

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

Meeting No. 29

<p>Date: Friday, November 12, 2021</p> <p>Time: 9:00 A.M.</p>	<p>Join by Zoom: https://us02web.zoom.us/j/87954497547?pwd=eExwa1lSNkxGcS83YU9LeWlPZFpM2UT09</p> <p>Meeting ID: 879 5449 7547 Password: 111221</p> <p>Join by Phone: (669) 900-6833 Meeting ID: 879 5449 7547 Password: 111221</p>
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Board of Directors: Diane Papan (Chair), Rico Medina (Vice Chair), Alicia Aguirre, Emily Beach, Maryann Moise Derwin, and Don Horsley

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

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

- 1.0 CALL TO ORDER/ ROLL CALL
- 2.0 BRIEF OVERVIEW OF TELECONFERENCE MEETING PROCEDURES
- 3.0 Review and approval of Resolution SMCEL 21-19 finding that, as a result of the continuing COVID-19 pandemic state of emergency declared by Governor Newsom, meeting in person would present imminent risks to the health or safety of attendees. ACTION p. 1
- 4.0 PUBLIC COMMENT

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

5.0 APPROVAL OF CONSENT AGENDA

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

- 5.1 Approval of the minutes of Board of Directors regular business meeting No. 28 dated October 8, 2021. ACTION p. 6
- 5.2 Accept the Sources and Uses of Funds for the FY22 Period Ending September 30, 2021. ACTION p. 11
- 5.3 Review and approval of Resolution SMCEL 21-20 approving the License Agreement with the City of Redwood City for Express Lanes Toll facilities within City Rights of Way. ACTION p. 13
- 5.4 Accept the Annual Financial Report for the Fiscal Year Ended June 30, 2021. ACTION p. 37

6.0 REGULAR AGENDA

- 6.1 Authorize the Executive Council to sign the Bay Area Express Lanes Network Executive Steering Committee Memorandum of Understanding (MOU). ACTION p. 56
- 6.2 Receive a Presentation and update on the construction and schedule of the San Mateo 101 Express Lanes Project. INFORMATION p. 65

7.0 CLOSED SESSION

- 7.1 CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Cal. Gov't Code § 54956.8)
Property: No. 1 lanes on US 101 N/S from Santa Clara/San Mateo County Line to I-380 interchange
Agency Negotiator: SMCEL-JPA Executive Council
Negotiating Parties: SMCEL-JPA; California Department of Transportation
Under Negotiation: Price and terms of payment for leasehold interest

8.0 REPORTS

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

9.0 WRITTEN COMMUNICATIONS

None.

10.0 NEXT REGULAR MEETING

December 10, 2021

11.0 ADJOURNMENT

PUBLIC NOTICING: All notices of San Mateo County Express Lanes Joint Powers Authority Regular Board meetings, standing committee meetings, and special meetings will be posted at the San Mateo County Transit District Office, 1250 San Carlos Ave., San Carlos, CA.

PUBLIC RECORDS: Public records that relate to any item on the open session agenda for a regular Board meeting, standing committee meeting, or special meeting are available for public inspection. Those public records that are distributed less than 72 hours prior to a regular Board meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members, of the Board. The Board has designated the location of 555 County Center, 5th Floor, Redwood City, CA 94063, for the purpose of making public records available for inspection. Please note this location is temporarily closed to the public; please contact Mima Crume at mcrume@smcgov.org to arrange for inspection of public records.

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

Written comments should be emailed in advance of the meeting. Please read the following instructions carefully:

1. Your written comment should be emailed to mcrume@smcgov.org.
2. Your email should include the specific agenda item on which you are commenting or note that your comment concerns an item that is not on the agenda.
3. Members of the public are limited to one comment per agenda item.
4. The length of the emailed comment should be commensurate with the two minutes customarily allowed for verbal comments, which is approximately 250-300 words.
5. If your emailed comment is received at least 2 hours prior to the meeting, it will be provided to the SMCELJPA Board members, made publicly available on the Express Lanes website along with the agenda. We cannot guarantee that emails received less than 2 hours before the meeting will be read during the meeting, but such emails will be included in the administrative record of the meeting.

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

1. The SMCEL-JPA Board meeting may be accessed through Zoom at the online location indicated at the top of this agenda.
2. You may download the Zoom client or connect to the meeting using an internet browser. If using your browser, make sure you are using a current, up-to-date browser: Chrome 30+, Firefox 27+, Microsoft Edge 12+, Safari 7+. Certain functionality may be disabled in older browsers including Internet Explorer.
3. You will be asked to enter an email address and name. We request that you identify yourself by your name as this will be visible online and will be used to notify you that it is your turn to speak.
4. When the SMCEL-JPA Clerk or Chair call for the item on which you wish to speak, click on “raise hand” and if you joined the meeting by phone, dial *9 to raise your hand. The Clerk will activate and unmute speakers in turn. Speakers will be notified shortly before they are called on to speak.
5. When called, please limit your remarks to the time allotted.

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

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: November 12, 2021

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

From: Executive Council

Subject: Review and approval of Resolution 21-19 finding that, as a result of the continuing COVID-19 pandemic state of emergency declared by Governor Newsom, meeting in person would present imminent risks to the health or safety of attendees.

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

RECOMMENDATION

Review and approval of Resolution 21-19 finding that, as a result of the continuing COVID-19 pandemic state of emergency declared by Governor Newsom, meeting in person would present imminent risks to the health or safety of attendees.

FISCAL IMPACT

There is no Fiscal Impact associated with this item.

SOURCE OF FUNDS

None.

BACKGROUND

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

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

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

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

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

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

DISCUSSION

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

However, the California Department of Public Health and the federal Centers for Disease Control and Prevention have cautioned that the Delta variant of COVID-19, currently the dominant strain in the country, is more transmissible than prior variants of the virus, that it may cause more severe illness, and that even fully vaccinated individuals can spread the virus to others, resulting in rapid and alarming rates of COVID-19 cases and hospitalizations (<<https://www.cdc.gov/coronavirus/2019-ncov/variants/delta-variant.html>>).

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

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

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

We therefore recommend that the Board adopt findings that conducting in-person meetings at the present time would present an imminent risk to the health and safety of attendees. A resolution to that effect, and directing staff to take other such necessary or appropriate actions to implement the intent and purposes of the resolution, is attached hereto.

Because local rates of transmission of COVID-19 are still in the “substantial” tier as measured by the Centers for Disease Control, we recommend that the Board avail itself of the provisions of AB 361 allowing continuation of remote meetings by adopting findings to the effect that conducting in-person meetings would present an imminent risk to the health and safety of attendees. A resolution to that effect, and directing staff to take such other necessary or appropriate actions to implement the intent and purposes of the resolution, is attached hereto.

ATTACHMENTS

1. Resolution SMCEL 21-19

RESOLUTION SMCEL 21-19

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

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

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

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

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

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

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

WHEREAS, California Department of Public Health (“CDPH”) and the federal Centers for Disease Control and Prevention (“CDC”) caution that the Delta variant of COVID-19, currently the dominant strain of COVID-19 in the country, is more transmissible than prior variants of the virus, may cause more severe illness, and that even fully vaccinated

individuals can spread the virus to others resulting in rapid and alarming rates of COVID-19 cases and hospitalizations (<https://www.cdc.gov/coronavirus/2019-ncov/variants/delta-variant.html>); and

WHEREAS, the CDC has established a “Community Transmission” metric with 4 tiers designed to reflect a community’s COVID-19 case rate and percent positivity; and

WHEREAS, the County of San Mateo currently has a Community Transmission metric of “substantial” which is the second most serious of the tiers; and

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

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

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

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that

1. The recitals set forth above are true and correct.
2. The SMCEL-JPA Board of Directors finds that meeting in person would present imminent risks to the health or safety of attendees.
3. Staff is directed to take such other necessary or appropriate actions to implement the intent and purposes of this resolution.

PASSED, APPROVED, AND ADOPTED, THIS 12TH DAY OF NOVEMBER 2021.

Diane Papan, Chair

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

Meeting No. 28
October 8, 2021

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

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, Alicia Aguirre

SMCTA Members:

Rico Medina, Emily Beach, Don Horsley

Members Absent:

None.

Staff Present:

Sean Charpentier – Executive Council

Carter Mau – Executive Council

Mima Guilles – Clerk

Tim Fox – Legal Counsel

Van Ocampo – C/CAG staff supporting SMCEL-JPA

April Chan, Derek Hansel, Robert Casumbal – SMCTA staff supporting SMCEL-JPA

Lacy Vong, Matt Click – HNTB

Officer Jenelle Machado- CHP

Sergeant Sean Wilkenfeld-CHP

Other members of staff and the public were in attendance.

2.0 BRIEF OVERVIEW OF TELECONFERENCE MEETING PROCEDURES

Mima Guilles, Clerk of the Board, provided an overview of the teleconference meeting procedures.

- 3.0 Review and approval of Resolution 21-15 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

Director Medina MOVED to approve item 3.0. Director Aguirre SECONDED. Roll call was taken. **MOTION CARRIED 6-0-0**

4.0 PUBLIC COMMENT

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

Mima Guilles, Clerk of the Board stated that there were no public comments.

5.0 APPROVAL OF CONSENT AGENDA

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

- 5.1 Approval of the minutes of Board of Directors regular business meeting No. 27 dated September 10, 2021. APPROVED

- 5.2 Accept the Sources and Uses of Funds for the FY21 Period Ending June 30, 2021. APPROVED

- 5.3 Accept the Sources and Uses of Funds for the FY22 Period Ending August 31, 2021. APPROVED

Director Horsley MOVED to approve the consent agenda with minor revisions on the meeting minutes, Director Beach departed at 10:35am and not 10:05am. Director Beach SECONDED. Roll call was taken. **MOTION CARRIED 6-0-0**

6.0 REGULAR AGENDA

- 6.1 Review and approval of Resolution SMCEL 21-16 approving the License Agreements between the City of Menlo Park and SMCEL-JPA, and the City of East Palo Alto and SMCEL-JPA for Express Lanes Toll facilities within City Rights of Way. APPROVED

Van Ocampo, C/CAG staff gave a brief presentation on the License Agreements between the City of Menlo Park and SMCEL-JPA, and the City of East Palo Alto and SMCEL-JPA for Express Lanes Toll facilities within City Rights of Way.

