

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

Meeting No. 66

Date: Friday, December 5, 2025	Join by Webinar: https://us02web.zoom.us/j/88286730596?pwd=YBIKQzR2ePe4lcVZRLYxactHyBywQ6.1
Time: 9:00 A.M.	Webinar ID: 882 8673 0596
Primary Location: San Mateo County Transit District Office 1250 San Carlos Ave, 2 nd Fl. Auditorium, San Carlos, CA	Password: 120525
	Join by Phone: (669) 900-6833

*****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: Michael Salazar (Chair), Carlos Romero (Vice Chair), Adam Rak, Julia Mates, Rico E. Medina and Stacy Jimenez

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. 65 dated September 5, 2025. ACTION p. 1
- 3.2 Accept Statement of Revenues and Expenses for the Period Ending June 30, 2025. ACTION p. 5
- 3.3 Accept Statement of Sources and Uses for the Period Ending August 31, 2025. ACTION p. 8
- 3.4 Accept Statement of Sources and Uses for the Period Ending September 30, 2025. ACTION p. 11
- 3.5 Accept Quarterly Investment Report for SMCEL-JPA. ACTION p. 14
- 3.6 Review and Approval of Resolution SMCEL 25-11 authorizing the Chair to ratify the Limited Notice to Proceed (LNTP) for Amendment No. 3 to the HNTB Policy/Program Management services agreement for a four month extension with no additional budget requested. ACTION p. 16
- 3.7 Receive a quarterly update on the US 101 Express Lanes operations for the first quarter of FY26. INFORMATION p. 27
- 3.8 Receive an update on the Variable Rate Bond. INFORMATION p. 46

4.0 REGULAR AGENDA

- 4.1 Acceptance of the Annual Financial Report for the Fiscal Year Ended June 30, 2025. ACTION p. 48
- 4.2 Review and approval of the 2026 Calendar of SMCEL-JPA Board of Directors Meetings and receive an update on Board Meeting Statistics. ACTION p. 76
- 4.3 Receive a presentation on the Draft 2025 Congestion Management Program (CMP) and the results of the U.S. 101 Express Lanes travel time runs. INFORMATION p. 78

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

February 6, 2026

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. 65
September 5, 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: Michael Salazar (Chair), Carlos Romero (Vice Chair), Adam Rak, Julia Mates, Rico E. Medina and Stacy Jimenez

1.0 CALL TO ORDER/ ROLL CALL

Chair Salazar 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	
April Chan, Executive Council – TA	Members of the Public (In-Person):
Mima Crume – Clerk of the Board	
Kaki Cheung – C/CAG	
Peter Skinner – TA	Members of the Public (Remote):
Emily Beach – TA	
Lacy Vong – HNTB	

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.

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. 64 dated August 1, 2025. APPROVED

3.2 Acceptance of Statement of Revenues and Expenses for the Period Ending July 31, 2025. APPROVED

Director Mates MOVED to approve the consent agenda items 3.1 and 3.2. Vice Chair Romero SECONDED. MOTION CARRIED 5-0-0

4.0 REGULAR AGENDA

4.1 Review and Approval of Resolution SMCEL 25-11 authorizing the negotiation and execution of up to twenty (20) memorandums of understanding with community-based organization partners to provide program administration services for the new Go Card equity program through June 30, 2028, for a total amount not to exceed \$540,000. APPROVED

- Staff (Lacy Vong, HNTB) presented. Recapped transition from the Community Transportation Benefits Card to the new Go Card Program, expanding mobility options from Clipper/FasTrak to a broader mobility debit card.
- Outlined robust outreach process and an expansion from 7 Core Service Agencies to 13+ CBO partners (e.g., SparkPoint Centers, JobTrain, Self-Help for the Elderly, Peninsula Chinese Business Association, El Concilio).
- MOUs will cover outreach, eligibility verification, and program administration, supported by the new data platform.
- The term is three years through FY 2028, not-to-exceed \$540,000 (\$180,000 per year, contingent on annual budget approval).
- Compensation includes 10% of cards distributed and \$350 per outreach event (up to four annually).

Board Discussion:

- Questions addressed card activation, fraud prevention, and accountability. Staff confirmed audit provisions and real-time data tracking.
- Discussion on outreach event funding, coordination among partners, and income self-attestation forms.
- Clarification that card distribution will be flexible, including physical and virtual cards.

Public Comment: None.

Vice Chairs Romero MOVED approve Resolution 25-11. Director Jimenez
SECONDED.

MOTION CARRIED 5-0-0

- 4.2 Receive a quarterly update on the US 101 Express Lanes operations for the fourth quarter of FY2025, with a year over year comparison. INFORMATION

Staff presented the following highlights on FY data:

- Over 15 million trips, ~60,000 average daily trips (6.5% growth).
- Toll revenues up 22%; expenses up 10%.
- Speed differential of 11–12 mph between express lanes and general lanes maintained.
- Slight increase in trips over \$12; majority still under \$3.
- Uptick in toll violation revenue collected via DMV escalation process.

Board Discussion:

- Board questions on GHG benefits of travel time savings, potential academic partnerships for analysis, and request to incorporate safety/crash data into future studies.
- Staff noted ongoing performance study comparing 2018–2024 data, with results expected by year end.

- 4.3 Receive an update on the US 101 Express Lanes Variable Rate Bond. INFORMATION

- Staff (Treasury Manager Adela) provided semi-annual update on \$100M variable rate bonds (Series A & B).
- Average interest 1.4% since issuance, well below fixed-rate equivalent of 3.5%.
- \$6.3M early principal payment made in 2024, reducing future obligations.
- Federal Reserve projected to cut rates by 50 basis points by end of 2025; anticipated positive impact on debt service.

Board Discussion:

- Clarified methodology for daily vs. weekly rate indices; SIFMA index used for both.

5.0 REPORTS

- a) Chairperson Report – None.
- b) Member Communication – None.
- c) Executive Council Report – Executive Council Verbal Report.

- Sean Charpentier reminded the Board that the 50% Clean Air Vehicle (CAV) discount for solo drivers will expire on September 30, 2025, per federal law.
- Sean Charpentier and April Chan thanked the outgoing consultant team HNTB (Lacy Vong) and introduced the new Policy/Program Management support from STV (Liz Justison and Carol Kuster).
- Directors and staff expressed appreciation to Lacy Vong for her service.
- April Chan reminded members that September is Transit Month and encouraged Directors to ride and promote public transit.

d) Policy/Program Manager Report.

- Lacy Vong reiterated progress on performance study and assured a smooth transition to the new team.

6.0 **WRITTEN COMMUNICATIONS**

None.

7.0 **NEXT REGULAR MEETING**

November 7, 2025

8.0 **ADJOURNMENT** – 9:47 a.m.

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: December 5, 2025

To: San Mateo County Express Lanes Joint Powers Authority Board of Directors

From: Kate Jordan Steiner, Chief Financial Officer

Subject: Accept Statement of Revenues and Expenses for the Period Ending June 30, 2025.
(For further information, contact Kate Jordan Steiner, Chief Financial Officer, at 650-647-3504)

RECOMMENDATION

That the San Mateo County Express Lanes Joint Powers Authority Board of Directors accepts and enters into the record the Statement of Revenues and Expenses for the Fiscal Year 2025, period ending June 30, 2025.

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

FISCAL IMPACT

Operating Revenues: As of June 30, 2025, total Operating Revenues are \$37.4 million, \$6.4 million (20.5 percent) favorable to budget. Total Revenues are comprised of the following:

- Toll Revenues, \$29.7 million (\$1.7 million [6.1 percent] favorable to budget)
 - The favorable variance is driven by a 6.4% increase in trips compared to FY24.
- Toll Violation Fees and Penalties, \$5.4 million (\$3.2 million [141.4 percent] favorable to budget)
 - The favorable variance is driven by \$0.9 million by toll violation revenue, originally booked under toll revenue, and reclassified accurately to this account. Additionally, there was a 6.4% increase in trips compared to FY24 as well as collections from prior year fees and penalties.
- Allocated Bond Funds – Equity Program, \$0.2 million (\$0.2 million [100 percent] favorable to budget)
 - Favorable variance reflects the use of prior-year bond funds as a source for the equity program. The prior year source is now exhausted. The FY25 adopted budget assumed that these funds would have been fully drawn in FY24.
- San Mateo County Transportation Authority Measure A (Alternative Congestion Relief Transportation Demand Management) – Equity Program, \$0.4 million (\$0.0 million [13.0 percent] favorable to budget)
 - Favorable variance due to one-time use of Measure A funds to support the equity program of \$0.4 million, after which the equity program will rely on toll revenues.
- Miscellaneous Revenue \$1.6 million, (\$1.2 million [261.9 percent] favorable to budget)
 - Favorable variance is driven by favorable interest income with higher-than-budgeted interest rates and higher-than-budgeted principal amounts. Budget figures assumed an average balance of \$13.4M at a 3.3% interest rate, whereas the actual balance was at \$30M at a 4.0% interest rate.

Operating Expenses: As of June 30, 2025, total Operating Expenses are \$15.7 million, \$6.5 million (29.4 percent) favorable to budget. Major Expenses are:

- Toll Operations and Maintenance (Bay Area Infrastructure Financing Authority), \$4.8 million (\$2.2 million [30.9 percent] favorable variance to budget)
 - Favorable variance due to lower expenses for Toll System Maintenance, Civil Roadway Maintenance, and unused contingency funds.

- FasTrak Customer Service (Bay Area Transportation Authority), \$3.5 million (\$0.2 million [5.4 percent] favorable variance to budget)
 - Favorable variance due to no Contingency spending.
- Equity Program Administration and Costs, \$1.3 million (\$0.2 million [12.7 percent] favorable to budget)
 - Favorable variance due to lowered participation levels of equity program.
- Consultant, \$1.4 million (\$0.2 million [14.4 percent] favorable to budget)
 - Favorable variance due to lower-than-anticipated spending.

BACKGROUND

Budget Amendment: There are no budget amendments for the month of June 2025.

Other Information: Loan payables represent loan advance payments received and the interests accrued since the formation of the San Mateo County Express Lanes Joint Powers Authority 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 accrual basis (only material revenues and expenses are accrued) on the monthly financial statement. As such, the differences between the current year's actual and the budget show noticeable variances due to the timing of expenses.

ATTACHMENT:

1. Statement of Revenues and Expenses Fiscal Year 2025 (June 2025)



SAN MATEO COUNTY EXPRESS LANE JOINT POWERS AUTHORITY
STATEMENT OF REVENUES AND EXPENSES
FISCAL YEAR 2025
As of June 30, 2025

Audited Financial Statement

	YEAR-TO-DATE JULY - JUNE				ANNUAL
	BUDGET	ACTUAL	\$ VARIANCE	% VARIANCE	BUDGET
OPERATING REVENUES					
Toll Revenues	\$ 27,988,000	\$ 29,701,622	\$ 1,713,622	6.1%	\$ 27,988,000
Toll Violation, Fees and Penalties	2,253,000	5,438,410	3,185,410	141.4%	2,253,000
Allocated Bond Funds - Equity Program	-	245,164	245,164	100.0%	-
SMCTA Measure A (ACR TDM) - Equity Program	354,100	400,000	45,900	13.0%	354,100
Miscellaneous Revenue	442,900	1,603,075	1,160,175	261.9%	442,900
TOTAL REVENUES	\$ 31,038,000	\$ 37,388,271	\$ 6,350,271	20.5%	\$ 31,038,000
OPERATING EXPENSES					
Staff Support & Admin Overhead	\$ 1,197,358	\$ 855,148	\$ 342,210	28.6%	\$ 1,197,358
Seminar/Training & Business Travel	40,500	4,796	35,704	88.2%	40,500
Audit & Bank Fees	21,965	30,517	(8,552)	(38.9%)	21,965
Promotional Advertising	50,000	3,829	46,171	92.3%	50,000
Utilities	60,000	131,783	(71,783)	(119.6%)	60,000
Software Maintenance & License	38,000	24,486	13,514	35.6%	38,000
Legal Services	60,000	15,610	44,390	74.0%	60,000
Insurance	669,500	597,492	72,008	10.8%	669,500
SMCEL-JPA Bond Related Debt Fees	670,000	393,074	276,926	41.3%	670,000
Miscellaneous	54,300	29,729	24,571	45.3%	54,300
Consultant	1,645,000	1,408,600	236,400	14.4%	1,645,000
Express Lane Maintenance	847,000	57,399	789,601	93.2%	847,000
Toll Operations and Maintenance (BAIFA)	6,950,000	4,799,991	2,150,009	30.9%	6,950,000
FasTrak Customer Service (BATA)	3,647,500	3,451,570	195,930	5.4%	3,647,500
Express Lanes Enhanced Enforcement (CHP)	616,000	580,949	35,051	5.7%	616,000
Equity Program Administration and Costs	1,471,039	1,283,994	187,045	12.7%	1,471,039
Interest Expense on Operating Advances	320,587	234,220	86,367	26.9%	320,587
Credit Enhancement Fee	400,000	400,000	(0)	(0.0%)	400,000
SMCEL-JPA Bond Interest	3,500,000	1,408,192	2,091,808	59.8%	3,500,000
TOTAL EXPENSES	\$ 22,258,749	\$ 15,711,379	\$ 6,547,370	29.4%	\$ 22,258,749
SURPLUS/(DEFICIT)	\$ 8,779,251	\$ 21,676,892	\$ 12,897,641	146.9%	\$ 8,779,251
Additional Information:					
Operating loan and interest payable to the City/County Association of Governments of San Mateo County				\$ 2,741,801	
Operating loan and interest payable to the San Mateo County Transportation Authority				\$ 3,226,821	

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: December 5, 2025

To: San Mateo County Express Lanes Joint Powers Authority Board of Directors

From: Kate Jordan Steiner, Chief Financial Officer

Subject: Accept Statement of Sources and Uses for the Period Ending August 31, 2025.
(For further information, contact Kate Jordan Steiner, Chief Financial Officer, at 650-647-3504)

RECOMMENDATION

That the San Mateo County Express Lanes Joint Powers Authority Board of Directors accepts and enters into the record the Statement of Sources and Uses for the Fiscal Year 2026, period ending August 31, 2025.

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

FISCAL IMPACT

Operating Sources: As of August 31, 2025, the total operating sources are \$4.1 million, \$1.0 million (19.3 percent) unfavorable to budget. The major sources consist of the following:

- Toll Revenues, \$3.6 million (\$0.6 million [13.6 percent] unfavorable to budget)
 - The unfavorable variance reflects a timing difference in toll revenue collections, which are lagging by one week due to cash basis methodology.
- Toll Violations, Fees and Penalties, \$0.3 million (\$0.3 million [50.1 percent] unfavorable to budget)
 - The unfavorable variance is primarily driven by fluctuations in the collections of violations, fees and penalties. This is expected to be resolved in future quarters.
- Miscellaneous Revenue (Interest Income), \$0.1 million (\$0.1 million [41.9 percent] unfavorable to budget)
 - The unfavorable variance is due to the timing difference that will result in a one-month shortfall throughout the year, expected to be fully resolved by year end.

Operating Uses: As of August 31, 2025, the total operating uses are \$2.0 million, \$0.7 million (27.6 percent) favorable to budget. The major uses are:

- Toll Operations and Maintenance (Bay Area Infrastructure Financing Authority), \$0.7 million (\$0.3 million [28.4 percent] favorable to budget)
 - The favorable variance is driven by the timing of expenses related to civil roadway maintenance (other costs not covered by Caltrans) and contingency. This is expected to be resolved by year end.
- FasTrak Customer Service (Bay Area Transportation Authority), \$0.5 million (\$0.1 million [13.0 percent] favorable to budget)
 - The favorable variance is largely due to the contingency budget not being utilized.
- Express Lane Maintenance, \$0.0 million (\$0.1 million [100.0 percent] favorable to budget)
 - The favorable variance is a result of the deferral of maintenance work. The expense was budgeted to fulfill the annual Caltrans contract (\$847 thousand).
- Staff Support & Admin Overhead, \$0.1 million (\$0.2 million [55.7 percent] favorable to budget)
 - The favorable variance is attributed to less time charged to the agency by staff and C/CAG

BACKGROUND

Budget Amendment: There are no budget amendments for the month of August 2025.

Other Information: Loan payables represent advance payments received and interests accrued since the formation of the San Mateo County Express Lanes Joint Powers Authority from both the San Mateo County Transportation Authority and the City/County Association of Governments of San Mateo County. The operating loan was fully paid off in the amount of \$5,968,361:

- \$3,226,559 - San Mateo County Transportation Authority
- \$2,741,802 - City/County Association of Governments of San Mateo County

The Agency accounts for expenses on a modified accrual basis (only material expenses are accrued) in the monthly financial statement. As a result, current year's actuals and budgeted amounts may show noticeable variances due to the timing of expenses.

