounting, grant billing, or other business purposes. Such recordkeeping does not affect an employee's exempt status or create eligibility for overtime or compensatory time.

Employees are responsible for submitting complete and accurate time records by established deadlines. Falsification of time records, leave records, or other payroll-related information may result in disciplinary action, up to and including termination.

Section 2.16 – Performance Evaluations

CARTA is committed to providing employees with regular feedback regarding performance, expectations, and professional development. Performance evaluations are intended to recognize accomplishments, identify areas for improvement, support employee development, and establish goals for the future. The employee's supervisor, or the CARTA Board of Directors in the case of the Executive Director, is responsible for conducting performance evaluations. Employees will have an opportunity to discuss the evaluation and provide written comments for inclusion in the evaluation record.

Section 2.16.1 – Annual Evaluations

Employees will generally receive a written performance evaluation annually. The evaluation will assess performance during the review period, including achievement of assigned responsibilities, quality of work, communication,

DRAFT

professionalism, collaboration, initiative, and other job-related factors relevant to the employee's position.

Section 2.16.2 – Introductory Period Evaluations

Employees serving an initial introductory period may receive one or more evaluations during the introductory period as determined by the Executive Director. Successful completion of the introductory period does not alter any applicable employment status or rights but indicates satisfactory performance during the introductory period.

Section 2.16.3 – Performance Improvement

When performance concerns arise, CARTA may provide coaching, counseling, training, performance improvement plans, or other corrective measures as appropriate. Nothing in this section alters CARTA employees' "at will" status or limits CARTA's authority to take disciplinary or other employment action when warranted. See "Discipline" section for disciplinary steps.

CARTA may, at its discretion, utilize a Performance Improvement Plan (PIP) to address performance deficiencies. A PIP is not disciplinary action and may be used independently or in conjunction with other corrective measures. A PIP may identify performance expectations, improvement goals, timelines, and available support resources.

SECTION 3: EMPLOYEE BENEFITS

Section 3.1 – Holidays

CARTA provides full-time employees with the following paid holidays recognized by CARTA, as they may be amended from time to time. Currently these 15 paid holidays are:

- New Year's Day (January 1)
- MLK Day (3rd Monday in January)
- Presidents Day (3rd Monday in February)
- Farmworkers Day (March 31)
- Memorial Day (last Monday in May)
- Juneteenth (June 19)
- Independence Day (July 4)
- Labor Day (first Monday in September)
- Indigenous Peoples Day (second Monday in October)
- Veterans Day (November 11)
- Thanksgiving Day (last Thursday in November)

- Friday after Thanksgiving (last Friday in November)
- Christmas Eve (December 24)
- Christmas Day (December 25)
- New Year's Eve (December 31)

When a holiday falls on a Sunday, the following Monday will be observed. When a holiday falls on a Saturday, the preceding Friday will be observed.

Section 3.2 – Paid Time Off

CARTA may provide paid time off, vacation, management leave, administrative leave, holidays, sick leave, or other paid leave as approved by the CARTA Board of Directors, provided by employment agreement, required by law, or established in a future benefit or classification plan. Accrual rates, caps, carryover rules, cash-out rules, scheduling requirements, and separation payout rules will be governed by the applicable policy, plan document, employment agreement, Board action, or law. CARTA-paid leave time may only be accrued while actively working or while using (or to the extent using) CARTA-paid time (as opposed to outside wage replacement sources, such as temporary disability payments under workers' compensation.)

CARTA will provide paid sick leave required by California law and any other applicable law to eligible employees. CARTA may also provide additional paid leave beyond the statutory minimum if approved by the Board or included in an employment agreement or adopted benefit policy.

Section 3.3 – Retirement

CARTA's intent is to become a contracting agency with the California Public Employees' Retirement System (CalPERS). At the time CARTA joins CalPERS, CARTA's expectation is that CARTA will pay the employer contribution and employees will be responsible for the employee contribution as determined by CalPERS.

Until the effective date of a CARTA is a contracting agency with CalPERS, CARTA will contribute 8% of each employee's gross base salary, per month, to a defined contribution plan established by CARTA (401(a) or similar) on each employee's behalf, and subject to applicable legal requirements and limitations. Upon the effective date of such CalPERS enrollment, CARTA shall have no further obligation to make contributions to a defined contribution plan on any employee's behalf. Should CARTA not become a CalPERS contracting agency by August 30, 2027, CARTA will increase its contribution to a defined contribution plan established by CARTA from 8% to 12% on each employee's behalf, subject to applicable legal requirements and limitations. All CARTA contributions to any

defined benefit plan are subject to contribution limitations and requirements under applicable law.

Section 3.3.1 – Deferred Compensation

CARTA is contracting with MissionSquare Retirement to offer voluntary deferred compensation plans for the benefit of employees. 457, 457 Roth, and 401a plans are available for employees to elect to participate in.

Section 3.3.2 –CalPERS [reserved]

Section 3.3.3 – Social Security [reserved]

Section 4.1.4 – Post-Retirement Health Benefits [Reserved]

Section 3.2 – Health Insurance

CARTA intends to offer a range of competitive employee benefits comparable to what other public agencies provide. Adoption of benefits will be presented separately for action by the CARTA Board of Directors and this section will be updated to provide additional details. CARTA may change benefit administrators at any time and these changes may result in different benefit levels or different provider networks, but CARTA shall use its best efforts to maintain similar benefits to those in place at the time such changes are made.

Section 3.3 – Other Employee Benefits

CARTA intends to offer a range of competitive employee benefits comparable to what other public agencies provide. Adoption of benefits will be presented separately for action by the CARTA Board of Directors and this section will be updated to provide additional details. CARTA may change benefit administrators at any time and that these changes may result in different benefit levels or different provider networks, but CARTA shall use its best efforts to maintain similar benefits to those in place at the time such changes are made.

- Dental
- Vision
- STD/LTD
- Life
- COBRA [reserved]

Section 3.4 – Unemployment Insurance

DRAFT

SACOG shall provide unemployment insurance to all employees as determined by California law.

Section 3.5 – Workers' Compensation

CARTA provides workers' compensation coverage as required by law. Workers' compensation benefits may include medical care, disability benefits, and other benefits for an eligible work-related injury or illness. Eligibility and benefits are determined under applicable law and the terms of CARTA's workers' compensation program.

Employees must immediately report any work-related injury or illness to their supervisor and the Executive Director, or to CARTA's designated human resources or administrative support provider. In an emergency, employees should seek medical treatment immediately and call 911 when appropriate. CARTA or its workers' compensation claims administrator will provide instructions regarding medical treatment and the claims process.

Employees must cooperate with CARTA, its workers' compensation administrator, medical providers, and others responsible for administering or reviewing a claim. CARTA will provide claim-reporting instructions and current contact information to employees.

Until further notice, CARTA's workers' compensation program will be administered through Golden State Risk Management Authority. Employees may contact the Executive Director or CARTA's designated human resources support provider for current claim-reporting instructions and contact information.

If an employee experiences a work-related injury or illness, please contact Medcor at (800) 775-5866.

CARTA's workers' compensation insurance carrier is Golden State Risk Management Authority (GSRMA). GSRMA can be reached at (530) 934-5633, or P.O. Box 706, Willows, CA, 95988. CARTA's policy number is JPA 2026.

For a complete overview of Workers' Compensation rights, please see the employment poster located in the office.

Section 3.6 – Jury Duty or Witness Leave

CARTA provides paid leave for employees required to serve as jurors or, pursuant to a subpoena or court order, as witnesses in a legal proceeding in which they are not a party. Employees will receive their regular base pay for the scheduled work time missed. Employees may retain reimbursement for mileage, parking, or transit but must decline or remit any juror per diem as directed by CARTA. CARTA has confirmed administratively that jury-duty leave is paid.

Employees must notify the Executive Director, or the Board Chair or other Board-designated official if the employee is the Executive Director, as soon as practicable after receiving a summons, subpoena, or court order. CARTA or its designated human resources support provider may request a copy of the notice and proof of attendance. An employee released from jury duty or a required court appearance with more than one hour remaining in the scheduled workday must contact the appropriate supervisor or Board-designated official for direction. The employee may be required to return to work or may request approval to use available paid leave for the remainder of the workday.

Time spent appearing as a witness in a CARTA-related proceeding will be treated as work time. An employee who is a party to a personal legal proceeding may request use of available paid leave or to take unpaid leave for the absence, subject to CARTA policy and applicable law.

Section 3.7 – Voting Leave

Employees who do not have sufficient time outside of working hours to vote in a statewide election may take up to two (2) hours of paid time off to vote, as provided by California law. Whenever possible, the time off shall be taken at the beginning or end of the employee's workday, whichever provides the greatest amount of free time for voting.

Employees should provide at least two (2) working days' notice if voting leave is needed. The Executive Director, or the Board Chair for matters involving the Executive Director, may request reasonable information necessary to administer this leave.

Section 3.8 – Pregnancy Disability Leave

Employees who are disabled by pregnancy, childbirth, or a related medical condition may be eligible for Pregnancy Disability Leave (PDL) as provided by California law. Eligible employees may take up to four (4) months of leave during the period of actual disability caused by pregnancy, childbirth, or related medical conditions. Employees may also be entitled to reasonable accommodation, transfer, or other adjustments during a period of pregnancy-related disability when required by law.

PDL is generally unpaid. Employees may elect to use accrued paid leave during the leave, subject to applicable law and CARTA policy. During any period of leave for which continuation of benefits is required by law, CARTA will maintain eligible benefits as required.

Employees requesting Pregnancy Disability Leave or a pregnancy-related accommodation should contact the Executive Director as soon as practicable.

Section 3.9 – Military Leave

DRAFT

CARTA provides military leave and reemployment rights in accordance with the federal Uniformed Services Employment and Reemployment Rights Act (USERRA), the California Military and Veterans Code, and other applicable laws.

Employees who are called to military service, training, or other qualifying military duty should notify the Executive Director as soon as practicable. Employees returning from military service will be restored to employment rights and benefits as required by law.

Employees with questions regarding military leave should contact the Executive Director.

Section 3.10 – Crime Victim/Domestic Violence/Protective Order Leave

Employees who are victims of domestic violence, sexual assault, stalking, a qualifying act of violence, or certain other crimes, and employees whose family members are victims, may be entitled to leave and other workplace protections as provided by California law.

Employees may use leave for purposes including:

- Seeking medical attention or psychological counseling;
- Obtaining services from a victim services organization, shelter, or crisis center;
- Participating in safety planning or relocation activities;
- Seeking legal assistance, including obtaining restraining orders or attending court proceedings; or
- Attending judicial proceedings related to a qualifying crime or act of violence.

Employees should provide reasonable advance notice of the need for leave whenever practicable. If advance notice is not possible due to an emergency or safety concern, the employee should notify CARTA as soon as practicable.

Leave under this policy is generally unpaid; however, employees may elect to use accrued paid leave or compensatory time, consistent with applicable law and CARTA policy.

CARTA may request reasonable documentation supporting the need for leave when permitted by law. Documentation may include court records, police reports, documentation from a healthcare provider or victim advocate, or other information reasonably verifying the need for leave.

CARTA will maintain the confidentiality of information provided in connection with a request for leave or workplace accommodation to the extent required by law.

Employees who are victims of domestic violence, sexual assault, stalking, or other qualifying acts of violence may request reasonable accommodations for their safety while at work. CARTA will engage in a timely, good-faith interactive process to determine appropriate accommodations when required by law.

DRAFT

Employees requesting leave or an accommodation under this policy should contact the Executive Director. Requests involving the Executive Director shall be directed to the Board Chair or another Board-designated official.

Section 3.11 – Emergency Responder Leave

CARTA will provide leave for employees who serve as volunteer firefighters, reserve peace officers, emergency rescue personnel, disaster service workers, or members of disaster medical response teams when required by law.

Employees should notify the Executive Director as soon as practicable if they may need leave for emergency response duties or related training. When circumstances permit, employees should provide advance notice before leaving work for emergency service activities.

Time off for emergency response duties, training, or related activities will be administered in accordance with applicable law and CARTA policy. Employees may be required to provide documentation of their service or training.

Requests involving the Executive Director shall be handled by the Board Chair or another Board-designated official.

Section 3.12– Bereavement and Reproductive Loss Leave

CARTA provides paid leave for employees who experience the death of certain family members or a reproductive loss event. Bereavement leave includes the death of a spouse, child, parent, sibling, grandparent, grandchild, domestic partner, or parent-in-law. A reproductive loss event includes a failed adoption, failed surrogacy, miscarriage, stillbirth, or unsuccessful assisted reproduction.

To be eligible, an employee must have been employed by CARTA for at least 30 days before the leave begins. The leave does not need to be taken consecutively but must be completed within three (3) months of the bereavement or reproductive loss event.

Employees may take bereavement or reproductive loss leave for more than one qualifying event in a 12-month period; however, total bereavement and reproductive loss leave is limited to 20 days within a 12-month period.

Employees should notify the Executive Director as soon as practicable if they intend to take bereavement or reproductive loss leave. CARTA will maintain the confidentiality of information relating to a request for bereavement or reproductive loss leave to the extent required by law.

SECTION 4: EMPLOYEE CONDUCT AND DISCIPLINARY ACTION

Section 4.1 – Fraud

CARTA does not tolerate fraud of any kind. Fraud is defined as intentional deception to obtain benefit or advantage or to cause some benefit that is due, to be denied. Examples of fraud could include submission of a resume citing an educational degree the person had not received or requesting reimbursement for fabricated expenses.

Should any employee suspect another employee or supervisor of fraud or other unlawful act, it should be immediately reported to the Executive Director for further investigation. Should any employee suspect the Executive Director of perpetrating a fraud or other unlawful act, it should be immediately reported directly to CARTA's general counsel.

Employees suspected of fraud or other unlawful act may be relieved of their duties, with or without pay, until an investigation is completed. Should the fraud or other unlawful act be substantiated, the employee will be immediately terminated from employment and legal action, as appropriate, may be pursued.

Section 4.2 – Fraud Reporting Policy

CARTA is committed to the ethical stewardship of public funds and resources. Employees, Board members, contractors, consultants, vendors, and others conducting business with CARTA are expected to act honestly and in compliance with applicable laws, regulations, and agency policies.

Fraud, misuse of funds, misappropriation, and other fiscal irregularities may include, but are not limited to:

- Any dishonest or fraudulent act;
- Forgery or alteration of any document or account belonging to CARTA;
- Forgery or alteration of a check, bank draft, or any other financial document;
- Misappropriation of funds, securities, supplies, equipment, or other assets of CARTA;
- Impropriety in the handling or reporting of money or financial transactions;
- Disclosing confidential and proprietary information to outside parties;
- Accepting or seeking goods, services, or gifts prohibited by California law and CARTA policies and procedures;

- Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment; and
- Any similar or related irregularity.

Any employee who becomes aware of suspected fraud, misuse of funds, misappropriation, and other fiscal irregularities should promptly report the matter to the Executive Director. Reports involving the Executive Director should be made to the Board Chair, CARTA legal counsel, or another Board-designated official. Reports may be made anonymously; however, anonymous complaints are inherently more challenging to investigate due to limited available information. Employees are encouraged to disclose as much information as possible when making a suspected fraud complaint.

CARTA will review reported concerns promptly and may conduct or arrange for an investigation as appropriate. Employees are required to cooperate with authorized investigations and provide truthful information.

CARTA prohibits retaliation against any individual who, in good faith, reports suspected wrongdoing, participates in an investigation, or assists in the review of a reported concern.

If CARTA determines that fraud, misuse of funds, misappropriation, and other fiscal irregularities have occurred, CARTA may take corrective action, including disciplinary action, termination of contracts, recovery of funds, referral to law enforcement, notification of grantor agencies, or other actions permitted by law.

Section 4.3 – Conflicts of Interest

CARTA is a public agency and all employees and certain contractors are subject to the state laws regarding conflict of interest for public employees and financial disclosure rules. All designated employees must file a California Fair Political Practices Commission (FPPC) Statement of Economic Interests Form 700 with CARTA, in compliance with state law.

Further, CARTA employees have an obligation to execute their job duties within guidelines that prohibit actual or potential conflicts of interest. This policy establishes only the framework within which CARTA wishes to operate. The purpose of these guidelines is to provide general direction so that employees can seek further clarification on issues related to the subject of acceptable standards of operation. Contact the Executive Director or CARTA general counsel for more information or questions about conflicts of interest.

DRAFT

An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in a personal gain for that employee or for a relative as a result of CARTA's business dealings. For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage.

No "presumption of guilt" is created by the mere existence of a relationship with outside firms, or by ownership of or interest in property affected by CARTA actions. However, if employees have any influence on activities such as development of planning documents, airport land use plan compliance determinations, ranking or award of discretionary funding, or transactions involving purchases, contracts, or leases, it is imperative that they disclose to the Executive Director as soon as possible the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties.

Personal gain may result not only in cases where an employee or relative has a significant interest in an affected property or project, or ownership in a firm with which CARTA does business, but also when an employee or relative receives any kickback, bribe, substantial gift, or special consideration as a result of any transaction or dealings involving CARTA.

Section 4.4 – Nepotism and Personal Relationships Policy

CARTA is committed to making employment decisions based on merit and the needs of the agency. Employees and board members may not participate in or influence decisions involving the hiring, promotion, compensation, evaluation, discipline, supervision, contracting, or other employment actions affecting a family member or person with whom they have a close personal relationship.

For purposes of this policy, a family or personal relationship includes relationships by blood, marriage, domestic partnership, adoption, household membership, or other close personal relationship that could create an actual or perceived conflict of interest.

Employees must promptly disclose any relationship that could create a conflict under this policy to the Executive Director. Matters involving the Executive Director shall be disclosed to the Board Chair.

CARTA may take appropriate measures to address actual or potential conflicts, including reassignment of duties, changes in reporting relationships, recusal from decision-making, or other appropriate actions. Violations of this policy may result in corrective or disciplinary action.

Section 4.5 – Whistleblower Protection

It is the public policy of the State of California to encourage employees to report suspected violations of law, regulations, or public policy without fear of retaliation.

Consistent with California Labor Code section 1102.5 and other applicable laws, CARTA prohibits retaliation against any employee who, based on a reasonable belief that a violation of law, rule or regulation exists:

- Reports information to a government or law enforcement agency, a supervisor, the Executive Director, the Board Chair, legal counsel, or another person with authority to investigate, discover, or correct a suspected violation of law;
- Provides information to, cooperates with, or testifies before a public body conducting an investigation, hearing, or inquiry;
- Reports unsafe working conditions or practices;
- Refuses to participate in conduct that the employee reasonably believes would violate a law, rule, or regulation; or
- Exercises any other rights protected by applicable whistleblower laws.

No employee will be discharged, disciplined, threatened, discriminated against, or otherwise retaliated against for engaging in protected whistleblower activity.

Employees who become aware of what they reasonably suspect are legal violations, misuses of public resources, fraud, waste, abuse, unsafe working conditions, or other improper conduct are encouraged to report their concerns to the Executive Director. Concerns involving the Executive Director may be reported to the Board Chair, CARTA legal counsel, or another Board-designated official.

Nothing in this policy is intended to limit any rights or remedies available to employees under California or federal law.

The California Whistleblower Protection Notice required by law is maintained separately and provided to employees as required.

Section 4.6 – Discipline

CARTA expects employees to maintain satisfactory performance, comply with applicable laws and policies, and conduct themselves in a professional manner. When performance or conduct issues arise, CARTA may, in its sole discretion, use tools such as coaching, counseling, training, performance improvement plans, written warnings, suspension, demotion, or other corrective action, or none of these, as appropriate. Progressive discipline may be used; however, CARTA reserves the right to proceed directly to more serious corrective action, including suspension, demotion, or termination, depending on

the circumstances. CARTA employees are all at-will employees, who may be dismissed at any time without notice, cause, or right to appeal. Contract employees' contracts state that they are "at-will" employees subject to discipline or release with or without cause.

SECTION 5: RECRUITMENT AND HIRING

Section 5.1 – Job Posting

Although CARTA is a small agency with a limited number of positions, employees will be provided an opportunity to indicate their interest in positions that may come open and advance within the organization according to their skills and experience. Job openings will normally be posted on the CARTA website and remain open for 14 days. Each job posting notice will include the dates of the posting period, job title, job summary, essential duties, and qualifications (required skills and abilities). To be eligible to apply for a posted job, employees must have successfully completed the introductory period in their current position.

Section 5.2 – Examinations

The Executive Director may determine the selection process for authorized positions, which may include one or more job-related assessment methods such as interviews, evaluation of training and experience, writing samples, work samples, skills exercises, reference checks, or other methods designed to evaluate an applicant's ability to perform the duties of the position. CARTA will provide reasonable accommodation in the hiring process as required by applicable law. An appointment to a position may be conditioned upon the applicant satisfying lawful, job-related requirements, including any required background review, reference check, or medical examination where permitted by law.

Section 5.3 – Introductory Period

CARTA may utilize a designated introductory period as part of its selection and onboarding process. It allows CARTA to observe the employee's work, provide direction or training, assist the employee in adjusting to the position, and determine whether the employee's performance, conduct, and overall fit meet CARTA's standards. The length of the introductory period will be provided in the applicable offer letter or employment agreement.

Section 5.4 – Personal Information and Personnel Records

CARTA maintains personnel records as confidential agency records. Access is limited to authorized CARTA representatives, contracted human resources support providers, and

DRAFT

others with a legitimate business or legal need. Medical and health information will be maintained separately and confidentially as required by law.

Employees may inspect or request copies of their personnel records and may authorize a representative in writing to do so. CARTA may verify the representative's identity, charge the actual cost of copying, and establish reasonable procedures for reviewing or obtaining records in accordance with applicable law.

Requests for employment references or information about current or former employees must be referred to the Executive Director. Unless otherwise authorized by the employee or required by law, CARTA will generally confirm only position title and dates of employment.

Employees must promptly notify CARTA or its designated human resources representative of changes to contact, tax, emergency, benefit, licensing, or other employment-related information.

Section 5.5 – Driver's License

Based on the job functions of each position, CARTA will determine whether a driver's license is necessary. Employees who drive for CARTA business are required to possess a valid driver's license. If an employee does not possess a driver's license, they should consult with the Executive Director to determine whether their job function requires driving and cannot be reasonably met through alternative transportation in terms of travel or cost to CARTA.

SECTION 6: TRAVEL

Section 6.1 – Travel Policy Purpose

CARTA's agency operations require travel for meetings, field work, and site visits. CARTA also supports employee attendance at training programs, conferences, workshops, and other professional development activities that are related to the employee's job duties or CARTA's mission and operations. This policy establishes consistent and transparent rules for reimbursing travel and business expenses incurred by CARTA employees, members of the Board of Directors, and authorized representatives while conducing official CARTA business. No expenses will be paid or reimbursed unless the expense is necessary, reasonable, and incurred for official CARTA duties.

Section 6.2 – Authorization for Travel

Employees, the Executive Director, and Board members must fill out a Travel Request Form prior to traveling outside the region, including purpose and budget. Employees traveling within the region may request authorization via email.

Employees' travel, within or outside the region, must be authorized in advance by the Executive Director. The Executive Director's travel outside the region must be authorized by the Chair of the Board of Directors or included in the adopted annual budget. Board members' travel outside the region must be authorized by board action or included in the annual budget.

Section 6.3 – Pre-payment and Reimbursement

After a Travel Request Form is approved, the traveler may request that eligible expenses be pre-paid by CARTA or may pay those expenses personally and seek reimbursement after travel. For reimbursements, an Expense Report must be submitted within 10 business days after travel ends. Receipts for all expenses and a copy of the agenda or schedule must be attached to the Expense Report. Incomplete documentation may result in denial or delay of reimbursement.

Section 6.3 – Allowable Expenses

Travel and business expenses must:

- Directly support CARTA operations or training needs
- Be the most economical option that meets the business purpose
- Be pre-approved when required
- Be supported by itemized receipts or appropriate documentation
- Avoid personal benefit or non-business activities

Section 6.3.1 – Means of Transportation

When multiple means of transportation are available, travelers are encouraged to choose the most economical and direct means of transportation that still meets the business purpose.

Section 6.3.2 - Airfare

Travelers must book at the lowest refundable economy-class rate for the most direct route. Travelers are encouraged to book at least 21 days in advance to qualify for lower airfares. Baggage fees are eligible for reimbursement.

Section 6.3.3 – Public Transportation

Travelers should use public transportation (i.e. train, bus, light-rail, bike or scooter share) whenever practical and safe. Travelers who will use public transportation

DRAFT

multiple times during a trip are encouraged to purchase multiple trip passes when economical.

Section 6.3.4 – Rental Vehicle

Travelers may use a rental vehicle whenever flying or public transportation is impractical. Travelers must book an Economy/Compact or Intermediate/Standard vehicle unless otherwise justified and approved in the Travel Request Form.

Section 6.3.5 – Personal Vehicle

Travelers are not required to use a personal vehicle for CARTA business but may choose to. Mileage is reimbursed at the current IRS mileage rate. If cost for mileage reimbursement is anticipated to exceed either air fare or rental car cost to reach the same destination, employee will be required to use one of those methods rather than driving/seeking mileage reimbursement . Travelers must attach documentation of miles from CARTA's workplace to the business-related destination. Commute mileage (from traveler's home to CARTA's workplace) is not reimbursable. Travelers using a personal vehicle must maintain a valid driver's license, maintain minimum insurance coverage as required by California Law, and acknowledge that CARTA will process a claim with the employee's personal auto insurance as the primary in case of an accident, except as otherwise required by law.

Section 6.3.6 – Taxi and Rideshare

Travelers may use taxi or rideshare services, including to and from the airport or train station. Travelers are encouraged to carpool when feasible. Reimbursement for a taxi or rideshare trip may not exceed the cost of using a rental car or commercial airline to reach the same destination.

Section 6.3.7 – Parking and Tolls

Parking costs and tolls are reimbursable. Travelers are encouraged to include parking costs and tolls when determining the most economical and practical means of transportation.

Section 6.3.8 – Lodging

Travelers must book lodging that meets the GSA per-diem rate for that location. If lodging within the rate is unavailable or impractical, travelers must submit documentation and then must book the most economical and practical option. If the conference or meeting organizer has arranged for discounted lodging rate, travelers may book lodging as part of that block. CARTA will reimburse required taxes and fees associated with lodging, but upgrades are not reimbursable.

Section 6.3.9 – Meals

CARTA will pay for travelers' meals up to the GSA per-diem rate for the location where the employee is traveling to for CARTA business. The GSA "First and last day of travel" rate only applies when a traveler leaves after 12pm on the first day or returns home before 12pm on the last day. Reasonable business meals involving outside parties or necessary to conduct CARTA business are eligible for reimbursement and do not need to comply with the GSA rate. All such meals must be itemized and justified on the Expense Report to determine eligibility for reimbursement.

Section 6.3.10 – Wifi

Employees should use their CARTA-provided phone as a hot spot while traveling. When this is impractical or insufficient, wifi costs while traveling are eligible for reimbursement.

Section 6.4 – Non-Reimbursable Expenses

Examples of expenses not deemed necessary for business purposes (and thus not eligible for reimbursement) include, but are not limited to:

- Personal entertainment
- Travel for family members
- Alcoholic beverages
- Meals at the same meal time when a meal is already included in conference or event fees
- Personal items
- Charitable contributions
- Upgrades
- Travel insurance

Section 6.5 – Public Reporting Requirements and Gift Restrictions

Elected officials must report travel and expense reimbursements consistent with California Government Code 53232.3-53232.4. All travelers must comply with the Political Reform Act, CARTA's Conflict of Interest Policy, and Form 700 gift limits and reporting requirements. CARTA funds may not be used to circumvent gift laws.

SECTION 7: CREDIT CARD POLICY

Section 7.1 – Issuance of Credit Cards

DRAFT

The Executive Director is issued a physical credit card for use in conducting business on behalf of CARTA. The Executive Director may issue additional credit cards for staff who have been determined to have a business need ("cardholder"). Purchases may only be made by the approved cardholder, and only in accordance with applicable CARTA policies, as well as those of the issuing bank.

Section 7.2 – Eligible Uses

Purchases made with CARTA credit cards are held to the same requirements as requests for reimbursement and must be allowable within the limits of all applicable agency policies, including Signing Authority and Procurement, Administrative, and Travel Policies. Except in emergency circumstances, cardholders must confirm eligibility in advance with the Executive Director.

Section 7.3 – Cardholder Responsibilities

Cardholders must verify funds for the purchase are available in the annual budget. Cardholders must complete any required documentation prior to making a purchase, including Purchase Forms and Travel Request Forms. Cardholders must obtain itemized receipts for all purchases and complete an Expense Report within 10 business days of purchase. Cardholders must report any suspected fraud to the Executive Director and the issuing bank immediately. Cardholders must resolve any issues related to fraudulent or erroneous charges, returns not reflected, or other adjustments. Cardholders are responsible for maintaining the security of credit cards and must report lost or stolen cards immediately to the Executive Director and issuing bank.

Section 7.4 – Unauthorized Use

Employees who use a CARTA credit card in a manner prohibited by this policy or any other applicable policy shall promptly reimburse CARTA for the unauthorized purchase. Unauthorized purchases may be subject to disciplinary action, up to and including termination of employment, and criminal action if warranted.

SECTION 8: OTHER POLICIES

Section 8.1 – Injury and Illness Prevention Program

CARTA is committed to providing a safe and healthy workplace for employees, contractors, visitors, and the public. CARTA maintains an Injury and Illness Prevention Program (IIPP) in accordance with applicable California workplace safety requirements.

Employees are expected to comply with safety rules, promptly report unsafe conditions, accidents, injuries, and near-miss incidents, and participate in required safety training. Employees may report safety concerns without fear of retaliation.

The Executive Director is responsible for administering CARTA's workplace safety program and may designate others to assist with implementation. The full Injury and Illness Prevention Program is maintained separately from this handbook and may be updated from time to time.

Section 8.2 – Workplace Violence Prevention Program

CARTA is committed to providing a workplace that is free from violence, threats of violence, intimidation, and other disruptive behavior. Employees are expected to conduct themselves in a professional manner and to treat coworkers, Board members, contractors, member agency representatives, and members of the public with respect.

Employees must immediately report any workplace violence, threat, intimidation, harassment, or other safety concern to the Executive Director. Matters involving the Executive Director should be reported to the Board Chair or CARTA's designated representative. Employees may report concerns without fear of retaliation.

CARTA maintains a Workplace Violence Prevention Plan in accordance with applicable California law. Employees are expected to comply with the Plan, participate in required training, and cooperate with any workplace violence prevention or incident investigations.

Violations of this policy may result in corrective or disciplinary action, up to and including termination.

Section 8.3 – Agency Property, Records, and Investigations

Equipment, technology systems, records, workspaces, vehicles, communications systems, and other property provided by CARTA are intended for agency business and remain the property of CARTA. Employees should have no expectation of privacy in CARTA property, records, or information stored on CARTA systems, except as otherwise protected by law.

CARTA reserves the right to access, inspect, monitor, audit, or review CARTA property, records, files, communications, and information systems for legitimate business, operational, legal, security, public records, records retention, or investigative purposes, consistent with applicable law.

Employees may not remove, alter, destroy, conceal, or improperly access CARTA records, data, equipment, or other property without authorization. Employees must protect CARTA records and information from unauthorized disclosure, alteration, or loss.

When CARTA conducts a workplace investigation, employees are expected to cooperate fully and provide truthful information. Employees are not required to waive any rights provided by law. Failure to cooperate with a lawful workplace investigation may result in corrective or disciplinary action.

Unauthorized deletion, alteration, misuse, or destruction of CARTA records, electronic information, passwords, software, equipment, or other agency property may result in disciplinary action, up to and including termination.

Section 8.4 – Technology Policy

CARTA provides technology resources, including computers, mobile devices, software, networks, email, internet access, cloud services, collaboration tools, and other information systems, to support agency business.

Employees are expected to use CARTA technology responsibly, professionally, securely, and in accordance with applicable laws, agency policies, and cybersecurity requirements. Limited personal use is permitted if it is reasonable, does not interfere with work, does not consume significant agency resources, and does not violate any law or policy.

Employees should use CARTA-provided systems and accounts for conducting CARTA business whenever practicable. Communications and records related to CARTA business may be subject to records retention requirements, legal discovery, audits, and public records laws, including when created or stored on personal devices or accounts.

Technology resources, data, communications, and information created, stored, transmitted, or accessed using CARTA systems remain subject to CARTA oversight. Employees should have no expectation of privacy when using CARTA technology, except as otherwise provided by law. CARTA reserves the right to access, monitor, preserve, review, or disclose information on its systems for legitimate business, operational, legal, security, records management, or investigative purposes.

Employees may not use CARTA technology to:

- Violate any law, regulation, or agency policy;
- Access, create, store, transmit, or distribute material that is unlawful, threatening, discriminatory, harassing, fraudulent, defamatory, or otherwise inappropriate;
- Conduct outside business activities or commercial ventures;

- Circumvent security controls or access systems without authorization;
- Install unauthorized software, applications, or devices that could create security or operational risks; or
- Disclose confidential, sensitive, or protected information without authorization.

Employees are responsible for safeguarding passwords, devices, accounts, and CARTA information. Suspected cybersecurity incidents, phishing attempts, unauthorized access, lost devices, or other security concerns must be reported promptly to the Executive Director or CARTA's designated technology support provider.

CARTA may require employees to comply with technology, cybersecurity, records retention, acceptable use, artificial intelligence, or related administrative policies adopted from time to time. Employees are expected to cooperate with security measures implemented to protect CARTA systems and information.

Violations of this policy may result in corrective or disciplinary action, up to and including termination.

Section 8.5 – Social Media and Media Relations

CARTA is committed to providing accurate, consistent, and professional information to member agencies, stakeholders, the media, and the public.

Only the Executive Director, Board Chair, or individuals specifically authorized by the Executive Director or Board may speak on behalf of CARTA or provide official statements to third parties or the media regarding CARTA policies, operations, projects, or positions. Employees who receive media inquiries should refer them to the Executive Director.

