

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

Meeting No. 69

| | |
|--|--|
| Date: Monday, June 15, 2026 | Join by Webinar: https://us02web.zoom.us/j/86866673429?pwd=u8z0s3bKlf3AcphKldYe0bHaPb2Ejt.1 |
| Time: 9:00 A.M. | Webinar ID: 868 6667 3429 |
| Primary Location: San Mateo County Transit District Office 166 N. Rollins Rd., Public Hearing Room, 5th Floor, Millbrae, CA. | Password: 061526 |
| | 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. 68 dated May 1, 2026. ACTION p. 1
- 3.2 Accept Statement of Sources and Uses for the Period Ending March 31, 2026. ACTION p. 5
- 3.3 Review and approval of Biennial update to Conflict of Interest Code for the San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA). ACTION p. 8
- 3.4 Receive a Quarterly Update on the US 101 Express Lanes operations for the third quarter of FY26. INFORMATION p. 13
- 3.5 Receive a Quarterly Update on the US 101 Express Lanes Variable Rate Bond. INFORMATION p. 28

4.0 REGULAR AGENDA

- 4.1 Approve the allocation of FY27 Revenue Sharing Fund (RSF) discretionary funds. ACTION p. 31
- 4.2 Public Hearing: Approval of SMCEL Resolution 26-02 on the adoption of the Fiscal Year 2027 (FY27) SMCEL-JPA Operating Budget. ACTION p. 39
- 4.3 Receive an informational presentation from the Riverside County Transportation Commission (RCTC) regarding implementation of Vehicle Occupancy Detection (VOD), also referred to as Occupancy Detection Systems (ODS) technology on the 91 Express Lanes. INFORMATION p. 68
- 4.4 Election of a Chairperson and a Vice Chairperson to serve a one-year term, effective July 1, 2026. ACTION p. 87

5.0 REPORTS

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

6.0 WRITTEN COMMUNICATIONS

None.

7.0 NEXT REGULAR MEETING

August 7, 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:
Acting Executive Director: Kaki Cheung (650) 459-3934
Clerk of the Board: Mima Crume (650) 599-1406

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

Meeting No. 68
 May 1, 2026

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. A quorum was present.

| 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): |
|--|---|
| Kaki Cheung, Executive Council – C/CAG | Van Ocampo – C/CAG |
| April Chan, Executive Council – TA | Jeannie Chen - SMCTD |
| Mima Crume – Clerk of the Board | |
| Tim Fox – Legal Counsel | Members of the Public (In-Person): |
| Jessica Manzi – TA | Drew |
| Kim Comstock – SMCEL-JPA | |
| Claudette Valbuena – SMCTD | Members of the Public (Remote): |
| Ladi Millard-Olmeda – SMCTD | Mary Pryor |
| | Lisa Amini |
| | Mike Swire |
| | Andrew Nelson |

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.

Two public comments were received.

Drew (in person) provided comments regarding maintenance and operational concerns within the express lanes corridor, including non-functioning centerline lighting and inconsistent signage. Drew recommended improved coordination with Caltrans to address lighting issues and suggested a review to ensure signage consistency throughout the corridor.

Mike Swire (via Zoom) provided comments regarding express lanes performance and safety. He expressed concerns about unsafe driving behavior, impacts to adjacent roadways, and potential effects on equity priority communities. He recommended further analysis of safety data, vehicle miles traveled, and environmental impacts prior to expansion of similar projects.

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.

Director Rak MOVED to approve the consent agenda items 3.1 and 3.2 Director Medina SECONDED. **MOTION CARRIED 6-0-0.**

3.1 Approval of the minutes of Board of Directors special business meeting No. 67 dated March 6, 2026. APPROVED

3.2 Accept and enter into the record the Quarterly Investment Report for SMCEL-JPA for the quarter ending March 31, 2026. APPROVED

4.0 REGULAR AGENDA

4.1 Receive a presentation on the Waterfall / Flow of Funds for Fiscal Year 2027 (FY27) and provide direction on key funding priorities. INFORMATION

The Board received a presentation on the FY27 Waterfall / Flow of Funds, including revenue allocation priorities, reserve requirements, capital reserve planning, and equity program funding.

Discussion included:

- Overview of the loan agreement and required allocation hierarchy
- Capital reserve planning based on asset lifecycle analysis
- Estimated \$21 million in available funds to be allocated through the waterfall
- Revenue-sharing structure (85% loan repayment / 15% discretionary use)
- Equity program funding gap of approximately \$1.4 million

Board Direction:

- The Board reached consensus to allocate \$1.4 million from revenue-sharing funds to fully fund the FY27 equity program.
- The Board discussed options for the remaining \$1.4 million, including:
 - o Increasing capital reserves
 - o Additional bond repayment
 - o Future equity program funding
- A majority of Board Members indicated a preference to apply the remaining funds toward additional bond repayment, while also requesting further analysis comparing the benefit of investing approximately \$1.4 million in the capital reserve to earn investment returns versus using those funds to pay down the bond and reduce interest expense. In addition, they expressed interest in receiving more information regarding capital investment needs and vehicle occupancy detection technology.

No formal action was taken.

4.2 Receive a presentation on the Preliminary Fiscal Year 2027 (FY27) SMCEL-JPA Operating Budget. INFORMATION

The Board received a presentation on the preliminary FY27 Operating Budget.

Key highlights included:

- Projected surplus of approximately \$16.1 million
- Continued growth in express lane usage
- Full-year implementation of the equity program
- Integration of capital reserve contributions into the flow of funds framework
- Estimated annual equity program cost of approximately \$2 million
- Identification of funding sources, including prior year set-asides and revenue-sharing funds

Board discussion included:

- Clarification on budget presentation and capital reserve accounting
- Request for additional analysis comparing bond repayment savings versus investment returns
- General support for refining financial assumptions prior to final budget adoption

One public comment was received requesting clarification on budget presentation terminology and labeling of equity funding sources.

No formal action was taken.

5.0 **REPORTS**

a) Chairperson Report

None.

- b) Member Communication.

None.

- c) Executive Council Report.

April Chan, Executive Council – TA, reported that this would be the last SMCEL-JPA Board meeting held in San Carlos and noted that future meetings will be held at a new location in Millbrae.

Kaki Cheung, Acting Executive Director – C/CAG, introduced herself in her role and acknowledged the leadership of the former Executive Director, Sean Charpentier. She also announced that the next Board meeting will be held on Monday, June 15, 2026, outside of the regular meeting schedule.

- d) Program Manager Report.

None.

6.0 **WRITTEN COMMUNICATIONS**

None.

7.0 **NEXT REGULAR MEETING**

June 15, 2026

8.0 **ADJOURNMENT**

The meeting was adjourned at 10:00 a.m.

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: June 15, 2026

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

From: Ladi Millard-Olmeda, Interim Chief Financial Officer

Subject: Accept Statement of Sources and Uses for the Period Ending March 31, 2026.
(For further information, contact Ladi Millard-Olmeda at millard-olmedal@samtrans.com)

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, Year-to-Date (YTD) period ending March 31, 2026.

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 March 31, 2026, the total operating sources are \$26.1 million, \$2.7 million (9.2 percent) unfavorable to budget. The major drivers consist of the following:

- Toll Revenues, \$21.4 million (\$0.6 million [2.7 percent] unfavorable to budget)
 - The unfavorable variance reflects a timing difference in toll revenue collections.
- Toll Violations, Fees and Penalties, \$2.7 million (\$1.5 million [35.7 percent] unfavorable to budget)
 - The unfavorable variance is primarily driven by normal fluctuations in the collection of violations, fees and penalties. This is expected to resolve at year-end.
- Set Aside Prior Years' Balance - Equity Program, \$0.8 million (\$0.2 million [16.6 percent] unfavorable to budget)
 - Mainly attributed to the delay in program launch, from September to November. The program was delayed due to unexpected banking requirements, including the approval of all references in program materials and updates to marketing materials to ensure compliance.
 - This line item is offset by the "Equity Program Administration and Costs" in Uses below.
- Revenue Sharing Funds - Equity Program, \$0.0 million (\$0.5 million unfavorable to budget)
 - This line item is one of the funding sources for the Equity Program. To date, Equity Program expenditures have been adequately covered by the Set Aside Prior Years' Balance and therefore the Revenue Sharing Funds have not yet been utilized.

Operating Uses: As of March 31, 2026, the total operating uses are \$11.7 million, \$3.7 million (24.1 percent) favorable to budget. The major drivers are:

- Toll Operations and Maintenance (Bay Area Infrastructure Financing Authority), \$3.9 million (\$1.1 million [22.1 percent] favorable to budget)
 - The favorable variance is driven by reduced Toll Systems Maintenance (variable component) attributed to less human intervention due to better lane system images, absence of major civil repairs resulting in a lower than budget Civil Roadway Maintenance, and unused Contingency.
- Express Lane Maintenance, \$0.03 million (\$0.6 million [95.2 percent] favorable to budget)
 - The favorable variance is due to the budget being based on the maximum contract value

- with Caltrans. Expenses are recorded as incurred, according to actual need.
- Equity Program Administration and Costs, \$0.8 million (\$0.7 million [45.8 percent] favorable to budget)
 - The favorable variance is primarily due to delayed program launch that eventually pushed through mid-November.
 - Staff Support & Admin Overhead, \$0.8 million (\$0.5 million [36.3 percent] favorable to budget)
 - The favorable variance is due to fewer hours charged by both District and the Cities/County Association of Governments (C/CAG), driven by vacancies and specific workload incurred.
 - SMCEL-JPA Bond Interest, \$1.0 million (\$0.6 million [39.3 percent] favorable to budget)
 - The favorable variance is due to a lower actual interest rate than what was budgeted, driven by Federal Reserve rate reductions.

BACKGROUND

Budget Amendment: There are no budget amendments for the period ending March 31, 2026.

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 (YTD March 2026)



SAN MATEO COUNTY EXPRESS LANE JOINT POWERS AUTHORITY
STATEMENT OF SOURCES AND USES
FISCAL YEAR 2026

As of March 31, 2026

| | YEAR-TO-DATE | | | | ANNUAL |
|--|----------------------|----------------------|-----------------------|---------------|----------------------|
| | JULY - MARCH | | | | |
| | BUDGET | ACTUAL | \$ VARIANCE | % VARIANCE | |
| SOURCES | | | | | |
| Toll Revenues | 22,019,510 | \$ 21,434,071 | \$ (585,439) | (2.7%) | \$ 31,297,387 |
| Toll Violations, Fees and Penalties | 4,180,268 | 2,689,578 | (1,490,690) | (35.7%) | 6,118,374 |
| Set Aside Prior Years Balance - Equity Program | 1,014,594 | 846,355 | (168,239) | (16.6%) | 1,014,594 |
| Revenue Sharing Funds - Equity Program | 488,406 | - | (488,406) | (100.0%) | 488,406 |
| Miscellaneous Revenue (Interest Income) | 1,053,261 | 1,129,920 | 76,659 | 7.3% | 1,404,353 |
| TOTAL SOURCES | \$ 28,756,039 | \$ 26,099,924 | \$ (2,656,115) | (9.2%) | \$ 40,323,114 |
| USES | | | | | |
| Toll Operations and Maintenance (BAIFA) | \$ 4,963,392 | \$ 3,867,975 | \$ 1,095,417 | 22.1% | \$ 6,681,000 |
| FasTrak Customer Service (BATA) | 2,731,460 | 2,690,028 | 41,432 | 1.5% | 3,670,000 |
| Express Lane Maintenance | 635,247 | 30,199 | 605,048 | 95.2% | 847,000 |
| Express Lane Enhanced Enforcement (CHP) | 316,502 | 404,213 | (87,711) | (27.7%) | 422,000 |
| Consultant | 1,064,997 | 982,909 | 82,088 | 7.7% | 1,420,000 |
| Insurance | 487,503 | 441,873 | 45,630 | 9.4% | 650,000 |
| Claims Reserve and Payment | - | - | - | 0.0% | 50,000 |
| Utilities | 108,000 | 102,027 | 5,973 | 5.5% | 144,000 |
| Equity Program Administration and Costs | 1,560,963 | 846,355 | 714,608 | 45.8% | 2,103,000 |
| Staff Support & Admin Overhead | 1,259,132 | 802,363 | 456,769 | 36.3% | 1,702,200 |
| Board of Directors and Related Costs | 10,425 | 6,082 | 4,343 | 41.7% | 13,900 |
| Other Administrative Costs | 181,815 | 75,409 | 106,406 | 58.5% | 227,910 |
| Credit Fee | 281,133 | 281,133 | - | 0.0% | 374,840 |
| SMCEL-JPA Bond Related Debt Fees | 224,226 | 217,387 | 6,839 | 3.0% | 414,377 |
| SMCEL-JPA Bond Interest | 1,639,925 | 995,673 | 644,252 | 39.3% | 3,279,850 |
| TOTAL OPERATING USES | \$ 15,464,720 | \$ 11,743,628 | \$ 3,721,092 | 24.1% | \$ 22,000,077 |
| TOTAL OPERATING SURPLUS/(DEFICIT) | \$ 13,291,319 | \$ 14,356,295 | \$ 1,064,976 | 8.0% | \$ 18,323,037 |
| Operating Loan Payoff | \$ 6,000,000 | \$ 5,968,622 | \$ 31,378 | 0.5% | \$ 6,000,000 |
| Capital Reserve | 6,810,000 | 6,810,000 | - | 0.0% | 9,080,000 |
| TOTAL USES | \$ 28,274,720 | \$ 24,522,251 | \$ 3,752,469 | 13.3% | \$ 37,080,077 |
| PROJECTED SOURCES OVER USES | \$ 481,319 | \$ 1,577,673 | \$ 1,096,354 | 227.8% | \$ 3,243,037 |

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: June 15, 2026

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

From: Timothy Fox, Lead Deputy County Attorney

Subject: Review and approval of Biennial update to Conflict of Interest Code for the San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA).

(For further information, contact Tim Fox at 650-363-4456)

RECOMMENDATION

That the San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA) review and approve the Conflict of Interest Code for the SMCEL-JPA.

FISCAL IMPACT

There is no fiscal impact associated with the approval of the Conflict of Interest Code for the JPA.

SOURCE OF FUNDS

Not Applicable.

BACKGROUND

California Government Code § 87306.5 requires each local agency to review its Conflict of Interest Code biennially to determine if it is accurate or, alternatively, if it must be amended. The JPA adopted its Conflict of Interest Code on June 6, 2019, on July 9, 2021, on June 9, 2023, and on June 14, 2024.

Since the last adoption, the JPA established a dedicated Program Director position within the City/County Association of Governments of San Mateo County (C/CAG) organizational structure. Additionally, the San Mateo County Transportation Authority (TA) completed a reorganization affecting the listing of designated positions requiring filing under the Code. Other than these organizational and designation updates reflected in the attachment, there have been no material changes to the duties or responsibilities of existing positions since the last review.

Staff will file a Biennial Notice with these changes reflected. Adopting the Code in 2026 allows synchronization of the typical biennial even-year review. The next adoption period will be in June of 2028.

ATTACHMENT

1. Conflict of Interest Code

**Conflict of Interest Code of
EXPRESS LANES JPA
A Joint Powers Authority**

**County of San Mateo
State of California**

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations Section 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendix, designating positions and establishing disclosure categories, shall constitute the conflict of interest code of the Express Lanes JPA.

As directed by Government Code Section 82011, the code reviewing body is the Board of Supervisors for the County of San Mateo. Pursuant to 2 Cal. Code of Regs. Section 18227 and Government Code Section 87500, the County Clerk for the County of San Mateo shall be the official responsible for reviewing and retaining statements of economic interests and making the statements available for public inspection and reproduction.

Individuals holding designated positions shall file their statements of economic interests with the Express Lanes JPA, which will make the statements available for public inspection and reproduction (Gov. Code Sec. 81008). Upon receipt of the statements, the Express Lanes JPA shall make and retain copies and forward the originals to the County Clerk.

**Express Lanes JPA
Conflict of Interest Code**

List of Designated Positions for Express Lanes JPA and Financial Disclosure Categories

Each person holding any position listed below must file statements disclosing the kinds of financial interest shown for the designated employee's position. Statements must be filed at the times and on the forms prescribed by law. Failure to file statements on time may result in penalties including but not limited to late fines.

| Designated Employees | Disclosure Category |
|---|----------------------------|
| Members, Board of Directors | 1,2,3,4 |
| Members, Executive Council | 1,2,3,4 |
| General Counsel | 1,2,3,4 |
| Policy/Program Manager | 1,2,3,4 |
| San Mateo County Transit District, Executive Director | 1,2,3,4 |
| San Mateo County Transit District, Deputy General Manager/CEO | 1,2,3,4 |
| San Mateo County Transit District, Chief Officer, Transportation Authority | 1,2,3,4 |
| San Mateo County Transit District, Chief Financial Officer | 1,2,3,4 |
| San Mateo County Transit District, Chief Communication Officer | 1,2,3,4 |
| San Mateo County Transit District, Deputy Chief Communication Officer | 1,2,3,4 |
| San Mateo County Transit District, Director, Budgets | 1,2,3,4 |
| San Mateo County Transit District, Deputy Chief Financial Officer | 1,2,3,4 |
| San Mateo County Transit District, Director, Treasury | 1,2,3,4 |
| San Mateo County Transit District, Director, Marketing and Market Research | 1,2,3,4 |
| San Mateo County Transit District, Director, Government and Community Affairs | 1,2,3,4 |
| San Mateo County Transit District, Manager, Government and Community Affairs | 1,2,3,4 |
| San Mateo County Transit District, Director, Project Delivery | 1,2,3,4 |
| San Mateo County Transit District, Manager, Budgets | 1,2,3,4 |
| San Mateo County Transit District, Manager, Treasury Operations | 1,2,3,4 |

| | |
|---|---------|
| San Mateo County Transit District, Director, Communications | 1,2,3,4 |
| San Mateo County Transit District, Manager, Market Research and Development | 1,2,3,4 |
| San Mateo County Transit District, Manager, Creative Services | 1,2,3,4 |
| San Mateo County Transit District, Senior Project Manager | 1,2,3,4 |
| San Mateo County Transit District, Project Manager | 1,2,3,4 |
| C/CAG Executive Director | 1,2,3,4 |
| C/CAG Deputy Director | 1,2,3,4 |
| C/CAG Program Director | 1,2,3,4 |
| C/CAG Transportation System Coordinator | 1,2,3,4 |
| C/CAG Transportation Program Specialist | 1,2,3,4 |
| Other Consultants* | 1,2,3,4 |

*The Executive Council, after consultation with the General Counsel, shall review the duties and authority of all consultants retained by Express Lanes JPA. Those consultants who, within the meaning of 2 Cal. Code of Regs. Section 18700, et seq. are required to file statements of economic interests, shall do so. During each calendar year, Express Lanes JPA shall maintain a list of such consultants for public inspection in the same manner and location as this Conflict of Interest Code. Nothing herein excuses any consultant from any other provision of the Conflict of Interest Code, specifically those dealing with disqualification.

