

**Capital Area Regional Tolling Authority
Board of Directors**



Wednesday October 15, 2025, at 10:00am
Sacramento Area Council of Governments Board Room
1415 L Street, Suite 300, Sacramento, CA 95814

Consistent with California Government Code Section 54953 a meeting of the board will be held in person.

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.

PLEASE NOTE CHANGE TO WRITTEN COMMENT PROCESS

Provide public comment - Note: No public comment will be taken through live stream or by telephone

Comments will be taken on the item at the time it is taken up by the board. Members of the public can participate in the meeting via written or verbal comments as described below.

• *In-person:*

Public comment may be made in person at SACOG's offices or at an alternative meeting location designated on the agenda (if any). You will have 3:00 minutes to speak, unless a different time is set by the Chair. Please complete a speaker form and provide it to the clerk. If attending at the alternative meeting location, please inform a SACOG official in attendance that you request to speak.

• *Written:*

Written comment may be submitted via email to the clerk at rtadevich@sacog.org or by regular mail sent to the SACOG offices (see address above). Written comment will be shared with the committee or board in advance of the meeting if received by the Clerk at least 24 hours prior to the meeting. Otherwise, they will be shared after the meeting. Written comment will not be read into the record.

Agenda Timing: Time durations are estimates only. Action may be taken on any item on this agenda. The board may take up any agenda item at any time, regardless of the order listed.

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://www.captollauthority.org/board-meetings>

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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@captollauthority.org. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

Pledge of Allegiance

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

Public Communications: Any person wishing to address the committee on any item not on the agenda may do so at this time. After ten minutes of testimony, any additional testimony will be heard following the action items.

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. September 5, 2025, Meeting Minutes (0 minutes, Robert Tadevich)
 - a. Issue: Approval of the meeting minutes from the prior CARTA Board meeting
 - b. Attachment 1A: Minutes
2. Regional Toll Equity Study Request for Proposals (0 minutes, Kathleen Aziz)
 - a. Issue: Authorization of staff to issue a Request for Proposals and award the contract for the Regional Toll Equity Study
 - b. Attachment 2A: Draft Scope of Work
3. Amendment #1 to Fiscal Year 2025-2026 Budget (0 minutes, Kathleen Aziz)
 - a. Issue: Adoption of an amended annual budget to reflect updated expenditure estimates
 - b. Attachment 3A: Proposed Budget

Action:

4. Back Office Decision (15 minutes, Kathleen Aziz)
 - a. Issue: Selection of Transportation Corridor Agencies as CARTA's Back Office and Customer Service Center partner
 - b. Attachment 4A: Slides
5. Toll Revenue Waterfall (25 minutes, Theresa Weekes)
 - a. Issue: Approval of a revenue waterfall outlining the relative priority of expenditures during toll operations
 - b. Attachment 5A: Slides

Information:

6. Draft Toll Policy Resolution (10 minutes, Sam Soules)
 - a. Issue: Review and direction on the set of toll policy decisions the board has made over the calendar year prior to final adoption in December
 - b. Attachment 6A: Slides
 - c. Attachment 6B: Draft Toll Policy Resolution

Closed Session:

7. Public Employee Appointment (Gov. Code section 54957(b)(1).) Title: Executive Director (45 minutes, Erik Johnson)
 - a. Issue: A closed session regarding the appointment of an Executive Director for CARTA



Capital Area Regional Tolling Authority

Meeting Date: October 15, 2025

Agenda Item: 1

Approve Minutes of the September 5, 2025, Board Meeting

Prepared By: Robert Tadevich, Sacramento Area Council of Governments

Attachments: Yes

Recommendation:

Staff recommend approval of the minutes as submitted.

Background:

The board met on September 5, 2025.

Discussion:

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

Attachments:

1A: CARTA September 5, 2025, Minutes



CARTA Board of Directors

Draft Action Minutes

Pursuant to Government Code Section 54955.1, the Capital Area Regional Tolling Authority (CARTA) Board of Directors meeting originally scheduled for August 4, 2025, at 12:30 p.m. was continued to September 5, 2025, at 10:00 a.m. at SACOG's offices, 1415 L Street, Suite 300, Sacramento, CA.

As this was a continuation of the August 4 meeting, the September 5 meeting was not called to order.

Present: Directors Wong (for Aceves), Chapman, Kennedy, Vice Chair Early, *Chair Villegas and Ex-Officio Members Click, and Talamantes

Absent: Director Deloria

Public Communications: None

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

1. Minutes of the August 4, 2025, Board Meeting

Closed Session:

2. Public Employee Appointment

Vice Chair Early called the closed session to order at 10:06 a.m.

The Capital Area Regional Tolling Authority reconvened at 10:25 a.m.

There was no reportable action from the closed session.

Action:

3. Authorize Contract for Executive Director Recruiter

Erik Johnson, SACOG staff, presented the report. Following discussion, a motion was made by Director Wong and Seconded by Director Chapman. The board unanimously approved the following:

(1) The CARTA board authorized the Secretary to negotiate and execute an agreement with the firm of Krauthamer & Associates (K&A) for executive recruiter not to exceed \$100,000.

*Chair Villegas was absent from this vote

4. Toll Discounts

Sam Soules, HNTB staff, presented the report. Following discussion, a motion was made by Chair Villegas and Seconded by Director Kennedy. The board unanimously approved the following:

Adoption of the draft toll policies, including:

- 100% discount for HOV3+
- 100% discount for motorcycles

Authorization for CARTA staff to:

- (1) Explore methods for vehicle occupancy declaration and detection with CARTA's Toll System Integrator; (2) Explore additional discount options as part of the development of CARTA's Regional Toll Equity Study**

Verbal Public Comment was provided by Autumn Bernstein, Yolo Transportation District, supporting staff's recommendation and emphasized the need for vehicle occupancy detection, noting potential lane performance and revenue impacts from toll violations.

Information:

5. Revenue Waterfall

The board received and reviewed this report, presented by Teresa Weekes, HNTB staff, and Sam Soules, HNTB staff.

Verbal Public Comment was provided by Autumn Bernstein, Yolo Transportation District, highlighting the need to clarify the role of the VMT Mitigation Fund under CEQA and expressed concern about decision-making authority and allocation of excess toll revenues for future projects.

6. CARTA Administrative Services Agreement

The board received and reviewed this report, presented by Erik Johnson, SACOG Staff.

Adjournment: The meeting was adjourned at 11:18 a.m.



Capital Area Regional Tolling Authority

Meeting Date: October 15, 2025

Agenda Item: 2

Regional Tolling Equity Study Request for Proposals

Prepared By: Kathleen Aziz, Sacramento Area Council of Governments

Attachments: Yes

Recommendation:

Staff recommend that the board authorize the release of a request for proposals (RFP) for a Regional Toll Equity Study with a maximum budget of \$500,000 and authorize the Secretary to select a vendor, negotiate, and execute a contract.

Background:

The implementation of toll lanes will enable some users to purchase a faster commute, while others continue to utilize general purpose lanes. Any toll program therefore raises questions of how the program can operate in an equitable manner for all users of the corridor. This concern is not unique to the Sacramento Region and other toll authorities have conducted studies to measure the potential impact of toll lanes and develop recommendations to improve equity outcomes.

CARTA's focus for the next four years is to prepare to collect tolls when the Yolo 80 Corridor Improvements Project finishes construction. Developing a toll equity program is a key component of this preparation. The toll equity program will ensure that under-resourced, under-represented, and disproportionately affected communities have equitable access to the benefits of the new toll lane.

Rather than develop corridor-specific toll equity programs, staff recommend that CARTA develop a regional toll equity program to maximize consistency and clarity for the traveling public, who regularly cross county boundaries. This regional toll equity program will specify which measures are best kept consistent across the region—like language access for CARTA documents—and which measures are best tailored to individual corridors—like use of excess toll revenue in local communities. This framework will provide clarity to residents, partners, and funding and regulatory agencies on what types of equity measures they can expect from CARTA, while maintaining necessary flexibility for the unique equity needs of each corridor. Developing a regional toll equity program also reduces the need for project sponsors to conduct duplicative, and potentially conflicting, toll equity analysis during the environmental phase. A draft scope of work for the toll equity study is included as Attachment A.

Discussion:

In October 2024, the board authorized staff to apply to Caltrans' Sustainable Transportation Planning Grant program to fund a regional toll equity study. In July 2025, Caltrans announced that CARTA had received the maximum award amount of \$500,000. The grant is a pass-through and is administered by the Sacramento Area Council of Governments (SACOG), as CARTA's Metropolitan Planning Organization (MPO) and Regional Transportation Planning Agency. Following negotiations and contracting with Caltrans, CARTA can begin work on the grant in early November.

The development of a toll lane network is a key priority to address the needs of the state highway system around the Sacramento area. Equity is also a key goal of the state, particularly as it relates to highway infrastructure. Because of this, staff believe a regional toll equity study would be more competitive for Caltrans' Strategic Partnerships Planning Grant. If successful, the grant would cover both consultant and staff time to complete the work. While study would be led by CARTA, but the grant funds must be "passed through" SACOG as the MPO. SACOG has applied for, won, and administered "pass through" Strategic Partnership grants previously for other agencies in the region.

Staff estimate the Regional Toll Equity Study will cost \$708,000, with \$500,000 for consultant services and \$208,000 for CARTA staff costs (including costs for SACOG to perform administrative work on CARTA's behalf). Staff estimate the study will take two years to complete, wrapping up in late calendar year 2027. This schedule gives the CARTA board time to adopt any recommendations from the study prior to opening Yolo 80 in summer 2028.

Staff Recommendation

Staff recommend the board authorize staff to release the RFP, select, negotiate, and award a contract. This allows staff to release the RFP as soon as Caltrans allows it in early November and move as efficiently as possible through procurement and contracting and have a consultant team kickoff in March 2026. Once procured, the consultant team will make regular presentations to the CARTA board for direction on study and the board will review and approve milestone deliverables as they are developed.

TAG Discussion

The TAG met on October 7th and unanimously supported staff recommendation on this item. The TAG requested that an update on the results of this procurement return to the board on Receive and File. Staff are happy to provide that update and estimate it will be on the February 2026 agenda.

Attachments

2A: Regional Toll Equity Study Draft Scope of Work

SCOPE OF WORK

Project Information	
Grant Category	Strategic Partnerships
Grant Fiscal Year	FY 25-26
Project Title	CARTA Regional Toll Equity Study
Organization (Legal name)	Sacramento Area Council of Governments (SACOG)

Disclaimer

Agency commits to the Scope of Work below. Any changes will need to be approved by Caltrans prior to initiating any Scope of Work change or amendment.

Introduction

Consistent with local and statewide plans, the Sacramento Region (Sacramento, Yolo, Placer, El Dorado, Yuba, and Sutter counties) is developing our first toll lanes to reduce greenhouse gas emissions, improve transit reliability, and manage freeway congestion in our growing region. To deliver an equitable toll lane system, the Sacramento Region needs to evaluate the impact of toll lanes on low-income, disadvantaged, and other equity-priority communities; reduce disparities in benefits and burdens for those communities; and enhance transportation access for all users. The CARTA Regional Toll Equity Study (Study) will fill this gap by reviewing toll equity best-practices, analyzing how toll lanes will impact travel for equity-priority communities, and providing a clear and actionable roadmap to deliver an equitable toll lane network in the Sacramento Region. The Study will be led by the Capital Area Regional Tolling Authority (CARTA), a joint power authority between SACOG, Caltrans District 3, and Yolo Transportation District (YoloTD) that is the new designated tolling authority for the Sacramento Region.

