

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

Meeting No. 40

Date: Friday, September 16, 2022 Time: 9:00 A.M.	Join by Webinar: https://us02web.zoom.us/j/86588231943?pwd=UUR5QINIRWRjaU5DQzJidGllbENyZz09 Webinar ID: 865 8823 1943 Password: 091622 Join by Phone: (669) 900-6833
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Board of Directors: Rico E. Medina (Chair), Alicia Aguirre (Vice Chair), Diane Papan, Emily Beach, Maryann Moise Derwin, and Don Horsley

On September 16, 2021, the Governor signed AB 361, which amended certain provisions of the Ralph M. Brown Act in order to allow for local legislative bodies to conduct their meetings remotely via telephonically or by other electronic means under specified circumstances. Thus, pursuant to Government Code section 54953(e), the SMCEL-JPA Board meeting will be conducted via remote conferencing. Members of the public may observe or participate in the meeting remotely via one of the options above.

Persons who wish to address the SMCEL-JPA Board on an item to be considered at this meeting, or on items not on this agenda, are asked to submit written comments to mcrume@smcgov.org. Spoken public comments will also be accepted during the meeting through Zoom. Please see instructions for written and spoken public comments at the end of this agenda.

- 1.0 CALL TO ORDER/ ROLL CALL
- 2.0 BRIEF OVERVIEW OF TELECONFERENCE MEETING PROCEDURES
- 3.0 COVID-19 PANDEMIC STATE OF EMERGENCY
 - 3.1 Review and approval of Resolution SCMEL 22-23 finding that, as a result of the continuing COVID-19 pandemic state of emergency declared by Governor Newsom, meeting in person would present imminent risks to the health or safety of attendees. ACTION p. 1
- 4.0 PUBLIC COMMENT

Note: Public comment is limited to two minutes per speaker. Public comment permitted

on both items on the agenda and items not on the agenda.

5.0 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.

- 5.1 Approval of the minutes of Board of Directors regular business meeting No. 38 dated July 8, 2022. ACTION p. 6
- 5.2 Approval of the minutes of Board of Directors regular business meeting No. 39 dated August 12, 2022. ACTION p. 11
- 5.3 Information on Sources and Uses of Funds for the FY22 Period Ending June 30, 2022. INFORMATION p. 15
- 5.4 Accept the Sources and Uses of Funds for the FY23 Period Ending July 31, 2022. ACTION p. 16

6.0 REGULAR AGENDA

- 6.1 Approve SMCEL Resolution 22-24 adopting proposed changes to the express lanes toll violation penalties, setting the amounts at \$10 and \$20 for the first and second notice (for a total of \$30 after the second notice). ACTION p. 18
- 6.2 Receive Update on the Community Transportation Benefits Program. INFORMATION p.22
- 6.3 Receive a presentation on the status of the outstanding 2020 Variable Rate Demand Bonds used to fund a portion of the SMCEL-JPA Express Lanes project. INFORMATION p. 40
- 6.4 Receive Update on the US 101 Express Lanes operations and policy options related to toll revenue. INFORMATION p. 52

7.0 REPORTS

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

8.0 WRITTEN COMMUNICATIONS

None.

9.0 NEXT REGULAR MEETING

October 14, 2022

10.0 ADJOURNMENT

PUBLIC NOTICING: All notices of San Mateo County Express Lanes Joint Powers Authority 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.

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 location of 555 County Center, 5th Floor, Redwood City, CA 94063, for the purpose of making public records available for inspection. Please note this location is temporarily closed to the public; please contact Mima Crume at mcrume@smcgov.org to arrange for inspection of public records.

PUBLIC PARTICIPATION: Please refer to the first page of this agenda for instructions on how to participate in the meeting. Persons with disabilities who require auxiliary aids or services in attending and participating in this meeting should contact Mima Crume at (650) 599-1406, five working days prior to the meeting date.

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. The length of the emailed comment should be commensurate with the two minutes customarily allowed for verbal comments, which is approximately 250-300 words.
5. If your emailed comment is received at least 2 hours prior to the meeting, it will be provided to the SMCELJPA Board members, made publicly available on the Express Lanes website along with the agenda. We cannot guarantee that emails received less than 2 hours before the meeting will be read during the meeting, but such emails will be included in the administrative record of the meeting.

Spoken comments will be accepted during the meeting through Zoom. Please read the following instructions carefully:

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” and if you joined the meeting by phone, dial *9 to raise your hand. The Clerk will activate and unmute speakers in turn. Speakers will be notified shortly before they are called on to speak.
5. When called, please limit your remarks to the time allotted.

If you have any questions about this agenda, please contact:
Mima Crume, Secretary - (650) 599-1406

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: September 16, 2022

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

From: Executive Council

Subject: Review and approval of Resolution SMCEL 22-23 finding that, as a result of the continuing COVID-19 pandemic state of emergency declared by Governor Newsom, meeting in person would present imminent risks to the health or safety of attendees.

(For further information please contact Timothy Fox at tfox@smcgov.org)

RECOMMENDATION

Review and approval of Resolution SMCEL 22-23 finding that, as a result of the continuing COVID-19 pandemic state of emergency declared by Governor Newsom, meeting in person would present imminent risks to the health or safety of attendees.

FISCAL IMPACT

There is no fiscal impact associated with this item.

SOURCE OF FUNDS

None.

BACKGROUND

On June 11, 2021, Governor Newsom issued Executive Order N-08-21, which rescinded his prior Executive Order N-29-20 and set a date of October 1, 2021 for public agencies to transition back to public meetings held in full compliance with the Brown Act. The original Executive Order provided that all provisions of the Brown Act that required the physical presence of members or other personnel as a condition of participation or as a quorum for a public meeting were waived for public health reasons. If these waivers fully sunset on October 1, 2021, legislative bodies subject to the Brown Act would have to contend with a sudden return to full compliance with in-person meeting requirements as they existed prior to March 2020, including the requirement for full physical public access to all teleconference locations from which board members were participating.

On September 16, 2021, the Governor signed AB 361, a bill that formalizes and modifies the teleconference procedures implemented by California public agencies in response to the Governor's Executive Orders addressing Brown Act compliance during the COVID-19 emergency. AB 361 allows a

local agency legislative body to continue to use teleconferencing under the same basic rules as provided in the Executive Orders when certain circumstances occur or when certain findings have been made and adopted by the legislative body.

AB 361 provides that Brown Act legislative bodies must return to in-person meetings on October 1, 2021, unless they choose to continue with fully teleconferenced meetings because a specific declaration of a state or local health emergency is appropriately made. AB 361 allows legislative bodies to continue to conduct virtual meetings as long as there is a gubernatorially-proclaimed public emergency in combination with (1) local health official recommendations for social distancing or (2) adopted findings that meeting in person would present an imminent risk to health or safety. AB 361 is effective immediately as urgency legislation and will sunset on January 1, 2024.

AB 361 also requires that, if the state of emergency remains active for more than 30 days, the legislative body must make findings by majority vote every 30 days to continue using the bill's exemption to the Brown Act teleconferencing rules. Specifically, the legislative body must find that the need for teleconferencing persists due to risks posed by the ongoing state of emergency. Effectively, this means that local agencies must either agendaize a Brown Act meeting once every thirty days to make these findings, or, if a local agency has not made such findings within the prior 30 days, the local agency must re-adopt the initial findings if it wishes to conduct a remote meeting.

Public Agencies that want to continue with the option for remote meetings due to the COVID-19 emergency are preparing to bring findings to their elective bodies. The San Mateo County Board of Supervisors approved a similar resolution on consent at the September 28, 2021 meeting. On October 8, 2021, the SMCEL-JPA approved resolution 21-15 making the findings necessary for remote meetings; the Board has subsequently adopted similar resolutions making findings to continue remote meetings.

DISCUSSION

The County's high vaccination rate, successfully implemented local health measures (such as indoor masking), and best practices by the public (such as voluntary social distancing) have proven effective, in combination, at controlling the local spread of COVID-19.

However, reducing the circumstances under which people come into close contact remains a vital component of the County's COVID-19 response strategy. While local agency public meetings are an essential government function, the last 18 months have demonstrated that conducting such meetings virtually is feasible.

Public meetings pose high risks for COVID-19 spread for several reasons. These meetings bring together people from throughout a geographic region, increasing the opportunity for COVID-19 transmission. Further, the open nature of public meetings makes it difficult to enforce compliance with vaccination, physical distancing, masking, cough and sneeze etiquette, or other safety measures. Moreover, some of the safety measures used by private businesses to control these risks may be less effective for public agencies.

These factors combine to make in-person public meetings imminently risky to health and safety.

We recommend that the Board avail itself of the provisions of AB 361 allowing continuation of remote meetings by adopting findings to the effect that conducting in-person meetings would present an

imminent risk to the health and safety of attendees. A resolution to that effect, and directing staff to take such other necessary or appropriate actions to implement the intent and purposes of the resolution, is attached hereto.

ATTACHMENT

1. Resolution SMCEL 22-23

RESOLUTION SMCEL 22-23

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN MATEO COUNTY EXPRESS LANES JOINT POWERS AUTHORITY (SMCEL-JPA) FINDING THAT, AS A RESULT OF THE CONTINUING COVID-19 PANDEMIC STATE OF EMERGENCY, MEETING IN PERSON FOR MEETINGS OF THE SMCEL-JPA BOARD OF DIRECTORS WOULD PRESENT IMMINENT RISKS TO THE HEALTH OR SAFETY OF ATTENDEES.

