

CALIFORNIA TRANSPORTATION COMMISSION
Traffic Congestion Relief Program
NCRA Withdrawal of \$1,312,766 from Q-Fund for Debt Repayment

RESOLUTION G-03-04, Amending Resolution G-00-27

- 1.1 WHEREAS the Traffic Congestion Relief Act of 2000 (herein after referred to as "statute"), which was established by Chapters 91 (AB 2928) and 656 (SB 1662) of the Statutes of 2000, establishes the Traffic Congestion Relief Program, providing \$5.39 billion for projects throughout the State of California to reduce traffic congestion, provide for safe and efficient movement of goods, and provide system connectivity; and
- 1.2 WHEREAS in accordance with Government Code Section 14556.11 the California Transportation Commission (Commission) has adopted guidelines, in consultation with the Department of Transportation (Department) and regional agencies, to implement the Traffic Congestion Relief Program (TCRP); and
- 1.3 WHEREAS the statute and guidelines require applicants to specify full and complete project applications, including scope, cost and schedule, financial plans and funding sources; and
- 1.4 WHEREAS in 1996, the North Coast Railroad Authority (NCRA) obligated \$12 million from the Federal Highway Administration (FHWA) under the Highway Planning and Construction Revolving Fund Loan Program (Q-fund) to acquire portions of the Northwestern Pacific Railroad right of way and station sites; and
- 1.5 WHEREAS on September 28, 2000, the Commission passed Resolution TA-00-01 approving TCRP Sub-project #32.8 – North Coast Railroad; Sub-paragraph (h) fund repayment of federal loan obligations, for \$5,500,000 to the North Coast Railroad Authority (NCRA); and
- 1.6 WHEREAS the Executive Directors of the NCRA and the Commission, on behalf of their respective agencies, signed a Memorandum of Understanding (MOU), under Resolution G-00-27, whereby the NCRA would establish the Q-Fund Trust Account in the Local Agency Investment Fund to retire NCRA's Federal Q-fund loan; and
- 1.7 WHEREAS the \$5,500,000 in TCRP funds were deposited in an interest bearing account, along with \$810,550 in Transit Capital Improvement Program funds and \$90,000 in NCRA property revenue funds, to generate funds to retire the Q-fund loan obligation; and
- 1.8 WHEREAS the MOU established under Resolution G-00-27 stipulates that funds withdrawn from the Q-fund account may only be used by NCRA as directed by the Commission; and
- 1.9 WHEREAS in the NCRA single year audit report for 1996, the independent auditor determined the NCRA received \$1,312,766 for costs that were ineligible for the reimbursement under Federal program guidelines; and

- 1.10 WHEREAS the Department Audits staff concurred with the findings of the independent auditor and initiated an accounts receivable in May 2001, and
- 1.11 WHEREAS the Department has responsibility for ensuring repayment of ineligible costs to the FHWA as soon as the discrepancies are confirmed and has since repaid the FHWA through a reduction in Federal recoveries, bringing the Q-fund obligation down to \$10,687,234 due to the FHWA by September 30, 2013; and
- 1.12 WHEREAS the reduced Federal recoveries has resulted in a lower State Highway Account (SHA) balance; and
- 1.13 WHEREAS in January 2002, the Department submitted an invoice to the NCRA for reimbursement to the SHA of \$1,312,766 in disallowable costs; and
- 1.14 WHEREAS the NCRA is requesting to withdraw \$1,312,766 from the Q-fund Trust Account to reimburse the SHA for repayment to the FHWA for NCRA costs that were ineligible for reimbursement under Federal program guidelines; and
- 1.15 WHEREAS the NCRA acknowledges that the Q-fund Trust Account may run short of monies needed to repay the Q-fund loan in 2013; and
- 1.16 WHEREAS the NCRA will formally address the status of the projected Q-fund balance through 2013 on an annual basis through NCRA's single year audit process.
- 2.1 NOW THEREFORE BE IT RESOLVED the Commission does hereby approve the withdrawal of \$1,312,766 from the Q-fund Trust Account in the Local Agency Investment Fund to repay the Department for its repayment to the FHWA for NCRA costs that were ineligible for reimbursement under Federal program guidelines; and
- 2.2 BE IT FURTHER RESOLVED that if the Department is required to make any additional early partial or total repayments to the FHWA due to provisions for use of the Federal Right-of-Way Revolving Funds (Q-Fund Loan), NCRA agrees to reimburse the Department that same amount; and
- 2.3 BE IT FURTHER RESOLVED as stipulated in Resolution G-00-27, the Commission expects NCRA to work with local and regional agencies, such as the Sonoma Marin Area Rail Transit Commission (now referred to as the Sonoma Marin Area Rail Transit District per Assembly Bill 2224 (Nation), Statutes of 2002), to ensure that the Q-fund loan is retired should subsequent activity by the local and regional agencies and/or NCRA triggers a request by the federal government for a partial or total repayment of the loan before September 30, 2013; and
- 2.4 BE IT FURTHER RESOLVED as stipulated in Resolution G-00-27, the Department must have authorization from the Commission and authorization from the NCRA before disbursing funds from the Q-fund Trust Account. Signatories on the disbursement check shall be the Commission's Executive Director and the NCRA's Executive Director; and
- 2.5 BE IT FURTHER RESOLVED as stipulated in Resolution G-00-27, the NCRA shall provide a quarterly report to the Department regarding deposits to, withdrawals from, balances of, and performance (rate of return) of the Q-fund Trust Account, as well as actions taken by NCRA to adhere to a payment schedule; and
- 2.6 BE IT FURTHER RESOLVED as stipulated in Resolution G-00-27, the Department shall provide a quarterly report to the Commission regarding deposits to, withdrawals from, balances of, and performance (rate of return) of the Q-fund Trust Account, as well as actions taken by NCRA to adhere to a payment schedule.