Project Stakeholders

The CARTA Regional Toll Equity Study involves a wide range of stakeholders to ensure inclusivity, collaboration, and broad support for the project.

The primary stakeholders are:

1. **Capital Area Regional Tolling Authority (CARTA):** The lead agency for the study, responsible for project administration, consultant procurement, and overseeing all tasks. This is a joint power authority (JPA) between SACOG, Caltrans District 3, and YoloTD
2. **Caltrans District 3:** A critical partner providing input and oversight throughout the project, ensures alignment with state transportation goals and funding requirements

3. **Sacramento Area Council of Governments (SACOG):** A core partner contributing to planning and regional coordination
4. **Yolo Transportation District (YoloTD):** A member of CARTA and collaborator in implementing toll systems
5. **Sacramento Transportation Authority (STA):** A non-voting member of CARTA and collaborator in implementing toll systems
6. **Placer County Transportation Planning Agency (PCTPA):** A non-voting member of CARTA and collaborator in implementing toll systems
7. **El Dorado County Transportation Commission (EDCTC):** A non-voting member of CARTA and collaborator in implementing toll systems
- 8.

Technical partners including, but not limited to, regional transit operators, community-based organizations and nonprofits, and tribal governments may also be asked to provide insights and support for the study.

A consultant will be procured to support key tasks of the project. They will be a critical collaborator, and will handle technical analyses, community engagement, and the development of reports and frameworks to ensure the project meets its equity-focused objectives. Their involvement includes the following activities:

- Task 1: Community Education, Partner Coordination, and Public Engagement
- Task 2: Precedent Review and Equity-Priority Communities Definition
- Task 3: Equity Priority Traveler Analysis
- Task 4: Regional Toll Equity Framework
- Task 5: Draft and Final Regional Toll Equity Study

Overall Project Objectives

The CARTA Regional Toll Equity Study aims to establish a comprehensive framework to ensure tolling systems in the Sacramento Region (Sacramento, Yolo, Placer, El Dorado, Yuba, and Sutter counties) benefit all community members equitably, especially low-income and disadvantaged groups. The overarching objective is to develop actionable strategies for equitable toll lane implementation while aligning with local and statewide transportation plans.

Key Objectives

1. Evaluate Toll Lane Equity Impacts

- Assess how toll lanes affect communities in the Sacramento Region, including low-income and disadvantaged groups.
- Identify strategies to address disparities in benefits and burdens associated with tolling.

2. Develop an Equity Framework and Implementation Strategy

- Create a Regional Toll Equity Framework and Implementation Strategy with measurable actions to enhance equity throughout toll lane development and operations.

- Ensure strategies are grounded in best practices and informed by rigorous analysis.
- 3. Enhance Community Engagement**
 - Engage with equity-priority communities to identify their mobility challenges and preferences for toll revenue use.
 - Educate the public on tolling and its benefits using accessible and multilingual materials.
 - 4. Leverage Partner Collaboration**
 - Foster partnerships with traditional, technical, and community-based organizations to ensure diverse input and broad support.
 - 5. Inform Future Tolling Strategies**
 - Provide a roadmap for equitable toll lane development and implementation in the Sacramento region.

Summary of Project Tasks

Task 01: Project Administration

CARTA will manage and administer the Study, including project-kickoff, quarterly progress reports, invoicing, and DBE reporting. CARTA will coordinate regularly with Caltrans District 3 throughout the entire Plan process including sharing deliverables; detailing issues with cost, scope, or schedule; and meeting any other requests regarding administration of this grant.

Task Deliverables
<ul style="list-style-type: none"> • Agenda and notes from project kick-off meeting with Caltrans • Quarterly invoices, progress reports, and DBE reporting

Task 02: Consultant Procurement

CARTA will issue a Request for Proposals (RFP) to procure consulting services for Tasks 1 to 5. CARTA will lead the consulting selection process in partnership with SACOG, Caltrans District 3, YoloTD, STA, PCTPA, and EDCTC. CARTA will conduct the procurement and execute a contract consistent with state and federal requirements.

Task Deliverables
<ul style="list-style-type: none"> • Request for Proposals • Pre-Proposal Meeting Attendance List • Executed contract between CARTA and the selected consultant, including consultant's scope of work, schedule, and budget

- Copy of CARTA's procurement procedures

Task 1: Community Engagement, Partner Coordination, and Public Education

Public Education

Because tolling is brand new to the Sacramento Region, public education is essential for communities to effectively engage with the development of the Regional Toll Equity Framework. CARTA and/or the consultants will develop digital and print materials that explain how toll lanes operate, how tolling can improve travel, and what toll lane infrastructure is planned for the Sacramento Region (Sacramento, Yolo, Placer, El Dorado, Yuba, and Sutter counties).

These materials will use clear, non-technical language to ensure the information is accessible and easy to understand for all community members. CARTA and/or the consultants will provide these public education materials in multiple languages relevant to the community— this may include Spanish, Simplified Chinese, Russian, Farsi, Dari, Arabic, Tagalog, Hmong, and others—to meet the needs of limited-English proficiency communities in the region. Public education around tolling raises the capacity of equity-priority communities and helps to level the playing field for other engagement activities, both for the Study and for toll lane projects under development in the region.

Community Engagement

As an equity-focused plan, the Study requires regular and robust engagement in the Sacramento Region, particularly with equity priority communities. Community engagement for the Study will occur in two phases. The first phase will focus on identifying mobility challenges for equity-priority communities (EPCs) (which will be defined in the study) and preferences around how toll revenue should be used to improve mobility. This engagement will occur at the same time as the technical work in Tasks 4 and 5 to directly inform the Regional Toll Equity Framework developed in Task 4.

The second phase of engagement will focus on gathering input from equity-priority communities on the action alternatives for the Regional Toll Equity Framework. This engagement will ensure that CARTA's toll equity investments directly benefit equity-priority communities. CARTA and/or its consultants will employ best practices to engage equity-priority communities. This includes leveraging existing community events, partnering with community-based organizations, hosting both in-person and virtual activities, and utilizing engagement results from other efforts, such as the ongoing YoloTD Equity Research Study and other regional plans and projects, to minimize engagement fatigue. CARTA may also build on existing materials and outreach efforts in the region to enhance coordination and create and cohesive engagement strategy. CARTA and/or the consultants will write a Community Engagement Report that summarizes engagement activities, feedback provided, and how that feedback was incorporated in the Study.

Partner Coordination

CARTA and/or the consultants will establish a Project Development Team (PDT) for the Study to ensure partners and stakeholders can provide input throughout the development of the project. The PDT will include traditional partners such as Caltrans District 3, SACOG, PCTPA, EDCTC, STA, YoloTD, Yuba-Sutter Transit, Sacramento Regional Transit District (SacRT) and other transit operators; technical partners who can offer guidance on exploring innovative strategies and solutions; and non-traditional partners such as non-profits, community-based organizations, and tribal governments. This inclusive approach aims to build broad support for developing a Regional Toll Equity Framework and Implementation Plan.

Task Deliverables
<ul style="list-style-type: none">• Engagement Plan• Community Engagement Report• Community engagement and public education materials, including factsheets, boards, surveys, handouts, infographics, media coverage, and website content.• Agendas and notes from PDT meetings

Task 2: Precedent Review and Equity-Priority Communities Definition

Precedent Review

CARTA and/or the consultant will review recent and relevant toll equity studies and programs, as well as other priced transportation systems (such as parking, etc.) to establish industry standards and best practices. The precedent review will include, but is not limited to, equity focused toll programs that provide toll discount, credits, vouchers, transit passes or mobility wallets, expenditure plan investments in equity-priority communities, operations policies for unbanked toll users, and equitable enforcement methods or technology. It may also include a pricing analysis of discounts provided to equity-priority communities, including but not limited to models and strategies that provide free or discounted travel when used in concert with public transit ridership. The precedent review will focus on strategies and approaches that can be applied to the Sacramento Region. CARTA and/or the consultant will develop a Precedent Review Report that summarizes how each peer program works, evaluates its effectiveness, and identifies how the program could be applicable to the Sacramento Region.

Defining Priority Communities

CARTA and/or the consultant will analyze local, state, and federal definitions of underserved including, but not limited to low-income, environmental justice, disadvantaged communities, black indigenous and people of color (BIPOC), tribal lands, rural, older adults, individuals with disabilities, transit-dependent communities, and low educational attainment. CARTA and/or the

consultant will determine, based on the unique needs of the Sacramento Region and specific equity concerns of tolling, which metric or combination of metrics should determine the “equity-priority communities” CARTA will focus on in its equity program. CARTA and/or the consultant will develop an Equity-Priority Communities Report that summarizes the metrics analyzed, the metric(s) selected, and provides a map of equity-priority communities in the Sacramento Region.

Task Deliverables
<ul style="list-style-type: none">• Precedent Review Report• Equity Priority Communities Report

Task 3: Equity Priority Traveler Analysis

To develop a Regional Toll Equity Framework that provides meaningful benefits to equity-priority communities, CARTA needs a clear picture of how individuals from equity-priority communities travel, how that travel could be affected by toll lanes, and how benefits to those communities should be measured. CARTA and/or the consultants will leverage both quantitative and qualitative analyses to create a nuanced understanding of the needs of equity-priority travelers. CARTA and/or the consultants will write an Equity Priority Traveler Analysis Report that synthesizes the results of this analysis and identifies performance metrics to measure benefits to equity-priority communities. This analysis will serve as the foundation for the Regional Toll Equity Framework, ensuring that all strategies are grounded in evidence-based practices and aligned with the needs of low-income and disadvantaged communities. The performance metrics developed under this Task will measure CARTA's success in implementing the Framework after the Study's conclusion.

Geospatial Analysis and Traffic Modeling

CARTA and/or the consultants will use mapping and modeling tools to understand the socio-economic profile of travelers on all planned toll corridors across modes and how toll lanes will impact equity-priority travelers' travel times and access to jobs and other key destinations. CARTA and/or the consultants will also analyze how adjustments in toll prices and investments in parallel multimodal infrastructure could impact those travel outcomes. This analysis will be conducted for each corridor and for the combined CARTA network.

Focus Groups

Because Census data and traffic models don't tell the whole story, CARTA and/or the consultants will conduct a series of focus groups with residents, locals, and staff at social service providers to collect input on toll lane policies, including equity-focused strategies. Participants will be recruited to ensure diversity and representation. The focus group meetings will include a variety of questions and exercises that establish how people in the community travel, how they might use a toll lane, and how toll policies and equity strategies would impact their travel.

Task Deliverables
<ul style="list-style-type: none">Equity Priority Traveler Analysis Report

Task 4: Regional Toll Equity Framework and Implementation Strategy

Using information gathered in previous tasks, CARTA and/or the consultants will develop a Regional Toll Equity Framework and Implementation Strategy (the Framework) that lays out goals, strategies, and actions to ensure the Sacramento Region's toll system provides direct benefits to equity-priority communities.

The Framework's actions will be specific, measurable, assigned to an agency, and prioritized for near-, mid-, or long- term implementation. These actions provide a clear summary of the next steps that CARTA and its partners will take to implement the Study. The Framework will document the rationale for each element and will emphasize integrating equity considerations at every stage, from planning to project development to toll operations. The Framework will chart a clear path for equitable tolling in the Sacramento Region and guide future decision-making and progress monitoring.