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

WHEREAS, on March 4, 2020, pursuant to California Government Code section 8550, *et seq.*, Governor Newsom proclaimed a state of emergency related to the COVID-19 novel coronavirus, and subsequently, the San Mateo County Board of Supervisors declared a local emergency related to COVID-19, and the proclamation by the Governor and declaration by the Board of Supervisors remain in effect; and

WHEREAS, on March 17, 2020, Governor Newsom issued Executive Order N-29-20, which suspended certain provisions in the California Open Meeting law, Government Code section 54950 *et seq.* (the “Brown Act”), related to teleconferencing by local agency legislative bodies, provided certain requirements were met and followed; and

WHEREAS, on June 11, 2021, the Governor issued Executive Order N-08-21, which extended provisions of Executive Order N-29-20 that waive otherwise-applicable Brown Act requirements related to remote/teleconference meetings by local agency legislative bodies through September 30, 2021; and

WHEREAS, on September 16, 2021, Governor Newsom signed AB 361 into law, and AB 361 that provides that a local agency legislative body subject to the Brown Act may continue to meet without complying with the otherwise-applicable requirements in the Brown Act related to remote/teleconference meetings by local agency legislative bodies, provided that a state of emergency has been declared and the legislative body determines that meeting in person would present imminent risks to the health or safety of attendees, and provided that the legislative body makes such findings at least every thirty (30) days during the term of the declared emergency; and

WHEREAS, on January 5, 2022, the Governor issued Executive Order N-1-22, which suspended the original sunset date of AB 361 from January 31, 2022 to March 31, 2022, allowing local agencies to continue to conduct meetings via teleconference under modified rules of AB 361 as the pandemic continues; and

WHEREAS, the SMCEL-JPA Board of Directors concludes that there is a continuing threat of COVID-19 to the community, and that Board meetings have characteristics that give rise to risks to health and safety of meeting participants (such as the increased mixing associated with bringing together people from across the community, the need to enable those who are immunocompromised or unvaccinated to be able to safely continue to participate fully in public governmental meetings, and the challenges with fully ascertaining and ensuring

compliance with vaccination and other safety recommendations at such meetings); and

WHEREAS, the California Department of Public Health (“CDPH”) and the federal Centers for Disease Control and Prevention (“CDC”) caution that the Omicron variant of COVID-19, currently the dominant strain of COVID-19 in the country, is much more transmissible than prior variants of the virus and that even fully vaccinated individuals can spread the virus to others resulting in rapid and alarming rates of COVID-19 cases and hospitalizations; and

WHEREAS, the SMCEL-JPA Board of Directors has an important governmental interest in protecting the health and safety of those who participate in its meetings; and

WHEREAS, on October 8, 2021, the SMCEL-JPA Board of Directors approved Resolution 21-15 making the findings necessary to continue remote meetings and invoked the provisions of AB 361; and

WHEREAS, at subsequent meetings, the SMCEL-JPA Board of Directors has adopted subsequent resolutions making the findings necessary to continue remote meetings for SMCEL-JPA Board of Directors; and

WHEREAS, in the interest of public health and safety, as affected by the emergency caused by the spread of COVID-19, the SMCEL-JPA Board of Directors deems it necessary to find that meeting in person would present imminent risks to the health or safety of attendees, and thus intends to continue to invoke the provisions of AB 361 related to teleconferencing;

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that

1. The recitals set forth above are true and correct.
2. The SMCEL-JPA Board of Directors has reconsidered the circumstances of the state of emergency caused by the spread of COVID-19.
3. The SMCEL-JPA Board of Directors finds that holding meetings of the SMCEL-JPA Board of Directors would present imminent risks to the health or safety of attendees.
4. Staff is directed to take such other necessary or appropriate actions to implement the intent and purposes of this resolution.

PASSED, APPROVED, AND ADOPTED, THIS 16TH DAY OF SEPTEMBER, 2022.

Rico E. Medina, Chair

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

Meeting No. 38
July 8, 2022

In compliance with Governor's Executive Order N-29-20, and pursuant to the Shelter-in-Place Order issued by the San Mateo County Health Officer, this meeting was conducted via remote conferencing.

Board of Directors: Rico E. Medina (Chair), Alicia Aguirre (Vice Chair), Diane Papan, Emily Beach, Maryann Moise Derwin, and Don Horsley

1.0 CALL TO ORDER/ ROLL CALL

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

Members Present:

C/CAG Members:

Diane Papan, Alicia Aguirre, Maryann Moise Derwin

SMCTA Members:

Don Horsley, Emily Beach, Rico Medina

Members Absent:

None.

Staff Present:

Sean Charpentier – Executive Council

Carter Mau – Executive Council

Mima Crume – Clerk

Tim Fox – Legal Counsel

Van Ocampo, Kaki Cheung – C/CAG staff supporting SMCEL-JPA

Carter Mau, April Chan, Joe Hurley, Grace Martinez, – SMCTA staff supporting SMCEL-JPA

Lacy Vong, Christa Cassidy – HNTB

Other members of staff and the public were in attendance.

2.0 BRIEF OVERVIEW OF TELECONFERENCE MEETING PROCEDURES

Clerk Crume provided an overview of the teleconference meeting procedures.

3.0 PUBLIC COMMENT

Note: Public comment is limited to two minutes per speaker. Public comment permitted on both items on the agenda and items not on the agenda.

Clerk Crume reported that there were not any public comments submitted before the meeting. No public comment was made at the meeting.

4.0 APPROVAL OF CONSENT AGENDA

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

- 4.1 Review and approval of Resolution SMCEL 22-22 finding that, as a result of the continuing COVID-19 pandemic state of emergency declared by Governor Newsom, meeting in person would present imminent risks to the health or safety of attendees. APPROVED
- 4.2 Approval of the minutes of Board of Directors regular business meeting No. 37 dated June 10, 2022. APPROVED
- 4.3 Accept the Sources and Uses of Funds for the FY22 Period Ending May 31, 2022. APPROVED
- 4.4 Review and approval of Resolution SMCEL 22-17 and Resolution SMCEL 22-18 authorizing the SMCEL-JPA Chair to execute the Third Amendments of the Cooperative Funding Agreements (Operating Loan) with the City/County Association of Governments of San Mateo County (C/CAG) and the San Mateo County Transportation Authority (SMCTA), for \$1,350,000 and \$2,537,852, respectively. APPROVED
- 4.5 Review and approval of Resolution SMCEL 22-19 approving the License Agreement between the City of South San Francisco and SMCEL-JPA for Express Lanes Toll facilities within the City Rights of Way. APPROVED
- 4.6 Review and approval of Resolution SMCEL 22-20 approving the Permanent Encroachment Permit with the City of Belmont for Express Lanes Toll facilities within the City Rights of Way. APPROVED
- 4.7 Review and approval of Resolution SMCEL 22-21, ratifying the purchase of Commercial General Liability Insurance and Public Officials Liability Insurance policies for 12 months at a not to exceed amount of \$131,067. APPROVED

Director Aguirre MOVED to approve the consent agenda. Director Papan SECONDED. Roll call was taken. **MOTION CARRIED 6-0-0**

5.0 REGULAR AGENDA

5.1 Receive a presentation on proposed reductions to the toll violation penalties. INFORMATION

The Board received a presentation on proposed reductions to the toll violation penalties.

Director Horsley inquired about how citations would work and clarifications on CHP's responsibilities. Sean responded that toll violations are checked through a reader system using license plate information, and CHP enforces violation related to the HOV occupancy. The penalty for HOV violation is \$491.

Director Beach asked if the proposed penalty of \$10 covers the cost of processing the violations. Sean Charpentier responded yes. Van Ocampo noted that the processing cost is between \$1.00 to \$1.50.

Chair Medina asked what options are available if other agencies choose not to go forward with this new proposal. Sean said that the decision would be up to the agency. Because San Mateo County shares a border with Santa Clara County, consistency with VTA on the toll penalty across the county line would be desirable. If VTA doesn't implement the same violation penalty, it would be more challenging.

Public member Drew commented that his impression is the penalty is about not paying the toll.

Stephen Wolf, Assistant Director with the Bay Area Infrastructure Financing Authority (BAIFA), commented that each agency may have different interests in what the penalty amounts should be. It has been a challenging process to reach agreements and it's a decision that each board has to make. The Commission recognizes these challenges and has agreed to be consistent with other operators regionally.

Lacy Vong clarified that if a user uses FasTrak on a bridge, the user will get an invoice and have 21 days to pay. In order to use the express lanes, a FasTrak transponder is required. If a motorist makes the decision to get into the express lanes and do not have a FasTrak account, it is then considered a toll violation.

Director Beach commented that for first-time violators who do not have a FasTrak account but decides to sign up, the toll violation penalty is then waived.

5.2 Receive update on the US 101 Express Lanes operations. INFORMATION

The Board received an update on the US 101 Express Lanes operations.

Vice Chair Aguirre asked about the locations of seven core agencies. Christa Cassidy responded that the core agencies are located in South San Francisco,

Pacifica, San Mateo, Pescadero, Redwood City, El Granada and East Palo Alto and Daly City.

Director Beach commented on the Clipper cards that were distributed as part of the Community Transportation Benefits program. Director Beach asked if the participants are signing up for Clipper Start at the same time, or are the Clipper card values getting loaded onto existing clipper cards. Cassidy responded that this data is not available, the Clipper start program has its own screening tool for eligibility.

Director Beach added that the team should be tracking the estimated operating costs on the dashboard, in addition to potential revenues.

Director Papan asked if there is staff who would assist a user in registering for the Clipper Start program. Cassidy responded that the Samaritan House staff provided users with Clipper Start enrollment materials. If a user wishes to sign up for FasTrak, a staff will help with registration. Director Papan asked if South San Francisco residents are getting additional support with registration at its local core agency. Christa said the data is reflective of those who signed up for the Clipper card benefit through the Community Transportation Benefits Program. It does not show any Clipper Start registration. There was a high level of interest and involvement from community based organizations in South San Francisco in the Program, and that likely leads to large participation numbers.

Public Member Drew asked if there was a way to identify the percentage of transactions that are image based, but the owners have FasTrak accounts. Those transactions are not subject to toll violation penalties. If possible, adding that as a sub-category on the slide would be helpful.

6.0 REPORTS

a) Chairperson Report.

None.

b) Member Communication.

None.

c) Executive Council Report - Executive Council Verbal Report.

Carter Mau reported out that the TA Board received a presentation on the current financial environment, and how that may potentially impact the bonds issued for the express lanes program. Staff would like to bring it to the JPA Board in August or September.

d) Policy/Program Manager Report.

Lacy Vong noted that the equity program presentation is an initial report, and staff will be evaluating the program. Staff will work with Clipper and FasTrak to get information on actual usage. That will be part of the program evaluation.

7.0 WRITTEN COMMUNICATIONS

None.

8.0 NEXT REGULAR MEETING

August 12, 2022

9.0 ADJOURNMENT – 10:05 a.m.

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

Meeting No. 39
August 12, 2022

In compliance with Governor's Executive Order N-29-20, and pursuant to the Shelter-in-Place Order issued by the San Mateo County Health Officer, this meeting was conducted via remote conferencing.

Board of Directors: Rico E. Medina (Chair), Alicia Aguirre (Vice Chair), Diane Papan, Don Horsley, Emily Beach and Maryann Moise Derwin

1.0 CALL TO ORDER/ ROLL CALL

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

Members Present:

C/CAG Members: Diane Papan (Arrived at 9:33 a.m.)

SMCTA Members: Don Horsley, Emily Beach, Rico E. Medina,

Members Absent:

Alicia Aguirre, Maryann Moise Derwin

Staff Present:

Sean Charpentier – Executive Council

Carter Mau – Executive Council

Mima Crume – Clerk

Tim Fox – Legal Counsel

Van Ocampo, Kaki Cheung – C/CAG staff supporting SMCEL-JPA

Carter Mau, April Chan, Joe Hurley – SMCTA staff supporting SMCEL-JPA

Matthew Click, Lacy Vong, Christa Cassidy, Monique Fuhrman – HNTB

Leo Scott – Gray Bowen Scott

Other members of staff and the public were in attendance.

2.0 BRIEF OVERVIEW OF TELECONFERENCE MEETING PROCEDURES

Clerk Crume provided an overview of the teleconference meeting procedures.