Express Lanes JPA
Description of Disclosure Categories

Category 1

A designated person assigned to Category 1 is required to disclose investments which may foreseeably be materially affected by any decision made or participated in by the designated employee.

Category 2

A designated person assigned to Category 2 is required to disclose interests in real property which may be materially affected by a decision made or participated in by the designated employee.

Category 3

A designated person assigned to Category 3 is required to disclose income which may be materially affected by any decision made or participated in by the designated employee.

Category 4

A designated person assigned to Category 4 is required to disclose any business entity in which the designated employee is a director, officer, partner, trustee, or holds any position of management which may be materially affected by any decision made or participated in by the designated employee.

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: June 15, 2026

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

From: Liz Justison, Policy/Program Manager

Subject: Receive a Quarterly Update on the US 101 Express Lanes operations for the third quarter of FY26.

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

RECOMMENDATION

Receive a quarterly update on the US 101 Express Lanes operations for the third quarter of FY26. No Board action is required.

FISCAL IMPACT

There is no fiscal impact related to this informational item.

SOURCE OF FUNDS

N/A

BACKGROUND

On March 3, 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 3rd quarter of fiscal year 2026 (January 1 – March 31, 2026).

KEY HIGHLIGHTS

Travel Demand

Travel volumes remained stable quarter-over-quarter (slight decrease when normalized by number of tolling days) and continued modest year-over-year growth.

- 3.77 million trips across 63 tolling days.
- Average daily trips: 59,865 (–2.2% vs. FY26 Q2; +3.7% vs. FY25 Q3).

Trip Composition

The distribution of trip types remained generally consistent but continued the trend of modest growth per quarter in HOV3+ travel (self-reported transponder status).

- Toll-free HOV3+ and non-revenue trips: 47.8% of total trips.
- Tolloed trips: 43.4% of total trips.
- Violation trips: 8.8% of total trips.

Traffic Performance

The express lanes maintained a consistent speed advantage during peak commute periods.

- AM Peak (6–10 AM): 8–9 mph faster than general-purpose lanes.
- PM Peak (3–7 PM): 10 mph faster than general-purpose lanes.

Toll Values

The tolls paid by customers are slightly higher compared to the previous fiscal year.

- Average tolls increased in the SB direction (+\$1.02 vs. FY25 Q3) and the NB direction (+\$0.16 vs. FY25 Q3).
- The percentage of trips tolled <\$3 are also down (-7.5% vs. FY25 Q3) while trips >\$12 are up (+1.7% vs. FY25 Q3)

Financial Performance

Revenue performance was lower in Q3 compared to the prior fiscal year (-12% vs. FY25 Q3).

- \$7.8 million in toll-related revenue
- \$2.6 million in operations and maintenance costs.
- Approximately \$519,000 was disbursed for debt-related payments.

Equity

Following last quarter's launch, the Go Card Program has shown significant growth.

- 1,965 benefits were claimed in Q3, for a total of 2,522 since launch.
- Approximately 86% of funds were used for public transportation purchases, an increase from last quarter
- 74% of participants selected physical cards over virtual cards, a decrease from last quarter

Enforcement

Enforcement activity was 16% higher compared to FY26 Q2, but decreased 10% compared to FY25 Q3

- CHP conducted 1,130 enforcement contacts.
- 66% of contacts resulted in HOV occupancy citations.

ATTACHMENT

1. US 101 Express Lanes Performance report: 3rd Quarter FY 2026



San Mateo County 101 Express Lanes Performance

3rd Quarter FY2026

(January - March 2026)

Operational Rules

- 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.



Key Performance Highlights: FY26 Q3

KEY HIGHLIGHT

METRIC CHANGE (YEAR-OVER-YEAR)

Express Lane Traffic Performance

Average daily trips on the express lanes +3.7%.

Express Lane Speed Performance

Average express lane speeds are consistent.

Trip Occupancy Trends

Toll-free trips (HOV3+) +2.9% and Image-Based Trips -3.8%.

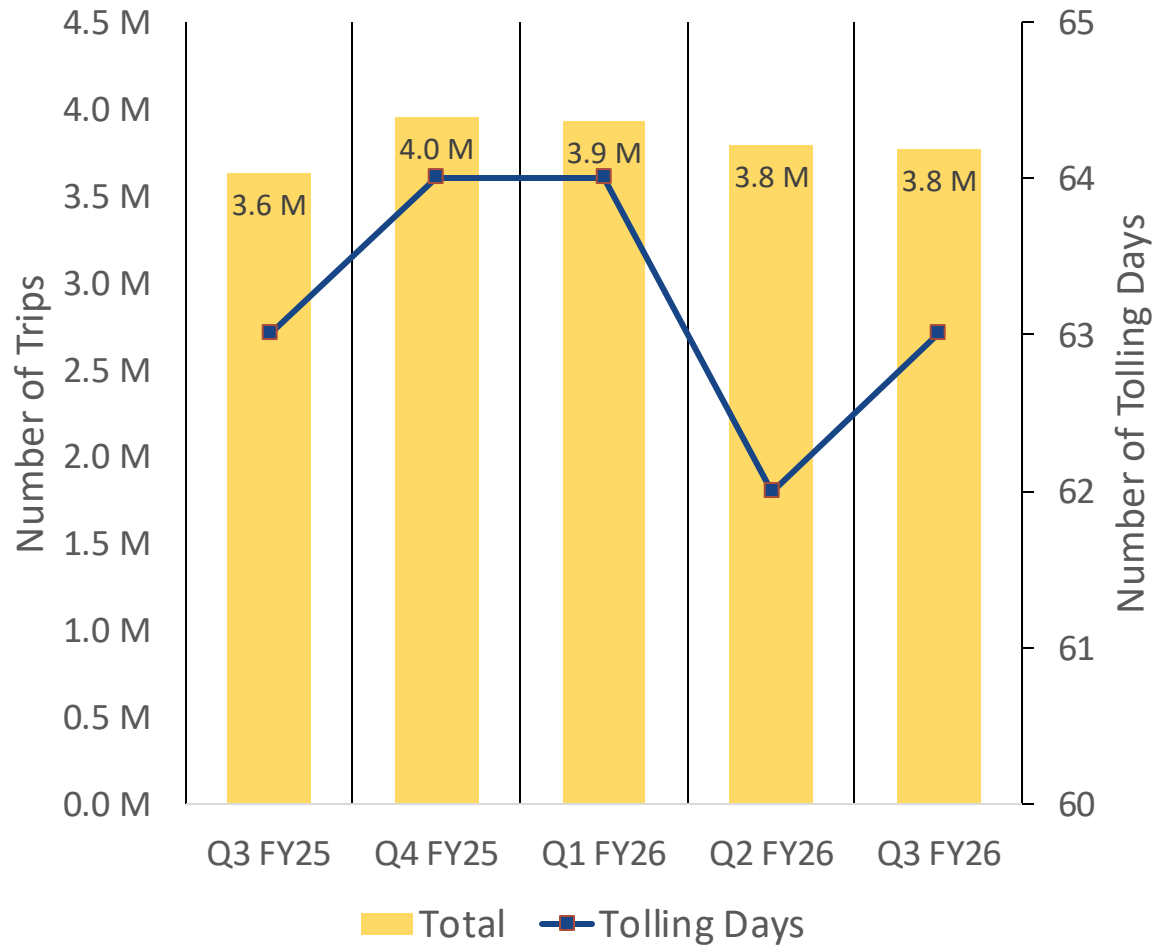
Change in Average Assessed Tolls

Average assessed tolls ↑ in NB and SB directions.

Enforcement Trends

HOV enforcement contacts +26% and overall enforcement contacts -10%.

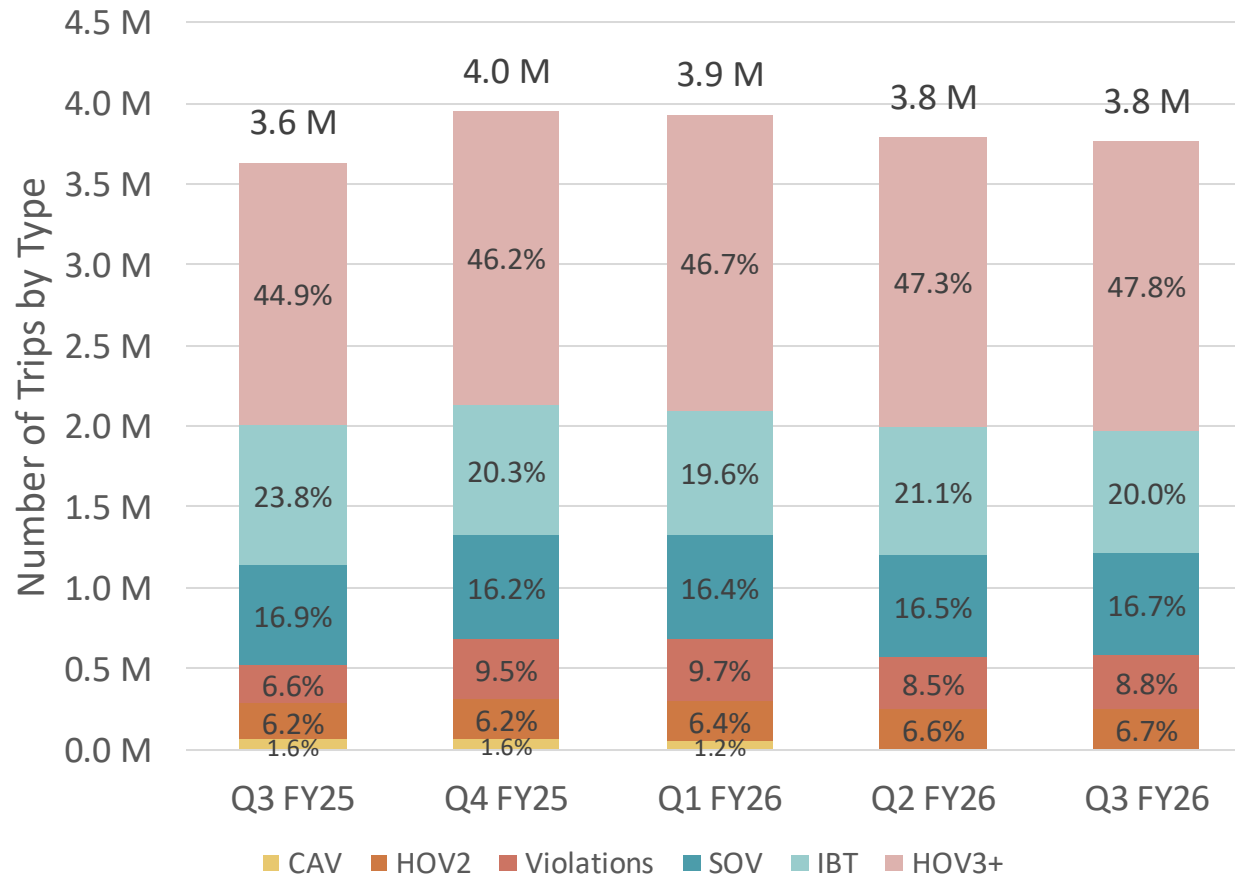
Express Lane Daily Trips: FY26 Q3



FY26 Q3:

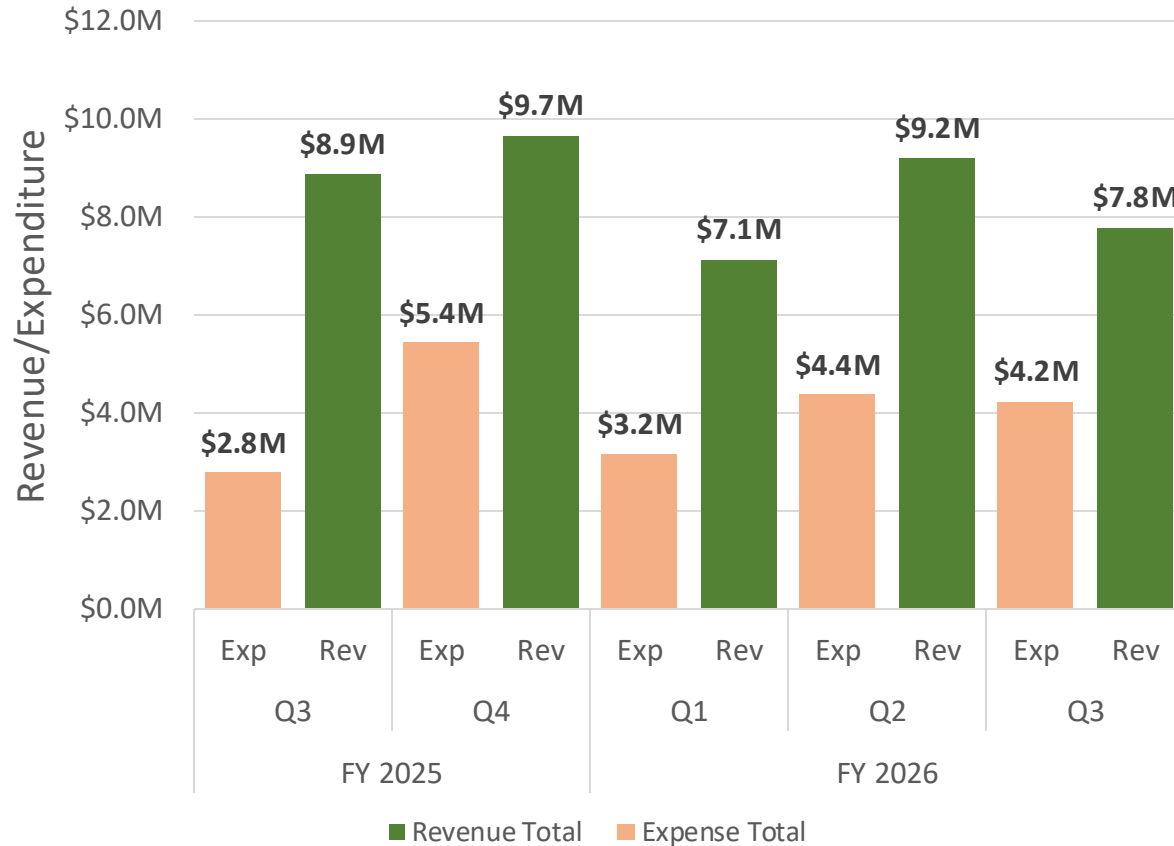
- Consisted of 63 tolling days.
- 3.77M trips were made.
- An average of 59,865 express lane trips have been made daily, which is a 2.2% decrease over FY26 Q2.
- There was a 3.7% increase in average daily trips compared to the prior fiscal year's Q3. This is approximately 2,100 more daily trips.

Express Lane Trip Types: FY26 Q3



- **Toll-free trips: 47.8%**
 - HOV 3+ and Non-Revenue.
- **Tolled trips: 43.4%**
 - 36.7% full toll (SOV + Image-Based Tolls [IBT]).
 - 6.7% discounted toll (HOV 2).
 - Note: Clean Air Vehicle (CAV) discounts have ended.
- **Violation trips: 8.8%**
 - IBT trips with No FasTrak account at the time of the trip.
- **While overall daily trips increased by 3.7% from FY25 Q3, changes differ by trip type:**
 - Tolled trips have decreased by 5.1%
 - HOV 3+ trips had the largest increase of 2.9%.
 - IBT trips had the largest decrease of 3.8%

Express Lanes Toll Revenue and Expense



- In FY26 Q3, \$7.8 million in toll related revenue.
- \$2.6 million in toll operations and maintenance (O&M) costs.
- Disbursed approximately \$519K in debt related payments.
- Revenues decreased 12% compared to FY25 Q3.

Note: Financial figures are preliminary and subject to audit and change. In addition, revenue is recognized as cash payments are received month to month, except for year-end adjustments. As a result, Q4 FY25 reflects four months of revenue, while Q1 FY26 reflects only two months.

AM Map

Average southbound

- Express Lane speeds were 8 mph greater than general purpose lanes during AM Peak (6–10 AM).

Average northbound

- Express Lane speeds were 9 mph greater than general purpose lanes during AM Peak



PM Map

Average southbound

- Express Lane speeds were 10 mph greater than general purpose lanes during PM Peak (3–7 PM).

