

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

Meeting No. 37
June 10, 2022

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

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

1.0 CALL TO ORDER/ ROLL CALL

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

Members Present:

C/CAG Members:

Diane Papan, Maryann Moise Derwin

SMCTA Members:

Rico Medina, Emily Beach

Members Absent:

Don Horsley

Staff Present:

Sean Charpentier – Executive Council

Carter Mau – Executive Council

Mima Crume – Clerk

Tim Fox – Legal Counsel

Van Ocampo – C/CAG staff supporting SMCEL-JPA

Carter Mau, April Chan, Joe Hurley, Grace Martinez, Jeannie Chen, Connie Mobley-

Ritter – SMCTA staff supporting SMCEL-JPA

Lacy Vong, Christa Cassidy, Monique Fuhrman – HNTB

Other members of staff and the public were in attendance.

2.0 BRIEF OVERVIEW OF TELECONFERENCE MEETING PROCEDURES

Clerk Crume provided an overview of the teleconference meeting procedures.

3.0 PUBLIC COMMENT

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

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

4.0 APPROVAL OF CONSENT AGENDA

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

- 4.1 Review and approval of Resolution SCMEL 22-13 finding that, as a result of the continuing COVID-19 pandemic state of emergency declared by Governor Newsom, meeting in person would present imminent risks to the health or safety of attendees. APPROVED
- 4.2 Approval of the minutes of Board of Directors regular business meeting No. 36 dated May 13, 2022. APPROVED
- 4.3 Accept the Sources and Uses of Funds for the FY22 Period Ending April 30, 2022. APPROVED
- 4.4 Review and approval of Resolution SMCEL 22-19 authorizing the SMCEL-JPA Chair to execute Amendment No. 3 to the Agreement with the Office of County Counsel of San Mateo County for general legal services for Fiscal Year 2022/2023 in an amount not to exceed \$60,000. APPROVED
- 4.5 Review and Approval of Resolution SMCEL 22-14 Approving the Fiber Optic Infrastructure Operations & Maintenance Agreement between the State of California Department of Transportation (CALTRANS) and the San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA) for the US 101 Express Lanes. APPROVED
- 4.6 Review and approval of Resolution SMCEL 22-15 approving the License Agreement between the City of San Carlos and SMCEL-JPA for Express Lanes Toll facilities within the City Rights of Way. APPROVED

Director Aguirre MOVED to approve the consent agenda. Chair Papan SECONDED. Roll call was taken. **MOTION CARRIED 4-0-0** (No response from Director Medina)

5.0 REGULAR AGENDA

- 5.1 Public Hearing: Approval of Resolution SMCEL 22-16 adopting the Fiscal Year (FY) 2023 SMCEL-JPA Operating Budget of \$9,574,961. APPROVED

The Board received a brief presentation on the FY2023 SMCEL-JPA Operating Budget. The FY2022 budget forecast assumed 5 months of operations in the southern segment. Staff developed the FY2023 Budget to reflect a 12 months operational period. The projected toll revenues are insufficient to cover expenses. Therefore, SMCTA and C/CAG will need to continue to loan funds to support JPA operations in the new fiscal year. To better project revenues and expenses for the northern segment, more data is needed and the JPA budget will be amended at that time.

Chair Papan asked about the methodology for estimating the \$4.4M in proposed toll revenues.

Grace Martinez responded that the basis for the estimate is the actual revenues from lane opening in February to March. The figure is then used to project the annual revenue.

Chair Papan commented that the FasTrak operating expenses will likely double once the northern section opens.

Sean Charpentier noted that the FasTrak expenses will go up. The team is waiting to collect additional data. The expenses represent a combination of fixed and variable costs. Staff hopes to bring additional information to the Board.

Director Derwin asked if there are any reasons to be concerned with these financial numbers with the Russia-Ukraine war and high inflation. She also inquired about the bond and interest rates.

Grace said the FY2023 budget was developed based on limited data available to date. In the presentation made last month, the interest rates affected the loan on the agency, but there was enough buffer there. The loan was structured to include about three to five years' worth of interest.

