

**San Mateo County Express Lanes Joint Powers Authority
(SMCEL-JPA)
Board of Directors Meeting Notice**

Meeting No. 58

<p>Date: Friday, October 11, 2024</p> <p>Time: 9:00 A.M.</p> <p>Primary Location: San Mateo County Transit District Office 1250 San Carlos Ave, 2nd Fl. Auditorium, San Carlos, CA</p> <p>Teleconference Location (Alternate Public Access): 375 Beale Street, San Francisco, CA 94105 Bay Area Metro Center, Claremont Conference Room</p>	<p>Join by Webinar: https://us02web.zoom.us/j/88959782742?pwd=GTnYqbUBxMh0VVt5b9V4DNZWPY727b.1</p> <p>Webinar ID: 889 5978 2742</p> <p>Password: 101124</p> <p>Join by Phone: (669) 900-6833</p>
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*****HYBRID MEETING - IN-PERSON AND BY VIDEOCONFERENCE*****

This meeting of the SMCEL-JPA Board of Directors will be held in person and by teleconference pursuant to Government Code Section 54953(e). Members of the public will be able to participate in the meeting remotely via the Zoom platform or in person at the location above. For information regarding how to participate in the meeting, either in person or remotely, please refer to the instructions at the end of the agenda.

Board of Directors: Rico E. Medina (Chair), Michael Salazar (Vice Chair), Alicia Aguirre, Julia Mates, Rich Hedges, and Carlos Romero.

1.0 CALL TO ORDER/ ROLL CALL

2.0 PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

Note: Public comment is limited to two minutes per speaker. Members of the public who wish to address the Board should complete a speaker's slip to make a public comment in person or raise their hand in Zoom to speak virtually.

3.0 APPROVAL OF CONSENT AGENDA

This item is to set the final consent and regular agenda, and to approve the items listed on the consent agenda. All items on the consent agenda are approved by one action. There will be no separate discussion on these items unless members of the Board, staff or public request specific items to be removed for separate action.

- 3.1 Approval of the minutes of Board of Directors regular business meeting No. 57 dated July 19, 2024. ACTION p. 1
- 3.2 Accept the Sources and Uses of Funds for the FY2024 Period Ending June 30, 2024. ACTION p. 5
- 3.3 Acceptance of Statement of Revenues and Expenses for the Period Ending July 31, 2024. ACTION p. 7
- 3.4 Acceptance of Statement of Revenues and Expenses for the Period Ending August 31, 2024. ACTION p. 9
- 3.5 Receive an update on the US 101 Express Lanes Variable Rate Bond. INFORMATION p. 11

4.0 REGULAR AGENDA

- 4.1 Receive presentation and provide feedback on the various organizational model options as part of the JPA organizational assessment project. INFORMATION p. 20
- 4.2 Review and discuss potential alternative Board meeting schedule. POSSIBLE ACTION p. 35

5.0 REPORTS

- a) Chairperson Report.
- b) Member Communication.
- c) Executive Council Report - Executive Council Verbal Report.
- d) Policy/Program Manager Report.

6.0 WRITTEN COMMUNICATIONS

None.

7.0 NEXT REGULAR MEETING

November 8, 2024

8.0 ADJOURNMENT

PUBLIC NOTICING: All notices of SMCEL-JPA regular Board meetings, standing committee meetings, and special meetings will be posted at the San Mateo County Court Yard, 555 County Center, Redwood

City, CA, and on SMCEL-JPA's website at: <http://www.ccag.ca.gov>.

PUBLIC RECORDS: Public records that relate to any item on the open session agenda for a regular Board meeting, standing committee meeting, or special meeting are available for public inspection. Those public records that are distributed less than 72 hours prior to a regular Board meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members, of the Board. The Board has designated the San Mateo County Express Lanes JPA (SMCEL-JPA), located at 555 County Center, 5th Floor, Redwood City, CA 94063, for the purpose of making public records available for inspection. Such public records are also available on SMCEL-JPA's website at: <http://www.ccag.ca.gov>. Please note that SMCEL-JPA's office is temporarily closed to the public; please contact Mima Crume at (650) 599-1406 to arrange for inspection of public records.

ADA REQUESTS: Persons with disabilities who require auxiliary aids or services to participate in this meeting should contact Mima Crume at (650) 599-1406 or mcrume@smcgov.org by 10:00 a.m. prior to the meeting date.

PUBLIC PARTICIPATION DURING HYBRID MEETINGS: During hybrid meetings of the SMCEL-JPA Board, members of the public may address the Board as follows:

Written comments should be emailed in advance of the meeting. Please read the following instructions carefully:

1. Your written comment should be emailed to mcrume@smcgov.org.
2. Your email should include the specific agenda item on which you are commenting or note that your comment concerns an item that is not on the agenda.
3. Members of the public are limited to one comment per agenda item.
4. If your emailed comment is received at least 2 hours prior to the meeting, it will be provided to the SMCEL-JPA Board members, made publicly available on the SMCEL-JPA website along with the agenda. Emails received less than 2 hours before the meeting will be provided to the SMCEL-JPA Board members and included in the administrative record of the meeting as soon as practicable.

Spoken comments will be accepted during the meeting in person and through Zoom. Public comments will be taken first by speakers in person followed by via Zoom. Please read the following instructions carefully:

***In-person participation:**

1. If you wish to speak to the Board, please fill out a speaker's slip located on the 2nd floor auditorium side table against the wall. If you have anything that you wish distributed to the Board and included in the official record, please hand it to the SMCEL-JPA Clerk who will distribute the information to the Board members and staff.

***Remote participation:**

1. The SMCEL-JPA Board meeting may be accessed through Zoom at the online location indicated at the top of this agenda.
2. You may download the Zoom client or connect to the meeting using an internet browser. If using your browser, make sure you are using a current, up-to-date browser: Chrome 30+, Firefox 27+, Microsoft Edge 12+, Safari 7+. Certain functionality may be disabled in older browsers including Internet Explorer.
3. You will be asked to enter an email address and name. We request that you identify yourself by your name as this will be visible online and will be used to notify you that it is your turn to speak.
4. When the SMCEL-JPA Clerk or Chair call for the item on which you wish to speak, click on "raise hand." The Clerk will activate and unmute speakers in turn. Speakers will be notified shortly before they are called on to speak. If calling in via phone, press *9 to raise your hand and when called upon press *6 to unmute.
5. When called, please limit your remarks to the time allotted.

If you have any questions about this agenda, please contact SMCEL-JPA staff:

Executive Director: Sean Charpentier (650) 599-1409

Clerk of the Board: Mima Crume (650) 599-1406

San Mateo County Express Lanes Joint Powers Authority Board of Directors Meeting Minutes

Meeting No. 57
July 19, 2024

This meeting of the SMCEL-JPA Board of Directors was held in person and by teleconference pursuant to Government Code Section 54953(e). Members of the public was able to participate in the meeting remotely via the Zoom platform or in person.

Board of Directors: Rico E. Medina (Chair), Michael Salazar (Vice Chair), Alicia Aguirre, Carlos Romero, Julia Mates and Rich Hedges

1.0 CALL TO ORDER/ ROLL CALL

Chair Rico E. Medina called the meeting to order at 9:00 a.m. Roll call was taken.

AGENCY:	IN-PERSON:	ABSENT:	REMOTE AB 2449:	REMOTE Publicly Accessible Teleconference Location:
C/CAG	Alicia Aguirre			
C/CAG	Michael Salazar			
C/CAG	Rich Hedges			
SMCTA	Carlos Romero			
SMCTA	Julia Mates			
SMCTA	Rico E. Medina			

Staff Present (In-Person):	Members of the Public (In-Person):
Sean Charpentier, Executive Council – C/CAG	Lacy Vong
April Chan, Executive Council – TA	Jessica Manzi
Peter Skinner – TA	
Mima Crume – Clerk of the Board	
Kaki Cheung – C/CAG	
Emily Beach – San Mateo County Transit District	Members of the Public (Remote):
	Valentina d’Empaire, WSP
Staff Present (Remote):	Eryca Dinsdale, WSP
Van Ocampo	

2.0 PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

Note: Public comment is limited to two minutes per speaker. Members of the public who wish to address the Board should complete a speaker’s slip to make a public comment in person or raise their hand in Zoom to speak virtually.