Task Deliverables
<ul style="list-style-type: none">Regional Toll Equity Framework and Implementation Strategy ReportRegional Toll Equity Framework and Implementation Strategy One-Page Factsheet

Task 5: Draft and Final Regional Toll Equity Study

CARTA and/or the consultants will assemble the reports developed in prior Tasks, including a summary of next steps for implementation, to create an Administrative Draft Study. The Admin Draft Study will be shared with the PDT for feedback. CARTA will incorporate the PDT's comments into a Public Draft Study, which will be released for public comment and presented to the CARTA Board. Following the public comment period, CARTA will incorporate any feedback and develop a Final Study, which will be returned to the CARTA Board for adoption. CARTA will submit the final Regional Toll Equity Study as an ADA accessible electronic copy, with credits to Caltrans on the cover or title page.

Task Deliverables

- Administrative Draft Study
- Public Draft Study
- Final Study



Capital Area Regional Tolling Authority

Meeting Date: October 15, 2025

Agenda Item: 3

Amendment #1 to Fiscal Year 2025-2026 Budget

Prepared By: Kathleen Aziz, Sacramento Area Council of Governments

Attachments: Yes

Recommendation:

Staff recommend that the board approve Amendment #1 to the Fiscal Year (FY) 2025-2026 Budget (Attachment 3A).

Background:

The CARTA Joint Powers Authority agreement states the CARTA board will adopt an annual budget for each fiscal year. The agreement further states that a draft budget shall be provided at least 30 days prior to adoption of a final budget. CARTA's budget does not include the work conducted by Caltrans and YoloTD on the Yolo 80 Managed Lanes Project. Most Yolo 80 project expenses, including environmental, design, and construction of the lane, remain a part of the Yolo 80 project and are funded using separate revenue sources as part of those agencies' budgets.

At their May meeting, the CARTA board adopted a final FY 2025-2026 Budget.

Discussion:

Amendment #1 to the FY 2025-2026 budget has four minor changes from the final budget adopted in May:

- Carryover from the prior fiscal years has increased 11% to reflect unaudited actuals
- CARTA's successful award of a Caltrans Planning Grant for a Regional Toll Equity Study has been added to both revenues and expenditures
- Costs for recruiting an executive director have been increased from \$40,000 to \$100,000 to reflect updated costs for the recruiting firm and any costs related to advertising and travel for candidates and the recruiter. This is consistent with the board action at their September meeting.
- Transportation Staff Costs, which covers the work SACOG does on behalf of CARTA, has been increased to help bridge the gap before the Executive Director is hired

TAG Discussion

The CARTA TAG met on October 7th and unanimously supported staff recommendation on this item.

Staff Recommendation

Staff recommend the board approve Amendment #1 to the FY 2025-2026.

Attachments:

3A: Amendment #1 to the FY 2025-2026 Budget

**CAPITAL AREA REGIONAL TOLLING AUTHORITY
AMENDMENT #1 TO FY 2025-2026 BUDGET**

REVENUES:	FY 2026 BUDGET <i>Final May 2025</i>	FY 2026 AMENDMENT #1 <i>Proposed Sept 2025</i>	DIFFERENCE (\$) <i>Final vs Amendment</i>	DIFFERENCE (%) <i>Final vs Amendment</i>
Local				
Carryover from prior fiscal year	\$ 568,000	\$ 627,681	\$ 59,681	11%
Loan from SACOG Managed Fund	\$ 1,300,000	\$ 1,300,000	\$ -	0%
Subtotal - Local Revenues	\$ 1,868,000	\$ 1,927,681	\$ 59,681	3%
State				
Caltrans Planning Grant	\$ -	\$ 60,000	\$ 60,000	N/A
Subtotal - Local Revenues	\$ -	\$ 60,000	\$ 60,000	N/A
TOTAL REVENUES	\$ 1,868,000	\$ 1,987,681	\$ 119,681	6%
EXPENDITURES:				
Administration:				
Administrative Staff Costs	\$ 94,000	\$ 94,000	\$ -	0%
General Counsel	\$ 50,000	\$ 50,000	\$ -	0%
Contracts Counsel	\$ 40,000	\$ 40,000	\$ -	0%
Public Outreach / Education	\$ -	\$ -	\$ -	0%
Insurance	\$ 50,000	\$ 50,000	\$ -	0%
Audits	\$ 50,000	\$ 50,000	\$ -	0%
Website and Software	\$ 5,000	\$ 5,000	\$ -	0%
Meetings	\$ 10,000	\$ 10,000	\$ -	0%
IBTTA Membership and Travel	\$ 7,500	\$ 7,500	\$ -	0%
Financing and Financial Planning	\$ 349,500	\$ 349,500	\$ -	0%
Executive Recruiter	\$ 40,000	\$ 100,000	\$ 60,000	150%
Subtotal - Administration Expenditures	\$ 696,000	\$ 756,000	\$ 60,000	9%
Toll Program				
Transportation Staff Costs	\$ 152,000	\$ 241,000	\$ 89,000	59%
Consulting Services: Toll Program Management	\$ 920,000	\$ 830,681	\$ (89,319)	-10%
Consulting Services: On-Call Services	\$ 100,000	\$ 100,000	\$ -	0%
Regional Toll Equity Study	\$ -	\$ 60,000	\$ 60,000	N/A
Subtotal - Toll Program Expenditures	\$ 1,172,000	\$ 1,231,681	\$ 59,681	5%
TOTAL EXPENDITURES	\$ 1,868,000	\$ 1,987,681	\$ 119,681	6%



Capital Area Regional Tolling Authority

Meeting Date: October 15, 2025

Agenda Item: 4

Back Office Provider Decision

Prepared By: Kathleen Aziz, Sacramento Area Council of Governments

Attachments: Yes

Recommendation:

Staff recommend that the board

- Select Transportation Corridor Agencies (TCA) to provide back office system (BOS) and customer service center (CSC) services to CARTA, and
- Authorizes staff to proceed with development of an interagency agreement and revisit the selection should cost negotiations render the agreement untenable to CARTA.

Background:

At the February 2025 meeting, the board directed staff to pursue an interagency agreement with an existing toll authority to provide BOS and CSC services to CARTA. In May 2025, the board adopted a policy on FasTrak® Account Management formalize the February board direction, stating that the partner toll authority would own the accounts of CARTA's facility users. At the August 2025 board meeting, CARTA staff presented an informational item to provide an update on the Back Office Procurement Process.

BOS/CSC Provider Letter of Interest

As described during the August informational item, CARTA staff began by drafting a letter of interest explaining CARTA's interest in partnering with an existing BOS provider. In the letter, CARTA staff requested an initial meeting to discuss the BOS provider's capability to, and interest in, partnering with CARTA. Staff sent letters of interest to all six BOS providers in California and received responses from the Bay Area Toll Authority (BATA), Los Angeles Metro (LA Metro), San Diego Association of Governments (SANDAG), and Transportation Corridor Agencies (TCA), indicating their interest in discussing the opportunity to provide BOS/CSC services for CARTA's express lanes.

BOS/CSC Provider Initial Meetings

Discussions began with an initial meeting in May with each of the four interested providers. These meetings were high-level and intended to gauge initial interest and compatibility for a partnership. During the meetings, CARTA provided an overview of the agency's formation and the timeline of the Yolo 80 project, including back office and roadside procurements. CARTA's questions centered on BOS/CSC staffing structure, current vendor contract

duration and capacity, and operational flexibility in working with facilities that have distinctive policies and business rules.

From the initial meetings, three agencies – BATA, LA Metro, and TCA – expressed continued interest in the prospect of becoming CARTA’s service provider. SANDAG stated that they did not want to continue exploring the possibility of becoming CARTA’s BOS provider.

BOS/CSC Provider Evaluation Questions

CARTA staff then developed a set of comprehensive evaluation questions to better understand the three interested BOS providers’ approach and service offerings in relation to CARTA’s objectives and priorities. The evaluation questions included three categories: functional requirements, autonomy and flexibility, cost, and customer service. CARTA staff distributed the evaluation questions to BATA, LA Metro and TCA, and met with each agency in July to discuss their submitted responses. CARTA staff evaluated the three agencies’ responses to determine which provider is best aligned with CARTA’s adopted vision, mission, and values.

Discussion:

The following sections provide an overall assessment of each agency’s inputs throughout the Back Office Procurement Process, as well as their responses to CARTA staff’s evaluation questions.

LA Metro

LA Metro is actively engaged in selecting a new back office vendor to replace its current system, which does not fully satisfy the agency’s operational needs. While the existing LA Metro back office supports several LA Metro facilities, it does not serve external agencies, nor is its present infrastructure optimally designed to accommodate CARTA’s requirements.

Although LA Metro expects to have the new back office system operational prior to CARTA’s planned implementation, the vendor contract has yet to be secured, and the scope of work does not presently include support for additional agencies. Consequently, determining definitive costs and timelines for implementation remains complex, which is a risk to CARTA’s budget and the schedule for Yolo 80.

Although LA Metro staff has demonstrated professionalism and transparency, and CARTA can expect a collaborative working relationship with LA Metro as a California Toll Operators Committee (CTOC) member, partnering for CARTA’s BOS/CSC needs is not advisable at this time.

BATA

While the design of BATA’s system was initially designed to support bridge operations at its core, BATA has consistently fulfilled the fundamental needs of its Bay Area Express Lanes partners. BATA currently manages accounts for over 300,000 customers in the Capital

Region, and a partnership with BATA could be viewed as an extension of the Bay Area Express Lanes along with its standardized model for business rules and operations. However, BATA's established operational processes constrain CARTA's ability to address unique requirements or exercise the desired level of autonomy. While BATA is receptive to feedback and change requests, the procedures for implementing modifications are structured and tend to be time-intensive. This process can slow down CARTA's ability to adapt or enhance its operations according to its evolving needs.

BATA's current back office system lacks the capability to return detailed transaction escalation, balance, and payment data directly to CARTA (or to any of BATA's other Express Lane partner agencies). As a result, CARTA would be dependent on BATA's reporting for crucial payment and balance information, which may limit CARTA's ability to perform comprehensive data analysis within its own system.

BATA is currently procuring a new back office system, meaning that Yolo 80 customers would experience a back office transition shortly after opening their accounts. This also creates risk of uncertainty in future implementation and ongoing operational expenses.

BATA has consistently demonstrated reliability and efficiency. However, limitations on CARTA's independence and autonomy, the inability to support CARTA's financial reconciliation in the transaction lifecycles, and the upcoming move to a new system make BATA a less suitable partner for CARTA's requirements.

TCA

TCA has shown the capability to support CARTA, as indicated by its recent implementation of San Bernardino County Transportation Authority's (SBCTA) express lanes. SBCTA had a collaborative relationship with TCA and its back office and operations vendors during implementation, post-launch support, and ongoing system maintenance, and CARTA can expect a similar partnership

TCA's back office system vendor is a smaller provider, with TCA as its largest customer. This relationship offers CARTA the potential for tailored service and customized back office functions if needed. TCA's smaller vendor may implement changes more quickly and at potentially lower cost, especially for simple updates like notice language and report modifications. These quick changes give the CARTA board more flexibility in improving the customer experience during operations.

For CARTA's goals of independence, control over its system, and customer experience, TCA offers the best technical fit, providing customization and a comprehensive interface that supports CARTA's needs. TCA also already employs 125 remote call center staff in the Capital Region, allows CARTA to maintain reconciliation through transaction lifecycles, provides a broader network of local cash payment options, and has demonstrated readiness to establish a walk-in center (similar to the one provided for SBCTA).

TAG Feedback

The TAG expressed some concern regarding the cost of either option and requested staff include the flexibility to change course with the selected provider in the staff recommendation. With this additional provision, the TAG expressed unanimous support for the staff recommendation.