Director Aguirre MOVED to approve item 6.1. Director Medina SECONDED. Roll call was taken. **MOTION CARRIED 6-0-0**

- 6.2 Review and approval of Resolution SMCEL 21-17 approving the TA Vendor Contract Supplement #3 with Gray-Bowen-Scott (GBS) not to exceed \$165,000 to continue to provide services to support development and execution of various operating, maintenance and licensing agreements for the SMCEL-JPA in FY 2022.
APPROVED

April Chan gave a brief presentation on the TA Vendor Contract Supplement #3 with Gray-Bowen-Scott (GBS) not to exceed \$165,000 to continue to provide services to support development and execution of various operating, maintenance and licensing agreements for the SMCEL-JPA in FY 2022.

Chair Papan asked if the \$165K in addition to the \$114 amendment.

April said yes, the \$114K was through the end of June 30th 2021, this one is from July 1, 2021 through June 30, 2022.

Director Beach MOVED to approve item 6.2. Director Derwin SECONDED. Roll call was taken. **MOTION CARRIED 6-0-0**

- 6.3 Review and Approval of Resolution SMCEL 21-18 authorizing the negotiation and execution of a service contract with the California Highway Patrol (CHP) for an initial period of one year commencing upon the opening of the first segment of the 101 Express Lanes in San Mateo County for an amount not to exceed \$200,000.
APPROVED

Lacy Vong gave a presentation on authorizing the negotiation and execution of a service contract with the California Highway Patrol (CHP) for an initial period of one year commencing upon the opening of the first segment of the 101 Express Lanes in San Mateo County for an amount not to exceed \$200,000.

Director Beach asked if this contract that is more expensive then we're going to need?

Lacy said it's for the one year and wanted it to be inclusive if we were going to provide services for the southern segment. They plan to do a kickoff and training to talk about what is in the area of service for that first year. We could go back with CHP before it's finalized to clarify the terms. We are charged only for services provided up to the services amount. The contract will give flexibility to direct if we wanted additional enforcement early on.

Director Beach added that in her observance of the new 680 Express Lanes, there wasn't a lot of enforcement out there. It occurred to her that the importance of a physical presence of CHP and the next level education component.

Director Horsley asked about the CHP's experience in other segments?

Sergeant Sean Wilkenfeld said that the citations that are issued the money is split up between the Courts, County and State. CHP makes no money off the citations they issue, the funds are set through the court system.

Chair Papan asked which percentage comes back to the JPA.

Derek Hansel answered zero. He said we will receive violation revenue that come through BAIFA and BATA. The revenue generated from citations issued by CHP will not be coming back to the JPA.

Director Horsley chimed in and said the County doesn't get much revenue in citation because of Court funding and goes to State. However, some cities do get some if the citation was written in their city.

Sergeant Wilkenfeld said that is correct. It would depend, if the County, incorporated or the City if it was written within a City limits.

Director Aguirre MOVED to approve item 6.3. Director Medina SECONDED. Roll call was taken. **MOTION CARRIED 6-0-0**

7.0 REPORTS

a) Chairperson Report.

None.

b) Member Communication.

Director Medina reported out that during their Transportation Authority meeting yesterday, a public speaker has commented that increasing lanes on the 101 through this process was not the right thing to do.

Director Beach said they have invited the individual to come and participate in these meeting moving forward, and noted that the Transit District and Transportation Authority is hosting a webinar roundtable on the future of autonomous vehicles in San Mateo County on November 17th 9am-12pm.

c) Executive Council Report - Executive Council Verbal Report.

Sean Charpentier reported out that the November Board meeting will be a very busy meeting that will include approval of many of our foundational operating and maintenance agreements in preparation for the opening. We are getting comments on the managed lane project north of I-380 and we do encourage those who comment to become engaged in the process. Staff can send the Directors standard language to send to people who comment to ensure that they are on the interested parties list for the release of future environmental documents.

d) Policy/Program Manager Report.

Matt Click gave an update that earlier in the week the JPA has participated in the toll policy discount advisory group that MTC is hosting regarding the proposed I-880 Express Lanes discount program that they are going to pilot next year. They have done 9 focus groups and had a town hall meeting. MTC has landed on a 50% low income discount inside the I-880 Express Lanes. If you are HOV 2+ and a member low income pilot program, you will get a 75% discount off of the full freight toll. The income eligibility level will be 200% of the Federal Poverty level, or \$26,000 for an individual. The pilot is planning to start in the second quarter of next year. On the last meeting Chair Papan asked about potential grant opportunities for equity. We are doing research at both the federal and state level and depending on delays, we should be prepared by November latest December. Also, HNTB has been invited to present to the CTC and will participate in a presentation on October 14, 2021.

8.0 WRITTEN COMMUNICATIONS

None.

9.0 NEXT REGULAR MEETING

November 12, 2021

10.0 ADJOURNMENT – 9:36 a.m.

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: November 12, 2021

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

From: Executive Council

Subject: Accept the Sources and Uses of Funds for the FY22 Period Ending September 30, 2021
(For further information, contact Derek Hansel, CFO, at 650-508-6466)

RECOMMENDATION

That the SMCEL-JPA Board accept and enter into the record the Sources and Uses of Funds for the FY22 Period Ending September 30, 2021.

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

BACKGROUND

Year to Date Sources of Funds: As of August year-to-date, the Total Sources of Funds are \$121,767, which represent the loan advances for FY22 under the two operating loan agreements between the SMCEL-JPA, the San Mateo County Transportation Authority, and the City/County Association of Governments.

Year to Date Uses of Funds: As of August year-to-date, the Total Uses of Funds are \$343,203. Major expenses are in Staff Support \$123,346 and Insurance \$137,275.

Budget Amendment:

There are no budget amendments for the month of September 2021.

Other Information:

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

ATTACHMENT

1. Sources and Uses of Funds Fiscal Year 2022 (September 2021)

SAN MATEO COUNTY EXPRESS LANE JPA
SOURCES AND USES OF FUNDS
Fiscal Year 2022
September 2021

	ACTUAL		BUDGET	
		As of 9/30/2021		Annual
SOURCES OF FUNDS:				
1	Advance from the City/County Association of Governments of San Mateo County	\$ 40,730	\$	1,314,045
2	Advance from the San Mateo County Transportation Authority	81,037		1,407,115
3	TOTAL SOURCES OF FUNDS	121,767		2,721,160
USES OF FUNDS:				
4	Staff Support	123,346		689,030
5	Administrative Overhead	19,148		53,415
6	Business Travel	-		10,000
7	Audit and Related Service	-		16,160
8	Office Supplies	-		3,000
9	Printing and Information Svcs	-		5,000
10	Legal Services	5,735		60,000
11	Consultant	49,074		1,614,707
12	Insurance	137,275		186,648
13	Miscellaneous	8,625		83,200
14	TOTAL USES OF FUNDS	343,203		2,721,160
15	EXCESS (DEFICIT)	\$ (221,436)	Note 1	\$ -
Note 1: FY22 Deficit as of September 2021 will be covered by the FY21 advance surplus.				
	FY22 Excess (Deficit)	(221,436)		
	FY21 Advance Surplus	311,214		
	Remaining FY21 Advance Surplus	<u>89,778</u>		
Additional Information:				
	Loan payables to the City/County Association of Governments of San Mateo County	\$ 1,437,048		
	Loan payables to the San Mateo County Transportation Authority	\$ 1,859,175		

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: November 12, 2021

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

From: Executive Council

Subject: Review and approval of Resolution SMCEL 21-20 approving the License Agreement with the City of Redwood City for Express Lanes Toll facilities within City Rights of Way.

(For further information please contact Van Dominic Ocampo at vocampo@smcgov.org)

RECOMMENDATION

Review and approve Resolution SMCEL 21-20 approving the License Agreement between the City of City of Redwood City and SMCEL-JPA for Express Lanes Toll facilities within City Rights of Way.

FISCAL IMPACT

There is no Fiscal Impact associated with the approval of the License Agreement. Insurance liability costs for the Express Lanes facilities within the city's Rights of Way are included in the annually adopted SMCEL-JPA Operating Budget, and maintenance expenses will be added to future budgets.

SOURCE OF FUNDS

None.

BACKGROUND

This San Mateo 101 Express Lanes Project (Project) will create 44 miles (22 miles in each direction) of new express lanes along the US 101 between the San Mateo - Santa Clara County Line and Interstate 380 (I-380) in South San Francisco. The Project is being constructed in two segments; the southern segment from the San Mateo/Santa Clara County Line to Whipple Avenue in Redwood City, and the northern segment from Whipple to Interstate-380.

Installation and testing of the Toll System facilities within the southern segment is almost complete with toll commencement for the said segment currently scheduled January 28, 2022. Some of the facilities necessary for the operations of the Express Lanes were installed outside of Caltrans' Right-of-Way and on the adjacent cities' rights of way. Examples of these facilities include, pull boxes, conduits, cables, electrical meters and pedestals, transformers, close circuit televisions (CCTV), etc. An encroachment

was previously issued by the City of Redwood City for the work to occur within its rights of way, but as the installation is now complete, it is necessary for the SMCEL-JPA to enter into a License Agreement with the City of Redwood City to document the presence of these facilities within the cities' rights of way.

Staff has negotiated the attached draft License Agreement between Redwood City and SMCEL-JPA. However, since the draft has not been approved by Redwood City's City Council, it is staff's recommendation that the Executive Council be authorized to negotiate final terms prior to execution by the Chair, subject to legal counsel approval.

ATTACHMENTS

1. Resolution SMCEL 21-20
2. Attachment A - License Agreement between the City of Redwood City and SMCEL-JPA

RESOLUTION SMCEL 21-20

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN MATEO COUNTY EXPRESS LANES JOINT POWERS AUTHORITY (SMCEL-JPA) AUTHORIZING THE CHAIR TO EXECUTE THE LICENSE AGREEMENT BETWEEN SMCEL-JPA AND THE CITY OF REDWOOD CITY.

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

WHEREAS, the San Mateo 101 Express Lanes Project (Project) will create 44 miles (22 miles in each direction) of new express lanes along the US 101 between the San Mateo - Santa Clara County Line and Interstate 380 (I-380) in South San Francisco; and

WHEREAS, some of the facilities necessary for the long-term operations of the Express Lanes were installed within the rights of way of the City of Redwood City including, but not limited to, pull boxes, conduits, cables, electrical meters and pedestals, transformers, close circuit televisions (CCTV), etc.; and

WHEREAS, the City of Redwood City owns and controls the public rights of way were these facilities were installed and will remain for the long-term operation of the Express Lanes; and

WHEREAS, the City of Redwood City agrees to allow the installation of these facilities within the public rights of way so long as the Express Lanes is in operation; and

WHEREAS, SMCEL-JPA is responsible for maintaining the facilities at no cost to the City of Redwood City.