Employees are free to engage in personal social media activities on their own time. However, employees may not represent that they are speaking on behalf of CARTA unless authorized to do so. Best practice is, if an employee identifies themselves as a CARTA employee in their personal social media accounts, to include a disclaimer making clear that they are not speaking for or on behalf of the agency. Further, employees should not disclose confidential, sensitive, or non-public information obtained through their employment with CARTA, whether through social media or otherwise.

Nothing in this policy is intended to restrict employees from exercising rights protected by law, including the right to discuss wages, hours, working conditions, or other legally protected matters.

Violations of this policy may result in corrective or disciplinary action.

Section 8.6 – Attire

Employees are expected to maintain a professional, neat, and appropriate appearance while conducting CARTA business. Attire should be suitable for the employee's duties, work location, meetings, public interactions, and safety requirements. Appropriate professional attire is required both in person and when participating in virtual meetings or similar online interactions.

Because CARTA employees regularly represent the agency in meetings with member agencies, contractors, public officials, and other stakeholders, employees should exercise good judgment and dress in a manner that reflects positively on the agency and promotes public confidence.

Employees may dress more casually when appropriate to their work assignments, provided their appearance remains professional and does not create safety concerns or interfere with agency operations.

CARTA will reasonably accommodate attire, grooming, and appearance practices required by law, including those related to religion, disability, medical condition, gender identity or expression, and other protected characteristics.

The Executive Director may establish reasonable attire expectations for specific events, meetings, work assignments, or safety-related situations.

8.7 – Political Activity and Public Office

CARTA respects an employee’s right to participate in the political process on their own time, including seeking or holding elected or appointed office. To keep a neutral workforce and to prevent any conflicts of interest, real or perceived, employees may not campaign, solicit, or conduct other activities for political purposes while on duty, during CARTA work time, or using CARTA resources. Except as authorized by the CARTA Board of Directors, employees may not imply that CARTA endorses any candidate, party, or position. Employees who hold or seek public office must promptly disclose any role that may create a conflict of interest with the Executive Director.

Section 8.8 – Artificial Intelligence (AI) Policy

CARTA recognizes that AI tools can help Employees work more efficiently. Use of AI by any CARTA Employee, Board member, or authorized representative must comply with this policy, CARTA’s Privacy Policy, and applicable law. Use of AI in a manner prohibited by this policy, other policies, or applicable law may be subject to disciplinary action, up to and including termination of employment, and criminal action if warranted.

Section 8.8.1 – Approved AI Tools

Use of any AI tool for CARTA business (e.g. ChatGPT, Claude, Google Gemini, Microsoft Copilot, etc.) must be approved by the Executive Director. CARTA will only approve tools that keep CARTA's information secure and preserve CARTA's ownership of its information and any outputs created using CARTA's information. Personal or free AI accounts may not be used for CARTA business. The Executive Director will maintain a list of approved tools. Tools that are not approved may not be downloaded to, or used on, CARTA devices or networks.

Section 8.8.2 – Protected Information

No data restricted by CARTA's Privacy Policy may be entered into, uploaded to, or shared with any AI tool at any time, including approved AI tools. Employees should whenever feasible, consult with the Executive Director before sharing CARTA data with AI.

Section 8.8.3 – Responsibility for AI-Assisted Work

Employees are responsible for the quality, accuracy, and appropriateness of any work developed with AI, the same as if they had created it themselves. Before using or sharing AI-assisted work, employees must review and edit thoroughly. AI-generated content may not be used as a final product without human review.

Section 8.8.4 – Recording and Transcription

Employees must obtain the consent of meeting participants before using an AI tool to record, transcribe, or summarize a meeting.

Section 8.8.5 –Employment Decisions

AI tools may not be used to make hiring, promotion, discipline, or other employment decisions.

Section 8.8.6 – Public Records

AI prompts, outputs, and other materials created while conducting CARTA business may be public records under the California Public Records Act. These materials must be retained according the adopted Records Retention Policy.

ACKNOWLEDGEMENT

I acknowledge that I have received a copy of the CARTA Employee Handbook. I understand that the Handbook contains important information regarding CARTA policies,

DRAFT

practices, and employee responsibilities. I understand that it is my responsibility to familiarize myself with the contents of the Handbook and to comply with applicable policies and procedures.

I understand that the Handbook is intended as a guide to CARTA's employment practices and is not a contract of employment. Nothing in the Handbook creates or is intended to create a promise or guarantee of continued employment or any specific term or condition of employment.

I understand that CARTA retains the authority to make employment decisions and to interpret, modify, amend, suspend, or discontinue policies, benefits, and practices described in the Handbook, consistent with applicable law and any rights that may apply to employees.

I acknowledge receipt of CARTA's policies regarding harassment, discrimination, retaliation prevention, workplace conduct, workplace safety, and other policies contained in the Handbook. I understand these policies and agree to comply with them.

I understand that CARTA may distribute updates to the Handbook, employment policies, and legally required notices electronically through agency email or other designated communication methods. I am responsible for reviewing such communications and complying with updated policies and requirements.

Employee Name: _____

Employee Signature: _____

Date: _____

APPENDICES

Conflict of Interest Code

Injury and Illness Prevention Program

Workplace Violence Prevention Program

California Whistleblower Protection Notice

Most Current State and Federal Labor Law Poster/Notices

DRAFT

Attachment 5C

Capital Area Regional Tolling Authority

Injury and Illness Prevention Program

Current Version: 1 – November 18, 2026

RESPONSIBILITY

The Injury and Illness Prevention Program (IIPP) administrator, the Executive Director, has the authority and responsibility for implementing the provisions of this program for the Capital Area Regional Tolling Authority (CARTA).

All managers and supervisors are responsible for implementing and maintaining the IIPP in their work areas and for answering worker questions about the IIPP. Section 1.2 – Governing Laws, Ordinances, and Regulations

COMPLIANCE

All workers, including managers and supervisors, are responsible for complying with safe and healthful work practices. Our system of ensuring that all workers comply with these practices includes the following practices:

- Informing workers of the provisions of our IIPP
- Evaluating the safety performance of all workers
- Recognizing employees who perform safe and healthy work practices
- Providing training to workers whose safety performance is deficient
- Disciplining workers for failure to comply with safe and healthy work practices

COMMUNICATION

All managers and supervisors are responsible for communicating with all workers about occupational safety and health in a form readily understandable by all workers. Our communication system encourages all workers to inform their managers and supervisors about workplace hazards without fear of reprisal.

Our communication system includes the following items:

- New worker orientation includes a discussion of safety and health policies and procedures
- Review of our IIPP
- Workplace safety and health training programs.
- A system for workers to anonymously inform management about workplace hazards.
- Our establishment has less than ten workers and communicates with and instructs workers orally about general safe work practices and hazards unique to each worker's job assignment.

HAZARD ASSESSMENT

Periodic inspections to identify and evaluate workplace hazards shall be performed by a competent observer in the following areas of our workplace:

Competent Observer	Area
Executive Director	CARTA Offices
Executive Director	CARTA Board Meeting Location(s)

Periodic inspections are performed according to the following schedule:

1. As needed
2. When we initially established our IIPP
3. When new substances, processes, procedures, or equipment that present potential new hazards are introduced into our workplace.
4. When new, previously unidentified hazards are recognized.
5. When occupational injuries and illnesses occur.
6. Whenever workplace conditions warrant an inspection.

ACCIDENT/EXPOSURE INVESTIGATIONS

Procedures for investigating workplace accidents and hazardous substance exposures include:

1. Visiting the accident scene as soon as possible.
2. Interviewing injured workers and witnesses.
3. Examining the workplace for factors associated with the accident/exposure.
4. Determining the cause of the accident/exposure.
5. Taking corrective action to prevent the accident/exposure from reoccurring.
6. Recording the findings and corrective actions taken.

TRAINING AND INSTRUCTION

All workers, including managers and supervisors, shall have training and instruction on general and job-specific safety and health practices. Training and instruction is provided as follows:

1. When the IIPP is first established.
2. To all new workers, except for construction workers who are provided training through a construction industry occupational safety and health program approved by Cal/OSHA.
3. To all workers given new job assignments for which training has not previously been provided.
4. Whenever new substances, processes, procedures, or equipment are introduced to the workplace and present a new hazard.
5. Whenever we are made aware of a new or previously unrecognized hazard.
6. To supervisors to familiarize them with the safety and health hazards to which workers under their immediate direction and control may be exposed.
7. To all workers with respect to hazards specific to each employee's job assignment.

General workplace safety and health practices include, but are not limited to, the following:

1. Implementation and maintenance of the IIPP.
2. Emergency action and fire prevention plan.
3. Provisions for medical services and first aid, including emergency procedures.
4. Prevention of musculoskeletal disorders, including proper lifting techniques.
5. Proper housekeeping, such as keeping stairways and aisles clear, work areas neat and orderly, and promptly cleaning up spills.
6. Prohibiting horseplay, scuffling, or other acts that tend to adversely influence safety.
7. Proper storage to prevent stacking goods in an unstable manner and storing goods against doors, exits, fire extinguishing equipment and electrical panels.
8. Proper reporting of hazards and accidents to supervisors.
9. Hazard communication, including worker awareness of potential chemical hazards, and proper labeling of containers.
10. Proper storage and handling of toxic and hazardous substances, including prohibiting eating or storing food and beverages in areas where they can become contaminated.

EMPLOYEE ACCESS TO THE IIP

Our employees – or their designated representatives - have the right to examine and receive a copy of our IIPP. This plan will be available on the agency's server at

CARTA - Documents\200 - Program Management and Policy\Policies\Injury Prevention and Workplace Violence

Any copy provided to an employee, or their designated representative need not include any of the records of the steps taken to implement and maintain the written IIPP.

Where we have distinctly different and separate operations with distinctly separate and different IIPPs, we may limit access to the IIPP applicable to the employee requesting it.

An employee must provide written authorization in order to make someone their "designated representative." A recognized or certified collective bargaining agent will be treated automatically as a designated representative for the purpose of access to the company IIPP.

The written authorization must include the following information:

- The name and signature of the employee authorizing the designated representative
- The date of the request
- The name of the designated representative
- The date upon which the written authorization will expire (if less than 1 year)

RECORDKEEPING

Our agency has fewer than twenty workers and is not on a designated high hazard industry list. We are also on a designated low hazard industry list or have a workers' compensation experience modification rate of 1.1 or less, and have taken the following steps to implement and maintain our IIPP:

1. Records of hazard assessment inspections.
2. Documentation of safety and health training for each worker.

Inspection records and training documentation will be maintained according to the following schedule:

- Since we have less than ten workers, including managers and supervisors, we maintain inspection records only until the hazard is corrected and only maintain a log of instructions to workers with respect to worker job assignments when they’re first hired or assigned new duties.

HAZARD ASSESSMENT AND CORRECTION RECORD

Date of Inspection: [Enter date] Person Conducting Inspection: [Enter name]

Unsafe Condition or Work Practice: [Provide details, including root causes]

Corrective Action Taken: [Provide details, including solutions to root causes]

Date of Inspection: [Enter date] Person Conducting Inspection: [Enter name]

Unsafe Condition or Work Practice: [Provide details, including root causes]

Corrective Action Taken: [Provide details, including solutions to root causes]

Date of Inspection: [Enter date] Person Conducting Inspection: [Enter name]

Unsafe Condition or Work Practice: [Provide details, including root causes]

Corrective Action Taken: [Provide details, including solutions to root causes]

ACCIDENT/EXPOSURE INVESTIGATION REPORT

Date & Time of Accident: [Enter information]

Location: [Provide details]

Accident Description: [Enter details, including all events that led to the incident]

Workers Involved: [Enter information]

The underlying cause(s) of the accident/exposure: [Detail all root causes]

Corrective Actions Taken: [Provide details, including potential solutions to the root causes]

Manager Responsible: [Enter name]

Date Completed: [Enter date]

WORKER TRAINING AND INSTRUCTION RECORD

EMPLOYEE NAME	TRAINING DATES	TYPE OF TRAINING	TRAINERS
[Enter employee full name]	[Enter training date(s)]	[Enter course name(s)]	[Enter name of trainer(s)]

DRAFT

Capital Area Regional Tolling Authority
Workplace Violence Prevention Plan

DRAFT

Current Version: 1 – November 18, 2026

DRAFT

The Capital Area Regional Tolling Authority (CARTA) Workplace Violence Prevention Plan (Plan) addresses the hazards known to be associated with the four types of workplace violence as defined by Labor Code (LC) section 6401.9.

DEFINITIONS

Emergency – Unanticipated circumstances that can be life threatening or pose a risk of significant injuries to employees or other persons.

Engineering controls – An aspect of the built space or a device that removes a hazard from the workplace or creates a barrier between the employee and the hazard.

Harassment – Behavior that is not welcome, and that is offensive, demoralizing, and/or interferes with work effectiveness.

Intimidation – Instilling fear in a person by a show of force or a threat of force.

Log – The violent incident log required by LC section 6401.9.

Plan – The Workplace Violence Prevention Plan required by LC section 6401.9.

Potential Hazard – A danger to health or safety which may occur if corrective action is not taken.

Physical Fighting – The act of aggression or initial force in physically contending with another person with the intent to overpower and/or to cause harm.

Risk Factors – The behavioral warning signs (acts, behaviors, and situations) that may increase the probability of workplace violence. Examples of Risk Factors include, but are not limited to the following: individuals exhibiting unusual fascination with the illegal use of firearms/weapons, and/or incidents of workplace violence; individuals that exhibit changes in behavior suggestive of drug and/or alcohol addiction; severe depression; significant decrease in productivity; poor or strained relationships with co-workers; significant personality changes, etc.

Serious injury or illness – Any injury or illness occurring in a place of employment or in connection with any employment that requires inpatient hospitalization for other than medical observation or diagnostic testing, or in which an employee suffers an amputation, the loss of an eye, or any serious degree of permanent disfigurement, but does not include any injury or illness or death caused by an accident on a public street or highway, unless the accident occurred in a construction zone.

Threat of violence – Any verbal or written statement, including, but not limited to, texts, electronic messages, social media messages, or other online posts, or any behavioral or physical conduct, that conveys an intent, or that is reasonably perceived to convey an intent, to cause physical harm or to place someone in fear of physical harm, and that serves no legitimate purpose.

Type of Incident – This category describes the specific actions of behaviors involved in the violent incident. It can include: physical attack (with or without a weapon, threats of violence, sexual assault or threats, animal attacks, other incidents.

Violence – Aggressive acts or initiation of physical force or intimidation exerted for the purpose of violating, injuring, damaging, or abusing persons, or property.

Violence in the Workplace Reporting Form – Form provided by CARTA to report incidents of workplace violence.

Weapons – An instrument, article, or substance, which in the possession of an employee or visitor or under the circumstances of which it is used and or is threatened to be used, can cause physical injury or death.

Work Practice Controls – Procedures and rules which are used to effectively reduce workplace violence hazards.

Workplace – Any place CARTA business is conducted, including CARTA buildings and property.

Workplace violence – Any act of violence or threat of violence that occurs in a place of employment.

Workplace violence includes, but is not limited to, the following:

- The threat or use of physical force against an employee that results in, or has a high likelihood of resulting in, injury, psychological trauma, or stress, regardless of whether the employee sustains an injury
- An incident involving a threat or use of a firearm or other dangerous weapon, including the use of common objects as weapons, regardless of whether the employee sustains an injury
- The following four workplace violence types:
    - Type 1 violence - Workplace violence committed by a person who has no legitimate business at the worksite and includes violent acts by anyone who enters the workplace or approaches employees with the intent to commit a crime
    - Type 2 violence - Workplace violence directed at employees by customers, clients, patients, students, inmates, or visitors
    - Type 3 violence - Workplace violence against an employee by a present or former employee, supervisor, or manager
    - Type 4 violence - Workplace violence committed in the workplace by a person who does not work there but has or is known to have had a personal relationship with an employee

Workplace violence does not include lawful acts of self-defense or defense of others.

Workplace Violence Prevention Plan Administrator – Executive Director has the authority and responsibility for implementing the provisions of this Plan for CARTA.

RESPONSIBILITIES

The Executive Director shall be the designated Workplace Violence Prevention Plan Administrator and have authority and responsibility for developing, implementing, and maintaining this Plan. The Executive Director or their designee will also:

- Proactively address workplace violence issues that disrupt CARTA business
- Develop prevention and response protocols
- Train employees on this Plan
- Investigate reports of actual or threatened violence, assess the risks, and make recommendations for action

Every CARTA employee is to immediately report to the Executive Director any workplace violence hazards. This includes employees who are aware of violence or threats of violence that may create a risk of harm to the employee or others in the workplace. Employees are to report any workplace violence, whether actual or potential, so that all reports can be promptly and thoroughly investigated.

Employees are to report restraining orders specific to the workplace to their supervisor or the Executive Director. Employees may use the Violence in the Workplace Reporting Form for this purpose. A copy of the restraining order will be retained by CARTA to assist law enforcement in the event an incident occurs, and to facilitate CARTA's efforts to provide a safe workplace.

If an employee who is a victim of domestic violence, sexual assault, or stalking needs a reasonable accommodation, which may include safety planning or other actions to increase safety in the workplace, they should promptly advise their supervisor or the Executive Director. Discrimination, harassment, and/or retaliation against an employee based upon their status as a victim of domestic violence, sexual assault and/or stalking is prohibited.

WORKPLACE VIOLENCE INCIDENT REPORTING PROCEDURE

All threats or acts of workplace violence are to be reported using the Violence in the Workplace Reporting Form attached to this Plan. In addition to submitting the Violence in the Workplace Form, employees will notify their supervisor or the Executive Director. Employees are to provide as much information as possible to assist in the investigation and response. Early reporting of dangerous and/or potentially dangerous incidents will facilitate an effective investigation and response by CARTA in a timely manner.

CARTA prohibits retaliation of employees who in good faith report threats or acts of violence. In any instances of alleged retaliation, CARTA will take reasonable steps to address them promptly and thoroughly.

DRAFT

EMERGENCY RESPONSE PROCEDURES

Help can be obtained from law enforcement in situations that require immediate response by calling the following numbers:

- Emergency – 911
- City of Sacramento Police Department –Non-emergency 916-808-5471

CARTA will alert employees to the presence, location, and nature of workplace violence emergencies by email or by in person communication.

WORKPLACE VIOLENCE HAZARD IDENTIFICATION AND EVALUATION

The following policies and procedures are established and required to be conducted by CARTA to ensure that workplace violence hazards are identified and evaluated:

Inspections shall be conducted when this Plan is first established, after each workplace violence incident, and whenever CARTA is made aware of a new or previously unrecognized hazard. Periodic inspections of workplace violence hazards will identify unsafe conditions and work practices. This may require assessment for more than one type of workplace violence. Periodic inspections shall be scheduled and conducted by the Executive Director.

Inspections for workplace violence hazards include assessing:

- The need for surveillance measures, such as mirrors or cameras.
- Procedures for reporting suspicious people or activities.
- Effective location and functioning of emergency alarms.
- Posting of emergency telephone numbers for law enforcement, fire, and medical services.
- Whether employees have a designated safe area where they can go to in an emergency.

WORKPLACE VIOLENCE HAZARD CORRECTION

Workplace violence hazards will be evaluated and corrected in a timely manner when observed or discovered. CARTA will implement the following effective procedures to correct identified workplace violence hazards:

- Corrective measures taken will be documented and employees will be notified of recommended corrective actions to mitigate reported hazards.
- When an imminent workplace violence hazard exists which cannot be immediately abated without endangering employees and/or property, remove all exposed personnel from the area

DRAFT

except those necessary to correct the existing condition. The necessary employees shall be provided with the necessary safeguards.

PROCEDURES FOR POST INCIDENT RESPONSE AND INVESTIGATION

After a workplace incident, the Plan administrator will implement the following post-incident procedures and complete the Post Incident Response and Investigation Checklist which includes the following:

- Visit the scene (when necessary) of an incident as soon as safe and practicable.
- Interview involved parties, such as employees, witnesses, law enforcement, and/or security personnel.
- Review security footage of existing security cameras if applicable.
- Examine the workplace for security risk factors associated with the incident, including any previous reports of inappropriate behavior by the perpetrator.
- Determine the cause of the incident.
- Take corrective action to prevent similar incidents from occurring.
- Record the findings and ensure corrective actions are taken.
- Obtain any reports completed by law enforcement.
- The violent incident log will be used for every workplace violence incident and will include information, such as:
    - The date, time, and location of the incident.
    - The workplace violence type or types involved in the incident.
    - A detailed description of the incident.
    - A classification of who committed the violence, including whether the perpetrator was a friend, stranger with criminal intent, coworker, supervisor, partner or spouse, parent or relative, or other type of perpetrator.
    - A classification of circumstances at the time of the incident, including, but not limited to, whether the employee was completing usual job duties, rushed, working during a low staffing level, isolated or alone, unable to get help or assistance, or working in an unfamiliar or new location.
    - A classification of where the incident occurred, such as in the workplace, parking lot or other area outside the workplace, or other area.
    - The type of incident, including, but not limited to, whether it involved any of the following:
        - Physical attack without a weapon, including, but not limited to, biting, choking, grabbing, hair pulling, kicking, punching, slapping, pushing, pulling, scratching, or spitting.
        - Attack with a weapon or object, including, but not limited to, a firearm, knife, or other object.
        - Threat of physical force or threat of the use of a weapon or other object.

        - Sexual assault or threat, including, but not limited to, rape, attempted rape, physical display, or unwanted verbal or physical sexual contact.
        - Animal attack.
        - Other.
    - Consequences of the incident, including, but not limited to:
        - Whether security or law enforcement was contacted and their response.
        - Actions taken to protect employees from a continuing threat or from any other hazards identified as a result of the incident.
    - Information about the person completing the log, including their name, job title, and the date completed.
    - Include all previous incidents.

No personal identifiable information shall be recorded or documented in the written investigation report. This includes information which would reveal the identification of any person involved in a violent incident, such as the person's name, address, electronic mail address, telephone number, social security number, or other information that, alone or in combination with other publicly available information, reveals the person's identity.

TRAINING AND INSTRUCTION

All employees shall participate in training and instruction on general and job-specific workplace violence practices. These sessions may include presentations, discussions, and practical exercises.

Training and instruction will be provided as follows:

- When the Plan is first established.
- Annually to ensure all employees understand and comply with the Plan. Employees shall be provided an interactive opportunity for questions and answers with a knowledgeable person about the Plan.
- Whenever a new or previously unrecognized workplace, violence hazard has been identified and when changes are made to the Plan. This additional training may be limited to addressing the new workplace violence hazard or changes to the Plan.

CARTA will provide its employees with training and instruction on the definitions found in this Plan and the following:

- The Plan, how to obtain a copy of the CARTA's Plan at no cost, and how to participate in development and implementation of CARTA's Plan.
- How to report workplace violence incidents or concerns to CARTA or law enforcement without fear of reprisal.

- Workplace violence hazards specific to the employees' jobs, the corrective measures CARTA has implemented, how to seek assistance to prevent or respond to violence, and strategies to avoid physical harm.
- The violent incident log and how to obtain copies of records pertaining to hazard identification, evaluation and correction, training records, and violent incident logs.

Note: CARTA will use training material appropriate in content and vocabulary to the educational level, literacy, and language of employees.

EMPLOYEE ACCESS TO THE WRITTEN PLAN

The Plan shall be in writing and shall be available and easily accessible to employees, authorized employee representatives, and representatives of Cal/OSHA at all times. A printed copy of the written Plan may be obtained by request to the Executive Director. Whenever an employee or designated representative requests a copy of the written Plan, CARTA will provide the requester with a printed copy of the Plan, unless the employee or designated representative agrees to receive an electronic copy.

RECORDKEEPING

CARTA will:

- Create and maintain records of workplace violence hazard identification, evaluation, and correction, for a minimum of five (5) years.
- Create and maintain training records for a minimum of one (1) year and include the following:
    - Training dates
    - Contents or a summary of the training sessions
    - Names and qualifications of people conducting the training
    - Names and job titles of all people attending the training sessions
    - Maintain violent incident logs for a minimum of five (5) years
    - Maintain records of workplace violence incident investigations for a minimum of five (5) years
- The records shall not contain medical information per subdivision (j) of section 56.05 of the Civil Code.
- All records of workplace violence hazard identification, evaluation, and correction; training, incident logs and workplace violence incident investigations required by LC section 6401.9(f), shall be made available to Cal/OSHA upon request for examination and copying.

EMPLOYEE ACCESS TO RECORDS

The following records shall be made available to employees and their representatives, upon request and without cost, for examination and copying within 15 calendar days of a request:

- Records of workplace violence hazard identification, evaluation, and correction
- Training records
- Violent incident logs

EMPLOYEE ACTIVE INVOLVEMENT

CARTA recognizes the following policies and procedures as a means to obtain the active involvement of employees in developing and implementing the Plan. Employees are encouraged to participate in:

- Identifying, evaluating, and determining corrective measures to prevent workplace violence.
- Designing and implementing training.

Employees shall report workplace violence incidents as set forth in the Workplace Violence Incident Reporting procedure section of this Plan and shall cooperate in investigations. The Executive Director or their designee will ensure that all workplace violence policies and procedures within this written Plan are clearly communicated and understood by all employees. The Executive Director will enforce the rules fairly and uniformly.

All employees will follow all workplace violence prevention Plan directives, policies, and procedures, and assist in maintaining a safe work environment. This Plan shall be in effect at all times and in all work areas and be specific to the hazards and corrective measures for the work area.

EMPLOYEE COMPLIANCE

CARTA's system to ensure that employees comply with the rules and work practices that are designed to make the workplace more secure, and to not engage in threats or physical actions which create a security hazard for others in the workplace, include at a minimum:

- Training employees and managers in the provisions of the Workplace Violence Prevention Plan.
- Maintaining effective procedures to ensure that supervisory and nonsupervisory employees comply with the Plan.
- Retraining for employees whose safety performance is deficient with the Plan as requested by the Executive Director.

The expectation is for all agents of CARTA, including employees and volunteers, to abide by the policies and procedures contained within the Plan and corresponding regulatory compliance policies. The willful violation of CARTA safety rules or state regulations may result in disciplinary action up to and including termination. All disciplinary actions will comply with current and applicable CARTA policies.

DRAFT

COMMUNICATION WITH EMPLOYEES

CARTA recognizes that open, two-way communication between management and employees about workplace violence issues is essential to a safe and productive workplace. The following communication system is designed to facilitate a continuous flow of workplace violence prevention information among staff in a form that is readily understandable by all employees, and consists of one or more of the following:

- Including workplace violence prevention policies and procedures in new employee orientation.
- Offering workplace violence prevention training programs. The training shall include information on how reports can be made, how those reports are investigated, and how the employee will be informed of the results and corrective actions.
- Scheduling meetings that address security issues and potential workplace violence hazards.
- Facilitating communication about workplace violence prevention and violence concerns.
- Empowering employees to report violent incidents, threats, or other workplace violence concern to employer or law enforcement without fear of reprisal or adverse action.
- Informing employees that they may not be retaliated against for good faith reporting of violent incidents, threats, or other workplace violence concerns.
- Allowing employees access to their mobile or other communication devices to seek emergency assistance, assess the safety of a situation, or communicate with a person to verify their safety.
- Investigating employees' concerns in a timely manner and informing them of the results of the investigation and any corrective actions to be taken

REVIEW AND REVISION OF THE PLAN

The Plan will be reviewed for effectiveness:

- When a deficiency is observed or becomes apparent.
- After a workplace violence incident.
- As needed.

Review and revision of the Plan will include the active involvement of employees and authorized employee representatives via the procedures listed in the EMPLOYEE ACTIVE INVOLVEMENT section of this Plan. Review of CARTA's Plan should include, but is not limited to:

- Review of incident investigations and the violent incident log.
- Assessment of the effectiveness of security systems, including alarms, emergency response, and security personnel availability (if applicable).
- Review that violence risks are being properly identified, evaluated, and corrected.

Any necessary revisions will be made promptly and communicated to all employees.

DRAFT

Capital Area Regional Tolling Authority

Meeting Date: November 18, 2026
Agenda Item: 6

California Toll Operators Committee Agreement

Prepared By: Kathleen Aziz, CARTA
Attachments: Yes

Recommendation:
Authorize the Executive Director to execute a Memorandum of Understanding (MOU) with the California Toll Operators Committee (CTOC) substantially similar to Attachment 6B and delegate authority to the Executive Director to execute future amendments to the CTOC MOU that do not have fiscal impact for CARTA.

Background:
The California Toll Operators Committee (CTOC) is an organization made up of the toll facility operators and owners in California. The mission of CTOC is to promote interoperability, operational excellence, technological advancement and exemplary customer service on California toll facilities.

The functions of CTOC include:

- Promoting interoperability and coordination between California toll facilities
- Sharing tolling technology resources
- Coordinating about legislative, administrative, and regulatory tolling policies
- Championing customer service
- Leveraging coordinated "FasTrak®" branding
- Providing central interface with professional organizations
    - International Bridge Tunnel and Turnpike Association (IBTTA)
    - Western Region Toll Operators (WRTO)
    - Intelligent Transportation Society of California (ITS-CA)

CTOC benefits the travelling public by fostering a collaborative environment to promote customer service and toll facility interoperability.

On August 4th, 2011, CTOC member agencies adopted a Memorandum of Understanding (MOU). Overtime, the CTOC MOU is amended, including to add new members as new tolling authorities are created in California. The CTOC Executive Committee is considering an amendment to the MOU in November that, among other changes, will assign CARTA as a CTOC Member Agency with full voting privileges. CTOC membership is voluntary and does not require dues, and its actions are only advisory to its member agencies. As such, future amendments to the CTOC MOU are anticipated to be administrative and staff recommend that the Board

delegate authority to the Executive Director to approve minor amendments in the future. If a future amendment to the CTOC MOU is proposed that would create fiscal impact for CARTA (such as instituting dues) the Executive Director will bring the amendment back to the board for discussion and further direction.

Attachments:
6B: CTOC Agreement

CALIFORNIA TOLL OPERATORS COMMITTEE

MEMORANDUM OF UNDERSTANDING

Records of Amendments

Original	CTOC Memorandum of Understanding	August 4, 2011
Article	**Amendments**	**Date Adopted**
II	Add Charter Member San Francisco County Transportation Authority (SFCTA)	August 27, 2014
II	Add Charter Member San Bernardino Association Governments (SANBAG)	November 18, 2014
II	Change the name of San Bernardino Association Governments (SANBAG) to San Bernardino County Transportation Authority (SBCTA)	April 13, 2017
II	Add Charter Member Alameda County Transportation Commission (Alameda CTC)	April 13, 2017
II	Designate Sunol JPA as a non-voting ex-officio member of the CTOC Executive Committee	April 13, 2017
II	Designate Caltrans as an ex-officio member of the CTOC Executive Committee	April 13, 2017
III	Incorporate the Communications subcommittee	April 13, 2017
III	Incorporate the Express Lanes subcommittee	April 13, 2017
IV	Incorporate the Immediate Past Chairman position	April 13, 2017
II	Add Charter Member Capital Area Regional Tolling Authority (CARTA)	XX, XX, 2026
II	Add Charter Member San Mateo County Express Lanes Joint Powers Authority (SMCEL JPA)	XX, XX, 2026
II	Remove duplication listing for Alameda County Transportation Commission and San Bernardino County Transportation Authority	XX, XX, 2026
III	Update subcommittee names and descriptions	XX, XX, 2026
IV	Reinstate Immediate Past Chairman voting capacity	XX, XX, 2026
IV	Add language regarding Western Region Toll Operators representation	XX, XX, 2026

CALIFORNIA TOLL OPERATORS COMMITTEE

MEMORANDUM OF UNDERSTANDING

This California Toll Operators Committee Memorandum of Understanding (hereinafter "MOU") for reference purposes, dated August 4, 2011 is entered into by and among the undersigned agencies and organizations (hereinafter "Member Agencies").

Article I - Purpose and Mission

The California Toll Operators Committee (CTOC) is a collaborative organization composed of California's toll facility operators/owners. CTOC is the primary resource for interoperability and coordination among tolling facilities, and education and advocacy regarding tolling in California. CTOC members communicate regularly on issues of interoperability, technology, operating policies, customer service, the legislative, administrative and regulatory framework for tolling, and other issues affecting tolling in California.

The mission of CTOC is to promote interoperability, operational excellence, technological advancement and exemplary customer service on California toll facilities.

The types of activities that CTOC undertakes includes but is not limited to:

- Promoting consistent agreement(s) and practices for interoperable toll processing and revenue collection;
- Reviewing and recommending to Caltrans changes to the requirements of Title 21 and associated law;
- Reviewing and making recommendations and in some cases, initiating proposed legislative changes that may impact toll operations in the state, provided that a unanimous vote of the CTOC members shall be required for CTOC to take a position on any legislation or administrative policy changes.
- Promoting the "FasTrak®" trademark as the California symbol for electronic toll collection and interoperability;
- Examining new tolling technologies.
- Serving as a resource for toll project planning, development and operations; and

CTOC may also provide a central interface with related professional organizations such as the International Bridge Tunnel and Turnpike Association (IBTTA), Western Region Toll Operators (WRTO), and the Intelligent Transportation Society of California (ITS-CA).

Article II – Membership

CTOC membership will include the following Charter Member Agencies. These public agencies and/or private companies will be full voting members of CTOC.

- Alameda County Transportation Commission (Alameda CTC)
- Bay Area Toll Authority/Metropolitan Transportation Commission (BATA)
- California Department of Transportation (Caltrans) - Ex-officio *
- Capital Area Regional Tolling Authority (CARTA)
- Foothill/Eastern Transportation Corridor Agency (FETCA)/San Joaquin Hills Transportation Corridor Agency (SJHTCA)
- Golden Gate Bridge, Highway and Transportation District (GGBHTD)
- Los Angeles County Metropolitan Transportation Authority (LACMTA)
- Orange County Transportation Authority (OCTA)
- Riverside County Transportation Commission (RCTC)
- San Bernardino County Transportation Authority (SBCTA)
- San Diego Association of Governments (SANDAG)
- San Francisco County Transportation Authority (SFCTA)
- San Mateo County Express Lanes Joint Powers Authority (SMCEL JPA)
- Santa Clara Valley Transportation Authority (VTA)
- Sunol SMART Carpool Lane Joint Powers Authority (Sunol JPA) **

* - The Caltrans designated representative shall serve as an ex-officio member of the CTOC Executive Committee in a non-voting advisory capacity.

