

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

Meeting No. 49

Date: Friday, June 9, 2023 Time: 9:00 A.M. Primary Location: San Mateo County Transit District Office 1250 San Carlos Ave, 2 nd Fl. Auditorium, San Carlos, CA, 94070 Teleconference Location (Alternate Public Access): Bay Area Metro Center 375 Beale Street Ohlone Conference Room, 1st Floor San Francisco, CA 94105	Join by Webinar: https://us02web.zoom.us/j/82820164175?pwd=dlJzS2VFRU9LVXEzZWg0MkxCaDJxQT09 Webinar ID: 828 2016 4175 Password: 060923 Join by Phone: (669) 900-6833
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*****HYBRID MEETING - IN-PERSON AND BY VIDEOCONFERENCE*****

This meeting of the SMCEL-JPA Board of Directors will be held in person and by teleconference pursuant to Government Code Section 54953(e). Members of the public will be able to participate in the meeting remotely via the Zoom platform or in person at the location above. For information regarding how to participate in the meeting, either in person or remotely, please refer to the instructions at the end of the agenda.

Board of Directors: Rico E. Medina (Chair), Alicia Aguirre (Vice Chair), Gina Papan, Emily Beach, Michael Salazar and Carlos Romero

1.0 CALL TO ORDER/ ROLL CALL

2.0 PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

Note: Public comment is limited to two minutes per speaker. Members of the public who wish to address the Board should complete a speaker's slip to make a public comment in person or raise their hand in Zoom to speak virtually.

3.0 APPROVAL OF CONSENT AGENDA

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

- 3.1 Approval of the minutes of Board of Directors regular business meeting No. 48 dated May 12, 2023. ACTION p. 1
- 3.2 Accept the Sources and Uses of Funds for the FY2023 Period Ending April 30, 2023. ACTION p. 5
- 3.3 Review and approval of Resolution SMCEL 23-09 authorizing the SMCEL-JPA Chair to execute Amendment No. 4 to the Agreement with the Office of County Counsel of San Mateo County for general legal services to SMCEL-JPA, covering the period of two years (Fiscal Years 2023/24 and 2024/25) for an amount not to exceed \$60,000 annually. ACTION p. 8
- 3.4 Review and approval of Biennial update to Conflict of Interest Code for the San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA). ACTION p. 17

4.0 REGULAR AGENDA

- 4.1 Public Hearing: Approval of SMCEL Resolution 23-10 on the adoption of the Fiscal Year (FY) 2024 SMCEL-JPA Operating Budget. ACTION p. 22
- 4.2 Review and approve SMCEL Resolution 23-08 to add a payment plan for certain qualified individuals to pay tolls, and to revise the SMCEL-JPA violation penalties schedule to create a one-time waiver for all toll violation penalties for qualified individuals effective July 1, 2023. ACTION p. 34
- 4.3 Receive update on the US 101 Express Lanes operations from Interstate 380 to the San Mateo/Santa Clara County line. INFORMATION p. 39
- 4.4 Election of a Chairperson and a Vice Chairperson to serve a one-year term, effective July 1, 2023. ACTION p. 51

5.0 REPORTS

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

6.0 WRITTEN COMMUNICATIONS

None.

7.0 NEXT REGULAR MEETING

July 14, 2023

8.0 ADJOURNMENT

PUBLIC NOTICING: All notices of SMCEL-JPA regular Board meetings, standing committee meetings, and special meetings will be posted at the San Mateo County Court Yard, 555 County Center, Redwood City, CA, and on SMCEL-JPA's website at: <http://www.ccag.ca.gov>.

PUBLIC RECORDS: Public records that relate to any item on the open session agenda for a regular Board meeting, standing committee meeting, or special meeting are available for public inspection. Those public records that are distributed less than 72 hours prior to a regular Board meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members, of the Board. The Board has designated the San Mateo County Express Lanes JPA (SMCEL-JPA), located at 555 County Center, 5th Floor, Redwood City, CA 94063, for the purpose of making public records available for inspection. Such public records are also available on SMCEL-JPA's website at: <http://www.ccag.ca.gov>. Please note that SMCEL-JPA's office is temporarily closed to the public; please contact Mima Crume at (650) 599-1406 to arrange for inspection of public records.

ADA REQUESTS: Persons with disabilities who require auxiliary aids or services to participate in this meeting should contact Mima Crume at (650) 599-1406 or mcrume@smcgov.org by 10:00 a.m. prior to the meeting date.

PUBLIC PARTICIPATION DURING HYBRID MEETINGS: During hybrid meetings of the SMCEL-JPA Board, members of the public may address the Board as follows:

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

1. Your written comment should be emailed to mcrume@smcgov.org.
2. Your email should include the specific agenda item on which you are commenting or note that your comment concerns an item that is not on the agenda.
3. Members of the public are limited to one comment per agenda item.
4. If your emailed comment is received at least 2 hours prior to the meeting, it will be provided to the SMCEL-JPA Board members, made publicly available on the SMCEL-JPA website along with the agenda. Emails received less than 2 hours before the meeting will be provided to the SMCEL-JPA Board members and included in the administrative record of the meeting as soon as practicable.

Spoken comments will be accepted during the meeting in person and through Zoom. Public comments will be taken first by speakers in person followed by via Zoom. Please read the following instructions carefully:

***In-person participation:**

1. If you wish to speak to the Board, please fill out a speaker's slip located on the 2nd floor auditorium side table against the wall. If you have anything that you wish distributed to the Board and included in the official record, please hand it to the SMCEL-JPA Clerk who will distribute the information to the Board members and staff.

***Remote participation:**

1. The SMCEL-JPA Board meeting may be accessed through Zoom at the online location indicated at the top of this agenda.
2. You may download the Zoom client or connect to the meeting using an internet browser. If using your browser, make sure you are using a current, up-to-date browser: Chrome 30+, Firefox 27+, Microsoft Edge 12+, Safari 7+. Certain functionality may be disabled in older browsers including Internet Explorer.
3. You will be asked to enter an email address and name. We request that you identify yourself by your name as this will be visible online and will be used to notify you that it is your turn to speak.
4. When the SMCEL-JPA Clerk or Chair call for the item on which you wish to speak, click on "raise hand." The Clerk will activate and unmute speakers in turn. Speakers will be notified shortly before they are called on to speak. If calling in via phone, press *9 to raise your hand and when called upon press *6 to unmute.
5. When called, please limit your remarks to the time allotted.

If you have any questions about this agenda, please contact SMCEL-JPA staff:

Executive Director: Sean Charpentier (650) 599-1409

Clerk of the Board: Mima Crume (650) 599-1406

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

Meeting No. 48
May 12, 2023

This meeting of the SMCEL-JPA Board of Directors was held in person and by teleconference pursuant to Government Code Section 54953(e). Members of the public was able to participate in the meeting remotely via the Zoom platform or in person.