ATTACHMENT:

1. Statement of Sources and Uses Fiscal Year 2026 (August 2025)



SAN MATEO COUNTY EXPRESS LANE JOINT POWERS AUTHORITY
STATEMENT OF SOURCES AND USES
FISCAL YEAR 2026
As of August 31, 2025

YEAR-TO-DATE					
JULY - AUGUST					ANNUAL
	BUDGET	ACTUAL	\$ VARIANCE	% VARIANCE	BUDGET
SOURCES					
Toll Revenues	\$ 4,196,309	\$ 3,625,533	\$ (570,776)	(13.6%)	\$ 31,297,387
Toll Violations, Fees and Penalties	535,079	266,913	(268,166)	(50.1%)	6,118,374
Set Aside Prior Years Balance - Equity Program	125,057	79,725	(45,332)	(36.2%)	1,014,594
Revenue Sharing Funds - Equity Program	-	-	-	0.0%	488,406
Miscellaneous Revenue (Interest Income)	234,058	136,010	(98,048)	(41.9%)	1,404,353
TOTAL SOURCES	\$ 5,090,503	\$ 4,108,181	\$ (982,322)	(19.3%)	\$ 40,323,114
USES					
Toll Operations and Maintenance (BAIFA)	\$ 1,035,142	\$ 741,089	\$ 294,053	28.4%	\$ 6,681,000
FasTrak Customer Service (BATA)	610,248	531,019	79,229	13.0%	3,670,000
Express Lane Maintenance	141,166	-	141,166	100.0%	847,000
Express Lane Enhanced Enforcement (CHP)	70,334	116,823	(46,489)	(66.1%)	422,000
Consultant	236,666	185,581	51,085	21.6%	1,420,000
Insurance	108,334	95,901	12,433	11.5%	650,000
Claims Reserve and Payment	-	-	-	0.0%	50,000
Utilities	24,000	22,795	1,205	5.0%	144,000
Equity Program Administration and Costs	125,057	79,725	45,332	36.2%	2,103,000
Staff Support & Admin Overhead	269,401	119,398	150,003	55.7%	1,702,200
Board of Directors and Related Costs	-	1,124	(1,124)	0.0%	13,900
Other Administrative Costs	27,570	6,932	20,638	74.9%	227,910
Credit Fee	62,474	62,474	-	0.0%	374,840
SMCEL-JPA Bond Related Debt Fees	-	-	-	0.0%	414,377
SMCEL-JPA Bond Interest	-	-	-	0.0%	3,279,850
TOTAL OPERATING USES	\$ 2,710,392	\$ 1,962,861	\$ 747,531	27.6%	\$ 22,000,077
TOTAL OPERATING SURPLUS/(DEFICIT)	\$ 2,380,111	\$ 2,145,320	\$ (234,791)	(9.9%)	\$ 18,323,037
Operating Loan Payoff	\$ 6,000,000	\$ 5,968,361	\$ 31,639	0.5%	\$ 6,000,000
Capital Reserve	1,513,333	1,513,333	-	0.0%	9,080,000
TOTAL USES	\$ 10,223,725	\$ 9,444,555	\$ 779,170	7.6%	\$ 37,080,077
PROJECTED SOURCES OVER USES	\$ (5,133,222)	\$ (5,336,374)	\$ (203,152)	4.0%	\$ 3,243,037

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: December 5, 2025

To: San Mateo County Express Lanes Joint Powers Authority Board of Directors

From: Kate Jordan Steiner, Chief Financial Officer

Subject: Accept Statement of Sources and Uses for the Period Ending September 30, 2025.
(For further information, contact Kate Jordan Steiner, Chief Financial Officer, at 650-647-3504)

RECOMMENDATION

That the San Mateo County Express Lanes Joint Powers Authority Board of Directors accepts and enters into the record the Statement of Sources and Uses for the Fiscal Year 2026, period ending September 30, 2025.

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

Beginning in the second quarter of Fiscal Year 2026, the Revenue Statement will transition to a quarterly reporting schedule. This change is being implemented at the request of staff as part of ongoing upgrades to the financial software, which will improve reporting efficiency. A review of the Joint Exercise of Powers Agreement (JEPA) confirms that quarterly reporting is permissible.

FISCAL IMPACT

Operating Sources: As of September 30, 2025, the total operating sources are \$7.7 million, \$1.0 million (11.4 percent) unfavorable to budget. The major sources consist of the following:

- Toll Revenues, \$6.4 million (\$0.5 million [7.7 percent] unfavorable to budget)
 - The unfavorable variance reflects a timing difference in toll revenue collections, which are lagging by one week due to cash basis methodology.
- Toll Violations, Fees and Penalties, \$0.8 million (\$0.3 million [25.3 percent] unfavorable to budget)
 - The unfavorable variance is primarily driven by fluctuations in the collections of violations, fees and penalties. This is expected to be resolved by year-end.
- Set Aside Prior Years Balance - Equity Program, \$0.2 million (\$0.1 million [35.7 percent] unfavorable to budget)
 - The unfavorable variance is mainly attributed to the delayed kick-off event as processes for virtual card set up are being finalized.
- Miscellaneous Revenue (Interest Income), \$0.3 million (\$0.1 million [17.8 percent] unfavorable to budget)
 - The unfavorable variance is due to the timing difference that will result in a one-month shortfall throughout the year, expected to be fully resolved by year end.

Operating Uses: As of September 30, 2025, the total operating uses are \$3.2 million, \$1.1 million (25.3 percent) favorable to budget. The major uses are:

- Toll Operations and Maintenance (Bay Area Infrastructure Financing Authority), \$1.1 million (\$0.4 million [28.2 percent] favorable to budget)
 - The favorable variance is driven by the timing of expenses related to civil roadway maintenance (other costs not covered by Caltrans), program management and contingency. This is expected to be resolved by year-end.
- FasTrak Customer Service (Bay Area Transportation Authority), \$0.9 million (\$0.04 million [4.9

- percent] favorable to budget)
 - The favorable variance is largely due to the contingency budget not being utilized.
- Express Lane Maintenance, \$0.0 million (\$0.2 million [100.0 percent] favorable to budget)
 - The favorable variance is due to the budget being based on the maximum value of the contract with Caltrans. Expenses will be recorded as they are incurred, according to actual need. To date, no costs have been incurred.
- Equity Program Administration and Costs, \$0.2 million (\$0.1 million [35.7 percent] favorable to budget)
 - The favorable variance is primarily due to the delayed kick-off event as processes for virtual card set up are being finalized.
- Staff Support & Admin Overhead, \$0.2 million (\$0.2 million [44.9 percent] favorable to budget)
 - The favorable variance is attributed to fewer hours charged by District and C/CAG staff.

BACKGROUND

Budget Amendment: There are no budget amendments for the month of September 2025.

Other Information: Loan payables represent advance payments received and interests accrued since the formation of the San Mateo County Express Lanes Joint Powers Authority from both the San Mateo County Transportation Authority and the City/County Association of Governments of San Mateo County. The operating loan was fully paid off in the amount of \$5,968,622:

- \$3,226,820 - San Mateo County Transportation Authority
- \$2,741,802 - City/County Association of Governments of San Mateo County

The Agency accounts for expenses on a modified accrual basis (only material expenses are accrued) in the monthly financial statement. As a result, current year's actuals and budgeted amounts may show noticeable variances due to the timing of expenses.

ATTACHMENT:

1. Statement of Sources and Uses Fiscal Year 2026 (September 2025)



SAN MATEO COUNTY EXPRESS LANE JOINT POWERS AUTHORITY
STATEMENT OF SOURCES AND USES
FISCAL YEAR 2026
As of September 30, 2025

YEAR-TO-DATE					
JULY - SEPTEMBER					ANNUAL
	BUDGET	ACTUAL	\$ VARIANCE	% VARIANCE	BUDGET
SOURCES					
Toll Revenues	\$ 6,883,737	\$ 6,351,638	\$ (532,099)	(7.7%)	\$ 31,297,387
Toll Violations, Fees and Penalties	1,048,011	782,483	(265,528)	(25.3%)	6,118,374
Set Aside Prior Years Balance - Equity Program	357,499	229,750	(127,749)	(35.7%)	1,014,594
Revenue Sharing Funds - Equity Program	-	-	-	0.0%	488,406
Miscellaneous Revenue (Interest Income)	351,087	288,594	(62,493)	(17.8%)	1,404,353
TOTAL SOURCES	\$ 8,640,334	\$ 7,652,465	\$ (987,869)	(11.4%)	\$ 40,323,114
USES					
Toll Operations and Maintenance (BAIFA)	\$ 1,536,352	\$ 1,102,631	\$ 433,721	28.2%	\$ 6,681,000
FasTrak Customer Service (BATA)	905,191	861,262	43,929	4.9%	3,670,000
Express Lane Maintenance	211,749	-	211,749	100.0%	847,000
Express Lane Enhanced Enforcement (CHP)	105,501	137,862	(32,361)	(30.7%)	422,000
Consultant	354,999	302,101	52,898	14.9%	1,420,000
Insurance	162,501	143,852	18,649	11.5%	650,000
Claims Reserve and Payment	-	-	-	0.0%	50,000
Utilities	36,000	34,104	1,896	5.3%	144,000
Equity Program Administration and Costs	357,499	229,750	127,749	35.7%	2,103,000
Staff Support & Admin Overhead	405,647	223,508	182,139	44.9%	1,702,200
Board of Directors and Related Costs	3,475	1,586	1,889	54.4%	13,900
Other Administrative Costs	41,355	12,638	28,717	69.4%	227,910
Credit Fee	93,711	93,711	-	0.0%	374,840
SMCEL-JPA Bond Related Debt Fees	11,143	11,142	1	0.0%	414,377
SMCEL-JPA Bond Interest	-	-	-	0.0%	3,279,850
TOTAL OPERATING USES	\$ 4,225,123	\$ 3,154,147	\$ 1,070,976	25.3%	\$ 22,000,077
TOTAL OPERATING SURPLUS/(DEFICIT)	\$ 4,415,211	\$ 4,498,318	\$ 83,107	1.9%	\$ 18,323,037
Operating Loan Payoff	\$ 6,000,000	\$ 5,968,622	\$ 31,378	0.5%	\$ 6,000,000
Capital Reserve	2,270,000	2,270,000	-	0.0%	9,080,000
TOTAL USES	\$ 12,495,123	\$ 11,392,769	\$ 1,102,354	8.8%	\$ 37,080,077
PROJECTED SOURCES OVER USES	\$ (3,854,789)	\$ (3,740,304)	\$ 114,485	(3.0%)	\$ 3,243,037

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: December 5, 2025

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

From: Executive Council

Subject: Accept Quarterly Investment Report for SMCEL-JPA.

(For further information please contact Adela Alicic at alica@samtrans.com)

RECOMMENDATION

Staff proposes that the Board accept and enter into the record the Quarterly Investment Report for the quarter ending September 30, 2025.

FISCAL IMPACT

Not applicable.

SOURCE OF FUNDS

Not Applicable.

BACKGROUND

The San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA) is required by its Investment Policy and California (CA) state law to submit a quarterly investment report to the Board within 45 days of quarter-end. The report provides transparency and accountability in managing public funds by detailing the investment portfolio's composition, performance, and compliance with legal and policy requirements.

Balances and Performance Highlights:

To maintain financial flexibility and immediate access to funds, SMCEL-JPA currently does not invest in long-term instruments. To ensure liquidity while continuing to build the Operating & Maintenance Reserve, Equity Program Fund, and other designated balances, the Authority holds funds in short-term government money market accounts. This approach ensures that resources remain readily available to meet near-term cash flow needs, support program obligations, and align with prudent fiscal management as SMCEL-JPA strengthens its financial position. As balances grow over time, the Authority will explore opportunities to diversify and optimize its investment strategy in accordance with its investment policy and long-term objectives.

ITEM 3.5

As of September 30, 2025, SMCEL-JPA's total cash and cash equivalents totaled \$45.4 million, comprised of:

- Wells Fargo operating checking account (\$4.3 million)
- U.S. Bank trustee account (\$41.1 million)
 - o Invested solely in the First American Government Obligations Money Market Fund (Ticker: FGDXX, CUSIP: 31846V401), which is a highly liquid AAA rated fund and is in compliance with CA Government Code 53601. It is classified as a cash equivalent under Governmental Accounting Standards Board (GASB) definitions.
- JP Morgan checking account (\$67 dollars)

During the first quarter of Fiscal Year 2026, SMCEL-JPA earned \$0.4 million in interest income from the Wells Fargo and U.S. Bank Accounts. As of September 30, 2025 the Wells Fargo annualized fund yield was 4.02 percent, and the U.S. Bank yield was 3.58 percent.

Balances as of September 30, 2025:

Bank	Type	Interest Rate	Balance
US Bank	Liquid Cash	3.58%	\$41,104,800
Wells Fargo Bank	Liquid Cash	4.01%	\$4,329,980
JP Morgan	Liquid Cash	1.36%	\$67

Portfolio Compliance

The SMCEL-JPA's funds comply with the Investment Policy and relevant California Government Code provisions. The SMCEL-JPA also certifies its ability to meet expenditure requirements for the next six months.

ATTACHMENTS

None

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: December 5, 2025

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

From: Executive Council

Subject: Review and Approval of Resolution SMCEL 25-11 authorizing the Chair to ratify the Limited Notice to Proceed (LNTP) for Amendment No. 3 to the HNTB Policy/Program Management services agreement for a four month extension with no additional budget requested.

(For further information, contact (Kim Comstock kcomstock@smcgov.org)

RECOMMENDATION

That the SMCEL-JPA Board of Directors approve Resolution SMCEL 25-11 authorizing the Chair to ratify the Limited Notice to Proceed (LNTP) for Amendment No. 3 to the HNTB Policy/Program management services agreement for a four month extension.

FISCAL IMPACT

No additional budget is requested for this extension. HNTB will utilize remaining funds from the previously authorized contract authority, and expenditures during the four-month extension period will not exceed \$88,577.

SOURCE OF FUNDS

The adopted Fiscal Year 2025/2026 Budget includes funding for Policy/Program Management Services for the said Fiscal Year.

BACKGROUND

The C/CAG Board and SMCTA Board both approved the Joint Exercise of Powers Agreement (JEPA) that became effective on June 13, 2019. The JEPA created SMCEL-JPA, pursuant to the California Joint Exercise of Powers Act, to oversee the operations and administration of the San Mateo 101 Express Lanes Project, and to jointly exercise ownership rights over the express lanes.

Pursuant to the JEPA, the SMCEL-JPA retained an independent, senior-level Policy/Program Manager (PPM) under contract to develop and oversee the implementation of the Authority's policies and programs. The PPM reported directly to the Board and working in collaboration with the Executive Council and supporting staff.

On October 11, 2019, the SMCEL-JPA Board approved Resolution SMCEL 19-05 authorizing the Chair to execute an agreement with HNTB Corporation for Policy/Program Management Services, beginning November 1, 2019 through October 31, 2021, for an amount not to exceed \$1,381,716. During this two-

year period, HNTB successfully provided Board support, made policy recommendations, oversaw the Equity Study as well as the formulation of the Equity Program. HNTB also facilitated the negotiation of the Operation and Maintenance Agreement with the Bay Area Infrastructure Financing Authority (BAIFA) and assisted in the formulation and adoption of the Toll Ordinance.

On September 10, 2021, Resolution No. SMCEL 21-14 was approved by the SMCEL-JPA Board authorizing the Chair to execute Amendment No. 1 to the Agreement with HNTB. Amendment No. 1 extended HNTB's contract for two years through October 31, 2023, and increased the total contract authority by \$2,884,199, for a total not to exceed amount of \$4,265,915. HNTB not only continued providing PPM Services for SMCEL-JPA but also assisted with the successful opening of both the southern and northern segments of the Express Lanes. HNTB was also heavily involved with the implementation of the Equity Program, in addition to working on policy issues such as the Clean Air Vehicle discount process. The PPM also provided support for tolling, operations and technical analysis, as well as assistance with finance, communications and overall program administration.

On September 8, 2023, the SMCEL-JPA Board adopted Resolution No. SMCEL 23-16, authorizing the Chair to execute Amendment No. 2 to the Agreement with HNTB. Amendment No. 2 extended HNTB's contract for two years through October 31, 2025, and further increased the total contract authority by \$2,474,560. This brought the total contract amount to \$6,740,475.

As HNTB's current contract extension has concluded, staff recommends approval of Amendment No. 3 to extend the contract for an additional four months from November 1, 2025, through February 28, 2026. No additional contract funding authority is requested for Amendment No. 3. This extension will be funded using remaining, previously authorized contract funds, with total expenditures during the extension period not to exceed \$88,577.

During this period, HNTB will continue to support the SMCEL-JPA's Community Transportation Benefits Program through the initial launch of the new Go Card program. Activities include finalizing technical implementation and integration, coordinating with partners on system readiness, and completing the Go Card marketing collateral. The full scope of work is provided in Attachment A (Scope of Work).

ATTACHMENTS:

1. Resolution SMCEL 25-11
2. Draft Amendment No. 3 to the Agreement with HNTB Corporation for Policy/Program Management Services for the period of November 1, 2025, to February 28, 2026
3. Attachment A - Scope of Work

RESOLUTION SMCEL 25-11

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN MATEO COUNTY EXPRESS LANES JOINT POWERS AUTHORITY (SMCEL-JPA) AUTHORIZING THE CHAIR TO RATIFY THE LIMITED NOTICE TO PROCEED (LNTP) FOR AMENDMENT NO. 3 TO THE HNTB POLICY/PROGRAM MANAGEMENT SERVICES AGREEMENT FOR A FOUR MONTH EXTENSION WITH NO ADDITIONAL BUDGET REQUESTED.

RESOLVED, by the Board of Directors of San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA) that,

WHEREAS, the Joint Exercise of Powers Agreement for the San Mateo County Express Lanes was approved by the City/County Association of Governments (“C/CAG”) Board and the San Mateo County Transportation Authority (“SMCTA”) Board at their board meetings on April 11, 2019 and May 2, 2019, respectively; and

WHEREAS, the First Amended and Restated Joint Exercise of Powers Agreement for the San Mateo County Express Lanes (JEPA) was approved by the C/CAG Board and the SMCTA Board at their respective board meetings on June 13, 2019 and July 11, 2019; and

WHEREAS, the JEPA created the SMCEL-JPA to: apply to the California Transportation Commission in order to own, administer, and manage the operations of the San Mateo County Express Lanes (“Project”); to share in the ownership, administration, and management of any potential future express lanes within San Mateo County; to set forth the terms and conditions governing the management, operation, financing, and expenditure of revenues generated by express lanes in San Mateo County; and to exercise the powers as provided by law (including but not limited to California Streets and Highways Code Section 149.7, as it now exists and may hereafter be amended); and

WHEREAS, the JEPA defines the individual roles and responsibilities of the partnering agencies and certain staff, including the Executive Council, County Counsel, SMCTA and C/CAG staff, and the Policy/Program Manager (PPM) to the SMCEL-JPA; and

WHEREAS, through a Request for Qualification/Proposal process, HNTB Corporation was selected to provide said Policy/Program Management (PPM) services; and

WHEREAS, on October 11, 2019, the SMCEL-JPA Board authorized the Chair to execute an initial agreement with HNTB for PPM Services, for an amount not to exceed \$1,281,716 covering a period of November 1, 2019 to October 30, 2021; and

WHEREAS, on September 10, 2021, the SMCEL-JPA Board authorized the Chair to execute Amendment No. 1 to the Agreement with HNTB, extending the initial agreement for two years (November 1, 2021 to October 30, 2023) and increasing the total contract by \$2,884,199, bringing the total contract authority to \$4,265,915; and

WHEREAS, on September 9, 2023, the SMCEL-JPA Board authorized the Chair to execute Amendment No. 2 to the Agreement with HNTB, extending the agreement for two years (November 1,

2023 to October 31, 2025) and further increased the total contract by \$2,474,560, bringing the total contract authority to \$6,740,475; and

WHEREAS, the SMCEL-JPA Board desires to execute a new Amendment No. 3 to retain HNTB for Policy/Program Management services through February 28, 2026;

WHEREAS, no additional contract funding authority is needed for Amendment No. 3; this extension will be funded using remaining, previously authorized contract funds, with total expenditures during the extension period not to exceed \$88,577; and

NOW THEREFORE BE IT RESOLVED, by the Board of Directors of the SMCEL-JPA that the Chair is authorized to ratify the Limited Notice to Proceed (LNTP) for Amendment No. 3 to the HNTB Policy/Program Management services agreement for a four month extension through February 28, 2026 with no additional budget requested; and further authorize the Executive Council to negotiate the final agreement prior to execution by the Chair, subject to approval by SMCEL-JPA Legal Counsel.