** Sunol JPA shall have a non-voting ex officio CTOC membership.

A Member Agency can withdraw from CTOC by providing written notice to each of the Member Agencies and the Chair at least 30 days prior to the effective date of withdrawal. CTOC membership is voluntary, and its actions are only advisory to its member agencies. CTOC may not require compliance with any actions that are inconsistent with the policies and procedures and policy board actions of any Member Agency.

It is expected that over time, new public and private entities may gain legislative authority to develop and operate toll facilities and that these entities may want to and should be encouraged to join CTOC. Such entities may petition CTOC for membership and will be admitted as voting members, based on a majority vote of the Executive Committee.

The California Highway Patrol (CHP), Department of Motor Vehicles and other state and local entities may be invited to participate in CTOC meetings to provide input to CTOC on relevant matters from time to time.

The Executive Committee may invite vendors and suppliers of tolling systems, equipment and related products and services to provide information at CTOC meetings and activities to assist with any CTOC discussions at the discretion of the Executive Committee or any subcommittee, to the extent that participation will not create conflicts of interest with pending or future activities of CTOC or its members.

Article III – Governance

CTOC shall be governed by an Executive Committee with assistance from subcommittees.

A. Executive Committee

Composition

An Executive Committee including all CTOC Member Agencies will be comprised of the Chief Executive of each Member Agency or his/her specified designee with the authority to represent the interests of the Agency. Each Chief Executive may also designate one alternate to serve in place of the specified designee.

Responsibilities

The Executive Committee shall provide overall management to the extent necessary to accomplish the Purpose and Mission of CTOC as described in Article I above.

B. Subcommittees

The following subcommittees will support the Executive Committee in carrying out the business of CTOC.

Operations Committee

The Operations Committee will address all operational issues related to toll collection, roadway operations, signage, third party payment mechanisms, operating policies, and customer services. These may include but are not limited to:

- FasTrak® operations and interoperability;
- Western region hub;
- Tolling agreements; and

- Best practices and protocols for toll collection, signage and other operational elements.

Technical Committee

The Technical Committee will address all issues related to transaction processing, information sharing, specifications, and rulemaking. These may include but are not limited to:

- Researching new technologies; and
- Matters dealing with technical specifications such as
    - Title 21 of the California Code of Regulations;
    - FasTrak® operations;
    - Interstate and intrastate interoperability;
    - File exchange specifications and proposing revisions as necessary;
    - Developing test procedures for exchange of files from new members as well as procedures for testing changes in technology or protocol; and
    - Establishing validation procedures for Title-21 equipment suppliers.

Legislative Committee

The Legislative Committee will identify, discuss and provide input to the Executive Committee related to proposed legislative or administrative law changes that impact tolling operations and provide analysis and education on legislative changes that would benefit the Agencies and toll facility users.

Customer Experience and Communications Committee

The Customer Experience and Communications Committee will address and advise the CTOC Executive Committee on issues related to communications strategies for promoting interoperability and best practices in customer education among the CTOC Agencies.

Each subcommittee will have a Chair, who will be a representative of a Member Agency. The subcommittee Chair will be appointed by the Chair of the Executive Committee and confirmed by a majority vote of the Executive Committee. Each subcommittee will develop annual work programs/objectives for review and approval by the Executive Committee. The Executive Committee may also establish additional subcommittees or ad hoc working groups to address specific issues.

C. Termination and Amendment

This Agreement may be terminated either (1) upon agreement of all Member Agencies; or (2) upon withdrawal of all but one Member Agency. This Agreement may be amended by unanimous vote of all Member Agencies.

Article IV – Conduct of Business

A. Meetings

The Executive Committee will meet no less than twice a year, and as necessary to carry out the activities detailed in this MOU. Subcommittees will meet no less than twice a year.

B. Voting

Actions to advocate or oppose a legislative change, impose a cost or recommend a substantial change in operational policies or procedures to a CTOC member(s) shall require a unanimous vote of the CTOC Executive Committee. For other actions of the Executive Committee, such as election of officers as indicated below, a majority of the votes cast by the present voting members of the Executive Committee is required. If a Member Agency by its own policies or rules is required to internally approve any action of the Executive Committee, final implementation of any such action of the Executive Committee shall be dependent upon internal approvals of the particular agency(ies).

Each voting Member Agency shall have one vote. A simple majority of the voting members of the Executive Committee constitutes a quorum of the Executive Committee.

A majority vote shall mean a simple majority of the quorum present. When any action requires a unanimous vote of all Member Agencies, members who will be absent from the meeting may vote by way of a written correspondence delivered to the Chair of the Executive Committee. Abstentions are counted as non-votes.

By majority vote, the Executive Committee can add or dissolve subcommittees.

C. Election of Officers

By majority vote, the Executive Committee will elect one of its members to serve as Chair of the Committee for a term of two years. The two-year term will begin upon election.

By majority vote, the Executive Committee will elect one of its members to serve as Vice Chair of the Committee for a term of two years. The two-year term will generally be concurrent with the term of the Chair, subject to the discretion of the Executive Committee. In the event the office of the Chair is vacant, absent from a meeting, or the Chair is unable to perform the duties of Chair, the Vice Chair will perform the duties until the Chair is able to perform them or the Committee by majority vote elects a new Chair.

The Chair and Vice Chair must be from agencies/organizations that are voting members of CTOC. The intent is that the Chair and Vice Chair offices will be rotated among the voting Member Agencies.

By majority vote, the Executive Committee may extend the terms of the Chair and/or Vice Chair beyond two years for a specified period, not to exceed two years per extension. In the event the Committee fails to elect a Chair; the sitting Chair will remain in office until a successor is elected.

The Immediate Past Chair serves on the CTOC Executive Committee and provides continuity and support to the Chair, Vice-Chair and Executive Committee. The Immediate Past Chair may receive special assignments as determined by the Chair.

D. Western Region Toll Operators Representative

The WRTO is a collaborative organization composed of the Western Region's toll facility operators/owners and states in the Western Region with interest in tolling. The Western Region is defined as the following states and provinces: Alaska, Arizona, British Columbia, California, Hawaii, Idaho, Oregon, Montana, Nevada, Utah, and Washington. The WRTO is led by a Chair and Vice Chair. The CTOC Chair will request nominations to represent CTOC as the WRTO voting member when a vacancy arises. The Executive Committee will vote on the nominees, and a majority vote is required for confirmation.

E. CTOC Website

CTOC will establish and maintain a website. The website may contain official CTOC documents, and other information as directed and approved by the Executive Committee.

F. Staffing

The Executive Committee Chair will appoint a staff member or other designee from their agency to perform duties in support of CTOC. The Member Agency represented by the Executive Committee Chair may be responsible for funding minor items in support of the administration of CTOC during his/her term. Duties of the staff support for CTOC would include:

- Coordinating meetings and taking Executive Committee meeting minutes; ensuring that subcommittee minutes are taken and submitted.
- Supporting CTOC officers and committees.
- Maintaining content on the CTOC website, inclusive of posting agendas, meeting notes and other documents as appropriate.

G. Funding

By unanimous agreement of the Member Agencies, a membership fee at an amount to be determined by Executive Committee to cover basic administrative expenses and additional shared expenses for special projects may be instituted. To the extent any such fee is instituted, the Executive Committee shall establish a budget and the level of Member Agency contribution which

shall be approved by a majority vote of the Executive Committee. The financial records of CTOC shall be made available to any Member Agency for review and audit purposes. In the event of termination of this MOU, any funds remaining after payment of all CTOC obligations shall be distributed among those Member Agencies that are parties to the MOU at the time of termination.

H. No Liability

Nothing in the provision of this MOU is intended to create or imply duties or obligations to, or create or imply rights extending to or for the benefit of third parties not parties to this MOU and / or affect the legal liability of any party to this MOU by imposing any standard of care with respect to the operation of Member Agencies' toll facilities.

I. No Partnership

Neither this MOU nor the exercise of any activity described hereunder shall evidence or establish, or be construed as evidencing or establishing, any partnership, joint venture or similar relationship between the Member Agencies, or any of them.

IN WITNESS WHEREOF, the parties have executed this MOU as of the date first written above. This agreement may be signed in counterparts by the respective Member Agencies.

Member Agency	Signature	Date
Alameda County Transportation Commission (Alameda CTC)		
Bay Area Toll Authority/Metropolitan Transportation Commission (BATA)		
California Department of Transportation (Caltrans)		
Capital Area Regional Tolling Authority (CARTA)		
Foothill/Eastern Transportation Corridor Agency (FETCA)/ San Joaquin Hills Transportation Corridor Agency (SJHTCA)		
Golden Gate Bridge, Highway and Transportation District (GGBHTD)		
Los Angeles County Metropolitan Transportation Authority (LACMTA)		
Orange County Transportation Authority (OCTA)		
Riverside County Transportation Commission (RCTC)		
San Bernardino County Transportation Authority (SBCTA)		
San Diego Association of Governments (SANDAG)		
San Francisco County Transportation Authority (SFCTA)		

Member Agency	Signature	Date
San Mateo County Express Lanes JPA (SMCEL JPA)		
Santa Clara Valley Transportation Authority (VTA)		
Sunol SMART Carpool Lane Joint Powers Authority (Sunol JPA)		

Capital Area Regional Tolling Authority

Meeting Date: November 18, 2026
Agenda Item: 7

Transportation Corridors Agencies Back Office Services Agreement

Prepared By: Chadi Chazbek, Kimley-Horn
Attachments: Yes

Recommendation:
Staff recommend that the Board authorize the Executive Director to execute a back office services agreement with the Transportation Corridor Agencies (TCA) substantially similar to Attachment 7B.

Background:
TCA consists of two joint powers authorities formed by the State of California to plan, finance, construct, and operate The Toll Roads: the Foothill/Eastern Transportation Corridor Agency (F/ETCA), which operates State Routes 133, 241, and 261, and the San Joaquin Hills Transportation Corridor Agency (SJHTCA), which operates State Route 73. The two agencies operate under the name Transportation Corridor Agencies. In addition to operating their own toll roads, TCA currently provides back office services for the San Bernardino County Transportation Authority (SBCTA) and the San Diego Association of Governments (SANDAG).

In October 2025, the Board selected TCA to provide back office system and customer service center services to CARTA and authorized staff to proceed with developing an interagency agreement with TCA. Staff have negotiated the developed the agreement with TCA (Attachment 7B) and are seeking board approval to finalize the agreement and proceed with implementation.

Discussion:
Under the agreement, TCA will provide the following services to CARTA:

- Processing transactions from the roadside system and posting to customer accounts
- Maintaining a system of record and providing regular reporting to CARTA
- Managing customer accounts
- Providing customer service staffing and operations
- Managing transponder (“toll tag”) fulfillment
- Processing toll violations
- Staffing a Walk In Center in the CARTA region, where customers can handle issues in-person

The CARTA roadside toll system and the TCA back office would work together to process each toll transaction. The roadside system reads the tag or license plate, detects vehicle occupancy, creates the transaction record and classification, adds the toll amount, and sends the complete

transaction to the TCA back office. The back office then receives and posts the transaction and debits the customer account. It retains a per-transaction fee, which varies by transaction type, and remits the remaining funds to CARTA.

TCA provides the bulk of these services by expanding the vendor contracts they use to perform this work with oversight and coordination by TCA staff. As part of the agreement, TCA and CARTA have developed a cost model that accounts for CARTA's share of TCA's vendor and staff costs based on projections from the Yolo 80 Traffic and Revenue Study. TCA and CARTA will reevaluate the cost model annually based on actual transactions and costs to ensure it remains fair for both agencies.

The agreement requires the approval of both the CARTA and the TCA boards. Following CARTA Board consideration in November, the TCA Toll Operations Committee will consider the agreement in December and make a recommendation for the full TCA Board meeting in January 2027.

Following the series of approvals and agreement execution, there are three phases of implementation:

- Requirements Definition Phase – January to April 2027
    - During this phase, TCA and CARTA staff refine in detail how the system will work including business rules, standard operating procedures, Walk-in Center design and implementation, phone systems, website design and development, reports requirements and setup, and system setup configuration and business logic.
- Implementation Phase – April 2027 to January 2028
    - During this phase, TCA and its contractors implement the back office and customer service systems according the requirements outlined in the prior phase.
- Testing Phase – January to June 2028
    - During this phase the system undergoes robust testing, including ensuring it accurately integrates with the roadside system developed Indra.

Attachments:
7B: CARTA/TCA Agreement
7C: Presentation

COOPERATIVE AGREEMENT

BETWEEN

CAPITAL AREA REGIONAL TOLLING AUTHORITY

(AGREEMENT NO. _____) AND

TRANSPORTATION CORRIDOR AGENCIES (AGREEMENT NO. _____)

FOR

TOLL SERVICES

COOPERATIVE AGREEMENT FOR TOLL SERVICES BETWEEN
TRANSPORTATION CORRIDOR AGENCIES and CAPITAL AREA REGIONAL TOLLING AUTHORITY

This COOPERATIVE AGREEMENT ("Agreement") is dated as of _____, 2026 by and between the Foothill/Eastern Transportation Corridor Agency, a California Joint Powers Agency, and the San Joaquin Hills Transportation Corridor Agency, a California Joint Powers Agency, collectively the TRANSPORTATION CORRIDOR AGENCIES ("TCA") and CAPITAL AREA REGIONAL TOLLING AUTHORITY ("CARTA").

TCA and CARTA are sometimes referred to herein individually as "Party", and collectively as the "Parties". Capitalized terms not separately defined in the Recitals have the meanings assigned such terms in Section 1 of this Agreement.

RECITALS

WHEREAS, TCA is a California toll road operator and, through its various contractors (collectively "Toll Services Contractors"), performs transaction processing, customer service and account management functions for its Toll Facilities (State Routes 73, 133, 241 and 261) under the FasTrak® logo; and

WHEREAS, CARTA intends to operate the Yolo 80 Managed Lanes and other future CARTA Toll Facilities ("Express Lanes"), which will provide Customers with the option to use FasTrak® as Customer account options, as well as One-Time-Toll and TCA's other payment methods to pay tolls; and

WHEREAS, CARTA needs toll transaction (including video tolling) and violation processing, customer service and account management operations, operational system of record, and other toll operations related services (herein referred to collectively as "Toll Services"), for the Yolo 80 Managed Lanes and other future CARTA toll facilities; and

WHEREAS, TCA and CARTA wish to enter into this Agreement to provide for the integration of the Express Lanes into the state's interoperable network of Toll Facilities, and to set forth the terms and conditions pursuant to which TCA will cause its Toll Services Contractors to provide Toll Services for the Yolo 80 Managed Lanes and other future CARTA toll facilities, in order for both TCA and CARTA to achieve cost savings through economies of scale through use of the TCA's toll services capabilities to serve CARTA Customers; and

WHEREAS, TCA is willing to provide Toll Services to CARTA in order to achieve such economies of scale, and neither TCA nor CARTA intends for TCA to be a guarantor of CARTA 's collection of tolls incurred by Customers of the Express Lanes or otherwise assume any liability to CARTA for the collection of such tolls other than to require TCA's Toll Services Contractors to perform Toll Services for the CARTA Customers' Transactions in accordance with the Toll Services Contracts, and to otherwise comply with the terms of this Agreement and applicable law;

NOW, THEREFORE, the Parties hereto agree as follows:

1. DEFINITIONS

For the purposes of this Agreement, the following terms shall have the meanings hereinafter provided:

1.1 "Accepted CARTA Transaction" shall mean Fully Formed Trips in accordance with the ICD that are confirmed received by TCA's BOS.

1.2 "Account Unsuspension Fee" shall mean a prescribed fee charged to an accountholder whose account is suspended due to non-payment or insufficient balance.

1.3 "Accountholder" shall mean a Customer who has a valid account for the payment of tolls on TCA or CARTA toll facilities.

1.4 "Agreement" shall mean this COOPERATIVE AGREEMENT FOR TOLL SERVICES between CARTA and TCA.

1.5 "Back Office System" or "BOS" shall mean the TCA computer system(s) used to: post Transactions; manage Customer accounts; process payments; and perform other Customer or Violation related functions.

1.6 "California Toll Operators Committee" or "CTOC" shall mean the organization of California Toll Facility owners/operators that oversees interoperability requirements and provides for coordination amongst the various agencies.

1.7 "CARTA Transactions" shall mean the Transactions captured by CARTA's Toll Collection System and sent to TCA for processing. For avoidance of doubt, CARTA Transactions shall not include Transactions captured by CARTA's Toll Collections System that are not sent to TCA for processing, if any.

1.8 "Collection Services Provider" shall mean a contractor that provides debt collection services.

1.9 "Cost Model" shall have the meaning set forth in Exhibit A.

1.10 "Credit Card Processing Fee" shall mean fees calculated by TCA on a monthly basis using TCA's average credit card processing rate multiplied by the total amount of collected credit card revenue transferred to CARTA for the month. Amount will be invoiced and collected on a monthly basis and netted with Account Unsuspension Fee credits per Section 10.5.4.

1.11 "CSC Contractor" means the entity under contract to TCA to provide CSC services.

1.12 "Customer" shall mean a driver that has chosen to use either TCA or CARTA's Toll Facilities.

1.13 "Customer Service Business Rules" shall mean TCA's documented policies and/or procedures for toll services.

1.14 "Customer Service Center" or "CSC" means the facility or facilities operated by TCA or its contractor for the purpose of handling Customer inquiries, performing account management; processing Transactions; or providing other toll services.

1.15 "Customer Service Positions" or "CSP" means staff assigned to customer service functions inclusive of leads, supervisors and representatives.

1.16 "Express Lanes" shall mean phase 1 of the Yolo Managed Lanes project, which includes approximately 17 miles of Express Lanes on Interstate 80 (I-80) between the cities of Davis and West Sacramento ("Phase 1"), and any future phases of the Yolo Express Lanes, as CARTA designates in a written notice to TCA sent 18 months prior to the inclusion of future Toll Facilities under this Agreement.

1.17 "FasTrak®" is a trademark owned by TCA and used in California to identify interoperable toll facilities that accept transponders issued by other California agencies.

1.18 "FasTrak® Charge Account" shall mean a postpaid FasTrak® account established by a Customer with TCA whereby the Customer pays for tolls and fees using a credit card.

1.19 "FasTrak® Invoice Account" shall mean a postpaid FasTrak® account established by a Customer with TCA whereby TCA provides the Customer a monthly invoice for the prior month's activity, which is paid by the Customer.

1.20 "FasTrak® Prepaid Account" shall mean a FasTrak® account established by a Customer with TCA whereby the Customer maintains a prepaid balance.

1.21 "Fully Formed Trip" shall mean a record of Transaction(s) that contains the required specifications defined in the ICD for the process of collecting toll(s).

1.22 "Interface Control Document" or "ICD" shall mean the most recently adopted and agreed upon version of the document that describes the technical specifications for file and data exchange between TCA and CARTA.

1.23 "Interoperable" or "IOP" shall have the meaning generally understood in the electronic toll payment industry, i.e., the ability for registered customers of participating Toll Facilities to pay tolls through a combination of electronic and image-based Transactions and settlement of the associated toll Transactions between the participating agencies and organizations.

1.24 "Limited Processing Transactions" shall have the meaning set forth in Exhibit A.

1.25 "Minimum Compensation" shall mean the annual projection for Customer Service Center Staffing costs for CARTA calculated in accordance with Exhibit A Cost Model for each fiscal year and designated as Item A in Table 4.

1.26 "Non-Revenue Transactions" shall mean HOV (high-occupancy vehicle) transactions, voided/dismissed transactions, and any other transaction deemed non-revenue by CARTA including emergency responder vehicles, safety patrol vehicles, maintenance vehicles, motorcycles and other government vehicles.

1.27 "One-Time-Toll" is a term used by TCA used to identify the option for payment of tolls online using a vehicle's license plate.

1.28 "Opening Day" shall mean the first day CARTA collects tolls for usage of its Toll Facilities.

1.29 "Party" shall mean a party to this Agreement and "Parties" shall mean both of them.

1.30 "Personally Identifiable Information" or "PII" shall mean any information that could be used to identify a person, including, but not limited to, travel pattern data, address, telephone number, Transponder number, email address, license plate number, photograph, bank account information, or credit card number.

1.31 "Processing Agency" shall have the meaning provided for such term in California Vehicle Code Section 40253.

1.32 "Projected Transactions" shall mean the volume of Transactions forecasted to occur in the subsequent fiscal year.

1.33 "Response File" shall mean the electronic file sent by TCA to CARTA in response to the transmittal of CARTA Transactions to TCA's BOS.

1.34 "Roadway Business Rule" shall mean the respective Party's documented policies and/or procedures regarding Toll Facilities' usage.

1.35 "Start-up Period" shall mean, with respect to each of the Express Lanes facilities, the period starting on the date CARTA opens such Express Lanes and ending on the first to occur of (a) the last day of the first month when Toll Services volumes achieve 1,000,000 Transactions in that month or (b) 12 months after the Express Lanes opening.

1.36 "TCA Customer Account" shall mean an account established by an Accountholder with TCA for the electronic or video payment of tolls.

1.37 "Toll Collection System" or "TCS" shall mean all in-lane equipment and toll collection hardware and software systems necessary to capture and transmit toll Transactions.

1.38 "Toll Facility" or "Toll Facilities" shall mean the road(s) or lane(s) for which each respective Party is duly authorized to charge and collect tolls and to enforce toll Violations.

1.39 "Toll Services" shall mean services involving toll Transaction (including video tolling) and Violation processing; customer service and account management operations; and other toll operations related services as agreed to by the Parties.

1.40 "Toll Services Contract" shall mean an agreement between TCA and a Toll Services Contractor covering materials and/or services required to provide Toll Services over a specific period of time specified in such agreement and includes, but is not limited to, the CSC Contractor.

1.41 "Toll Services Contractor" shall mean the person or entity that provides materials or labor to perform a service or work under a Toll Services Contract.

1.42 "Transaction" shall mean the passage of any vehicle through any portion of the Toll Facilities for which a toll would normally be collected (whether directly from the vehicle's driver or from operators of interoperable facilities for the use of the Toll Facilities by their patrons), and regardless of whether the toll is collected, and expressly includes Non-Revenue Transactions.

Additionally, "Transactions" shall include the Transactions of Customers at interoperable facilities.

1.43 "Transponder" shall mean the electronic device used by the TCSto identify a Customer vehicle using a Toll Facility.

1.44 "Transponder Contract" shall mean an agreement between TCA and a Transponder Contractor for the purchase of Transponders.

1.45 "Transponder Contractor" shall mean an entity from which TCA purchases Transponders in connection with this Agreement.

1.46 "Violation" shall mean a Transaction for which payment of the appropriate toll is not received.

1.47 "System of Record" or "SOR" shall mean the TCA Back Office System, which serves as the authoritative source of truth for key tolling data elements, including toll Transactions, Customer account information, vehicle classifications, payments, adjustments, and tolling related financial events. The SOR maintains the official, auditable record for purposes of toll related revenue management, audits, disputes, and enforcement.

1.48 "Walk-In Center" or "WIC" shall mean the staff customer service facility location provided by CARTA and managed and staffed by TCA at a location in the Yolo or Sacramento County area designed to assist drivers with issues related to electronic toll systems, such as, but not limited to, purchasing transponders, paying toll invoices, or resolving disputes.

2. PURPOSE AND INTENT; TOLL SERVICES CONTRACTS

The Parties to this Agreement enter into it with the sole purpose of establishing understandings and commitments regarding Transaction processing, SOR and Customer/account management functions with the intent to provide each of the Parties cost savings through leveraging and economies of scale. Nothing in this Agreement, except where otherwise expressly provided, is intended to convey authority for the setting of toll rates and/or Violation penalty amounts; or responsibilities for facility or equipment maintenance; or debt covenants between or among the distinct Parties.

Prior to commencement of provision of Toll Services for CARTA pursuant to this Agreement, TCA shall provide CARTA an opportunity to review TCA's Toll Services Contracts and plans with respect to future Toll Services Contracts in existence at the time that CARTA plans to commence testing for the provision of Toll Services for the CARTA Toll Facilities in accordance with Section 5.12 of this Agreement. By proceeding with testing and commencement of Toll Services for CARTA's Toll Facilities, CARTA shall be deemed to acknowledge and agree that it made its own independent judgment that the Toll Services to be provided pursuant to, and in accordance with the terms and conditions set forth in, the Toll Services Contracts are adequate and acceptable for CARTA's needs, and that TCA has not made any representation or warranty, and CARTA is not relying upon any representation or warranty of TCA, with respect to the Toll Services or the Toll Services Contracts in entering into this Agreement or accepting the provision of Toll Services pursuant to this Agreement. TCA shall provide CARTA with advance notice of and opportunity to comment with respect to any contemplated amendments or modifications to the Toll Services Contracts if such amendments may impact CARTA, and shall consider CARTA's comments in entering into any such amendments or modifications.

To the extent not addressed in the awarded Toll Services Contracts, or in prior amendments to Toll Services Contracts, prior to commencing the provision of Toll Services for CARTA, TCA shall amend the Toll Services Contracts to include CARTA in the scope of work, and to include CARTA as an indemnified party and an additional insured under such contracts at CARTA's sole cost, with coverage to be provided to the same extent as provided to TCA. In addition, TCA shall amend the Toll Services Contracts to require that its Toll Services Contractors maintain the confidentiality of all CARTA-provided PII (as defined in Sections 1.30 and 8) to the same extent the Toll Services Contractors are required to maintain the confidentiality of TCA-provided PII. TCA shall amend the Toll Services Contracts to include CARTA as a third-party beneficiary under the Toll Services Contracts, with CARTA 's rights limited to enforcement of the indemnification and insurance provisions in favor of CARTA. Any such amendments shall specify that for purposes of Chapter 1, Article 4 of the Vehicle Code, TCA is the CARTA Processing Agency for purposes of CARTA Transactions occurring on CARTA Toll Facilities. TCA shall provide evidence of such amendments to CARTA within 30 days of execution of such amendments.

If TCA intends to procure new or additional Toll Services Contractors, or replace existing Toll Services Contractors that are intended to provide services to CARTA under this Agreement, TCA shall provide CARTA with advance notice of and opportunity to comment with respect to any contemplated new Toll Services Contractors and shall consider CARTA's comments in entering into any such new Toll Services Contracts.

Prior to commencing the provision of Toll Services for CARTA, TCA shall ensure the Transponder Contract has been amended to include CARTA as an indemnified party and an additional insured under such contract at CARTA's sole cost, with coverage to be provided to the same extent as provided to TCA. TCA shall provide evidence of such amendments to CARTA within 30 days of execution of such amendments.

3. AGREEMENT EXECUTION AND COMMUNICATIONS

The Parties agree to establish and identify primary points of contacts within their respective agencies to coordinate activities related to the fulfillment of this Agreement and resolution of any associated problems as designated below:

For CARTA:

Kathleen Aziz
Executive Director
1415 L Street Suite 300
Sacramento, CA 95814
916-321-9000
Email: kaziz@carta.ca.gov

For TCA:

Vincent Valdez
Chief Toll Operations Officer
125 Pacifica
Irvine, CA 92618
949-754-3456
Email: vvaldez@thetollroads.com

Either Party may from time to time designate another primary point of contact by written notice to the other Party.

4. DELINEATION OF RESPONSIBILITIES AND EXPECTATIONS

The Parties acknowledge that under the terms of this Agreement, TCA will provide Toll Services to CARTA, and the Parties agree to work in good faith to address any issues that may arise and to explore any opportunities for mutual benefit that may also arise. TCA agrees that it will perform its obligations under this Agreement with the degree of care, skill, and diligence ordinarily exercised by public agencies performing similar toll related services in California.

As further delineated in this document:

CARTA agrees to:

4.1 Collect/capture and package the record of Transactions from its Toll Facilities in accordance with CTOC requirements and to transmit those Transaction records to TCA's BOS systems, to the extent possible, in an accurate and timely manner and as defined by the ICD. For purposes of Chapter 1, Article 4 of the California Vehicle Code, TCA shall be CARTA's Processing Agency.

4.2 Solicit feedback from TCA on any changes to CARTA Roadway Business Rules regarding usage or signage on CARTA Toll Facilities that CARTA is considering prior to making such changes in a timeframe sufficient for TCA to evaluate and respond.

4.3 Compensate TCA for all costs set forth in this Agreement per the provisions in Section 10.

4.4 Provide daily transaction reconciliations for Fully Formed Trips sent to TCA to what is received by TCA.

4.5 Be responsible for all functions related to CARTA's financial system.

TCA agrees to:

4.6 Process CARTA 's Transactions by CARTA Express Lane Toll Facility (current Phase 1 of the Yolo 80 Express Lanes), posting those Transactions against the appropriate TCA or IOP agency accounts, or matched payments, or cause TCA's Toll Services Contractors acting as Processing Agencies to post Transactions to Violation accounts, in a manner consistent with the posting of Transactions occurring on TCA's Toll Facilities and in compliance with the Customer Service Business Rules and CTOC requirements.

4.7 Provide standardized reports and/or data related to the processing of CARTA Transactions and related revenue as well as any financial settlements, in the same manner and forms as are provided to TCA by the Toll Services Contractors under the Toll Services Contracts.

4.8 Act as the SOR for CARTA, which includes providing daily Transaction reconciliations for Fully Formed Trips received by TCA to what is processed in the BOS, including reports used for Transaction reconciliation.

4.9 Utilize consistent practices for Accountholders and other Customers regardless of which Toll Facilities the Accountholder or Customer uses while considering business rules that may vary between the Parties.

4.10 Provide information, observations and/or feedback to CARTA on system design, operations, signage or other tolling related aspects.

4.11 Solicit feedback from CARTA on any initiatives TCA may have regarding changes to Customer Service Business Rules that may affect CARTA, and make best efforts to address such feedback in order to minimize any increased costs or adverse impacts on users of CARTA's Toll Facilities, and on CARTA Programs to address environmental justice issues with the Express Lanes, that may result from such changes.

4.12 Comply with California escheatment laws and perform all escheatment activities in a timely manner for accounts with CARTA transactions, including CARTA violation accounts.

4.13 Support CARTA in any audit activity relating to TCA's BOS and toll operations, including making TCA employees and related parties available for interview by auditors. Promptly comply with all audit requests.

4.14 Provide reconciliation related reports and support as agreed to by the parties.

4.15 Provide SOC reporting to CARTA for the BOS vendor on an annual basis.. Map TPS transactions to CARTA's chart of accounts as defined by CARTA.

5 TOLL FACILITY ROADWAY OPERATIONS

The Parties agree that regardless of this Agreement, each Party is distinct and retains sole responsibility and authority for establishing Roadway Business Rules related to the usage of their respective Toll Facilities. However, to facilitate the Toll Services contemplated under this Agreement and to minimize the related costs, the Parties agree to discuss with one another in good faith any changes to their respective Roadway Business Rules.

CARTA Roadway Business Rules shall permit all Customers to use: the Express Lanes with valid FasTrak® Transponders or license plates registered to valid FasTrak® accounts (a FasTrak account that is associated with a Transponder) and may allow Customers to use: (a) other options provided by TCA for payments of tolls using a vehicle's license plate; and/or (b) TCA's other payment methods to pay tolls.

CARTA shall:

5.1 Be solely responsible for the capture, calculation, packaging and transmittal of Transactions/trips records and related license plate images occurring on CARTA's Toll Facilities in accordance with the ICD.

5.2 Procure, install, maintain and operate a TCS for the Express Lanes and any other CARTA Toll Facilities with respect to which CARTA requires Toll Services pursuant to this Agreement. All such equipment must be in compliance with California Code of Regulations, Title 21, Chapter 16 specifications for automatic vehicle identification (AVI) equipment required under the FasTrak® brand and permitted for operation within the State's Right of Way.

5.3 Procure and maintain a secure communications connection between the Express Lanes' designated host computer(s) and TCA's designated BOS, currently located in Irvine, California.

5.4 Provide or perform image review functions to ensure that license plate numbers transmitted to TCA have a high degree of accuracy, with no more than a 0.5% error rate.

5.5 Transmit CARTA Transaction records, which shall be Fully Formed Trips in accordance with the ICD. Such CARTA Transactions shall be considered Accepted CARTA Transactions upon confirmed receipt by TCA's BOS.

5.6 Coordinate with TCA to develop mutually agreeable test plans and schedules and to conduct testing to achieve integration between TCA's BOS and CARTA 's TCS.

5.7 Subject to Section 5.12 below, receive approval from TCA for acceptance of test results and operational readiness prior to the transmittal of CARTA Transactions to TCA.

TCA shall:

5.8 Develop and maintain the ICD in collaboration with CARTA to accept and process CARTA's Transactions.

5.9 Provide a Response File showing counts for Accepted CARTA Transaction records and rejected Transaction records.

5.10 Provide modifications to TCA's BOS to accommodate the communications connection from the CARTA TCS at CARTA 's expense. TCA shall arrange for the appropriate Toll Services Contractor to make such modifications to accommodate the communications connection from CARTA to TCA for a not-to-exceed contract price approved in advance by CARTA.

5.11 Incorporate mutually agreed upon CARTA Roadway Business Rules into TCA's BOS. It shall not be unreasonable for TCA to withhold its agreement to any CARTA Roadway Business Rule that would, in TCA's judgment, increase costs. or have a negative impact on the Toll Services, generally, and that impact has not been addressed to TCA's satisfaction.