Board of Directors: Rico E. Medina (Chair), Alicia Aguirre (Vice Chair), Carlos Romero, Emily Beach, Gina Papan and Michael Salazar

1.0 CALL TO ORDER/ ROLL CALL

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

AGENCY:	IN-PERSON:	ABSENT:	REMOTE AB 2449:	REMOTE Publicly Accessible Teleconference Location:
C/CAG	Alicia Aguirre			
C/CAG	Gina Papan			
C/CAG	Michael Salazar			
SMCTA	Carlos Romero			
SMCTA	Emily Beach			
SMCTA	Rico E. Medina			

Staff Present (In-Person):	Staff Present (Remote):
Sean Charpentier – C/CAG Executive Council	Christa Cassidy – HNTB
Peter Skinner – SMCTA Executive Council	Monique Fuhrman – HNTB
Mima Crume – Clerk of the Board	
Tim Fox – Legal Counsel	Members of the Public (In-Person):
Kaki Cheung – C/CAG	Lieutenant Meyer
Van Ocampo – C/CAG	Lieutenant Hill
Lacy Vong – HNTB	Sergeant Wilkenfeld
Kate Steiner - SMCTA	Captain Cavett (Remote)
Ladi Millard-Olmeda - SMCTA	
Jeannie Chen - SMCTA	

Other members of staff and members of the public were in attendance via in-person or remote using zoom.

2.0 PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

Note: Public comment is limited to two minutes per speaker. Members of the public who

wish to address the Board should complete a speaker's slip to make a public comment in person or raise their hand in Zoom to speak virtually.

Clerk Crume reported that there were no public comments.

3.0 APPROVAL OF CONSENT AGENDA

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

- 3.1 Approval of the minutes of Board of Directors regular business meeting No. 47 dated April 14, 2023. **APPROVED**

- 3.2 Accept the Sources and Uses of Funds for the FY23 Period Ending March 31, 2023. **APPROVED**

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

4.0 REGULAR AGENDA

- 4.1 Receive a presentation on the draft Fiscal Year 2024 SMCEL-JPA Operating Budget. **INFORMATION**

The Board received a presentation on the draft Fiscal Year 2024 SMCEL-JPA Operating Budget. A correction figure was made in the staff report. In the toll revenue section, the amount per lane mile is \$76,583.

Director Beach asked for clarity on the allocated bond funds for the equity program. The draft budget was showing an amount of \$577,550 in FY2024, which is a different amount from the \$600,000 designated for the program on an annual basis. Lacy responded that the \$577,550 represents the remaining amount of the \$1M previously committed. The \$600,000 annual amount will directly come from toll revenue. Director Beach questioned whether additional resources should be directed to marketing and communication. Ladi responded that the team will investigate and report back. Director Beach has also asked if additional funding should be set aside for maintenance issues on the express lane. Peter responded that discussions have been held with Caltrans to ensure that maintenance needs are covered for the full corridor. There is sufficient budget to cover issues on the express lanes.

- 4.2 Receive overview of toll leakage and clean air vehicle study results and next steps. **INFORMATION**

The Board received an overview of toll leakage and clean air vehicle study results and discuss next steps. A "leakage" study was undertaken to better understand the extent that occupancy misdeclaration is occurring in the San Mateo 101

Express Lanes. The ultimate goal is to inform potential strategies and actions to be taken both near- to long-term to address leakage.

Director Papan asked if the standard transponders have been updated and how are two passenger vehicles treated. Lacy will follow up with BATA, MTC on the estimated number of standard transponders. The two passenger vehicles are eligible for free travel because that is the maximum occupancy. Direct Papan added how does law enforcement determine the occupancy on the express lanes. Sergeant Wilkenfeld said it includes seeing how many occupants in the car, and what number appears when a vehicle passes underneath the gantry. Eligibility for clean air vehicle stickers is determined through DMV, which one needs to apply.

- 4.3 Receive update on the US 101 Express Lanes operations from Interstate 380 to the San Mateo/Santa Clara County line. INFORMATION

The Board received a presentation update on the US 101 Express Lanes operations from Interstate 380 to the San Mateo/Santa Clara County line. A few highlights for the first month of full corridor operations include an average potential daily revenue of \$73,460. The average was \$39,932 for February 2023 in which only the southern segment of the corridor was operational. Express Lanes continue to provide a speed differential benefit by operating at about 8 to 12 mph faster than the general-purpose lanes in both directions. In the period from April 2022 – March 2023, 1,704 participants have enrolled in the Community Transportation Benefits Program. A total of 1,412 (83%) selected the Clipper Card benefit and 292 (17%) selected the FasTrak benefit.

5.0 REPORTS

- a) Chairperson Report.

Chair Medina reported that on the TA side, Directors Beach, Romero and Medina has been reappointed to the SMCEL-JPA Board. Vice Chair Aguirre reported that Directors Salazar, Papan and Aguirre has been reappointed by the C/CAG Board to the SMCEL-JPA Board.

- b) Member Communication.

Director Papan commented on the roadside cabinets that are placed in neighborhoods supporting Express Lanes. It is desirable to make these cabinets more attractive.

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

Sean Charpentier reported that beautifying the roadside cabinet units is on the workplan after license agreements are all fully executed. He congratulated the TA communication staff for holding a wonderful opening ceremony last month. The JPA is one of the finalists for receiving sustainability award for the equity program from the California Transportation Foundation. We should know the results on June

6th in Sacramento. Both Board Members and staff will be present at the ceremony, hopefully hearing good news.

Peter Skinner thanked Tasha Bartholomew, TA communication staff for putting the opening ceremony event together. He has also thanked HNTB for all their help as well. He has also mentioned that the FasTrak transponders are being dispensed at the ticket sales booth at the ground floor of the SamTrans building.

d) Policy/Program Manager Report.

Lacy reported that Christa Cassidy will be presenting to the Half Moon Bay Council on Tuesday. The Council requested to learn more about the community transportation benefits programs. She has thanked the operations partners, BAIFA team lead by Stephen Wolf, Ken Hoang, Bet Zelinski for working closely with us and coordinating with the opening.

6.0 WRITTEN COMMUNICATIONS

None.

7.0 NEXT REGULAR MEETING

June 9, 2023

8.0 ADJOURNMENT – 10:51 a.m.

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: June 09, 2023

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 FY2023 Period Ending April 30, 2023

(For further information, contact Kate Steiner, CFO, at 650-508-6466)

RECOMMENDATION

That the SMCEL-JPA Board accepts and enters into the record the Sources and Uses of Funds for the Fiscal Year 2023 period ending April 30, 2023.

Included in this report is a forecast for FY2023. The statement columns have been designed to provide the revised budget, the year to date current actuals and the forecast for the current fiscal year.

BACKGROUND

Annual Forecast: The annual forecast is based on average year to date actuals through February, augmented by analyzing trends and reviewing details to develop projections through the rest of the year. The FY2023 Forecast through end of the year projects a surplus of \$3.7 million. As a result, the advances from the partners will not be needed (lines 4, 5, 6 and 7). Staff is working to put in place a mechanism to refund the partners for the year to date advances reflected on this statement.

Year to Date Sources of Funds: As of April 2023, the Total Sources of Funds are \$10.5 million. It is mainly comprised of toll revenues (\$9.0 million) from both Southern and Northern Segments of Express Lanes on U.S. 101. The Northern Segment, which is from Whipple Avenue to the I-380 in South San Francisco, was officially opened on March 3, 2023. The Sources of Funds also include loan advances (\$1.1 million) under the two operating loan agreements between the SMCEL-JPA, the San Mateo County Transportation Authority, and the City/County Association of Governments of San Mateo County, and the Fiscal Year 2021 Carryforward Balance from SMCTA & CCAG (\$0.2 million).