Recommendation

Staff recommend that the board select TCA as the service provider to move forward with negotiating an interagency agreement for BOS/CSC services.

If staff recommendation is approved, CARTA staff will translate the risks and opportunities identified in the evaluation to establish an agreement with TCA. Once the draft agreement is complete, staff will return to the board for authorization to execute the contract with TCA. If cost negotiations render the agreement untenable to CARTA, staff will return to the board to revisit this decision.

Attachments:

4A: Slides

Back Office Provider Decision

Board of Directors

15 October 2025

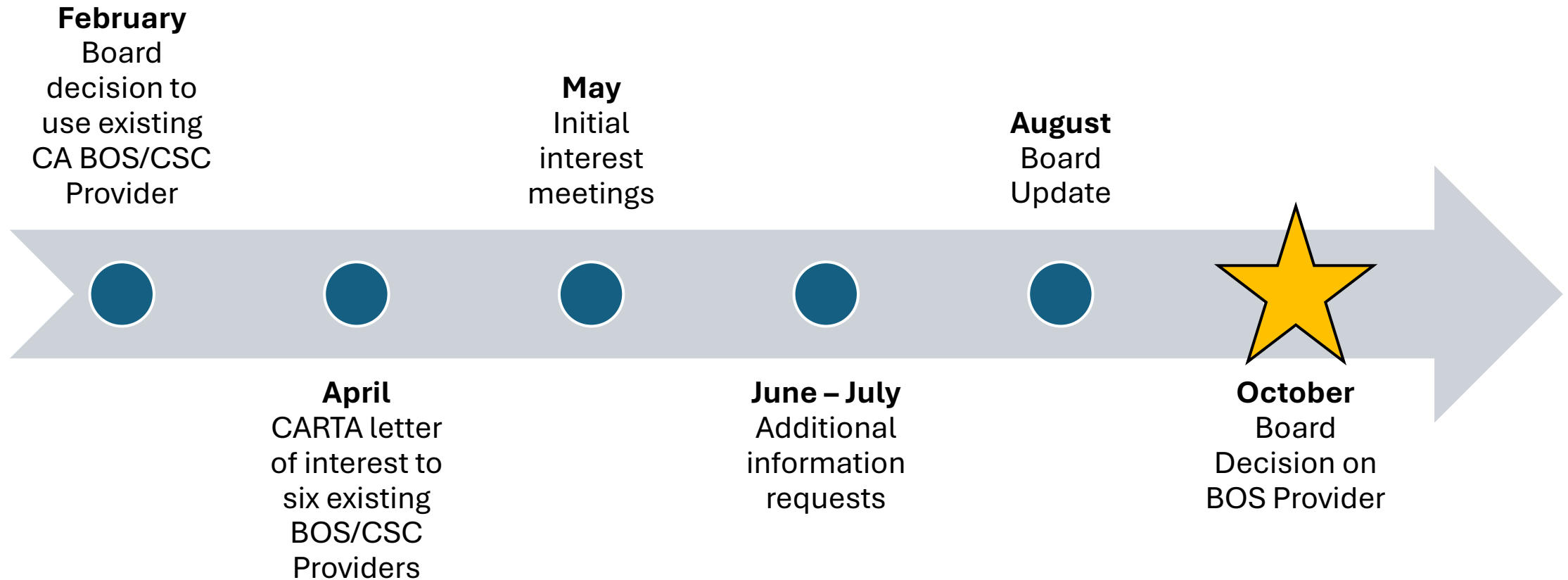
Attachment 4A



Policy Decisions and Opportunities

Area	Discuss (Information)	Decide (Action)
Goals	March	April
Eligibility		
Hours of Operation		
Toll Collection/Interoperability		
Pricing Structure	April	May
FasTrak® Account Management		
Toll Exemptions	May	June
Toll Discounts		September
Enforcement & Violations	June	August
CARTA Multiyear Workplan		
BOS/CSC Provider	August	October
Financing and Revenue	September	
Data Retention and security	2026	2027
Equity Program		

Back Office System/Customer Service Center (BOS/CSC) Timeline



Interested BOS/CSC Providers



TCA

BATA



LA Metro

METRO EXPRESSLANES

Evaluation Criteria

System Functionality

- Ensuring BOS can meet CARTA's needs without requiring excessive customization

Autonomy and Flexibility

- Protects CARTA's ability to adapt policies and procedures to local needs

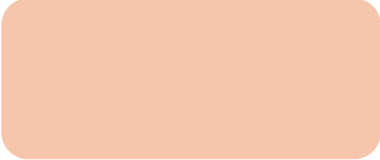
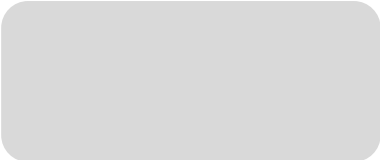



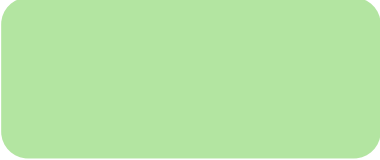
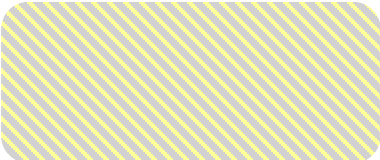




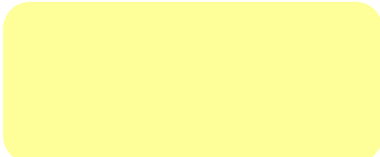
Cost

- Cost considerations are essential for long-term financial sustainability

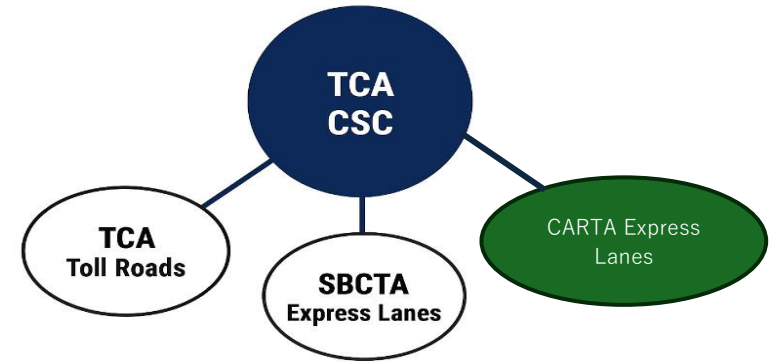
Customer Service

- Important to building public trust and satisfaction as a new agency

Risk/Impact Assessment

	System Functionality	Autonomy/ Flexibility	Cost	Customer Service
LA Metro BOS/CSC				
TCA BOS/CSC				
BATA BOS/CSC				

TCA BOS/CSC



- Alignment with CARTA’s goals of **independence, flexibility, and prioritizing the customer experience**
 - Smaller vendor with tailored service offerings
 - Autonomy in establishing business and operational rules
 - Access to transaction lifecycle information
 - Broadest customer service options in the Capital Region
- Vendor management and guaranteed revenue terms considerations

Staff Recommendation

Staff recommend that the board selects **TCA as the service provider to move forward with negotiating an interagency agreement for BOS/CSC services.**

Staff will return to the board to authorize the contract with the selected service provider.



Capital Area Regional Tolling Authority

captollauthority.org | kaziz@sacog.org



Capital Area Regional Tolling Authority

Meeting Date: October 15, 2025

Agenda Item: 5

Revenue Waterfall

Prepared By: Theresa Weekes, HNTB

Attachments: Yes

Recommendation:

Staff recommend that the board adopt the following draft toll policy as detailed in Attachment 5B:

- Use of Enterprise Fund Accounting
 - o Establish a Revenue Waterfall with the following list of priority:
 - Gross Revenue
 - Operation & Maintenance Fund
 - Debt Service Fund
 - Major Maintenance & Repair Fund
 - VMT Mitigation Fund
 - Other Required Reserves/ Funds
 - Excess Net Revenue

Staff also recommend that the Board:

- Authorize CARTA staff to work with current and future member agencies on amendments to the JPA, including the expansion of county voting protection to actions regarding the Major Maintenance & Repair Fund
- Direct CARTA staff to work with YoloTD and Caltrans staff on an agreement regarding Ongoing VMT Mitigation commitments based on updated forecasts of how much revenue will be available to fund VMT mitigation.

Background:

A revenue waterfall is a critical financial tool for toll agencies, providing a clear and structured view of how toll revenues are allocated across various obligations and priorities. By mapping the flow of funds—from gross collections to net revenues—this framework ensures transparency, accountability, and strategic financial planning. It helps agencies determine where shortfalls may exist, fund operations and maintenance, adhere to debt service requirements, and invest in future infrastructure, all while maintaining compliance with regulatory standards and other requirements. For CARTA, a well-defined revenue waterfall will support sound fiscal management and long-term sustainability for tolling operations, particularly as the network expands to include additional corridors and revenue streams.

There are several key terms associated with a revenue waterfall that are critical to understanding their utility, bulleted below:

- Flow of funds – the movement of money
- Enterprise flow of funds – funds from different revenue streams that remain separate. For CARTA, gross revenue from each corridor will flow into separate accounts to pay for expenses and transfer into reserves.
- Reserve – an account where funds are set aside, often for specific purposes (e.g., future operating costs, debt service, emergencies, major maintenance)
- Gross revenue – the total cash amount that is collected from customers prior to deducting expenses
- Operations and maintenance costs – include the following costs:
 - o Toll System Maintenance (Vendor)
 - o Toll Lane Maintenance (Caltrans)
 - o CHP
 - o Traffic Management Center
 - o Back Office Processing
 - o CARTA Administrative Costs
- Major maintenance costs – include the following costs:
 - o Pavement replacement, crack repairs
 - o Bridge joint and deck replacement
 - o Guide sign replacement
 - o Pavement marking replacement
 - o ITS, toll system upgrades, lifecycle replacements
 - o Drainage improvements

Staff brought a discussion item to the September Board meeting on this topic; during that meeting, the Board discussed the potential of placing the VMT Mitigation Fund ahead of the Major Maintenance & Repair Fund and directed staff to model potential scenarios under both models. The Board also directed staff to separate all depicted funds in the waterfall diagram. Additionally, the Board directed staff to investigate whether County Voting Protection could extend to the Major Maintenance & Repair Fund.

Discussion:

VMT Mitigation

The Yolo 80 project was required to mitigate the vehicle miles traveled (VMT) it induces as part of its environmental review and approval process. When Caltrans completed the environmental process for the Yolo 80 project, the project committed to funding several VMT mitigation measures for a specific number of years (in most cases three years and 15 years for transportation demand management). We refer to this as Initial VMT Mitigation, and it will be funded directly by the Yolo 80 project's grant funding.

Separately, the environmental document stated that future toll revenues should be used to continue to fund these VMT mitigation measures after the project-funded years. We refer to this as Ongoing VMT Mitigation. The CEQA document does not require CARTA to fund any particular amount of Ongoing VMT Mitigation nor does it require CARTA to start or stop funding Ongoing VMT mitigation in any particular year. Under state law, CARTA has the authority to determine how toll revenues are used, so decisions regarding Ongoing VMT Mitigation are a policy decision for the CARTA board. Although the revenue waterfall decision before the CARTA board does not require an explicit decision on which Ongoing VMT Mitigation measures CARTA will fund with future toll revenue, it makes clear that CARTA will likely have limited capacity to fund it in its early years of operations.

Enterprise Funds

As part of the overall flow of funds structure, an agency must decide on its accounting model. Given CARTA's planned network of corridors, an enterprise fund model will allow CARTA to separate gross revenue at collection.