Clerk Crume reported there were no public comments.

3.0 PRESENTATIONS

- 3.1 Certificate of Appreciation to Emily Beach for her years of dedicated service to the San Mateo County Express Lanes Joint Powers Authority.

Chair Medina presented a certificate of appreciation to Emily Beach for her dedicated service to the San Mateo County Express Lanes Joint Powers Authority. Emily's involvement in the program including providing key input in the express lanes equity program, securing a \$100 million construction loan, and developing a branding campaign. She also served on the Burlingame City Council and other regional committees. The Board appreciated her leadership.

4.0 APPROVAL OF CONSENT AGENDA

This item is to set the final consent and regular agenda, and to approve the items listed on the consent agenda. All items on the consent agenda are approved by one action. There will be no separate discussion on these items unless members of the Board, staff or public request specific items to be removed for separate action.

- 4.1 Approval of the minutes of Board of Directors regular business meeting No. 56 dated June 14, 2024. APPROVED
- 4.2 Accept the Sources and Uses of Funds for the FY2024 Period Ending May 31, 2024. APPROVED
- 4.3 Review and approve Resolution SMCEL 24-05, ratifying the purchase of General Liability Insurance, Public Officials Liability, and Property Insurance policies for a 12-month period, beginning July 1, 2024, for a not-to-exceed amount of \$597,492. APPROVED

Director Hedges MOVED to approve the consent agenda items 4.1 to 4.3.
Director Romero SECONDED. **MOTION CARRIED 6-0-0**

5.0 REGULAR AGENDA

- 5.1 Receive presentation and provide feedback on the various organizational model options as part of the JPA organizational assessment project. INFORMATION

The Board received a presentation and feedback on various organizational model options as part of the JPA organizational assessment project.

The express lanes authority initiated this project to optimize organizational structure and staffing for 101 express lane operations, aiming to ensure efficient execution of the program's vision. Preliminary goals and selection criteria were presented at the April meeting.

At the July meeting, Deputy Director Kaki Cheung introduced Eryca Dinsdale from WSP, who shared different organizational models and their associated

opportunities and challenges for board input. Organizational models presented ranged from the current shared services to a dedicated express lanes organization.

The board deliberated on the need for changes, considering the benefits of current versus new models, and the possibility of quarterly meetings to improve efficiency.

Next steps include assessing the models against selection criteria and conducting a cost analysis over the summer, with findings to be presented in the fall. The board appreciated the thorough discussion and will continue to evaluate the best path forward.

6.0 **REPORTS**

a) Chairperson Report.

None.

b) Member Communication.

Director Romero highlighted a scheduling conflict with board meetings on the second Friday, which overlap with his ABAG and MTC meetings, and requested consideration to move the meeting to the third Friday.

Chair Medina explained that the current schedule was based on previous board members' availability and could be reassessed with the addition of two new members later in the year. The Chair and Executive Council Sean have discussed this issue, taking into account the timing for new member appointments at C/CAG.

Another board member emphasized that meeting times are known when members choose to serve, and frequent changes can be disruptive. However, the schedule could be reconsidered with the new board composition.

c) Executive Council Report - Executive Council Verbal Report.

Ms. Chan reported two updates. She thanked Director Romero and former Director Emily Beach for receiving the Innovative Transportation Solutions award for the Community Benefits Program at the WTS San Francisco Chapter banquet on June 20th.

Mr. Skinner attended the TRB Conference on Advancing Transportation Equity on July 17th, where he presented on the Community Transportation Benefits Program. He thanked Christa Cassidy with the Policy/Program Manager consultant team for her assistance in preparing the presentation.

d) Policy/Program Manager Report.

Ms. Vong reported three items:

- CHP Refresher Training: Four training sessions will be held next month to update CHP officers, share data, and address congestion spots.
- Community Transportation Benefits RFP: The next-gen RFP is expected to be released in August, with results and selection presented in the fall and implementation in spring 2025.
- Privacy Policy Report: A new privacy policy has been developed to align with regional standards, detailing management of private information. JPA staff do not have direct access to PII, as that is handled through a secure portal following BATA and BAIFA policies.

7.0 WRITTEN COMMUNICATIONS

None.

8.0 NEXT REGULAR MEETING

September 13, 2024

9.0 ADJOURNMENT – 10:04 am

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: October 11, 2024

To: San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA) Board of Directors

From: Kate Jordan Steiner, CFO

Subject: Accept the Sources and Uses of Funds for the FY2024 Period Ending June 30, 2024
(For further information, contact Kate Jordan Steiner, CFO, at 650-647-3504)

RECOMMENDATION

That the SMCEL-JPA Board accepts and enters into the record the Sources and Uses of Funds for the Fiscal Year 2024 (FY24), period ending June 30, 2024.

The statement columns have been designed to provide the annual budget and the year-to-date current actuals for the current fiscal year.

FISCAL IMPACT

Sources: As of June 2024, total Operating Sources are \$31.7 million, \$6.3 million (25.0%) favorable to budget. Sources are comprised of the following:

- Toll Revenues, \$28.7 million (\$8.5 million (41.8%) favorable to budget)
- Toll violation, fees and penalties, \$2.0 million (-\$2.1 million (-51.2%) unfavorable to budget)
- Allocated bond funds - Equity program, \$0.3 million (-\$0.3 million (-49.8%) unfavorable to budget)
- Miscellaneous income, \$0.7 million (\$0.7 million (100%) favorable to budget)

Uses: As of June 2024, total Operating Uses are \$13.1 million, \$9.3 million (41.4%) favorable to budget. Major expenses include the following:

- Toll operations and maintenance costs, \$4.1 million (\$4.3 million (51.1%) favorable to budget)
- FasTrak customer service costs, \$3.6 million (\$1.6 million (30.5%) favorable to budget)
- Consultant, \$1.3 million (\$0.1 million (42.6%) favorable to budget)
- SMCELJPA bond interest, \$1.0 million (-\$0.02 million (-2.0%) unfavorable to budget)
- Staff support, \$0.7 million (\$0.4 million (36.8%) favorable to budget)
- Insurance, \$0.5 million (-\$0.01 million (-2.7%) unfavorable to budget)
- Equity Program Administration and Costs, \$0.5 million (\$0.1 million (68.0%) favorable to budget)

BACKGROUND

Budget Amendment: There are no budget amendments for the month of June 2024.

Other Information:

Loan payables represent loan advance payments received and the interests accrued since the formation of the SMCEL-JPA from the San Mateo County Transportation Authority and the City/County Association of Governments of San Mateo County. Loan advances will be repaid on a monthly basis and no later than five years after the San Mateo County 101 Express Lanes Project begins operations and receives toll revenues.