Year to Date Uses of Funds: As of April 2023, the Total Uses of Funds are \$5.2 million. Major expenses are in the categories of toll operations and maintenance costs (\$1.5 million), FasTrak customer service costs (\$1.5 million), consultant costs (\$0.9 million), staff support costs (\$0.4 million), Administrative overhead (\$0.2million), and insurance costs (\$0.2 million).

Budget Amendment: A budget amendment did not take place for the month of April 2023.

Other Information:

Loan payables represent loan advance payments received since the formation of the SMCEL-JPA from the San Mateo County Transportation Authority and the City/County Association of Governments of San

Mateo County. Loan advances will be repaid on a monthly basis and no later than five years after the San Mateo County 101 Express Lanes Project begins operations and receives toll revenues.

ATTACHMENT

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

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

	REVISED BUDGET ***	ACTUALS	FORECAST
	Annual	As of 4/30/2023	Annual
SOURCES OF FUNDS:			
1 Toll Revenue	\$ 8,000,000	\$ 9,016,855	\$ 12,884,661
2 Allocated Bond Funds	635,000	171,065	207,500
3 SMCTA Measure A (ACR TDM)	400,000	-	-
4 Carryforward Balance from SMCTA & CCAG	192,109	192,109 *	-
5 Advance from the City/County Association of Governments of San Mateo County	1,350,000	703,926 **	-
6 Advance from the San Mateo County Transportation Authority	1,915,185	370,242	-
7 Additional advance from SMCTA	622,667	-	-
8 Interest income	-	7,977	-
TOTAL SOURCES OF FUNDS	\$ 13,114,961	\$ 10,462,174	\$ 13,092,161
USES OF FUNDS:			
9 Staff Support	\$ 839,628	\$ 415,296	\$ 760,906
10 Administrative Overhead	106,055	239,120	106,055
11 Seminar/Training & Business Travel	20,000	-	6,000
12 Audit & Bank Fees	15,160	822	9,243
13 Office Supplies	3,000	785	3,140
14 Printing and Information Svcs	5,000	-	-
15 Promotional Advertising	50,000	87,892	85,130
16 Utilities	50,000	24,812	35,667
17 Software Maintenance & License	32,000	26,205	26,205
18 Legal Services	60,000	8,857	15,183
19 Consultant	1,811,000	876,505	1,314,758
20 Express Lane Maintenance	444,000	-	219,000
21 Toll Operations and Maintenance	4,981,000	1,523,929	2,860,000
22 FasTrak Customer Service	2,840,000	1,498,877	2,663,000
23 Express Lane Enhanced Enforcement	240,000	42,529	85,058
24 Equity Program Administration and Costs	1,035,000	171,065	207,500
25 Insurance	500,000	203,777	500,000
26 Miscellaneous	83,118	101,282	512,128
TOTAL USES OF FUNDS	\$ 13,114,961	\$ 5,221,753	\$ 9,408,973
PROJECT SOURCES OVER USES	\$ -	\$ 5,240,421	\$ 3,683,188

Note:

* Represents Fiscal Year 2021 Operating Surplus.

** The advance from the CCAG includes the staff support \$200k and Fiscal Year 2023 Q1 & Q2 expenses billed \$504k.

***The revised annual budget was approved by the Board on 02/10/2023.

Additional Information:

Loan payables to the City/County Association of Governments of San Mateo County	\$ 3,450,652
Loan payables to the San Mateo County Transportation Authority	\$ 3,607,171

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: June 9, 2023

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

From: Executive Council

Subject: Review and approval of Resolution SMCEL 23-09 authorizing the SMCEL-JPA Chair to execute Amendment No. 4 to the Agreement with the Office of County Counsel of San Mateo County for general legal services to SMCEL-JPA, covering the period of two years (Fiscal Years 2023/24 and 2024/25) for an annual amount not to exceed \$60,000.

(For further information or questions, contact Van Dominic Ocampo at vocampo@smcgov.org)

RECOMMENDATION

Review and approve Resolution SMCEL 23-09 authorizing the SMCEL-JPA Chair to execute Amendment No. 4 to the Agreement with the Office of County Counsel of San Mateo County for general legal services to SMCEL-JPA, covering the period of two years (Fiscal Years 2023/24 and 2024/25) for an annual amount not to exceed \$60,000.

FISCAL IMPACT

Fiscal Impact for Fiscal Year 2023/24 is in an amount not to exceed \$60,000. The contract amount for Fiscal Year 2024/25 shall also not exceed \$60,000 and subject to the adoption of the Operating Budget for the said Fiscal Year 2024/25. The total cost of Amendment No. 4 is \$120,000 for two years.

SOURCE OF FUNDS

The funds are included in the proposed Fiscal Year 2023-2024 budget.

BACKGROUND

The Joint Exercise of Powers Agreement for the San Mateo County Express Lanes (JEPA) was approved by the Board of Directors from the City/County Association of Governments of San Mateo County (C/CAG) and the San Mateo County Transportation Authority (SMCTA) at their board meetings of April 11, 2019 and May 2, 2019, respectively. The agreement became effective on June 1, 2019.

The JEPA specifies that legal counsel services for the SMCEL-JPA would be contracted through the County of San Mateo Office of the County Counsel. The County Counsel provides general legal services not only to County offices, but also other local agencies such as Joint Powers Agencies.

On June 6, 2019, the SMCEL-JPA Board adopted Resolution 19-02, authorizing the Chair to execute the agreement with the Office of the County Counsel for the provision of general legal services to SMCEL-JPA for Fiscal Year 2019/2020. This Agreement has been extended through the Board's approval of the following amendments:

- 1) Amendment No. 1 was approved on June 12, 2020 through the adoption of Resolution 20-07 to extend the agreement through FY 2020/2021.
- 2) Amendment No. 2 was approved on June 11, 2021, through the adoption of Resolution 21-06 to extend the agreement through FY 2021/2022.
- 3) Amendment No. 3 was approved on June 10, 2022, through the adoption of Resolution 22-19 to extend the agreement through FY 2022/2023.

The attached Amendment No. 4 will retain the Office of the County Counsel for the provision of general legal services to the SMCEL-JPA for a period of two years, beginning July 1, 2023 through June 30, 2025. Legal services will be billed monthly at specified rates in Amendment No. 4 to the Agreement with the total invoice amount not to exceed \$60,000 per fiscal year, with the second fiscal year being subject to the adoption of the Operating Budget for FY 2024/25.

Additionally, the County Counsel's Office provides general legal services to C/CAG, a member of the SMCEL-JPA. Because C/CAG will be providing a variety of services to the SMCEL-JPA, the County Counsel's Office is requesting signature on a notice and waiver of potential conflicts, attached as Exhibit A to Amendment No. 4 of the Agreement. Although County Counsel is not aware of any actual conflicts or a significant risk that representation of either client will be materially limited by counsel's responsibility to or relationship with the other client at this time, the waiver allows County Counsel to represent the SMCEL-JPA and C/CAG despite potential conflicts that may arise in its representation of both entities, as described further in Exhibit A. County Counsel will request a similar waiver from C/CAG to permit the concurrent representation.

ATTACHMENT

1. Resolution SMCEL 23-09
2. Amendment No. 4 to the Agreement with the Office of County Counsel of San Mateo County for general legal services to SMCEL-JPA covering the period of two years (Fiscal Years 2023/24 and 2024/25) for an annual amount not to exceed \$60,000.