This means gross revenue from Yolo 80 and all future corridors will be divided into separate flows of funds by the BOS provider. Monies will flow according to the same revenue waterfall, but just in distinct, parallel paths.

Flow of Funds

In a toll agency's revenue waterfall, the allocation of funds follows a structured sequence designed to ensure operational continuity and financial responsibility. After gross toll revenues are collected, the first priority is to cover essential operating and maintenance expenses and appropriate reserves, which support safe and efficient toll facilities and to protect the revenue stream. Reserves are established to safeguard against forecasted shortfalls, unexpected costs, or revenue fluctuations. After these foundational needs are met, remaining revenues are allocated toward debt service obligations, ensuring compliance with financing agreements.

Once debt service requirements have been set aside, revenue will flow to a Major Maintenance & Repair Fund. This fund is established for unanticipated repairs such as damage to equipment or roadway due to accidents, weather or vandalism. This fund is also utilized to set aside reserves for major maintenance needs such as planned repairs and replacements of the tolling system, and CARTA's fair share of repairs and replacements of pavement, bridge joints, bridge deck, pavement markings, drainage, and ITS systems. Anticipated Major Maintenance expenses will be forecasted in a long-term capital plan, which will be subject to board oversight and approval. The expenses for Major Maintenance and Repair for any toll project are significant and essential. They cannot be deferred without risk to ongoing toll operations, and therefore revenue collection.

For instance, the roadside tolling equipment typically needs to be replaced every 10 years. With the Yolo 80 project specifically, this costs will likely be higher than other projects, due to the limitations of the Yolo Causeway. Establishing and maintaining reserve levels is essential for both the scheduled and unscheduled needs to utilize this fund. The Major Maintenance & Repair Fund does not include optional capital costs such as adding physical lane separation or building Phase 2 of Yolo80, which would typically be accounted for separately in an agency's expenditure plan. Those costs would either be from Excess Net Revenue (at the discretion of the CARTA board) or other external funding.

Once maintenance reserves have been established, funds will be available to flow into VMT mitigation.

For the purposes of the waterfall, after the earlier categories and VMT mitigation obligations have been satisfied, funds will be made available for other required reserves and funds. This is a placeholder with no required reserves or funds. After required reserves, funds are made available as Excess Net Revenue, for discretionary programming along the corridor by the CARTA board.

For CARTA, initial toll revenues may not be sufficient to fully cover operating expenses, highlighting the need for a seeded operating reserve to address potential shortfalls or timing mismatches in revenue collection. However, before determining the appropriate size of this reserve, additional information is required—including projected revenues, detailed operating budgets, and other facility-specific financial obligations. Like all toll agencies, CARTA must also account for existing debt and recognize that future borrowing needs may vary across corridors. Importantly, debt holders play a key role in shaping the flow of funds, meaning that each corridor may require a distinct revenue waterfall structure aligned with its unique debt obligations.

Scenarios

During the September Board Meeting, the Board directed Staff to model two sample flows of funds specific to the Yolo 80 project:

Major Maintenance & Repair Fund prioritized over VMT Mitigation Fund

In this scenario, staff modeled funding the Major Maintenance & Repair reserve pre-operations with \$1 million and targeted maintaining a \$50 million balance for the first 15-20 years of operations. In this scenario, CARTA can successfully fund all its anticipated major maintenance costs but cannot afford to fund Ongoing VMT Mitigation for approximately the first 15 years of operations. After that time, Ongoing VMT Mitigation is intermittently unavailable when major maintenance expenses (like replacing the toll system) require replenishment of the Major Maintenance & Repair Fund.

VMT Mitigation Fund prioritized over Major Maintenance & Repair Fund

In this scenario, staff modeled fully funding Ongoing VMT mitigation before funding the Major Maintenance & Repair Fund. In this scenario, CARTA can only partially fund Ongoing VMT Mitigation costs and very little funding flows to cover major maintenance costs over 20 years. Without toll revenue funding for major maintenance, CARTA would have to find another source to fund required maintenance costs, which could average \$50 million or more every 10 years. There is not another likely source for this funding, therefore prioritizing VMT mitigation over Major Maintenance & Repair introduces a significant risk to CARTA's financial health and ability to collect toll revenue.

During the October 7th TAG meeting, YoloTD requested additional analysis on variations of the scenario with VMT Mitigation above Major Maintenance and Repair.

High Case Toll Revenue

Staff analyzed using the "High Case" for toll revenue instead of the "Low Case". While this scenario would fully fund VMT Mitigation and Major Maintenance and Repair, the "High Case" requires no carpool discount, which is not consistent with the Yolo 80 EIR or adopted board Policy and therefore is a high-risk revenue assumption to base this decision on.

Reducing VMT Mitigation Fund by 50%

Staff analyzed reducing the VMT Mitigation Fund by 50% to account for the fact that Phase 1 is only 50% of the full Yolo 80 project that was environmentally cleared. In this scenario funding flows into Major Maintenance and Repair but it is not enough to cover CARTA's anticipated costs. For example, when the toll system needs to be replaced in year 10, CARTA would only have \$6 million saved to cover a \$35 million+ expense.

Two-Pronged Approach

Staff analyzed splitting the VMT Mitigation Fund, with \$3 million above Major Maintenance and Repair and the remainder below. In this scenario funding flows into Major Maintenance and Repair but it is not enough to cover CARTA's anticipated costs. For example, when the toll system needs to be replaced in year 10, CARTA would only have \$21 million saved to cover a \$35 million+ expense.

Adding Corridor Cost Sharing to Revenue

Staff analyzed assuming both I-5 Managed Lanes and SR 65 Express Toll Lanes begin operations and "pay back" Yolo 80 for start-up costs. These contributions are not enough to cover the Major Maintenance and Repair funding gap and CARTA could still not afford its toll system replacement in year 10. Additionally, neither of these projects are fully environmentally cleared or funded. Relying on this funding for Yolo 80's essential maintenance costs introduces additional risk.

TAG Discussion

The TAG met on October 7th to discuss this action item. There was not consensus in the TAG on the revenue waterfall order. Caltrans, SACOG, STA, EDCTC, and PCTPA supported the staff recommendation to prioritize Major Maintenance over VMT Mitigation, highlighting the importance of maintaining CARTA's toll system infrastructure. YoloTD asked that the CARTA staff evaluate additional options that would allow us to partially fund both VMT mitigation and Major Maintenance and Repair simultaneously, rather than entirely funding one at the expense of the other. The analysis of those additional options is included above. The TAG unanimously agreed that the County Voting Protection should be expanded to include decisions regarding the Major Maintenance and Repair Fund.

Summary

Staff recommend that the board adopt a policy to utilize Enterprise Fund Accounting and adopt a revenue waterfall that prioritizes Major Maintenance over VMT Mitigation, as outlined in Attachment 5B. Staff further recommends that the Board authorize CARTA staff to work with current and future members of CARTA on amendments to the JPA and that the board direct staff to work with YoloTD on an Ongoing VMT Mitigation agreement.

Attachment:

5A: Slides

CARTA Revenue Waterfall Workshop

Board of Directors

15 October 2025

Attachment 5A



Policy Decisions and Opportunities

Area	Discuss (Information)	Decide (Action)
Goals	March	April
Eligibility		
Hours of Operation		
Toll Collection/Interoperability		
Pricing Structure	April	May
FasTrak® Account Management		
Toll Exemptions	May	June
Toll Discounts		September
Enforcement & Violations	June	August
CARTA Multiyear Workplan		
BOS/CSC Provider	August	October
Financing and Revenue	September	
Data Retention and security	2026	2027
Equity Program		

What we heard in September

Adjust the revenue waterfall diagram

- Split out Loan Repayment from Major Maintenance
- Split out VMT Mitigation from Other Required Reserves
- Model hypothetical waterfall scenarios

Workshop Goals

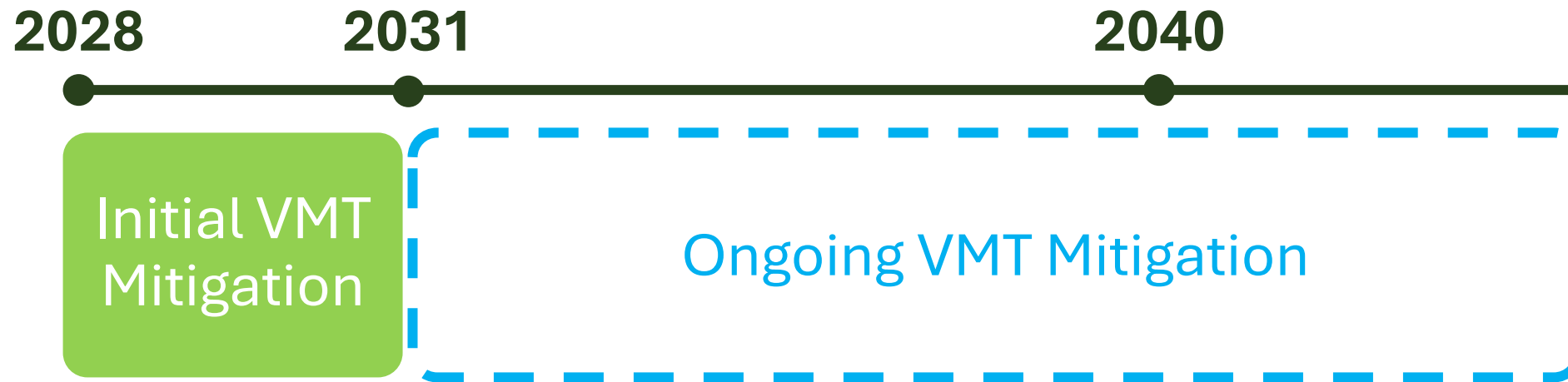
Discuss questions from September Board Meeting:

- Can VMT Mitigation be placed before Major Maintenance in the waterfall?
- Can County Voting Protection apply to Major Maintenance Fund?