NOW THEREFORE BE IT RESOLVED, that the SMCEL-JPA Board of Directors authorizes the Chair to execute the License Agreement between SMCEL-JPA and the City of Redwood City; and further authorize the Executive Council to negotiate the final agreement prior to execution by the Chair, subject to approval by SMCEL-JPA Legal Counsel.

PASSED, APPROVED, AND ADOPTED, THIS 12TH DAY OF NOVEMBER 2021.

Diane Papan, Chair

ATTACHMENT 1

LICENSE

This LICENSE AGREEMENT (“License”), made and entered into this ___ day of _____, 20___, by and between the City of Redwood City, a California charter city and municipal corporation (“Licensor”) and the San Mateo County Express Lanes Joint Powers Authority (“Licensee”). Together the Licensor and Licensee are referred to herein as “the Parties.”

RECITALS

- A. The Licensor owns or controls a certain parcel, easement or public right-of-way (the “Property”) more particularly described in Exhibit A.
- B. The Licensee wishes to install facilities for long-term operation of the San Mateo County Express Lanes Project on the portions of the Licensor’s Property as shown in Exhibit A (the “Premises”).
- C. The Licensor agrees that Licensee may install the Facilities on the Premises so long as Licensee maintains the Facilities under terms established by this License.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. License. Subject to the terms and conditions of this License, the Licensor licenses Licensee to construct, install, operate, maintain, repair, replace, and remove equipment as necessary for the operation of the San Mateo County Express Lanes Project (the “Facilities”) on the Premises as more particularly shown on the drawing which is attached hereto as Exhibit A to this License.
2. Use. Licensee shall use the Premises solely for purposes of the operation of the San Mateo County Express Lanes Project and will not use it for any other purpose whatsoever without an amendment to this License. Unless specifically provided otherwise herein, the Licensee shall have no right to locate any surface installation or to install fencing on any part of the Premises.
3. Term and Termination. The term of this License shall commence upon final approval of the encroachment permit for the work covered by the License and last until this License is terminated. Licensor may terminate this License in the event of Licensee’s default of any License provisions and failure to cure within 60 days of written notice provided pursuant to Paragraph 24 of this License.
4. Installation and Conformity with Approved Plans and Specifications. At its own expense, Licensee shall design, install and construct the Facilities of such material, and in a manner that will not at any time be a source of danger to, or interfere with the Licensor’s present or future use of the Premises, including but not limited to, use of the Premises as public right-of-way, or the use of the Premises by any utility presently franchised by the Licensor with installations in place at the time this License is entered into. If prior to installation, Licensor determines that the Licensee’s proposed installation will interfere with existing or proposed Licensor installations or any underground installations that predate this License, then Licensee shall at its sole expense redesign the Facilities to eliminate the interference as described by Licensor.

Licensee's contractor has obtained a permit for work within the right of way, attached hereto as Exhibit A and incorporated by this reference. Before performing any further construction, Licensee's contractors shall obtain all permits and insurance required by Licensor for work within the right-of-way and will pay all fees and reimburse Licensor for all reasonable and necessary costs incurred in inspecting and supervising the work performed.

After installation of the Facilities, Licensee shall back-fill, compact, repair and repave all resulting trenches, curbs, gutters and pavement to the satisfaction of the Licensor, in accordance with Licensor's standard designs and specifications.

If, in the sole judgment of Licensor, Licensee at any time fails to perform its obligations under this section, Licensor, at its option, may perform whatever work it deems necessary for the public safety, health and welfare, and Licensee shall reimburse Licensor within thirty (30) days after Licensor invoices Licensee for the actual cost to Licensor of performing such work. However, Licensor is not required to perform such work, and any failure by Licensor to perform Licensee's obligations shall not release Licensee from liability for any loss or damage caused by Licensee's failure to perform its obligations.

Installation and maintenance of the Facilities shall be accomplished in a manner which will not unreasonably impede Licensor's access to the Premises or impede its use for operation and maintenance of infrastructure, as determined by Licensor. The timing and manner of such construction, maintenance, and removal shall be done in compliance with the Licensor's requirements.

If the Facilities or any part thereof creates an emergency condition, and Licensor determines that the situation makes it unreasonable to notify Licensee or await action by Licensee, Licensor may take whatever actions it deems necessary to remedy the emergency situation at the sole expense of Licensee and Licensee will reimburse the Licensor within thirty (30) days after the Licensor invoices Licensee for its actual cost of performing such work.

5. Removal. If operation of the San Mateo County Express Lanes ends and the Facilities will no longer be used, Licensee agrees to remove the Facilities within one year of the operation's termination.
6. As-Builts. Upon completion of the construction and installation of the Facilities, the Licensee shall promptly provide Licensor with one set of reproducible as-built, record drawings, reflecting construction and installation as actually accomplished.
7. Location Markers and Marking. As deemed necessary by Licensor, Licensee shall furnish, install, and place signs to give notice and location of the Facilities. Licensee shall install permanent markers situated so as not to impede use of the Premises by the Licensor, members of the public or currently franchised utilities on each side of the public right-of-way where the Facilities cross the right-of-way. The permanent markers placed inside the Facilities shall indicate the location of the Facilities, the name and address of Licensee, and a telephone contact number for information regarding the Facilities. Licensee shall conduct periodic inspections of the markers to ensure that such markers are legible and in place as required herein.
8. Access to the Facilities. Licensee shall provide access to the Facilities whenever requested to do so by Licensor. Should any franchised utility or licensed contractor excavating near the Facilities require access to the facilities, Licensee shall permit such access upon written confirmation by Licensor that the franchised utility or licensed contractor has obtained any necessary approvals or permits for such access.

9. Indemnity. Licensee agrees to indemnify and hold harmless the Licensor and its elected and appointed officials, agents and employees from any claims, actions, suits or other proceedings arising from or out of the acts or omissions of the Licensee, its agents, representatives, contractors or subcontractors or arising from the failure of the Licensee, its agents, representatives, contractors or subcontractors to perform any act or duty required of the Licensee herein. This indemnity shall not apply to any liability, claims, damages, losses or expenses, including attorney's fees, arising out of bodily injury to persons or damage or damage to property caused by or resulting from, in whole or in part, (1) the gross negligence or willful misconduct of Licensor, or its agents or employees; or (2) design specifications provided by City ordinances or imposed as conditions of approval.
10. Insurance. During the Term of this License, Licensee shall obtain and maintain the insurance set forth in Exhibit B to this Agreement.
11. Damages. Licensee shall repair or pay for all actual damages to the Premises, caused by Licensee's activities.
12. Interference. Whenever, after Licensee installs the Facilities, Licensor determines that the Facilities are not located as indicated on as-built plans provided to Licensor by the Licensee, and the Facilities interfere with Licensor's use of the Premises, Licensee shall immediately relocate the Facilities to another location approved in advance by Licensor, at Licensee's sole expense, restoring the surface to its prior condition.

If the Facilities are at the location indicated on the as-built plans provided to Licensor by Licensee and the Facilities interfere with Licensor's use of the Premises, Licensor will provide written notice to Licensee that relocation of the Facilities is required and the Licensee shall relocate the Facilities within ninety (90) days of notice to the new location as approved in advance by Licensor, at Licensee's sole expense, restoring the surface to its prior condition.

13. Interference with Utility. Whenever, after Licensee installs the Facilities, Licensor determines that the Facilities are not located as indicated on as-built plans provided to Licensor by Licensee, the Facilities interfere with the reasonable use of the Premises by a utility holding a franchise issued prior to execution of this License, Licensee shall immediately relocate the facility to a location approved in advance by Licensor. None of the related costs shall be paid by Licensor. If the Facility is at the location indicated on the as-built plans provided to the Licensor by the Licensee and it is alleged by a utility franchised by the Licensor prior to the execution of this License that the Facility interferes with the previously-franchised utility's use of the Licensor's Property, the Licensee shall make a good faith effort to negotiate with the previously-franchised utility to resolve any conflict. None of the related costs shall be paid by the Licensor. The Licensee and the previously franchised utility shall determine between themselves who will pay the cost of relocation and restoration of the surface. [first in time, first in right]
14. Installation by Third Party. Unless required by a pre-existing agreement, state or federal law, applicable government regulation, or order from a court of competent jurisdiction, Licensor shall not voluntarily permit, authorize or approve any installation or construction by a third party that would deprive Licensee of, or unreasonably interfere with Licensee's use and enjoyment of, the Premises during the term of the License. If any road, street, sidewalk, passageway, fire alarm, electric light or power line, waterline, storm drain, sanitary sewer line, gas line, telephone pole, telephone line or other utility, appurtenances or facility is placed along or across the Facilities by any entity other than Licensor, and the construction requires the Licensee to relocate the Facilities, then that entity and the Licensee shall determine between

themselves who will pay the cost of relocation and the restoration of the surface. None of the related costs shall be paid by Licensor.

15. Waiver. The waiver by either party of any breach or violation of any term, covenant, or condition of this License shall not be deemed a waiver of such term, covenant, condition, ordinance, or law, or of any subsequent breach or violation of the same or of any other term, covenant, condition, ordinance, or law.
16. Mediation. Should any dispute arise out of this License, either party may request that it be submitted to mediation. The parties shall meet in mediation within 30 days of a request. The mediator shall be agreed to by the mediating parties. The cost of mediation shall be borne by the Licensee. Neither party shall be deemed the prevailing party. No party shall be permitted to file a legal action without first meeting in mediation and making a good faith attempt to reach a mediated settlement. The mediation process, once commenced by a meeting with the mediator, shall last until agreement is reached by the parties but not more than 60 days, unless the maximum time is extended by the parties.
17. Entire Agreement. This License contains the entire agreement of the parties regarding the Facilities and supersedes any and all other agreements or understandings, oral or written, whether previous to the execution hereof or contemporaneous herewith.
18. Changes. Changes to this License are not binding unless made in a written amendment to this License duly authorized by each of the Parties.
19. Binding Effect and Authority. This License is binding upon and inures to the benefit of the successors and/or assigns of the parties. Each individual executing this License on behalf of a party entity represents and warrants that he or she is duly authorized to execute this License on behalf of that party.
20. Compliance with Laws. The Licensee and its contractors shall comply with all federal, state, and local laws, ordinances, regulations, and rules and will not discriminate illegally against any person.
21. Venue and Governing Law. This License is governed by and construed and enforced in accordance with the laws of the State of California. In the event of litigation, venue will be in the County of San Mateo.
22. Construction and Severability. If any part of this License is held to be invalid or unenforceable, the remainder of this License will remain valid and enforceable if the remainder of the License is reasonably capable of completion.
23. Assignment. The Licensee shall not assign or transfer any interest in this Agreement to a private party without the prior written consent of Licensor which consent shall not be unreasonably withheld.
24. Notice. For purposes of giving formal written notice to the Licensee, the Licensee's address is:

San Mateo County Express Lanes Joint Powers Authority
555 County Center, 5th Floor
Redwood City, CA 94063

For purposes of giving formal, written notice to Licensor, Licensor's address is:

City of Redwood City
Community Development and Transportation Department – Engineering Division
1017 Middlefield Road, Redwood City CA, 94063

Written notice must be made either personally or by regular United States Mail. If the notice is mailed, the notice will be complete when deposited in the United States Mail, postage paid, and addressed as required in this section. Notice of change of address will be given in the same manner as required by this Section.