5.12 Participate in the development or execution of test plans; provide timely comments on test results, within no more than 10 business days of receipt of the results by TCA; and not unreasonably withhold approval for operational readiness. If TCA does not provide comments on any test results within the specified timeframe, unless otherwise agreed upon by the Parties, CARTA will contact TCA to confirm whether or not TCA has any comments on the test results. If TCA does not provide comments on any test results within 3 business days thereafter, TCA shall be deemed to have no comments on such test results. It shall not be unreasonable for TCA to withhold approval of operational readiness if, in TCA's judgment, commencement of Toll Services for Transactions on the CARTA Toll Facilities would have a negative impact on the Toll Services, generally; and that impact has not been addressed to TCA's satisfaction. Mutually defined test plans will include prerequisites to begin each test phase and expected test results required for approval of the test before proceeding to the next test phase. TCA acknowledges CARTA's desire to achieve approval for operational readiness at

least thirty (30) days prior to the anticipated Opening Day, and TCA will in good faith cooperate with CARTA's efforts to meet such schedule.

5.13 Provide such CSC and BOS system database redundancy as TCA determines is desirable to minimize CSC and BOS system downtime and ensure operational continuity by locating a backup system at a geographically separate location other than the primary location.

6 ACCOUNT MANAGEMENT, TRANSFER OF FILES AND TRANSACTION POSTING;

TCA agrees to incorporate the Express Lanes into TCA's BOS to leverage and streamline account management, for the transfer of files, and the posting of Transactions against the appropriate TCA or IOP agency accounts, matched payments or Violation accounts in compliance with CTOC requirements. The Parties agree that account management, Transaction posting, payment processing and other customer service functions will be performed in accordance with TCA's adopted Customer Service Business Rules and standard operating procedures which will be consistently applied, regardless of a Customer's Toll Facility usage. In so doing, TCA shall function as the Processing Agency for CARTA.

CARTA shall:

6.1 Transfer to TCA's BOS, in near real time but no longer than the timeframe for Transaction processing identified in the CTOC specification and in accordance with the agreed ICD, all CARTA Transaction/trip records that, pursuant to this Agreement, are to be processed by TCA and/or TCA's Toll Services Contractors in accordance with the terms of the Toll Services Contracts.

6.2 Except to the extent required to comply with applicable law, maintain all records related to CARTA Transactions in an organized way in the original format, electronic and hard copy, conducive to professional review and audit, for a period of three (3) years from the date of final payment for the applicable CARTA Transactions, or until the conclusion of all litigation, appeals or claims related to the applicable CARTA Transactions, whichever is longer.

6.3 Except to the extent required to comply with applicable law, provide TCA, the California State Auditor, or other authorized representatives of TCA access to CARTA's records relating to CARTA Transactions, including records maintained by CARTA 's contractors for the purpose of inspection, auditing or copying during the entirety of the records maintenance period above.

TCA shall:

6.4 Transfer to CARTA's TCS every two hours, a Transponder and/or account status file, as specified in the ICD, to support CARTA trip building and toll calculations.

6.5 Post Transactions to the appropriate accounts based on the details included in the CARTA Transaction records and in accordance with the Customer Service Business Rules.

6.6 Instruct TCA's Toll Services Contractors to process Violations in accordance with California laws and Customer Service Business Rules, including: securing mailing addresses based on license plate images, generating and mailing Violation notices, contacting the registered owner of the

vehicle to attempt to resolve unpaid Violations notices, and transmitting records for unpaid Violations to California Department of Motor Vehicles (DMV) in order to initiate vehicle registration holds and/or to CARTA 's Collection Services Provider, in accordance with the Customer Service Business Rules and as requested by CARTA. CARTA Violation notices shall be distinct and separate from TCA's Violation notices and shall indicate CARTA as the issuer but shall require Customers to submit payment, disputes, or inquiries through the TCA CSC. CARTA shall provide TCA CARTA s form of Violation notice and CARTA shall be solely responsible for ensuring that the form of its Violation notice complies with California laws. TCA shall be the Processing Agency for purposes of any activities undertaken to process Violations on behalf of CARTA.

6.7 Comply with the California Vehicle Code and DMV requirements in connection with obtaining or utilizing DMV information, including but not limited to the general provisions applicable to the "Requester" as set forth in the Government Requester Account Application/Agreement between CARTA and DMV, as such Application/Agreement may be amended from time to time.

6.8 Except to the extent otherwise required by applicable law, maintain all records relating to CARTA Transactions and amounts charged to CARTA hereunder in an organized way in the original format, electronic and hard copy, conducive to professional review and audit, for a period of three (3) years from the date of final payment by CARTA, or until the conclusion of all litigation, appeals or claims related to this Agreement, whichever is longer, and ensure that the Toll Services Contracts contain a provision requiring maintenance of books and records until 54 months after final payment under the contracts.

6.9 Comply with TCA's data retention policy, and notify CARTA of any changes to such policy that affects CARTA.

6.10 Except to the extent otherwise required by applicable law, provide CARTA, the California State Auditor, or other authorized representatives of CARTA access to TCA's records relating to CARTA Transactions and amounts charged to CARTA hereunder for the purpose of inspection, auditing or copying, during the entirety of the records maintenance period above, ensure that the Toll Services Contracts contain a provision allowing TCA audit rights until 54 months after final payment under the contracts. If a Toll Services Contract does not allow CARTA direct access to Toll Services Contract records, following receipt of a written request for audit from CARTA, TCA agrees to exercise its audit rights for CARTA 's benefit.

7 CUSTOMER SERVICE OPERATIONS

TCA agrees to utilize and leverage its Customer base, account management and Customer contact systems and processes to provide Toll Services to CARTA and to service Customers of CARTA 's Toll Facilities.

CARTA shall:

7.1 Provide, at its sole expense, a designated representative to handle escalated Customer inquiries and/or disputes related to the Express Lanes.

7.2 Be solely responsible for any decision to dismiss or reduce a toll charge or Violation fine, fee or penalty on the Express Lanes. If CARTA dismisses or reduces a disputed toll charge or Violation fine, fee or penalty, CARTA shall notify the TCA CSC (in writing via email). TCA shall have no responsibility or liability for any such decision by CARTA, and shall be relieved of any further responsibility to pursue collection of any dismissed or reduced toll charge or Violation fine, fee or penalty after receipt of notification of dismissal or reduction by CARTA.

7.3 Provide TCA with information and scripted verbiage to use in response to Customer inquiries regarding the use of the Express Lanes.

7.4 Adhere to California laws, Payment Card Industry (PCI) requirements and TCA practices regarding privacy of Customer information/data and Personally Identifiable Information.

7.5 Comply with the California Vehicle Code and DMV requirements in connection with obtaining or utilizing DMV information, including but not limited to the general provisions applicable to the "Requester" as set forth in the Government Requester Account Application/Agreement between CARTA and DMV, as such Application/Agreement may be amended from time to time.

7.6 Access TCA's BOS solely for the purpose of and to the extent necessary to handle inquiries, disputes and other actions directly related to use of the Express Lanes, and solely in accordance with the Customer Service Business Rules. TCA shall have the right to limit CARTA 's access to the BOS at any time to the extent necessary or prudent to assure compliance with law concerning the collection, storage and/or dissemination of Customer information. CARTA acknowledges and agrees that the information and data accessed for such purpose shall remain TCA's sole and exclusive property, and CARTA shall not use or disclose such information other than for the sole purpose, and to the limited extent necessary, in connection with the handling of inquiries, disputes, Violation settlement, and civil enforcement actions with respect to the Express Lanes, or as otherwise required by law or court order. CARTA shall notify TCA as soon as possible prior to any such disclosure that CARTA determines is required by law or court order, and shall delay such disclosure to the extent legally possible so that TCA may promptly notify CARTA of its intent to contest such disclosure requirement and take such actions as it determines appropriate.

7.7 At CARTA's sole discretion, contract separately for third-party collection, adjudication/civil judgment and judgment recovery services, using contractors of CARTA 's choosing, and be solely responsible for such activities.

7.8 Have the option of providing funding to achieve higher levels of performance if so desired and mutually agreed between TCA and CARTA, and subject to the ability of the relevant Toll Services Contractor's ability to provide such higher level of Toll Services performance.

7.9 Clearly indicate in any correspondence to Express Lanes users that such communication is on behalf of CARTA and not reference TCA in any communication or publication without TCA's prior written consent.

7.10 Provide CARTA branded invoices / communications for CARTA Violation accounts.

7.11 Submit applications to obtain CARTA accounts with the DMV and Franchise Tax Board (FTB).

7.12 Contract separately for administrative hearing related services, as required by California Vehicle Code Section 40255.

7.13 CARTA agrees to provide the physical location for the Walk-In Center for those customers choosing to have an in-person contact to manage their managed lane business in the Sacramento region.

TCA shall:

7.14 Be the sole owner of all TCA Customer Accounts, perform TCA Customer Account management in accordance with the Customer Service Business Rules, through oversight of Toll Services Contractors support and manage a walk-in customer service center in Yolo or Sacramento County, and handle toll disputes and contested Violations for the Express Lanes as CARTA 's Processing Agency in accordance with the Customer Service Business Rules in the same manner as TCA handles toll disputes and contested Violations with respect to TCA's Toll Facilities.

7.15 Handle general calls regarding use of the Express Lanes and provide general information about the Express Lanes in accordance with the Customer Service Business Rules, and use the information and scripts provided by CARTA with respect to Customer transactions on the CARTA Toll Facilities.

7.16 Handle Customer disputes related to Violation notices and imposed penalties as CARTA s Processing Agency, including providing information regarding the availability of administrative hearings and resolution processes in accordance with Customer Service Business Rules. Support administrative hearings and judicial proceedings with respect to CARTA Violations by assembling information and providing documentation packages to CARTA or CARTA 's designated representative for administrative hearings and civil judgment court proceedings, when applicable.

7.17 Allow secure system access to authorized CARTA personnel assigned to resolve disputes with respect to CARTA Transactions and allow said personnel to resolve said disputes within the system.

7.18 Require that TCA's Toll Services Contractors adhere to performance standards and the terms and conditions of the Toll Services Contracts, subject to TCA's discretion in terms of managing such Toll Services Contracts in the manner it deems appropriate and in the best interest of TCA and CARTA.

7.19 Purchase Transponders to equip vehicles for FasTrak® use on CARTA 's Toll Facilities.

7.20 Adhere to California laws, Payment Card Industry (PCI) requirements and TCA's own practices regarding privacy of Customer information/data and PII. TCA shall exercise the same efforts to adhere to law and protect the privacy of PII in TCA's possession that is provided by or relating to CARTA and CARTA Customers as TCA exercises with respect to its own PII and that of TCA Customers and, notwithstanding Section 12.1.1(iii), TCA shall not be responsible to compensate CARTA for any loss, liability, injury, damage, cost or expense, or other Claims (as defined in Section 12.1.1 of this Agreement) arising by reason of, or relating to, anything done

or omitted to be done by a Toll Services Contractor with respect to PII, except to enforce the Toll Services Contractor's obligations under the relevant Toll Services Contract in accordance with the terms of this Agreement.

7.21 Comply with all applicable provisions of the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) in performing work under this Agreement.

7.22 Automate and follow CARTA's customer service resolution plan/customer service escalation plan which shall be included in CARTA's standard operating procedures, and provided to TCA by CARTA, where feasible.

7.23 Allow secure system access to authorized CARTA personnel, contractors, auditors, etc. with read only access.

7.24 Upon CARTA request, TCA agrees to utilize, leverage and expand its retail network partnership with Costco to cover the Sacramento region for transponder distribution. During the implementation period of this Agreement, the Parties will collaborate and agree on implementation and operational details for covering the Sacramento region, such as make/models of transponder(s) to be offered, pricing, and packaging.

7.25 TCA agrees to operate a Walk-In Center for those customers choosing to have an in-person contact to manage their managed lane business in the Sacramento region. The WIC shall at a minimum meet the Ting bill requirements (Assem. Bill No. 2594 (2021–2022 Reg. Sess.) (Stats. 2022, ch. 969)) including Vehicle Code Sections 23308 and 23309. During the implementation period for this Agreement, the Parties will collaborate and agree on developing implementation and operation details, such as location/type of facility, lease agreement terms (including assignability of lease) and cost, accepted methods of payment, applicable business rules and standard operating procedures.

7.26 Upon CARTA request, TCA agrees to utilize, leverage, and expand its cash payment network partnership with PayNearMe to cover the Sacramento region to provide Sacramento area customers expanded payment options, including making in-person cash payments. During the implementation period of this Agreement, the Parties will collaborate and agree on implementation and operational details for covering the Sacramento region.

TCA and CARTA shall:

7.27 Review the performance of TCA's Toll Services Contractors and their compliance with the performance targets specified in their respective Toll Services Contracts on a quarterly schedule or a schedule mutually agreed upon by both parties.

7.28 Develop a methodology to share in the recoupment of disincentive deductions or the payment of incentives no later than the annual Cost Model meeting prior to starting CARTA operations and incorporate the methodology into this Agreement. In the event that TCA's CSC Contractor's performance targets are not met, and disincentive deductions are assessed by TCA, a portion will be credited to CARTA. Similarly, if stipulated incentives are reached by TCA's CSC Contractor, CARTA will be assessed a portion of these incentive costs. In no case shall TCA's compensation fall below the minimum compensation set forth in Section 10.3 of this

Agreement. The disincentive deduction credits and stipulated incentive costs assessed to CARTA shall be proportional to the volume of CARTA transactions as a percentage of total transactions processed by TCA's Toll Services Contractors during the relevant period for which the disincentive deduction credits and/or stipulated incentive costs are calculated. CARTA and TCA agree on the methodology contained in Section 7 of Exhibit A.

8 PERSONALLY IDENTIFIABLE INFORMATION

Each Party agrees to provide designated personnel and/or consultants of the other Party access to PII on a "need to know basis" to the extent permitted under applicable law, including but not limited to a Customer's name, address, telephone number, email address, Transponder number, account number, license plate number, travel pattern data, or other information that personally identifies the Customer, subject to the limitations in this Section 8.

8.1 Each Party shall safeguard PII through physical, electronic and procedural means, and shall maintain the confidentiality of PII in strict compliance with applicable law. Without limiting the generality of the foregoing, each party shall strictly comply with California Civil Code § 1798.29 data breach notification requirements and shall report to the other Party any security incident (as defined by the then-current NIST SP 800-128 and 44 USC § 3552) as soon as reasonably practicable but not later than two (2) business days.

8.2 Each Party may share such PII with its contractor(s) and contractors' personnel for the sole purpose of facilitating activities related to toll collection (including marketing, to the extent conducted, in full compliance with the limitations set forth in Streets and Highways Code Section 31490) and violation enforcement. CARTA shall require contractor(s) and contractors' personnel to execute agreements that obligate such contractors and contractors' personnel to maintain the confidentiality of PII in a form approved by TCA that expressly identifies TCA as a third-party beneficiary with respect to such confidentiality obligation. CARTA shall require any CARTA contractors to whom PII is disclosed to maintain insurance in an amount and form deemed appropriate by CARTA, subject to approval by TCA, not to be unreasonably withheld, which insurance shall name TCA as an additional insured.

8.3 Unless explicitly approved by the other Party, each Party shall otherwise keep all PII confidential and shall not disclose such information, except as required by California law or where the express written consent of the Customer is obtained by CARTA or TCA, as applicable.

8.4 Nothing in this Section 8 is intended to limit or modify CARTA 's obligation to indemnify, defend, protect and hold harmless TCA with respect to claims of users of CARTA's Toll Facilities regarding PII as provided in Section 12.1.2.

8.5 Nothing in this Section 8 is intended to limit or modify TCA's obligation to indemnify, defend, protect and hold harmless CARTA with respect to claims of TCA's customers regarding PII as provided in Section 12.1.1.

9 MARKETING AND CUSTOMER COMMUNICATIONS

The Parties agree that coordination of any marketing materials, signage or other Customer collateral is vital to Customer education and satisfaction for users of both Parties' Toll Facilities. Both parties therefore

agree to coordinate marketing activities and collaborate on promoting the processing partnership provided for by this Agreement. Additionally:

CARTA shall:

9.1 Execute a License Agreement with TCA prior to using the FasTrak® or other TCA trademarks or service marks for any purpose and adhere to TCA's then published branding guidelines applicable to all CTOC agencies.

9.2 Obtain TCA's approval, which shall not be unreasonably withheld, prior to utilizing any marketing materials, signage or otherwise communicating with Customers regarding the use of FasTrak® on CARTA's Toll Facilities. All Customer communications shall be strictly in accordance with law, and marketing materials shall not be provided to Customers who have not expressly consented to receive such materials, in accordance with Streets and Highways Code Section 31490(j).

9.3 Reimburse TCA for marketing activities that CARTA requests TCA undertake regarding the Express Lanes.

TCA shall:

9.4 Review and provide comments on any marketing materials, signage or Customer communications provided by CARTA, within 15 calendar days from receiving the same.

9.5 Incorporate CARTA's logo and name, as CARTA on Customer statements and correspondence.

9.6 Cooperate with CARTA to provide marketing activities, promotions, or other activities to promote the use of the Express Lanes and invoice CARTA for costs incurred by TCA.

9.7 Provide CSC staff support at mutually agreed upon public outreach events to facilitate Customer account establishment and information, subject to reimbursement by CARTA.

10 COSTS, SETTLEMENT AND PAYMENT

The Parties anticipate that TCA's provision of Toll Services to CARTA will result in economies of scale that will reduce costs for both Parties. However, in order to provide Toll Services to CARTA, TCA will incur additional costs that would not otherwise have been borne by TCA without providing Toll Services to CARTA. CARTA agrees to compensate TCA for the Toll Services as provided herein and as further described in the Cost Model. The costs reflected in Exhibit A are based on TCA's projected costs for fiscal year ending June 30, 2029. The costs will be updated, and the fees outlined in Section 10.2 will be adjusted accordingly, to reflect changes in TCA's budgeted costs each fiscal year. TCA and CARTA will meet periodically and no less than twice per TCA fiscal year to review costs associated with TCA providing Toll Services to CARTA and determine if adjustments to TCA's reimbursement are required to remain within the Parties' mutual expectations under this Agreement. Both Parties will consider the continuing applicability of items in the Cost Model as part of the semi-annual meeting regarding operations support.

10.1 Reconciliation / Funds Transfer

TCA and CARTA shall:

10.1.1 Establish a weekly reconciliation process whereby all Accepted CARTA Transactions transmitted to TCA's BOS for posting shall be reconciled and accounted for against those that were successfully posted to Customer accounts, matched to payments or resulted in Violations. This reconciliation process may be completed more frequently, as agreed to by both parties, during the execution of the test plans.

10.1.2 Establish a formal process whereby CARTA can authorize adjustments to tolls and/or Violation penalties resulting from and specifically related to Transactions on the Express Lanes.

CARTA shall:

10.1.3 Electronically transfer to TCA, no less frequently than once per month upon receipt of invoice, all funds owed for Trip Transaction-Based Fees and Violation Processing Fees earned pursuant to Section 10.2.

TCA shall:

10.1.4 Promptly credit back to CARTA any Trip Transaction-Based Fees and Violation Processing Fees that are determined in the ordinary course of business to have been improperly deducted pursuant to the Customer Service Business Rules.

10.1.5 Electronically transfer to CARTA, no less frequently than once per week, all funds for Accepted CARTA Transactions successfully posted against accounts, matched against payments and/or collected for Violations, net of, if applicable, reversals, adjustments and refunds related to amounts previously paid to CARTA.

10.1.6 Provide to CARTA a scheduled weekly or other periodic report, in accordance with Section 4.7, showing the current status of all Accepted CARTA Transactions and Violations for a specific date(s).

10.1.7 Except to the extent caused by TCA's gross negligence or willful misconduct, not be liable for revenue loss to CARTA incurred as a result of (i) any malfunction of CARTA equipment, (ii) any failure of any TCA system or equipment, (iii) any failure of a Toll Services Contractor to perform its obligations with respect to the Toll Services Contracts, or (iv) a cause other than TCA's gross negligence or willful misconduct in the performance of its obligations under this Agreement. CARTA acknowledges and agrees that TCA shall not, by providing the Toll Services for CARTA Toll Facilities, be deemed to be a guarantor to CARTA or otherwise responsible to CARTA except as expressly provided herein for CARTA 's actual collection of tolls and Violations, and TCA shall only be responsible for carrying out its obligations as specified in this Agreement. In the event that a failure by a Toll Services Contractor providing the Toll Services pursuant to the Toll Services Contracts results in revenue loss to CARTA, TCA's sole responsibility shall be to enforce the provisions of the Toll Services Contracts in a manner determined by TCA after consultation with CARTA to be in the best interest of TCA and CARTA, and to provide to CARTA an equitable share of any toll revenues, damages or other sums recovered from such contractor(s) with respect to such CARTA revenue loss. If TCA elects not to pursue recovery of a CARTA revenue loss

against a Toll Services Contractor, CARTA shall be entitled to exercise its rights as a third-party beneficiary under such contract and to pursue recovery for its own benefit.

10.2 Transaction and Violation Processing Costs

TCA and CARTA agree that the primary method of reimbursement for Toll Services will be "per transaction" fees based on Accepted CARTA Transactions and Violations. These fees will be inclusive of all costs related to the Toll Services, including Transaction posting, account management, Customer contacts, revenue settlement, and the other costs specifically set out in Exhibit A—Cost Model for inclusion in the transaction fees.

10.2.1 Trip Transaction-Based Fee: TCA shall be reimbursed a fee as calculated and defined in Exhibit A - Cost Model for each Accepted CARTA Transaction processed by TCA, as reflected in the Response File.

10.2.2 Violation Processing Fee: TCA shall be reimbursed an additional fee as calculated and defined in Exhibit A - Cost Model for processing each Violation. The Violation Processing

Fee will be payable one time only for each Violation.

10.2.3 Limited Processing Transaction Fee: TCA shall be reimbursed a fee as calculated and defined in Exhibit A – Cost Model for each Limited Processing Transaction (as defined in Exhibit A) processed by TCA.

10.3 Minimum Compensation

CARTA 's total annual payments to TCA for Trip Transaction-Based Fees shall not be less than the Minimum Compensation. For the period from inception of the Express Lanes' operations through June 30 of TCA's fiscal year, the Minimum Compensation shall be prorated using a fraction derived from a numerator which represents the number of days from the inception of the Express Lanes' operations through June 30 of TCA's fiscal year, and a denominator of 365 days. Minimum Compensation shall not be reduced as a result of any credits for disincentive deductions allocated to CARTA as provided in Section 10.6.1.2.

If the amount paid to TCA for Trip Transaction-Based Fees is less than the Minimum Compensation established by this Section 10.3 for any fiscal year, then not later than 60 days following the end of such fiscal year, CARTA shall pay to TCA, by electronic transfer, the full amount of the difference between the Minimum Compensation and the total paid for Trip Transaction-Based Fees for such fiscal year.

10.4 Other Reimbursable Costs

CARTA shall be responsible for other costs that TCA may incur relating to the CARTA Express Lanes as described below. CARTA will not be responsible for costs that have not been expressly agreed upon in writing by CARTA 's Project Manager prior to such costs being incurred by TCA.

10.4.1 Start-up Costs. CARTA shall reimburse costs associated with additional work, equipment, Transponder and switchable Transponder procurements for Customers with Yolo and Sacramento County addresses, and services that are not part of the existing or contracted

TCA CSC and BOS systems and operations, including costs related to design, development and testing for the Express Lanes; contract labor costs for temporary customer service positions prior to Opening Day; staff training for activities and processes specifically required for the Express Lanes; and, if needed, additional CSC and BOS equipment procurements, such as additional CSC phone lines and computers required for Express Lanes toll processing, will be considered Startup Costs. Prior to work being done or procurements being placed, TCA will provide cost details or budget summaries to CARTA, and the Startup Costs must be approved in writing by CARTA. TCA will deliver invoices on a monthly basis for Start-Up Costs substantially in the form attached hereto as Exhibit B. The Parties acknowledge that TCA may continue to incur Start-Up Costs after the Opening Day, which will continue to be invoiced separately from (i) the weekly reconciliations and payments to be made under this Agreement relating to Trip Transaction-Based Fees and Violation Processing Fees under Sections 10.1 through 10.3 of this Agreement and (ii) settlement of performance incentive costs and disincentive deductions under Section 10.6 of this Agreement.

10.4.2 Marketing Costs. CARTA shall reimburse TCA for any marketing or promotions-related expenses to which the Parties mutually agreed prior to incurrence, pursuant to Section 9.

10.4.3 Third-Party Retail Distribution and Cash Payment Network Services Costs. CARTA shall reimburse TCA for any postage, collateral, retail incentives, marketing or promotions-related expenses to which the Parties mutually agreed prior to incurrence.

10.4.4 Transponder Costs. CARTA shall reimburse TCA for the applicable costs, depending on the Transponder type, of newly assigned Transponders for Customers with Yolo and Sacramento County addresses. The Parties will determine the appropriate allocation method prior to the Start-up Period. CARTA shall not reimburse TCA for Transponder costs for transponders that are sold to a Customer.

10.4.5 Other Costs. CARTA shall reimburse TCA for other costs authorized by CARTA prior to incurrence, that are incurred by TCA in conjunction with this Agreement.

10.5 Payment and Statements

10.5.1 Method of Payment. The Parties shall agree on the method of payment for Start-up Costs, Marketing Costs, Third-Party Retail Distribution, Transponder costs, cash payment network services costs, and other costs or assessments.

10.5.2 Transaction and Violation Processing Costs. TCA shall prepare and submit to CARTA a weekly invoice with supporting documentation for Trip Transaction-Based Fees and Violation Processing Fees via email or hard copy.

10.5.3 Payment for Other Reimbursable Costs. CARTA shall pay TCA for other reimbursable costs prior to the incurrence of such costs as mutually agreed by the Parties. If the actual incurred costs are less than the amount paid by CARTA, TCA shall timely refund any excess amounts to CARTA. If the actual incurred costs are more than the amount paid by CARTA, CARTA shall pay the amount of such underpayment to TCA within 30 days of receipt of an invoice therefore. Alternatively, TCA shall have the right to deduct such underpayment

from its payment of amounts otherwise owing from TCA to CARTA hereunder. Invoices shall be accompanied by supporting documentation. CARTA acknowledges that, within 30 days of submittal of an invoice by the Contractor, TCA is obligated to pay the invoice or provide reasons for disapproving the invoice. CARTA agrees to review invoices received from TCA promptly upon receipt and to advise TCA in writing of any issues that constitute grounds for disapproval within 15 days of receipt. CARTA will pay invoices within 30 days of receipt, subject to withholding for amounts that have been previously disapproved as described above.

10.5.4 Account Unsuspension Fee Credit. CARTA 's portion of Account Unsuspension Fee revenue will be determined as the total amount of Account Unsuspension Fees collected from FasTrak® accountholders that is proportional to the amount of tolls due on the suspended account that is attributable to CARTA toll transactions at the time the Account Unsuspension Fee is collected. Within 30 days following the end of each month, TCA will reconcile CARTA 's portion of Account Unsuspension Fees collected for the month. TCA will then issue a credit to CARTA for all Account Unsuspension Fee funds attributable to CARTA. The credit will appear as a reduction of the Credit Card Processing Fees on the monthly invoice submitted to CARTA by TCA.

10.6 Settlement

10.6.1 CSC Contractor's Performance Incentive Costs and Disincentive Deductions

10.6.1.1 Within 30 days following the end of each Agreement year during the term, the first of which shall commence on July 1 following the end of CARTA's Start-up Period and end twelve months thereafter, TCA shall reconcile the performance incentive costs incurred by TCA and any disincentive deductions assessed and recouped by TCA in conjunction with work performed by the CSC Contractor, pursuant to Section 7.28.

10.6.1.2 In the event the disincentive deductions exceed the incentive costs, TCA shall credit CARTA a portion of the deductions.

10.6.1.3 In the event the incentive costs exceed the disincentive deductions, TCA shall assess CARTA a portion of the incentive costs.

11 CONFLICT RESOLUTION

CARTA and TCA agree to work cooperatively to resolve any concerns of either Party. Should a disagreement arise under this Agreement the Parties agree, in the first instance, to attempt to resolve the claim or dispute within a reasonable period of time though good faith negotiation between TCA's Chief Toll Operations Officer and CARTA's Executive Director. TCA may elevate the dispute to or for negotiation and decision by TCA Chief Executive Officer. Each Party shall prepare and provide the executive officers with a written statement of the dispute and supporting documents with respect to the dispute. In no event shall work be stopped in the event of a claim or dispute, except for reasons of public health or safety or where it is absolutely necessary to first resolve the dispute in order to be able to continue performance of a Party's obligations under this Agreement. If the executive officers are unable to agree, the matter shall be decided by the Chief Executive Officer of TCA ("TCA CEO") and CARTA shall comply with such decision within 30 days following its issuance.

Notwithstanding the foregoing, if CARTA does not agree with the TCA CEO's decision, CARTA may, within 10 business days following receipt of such decision, demand that the issue be submitted to mediation for resolution. If CARTA fails to comply with the TCA CEO's decision within 30 days following CARTA's receipt of the written decision, then TCA may, within 10 days following expiration of said 30-day period, demand that the issue be submitted to mediation for resolution. The mediator for any mediation under this Section 11 shall be selected by mutual agreement of the parties, provided that if the parties are unable to agree within fourteen days following demand by either party for mediation, then each party shall select a mediator and the two mediators shall select the final mediator. The parties shall share equally in the cost of any mediation, and said mediation shall be completed within 90 days following demand by CARTA or TCA. If the matter cannot be settled by mediation within said 90 days, then CARTA or TCA may pursue any appropriate judicial remedies, and CARTA may provide notice and specify a termination date per Section 12.3 of this Agreement that provides CARTA with a reasonable amount of time to procure alternative Toll Services. Neither CARTA nor TCA may initiate any judicial proceeding or provide notice of termination unless and until said party has exhausted its obligation to mediate pursuant to this Section 11, unless injunctive, provisional or other equitable judicial relief is necessary to prevent irreparable injury.

12 GENERAL MATTERS

12.1 Indemnification and Liability

12.1.1 Subject to the limitation in Section 10.1.7 it is understood and agreed that, pursuant to Government Code Section 895.4, TCA shall fully defend, indemnify and save harmless CARTA, its officers, directors, employees or agents from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined by Government Code Section 810.8) ("Claims") (i) occurring exclusively with respect to Transactions on the TCA's Toll Facilities or toll processing and collection activities with respect to such Transactions, and/or (ii) occurring by reason of TCA's gross negligence or willful misconduct, or the gross negligence or willful misconduct of TCA's officers, directors, member agencies, and employees, under or in connection with any work, authority or jurisdiction delegated to TCA under this Agreement, but excluding any Claims with respect to which CARTA is obligated to indemnify TCA pursuant to Section 12.1.2(i), and (iii) by reason of TCA's negligence, or the negligence of TCA's officers, directors, employees, agents or contractors (excluding CARTA) that, subject to Section 7.20, results in a violation of Streets and Highways Code Section 31490 with respect to the PII of Customers regarding their use of the CARTA Toll Facilities.

12.1.2 It is understood and agreed that, pursuant to Government Code Section 895.4, CARTA shall fully defend, indemnify and save harmless TCA, its officers, directors, member agencies, employees or agents from all Claims (i) occurring exclusively with respect to Transactions on CARTA's Toll Facilities or toll processing and collection activities with respect to such Transactions, except to the extent caused by the work performed by, or acts or omissions of, TCA, its officers, directors, member agencies, employees, agents, or contractors (excluding CARTA), or (ii) occurring by reason of CARTA's gross negligence or willful misconduct, or the gross negligence or willful misconduct of its officers, directors and employees, under or in connection with this Agreement, or (iii) occurring by reason of CARTA's negligence, or the negligence of CARTA's officers, directors, employees, agents or contractors (excluding TCA), that results in a violation of Streets and Highways Code

Section 31490 with respect to the PII of Customers regarding their use of the CARTA Toll Facilities.

12.1.3 In the event of any Claim involving Transactions on both TCA Toll Facilities and CARTA Toll Facilities (including Claims alleging that the collection, use, storage or disclosure of Customer PII or other information collected by the Toll Facilities of other aspects of the Toll Services are conducted in a manner that violates applicable Law), the Parties will confer and determine which Party shall be the lead for such litigation with counsel of its choosing, subject to the reasonable approval of the other Party. Each Party shall be entitled to settle on its own behalf such Claims as they pertain to Transactions on its respective Toll Facility. Joint settlement shall require the approval of both Parties. The cost of any such joint settlement, including the cost of the litigation shall be allocated between the Parties based on their respective proportionate shares of the Transactions involved in such Claim. The Parties may, by mutual agreement, allocate the cost of any such joint settlement, including the cost of the litigation, based on their respective liability with respect to such Claim, consistent with the allocation of responsibility reflected in Sections 12.1.1 and 12.1.2. This section is not intended to limit or otherwise modify the indemnification obligations set forth in Section 12.1.1 and 12.1.2, which sections shall govern over this provision.

12.1.4 Neither Party shall be liable to the other Party for any consequential, special, incidental or indirect damages, except to the extent a Claim asserted against either TCA or CARTA by a third-party seeks an award of any such damages, and TCA or CARTA (as the case may be) is entitled to indemnity from the other Party for such Claim.

12.1.5 The obligations under this Section 12.1 shall survive the termination or expiration of this Agreement.

12.2 Insurance

12.2.1 Toll Services Contracts and Transponder Contracts. TCA shall cause the Toll Services Contractors and the Transponder Contractors to add CARTA as an additional insured on insurance policies that the Toll Services Contractors and the Transponder Contractors, as applicable, are required to provide under their respective contracts. CARTA shall require any CARTA contractor provided with access to PII to provide cyber liability insurance in an amount reasonably acceptable to TCA, and to name TCA as an additional insured. Each party shall provide the other with certificates and endorsements evidencing such additional insured status as required hereunder.

12.2.2 TCA and CARTA Insurance Requirements. TCA and CARTA shall each procure and maintain during the term of this Agreement insurance compliant with at least the following minimum scope and amount of coverage:

a. **Commercial General Liability (CGL)**: Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than $2,000,000 per occurrence. If a general aggregate limit applies, either the general

aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

b. **Cyber Liability Insurance**: Each entity shall maintain limits not less than $5,000,000 per occurrence or claim, $5,000,000 aggregate. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by each entity in this agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations.