Achieve Board decision on:

- Revenue Waterfall order of precedence
- Use of Enterprise Funds
- Direction to move forward with amending JPA

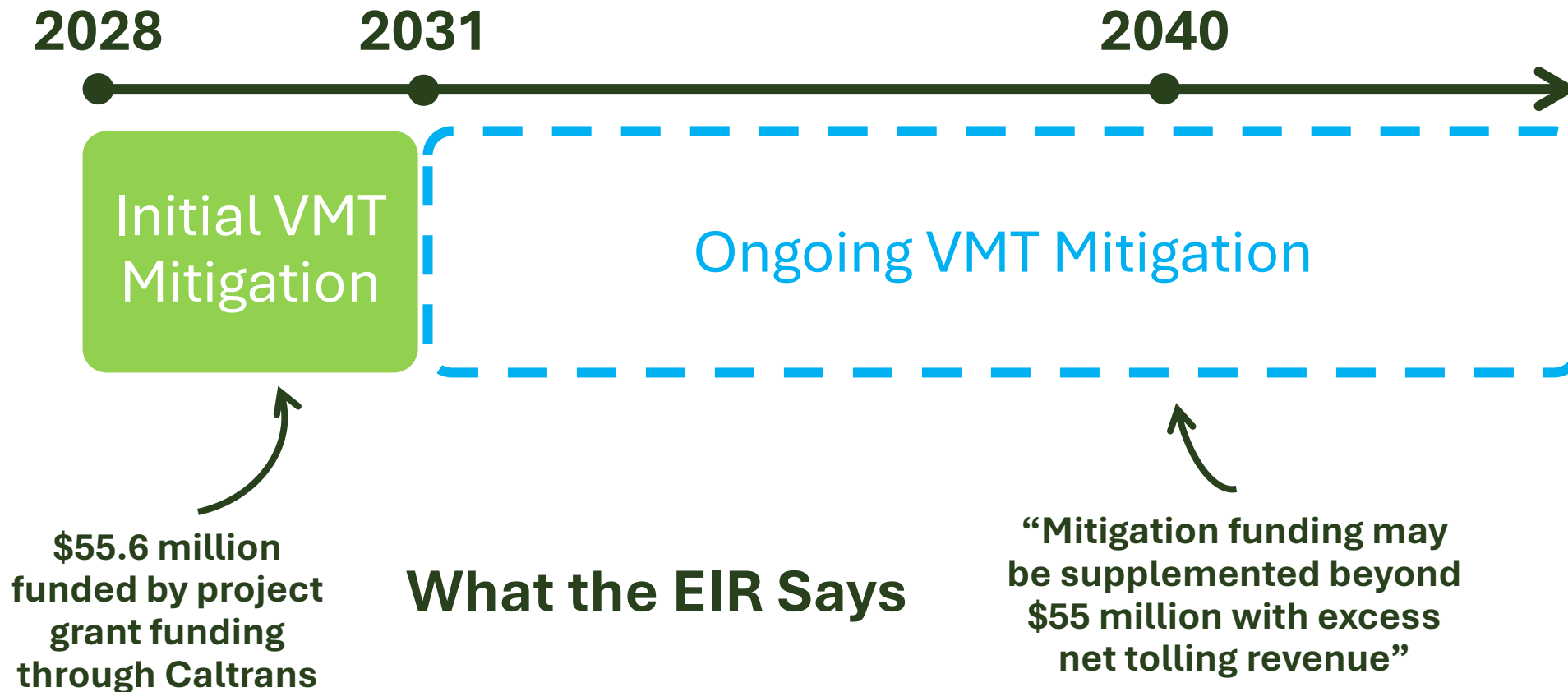
VMT Mitigation in Yolo 80



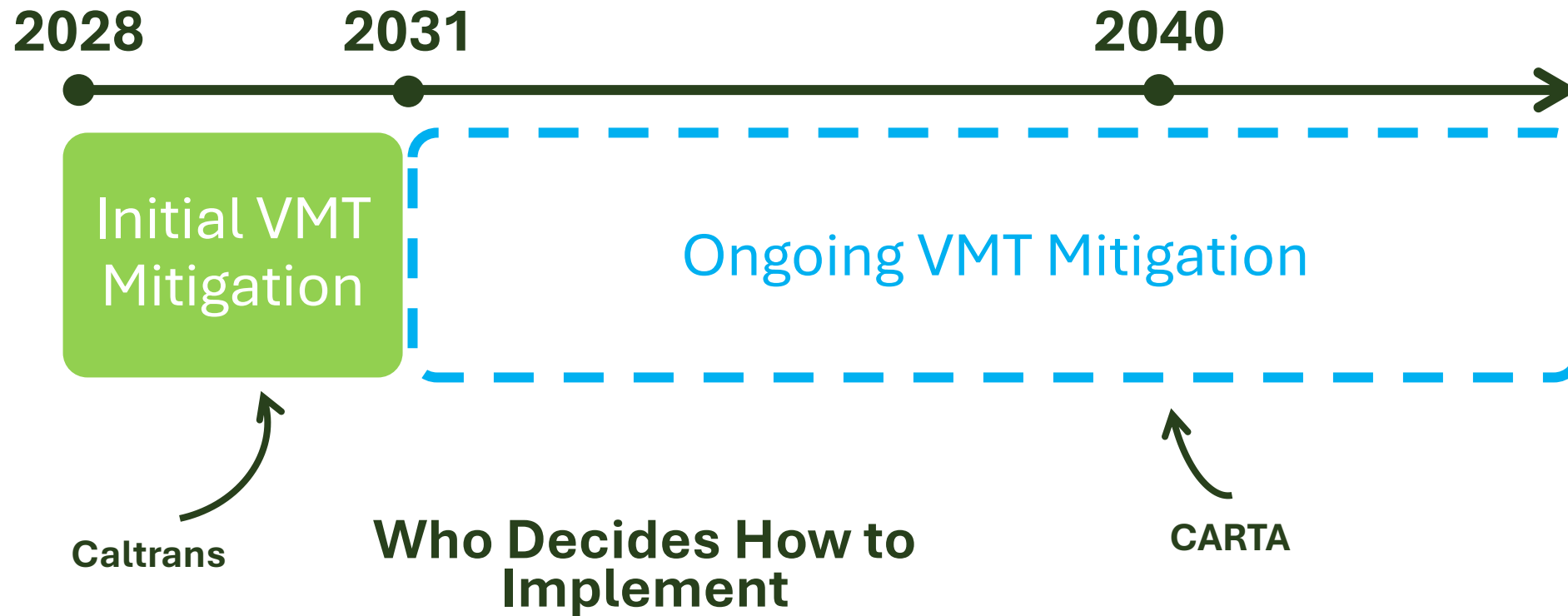
VMT Mitigation in Yolo 80

Mitigation Measure	Annual Cost	Years Funded by Project through Caltrans
Voluntary Trip Reduction Program in Yolo County	\$1.3 million	15 years
Expand Capitol Corridor Frequency and/or Reduce Fares	\$5 million	3 years
Microtransit in Yolo County	\$1.5 million	3 years
Expand Yolobus Route 42	\$2.3 million	3 years
Expand Causeway Connection Route 138	\$800,000	3 years
Expand Unitrans	\$875,000	3 years
<i>Build Overcrossing at future Nishi Student Housing Site</i>	<i>\$2 million</i>	<i>One-time cost</i>
Total Annual Cost	\$11.8 million	

VMT Mitigation in Yolo 80



VMT Mitigation in Yolo 80



What This Means for Today

- The JPA agreement and Yolo 80 EIR commit CARTA to funding Ongoing VMT Mitigation when feasible
- Neither the JPA agreement nor the EIR commit CARTA to a specific amount of funding over a specific time period
- Defining this will be a future policy decision of the CARTA board in partnership with the members

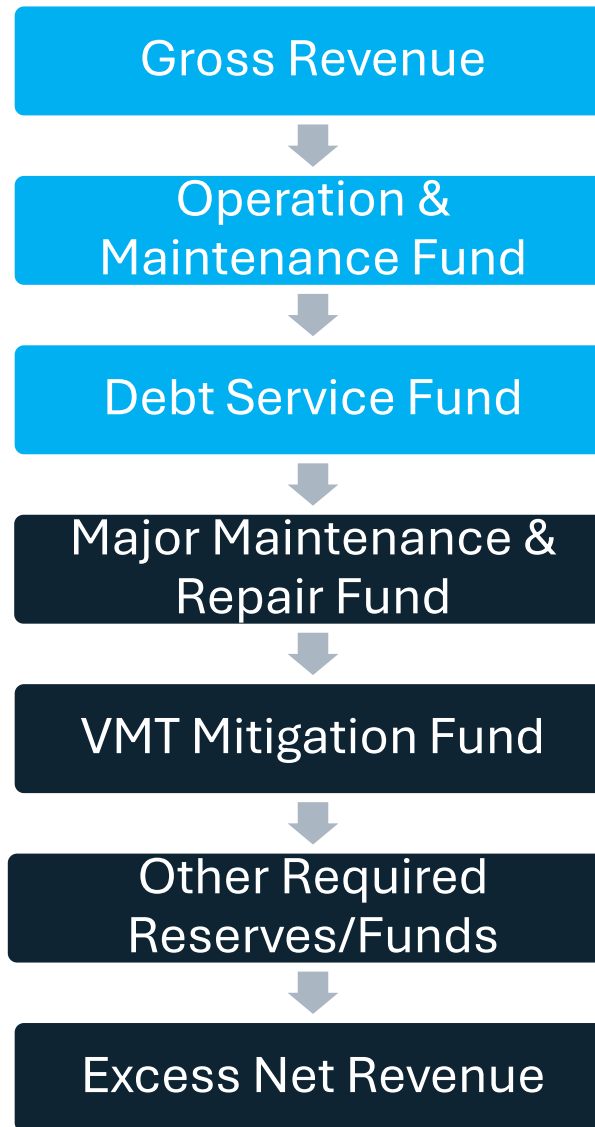
Enterprise Funds (Three Corridors)

Yolo 80 Gross
Enterprise
Account

Placer 65 EL
Enterprise
Account

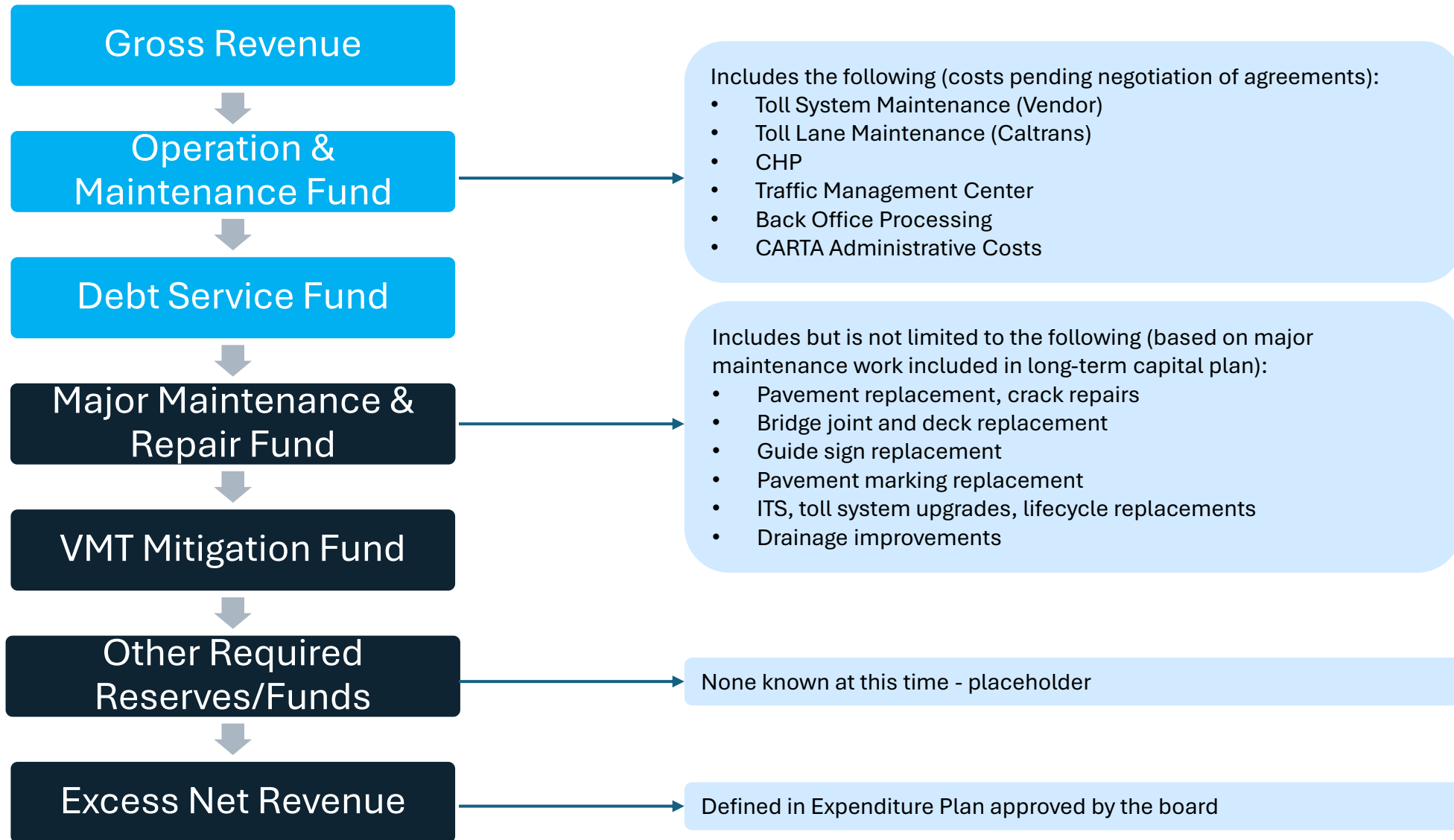
Sac 5
Enterprise
Account

Flow of Funds (Yolo 80)