PASSED, APPROVED, AND ADOPTED, THIS 5TH DAY OF DECEMBER, 2025.

Michael Salazar, Chair

**AMENDMENT No. 3 to the AGREEMENT
BETWEEN
THE SAN MATEO COUNTY EXPRESS LANES JOINT POWERS AUTHORITY
AND
HNTB CORPORATION
FOR THE POLICY/PROGRAM MANAGEMENT SERVICES
BEGINNING NOVEMBER 1, 2025 TO FEBRUARY 28, 2026**

THIS AMENDMENT No. 3 to the AGREEMENT is entered into this 5th day of December 2025, by and between the San Mateo County Express Lanes Joint Powers Authority, hereinafter referred to as "SMCEL-JPA" and HNTB Corporation, hereinafter referred to as "HNTB", and

WITNESSETH:

WHEREAS, through a Request for Qualification/Proposal process, HNTB Corporation was selected to provide Policy/Program Management services to SMCEL-JPA; and

WHEREAS, on October 11, 2019, the SMCEL-JPA Board authorized the Chair to sign an initial two-year agreement with HNTB for Policy/Program Management services, for an amount not to exceed \$1,281,716 covering period of November 1, 2019 to October 30, 2021; and

WHEREAS, on September 10, 2021, the SMCEL-JPA Board authorized the Chair to sign Amendment No. 1 to the HNTB Agreement for Policy/Program Management services, extending the initial contract for an additional two years, covering period of November 1, 2021 to October 31, 2023, and increasing the total contract by \$2,884,199, bringing the total contract authority to \$4,265,915; and

WHEREAS, on September 9, 2023, the SMCEL-JPA Board authorized the Chair to execute Amendment No. 2 to the Agreement with HNTB extending the agreement for two years covering a period of November 1, 2023 to October 31, 2025 and further increased the total contract by \$2,474,560, bringing the total contract authority to \$6,740,475; and

WHEREAS, the SMCEL-JPA Board desires to retain HNTB to provide Policy/Program Management services for another four months through February 28, 2026.

WHEREAS, no additional contract funding authority is needed for Amendment No. 3, as this extension will be funded using remaining, previously authorized contract funds, with total expenditures during the extension period not to exceed \$88,577.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions as hereinafter set forth, the parties hereto do hereby agree as follows:

1. HNTB will continue to provide Policy and Program Management services to the SMCEL-JPA limited to the tasks included in Attachment 3 (Scope of Work).
2. The term of Amendment No. 3 to the Agreement with HNTB will be for a period of four months beginning November 1, 2025 to February 28 2026.
3. The total Not to Exceed amount for Amendment No. 3 to the Agreement is \$88,577.
4. All other contract terms for the initial contract not superseded by this Amendment No. 3 remain in full force and effect for the extension period in Paragraph 2 above.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the 5th day of December, 2025.

HNTB Corporation:

By: Jeff Watson, Vice President

Date

SAN MATEO COUNTY EXPRESS LANES JOINT POWERS AUTHORITY:

By: Michael Salazar, Chair

Date

By: Timothy Fox, Legal Counsel

Date

Attachment A: Scope of Services

Amendment #3 to the Agreement Between the San Mateo County Express Lanes Joint Powers Authority and HNTB Corporation for the Policy/Program Manager Services

Purpose of Amendment: Pursuant to the original agreement and Amendment #2 executed between the SMCELJPA and HNTB, this amendment serves to extend the termination date to February 28, 2026. This extension is to ensure the completion of specific tasks and deliverables under the scope of work identified in Amendment #2, but were not completed due to delays. These tasks include services to support during the transition (Task 1), the launch and one month invoicing cycle of the Go Card Program (Task 2) and finalizing collateral materials related to the Go Card Program (Task 3).

Amendment Period: November 1, 2025 – February 28, 2026

Cost Estimate: \$88,577, not to exceed

Budget Status: No additional budget; work to be completed within approved budget under Amendment No. 2 not-to-exceed amount of \$2,474,560.

SCOPE OF SERVICES

Task 1: General Policy – Budget line items #1

Provide support during the transition period, including responding to requests for historical project information, clarifications, or context as approved by the Program Director. Services will be performed on an as-needed basis, (up to to 30 hours).

Task 2: Go Card Program Launch and Support Services – Budget line item #2

The Go Card Program was scheduled to launch on September 11, 2025. The Go Card Program's launch was delayed to update collateral to meet federal banking branding guidelines associated with the prepaid cards. As a result, the new launch date is planned for November 2025. For continuity of operations and in support of the success of the new program launch, it is SMCEL-JPA's desire to retain HNTB's services to support the launch by continuing to coordinate with the technology vendor, Beam, and community-based organizations (CBOs) administering the new program. As the launch date and first month in full operations is critical to the success of the new program, HNTB will provide the following services:

- Lead coordination with Beam up through launch date and one additional month of operations, then transition the oversight of the Beam contract to the SMCEL-JPA's Go Card Program Administrator, (up to 40 hours).
- Lead coordination with the four remaining CBOs—Fair Oaks Community Center, Pacifica Resource Center, Samaritan House, and SparkPoint Centers—that have not executed a memorandum of understanding (MOU) to support the Go Card Program,(up to 12 hours).

- Lead coordination with CBOs on program and MOU related questions through launch date and one additional month of operations, then transition the oversight MOUs to the SMCEL-JPA's Go Card Program Administrator, (up to 160 hours).
- Support the review of the first month of CBO invoices in coordination the SMCEL-JPA's Go Card Program Administrator, (up to 48 hours).
- Provide advisory services to the SMCEL-JPA's Go Card Program Administrator to support the transition, (up to 20 hours).
- Provide a briefing to the new SMCEL-JPA Program Director on the Go Card Program and up to 20 hours of additional advisory service hours to help her get up to speed on the program.

Total estimate level of effort is 300 hours. Included in that estimate is 40 hours of quality review of the deliverables below.

Deliverables:

- a. Documentation of outcomes of remaining 4 CBO MOUs, which may include filing executed MOUs on SMCEL-JPA's SharePoint or notes related to other outcomes
- b. Plan and lead up to 2 biweekly meetings with CBOs following the launch date
- c. Monthly invoice template for CBOs
- d. Review and recommendation for payment of each contracted CBO's first invoice (assumption based on 12 CBOs)
- e. One briefing for new SMCEL-JPA Program Director

Task 3: Go Card Program Collateral – Budget line item #3

New banking guidelines for collateral, including fact sheets, promotion materials, and the website, were identified in September 2025. SMCEL-JPA staff, San Mateo County Transportation Authority (TA) Market and Communications staff, and Beam's third-party vendors are reviewing the updated materials for compliance. HNTB will continue to take the lead on coordination with staff to finalize the following approved collateal to align with banking guidelines:

1. 101expresslanes.org website sections on the Go Card Program
2. Go Card Program Fact Sheet
3. Go Card Program Frequently Asked Questions (FAQ)
4. Go Card Program Poster
5. Go Card Program Half-Page/postcard
6. Go Card Program Partner Toolkit
7. Go Card Video 1 – Go Card Program Basics
8. Go Card Video 2 – How to use the Go Card

Tasks include addressing comments by SMCEL-JPA and TA staff, coordination with Beam and its vendors, and coordination with the SMCEL-JPA/TA translation vendor to have materials translated into languages selected by SMCEL-JPA/TA staff, (up to 20 hours).

For the videos (items 7 & 8), additional updates will be need to the previously approved video scripts (up to 30 hours):

- Re-record voiceover once script is approved by TA
- Recreate animations removing visualization of debit card and adjusting text to be compliant with the banking guidelines
- Incorporate supplemental footage provided by the TA, once script is updated and approved
- Combine supplemental footage with animation
- Add translated subtitles for languages selected by the TA for separate language video files
- Quality control of final deliverables
- Address one round of comments by JPA/TA staff

Once approved by staff and banking vendor, native files will be transferred to the SMCEL-JPA's SharePoint site and HNTB will coordinate with the TA Web Development team to update site and upload approved files.

Total estimate level of effort is 50 hours. Included in that estimate is 10 hours for quality review of the deliverables below.

Deliverables:

- Final versions in public facing formats (i.e., PDF, video files, etc.) of the 8 collateral items listed above in Task 3, addressing one round of comments
- Native files for 8 Collateral items listed above in Task 3

Task 4: Operations – Budget line item #4

No services requested under this amendment.

Task 5: Finance & Budget – Budget line item #5

No services requested under this amendment.

Task 6: Project Management & Administration – Budget line item #6

The Project Management Team will perform the following activities in support of the amendment:

- Project management tasks including monitoring agreement terms, schedule, and budget (up to 20 hours)
- Project administration including Contract progress reporting and invoicing (up to 16 hours)
- Monthly progress reports, including agreement oversight and quality assurance in accordance to an agreed upon Quality Management Plan under the Agreement (up to 16 hours)

Deliverable Schedule

Table of Anticipated Deliverable

Task	Deliverable	Date
2a MOU Tracking & Outcome	MOU Outcome Status Memorandum	Within 2 weeks from final MOU disposition
2b CBO Biweekly Meetings	Meeting agendas and minutes	Biweekly from launch date
2c Monthly invoice template	Monthly CBO invoice template	Within 2 weeks of Notice To Proceed (NTP)
2d Review CBO invoice	Invoice recommendations for payment	Within 1 week of receipt of invoices
2e Program Director briefing	Briefing	Within 1 week of NTP
3a Finalize collateral	<ol style="list-style-type: none"> 101expresslanes.org website sections on the Go Card Program Go Card Program Fact Sheet Go Card Program Frequently Asked Questions (FAQ) Go Card Program Poster Go Card Program Half-Page/postcard Go Card Program Partner Toolkit Go Card Video 1 – Go Card Program Basics Go Card Video 2 – How to use the Go Card 	<p>Items 1 through 6, within 2 weeks of NTP, contingent upon client approval of final</p> <p>Items 7 and 8, within 2 weeks of receipt of translated scripts, contingent upon client approval</p>
3b Collateral Native files	Native files for collateral list in 3a	Within 5 days from deliverable 3a

Attachment B

Cost Estimate

Cost Estimate per Task

Task		4-month extension 11/01/25 – 2/28/26	
		Est. Hours	Est. Cost*
1	General Policy	30	\$11,077
2	Go Card Program Launch & Support Services	300	\$55,000
3	Go Card Program Collateral	50	\$8,250
4	Operations – NO SERVICES REQUESTED	0	\$0
5	Finance & Budget – NO SERVICES REQUESTED	0	\$0
6	Program Management Administration	52	\$14,250
Estimate Total		432	\$88,577

Amendment Period: November 1, 2025 – February 28, 2026

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: December 5, 2025

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

From: Policy/Program Manager (PPM)

Subject: Receive a quarterly update on the operations of the US 101 Express Lanes.

(For further information please contact Liz Justison, Policy/Program Manager,
Liz.Justison@stvinc.com)

RECOMMENDATION

Receive a quarterly update on the US 101 Express Lanes operations from Interstate 380 to the San Mateo/Santa Clara County line (SM 101 Express Lanes) for the third quarter (Q1) of Fiscal Year 2026 (FY26). No Board action is required.

FISCAL IMPACT

There is no fiscal impact related to this informational item.

SOURCE OF FUNDS

N/A

BACKGROUND

US 101 Express Lanes Operations

On March 3rd, 2023, the northern segment of the US 101 Express Lanes (between Interstate-380 and Whipple Avenue) opened, establishing the complete 22-mile San Mateo 101 Express Lanes corridor. There is now a seamless express lanes network along US 101 from Interstate 380 to the San Mateo and Santa Clara County line.

The following are the operational highlights for the 1st quarter of fiscal year 2026 (July 1 – September 31, 2025).

Trips and Revenue

- About 3.93 million express lane trips (61,484 per day) were taken on the US-101 Express Lanes in San Mateo County across 64 tolling days, which is a decrease of 0.6% quarter over quarter and an increase of 4.7% from the prior fiscal year's 1st quarter.

The following table breaks down the distribution of different trip types taken on the express lanes:

Trip Type	Percent of FY25 Q4 Trips	Percent of FY26 Q1 Trips
Single-occupancy vehicle (SOV) trips utilizing a valid transponder	16.2%	16.4%
Trips receiving a discounted toll (either HOV2 or CAV)	7.8%	7.6%
Toll-free trips (HOV3+) and Non-Revenue	46.2%	46.7%
Trips captured by license plate (Image-Based Tolls)	23.1%	23.1%
Violation Trips	6.7%	6.2%

- Quarter over Quarter distribution of trip types in the express lanes remained consistent.
 - Distribution of trip types in the express lanes has experienced changes from the prior fiscal year's Q1.
 - Toll-free trips (HOV3+) had increased by 3.9% from the same quarter of the prior fiscal year, while SOV tolled trips have been steadily decreasing.
 - This trend highlights the need to review the accuracy of occupancy declaration and work on enforcement strategies.
 - Violation trips have decreased by 1.5% (Image-based Toll trips with no FasTrak account at the time of the trip).
- The SMCEL-JPA is expected to collect \$7.2 million in toll related revenue for Q1.

Speeds

- For the northbound direction, vehicles traveling in the express lanes during the peak hours were on average 10 mph faster than vehicles in the general-purpose lane. Southbound express lane speeds were on average 11 mph faster than the general-purpose lanes during peak hours.
- During peak hours, the speed differential between the express lane and general-purpose lane in both directions remained consistent with Q1 of the previous fiscal year, averaging approximately 10 mph faster northbound and 11 mph faster southbound.
- In addition, reduced speeds were observed on southbound during AM peak hours between Ralston Ave and Embarcadero Rd and PM peak hours between Broadway and 3rd Ave, and on the northbound approach to SR 92 in the PM peak hours. Express Lane speeds continued to stay above the federal speed requirement of 45 mph most of the tolling day.

Tolls

- Northbound and southbound directions have two distinct peak periods during the AM and

PM commutes. Average tolls in peak periods by direction in Q1 were:

Direction	AM peak (6am-10am)	PM peak (3pm-7pm)
Southbound	\$6.65	\$6.05
Northbound	\$3.83	\$5.45

- Quarterly Comparison
 - The average tolls for southbound traffic increased by 1.1% in the AM peak compared to the prior quarter and there was an 0.3% decrease during the PM peak. The average tolls for northbound traffic increased by 1.1% during the AM peak and decreased 10.4% during the PM Peak.
- Prior Fiscal Year's Q1 Comparison
 - The average tolls for southbound traffic increased by 18.3% in the AM peak compared to the prior year's 1st quarter and there was a 1.7% increase during the PM peak. The average tolls for northbound traffic decreased 0.5% during AM peak and increased by 0.9% during the PM peak. This rise in average tolls is mainly attributed to increased traffic volume.
- Average tolls by direction in Q1 across the entire tolling hours were:

Direction	Overall Average Assessed Toll
Southbound	\$4.84
Northbound	\$3.64

- The average assessed toll across all tolling hours in Q1 in the southbound direction for the quarter was \$4.84, which represents a 0.7% decrease quarter over quarter and a 4.5% increase compared to prior fiscal year's Q1, while in the northbound direction, it was \$3.64, representing a 4.2% decrease quarter over quarter and a 0.3% decrease compared to prior fiscal year's Q1.
- Fifty four percent (54.0%) of the tolled trips were less than \$3, and 9.4% of drivers paid a toll of \$12 or greater during Q1.

Lane Users

- An estimated 670,000 unique vehicles made trips in the SM 101 Express Lanes.
 - 60% (400,000) of the vehicles did so with a FasTrak® toll tag in the vehicle.
 - 40% (270,000) of the vehicles traveled without a FasTrak® toll tag and were captured by license plates.
 - This figure differs slightly from the previously cited 23.1% Image Based Toll (IBT) and 6.4% Violation Trip figures. The IBT and Violation trips measure total trips while this statistic measures total unique vehicles.

Enforcement

- CHP made 977 enforcement contacts in Q1, 73% which resulted in HOV occupancy citations.
- Enforcement costs were approximately \$133,447, resulting in an average cost per enforcement contact of approximately \$136.59.

Community Transportation Benefits Program

- By the end of FY26 Q1, a total of 12,152 Community Transportation Benefit Program benefits were distributed since program inception:
 - 9,705 (80%) Clipper cards were issued.
 - 5,569 Clipper \$100 benefits
 - 4,136 Clipper \$200 benefits
 - This represents a 11% growth quarter over quarter.
 - 2,447 (20%) FasTrak® Flex toll tags were issued.
 - 853 FasTrak \$100 benefits
 - 1,494 FasTrak \$200 benefits
 - This represents a 23% growth quarter over quarter.