ATTACHMENT:

1. Sources and Uses of Funds Fiscal Year 2024 (June 2024) 5



SAN MATEO COUNTY EXPRESS LANE JOINT POWERS AUTHORITY
STATEMENT OF REVENUES AND EXPENSES
Fiscal Year 2024
As of June 30 2024

Preliminary Unaudited

	YEAR-TO-DATE JULY TO JUNE				ANNUAL
	ADOPTED BUDGET	CURRENT ACTUALS	\$ VARIANCE	% VARIANCE	ADOPTED BUDGET
SOURCES OF FUNDS					
Toll Revenues	\$ 20,200,000	\$ 28,651,713	\$ 8,451,713	41.8%	\$ 20,200,000
Toll Violation, Fees and Penalties	4,200,000	2,049,709	(2,150,291)	(51.2%)	4,200,000
Allocated Bond Funds - Equity Program	577,550	290,117	(287,433)	(49.8%)	577,550
SMCTA Measure A (ACR TDM) - Equity Program	400,000	-	(400,000)	(100.0%)	400,000
Misc. Income	-	735,303	735,303	100.0%	-
TOTAL SOURCES OF FUNDS	\$ 25,377,550	\$ 31,726,842	\$ 6,349,291	25.0%	\$ 25,377,550
USES OF FUNDS					
Staff Support	\$ 1,032,871	\$ 653,122	\$ 379,749	36.8%	\$ 1,032,871
Administrative Overhead	117,139	141,763	(24,624)	(21.0%)	117,139
Seminar Training/Business Travel	40,500	6,949	33,551	82.8%	40,500
Audit & Bank Fees	22,636	14,833	7,803	34.5%	22,636
Promotional Advertising	50,000	33,716	16,284	32.6%	50,000
Utilities	50,000	101,048	(51,048)	(102.1%)	50,000
Software Maintenance & License	33,600	29,721	3,879	11.5%	33,600
Legal Services	60,000	13,345	46,655	77.8%	60,000
Insurance	500,000	513,300	(13,300)	(2.7%)	500,000
SMCEL-JPA Bond Related Debt Fees	520,000	146,598	373,402	71.8%	520,000
Miscellaneous	52,090	17,515	34,575	66.4%	52,090
Consultant	2,206,700	1,267,399	939,301	42.6%	2,206,700
Express Lane Maintenance	847,000	38,971	808,029	95.4%	847,000
Toll Operations and Maintenance (BAIFA)	8,350,000	4,079,222	4,270,778	51.1%	8,350,000
FasTrak Customer Service (BATA)	5,200,000	3,615,259	1,584,741	30.5%	5,200,000
Express Lanes Enhanced Enforcement (CHP)	240,000	373,147	(133,147)	(55.5%)	240,000
Equity Program Administration and Costs	1,435,000	459,506	975,494	68.0%	1,435,000
Interest Expense on Operating Advances	269,098	221,758	47,340	17.6%	269,098
Credit Enhancement Fee	400,000	400,000	-	0.0%	400,000
SMCEL-JPA Bond Interest	1,000,000	1,019,754	(19,754)	(2.0%)	1,000,000
TOTAL USES OF FUNDS	\$ 22,426,634	\$ 13,146,926	\$ 9,279,709	41.4%	\$ 22,426,634
PROJECT SOURCES OVER USES	\$ 2,950,916	\$ 18,579,917	\$ 15,629,001	529.6%	\$ 2,950,916
Additional Information:					
Loan and interest payable to the City/County Association of Governments of San Mateo County			\$ 2,722,547		
Loan and interest payable to the San Mateo County Transportation Authority			\$ 3,204,091		

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: October 11, 2024

To: San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA) Board of Directors

From: Kate Jordan Steiner, CFO

Subject: Acceptance of Statement of Revenues and Expenses for the Period Ending July 31, 2024
(For further information, contact Kate Jordan Steiner, CFO, at 650-647-3504)

RECOMMENDATION

That the SMCEL-JPA Board accepts and enters into the record the Statement of Revenues and Expenses for the Fiscal Year 2025, period ending July 31, 2024.

The statement columns have been designed to provide the annual budget and the year-to-date current actuals for the current fiscal year.

FISCAL IMPACT

Sources: As of July 2024, the total Operating Sources are \$2.9 million, \$0.3 million (13.0%) favorable to budget. Total Revenues are comprised of the following:

- Toll Revenues, \$2.6 million (\$0.3 million (12.0%) favorable to budget)
- Toll Violation, Fees and Penalties, \$0.2 million (-\$0.005 million (-2.7%) unfavorable to budget)

Uses: As of July 2024, the Total Expenses are \$0.8 million, \$1.1 million (57.5%) favorable to budget. Major expenses are in the categories of the following.

- Toll Operations and Maintenance costs, \$0.4 million (\$0.2 million (39.4%) favorable to budget)
- FasTrak Customer Service Costs, \$0.3 million (\$0.05 million (15.9%) favorable to budget)

BACKGROUND

Budget Amendment: There are no budget amendments for the month of July 2024.

Other Information: Loan payables represent loan advance payments received and the interests accrued since the formation of the SMCEL-JPA from the San Mateo County Transportation Authority and the City/County Association of Governments of San Mateo County. Loan advances will be repaid on a monthly basis and no later than five years after the San Mateo County 101 Express Lanes Project begins operations and receives toll revenues.

The Agency accounts for revenues and expenses on a modified cash basis (only material revenues and expenses are accrued) on the monthly financial statement. As such, the variance between the current year's actual and the budget July show noticeable variances due to the timing of expenses.

ATTACHMENT

1. Sources and Uses of Funds Fiscal Year 2025 (July 2024)



SAN MATEO COUNTY EXPRESS LANE JOINT POWERS AUTHORITY
SUMMARY OF REVENUES AND EXPENSES
FISCAL YEAR 2025
AS OF JULY 31, 2024

	YEAR-TO-DATE JULY				ANNUAL
	BUDGET	ACTUAL	\$ VARIANCE	% VARIANCE	BUDGET
SOURCES OF FUNDS					
Toll Revenues	\$ 2,332,333	\$ 2,611,056	\$ 278,722	12.0%	\$ 27,988,000
Toll Violation, Fees and Penalties	187,750	182,644	(5,106)	-2.7%	2,253,000
Allocated Bond Funds	-	-	-	-	-
SMCTA Measure A (ACR TDM) - Equity Program	41,200	41,200	-	0.0%	354,100
Miscellaneous Revenue (Interest Income)	36,908	87,378	50,469	136.7%	442,900
TOTAL SOURCES OF FUNDS	\$ 2,598,192	\$ 2,922,278	\$ 324,085	12.5%	\$ 31,038,000
USES OF FUNDS					
Staff Support & Admin Overhead	\$ 99,780	\$ 17,694	\$ 82,086	82.3%	\$ 1,197,358
Seminar/Training & Business Travel	3,375	286	3,089	91.5%	40,500
Audit & Bank Fees	1,830	538	1,292	70.6%	21,965
Promotional Advertising	4,167	-	4,167	100.0%	50,000
Utilities	5,000	-	5,000	100.0%	60,000
Software Maintenance & License	3,167	2,041	1,126	35.6%	38,000
Legal Services	5,000	-	5,000	100.0%	60,000
Insurance	55,792	28,220	27,571	49.4%	669,500
SMCEL-JPA Bond Related Debt Fees	55,833	37,250	18,583	33.3%	670,000
Miscellaneous	4,525	661	3,864	85.4%	54,300
Consultant	137,083	-	137,083	100.0%	1,645,000
Express Lane Maintenance	70,583	-	70,583	100.0%	847,000
Toll Operations and Maintenance (BAIFA)	579,167	351,030	228,136	39.4%	6,950,000
FasTrak Customer Service (BATA)	303,958	255,679	48,280	15.9%	3,647,500
Express Lanes Enhanced Enforcement (CHP)	51,333	-	51,333	100.0%	616,000
Equity Program Administration and Costs	122,587	41,200	81,387	66.4%	1,471,039
Interest Expense on Operating Advances	26,716	21,189	5,527	20.7%	320,587
Credit Enhancement Fee	33,333	33,333	-	0.0%	400,000
SMCEL-JPA Bond Interest	291,667	-	291,667	100.0%	3,500,000
TOTAL USES OF FUNDS	\$ 1,854,896	\$ 789,121	\$ 1,065,774	57.5%	\$ 22,258,749
PROJECT SOURCES OVER USES	\$ 743,296	\$ 2,133,157	\$ 1,389,861	187.0%	\$ 8,779,251
Additional Information:					
Loan and interest payable to the City/County Association of Governments of San Mateo County				\$ 2,732,281	
Loan and interest payable to the San Mateo County Transportation Authority				\$ 3,215,547	

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: October 11, 2024

To: San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA) Board of Directors

From: Kate Jordan Steiner, CFO

Subject: Acceptance of Statement of Revenues and Expenses for the Period Ending August 31, 2024
(For further information, contact Kate Jordan Steiner, CFO, at 650-647-3504)

RECOMMENDATION

That the SMCEL-JPA Board accepts and enters into the record the Statement of Revenues and Expenses for the Fiscal Year 2025, period ending August 31, 2024.