Average northbound

- Express Lane speeds were 10 mph greater than general purpose lanes during PM Peak

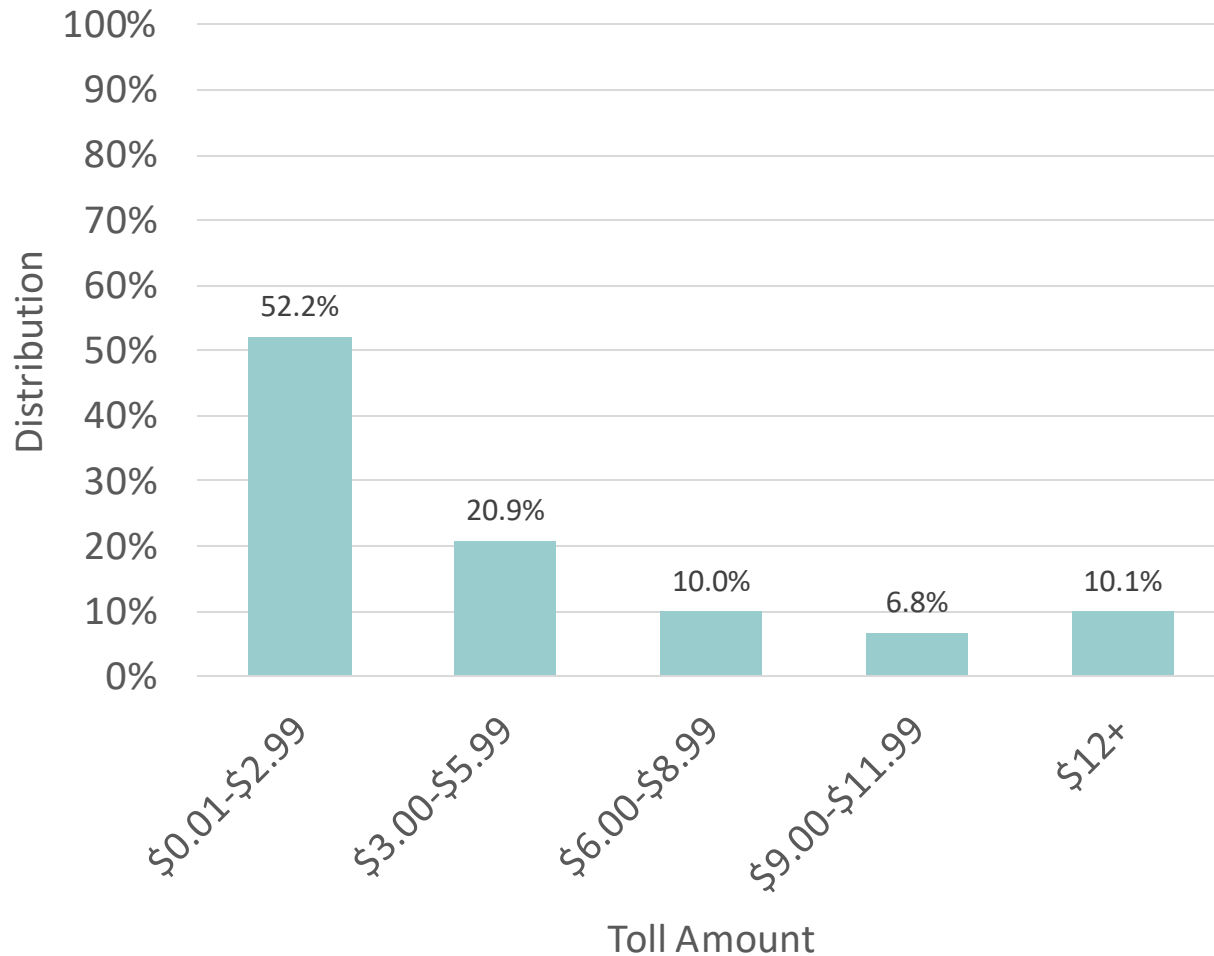


Average Paid Tolls Comparison: FY26 Q3

| | Quarter | Average Daily Toll | Peak Hour | Average Peak Hour Toll |
|-----------|---------|--------------------|-----------|------------------------|
| SM-101 NB | Q3 FY25 | \$3.85 | 5 PM | \$8.57 |
| | Q2 FY26 | \$4.05 | 5 PM | \$7.99 |
| | Q3 FY26 | \$4.01 | 5 PM | \$7.98 |
| SM-101 SB | Q3 FY25 | \$4.36 | 8 AM | \$9.75 |
| | Q2 FY26 | \$5.29 | 8 AM | \$10.39 |
| | Q3 FY26 | \$5.38 | 8 AM | \$10.60 |

- The northbound average paid toll in Q3 was \$4.01.
- The southbound average paid toll in Q3 was \$5.38.

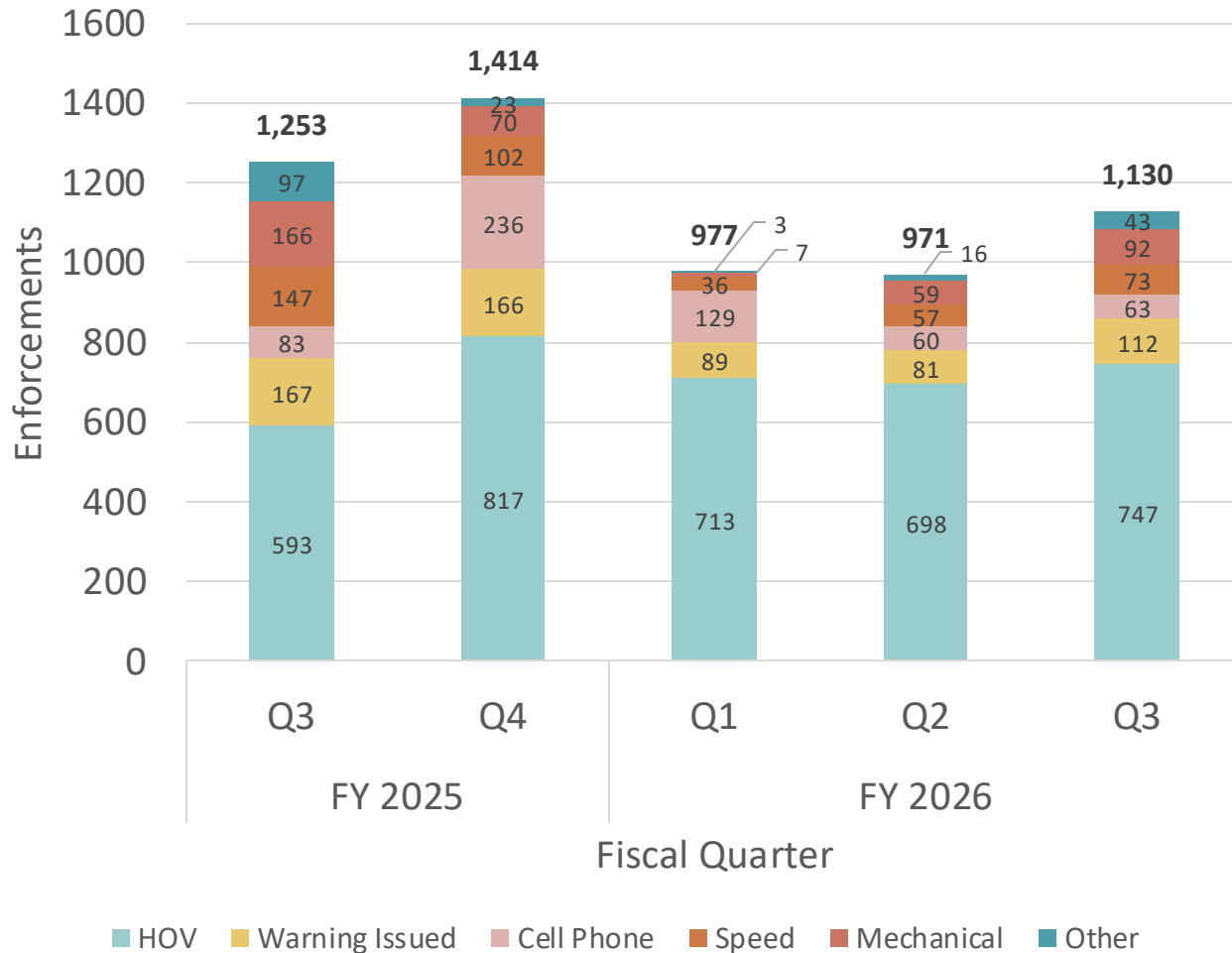
Distribution of Paid Tolls: FY26 Q3



- **Drivers made over 1.8 million** tolled express lane trips in FY26 Q3.
- **52.2% of these trips** incurred a toll less than \$3, nearly equal to the previous quarter and down 7.5% from the previous fiscal year's Q3.
- **10.1% of trips** were \$12 and over, up about 0.4% from the previous quarter and up 1.7% from the previous fiscal year's Q3.



CHP Enforcement: FY26 Q3



FY26 Q3:

- Patrolled the express lanes for 925 hours.
- Made 1,130 enforcement contacts.
- 66% of the contacts resulted in HOV occupancy citations.

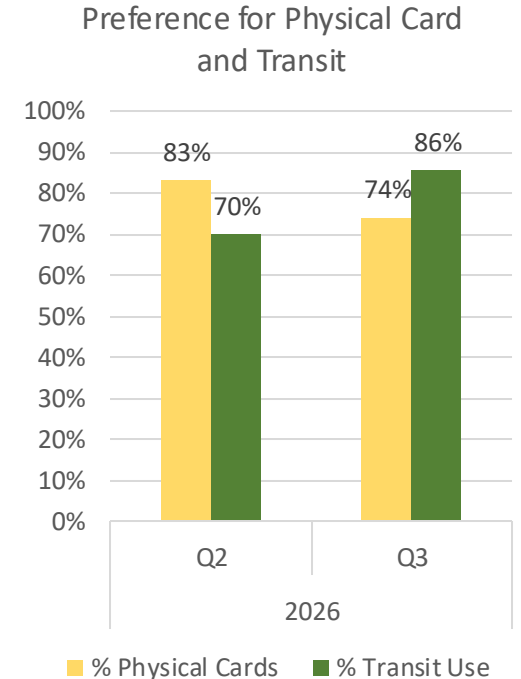
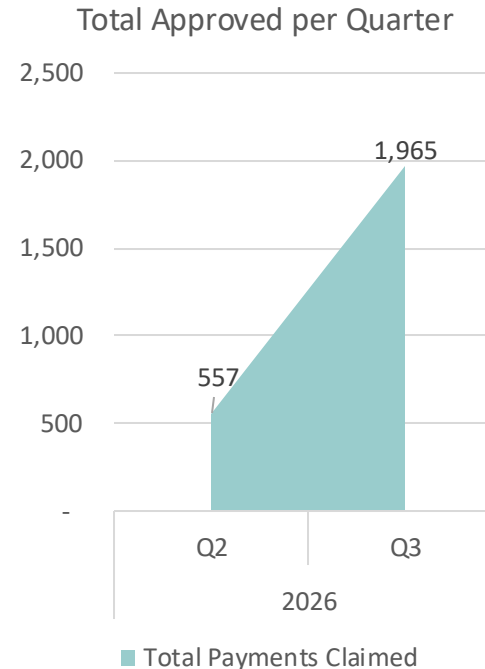
FY26 Q3 enforcement costs

were approximately \$145,214, resulting in an average cost per enforcement contact of approximately \$129.

Go Card Program: FY26 Q3



- The Go Card Program **launched in late November 2025***.
- Eligible participants receive a **\$200 prepaid card** to be spent on qualifying transportation purchases.
- **Q3 Numbers:**
 - **1,965** benefits approved.
 - **86%** of funds used for public transportation.
 - **74%** of users chose physical cards over virtual.



**The Express Lanes Community-Based Equity Program launched in 2022 and distributed 11,960 transportation benefits to income-qualified San Mateo County residents prior to the launch of the new Go Card program. The new Go Card expands the program through increased mobility options and card flexibility.*



For additional information,
please visit:
101expresslanes.org



San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: June 15, 2026

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

From: Ladi Millard-Olmeda, Interim Chief Financial Officer

Subject: Receive a Quarterly Update on the US 101 Express Lanes Variable Rate Bond.

(For further information please contact Daniel Yap @ yapd@samtrans.com)

RECOMMENDATION

That the SMCEL-JPA Board of Directors receive a quarterly update on the US 101 Express Lanes 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 is a quarterly update on the performance and status of the outstanding 2020 Variable Rate Demand Obligations (VRDOs), issued by the San Mateo County Transportation Authority (SMCTA) 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.

Executive Summary

During Fiscal Year 2026 Quarter 3 (FY26Q3), the average combined interest rate fell to 1.22%, dropping significantly from the 1.82% reported in the previous quarter, driven by a downward trend in short-term benchmarks from the Securities Industry and Financial Markets Association (SIFMA). This decrease reduced the SMCTA’s variable rate borrowing costs and lowered interest expense during the quarter, providing a financial benefit to the Agency.

SMCTA has actively managed its debt through early prepayments, reducing the outstanding principal balance to \$93.39 million and successfully lowering the next scheduled principal payment due in 2030. There is no budget impact associated with accepting this report.

Significance

This is a quarterly update on the performance and status of the outstanding 2020 Variable Rate Demand Bonds (VRDO’s), issued by the TA to finance the remaining funds needed to construct the Express Lanes Project.

Interest Rates

The average combined interest rate for the Series A and Series B Bonds during Fiscal Year 2026 Quarter 3 (FY26Q3) was 1.22 percent, which was lower than the 1.82 percent average rate reported in FY26Q2.

The decline in the average combined interest rate during FY26Q3 was primarily driven by lower Securities Industry and Financial Markets Association (SIFMA) Index rates and reduced short-term tax-exempt borrowing costs, which benefited the Agency’s variable-rate debt portfolio

The interest rate trend over FY26Q3, by series, was:

| Bond Series | Highest Rate | Lowest Rate | Average Rate |
|--------------------|---------------------|--------------------|---------------------|
| Series A Bonds | 1.80% | 0.55% | 1.27% |
| Series B Bonds | 2.55% | 0.10% | 1.20% |

Since issuance and through FY26Q3, the combined interest rate for Series A and Series B Bonds has averaged 1.38 percent, substantially lower than the 3.5 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, SMCTA 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 March 31, 2026, the outstanding principal balance was \$93.39 million.

During the First Half of FY26, SMCTA 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 \$93.39 million.

The next scheduled principal payment, now totaling \$8.39 million, is due in 2030. This amount was originally projected at \$10.00 million, but has been reduced as a result of the prepayments noted above.

Key Takeaway

1. Lower Interest Costs Driven by Market Rates

- Combined bond rate fell to **1.22 percent in FY26Q3** from **1.82 percent in FY26Q2**.
- Series A averaged **1.27 percent**; Series B averaged **1.20%**.
- Since issuance, the **1.38 percent blended rate** remains well below the **~3.5 percent fixed-rate equivalent**, confirming the benefit of variable-rate financing.
- Savings were primarily driven by declining **SIFMA Index** levels

Falling short-term tax-exempt rates continue to materially reduce interest costs.

2. Ongoing Debt Paydown

- Outstanding principal declined to **\$93.39 million**.
- Includes a **\$320K principal repayment in Oct 2025**, funded via FY26 revenue sharing and split across Series A and B.

Steady, disciplined principal reduction continues alongside interest savings.

Market Outlook

Evolving changes in Federal Reserve 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.

ATTACHMENT

None

Prepared By: Brian Tene
Daniel Yap

Accountant II
Senior Financial Analyst

650-508-6341
650-508-6405

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: June 15, 2026

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

From: Kim Comstock, SMCEL- JPA Program Director

Subject: Approve the allocation of FY27 Revenue Sharing Fund (RSF) discretionary funds.
(For further information, please contact Kim Comstock, kcomstock@smcgov.org)

RECOMMENDATION

Staff recommends the Board approve the allocation of \$2.8 million in FY27 Revenue Sharing Fund (RSF) discretionary funds including \$1.4 million for the FY27 Equity Program and \$1.4 million for the Capital Reserve.

FISCAL IMPACT

Approval of the recommended action would allocate the full \$2.8 million in FY27 RSF discretionary funds, including \$1.4 million for the FY27 Equity Program and \$1.4 million for the Capital Reserve.

BACKGROUND

In 2020, the San Mateo County Transportation Authority (TA) issued \$100 million in bonds to fund construction of the US 101 Express Lanes and establish an equity program. The SMCEL-JPA entered into a Loan Agreement with the TA, requiring repayment through toll revenues.

As shown in Figure 1, the Loan Agreement establishes a defined Flow of Funds (waterfall) that governs how toll revenues are allocated, prioritizing:

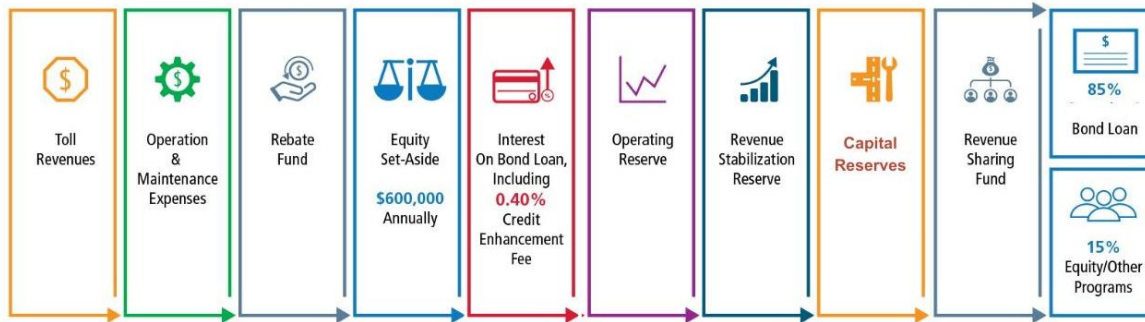
- Operations and maintenance
- Required reserves
- Loan repayment
- Discretionary uses

Toll revenues have remained strong, supporting these funding priorities.

At the May 2026 Board Meeting, staff presented an update on the proposed use of funds based on the FY27 Preliminary Budget, including a request for Board direction on the allocation of discretionary funds within the Revenue Sharing Fund (RSF).

Under the Flow of Funds, revenues are first applied toward required obligations, followed by reserve funding requirements, with the remaining funds allocated to the RSF. Figure 1 illustrates the flow of funds described in the loan agreement.

FIGURE 1: FLOW OF FUNDS



REVENUE SHARING FUND (RSF)

Under the Loan Agreement, remaining RSF balances are distributed using an 85/15 allocation, with 85% applied toward bond repayment and 15% available for Board discretion.