ATTACHMENT

1. US 101 Express Lanes Performance: 1st Quarter FY 2026



San Mateo 101 Express Lanes Performance 1st Quarter FY2026 (July – Sept 2025)

Rules of the Road

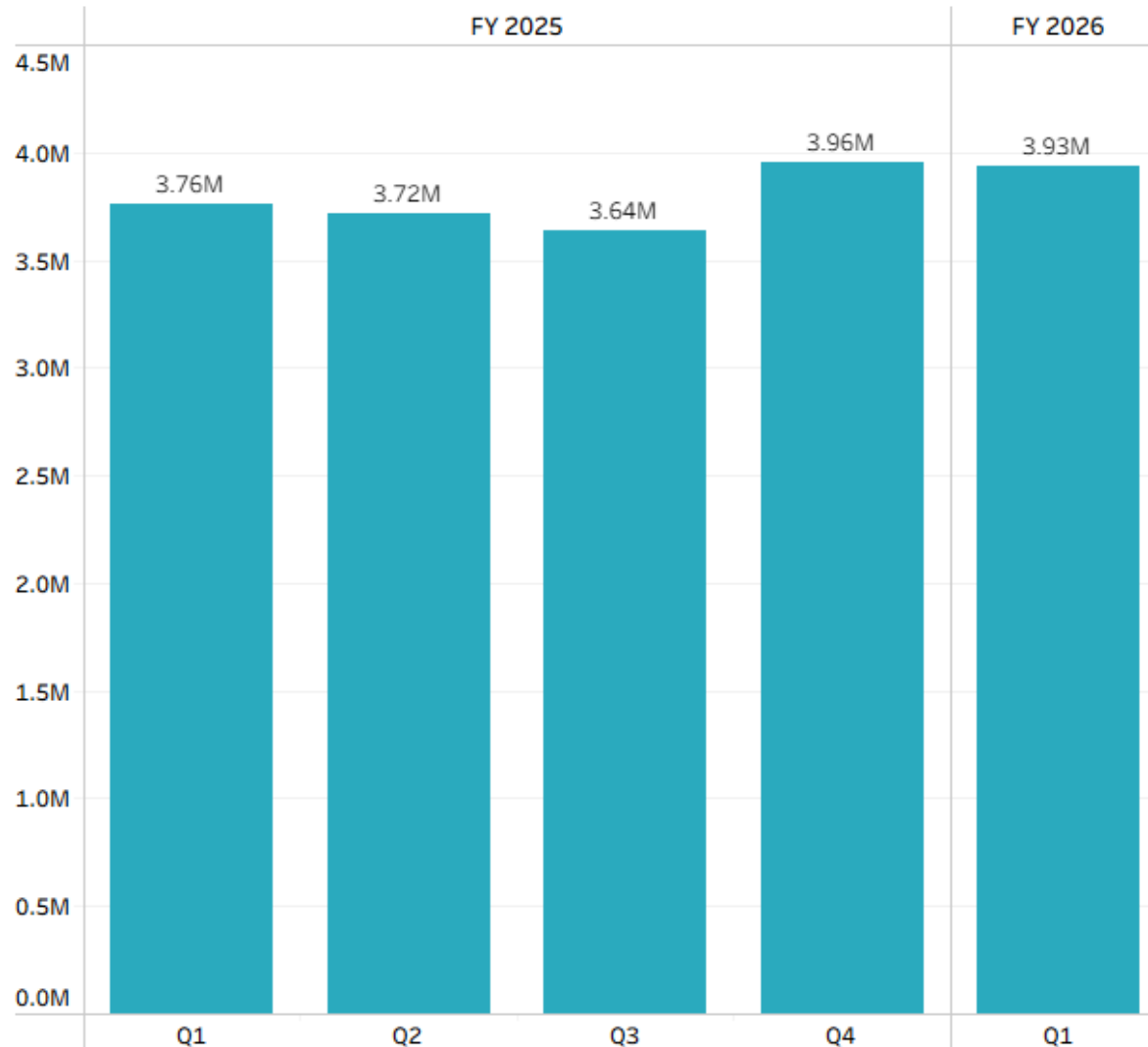
- Hours: 5 a.m. to 8 p.m. Monday – Friday
- FasTrak® required
- Carpools (HOV 3+), buses, and motorcycles travel toll-free with FasTrak® Flex toll tags
- Carpools (HOV 2) pay half-price tolls with FasTrak® Flex toll tags
- Solo drivers in eligible clean-air vehicles pay half-price tolls with FasTrak® CAV toll tags (**expired September 30, 2025**)



Key Performance Highlights

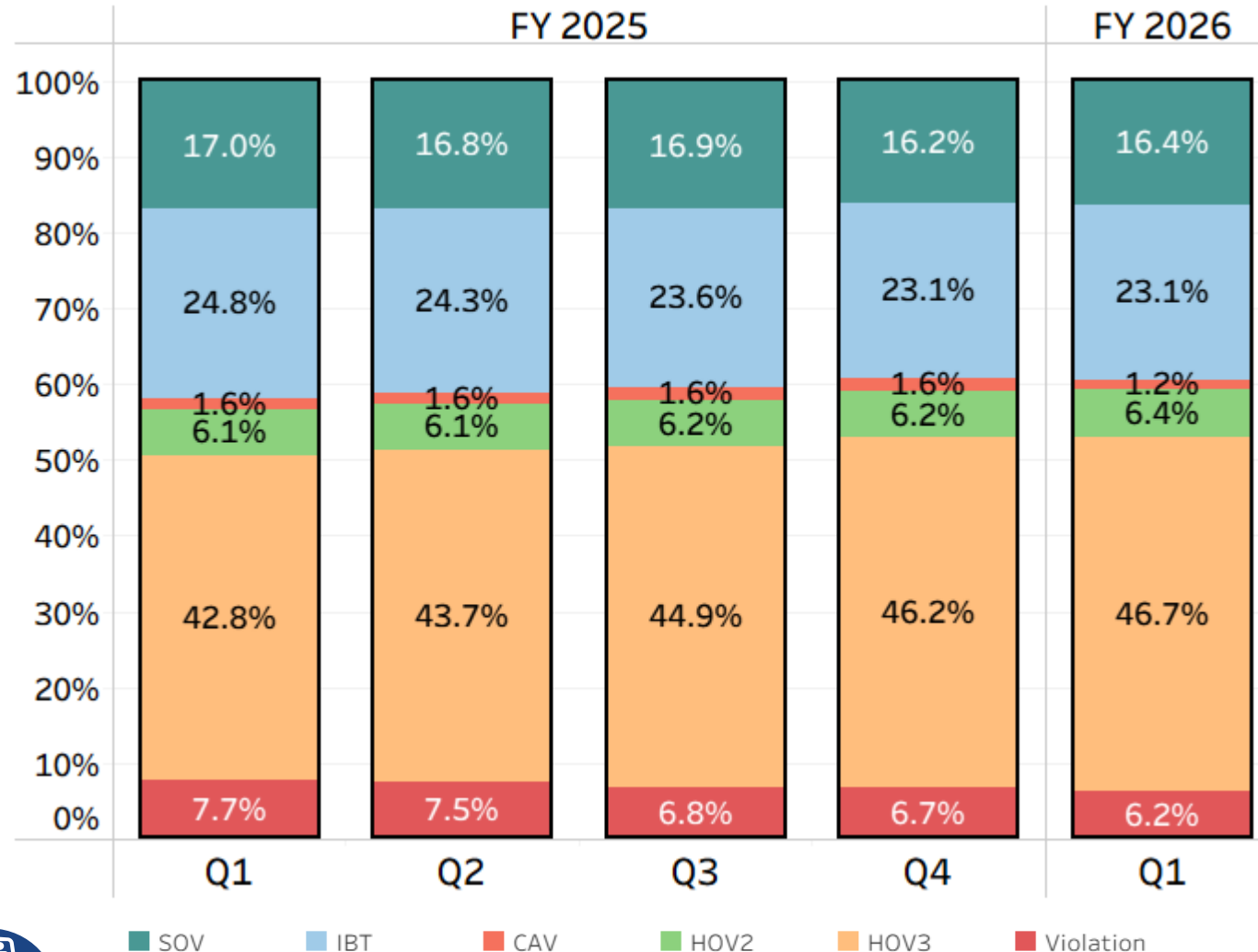
- **Express Lane Traffic Performance:** Average daily trips on the express lanes increased by 4.7% compared to the same quarter of the prior fiscal year. The express lanes continue to experience sustained year-over-year growth in trip volume.
- **Trip Occupancy Trends:** In FY26 Q1, Toll-free trips (HOV3+) rose by 3.9% compared to the same quarter of prior fiscal year, while Violations trips decreased by 1.5%.
- **Express Lane Speed Performance:** The average express lane speeds remained consistent with the same quarter of the prior fiscal year, demonstrating consistent value of the lanes.
- **Change in Average Assessed Tolls Year over Year:** Average assessed tolls increased in southbound direction and stayed almost the same in northbound direction compared to the same quarter of prior fiscal year, primarily driven by the increase in traffic volume year over year, reflecting return-to-work policies.

Express Lane Trips



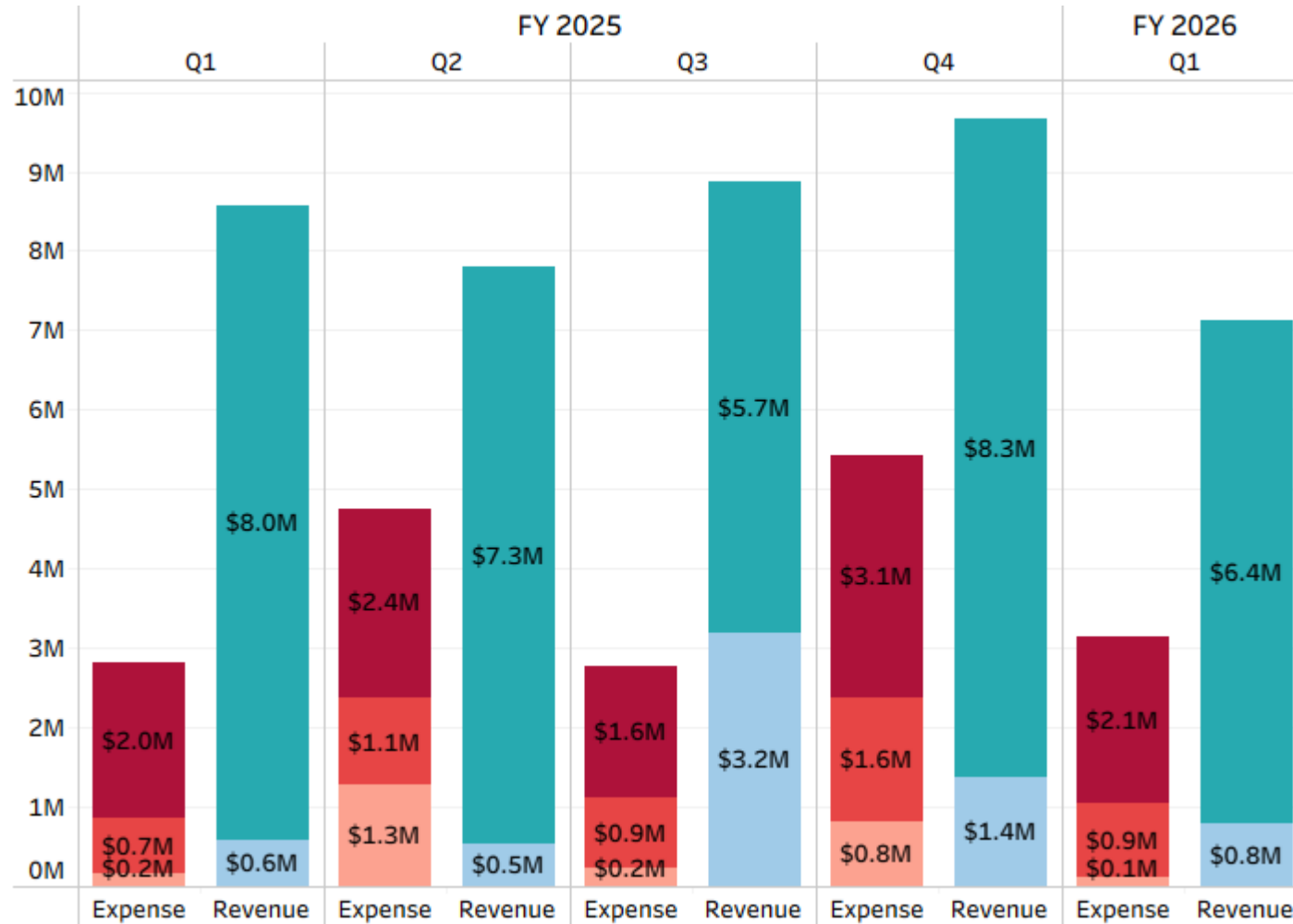
- FY26 Q1 consisted of 64 tolling days.
- In FY26 Q1:
 - 3.93M trips were made
 - An average of 61,484 express lane trips have been made daily, which is a 0.6% decrease over FY25 Q4.
 - There was a 4.7% increase in average daily trips compared to the prior fiscal year's Q1. This is approximately 2,800 more daily trips.

Express Lane Trip Types



- Toll-free trips: 46.7%
 - HOV 3+ and Non-Revenue
- Tolled trips: 47.1%
 - 39.5% full toll (SOV + IBT)
 - 1.2% discounted toll (CAV)
 - 6.4% discounted toll (HOV 2)
- Violation trips: 6.2%
 - Image-based Toll (IBT) trips with No FasTrak account at the time of the trip
- Tolled trips have decreased by 2.4% from Q1 of the prior fiscal year.
 - HOV3 trips had the largest change with an increase of 3.9%.
 - Violation trips had the largest decrease of 1.5%

Express Lanes Toll Revenue and Expense



- In Q1, \$7.2 million in toll related revenue.
- \$2.1 million in toll operations and maintenance (O&M) costs.
- Disbursed approximately \$100K in debt related payments during Q1.
- Revenues were approx. 16% lower compared to Q1 2025, related to low revenues collected in July.

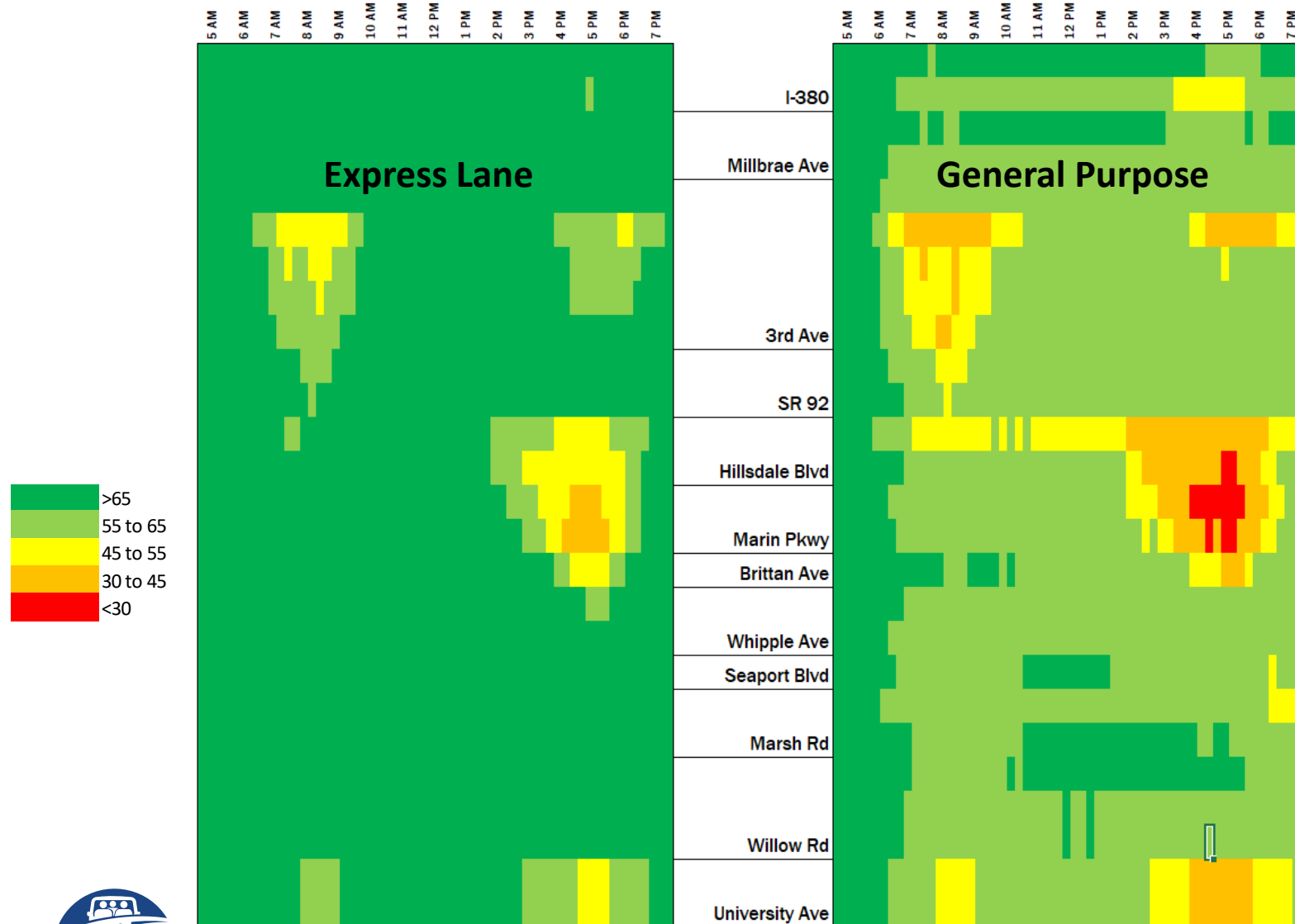
Note: Financial figures are preliminary. These figures are subject to audit and may change.

Southbound Speeds by Location & Time – FY26 Q1



- Average southbound Express Lane speeds were 11 mph greater than general purpose lanes during tolling hours.
- Average southbound general purpose lane speeds were lowest between Woodside Rd and Marsh Rd.
- Slowest times are during AM peak period (8-9 AM) approaching Whipple Ave and Marsh Rd.