The statement columns have been designed to provide the annual budget and the year-to-date current actuals for the current fiscal year.

FISCAL IMPACT

Sources: As of August 2024, the total Operating Sources are \$6.6 million, \$1.4 million (27.8%) favorable to budget. Total Revenues are comprised of the following:

- Toll Revenues, \$6.0 million (\$1.3 million (27.9%) favorable to budget)
- Toll Violation Fees and Penalties, \$0.4 million (\$0.02 million (4.5%) favorable to budget)
- Interest Income, \$0.2 million (\$0.20 million (156.9%) favorable to budget)

Uses: As of August 2024, the total Operating Uses are \$2.3 million, \$1.4 million (38.3%) favorable to budget. Major Expenses are in the categories of the following:

- Toll Operations and Maintenance costs, \$1.2 million (no variance)
- FasTrak Customer Service, \$0.6 million (no variance)
- Equity Program Administration and Costs, \$0.2 million (\$0.02 million (8.1%) favorable to budget)

BACKGROUND

Budget Amendment: There are no budget amendments for the month of August 2024.

Other Information: Loan payables represent loan advance payments received and the interests accrued since the formation of the SMCEL-JPA from the San Mateo County Transportation Authority and the City/County Association of Governments of San Mateo County. Loan advances will be repaid on a monthly basis and no later than five years after the San Mateo County 101 Express Lanes Project begins operations and receives toll revenues.

The Agency accounts for revenues and expenses on a modified cash basis (only material revenues and expenses are accrued) on the monthly financial statement. As such, the variance between the current year's actual and the budget August show noticeable variances due to the timing of expenses.

ATTACHMENT

1. Sources and Uses of Funds Fiscal Year 2025 (August 2024)



SAN MATEO COUNTY EXPRESS LANE JOINT POWERS AUTHORITY
SUMMARY OF REVENUES AND EXPENSES
FISCAL YEAR
As of August 31, 2024

	YEAR-TO-DATE JULY-AUGUST				ANNUAL
	BUDGET	ACTUAL	\$ VARIANCE	% VARIANCE	BUDGET
SOURCES OF FUNDS					
Toll Revenues	\$ 4,664,667	\$ 5,966,042	\$ 1,301,376	27.9%	\$ 27,988,000
Toll Violation, Fees and Penalties	375,500	392,530	17,030	4.5%	2,253,000
Allocated Bond Funds	-	-	-	0.0%	-
SMCTA Measure A (ACR TDM) - Equity Program	41,200	41,200	-	0.0%	354,100
Miscellaneous Revenue (Interest Income)	73,817	189,632	115,815	156.9%	442,900
TOTAL SOURCES OF FUNDS	\$ 5,155,183	\$ 6,589,404	\$ 1,434,220	27.8%	\$ 31,038,000
USES OF FUNDS					
Staff Support & Admin Overhead	\$ 199,560	\$ 30,571	\$ 168,989	84.7%	\$ 1,197,358
Seminar/Training & Business Travel	6,750	286	6,464	95.8%	40,500
Audit & Bank Fees	3,661	1,094	2,567	70.1%	21,965
Promotional Advertising	8,333	-	8,333	100.0%	50,000
Utilities	10,000	3,196	6,804	68.0%	60,000
Software Maintenance & License	6,333	4,081	2,252	35.6%	38,000
Legal Services	10,000	-	10,000	100.0%	60,000
Insurance	111,583	99,582	12,001	10.8%	669,500
SMCEL-JPA Bond Related Debt Fees	111,667	-	111,667	100.0%	670,000
Miscellaneous	9,050	764	8,286	91.6%	54,300
Consultant	274,167	92,744	181,423	66.2%	1,645,000
Express Lane Maintenance	141,167	-	141,167	100.0%	847,000
Toll Operations and Maintenance (BAIFA)	1,158,333	1,158,333	-	0.0%	6,950,000
FasTrak Customer Service (BATA)	607,917	607,946	(30)	(0.0%)	3,647,500
Express Lanes Enhanced Enforcement (CHP)	102,667	-	102,667	100.0%	616,000
Equity Program Administration and Costs	245,173	225,405	19,768	8.1%	1,471,039
Interest Expense on Operating Advances	53,431	-	53,431	100.0%	320,587
Credit Enhancement Fee	66,667	66,666	1	0.0%	400,000
SMCEL-JPA Bond Interest	583,333	-	583,333	100.0%	3,500,000
TOTAL USES OF FUNDS	\$ 3,709,792	\$ 2,290,668	\$ 1,419,123	38.3%	\$ 22,258,749
PROJECT SOURCES OVER USES	\$ 1,445,392	\$ 4,298,736	\$ 2,853,344	197.4%	\$ 8,779,251
Additional Information:					
Loan and interest payable to the City/County Association of Governments of San Mateo County			\$ 2,741,116		
Loan and interest payable to the San Mateo County Transportation Authority			\$ 3,225,945		

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: October 11, 2024

To: San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA) Board of Directors

From: Executive Council

Subject: Receive an update on the US 101 Express Lanes Variable Rate Bond.

(For further information please contact Kevin Beltz at BeltzK@samtrans.com)

RECOMMENDATION

Receive an update on the US 101 Express Lanes Variable Rate Bond. This is an informational item.

FISCAL IMPACT

There is no budget impact directly related to this item.

SOURCE OF FUNDS

2020 Variable Rate Demand Bonds issued by the San Mateo County Transportation Authority (TA)

BACKGROUND

On September 10, 2020, the TA issued \$100 million Subordinate Sales Tax Revenue Variable Rate Demand Bonds (Limited Tax Bonds), 2020 Series A and B to fund project costs associated with (a) construction of the US 101 Express Lanes project and (b) implementation of an equity program designed to help those in need improve mobility within the county. Interest and fees on the bond are capitalized for either (a) first three years after issuance of the bonds or (b) one year beyond completion of construction.

The Express Lanes Project extends over 22-miles from the San Mateo/Santa Clara County line to I-380 in South San Francisco. The Southern Segment of the Express Lanes, approximately 8 of the 22 miles, opened and has been in operation since February 11, 2022. The Northern Segment was opened for operations on March 3, 2023.

Attached is a slide presentation that was provided to the San Mateo County Transportation Authority (TA) in September 2024. In addition to providing background on the bonds issued by TA to finance the construction of the US 101 Express Lanes, the presentation provides an update on update on interest rates, upcoming debt service and an outlook going forward. That outlook has been updated to reflect (a) the Federal Reserve's September 2024 0.50% reduction to interest rates, after the September TA presentation, and (b) a \$6.29 million bond call that has been scheduled using (a) remaining funds after the final project costs were paid and a certificate of completion was filed with the trustee, and (b) unused capitalized interest.

The slide added after the September TA presentation shows how the bond call being scheduled on 12/1/24 eliminates the principal due June 1, 2027, and reduces principal due June 1, 2030 by \$1.29 million.

Staff will be available, if needed, to discuss interest rates and how they compare to what would have been fixed rates at the time of issuance, how the rates over the last six months and since the life of the VRDOs compare to VRDO historically, and how the upcoming call of bonds impacts debt service going forward.