EXHIBITS

Exhibit A – Permit, including Description of Property, Premises, and Facilities

Exhibit B – Insurance Requirements

DRAFT

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

CITY OF REDWOOD CITY

SAN MATEO COUNTY EXPRESS LANES
JOINT POWERS AUTHORITY

By:

By:

DON HORSLEY
CHAIR

Approved as to form:

Approved as to form:

By:

By:

Timothy Fox
Legal Counsel

DRAFT

EXHIBIT A

Permit, including Description of Property, Premises, and Facilities

DRAFT

EXHIBIT B

Insurance Requirements

1. Insurance. Licensee or its contractors and subcontractors as specified herein, shall obtain and maintain for the duration of the Agreement and any and all amendments, insurance against claims for injuries to persons or damage to property which may arise out of or in connection with installed toll equipment by Licensee or Licensee's agents, representatives, employees or subcontractors. The insurance carrier is required to maintain an A.M. Best rating of not less than "A-:VII".

1.1 Coverages and Limits. Licensee, at its sole expense, shall maintain or cause to be maintained by contractors the types of coverages and minimum limits indicated below, unless otherwise approved by Licensor in writing. These minimum amounts of coverage will not constitute any limitations or cap on Licensee's indemnification obligations under this Agreement.

1.1.1 Commercial General Liability Insurance. Licensee shall maintain occurrence based coverage with limits not less than \$2,000,000 per occurrence. If the submitted policies contain aggregate limits, such limits will apply separately to the Services, project, or location that is the subject of this Agreement or the aggregate will be twice the required per occurrence limit. The Commercial General Liability insurance policy shall be endorsed to name the Licensor, its officers, agents, employees and volunteers as additional insureds, and to state that the insurance will be primary and not contribute with any insurance or self-insurance maintained by the Licensor.

1.1.2 Business Automobile Liability Insurance. Licensee's contractor or subcontractor performing work under a permit issued by Licensor shall maintain coverage with limits not less than \$1,000,000 per each accident for owned, hired and non-owned automobiles.

1.1.3 Workers' Compensation and Employer's Liability Insurance. Licensee's contractor or subcontractor performing work under a permit issued by Licensor shall maintain coverage as required by the California Labor Code and Employer's Liability limits with limits not less than \$1,000,000 per each accident for bodily injury or disease. The Worker's Compensation policy shall contain an endorsement stating that the insurer waives any right to subrogation against the Licensor, its officers, agents, employees, and volunteers.

1.1.5 Professional Liability Insurance. Waived.

1.1.6 Property Insurance. Property insurance with Special Form coverage including theft, but excluding earthquake, with limits at least equal to the replacement cost of the toll equipment property.

1.2. Notice of Cancellation. This insurance will be in force during the life of the Agreement and any extensions of it and will not be canceled without Licensee providing thirty (30) days prior written notice to Licensor sent pursuant to the Notice provisions of this Agreement.

1.3 Providing Certificates of Insurance and Endorsements. Prior to Licensor's execution of this Agreement, Licensee shall provide to Licensor certificates of insurance and above-referenced endorsements sufficient to satisfaction of Licensor's Risk Manager for those coverages held by the

Licensee. Coverage provided by contractors of the Licensee would provide certificates and endorsements as part of their application for a permit as called for in the License. In no event shall Licensee or its contractors commence any work or provide any Services under this Agreement until certificates of insurance and endorsements have been accepted by Licensor's Risk Manager.

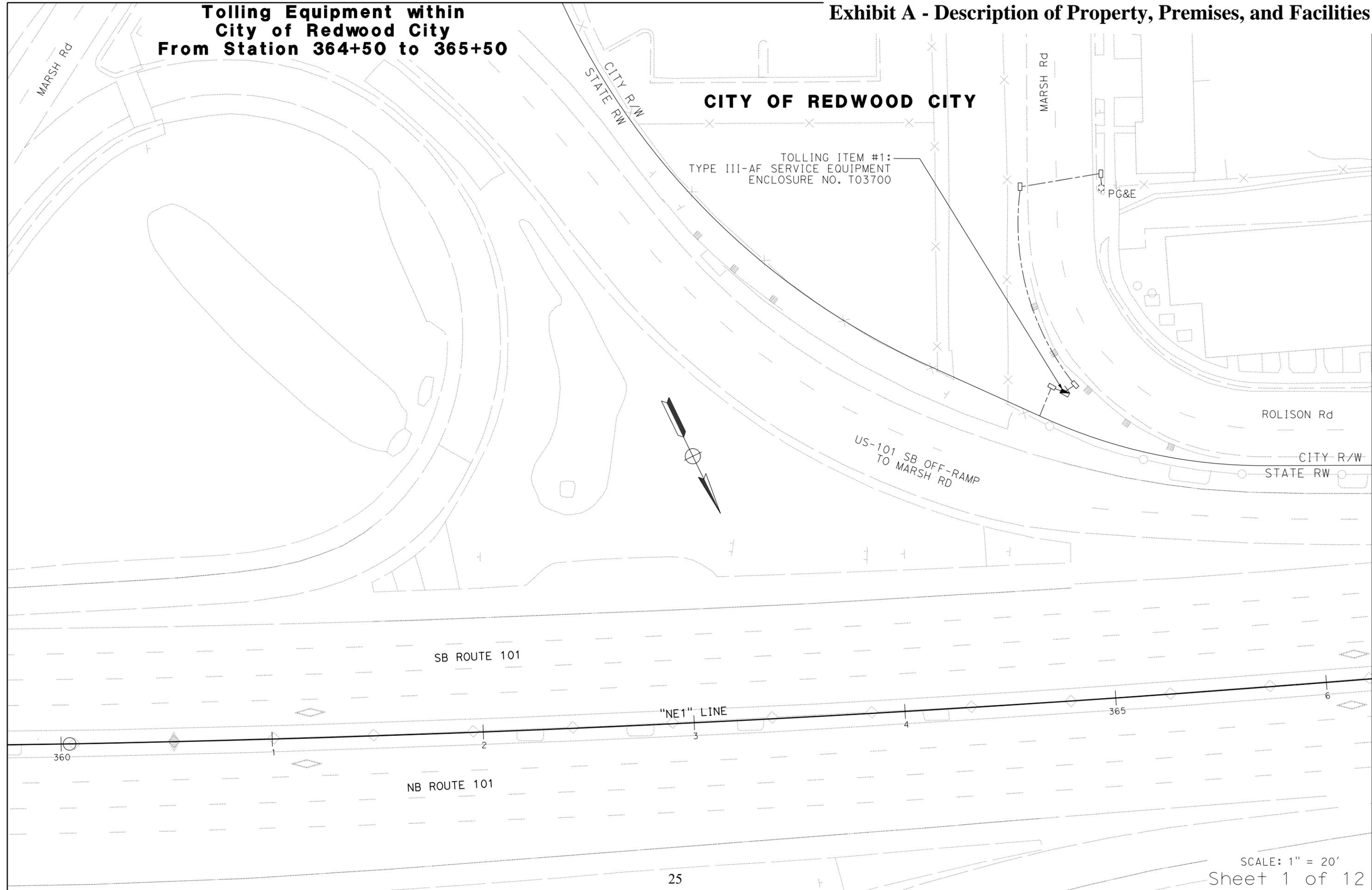
1.4 Failure to Maintain Coverage. If Licensee or its contractors fail to comply with these insurance requirements, then Licensor will have the option to declare Licensee in breach, or may purchase replacement insurance or pay the premiums that are due on existing policies in order to maintain the required coverages. Licensee is responsible for any payments made by Licensor to obtain or maintain insurance and Licensor may collect these payments from Licensee or deduct the amount paid from any sums due Licensee under this Agreement.

1.5 Submission of Insurance Policies. Licensor reserves the right to require, at any time, complete copies of any or all required insurance policies and endorsements.