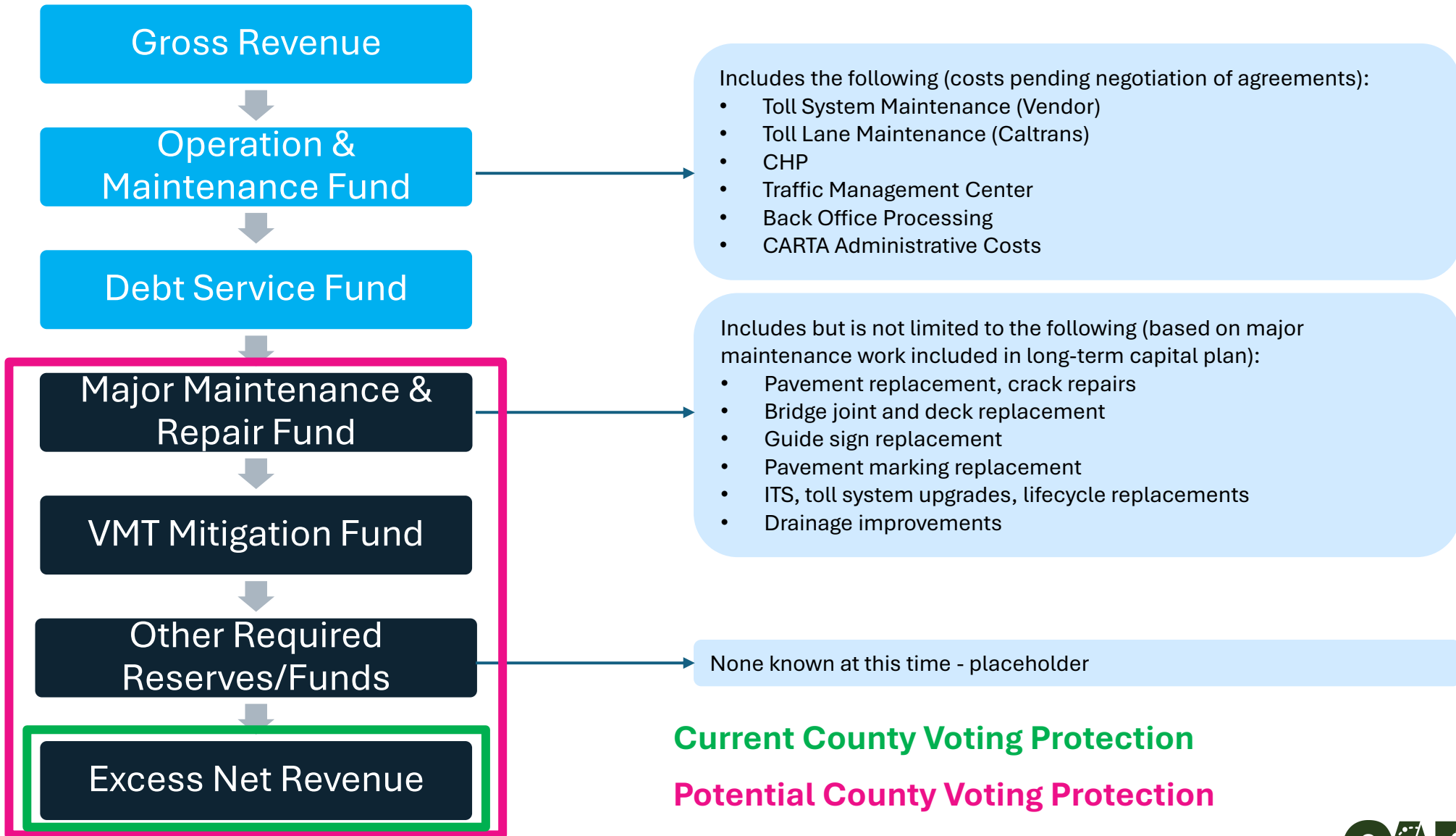


Revenue Waterfall

Flow of Funds (Yolo 80)



County Voting Protection



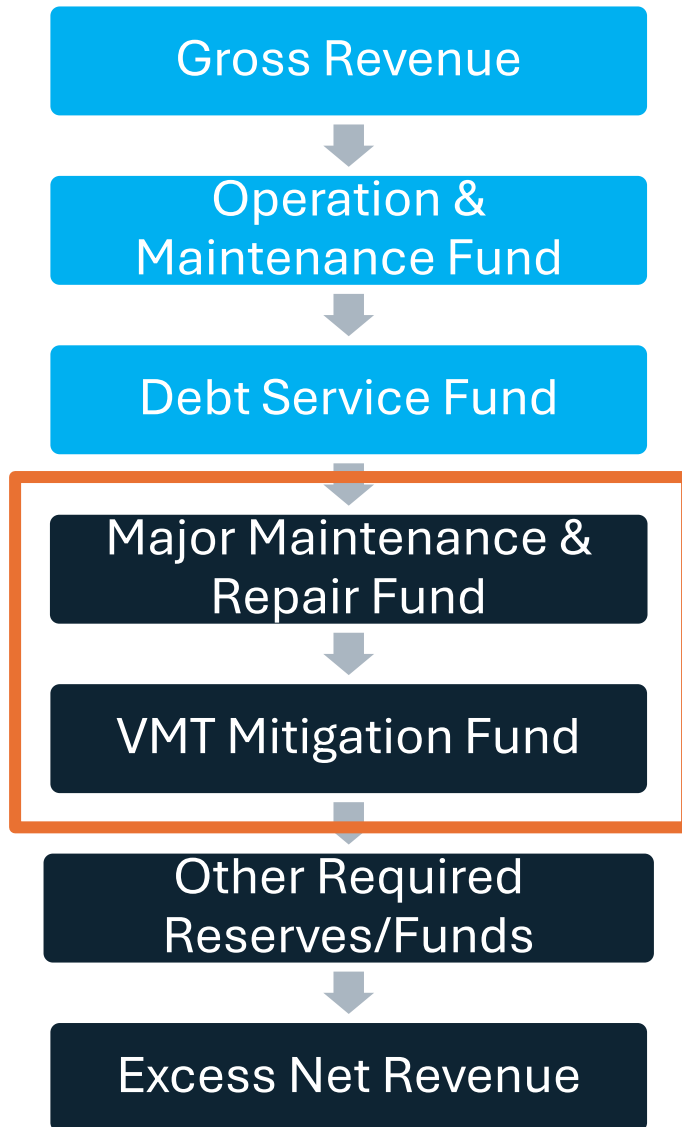
County Voting Protection

- Direct staff to work with current and future member agencies on amendments to the JPA, including expanding county voting protection

Section 5.6 - Voting

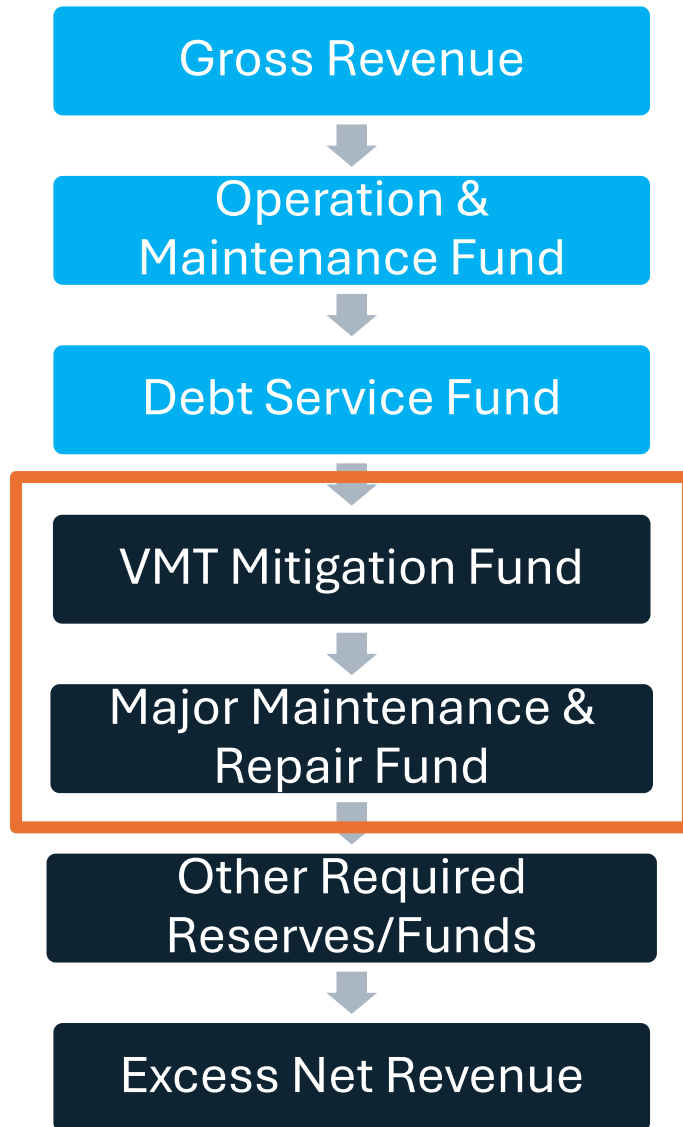
*d. To approve the expenditure of **Excess Net Toll Revenue**, there must be both: (i) a majority vote of the full Board, and (ii) an affirmative vote of at least two (2) Directors from each county within the respective corridor that has an operating toll facility. The affirmative vote may be from any Director from a jurisdiction within the respective county.*

Flow of Funds (prioritize Major Maint.)



- \$1m initial funding of Major Maint.
- All Major Maint. is timely funded by revenues
- No flow into VMT mitigation until after debt has been repaid
- Flows into VMT mitigation are intermittent based on Major Maint. expenditures

Flow of Funds (prioritize VMT)



- \$1m initial funding of Major Maint.
- No additional revenue would flow into Major Maintenance & Repair fund until after debt has been repaid
- All major maintenance and repair expenses would have to be funded alternatively for the first 15 years of operations
- VMT Mitigation is partially funded until after debt is repaid

Additional Scenarios with VMT above

- High case revenue assumptions
 - Major Maintenance and Repair fully funded
 - Assumes no carpool discount, not consistent with EIR or board policy
- Reducing VMT by 50% to account for Phase 1
 - Major Maintenance and Repair not fully funded
- Two-pronged approach with \$3 million of VMT above and the rest below Major Maintenance and Repair
 - Major Maintenance and Repair not fully funded
- Add contributions from future corridors to revenue
 - Major Maintenance and Repair not fully funded
 - Future projects have not been environmentally cleared or funded

Future Decisions

Operations & maintenance costs can be estimated as agreements are negotiated

Long-term capital costs will need to be developed as part of forecast

Board will decide on target balances and initial funding of Funds based on these projections

The projected waterfall can then be refined based on these decisions, and updated annually

Staff Recommendation

Staff recommend that the Board:

- Approve revenue waterfall with Major Maintenance before VMT mitigation
- Approve use of Enterprise Fund Accounting
- Direct staff to work with members on amending the JPA agreement
- Direct staff to work with YoloTD on VMT mitigation priorities and updated funding estimates



Capital Area Regional Tolling Authority

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Capital Area Regional Tolling Authority

Meeting Date: October 15, 2025

Agenda Item: 6

Toll Policy Resolution

Prepared By: Sam Soules, HNTB

Attachments: Yes

Recommendation:

None; This item is for information and discussion.