12.2.3 Other Insurance Provisions. The insurance policies required in Section 12.2.2 shall contain, or be endorsed to contain, the following provisions:

a. **Additional Insured Status.** Each of TCA and CARTA and their respective officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of the insured's negligence. General liability coverage can be provided in the form of an endorsement (at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 forms if later revisions used).

b. **Primary Coverage**. For any claims related to insured's negligence, insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the insured, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the other party, its officers, officials, employees, or volunteers shall be excess of the insured's insurance and shall not contribute with it.

c. **Notice of Cancellation**. Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the other party.

d. **Waiver of Subrogation**. TCA and CARTA each grant the other Party a waiver of any right to subrogation which any insurer of such Party may acquire against the other Party by virtue of payment of any loss under such insurance related to its own employees.

12.2.4 Acceptability of Insurers. Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A:VII.

12.2.5 Claims Made Policies. If any of the required policies provide claims-made coverage:

a. The Retroactive Date must be shown, and must be before the date of the contract or the beginning of the Start-Up Period.

b. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after termination of this Agreement.

c. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the beginning of the Start-Up Period, the Party who was responsible to provide the policy must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.

12.2.6 Verification of Coverage. Each Party shall furnish the other Party with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the other Party before Toll Services commence on the Express Lanes.

12.3 Termination. The Parties may terminate this Agreement in whole or in part as follows:

12.3.1 Termination for Convenience. Unless expressly provided herein, neither Party shall have the right to terminate this Agreement for convenience for the first three (3) years following Opening Day. Following such period, either Party shall have the right to terminate this Agreement, in whole or in part, for convenience of the terminating Party, after providing one (1) year prior written notice of termination to the other Party.

12.3.2 Termination for Cause

a. **Default**. Failure or delay by either Party to perform any material term or provision of this Agreement shall constitute a default.

b. **Notice of Default**. The non-defaulting Party shall give written notice of default to the Party in default, specifying the default complained of by the non-defaulting Party. Except as otherwise expressly provided in this Agreement, any failures or delays by either Party in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by either Party in asserting any of its rights and remedies shall not deprive either Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

c. **Failure to Cure**. In the event that the defaulting Party fails to commence to cure, correct or remedy a default within thirty (30) calendar days following receipt of written notice, or thereafter fails to diligently complete such cure, correction or remedy, the non-defaulting Party may exercise all rights and remedies available at law or in equity, including the right to seek damages, seek specific performance or other injunctive or equitable relief and/or terminate this Agreement through a written notice of termination, the effective date of which shall be no less than ninety (90) days from the date of the notice. Disputes regarding the existence of a default (but not the remedies that the non-defaulting Party may exercise as a result of such default) that may give rise to termination under this Section shall be subject to the dispute resolution provisions set forth in Section 11 of this Agreement. The exercise of a Party's rights and remedies shall be cumulative with the exercise of other rights and remedies. Notwithstanding anything contained in this paragraph, neither Party shall have the right to terminate this Agreement while the subject of such termination is in the process of review pursuant to the dispute resolution procedures contained in this Agreement.

d. Notwithstanding the foregoing, no opportunity to cure shall be required, and CARTA may immediately terminate this Agreement and exercise any other remedies set forth in (c) above under the following circumstances:

(i) In the case of any fraud or willful misconduct by TCA, its officials, officers, employees, agents, Toll Services Contractors, or any other contractors, provided, that if the acts or omissions constituting such fraud or willful misconduct were committed by any employee(s) (other than management) or contractor(s), and within fifteen (15) business days after receiving notice of such acts or omissions TCA removes the employee(s) and/or contractor(s) in question and pays in full restitution to CARTA, then such action shall not be deemed a default subject to immediate termination; or

(ii) If any material impairment of Toll Services with respect to this Agreement for twenty (20) days occurs (whether consecutive or nonconsecutive) in any six (6) calendar month period due to the act or omission of TCA, its officials, officers, employees, agents, Toll Services Contractors, or any other contractors, unless the impairment shall have been expressly authorized or directed by CARTA.

12.4 Cooperation Prior to Termination

a. Prior to the effective date of a termination either for cause or for convenience, the Parties shall cooperate in good faith to facilitate the transfer of services, agreements, materials, software, equipment and information, as necessary for the continued successful operation by each Party of its respective Toll Facilities.

Upon termination of the Agreement, whether for cause or convenience, TCA shall, at CARTA's sole cost and expense, including reimbursement of TCA's reasonable and documented costs incurred in providing such assistance, assist CARTA to accomplish a complete transition of the Toll Services being terminated from TCA and TCA's Toll Services Contractor to CARTA or to any replacement provider designated by CARTA, while mitigating any interruption of or adverse impact on the Toll Services or any other services provided by third parties (the "Disentanglement"). TCA shall cooperate with CARTA and any new service provider and otherwise promptly take all steps required to assist CARTA in effecting a complete Disentanglement. TCA shall take commercially reasonable steps to provide all information regarding the Toll Services or as otherwise needed for Disentanglement, including data conversion, files, interface specifications, training staff assuming responsibility, and related professional services. TCA shall use commercially reasonable efforts to provide for the prompt and orderly conclusion of all work, as CARTA may direct, including completion or partial completion of projects, documentation of work in process, and other measures to assure an orderly transition to CARTA or the CARTA's designee.

12.5 Term. This Agreement shall commence on the date it is executed by both Parties and shall remain in full force and effect, unless otherwise terminated as provided herein.

12.6 Force majeure. The failure of performance by either Party (except for payment obligations) hereunder shall not be deemed to be a default where delays or defaults are due to war; insurrection; strikes; lock-outs; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of

transportation; governmental restrictions; unusually severe weather; inability to secure necessary labor, materials or tools; delays of any contractor, subcontractor, railroad, or suppliers; acts of the other Party; acts or failure to act of any other public or governmental agency or entity (other than the acts or failure to act of the Parties); or any other causes beyond the control or without the fault of the Party claiming an extension of time to perform or relief from default, provided that the same materially and directly impacts such Party's ability to perform. An extension of time for any such cause shall be limited to the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the Party claiming such extension is sent to the other Party within ten (10) business days of the commencement of the cause. Times of performance under this Agreement may also be extended in writing by mutual agreement between the Parties. If an applicable Toll Services Contract governing the Toll Services affected by an event described in this Section contains force majeure provisions that are more restrictive than those set forth in this Section, the force majeure provisions of such Toll Services Contract shall control with respect to TCA's performance of its obligations under this Agreement relating to the affected Toll Services.

12.7 Amendments. This Agreement may be amended at any time by the mutual consent of the Parties, or their respective successors or assigns, by an instrument in writing; however, no amendments or other modifications of this Agreement shall be binding unless executed in writing by both Parties hereto, or their respective successors or assigns.

12.8 Assignment of Agreement. Neither Party may assign or transfer its respective rights or obligations under this Agreement without the express written consent of the other Party. Any purported assignment or transfer by one Party without the express written consent of the other Party shall be null and void and of no force or effect.

12.9 Waiver. No delay or omission in the exercise of any right or remedy of a non-defaulting Party on any default shall impair such right or remedy or be construed as a waiver. No consent or approval of either Party shall be deemed to waive or render unnecessary such Party's consent to or approval of any subsequent act of the other Party. Any waiver by either Party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

12.10 General Interpretation.

12.10.1 As used in this Agreement, unless otherwise specified, the term "including" shall mean including, but not limited to, or without limitation.

12.10.2 As used in this Agreement, unless otherwise specified, the terms "shall" and "will" shall have the same meaning.

12.11 Entire Agreement. This Agreement, including the attached exhibits, constitutes the entire agreement between the Parties with respect to the subject matter contained herein, and supersedes any prior term sheet and/or agreement, whether written or verbal, with respect to the subject matter herein.

12.12 Severability. In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by valid

judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement, which shall be interpreted to carry out the intent of the Parties hereunder.

12.13 Confidentiality

12.13.1 "Confidential Information" includes:

12.13.1.1 All information (i) marked as "Confidential" or for which a similar notice has been provided to the receiving Party by the disclosing Party before, during, or promptly after disclosure of the information; or (ii) disclosed in a manner in which the disclosing Party reasonably communicated that the disclosure should be treated as confidential, whether or not the specific designation "Confidential" or any similar designation is used. Confidential Information under this Section 12.13 does not include PII, which is governed by the provisions set forth in Section 8.

12.13.2 Confidential Information may be proprietary to TCA, CARTA or a third-party contractor not Party to the Agreement.

12.13.3 "Confidential Information" does not include information that:

12.13.3.1 Is publicly known at the time of disclosure or later becomes publicly known through no breach of this Agreement by the receiving Party, provided that Confidential Information shall not be deemed to be publicly known merely because any part of said information is embodied in general disclosures or because individual features, components or combinations thereof are now known or may become known to the public; or

12.13.3.2 Was, as between the receiving Party and the disclosing Party, lawfully in the receiving Party's possession prior to receipt from the disclosing party without obligation of confidentiality or is lawfully obtained by the receiving Party from third parties whom the receiving Party reasonably believes obtained it lawfully; or

12.13.3.3 Is disclosed in response to a valid order of a court or other governmental body of the United States or any political subdivisions thereof, or a public records request under the Public Records Act if the Confidential Information is not determined exempt from disclosure under the Act by the disclosing Party ("Process"), to the extent of and for the purposes of such Process; provided that (i) the receiving Party immediately notifies the disclosing Party of such Process; and (ii) the receiving Party shall not produce or disclose Confidential Information in response to the Process unless the disclosing Party has: (a) requested protection from the legal or governmental authority requiring the Process and such request has

been denied, (b) consented in writing to the production or disclosure of the Confidential Information in response to the Process, or (c) taken no action to protect its interest in the Confidential Information within 14 business days after receipt of notice from the receiving Party of its obligation to produce or disclose Confidential Information in response to the Process.

12.13.4 During the term of this Agreement, it may be necessary for one Party to this Agreement to disclose or make Confidential Information available to the other Party. The receiving Party agrees to use all such Confidential Information solely in connection with the Agreement and to hold all such information in confidence and not to disclose, publish, or disseminate the same to any third party, other than those of its directors, commissioners, officers, employees, or agents with a need to know, without the prior written consent of the disclosing Party, except as required by a court of competent jurisdiction, or as otherwise required by law. The Parties agree to take reasonable precautions to prevent any unauthorized use, disclosure, publication, or dissemination of such Confidential Information.

12.13.5 The Parties agree to require any agents or third parties to whom Confidential Information must be disclosed to execute a nondisclosure agreement that incorporates the substantive requirements of this Section 12.13, the terms of which will be provided in advance to the other party for review and comment. This Section 12.13 shall not apply to PII, which shall be governed in accordance with applicable law and the terms of this Agreement.

12.14 Governing Law. This Agreement shall be governed by the laws of the State of California.

12.15 Limitation of Each Agency's Liability. CARTA acknowledges that the respective liabilities of the Foothill/Eastern Transportation Corridor Agency and the San Joaquin Hills Transportation Corridor Agency shall be several only and not joint, and CARTA specifically waives the benefit of California Civil Code Section 1431. A default by either agency with respect to payment of any obligation hereunder shall constitute a default only with respect to such Agency.

12.16 Third Party Beneficiaries. No third-party beneficiaries are created by this Agreement.

[Signatures in the following page]

IN WITNESS WHEREOF, the Agreement has been executed as of the last date set forth next to the signatures of the parties, below.

FOOTHILL EASTERN TRANSPORTATION CORRIDOR AGENCY

By: Ryan P. Chamberlain_____
Title: Chief Executive Officer_____
Date: _____

SAN JOAQUIN HILLS TRANSPORTATION CORRIDOR AGENCY

By: Ryan P. Chamberlain_____
Title: Chief Executive Officer_____
Date: _____

APPROVED AS TO FORM:

Nossaman, LLP, General Counsel, Foothill/Eastern Transportation Corridor Agency and San Joaquin Hills Transportation Corridor Agency

By: _____
Ben Rubin, Nossaman General Counsel

Date: _____

CAPITAL AREA REGIONAL TOLLING AUTHORITY

By: _____

Date: _____

APPROVED AS TO FORM:

By: _____

Date: _____

EXHIBIT A

COST MODEL FOR TOLL OPERATIONS SERVICES[1]

CARTA Back Office System Cost Model Approach

A Cost Model is an efficient tool to ensure that the reimbursement of costs from CARTA for Toll Services provided by TCA, as outlined in the Agreement, are reliably calculated and financially comprehensive. The Cost Model provides a consistent methodology and approach to identify all cost components associated with providing Toll Services and associated Back Office System support.

CARTA's share of expenses is calculated in this Cost Model in accordance with the assumption that, in many cases, CARTA's proportionate share of TCA's expenses equates to the percentage of CARTA Transactions processed by TCA in the preceding year relative to the total number of transactions that TCA processed in the preceding year. Any change to the Cost Model which alters the assumption that CARTA's proportionate share of TCA's expenses equates to the percentage of CARTA Transactions processed by TCA in the preceding year relative to the total number of Transactions processed by TCA in the preceding year requires the prior concurrence of CARTA. TCA and CARTA will meet periodically and no less than twice per TCA fiscal year to review costs associated with TCA providing Toll Services to CARTA and determine if adjustments to TCA's reimbursement are required to remain within the Parties' mutual expectations under this Agreement. The Cost Model will be revised annually, as part of TCA's and CARTA's budget development process, to establish total costs to be charged to CARTA in the subsequent fiscal year by the end of March of each fiscal year. TCA shall provide CARTA with anticipated costs for the upcoming fiscal year by January 31st every year.

It should be noted that the costs noted in this Exhibit A refer to development of transaction costs to be applied to CARTA's facilities. The costs to be incorporated into the Cost Model for CARTA's future facilities, should they be added to this Agreement, will also be developed prior to March 31st of the year prior to revenue service commencement for those facilities.

The Cost Model approach utilizes estimated Toll and Violation Transaction volumes as they are the largest influencers of total costs related to Tolling Services and associated Back Office System support. In addition, indirect costs incurred by TCA related directly to ensuring a full service offering and value-add to CARTA are included in the Cost Model, for example, internal staff salaries and related costs.

To demonstrate the process and cost methodology, data is included in the tables below. **Table 1** is based upon TCA's projected transactions for its fiscal year (FY) ending June 30, 2029 (FY29) and CARTA's projected transactions for the first year of operations, expected to begin during FY29. **Table 2** is based upon TCA's estimated costs for FY29, including CARTA's expected portion.

It is anticipated that these projected transactions and estimated costs will be updated based upon current data input to the Cost Model, including, Toll Transaction-Based Fee, Violation Processing Fee, HOV ($0) Transaction Fee, and Credit Card Processing Fee, applicable when the Toll Services contemplated by the Agreement are first provided, and for each ensuing year thereafter.

The estimated costs referred to below are not intended to be all-inclusive of budgetary items which may fall into a certain category. All additional costs will be agreed to by both parties.

Costs and fees for the period of inception of the Toll Facilities' operations through June 30 of TCA's fiscal year will be based on a prorated FY budget and prorated Projected Transactions for TCA and CARTA. Costs and fees for subsequent fiscal years are to be established prior to the start of the fiscal year using the subsequent fiscal years' budgets and Projected Transactions for TCA and CARTA, subject to adjustments made to the Cost Model as a result of the periodic meetings between TCA and CARTA.

Reimbursement costs addressed in the Cost Model are as follows:

- Section 2: Toll Transaction-Based Fee
- Section 3: Violation Processing Fee
- Section 4: HOV ($0) Transaction Fee
- Section 5: Credit Card Processing Fee
- Section 6: TCA Toll Services Contractor Incentive/Disincentive Sharing

DEMONSTRATION DATA/COSTS:

1. Projected Annual Transactions

Table 1:

	NUMBER
TCA FY29 Projected Toll Transactions	97,010,000
TCA FY29 Projected Violations	5,060,612
CARTA FY29 Projected Toll Transactions	6,149,000
CARTA FY29 Projected Violations	317,000
CARTA FY29 Projected HOV ($0) Transactions	693,000

2. Toll Transaction-Based Fee Structure

The Toll Transaction-Based Fee for each accepted CARTA Transaction processed by TCA is summarized in Table 2 and detailed in the following subsections.

Table 2:

CS Staffing		**$ 12,002,753**
TCA		$ 10,969,824
CARTA		$ 1,032,929
TTEC Key Position Allocation		**$ 1,382,723**
TCA		$ 1,295,079
CARTA		$ 87,644
Per Toll Transaction Ops Expense		**$ 1,475,400**
TCA		$ 1,387,455
CARTA		$ 87,944
Per CSR Expense		**$ 979,648**
TCA		$ 902,006
CARTA		$ 77,642
Ops Mgt and Finance OH		**$ 3,471,391**
TCA		$ 3,251,356
CARTA		$ 220,035
Additional Staffing Support		**$ 551,616**
TCA		$ 516,652
CARTA		$ 34,964
Back Office System Support		**$ 3,855,497**
TCA		$ 3,611,116
CARTA		$ 244,382
Insurance		**$ 1,204,492**
TCA		$ 1,128,145
CARTA		$ 76,347
Facility Cost		**$ 109,200**
TCA		$ 102,278
CARTA		$ 6,922
Facility Cost - TTEC Staff		**$ 1,413,075**
TCA		$ 1,291,442
CARTA		$ 121,633
Facility Cost - Additional Staffing Support		**$ 15,600**
TCA		$ 14,611
CARTA		$ 989
Walk in Center - Staff		**$ 267,466**
TCA		$ -
CARTA		$ 267,466
Walk in Center - Security		**$ 83,538**
TCA		$ -
CARTA		$ 83,538
Walk In Center - Facility		**$ -**
TCA		$ -
CARTA		$ -
Subtotal		**$ 26,812,400**
TCA		$ 24,469,965
CARTA		$ 2,342,435
Per Transaction Cost		
TCA		**$ 0.2522**
CARTA		**$ 0.3809**

ITEM DESCRIPTIONS AND CALCULATION STRUCTURES:

A. Customer Service Center Staffing

Customer Service Center Staffing Cost for CARTA is based off an Erlang C Model. This model uses a mathematical formula to calculate the number of "agents" needed in a call center to meet a desired level of service, also considering the probability of a customer wait time. CARTA's staffing cost is calculated to be $1,032,929 for FY29.

B. TTEC Key Position Allocation

Key Position Allocation Cost is incurred by TCA regardless of volume of toll and violation transactions to provide leadership over and guidance to the TTEC staff operating the call centers.

CARTA's TTEC Key Position Allocation Cost is calculated as follows:

	Projected FY29
TCA Toll Transactions	97,010,000
CARTA Toll Transactions	6,149,000
	6.34%
TCA TTEC Key Position Allocation Expense	$1,382,723
CARTA TTEC Key Position Allocation Expense	$87,644
($1,382,723 x 6.34%)	

C. Per Toll Transaction Operations (Ops) Expense

CARTA's Per Toll Transaction Operations Expense will be calculated annually prior to March 31st of each year for use in the following fiscal year using TCA's identified operating costs, which fluctuate based on the number of transactions, and include, but are not limited to, printing and postage, collateral materials, mail service, and software licensing. For FY29, TCA's total Per Toll Transaction Ops Expense is projected to be $1,387,455.

CARTA's Per Toll Transaction Ops Expense is calculated as follows:

	Projected FY29
TCA Toll Transactions	97,010,000
CARTA Toll Transactions	6,149,000
	6.34%
TCA Per Toll Transaction Ops Expense	$1,387,455
CARTA Per Toll Transaction Ops Expense	$87,944
($1,387,455 x 6.34%)	

D. Per Customer Service Representative (CSR) Expense

CARTA's portion of Total Customer Service Representative Expense incurred by TCA is allocated based on CARTA's CSR Full Time Equivalent (FTE) count as a percentage of the total required CSR FTE count.

CARTA's Per Customer Service Representative Expense is calculated as follows:

	Projected FY29
TCA Total CSR Expense	902,006
TCA Full Time Equivalent - CSR	165.6
CARTA Full Time Equivalent - CSR	15.6
CARTA Per Customer Service Representative Expense	$77,642
($902,006 x 15.6 / (165.6 + 15.6))	

E. Operations Management and Finance Overhead

TCA has identified fourteen (14) TCA staff positions within Operations Management, Finance and Marketing, whose efforts will be impacted by and mutually beneficial to the management and administrative-related requirements specified within the Agreement.

CARTA's allocated overhead expense associated with these staff positions is calculated on an annual basis using the *overhead per Transaction* factor and CARTA's Projected Toll Transactions (6,149,000).

CARTA's Operations Management and Finance Overhead is calculated as follows:

	Projected FY29
TCA Toll Transactions	97,010,000
CARTA Toll Transactions	6,149,000
	6.34%
TCA Ops Management and Finance Overhead	$3,471,391
CARTA Ops Management and Finance Overhead	$220,035
($3,471,391 x 6.34%)	

F. Additional Staff Support

TCA anticipates having to hire additional Operations Management and Finance staff in order to meet its service obligations. The total cost of this additional resource is projected to be $551,616, fully burdened.

It is estimated that these additional resources will be allocated between Agencies using the *overhead per Transaction* factor and CARTA's Projected Toll Transactions (6,149,000) for the management and support of this agreement.

CARTA's portion of the Additional Staff Support is calculated as follows:

	Projected FY29
TCA Toll Transactions	97,010,000
CARTA Toll Transactions	6,149,000
	6.34%
Additional Staff Support Expense	$551,616
CARTA Additional Staff Support Expense	$34,964
($551,616 x 6.34%)	

G. Back Office System Support

The projection for CARTA for Back Office System (BOS) support is calculated on an annual basis using the *overhead per Transaction* factor and CARTA's Projected Toll Transactions (6,149,000).

CARTA's portion of the Back Office System Support is calculated as follows:

	Projected FY29
TCA Toll Transactions	97,010,000
CARTA Toll Transactions	6,149,000
	6.34%
Back Office Operations and Maintenance Support Expense	$3,855,497
CARTA Back Office System Support Expense	$244,382
($3,855,497 x 6.34%)	

H. Insurance

CARTA's allocation of insurance costs will be determined on an annual basis using TCA's budgeted costs for insurance coverage unrelated to its on-road infrastructure, to determine the per transaction insurance cost.

CARTA's Insurance Expense is calculated as follows:

	Projected FY29
TCA Toll Transactions	97,010,000
CARTA Toll Transactions	6,149,000
	6.34%
TCA Insurance Expense	$1,204,492
CARTA Insurance Expense	$76,347
($1,204,492 x 6.34%)	

I. Facility Cost

CARTA's facility overhead expense allocation will be calculated on an annual basis using an estimated rate of $3.25 per square foot and an assumed average of 200 square feet per Operations Management and Finance employees (see subsection 2.E. above), this rate being inclusive of utilities, equipment, and other infrastructure.

CARTA's Facility Cost is calculated as follows:

	Projected FY29
TCA Operations Management and Finance Staff	14
Assume Average Square Feet Occupied	200
Cost per Square Foot	$3.25
TCA Facility Cost - Annual	$109,200
(14 x 200 x $3.25 x 12 months)	
TCA Toll Transactions	97,010,000
CARTA Toll Transactions	6,149,000
	6.34%
TCA Annual Facility Cost	$109,200
CARTA Annual Facility Cost	$6,922

J. Facility Cost – TTEC Staff

Refer to section 2.I. above for the parameters included in the calculation.

CARTA's TTEC Staff Facility Cost is calculated as follows:

	Projected FY29
CARTA Full Time Equivalent - CSR	15.6
Assume Average Square Feet Occupied	200
Cost per Square Foot	$3.25
CARTA Annual Facility Cost - TTEC Staff	$121,633
(15.6 x 200 x $3.25 x 12 months)	

K. Facility Cost associated with Additional Support Staff

This is the facility cost associated with the additional staff support as defined in subsection 2.F. above, during FY29.

CARTA's Facility Cost for Additional Support Staff is calculated as follows:

	Projected FY29
TCA Operations Management and Finance Staff	2
Assume Average Square Feet Occupied	200
Cost per Square Foot	$3
TCA Facility Cost - Annual *(2 x 200 x $3.25 x 12 months)*	$15,600
CARTA Annual Facility Cost - Additional Support Staff *(consistent with the calculation explained in section F)*	$989

L. Walk in Center – Staff Cost

The Walk in Center Staff Cost is calculated under the assumption that a supervisor, two leads, and one customer service representative will be needed to staff the facility. This equates to $267,466 in FY29.

M. Walk In Center – Onsite Security

The Walk in Center Security Cost is calculated under the assumption of a single security guard, using an estimated hourly rate of $36.40 multiplied by an assumed 2,295 hours, equating to $83,538 during FY29.

N. Walk in Center – Facility

It is assumed that CARTA will provide a Walk-In Center facility, inclusive of such costs as: rent, utilities, internet access, phone line, and furniture. As such, these costs are not included in this cost model for FY29 ($0).

The subtotal of all the above expense categories for CARTA is $2,342,435 (see Table 2). To calculate the Per Transaction Cost for Toll Transactions, this amount is divided by the number of CARTA FY29 Projected Toll Transactions from Table 1 (6,149,000), equating to $0.3809.

3. Violation Processing Fee

The fee for each Accepted CARTA Transaction that is processed as a Violation is summarized in Table 3, with more detail and calculation methodologies provided in the following subsections.

Table 3:

Toll Compliance Staffing		**$ 8,129,529**
TCA		$ 7,614,377
CARTA		$ 515,152
Person Locator Services		**$ 12,286**
TCA		$ 11,562
CARTA		$ 724
Postage Notices and Statements		**$ 3,427,355**
TCA		$ 3,225,319
CARTA		$ 202,036
Violation Notice Printing		**$ 469,648**
TCA		$ 441,963
CARTA		$ 27,685
DMV Lookup		**$ 133,317**
TCA		$ 125,458
CARTA		$ 7,859
Subtotal		**$ 12,172,135**
TCA		$ 11,418,679
CARTA		$ 753,456
Per Transaction Cost		
TCA		**$ 2.2564**
CARTA		**$ 2.3768**
CARTA Net of Toll		**$ 1.9959**

ITEM DESCRIPTIONS AND CALCULATION STRUCTURES:

The CARTA costs in the violation section are allocated based on CARTA's converted violation transactions as a percentage of TCA's, unless otherwise specified.

	Projected FY29
TCA Violation Transactions	5,060,612
CARTA Violation Transactions	317,000
	6.26%

**rounding may marginally affect the calculations below.*

A. Toll Compliance Staffing

This is calculated at 6.26%, referred above, of TCA's FY29 total budgeted TTEC staff and leadership cost allocated specifically to the violations process, including training and performance incentives payable to TTEC and amounts to $515,152.

B. Person Locator Services

This expense includes costs associated with obtaining new address information for accounts that contain a bad address. TCA is projected to spend $11,562 on Person Locator Services during FY29.

CARTA's Person Locator Services cost is calculated to be 6.26% of TCA's total cost; $724.

C. Postage – Notices and Statements

This expense includes postage costs associated with mailing violations related notices and statements. TCA is projected to spend $3,225,319 during FY29.

CARTA's Postage Notices and Statements cost is calculated to be 6.26% of TCA's total cost; $202,036.

D. Violation Notice Printing

This expense includes printing costs associated with violation notices. TCA is projected to spend $441,963 during FY29.

CARTA's Violation Notice Printing cost is calculated to be 6.26% of TCA's total cost; $27,685.

E. DMV Lookup

This expense includes costs associated with obtaining name and address information for out-of-state license plates. TCA is projected to spend $125,458 during FY29.

CARTA's DMV Lookup cost is calculated to be 6.26% of TCA's total cost; $7,859.

The subtotal of all the above violation expense categories for CARTA is $753,456 (see Table 3). To calculate the Per Transaction Cost for Violations, this amount is divided by the number of CARTA FY29 Projected Violations from Table 1 (317,000), which equates to $2.3768.

The "CARTA Net of Tolls" amount at the bottom of Table 3 is then calculated by subtracting the Per Transaction Cost for Tolls ($0.3809) from the Per Transaction Cost for Violations ($2.3768), which equates to $1.9959. This calculation is useful for monthly billing purposes.

4. Limited Processing Transactions

TCA and CARTA have identified a category of CARTA Transactions that the Parties agree will require limited processing by the Back Office System as compared to typical toll transactions, and as such the Parties agree that this category of CARTA Transactions will be charged at a different rate more reflective of the limited processing. These CARTA Transactions are referred to as "Limited Processing Transactions" and are further described in Table 4 and the subsections that follow.

Table 4:

Per $0 HOV Transaction Expense		**$**	**18,453**
TCA		$	-
CARTA		$	18,453
Per Transaction Cost			
TCA		**$**	**-**
CARTA		**$**	**0.0266**

ITEM DESCRIPTION AND CALCULATION STRUCTURES:

A. Limited Processing Transactions

"Limited Processing Transactions" are those high occupancy vehicle (HOV) and non-revenue account toll transactions recorded on CARTA's road that receive a 100% discount, or free toll. CARTA's roadside system will send these toll transactions to TPS, and the BOS will post these transactions to the Accountholder's account.

A per Limited Processing Transaction fee is calculated using the Back Office System support costs of $244,382.

	Projected FY29
CARTA Toll Transactions	6,149,000
CARTA Violation Transactions	317,000
CARTA Total Transactions	6,466,000
TPS Cost to support CARTA	$244,382
CARTA per Transaction Cost	$0.038

A factor of 67% is applied to reflect the limited processing nature of these transactions, yielding a per Limited Processing Transaction Fee of $0.0266.

5. Credit Card Processing Fee

CARTA shall be invoiced for credit card processing fees on a monthly basis. The amount allocated to CARTA shall be calculated within 30 days following the end of each month as the total revenue collected and transferred to CARTA for the month (gross tolls, fees, and penalties plus any toll, fee, and penalty returns) multiplied by TCA's average credit card processing rate. TCA shall calculate the average credit card processing rate on an annual basis using the reports provided by TCA's credit card processors, and this rate will be used for the subsequent fiscal year and adjusted for any changes in rates for the subsequent fiscal year.

6. TCA Toll Services Contractor Incentive/Disincentive Sharing

In the event TCA is assessed disincentive deductions or stipulated incentive costs related to TCA's Toll Services Contractor's performance targets, CARTA will be assessed a portion of the net deduction/cost proportional to the volume of CARTA's transactions in accordance with Section 7.28.

Each month after Go-Live during the term, TCA shall reconcile the performance incentive costs incurred by TCA and any disincentive deductions assessed and recouped by TCA in conjunction with work performed by the TCA Toll Services Contractor. Notwithstanding the foregoing, TCA shall have no obligation to remit a net disincentive amount to CARTA to the extent that TCA's compensation (after accounting for the disincentive amount) is less than the minimum compensation set forth in Section 10.3.

EXHIBIT B

FORM OF INVOICE FOR START-UP COSTS

Transportation Corridor Agencies

The Toll Roads®

	MONTH, YEAR
Date:	
Invoice #:	
Payment Due:	**Upon Receipt**
Contract #:	**COOP Agree**

Bill To:

CAPITAL AREA REGIONAL TOLLING AUTHORITY

1415 L Street, Suite 300

Sacramento, CA 95814

Description	Line Total
TCA Staff Time	
Travel Reimbursement	
External Consultant	
BRiC - various	
Other	

Remittance Instructions: **Total Amount Due** $ -

TCA hereby certifies that the hourly rates charged to CARTA on this invoice for each employee do not exceed the agreed upon negotiated rates listed in the Implementation Calculation Schedule and may be subject to verification by CARTA.

TCA hereby certifies that this invoice represents a full and complete claim for goods and services provided during the billing period identified, and wage rates are in compliance with the COOP terms and all applicable state and federal prevailing wage laws.CARTA may audit invoices submitted to verify accuracy and compliance with COOP Terms.

L. Taylor (Controller) _____

Make all checks payable to: Transportation Corridor Agencies

Please remit to the following:
Transportation Corridor Agencies
125 Pacifica, Suite 100
Irvine, CA 92618
Attn: Accounts Receivable
Contact: **Lindsy Taylor (Controller)** - litaylor@thetollroads.com

Please visit us at www.thetollroads.com

Final Transportation Corridors Agencies Back Office Services Agreement

Board of Directors

November 18th, 2026

Attachment 7C

Toll Corridor Agencies

TCA, Established in 1980, consists of two agencies:

- **The Foothill/Eastern Transportation Corridor Agency (F/ETCA)**
  - State Routes 133, 241 and 261
- **San Joaquin Hills Transportation Corridor Agency (SJHTCA)**
  - State Route 73



Toll Corridor Agencies

- Two joint powers authorities (JPAs) formed by the state of California to plan, finance, construct and operate The Toll Roads. The two agencies operate under the name Transportation Corridor Agencies (TCA).

- TCA currently provides back office for San Bernardino County Transportation Authority (SBCTA) and San Diego Association of Governments (SANDAG).

CARTA Roadside System and TCA Back Office

System Overview and Back Office Responsibilities

CARTA

Roadside Toll System

TCA-Provided Back Office Services

TCA Responsibilities

1. Transaction processing and posting to customer accounts
2. System of Record and Reporting
3. Customer service staffing and operations
4. Customer account management
5. Transponder fulfillment and management
6. Toll violation processing
7. Walk in Center staffing

Toll Transaction Flow

Roadside Capture, Customer Account Posting, And Remittance To CARTA

CARTA ROADSIDE TOLL SYSTEM



01

Read tag/ license plate

Reads the tag and detects vehicle occupancy.



02

Create record

Roadside system generates the transaction and classification.



03

Add toll amount

System sends the complete transaction to the back office.

TCA BACK OFFICE



04

Post to account

Receives and posts transaction. Debits customer account.



05

Deduct fee

Back office retains per transaction fee. Fee varies by transaction type.



06

Remit balance

Back office sends the remaining funds to CARTA.

