

San Mateo County Express Lanes Joint Powers Authority

Board of Directors Meeting Minutes

Meeting No. 62
May 2, 2025

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 were 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), Stacy Jimenez, Julia Mates, Adam Rak and Carlos Romero

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	Stacy Jimenez			
C/CAG	Adam Rak			
C/CAG		Michael Salazar		
SMCTA	Carlos Romero			
SMCTA	Julia Mates			
SMCTA	Rico E. Medina			

Staff Present (In-Person):	Staff Present (Remote):
Sean Charpentier, Executive Council – C/CAG	Van Ocampo
April Chan, Executive Council – TA	
Mima Crume – Clerk of the Board	Members of the Public (In-Person):
Kaki Cheung – C/CAG	Emily Beach
Peter Skinner – TA	
Kate Steiner – TA	Members of the Public (Remote):
Samantha Soules – HNTB	Sadie Mae Palmatier
Ladi Millard-Olmeda – TA	Leslie Fong
Kate Steiner – TA	

2.0 PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

Note: Public comments are 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.

No public comments received.

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. 61 dated March 7, 2025. APPROVED
- 3.2 Acceptance of Statement of Revenues and Expenses for the Period Ending February 28, 2025. APPROVED
- 3.3 Acceptance of Statement of Revenues and Expenses for the Period Ending March 31, 2025. APPROVED
- 3.4 Return a late claim under California Government Claims Act. APPROVED

Director Rak MOVED to approve the consent agenda items 3.1 to 3.4. Director Jimenez SECONDED. **MOTION CARRIED 5-0-0**

4.0 REGULAR AGENDA

- 4.1 Receive a presentation on the draft Fiscal Year 2026 SMCEL-JPA Operating Budget. INFORMATION

The Board received a presentation on the FY26 preliminary budget, covering projected sources and uses of funds, the equity program, net position, and next steps.

- Sources Overview: FY26 revenues are projected at \$41.2 million, an increase of \$3.4 million from FY25. The increase in revenues are expected to be 10% due to higher trip volumes. Violation fees and penalties are similarly forecasted to grow by 10%.
- Equity Program Funding: Funding for the equity program in FY26 includes \$600,000 from toll revenue and \$1 million in prior year carryover, with a projected funding gap of \$1.17 million to fully support expansion to 10,000 participants with \$200 debit cards.
- Uses Overview: Expenses are projected to increase by 12% from FY25. Major uses include toll operations and maintenance, customer service, Caltrans maintenance, CHP enforcement, equity program costs, administration, and debt service.
- Debt and Reserves: No interest expenses on operating loans are budgeted for FY26, as loans are anticipated to be paid off. The budget includes placeholders for new contributions to capital reserves.
- Equity Program Changes: The FY26 launch of the Next Generation Mobility Debit Card will replace the prior clipper and fast-track benefits, aiming for broader transportation access and higher participation.

- Financial Trade-Offs Presented: Options discussed included paying off \$6 million in operating loans, prepaying \$800,000 on the bond principal, allocating \$16 million toward capital reserves, and closing the \$1.2 million gap for the FY26 equity program.

Board Discussion Highlights:

- Clarification was sought on the funding gap for the equity program despite prior year carryover.
- Questions were raised regarding the assumptions behind toll revenue growth and the sustainability of expanding the equity program.
- Board members discussed enforcement efforts, budget presentation formatting differences, and ensuring financial prudence with reserve levels.
- Staff noted that toll volume growth remains strong and adjustments can be made midyear if trends shift.

Outcome:

- This was an informational item; no formal action was taken.
- Staff will refine the preliminary budget and bring the final proposed FY26 budget back for Board approval in June 2025.

No public comments were received.

- 4.2 Receive an update on the draft Fiscal Year 2024 Flow of Funds and potential impact on future years. NO ACTION

The Board received a presentation on the loan agreement, flow of funds process, and implications for the FY26 budget. It was explained that toll revenues are allocated annually based on loan agreement terms: 85% toward loan repayment and 15% available for the Equity Program or other Board-approved uses.

For FY24, after covering operating costs and reserve contributions, approximately \$8 million remains available. Staff recommended:

- Paying off \$6 million in operating loans (to C/CAG and TA)
- Applying the remaining \$800,000 toward reducing bond principal
- Allocating \$1.2 million from revenue sharing funds to address the FY26 Equity Program funding shortfall

Staff also proposed beginning to allocate funding toward building capital reserves to prepare for future equipment replacement needs.

Board Discussion:

- Directors raised concerns about setting a sustainable target for the Equity Program enrollment at 10,000 participants and discussed the potential financial impacts in future years.

- Board members agreed with the approach to prioritize paying off operating loans, fully funding the FY26 Equity Program, and building capital reserves.
- Comments emphasized the need to monitor reserve balances to ensure they are fiscally prudent without appearing excessive to the public.

Direction Given:

- There was general support for the staff recommendation: pay off operating loans, apply remaining funds to bond principal, allocate \$1.2M to the Equity Program, and begin capital reserve funding.
- No formal action was taken; the final adjustments will be reflected in the proposed FY26 budget for Board adoption in June.

No public comments were received.

5.0 REPORTS

- a) Chairperson Report – No report.
- b) Member Communication – No report.
- c) Executive Council Report - Executive Council Verbal Report – No report.
- d) Policy/Program Manager Report - No report.

6.0 WRITTEN COMMUNICATIONS

None.

7.0 NEXT REGULAR MEETING

June 6, 2025

8.0 ADJOURNMENT – 10:08 am