Chair Medina reported that we did not have a quorum. Tim Fox, Legal Counsel, suggested we move to informational items until a quorum is met. The Chair bypassed item 3.0 and moved to the informational item 4.0.

3.0 COVID-19 PANDEMIC STATE OF EMERGENCY

- 3.1 Review and approval of Resolution SCMEL 22-23 finding that, as a result of the continuing COVID-19 pandemic state of emergency declared by Governor Newsom, meeting in person would present imminent risks to the health or safety of attendees. NO ACTION TAKEN

Tim Fox, Legal Counsel, has provided context about AB361 resolution. The bylaws of the JPA agreement state that actions require five (5) members be present for voting. No action was taken on this item.

4.0 PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

Note: Public comment is limited to two minutes per speaker.

Clerk Crume announced that there were not any comments from the public.

5.0 Receive update on the construction of San Mateo 101 Express Lanes Project. INFORMATION

The Board received an update on the construction progress of San Mateo 101 Express Lanes Project.

Board of Director Horsley asked a time frame for toll testing. Leo Scott responded that there is equipment testing to make sure that devices are properly communicating with the regional operations center and the total data center. Additionally, there is facility testing under live traffic. Actual test vehicles with transponders drive on the corridor to verify toll transponder information is captured and read correctly. This process may take approximately two months.

Board of Director Beach thanked Mr. Scott and the whole staff team. The construction is going smoothly, and she appreciated Mr. Scott's detailed updates.

Clerk Crume reported that there were not any public comments on this item.

6.0 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.

Due to the lack of a quorum, Chair Rico E. Medina announced that item 6.0 has been bypassed.

- 6.1 Approval of the minutes of Board of Directors regular business meeting No. 38 dated July 8, 2022. NO ACTION TAKEN

- 6.2 Information on Sources and Uses of Funds for the FY22 Period Ending June 30, 2022. NO ACTION TAKEN

7.0 REGULAR AGENDA

- 7.1 Approve SMCEL Resolution 22-24 adopting proposed changes to the express lanes toll violation penalties, setting the amounts at \$10 and \$20 for the first and second notice (for a total of \$30 after the second notice). NO ACTION TAKEN

Chair Medina said item 7.1 will be postponed and carried forward to our September Board meeting.

- 7.2 Receive update on the US 101 Express Lanes operations. INFORMATION

The Board received an update on the US 101 Express Lanes operations.

Board of Director Beach commented that information on physical placards regarding the Community Transportation Benefits Program should be multilingual. Matt Click responded that the placards will be in three languages.

Public Member Drew commented on image-based transaction. Based on last month's presentation, he was seeking clarifications on whether the image-based percentage included just those who receive violation notices in the mail, or the percentage captures those who have FasTrak accounts.

Matt Click responded that the image-based transaction percentage on the dashboard included a combination of the two items. Image-based transaction is a transaction where drivers traveled without a transponder in the vehicle. The transponders may have been forgotten, and for those who do not have FasTrak accounts, toll can be collected using the license plate information.

Chair Medina acknowledged the arrival of Director Papan, and moved the discussion back to item 3.0 of the agenda.

8.0 REPORTS

- a) Chairperson Report.

None.

- b) Member Communication.

None.

- c) Executive Council Report - Executive Council Verbal Report.

None.

- d) Policy/Program Manager Report.

None.

Board of Director Beach asked for clarification on the JPA bylaws. She inquired if only budget related items require five (5) Board members to be present.

Tim Fox responded that based on section 4.5 of the JPA agreement, it stated that all actions of the Board will require five (5) Board Members to be present for voting. His understanding based on discussions with his colleagues who worked closely with C/CAG and TA, that provision was included to ensure that no action could be taken unless there was general consensus across both C/CAG and the SMCTA membership. He added that there is another rule about any adoption or amendment to the expenditure plan or an agreement with the successor agency would require not only five members to be present, but five affirmative votes. However, this is not applicable here.

9.0 WRITTEN COMMUNICATIONS

None.

10.0 NEXT REGULAR MEETING

September 9, 2022

11.0 ADJOURNMENT – 9:47 a.m.

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: August 12, 2022

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

From: Executive Council

Subject: Information on Sources and Uses of Funds for the FY22 Period Ending June 30, 2022

(For further information, contact Grace Martinez, Acting CFO, at 650-508-6274)

INFORMATION

The Finance Division engages in many activities following the end of the June 30 fiscal year to close out the old fiscal year and set up the new fiscal year. The demands of these activities require a longer time to produce a complete Sources and Uses of Funds than allowed by the normal board meeting cycle. Consequently, staff will present a Sources and Uses of Funds for June at the October 14th meeting of the Board of Directors. The auditors, Eide Bailly, LLP, expect to finish the audit in late October. The Annual Financial Report is expected to finalize in mid-November 2022.

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: September 16, 2022

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

From: Executive Council

Subject: Accept the Sources and Uses of Funds for the FY23 Period Ending July 31, 2022

(For further information, contact Grace Martinez, Acting CFO, at 650-508-6274)

RECOMMENDATION

Accept and enter into the record the Sources and Uses of Funds for the FY23 Period Ending July 31, 2022.

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

BACKGROUND

Year to Date Sources of Funds: As of July year-to-date, the Total Sources of Funds are \$483,0255, which include the Toll Revenue from the Express Lanes on US 101 between the Santa Clara County line and Whipple Avenue in Redwood City, in addition to the FY21 Carryforward Balance from San Mateo County Transportation Authority & City/County Association of Governments of San Mateo County. Actual toll revenues collected as of July 31, 2022 were \$290,916 with an annual budget of \$4.46 million. There have not been loan advances for July 2022 under the two operating loan agreements between the SMCEL-JPA and the San Mateo County Transportation Authority, SMCEL-JPA and the City/County Association of Governments of San Mateo County.

Year to Date Uses of Funds: As of July year-to-date, the Total Uses of Funds are \$479,506. Major expenses are in the categories of insurance costs (\$203,777), toll operations and maintenance costs (\$127,753), and FasTrak customer service center costs (\$113,230).

Budget Amendment: There are no budget amendments for the month of July 2022.

Other Information:

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

ATTACHMENT

1. Sources and Uses of Funds Fiscal Year 2023 (July 2022)

SAN MATEO COUNTY EXPRESS LANE JPA
SOURCES AND USES OF FUNDS
Fiscal Year 2023
July 2022

		ACTUAL	BUDGET
		As of 7/31/22	Annual
SOURCES OF FUNDS:			
1	Toll Revenue	\$ 290,916	\$ 4,460,000
2	Allocated Bond Funds	-	635,000
3	SMCTA Measure A (ACR TDM)	-	400,000
4	Carryforward Balance from SMCTA & CCAG	192,109 *	192,109
5	Advance from the City/County Association of Governments of San Mateo County	-	1,350,000
6	Advance from the San Mateo County Transportation Authority	-	1,915,185
7	Additional advance from SMCTA	-	622,667
TOTAL SOURCES OF FUNDS		\$ 483,025	\$ 9,574,961
USES OF FUNDS:			
8	Staff Support	\$ 20,730	\$ 839,628
9	Administrative Overhead	12,930	106,055
10	Seminar/Training & Business Travel	-	20,000
11	Audit & Bank Fees	316	15,160
12	Office Supplies	-	3,000
13	Printing and Information Svcs	-	5,000
14	Promotional Advertising	-	50,000
15	Utilities	-	50,000
16	Software Maintenance & License	-	32,000
17	Legal Services	-	60,000
18	Consultant	-	1,811,000
19	Express Lane Maintenance	-	444,000
20	Toll Operations and Maintenance	127,753	2,751,000
21	Fastrak Customer Service	113,230	1,885,500
22	Express Lane Enhanced Enforcement	-	215,000
23	Equity Program Administration and Costs	-	1,035,000
24	Insurance	203,777	228,218
25	Miscellaneous	770	24,400
26	TOTAL USES OF FUNDS	\$ 479,506	\$ 9,574,961
27	PROJECT SOURCES OVER USES	\$ 3,519	\$ -

Note:

* Represents FY21 Operating Surplus. FY22 Carryforward Balance from SMCTA & CCAG will be added after FY22 audit is completed.

Additional Information:

Loan payables to the City/County Association of Governments of San Mateo County	\$	2,337,394
Loan payables to the San Mateo County Transportation Authority	\$	3,188,428

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: September 16, 2022

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

From: Executive Council

Subject: Approve SMCEL Resolution 22-24 adopting proposed changes to the express lanes toll violation penalties, setting the amounts at \$10 and \$20 for the first and second notices (for a total of \$30 after the second notice).

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

RECOMMENDATION

Approve SMCEL Resolution 22-24 adopting proposed changes to the express lanes toll violation penalties, setting the amounts at \$10 and \$20 for the first and second notices (for a total of \$30 after the second notice).

FISCAL IMPACT

It is difficult to estimate the financial impact from the proposed changes in toll violation penalties. The tolls themselves are not being altered, and drivers are still required to pay the tolls they owe when driving in the express lanes. Only the penalty amounts will be modified. While the reduction in penalty amounts may bring in less revenues from this source, it is also believed that a reduction may encourage more people to pay the penalties earlier, which would increase payments and reduce collection expenses.

SOURCE OF FUNDS

Not applicable.

BACKGROUND

Two types of violations can occur in the express lanes. The first type is a violation of the declared occupancy on a FasTrak transponder. This requires a California Highway Patrol officer to visually verify occupancy and issue a citation after the offense is committed. The second type of violation takes place when the toll system captures a vehicle without a FasTrak transponder/account traveling in the lane. At that time, the FasTrak Regional Customer Service Center sends a toll violation to the registered vehicle owner for the toll amount and levy a penalty.

Attachment C, Schedule of Penalties for Toll Evasion Violations, of the Toll Ordinance states that currently a penalty charge of \$25 will be added to the toll amount when the first notice of violation is issued. After the registered car owner receives the first notice and does not make a payment within 21 days, a delinquent (second) violation notice is sent. A late fee of \$45 is then assessed, making the owner responsible for a total of \$70 (\$25 + \$45 for the first and second notice) in addition to the applicable toll.

The Bay Area Infrastructure Financing Authority (BAIFA), the Joint Powers Authority's Express Lanes operator, the Santa Clara Valley Transportation Authority (VTA), and the Alameda County Transportation Commission (ACTC), all have been operating with this penalty structure.