Back Office Agreement – Timeline

Agreement Approval Timeline

- CARTA Board Approval – November 2026
- TCA Toll Operations Committee Approval – December 2026
- TCA Board Approval – January 2027

Planned Implementation Schedule

- January to April 2027 – Requirements Definition Phase
- April 2027 to January 2028 – Implementation Phase
- January 2028 to June 2028 – Testing Phase



Capital Area Regional Tolling Authority

Capital Area Regional Tolling Authority

Meeting Date: November 18, 2026
Agenda Item: 8

Sac 5 Express Lanes Revenue Forecast and Next Steps

Prepared By: Kathleen Aziz, CARTA, and Carlos Contreras, C&M Associates
Attachments: Yes

Recommendation:
Staff recommend that the board authorize the Executive Director to include CARTA as an implementing agency on the Sac 5 Managed Lanes Project Phase 1 Trade Corridor Enhancement Program (TCEP) application.

Background:
CARTA was created as a regional agency and its JPA is structured to expand the board as additional toll facilities are developed across the region. The next project in development is Sac 5 Express Lanes Phase 1, also called the Sac 5 Managed Lanes Project (Sac 5), which would add a managed lane in the southbound direction from the Yolo/Sacramento County line near the airport to the US 50 interchange near downtown Sacramento. Sac 5 is nearing release of its draft environmental document and would need to seek toll authority from the CTC in early 2027 to remain on schedule.

The CARTA JPA states that CARTA cannot unreasonably deny or delay a new Member's request to join CARTA, but requires that the new Member satisfy several requirements, including:

- The new Member must have a plan to fully fund the tolling project without compelling the use of any CARTA funds or other resources
- The new Member and CARTA must have an agreement delineating roles, responsibilities, and financial obligations

CARTA staff have been working with Caltrans and Sacramento Transportation Authority (STA) to ensure these requirements can be met before the CARTA board considers adding STA as a voting member of CARTA and adding Sac 5 to CARTA's portfolio.

To understand whether Sac 5 can generate sufficient revenue to cover its operating costs, maintenance costs, and associated reserves, CARTA initiated a Level 2 Traffic and Revenue (T&R) Study. The T&R is funded by STA through a funding agreement approved by the Board in June. The T&R is being completed by C&M Associates through an on-call task order authorized by the Board in June.

In addition to evaluating the revenue potential of Sac 5, the T&R provides key data points that will inform future toll policy and investment decisions for the corridor, including the tradeoff

between operating performance, and revenue generation. The T&R combines population, employment, and other demand information with supply information from traffic models to predict how many travelers would utilize the toll lane under different conditions.

The T&R reports gross revenue estimates, which is revenue generated after accounting for violations and leakage. It does not operations, maintenance, reserves, and other costs necessary to operate the facility. As the Board and CARTA's partners know from conversations on the Yolo 80 Toll Revenue Investment Plan, these costs are significant. To help estimate these costs and inform Board discussions, the Study also supplements the T&R analysis with estimates for these costs to identify preliminary net revenue estimates.

It is critically important that the Board, CARTA partners, and members of the public note that these estimates are very preliminary and should not be used to assume any amount of funding will be available from Sac 5 for allocation to purposes other than the operations, maintenance, reserves, and other costs necessary to operate the facility. All future decisions regarding use of toll revenue are at the sole discretion of the CARTA Board.

Discussion:

Gross Revenue Estimates

The T&R includes four potential scenarios:

- **Scenario A**: Southbound-only high-occupancy toll (HOT) 3+ lane with open access and no video occupancy detection (VOD), representing the base T&R scenario.
- **Scenario B**: Same configuration as Scenario A, with VOD to reduce HOV violations and increase compliance with the HOV3+ toll-free policy, resulting in more tolled trips
- **Scenario C:** Southbound-only express lane with limited, buffer-separated access and no VOD, providing more controlled access, reduced toll avoidance, and more reliable express lane travel
- **Scenario D:** Express lanes in both directions with limited, buffer-separated access and VOD, combining more controlled access, reduced toll avoidance, improved travel reliability, and lower HOV violations

Other than the variations outlined in the description of each scenario, all scenarios use assumptions that are consistent with the toll policy CARTA adopted in December 2025, including 24/7 operations, dynamic pricing, etc. The following table reports gross toll revenue estimates for each scenario between 2032 and 2052.

	2032 Gross Revenue	2042 Gross Revenue	2052 Gross Revenue
Scenario A	$12.0 million	$17.2 million	$22.8 million
Scenario B	$12.4 million	$17.9 million	$23.9 million
Scenario C	$11.5 million	$17.9 million	$24.5 million
Scenario D, Southbound	$12.3 million	$19.0 million	$26.7 million
Scenario D, Both Directions	$24.8 million	$37.7 million	$52.4 million

Across the scenarios, 2032 gross toll revenue ranges between $11.5 million and $12.4 million for southbound only. This escalates to between $22.8 million and $26.7 million in gross toll revenue by 2052.

Net Revenue Estimates
CARTA staff, with support from tolling and toll accounting consultants developed high-level forecasts for costs to operate Sac 5 for each scenario, including operating costs, maintenance costs, lifecycle replacements, and reserves. These net revenue estimates have been developed exclusively to evaluate whether Sac 5 can be reasonably expected to cover its operating costs. The Board, CARTA partners, and members of the public should not assume any amount of funding will be available for any other use.

Based on staff analysis, all four scenarios can cover the necessary costs, including saving for lifecycle replacements, repaying CARTA start-up costs to the Yolo 80 fund, and building a reserve to contribute to future major maintenance projects along the corridor. However, the project is not anticipated to generate significant revenue beyond these obligations. Based on staff analysis, Sac 5 does not generate toll revenue for reinvestment until Year 7 or 8 and doesn't consistently generate revenue for reinvestment until Year 15 or 16. As the project progresses and costs are refined, CARTA will develop a Toll Revenue Investment Plan (TRIP) for Sac 5 that outlines the flow of funds and expenditure priorities for this corridor.

Related Project Analysis
The Study also includes an assessment of how three future adjacent projects may impact traffic, demand, and revenue on Sac 5. The three projects are Truxel Bridge, Green Line Bus Rapid Transit (BRT), and the I-5/I-80 Interchange Managed Lane Direct Connectors. At a high level, Truxel Bridge would have a limited and localized impact, with Sac 5 Express Lane trips increasing by 0.6% and revenue decreasing by 1.4% in 2050. The localized reduction in corridor traffic improves operating conditions and leads to lower toll rates, making the Sac 5 Express Lanes slightly more attractive to travelers and resulting in a small increase in trips despite the lower revenue. The Green Line BRT Project reduces trips by 2.3% and revenue by 4% on Sac 5 Express Lanes in 2032, with smaller reductions by 2050. This reflects the shift of a portion of passenger-vehicle trips from the Sac 5 corridor to transit. The Direct Connectors have little impact on total Sac 5 Express Lane trips but increase revenue by 4.7% in 2050, primarily due to increased Express Lane demand and higher dynamic toll rates near the I-80 connection. Overall, the three projects result in relatively limited changes to corridor-wide Sac 5 Express Lane traffic and revenue, with annual revenue impacts of less than 5 percent.

Next Steps
Based on the T&R results, it is CARTA staff's opinion that Sac 5 can reasonably cover operating, maintenance, reserve, and other costs necessary to operate the facility. This opinion holds even if the related projects are delivered, as their impact to trips and revenue is relatively small. CARTA staff recommend proceeding towards adding STA as a voting member and bringing Sac 5 into CARTA's portfolio. While CARTA staff have confirmed Sac 5 can cover its operating costs,

more work is needed to meet the requirements outlined in the JPA. Specifically, CARTA staff plan to:

- Develop a funding agreement for Sac 5 with Caltrans and STA that
    - Ensures all capital costs to implement the project, including all costs incurred by CARTA, are funded without CARTA funds or other resources
    - Clearly delineates the responsibilities to fund and deliver Sac 5 between CARTA, Caltrans, and STA
- Develop an amendment to the CARTA JPA that
    - Expands the county voting requirement to protect local control of toll revenue
    - Clarifies the process for a new Member to join CARTA
    - Outlines a process for existing Members to add new facilities to CARTA's portfolio that mirrors the requirements for new Members

TCEP Application
STA intends to submit a TCEP grant application to the California Transportation Commission to fund the Plans, Specifications, and Estimates (PS&E) phase of Sac 5. CARTA staff would like to have CARTA listed as an implementing agency on the grant application. This allows CARTA to directly receive funds for the work CARTA must do for Sac 5 during that phase, avoiding the administrative complications CARTA has accessing Yolo 80 grant funds. At their September meeting, the SACOG board approved Sac 5 as the highest priority TCEP pre-construction application as part of their Regional Project Prioritization Program.

Attachments:
8B: Presentation

Sac 5 Revenue Forecast and Next Steps

Board of Directors

November 18th, 2026

Attachment 8B

Sac 5 Managed Lanes Project



Project Timeline

January: Release Draft Environmental Document (DED)

February: Submit AB 194 application

March: Conduct AB 194 public hearing

June: CTC Action on funding for Final Design (PS&E)

2027-2029: PS&E

2029-2032: Right-of-Way and Construction

CARTA JPA: New Members

- ☐ RTP considers tolling in agency's jurisdiction
- ☐ Agency does not separately operate toll facilities
- ☐ Operations plan for the agency's project
- ☐ Agency's project does not compel use of CARTA resources
- ☐ Agency's governing board acts to initiate a tolling project
- ☐ Agency and CARTA delineating roles and responsibilities

CARTA JPA: New Members

- [x] RTP considers tolling in agency's jurisdiction
- [x] Agency does not separately operate toll facilities
- [x] Operations plan for the agency's project
- [ ] Agency's project does not compel use of CARTA resources
- [ ] Agency's governing board acts to initiate a tolling project
- [ ] Agreement between agency and CARTA delineating roles and responsibilities

Today's Presentation

1. Traffic and Revenue Analysis - Carlos Contreras, C&M Associates
2. Agreements and Next Steps – Kathleen Aziz, CARTA

Modeling Framework

Model Foundation: SACSIM23 Regional TDM

Model Development: C&M Toll Diversion Model

01

Regional TDM

SACSIM23 as the foundation

02

2025 Base Year

- SACSIM23 adoption of trip tables and network
- Volume-Delay-Function (VDF) Adjustment

03

Calibration

Origin-Destination Matrix Estimation (ODME) adjustments to observed traffic & travel time validation

04

Future Demand

- 2032 and 2050 trip forecasts
- Internal, External, and Airport trips

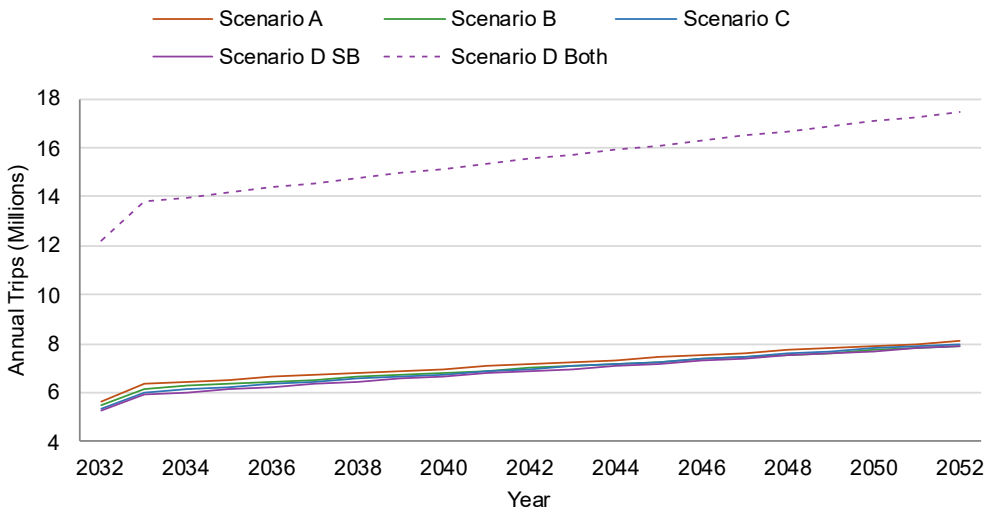
05

Toll Diversion

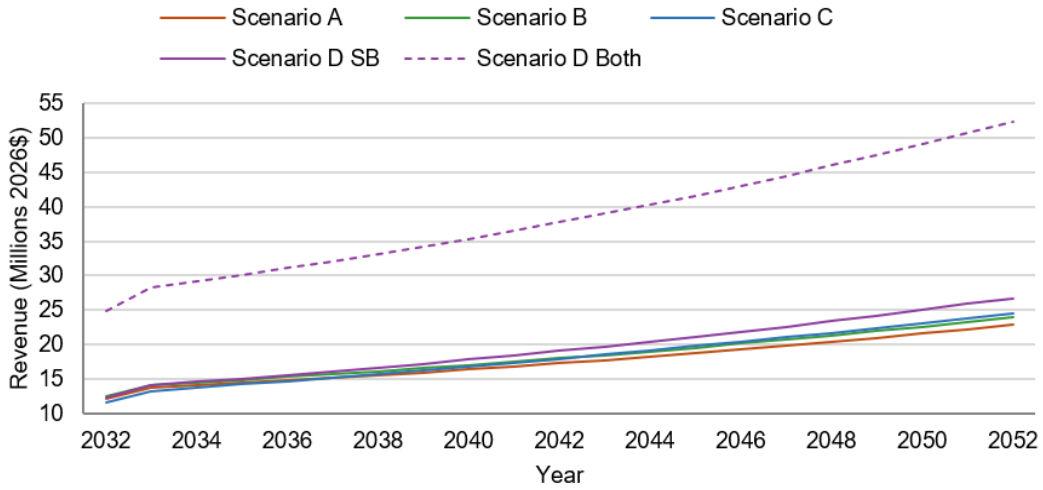
Toll diversion, dynamic tolling, and traffic assignment

Traffic and Revenue by Scenario

Express Lane Annual Trips



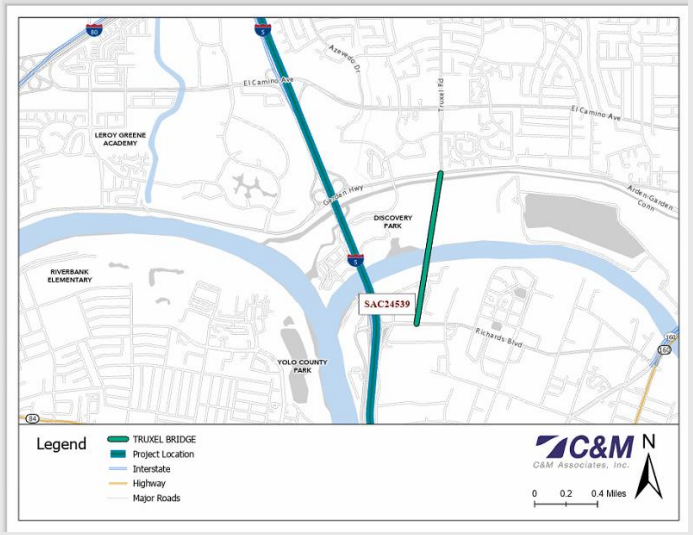
Express Lane Annual Gross Revenue



- Scenario B: About 2% fewer trips than Scenario A, but approximately 4% higher revenue
- Scenario C: Fewer trips than Scenario A, with lower revenue in the short term but higher revenue starting in 2037
- Scenario D SB: Fewer trips Scenario A, but the highest revenue among single-direction scenarios, with a growing revenue from 2.4% to 15.9% above Scenario A
- Scenario D Both: Approximately doubles trips and revenue compared to single-direction scenarios

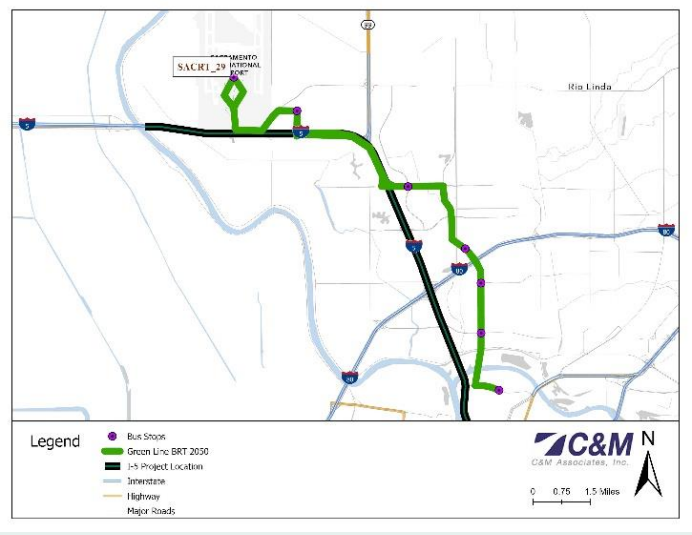
Projects Assumptions and Modeling Approach

Truxel Bridge



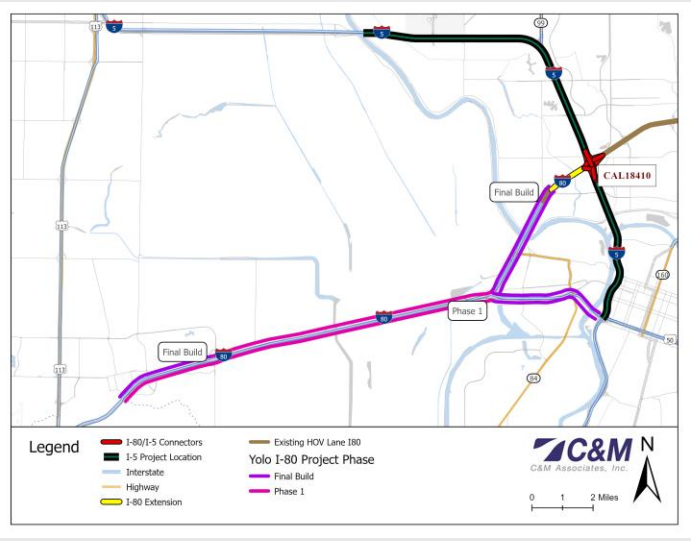
- **Open Year:** 2050
- **Key Assumptions:** One lane per direction; 35 mph; 850 pce/hr/ln; toll-free
- **Modeling Approach:** Coded the bridge in the 2050 network and evaluated changes in route choice, corridor traffic patterns, Sac 5 EL demand, and toll revenue.

Green Line BRT



- **Open Year:** 2030
- **Key Assumptions:** ~13-mile corridor; 5 intermediate stations; mixed-traffic operation; 15-minute headway
- **River Crossing:** Existing I-5 crossing in 2032; Truxel Bridge in 2050
- **Modeling Approach:** Conducted a 0.5-mile buffer analysis around the new BRT stops to assess service coverage and identify TAZs with potential trips shifting to the Green Line BRT. Reduced the corresponding passenger vehicle trips along the corridor for the identified TAZs. The toll diversion model was then rerun using the adjusted trip tables to evaluate the resulting impacts on I-5 corridor demand, express lane demand, and toll revenue.

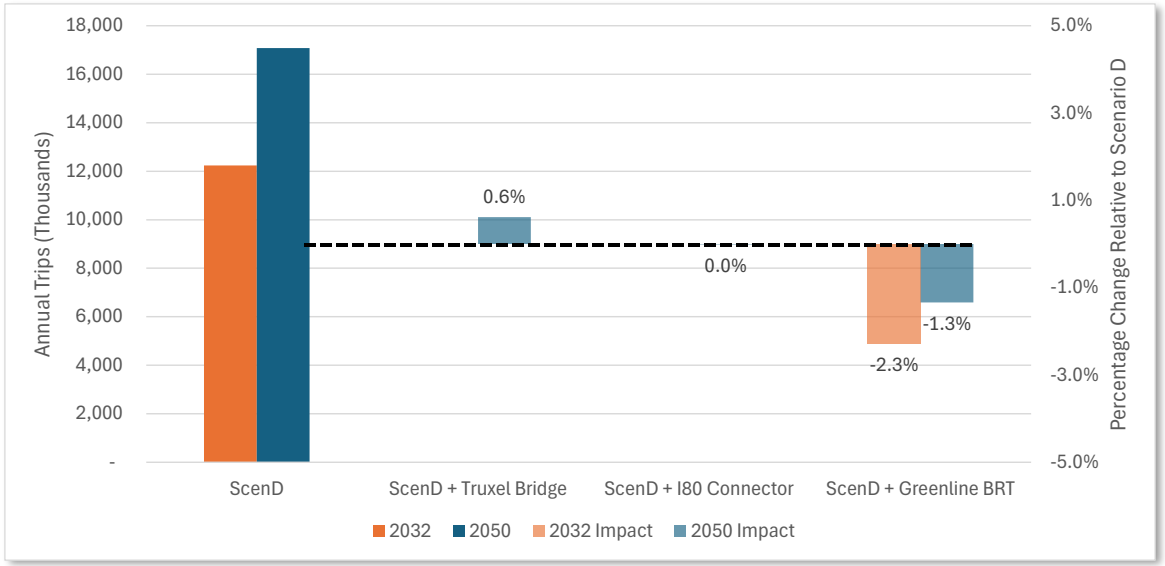
I-5/I-80 EL Connection



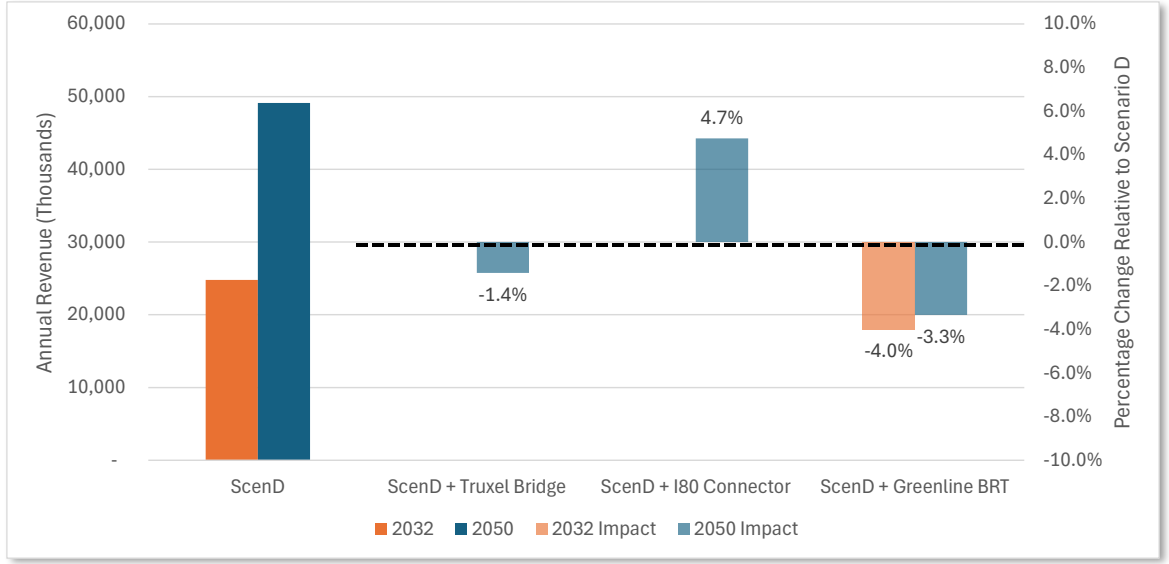
- **Open Year:** 2050 for assessment purposes
- **Key Assumptions:** Single express lane connector; 65 mph; 1,500 pce/hr/ln
- **Yolo 80 Extension:** The additional express lane segment extending from Yolo 80 toward I-5 is modeled as a continuation of the Yolo 80 facility and uses the same dynamic tolling approach
- **Connector Ramps:** Assumed to operate without a separate toll, consistent with Sac 5 zone-based tolling structure
- **Modeling Approach:** Represent the connectors as ramp links between the I-80 and I-5 express lanes and evaluate changes in traffic assignment, express lane demand, travel patterns, and toll revenue.

Project-Specific Impacts – T&R

Express Lane Annual Trips



Express Lane Annual Revenue



Gross Revenue vs Net Revenue

All four scenarios can:

- Cover operating costs (toll system, back office, share of CARTA program costs)
- Maintain reserves and lifecycle toll system replacements
- Pay share of future corridor maintenance projects
- Repay share of CARTA start-up costs to Yolo 80 Express Lanes

No additional revenue for reinvestment in the corridor until Year 7, not consistent until Year 15

CARTA JPA: New Members

- [x] RTP considers tolling in agency's jurisdiction
- [x] Agency does not separately operate toll facilities
- [x] Operations plan for the agency's project
- [x] Agency's project does not compel use of CARTA resources
- [ ] Agency's governing board acts to initiate a tolling project
- [ ] Agreement between agency and CARTA delineating roles and responsibilities

Next Steps

- December: CARTA Board action on JPA amendment and Sac 5 funding agreement
- January: YoloTD and SACOG Board action on JPA amendments
- Mid February: STA Board action on JPA agreement and Sac 5 funding agreement
- Late February: CARTA Board action submitting AB 194 application for Sac 5 Express Lanes Phase 1

Agreement Objectives

- JPA amendment
  - Expand counting voting requirement to protect local control of toll revenue
  - Outline requirements for existing Members to add new facilities to CARTA's portfolio
- Sac 5 funding agreement
  - Ensure all capital costs incurred by CARTA are funded without CARTA resources
  - Delineate responsibilities to fund and deliver Sac 5 between CARTA, STA, and Caltrans

Staff Recommendation

- Authorize ED to include CARTA as an implementing agency to directly receive PS&E funding



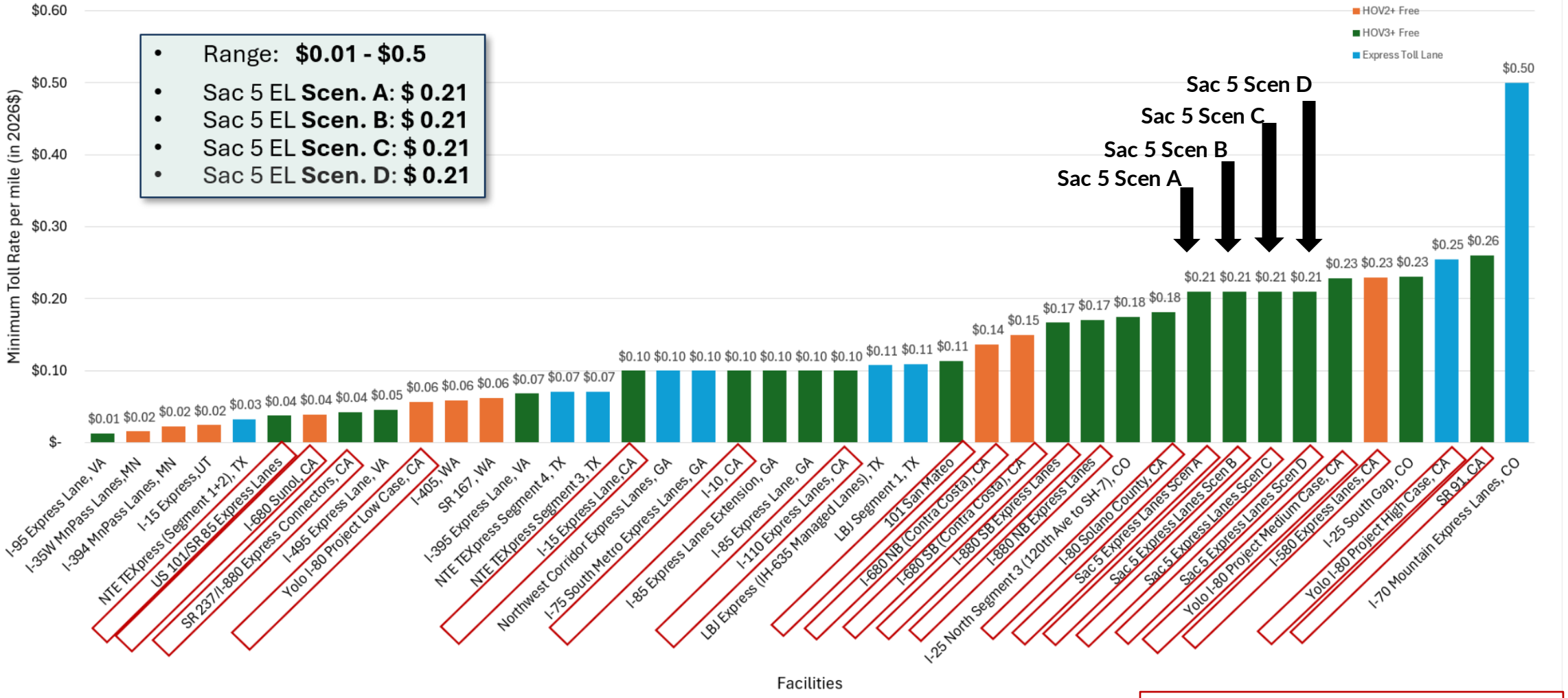
Capital Area Regional Tolling Authority

Traffic and Revenue Assumptions Table

Type	Item	Description	Scn A: SB Only	Scn B: Scn A with VOD	Scn C: Scn A with buffer	Scn D: Both Direction with VOD and buffer
Express Lane Modeling Assumption	Toll Policy	Pricing Scheme	Dynamic Tolling	Dynamic Tolling	Dynamic Tolling	Dynamic Tolling
		Minimum Toll per Gantry	$0.50	$0.50	$0.50	$0.50
		EL Speed Goal	>45 mph	>45 mph	>45 mph	>45 mph
		Single-Occupancy Vehicles (SOV)	Tolled (No Discount)	Tolled (No Discount)	Tolled (No Discount)	Tolled (No Discount)
		HOV2	Tolled (No Discount)	Tolled (No Discount)	Tolled (No Discount)	Tolled (No Discount)
		HOV3+	Free	Free	Free	Free
		Light Trucks (C2)	Tolled	Tolled	Tolled	Tolled
		Buses	Free	Free	Free	Free
		Trucks (C3+)	Not Allowed	Not Allowed	Not Allowed	Not Allowed
		Revenue Strategy	Balanced Approach	Balanced Approach	Balanced Approach	Balanced Approach
	Express Lane Design	Type	Continuous Access	Continuous Access	Separated EL (Buffer)	Separated EL (Buffer)
		EL Capacity	1,600 pce/hr/ln	1,600 pce/hr/ln	1,750 pce/hr/ln	1,750 pce/hr/ln
		Posted Speed Limit on ELs	65 mph	65 mph	65 mph	65 mph
	Hours of Operation		24/7	24/7	24/7	24/7
	HOV Violations		Peak:40%, Off-peak:35%	Peak:8%, Off-peak:7%	Peak:40%, Off-peak:35%	Peak:8%, Off-peak:7%
Post-Processing Assumption	Opening Year		2032	2032	2032	2032
	Toll Avoidance Rate		15%	15%	0%	0%
	AVI / Transponder Transactions		≈65%	≈65%	≈65%	≈65%
	LPT / License Plate Transactions		≈25%	≈25%	≈25%	≈25%
	Non-Collectable Transactions		≈10%	≈10%	≈10%	≈10%
	Low-Income Toll Discount*		No low-income discounts	No low-income discounts	No low-income discounts	No low-income discounts
	CAV Ownership		No CAV discounts	No CAV discounts	No CAV discounts	No CAV discounts
	Annualization Factor	Transaction Days	300	300	300	300
		Revenue Days	270	270	270	270
	Ramp-Up	2032	90%	90%	90%	90%
		2033	100%	100%	100%	100%

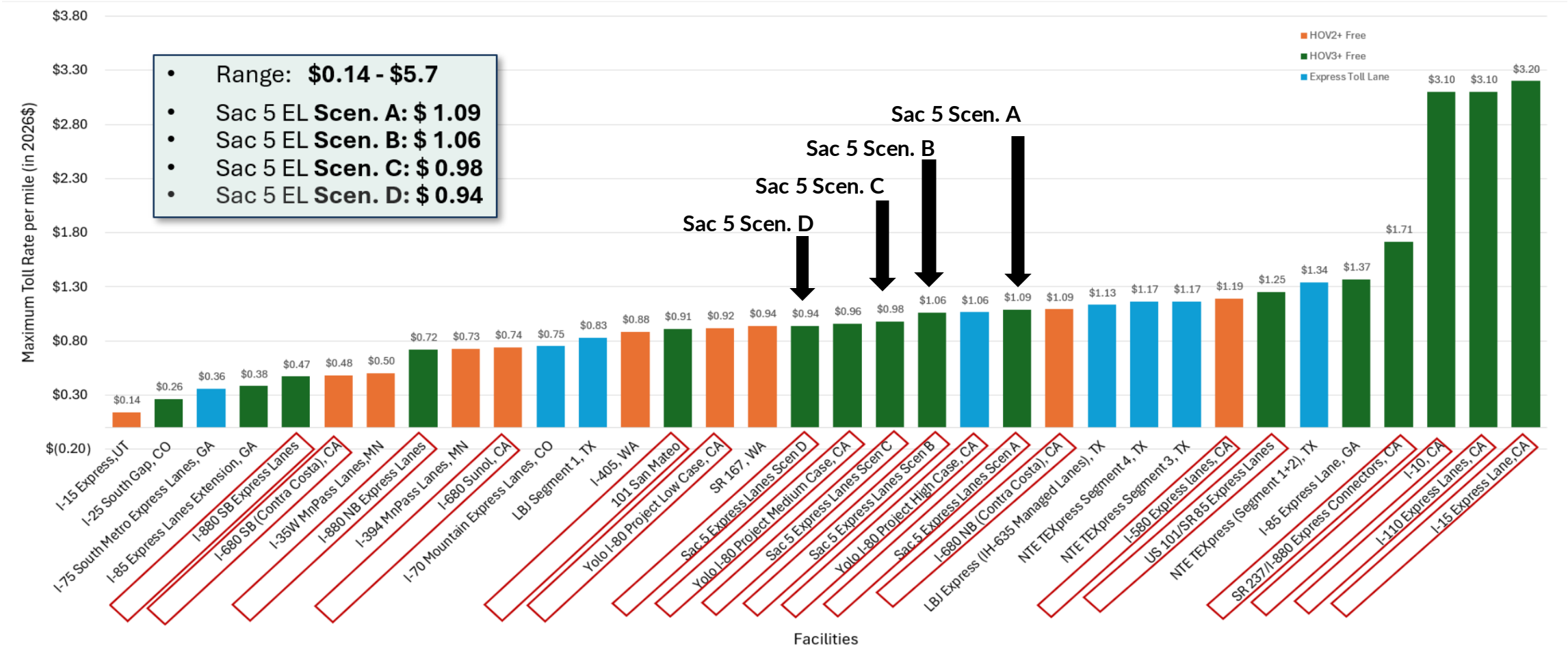
Green highlight indicates a different assumption than Scenario A