Q-Fund Principal and Interest -- Projected Revenues by September 30, 2013

DATE	BEGIN BALANCE	CONTRIBUTIONS	INTEREST	END BALANCE	% RATE	NOTES
4/1/2001		0	0	0		
7/1/2001		0	0	0		
8/1/2001		0	0	0		
10/1/2001	6,401,000	0	46,084	6,447,084	4.47	* Initial Deposit of \$6,401,000
1/1/2002	6,447,084	0	57,142	6,504,226	3.52	*
4/1/2002	6,504,226	0	47,362	6,551,588	2.96	*
7/1/2002	6,551,588	0	44,819	6,596,407	2.75	*
10/1/2002	6,596,407	0	43,647	6,640,054	2.63	*
1/1/2003	6,640,054	-1,312,766	86,605	5,413,893	5.22	** Withdraw \$1,312,766 to repay SHA
4/1/2003	5,413,893	0	70,612	5,484,505	5.22	**
7/1/2003	5,484,505	0	71,533	5,556,038	5.22	**
10/1/2003	5,556,038	0	72,466	5,628,504	5.22	**
1/1/2004	5,628,504	0	73,411	5,701,915	5.22	**
4/1/2004	5,701,915	0	74,369	5,776,283	5.22	**
7/1/2004	5,776,283	0	75,339	5,851,622	5.22	**
10/1/2004	5,851,622	0	76,321	5,927,943	5.22	**
1/1/2005	5,927,943	0	77,317	6,005,260	5.22	**
4/1/2005	6,005,260	0	78,325	6,083,585	5.22	**
7/1/2005	6,083,585	0	79,347	6,162,932	5.22	**
10/1/2005	6,162,932	0	80,382	6,243,313	5.22	**
1/1/2006	6,243,313	0	81,430	6,324,743	5.22	**
4/1/2006	6,324,743	0	82,492	6,407,235	5.22	**
7/1/2006	6,407,235	0	83,568	6,490,803	5.22	**
10/1/2006	6,490,803	0	84,658	6,575,461	5.22	**
1/1/2007	6,575,461	0	85,762	6,661,223	5.22	**
4/1/2007	6,661,223	0	86,881	6,748,104	5.22	**
7/1/2007	6,748,104	0	88,014	6,836,118	5.22	**
10/1/2007	6,836,118	0	89,162	6,925,280	5.22	**
1/1/2008	6,925,280	0	90,325	7,015,604	5.22	**
4/1/2008	7,015,604	0	91,503	7,107,107	5.22	**
7/1/2008	7,107,107	0	92,696	7,199,803	5.22	**
10/1/2008	7,199,803	0	93,905	7,293,709	5.22	**
1/1/2009	7,293,709	0	95,130	7,388,839	5.22	**
4/1/2009	7,388,839	0	96,371	7,485,209	5.22	**
7/1/2009	7,485,209	0	97,628	7,582,837	5.22	**
10/1/2009	7,582,837	0	98,901	7,681,738	5.22	**
1/1/2010	7,681,738	0	100,191	7,781,929	5.22	**
4/1/2010	7,781,929	0	101,498	7,883,427	5.22	**
7/1/2010	7,883,427	0	102,822	7,986,248	5.22	**
10/1/2010	7,986,248	0	104,163	8,090,411	5.22	**
1/1/2011	8,090,411	0	105,521	8,195,932	5.22	**
4/1/2011	8,195,932	0	106,897	8,302,830	5.22	**
7/1/2011	8,302,830	0	108,292	8,411,122	5.22	**
10/1/2011	8,411,122	0	109,704	8,520,826	5.22	**
1/1/2012	8,520,826	0	111,135	8,631,961	5.22	**
4/1/2012	8,631,961	0	112,585	8,744,545	5.22	**
7/1/2012	8,744,545	0	114,053	8,858,598	5.22	**
10/1/2012	8,858,598	0	115,540	8,974,139	5.22	**
1/1/2013	8,974,139	0	117,047	9,091,186	5.22	**
4/1/2013	9,091,186	0	118,574	9,209,760	5.22	**
7/1/2013	9,209,760	0	120,121	9,329,881	5.22	**
9/30/2013	9,329,881					

\$	12,000,000	Original loan amount	* Actual quarterly yield
\$	(1,312,766)	Early repayment	** Rate based on average actual rates for last 10 years (1991-2001)
\$	10,687,234	Amount due in 2013	
\$	9,329,881	2013 Q-Fund Trust Account balance	
\$	1,357,353	Additional payment due	