April added that staff is evaluating the interest rate and studying how it may impact paying back the loan. Staff is preparing a presentation for the TA Board and can bring the discussion back to the JPA Board in the July meeting.

Chair Papan asked where we are at with the interest rate in the bond.

Connie Mobley-Ritter responded that this is an item that the finance team follows on a daily basis. Yesterday the daily rate was at 21 basis points or .21%, and the weekly rates were at 52 basis points. The capitalized interest was assumed to cover at least 3 years' worth of interest payments, along with all of the fees and remarketing rates associated with the bonds. In March, it looked like that there was sufficient capitalized interest to last into 2025. Interest rates have gone up since, but the expectation is that it will still take us to December 2024.

Chair Papan inquired about the interest rate the JPA started with.

Connie said it was at 1 basis point.

Chair Papan suggested staff report on this topic regularly on the agenda.

Director Aguirre MOVED to approve the regular agenda. Director Derwin SECONDED. Roll call was taken. **MOTION CARRIED 5-0-0**

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

The Board received an update on the US 101 Express Lanes operations. The average potential daily revenue for the southern segment during this period was \$18,203. Daily average express lanes volumes continue to increase month to month. Express Lanes continue to operate at about 10 to 12 mph faster than the general purpose lanes in both directions during peak periods. Out of these trips, most continue to be image-based trips followed by drivers who declared as single occupant vehicle (SOV). Clean Air Vehicle (CAV) declarations represented the smallest portion of trips at about 1.5% in April. The general observation is the express lanes continue to be in a period of ramp-up. As congestion continues to climb back to pre-pandemic levels in the corridor, the express lane volumes and associated toll rates are expected to increase.

Director Aguirre asked if the team considered the potential decrease in demand due to summer travel and how the data will be gathered and reflected.

Lacy Vong said that the team is reporting actual performance of the lane. The team works closely with Connie and Grace to project usage for the new fiscal year budget.

Director Derwin asked if we have data for violators.

Lacy said violation notices have started going out and customers have a certain time to pay the fee. There's some data once violations are being paid.

Clerk Crume reported that there were no public comments.

5.3 Election of a Chairperson and a Vice Chairperson to serve a one-year term, effective July 1, 2022. APPROVED

Director Aguirre MOVED to elect Rico Medina as the SMCEL-JPA Chairperson. Board Member Beach SECONDED. Roll call was taken. **MOTION CARRIED 5-0-0**

Vice Chair Medina made a motion to nominate Director Derwin as the next Vice Chair. Director Derwin expressed appreciation of the nomination, but she has not formally announced her re-election for the fall as Town Council.

Vice Chair Medina MOVED to elect Aguirre as the SMCEL-JPA Vice Chair. Board Member Derwin SECONDED. Roll call was taken. **MOTION**

CARRIED 5-0-0

6.0 REPORTS

- a) Chairperson Report.

None.

- b) Member Communication.

None.

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

Carter Mau thank Chair Papan for her leadership to the SMCEL-JPA. He has added with the uncertainties on return to work, gas prices, the war in Ukraine, uncertainties is a factor on top of everyone's minds when developing budgets. The team will continue to give regular updates.

Sean Charpentier thanked Chair Papan and vice Chair Medina leadership over the last year. He has presented on the equity program at the California Association of Toll Operators (CTOC) meeting in Burlingame. There's been a widespread regional discussion about equity and pricing. To date, it's mostly focused on the bridges. BATA reduced its fines and penalties on its bridges. The express lanes operators began to discuss potential amendments to the fines and penalties to address equity concerns, while keeping the unique nature of express lanes in mind. This discussion will come to the JPA board in July as an informational item and potentially as an action item for the August board meeting.

- d) Policy/Program Manager Report.

Lacy noted that the PPM team would like to thank Chair Papan for her leadership, particularly in opening of the lane. The team looks forward to working with the new Chair and Vice Chair. She and Matt also presented on the JPA equity work in Seattle, WA, at the American Society of Civil Engineering Conference.

7.0 WRITTEN COMMUNICATIONS

None.

8.0 NEXT REGULAR MEETING

July 8, 2022

9.0 ADJOURNMENT – 9:45 a.m.