Approximately \$19M in cumulative revenues flows through the RSF.

- \$16.2M (85%) → Bond loan principal repayment
- \$2.8M (15%) → Board discretionary use

At the May 1, 2026 Board Meeting, the Board provided direction to allocate \$1.4M to address the FY27 Equity Program funding gap. The remaining \$1.4M in discretionary funds is available for further Board approval.

Staff reviewed several funding options for the remaining funds, including associated trade-offs, to support finalization of the FY27 Budget. Proposed options included:

- Increase Capital Reserves
- Apply Funds to Bond Paydown
- Set Aside Funds for the FY28 Equity Program

The Board requested additional analysis comparing the financial benefits of investing the remaining RSF discretionary funds in the Capital Reserve to generate investment earnings versus applying those funds toward bond repayment to reduce interest expenses.

The loan’s current rate of 2.163% (interest and fees) is below the current investment yield of approximately 3.12%, resulting in a positive net financial position if the funds are retained and invested in the Capital Reserve.

Based on current interest and investment yield assumptions, there is an estimated annual net financial benefit of approximately \$13,397 if the remaining \$1.4 million is added to the Capital Reserve and invested at the current yield of 3.12%, rather than applied toward loan repayment, which is currently carrying an average annualized interest and fee rate of 2.163%.

Based on this analysis, staff recommends allocating the remaining \$1.4 million in FY27 RSF discretionary funds to the Capital Reserve. Combined with the Board's previously directed allocation of \$1.4 million for the FY27 Equity Program, this action would complete the allocation of all FY27 RSF discretionary funds.

If approved, staff will incorporate this allocation into the final FY27 Budget for adoption.

TABLE 2: UPDATED FY27 TRANSFERS AND BALANCES:

| | FY27 Reserve Transfers | Estimated FY27 Reserve Balance |
|-------------------------------|------------------------|--------------------------------|
| Operating Reserve | \$353K | \$3M |
| Revenue Stabilization Reserve | (\$558k) | \$9.1M |
| Capital Reserve | \$3.2M | \$12.2M |

CAPITAL ASSET SCHEDULE

In addition, the Board requested an asset schedule tied to the Capital Reserve funding strategy presented at the May Board meeting.

The Express Lanes system includes a diverse portfolio of assets with varying useful lives, replacement cycles, cost profiles, and operational risk implications. Table 3 provides a summary of asset counts, typical useful lives, anticipated replacement timing, and estimated five-year capital needs by asset category.

Staff anticipates this lifecycle-based schedule will serve as an initial framework for developing a more detailed capital plan in FY27.

TABLE 3: ASSET LIFECYCLE OVERVIEW & SCHEDULE

| Asset Category | Count | Typical Useful Life | Next Major Need* | 5 Year Need (FY27–FY31) | Risk Level |
|-----------------------------------|--------------|---------------------|------------------|-------------------------|------------|
| Cabinets & Enclosures | 305 | 20 | 2027 | \$1,546,226 | Medium |
| Cameras, Sensors, Readers | 364 | 7 | 2027 | \$5,644,087 | High |
| Civil Infrastructure | 1,755 | 50 | 2031 | \$84,165 | Low |
| Lighting Systems | 813 | 50 | 2032 | – | Low |
| Network Equipment | 175 | 7 | 2027 | \$4,854,849 | High |
| Power Systems | 313 | 20 | 2027 | \$5,304,635 | High |
| Safety Systems | 6 | 20 | 2032 | \$114,416 | Medium |
| Sign Systems | 432 | 7 | 2027 | \$8,535,859 | High |
| Underground Infrastructure | 2,186 | 25 | – | – | Low |
| Total | 6,349 | | | \$26,084,236 | |

**"Next Major Need" identifies the next year in which a significant capital rehabilitation or replacement investment is anticipated for the asset category. It represents the likely maximum capital need, and does not necessarily reflect an actual planned asset replacement schedule or the end of the asset's useful life. The designation reflects years with relatively high projected capital needs within the planning horizon.*

ATTACHMENT:

1. Updated Waterfall / Flow of Funds for FY27 presentation



101 Express Lanes

Updated Waterfall: Flow of Funds

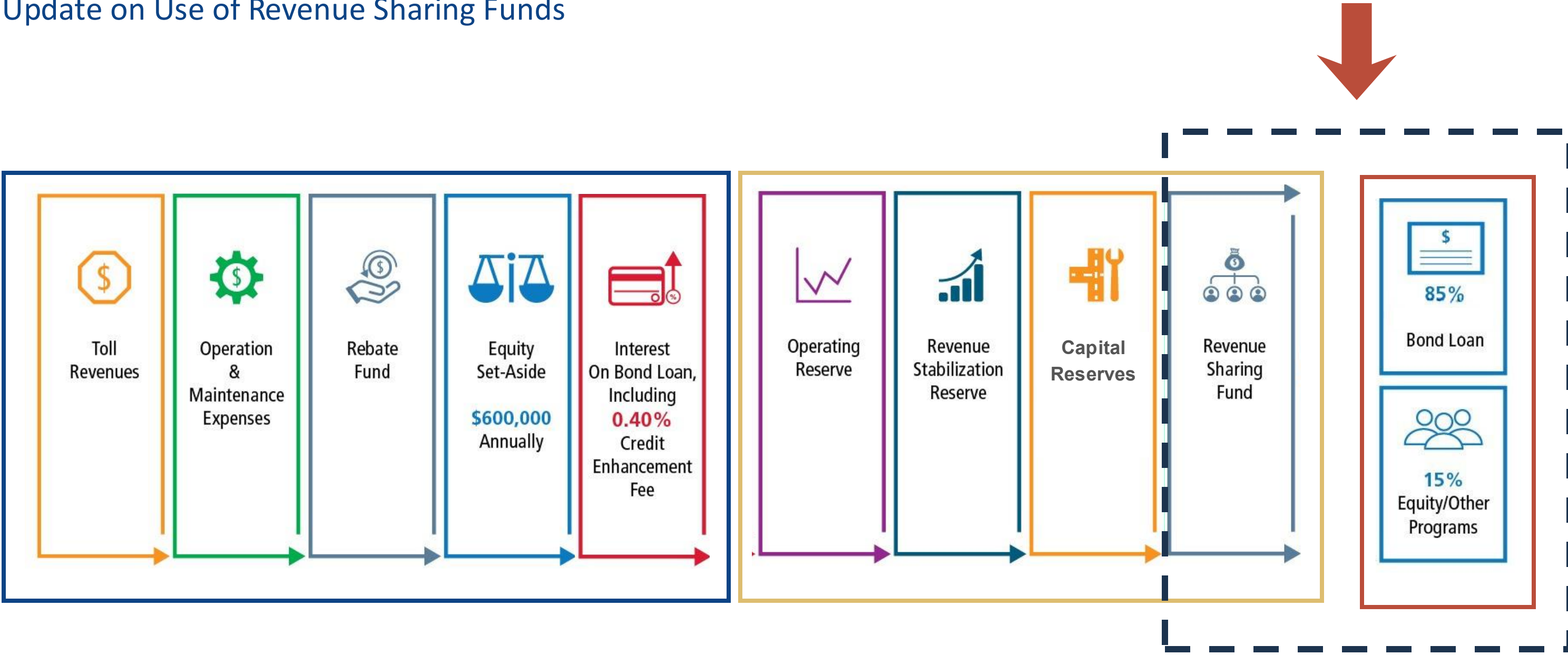
Board of Directors Presentation

June 15, 2026

Item 4.1

Flow of Funds Overview: FY27

Update on Use of Revenue Sharing Funds



May 2026 Recap: Board Direction & Staff Proposal

Revenue Sharing Funds: Balance of \$18.9M

85% to Bond

Make Bond Payment, \$16.2M

15% to Equity or other lawful purpose

\$2.8M Remaining Balance



\$1.4M: FY27 Equity Funding Gap: *Board direction was provided at May Board Meeting*

\$1.4M: Board requested additional information



Revenue Sharing Funds

Comparison: Financial Impact between transferring remaining RSF funds into the Capital Reserve or applying to Loan Payment

| Transfer Options | Rate | Investment Earnings / Interest Savings |
|--|---------------------------|--|
|  Invest in Capital Reserve and generate earnings | 3.12%* | \$43,680 |
|  Apply to Loan Payment and reduce interest expense | 2.16%* (interest/fees) | \$30,283 |

Staff Recommendation

| | | |
|---|----------------------------------|--------------------------------|
|  | Invest in Capital Reserve | Net Benefit \$13,397 |
|---|----------------------------------|--------------------------------|

*current interest and investment yield assumptions



Waterfall: Flow of Funds - Updated Outcomes

FY27 Updated Reserve Transfers & Balances:

| Reserve Name | Transfers | Projected Reserve Balances | Notes |
|-------------------------------|-------------|----------------------------|---|
| Operating Reserve | \$352,710 | \$2,990,712 | Maintain 1/6 of O&M based on FY27 Budget |
| Revenue Stabilization Reserve | (\$557,820) | \$9,147,209 | Maintain 25% of Revenue. No contribution needed. |
| Capital Reserves | \$3,178,383 | \$12,258,383 | Discretionary funds moved from RSF of \$1.4M to total transfer. |

| Revenue Sharing Fund (RSF) | Transfers | Notes |
|----------------------------|--------------|---|
| 85% to Bond Loan | \$16,170,000 | With payment, outstanding loan = \$77,290,000 |
| 15% to Equity or Other | \$1,374,997 | Apply to FY27 Equity Funding Gap |



San Mateo County Express Lanes Joint Powers Authority Agenda Report

DATE: June 15, 2026

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

FROM: Ladi Millard-Olmeda, Interim Chief Financial Officer

SUBJECT: **Public Hearing: Approval of SMCEL Resolution 26-02 on the adoption of the Fiscal Year 2027 (FY27) SMCEL-JPA Operating Budget.**

(For further information or questions, contact Ladi Millard-Olmeda at millard-olmedal@samtrans.com)

RECOMMENDATION

Staff recommends the Board:

1. Conduct a public hearing on the approval of the FY2027 (FY27) Budget, in accordance with Section 131266 of the California Public Utilities Code;
2. Adopt the FY27 San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA) Budget in the amount of \$40,163,504 as presented in Attachment 2; and
3. Delegate investment authority to the Executive Council or designee, to act in the capacity of Treasurer, for the period of July 1, 2026, through June 30, 2027, pursuant to section 53607 of the California Government Code.

FISCAL IMPACT

Adoption of the FY27 SMCEL-JPA Budget would provide budget authority for \$40,163,504 in anticipated expenditures for the upcoming fiscal year.

SOURCE OF FUNDS

Funding sources for the FY27 SMCEL-JPA Budget mainly come from Toll Revenues, Toll Violations, Fees and Penalties, and Interest Income along with Toll Revenue Set Aside from Prior Years and Revenue Sharing Funds designated for the Equity Program, Revenue Sharing Funds designated for Bond Principal Payment and Capital Reserve from the Flow of Funds to support the Capital Rehabilitation and Replacement requirements for the fiscal year.

BACKGROUND

Management and operation of the Express Lanes is governed by the SMCEL-JPA, a six-member joint powers authority (the Board) consisting of the following:

- Three (3) San Mateo County Transportation Authority (SMCTA) Board members; and
- Three (3) City/County Association of Governments of San Mateo County (C/CAG) Board members.

The San Mateo County Express Lanes extend over 22 miles within San Mateo County and facilitate travel in both northbound and southbound directions along US 101. It stretches from the Interstate 380 in South San Francisco to the Santa Clara County Line, providing a continuous link to the Santa Clara County's Express Lanes.

The FY27 SMCEL-JPA Budget provides funding for the operations and maintenance of the lanes, Equity Program costs, administration and overhead, bond-related expenses, and Capital Rehabilitation and Replacement requirements.

INVESTMENT AUTHORITY DELEGATION

The authority to invest and manage holdings of the JPA rests with the Board. California Government Code (CGC) 53607 permits the Board to delegate the authority to invest and manage funds to one-year periods. This authority will be an annual board item to “approve” the investment policies that are in place. Although changes to the investment policy may occur occasionally, they are not made on an annual basis, and under Government Code Section 53646, board review is only required when such changes take place.

PUBLIC HEARING REQUIREMENTS & PROCESS

Section 131266 of the California Public Utilities Code requires the SMCEL-JPA to give notice of and hold a public hearing for the adoption of an annual budget. Notice of the time and place of the public hearing must be published at least once, 15 days prior to the hearing.

Notice of this public hearing appeared in the San Mateo Daily Journal, El Observador, and Sing Tao on May 31, 2026. The notice is currently posted at the lobby of 166 N. Rollins Road, Millbrae and the kiosk at the San Mateo County courtyard, where the SMCEL-JPA's agendas are also posted for public viewing. As of the date of publication of this staff report, no written comments have been received.

Staff recommend that the Board:

1. Conduct the public hearing;
2. Receive an oral staff report and presentation on the proposed budget;
3. Ask staff to answer any Board member questions;
4. Accept public comment;
5. Close the public hearing;
6. Hold Board discussion; and
7. Adopt the proposed budget.

CHANGES FROM MAY BOARD MEETING

Following the May Board meeting, the following updates have been made to the FY27 Proposed Budget:

1. Bond Principal Payment of \$16.17M. The bond principal payment of \$16.17M reflects the updated Flow of Funds (waterfall) calculation following the discussion at the May 2026 board meeting. Consistent with the Loan Agreement, 85% of available Revenue Sharing Fund (RSF) balances are anticipated to be applied toward principal payment, resulting in the estimated \$16.17M paydown that will reduce the outstanding bond principal balance from \$93.39M to \$77.22M following payment. The lower projected outstanding Bond Principal balance correspondingly reduces related items, such as Miscellaneous Revenue (Interest Income), Credit Fees, Debt Fees, and Bond Interest Expense.
2. Toll Operations and Maintenance (BAIFA). Staff received an updated budget submission from the Bay Area Infrastructure Financing Authority (BAIFA) after the May Board Meeting. An increase of \$1.18M has been incorporated in the proposed budget driven by capital rehabilitation and replacement costs (new budget item), transition costs with the expiration of current contracts, and higher anticipated expenditure for roadway maintenance.

| In Millions | FY27 Preliminary Budget | FY27 Proposed Budget | Change (\$) | Change (%) |
|------------------------------------|-------------------------|----------------------|-----------------|---------------|
| Total Sources | \$40.01 | \$56.06 | \$16.04 | 40.10% |
| Total Uses | \$23.90 | \$40.16 | \$16.26 | 68.03% |
| Projected Sources over Uses | \$16.11 | \$15.90 | (\$0.22) | -1.34% |

FY27 PROPOSED BUDGET

For a comparative schedule of the FY25 Actuals, FY26 Adopted Budget, FY26 Forecast, and FY27 Proposed Budget please refer to Attachment 2. The line numbers for each revenue and expense item are detailed below and refer to the corresponding line numbers on Attachment 2.

LINE 11: TOTAL SOURCES

Total revenues for FY27 are projected at \$56.1M, an increase of \$18.7M (49.9%) compared to FY26 Forecast. The FY26 Forecast shows a total revenue of \$37.4M, a decrease of \$2.9M (7.3%) from the FY26 Adopted Budget.

| SOURCES | FY2025 ACTUALS | FY2026 ADOPTED BUDGET | FY2026 FORECAST | FY2027 PROPOSED BUDGET | FY27 PROPOSED vs FY26 FORECAST | PERCENTAGE CHANGE |
|---------------|-------------------|-----------------------------|--------------------|------------------------------|--------------------------------------|----------------------|
| TOTAL SOURCES | 37,388,271 | 40,323,114 | 37,388,596 | 56,058,756 | 18,670,160 | 49.9% |

LINE 2: TOLL REVENUES \$30.4M – INCREASED BY \$0.3M COMPARED TO FY26 FORECAST

This line item pertains to the collection of Toll Revenues for San Mateo County’s Express Lanes paid by FasTrak® account users.

The FY27 Proposed Budget for Toll Revenues is \$30.4M, based on an estimated year-over-year growth rate of 2% in trip volume. Toll-free trips have increased every quarter for the past five consecutive quarters, and the trend is expected to continue. For Q2 FY26, toll-free trips account for 47.3% (1.8M trips) compared to Q2 FY25 43.7% (1.6M trips). The FY27 Proposed Budget estimate builds on the FY26 Forecast reflecting an average quarterly increase of \$82K.

The FY26 Forecast is \$30.0M, derived from a straight-line projection of actual performance from Q4 FY23 through Q2 FY26. The forecast incorporates an ongoing shift toward toll-free trips, resulting in lower revenue relative to the adopted budget.

The FY26 Adopted budget of \$31.3M assumed a steady traffic and a 6.8% year-over year growth in trip volume.

| SOURCES | FY2025 ACTUALS | FY2026 ADOPTED BUDGET | FY2026 FORECAST | FY2027 PROPOSED BUDGET | FY27 PROPOSED vs FY26 FORECAST | PERCENTAGE CHANGE |
|---------------|-------------------|-----------------------------|--------------------|------------------------------|--------------------------------------|----------------------|
| Toll Revenues | 29,701,622 | 31,297,387 | 30,028,842 | 30,356,062 | 327,220 | 1.1% |

LINE 3: TOLL VIOLATIONS, FEES AND PENALTIES \$4.8M – FLAT COMPARED TO FY26 FORECAST

This line item includes revenue from Express Lanes toll violation notices, consisting of toll charges, administrative fees, and penalties for non-payment or toll evasion.

The FY27 Proposed Budget is projected at \$4.8M and assumes no material deviation from trends reflected in the FY26 Forecast.