RESOLUTION SMCEL 23-09

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN MATEO COUNTY EXPRESS LANES JOINT POWERS AUTHORITY (SMCEL-JPA) AUTHORIZING THE SMCEL-JPA CHAIR TO EXECUTE AMENDMENT NO. 4 TO THE AGREEMENT BETWEEN THE OFFICE OF THE COUNTY COUNSEL OF SAN MATEO COUNTY AND THE SAN MATEO COUNTY EXPRESS LANES JOINT POWERS AUTHORITY FOR THE PROVISION OF GENERAL LEGAL SERVICES FOR THE PERIOD OF JULY 1, 2023 THROUGH JUNE 30, 2025 AT AN AMOUNT NOT TO EXCEED \$60,000 PER FISCAL YEAR

BE IT RESOLVED by the Board of Directors of the San Mateo County Express Lanes Joint Powers Authority; that

WHEREAS, the Joint Exercise of Powers Agreement (JEPA) for the San Mateo County Express Lanes was approved by the C/CAG Board of Directors and the SMCTA Board of Directors at their respective board meetings on April 11, 2019 and May 2, 2019; and

WHEREAS, the SMCEL- JPA requires legal advice in the performance of its duties and functions, and the JEPA specifies that legal counsel services would be contracted through the Office of County Counsel at the County of San Mateo (“County Counsel”); and

WHEREAS, County Counsel provides general legal services, not only to county offices and entities, but also to other local agencies, and County Counsel is willing and able to provide such services to the SMCEL-JPA; and

WHEREAS, in order to procure services, the SMCEL-JPA and County Counsel must enter into an agreement outlining and explaining the rights and duties of each party to the Agreement, the scope of the relationship between the SMCEL-JPA and County Counsel as well as the parameters of representation including, but not limited to, the duration of the Agreement and the applicable hourly rates;

WHEREAS, on June 6, 2019, the SMCEL-JPA Board adopted Resolution SMCEL 19-02 authorizing the Express Lanes Joint Powers Authority Chair to execute the Agreement between the County Counsel of the County of San Mateo and the Express Lanes Joint Powers Authority for the provision of general legal services for the period of June 1, 2019 through June 30, 2020; and

WHEREAS, on June 12, 2020, the SMCEL-JPA Board adopted Resolution SMCEL 20-07 authorizing the Express Lanes Joint Powers Authority Chair to execute Amendment No.1, renewing the Agreement with the Office of the County Counsel of San Mateo County to cover the period beginning July 1, 2020 through June 30, 2021; and

WHEREAS, on June 11, 2021, the SMCEL-JPA Board adopted Resolution SMCEL 21-06 authorizing the Express Lanes Joint Powers Authority Chair to execute Amendment No. 2 renewing the Agreement with the Office of the County Counsel of San Mateo County to cover the period beginning July 1, 2021 through June 30, 2022; and

WHEREAS, on June 10, 2022, the SMCEL-JPA Board adopted Resolution SMCEL 22-19 authorizing the Express Lanes Joint Powers Authority Chair to execute Amendment No. 3 renewing the Agreement with the Office of the County Counsel of San Mateo County to cover the period beginning July 1, 2022 through June 30, 2023; and

WHEREAS, it is the desire of the SMCEL-JPA to renew the Agreement for the provision of general legal services with County Counsel of San Mateo County to cover the period of July 1, 2023 through June 30, 2025; and

WHEREAS, Amendment No. 4 to the Agreement between the Office of the County Counsel of San Mateo County and San Mateo County Express Lanes Joint Powers Authority will renew the said agreement, covering the period beginning July 1, 2023 through June 30, 2025 for a Not to Exceed amount of \$60,000 for each Fiscal Year.

NOW THEREFORE BE IT RESOLVED, by the Board of Directors of the SMCEL-JPA that the Chair is authorized to execute Amendment No. 4 to the Agreement on behalf of the SMCEL-JPA.

PASSED, APPROVED, AND ADOPTED, THIS 9TH DAY OF JUNE, 2023.

Rico E. Medina, Chair

**AMENDMENT No. 4 to the AGREEMENT
BETWEEN
THE OFFICE OF THE COUNTY ATTORNEY OF SAN MATEO COUNTY
AND
THE SAN MATEO COUNTY EXPRESS LANES JOINT POWERS AUTHORITY
FOR THE PROVISION OF GENERAL LEGAL SERVICES
FOR FISCAL YEARS 2023/24 and 2024/25**

THIS AMENDMENT No. 4 to the AGREEMENT is entered into this 9th day of June 2023, by and between the OFFICE of the COUNTY ATTORNEY OF THE COUNTY OF SAN MATEO, hereinafter referred to as "County Attorney", and the San Mateo County Express Lanes Joint Powers Authority, hereinafter referred to as "SMCEL-JPA".

WITNESSETH:

WHEREAS, the County Attorney is ready and able to provide legal service and advice to the SAMCEL-JPA, and SMCEL-JPA wishes to retain the County Attorney to perform legal services with respect to certain matters beginning July 1, 2023 through June 30, 2025 (FY 2023/24 and FY2024/25); and

WHEREAS, it is reasonable and necessary to set forth the various obligations and responsibilities of the parties in light of SMCEL-JPA's payment for the County Attorney's legal services;

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

County Attorney shall perform legal services and legal representation, including the handling of litigation, as may be requested by SMCEL-JPA. Litigation services shall not include litigation for which SMCEL-JPA has insurance coverage.

1. The parties understand that County Attorney has been retained to represent the interests of the SMCEL-JPA as a whole, and County Attorney shall render such legal advice to SMCEL-JPA as may be requested by SMCEL-JPA and/or its designated representative(s). Attendance of counsel at meetings of the SMCEL-JPA Board shall be upon request of SMCEL-JPA. SMCEL-JPA is retaining the office of County Attorney, not any particular attorney, and the attorney services to be provided to SMCEL-JPA will not necessarily be performed by a particular attorney.
2. County Attorney shall periodically update SMCEL-JPA on legal issues and shall be available to provide training as is mutually agreed upon.
3. This Amendment No. 4 to the Agreement is for a term of twenty-four months commencing July 1, 2023 and extending through June 30, 2025. This Agreement may be terminated by mutual agreement of the parties at any time, provided that SMCEL-JPA has previously given ninety (90) days' advance written notice of its intention to terminate the Agreement. County Attorney may withdraw at any time as permitted under the Rules of Professional Conduct of the State Bar of California.

4. SMCEL-JPA shall pay for services rendered between July 1, 2023 through June 30, 2025, at an attorney hourly rate of \$242 and a paralegal hourly rate of \$133. Additionally, SMCEL-JPA shall pay the actual costs of any out-of-pocket and extraordinary regular costs incurred by County Attorney in connection with the provision of its legal services, e.g., filing fees, extraordinary mailing costs, deposition costs, transcript costs, etc. The total amount to be paid by the SMCEL-JPA pursuant to this Amendment No. 4 to the Agreement shall not exceed \$60,000 annually with the budget for FY 2024/25 subject to the approval of the Operating Budget for the said Fiscal Year by the SMCEL-JPA Board.
5. Charges for services rendered pursuant to the terms and conditions of this Amendment No. 4 shall be billed one month in arrears. Time will be billed in tenth-hour increments, rounded off for each particular activity to the nearest tenth-hour. The minimum charged for any particular activity will be one tenth-hour. Payment shall be made by SMCEL-JPA within thirty (30) days of the invoice date.
6. SMCEL-JPA understands that the County of San Mateo is the County Attorney's primary client. Should there be a conflict between SMCEL-JPA and the County in a matter, SMCEL-JPA hereby consents to the County Attorney's withdrawal of representation of SMCEL-JPA in order for the County Attorney to represent the County in any such matters, unless such waiver is inconsistent with state law.