On October 21, 2021, the Bay Area Toll Authority (BATA) approved a reduction in penalties for BATA operated bridge crossing violations to \$5 + \$10 (for a total of \$15 due after the second notice). Subsequently, staff of various express lane operators across the Bay Area have been working together to evaluate whether to revise their own violation penalties and to what value. The partner agencies communicated a desire to maintain consistent penalties to ensure a seamless customer travel experience, but voiced concerns with matching BATA's penalty amounts. The express lane operators noted that express lanes are different from toll bridges and warrant a greater deterrent to potential violators for reasons that include:

1. BATA's penalties reduction was in large part a result to a foundational change in March 2020 to how the bridges are tolled after the removal of cash collection. Express lanes have always required all electronic tolling.
2. Drivers have a choice to use the tolled express lane or free general purpose lanes, whereas the choice between using a bridge or taking an alternate route to the destination is fundamentally different.
3. Express lanes enforcement is more complicated, and operational costs and risk of leakage are higher due to continuous access and multiple toll points.
4. Express lanes must meet Federal performance standards for travel speed.

After extensive discussion, staff from the express lane operators (SMCEL-JPA, VTA, ACTC, and BAIFA) recommend reductions to the existing toll violation penalties. The proposed violation penalties would be set at \$10 and \$20 for the first and second notices (for a total of \$30 after two notices). This is a reduction from \$25 and \$45 for the first and second notices (for a total of \$70 after two notices). The reduced amounts would address equity concerns about penalties and still cover the cost of collecting the tolls. SMCEL-JPA staff presented on this topic at its July 8th Board meeting.

In terms of implementation schedule, all the Bay Area operators aim to set a common effective date of October 3, 2023. This effective date allows all the operators to take the appropriate board actions. Upon approval, qualifying transactions on or after this date would be subject to the new penalties. On July 27, 2022, the BAIFA Board, which has the same membership as the MTC Commission, approved the recommended penalty amendments for the BAIFA express lanes. The other express lane operators will be taking this item to their respective Boards before the common effective date of October 3rd.

Section 10 of the adopted Toll Ordinance authorizes the SMCEL JPA Board of Directors to update Appendix C (Penalties) by resolution. The adopted Toll Ordinance is available at: <https://smcexpresslanes.org/documents/>.

Staff recommends that the JPA Board of Directors approve SMCEL Resolution 22-24, adopting proposed changes to the express lanes toll violation penalties, setting the amounts at \$10 and \$20 for the first and second notices (for a total of \$30 after two notices), effective October 3, 2022.

ATTACHMENT

1. SMCEL Resolution 22-24

RESOLUTION SMCEL 22-24

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN MATEO COUNTY EXPRESS LANES
JOINT POWERS AUTHORITY ADOPTING CHANGES TO THE TOLL VIOLATION PENALTIES,
SETTING THE AMOUNTS AT \$10 AND \$20 FOR THE FIRST AND SECOND NOTICES**

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

WHEREAS, the SMCEL-JPA was granted approval by the California Transportation Commission (CTC) pursuant to California Streets and Highways Code section 149.7 to build, own, administer and operate high-occupancy toll lanes or other toll facilities, including the administration and operation of a value pricing program and exclusive or preferential lane facilities for public transit, on US 101 between Interstate 380 and the Santa Clara/San Mateo County line; and

WHEREAS, the SMCEL-JPA sets tolls and creates a toll collection process for the SMCEL-JPA toll facilities on US 101 between Interstate 380 and the San Mateo/Santa Clara county line, by ordinance to establish civil penalties for the evasion of those tolls or noncompliance with other policies and to establish a program that addresses how motorists can enroll and participate in SMCEL-JPA's toll facility program, and California Vehicle Code section 40250 authorizes adoption of such an ordinance by the SMCEL-JPA; and

WHEREAS, the SMCEL-JPA adopted a toll ordinance on June 11, 2021, which by its Section 10 allows revisions to Attachment C, Schedule of Penalties for Toll Evasion Violations by resolution; and

WHEREAS, in response to reductions in civil penalties on the Bay Area Toll Authority bridges, and following a regional dialogue about equitable administration of civil penalties with operators of similar toll facilities in the Bay Area region, the express lane operators worked together for a regionally consistent recommendation to set civil penalties for toll violations on express lanes in the Bay Area region at \$10 for the first notice and \$20 for the second notice; and

WHEREAS, the SMCEL-JPA wishes to provide customers with a seamless travel experience and to operate the lanes in a manner generally consistent with its regional and statewide partners;

NOW THEREFORE BE IT RESOLVED, that the SMCEL-JPA Board of Directors approve SMCEL Resolution 22-24, amending Appendix C of adopted SMCEL Ordinance 2021-01 consistent with Exhibit A to set the express lane toll penalty amounts at \$10 and \$20 for the first and second notices (for a total of \$30 after two notices), effective October 3, 2022.

PASSED, APPROVED, AND ADOPTED, THIS 16TH DAY OF SEPTEMBER 2022.

Rico E. Medina, Chair

Exhibit A:

ATTACHMENT C

Amended by SMCEL Resolution 22-24, September 16, 2022

Schedule of Penalties for Toll Evasion Violations

All Violations

1st Notice Toll + \$ ~~25~~ 10 penalty

2nd Notice Toll + \$ ~~70~~ 30 penalty

Exceptions:

1. If the violation is determined to be the fault of the toll agency.
2. For 1st time offense, a non-customer can open a FasTrak[®] account and the \$10 ~~25~~ penalty will be waived.
3. For FasTrak[®] account holders in good standing, toll-only will be posted to the account balance. If the account balance is less than the amount of the toll, the account balance must be brought to the opening balance amount prior to posting the violation toll amount.

A processing fee will be applied to violations sent to the Department of Motor Vehicles (DMV) for a registration hold in the amount of the DMV recording fee authorized pursuant to Vehicle Code Section 4773, as said amount may subsequently be amended from time to time.

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: September 16, 2022

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

From: Policy/Program Manager (PPM)

Subject: Receive Update on the Community Transportation Benefits Program

(For further information please contact Matthew Click, Policy/Program Manager, MClick@hntb.com)

RECOMMENDATION

Receive a presentation and update on the Community Transportation Benefits Program (Program) enrollment and the marketing plan, which aims to raise program awareness.

FISCAL IMPACT

There is no fiscal impact related to this informational item. Expenses incurred to implement the marketing plan, are not contemplated to exceed \$20,000, which includes purchasing advertisements, printing, and translation services.

SOURCE OF FUNDS

Funds are included in the adopted Fiscal Year 2022-2023 budget.

BACKGROUND

The Program launched at the end of April 2022, bringing a new transportation benefit to San Mateo County's lower income residents. Eligible community members can choose between two transportation benefits—a Clipper Card with a \$100 value for those who rely on transit, or a free FasTrak Flex toll tag with a \$100 in credit for those who need to drive to their destinations. The Program is administered by Samaritan House. Qualified individuals may sign up for the Program at any of the San Mateo County Core Service Agencies, including Samaritan House.

COMMUNITY TRANSPORTATION BENEFITS PROGRAM UPDATE

Since the Program launched in April 2022, between April 25 through July 31, 2022, 848 participants have enrolled in the Program—165 selecting the FasTrak® option and 683 selecting the Clipper Card option. The majority of the participants, 89%, have an annual income of less than \$25,000. Since we last reported on the Program, Core Service Agencies servicing Daly City and coastal cities have ramped up outreach for greater take-up rates in those areas and additional support could help bolster enrollment.

As a result of the current uptake and geographic distribution, the Policy/Program Manager, in consultation with SMCEL-JPA staff, developed a detailed marketing plan in an effort to increase Program awareness among qualified residents across San Mateo County. The marketing plan employs a phased approach. First, Program staff will develop marketing products for Samaritan House and the Core Service Agencies to distribute to their clientele. The next phase of the marketing plan will identify and engage community-based organizations and other transportation partners, whose networks we can leverage to extend the reach of the Program to those eligible residents who may not be already connected with the Core Service Agencies Network. Finally, if determined necessary depending on Program uptake, the SMCEL-JPA may invest in more targeted outreach tactics like targeted digital advertisements. During all phases of the marketing plan implementation, staff will be building Program presence through marketing on SMCEL-JPA, SamTrans, TA, and other agency partners' social media channels , and physical advertisements on buses.