The FY26 Forecast totals \$4.8M, based on annualized FY26 actuals through January 2026. It is \$1.3M below the FY26 Adopted Budget, due to lower collections from the Department of Motor Vehicle (DMV) and third-party collection agencies combined with the decreasing percentage of violation trips.

| Trip Categories | FY2026 | |
|-----------------|---------------|---------------|
| | Q1 | Q2 |
| Toll-Free Trips | 46.7% | 47.3% |
| Tolled Trips | 43.6% | 44.2% |
| Violation Trips | 9.7% | 8.5% |
| Total | 100.0% | 100.0% |

The FY26 Adopted Budget of \$6.1M was based on average toll violation revenue, fees and penalties collected from July 2024 through March 2025.

| SOURCES | FY2025 ACTUALS | FY2026 ADOPTED BUDGET | FY2026 FORECAST | FY2027 PROPOSED BUDGET | FY27 PROPOSED vs FY26 FORECAST | PERCENTAGE CHANGE |
|-------------------------------------|----------------|-----------------------|-----------------|------------------------|--------------------------------|-------------------|
| Toll Violations, Fees and Penalties | 5,438,410 | 6,118,374 | 4,832,773 | 4,832,773 | - | 0.0% |

LINE 6: SET ASIDE PRIOR YEARS BALANCE EQUITY PROGRAM \$50K –DECREASED BY \$941K COMPARED TO FY26 FORECAST

This line item reflects prior years’ toll revenue allocated for the administration of the San Mateo 101 Express Lanes Equity Program. These funds are carried forward for use in FY27.

Under the loan agreement between San Mateo County Transportation Authority (SMCTA) and San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA), \$600K has been allocated annually since FY23 to support the Equity Program. Beginning FY23, \$600K per year has been set aside to support the Equity Program.

As of June 30, 2025, \$808K of these funds have been expended, resulting in a remaining balance of \$992K available for carryforward into FY26. The FY26 Forecast includes funding of \$992K from the available toll revenue carryforward to support the Equity Program. In addition, \$550K will be utilized from the FY26 toll revenue allocation to fully fund the FY26 Equity Program total cost of \$1.5M.

FY26 Forecast Equity Program Funding Source:

- Set Aside Prior Years Balance: \$992K
- FY26 Toll Revenue Set Aside: \$550K
- Revenue Sharing Fund: \$0K

Staff projects as of June 30, 2026, \$2.3M of these funds will have been expended, resulting in a remaining balance of \$50K available for carryforward into FY27. The FY27 Proposed Budget includes funding of \$50K from the available toll revenue carryforward to support the Equity Program. In addition, \$600K will be utilized from the FY27 toll revenue allocation and \$1.4M from the Revenue Sharing Fund to fully support the FY27 Equity Program total cost of \$2.025M.

FY27 Proposed Budget Equity Program Funding Source:

- Set Aside Prior Years Balance: \$50K
- FY27 Toll Revenue Set Aside: \$600K
- Revenue Sharing Fund: \$1.375M

| SOURCES | FY2025 ACTUALS | FY2026 ADOPTED BUDGET | FY2026 FORECAST | FY2027 PROPOSED BUDGET | FY27 PROPOSED vs FY26 FORECAST | PERCENTAGE CHANGE |
|--|----------------|-----------------------|-----------------|------------------------|--------------------------------|-------------------|
| Set Aside Prior Years Balance - Equity Program | - | 1,014,594 | 991,781 | 50,299 | (941,482) | -94.9% |

LINE 7: REVENUE SHARING FUNDS EQUITY PROGRAM \$1.4M – INCREASED BY \$1.4M COMPARED TO FY26 FORECAST

In accordance with the loan agreement between SMCEL-JPA and SMCTA, a Revenue Sharing Fund has been established to support the Equity Program and other eligible projects. Funding sources to support the Equity Program are applied in the following order: 1) Toll Revenue Set Aside Prior Years Balance; 2) Current Year’s Toll Revenue allocation; and (3) Revenue Sharing Funds (RSF).

There is no allocated RSF in the FY26 Forecast since the Equity Program costs will be fully funded by prior year set-aside balances and the FY26 toll revenue allocation.

The FY27 Proposed Budget is projected at \$1.4M. RSF is new in FY27 as we anticipate growth in program participation with full year implementation of the new Equity Program.

| SOURCES | FY2025 ACTUALS | FY2026 ADOPTED BUDGET | FY2026 FORECAST | FY2027 PROPOSED BUDGET | FY27 PROPOSED vs FY26 FORECAST | PERCENTAGE CHANGE |
|--|----------------|-----------------------|-----------------|------------------------|--------------------------------|-------------------|
| Revenue Sharing Funds - Equity Program | - | 488,406 | - | 1,374,997 | 1,374,997 | 100.0% |

LINE 8: REVENUE SHARING FUNDS – BOND PRINCIPAL PAYMENT \$16.2M

Under the Loan Agreement between SMCEL-JPA and SMCTA, 85% of available Revenue Sharing Fund (RSF) balances shall be used to pay down the outstanding bond principal. The updated Flow of Funds (waterfall) calculation following the discussion at the May 2026 board meeting results in a bond principal payment of \$16.2M. The FY27 budget assumes a bond principal balance of \$77.2M after paydown.

| SOURCES | FY2025 ACTUALS | FY2026 ADOPTED BUDGET | FY2026 FORECAST | FY2027 PROPOSED BUDGET | FY27 PROPOSED vs FY26 FORECAST | PERCENTAGE CHANGE |
|--|----------------|-----------------------|-----------------|------------------------|--------------------------------|-------------------|
| Revenue Sharing Funds - Bond Principal Payment | - | - | - | 16,170,000 | 16,170,000 | 100.0% |

LINE 9: MISCELLANEOUS REVENUE (INTEREST INCOME) \$1.3M –DECREASED BY \$0.3M COMPARED TO FY26 FORECAST

This line item reflects the interest income from SMCEL-JPA’s annual investment holdings.

The FY26 Forecast assumes an investment balance of \$50.3M at an average interest rate of 3.1% compared to the FY26 Adopted Budget, which assumed a lower investment balance of \$42.6M and an average interest rate of 3.3%.

The FY27 Proposed Budget includes projected interest earnings of \$1.3M, based on an assumed investment balance of \$40.9M and an average interest rate of 3.1%.

| SOURCES | FY2025 ACTUALS | FY2026 ADOPTED BUDGET | FY2026 FORECAST | FY2027 PROPOSED BUDGET | FY27 PROPOSED vs FY26 FORECAST | PERCENTAGE CHANGE |
|---|----------------|-----------------------|-----------------|------------------------|--------------------------------|-------------------|
| Miscellaneous Revenue (Interest Income) | 1,603,075 | 1,404,353 | 1,535,200 | 1,274,625 | (260,575) | -17.0% |

LINE 10: CAPITAL RESERVE (FLOW OF FUNDS) \$2.0M

This is a new budget item derived from the Flow of Funds. The Board approved the establishment of a Capital Reserve in June 2025 to ensure adequate resources for the repair, rehabilitation, and replacement of Express Lanes capital assets as they reach the end of their useful life. Based on the current review of the Express Lanes capital expenditure schedule, a \$2.0M investment is required in FY27.

| SOURCES | FY2025 ACTUALS | FY2026 ADOPTED BUDGET | FY2026 FORECAST | FY2027 PROPOSED BUDGET | FY27 PROPOSED vs FY26 FORECAST | PERCENTAGE CHANGE |
|---------------------------------|----------------|-----------------------|-----------------|------------------------|--------------------------------|-------------------|
| Capital Reserve - Flow of Funds | - | - | - | 2,000,000 | 2,000,000 | 100.0% |

LINE 36: TOTAL USES

Total expenditure for FY27 is projected at \$40.2M, an increase of \$14.5M (56.8%) compared to FY26 Forecast. The FY26 Forecast shows a total expenditure of \$25.6M, a decrease of \$11.5M (30.9%) from the FY26 Adopted Budget.

| USES | FY2025 ACTUALS | FY2026 ADOPTED BUDGET | FY2026 FORECAST | FY2027 PROPOSED BUDGET | FY27 PROPOSED vs FY26 FORECAST | PERCENTAGE CHANGE |
|------------|----------------|-----------------------|-----------------|------------------------|--------------------------------|-------------------|
| TOTAL USES | 15,711,379 | 37,080,077 | 25,620,706 | 40,163,504 | 14,542,798 | 56.8% |

LINE 14: TOLL OPERATIONS AND MAINTENANCE (BAIFA) \$7.5M– INCREASED BY \$1.2M COMPARED TO FY26 FORECAST

This line reflects the Bay Area Infrastructure Financing Authority’s (BAIFA) operation of the Express Lanes toll system, including toll collection, traffic data management, transmission of information to the Bay Area Toll Authority (BATA) customer service center, system performance monitoring, roadway operations support, and maintenance of toll system equipment and software.

The FY27 Proposed Budget of \$7.5M covers:

- Program Management
- Toll Systems Operations and Maintenance – Fixed and Variable
- Regional Operations Center (ROC) / 511 Monitoring
- Roadway Maintenance Costs Not Covered by Caltrans
- Backhaul AT&T Host and Fiber Costs – SSP Data expenditures have been reclassified from Program Management to this line item and FY26 Forecast reflects this alignment
- Contingency

FY27 Proposed Budget shows an increase of \$1.2M over the FY26 Forecast primarily due to first-time capital rehabilitation and replacement costs, transition costs with the expiration of current contracts, higher anticipated expenditure for roadway maintenance, and projected wage growth. The increase reflects a partial offset resulting from lower contingency costs and a one-time FY26 change order that is not anticipated to recur in FY27.

FY26 Forecast is at \$6.2M, a \$461K decrease from the FY26 Adopted Budget primarily driven by lower Roadway Maintenance Cost limited to routine maintenance with no major roadway projects, and a lower SSP Data service utilization.

| USES | FY2025 ACTUALS | FY2026 ADOPTED BUDGET | FY2026 FORECAST | FY2027 PROPOSED BUDGET | FY27 PROPOSED vs FY26 FORECAST | PERCENTAGE CHANGE |
|--|------------------|-----------------------|------------------|------------------------|--------------------------------|-------------------|
| Toll Operations and Maintenance (BAIFA) | 4,799,991 | 6,681,000 | 6,220,000 | 7,454,050 | 1,234,050 | 19.8% |
| Program Management | | 663,239 | 686,000 | 1,160,077 | 474,077 | 69.1% |
| Toll Systems - Fixed | | 2,228,152 | 2,228,000 | 2,089,000 | (139,000) | -6.2% |
| Toll Systems - Variable | | 1,092,074 | 1,092,000 | 1,600,610 | 508,610 | 46.6% |
| Regional Operations Center (ROC) - Fixed | | 444,083 | 454,000 | 571,000 | 117,000 | 25.8% |
| Other Costs not covered by Caltrans | | 1,089,131 | 787,000 | 1,100,000 | 313,000 | 39.8% |
| Backhaul - AT&T Host Costs & Fiber Costs | | 557,353 | 365,000 | 578,408 | 213,408 | 58.5% |
| Contingency | | 606,968 | 608,000 | 354,955 | (253,045) | -41.6% |

LINE 15: FASTRAK CUSTOMER SERVICE (BATA) \$4.2M – INCREASED BY \$0.5M COMPARED TO FY26 FORECAST

This line item provides customer service for FasTrak® account holders on the US 101 Express Lanes in San Mateo County such as payment processing and issuance of toll evasion violation notices.

The FY27 Proposed Budget is projected at \$4.2M, an increase of \$494K over the FY26 Forecast primarily driven by the inclusion of the projected Toll Revenue Transaction Fees showing as a new component in this line item.

The FY26 Forecast of \$3.7M reflects an increase of \$38K over the FY26 Adopted Budget. This is driven by the Toll Revenue Transaction Fees that were not incorporated in the FY26 Adopted Budget. Contingency funds budgeted for FY26 are partially funding said expenses.

| USES | FY2025 ACTUALS | FY2026 ADOPTED BUDGET | FY2026 FORECAST | FY2027 PROPOSED BUDGET | FY27 PROPOSED vs FY26 FORECAST | PERCENTAGE CHANGE |
|--------------------------------------|----------------|-----------------------|-----------------|------------------------|--------------------------------|-------------------|
| FasTrak Customer Service (BATA) | 3,451,570 | 3,670,000 | 3,708,271 | 4,202,000 | 493,729 | 13.3% |
| Customer Service Center | | 2,342,757 | 2,198,640 | 2,265,000 | 66,360 | 3.0% |
| FasTrak Maintenance & Accounting | | 89,679 | 98,006 | 101,000 | 2,994 | 3.1% |
| Credit Card and Banking Fees | | 828,462 | 916,421 | 944,000 | 27,579 | 3.0% |
| Direct Costs | | 75,480 | 75,480 | 78,000 | 2,520 | 3.3% |
| Contingency / Toll Revenue Tran Fees | | 333,622 | 419,724 | 814,000 | 394,276 | 93.9% |

LINE 16: EXPRESS LANE MAINTENANCE \$0.8M – FLAT COMPARED TO FY26 FORECAST

This line represents the cost of maintenance provided by Caltrans for the Express Lanes.

The FY27 Proposed Budget of \$0.8M reflects the maximum value of the Caltrans maintenance contract, ensuring sufficient budget authority should it be required.

- \$0.5M is allocated for direct maintenance: labor, equipment, and repair materials
- \$0.3M supports Traffic Management Program (TIMP) operations, including real-time surveillance and incident response

The FY26 Forecast and FY26 Adopted Budget reflect the same maximum contract value as standard practice to provide sufficient budget authority should the need arise.

| USES | FY2025 ACTUALS | FY2026 ADOPTED BUDGET | FY2026 FORECAST | FY2027 PROPOSED BUDGET | FY27 PROPOSED vs FY26 FORECAST | PERCENTAGE CHANGE |
|--------------------------|----------------|-----------------------|-----------------|------------------------|--------------------------------|-------------------|
| Express Lane Maintenance | 57,399 | 847,000 | 847,000 | 847,000 | - | 0.0% |

LINE 17: EXPRESS LANE ENHANCED ENFORCEMENT (CHP) \$0.6M – INCREASED BY \$16K COMPARED TO FY26 FORECAST

This line item covers the cost for enforcement services provided by the California Highway Patrol (CHP) to support express lane operations.

FY27 Proposed Budget is \$0.6M, representing a slight increase of \$16K over the FY26 Forecast to support additional Motorcycle officer and sergeant hours (39 hours) and associated Motorcycle mileage (542 miles) to sustain enforcement efforts.

The FY26 Forecast of \$0.6M shows an increase of \$148K from the FY26 Adopted Budget, reflecting enhanced enforcement efforts over original plan. This includes additional CHP/Motorcycle officer and sergeant hours (991 hours) and vehicle mileage (14,353 miles).

The FY26 Adopted Budget of \$0.4M was based on 2,417 officer hours and 34,975 vehicle miles.

| USES | FY2025 ACTUALS | FY2026 ADOPTED BUDGET | FY2026 FORECAST | FY2027 PROPOSED BUDGET | FY27 PROPOSED vs FY26 FORECAST | PERCENTAGE CHANGE |
|---|----------------|-----------------------|-----------------|------------------------|--------------------------------|-------------------|
| Express Lane Enhanced Enforcement (CHP) | 580,949 | 422,000 | 569,810 | 585,489 | 15,678 | 2.8% |

LINE 18: CONSULTANT \$1.8M – INCREASED BY \$0.7M COMPARED TO FY26 FORECAST

This line item includes consulting services for the Policy Program Management (PPM) contract to support technical studies and analysis, program coordination, and marketing activities.

The FY27 Proposed Budget is \$1.8M, an increase of \$695K over the FY26 Forecast driven by the following:

- \$350K for Vehicle Occupancy Detection (VOD) evaluation to reduce toll revenue leakage, deferred in FY26 and reinstated in FY27.
- \$345K for increased scope in the PPM contract to support the VOD efforts, related Express Lanes programs and marketing activities.

The FY26 Forecast is \$1.1M, a decrease of \$285K from the FY26 Adopted Budget. The lower forecast reflects the deferral of the VOD evaluation \$350K, partially offset by increased costs from previous consultant of \$65K due to a contract extension associated with delays in the launch of the new Equity Program.

The FY26 Adopted Budget was developed to include an anticipated new PPM contract of \$1M, and \$350K for the VOD technical study and program support.

| USES | FY2025 ACTUALS | FY2026 ADOPTED BUDGET | FY2026 FORECAST | FY2027 PROPOSED BUDGET | FY27 PROPOSED vs FY26 FORECAST | PERCENTAGE CHANGE |
|--|-------------------|-----------------------------|--------------------|------------------------------|--------------------------------------|----------------------|
| Consultant | 1,408,600 | 1,420,000 | 1,135,000 | 1,830,000 | 695,000 | 61.2% |
| Policy Program Management | | 1,070,000 | 1,135,000 | 1,480,000 | 345,000 | 30.4% |
| Allowance for Technical Studies/Services | | 350,000 | - | 350,000 | 350,000 | 100.0% |

LINE 19: INSURANCE \$0.7M – INCREASED BY \$25K COMPARED TO FY26 FORECAST

This line item is for the annual premium for Property Insurance, General Liability, Cybersecurity and Public Officials Liability coverage.

The FY27 Proposed Budget is \$0.7M, reflecting a \$25K growth over the FY26 Forecast driven by the anticipated premium increase for General Liability Insurance.

The FY26 Forecast is consistent with the FY26 Adopted Budget.

| USES | FY2025 ACTUALS | FY2026 ADOPTED BUDGET | FY2026 FORECAST | FY2027 PROPOSED BUDGET | FY27 PROPOSED vs FY26 FORECAST | PERCENTAGE CHANGE |
|-----------|-------------------|-----------------------------|--------------------|------------------------------|--------------------------------------|----------------------|
| Insurance | 597,492 | 650,000 | 650,000 | 675,000 | 25,000 | 3.8% |

LINE 20: CLAIMS RESERVE AND PAYMENT \$50K - FLAT COMPARED TO FY26 FORECAST

This line item covers claims payments.

The FY27 Proposed Budget includes \$50K to cover claims payments for the full express lane corridor.

