



May 1, 2019

Mr. Rihui Zhang, Chief
Division of Local Assistance
Caltrans
P.O. Box 942873
Sacramento, CA 94273-0001

RE: Letter of Understanding between the Tehama County Transportation Commission and the Metropolitan Transportation Commission for federal apportionment exchange.

Dear Mr. Zhang,

This letter constitutes our understanding of an exchange of federal Congestion Mitigation and Air Quality Improvement (CMAQ) apportionment between the Tehama County Transportation Commission (TCTC) and the Metropolitan Transportation Commission (MTC).

This letter is to formalize the exchange of \$1,218,394 in CMAQ apportionment from TCTC effective May 1, 2019, with an equivalent amount of FFY 2019-20 CMAQ apportionment from MTC effective October 1, 2019.

The TCTC currently has a balance of CMAQ apportionment subject to federal rescission on September 30, 2019 under the Fixing America's Surface Transportation (FAST) Act. To avoid the loss of this apportionment balance, the TCTC requests to exchange its CMAQ fund balance of \$1,218,394 subject to rescission on September 30, 2019, for an equal amount of CMAQ funds from MTC, to be transferred on October 1, 2019.

This exchange is contingent upon execution of this Letter of Understanding in time for the MTC to secure the funds prior to the September 30, 2019 federal rescission. Should the Letter of Understanding not be executed in time for the MTC to secure the funds prior to the rescission or if any other timely use of funds deadlines are not met that would result in the loss of apportionment balance, MTC shall retain its full CMAQ apportionment and the Letter of Understanding is null and void.

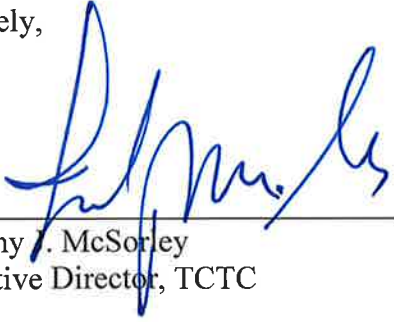
This Letter of Understanding sets forth the MTC and TCTC intent for the use of the identified CMAQ apportionment, and requests Caltrans to adjust each region's apportionment balance as appropriate. This exchange benefits TCTC by preventing the region's loss of federal fund apportionments, while providing MTC with additional capacity to deliver CMAQ projects sooner. We are relying on our understanding that this exchange is allowed per Caltrans' Obligation Authority Management Policy.

This Letter of Understanding will be in effect for a one-time exchange of CMAQ funds through October 1, 2019.

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We appreciate this opportunity to exchange federal fund apportionment and support our transportation partners. If you have questions, please contact Timothy J. McSorley, Executive Director TCTC at (530) 385-1462 or Ross McKeown, MTC's Assistant Director of Programming, at (415) 778-5242.

Sincerely,



Timothy J. McSorley
Executive Director, TCTC

Sincerely,

Therese W. McMillan
Executive Director, MTC

**TEHAMA COUNTY TRANSPORTATION COMMISSION
RESOLUTION No. 04-2019**

**Authorize the Loan of Federal Congestion Mitigation
Air Quality Control Funds (CMAQ) to
Metropolitan Transportation Commission (MTC)**

WHEREAS, the Tehama County Transportation Commission (TCTC) is the Regional Transportation Planning Agency (RTPA) for the County of Tehama and incorporated Cities of Corning, Red Bluff, and Tehama, **and**;

WHEREAS, Tehama County has a designated partial-county nonattainment area for the 8-hour federal ozone standard and nonattainment for state PM10 and ozone, and TCTC has been apportioned Congestion Mitigation and Air Quality (CMAQ) funds for improving air quality and relieving congestion that must only be expended on projects that achieve these goals, **and**;

WHEREAS, Assembly Bill 1012 established stringent timely use of funds deadlines for projects receiving federal Surface Transportation Program (STP) and Congestion Mitigation and Air Quality Improvement (CMAQ) program funding **and**;

WHEREAS, Section 16304 of the California Government Code requires that federal funds obligated to a project must be encumbered within two state fiscal years following the year of obligation, and requires that these funds be liquidated (expended, invoiced and reimbursed) within three state fiscal years following the state fiscal year of encumbrance; **and**;

WHEREAS, the region could lose STP and CMAQ funding if projects within the region do not adhere to the timely use of funds requirements under AB 1012 and Section 16304 of the California Government Code **and**;

WHEREAS, TCTC has a carryover of \$1,218,394 in CMAQ funding that needs to be programmed on a project that meets all air quality program requirements by September 30, 2019 to avoid being subject to rescission **and**;

WHEREAS, the Federal Highway Administration and Caltrans allow agencies to loan CMAQ funds to comply with timely use of funds requirements with the mutual approval of the attached Letter of Understanding, **and**;

WHEREAS, the Metropolitan Transportation Commission (MTC, Bay Area) has a project that will meet all CMAQ requirements and MTC will return CMAQ funds dollar for dollar, with TCTC, **and**;

WHEREAS, this is an exchange in the amount of \$1, 218,394 which will benefit TCTC and MTC, **and**;

NOW, THEREFORE, BE IT RESOLVED, TCTC authorizes the dollar for dollar loan of CMAQ with MTC in a lump sum amount of \$1, 218,394.

BE IT FURTHER RESOLVED that TCTC authorizes the Executive Director to execute the attached Letter of Understanding and all related documents required for the loan of CMAQ funds.

The foregoing Resolution was offered by Commissioner Chamblin, and seconded by Commissioner Eyestone, at a regular meeting in Red Bluff, California, on April 22, 2019 and adopted by the following vote:

AYES: Commissioners: Hatley, Eyestone, Garton, Williams, Chamblin, Bacquet

NOES: None

ABSENT OR NOT VOTING: None

STATE OF CALIFORNIA)

) ss

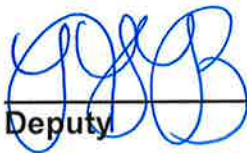
COUNTY OF TEHAMA)

I, **JENNIFER VISE**, County Clerk and ex-officio Clerk of the Board of Supervisors of the County of Tehama, State of California, hereby certify the above and foregoing to be full, true, and correct copy of an order adopted by said Tehama County Transportation Commission on this 22th day of April 2019.

Dated: This 22nd day of April, 2019

JENNIFER VISE, County Clerk and Ex-Officio Clerk of the Board of Supervisors of the County of Tehama, State of California

By:


Deputy