ATTACHMENT

1. Community Transportation Benefits Program Update and Marketing Plan, September 2022



Community Transportation Benefits Program Update & Marketing Plan

September 16, 2022

Benefits distributed since launch

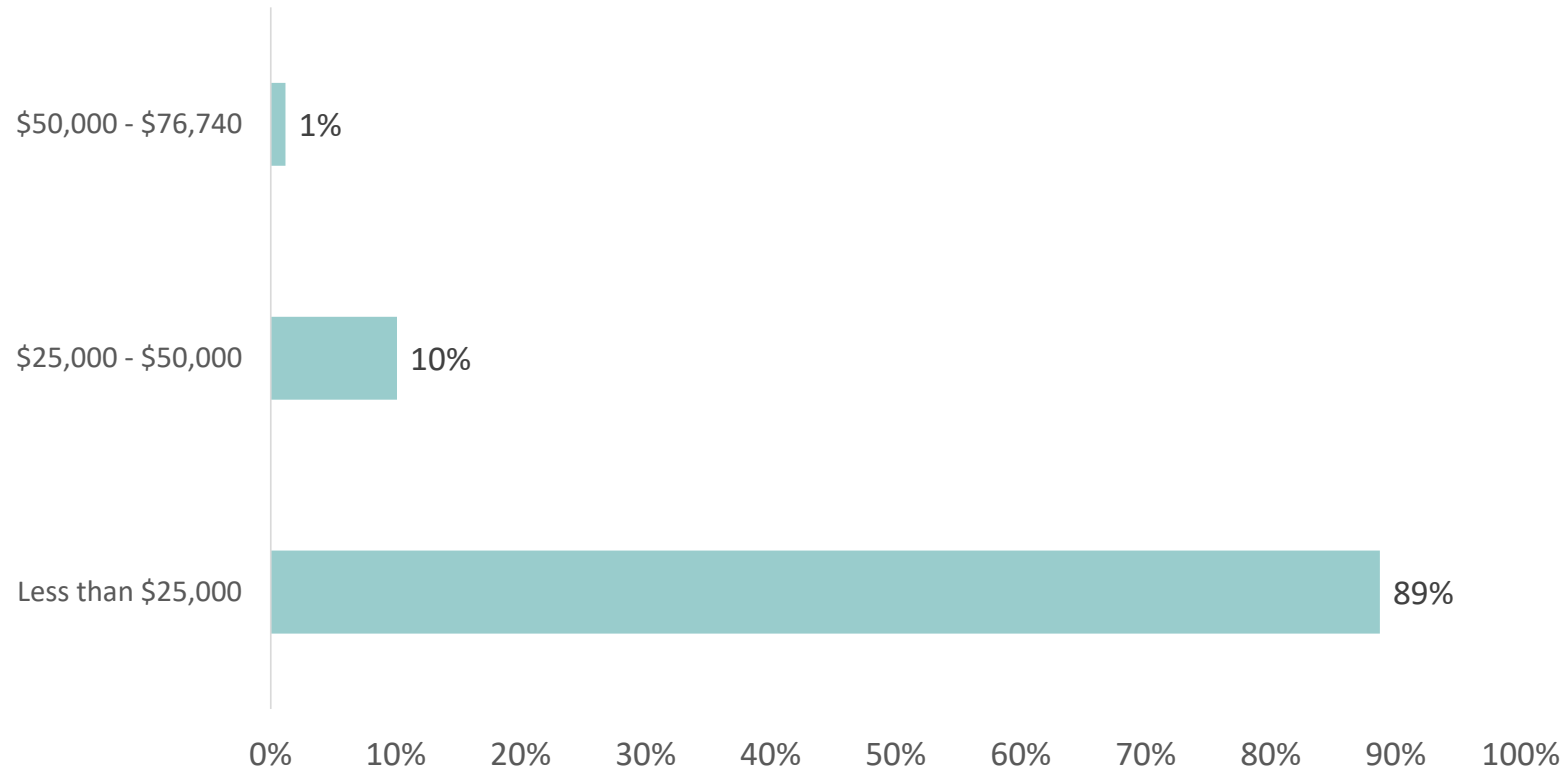


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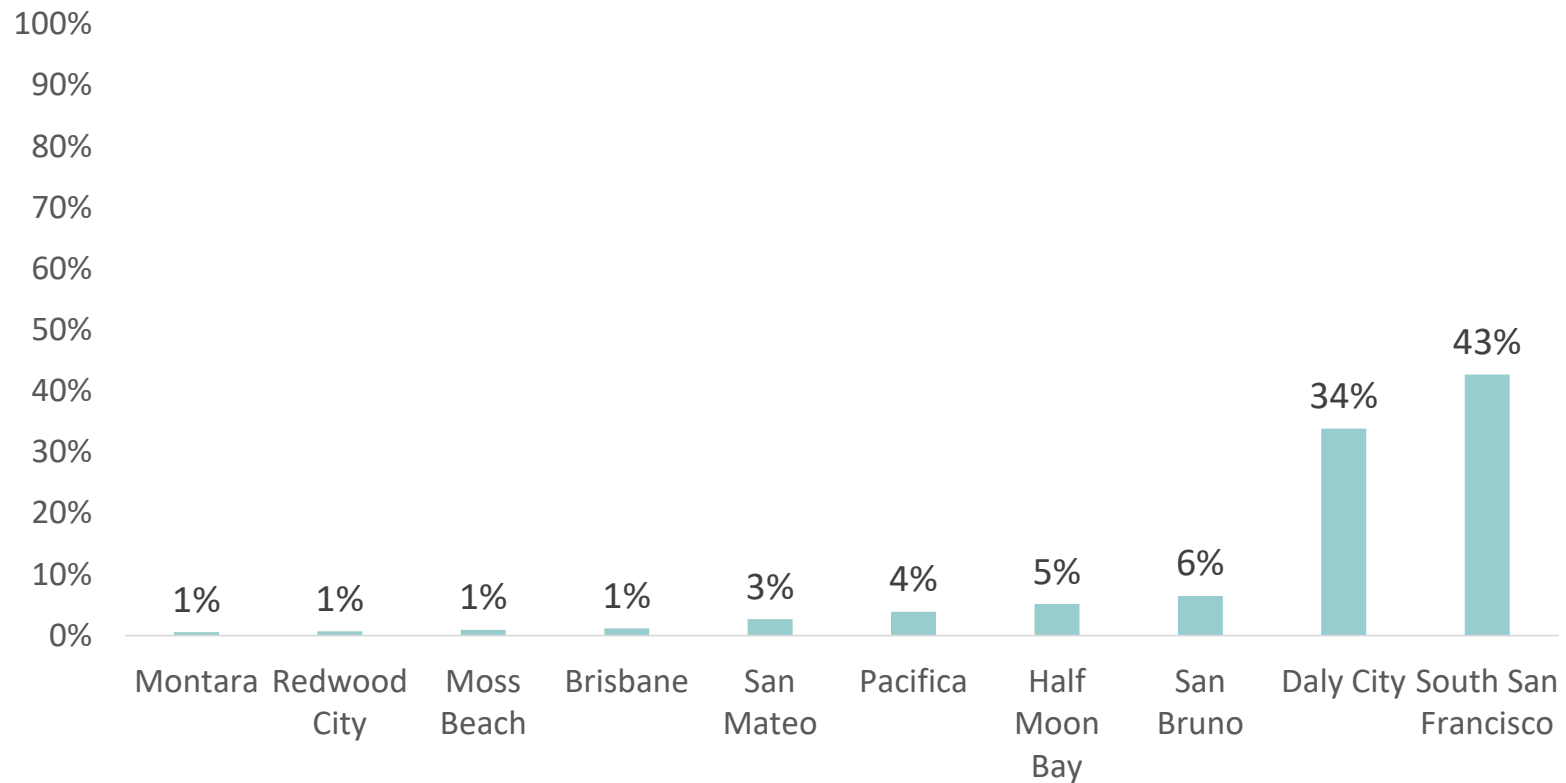


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Income of program participants



Cities where program participants live



Community Transportation Benefits Program Marketing Plan

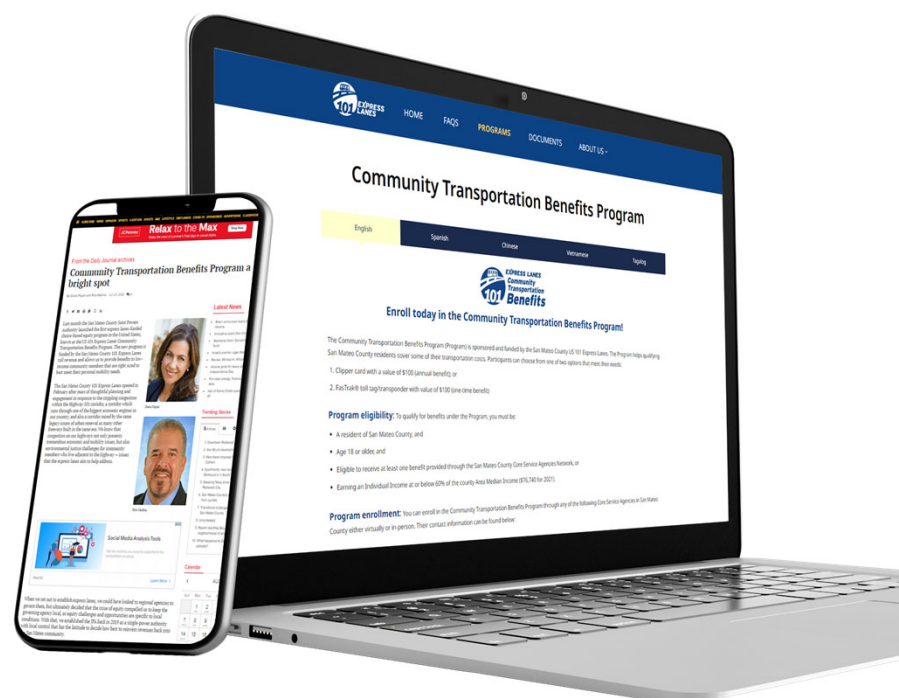


Marketing Efforts To Date

- Launched information about pilot program on website
- Outreach in March 2022 to community-based organizations (CBOs), agencies, and committees who supported the Equity Study about the pilot program launch
- Issued op-ed in April 2022 promoting the pilot program
- Prepared and issued social media posts to JPA Board members

Under Development:

- Developing Marketing Plan with recommended promotional tactics to increase program participation
- Creating Bus advertisements for placement on SamTrans buses in multiple languages



Social Media Posts

— INTRODUCING A NEW —
SAN MATEO COUNTY BENEFITS PROGRAM

Choose a transportation option
that's right for **YOU!**

 **\$100** OR **\$100** 

Clipper Card OR FasTrak Transponder

Call us today to see if you qualify!
650-523-0831

 EXPRESS LANES
Community Transportation
Benefits

— 最新推出的 —
圣马特奥县福利计划

选择适合您的交通方式!

 **\$100** 或 **\$100** 

Clipper 卡 或 FasTrak 收费感应器

马上致电查询您是否符合资格!
650-523-0831

 EXPRESS LANES
Community Transportation
Benefits

— INTRODUCIENDO UN NUEVO —
PROGRAMA DE BENEFICIOS DEL CONDADO DE SAN MATEO

Escoge la mejor opción
de transporte para **TÍ!**

 **\$100** OR **\$100** 

Target Clipper OR Transportador FasTrak

Llámanos hoy para ver si calificas!
650-523-0831

 EXPRESS LANES
Community Transportation
Benefits

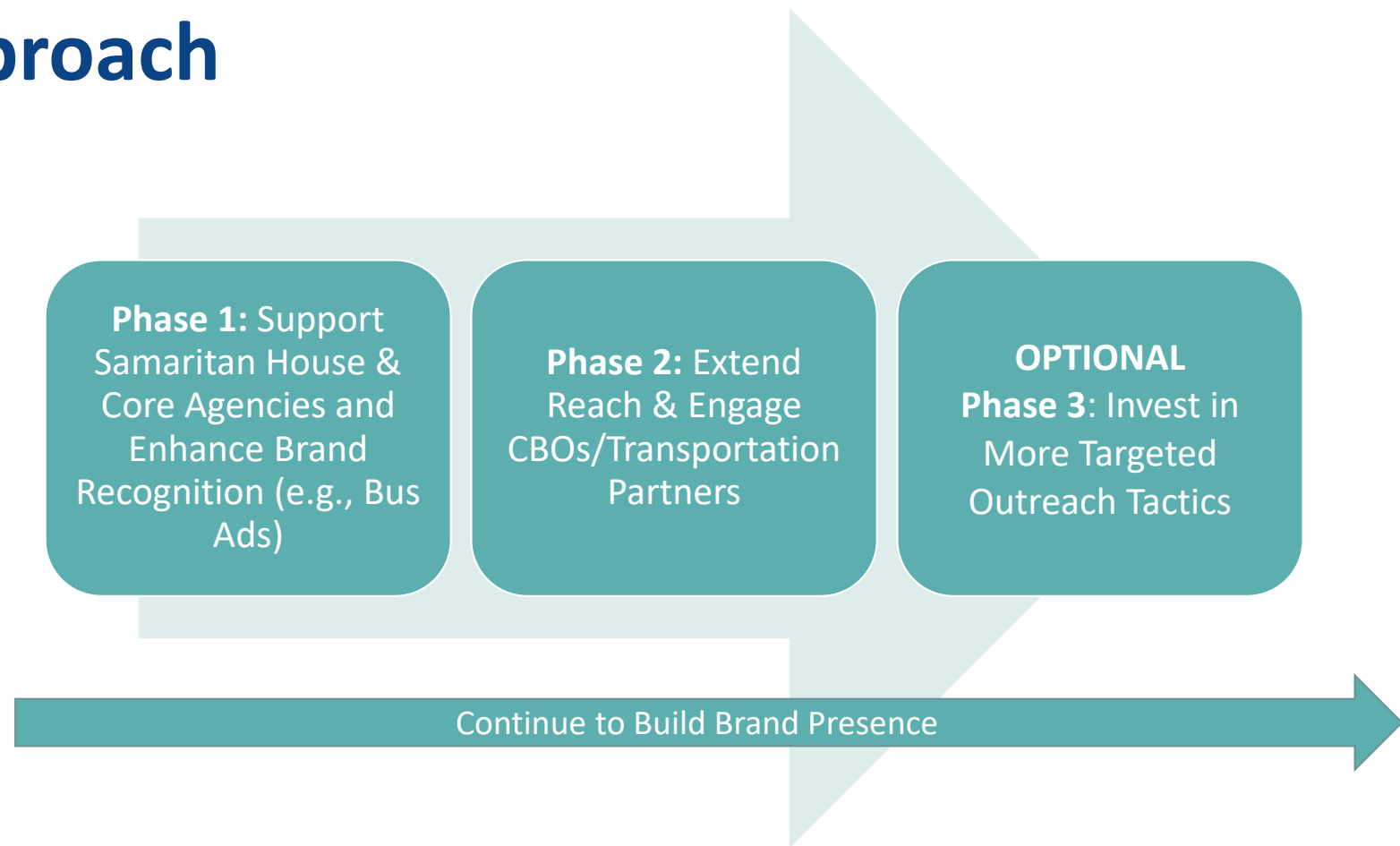


All marketing materials produced will be translated in Spanish and Simplified Chinese