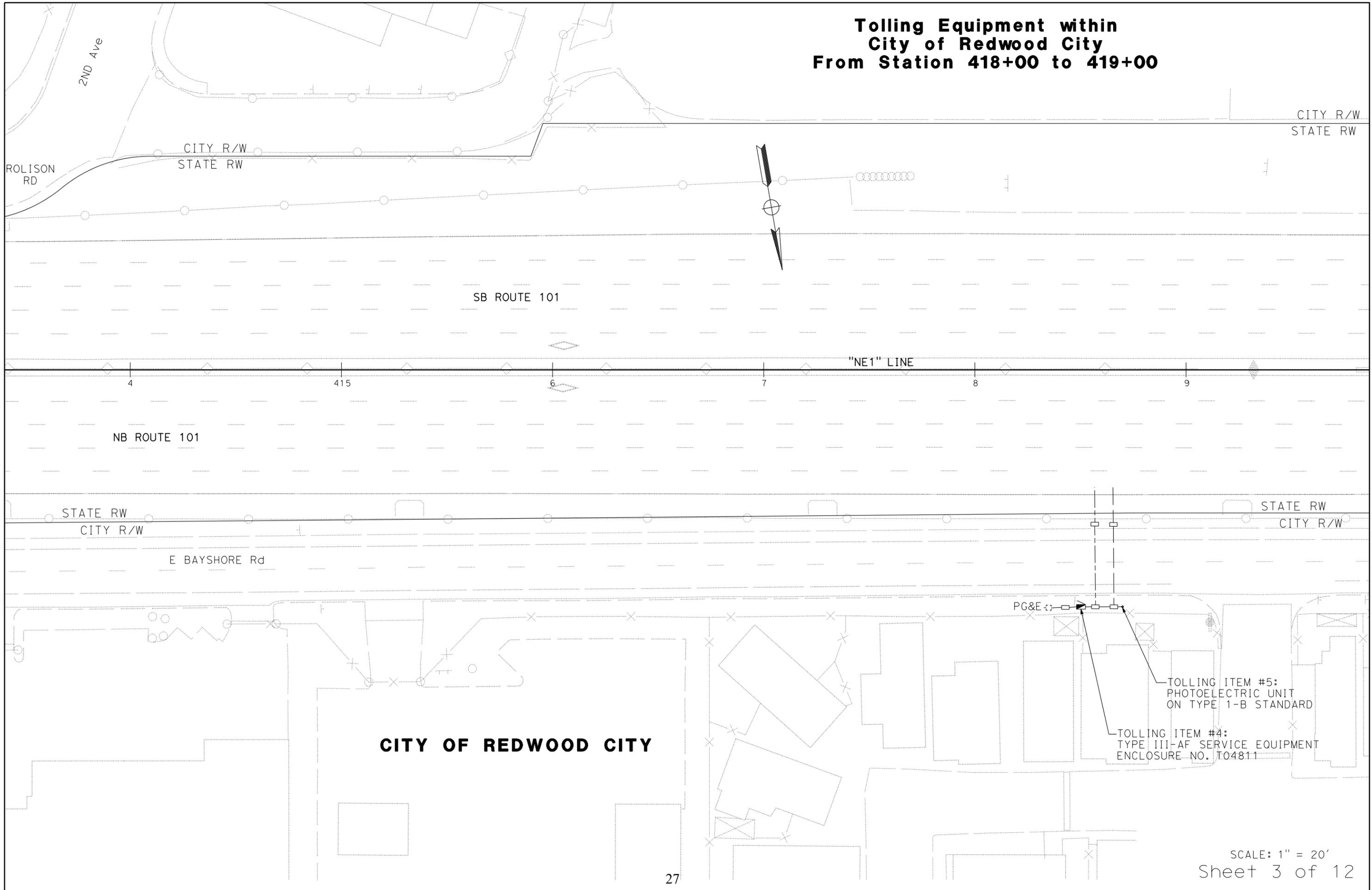
DRAFT

**Tolling Equipment within
City of Redwood City
From Station 364+50 to 365+50**

Exhibit A - Description of Property, Premises, and Facilities



**Tolling Equipment within
City of Redwood City
From Station 418+00 to 419+00**



SCALE: 1" = 20'
Sheet 3 of 12

**Tolling Equipment within
City of Redwood City
From Station 446+00 to 447+00**

CITY OF REDWOOD CITY

TOLLING ITEM #6:
TYPE III-AF SERVICE EQUIPMENT
ENCLOSURE NO. T05400

PG&E

TOLLING ITEM #7:
PHOTOELECTRIC UNIT
ON TYPE 1-B STANDARD

CITY R/W
STATE RW

CITY R/W
STATE RW

CHARTER ST

24 HOUR
FITNESS

SB ROUTE 101

"NE1" LINE

NB ROUTE 101



6

7

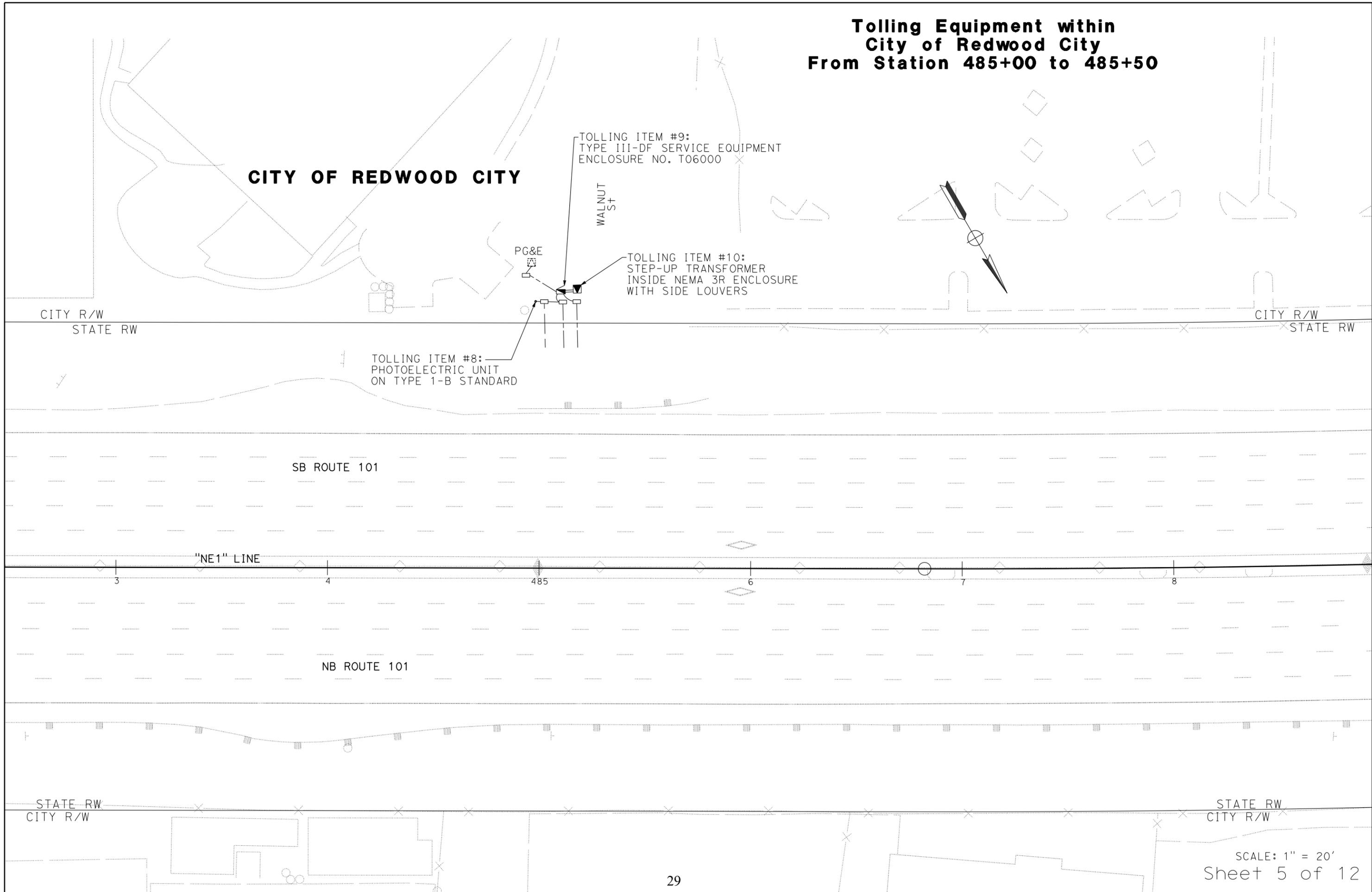
8

9

450

2

**Tolling Equipment within
City of Redwood City
From Station 485+00 to 485+50**



CITY OF REDWOOD CITY

TOLLING ITEM #9:
TYPE III-DF SERVICE EQUIPMENT
ENCLOSURE NO. T06000

WALNUT
St

TOLLING ITEM #10:
STEP-UP TRANSFORMER
INSIDE NEMA 3R ENCLOSURE
WITH SIDE LOUVERS

TOLLING ITEM #8:
PHOTOELECTRIC UNIT
ON TYPE 1-B STANDARD

CITY R/W
STATE RW

CITY R/W
STATE RW

SB ROUTE 101

"NE1" LINE

NB ROUTE 101

STATE RW
CITY R/W

STATE RW
CITY R/W

SCALE: 1" = 20'
Sheet 5 of 12

**Tolling Equipment within
City of Redwood City
From Station 511+00 to 512+50**

CITY R/W
STATE RW

CITY R/W
STATE RW



SB ROUTE 101

"NE1" LINE

NB ROUTE 101

STATE RW
CITY R/W

E BAYSHORE Rd

US-101 NB OFF-RAMP
TO WHIPPLE AVE

TOLLING ITEM #11:
PHOTOELECTRIC UNIT
ON TYPE 1-B STANDARD

TOLLING ITEM #12:
TYPE III-AF SERVICE EQUIPMENT
ENCLOSURE NO. T06011

CITY OF REDWOOD CITY

STATE RW
CITY R/W

SCALE: 1" = 20'
Sheet 6 of 12

Tolling Equipment within City of Redwood City



TOLLING ITEM #1:
TYPE III-AF SERVICE EQUIPMENT
ENCLOSURE NO. T03700

Tolling Equipment within City of Redwood City



TOLLING ITEM #3:
PHOTOELECTRIC UNIT ON TYPE
1-B STANDARD

TOLLING ITEM #2:
TYPE III-AF SERVICE EQUIPMENT
ENCLOSURE NO. T04111



TOLLING ITEM #3:
PHOTOELECTRIC UNIT ON
TYPE 1-B STANDARD

Tolling Equipment within City of Redwood City



TOLLING ITEM #5:
PHOTOELECTRIC UNIT ON
TYPE 1-B STANDARD

TOLLING ITEM #4:
TYPE III-AF SERVICE EQUIPMENT
ENCLOSURE NO. T04811



DO NOT BREAK SEALS
NO FUSES INSIDE

ENCLOSURE NO. T04811
120/240V 1Ø 3W

#T04811 - E. BAYSHORE RD. &
SELBY LN

TESCOFLEX
SERVICE PEDESTAL
PATENT NO. 3,906,295

Tolling Equipment within City of Redwood City

TOLLING ITEM #7:
PHOTOELECTRIC UNIT ON
TYPE 1-B STANDARD



TOLLING ITEM #6:
TYPE III-AF SERVICE EQUIPMENT
ENCLOSURE NO. T05400

Tolling Equipment within City of Redwood City

TOLLING ITEM #9:
TYPE III-DF SERVICE EQUIPMENT
ENCLOSURE NO. T06000

TOLLING ITEM #8:
PHOTOELECTRIC UNIT ON
TYPE 1-B STANDARD



TOLLING ITEM #10:
STEP-UP TRANSFORMER
INSIDE NEMA 3R ENCLOSURE
WITH SIDE LOUVERS



TOLLING ITEM #8:
PHOTOELECTRIC UNIT ON
TYPE 1-B STANDARD

Tolling Equipment within City of Redwood City



TOLLING ITEM #11:
PHOTOELECTRIC UNIT ON
TYPE 1-B STANDARD



TOLLING ITEM #12:
TYPE III-AF SERVICE EQUIPMENT
ENCLOSURE NO. T06011

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: November 12, 2021

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

From: Executive Council

Subject: Accept the Annual Financial Report for the Fiscal Year Ended June 30, 2021
(For further information, contact Derek Hansel, CFO, at 650-508-6466)

RECOMMENDATION

That the SMCEL-JPA Board accept and enter into the record the the Annual Financial Report for the Fiscal Year Ended June 30, 2021.