SMCEL-JPA understands that County Attorney serves as general counsel to the City/County Association of Governments of San Mateo County ("C/CAG") and had executed the Notice and Waiver of Conflict attached hereto as Exhibit A, incorporated herein by this reference, so that County Attorney may continue to represent C/CAG and the SMCEL-JPA in the absence of actual conflict, as described more fully in Exhibit A.

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the day and year first above written.

COUNTY ATTORNEY OF SAN MATEO COUNTY:

By: John D. Nibbelin, County Attorney

Date:

SAN MATEO COUNTY EXPRESS LANES JOINT POWERS AUTHORITY:

By: Rico E. Medina, Chair

Date:

EXHIBIT A

Notice and Waiver of Conflict

This waiver of conflict is requested by the Office of the County Attorney of San Mateo County (the "County Attorney") in connection with the San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA) Board of Directors' consideration of the agreement with the County Attorney to provide legal services to the SMCEL-JPA.

The County Attorney also serves as general counsel for the City/County Association of Governments of San Mateo County ("C/CAG"), a member of the SMCEL-JPA and signatory to the Joint Exercise of Powers Agreement for the San Mateo County Express Lanes (SMCEL-JPA Agreement). It is County Attorney's understanding that the SMCEL-JPA, both under the SMCEL-JPA Agreement itself and pursuant to anticipated future contracts, has or shall enter into a number of arrangements with C/CAG (collectively, the "Matters"), including: (1) a loan/advancement of funds from C/CAG to the SMCEL-JPA; (2) the negotiation and execution of certain contract(s) for staffing support from C/CAG; (3) ongoing executive and staffing support from C/CAG to the SMCEL-JPA, as provided in the SMCEL-JPA Agreement; (4) certain indemnity/hold harmless obligations pursuant to the SMCEL-JPA Agreement; and (5) certain actions that may be taken by the SMCEL-JPA that require review or approval by C/CAG pursuant to the SMCEL-JPA Agreement.

In accordance with Rule 1.7 of the Rules of Professional Conduct, this Notice and Waiver informs you of the implications of the County Attorney representing both the SMCEL-JPA and C/CAG in connection with the Matters and to seek the SMCEL-JPA's consent to such representation. In County Attorney's opinion, the SMCEL-JPA and C/CAG are not presently directly adverse to each other. In addition, we believe the County Attorney can concurrently represent both clients without significant risk that the representation of either client will be materially limited by counsel's responsibilities to or relationships with the other client.

It is conceivable, however, that the interests of the SMCEL-JPA and C/CAG could become directly adverse to one another in the future. Potential conflicts include, for example, the following:

- Either of you could request contract or other terms in connection with the Matters that adversely impact the other;
- The SMCEL-JPA and C/CAG's interests may diverge in connection with the Matters;
- A dispute could arise over the application or interpretation of terms of an existing agreement or the SMCEL-JPA Agreement;
- As a result of new information, facts, law, rules, or any other circumstances, the County Attorney believes that its representation of one client will materially limit its ability to represent the other client; and/or
- Either of you could request that material information regarding the representation or Matters be kept confidential from the other.

To the last point above, because County Attorney would be representing the SMCEL-JPA and C/CAG jointly, we must inform each client of significant developments relating to the Matters and may not withhold information provided by one client from the other. Moreover, under California Evidence Code Section 962 and California case law, in cases of joint representation there is no attorney-client privilege between or among joint clients so that you may not claim your communications with County Attorney are privileged or confidential as to the other client with respect to the Matters.

At this time, we believe that our office is able to represent both the SMCEL-JPA and C/CAG and to fulfill County Attorney's ethical obligations to each client. Aside from the potential conflicts described above, we see no actual conflicts between you, nor has either informed us of any actual conflict. During the joint representation of the SMCEL-JPA and C/CAG, whenever County Attorney identifies any significant areas or issues, in addition to those described above, that have the potential to create a conflict of interest, County Attorney will point them out to both of you and, if necessary, advise you both on the need for separate counsel as to any such issues. You should consider any concern about the effect of such a limitation on County Attorney's representation of you. You should also consider whether you want to obtain the advice of an independent attorney concerning our ability to represent your interests adequately in view of these limitations.

By executing this letter where indicated below, you confirm on behalf of the SMCEL-JPA that you have been fully informed as to the nature of the potential conflicts resulting from the joint representation of both C/CAG and the SMCEL-JPA; that you have been provided a reasonable opportunity to seek the advice of independent counsel of your choice regarding these potential conflicts and waiver thereof; and that you understand that a conflict may arise in the future which may require an additional disclosure and waiver by you, or, alternatively, County Attorney's withdrawal from representation of one or both of you.

Additionally, you confirm that you will take the opportunity to retain independent counsel in the event you have any reservations regarding the joint representation, the issues arising from that representation, and/or the waiver of the potential conflict of interest. Assuming the foregoing accurately reflects your agreements, please sign and date where indicated below, and return the executed Waiver of Conflict to the Office of the County Attorney to the attention of Timothy Fox, Deputy County Attorney.

Waiver of Conflict

I, *Rico E. Medina*, Chair of the Board, on behalf of the SMCEL-JPA, hereby acknowledge that I have carefully read the foregoing letter, informing me that the SMCEL-JPA's interests may potentially be in conflict with those of C/CAG in connection with the County Attorney's representation of the SMCEL-JPA's and C/CAG's interests in connection with the Matters.

I expressly acknowledge that the concurrent representation by the County Attorney of the SMCEL-JPA's and C/CAG's interests constitutes the representation of potentially conflicting interests, to the extent that SMCEL-JPA's and C/CAG's interests are potentially adverse.

I nevertheless knowingly and voluntarily consent on behalf of the SMCEL-JPA to such concurrent representation by the County Attorney. I further expressly acknowledge that the

SMCEL-JPA has been advised that the SMCEL-JPA has the right to seek independent legal counsel in connection with the advisability of waiving said conflict, and that the SMCEL-JPA has had a reasonable opportunity to do so.

SAN MATEO COUNTY EXPRESS LANES JOINT POWERS AUTHORITY:

By: Rico E. Medina, Chair

Date

ATTEST:

By: Mima Guilles, Secretary of the Board

Date:

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: June 9, 2023

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

From: Timothy Fox, Deputy County Counsel

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

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

RECOMMENDATION

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

FISCAL IMPACT

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

SOURCE OF FUNDS

Not Applicable.

BACKGROUND

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

There have there been no substantial changes to the agency's organizational structure since the last code was approved. No positions been eliminated or re-named since the last code was approved. No new positions have been added since the last code was approved. There have been no substantial changes in duties or responsibilities for any positions since the last code was approved.

Staff will file a Biennial Notice with the "No amendment is required" box checked. Staff will return next year (2024) for an adoption and to synchronize the review and adoption with the typical biennial even-year review.

