



June 18, 2025

Dee Lam, Chief

Division of Local Assistance
Caltrans
P.O. Box 942873 MS-1
Sacramento, CA 94273-0001

Re: Letter of Understanding between the Tehama County Transportation Commission and the Metropolitan Transportation Commission for Federal CMAQ Apportionment Exchange

Dear Ms. Lam:

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

The TCTC currently holds CMAQ apportionment in the amount of \$1,836,965, which is at risk of lapse under the provisions of Assembly Bill (AB) 1012 (Timely Use of Funds). To avoid the loss of this apportionment, TCTC agrees to exchange this amount to MTC effective August 1, 2025. In exchange, MTC agrees to return an equivalent amount of CMAQ apportionment to TCTC effective October 1, 2025.

This exchange will be used to preserve TCTC's ability to program funding for intercity bus service, a regional transit effort serving multiple counties in Northern California. The Federal Highway Administration and Caltrans permit such exchanges with mutual agreement, consistent with Caltrans' Obligation Authority Management Policy.

This Letter of Understanding formalizes the CMAQ exchange and requests Caltrans to adjust each region's CMAQ apportionment balance accordingly. The exchange benefits both parties and the state CMAQ program overall by:

- Preserving federal funding for TCTC's high-priority transit project;
- Enabling MTC to advance eligible CMAQ-ready projects in the current fiscal year;
- Reducing statewide CMAQ balance exposure under AB 1012.

This agreement is limited to a one-time exchange of CMAQ funds and will expire on October 1, 2025, upon completion of the return transfer by MTC.

We appreciate the opportunity to engage in this cooperative exchange to meet timely use requirements and support regional transportation objectives. If you have any questions, please contact Jessica Riske-Gomez, Deputy Director of Transportation at (530) 602-8282 or Kenneth Kao, MTC's Assistant Director of Programming, at (415) 778-6768.

Sincerely,

Will Pike

Interim Executive Director
Tehama County Transportation Commission

Sincerely,

Therese W. McMillan

Executive Director
Metropolitan Transportation Commission