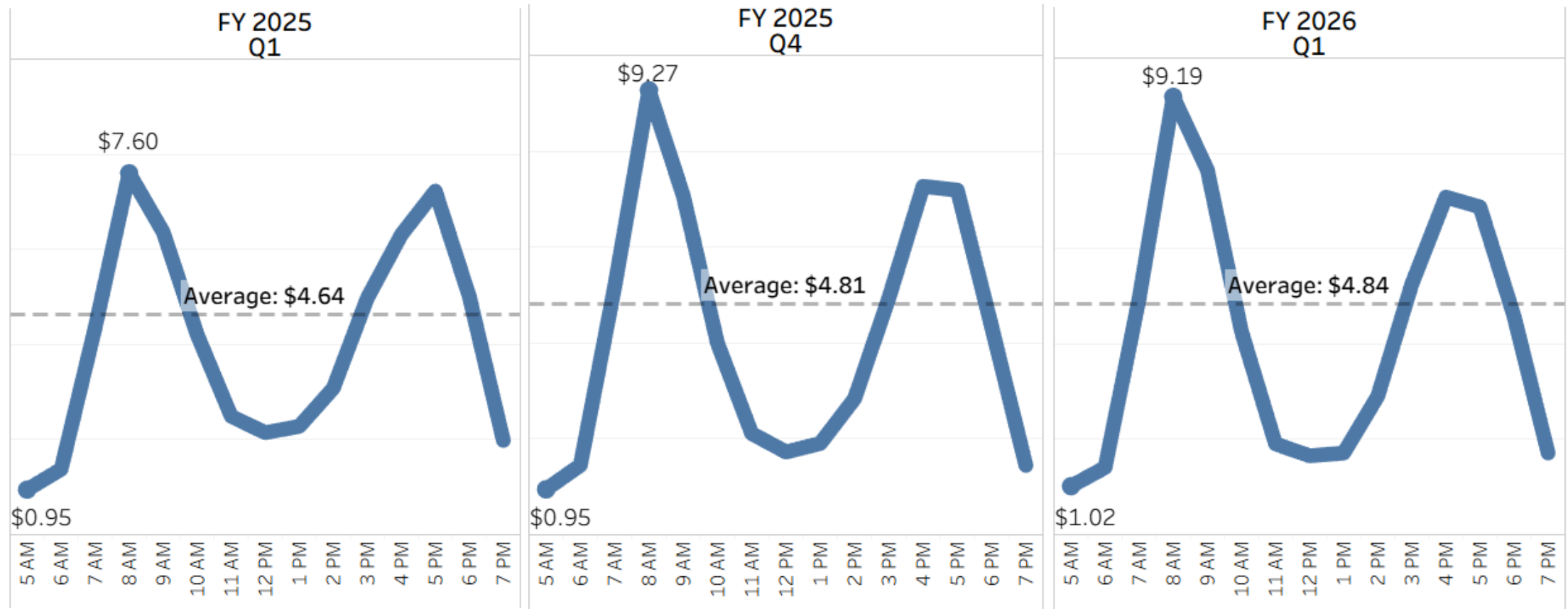
Northbound Speeds by Location & Time - FY26 Q1



- Average northbound Express Lane speeds were 10 mph greater than general purpose lanes during tolling hours.
- Average northbound general purpose lane speeds were lowest in the approach to SR 92 in the PM.
- Slowest times are during PM peak period (3-6pm) approaching SR-92.

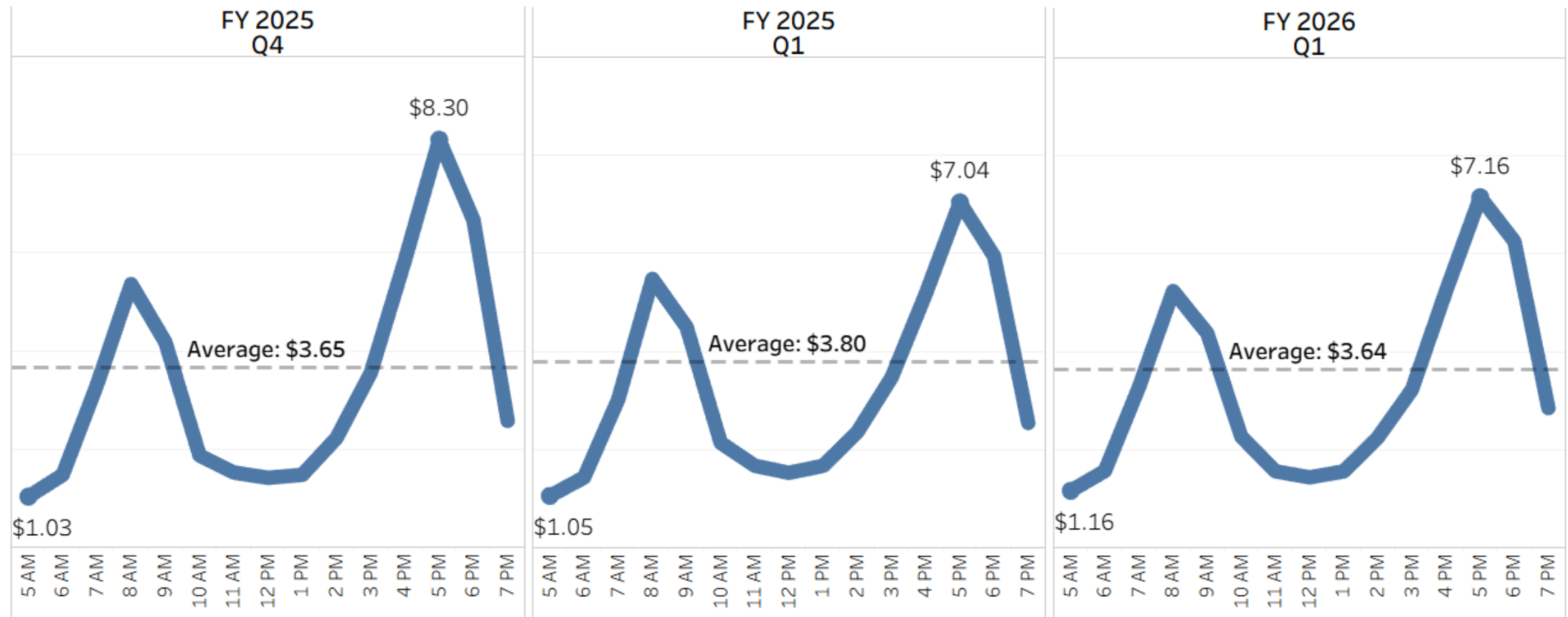
FY26 Southbound Average Assessed Tolls Comparison

The southbound average assessed toll in Q1 was \$4.84.

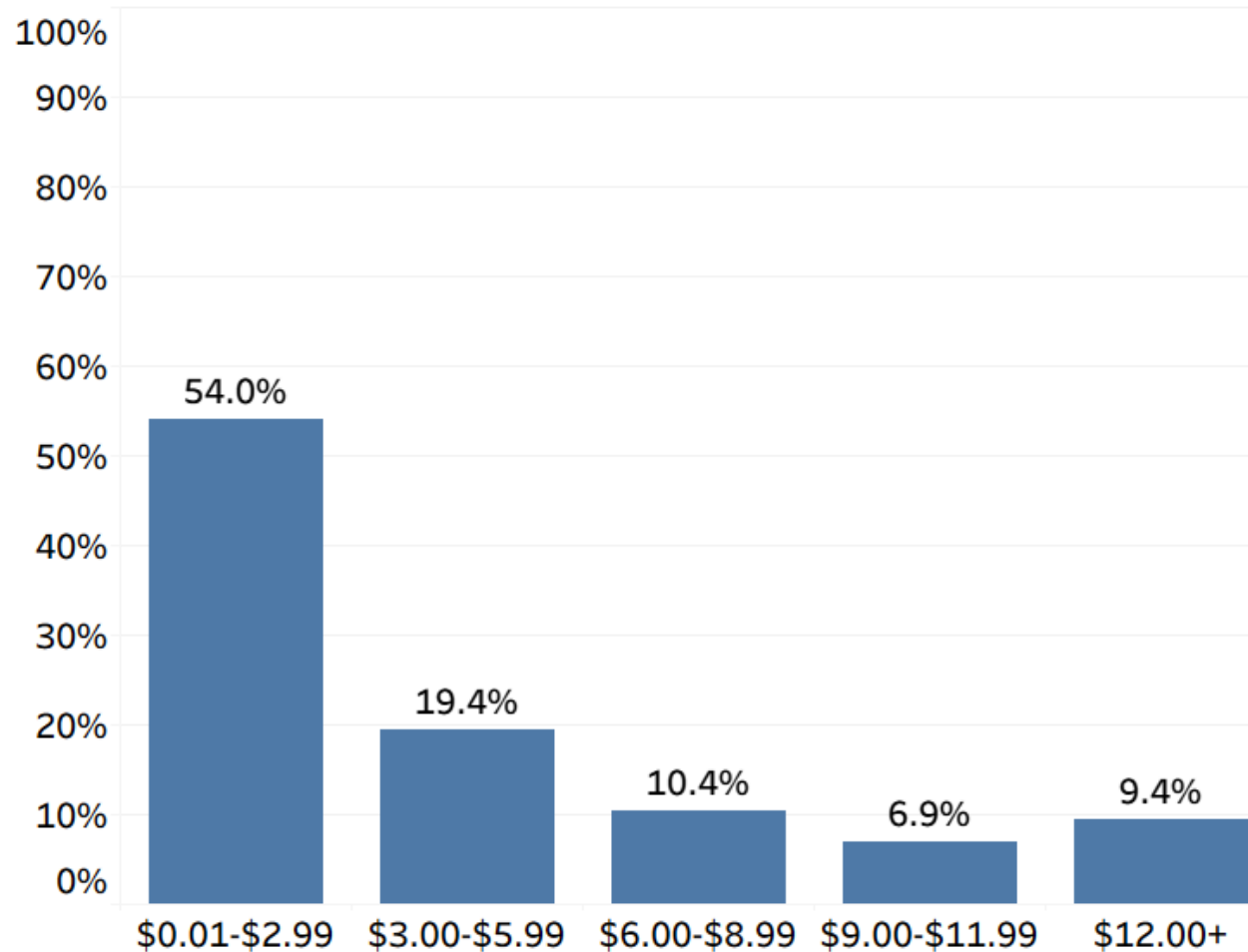


FY26 Northbound Average Assessed Tolls Comparison

The northbound average assessed toll in Q1 was \$3.64.

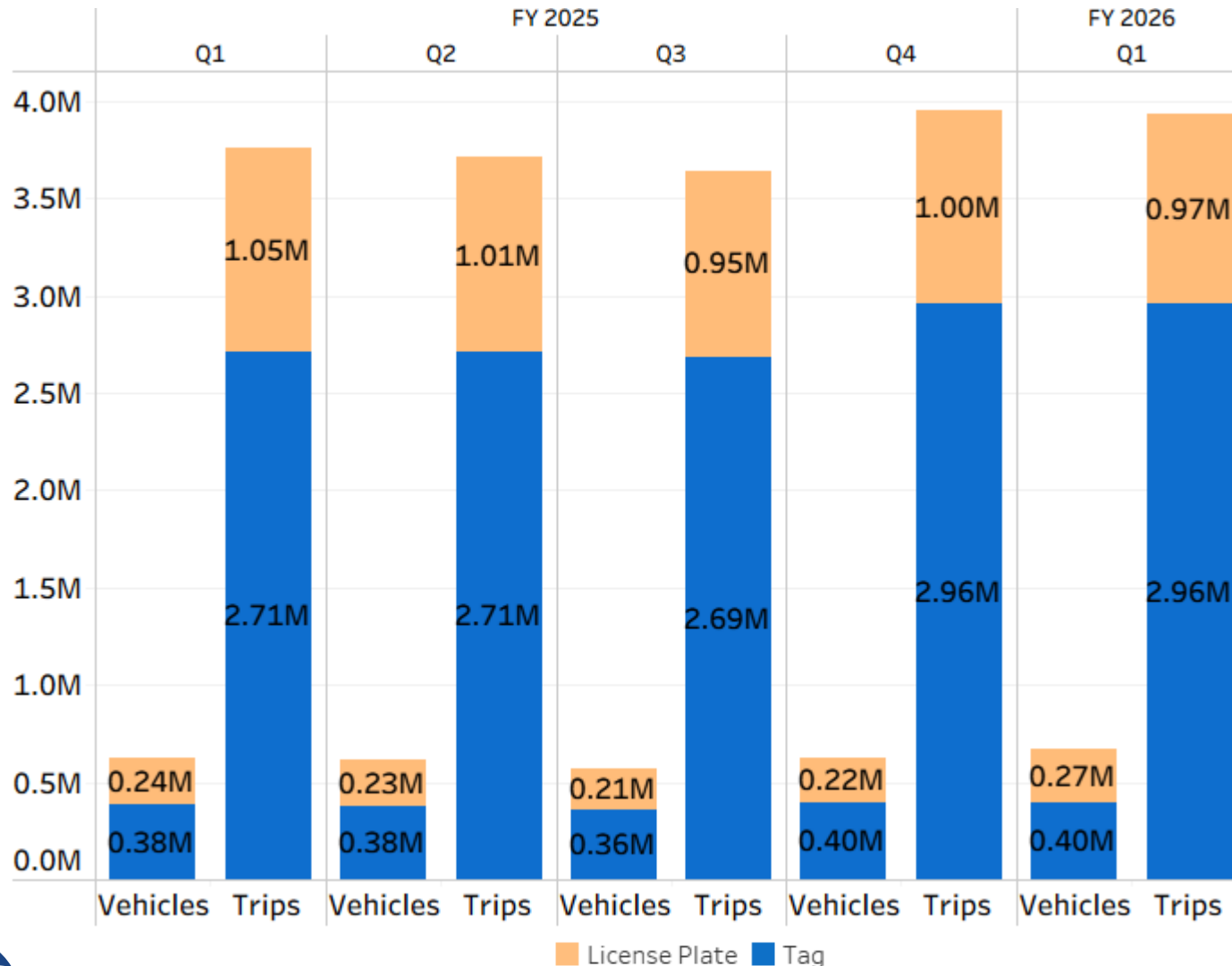


Distribution of Assessed Tolls – FY26 Q1



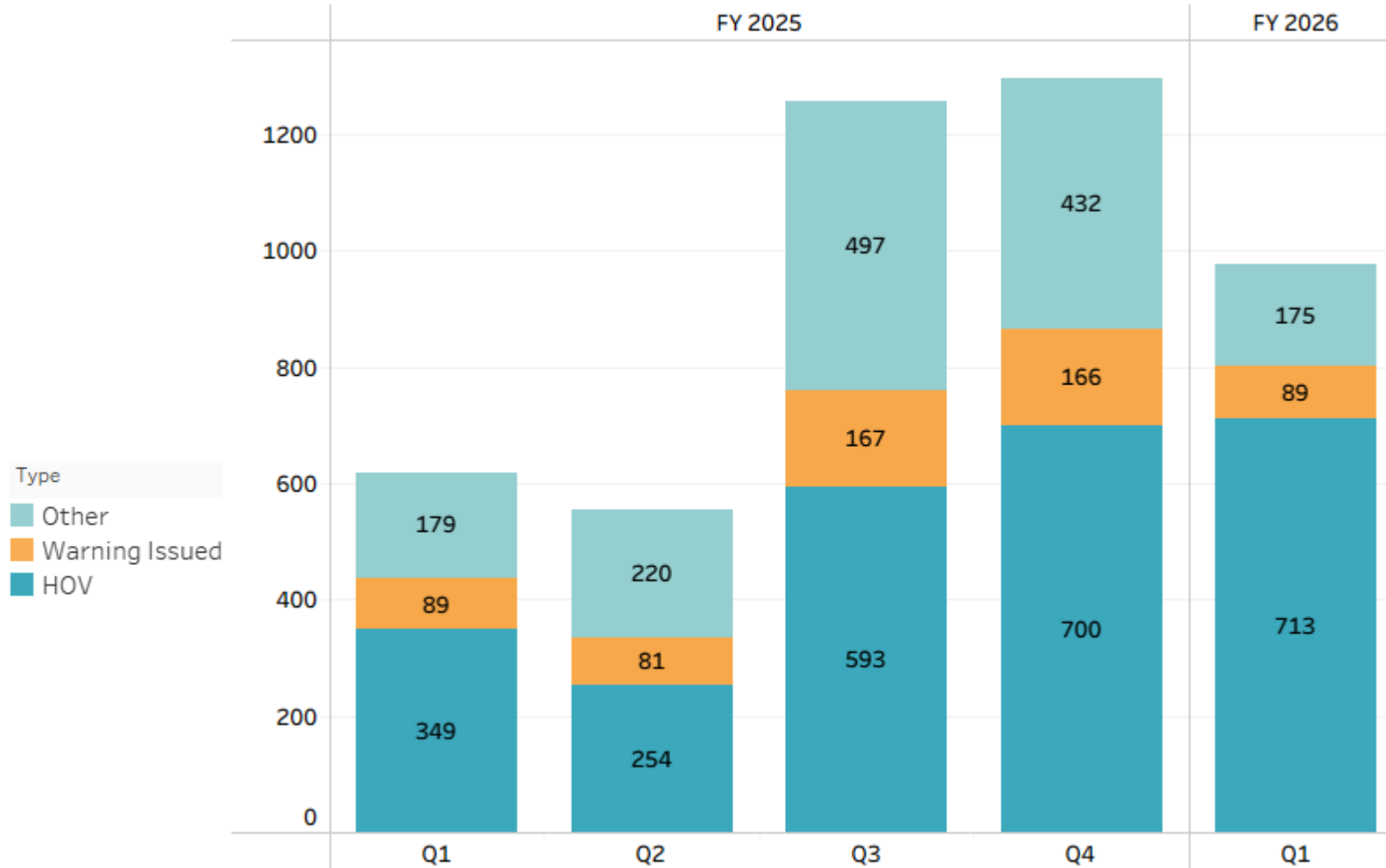
- Drivers made nearly 2 million tolled express lane trips in FY26 Q1.
- 54.0% of these trips incurred a toll less than \$3, up about 0.2% from the prior quarter but down 0.9% from prior fiscal year's Q1.
- This quarter, 9.4% of trips were \$12 and over, down about 0.3% from the prior quarter and about the same as prior fiscal year's Q1.