ATTACHMENT

1. Conflict of Interest Code

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

**County of San Mateo
State of California**

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

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

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

**Express Lanes JPA
Conflict of Interest Code**

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

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

Designated Employees	Disclosure Category
Members, Board of Directors	1,2,3,4
Alternate Members, Board of Directors	1,2,3,4
Secretary, Board of Directors	1,2,3,4
Members, Executive Council	1,2,3,4
General Counsel	1,2,3,4
Policy/Program Manager	1,2,3,4
San Mateo County Transit District, Executive Director	1,2,3,4
San Mateo County Transit District, Deputy General Manager/CEO	1,2,3,4
San Mateo County Transit District, Chief Officer, Planning, Grants & TA	1,2,3,4
San Mateo County Transit District, Chief Financial Officer	1,2,3,4
San Mateo County Transit District, Chief Communication Officer	1,2,3,4
San Mateo County Transit District, Director, Budgets	1,2,3,4
San Mateo County Transit District, Deputy Chief Financial Officer	1,2,3,4
San Mateo County Transit District, Director, Treasury	1,2,3,4
San Mateo County Transit District, Director, Marketing and Market Research	1,2,3,4
San Mateo County Transit District, Director, Government and Community Affairs	1,2,3,4
San Mateo County Transit District, Director, TA Program	1,2,3,4
San Mateo County Transit District, Manager, Budgets	1,2,3,4
San Mateo County Transit District, Manager, Treasury Operations	1,2,3,4
San Mateo County Transit District, Manager, Communications	1,2,3,4

San Mateo County Transit District, Manager, Digital Communications	1,2,3,4
San Mateo County Transit District, Manager, Marketing and Creative Services	1,2,3,4
C/CAG Program Director	1,2,3,4
C/CAG Transportation System Coordinator	1,2,3,4
C/CAG Associate Transportation System Coordinator	1,2,3,4
C/CAG Transportation Program Specialist	1,2,3,4
Other Consultants*	1,2,3,4

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

Express Lanes JPA
Description of Disclosure Categories

Category 1

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

Category 2

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

Category 3

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

Category 4

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

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: June 9, 2023

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

From: Kate Jordan Steiner, Chief Financial Officer

Subject: **PUBLIC HEARING: APPROVAL OF SMCEL RESOLUTION 23-10 on the Adoption of the Fiscal Year (FY) 2024 SMCEL-JPA Operating Budget**

(For further information please contact Kate Jordan Steiner at steinerkj@samtrans.com)

RECOMMENDATION

Staff recommends that the Board:

1. Conduct a public hearing on the approval of the FY2024 Budget, in accordance with Section 131266 of the California Public Utilities Code; and
2. Adopt the FY2024 SMCEL-JPA Budget in the amount of \$22,426,634 as presented in Attachment A.

FISCAL IMPACT

Adoption of the FY2024 Budget would provide the SMCEL-JPA budget authority for \$22,426,634 in anticipated expenditures in the upcoming fiscal year. This budget includes toll revenues and express lanes operational and maintenance (O&M) expenses for the full corridor.

Public Hearing Requirements & Process

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

Notice of this public hearing appeared in the San Mateo Daily Journal on May 25, 2023. The notice is currently posted at the lobby of 1250 San Carlos Ave, San Carlos, the kiosk at the San Mateo County courtyard, where the SMCEL-JPA's agendas also are posted for public viewing. As of the date of publication of this staff report, no written comments have been received.

Staff recommends that the Board:

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

5. Close the public hearing;
6. Hold Board discussion; and
7. Adopt the proposed budget.

BACKGROUND

The management and operation of the Express Lanes is governed by the San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA), a six-member joint powers authority consisting of three San Mateo County Transportation Authority (SMCTA or the TA) Board members and three City/County Association of Governments of San Mateo County (C/CAG) Board members.

The FY2024 Proposed Budget provides funding for the continued operational support of the southern and northern segments of the US 101 Express Lanes. The northern segment is currently open and fully operational as of March 3, 2023.

The FY2024 Proposed Budget projects a full twelve (12) months of operation of the lanes for both the northern and southern segments, whereas the FY2023 Forecast amount was for 8 months of the southern segment and 4 months of the full corridor. As better estimates become available for the full corridor, staff will likely return to the Board with a budget amendment for FY2024.

Changes from the May Board meeting

There are no changes in the proposed budget from the May Board meeting. At the May Board, however, staff was asked if the budget for promotional advertising was sufficient. There are three components to advertising/communication efforts.

- Outreach for the Community Transportation Benefits Program (CTBP): At the February 2023 meeting, the Board approved an additional \$50,000 for increased outreach of the community benefits program through the Samaritan House contract. The proposed FY24 budget already includes an additional \$15,000 for communication services such as translation and interpretation services related to the CTBP, an increase of \$5,000 from FY2023 Revised Budget. Staff will bring an evaluation of the CTBP to the Board later this Summer.
- General communication assistance for the SMCEL-JPA: In the current year, this line item funded costs associated with the opening ceremony as well as CTBP advertising. The FY24 budget includes \$50,000 for potential communication and marketing tasks that may become necessary for the SMCEL-JPA in the upcoming fiscal year.
- Promotional efforts to encourage drivers to sign up for FasTrak: Bay Area Transportation Authority (BATA) implements these uniformly, in coordination with other toll operators, for regionally consistent communication activities. Our proportional cost is included in our BATA expenditures. The proposed FY2024 budget already accounts for the communications and marketing efforts of our regional partners.

Staff recommends maintaining the the FY24 projected budget presented to the Board in May 2023. Future budget adjustments can be made if the need arises, including any required actions from the planned evaluation of the CTBP in the late summer or changes in the operating environment.

FY2024 Proposed Budget

Please refer to Attachment A for a comparative schedule of the FY2023 Revised, FY2023 Forecast, and the FY2024 Proposed Budgets. Please note that FY2023 Forecast is an estimate of the projected actuals

for each line item through June 30, 2023. The line numbers for each revenue and expense item are detailed below and referring to the corresponding line numbers on Attachment A.

Total Sources of Funds (Line 10)

Total revenues for FY2024 are projected at \$25.4 million, an increase of \$12.3 million over the FY2023 Forecast.

Toll Revenues (Line 2) \$20.2 million – increase of \$8.9 million over FY2023 Forecast

FY2024 toll revenues are projected at \$20.2 million. This projection is based on the average year-to-date toll revenue collection of the southern segment from July 2022 to February 2023 and escalated by lane mile for the full corridor. The average per lane mile used for FY2024 Proposed Budget is \$76,583 or \$1.68 million per month. The FY2023 Forecast of \$11.3 million is based on the year-to-date actuals through February 2023, and escalated by lane mile for the full corridor for the remaining months from March through June 2023

	FY2023 Revised	FY2023 Forecast	FY2024 Proposed	Variance	% Change
Toll Revenues	\$8,000,000	\$11,270,537	\$20,200,000	\$ 8,929,463	79.2%

Toll Violation, Fees and Penalties (Line 3) \$4.2 million – increase of \$2.6 million over FY2023 Forecast

FY2024 Proposed Budget is projected at \$4.2 million. This line item is related to any violations and fees associated with the use of the express lanes. The \$4.2 million is based on a per lane mile of \$16,052 or \$353,144 per month. This is based on the average year-to-date actuals of the southern segment from December 2022 to February 2023 and escalated by lane miles for the full corridor. The FY2023 Forecast is projected at \$1.6 million and is based on actual fees collected through February 2023 and escalated by lane miles for the remaining months from March through June 2023.