BACKGROUND

Annually, staff is responsible for preparation of an annual report on the financial position and financial results of the SMCEL-JPA. The SMCEL-JPA contracts with an independent auditor, Eide Bailly LLP, to conduct yearly audits of the Financial Statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. The independent auditor has provided an unmodified, or “clean,” opinion on the Financial Statements.

The SMCEL-JPA presents these audited financial statements, along with the auditor’s opinion thereupon, in a document called the Annual Financial Report (AFR). The AFR serves as the SMCEL-JPA’s primary source of disclosure to the public and to the financial community regarding the status of the SMCEL-JPA’s financial position.

ATTACHMENT

1. Auditor’s Letter dated October 11, 2021
2. Annual Financial Report for the Fiscal Year Ended June 30, 2021



October 11, 2021

To the Board of Directors of the
San Mateo County Express Lanes Joint Powers Authority
San Carlos, California

We have audited the financial statements of San Mateo County Express Lanes Joint Powers Authority (SMCELJPA) as of and for the year ended June 30, 2021, and have issued our report thereon dated October 11, 2021. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our letter dated April 20, 2021, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of SMCELJPA solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by SMCELJPA is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. No such significant accounting estimates were identified.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting SMCELJPA's financial statements relate to Note 3 regarding the loan payable to the Transportation Authority.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. There were no uncorrected or corrected misstatements identified as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated October 11, 2021.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with SMCELJPA, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as SMCELJPA's auditors.

Modification of the Auditor's Report

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

This report is intended solely for the information and use of the governing board, and management of SMCELJPA and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Eide Sully LLP".

Menlo Park, California

San Mateo County Express Lanes Joint Powers Authority (JPA)

City/County Association of Governments
of San Mateo County San Mateo County
Transportation Authority



Annual Financial Report

For the Fiscal Years Ended
June 30, 2021 and 2020.

San Mateo County Express Lanes Joint Powers Authority

Annual Financial Report

**For the Years Ended June 30, 2021
and June 30, 2020**

San Mateo County Express Lanes Joint Powers Authority

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June 30, 2021

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San Mateo County Express Lanes Joint Powers Authority

Maps of Express Lanes

June 30, 2021





Independent Auditor's Report

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

We have audited the accompanying financial statements of the San Mateo County Express Lanes Joint Powers Authority (SMCELJPA), as of and for the years ended June 30, 2021 and June 30, 2020, and the related notes to the financial statements, which collectively comprise the SMCELJPA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the SMCELJPA, as of June 30, 2021 and June 30, 2020, and the changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

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

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Menlo Park, California

October 11, 2021

San Mateo County Express Lanes Joint Powers Authority

Statements of Net Position

June 30, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash and Cash equivalents	\$ 475,627	\$ 246,454
Project loan proceeds held by the Transportation Authority	34,482,318	-
Prepaid items	124,432	10,767
Total Assets	35,082,377	257,221
Liabilities		
Current Liabilities		
Accounts payable	159,693	241,996
Due to SamTrans	10,939	251,196
Due to the Transportation Authority	118,340	491,055
Total Current Liabilities	288,972	984,247
Noncurrent Liabilities		
Operating loan payable	3,168,375	251,570
Long Term project loan payable	100,000,000	-
Total Noncurrent Liabilities	103,168,375	251,570
Total Liabilities	103,457,347	1,235,817
Net Position		
Unrestricted	(68,374,970)	(978,596)
Total Net Position	\$ (68,374,970)	\$ (978,596)

San Mateo County Express Lanes Joint Powers Authority
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2021 and 2020

	2021	2020
Operating revenues		
Toll revenue	\$ -	\$ -
Total operating revenue	-	-
Operating expenses		
Operations and maintenance	1,859,690	977,026
Project loan disbursement	65,517,682	-
Total operating expenses	67,377,372	977,026
Operating loss	(67,377,372)	(977,026)
Nonoperating expenses		
Investment expense	(19,002)	(1,570)
Total nonoperating revenues (expenses)	(19,002)	(1,570)
Change in net position	(67,396,374)	(978,596)
Net Position, beginning	(978,596)	-
Net Position, ending	\$ (68,374,970)	\$ (978,596)

San Mateo County Express Lanes Joint Powers Authority

Statements of Cash Flows
Years Ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Payments to suppliers for goods and services	\$ (102,668,630)	\$ (3,546)
Cash flows from noncapital financing activities		
Loan advances	102,916,805	250,000
Cash flow from capital and related financing Activities		
Interest paid	(19,002)	-
Net change in cash and cash equivalents	229,173	246,454
Cash and Investments - Beginning	246,454	-
Cash and Investments - Ending	\$ 475,627	\$ 246,454
Reconciliation of operating income to Net Cash Used by Operating Activities		
Operating loss	\$ (67,377,372)	\$ (977,026)
Changes in assets and liabilities:		
Increase in receivables	(34,482,318)	-
Increase in prepaid items	(113,665)	(10,767)
Increase (decrease) in liabilities	(695,275)	984,247
Net cash used by operating activities	\$ (102,668,630)	\$ (3,546)

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

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

The SMCELJPA was formed to own, manage and operate the San Mateo County U.S. 101 Express Lanes Project ("Project"). The Project includes (i) the conversion of the existing High Occupancy Vehicle ("HOV") lanes into express lanes from the northern terminus of the Santa Clara County express lanes to the Whipple Road Interchange and (ii) the construction of new express lanes from Whipple Road to north of I-380 in San Mateo County. When completed, the Project will provide continuous express lanes in San Mateo County in both the northbound and southbound directions of U.S. 101. Resulting toll revenues will fund transportation and transit improvements in the corridor, as well as Project operations and maintenance. Members of the SMCELJPA's Board of Directors are elected officials representing San Mateo County. The Express Lanes are scheduled for a two-phase opening, south segment for late 2021, and the north segment for late 2022.

Managing Agency

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

Basis of Presentation and Accounting

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

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

Revenue Recognition

Upon commencing operations, the SMCELJPA will recognize toll revenue at the time the toll lane is used, net of funds for invalid or stolen tags, equipment malfunctions, and violations dismissed in court.

Net Position

Net position is reported in the following categories:

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

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

Cash and Cash Equivalents

For purpose of the statement of cash flows, the SMCELJPA considers all highly liquid investments with an initial maturity of three months or less when purchased to be cash equivalents.

Estimates

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

San Mateo County Express Lanes Joint Powers Authority

Notes to Financial Statements

June 30, 2021 and 2020

Capital Assets

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

Toll revenue equipment	3 to 20 years
------------------------	---------------

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

Operating revenues and expenses

Operating revenues and expense are distinguished from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with ongoing operations. The principal operating revenues of the SMCELJPA are charges to customers. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Project Construction

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

Repayment of loans

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

San Mateo County Express Lanes Joint Powers Authority

Notes to Financial Statements

June 30, 2021 and 2020

Note 2 - Cash and Cash Equivalents

The SMCELJPA had \$475,627 and \$246,454, on June 30, 2021 and 2020 cash in the bank. Cash held in banks is collateralized by the bank holding the deposit. California laws requires banks and savings and loan institutions to pledge government securities with a market value of 110 percent of the deposit or first trust deed mortgage notes with a value of 150 percent of the deposit as collateral for all municipal deposits (pool). This collateral remains with the institution but is considered to be held in the pool's name and places the SMCELJPA, which is a participant in the pool, ahead of general creditors of the institution.

Custodial credit risk is the risk that in the event a financial institution or counterparty fails, the SMCELJPA would not be able to recover the value of its deposits and investments. On June 30, 2021 and June 30, 2020, the Federal Depository Insurance Corporation insured the SMCELJPA's cash deposits up to \$250,000 and the financial institution's trust department collateralized the remainder in the SMCELJPA's name.

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

Note 3 - Loans Payable

Loan payables represent loan advance payments received since the formation of the SMCELJPA from the Transportation Authority and the C/CAG. Loan advances will be repaid in accordance with the loan agreements after the San Mateo County U.S. 101 Express Lanes Project begins operations and receives toll revenues. As of June 30, 2021 and 2020, the loans payable consists of \$1,393,648 and \$125,785 payable to the C/CAG, operating loans of \$1,774,727 and \$125,785 to the Transportation Authority, respectively. Additionally, as of June 30, 2021 SMCELJPA's project loan payable to the Transportation Authority was \$100,000,000.

	Balance at July 1, 2020	Additions	Balance at June 30, 2021
Loans Payable			
Operating loan payable to C/CAG	\$ 125,785	\$ 1,267,863	\$ 1,393,648
Operating loan payable to Transportation Authority	125,785	1,648,942	1,774,727
Long term project Loan payable to Transportation Authority	-	100,000,000	100,000,000
Total loans payable	\$ 251,570	\$ 102,916,805	\$ 103,168,375
	Balance at July 1, 2019	Additions	Balance at June 30, 2020
Loans Payable			
Operating loan payable to C/CAG	\$ -	\$ 125,785	\$ 125,785
Operating loan payable to Transportation Authority	-	125,785	125,785
Total loans payable	\$ -	\$ 251,570	\$ 251,570

Accrued interest as of June 30, 2021 and June 30, 2020 was \$20,573 and \$1,570, respectively.

San Mateo County Express Lanes Joint Powers Authority

Notes to Financial Statements

June 30, 2021 and 2020

The SMCELJPA shall repay the Transportation Authority and the C/CAG the loan amounts plus accrued interest with toll revenues from the project. SMCELJPA may elect to defer repayment until the project begins operations and receives toll revenue, currently estimated to commence in 2022. The loan payments and accrued interest will be repaid on a monthly basis no later than five years after the project begins operations and receives toll revenue unless otherwise agreed by the parties.