Minimum Toll per Mile



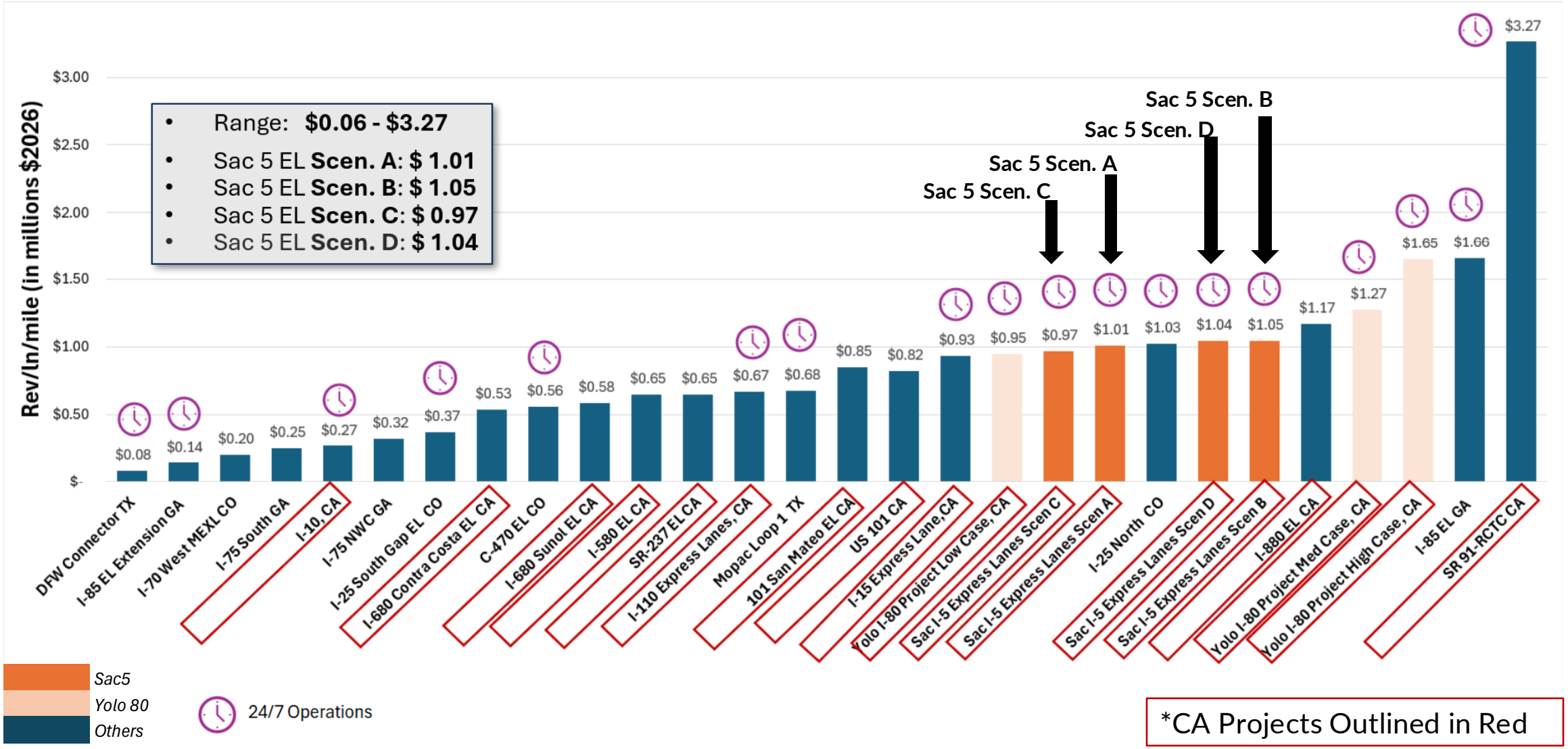
*CA Projects Outlined in Red

Maximum Toll per Mile



*CA Projects Outlined in Red

Revenue per lane-mile



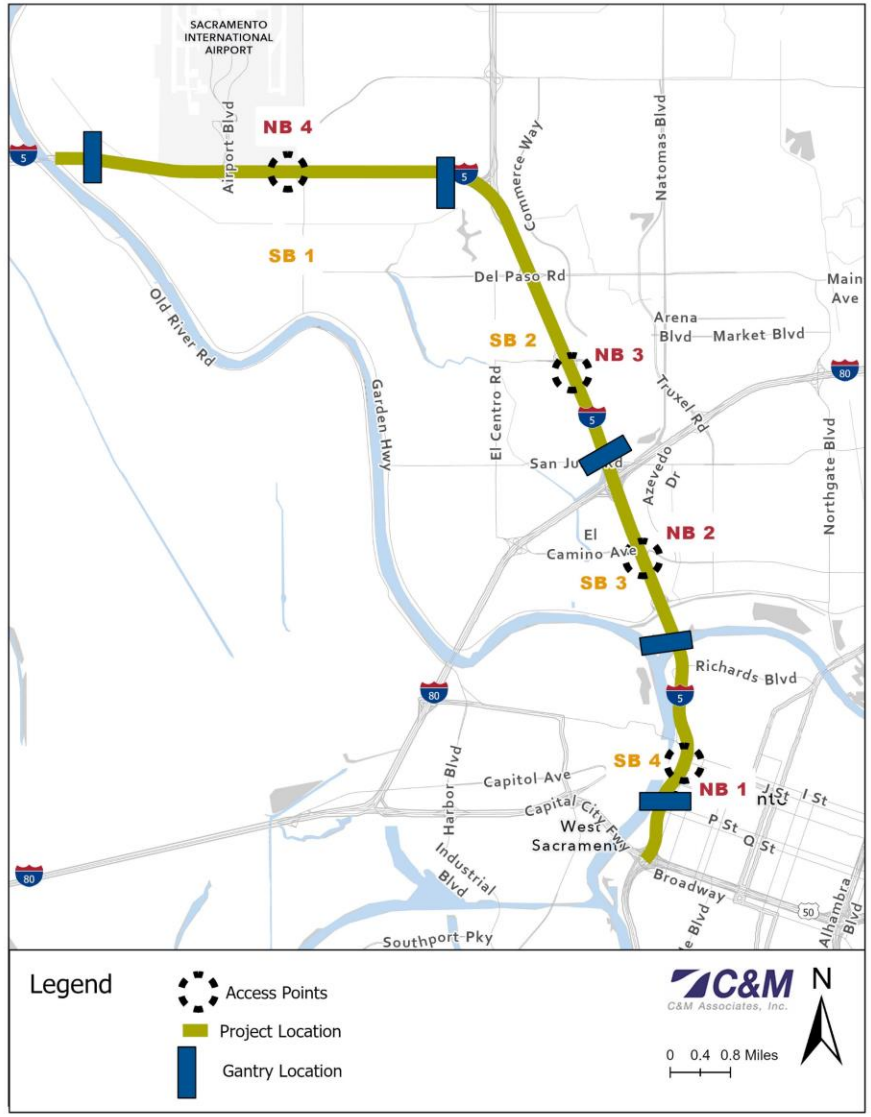
*CA Projects Outlined in Red

Limited Access Zones

Preliminary Limited Access Zones Identification

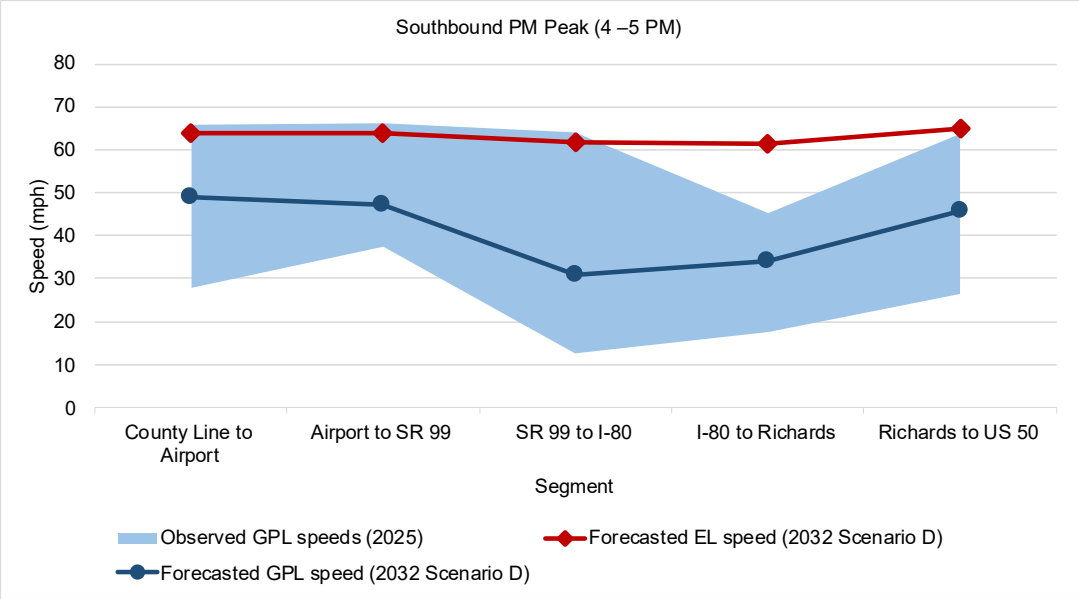
- **Traffic Demand**: Existing traffic volumes at major interchanges (Caltrans PeMS).
- **Corridor O-D Patterns**: Ramp-to-ramp traffic flows (StreetLight).
- **Roadway Geometry**: Lane configurations, interchange layouts, and ramp locations (DKS TAR, Caltrans).
- **Cross-weave/Transition Review**: Required distances for vehicles to cross between ramps, GPL, and EL (HCM).
- **Access Spacing**: Ramp-to-access-zone spacing and access-zone lengths (Caltrans HOV Guidelines)
- **Preliminary Access Zones:** Include Power Line Rd., Arena Blvd., West El Camino Ave., and I/J Streets

Limited Access Zones

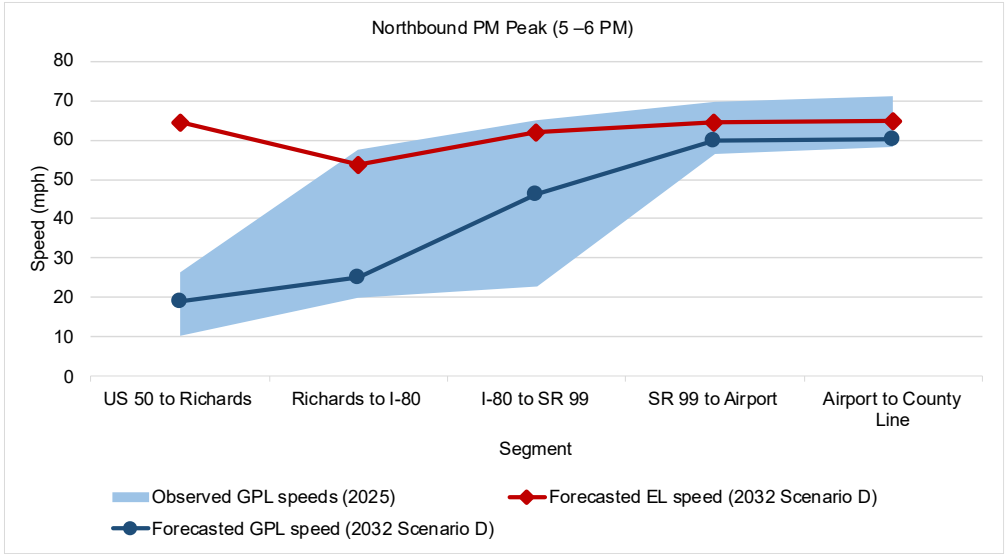


Reliable Travel Times

Southbound PM Peak Speeds 4 PM - 5 PM



Northbound PM Peak Speeds 5 PM - 6 PM



Observed GPL speeds (2025)

Forecasted EL speed (2032 Scenario D)

Forecasted GPL speed (2032 Scenario D)

- ❑ Significant reliability gain vs. GPL
- ❑ High, consistent EL speeds across all segments

Project-Specific Impacts – By Toll Zone

2050 - Sac 5 Corridor Performance Table

Toll Zone 1

	ScenD	Truxel Bridge	I80/I5 Connector	Greenline BRT
DY GPL + EL	96,848	97,098	96,916	96,866
DY EL Traffic	12,814	12,877	12,719	12,845
DY HOV3+	1,584	1,581	1,598	1,570
Diff GPL+EL		0%	0%	0%
Diff EL		0%	-1%	0%
Diff HOV3+		0%	1%	-1%

Toll Zone 2

	ScenD	Truxel Bridge	I80/I5 Connector	Greenline BRT
DY GPL + EL	161,409	162,017	161,841	159,626
DY EL Traffic	16,089	16,174	15,996	15,800
DY HOV3+	1,819	1,813	1,848	1,803
Diff GPL+EL		0%	0%	-1%
Diff EL		1%	-1%	-2%
Diff HOV3+		0%	2%	-1%

Toll Zone 3

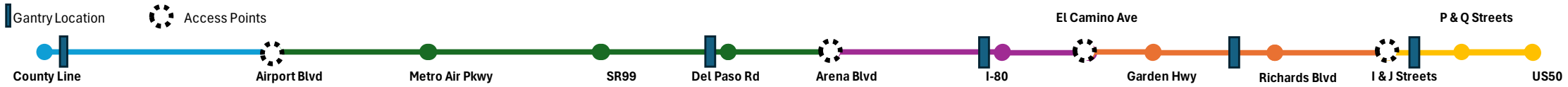
	ScenD	Truxel Bridge	I80/I5 Connector	Greenline BRT
DY GPL + EL	185,983	185,932	187,684	182,737
DY EL Traffic	26,862	27,232	29,963	26,228
DY HOV3+	3,235	3,213	3,655	3,176
Diff GPL+EL		0%	1%	-2%
Diff EL		1%	12%	-2%
Diff HOV3+		-1%	13%	-2%

Toll Zone 4

	ScenD	Truxel Bridge	I80/I5 Connector	Greenline BRT
DY GPL + EL	274,288	263,228	274,031	268,346
DY EL Traffic	31,795	31,420	31,376	31,265
DY HOV3+	4,283	4,166	4,293	4,239
Diff GPL+EL		-4%	0%	-2%
Diff EL		-1%	-1%	-2%
Diff HOV3+		-3%	0%	-1%

Toll Zone 5

	ScenD	Truxel Bridge	I80/I5 Connector	Greenline BRT
DY GPL + EL	233,551	232,311	233,369	229,711
DY EL Traffic	16,888	16,834	16,791	16,710
DY HOV3+	2,103	2,071	2,104	2,088
Diff GPL+EL		-1%	0%	-2%
Diff EL		0%	-1%	-1%
Diff HOV3+		-2%	0%	-1%



DY: Daily

Capital Area Regional Tolling Authority

Meeting Date: November 18, 2026
Agenda Item: 9

Toll Revenue Investment Plan: Policy Priorities

Prepared By: Kathleen Aziz, CARTA
Attachments: Yes

Recommendation:
None; this item is for information only.

Background:
State and federal statutes regarding the development of toll facilities include requirements on how toll revenue must be spent. Toll agencies use a revenue waterfall to demonstrate compliance with these requirements and to provide a clear and structured view of how toll revenues are allocated across various obligations and priorities. By mapping the flow of revenue over a series of funds—from gross collections to net revenues—revenue waterfalls ensure transparency, accountability, and strategic financial planning.

In October 2025, staff presented a revenue waterfall for Yolo 80. The Board deferred action on the waterfall and directed staff to return when more accurate revenue and expenditure estimates are available. In September 2026, staff outlined a process to develop a Toll Revenue Investment Plan (TRIP) for Yolo 80, including developing a waterfall. The process, supported by the Board, is to have two information items in October and November, each focused on a different category of expenses, and one action item in December to finalize the waterfall. In October 2026, staff discussed different combinations of reserve, debt repayment, and system replacement assumptions. The Board expressed an interest in finding ways to balance fiscal responsibility and reinvestment.

Discussion:
Board Direction on Reserve, Repayment, Replacement Scenarios
As part of the October TRIP item, the Board directed staff to look for ways to balance fiscal responsibility and reinvestment. The Board also directed staff to refine alternatives at the staff level and bring fewer options to the board. After further discussion with CARTA's tolling and toll finance consultants, staff recommend proceeding with a 12-month debt reserve, 12-month operating reserve, 10% contingency for the toll system replacement, and graduated debt repayment. This was listed as Scenario 17 in the October analysis. Staff presented this recommendation to the TAG and received no requests to continue considering additional scenarios.

Waterfall Funds

The Yolo 80 waterfall is proposed to have five funds:

- Operations and Maintenance Fund: which covers the costs to operate Yolo 80 and the regular, routine maintenance needed to keep the toll system working
- Debt Service Fund: which covers repayment of CARTA's loans to SACOG and the City of West Sacramento, and a 12-month debt reserve
- Toll System Renewal and Replacement Fund: which builds a reserve to pay for the mandatory lifecycle replacement of the toll system every 10 years, including a 10% contingency
- Corridor Improvement Fund: which covers CARTA's required contribution to major maintenance projects on the corridor and any other operational or maintenance allocations directed by the CARTA Board
- Vehicle Miles Traveled (VMT) Fund: which makes allocations to other agencies to reduce VMT on the Yolo 80 corridor

The Corridor Improvement Fund is structured to save enough revenue to cover planned major maintenance in Year 10, 20, 30, 40, and 50. The fund uses a graduated approach to reduce the impact in the early years when revenue is tight. Annual contributions to the Corridor Improvement Fund in the early years range between $0.4 million and $4 million.

The VMT Fund is built to make allocations every four years, beginning in Fiscal Year (FY) 2032. By allocating in four year increments, the fund creates some predictability for the agencies receiving those funds but allows the CARTA board to be responsive to changing revenue and cost projections over time. The first allocation, which would cover FY 2032-2035, is estimated to be $18 million.

State and federal law governing use of toll revenue directs the prioritization of the first three funds, and their order is consistent with industry practices for toll authorities. The other two funds, Corridor Improvement and VMT, offer flexibility on ordering though there are tradeoffs to both options, as discussed below.

Waterfall Ordering

Staff developed two flows of funds; one with Corridor Improvement Fund first and one with VMT Fund first. Both options assume the same maintenance costs and savings targets, and both funds have the same VMT allocation amounts. When the Corridor Improvement Fund goes first, it meets its reserve target every year and the VMT Fund can make its allocations, but there is very little revenue remaining in the VMT Fund after each allocation. When the VMT Fund goes first, it always meets its target in advance of allocation and generally holds a comfortable margin. In the VMT-first option, the Corridor Improvement Fund receives some revenue, but it does not hit its reserve target until 2047. VMT Fund allocations would need to be lowered for the Corridor Improvement Fund to meet its target in the VMT-first option.

Additional Revenue Beyond Forecast

Staff anticipate updating Yolo 80's revenue and cost forecast every other year to capture changes. However, if revenue exceeds the forecast, CARTA needs a policy on how to handle those additional funds between forecast updates. There are two options:

- Hold any additional funds as unassigned and allocate them as part of the next forecast update
- Adopt a policy directing any additional funds, either to one fund or to be split between multiple funds.

In TAG discussions, YoloTD staff expressed a preference that all additional funds be directed to the VMT Fund.

Equity

Given the constraint on funding, particularly in the early years, the Yolo 80 waterfall does not include a separate fund for equity. Instead, the focus is to increase the equity co-benefits of CARTA's operations and of the projects and programs funded through the VMT Fund. This does not affect the board's ability to adopt a standalone equity fund in the future, including as it considers any recommendations from the Regional Toll Equity Study, which are expected in late summer/early fall 2027.

Board Discussion

Staff request that the Board discuss the tradeoffs in ordering the Corridor Improvement Fund and VMT Fund. Staff also request that the Board provide direction on how to handle additional revenue that exceeds the forecast.

Attachments:

9B: Presentation

Toll Revenue Investment Plan: Policy Priorities

Board of Directors

November 18th, 2026

Attachment 9B

Recap: Desired Outcomes for Yolo 80 TRIP

- Allocate funding to reduce VMT along the Yolo 80 Express Lanes corridor
- Advance equity, including identifying opportunities to provide equity co-benefits in other program activities
- Pay operating costs consistent with board-approved contracts and budgets
- Pay off debts on-time
- Maintain a toll system that can effectively generate revenue
- Maintain reserves to withstand unexpected expenses and economic downturns

Recap: Process

Mostly Fixed

- TSI operating costs
- BOS operating costs
- Debt service
- Staffing + admin costs

Flexible in a Range

- Debt service
- Reserve levels
- Toll system replacement cost assumptions

OCT INFO ITEM

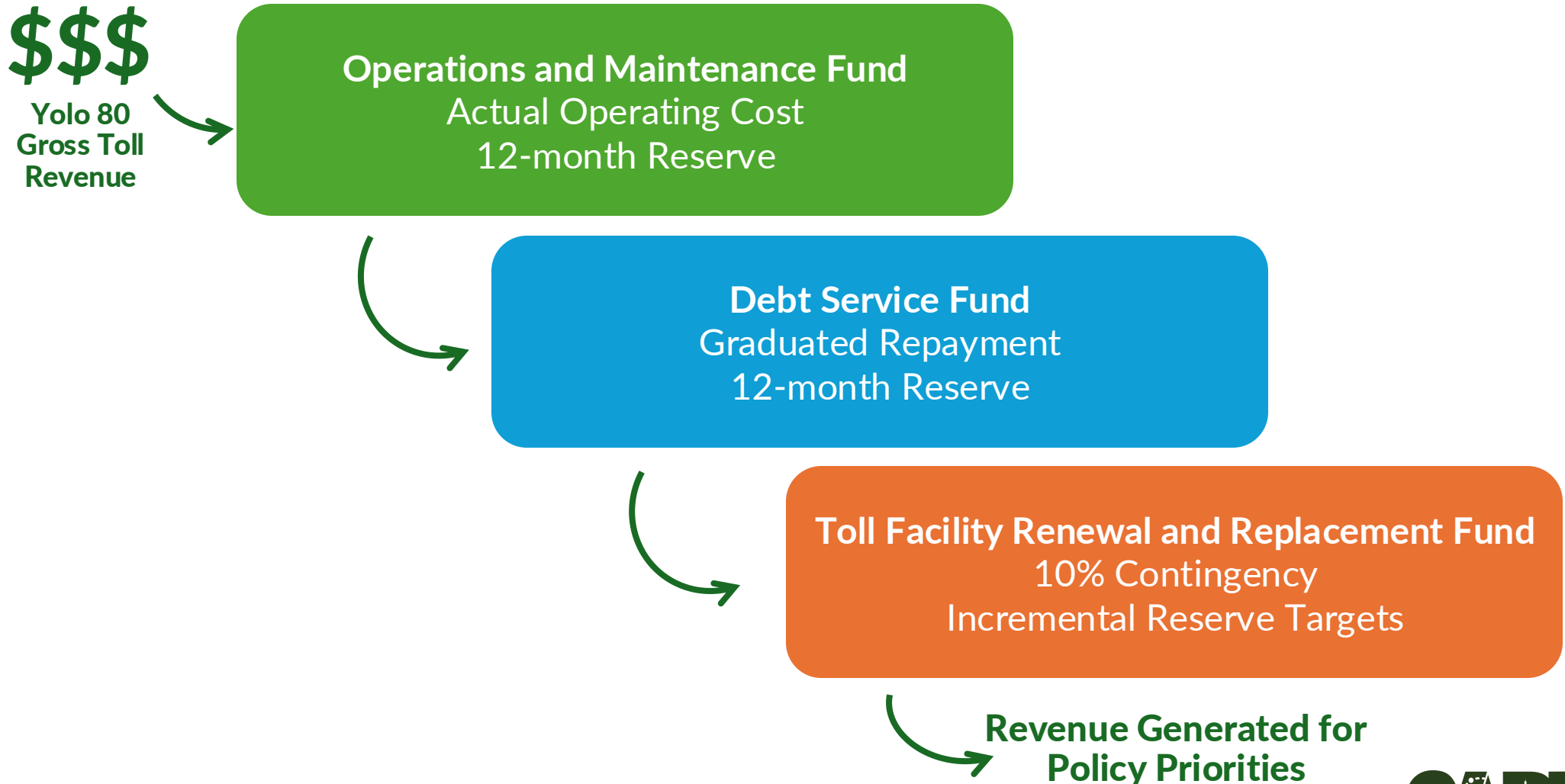
Policy-Driven

- VMT fund level
- Corridor improvement fund level
- Equity program

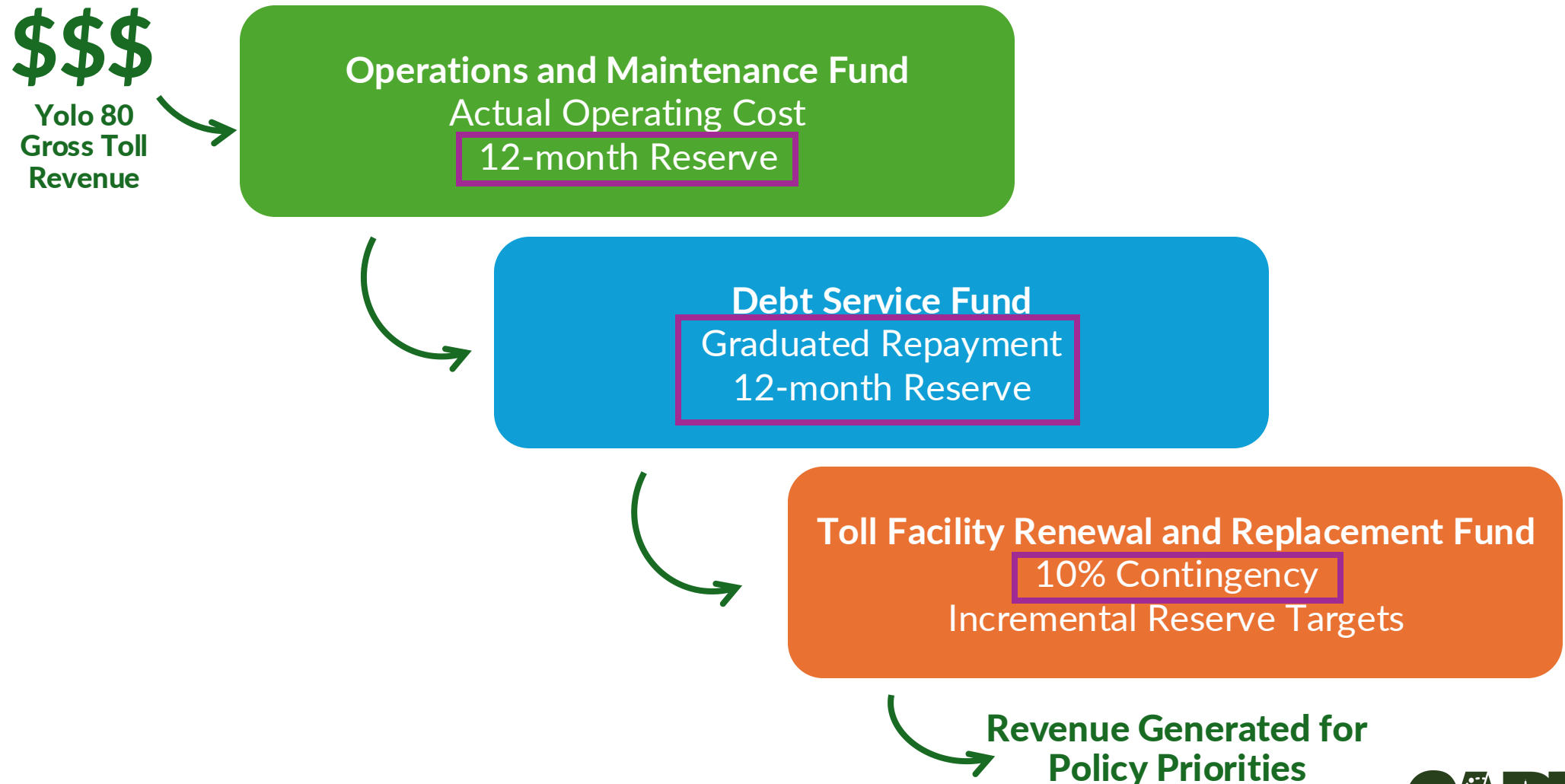
NOV INFO ITEM

DEC ACTION ITEM

Waterfall / Flow of Funds



Waterfall / Flow of Funds



Waterfall / Flow of Funds



Corridor Improvement Fund
- CARTA's required contributions to future major maintenance projects
- Other operational or maintenance allocations directed by Board

VMT Fund
- Allocation directed by the CARTA Board to reduce VMT on the corridor

Waterfall / Flow of Funds



Corridor Improvement Fund

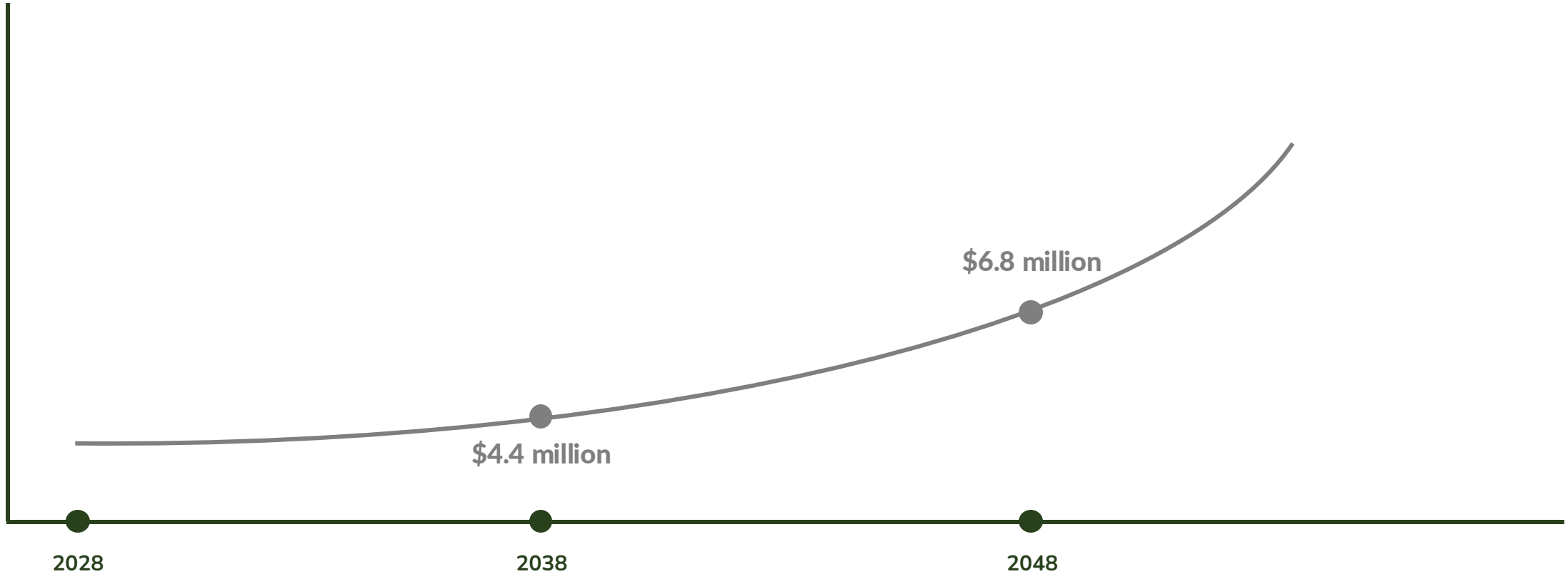
$0.4-$4 million per year

VMT Fund

$18 million allocation for FY 2032-2035

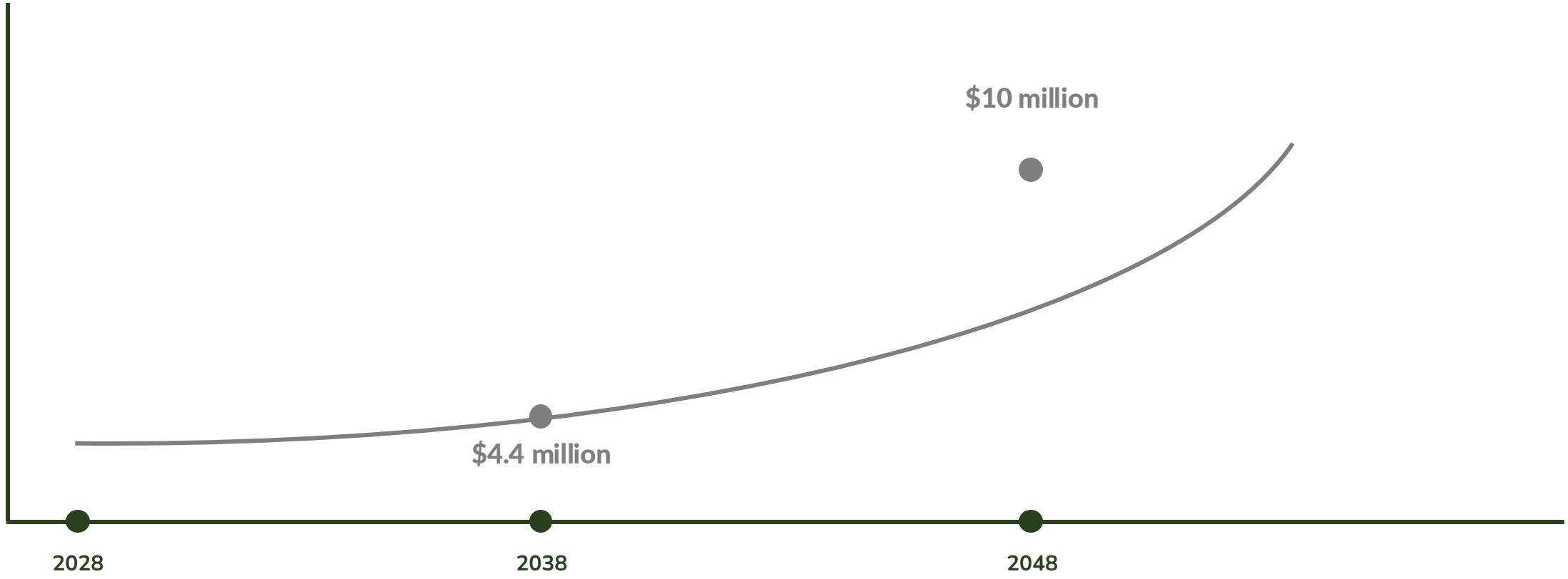
Corridor Improvement Fund Deep Dive

Graduated reserve saves towards planned major maintenance costs every 10 years



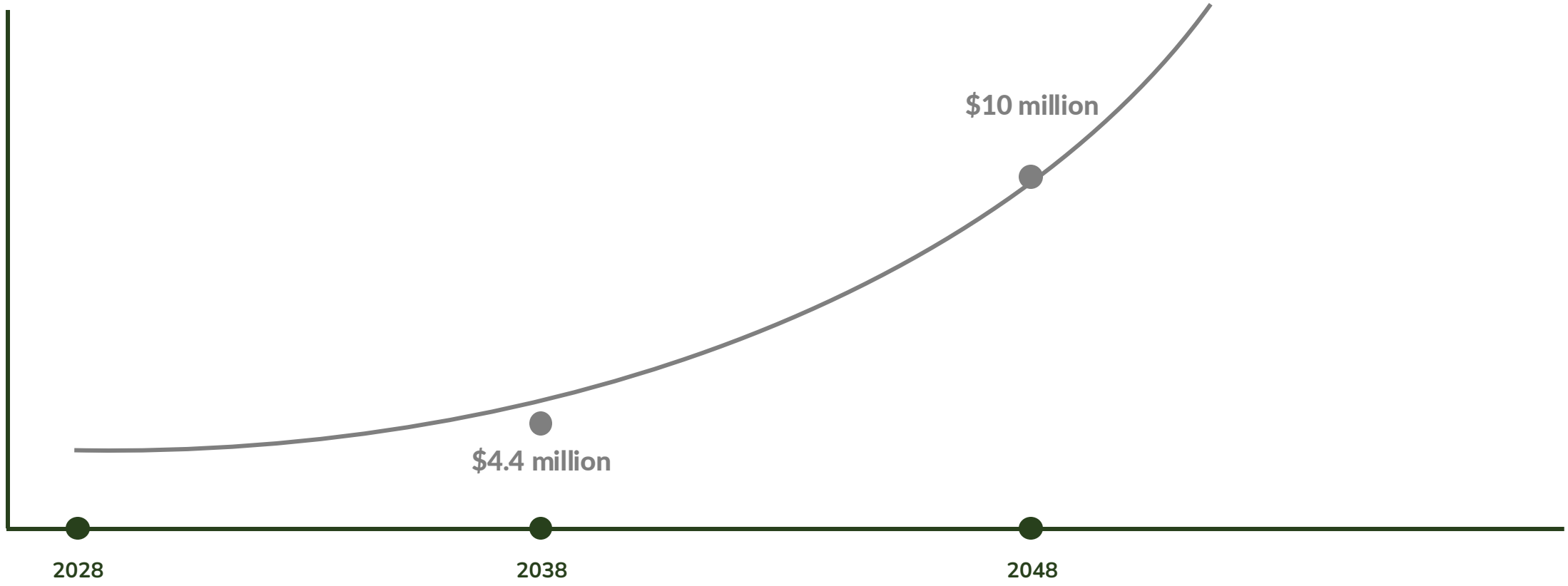
Corridor Improvement Fund Deep Dive

Cost and schedule estimates for those planned major maintenance projects will be updated over time