	FY2023 Revised	FY2023 Forecast	FY2024 Proposed	Variance	% Change
Toll Violations, Fees and Penalties	\$ -	\$ 1,614,124	\$ 4,200,000	\$ 2,585,876	160.2%

Allocated Bond Funds – Equity Program (Line 4) \$577,550 – increase of \$370,050 over FY2023 Forecast

Included in the \$100 million loan agreement the TA made to the SMCEL-JPA in 2020, \$1.0 million was set aside for equity program expenses. Of the \$1.0 million, \$214,950 was used in FY2022 and \$207,500 is forecasted for FY2023, leaving a projected balance of \$577,550 to rollover to FY2024 to fund and support the Equity Program Administration and Costs in the upcoming year (Line 29). In FY2023, the overall equity program was ramping up its implementation. It is expected that participation in the program will increase in FY2024 due to additional outreach and expansion.

	FY2023 Revised	FY2023 Forecast	FY2024 Proposed	Variance	% Change
Allocated Bond Funds - Equity Program	\$ 635,000	\$ 207,500	\$ 577,550	\$ 370,050	178.3%

SMCTA Measure A (ACR TDM) – Equity Program (Line 5) \$400,000

On January 6, 2022, SMCTA programmed and allocated a one-time \$400,000 of Measure A Alternative

Congestion Relief/Transportation Demand Management (ACR/TDM) program funds to the US 101 Express Lanes Equity Program. Based on the forecast of the Equity program spending, this entire amount will rollover to FY2024 to fund for the program, since none of the \$400,000 is planned to be used in FY2023.

	FY2023 Revised	FY2023 Forecast	FY2024 Proposed	Variance	% Change
SMCTA Measure A (ACR TDM)	\$ 400,000	\$ -	\$ 400,000	\$ 400,000	100.0%

Carryforward Balance from SMCTA and C/CAG (Line 6) \$0

This carryforward from prior years is a true-up between the advances provided by each agency against expenses (split determined per the Operating Funding agreement). The reconciliation is based on the audited actuals. This carryforward balance is no longer needed as there will be sufficient toll revenue in FY2024 to offset the operation and administration costs for the express lanes.

Advances from SMCTA and C/CAG (Lines 7 & 8) \$0

FY2024 toll revenues are sufficient to offset the operation and administration costs of the express lanes. Therefore, advances from SMCTA and C/CAG will not be required to balance the budget.

Additional advance from SMCTA (Line 9) \$0

This line item was a one-time budgeted advance from SMCTA on behalf of C/CAG from FY2023. This advance will not be required for FY2024.

Uses of Funds

Staff Support: (Line 13) \$1,055,611, an increase of \$294,705 from the FY2023 Forecast

- This includes staff wages and benefits needed to support the operation of the SMCEL-JPA. A total of 4.54 full time equivalents (FTEs) in C/CAG and San Mateo County Transit District (District) staff time is budgeted in FY2024. The additional costs are driven by increases in C/CAG and District labor costs.
- The FY2023 Forecast is based on actual expenditures through March 2023. There is a decrease of \$78,722 in the FY2023 Forecast from the FY2023 Revised Budget; actual expenses to date are less than budgeted.

	FY2023 Revised	FY2023 Forecast	FY2024 Proposed	Variance	% Change
Staff Support	\$ 839,628	\$ 760,906	\$ 1,055,611	\$ 294,705	38.7%

Administrative Overhead: (Line 14) \$117,139, an increase of \$11,084 from the FY2023 Forecast

- The Indirect Cost Allocation Plan (ICAP) calculates the indirect cost rate used to recover overhead costs related to agency indirect administrative overhead and capital projects. The District procured the assistance of an outside consulting firm to develop a methodology that equitably allocates the costs incurred by the District for services and functions shared by the different agencies administered by District staff. The consultant team is selected for its experience and knowledge in developing allocation methodologies for governmental and public entities.
- The ICAP is prepared in accordance with the principles and guidelines set forth in the Office of Management and Budget (OMB) Circular A-87 "Cost Principles for State, Local and Indian Tribal Governments" and ASMB C-10 "Cost Principles and Procedures for Developing Cost Allocation Plans and Indirect Cost Rates for Agreements with the Federal Government."

- The FY2024 Administrative Overhead is based on the FY2024 ICAP calculation that applies the ICAP rate to all labor and non-labor costs.

	FY2023 Revised	FY2023 Forecast	FY2024 Proposed	Variance	% Change
Administrative Overhead	\$ 106,055	\$ 106,055	\$ 117,139	\$ 11,084	10.5%

Seminar/Training & Business Travel: (Line 15) \$40,500, an increase of \$34,500 over the FY2023 Forecast

- Includes cost of seminars, training and conferences related to express lanes administration and technology, business travel for meeting attendance in and around the region regarding express lanes business, as well as meetings with the State, such as California Department of Transportation (Caltrans), California Transportation Commission (CTC) and the International Bridge, Tunnel and Turnpike Association (IBTTA) meetings & Events.
- The increase from the FY2023 Forecast is for the tolling seminars in FY2024. The FY2023 Forecast is projected to be \$6,000. This is a decrease of \$14,000 from the FY2023 Revised due to less training and business travel than expected.

	FY2023 Revised	FY2023 Forecast	FY2024 Proposed	Variance	% Change
Seminar/Training & Business Travel	\$ 20,000	\$ 6,000	\$ 40,500	\$ 34,500	575.0%

Audit and Bank Fees: (Line 16) \$22,636, an increase of \$2,393 from the FY2023 Forecast

- Includes annual audit fees and Government Finance Officers Association (GFOA) subscription and applications, bank fees and fiscal agent fees. The increase is due to increases in fiscal agent fees and audit fees of \$1,000 and \$1,160 respectively.
- The FY2023 Forecast is projected at \$20,243, a decrease of \$5,917 from the FY2023 Revised Budget. This decrease is due to less than anticipated bank fees. As daily fund balance accumulates, less fees are incurred.

	FY2023 Revised	FY2023 Forecast	FY2024 Proposed	Variance	% Change
Audit & Bank Fees	\$ 26,160	\$ 20,243	\$ 22,636	\$ 2,393	11.8%

Promotional Advertising: (Line 17) \$50,000, a decrease of \$35,130 from the FY2023 Forecast

- This budget request is for marketing promotional advertising services. The FY2023 Forecast is based on actual expenditures through March 2023 which included advertising costs to promote the opening of the northern segment of the Express Lanes.

	FY2023 Revised	FY2023 Forecast	FY2024 Proposed	Variance	% Change
Promotional Advertising	\$ 50,000	\$ 85,130	\$ 50,000	\$ (35,130)	-41.3%

Utilities: (Line 18) \$50,000, an increase of \$14,333 from the FY2023 Forecast

- Includes utilities costs from PG&E. The FY2023 Forecast is based on actual expenditures through February 2023.