On September 1, 2020, the SMCELJPA entered a non-revolving loan agreement with the Transportation Authority for a loan in the amount of \$100,000,000. The loan proceeds were to be used to finance the costs of construction and improvements to the U.S. 101 Express Lane project, as well as to fund an initial contribution to express lane related equity programs. The long term project loan payable is to be repaid and secured by a pledge of net toll revenues. The Principal is payable on May 1, 2024 and annually thereafter on May 1 of each year through 2049 in accordance with the terms and provisions of the bond loan agreement. Interest is accrued on the bond loan at a rate equal to the interest rate of the Transportation Authority's 2020 Series A and B Limited Tax Bonds, which have an assumed interest rate as of the fiscal year ended June 30, 2021 of 2% for each of the subsequent years. The SMCELJPA shall pay to the Transportation Authority the enhancement rate pursuant to terms of project loan agreement. The outstanding project loan payable at June 30, 2021, is \$100,000,000. No debt service payments have been made as there is no pledged toll revenues for the year ended June 30, 2021. In future years the debt service payments as a ratio of pledged toll revenues will be disclosed.

Note 4 - Risk Management

SMCELJPA is exposed to various risks of loss including but not limited to those related to torts; theft of, damage to, and destruction of assets; errors and omissions, and natural disasters. SMCELJPA is self-insured for a portion of its property and liability coverages. As of June 30, 2021, coverage for the SMCELJPA can be summarized as follows:

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

Real Property is insured for total insurable values (TIV) of \$30,696,439. Coverage extends to the SMCELJPA's roadway infrastructure and tolling equipment against the perils of damaged equipment due to the fault of others, vandalism, fire, and theft. Equipment Breakdown provides coverage against power surges, electrical shorts and arcing, mechanical breakdowns, and motor burnout. Terrorism coverage extends to Property.

San Mateo County Express Lanes Joint Powers Authority

Notes to Financial Statements

June 30, 2021 and 2020

As of June 30, 2020, the SMCELJPA's coverage was generally summarized as follows:

Type of Coverage	Self-Insured Retention	Excess Insurance
Public Officials Liability	\$25,000 self-insured retention	\$3,000,000 per occurrence/aggregate

To date, there have been no significant reductions in any of the SMCELJPA's insurance coverage. Settlements have not exceeded coverages for each of the past three fiscal years.

Note 5 - Related Parties and Joint Ventures

Operating Loan Payable

In Fiscal Year 2021, the Transportation Authority and the C/CAG authorized operating funds of up to \$917,244 and \$1,270,463 respectively from each agency, for the SMCELJPA through loans which will be repaid when project operations commence and toll revenues become available, which is estimated to begin in 2022 for the southern segment. As of June 30, 2021, the SMCELJPA had an operating loan payable of \$1,774,727 and \$1,393,648 to the Transportation Authority and the C/CAG respectively.

In Fiscal Year 2020, the Transportation Authority and the C/CAG authorized operating funds of up to \$1,744,911, or \$872,456 from each agency, for the SMCELJPA through loans which will be repaid when Project operations commence and toll revenues become available, which is estimated to begin in 2022 for the southern segment. As of June 30, 2020, the SMCELJPA had an operating loan payable of \$125,785 and \$125,785 to the Transportation Authority and the C/CAG respectively.

Long Term Project Loan Payable

On September 1, 2020, the Transportation Authority entered a non-revolving loan agreement with the SMCELJPA. The Transportation Authority will use the proceeds of its 2020 Series A and B Limited Tax Bonds to fund a portion of the U.S. 101 Express Lane Project construction. The SMCELJPA agrees to apply future toll revenues to repay the Transportation Authority in accordance with the terms and provisions of the bond loan agreement. The initial bond loan balance was \$100,000,000 (calculated as the amount of bond proceeds deposited to the funds and accounts under the Bond Indenture plus the underwriters' discount upon initial sale of the Bonds to the underwriters thereof). The Principal is payable on May 1, 2024 and annually thereafter on May 1 of each year through 2049 in accordance with the loan agreement. Interest is accrued on the bond loan at a rate equal to the interest rate of the Transportation Authority's 2020 Series A and B Limited Tax Bonds.

As of June 30, 2021, the Transportation Authority has spent \$65.5 million bonds proceeds on the U.S. 101 Express Lane Project. The unspent bond proceeds of \$34.5 million was presented as an asset on the Statement of Net Position.

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: November 12, 2021

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

From: Executive Council

Subject: Authorize the Executive Council to sign the Bay Area Express Lanes Network Executive Steering Committee Memorandum of Understanding (MOU).

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

RECOMMENDATION

Authorize the Executive Council to sign the Bay Area Express Lanes Network Executive Steering Committee Memorandum of Understanding (MOU).

FISCAL IMPACT

None

SOURCE OF FUNDS

None.

BACKGROUND

Express lanes are an increasingly important facility throughout the Bay Area to reduce congestion, improve mobility, encourage high occupancy trips (HOV, transit, and shuttles), and improve equity outcomes. The recently adopted MTC Plan Bay Area 2050 included the strategy T12:

Build an integrated regional express lanes and express bus network. Complete the buildout of the regional express lanes network to provide uncongested freeway lanes for new and improved express bus services, carpools and toll-paying solo drivers.

The MTC also had prepared the “Express Lanes Network 2021 Strategic Plan” in April 2021 to help identify strategies to implement and maximize the operations of Express Lanes to accomplish the goal of the Plan Bay Area 2050. The Strategic Plan includes six strategic goals:

1. Manage congestion and bring reliability to the traveling public;

2. Increase person throughput by creating a seamless network that incentivizes the use of transit, vanpools, and carpools;
3. Minimize greenhouse gas emissions;
4. Focus on equity to improve transportation access and affordability, especially for Equity Priority Communities (also referred to as Communities of Concern);
5. Deliver the Network in a timely manner; and
6. Be responsible in the use of public funds.

As the express lanes network is being built out, not only will more express lanes connect along corridors, but corridors will also begin to connect to each other. This can create complex interactions between multiple operators with different goals and/or policies, which may affect the user experience. Consistency of public-facing operating policies is critical to the smooth functioning of a connected express lanes network as well as the traffic safety and highway operational efficiency.

One of the recommendations of the Strategic Plan is to create an Executive Steering Committee (ESC) with MTC and the regional express lanes partners and operators to have a formal process to maintain operational consistency throughout the express lanes network. This ESC will foster an internal and external understanding of how decisions are made about express lane operations and will position the express lanes network for greater effectiveness. The process of engagement is outlined in a Memorandum of Understanding (MOU) to be executed by CTAs, BAIFA, Caltrans, and CHP. See Attachment 1 for the MOU.

MTC and express lane partners, including staff from the SMCEL-JPA, have been working on a draft ESC MOU since early 2021. The ESC MOU formalizes an Executive Steering Committee (“ESC”) and its cooperative effort to:

1. Support the Express Lane Strategic goal, by following a formalized process to develop recommendations on matters of consistency in public-facing operational policies across the Network, which would serve as a resource for the member agencies and their decision-making bodies that may consider actions on these policies; and
2. Promote the goals of the express lanes network through other activities as may be determined by the ESC.

The ESC MOU does not bind member agencies to ESC recommendations that would require policy direction or actions from the respective boards. As noted in MOU Article II Membership, “**ESC membership is voluntary, and the ESC shall not and cannot require compliance with any actions that are inconsistent with policies, procedures, and board actions of any Member Agency.**” The ESC does however provide a forum for discussion among its members on these important operating and tolling policies that may impact the user experience regardless of where the express lanes are located in the San Francisco Bay Area.

It is anticipated that the ESC will provide input on two types of recommendations.

1. Administrative and operational procedures that do not require Board approval. These might be internal operational procedures where an inconsistency among operators might create confusion for drivers or an undue operational burden.

2. Matters of policy that require action by the Board of Directors.

Staff anticipate two near term potential policy topics that the ESC will address. The first is the recent decision by the Bay Area Toll Authority (BATA) to reduce its bridge toll violations from \$25 for a first notice and \$75 for the second notice to \$5 and \$15, respectively. Current express lane violation penalties are \$25 for first notice and \$75 for a second notice. Express lane operators will be utilizing the framework of the ESC to evaluate the how BATA's decision might impact the violations levied on the express lanes.

The second near-term policy item is the SMCEL-JPA Board of Director's direction for staff to work with our regional partners to explore reducing the toll discounts for Clean Air Vehicles (CAV). SMCEL-JPA staff and the PPM anticipate working closely with the ESC to understand and analyze the options for a reduction in the CAV discount before returning to the SMCEL-JPA Board for a policy discussion next calendar year.

Staff recommend that the SMCEL-JPA Board of Directors authorize the Executive Council to sign the Bay Area Express Lanes Network Executive Steering Committee Memorandum of Understanding (MOU).

ATTACHMENTS

1. Executive Steering Committee Memorandum of Understanding (MOU)

BAY AREA EXPRESS LANES NETWORK EXECUTIVE STEERING COMMITTEE

MEMORANDUM OF UNDERSTANDING

This Bay Area Express Lanes Network Executive Steering Committee Memorandum of Understanding (“MOU”), is entered into as of _____, 20__.

Article I – Purpose and Mission

The Bay Area Express Lanes Network (“Network”) is conceived as a robust regional network of dedicated managed lanes that allows operators to better manage travel demand by primarily serving people in eligible carpools and buses, providing reliable travel times to lower-occupancy vehicles by allowing paid access, and thereby generating revenue for maintenance, operations, capital investments, and programs. The Network leverages the investments made in the region’s highways and High-Occupancy Vehicle (“HOV”) lanes by making use of existing capacity to move more people, closing gaps in or expanding the managed lanes system, and improving operations to provide priority to carpools and buses, thereby expanding their use.

This purpose is further described in six strategic goals identified in the Bay Area Express Lanes Network Strategic Plan, dated April 2, 2021:

1. Manage congestion and bring reliability to the traveling public;
2. Increase person throughput by creating a seamless network that incentivizes the use of transit, vanpools, and carpools;
3. Minimize greenhouse gas emissions;
4. Focus on equity to improve transportation access and affordability, especially for Equity Priority Communities (also referred to as Communities of Concern);
5. Deliver the Network in a timely manner; and
6. Be responsible in the use of public funds.