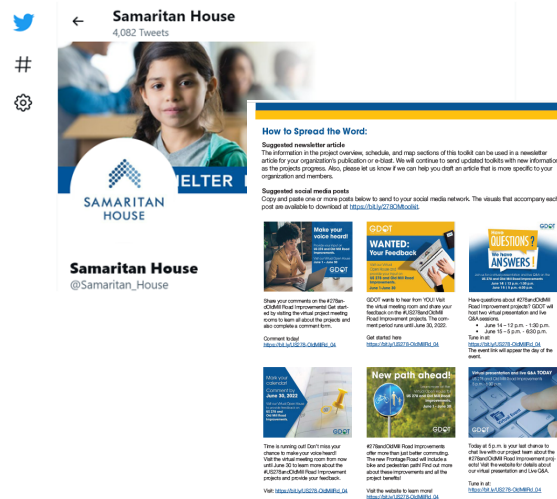
Marketing Objectives

1. Increase overall awareness of the new Community Transportation Benefits Program across the county with a focus on equity priority communities
 - A. Enhance existing partnership with Samaritan House and Core Agencies by providing program marketing collateral for distribution among their clientele
 - B. Identify and engage CBOs and transportation partners to extend the reach of the program to eligible residents who may not be connected to Samaritan House and the Core Agencies
2. Continue to build the brand presence for the new program to optimize visibility by focusing on maintaining and improving the program's communication channels for broader audience reach

Approach



Phase 1: Samaritan House & Core Service Agencies Clientele



Produce Promotional Materials

Develop Partner Toolkits

Participate in Events



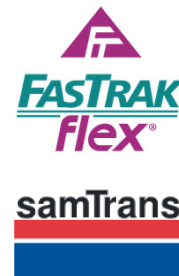
All marketing materials produced will be translated in Spanish and Simplified Chinese.

Phase 2: Extend Reach & Engage CBOs/Transportation Partners



CBO Partnerships

Identify local CBOs to help amplify the program to their audiences by providing promotional materials for distribution and participating in organization's community outreach events



Transportation Partnerships

Engage FasTrak®, Clipper, and other relevant transportation partners in social media partnership campaigns and marketing collaborations such as video series, email marketing campaigns, event attendance

Optional Phase 3: Invest in More Targeted Outreach

The following marketing outreach tactics may be considered depending on enrollment numbers for initial year of the Community Transportation Benefits Program following Phase 1 and Phase 2 activities:

- **Digital Ads** – Leverage other external paid digital ads platforms such as Waze (navigation app) and/or Google Display Ads to target new audiences based on location and interests.
- **Canvassing** – Target particular neighborhoods, housing developments, and business districts with mailers, door hangers, and other door-to-door outreach methods.
- **Festivals/Community Events** – Engage with residents through one-on-one interactions at local festivals, runs, and community events; consider signing up eligible participants on-site.

Build Brand Awareness

It's crucial to maintain and build a brand presence for the new Community Transportation Benefits Program on an ongoing effort. The following efforts will be considered throughout the phased marketing approach:

- Increase cadence of **organic social media posts** on 101 Express Lanes social channels
- Maintain **program website** content
- Create and update **fact sheets and FAQs**
- Provide **content to JPA Board members** for distribution to constituents
- Enhance **media relations** through opportunistic outreach
- Test targeted **paid social media ad** sets



Tracking/Measuring The Impact

- Increase in enrollment of Community Transportation Benefits Program
- Increase number of benefits distributed (FasTrak Transponders vs. Clipper Cards)
- Monitor area of where participants live (target areas with low participation rates)
- Monitor website visits and average session durations
- Monitor social media post performance (impressions, engagements, link clicks)

Core Service Agencies/CBOs

- Number of program registration requests based on agency location
- Monitor program website link clicks for unique URLs/QR codes provided to Core Service Agencies
- Monitor and inquire about promotional content performance on Core Service Agencies/CBOs communication channels
- Track number of tabling events participated in
- Track number of one-on-one engagements at events



Marketing Plan Implementation Timeline

Phases	Timeline			
	Aug-Oct	Nov-Jan	Feb-Apr	May-Jul
Phase 1: Support Samaritan House & Core Service Agencies <ul style="list-style-type: none"> August – Submitted social content to JPA Board September – Placement of bus ads in SamTrans buses October/January – Provide promotional materials and partner toolkit Deliver social media content for 101 San Mateo Express Lanes channels on reoccurring basis 				
Phase 2: Extend Reach & Engage Partners <ul style="list-style-type: none"> February-March 2023 – Identify CBOs and transportation agencies to partner April – deliver tailored promotional material & toolkits to partners; determine investment in paid social media ads May-July – Monitor paid social media campaigns and new partnership performance Provide updated promotional materials and toolkit to Samaritan House & Core Service Agencies Deliver social media content for 101 San Mateo Express Lanes channels on reoccurring basis 				
Optional Phase 3: Invest More Targeted Outreach <ul style="list-style-type: none"> Tactics TBD 				

Questions?



San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: September 16, 2022

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

From: Executive Council (Carter Mau, Acting Executive Director; April Chan, Acting Deputy General Manager; Grace Martinez, Acting Chief Financial Officer)

Subject: Receive a presentation on the status of the outstanding 2020 Variable Rate Demand Bonds used to fund a portion of the SMCEL-JPA Express Lanes project

(For further information please contact Connie Mobley-Ritter at mobley-ritterc@samtrans.com)

RECOMMENDATION

Receive a presentation on the status of the outstanding 2020 Variable Rate Demand Bonds used to fund a portion of the SMCEL-JPA Express Lanes project.

FISCAL IMPACT

There is no fiscal impact related to this informational item.

SOURCE OF FUNDS

N/A

BACKGROUND

On September 10, 2020, the San Mateo County Transportation Authority (TA) issued a \$100 million Subordinate Sales Tax Revenue Variable Rate Demand Bonds (Limited Tax Bonds), 2020 Series A and B to fund project costs associated with construction of the US 101 Express Lanes project and an equity program. Interest and fees on the bond are capitalized for the first three years.

Staff will discuss how recent interest rate increases may impact the TA's obligations and payments to the bondholders in both the near and long terms.

ATTACHMENT

1. Presentation on the variable rate bond



US101 Express Lanes: Update on Variable Rate Bond

Item 6.3



Presentation Outline

Overview of the \$100M Bond issued for the US101 Express Lanes Project

- Impact of interest rate hikes
- Sufficiency of capitalized interests
- Rationale for staying the course with the current financing structure

(Agenda item 6.4 will discuss future SMCEL JPA toll revenues to repay the bond, and possible policy options to enhance revenues)



Overview of TA's Bonds

- September 10, 2020 – TA issued \$100MM of variable rate demand bonds in two series (the “Bonds”) to fund SMCEL JPA’s portion of the costs of managed lanes on US 101
- Two part transaction:
 - Bonds secured by Measure A and Measure W sales tax revenues + letter of credit
 - TA is to be reimbursed from managed lane net operating revenues by SMCEL JPA to pay for the bond principal, interest and fees



Overview of TA's Bonds

- Approach Rationale
 - Lowest cost of funds due to TA's superior sales tax credit
 - 20 Year Historical average for short-term index: 1.1%
 - Initial rates on Bonds: 0.07%
 - Maximum Prepayment flexibility – Bonds can be repaid at any time without penalty from toll receipts or proceeds of standalone managed lane financing
 - Fixed rate alternative: Estimated rate of 3 to 3.50% depending on maturity (10 to 15 years) and when Bonds are called (depends on managed lane revenue performance)
- Payments
 - Interest payments capitalized for the first three years
 - Principal payments due dates – first \$5 Million is due Sept 2027, with the next \$10 Million due June 2030



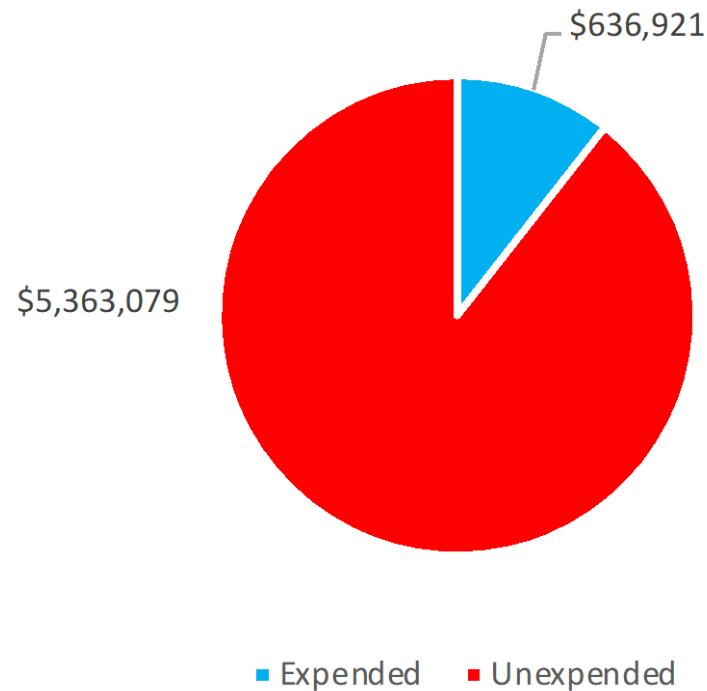
Interest Rates on the Rise

- Inflation is at its highest level since 1981
 - CPI – 8.6% in May
- Federal Reserve Board – Playing “Catch Up”
 - 3 rate hikes so far in 2022
 - June FOMC – 0.75% (largest hike since 1994)
 - July FOMC – 0.75%
 - Wall Street Expectations:
 - 2022: ~3.50% target (future hikes: 0.50% in September, 0.25% in November and December)
 - 2023: 3.80%
 - 2024: 3.40%
- US Treasury Benchmarks (as of 6/16/22)
 - 2 yr – 3.09% (2.36% increase YTD)
 - 10 yr – 3.20% (1.69% increase YTD)
 - 30 yr – 3.25% (1.34% increase YTD)
- Expectation for Future Rates and Risks to the TA’s Variable Rate Bonds
 - Capitalized Interest Funding
 - Overall interest rate risk