ATTACHMENT:

1. Slide presentation on the variable rate demand bond



US 101 Express Lanes: Update on Variable Rate Bond



Overview

- Background
- Interest Rates
- Debt Service
- Outlook

Background

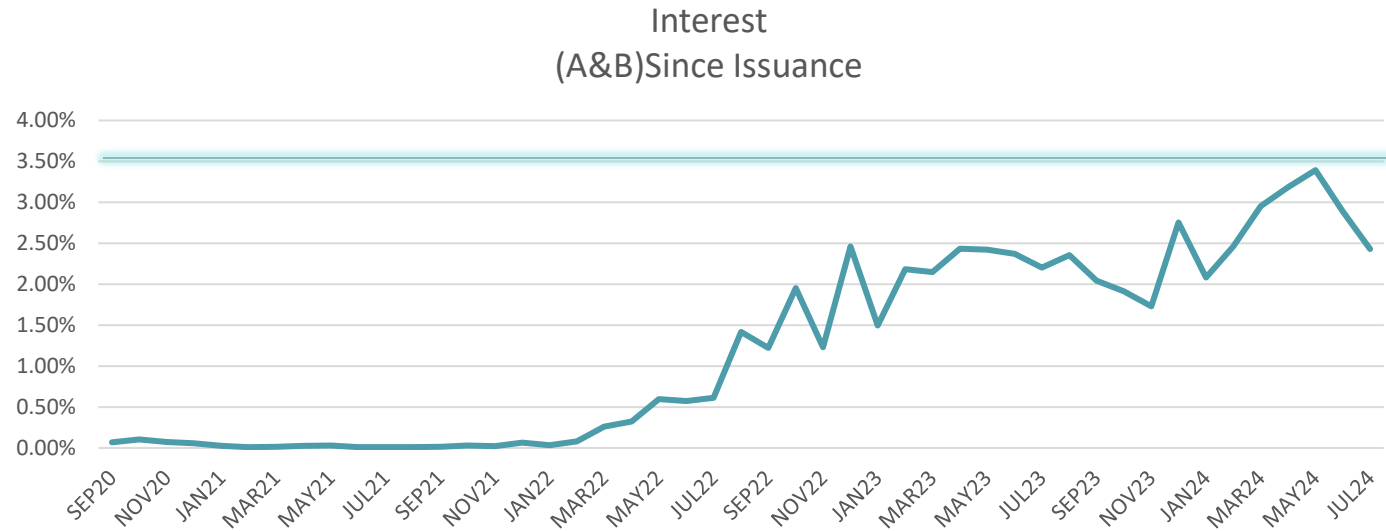
- **In 2020 TA issued \$100M variable rate Bonds:**
 - To support JPA's \$581M cost for US 101 Express Lanes (EL)
 - Secured by Measures A & W sales tax

- **Why variable rate Bonds?**
 - Lowest cost
 - 20 Year Historical interest average: 1.1%
 - Estimated Fixed Rate issuance in Sep 2020 = 3.50%
 - Initial rates: 0.07%
 - Prepayment flexibility

Interest Rates

Interest Rate Overview Six Months- Feb to July 2024	
Average Rate A&B combined	2.63%
Highest Rate weekly reset (4/18/2024)	3.68%
Highest Rate daily reset (6/28/24)	4.45%
Lowest Rate weekly reset (7/11/2024)	1.89%
Lowest Rate daily reset (Feb 5&6, 2024)	1.00%

Interest Rate Overview Since Issuance	
Average Rate A&B combined	1.21%
Highest Rate weekly reset (4/18/2024)	3.68%
Highest Rate daily reset (6/28/24)	4.45%
Lowest Rate weekly reset (7/11/2024)	0.01%
Lowest Rate daily reset (Feb 5&6, 2024)	0.01%



Fixed Rate Issuance in Sep 2020=3.50%

Debt Service (Before and After call scheduled for 12/1/2024)



* Based on estimated Interest Rate of 2.00%

Outlook

- The Federal Reserve at their September meeting reduced the Fed Funds rate by 0.50% and provided guidance that further cuts would be made as conditions warrant.
- Market expectations have rates lowering by another 1.00% to 1.50% between now and the end of calendar year 2025.
- Any further reduction in the Fed Funds rates is expected to reduce rates on the VRDOs further below current levels and keep them below the 3.50% budgeted this FY.

Questions?



San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: October 11, 2024

To: San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA) Board of Directors

From: Executive Council

Subject: Receive presentation and provide feedback on the various organizational model options as part of the JPA organizational assessment project.

(For further information, contact April Chan at chana@samtrans.com, or Sean Charpentier at scharpentier@smcgov.org)

RECOMMENDATION

That the SMCEL-JPA Board of Directors receive a presentation and provide feedback on the various organizational model options as part of the organizational assessment project.

FISCAL IMPACT

The cost of the organizational assessment project is \$366,495.

SOURCE OF FUNDS

The adopted Fiscal Year 2024/2025 Budget includes funding to cover the cost of the organizational assessment.

BACKGROUND

With a fully operational San Mateo US 101 Express Lanes, the San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA) embarked on an organizational assessment project to determine an appropriate organizational and staffing structure. The organizational assessment was a commitment made by the Board, as outlined in the Joint Exercise of Powers Agreement. The project goal is to facilitate the seamless execution of the Express Lane's vision, mission, and goals in a manner that maximizes efficiency and effectiveness. The JPA awarded a contract to WSP USA, Inc. to support this project.

At the April Board meeting, the Consultant presented a preliminary set of organizational goals and introduced the selection criteria for a recommended organizational model. At the July Board meeting, the Consultant presented five organizational models, outlining their challenges and opportunities. A graphic displaying the various models and their characteristics can be seen below.

Figure 1: Considered Organizational Models Overview

Existing	Focused express lanes function	C/CAG managed express lanes organization	TA managed express lanes organization	Dedicated express lanes organization
<ul style="list-style-type: none"> • TA & C/CAG each perform identified functions of the express lanes 	<ul style="list-style-type: none"> • Similar to the existing model • Program Manager added, facilitating program focus & cohesiveness 	<ul style="list-style-type: none"> • All functions performed by C/CAG • Express lanes Program Manager • TA Exec. Director updated on Board matters 	<ul style="list-style-type: none"> • All functions performed by TA • Express lanes Program Manager • C/CAG Exec. Director updated on Board matters 	<ul style="list-style-type: none"> • New agency established • New Executive Director • Express lanes Program Manager

Between July and September, the project team conducted a robust cost analysis and qualitative assessment, concluding that four models (Existing, Existing +Agency Program Manager, C/CAG Managed, and TA Managed) are similar in level of effort and cost. A fifth model, a dedicated express lanes organization, entails substantially higher levels of effort and cost.

At the October Board meeting, the consultant will present the assessment of the models, including the cost analysis and qualitative discussion of benefits and challenges, and will request input from the Board.

ATTACHMENT:

1. Presentation on the Assessment of Organizational Models



Organizational Assessment

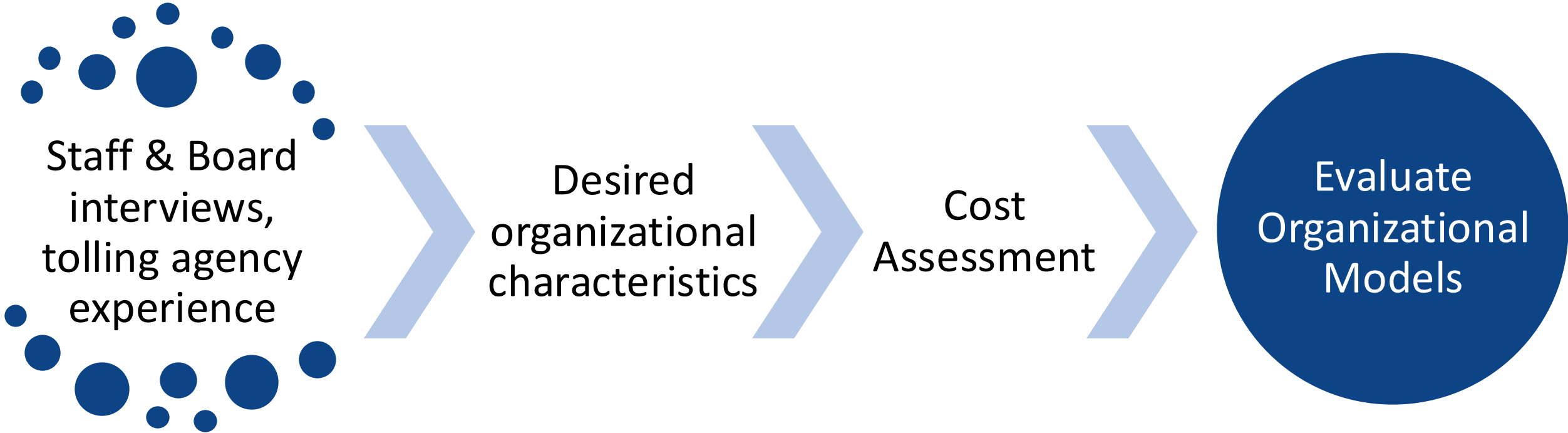
Board Presentation—October 11th, 2024

Project Goals

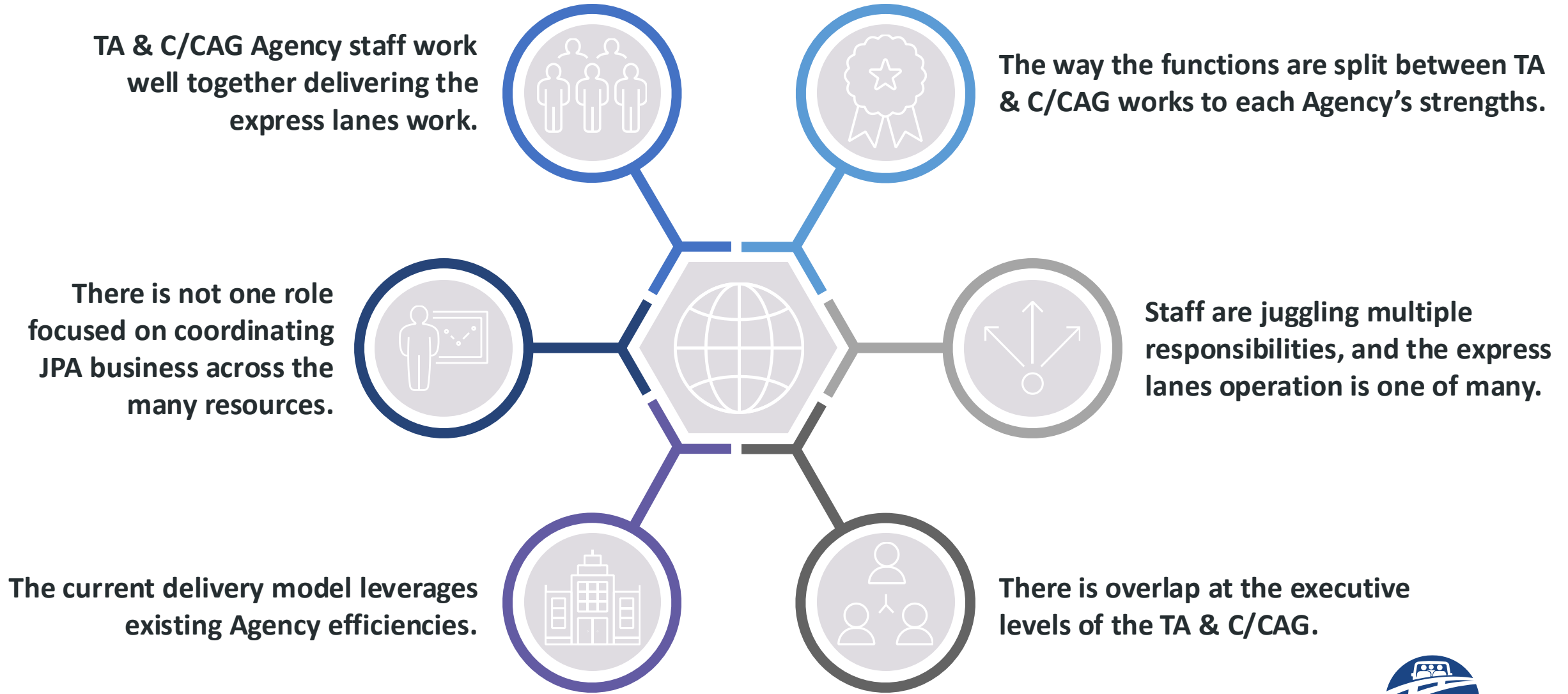
“Appropriate organizational and staffing structure to efficiently and effectively implement the vision, mission, and goals of the Express Lanes Program”

As stated in JEPA

How It All Fits Together



Existing Organization Observations



Organizational Model Summary

JPA Board remains the same

Existing

- **TA & C/CAG** each perform identified functions of the express lanes

Existing + Agency Program Manager

- **Similar** to the existing model
- **Agency Program Manager** added, facilitating program focus & cohesiveness

C/CAG managed express lanes organization

- **All functions** performed by C/CAG
- **Express lanes Agency Program Manager**
- **TA Exec. Director updated** on Board matters

TA managed express lanes organization

- **All functions** performed by TA
- **Express lanes Agency Program Manager**
- **C/CAG Exec. Director updated** on Board matters

Dedicated express lanes organization

- **New agency** established
- **New Executive Director**
- **Express lanes Agency Program Manager**

Consultant support or agency staff perform current consultant duties in any option and would be evaluated independently of the selected model.

SMCEL Organizational Goals

Remain Efficient and Good Stewards of Public Funds

- Ensure **Fiscal Responsibility**
- Advance **Cost-effectiveness**
- **Minimize Duplication**
- Deliver a **Systemic Management Approach**
- Promote Adoption of **Innovative Policies and Technology**
- Focus on the **Key Program Elements**

Proactively Engage with External Partners

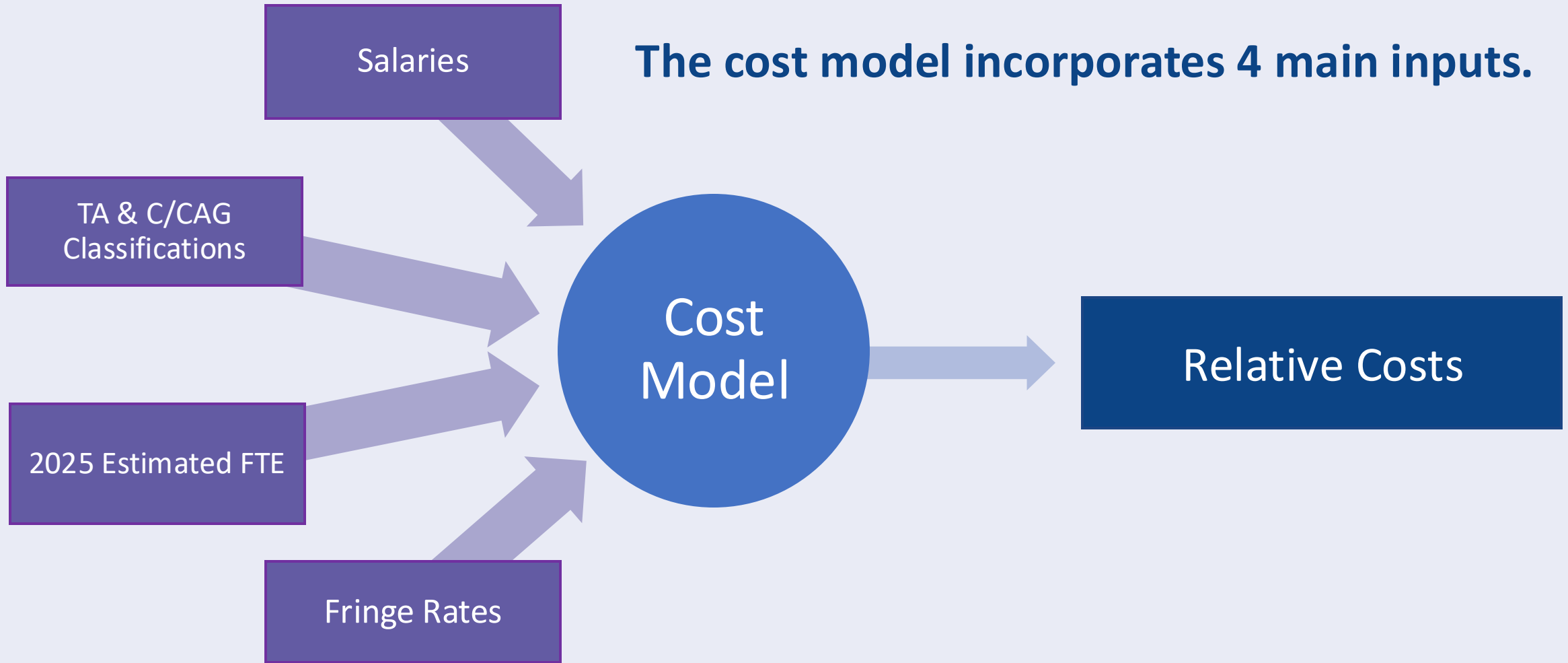
- Advance **Stakeholder Engagement**
- Further Robust **Partner Agency Relationships**
- Encourage **Regional and National Connection**