How Drivers Use the Lanes



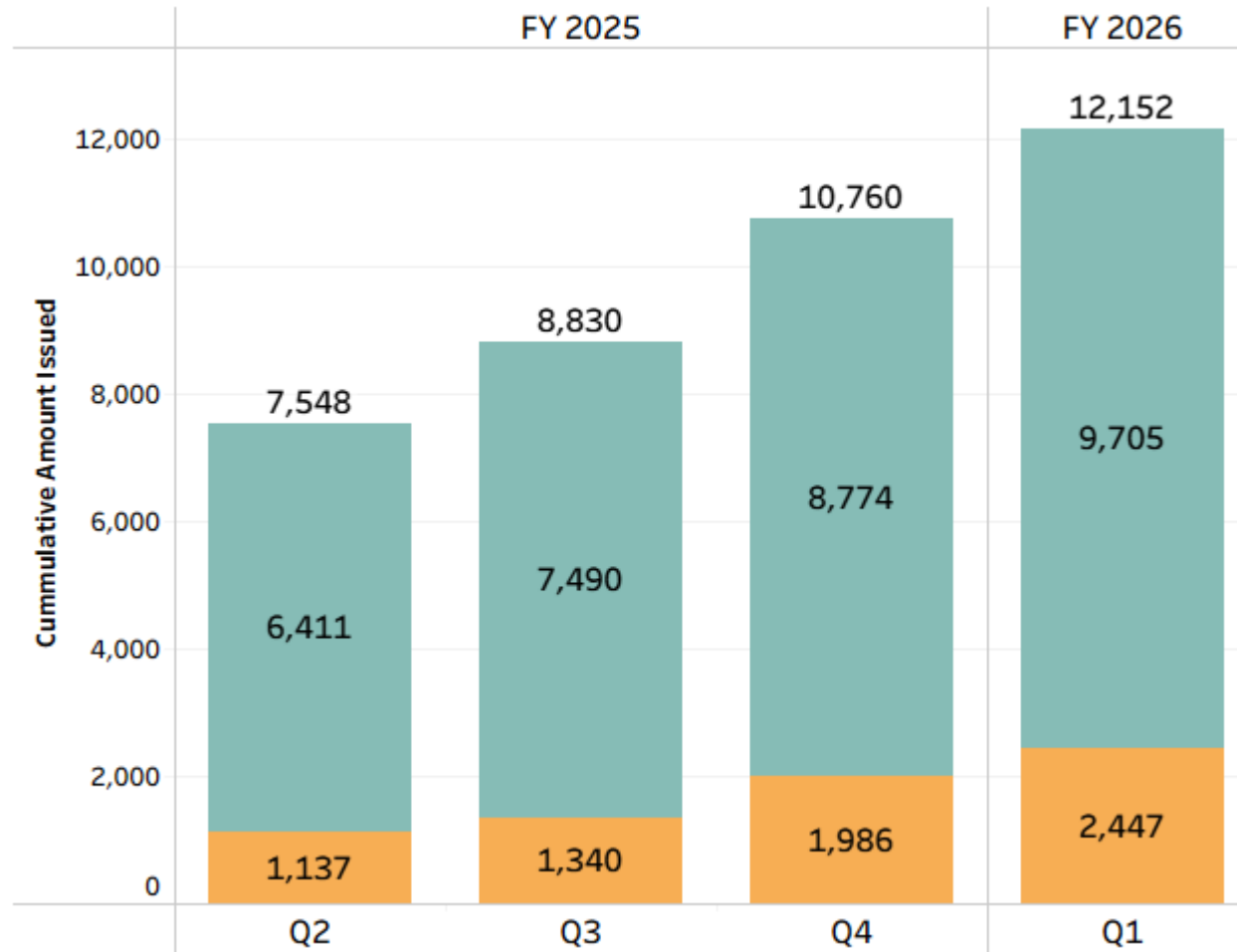
- In FY26 Q1, about 670,000 unique vehicles made about 3.93 million express lane trips.
- 60% of these vehicles utilized FasTrak® toll tags and made 75% of the total trips.
- The other 40% of these vehicles did not carry toll tags and instead were captured as image-based trips for the remaining 25% of the total trips.

CHP Enforcement



- CHP patrolled the express lanes for 882 hours in FY26 Q1.
- CHP made 977 enforcement contacts in FY26 Q1.
- 73% of the contacts resulted in HOV occupancy citations.
- FY26 Q1 enforcement costs were approximately \$133,447, resulting in an average cost per enforcement contact of approximately \$136.59.

Community Transportation Benefits Program – Cumulative Benefits Issued



- The program issued 1,392 total benefits in FY26 Q1.
- Note: Go Card program is launching in November 2025, which may change data reporting going forward.



For additional information, please visit: <https://101expresslanes.org>



San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: December 5, 2025

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

From: Kate Jordan Steiner, Chief Financial Officer

Subject: Receive an update on the Variable Rate Bond.
(For further information please contact Adela Alicic @ alicica@samtrans.com)

Recommendation

That the SMCEL-JPA Board of Directors receive an update on the variable rate bond. No Board Action is required, as this is only an informational item.

Fiscal Impact

There is no budget impact directly related to this item.

Source of Funds

Not applicable.

Background

This report provides an update on the performance and status of the outstanding 2020 Variable Rate Demand Obligations (VRDOs), issued by the TA to finance the remaining funds needed to construct the Express Lanes Project. VRDOs are a type of long-term debt security featuring a floating interest rate that is reset at specified intervals (e.g., daily, weekly, or monthly). In September 2020 the TA issued \$50 million in 2020 Series A Bonds, and \$50 million in Series B Bonds (together the “Bonds”). The Series A Bonds are issued with a weekly interest rate reset; and the Series B Bonds are issued with a daily interest rate reset. Variable rate bonds were selected instead of fixed rate bonds because at the time they provided the lowest cost of financing and allowed for no-cost prepayment flexibility.

Interest Rates

The average combined interest rate for Series A and Series B Bonds during the First Quarter of Fiscal Year 2026 (FY26), from July 2025 to September 2025, is 1.66 percent, a better rate than the average rate of 1.79 percent reported in the Second Half of Fiscal Year 2025 (FY25), from January 2025 to June 2025. The decline in variable interest rates for the First Quarter of FY26 was driven by:

1. Decline in short-term benchmarks established by the Securities Industry and Financial Markets Association (SIFMA) in response to the Federal Reserve interest rate cuts in September 2025 and October 2025. The SIFMA is a 7-day high-grade market index representing interest rates of

tax-exempt Variable Rate Demand Obligations. Our VRDO rates are directly linked to these benchmarks and any drop in the benchmark leads to a direct decrease in the bond's interest rate.

2. On October 29, 2025, the Federal Reserve (Fed) cut rates by 25 basis points to a range of 3.75 percent to 4.00 percent. This followed the September 17, 2025 Fed interest rate cut by 25 basis points. The Fed rate cuts significantly affect the SIFMA Municipal Swap Index, which typically declines in response. When the Fed cuts rates, it generally lowers the short-term borrowing costs.

The interest rate trends during the First Quarter of FY26 were:

Bond Series	Highest Rate	Lowest Rate	Average Rate
Series A Bonds	2.22%	0.90%	1.78%
Series B Bonds	3.25%	0.10%	1.54%

Since issuance, the combined interest rate for Series A and Series B Bonds has averaged 1.41 percent, substantially lower than the 3.50 percent rate associated with a comparable fixed-rate bond. This outcome underscores the prudence of selecting a variable-rate structure, reflecting a well-considered strategy in the context of prevailing market conditions.

Principal Payments

On December 9, 2024, the TA made an early \$6.29 million payment towards the principal, funded by project savings. This payment covered (a) \$5.00 million payment towards the scheduled Fiscal Year 2027 (FY27) principal payment; plus (b) \$1.29 million pre-payment towards the scheduled Fiscal Year 2030 (FY30) principal payment. As of September 30, 2025, the outstanding principal balance was \$93.71 million.

Subsequently, after the close of the First Quarter of FY26, the TA made a \$320,000 principal payment in October 2025, split evenly between Series A and Series B; with \$160,000 applied to Series A and \$160,000 applied to Series B. The payment was made following the Board approval of the Fiscal Year 2024 (FY24) Revenue Sharing Fund Flow of Funds distribution. This principal payment reduced the remaining outstanding principal to \$93.35 million.

The next scheduled principal payment of \$8.39 million in 2030. The scheduled principal payment was initially projected to be \$10.00 million but was lowered as a result of the prepayments made on December 9, 2024, and October 14, 2025, as noted above.

Market Outlook

Evolving changes in Federal Reserve (Fed) policies and market conditions can have an impact on interest rates. Staff are tracking proposed legislation, potential regulatory changes, and monitoring Federal Reserve action closely to assess implications on interest rates, inflation, and overall market conditions. Most recently, on October 29, 2025, the Fed cut rates by 25 basis points at the October 2025 meeting, to a range of 3.75 percent to 4.00 percent, the lowest since December 2022. On September 17, 2025, the Fed cut interest rates by 25 basis points, to a range of 4.00 to 4.25 percent. Additionally, market consensus expectations call for another 25 basis points rate cut in December 2025.

Attachments:

None

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: December 5, 2025

To: San Mateo County Express Lanes Joint Powers Authority Board of Directors

From: Kate Jordan Steiner, Chief Financial Officer

Subject: Acceptance of the Annual Financial Report for the Fiscal Year Ended June 30, 2025.
(For further information, contact Kate Jordan Steiner, Chief Financial Officer, at 650-647-3504)

RECOMMENDATION

Staff recommends that the San Mateo County Express Lanes Joint Powers Authority Board of Directors accept and enter into the record the Annual Financial Report for the Fiscal Year ended on June 30, 2025.

BACKGROUND

Each year, staff is responsible for the preparation of an annual report on the financial position and results of the San Mateo County Express Lanes Joint Powers Authority. The San Mateo County Express Lanes Joint Powers Authority contracts with an independent auditor, Eide Bailly LLP, to conduct annual audits of the financial statements prepared by staff. These audits are performed in accordance with Generally Accepted Auditing Standards in the United States and the Government Auditing Standards issued by the Comptroller General of the United States. The independent auditor has issued an unmodified, or “clean” opinion on the Financial Statements.

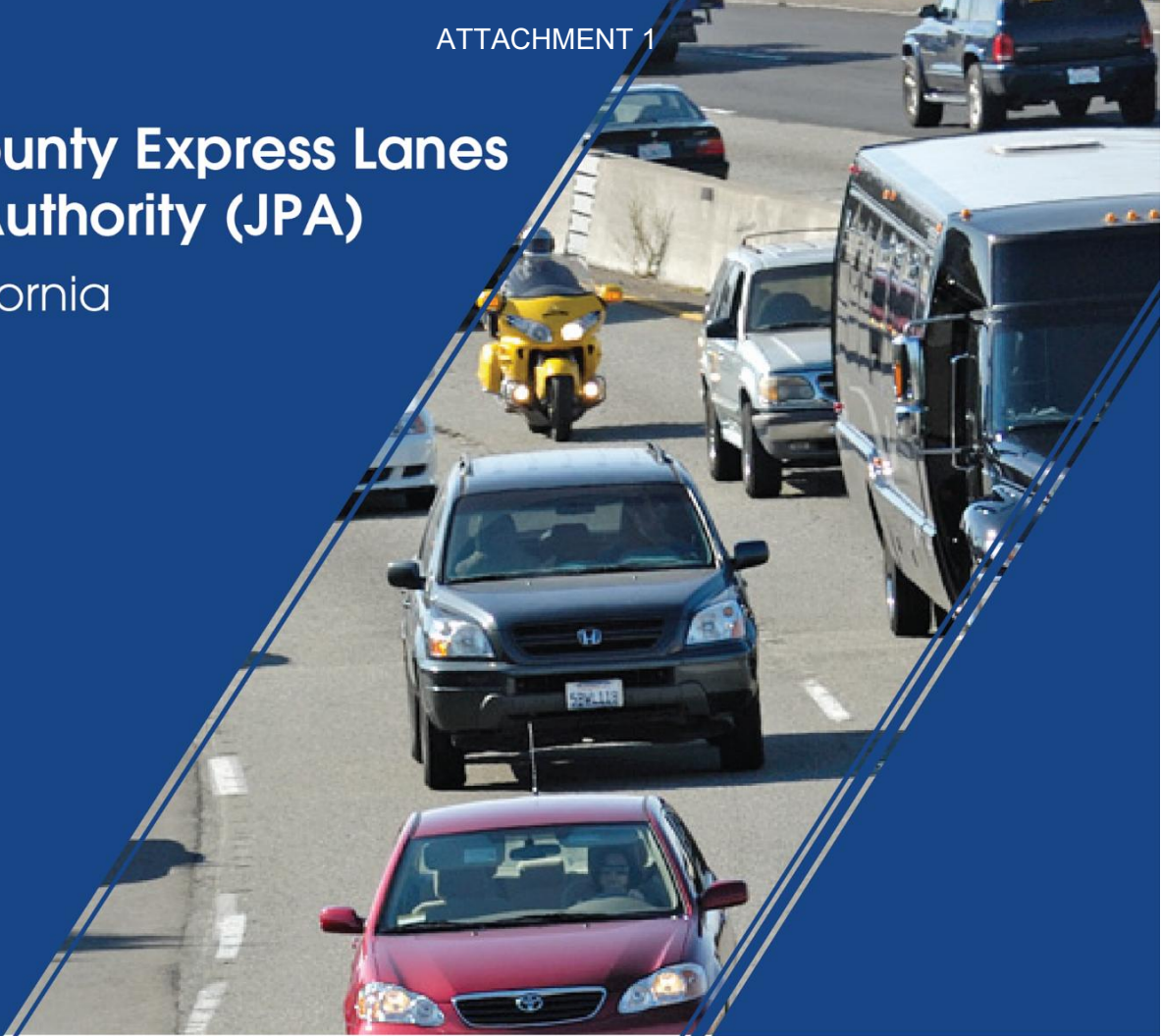
The San Mateo County Express Lanes Joint Powers Authority presents these audited financial statements, along with the auditor’s opinion, in a document called the Annual Financial Report. The Annual Financial Report serves as the San Mateo County Express Lanes Joint Powers Authority’s primary vehicle for financial disclosure to the public and the financial community.

ATTACHMENT

1. Annual Financial Report for the Fiscal Year Ended June 30, 2025
2. Annual Financial Report Presentation

San Mateo County Express Lanes Joint Powers Authority (JPA)

San Carlos, California



Annual Financial Report

For the Fiscal Year Ended
June 30, 2025 With Comparative Totals for 2024

San Mateo County Express Lanes Joint Powers Authority

Table of Contents

June 30, 2025 and June 30, 2024

Map of Express Lanes.....	1
Independent Auditor’s Report.....	2
Basic Financial Statements	
Statements of Net Position	4
Statements of Revenues, Expenses, and Changes in Net Position	5
Statements of Cash Flows	6
Notes to Financial Statements	7

San Mateo County Express Lanes Joint Powers Authority

Map of Express Lanes





Independent Auditor's Report

Governing Board
San Mateo County Express Lanes Joint Powers Authority
San Carlos, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of the San Mateo County Express Lanes Joint Powers Authority (SMCELJPA) as of and for the years ended June 30, 2025 and June 30, 2024, and the related notes to the financial statements, which collectively comprise SMCELJPA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of SMCELJPA, as of June 30, 2025 and June 30, 2024, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SMCELJPA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the SMCELJPA ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SMCELJPA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SMCELJPA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by the missing information.



Menlo Park, California
November 14, 2025

San Mateo County Express Lanes Joint Powers Authority

Statements of Net Position

June 30, 2025 and June 30, 2024

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	\$ 47,017,781	\$ 24,581,437
Project loan proceeds held by the Transportation Authority	-	7,635,542
Accounts receivable	3,036,843	4,953,638
Prepaid items	26,935	-
Capital Assets, Net of Accumulated Depreciation	54,843,055	59,979,922
Total Assets	104,924,614	97,150,539
Liabilities		
Current Liabilities		
Accounts payable	1,214,810	987,241
Accrued liabilities	1,721,334	2,014,434
Due to SamTrans	218,830	34,193
Due to Transportation Authority	1,051,398	68,608
Current portion of operating loans payable	5,968,622	-
Total Current Liabilities	10,174,994	3,104,476
Noncurrent Liabilities		
Operating loan payable	-	6,341,817
Long term project loan payable	95,318,897	100,000,000
Total Noncurrent Liabilities	95,318,897	106,341,817
Total Liabilities	105,493,891	109,446,293
Net Position		
Investment in capital assets	54,843,055	59,979,922
Unrestricted	(55,412,332)	(72,275,676)
Total Net Position	\$ (569,277)	\$ (12,295,754)

San Mateo County Express Lanes Joint Powers Authority
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2025 and June 30, 2024

	2025	2024
Operating revenues		
Toll revenue	\$ 35,140,012	\$ 30,590,594
Total operating revenue	<u>35,140,012</u>	<u>30,590,594</u>
Operating expenses		
Operations and maintenance	13,823,804	11,615,298
Project loan disbursement	2,981,858	2,324,123
Depreciation expense	<u>5,682,904</u>	<u>7,049,662</u>
Total operating expenses	<u>22,488,566</u>	<u>20,989,083</u>
Operating income (loss)	<u>12,651,446</u>	<u>9,601,511</u>
Nonoperating revenues (expenses)		
Investment income	1,547,413	685,303
Operating assistance	400,000	-
Other nonoperating revenue	55,662	50,000
Interest expense	<u>(1,642,412)</u>	<u>(1,241,512)</u>
Total nonoperating revenues (expenses)	<u>360,663</u>	<u>(506,209)</u>
Net income (loss) before capital contributions	<u>13,012,109</u>	<u>9,095,302</u>
Capital contributions	546,037	36,890,577
Special Item - Change in estimate	<u>(1,831,669)</u>	<u>-</u>
Change in net position	11,726,477	45,985,879
Net Position, beginning	<u>(12,295,754)</u>	<u>(58,281,633)</u>
Net Position, ending	<u>\$ (569,277)</u>	<u>\$ (12,295,754)</u>

San Mateo County Express Lanes Joint Powers Authority

Statements of Cash Flows

Years Ended June 30, 2025 and June 30, 2024

	2025	2024
Cash flows from operating activities		
Cash receipts from customers	\$ 35,225,138	\$ 28,727,882
Payments to suppliers for goods and services	(15,675,039)	(14,673,944)
Net cash used for operating activities	19,550,099	14,053,938
Cash flows from noncapital financing activities		
Interest paid	(1,293,949)	(1,241,512)
Principal paid	(6,482,237)	-
Operating assistance received	400,000	-
Loan advances	8,715,018	2,637,452
Net cash provided by noncapital financing activities	1,338,832	1,395,940
Cash flow from capital and related financing Activities		
Capital contributions	546,037	-
Acquisition of capital assets	(546,037)	-
Net cash used for capital and related financing activities	-	-
Cash flows from investing activities		
Investment income received	1,547,413	685,303
Net cash provided by (used for) investing activities	1,547,413	685,303
Net change in cash and cash equivalents	22,436,344	16,135,181
Cash and cash equivalents - Beginning	24,581,437	8,446,256
Cash and cash equivalents - Ending	\$ 47,017,781	\$ 24,581,437
Reconciliation of operating income to Net Cash Used by Operating Activities		
Operating income	\$ 12,651,446	\$ 9,601,511
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	5,682,904	7,049,662
Other nonoperating revenue	55,662	50,000
Changes in assets and liabilities:		
Decrease (Increase) in receivables	1,916,795	(1,862,712)
Decrease (increase) in prepaid items	(26,935)	22,260
Increase (decrease) in liabilities	1,101,896	(806,783)
Change in estimate	(1,831,669)	-
Net cash used by operating activities	\$ 19,550,099	\$ 14,053,938
Schedule of Noncash Capital Activities		
Contribution of capital assets	\$ 546,037	\$ 36,890,577

See Notes to Financial Statements

Note 1 - Summary of Significant Accounting Policies

The financial statements of the San Mateo County Express Lanes Joint Powers Authority (SMCELJPA) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. SMCELJPA adheres to accounting and financial reporting principles issued by GASB. The SMCELJPA's significant accounting policies are described below.