The development of the Network has been a cooperative effort among Bay Area Express Lanes operators; several Bay Area county transportation authorities (“CTAs”); the California Department of Transportation; and the California Highway Patrol; and with input from supporting subcommittees and other stakeholders with a vested interest in the success of the Network such as transit operators and those advancing equity, carpooling, and vanpooling. As the Network is built out, not only will more express lanes connect along corridors, but corridors will also begin to connect to each other. This can create complex interactions between multiple operators with different goals and/or policies, which may affect the user experience. Consistency of public-facing operating policies is critical to the smooth functioning of a connected Network as well as the traffic safety and highway operational efficiency.

This Memorandum of Understanding (MOU) formalizes an Executive Steering Committee (“ESC”) and its cooperative effort to:

1. Support the goals of the Network, described above, by following a formalized process to develop recommendations on matters of consistency in public-facing operational policies across the

Network, which would serve as a resource for Member Agencies and their decision-making bodies that may consider actions on these policies; and

2. Promote the goals of the Network through other activities as may be determined by the ESC.

Article II Membership

ESC membership conveys upon all Member Agencies the ability to offer and document recommendations on matters of consistency in operations across the Network, as described in Section IV.B. ESC membership includes the following groups of Member Agencies: Express Lanes Operators with authority granted in statute or by action of the California Transportation Commission to operate an express lane in the nine-county Bay Area; CTAs that are not operators; and other agencies.

Express Lanes Operators (“Operators”)

- Alameda County Transportation Commission (“Alameda CTC”)
- Bay Area Infrastructure Financing Authority (“BAIFA”)
- San Mateo County Express Lanes Joint Powers Authority (“SMCEL-JPA”)
- Santa Clara Valley Transportation Authority (“VTA”)
- Sunol Smart Carpool Lane Joint Powers Authority (“Sunol JPA”)

Non-Operator County Transportation Authorities (“Non-Operator CTAs”)

- Contra Costa Transportation Authority (“CCTA”)
- San Francisco County Transportation Authority (“SFCTA”)
- Solano Transportation Authority (“STA”)

Other Agencies

- Bay Area Toll Authority (“BATA”)
- California Department of Transportation (“Caltrans”), Ex Officio Member
- California Highway Patrol (“CHP”)

ESC membership is voluntary, and the ESC shall not and cannot require compliance with any actions that are inconsistent with policies, procedures, and board actions of any Member Agency.

The ESC may conduct business anticipated under this MOU once it is signed by all of the above-listed Operators.

If other entities wish to gain membership to the ESC, such entities may petition the ESC. Admittance will be decided by majority vote of Operators and Non-Operator CTAs.

Member Agencies may withdraw from the ESC by providing written notice to the ESC Chair 30 days prior to the effective date of the withdrawal. If all Member Agencies withdraw excepting one Member Agency, the MOU shall be terminated.

Article III – Governance

A. Composition

The ESC shall be composed of the Chief Executive or appointed designee of each Member Agency with the authority to represent the interests of the respective Member Agency¹.

B. Responsibilities

The ESC shall provide overall management to the extent necessary to accomplish the Purpose of this MOU, as described above, including, but not limited to, the following activities:

- Developing recommendations for consistent operating policies and practices among Member Agencies, particularly concerning aspects of the Network that are user-facing, as described in Section IV.B;
- Serving as a resource for consistency in tolling practices, project development, and operations for Member Agencies and other stakeholders;
- Other activities, to be determined by the ESC, e.g., examining new tolling technologies or interfacing with other organizations.

C. Amendment and Termination

This MOU may be amended or terminated by unanimous written agreement of the Member Agencies.

Article IV – Conduct of Business

A. Meetings

Member Agencies shall meet every six months or more frequently as may be necessary to carry out the mission and activities defined above.

B. Consistent Operating Policies

The ESC shall make recommendations on various operating policies and the importance of their consistency regionwide. These recommendations are intended to demonstrate the deliberative process taken to reach them. The ESC will strive for unanimous consent on matters of consistency in operations and will otherwise endeavor to achieve recommendations by consensus. For the purposes of this MOU, consensus means that a process to develop recommendations was undertaken with the aim of positive or indifferent acceptance by all, minimizing opposing opinions to the extent possible by considering modifications proposed by dissenters. The action of making a recommendation shall require a quorum be present, here defined as a simple majority of all Member Agencies.

¹ In the case of SMCEL-JPA, the Executive Council, made up of the Executive Directors of the San Mateo County Transportation Authority (SMCTA) and the City/County Association of Governments of San Mateo County (C/CAG), may represent the Member Agency; however, the Executive Council, regardless of number of attendees present at the ESC meetings to represent the Member Agency, will be afforded only one position for each recommendation made by the ESC.

Recommendations shall be recorded in ESC meeting minutes documenting the position of each Member Agency sorted by grouping defined in Article II and including a summary supporting statement for the recommended operating policy. At the request of any Member Agency, a summary dissenting statement may be included. Member Agencies not present on the date an action is taken may supplement the minutes with their position within a timeframe to be specified by the Chair.

The ESC may develop summary memoranda to document additional detail of recommendations.

When presenting actions on express lane operating policies to their decision-making bodies, Member Agencies commit to identifying the recommendations made by the ESC.

C. ESC Administration

Other business the ESC may conduct shall be considered ESC Administration. The ESC shall adopt by consensus methods to take actions on matters related to ESC Administration including:

1. Selection of Officers

The ESC will select a Chair and Vice-Chair of the Committee for a term of two years with the intention that positions rotate amongst Member Agencies. The sitting Vice-Chair will be the Chair pro tempore and, to the extent practicable, become the Chair at the end of the two-year term. At least one of the Chair and Vice-Chair positions shall be held by an Operator at any time.

Duties of the Chair include:

- Coordinating meetings, including the creation and distribution of meeting agendas;
- Taking ESC meeting minutes; and
- Drafting summary memoranda as described in Article IV.B. above.

Duties of the Vice-Chair include:

- Performing the duties of the Chair in the event of a vacancy or absence of the Chair; and
- Other support as coordinated between the Chair and Vice-Chair.

2. Other Business

Activities concerning topics other than consistency in operations may be beneficial to be undertaken by the ESC, particularly when such activities would promote the goals of the Network and/or benefit from unified regional support, such as:

- Examining new tolling technologies; or
- Interfacing with other organizations.

E. No Liability

This agreement is solely intended to guide the obligations, intentions, and policies of the Member Agencies. Nothing in the provision of this MOU is intended to create or imply duties or obligations to, or create or imply rights extending to or for the benefit of third parties not parties to this MOU, and/or affect the legal liability of any party to this MOU by imposing any standard of care with respect to the operation of Member Agencies' express lane facilities.

F. No Partnership

Alameda CTC/BAIFA/BATA/Caltrans/CHP/CCTA/SFCTA/SMCELJPA/VTA/STA/Sunol JPA
Memorandum of Understanding
Bay Area Express Lanes Network Executive Steering Committee

Neither this MOU nor the exercise of any activity described hereunder shall evidence or establish, or be construed as evidencing or establishing, any partnership, joint venture, or other similar legally binding relationship amongst the Member Agencies.

Alameda CTC/BAIFA/BATA/Caltrans/CHP/CCTA/SFCTA/SMCELJPA/VTA/STA/Sunol JPA
 Memorandum of Understanding
 Bay Area Express Lanes Network Executive Steering Committee

IN WITNESS WHEREOF, the parties have executed this MOU as of the last date written opposite their respective names below. This agreement may be executed in counterparts by the respective Member Agencies.

Member Agency	Signature	Date
Alameda County Transportation Commission (“Alameda CTC”)		
Bay Area Infrastructure Finance Authority (“BAIFA”)		
Bay Area Toll Authority (“BATA”)		
California Department of Transportation (“Caltrans”)		
California Highway Patrol (“CHP”)		
Contra Costa Transportation Authority (“CCTA”)		
San Francisco County Transportation Authority (“SFCTA”)		
San Mateo County Express Lanes Joint Powers Authority (“SMCELJPA”)		
Santa Clara Valley Transportation Authority (“VTA”)		
Solano Transportation Authority (“STA”)		
Sunol Smart Carpool Lane Joint Powers Authority (“Sunol JPA”)		

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: November 12, 2021

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

From: Executive Council

Subject: Receive a Presentation and update on the construction and schedule of the San Mateo 101 Express Lanes Project

(For further information please contact Van Dominic Ocampo at vocampo@smcgov.org)

RECOMMENDATION

That the SMCEL-JPA Board of Directors receive a presentation and update on the construction of San Mateo 101 Express Lanes Project.

FISCAL IMPACT

This is an information item only. There is no fiscal impact related to receiving the information.

SOURCE OF FUNDS

N/A

BACKGROUND

This San Mateo 101 Express Lanes Project (Project) will create 44 miles (22 miles in each direction) of new express lanes along the US 101 between the San Mateo - Santa Clara County Line and Interstate 380 (I-380) in South San Francisco. The goal is to reduce congestion, increase person throughput and improve travel time reliability for motorists on US 101 by incentivizing the use of public transit, carpools, and other shared-ride options. However, it will still allow access to solo motorists for the full toll price, while carpools of two persons and clean air vehicles will be charged a reduced toll.

The Project is being constructed in two segments; the southern segment from the San Mateo/Santa Clara County Line to Whipple Avenue in Redwood City, and the northern segment from Whipple to Interstate-380. Much of the work within the southern segment has been done, with lane striping and pavement markings as well as toll commissioning and testing as the few remaining items to be completed prior to toll commencement.

Due to the magnitude of the project's footprint, cost and impacts to the traveling public and neighboring community, the Board has requested periodic updates on the project's progress and community outreach efforts.

As with all major construction projects, there are a lot of unknowns and schedule risks that are beyond the Project Team's control. During previous project update presentations, staff discussed an opening date this calendar year, and noted many of the risks that could negatively impact the opening date. Unfortunately, some of those risks have been realized throughout the 101 Corridor, including weather, COVID, supply chain disruption, and avoiding the commencement of tolling during the holidays.

Both SMCEL-JPA and VTA staff have discussed the updated project schedule which projects the **new opening date of the Express Lanes to be January 28, 2022**. This date has been coordinated with VTA and Caltrans to ensure a smooth joint opening of the San Mateo and Santa Clara Express Lanes as well as the information rollout to the broader public. The new opening date will not impact the scheduled opening of the northern segment (Whipple Ave. to I-380) at the end of 2022. The Project Team is optimistic with the new opening date and is very excited to soon be opening the first express lanes in San Mateo County.

ATTACHMENTS

1. San Mateo 101 Express Lanes Project Update PowerPoint Presentation, provided on-line at: <http://ccag.ca.gov/board-of-directors/>