The FY26 Forecast is consistent with FY26 Adopted Budget.

| USES | FY2025 ACTUALS | FY2026 ADOPTED BUDGET | FY2026 FORECAST | FY2027 PROPOSED BUDGET | FY27 PROPOSED vs FY26 FORECAST | PERCENTAGE CHANGE |
|----------------------------|-------------------|-----------------------------|--------------------|------------------------------|--------------------------------------|----------------------|
| Claims Reserve and Payment | - | 50,000 | 50,000 | 50,000 | - | 0.0% |

LINE 21: UTILITIES \$144K - FLAT COMPARED TO FY26 FORECAST

This line item covers utility costs associated with Express Lanes operations, primarily from Pacific, Gas and Electric (PG&E).

The FY27 Proposed Budget allocates \$144K, reflecting an expected monthly utility expense of approximately \$12K.

The FY26 Forecast is consistent with the FY26 Adopted Budget with the same assumption of \$12K monthly anticipated utility expense.

| USES | FY2025 ACTUALS | FY2026 ADOPTED BUDGET | FY2026 FORECAST | FY2027 PROPOSED BUDGET | FY27 PROPOSED vs FY26 FORECAST | PERCENTAGE CHANGE |
|-----------|-------------------|-----------------------------|--------------------|------------------------------|--------------------------------------|----------------------|
| Utilities | 131,783 | 144,000 | 144,000 | 144,000 | - | 0.0% |

LINE 22: EQUITY PROGRAM ADMINISTRATION AND COSTS \$2.0M – INCREASED BY \$0.5M COMPARED TO FY26 FORECAST

This line item includes costs associated with the full-year administration and implementation of the new Equity Program (Next Gen Debit Card - Go Card Program).

In November 2023, the SMCEL-JPA Board approved significant changes to the Equity Program, with the implementation of the Next Gen Debit Card Program anticipated in late summer 2025. In November 2025, the new program was launched, replacing Clipper Cards and FasTrak® toll tag/transponders, which are phased out.

Key components of the new program include agreements with community-based organizations (CBO) to administer and promote the San Mateo 101 Express Lanes Equity Program, a contract to develop the Next Gen Program Management Platform, and funding for the distribution of 7,500 mobility debit cards at \$200 each.

The FY27 Proposed Budget increased by \$483K from the FY26 Forecast driven by the increase in the card issuance from 5,000 to 7,500, reflecting the program’s full year of implementation.

FY27 Proposed Budget (\$2.0M):

- \$1.5M Next Gen Debit Cards: 7,500 debit cards at \$200 each, plus associated card fees
- \$170K Administration Costs: Debit card distribution and program promotion through 14 community-based organizations (CBO)
- \$150K Next Gen Maintenance: Monthly license fee of \$12,480
- \$186K Contingency: Assumed at 10%

FY27 Funding Sources (\$2.0M):

1. Set Aside Prior Years Balance: \$50K
2. FY27 Toll Revenue Set Aside: \$600K
3. Revenue Sharing Fund: \$1.375M

The FY26 Forecast is \$1.5M, a decrease of \$561K from the FY26 Adopted Budget primarily due to the delay in launch of the new program.

- Clipper Cards/FasTrak Toll Tag/Transponders: \$50K increase, old program continued longer than planned (Oct 2025)
- Next Gen Debit Cards: \$498K decrease driven by a reduced number of debit card issuance from 7,500 to 5,000
- Administration Costs: \$79K lower due to reduced debit card issuance and program promotion
- Next Gen Implementation: \$3K increase due to slightly higher implementation cost
- Next Gen Maintenance: \$38K decrease due to less months to cover the monthly license fee
- Contingency: retained the same contingency level for FY26 Adopted Budget

FY26 Funding Sources (\$1.5M):

1. Set Aside Prior Years Balance: \$992K
2. FY26 Toll Revenue Set Aside: \$550K
3. Revenue Sharing Fund: \$0

Key Differences FY26 Forecast vs FY27 Proposed Budget

| Category | FY2026 Forecast | FY2027 Proposed Budget |
|-------------------------|--|--|
| Total Budget | \$1.5M | \$2.0M |
| Main Program | Clipper/FasTrak + Next Gen Go Cards | Next Gen Go Cards |
| Benefit Mechanism | Clipper/FasTrak Tags + Mobility Debit Cards | Mobility Debit Cards |
| Administration | 12 Community-Based Organizations (CBOs), including Samaritan House | 14 Community-Based Organizations (CBOs), including Samaritan House |
| Debit Card Distribution | 5,000 cards @ \$200 = \$1.0M | 7,500 cards @ \$200 = \$1.5M |
| Funding Composition | Carryforward, Toll Revenue | Carryforward, Toll Revenue, Revenue Sharing |

Equity Program Sources and Uses of Funds

| SOURCES | FY2026 ADOPTED BUDGET | FY2026 FORECAST | FY2027 PROPOSED BUDGET | FY27 PROPOSED vs FY26 FORECAST | PERCENTAGE CHANGE |
|---|-----------------------------|--------------------|------------------------------|--------------------------------------|----------------------|
| Toll Revenue Set Aside | 600,000 | 549,701 | 600,000 | 50,299 | 9.2% |
| Allocated Bond Funds | - | - | - | - | 0.0% |
| SMCTA Measure A (ACR TDM) | - | - | - | - | 0.0% |
| Set Aside Prior Years Balance | 1,014,594 | 991,781 | 50,299 | (941,481) | -94.9% |
| Revenue Sharing Funds | 488,406 | - | 1,374,997 | 1,374,997 | 100.0% |
| Total Funding Sources | 2,103,000 | 1,541,481 | 2,025,296 | 483,815 | 31.4% |
| USES | | | | | |
| Clipper Cards and FasTrak Toll Tag/Transponders | 26,000 | 76,125 | - | (76,125) | -100.0% |
| Next Gen Debit Cards | 1,513,000 | 1,015,000 | 1,520,000 | 505,000 | 49.8% |
| Administration Costs | 221,000 | 141,996 | 169,600 | 27,604 | 19.4% |
| Next Gen Implementation | 27,000 | 30,000 | - | (30,000) | -100.0% |
| Next Gen Maintenance | 125,000 | 87,360 | 149,760 | 62,400 | 71.4% |
| Contingency | 191,000 | 191,000 | 185,936 | (5,064) | -2.7% |
| Equity Program Administration and Costs | 2,103,000 | 1,541,481 | 2,025,296 | 483,815 | 31.4% |

LINE 23: STAFF SUPPORT & ADMINISTRATIVE OVERHEAD \$1.9M – INCREASED BY \$0.4M COMPARED TO FY26 FORECAST

This line item includes staff wages, benefits, and administrative overhead from the San Mateo County Transit District/TA (District) and the City/County Association of Governments of San Mateo County (C/CAG) to support the operations of the SMCEL-JPA.

The FY27 Proposed Budget is projected at \$1.9M, an increase of \$0.4M over the FY26 Forecast.

- Total Staffing: 6.98 full-time equivalents (FTEs), including 5.23 FTEs for San Mateo County Transit District/SMCTA and 1.75 FTEs for C/CAG.
- Total Wages and Benefits: \$972K for the District and \$708K for C/CAG
- District’s Agency Indirect Administration (AIA) Costs: \$173K
- Primary cost drivers:
 - Increase in District/SMCTA staff time attributed to a lower FY26 Forecast reflecting less than anticipated staff time charges
 - The increase in C/CAG’s staff cost reflects full-year funding of the Program Director position approved by the Board to support Express Lanes activities. The FY 2026 expenditures reflected a partial year of staffing cost. Increase in AIA cost based on the FY27 draft Internal Cost Allocation Plan (ICAP).

The FY26 Forecast is projected at \$1.4M, based on year-to-date actuals, and represents a decrease of \$258K from FY26 Adopted Budget due to lower-than-planned staff time charges from the District/SMCTA and the new Program Director position was filled during the fiscal year.

| USES | FY2025 ACTUALS | FY2026 ADOPTED BUDGET | FY2026 FORECAST | FY2027 PROPOSED BUDGET | FY27 PROPOSED vs FY26 FORECAST | PERCENTAGE CHANGE |
|--------------------------------|-------------------|-----------------------------|--------------------|------------------------------|--------------------------------------|----------------------|
| Staff Support & Admin Overhead | 855,148 | 1,702,200 | 1,444,194 | 1,853,835 | 409,640 | 28.4% |

LINE 24: BOARD OF DIRECTORS AND RELATED COSTS \$20K – INCREASED BY \$4.5K COMPARED TO FY26 FORECAST

This line item includes expenses for the Board of Directors such as board meeting refreshments, media services, and Automatic Data Processing (ADP) fees for honoraria payments.

The FY27 Proposed Budget of \$20K represents a \$4.5K increase over the FY26 Forecast based on 10 projected board meetings compared to 8 for the FY26 Forecast, driving the media services costs (i.e. recording and streaming).

The FY26 Forecast of \$15K shows a slight increase of \$1.3K over the FY26 Adopted Budget due to a minimal increase in board refreshments and media expenses.

| USES | FY2025 ACTUALS | FY2026 ADOPTED BUDGET | FY2026 FORECAST | FY2027 PROPOSED BUDGET | FY27 PROPOSED vs FY26 FORECAST | PERCENTAGE CHANGE |
|--------------------------------------|-------------------|-----------------------------|--------------------|------------------------------|--------------------------------------|----------------------|
| Board of Directors and Related Costs | 11,073 | 13,900 | 15,227 | 19,750 | 4,523 | 29.7% |
| Honoraria / ADP Fees | 4,469 | 5,400 | 5,400 | 5,400 | - | 0.0% |
| Board Meeting Refreshments | 740 | 1,500 | 2,200 | 2,200 | - | 0.0% |
| Pen Media AV | 5,865 | 7,000 | 7,627 | 12,150 | 4,523 | 59.3% |

LINE 25: OTHER ADMINISTRATIVE COSTS \$0.3M – INCREASED BY \$0.1M COMPARED TO FY26 FORECAST

This line includes Promotional Advertising, Seminar/Training and Business Travel, Dues and Subscriptions, Software Maintenance and License, Legal Services, and Office Supplies and Printing.

The FY27 Proposed Budget is projected at \$0.3M, an increase of \$111K over the FY26 Forecast, mainly due to:

- Promotional Advertising: \$40K increase in anticipation of utilizing subcontractors for marketing activities
- Seminar/Training & Travel: \$22K increase in business travel costs for District/TA and C/CAG staff
- Dues and Subscription: \$1K increase to include anticipated program needs.
- Software Maintenance & License: \$3K increase driven by higher cost for Granicus (facilitates upload of meeting videos to website)

- Legal Services: \$40K increase in anticipation of additional legal support for VOD and Caltrans maintenance contract
- Audit and Bank Fees: \$2K increase due to higher cost for audit services
- Office Supplies and Printing: \$3K increase to support higher anticipated participation in the Equity Program

The FY26 Forecast is \$172K, a decrease of \$56K from the FY26 Adopted Budget mainly due to lower Promotional Advertising costs driven by capacity constraints from the Communications team.

| USES | FY2025 ACTUALS | FY2026 ADOPTED BUDGET | FY2026 FORECAST | FY2027 PROPOSED BUDGET | FY27 PROPOSED vs FY26 FORECAST | PERCENTAGE CHANGE |
|------------------------------------|----------------|-----------------------|-----------------|------------------------|--------------------------------|-------------------|
| Other Administrative Costs | 97,893 | 227,910 | 171,755 | 283,148 | 111,393 | 64.9% |
| Promotional Advertising | 3,829 | 90,000 | 40,000 | 80,000 | 40,000 | 100.0% |
| Seminar/Training & Business Travel | 4,796 | 19,500 | 12,151 | 34,500 | 22,349 | 183.9% |
| Dues and Subscriptions | 18,656 | 22,000 | 26,600 | 27,600 | 1,000 | 3.8% |
| Software Maintenance & License | 24,486 | 36,934 | 36,934 | 39,628 | 2,694 | 7.3% |
| Legal Services | 15,610 | 30,000 | 20,000 | 60,000 | 40,000 | 200.0% |
| Audit & Bank Fees | 30,517 | 22,476 | 32,070 | 34,420 | 2,350 | 7.3% |
| Office Supplies and Printing | - | 7,000 | 4,000 | 7,000 | 3,000 | 75.0% |

LINE 27: CREDIT FEE \$0.3M – DECREASED BY \$0.1M COMPARED TO FY26 FORECAST

The Credit Fee is a cost associated with the \$100.0M bond issuance secured by the SMCTA in 2020 to support capital, financing, and ongoing costs of the US 101 Express Lanes Project for the San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA). This fee compensates the SMCTA for assuming risk and managing the issuance and ongoing administration of the bond. Part of the bond proceeds covered the capitalized interest for the first three years. After March 2, 2024, capitalized interest was no longer available, but additional payments have been made to reduce the principal.

The FY27 Proposed Budget assumes a bond loan balance of \$77.2M, after the projected principal payment of \$16.2M, and a credit fee of 0.40%. The FY26 Forecast is based on estimated monthly fees of \$31,237, while the FY26 Adopted Budget assumed an outstanding bond par of \$93.7M at the same 0.40% rate.

| USES | FY2025 ACTUALS | FY2026 ADOPTED BUDGET | FY2026 FORECAST | FY2027 PROPOSED BUDGET | FY27 PROPOSED vs FY26 FORECAST | PERCENTAGE CHANGE |
|------------|----------------|-----------------------|-----------------|------------------------|--------------------------------|-------------------|
| Credit Fee | 400,000 | 374,840 | 374,840 | 308,880 | (65,960) | -17.6% |

LINE 28: SMCEL-JPA BOND RELATED DEBT FEES \$0.3M –DECREASED BY \$0.1M COMPARED TO FY26 FORECAST

The Debt Fees are costs associated with the \$100.0M bond issuance secured by the SMCTA in 2020. These fees include Letter of Credit (LOC) fees, Remarketing fees, Commissions, and Legal/Bond Counsel fees.

The FY27 Proposed Budget projects a budget of \$325K, a decrease of \$89.2K from the FY26 Forecast primarily due to the \$320K bond principal payment in FY26 and the anticipated bond principal paydown of \$16.2M in FY27. The FY27 Proposed Budget includes:

- Letter of Credit (LOC) Fees: \$266K
- Remarketing Fees: \$51K
- Commissions: \$773
- Legal/Bond Counsel (Norton Rose Fulbright): \$8K

The FY26 Forecast is projected at \$414K, consistent with the FY26 Adopted Budget.

| USES | FY2025 ACTUALS | FY2026 ADOPTED BUDGET | FY2026 FORECAST | FY2027 PROPOSED BUDGET | FY27 PROPOSED vs FY26 FORECAST | PERCENTAGE CHANGE |
|----------------------------------|----------------|-----------------------|-----------------|------------------------|--------------------------------|-------------------|
| SMCEL-JPA Bond Related Debt Fees | 393,074 | 414,377 | 414,377 | 325,097 | (89,280) | -21.5% |

LINE 29: SMCEL-JPA BOND INTEREST \$1.4M – DECREASED BY \$0.1M COMPARED TO FY26 FORECAST

The bond interest relates to the \$100.0M bond issuance secured by the SMCTA in 2020.

The FY27 Proposed Budget of \$1.4M is based on the principal balance of \$77.2M, after the projected bond principal payment of \$16.2M, at an interest rate of 1.8%.

The FY26 Forecast of \$2.3M reflects a reduction of \$945K from the FY26 Adopted Budget driven by a lower principal balance of \$93.39M resulting from the bond principal paydown of \$320K and a lower assumed interest rate of 2.5%.

The FY26 Adopted Budget was based on a principal balance of \$93.71M at a 3.5% interest rate.

| USES | FY2025 ACTUALS | FY2026 ADOPTED BUDGET | FY2026 FORECAST | FY2027 PROPOSED BUDGET | FY27 PROPOSED vs FY26 FORECAST | PERCENTAGE CHANGE |
|-------------------------|----------------|-----------------------|-----------------|------------------------|--------------------------------|-------------------|
| SMCEL-JPA Bond Interest | 1,408,192 | 3,279,850 | 2,334,750 | 1,389,960 | (944,790) | -40.5% |

LINE 30: SMCEL-JPA BOND PRINCIPAL PAYMENT \$16.2M

The bond principal payment amount of \$16.2M reflects the updated Flow of Funds (waterfall) calculation following the discussion at the May 2026 Board meeting. Consistent with the Loan Agreement, 85% of available Revenue Sharing Fund (RSF) balances shall be applied toward the payment of the outstanding bond principal. The FY27 budget assumes a bond principal balance of \$77.2M after paydown.

| USES | FY2025 ACTUALS | FY2026 ADOPTED BUDGET | FY2026 FORECAST | FY2027 PROPOSED BUDGET | FY27 PROPOSED vs FY26 FORECAST | PERCENTAGE CHANGE |
|----------------------------------|----------------|-----------------------|-----------------|------------------------|--------------------------------|-------------------|
| SMCEL-JPA Bond Principal Payment | - | - | - | 16,170,000 | 16,170,000 | 100.0% |

LINE 32: CAPITAL REHABILITATION AND REPLACEMENT PROJECT \$2.0M

This new budget line is established to secure budget authority for anticipated capital asset repair, rehabilitation and replacement. Based on the current review of the capital expenditure schedule for the Express Lanes, there is a recommended \$2.0M investment for FY27 that will be funded by Capital Reserve from the Flow of Funds.

| USES | FY2025 ACTUALS | FY2026 ADOPTED BUDGET | FY2026 FORECAST | FY2027 PROPOSED BUDGET | FY27 PROPOSED vs FY26 FORECAST | PERCENTAGE CHANGE |
|--|----------------|-----------------------|-----------------|------------------------|--------------------------------|-------------------|
| Capital Rehabilitation and Replacement Project | - | - | - | 2,000,000 | 2,000,000 | 100.0% |

LINE 34: OPERATING LOAN PAYOFF \$0M – DECREASED BY \$6.0M COMPARED TO FY26 FORECAST

The San Mateo County Transportation Authority (SMCTA) and the City/County Association of Government of San Mateo County (C/CAG) are member agencies of SMCEL-JPA. Both agencies advanced funds to cover the SMCEL-JPA operations since the agency’s formation in FY20. These advances were intended to support operations until SMCEL-JPA began receiving sufficient toll revenue to cover its operating and maintenance costs. The operating loan agreements were to be repaid with interest, based on the net earning rate of the San Mateo County Investment Pool Fund. Since FY23, SMCEL-JPA has collected enough toll revenue to fully cover its operations and maintenance costs and has generated a net surplus. With surpluses from FY23 and FY24, the agency had sufficient reserves to fully repay the outstanding operating loan balance to both SMCTA and C/CAG in July 2025.