Reporting Entity

The SMCELJPA is a joint powers authority, organized in May 2019 pursuant to a Joint Exercise of Powers Agreement (Agreement) between the City/County Association of Governments of San Mateo County (C/CAG) and the San Mateo County Transportation Authority (Transportation Authority). The Agreement was entered into pursuant to the Government Code of the State of California, commencing with Section 6500. The SMCELJPA is governed by a six-member governing body. The governing body is composed of three members from each of the organizing entities. Both Transportation Authority and C/CAG have three members.

The SMCELJPA was formed to own, manage, and operate the San Mateo County U.S. 101 Express Lanes Project ("Project"). The Project includes (i) the conversion of the existing High Occupancy Vehicle ("HOV") lanes into express lanes from the northern terminus of the Santa Clara County express lanes to the Whipple Road Interchange and (ii) the construction of new express lanes from Whipple Road to north of I-380 in San Mateo County. Since full corridors became operational in March 2023, the Project has provided continuous express lanes in San Mateo County in both the northbound and southbound directions of U.S. 101. Resulting toll revenues will fund transportation and transit improvements in the corridor, as well as Project operations and maintenance. Members of the SMCELJPA's Board of Directors are local-elected officials (City Councilmembers and/or County Board of Supervisors) from San Mateo County. The Express Lanes were scheduled for a two-phase opening, south segment opened February 11, 2022, and the north segment was officially opened on March 3, 2023.

Managing Agency

Under the Joint Exercise of Powers Agreement, the San Mateo County Transit District (as managing agency for the Transportation Authority) and C/CAG both provide staff support to the SMCELJPA. The San Mateo County Transit District's staff support all of the SMCELJPA's financial activities (e.g., budgeting, accounting, audits, and treasury), marketing (including marketing use of the lanes and promoting the broader benefits of the lanes), and communications (including media relations, graphic design, government/community affairs, and the SMCELJPA's website). C/CAG staff provide contracts, procurement and board clerk support services. All the SMCELJPA's operating costs are included in the Statement of Revenues, Expenses, and Changes in Net Position.

Basis of Presentation and Accounting

All activities of the SMCELJPA are reported using the economic resources measurement focus and the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America, as applicable to governmental agencies. With this measurement focus, all assets and liabilities associated with operations are included on the Statement of Net Position. Revenues are reported when earned and expenses are reported when the related liabilities are incurred.

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the SMCELJPA's principal ongoing operations. The principal operating revenue of the SMCELJPA is the collection of toll revenue.

Net Position

Net position is reported in the following categories:

- Investment in capital assets – This category includes all capital assets offset by accumulated depreciation. The SMCELJPA has no capital related debt.
- Unrestricted – This category represents net position of the SMCELJPA that is not restricted for any project or other purpose.

Sometimes the SMCELJPA will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the SMCELJPA's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Cash and Cash Equivalents

For purpose of the statement of cash flows, the SMCELJPA considers all highly liquid investments with an initial maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents include money market and cash in bank accounts.

Project loan proceeds held by the Transportation Authority

Project loan proceeds from the loan payable are held by the Transportation Authority for the use of SMCELJPA. The balance held by the Transportation Authority is unspent funds.

Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenses when consumed rather than when purchased.

San Mateo County Express Lanes Joint Powers Authority

Notes to Financial Statements
June 30, 2025 and June 30, 2024

Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and related disclosures. Accordingly, actual results may differ from those estimates.

Capital Assets

Capital assets are stated at historical cost. Donated capital assets are recorded at estimated acquisition value at the date of donation plus ancillary charges, if any. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Toll revenue equipment	3 to 20 years
Infrastructure	5 to 50 years

The cost of normal maintenance and repairs that do not add to the value of the asset, nor materially extend its life is not capitalized. The SMCELJPA's policy is to capitalize all capital assets with a cost greater than \$5,000 and a useful life of more than one year.

The SMCELJPA does not retain ownership of the assets improved when the original assets are owned by other entities.

Operating Revenues and Expenses

Operating revenues and expenses are distinguished from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with ongoing operations. The principal operating revenues of SMCELJPA are toll revenues to customers. Revenue from toll violations, fees, and penalties is recognized when collection is deemed probable (collectability approach). Operating expenses include the cost of sales and services, toll operations and maintenance, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Nonoperating Revenues and Expenses

Nonoperating revenues and expenses are any (1) finance related revenues and expenses; (2) gain and losses from disposals of capital assets and equipment; (3) investment income and expenses.

San Mateo County Express Lanes Joint Powers Authority

Notes to Financial Statements
June 30, 2025 and June 30, 2024

Repayment of Operating Loans

The SMCELJPA has agreed to repay all loans to the Transportation Authority and C/CAG in accordance with the loan agreements, once the project begins operations. Interest on amounts advanced to SMCELJPA will be compounded monthly on the first business day of every month based on the net earnings rate of the San Mateo County Investment Pool Fund ("Monthly Earnings Rate"), as published by the San Mateo County Treasurer's Office for the applicable month. Amounts due to the Transportation Authority and/or C/CAG as the result of ongoing operations will be presented separately as they are not subject to the same terms.

Note 2 - Cash and Cash Equivalents

SMCELJPA had \$47,017,781 and \$24,581,437 on June 30, 2025 and 2024 of cash and cash equivalents. As of June 30, 2025 and 2024, SMCELJPA had \$32,663,535 and \$22,685,103 in money market accounts rated AAA. The remainder of cash and cash equivalents as of June 30, 2025 and 2024 is cash held in banks amounting to \$14,354,246 and \$1,896,334 collateralized by the bank holding the deposit. California laws require banks and savings and loan institutions to pledge government securities with a market value of 110 percent of the deposit or first trust deed mortgage notes with a value of 150 percent of the deposit as collateral for all municipal deposits (pool). This collateral remains with the institution but is considered to be held in the pool's name and places SMCELJPA, which is a participant in the pool, ahead of general creditors of the institution.

	2025	2024
Cash in bank	\$14,354,246	\$ 1,896,334
Money market accounts	32,663,535	22,685,103
Total Cash and cash equivalents	\$47,017,781	\$24,581,437

Custodial credit risk is the risk that in the event a financial institution or counterparty fails, SMCELJPA would not be able to recover the value of its deposits and investments. On June 30, 2025 and June 30, 2024, the Federal Depository Insurance Corporation insured SMCELJPA's cash deposits up to \$250,000 and the financial institution's trust department collateralized the remainder in SMCELJPA's name.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the SMCELJPA would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. SMCELJPA's investments are not exposed to custodial credit risk. SMCELJPA does not hold does investments with maturities greater than 12 months.

San Mateo County Express Lanes Joint Powers Authority

Notes to Financial Statements
June 30, 2025 and June 30, 2024

Note 3 - Accounts Receivable

Accounts receivables as of June 30, 2025 consist of amounts owed by other governmental agencies and miscellaneous receivables as follows:

	2025	2024
Bay Area Transportation Authority	\$ 2,827,857	\$ 4,942,675
Others	208,986	10,963
Total accounts receivable	\$ 3,036,843	\$ 4,953,638

The Authority does not maintain an allowance for doubtful accounts; instead, revenue recognition is based on collectability.

Note 4 - Capital Assets

Capital asset balance as of June 30, 2025, and activity for the year then ended are as follows:

	July 1, 2024	Additions	Deletions	June 30, 2025
Capital assets at cost				
Toll revenue equipment	\$ 33,629,061	\$ -	\$ -	\$ 33,629,061
Infrastructure	36,524,247	546,037	-	37,070,284
Total Capital assets at cost	70,153,308	546,037	-	70,699,345
Less accumulated depreciation				
Toll revenue equipment	(8,015,890)	(2,036,842)	-	(10,052,732)
Infrastructure	(2,157,496)	(3,646,062)	-	(5,803,558)
Total accumulated depreciation	(10,173,386)	(5,682,904)	-	(15,856,290)
Net book value	\$ 59,979,922	\$ (5,136,867)	\$ -	\$ 54,843,055

Capital asset balance as of June 30, 2024, and activity for the year then ended are as follows:

	July 01, 2023	Additions	Deletions	June 30, 2024
Capital assets at cost				
Toll revenue equipment	\$ 33,262,731	\$ 366,330	\$ -	\$ 33,629,061
Infrastructure	-	36,524,247	-	36,524,247
Total Capital assets at cost	33,262,731	36,890,577	-	70,153,308
Less accumulated depreciation				
Toll revenue equipment	(3,123,724)	(4,892,166)	-	(8,015,890)
Infrastructure	-	(2,157,496)	-	(2,157,496)
Total accumulated depreciation	(3,123,724)	(7,049,662)	-	(10,173,386)
Net book value	\$ 30,139,007	\$ 29,840,915	\$ -	\$ 59,979,922

Depreciation expense for toll operations was \$5,682,904 in 2025 and \$7,049,662 in 2025.

San Mateo County Express Lanes Joint Powers Authority

Notes to Financial Statements
June 30, 2025 and June 30, 2024

Note 5 - Loans Payable

Changes in SMCELJPA's loans payable for the year ended June 30, 2025 are as follows:

	Balance at July 01, 2024	Additions	Deletions	Balance at June 30, 2025
Loans payable				
Operating loan payable to C/CAG	\$ 2,722,547	\$ 107,584	\$ (88,330)	\$ 2,741,801
Operating loan payable to Transportation Authority	3,204,091	126,640	(103,907)	3,226,824
Interest payable on long term loan	415,179	2,487,664	(1,293,949)	1,608,894
Long term project loan payable to Transportation Authority	100,000,000	-	(6,290,000)	93,710,000
Total loans payable	\$ 106,341,817	\$ 2,721,888	\$ (7,776,186)	\$ 101,287,519

Changes in SMCELJPA's loans payable for the year ended June 30, 2024 are as follows:

	Balance at July 01, 2023	Additions	Deletions	Balance at June 30, 2024
Loans payable				
Operating loan payable to C/CAG	\$ 2,769,314	\$ 101,869	\$ (148,636)	\$ 2,722,547
Operating loan payable to Transportation Authority	3,259,175	119,889	(174,973)	3,204,091
Interest payable on long term loan	-	1,166,353	(751,174)	415,179
Long term project loan payable to Transportation Authority	100,000,000	-	-	100,000,000
Total loans payable	\$ 106,028,489	\$ 1,388,111	\$ (1,074,783)	\$ 106,341,817

Loan payables represent loan advance payments received since the formation of SMCELJPA from the Transportation Authority and the C/CAG. Loan advances will be repaid in accordance with the loan agreements after the San Mateo County U.S. 101 Express Lanes Project begins operations and receives toll revenues. As of June 30, 2025 and 2024, the loans payable consists of \$2,741,801 and \$2,722,547 operating loans payable to the C/CAG, and as of June 30, 2025 and 2024 \$3,226,821 and \$3,204,091 operating loans payable to the Transportation Authority, respectively. Accrued interest as of June 30, 2025 and June 30, 2024 was \$1,608,897 and \$415,179, respectively. Subsequent to year end, the outstanding loan balances to both Transportation Authority and C/CAG will be paid in full on July 1, 2025.

San Mateo County Express Lanes Joint Powers Authority

Notes to Financial Statements
June 30, 2025 and June 30, 2024

On September 1, 2020, the SMCELJPA entered into a non-revolving loan agreement with the Transportation Authority for an amount of \$100,000,000. The loan proceeds were to be used to finance the costs of construction and improvements to the U.S. 101 Express Lane project, as well as to fund an initial contribution to express lane related equity programs. The long-term project loan payable is to be repaid and secured by a pledge of net toll revenues. Interest is accrued on the bond loan at a rate equal to the interest rate of the Transportation Authority's 2020 Series A and B Limited Tax Variable Interest Bonds and is reimbursed to the Transportation Authority from SMCELJPA net revenues. The SMCELJPA shall also pay to the Transportation Authority the enhancement rate pursuant to terms of project loan agreement. The loan must be fully paid by 2049. In accordance with the loan agreement, after satisfying all required operating, maintenance, reserve, and other priority deposits, SMCELJPA is required to transfer 85% of the remaining net revenue each fiscal year to a Revenue Sharing Fund. Amounts in the Revenue Sharing Fund are used to pay down the principal and interest on the loan and other related obligations. Any excess funds not required for debt service may be used by SMCELJPA for other lawful purposes. The outstanding project loan payable as of June 30, 2025, is \$93,710,000. The future principal and interest payment of the loan based on variable interest rates effective as of June 30, 2025, are as follows:

Year Ending June 30: (in thousands)	Principal	Interest	Total
2026	\$ 1,290	\$ 1,298	\$ 2,588
2027	5,000	1,298	6,298
2028	5,000	1,298	6,298
2029	5,000	1,298	6,298
2030	5,000	1,288	6,288
2031-2035	25,000	5,045	30,045
2036-2040	25,000	3,479	28,479
2041-2045	22,420	2,116	24,536
2046-2049	-	616	616
Total	\$ 93,710	\$ 17,736	\$ 111,446

Note 6 - Risk Management

SMCELJPA is exposed to various risks of loss including but not limited to those related to torts; theft of, damage to, and destruction of assets; errors and omissions, and natural disasters. SMCELJPA is self-insured for a portion of its property and liability coverage. As of June 30, 2025 and 2024, coverage for the SMCELJPA can be summarized as follows:

Type of Coverage	Self-Insured Retention	Excess Insurance
Commercial General Liability	\$100,000	\$25,000,000 per occurrence/ aggregate
Public Officials Liability	\$10,000 self-insured retention	\$3,000,000 per occurrence / aggregate
Property	\$50,000	\$5,000,000 per occurrence / \$30,000,000 aggregate
Equipment Breakdown-Property Insurance	\$1,000	\$104,528,733 per occurrence/ aggregate

San Mateo County Express Lanes Joint Powers Authority

Notes to Financial Statements
June 30, 2025 and June 30, 2024

Real Property is insured for total insurable values (TIV) of \$104,528,733. Coverage extends to SMCELJPA's roadway infrastructure and tolling equipment against the perils of damaged equipment due to the fault of others, vandalism, fire, and theft. Equipment Breakdown provides coverage against power surges, electrical shorts and arcing, mechanical breakdowns, and motor burnout. Terrorism coverage extends to Property. There were no significant reductions in insurance coverage from the prior year. No settlements exceeded insurance coverage in the past three fiscal years

Note 7 - Commitments and Contingencies

Legal

The SMCELJPA operates a public facility and is potentially susceptible to liability claims relating to personal injury and property damage from traffic collisions involving private party motorists using the lanes. Such claims are usually of a nature that their resolution is unlikely to materially affect the SMCELJPA's financial position. There are no such claims against the SMCELJPA at the present time.

Note 8 - Change in Accounting Estimate

During fiscal year 2025, the SMCELJPA changed its method for accounting for recognizing revenues related to violations, fees, and penalties from recording an allowance for doubtful accounts to a collectability approach. The change in method was implemented because the SMCELJPA determined that the collectability approach is more representative of the revenues most likely to be earned from collections related to toll violations, fees and penalties. The effect of this change on future periods is expected to result in more timely recognition of revenue and more accurate reporting of accounts receivable.