Capitalized Interest Sufficiency

Capitalized Interest Funding

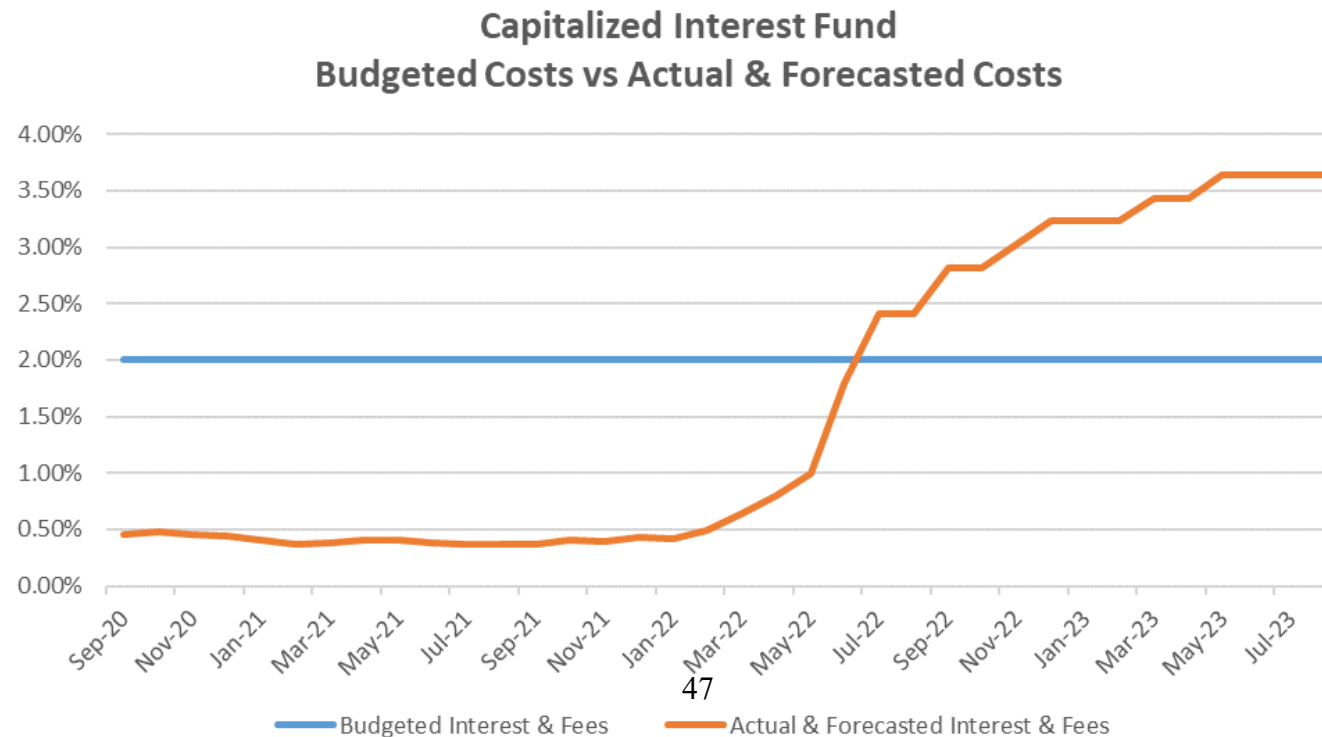


- 3 Years Funded @ \$6,000,000
- Assumed all-in rate of 2.00% (including LOC and remarketing)
- Historical average: 0.12% for Series A and 0.07% for Series B (plus costs)
- \$636,921 expended thru 5/31/22
- \$5,363,079 unexpended



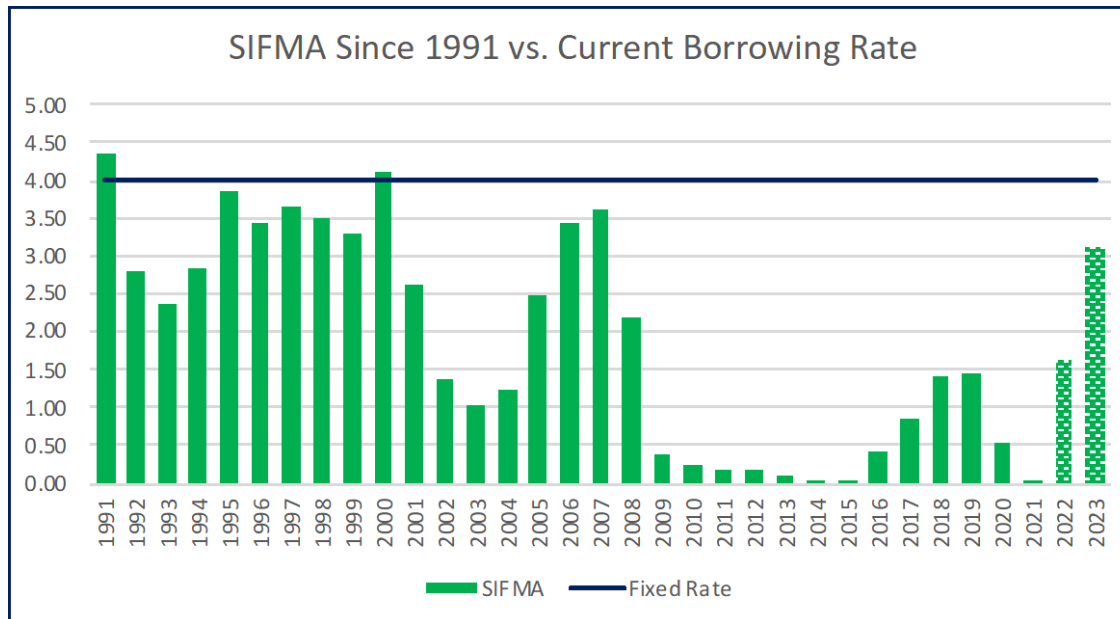
Capitalized Interest Fund Sufficiency

- All-in costs from June 2022 through August 2023 would need to average 4.10% to meet/exceed budgeted capitalized interest





Variable Rate vs. Fixed Rate



- Average Rate Since 1/1/2011: 0.48%
- Average Rate Since 1/1/2001: 1.12%
- Average Rate Since 1/1/1991: 1.85%
- Average Rate Exceeded 4% Annual Average in 1991 and 2000 only

- 2022 – Assumes blend of current average (0.40%) and 2.87% for remainder of 2022
- 2023 – Assumes 3.12% based on Fed Funds rate of 3.80%



Alternative: Fix Bond Interest Rate

- Current fixed rate market is challenging – particularly after 10 years
- Estimated True Interest Cost for the Bonds: 4.00% (6/15/22)
 - Fed Funds rate would need to average 5.00% for SIFMA to equate to this fixed rate borrowing cost. Highest projection is for 3.80% Fed Funds rate in 2023.
- Lose Prepayment Flexibility
- Incur additional transaction charges



Conclusion as to TA Bond Approach

- While short-term interest rates are increasing, the current structure remains the best option
- Estimated cost of fixing the rate (4.00%) far exceeds historical averages for VRDBs
 - Since 1991, annual average for VRDBs exceeded this rate only twice in two years
- TA would lose the flexibility to repay the Bonds from toll revenues from time to time



Managed Lanes Operating Risk Assessment

- Status
 - First segment of US 101 (8 miles) opened in Feb. 2022 ~ 5 months of operations – average toll has been \$1.00
 - Second segment – under construction with projected opening date in early 2023
- Performance Assessment
 - Some utilization of managed lanes to date but insufficient data to make meaningful projections
 - Factors to watch: remote work/return to office, population shift, price of gas, availability of cars

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: September 16, 2022

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

From: Policy/Program Manager (PPM)

Subject: Receive Update on the US 101 Express Lanes operations and policy options related to toll revenue

(For further information please contact Matthew Click, Policy/Program Manager, MClick@hntb.com)

RECOMMENDATION

Receive update on the US 101 Express Lanes operations and policy options that could affect toll revenue. No Board action is required.

FISCAL IMPACT

There is no fiscal impact related to this informational item.

SOURCE OF FUNDS

N/A

BACKGROUND

On February 11th, 2022, the southern segment of the US 101 Express Lanes (between Whipple Avenue and Embarcadero Road) opened concurrently with the Santa Clara Valley Transportation Authority (VTA)'s companion express lane project to the south. The express lanes are still in a ramp-up phase and performing well.

Below are operational highlights through July 31, 2022:

- The average potential daily revenue for the southern segment during this period was \$18,480. A month-to-month breakdown appears in the following table:

Period	Number of Tolling Days	Total Potential Revenue for the Period	Average Potential Daily Revenue per Day
February 11-28	12	\$187,233	\$15,603
March 1-31	23	\$463,046	\$20,132

April 1-30	21	\$369,080	\$17,575
May 1-31	21	\$404,106	\$19,243
June 1-30	22	\$415,042	\$18,866
July 1-31	20	\$360,709	\$18,035
Total to Date	119	2,199,216	\$18,480

- During this reporting period, the average daily toll rates have been:

Period	Southbound	Northbound
February 11-28	\$1.17	\$0.74
March 1-31	\$1.56	\$0.83
April 1-30	\$1.23	\$0.80
May 1-31	\$1.23	\$0.89
June 1-30	\$1.31	\$0.84
July 1-31	\$1.25	\$0.82
Avg Since Opening	\$1.31	\$0.83

- Daily average express lanes volumes continue to increase month to month. The following is summary of volumes over the reporting period:

Period	Number of Tolling Days	Average Daily EL Volume		% Change from Previous Month	
		Northbound	Southbound	Northbound	Southbound
February 11-28	12	11,239	9,589	-	-
March 1-31	23	12,281	10,423	+9.3%	+8.7%
April 1-30	21	13,172	10,755	+7.3%	+3.2%
May 1-31	21	14,273	11,154	+8.4%	+3.7%
June 1-30	22	14,042	11,042	-1.6%	-1.0%
July 1-31	20	13,802	11,119	-1.7%	0.7%

- Average Express Lane trips were slightly less than the prior month in the northbound direction, with July seeing a decrease of 1.7%. There was a slight increase in the average daily trips in the southbound direction of 0.7%. In general, these may be attributed to the decrease in traffic during the summer months.
- Express Lanes continue to operate at about 10 to 12 mph faster than the general purpose lanes in both directions.
- Out of these trips, most continue to be image-based trips followed by drivers who declared as single occupant vehicle (SOV). Clean Air Vehicle (CAV) declarations represented the smallest portion of trips at

about 1.5% in July.