Background:

Throughout the year, CARTA staff have advanced toll policy topics at every board meeting with the intention of having a toll policy resolution for the board's approval by the end of 2025. CARTA staff have utilized the following sequence for toll policy advancement:

1. Staff presented information items about specific toll policies as part of "workshops" at board meetings
2. Using direction from the board "workshop" discussion and from the TAG, staff brought a staff recommendation on the previously discussed policies as action items for the board. These items included draft resolution language regarding each toll policy
3. Once each toll policy has been addressed using steps 1-2, staff drafted a complete toll policy resolution, that combined the language previously approved for each individual toll policy, for the board's consideration and approval

This series of workshops and individual toll policy approvals will conclude in October following the Board decision on the Revenue Waterfall.

Discussion:

Summary

The Final Draft Toll Policy Register (Attachment 6B) memorializes each of the policy decisions the board has made throughout the year. Together, these policies provide clear direction for CARTA staff and consultants to implement Yolo 80, including developing business requirements and standard operating procedures.

Once adopted, the Toll Policy Resolution is intended to be applied regionally to all future express lane facilities. However, deviations from adopted policies with the expansion of the CARTA network will be reviewed on a case-by-case basis and may be approved at the Board's discretion. The policies adopted as part of the Resolution will be incorporated in CARTA's Toll Ordinance, which will be adopted prior to the opening of Yolo 80.

Violation Penalty Schedule

Although the board adopted a \$25/\$50 violation penalty schedule at its August meeting, staff heard direction from the board to make sure this penalty schedule meets CARTA's needs without being overly punitive. Staff have brought an alternative penalty schedule of \$20/\$40 for the board to consider and provide direction on. While both penalty schedules cover CARTA's costs to issue violations, the \$25/\$50 penalty schedule better covers CARTA's costs and makes it easier for CARTA to be generous and waive penalties for honest mistakes. The higher penalty schedule also provides a greater incentive for intentional bad actors to become FasTrak customers.

Next Steps

Following the October board meeting, staff will post the Final Draft Toll Policy Register to the CARTA website and distribute for public comment through CARTA's interested parties email list. Public comment will be accepted through November 21st. Staff will return to the Board for final approval in December, including a summary of comments received and any recommended changes based on public comment.

Attachments:

4A: Slides

4B: Draft Toll Policy Resolution

DRAFT Toll Policy Resolution

Board of Directors

15 October 2025

Attachment 6A



Policy Decisions and Opportunities

Area	Discuss (Information)	Decide (Action)
Goals		
Eligibility	March	April
Hours of Operation		
Toll Collection/Interoperability		
Pricing Structure	April	May
FasTrak® Account Management		
Toll Exemptions	May	June
Toll Discounts		September
Enforcement & Violations	June	August
CARTA Multiyear Workplan		
BOS/CSC Provider	August	October
Financing and Revenue		
Data Retention and security	2026	2027
Equity Program		

Staff Recommendation – August 2025

Staff recommends that the board adopt a violation toll policy including the following toll violation penalty schedule:

1 st Notice	2 nd Notice
Unpaid Toll + \$25	Unpaid Toll + \$50

Board Direction

Confirm if August adopted policy is the final recommendation

OR

Direction to staff on evaluating an alternative penalty schedule

Incentives

Statutory one-time waiver

Statutory low-income payment plan

Administrative review and dispute resolution

Empowered customer service representatives

Several avenues are available for forgiveness

- Penalty waivers
- Settlements





Greater generosity during ramp-up period

Adopted vs. Alternative Schedule





CARTA could adopt the following toll policy evasion schedule:

Schedule	1 st Notice	2 nd Notice
Adopted	Unpaid Toll + \$25	Unpaid Toll + \$50
Alternative	Unpaid Toll + \$20	Unpaid Toll + \$40

Path of Non-Payment: \$25/\$50

Toll	Violation #1	Violation #2	DMV Hold	
\$1	Toll + \$25	Toll + \$50	Toll + \$50	
				\$51
Approximate Cost to Collect	- \$15	- \$15	- \$2	-\$32

Path of Non-Payment: \$20/\$40

Toll	Violation #1	Violation #2	DMV Hold	
\$1	Toll + \$20	Toll + \$40	Toll + \$40	
				\$41
Approximate Cost to Collect	- \$15	- \$15	- \$2	-\$32

Path of Non-Payment: Cost Model

Toll



Violation #1



Violation #2



DMV Hold



Cost

- \$15

- \$15

- \$2

Scenario 1

50% Pay

30% Pay

10% Pay

10% Unpaid

Scenario 2:

20% Pay

20% Pay

50% Pay

10% Unpaid

Scenario 3:

25% Pay

25% Pay

25% Pay

25% Unpaid

Cost Scenarios (100 Violations)

Scenario 1: 50% paid on 1st Vio, 30% on 2nd Vio, then 10% at DMV

Scenario 2: 20% paid on 1st Vio, 20% on 2nd Vio, then 50% at DMV

Scenario 3: 25% paid at each enforcement stage

	\$25/\$50 Net	\$20/\$40 Net	Unpaid	Leakage
1	\$1,050	\$400	\$510	10%
2	\$1,270	\$470	\$510	10%
3	\$475	-\$150	\$1,275	25%

Cost Scenarios: Conclusion

CARTA could spend more on sending violations than it receives in payment of tolls and penalties

CARTA should right-size toll penalty schedule to be fiscally responsible and customer friendly



Capital Area Regional Tolling Authority

captollauthority.org | tweekes@hntb.com



**CAPITAL AREA REGIONAL TOLLING AUTHORITY
RESOLUTION NO. XX-XXX
TOLL POLICY RESOLUTION**

WHEREAS, Government Code section 6500 et seq. created the Capital Area Regional Tolling Authority (“CARTA”) as a joint powers authority; and

WHEREAS, Streets and Highways Code §§ 149.7 authorizes such joint power authorities with the consent of the Regional Transportation Planning Agency, to apply to the California Transportation Commission (CTC) to develop and operate tolling facilities, including high-occupancy toll lanes and value pricing programs; and

WHEREAS, CARTA received approval of their Toll Facility Application under AB 194 to build and operate managed lanes on Interstate 80 in Yolo County (“Yolo 80”) in February 2024; and

WHEREAS, CARTA will be the owner and operator of the Yolo 80 Managed Lanes and future managed lanes project throughout the Capital Area;

WHEREAS, CARTA has held a series of Board workshops to adopt toll policies throughout 2025, with the intention of having a full resolution for Board adoption by December 2025; and

WHEREAS, prior to go live, CARTA will adopt a toll policy ordinance consistent with California Vehicle Code section 40250-40273; now, therefore, be it

RESOLVED, that CARTA hereby adopts the Toll Policy Resolution, effective December 31, 2025

Capital Area Regional Tolling Authority

CARTA Toll Policy Adoption Register

Purpose: The Toll Policy Resolution is intended to be applied regionally to all future CARTA managed lanes facilities. However, deviations from adopted policies will be reviewed on a case-by-case basis and may be approved at the Board’s discretion.

1. **Hours of Operation.** To maximize operational flexibility, CARTA express lanes will be managed 24 hours a day, 7 days a week, including weekends and holidays, using tolling and non-tolling modes as warranted by traffic congestion.
2. **Eligibility.** Eligible use of the express lanes will comply with California Vehicle Code. Eligible express lanes users include qualified High Occupancy Vehicle (HOVs), motorcycles, transit buses, and toll-paying lower occupancy vehicles. Two-axle vehicles

are eligible to access the express lanes but vehicles with 3-or-more axles (excluding transit vehicles) and vehicles towing a trailer are prohibited from the express lanes.

3. **Transponder Requirements.** Express lane users are required to use a valid FasTrak® transponder to pay their toll by deducting the amount due from their FasTrak® account.
4. **Toll Pricing Structure.** Tolls on CARTA's express lanes are calculated by a dynamic pricing algorithm that is designed to maintain express lanes speeds above 45 miles per hour by adjusting pricing based on real-time traffic conditions in the express lanes and adjacent general-purpose lanes.
5. **Toll Pricing Approach.** Tolls are assigned on a per-segment basis. Users are charged the toll rate posted on the segment's toll rate message signs at their time of entry into the express lane, regardless of the length they travel within a segment.
6. **FasTrak® Account Management.** CARTA will utilize an existing California back-office provider instead of procuring its own. As such, management of FasTrak® accounts and associated customer service will be provided by CARTA's operational partner (TBD), and any other interoperable agency with whom a customer has established their FasTrak® account.
7. **Toll Exemptions.** The following vehicles are exempt from paying tolls:
 - A. Vehicles entering a CARTA toll facility outside the hours of operation of that facility, as indicated by signage when the lane is in "open to all" mode.
 - B. Public transportation, mass transit, paratransit, and blood transport vehicles that serve the public (specified in Vehicle Code section 21655.5) and over-the-road buses (specified in Section 166 of Title 23)
 - C. Authorized emergency vehicles (specified in Vehicle Code section 23301.5).
 - D. California Highway Patrol vehicles policing the CARTA express lanes.
 - E. Maintenance vehicles servicing the CARTA express lanes.
8. **Violation Enforcement.** CARTA makes all reasonable attempts to encourage the payment of tolls to promote equitable cost sharing among all customers of the express lane facilities.
9. **Violation Incentives.** CARTA makes a concerted effort to convert violators who will use CARTA's express lanes again to FasTrak® customers.
10. **Violation Penalties. CARTA adopts the following toll evasion penalty schedule:**
 - A. 1st Notice = Unpaid toll + \$25

B. 2nd Notice = Unpaid toll + \$50

11. **Toll Discounts: Motorcycles.** Motorcycles using CARTA toll facilities will receive a 100% discount.

12. **Toll Discounts: Occupancy.** High-occupancy vehicles with three or more passengers (HOV 3+) will receive a 100% discount on CARTA toll facilities.

13. **Revenue: Accounting.** CARTA will utilize an Enterprise Fund accounting structure.

14. **Revenue: Waterfall.** CARTA adopts the following revenue waterfall sequence:

F. Gross Revenue

G. Operation & Maintenance Fund

H. Debt Service Fund

I. Major Maintenance & Repair Fund

J. VMT Mitigation Fund

K. Other Required Reserves/ Funds

L. Excess Net Revenue

PASSED AND ADOPTED this XX day of XXXX month, by the following votes of the Board of Directors:

AYES:

NOES:

ABSTAIN:

ABSENT:

Oscar Villegas
Chair

James Corless
Secretary



Capital Area Regional Tolling Authority

Meeting Date: October 15, 2025

Agenda Item: 7

Public Employee Appointment (Government Code section 54957 (b)(1).) Title: Executive Director

Prepared By: Erik Johnson, Sacramento Area Council of Governments

Attachments: No

Recommendation:

Conduct a conference in Closed Session

Background:

Not applicable

Discussion:

Erik Johnson, SACOG Staff, will lead the closed session.

Attachments:

None