The following is a summary of the effects of the change in estimate in the Authority's June 30, 2025 Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position:

Statement of Net Position

	Allowance for doubtful accounts approach	Change in methodology	Collectability approach
Accounts receivable	\$ 4,868,512	\$ (1,831,669)	\$ 3,036,843

Statement of Revenue, Expenses and Changes in Net Position

	Allowance for doubtful accounts approach	Change in methodology	Collectability approach
Toll revenue	\$ 36,971,681	\$ (1,831,669)	\$ 35,140,012



Fiscal Year 2024-2025 Annual
Financial Report (AFR)
San Mateo County Express Lanes
Joint Powers Authority

Agenda

- Auditor's Communication
- Financial Highlights from the FY 2024-25 Annual Financial Report (AFR)

Auditor's Communication

SAN MATEO COUNTY EXPRESS LANES JOINT POWERS AUTHORITY

Communication With Those Charged With Governance

Ahmad Gharaibeh, Partner
agharaibeh@eidebailly.com



AUDIT SCOPE

- Audit of the San Mateo County Express Lanes Joint Powers Authority (the “Authority”) Annual Financial Report as of June 30, 2025, in accordance with Auditing Standards Generally Accepted in the USA
 - Assurance provided on the fair and reasonable presentation of the financial statements.
 - Documentation of auditor’s understanding of the internal controls as it relates to financial statement presentation.
 - Required communications

OUR RESPONSIBILITY IN ACCORDANCE WITH PROFESSIONAL STANDARDS

- Form and express an opinion about whether the financial statements which are the responsibility of management, with your oversight, are presented fairly, in all material respects, in accordance with U.S. GAAP.
- Our responsibility is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement.
- We considered internal control over financial reporting. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

SUMMARY OF AUDIT RESULTS

Financial Statements

- “Clean” or unmodified opinion on the financial statements.

AUDITOR COMMUNICATIONS

Ethics and Independence

- We have complied with all relevant ethical requirements regarding independence.

Sensitive Disclosures

- Note 5 relating to the loan payable to San Mateo County Transportation Authority and the City/County Association of Governments of San Mateo County.
- Note 8 relating to the change in estimate for collections of violations, fees, and penalties.

Misstatements

- No items reported.

AUDITOR COMMUNICATIONS

Consultations with Other Accountants

- Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Significant Difficulties

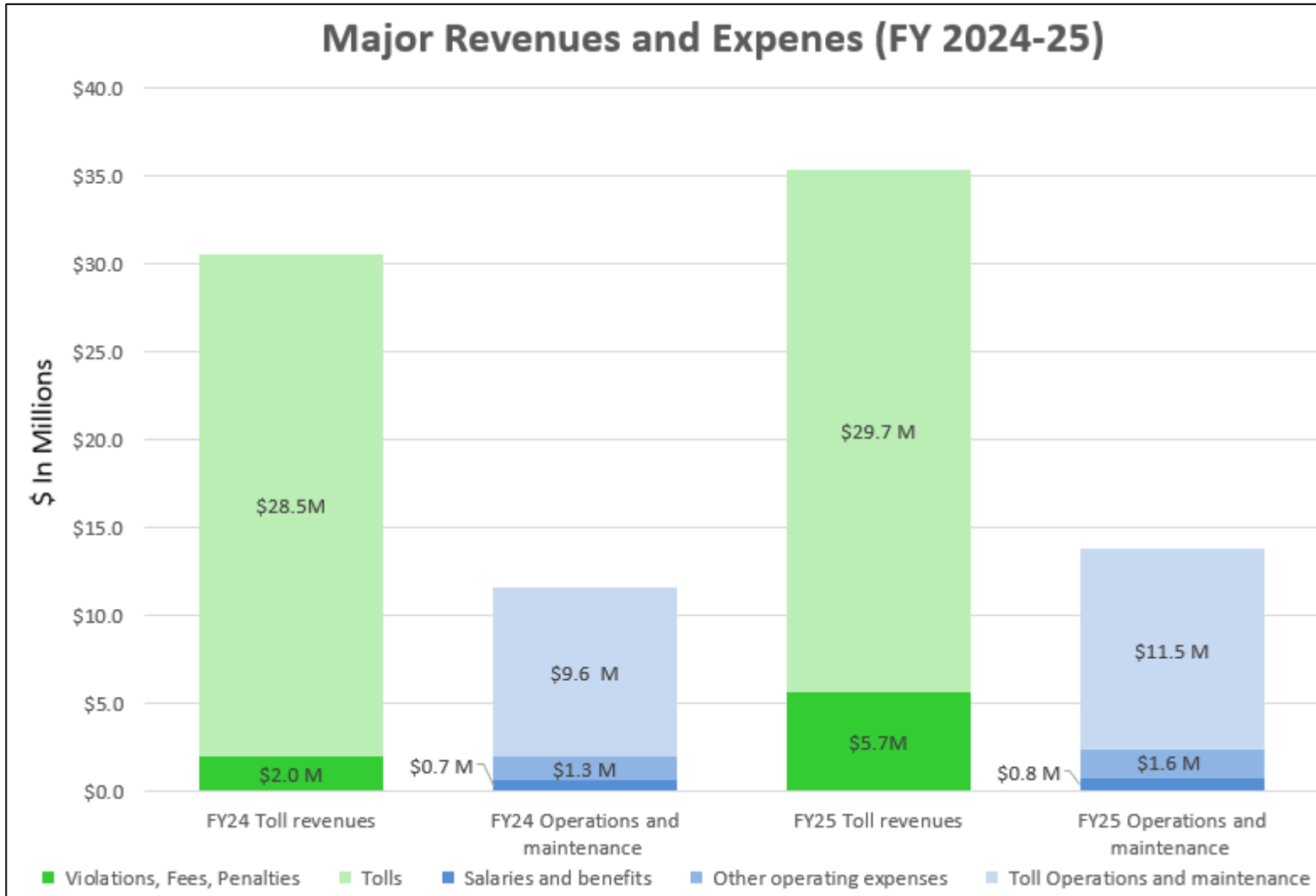
- We encountered no difficulties in dealing with management.

Disagreements with Management

- No disagreements arose during the audit.

Financial Highlights

- In FY25, express lanes recorded a total of 15.1 million trips annually, an increase of 6.4% compared to FY24.
- In FY25, the SMCEL-JPA has earned \$34.9 million in toll revenues, an increase of \$2.2 million or 19.0% compared to FY24.
- In FY25, the SMCEL-JPA has expended \$13.8 million in operations and maintenance, an increase of \$2.2 million or 27.3% from FY24, attributable to the Equity Program expenses and a higher volume of transactions.



Thank you

Ahmad Gharaibeh, Partner
agharaibeh@eidebailly.com

650.223.6103

eidebailly.com

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: December 5, 2025

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

From: Sean Charpentier, Executive Council

Subject: Review and approval of the 2026 Calendar of SMCEL-JPA Board of Directors Meetings and receive an update on Board Meeting Statistics.

(For further information, contact Kim Comstock kcomstock@smcgov.org)

RECOMMENDATION

That the SMCEL-JPA Board of Directors review and approve the 2026 Calendar of regular SMCEL-JPA Board of Directors meetings and receive an update on Board Meeting Statistics.

FISCAL IMPACT

None.

BACKGROUND

Each year, the JPA Board adopts its meeting schedule for the upcoming calendar year. As part of this annual process, and in response to the Board's request, staff compiled meeting statistics from the past to assess meeting frequency, quorum trends, and opportunities to improve scheduling consistency.

There are several statutory and governing requirements that affect the conduct of public meetings:

Brown Act

- Requires a quorum for action (4 members).
- Allows teleconferencing from remote locations if posted on the agenda but only allows remote participation to count for quorum if the location is within the relevant jurisdiction.

AB 2449

- Allows remote participation for specific reasons. Can only be used if there is a quorum present in one location.

Joint Exercise of Powers Agreement (JEPA)

- Requires all action of the Board to require 5 Board members to be present. (Section 4.5)

Meeting Statistics (Historical)

- 78 regular and special Board meetings have been scheduled.
- 12 meetings have been cancelled:
- 9 cancelled due to insufficient agenda items;
- 2 (June 2025 and July 2025) cancelled and rescheduled due to multiple scheduling conflicts that

- prevented achieving a quorum;
- 1 (December 2024) rescheduled to an earlier date to accommodate a Board Member whose term was ending.

Meetings Convened Without a Quorum

- October 2024 and November 2024: Meeting convened but no action could be taken; only three members were physically present.
- August 2022: Meeting convened but no action could be taken; four members were present, short of the five required under the JEPA.

To improve meeting consistency and support timely decision-making, staff recommend establishing a monthly standing meeting on the Board calendar. Dates were selected to avoid holidays and known conflicts with City, County, regional, and partner agency meetings. This approach helps reduce the need to reschedule meetings due to quorum issues.

In consideration of the Board's time, meetings will be cancelled if a quorum cannot be achieved for that month or if there are no actionable items requiring Board attention.

Proposed 2026 meeting schedule

Regular meetings will begin at **9:00 a.m.** and are scheduled for the **first Friday of each month**, unless otherwise noted to accommodate holidays or known conflicts. The dates below are proposed by staff, and we're prepared to revise them to best meet the Board's schedule and preferences.

- **February 6**
- **March 6**
- **April 3** – Good Friday (*confirm if this presents a scheduling concern*)
- **May 1**
- **June TBD** (*In light of graduation season, the Board may wish to consider an alternate meeting date. The preferred alternative is Monday, June 15, with Friday, June 12 as a secondary option, subject to Board availability. A quorum is required, as action on the annual budget is anticipated.*)
- **August 7**
- **September 4** (*note: this is the Friday before Labor Day*)
- **October 2**
- **November 6**
- **December 4**

ATTACHMENT

None.

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: December 5, 2025

To: San Mateo County Express Lanes Joint Powers Authority Board of Directors

From: Sean Charpentier, C/CAG Executive Director

Subject: Receive a presentation on the Final 2025 Congestion Management Program (CMP) and the results of the U.S. 101 Express Lanes travel time runs.

(For further information or questions, contact Eva Gaye at egaye@smcgov.org)

RECOMMENDATION

That the SMCEL-JPA Board receive a presentation on the Final 2025 Congestion Management Program (CMP) and the results of the U.S. 101 Express Lanes travel time runs.

FISCAL IMPACT

On February 13, 2025, the C/CAG Board of Directors approved a consultant contract with TJKM Transportation Consultants in the amount of \$212,300 to provide traffic monitoring services for the 2025 CMP update.

SOURCE OF FUNDS

The 2025 CMP is funded through the C/CAG Transportation Fund.

BACKGROUND

Every two years, C/CAG, serving as the Congestion Management Agency for San Mateo County, prepares and adopts a Congestion Management Program (CMP). The Program identifies strategies to address transportation needs, reduce congestion, and promote coordinated, countywide solutions. It must also align with the Metropolitan Transportation Commission's (MTC) planning process to ensure local jurisdictions remain eligible for state and federal transportation funding. As part of this update, C/CAG reviews not only roadway performance, but also the performance of multimodal facilities, including the U.S. 101 Express Lanes, to understand how well the transportation network is serving all users.

While Senate Bill (SB) 743 now requires Vehicle Miles Traveled (VMT) as the primary transportation impact metric under CEQA, existing CMP legislation, last updated in 2001, still mandates the use of Level of Service (LOS). To remain in compliance, C/CAG continues to apply LOS standards while also tracking performance measures aligned with modern policies and multimodal planning goals. To resolve these inconsistencies, the CMP statute must be updated to

reflect modern performance metrics.

Under current CMP requirements, roadway operations are evaluated using a delay-based Level of Service (LOS) metric, which assigns a letter grade from A to F. LOS A represents free-flow traffic conditions, while LOS F indicates severe congestion and significant delays. Monitoring of the CMP network was conducted in April, May, and August 2025 on mid-weekdays (Tuesday, Wednesday, and Thursday) during the AM (7:00–9:00 AM) and PM (4:00–6:00 PM) peak periods.

When the Level of Service (LOS) on a CMP roadway segment or intersection deteriorates and a violation is identified through the monitoring process, the CMP legislation provides local jurisdictions with two options to remain in conformance with the CMP requirements:

- **Implement a specific deficiency plan** to correct the LOS deficiency on the affected segment; or
- **Implement alternative measures** designed to achieve measurable, system-wide improvements in LOS and contribute to significant air quality benefits.

In certain cases, meeting the CMP’s LOS standards may be infeasible or undesirable. For these situations, deficiency plans allow jurisdictions to adopt innovative and comprehensive strategies that improve traffic conditions on a broader, system-wide level.

To address jurisdiction-wide deficiencies identified on the CMP network, C/CAG developed the San Mateo County Congestion Relief Plan (CRP). The CRP was originally adopted in 2002 and subsequently reauthorized in 2007, 2011, 2015, 2019, and 2023. The CRP serves as the Countywide Deficiency Plan, fulfilling the statutory requirement to address roadway segment and intersection deficiencies identified through the bi-annual updates of the Congestion Management Program. With the CRP in place, individual jurisdictions within San Mateo County are not required to prepare separate deficiency plans based on the findings of this monitoring report. Additional information on the CRP is available: <https://ccag.ca.gov/wp-content/uploads/2023/06/5.1-A2-CRP-Plan-FY24-FY27.pdf>

2025 CMP Update

Since state legislation has yet to reconcile the inconsistencies between CMP requirements and SB 743 mandates, C/CAG continues to adhere to the existing CMP framework. The 2025 CMP Update focuses on ensuring full compliance with applicable state and regional requirements, with particular emphasis on progress made in implementing the program’s core elements since the 2023 update. Special attention is directed towards the monitoring of freeway, highway, and intersection traffic conditions. Comparative analyses between the 2023 and 2025 monitoring data will provide valuable insights into changes in congestion patterns over time.

2025 Traffic Level of Service and Performance Monitoring- US 101 Corridor

To assess the operating conditions of San Mateo County’s roadway network, C/CAG is required to measure the Level of Service (LOS) for 53 roadway segments and 16 intersections included in the Congestion Management Program (CMP) network. The CMP network encompasses most of the county’s major highways and freeways, including State Route 92, U.S. Highway 101, and Interstate

280, which serve as critical regional corridors for commuters and goods movement. For the purposes of this report, the analysis focuses exclusively on the U.S. 101 Corridor. The monitoring study for the 2025 CMP was conducted during April, May, and August 2025 using INRIX and average speed data. Primary tasks included integrating travel time data with the LOS monitoring network and completing the LOS analysis.

Average Travel Times on US-101 Corridor

This performance measure compares travel times across various modes along the US 101 corridor, spanning from the Santa Clara County line to the San Francisco County line. The modes analyzed include general-purpose lanes, carpool lanes (where available), express lanes (where available), and transit provided by SamTrans and Caltrain. General-purpose and express lane travel times were collected using field-based floating car surveys. Data consisted of six runs in each direction during both the AM peak period (7:00–9:00 AM) and PM peak period (4:00–6:00 PM). Travel times were measured for vehicle occupants on US 101, Caltrain passengers, and SamTrans bus riders along El Camino Real and/or US 101. Field measurements were used to determine automobile travel times, while transit schedules provided baseline travel times for SamTrans and Caltrain. The collected data allow for comparison of travel times among different modes and across time periods. Peak-period travel times are compared with off-peak travel times to assess the extent of congestion and delay experienced by each mode.

For the 2025 CMP, the US 101 corridor was divided into two segments for analysis, covering the full length between the Santa Clara County line and the San Francisco County line (see segments below):

Table 1: US-101 Corridor Limits

Direction	Segment	Limits
Northbound	Segment 1	US 101 – San Mateo/Santa Clara County Line → Grand Avenue (End of US-101 Express Lanes)
	Segment 2	US 101 – Grand Avenue (End of US-101 Express Lanes) → San Francisco/San Mateo County Line
Southbound	Segment 1	US 101 – San Francisco/San Mateo County Line → Grand Avenue (Beginning of US-101 Express Lanes)
	Segment 2	US-101 – Grand Avenue (Beginning of US-101 Express Lanes) → San Mateo/Santa Clara County Line

High-Occupancy Toll (HOT) Lane Travel Time Runs (Express Lanes)

Although INRIX data offers reliable average travel speed and congestion information, it does not separate general-purpose and express lane traffic. Consequently, field data collection was conducted to capture more accurate, lane-specific travel times. Floating car surveys were conducted along the US 101 High-Occupancy Toll (HOT) lanes, from the San Mateo County/Santa Clara County Line to Grand Avenue, the northern end of the Express Lanes. Using GPS-based technology, survey vehicles recorded travel times between defined start and end points for each segment. Table 2, below, summarizes the travel time savings achieved in the HOT lanes compared to the general-purpose lanes.

Table 2: Floating Car Survey Travel Time Savings along US-101 Corridor (Express Lanes)

Direction	Segment Description	AM Savings	PM Savings
US-101 NB	San Mateo/Santa Clara Line to Grand Ave (End of Express lanes)	18%	22%
US-101 SB	Grand Ave (Beginning of US-101 Express Lanes) to SM/Santa Clara Line	21%	21%

According to floating car survey data, Express Lane trips were approximately 20 percent faster than those in the general-purpose lanes during peak periods. These performance benefits may be further enhanced through reductions in violation rates. Staff and the California Highway Patrol continue to collaborate on measures to improve compliance and preserve the overall effectiveness of the facility.

Morning peak travel times in the southbound US-101 general-purpose lanes increased by about three minutes between 2023 and 2025. Regional travel patterns have evolved since the early phase of the COVID-19 pandemic. Transit use remains lower than pre-pandemic levels but is gradually rising, and more employers are now requiring workers to return to the office three to five days per week, increasing travel demand¹. Despite these broader system pressures, the Express Lanes continue to deliver meaningful and reliable travel time savings for eligible users, including carpools, transit, and toll-paying drivers.

Additionally, the availability of a reliable, congestion-managed lane also provides benefits beyond single-occupant vehicles. SamTrans Route EPX and other high-occupancy vehicles (e.g. carpools and corporate shuttles) benefit from consistent travel times, supporting transit reliability and encouraging mode shift.

Next Steps

The Draft and Final 2025 CMP was presented to the C/CAG Congestion Management Program Technical Advisory Committee (TAC), the Congestion Management and Environmental Quality (CMEQ) Committee and the C/CAG Board. The CMP results highlight that operational strategies, including enforcement, demand management, and transit-supportive policies, remain critical tools to improve overall system performance. The C/CAG Board is expected to adopt the CMP at its December 11, 2025 meeting.

ATTACHMENTS

The following attachments are available on the SMCEL-JPA website (*see “Documents” for the December 2025 Board Special Meeting*) at: <https://101expresslanes.org/about/bod/meetings>)

1. Final 2025 CMP Monitoring Report
2. Final 2025 San Mateo County CMP
3. Final Draft 2025 CMP Appendices
4. Presentation on the 2025 CMP Report

¹ <https://www.bayareaeconomy.org/files/pdf/BayAreaReturnToOffice-Report-May2025.pdf>