Invest in San Mateo Area Priorities

- Focus on **Investments in Equity**
- Promote **Mode Shift**
- Support **Local Needs**
- Generate **Sufficient Revenue**
- Factor in Adequate **Maintenance and Improvements**

Cost Model – Assumptions and Methodology

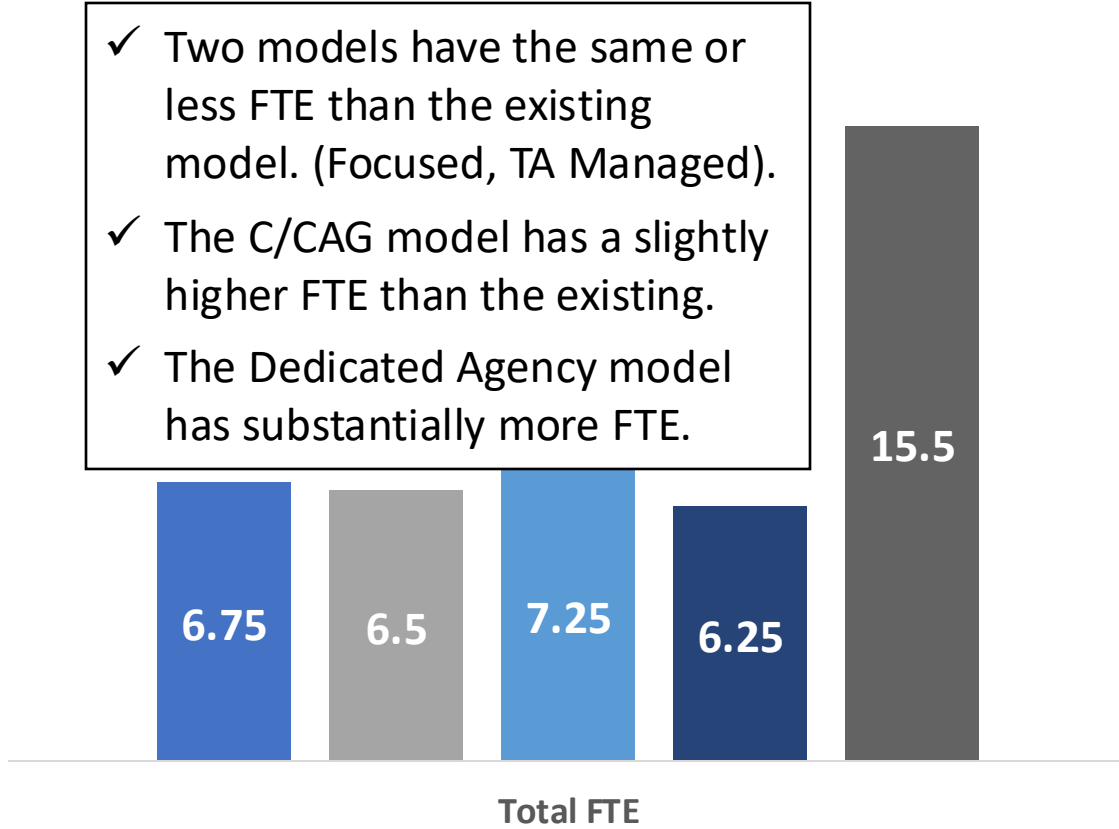
The cost model incorporates 4 main inputs.



Cost Model - Outputs

JPA Total FTE for each Model

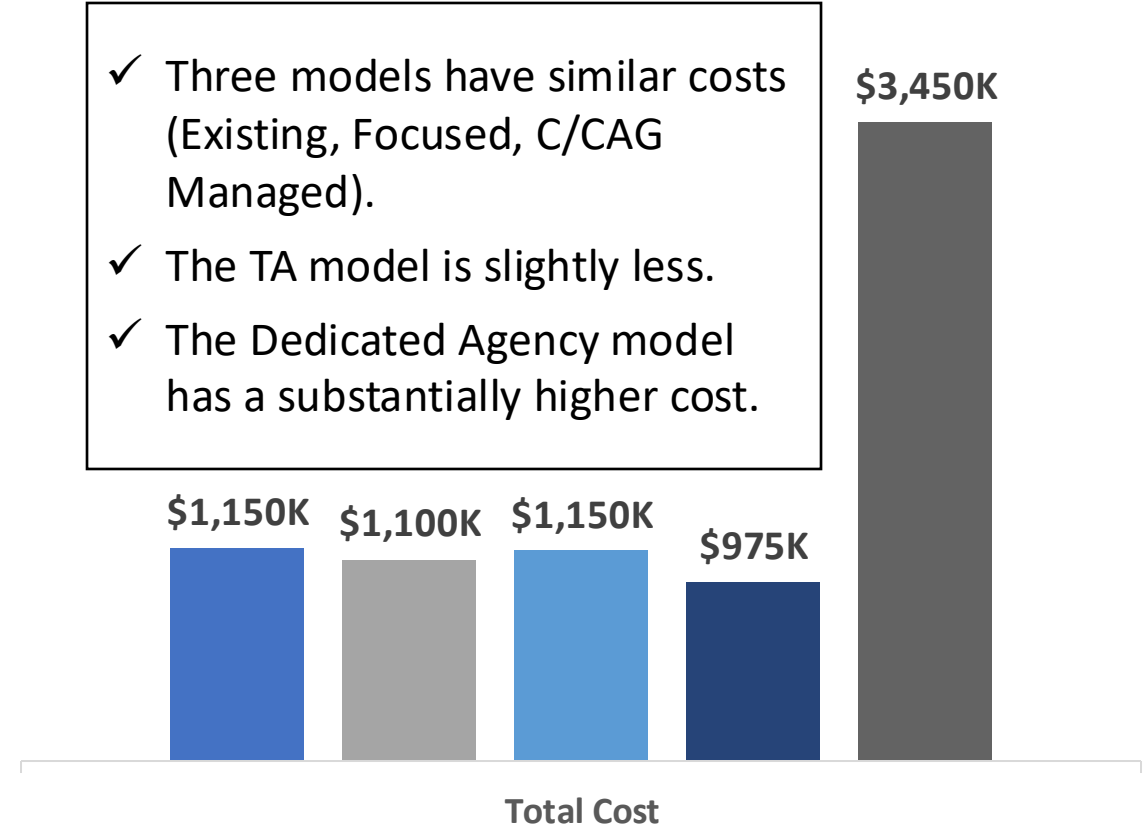
- ✓ Two models have the same or less FTE than the existing model. (Focused, TA Managed).
- ✓ The C/CAG model has a slightly higher FTE than the existing.
- ✓ The Dedicated Agency model has substantially more FTE.