The FY26 operating loan amount of \$5,968,622 had been fully repaid in July 2025 as follows:

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

FY27 Proposed Budget is \$0 due to full payment in FY26.

| USES | FY2025 ACTUALS | FY2026 ADOPTED BUDGET | FY2026 FORECAST | FY2027 PROPOSED BUDGET | FY27 PROPOSED vs FY26 FORECAST | PERCENTAGE CHANGE |
|-----------------------|----------------|-----------------------|-----------------|------------------------|--------------------------------|-------------------|
| Operating Loan Payoff | - | 6,000,000 | 6,000,000 | - | (6,000,000) | -100.0% |

LINE 35: CAPITAL RESERVE PROJECTED CONTRIBUTION \$0M

The loan agreement includes two capital reserve accounts (Repair & Rehabilitation Fund and Equipment Replacement Reserve Fund) now collectively referred to as the Capital Reserve, which are funded in connection with related capital expenditures. The FY26 Adopted Budget established a Capital Reserve Projected Contribution of \$9.1M.

As the Capital Reserve is funded through the flow of funds which allocates accumulated surplus in its entirety, effective FY26, future Capital Reserve contributions including the \$9.1M will be reflected in the flow of funds and removed from the Budget Statement.

| USES | FY2025 ACTUALS | FY2026 ADOPTED BUDGET | FY2026 FORECAST | FY2027 PROPOSED BUDGET | FY27 PROPOSED vs FY26 FORECAST | PERCENTAGE CHANGE |
|--|----------------|-----------------------|-----------------|------------------------|--------------------------------|-------------------|
| Capital Reserve Projected Contribution | - | 9,080,000 | - | - | - | 0.0% |

LINE 37: TOTAL PROJECTED SOURCES OVER USES

The FY27 Proposed Budget projects a surplus of \$15.9M, while the FY26 Forecast results in a surplus of \$11.8M. These surplus funds will be allocated in accordance with the flow of funds established in the loan agreement, with the Board determining the allocation of any remaining funds to the Revenue Sharing Funds at the end of the waterfall.

ATTACHMENTS:

1. SMCEL-JPA Resolution 26-02
2. FY27 SMCEL-JPA Proposed Budget
3. FY27 Proposed Budget Presentation

RESOLUTION SMCEL 26-02

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN MATEO COUNTY EXPRESS LANES JOINT POWERS AUTHORITY (SMCEL-JPA) ADOPTING THE SMCEL-JPA BUDGET FOR FISCAL YEAR 2027 IN THE AMOUNT OF \$40,163,504.

BE IT RESOLVED by the Board of Directors of the Express Lanes Joint Powers Authority (SMCEL-JPA); that

WHEREAS, Section 131265(a) of the California Public Utilities Code requires the SMCEL-JPA Board of Directors to adopt an annual budget; and

WHEREAS, in accordance with Section 131266 of the California Public Utilities Code, the Authority conducted a public hearing concerning the annual budget at its meeting on June 15th, 2026; and

WHEREAS, the Board of Directors has been presented for its consideration and approval a proposed budget of \$40,163,504 for Fiscal Year 2027; and

WHEREAS, the Board delegates the investment authority to the Executive Council or designee, to act in the capacity of Treasurer, for the period of July 1, 2026, through June 30, 2027, pursuant to section 53607 of the California Government Code.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the SMCEL-JPA adopts the budget for Fiscal Year 2027, a copy of which is attached and incorporated herein as Attachment A.

NOW, THEREFORE, BE IT RESOLVED that the Board delegates investment authority to the Executive Council or designee, to act in the capacity of Treasurer, for the period of July 1, 2026, through June 30, 2027, pursuant to section 53607 of the California Government Code.

PASSED, APPROVED, AND ADOPTED, THIS 15th DAY OF JUNE 2026.

Michael Salazar, Chair

SAN MATEO COUNTY EXPRESS LANE JOINT POWERS AUTHORITY
FY2027
PROPOSED BUDGET

| | FY2025 ACTUALS | FY2026 ADOPTED BUDGET | FY2026 FORECAST | FY2027 PROPOSED BUDGET | FY2027 PROPOSED BUDGET vs FY26 FORECAST \$ VARIANCE | FY2027 PROPOSED BUDGET vs FY26 FORECAST % VARIANCE |
|---|----------------------|--------------------------|----------------------|------------------------------|--|---|
| 1 SOURCES | | | | | | |
| 2 Toll Revenues | \$ 29,701,622 | \$ 31,297,387 | \$ 30,028,842 | \$ 30,356,062 | \$ 327,220 | 1.1% |
| 3 Toll Violations, Fees and Penalties | 5,438,410 | 6,118,374 | 4,832,773 | 4,832,773 | - | 0.0% |
| 4 Allocated Bond Funds - Equity Program | 245,164 | - | - | - | - | 0.0% |
| 5 SMCTA Measure A (ACR TDM) - Equity Program | 400,000 | - | - | - | - | 0.0% |
| 6 Set Aside Prior Years Balance - Equity Program | - | 1,014,594 | 991,781 | 50,299 | (941,482) | -94.9% |
| 7 Revenue Sharing Funds - Equity Program | - | 488,406 | - | 1,374,997 | 1,374,997 | 100.0% |
| 8 Revenue Sharing Funds - Bond Principal Payment | - | - | - | 16,170,000 | 16,170,000 | 100.0% |
| 9 Miscellaneous Revenue (Interest Income) | 1,603,075 | 1,404,353 | 1,535,200 | 1,274,625 | (260,575) | -17.0% |
| 10 Capital Reserve (Flow of Funds) | - | - | - | 2,000,000 | 2,000,000 | 100.0% |
| 11 TOTAL SOURCES | \$ 37,388,271 | \$ 40,323,114 | \$ 37,388,596 | \$ 56,058,756 | \$ 18,670,160 | 49.9% |
| 12 USES | | | | | | |
| 13 Toll Operations and Maintenance (BAIFA) | \$ 4,799,991 | \$ 6,681,000 | \$ 6,220,000 | 7,454,050 | \$ 1,234,050 | 19.8% |
| 14 FasTrak Customer Service (BATA) | 3,451,570 | 3,670,000 | 3,708,271 | 4,202,000 | 493,729 | 13.3% |
| 15 Express Lane Maintenance | 57,399 | 847,000 | 847,000 | 847,000 | - | 0.0% |
| 16 Express Lane Enhanced Enforcement (CHP) | 580,949 | 422,000 | 569,810 | 585,489 | 15,678 | 2.8% |
| 17 Consultant | 1,408,600 | 1,420,000 | 1,135,000 | 1,830,000 | 695,000 | 61.2% |
| 18 Insurance | 597,492 | 650,000 | 650,000 | 675,000 | 25,000 | 3.8% |
| 19 Claims Reserve and Payment | - | 50,000 | 50,000 | 50,000 | - | 0.0% |
| 20 Utilities | 131,783 | 144,000 | 144,000 | 144,000 | - | 0.0% |
| 21 Equity Program Administration and Costs | 1,283,994 | 2,103,000 | 1,541,481 | 2,025,296 | 483,815 | 31.4% |
| 22 Staff Support & Admin Overhead | 855,148 | 1,702,200 | 1,444,194 | 1,853,835 | 409,640 | 28.4% |
| 23 Board of Directors and Related Costs | 11,073 | 13,900 | 15,227 | 19,750 | 4,523 | 29.7% |
| 24 Other Administrative Costs | 97,893 | 227,910 | 171,755 | 283,148 | 111,393 | 64.9% |
| 25 Interest Expense on Operating Advances | 234,220 | - | - | - | - | 0.0% |
| 26 Credit Fee | 400,000 | 374,840 | 374,840 | 308,880 | (65,960) | (17.6%) |
| 27 SMCEL-JPA Bond Related Debt Fees | 393,074 | 414,377 | 414,377 | 325,097 | (89,280) | (21.5%) |
| 28 SMCEL-JPA Bond Interest | 1,408,192 | 3,279,850 | 2,334,750 | 1,389,960 | (944,790) | (40.5%) |
| 29 SMCEL-JPA Bond Principal Payment | - | - | - | 16,170,000 | 16,170,000 | 100.0% |
| 30 Capital Rehabilitation and Replacement Project | - | - | - | 2,000,000 | 2,000,000 | 100.0% |
| 31 Operating Loan Payoff | - | 6,000,000 | 6,000,000 | - | (6,000,000) | -100.0% |
| 32 Capital Reserve Projected Contribution | - | 9,080,000 | - | - | - | 0.0% |
| 33 TOTAL USES | \$ 15,711,379 | \$ 37,080,077 | \$ 25,620,706 | \$ 40,163,504 | \$ 14,542,798 | 56.8% |
| 34 PROJECTED SOURCES OVER USES | \$ 21,676,892 | \$ 3,243,037 | \$ 11,767,890 | \$ 15,895,252 | \$ 4,127,362 | 35.1% |



Fiscal Year 2027 Proposed Budget

Item # 4.2

Agenda

1. Overview
2. Changes from the May Board
3. Bond Principal Payment
4. FY27 Proposed Budget
5. Staff Recommendation

Overview

FY26 Forecast

- No change

FY27 Preliminary to Proposed Budget

- Total Sources: ↑ \$16.04M
- Total Uses: ↑ \$16.26M
- Projected Sources over Uses: ↓ \$0.22M

Changes from the May Board

- **Bond Principal Payment \$16.17M**
 - 85% of available Revenue Sharing Fund (RSF) balance
 - FY27 Proposed Budget assumes a Bond Principal Balance of \$77.22M after paydown
- **Toll Operations and Maintenance (BAIFA): ↑ \$1.18M**

Bond Principal Payment \$16.17M

SOURCES

- Revenue Sharing Funds – Bond Principal Payment: ↑ \$16.17M
- Miscellaneous Revenue (Interest Income): ↓ \$0.13M

USES

- Credit Fee: ↓ \$0.06M
- Bond Related Debt Fees: ↓ \$0.09M
- Bond Interest: ↓ \$0.94M
- Bond Principal Payment: ↑ \$16.17M

FY27 Proposed Budget

| | FY27 PRELIMINARY BUDGET (in millions) | FY27 PROPOSED BUDGET (in millions) | \$ CHANGE (in millions) | % CHANGE |
|------------------------------------|--|---|-------------------------------|--------------|
| Total Sources | \$ 40.01 | \$ 56.06 | \$ 16.04 | 40.1% |
| Total Uses | 23.90 | 40.16 | 16.26 | 68.0% |
| Projected Sources over Uses | \$ 16.11 | \$ 15.90 | (\$ 0.22) | -1.3% |

Staff Recommendation

- Adopt the FY27 Proposed Budget in the amount of \$40,163,504
- Authorize annual investment delegation



Questions?

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: June 15, 2026

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

From: Kim Comstock, SMCEL- JPA Program Director

Subject: Receive an informational presentation from the Riverside County Transportation Commission (RCTC) regarding implementation of Vehicle Occupancy Detection (VOD), also referred to as Occupancy Detection Systems (ODS) technology on the 91 Express Lanes.

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

RECOMMENDATION

Receive an informational presentation from the Riverside County Transportation Commission (RCTC) regarding implementation of Vehicle Occupancy Detection (VOD), also referred to as Occupancy Detection Systems (ODS) technology on the 91 Express Lanes.

FISCAL IMPACT

This is an informational report only.

Staff anticipates continuing to research and evaluate Vehicle Occupancy Detection (VOD), also referred to as Occupancy Detection Systems (ODS) technology, in Fiscal Year 2027. Areas of research include potential operational, legal, policy, and financial considerations associated with future implementation options for the US 101 Express Lanes system.

BACKGROUND

The San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA) continues to evaluate technologies and operational strategies to improve express lane enforcement, support toll revenue integrity, and reduce occupancy mis-declarations within the US 101 Express Lanes system.

VOD/ODS uses roadside technology and camera systems to assist in verifying vehicle occupancy declarations associated with FasTrak Flex transponders. These systems are intended to support enforcement activities and improve compliance with express lane toll policies.

The Riverside County Transportation Commission (RCTC), operator of the 91 Express Lanes, has implemented VOD/ODS technology as part of its express lane operations and enforcement program. RCTC's experience includes system procurement, integration with existing toll infrastructure, operational considerations, privacy considerations, enforcement coordination, and lessons learned during deployment and operation.

At previous Board meetings, Board Members expressed interest in learning more about VOD/ODS technology, including implementation considerations, operational impacts, and potential applicability to the US 101 Express Lanes system. As part of this effort, staff has invited RCTC representatives to provide an informational presentation to the Board regarding their experience with the technology.

Reinland Jones, Deputy Director of Toll Operations Technology & Roadway at the Riverside County Transportation Commission, will provide a presentation regarding RCTC's implementation and operation experience of VOD/ODS technology on the 91 Express Lanes.

Discussion

The presentation is intended to provide the Board with:

- An overview of VOD/ODS technology and how it functions within an express lanes environment
- Background on the 91 Express Lanes occupancy detection program
- Lessons learned from RCTC's implementation and operations
- Discussion regarding enforcement coordination and operational processes
- Information regarding system benefits, challenges, and limitations
- Discussion regarding privacy and data considerations; and
- High-level information regarding costs, maintenance, and ongoing operational needs

Attachment:

1. Riverside County Transportation Commission VOD/ODS Presentation

91 EXPRESS LANES OCCUPANCY DETECTION SYSTEM

San Mateo County Express Lanes JPA

June 15th 2026



Reinland Jones, Deputy Director of Toll Operations Technology & Roadway



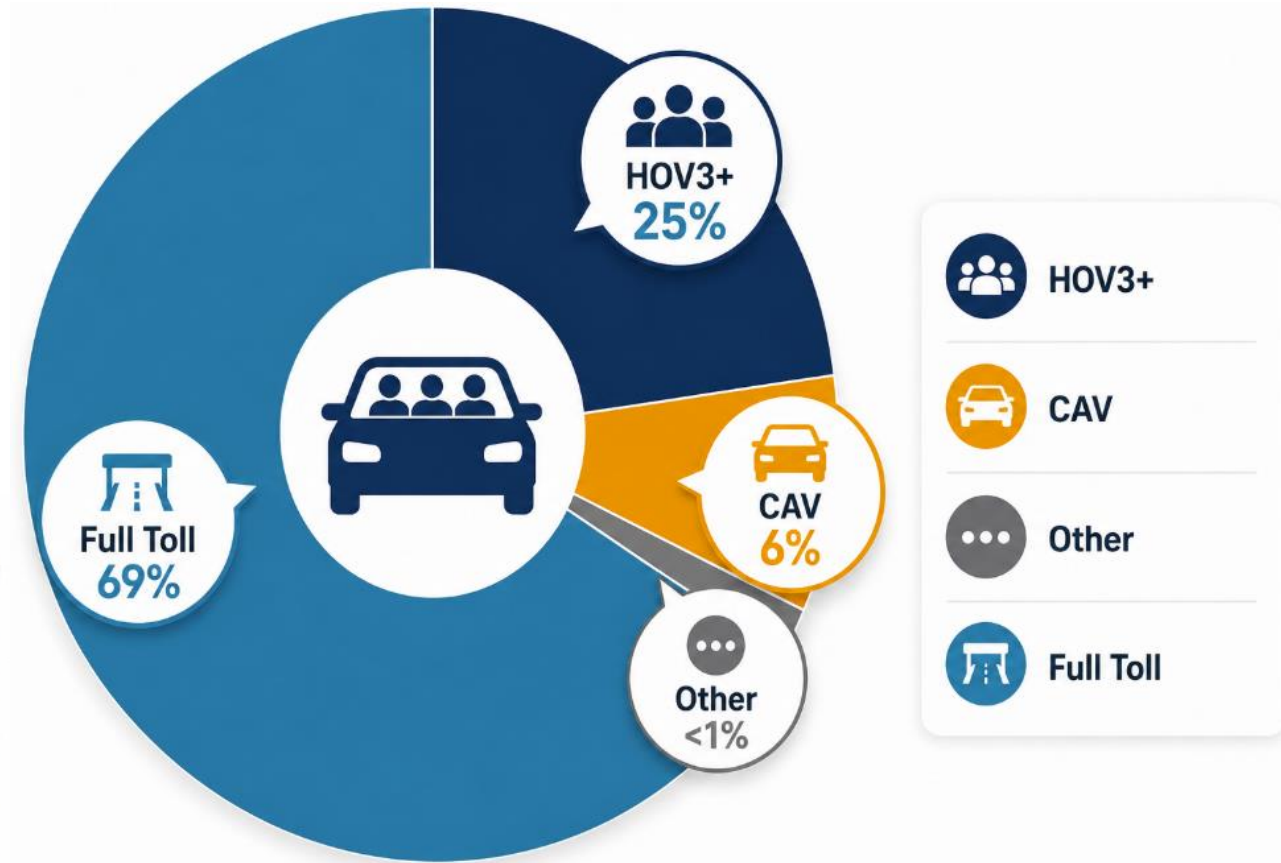
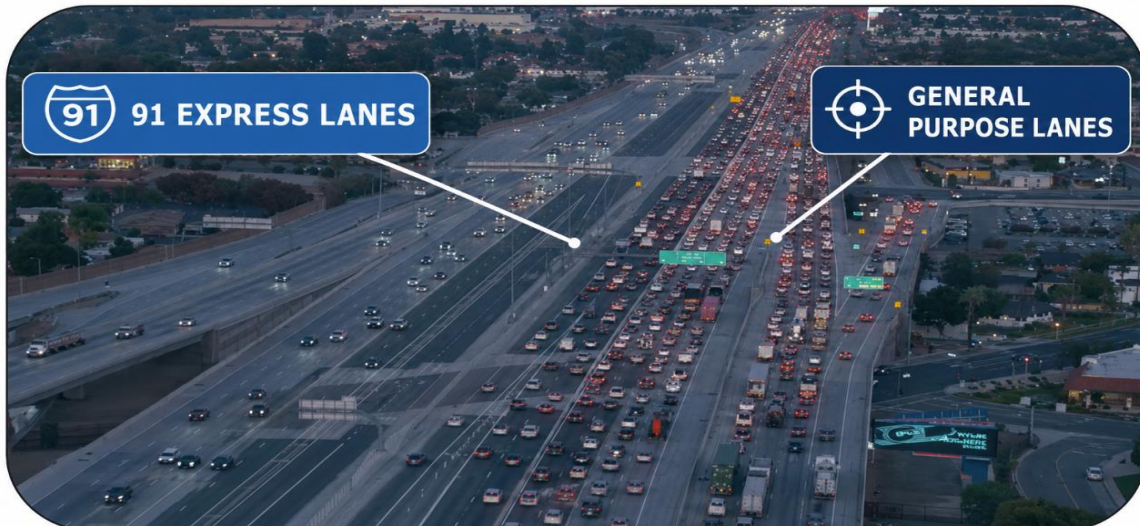
91 Express Lanes



**RIVERSIDE
COUNTY
TRANSPORTATION
COMMISSION**

Why ODS?

