

**Funds Transfer Agreement Between
the California Department of Transportation and the City of Temecula**

- 1.1 The California Department of Transportation (Caltrans) and the City of Temecula, (City of Temecula) hereby enter into this Funds Transfer Agreement (Agreement) on the terms and conditions set forth below.
- 1.2 This Agreement is not valid until signed by both parties. This Agreement shall expire on City of Temecula's completion of its obligations under this Agreement but may be extended by amending this Agreement.

BACKGROUND

- 2.1 Section 19.569(b)(13), subdivision of the Budget Act of 2023 (the Act) appropriated \$1,000,000 (the Funds) from the State General Fund to Caltrans, to be allocated to City of Temecula for the Ynez Road Improvements-Phase I.
- 2.2 Caltrans determined the best method for allocation to ensure the funds are used for the purposes specified in Section 19.569 of the Act is a funds transfer agreement.
- 2.3 The current project site conditions allows for only one northbound travel lane, no sidewalk improvements, or bike-lane striping along the east side of Ynez Road, between Rancho Vista Road and Tierra Vista Road. This roadway segment is heavily traveled throughout the day, and during peak-times northbound traffic backs-up for nearly one mile. The Ynez Road Improvement project includes the widening of the east side of Ynez Road between Rancho Vista Road and Tierra Vista, and to construct curb and gutter, sidewalk improvements, bike-lanes, ADA ramps, and traffic signal improvements to accommodate pedestrian/bicycle access.

The project will improve traffic circulation by widening an arterial roadway to 4 lanes (2 lanes in each direction), from Santiago Road to Rancho California Road, eliminating this 'bottleneck' and reduce congestion along this heavily travelled roadway segment. Additional improvements will improve access for pedestrians/bicyclists and improve safety at the signalized intersections.

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SCOPE OF WORK

- 3.1 The Funds provided under this Agreement will be used to complete the construction of the Ynez Road Improvements-Phase I. Project deliverables may include, but is not limited to, design plans, project specifications, and cost estimate, and to complete construction of road widening, including various appurtenances such as sidewalks, bike lane striping improvements, ADA improvements, and traffic signal enhancements, as needed, for the completion of the project. Construction improvements will widen the easterly side of Ynez Road, between Rancho Vista Road, north approximately 1100 feet, to allow for 2 lanes in each direction, install curb and gutter, sidewalks, and landscaped medians, in coordination with an adjacent affordable housing development project.

Revised December 2023

- 3.2 City of Temecula shall only use Funds for the Project specified in the Act. City of Temecula's self-attestation verifying the intended use of funds shall be provided to the Department prior to the release of any funds.

FUNDING, COSTS, COST LIMITATION, & PAYMENT

- 4.1 The Funds will be encumbered within 2 days of the effective date of this Agreement. Pursuant to Section 19.569 of the Act, funds must be encumbered by June 30, 2025, and expended by June 30, 2027, or the funds will revert to the State's General Fund by operation of law.
- 4.2 Payments shall be made as authorized by Sections 19.569(a) of the Act, including, but not limited to the provisions noted below:
- a. Notwithstanding any other law, a designated state entity administering an allocation pursuant to this section may provide the allocation as an advance lump sum payment, and the allocation may be used to pay for costs incurred prior to the effective date of the act adding this paragraph.
 - b. Funding provided in this section shall not be used for a purpose subject to Section 8 of the Article XVI of California Constitution.

- 4.3 Within 30 days of expending all of the Funds or upon completion or termination of Project, whichever comes first, City of Temecula shall submit to Caltrans a Project Closeout Report. The Project Closeout

Report at a minimum shall include LAPM Exhibit 17-M, photos of the completed project (including before photos if available), a

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description of completed Project component(s) and a description of project deliverables.

- 4.4 Any Project costs paid using the Funds that are determined by subsequent audit to be unallowable under 48 CFR, Part 31 or 2 CFR, Part 200, are subject to repayment by City of Temecula to Caltrans.
- 4.5 City of Temecula shall return any unspent Funds to Caltrans at the conclusion, completion, or termination of the Project.
- 4.6 Upon written demand by Caltrans, any overpayment to City of Temecula of amounts invoiced by Caltrans shall be returned to Caltrans.
- 4.7 Should City of Temecula fail to refund any moneys due Caltrans as provided herein or should City of Temecula breach this AGREEMENT by failing to complete Project without adequate justification and approval by Caltrans, then, within thirty (30) days of demand, or within such other period as may be agreed to in writing between the PARTIES, Caltrans, acting through the State Controller, the State Treasurer, the CTC or any other public entity or agency, may intercept, withhold and demand the transfer of an amount equal to the amounts paid by or owed to Caltrans for each Project, from future apportionments or any other funds due City of Temecula from the Highway Users Tax Fund or any other sources of funds, and/or may also withhold approval of future state-funded projects proposed by ADMINISTERING AGENCY.