- Toll revenue has remained relatively constant at approximately \$300,000 each full month of operations following the opening with a cumulative total of \$1.4 million as of the end of June 2022.
- Toll operations and maintenance (O&M) costs—which consists of the toll system operating and maintenance, FasTrak Regional Customer Service Center support, Caltrans civil lane maintenance, and California Highway Patrol enhanced lane enforcement activities—is about \$1.3 million through the end of June 2022. The Toll O&M costs do not include agency overhead and other administrative costs used to support the Express Lanes Program.

The toll revenue collected since June 30, 2022 reflects the observed level of congestion along the southern segment of the Express Lanes and the existing toll policies. If the Express Lanes and General Purpose lanes continue to operate below capacity, several policy changes could be considered to increase potential toll revenue. Options to adjust toll rates include revising the minimum toll, changing the toll discount policies, and modifying the Express Lanes enforcement strategy. This is an informational item to inform the Board of various policy and business rule changes that could influence toll revenue.

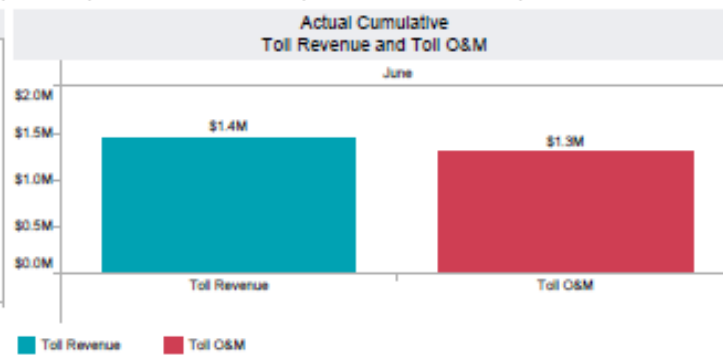
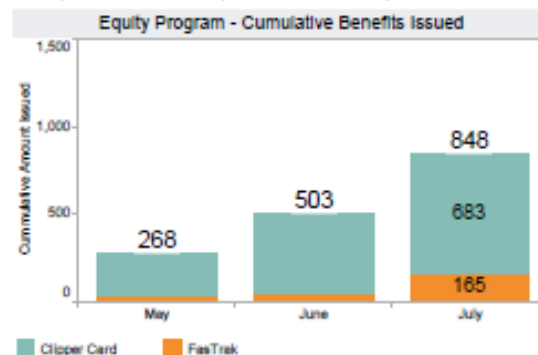
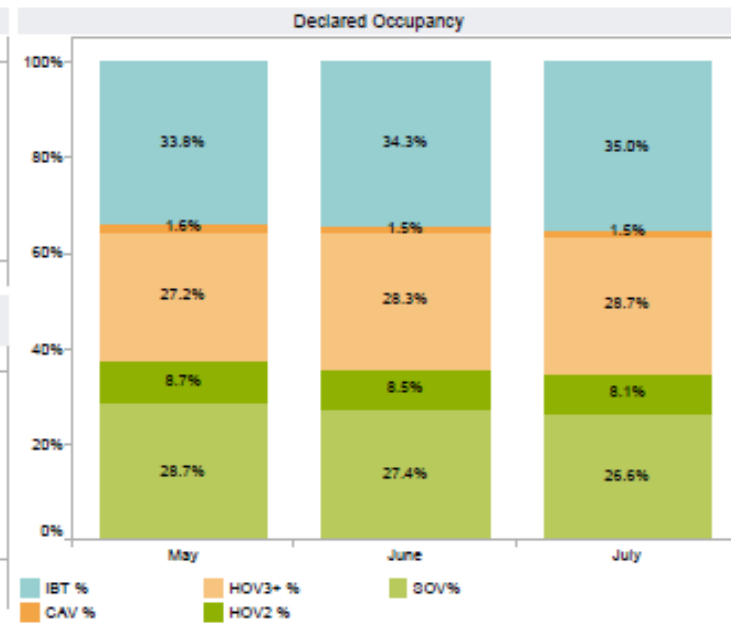
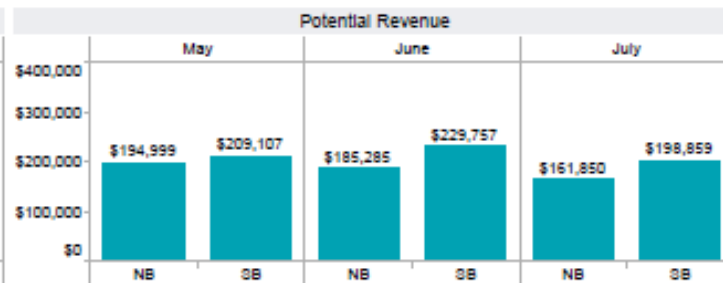
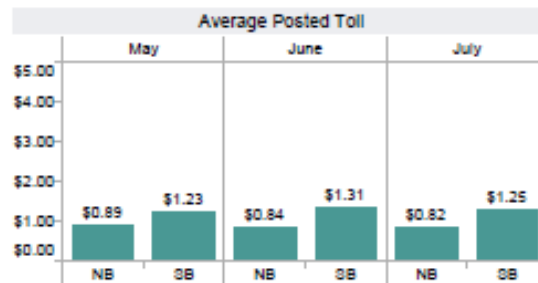
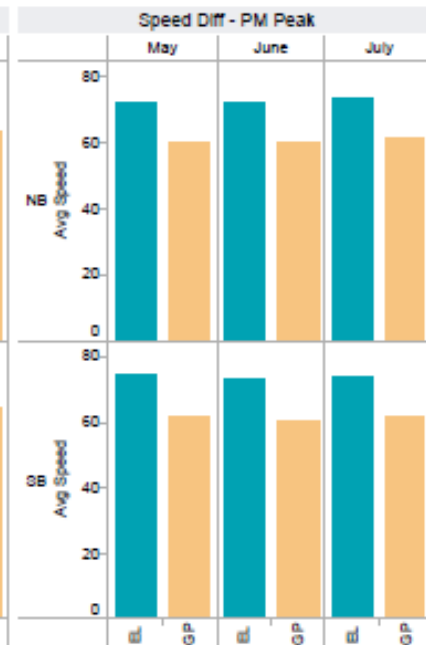
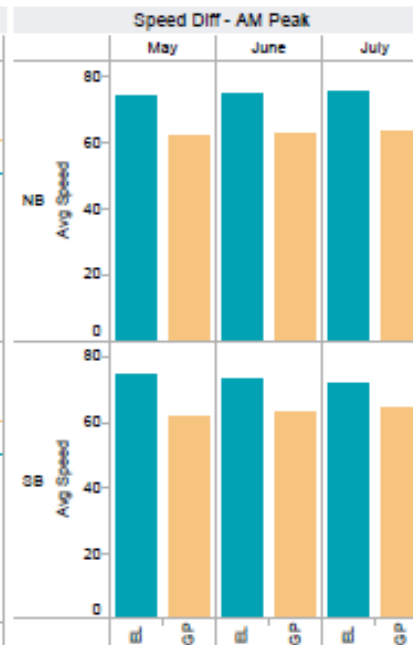
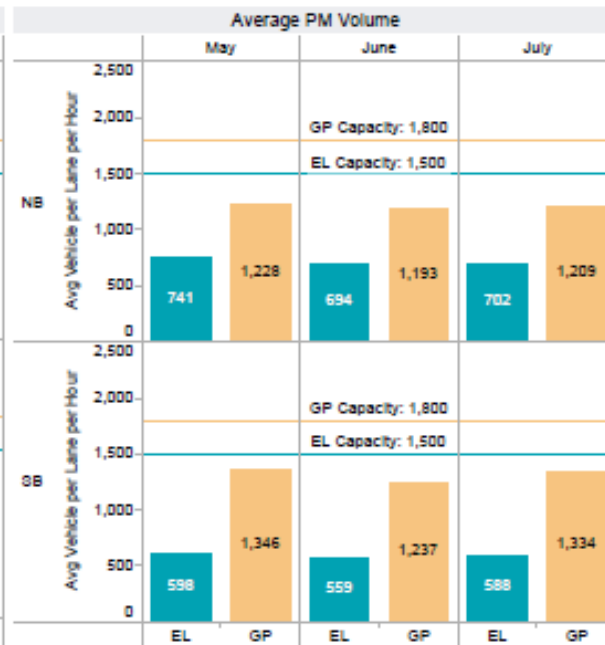
ATTACHMENT

1. 101 Express Lanes Operations Update & Policy Options



Operations Update & Policy Options

September 16, 2022



Potential Net Revenue Outlook

- Still early in ramp-up with limited data to assess long-term outlook
 - Current FY22 budget is for southern segment only
 - Staff will prepare a budget amendment for the northern segment prior to the opening
- Several factors contribute to revenue outlook including:
 - Toll rates
 - Customer behavior (i.e., willingness to pay)
 - Traffic and trip volume
 - Share of full toll vs discounted/free trips
 - Revenue recovery (converting potential to actual)
- Policy levers may be used to influence toll revenue, if toll revenue is not sufficient following opening of northern segment to pay for all expenses (i.e, Toll O&M, O&M, administration, equity programs and debt service).

Policy Options

Options for changing policies and business rules:

- 1.Adjusting toll rates** – assess the dynamic pricing parameters & algorithm driving posted toll rates, and adjusting the minimum toll
- 2.Revising toll discounts** – analyze the effects of changing toll discounts to HOV-2 and eligible Clean Air Vehicles (CAV)
- 3.Applying surcharge for non-FasTrak® transponder/tag usage** – analyze the impact of applying a surcharge to drivers who have FasTrak® accounts but use the Express Lanes without the transponder
- 4.Increasing CHP enforcement** – assess the costs and benefits of increasing CHP Express Lanes enforcement services
- 5.Implementing new enforcement technology** – research alternatives to CHP enforcement and analyze the costs, benefits, and risks of investment

Assessments and studies will help inform policy decisions

CAV and Equity Policy

- CAV declared penetration on the southern segment has been relatively low, about 1.5% of trips with average tolls after discounts at about \$0.65.
- Additional data on CAV penetration following the opening of the northern segment will allow staff to better assess the discount policy.
- Studying CAV driver behavior in the corridor with direct observations will also inform the assessment.
- Staff are also working with regional partners on policies and programs to improve equity outcomes for lower income drivers, such as reducing penalties and creating a payment plan for eligible drivers.



Questions?

101 Express Lanes