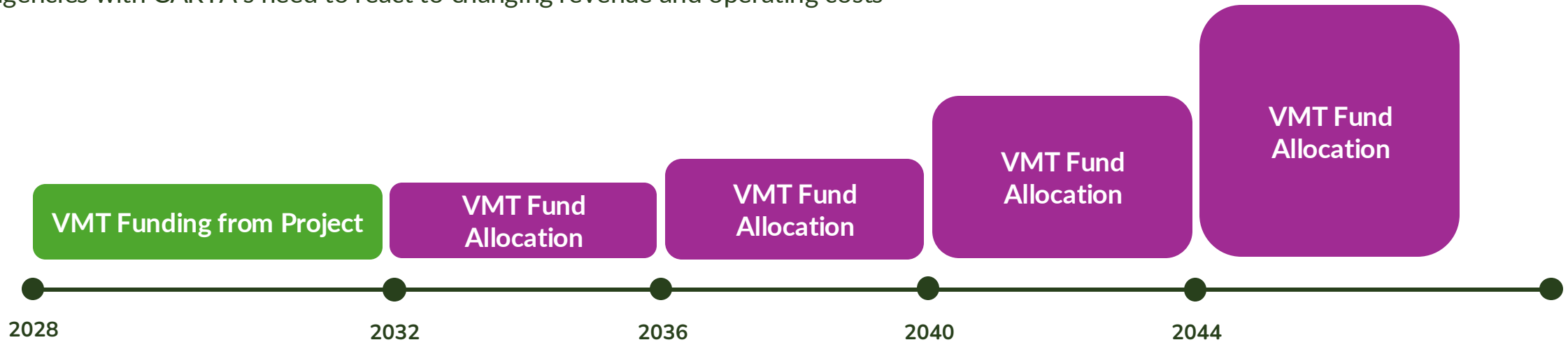
Corridor Improvement Fund Deep Dive

The reserve targets will be updated accordingly



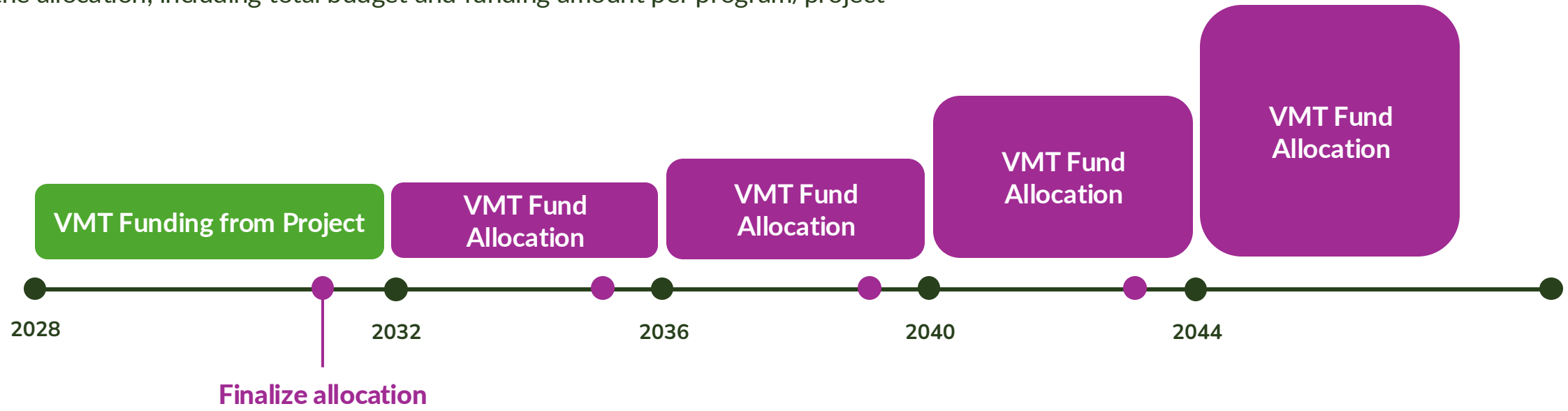
VMT Fund Deep Dive

Allocations every four years to balance funding reliability for implementing agencies with CARTA's need to react to changing revenue and operating costs



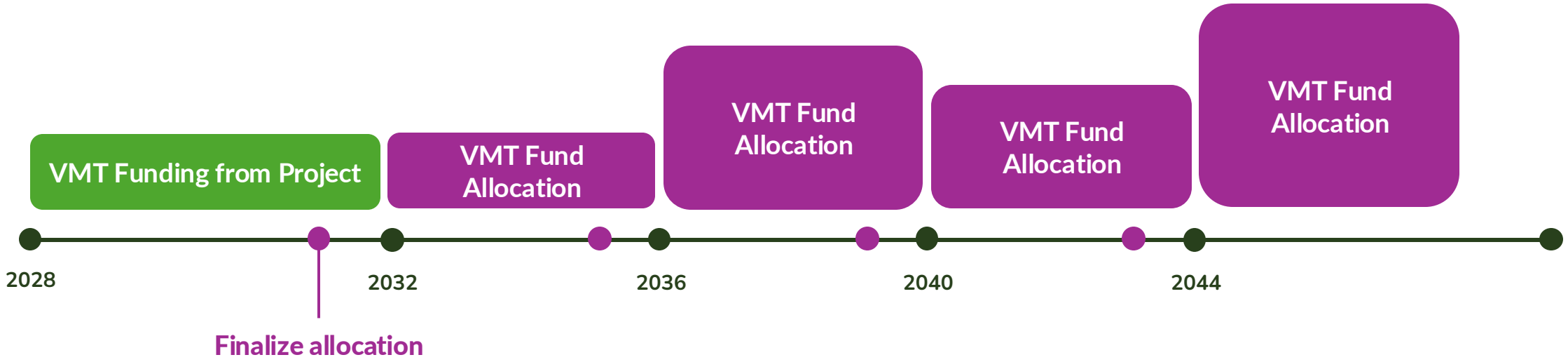
VMT Fund Deep Dive

The year before each allocation period, the CARTA Board adopts a program for the allocation, including total budget and funding amount per program/project



VMT Fund Deep Dive

While the current forecast projects steady growth, allocation amounts will vary depending on how much revenue is available



Waterfall / Flow of Funds



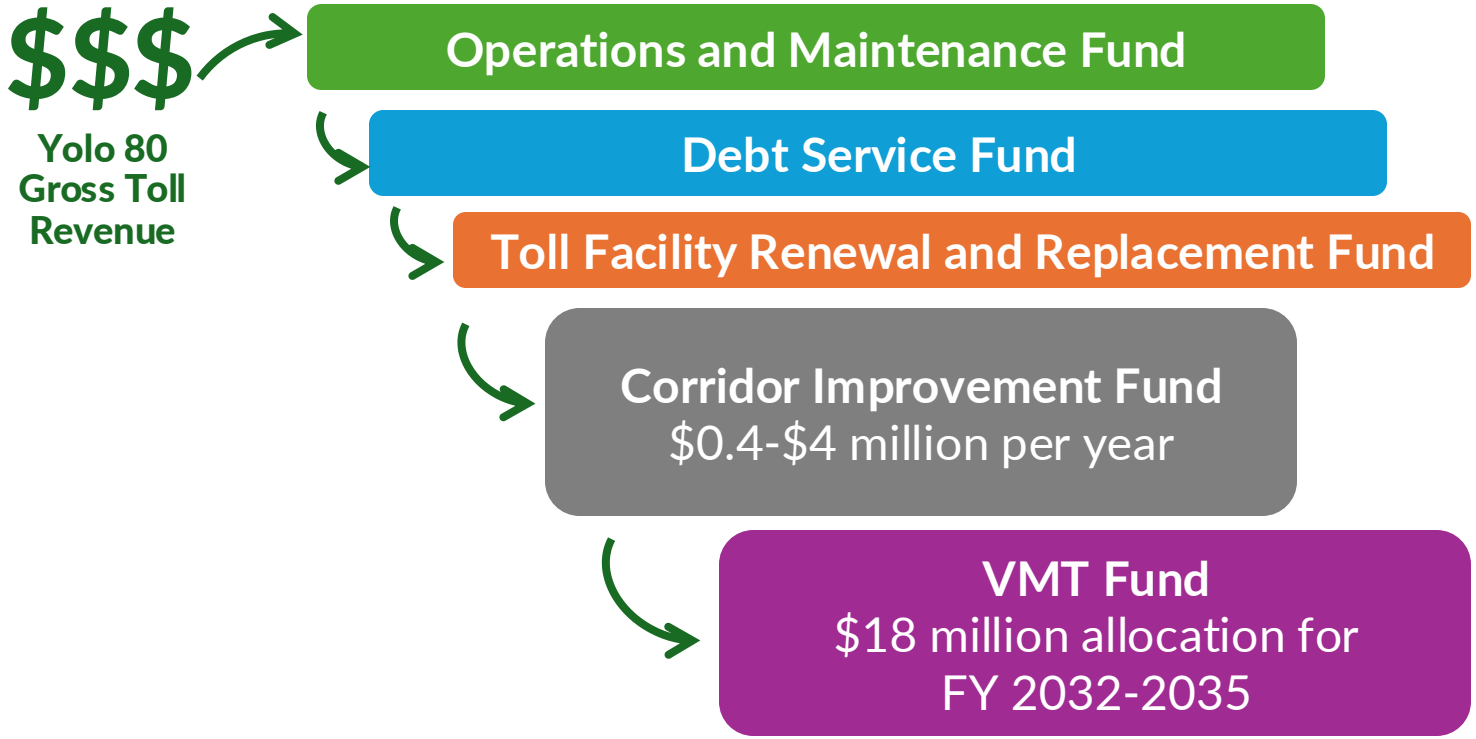
Corridor Improvement Fund

$0.4-$4 million per year

VMT Fund

$18 million allocation for FY 2032-2035

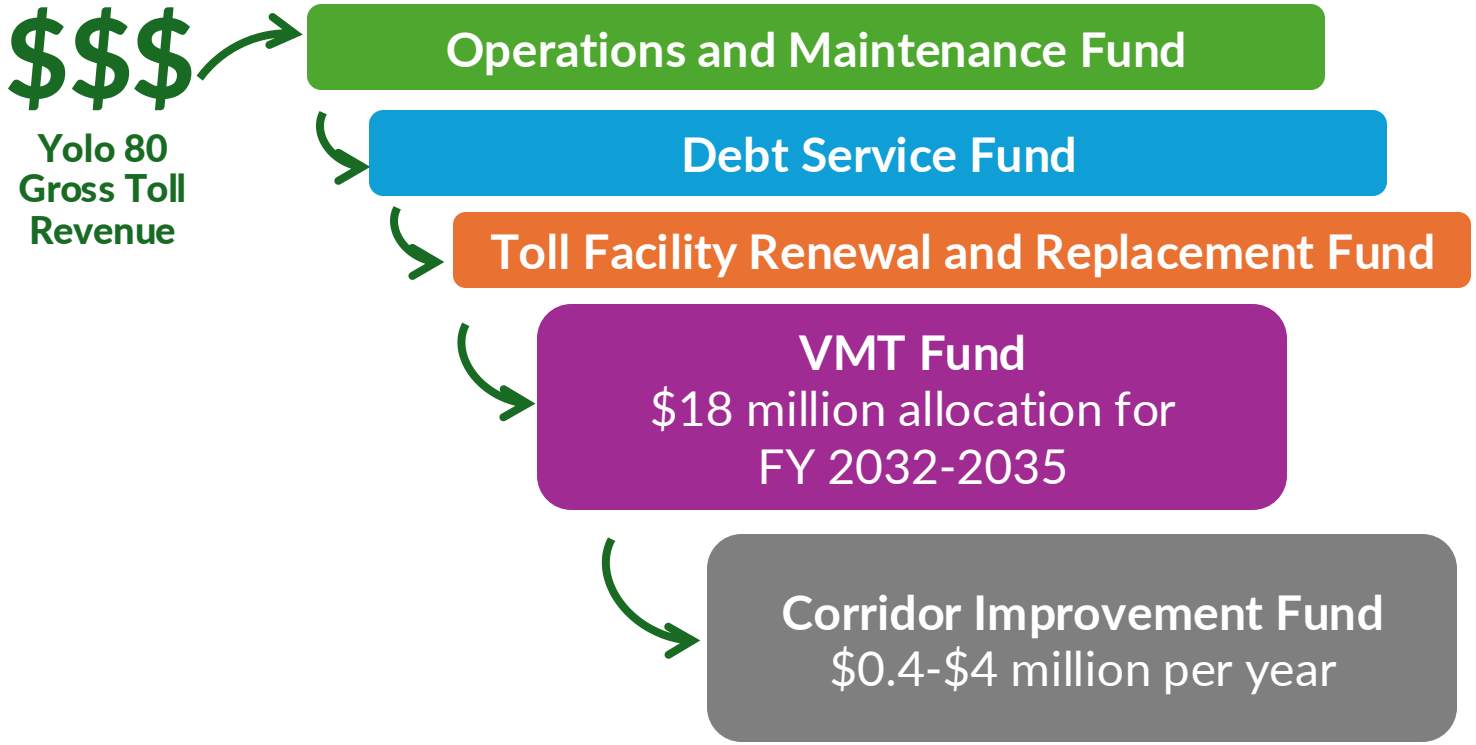
Corridor Improvement Fund First



Outcomes

- Corridor Improvement fund hits reserve target every year
- VMT fund makes its allocation targets but has little revenue left in its reserve after each allocation

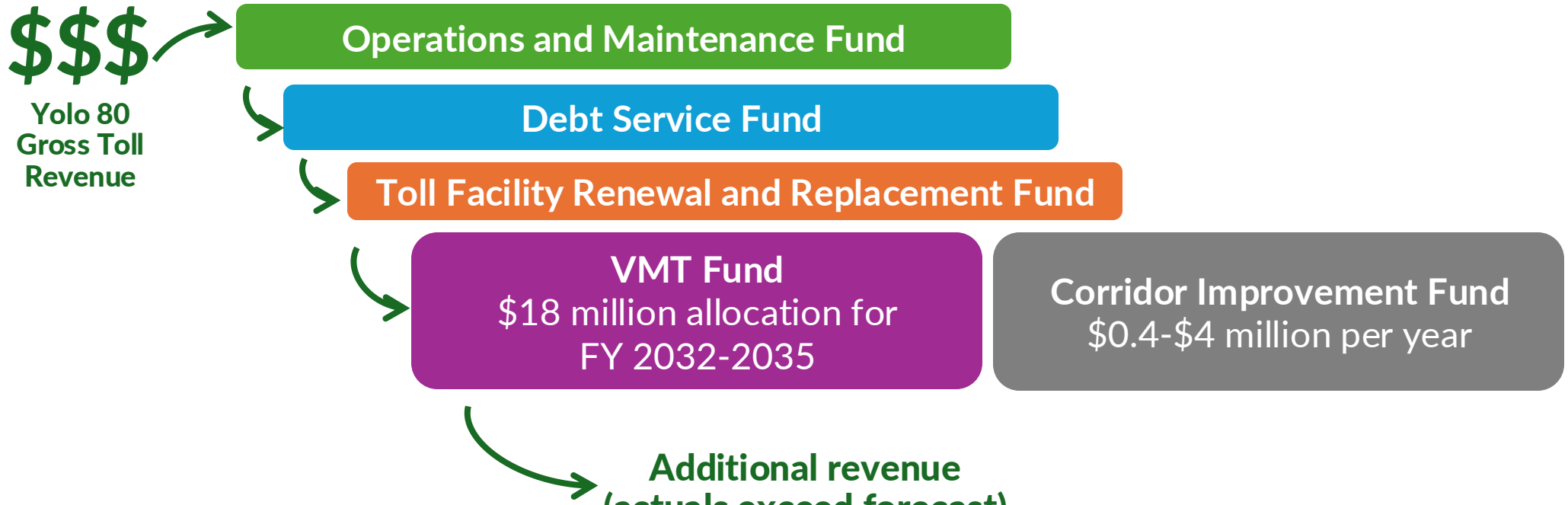
VMT Fund First



Outcomes

- VMT Fund always meets target comfortably prior to each multiyear allocation
- Corridor Improvement Fund does not hit its target until 2047
- VMT Fund allocations would need to be lower for Corridor Improvement Fund to meet its target earlier

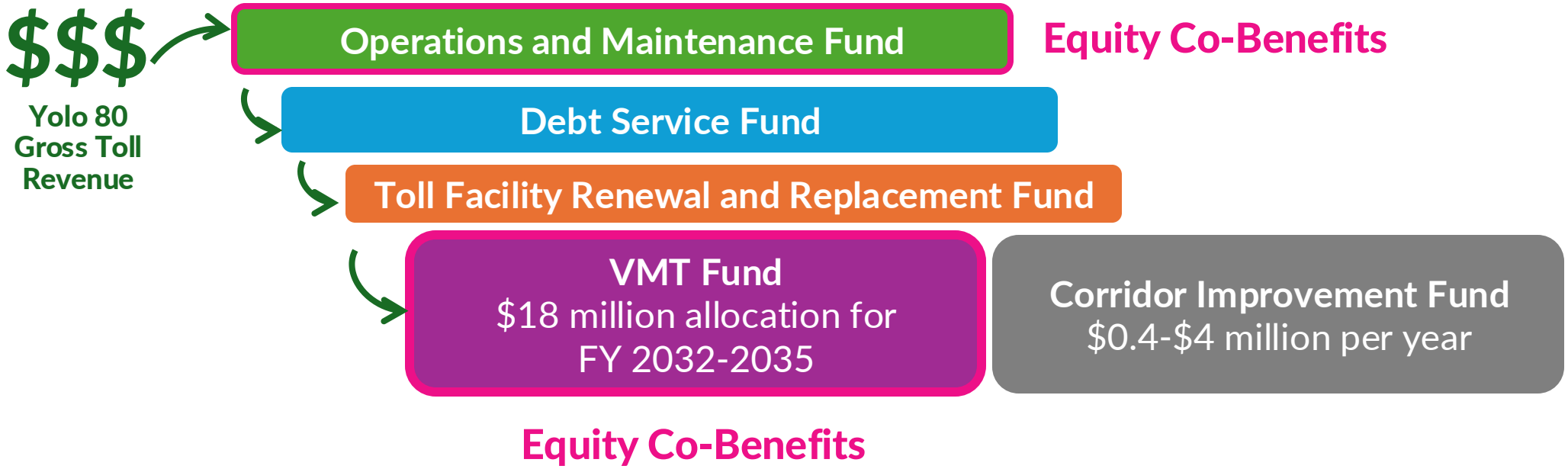
Waterfall / Flow of Funds



Additional revenue (actuals exceed forecast)

- Hold as unassigned until Board updates forecast
- Adopt policy to assign additional revenue to a fund or funds

Equity


$$$
Yolo 80 Gross Toll Revenue
Operations and Maintenance Fund
Equity Co-Benefits
Debt Service Fund
Toll Facility Renewal and Replacement Fund
VMT Fund
$18 million allocation for FY 2032-2035
Corridor Improvement Fund
$0.4-$4 million per year
Equity Co-Benefits

Equity

- Waterfall decision does not affect board's ability to adopt equity-focused discounts or mobility programs in the future
- Revisit with equity study recommendations next year
- Phasing equity implementation
  - Step 1: Maximize equity benefits of CARTA's operations, including revenue allocations
  - Step 2: Implement standalone equity discounts or mobility programs

Board Discussion

- What are your initial thoughts on placing Corridor Improvement or VMT first in the waterfall?
- Do you want to pre-assign additional revenue to a fund or hold it until the forecast is updated every other year?
- What other information do you need to feel confident taking an action next month?

Next Steps

Mostly Fixed

- TSI operating costs
- BOS operating costs
- Debt service
- Staffing + admin costs

Flexible in a Range

- Debt service
- Reserve levels
- Toll system replacement cost assumptions

OCT INFO ITEM

Policy-Driven

- VMT fund level
- Corridor improvement fund level
- Equity program

NOV INFO ITEM

DEC ACTION ITEM



Capital Area Regional Tolling Authority

CARTA Values

- Safety: We operate and maintain our facilities in a way that promotes the health and safety of our employees, our contractors, our customers, and our communities.
- Reliability: We deliver reliable roadways, prioritize maintenance and operations, and communicate regularly and transparently with the public.
- Customer Service: We focus our services to meet the needs of our customers and provide consistent and clear information so they can easily navigate our system.
- Partnership: We support the success of our project sponsors, are good teammates to our transportation partners, and strive for regional consensus in our work.
- Responsibility: We commit to continuously earning the trust of the Capital region's communities by improving their quality of life, responsibly managing public funds, and working with our partners to minimize transportation's impact on the environment.

Yolo 80 Project Purpose

- The purpose of the proposed project is to:
  - Ease congestion and improve overall person throughput
  - Improve freeway operation on the mainline, ramps, and at system interchanges
  - Support reliable transport of goods and services throughout the region.
  - Improve modality and travel time reliability
  - Provide expedited traveler information and monitoring systems

Federal – Use of Toll Revenue (23§129)

- In general.—A public authority with jurisdiction over a toll facility shall ensure that all toll revenues received from operation of the toll facility are used only for—
  - debt service with respect to the projects on or for which the tolls are authorized, including funding of reasonable reserves and debt service on refinancing;
  - a reasonable return on investment of any private person financing the project, as determined by the State or interstate compact of States concerned;
  - any costs necessary for the improvement and proper operation and maintenance of the toll facility, including reconstruction, resurfacing, restoration, and rehabilitation;
  - if the toll facility is subject to a public-private partnership agreement, payments that the party holding the right to toll revenues owes to the other party under the public-private partnership agreement; and
  - if the public authority certifies annually that the tolled facility is being adequately maintained, any other purpose for which Federal funds may be obligated by a State under this title.

State – Use of Toll Revenue (149.7)

The revenue generated from the operation of the toll facility shall be available to the sponsoring agency for the direct expenses related to the following:

- Debt issued to construct, repair, rehabilitate, or reconstruct any portion of the toll facility, payment of debt service, and satisfaction of other covenants and obligations related to indebtedness of the toll facility.
- The development, maintenance, repair, rehabilitation, improvement, reconstruction, administration, and operation of the toll facility, including toll collection and enforcement.
- Reserves for the purposes specified in subparagraphs (A) and (B).

All remaining revenue generated by the toll facility shall be used in the corridor from which the revenue was generated pursuant to an expenditure plan developed by the sponsoring agency

Yolo 80 VMT Mitigation Plan

The Project's minimum available mitigation funding is $55 million, which is captured in Table 1. The $55M minimum investment is roughly 16% of the total construction capital cost, which is the amount determined to be feasibly obtainable in grant funding requests at this time. Further mitigation funding may be supplemented beyond the $55 million with excess net tolling revenue to prioritize the extension of the duration of the mitigation programs and other VMT reducing priorities; with decisions to be led by CARTA.

Capital Area Regional Tolling Authority

Meeting Date: November 18, 2026
Agenda Item: 10

CARTA Executive Director's Report

Prepared By: Kathleen Aziz, CARTA
Attachments: Yes

Recommendation:
None; this item is for information only.

Background:
This report is to update the Board and members of the public on the ongoing activities related to CARTA's work that may not be addressed under the action or information items presented in other agenda sections each month.

Discussion:
General Program Updates

- CARTA received comments back from Caltrans on the Yolo 80 Toll Facility Agreement (TFA). Caltrans' position on several issues in the agreement is concerning to CARTA staff. CARTA is requesting a meeting with Director Hicks and appropriate District and Headquarters staff to discuss.
- Staff are working with AECOM to refine the public engagement schedule for the Regional Toll Equity study based on direction from the October meeting
- CARTA attended the annual meeting of the International Bridge Tunnel and Turnpike Association (IBTTA) and had the opportunity to connect with CARTA's peer toll authorities on best practices and evolving technology.

Major Milestones Dashboard
The presentation for this item (Attachment 10B) includes a matrix showing the current status of CARTA's program, including any items with schedule or fiscal risk.

Board Meeting Look Ahead
The presentation for this item (Attachment 10B) includes a list of planned agenda items for upcoming Board meetings. These are draft and subject to change.

Attachments:
10B: Presentation

CARTA Executive Director's Report

Board of Directors

November 18th, 2026

Attachment 10B

Other Program Updates

Toll Facility Agreement

- Received comments from Caltrans, requesting meeting with Director Hicks and appropriate staff to discuss

Regional Toll Equity Study

- Refining public engagement schedule based on Board direction

IBTTA Annual Meeting

- CARTA attended annual meeting of peer tolling authorities

Major Milestones Dashboard

Milestone	Schedule Risk	Fiscal Risk	Notes
Deliver Roadside Toll System / TSI			Procurement delays, Cost increases
Stand Up Back Office and Walk Up Center			
Complete Required Caltrans / CHP Agreements			Significant gap between CARTA's and Caltrans' positions on TFA
Incorporate Equity Plan Actions Before Opening			Procurement delays
Customer Roadmap Communications Implementation			
Toll Revenue Investment Plan "Waterfall"			Compressed timeline

Significant Risk Moderate Risk Minor Risk On Track

Board Meeting Look Ahead

December

- Customer Readiness Communications Implementation
- Yolo 80 TRIP: Waterfall Approval
- JPA Amendments: STA CARTA Membership

January

- YoloTD Board: JPA Amendments
- SACOG Board: JPA Amendments
- New Board Member Orientation

February

- 2027-2028 Chair and Vice Chair
- Sac 5 AB 194 Application
- Equity Definition
- Yolo 80 TRIP: Allocation Procedures

Action Information Closed Session



Capital Area Regional Tolling Authority

Capital Area Regional Tolling Authority

Meeting Date: November 18, 2026
Agenda Item: 12

Caltrans Yolo 80 Construction Update

Prepared By: Gurtej Bhattal, Caltrans
Attachments: Yes

Recommendation:
None; this item is for information only.

Background:
Information Item on Roadway Construction Status of Yolo 80 Managed Lanes

Discussion:
Major construction activities have continued over the past month. Specific, recent activities include:

- Install permanent signs,
- Install fiber optic communications,
- Install textured/colored paving,
- Install permanent striping in certain locations,
- Install barrier plates.

The remaining activities planned for the 2026 construction season (November to December) include:

- Install permanent signs,
- Install fiber optic communications,
- Install textured/colored paving,
- Install permanent striping in certain locations,
- Build and stand poles.

Roadway construction completion is anticipated for December 2026. Toll system integrator (TSI) construction will follow.

Attachments:
12B: Presentation

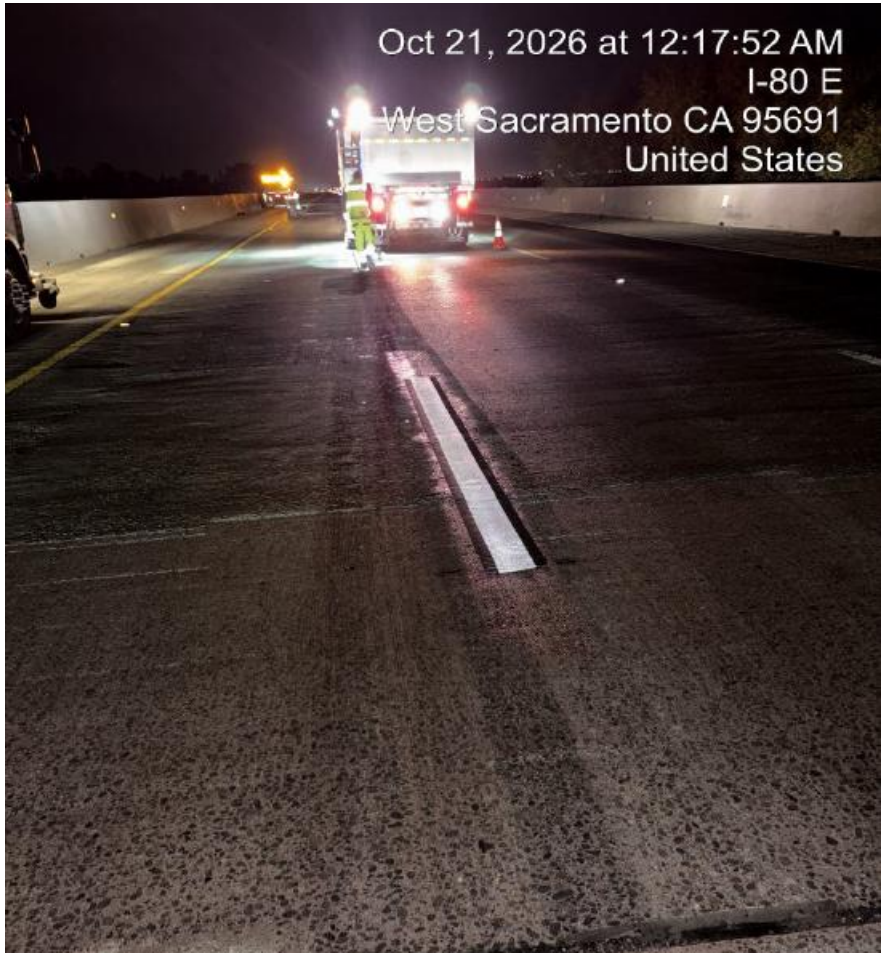
Caltrans Yolo 80 Construction Update

Board of Directors

November 18th, 2026

Attachment 12B

Recent Yolo 80 Construction Activities



Installing Permanent Striping in Certain Locations

Recent Yolo 80 Construction Activities



Installing Textured Paving

Recent Yolo 80 Construction Activities





Installing Signs

Recent Yolo 80 Construction Activities



Trenching Conduit

Recent Yolo 80 Construction Activities

- Install permanent signs,
- Install fiber optic communications,
- Install textured/colored paving,
- Install permanent striping in certain locations,
- Install barrier plates.

Nov – Dec ‘26 Anticipated Activities

- Install permanent signs,
- Install fiber optic communications,
- Install textured/colored paving,
- Install permanent striping in certain locations,
- Build and stand poles.

Roadway construction completion is anticipated for December 2026. Toll system integrator construction will follow.



Capital Area Regional Tolling Authority