INQUIRIES & NOTICES

- 5.1 All inquiries during the term of this Agreement will be directed to the representatives listed below:

For Caltrans:

Alberto Vergel de Dios, P.E.
DLAE Caltrans, District 8
464 W. 4th Street, 6th Floor, MS760
San Bernardino, CA 92401
(951) 236-0135
albert.vegel.de.dios@dot.ca.gov

For City of Temecula:

Aaron Adams –
City Manager
41000 Main Street
Temecula, CA 92590
(951) 694-6400
aaron.adams@temeculaca.gov

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- 5.2 Each party may change their representative listed above upon 10 calendar days' written or emailed notice to the other party and without the need for amending this Agreement.

OTHER TERMS & CONDITIONS

- 6.1 Drug-Free Workplace Requirements: City of Temecula will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:
- a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
 - b. Establish a Drug-Free Awareness Program to inform employees about:
 - 1) the dangers of drug abuse in the workplace;
 - 2) the person's or organization's policy of maintaining a drug-free workplace;
 - 3) any available counseling, rehabilitation, and employee assistance programs; and,
 - 4) penalties that may be imposed upon employees for drug abuse violations.
 - c. Every employee who works on the proposed Agreement will: 1) receive a copy of the company's drug-free workplace policy statement; and, 2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and City of Temecula may be ineligible for award of any future State agreements if Caltrans or the State Department of General Services determines that any of the following has occurred: City of Temecula has made false certification, or violated the certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)

- 6.2 Conflict of Interest: City of Temecula needs to be aware of the following provisions regarding current or former state employees. If City of Temecula any questions on the status of any person rendering services or involved

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with the Agreement, Caltrans must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code §10410):

- 1). No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest, and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- 2). No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code §10411):

- 1). For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision making process relevant to the contract while employed in any capacity by any state agency.
- 2). For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If City of Temecula violates any provisions of above paragraphs, such action by City of Temecula shall render this Agreement void. (Pub. Contract Code §10420.) If the Agreement is rendered void, City of Temecula shall return all Funds.

- 6.3 Labor Code/Workers' Compensation: City of Temecula needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and City of Temecula affirms to comply with such provisions before commencing the performance of the work described in this Agreement. (Labor Code § 3700.)

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- 6.4. Americans With Disabilities Act: City of Temecula assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. § 12101 et seq.)
- 6.5. Name Change: An amendment is required to change City of Temecula's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment.

Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

- 6.6. Resolution: A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.
- 6.7. Air or Water Pollution Violation: Under State law, City of Temecula shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.
- 6.8. Audit: City of Temecula agrees that Caltrans, the California Department of General Services, the California State Auditor's Office, or other State agency with a legitimate business purpose, or their designated representative(s) shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. City of Temecula agrees to maintain such records for possible audit for a minimum of three (3) years after final payment unless a longer period of record retention is stipulated.
- 6.9. Amendments: No amendment or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties. Any amendment signed by City of Temecula must be approved by its local governing body as evidenced by a resolution, order, motion, or ordinance of the City of Temecula and a copy provided to Caltrans. No oral

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understanding or agreement not incorporated in the Agreement is binding
on any of the parties.

- 6.10. Caltrans and City of Temecula shall continue with their responsibilities under this Agreement during any dispute.
- 6.11 This Agreement may be executed in separate counterparts.
- 6.12 An electronically signed copy of this Agreement shall have the same force and effect as if it were signed manually.
- 6.13 Should City of Temecula be declared to be in breach of this AGREEMENT or otherwise in default thereof by Caltrans, and if City of Temecula is constituted as a joint powers authority, special district, or any other public entity not directly receiving funds through the State Controller, Caltrans is authorized to obtain reimbursement from whatever sources of funding are available, including the withholding or transfer of funds, from those constituent entities comprising a joint powers authority or by bringing of an action against City of Temecula or its constituent member entities, to recover all funds provided by Caltrans hereunder.

State:

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION
Printed Name: Ann Fox
Signature: _____
Acting Deputy Director for Planning & Modal
Programs
Date: _____

Local Agency:

City of Temecula
Printed Name: Aaron Adams
Signature: _____
Title: City Manager
Date: _____

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ATTEST:


Randi Johl, City Clerk

APPROVE AS TO FORM:

Peter M. Thorson, City Attorney

Accounting Certification

For Caltrans Use Only

I hereby Certify upon my own personal knowledge that budgeted funds are available for encumbrance.			
Pauline Wong		5/15/2024	\$1,000,000.00
Accounting Officer Printed Name	Accounting Officer Signature	Date	Amount Certified