Existing Focused C/CAG Managed TA Managed Dedicated

JPA Total Cost for each model

- ✓ Three models have similar costs (Existing, Focused, C/CAG Managed).
- ✓ The TA model is slightly less.
- ✓ The Dedicated Agency model has a substantially higher cost.



Existing Focused C/CAG Managed TA Managed Dedicated

Cost alone is not a model differentiator (for 4 of them)

Cost Model Observations



Assessment Of The Models

FTE and Cost are similar to other options that have more benefits.



Existing

'Existing + Agency Program Manager' managed express lanes

C/CAG managed express lanes organization

TA managed express lanes organization











FTE and Cost impacts are substantial.



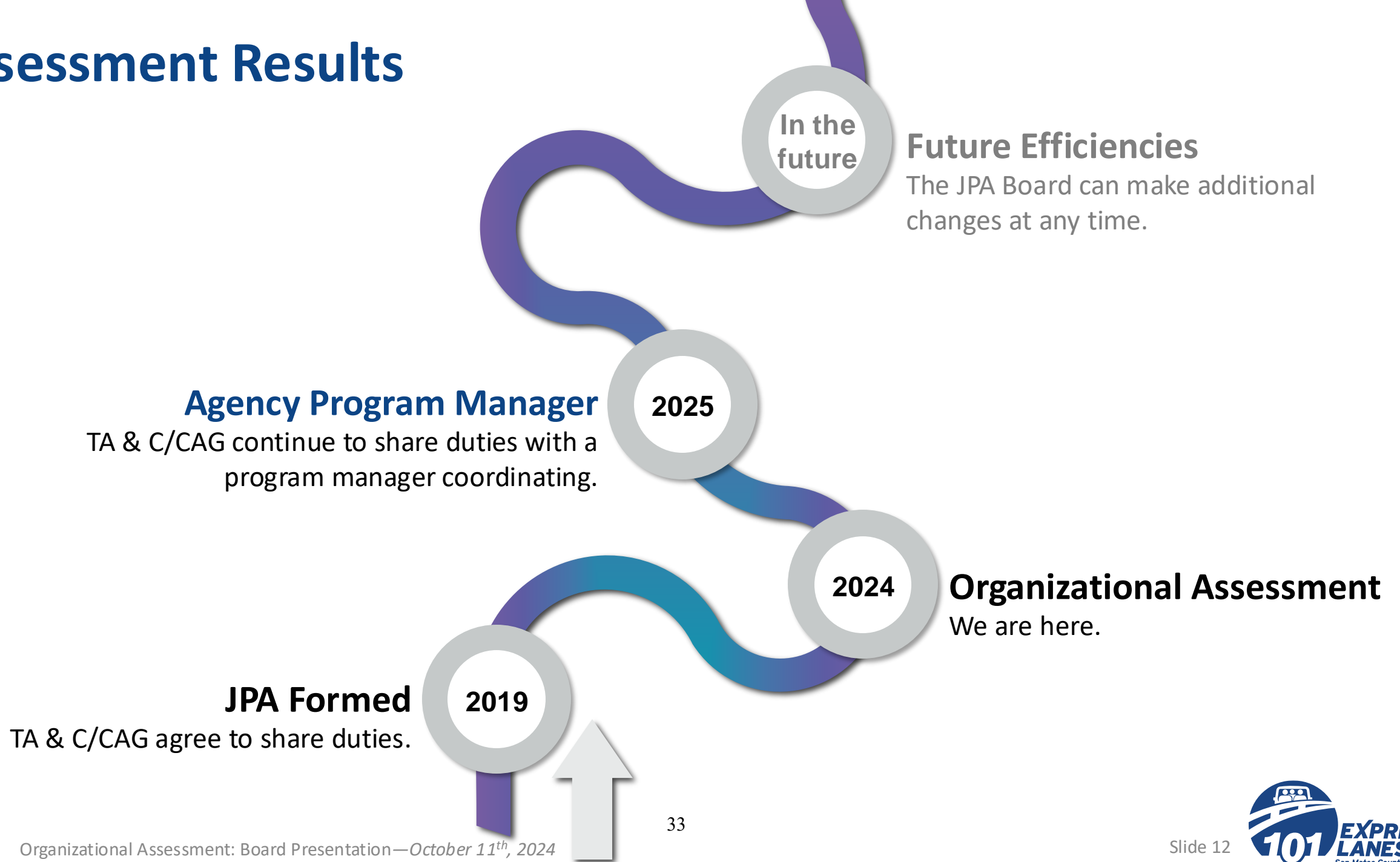
Dedicated express lanes organization

JPA Board remains the same

Assessment Of The Models

	Existing + Agency Program Manager	C/CAG Managed	TA Managed
Takes steps to centralize focus and coordination across express lane resources.			
Leverages the TA's existing robust financial practices.			
Leverages C/CAG's connection to the interests of all the County's jurisdictions.			
Maintains ease of connection with the other Agency (TA or C/CAG) on express lanes topics.			

Assessment Results





Discussion

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: October 11, 2024

To: San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA) Board of Directors

From: Executive Council

Subject: Review and discuss potential alternative Board meeting schedule.

(For further information, contact April Chan at chana@samtrans.com, or Sean Charpentier at scharpentier@smcgov.org)

RECOMMENDATION

That the SMCEL-JPA Board of Directors review and discuss potential alternative meeting schedule. This would allow for any approved changes to take affect starting the 2025 calendar year.

FISCAL IMPACT

There is not any fiscal impact related to the change in meeting schedule.

SOURCE OF FUNDS

Not applicable.

BACKGROUND

At the request of Board member and leadership, staff has conducted an analysis of alternative meeting dates for the SMCEL-JPA Board, with the goal of identifying potential new dates that avoid conflicts with other City Council, Countywide, regional, and committee meetings. Currently, the SMCEL-JPA Board meetings take place at 9am on the second Friday of each month. Regardless of any change in the specific meeting day, the 2025 calendar of regular SMCEL-JPA Board meetings will include fewer meetings, as the program moves to steady operation.

Any immediate changes to the meeting schedule must be finalized by the October Board meeting, as the recruitment process to replace C/CAG Board Members Aguirre and Hedges begins immediately to allow the C/CAG Board to make the appointments at its November Board meeting.

Staff has explored various options for shifting the current meeting schedule from the first Friday of each month to a different day and/or time. The key considerations in determining the best alternatives are:

- 1. Evening Meetings:**

If the Board prefers evening meetings, it may be necessary to delay the final decision until the two new C/CAG Board members are appointed in November to avoid conflicts with their schedules. Implementing changes now could unintentionally restrict some C/CAG Board members from participating.

2. **Daytime Meetings Without Conflicts:**

There is a limited number of open time slots that do not overlap with existing City Council or regional meetings.

- a. First Friday of each month at 9am. Depending on the selected dates, SMCEL-JPA Board meetings may not be held in January and July. However, as noted above, the Board is expected to meet less frequently next calendar year, likely on a bimonthly basis.
- b. Third Friday of each month at 9am.

Staff, the Program Policy Manager, and Legal Counsel can accommodate these potential dates and will follow the direction of the Board. If a change is made between these options, staff prefers the first Friday of each month to maximize efficiency, as it aligns with other Board meetings typically occur in the first two weeks of the month.

Pending the Board's feedback and preference for daytime or evening meetings, if there is a consensus on the meeting time, the Board can vote to approve the item. If approved, the changes will take effect in the next calendar year.

ATTACHMENT:

N.A