- Peak period over capacity
- Dynamic Pricing ineffective
- Increasing HOV3+ rate
- High rate of non-compliance
- CHP enforcement ineffective



91 Express Lanes Carpool Discount



Three or more vehicles receive 100% discount



Monday through Friday 4-6 PM eastbound 50% discount



Peak toll is \$24.80



HOV3+ Self-declaration reached 25%



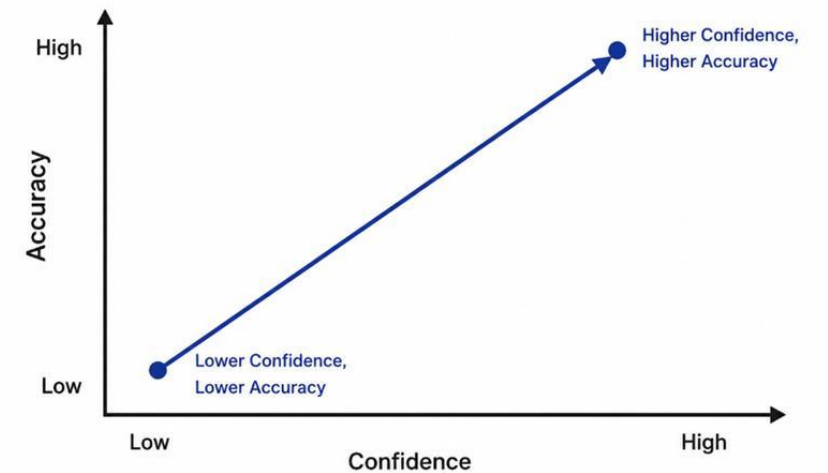
400,000 HOV3+ monthly transactions



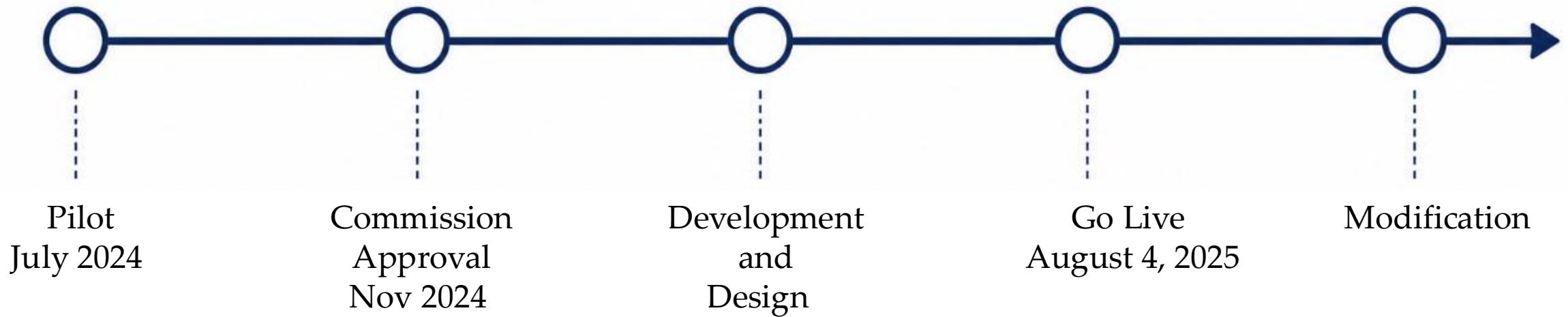
ODS CAMERA



Confidence vs. Accuracy



Deployment Timeline



OCCUPANCY DETECTION SYSTEM

The 91 Express Lanes utilizes images of vehicles using the 3+ carpool lane in Riverside County to verify that at least three occupants are present at the time of travel. If fewer than three occupants are present, the carpool discount will not be given, and a \$5 occupancy correction fee will be added to the transaction.



Processing Flow



Image Review Process

- Kapsch staff reviewing images
- Conservative approach
- Seeking 99% accuracy
- Audited by RCTC staff



Dummies



Child Seats



Window Tint

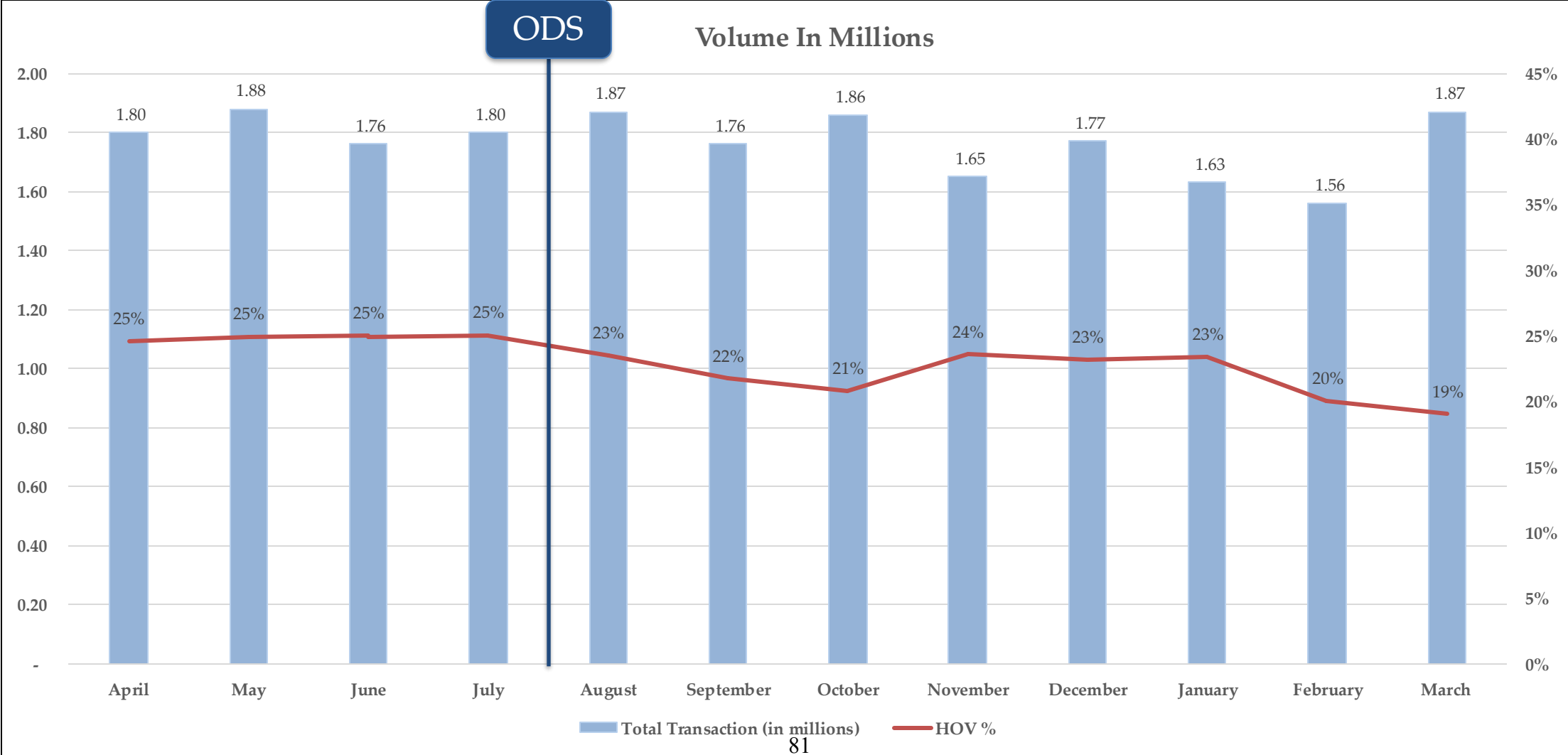


Privacy & Data Governance

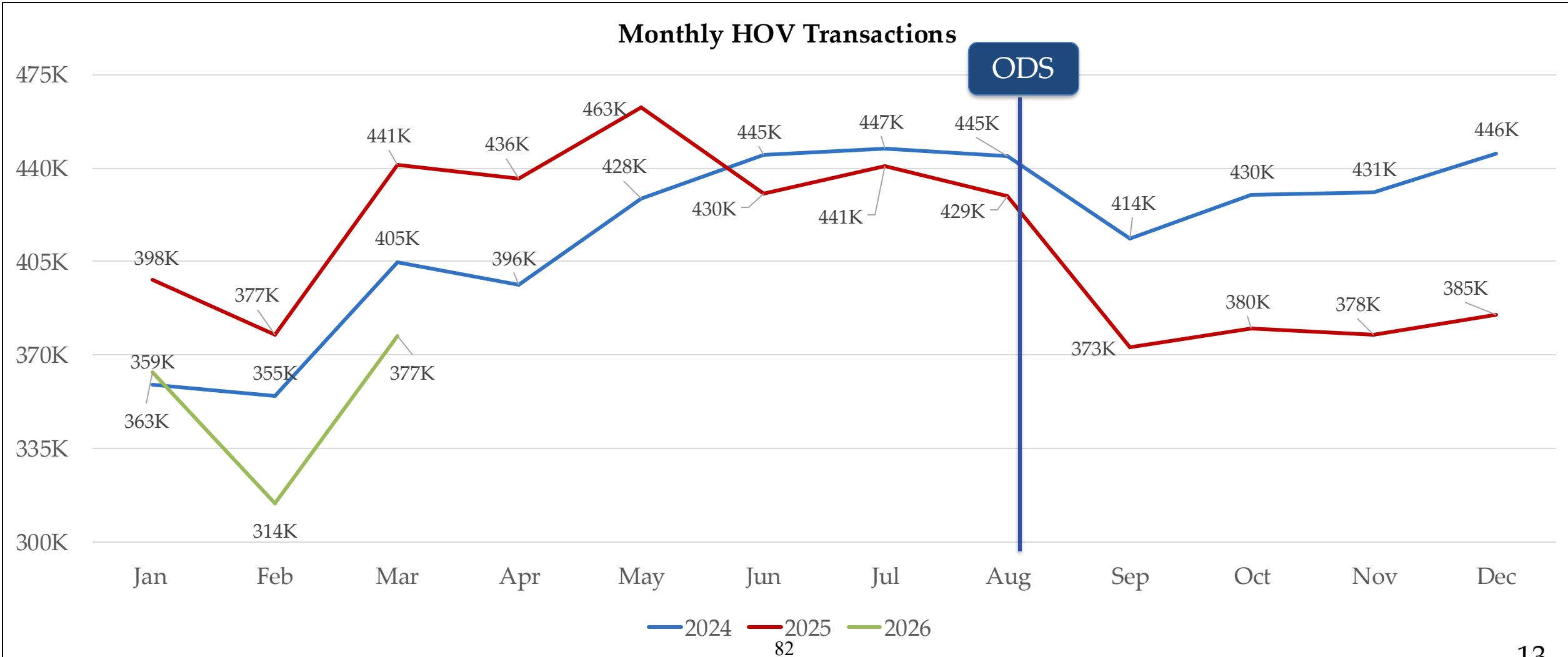
- Only retain photos for transactions which are not given the discount
- Photos are stored within the secure Kapsch System
- Images are available upon request to the registered owner of the vehicle



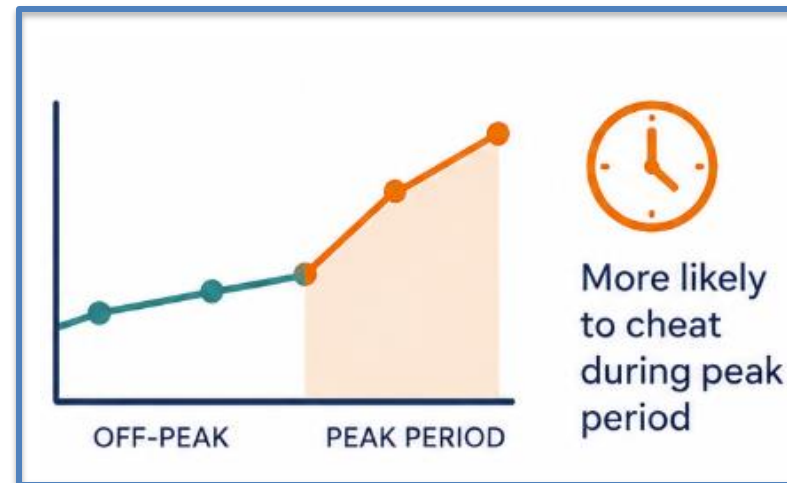
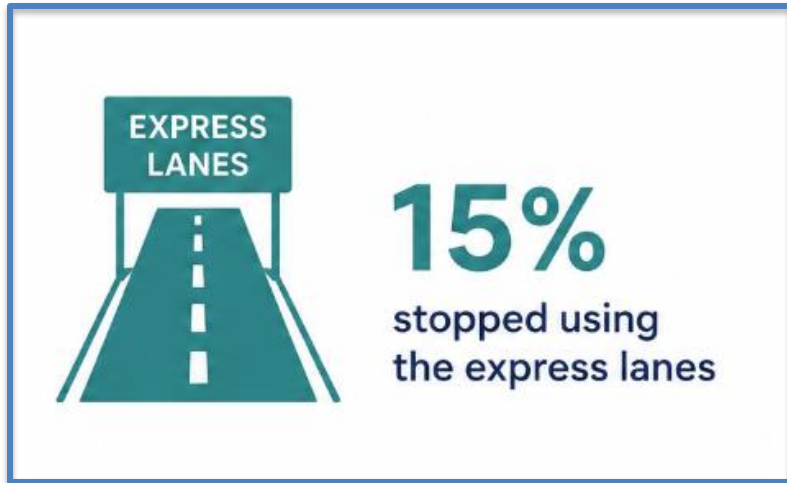
Performance



HOV3+ Transactions



Customer Response



Return on Investment



Summary Findings

- The HOV3+ rate dropped from 25% to 19%
- 25% reduction in HOV3+ transactions
- The revenue generated will cover cost in 19 months
- Experienced very few customer inquiries
- Media coverage promotes equity
- The distance between the ODS camera and vehicle impacts success
- AI determination of cheaters not ready for full automation

THANK YOU

QUESTIONS



San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: June 15, 2026

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

From: Executive Council

Subject: Election of a Chairperson and a Vice Chairperson to serve a one-year term effective July 1, 2026.

(For further information or questions, contact Kaki Cheung at kcheung1@smcgov.org or April Chan at chana@samtrans.com.)

RECOMMENDATION

That the San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA) Board of Directors elect a Chair and Vice-Chair to serve a one-year term effective July 1, 2026.

FISCAL IMPACT

None

SOURCE OF FUNDS

N/A

BACKGROUND

The Joint Exercise of Powers Agreement (JEPA) for the San Mateo County Express Lanes, Article IV, Section 4.6 states that the Board will elect a Chair and Vice-Chair from its members. See Attachment 1 for the JEPA.

Chairperson and Vice Chairperson

The Chair and Vice-Chair will each serve a one-year term. They must be appointees from different member organizations, which include the City/County Association of Governments of San Mateo County (C/CAG) and the San Mateo County Transportation Authority (SMCTA). Further, the Chair and Vice-Chair positions must be held by appointees of alternating Members in alternating years (e.g., in Year 1, one of Member A's appointees will be the Chair and one of Member B's appointees will be the Vice-Chair; the opposite will be true in Year 2). This rotation and the term of office may be altered as designated in rules or bylaws established by the Board.

On June 20, 2025, the SMCEL-JPA appointed City of San Bruno Councilmember Michael Salazar (C/CAG) as the Chair and City of East Palo Alto Councilmember Carlos Romero (SMCTA) as Vice-Chair.

Staff recommends the election of the Chairperson precede the election of the Vice Chairperson.

The Chair will preside over all meetings of the board and will sign all contracts on behalf of the SMCEL-JPA, except contracts that the Board may authorize an officer or agent, or employee of the SMCEL-JPA to sign. The Chair will perform such other duties as may be imposed by the Board in accordance with law and the JEP A.

The Vice-Chair will act, sign contracts, and perform all of the Chair's duties in the absence of the Chair.

Voting

In accordance with the JEP A, voting on the Chair and Vice-Chair will require five (5) Board members to be present, and requires the affirmative vote of at least four (4) Board members.

ATTACHMENT

1. The JEP A is available online at: <https://ccag.ca.gov/wp-content/uploads/2018/07/First-Amended-and-Restated-JEP A-executed-agreement-CCAG.pdf>.