	FY2023 Revised	FY2023 Forecast	FY2024 Proposed	Variance	% Change
Utilities	\$ 50,000	\$ 35,667	\$ 50,000	\$ 14,333	40.2%

Software Maintenance & License: (Line 19) \$33,600, an increase of \$7,395 from the FY2023 Forecast

- This line item includes Software Box Service Document Management and Granicus software.
- The increase of \$7,395 from the FY2023 Forecast is due to Consumer Price Index (CPI) adjustment and lower costs in FY2023.
- The FY2023 Forecast is projected at \$26,205, a decrease of \$5,795 from the FY2023 Revised Budget. The decrease is due to actual expenditures coming in less than projected.

	FY2023 Revised	FY2023 Forecast	FY2024 Proposed	Variance	% Change
Software Maintenance & License	\$ 32,000	\$ 26,205	\$ 33,600	\$ 7,395	28.2%

Legal Services: (Line 20) - \$60,000, an increase of \$44,817 from the FY2023 Forecast

- Includes cost for contracted legal services provided by the San Mateo County Attorney's Office. The FY2023 Forecast is based on actual expenditures through March 2023, resulting in a decrease of \$44,817 from the FY2023 Revised and FY2024 Proposed Budgets.

	FY2023 Revised	FY2023 Forecast	FY2024 Proposed	Variance	% Change
Legal Services	\$ 60,000	\$ 15,183	\$ 60,000	\$ 44,817	295.2%

Insurance: (Line 21) \$500,000, no change from the FY2023 Forecast.

- Annual premium for property and liability coverage.

	FY2023 Revised	FY2023 Forecast	FY2024 Proposed	Variance	% Change
Insurance	\$ 500,000	\$ 500,000	\$ 500,000	\$ -	0.0%

SMCEL-JPA Bond Related Debt Fees: (Line 22) \$520,000 – new line item

- This line item includes \$520,000 for Bank of America Letter of Credit (LOC) fees, JPMorgan remarketing fees and S&P Global ratings.

	FY2023 Revised	FY2023 Forecast	FY2024 Proposed	Variance	% Change
SMCEL-JPA Bond Related Debt Fees	\$ -	\$ -	\$ 520,000	\$ 520,000	100.0%

Miscellaneous: (Line 23) \$29,350, an increase of \$651 from the FY2023 Forecast

- Includes provision for dues and subscriptions, Board compensation, Automatic Data Processing (ADP) fees, office supplies and printing and information services. The increase is due to additional cost of \$9,900 for the video streaming and \$2,000 in meeting costs for Board meetings offset by a one-time ribbon cutting ceremony for the opening of the Northern segment of the Express Lanes from the FY2023 Revised budget.

- The reduction in the FY2023 Forecast of \$3,701 compared to the FY2023 Revised Budget is due to less office supplies and printing and information service costs than expected for FY2023.

	FY2023 Revised	FY2023 Forecast	FY2024 Proposed	Variance	% Change
Miscellaneous	\$ 32,400	\$ 28,699	\$ 29,350	\$ 651	2.3%

Consultant: (Line 24) \$2,206,700, an increase of \$891,942 from the FY2023 Forecast

- This line item includes consultant services, such as those provided by the HNTB Policy Program Management (PPM), a one-time organizational study and analysis, as well as technical studies, advocacy and lobbying. The increase is primarily due to the addition of \$400,000 in organizational and study analysis, \$250,000 in allowance for technical studies, \$170,000 for HNTB PPM and \$75,000 in advocacy and lobbying services.
- The FY2023 Forecast is projected at \$1.3 million, a decrease of \$485,242 from the FY2023 Revised Budget. This decrease is a result of no actual expenditures through March 2023 in allowance for technical studies, TA on-site consultant and District communication services.

	FY2023 Revised	FY2023 Forecast	FY2024 Proposed	Variance	% Change
Consultant	\$1,800,000	\$ 1,314,758	\$ 2,206,700	\$ 891,942	67.8%

Express Lane Maintenance: (Line 25) \$847,000, an increase of \$628,000 from the FY2023 Forecast.

- This line is for the maintenance costs for the Express Lanes. The FY2024 Proposed Budget represents a full year of operations for the entire 22-mile extent compared to partial operations in FY2023. This projection assumes \$10,000 per lane mile in each direction, plus incident management and supplemental subcontractor support to address Caltrans' limited resource availability.
- The FY2023 Forecast is projected at \$219,000 to account for anticipated maintenance and incident management needs for the newly launched northern segment between March and June 2023. This represents a decrease of \$225,000 from the FY2023 Revised Budget due to a shortage of Caltrans staff and less required maintenance for newly opened lanes.

	FY2023 Revised	FY2023 Forecast	FY2024 Proposed	Variance	% Change
Express Lane Maintenance	\$ 444,000	\$ 219,000	\$ 847,000	\$ 628,000	286.8%

Toll Operations and Maintenance (BAIFA) (Line 26) \$8,350,000, an increase of \$5,490,000 from the FY2023 Forecast.

- This line reflects the Bay Area Infrastructure Financial Authority's (BAIFA) operation of the Express Lanes toll system, including the collection of toll transactions and traffic data, sending information to the Bay Area Toll Authority customer service center, monitoring system performance, providing roadway operations, and the maintenance of toll system equipment and software.
- The increase of \$5,490,000 from the FY2023 Forecast is due to the following:
 - An increase in program management from \$500,000 to \$1,060,000 based on estimates for full corridor service levels.
 - Toll System Operations & Maintenance increased by \$1,660,000 based on estimates for full corridor service levels.
 - ROC 511 Monitoring and AT&T host and fiber costs increased by \$340,000 based on

- estimates for full corridor service levels.
- Other civil costs not covered by Caltrans increased by \$2,550,000 for a full year's worth of preventative maintenance for the full corridor and an increase in cost for major variable tasks/repairs such as USA marking, fiber investigation, fiber repairs and other major infrastructure repairs.
- Contingency increased from 5% to 10% or \$380,000.
- The FY2023 Forecast is projected at \$2.9 million, a decrease of \$2.1 million from the FY2023 Revised Budget. This decrease is due to less maintenance required since the lanes are relatively new.

Toll Operations & Maintenance (BAIFA)					
Scope Area	FY23 Revised	FY23 Forecast	FY24 Proposed	Variance btw FY23 v FY24	Percentage Change
Program Management	500,000	500,000	1,060,000	560,000	112.0%
Toll Systems	2,726,000	1,530,000	3,190,000	1,660,000	108.5%
Regional Operations Center (ROC) 511 Monitoring	351,000	290,000	570,000	280,000	96.6%
Other Civil Costs not covered by Caltrans	894,000	150,000	2,700,000	2,550,000	1700.0%
AT&T Host Costs & Fiber Costs	273,000	130,000	190,000	60,000	46.2%
Contingency (10%)	237,000	260,000	640,000	380,000	146.2%
Total	\$ 4,981,000	\$ 2,860,000	\$ 8,350,000	\$ 5,490,000	192.0%

FasTrak Customer Service (BATA) (Line 27) \$5,200,000, an increase of \$2,537,000 over the FY2023 Forecast

- To provide customer service for FasTrak® accounts and trips taken on the US 101 Express Lanes in San Mateo County, to process customer payments and issue toll evasion violation notices. The estimate for FY2024 assumes high levels of traffic to provide sufficient budgetary authority.
- The FY2024 Proposed Budget is \$2,537,000 or 95.3% higher than the FY2023 Forecast. This increase is mostly in customer service costs of \$2.0 million and credit card fees of \$443,000.
- The FY2023 Forecast is projected at \$2.7 million, a decrease of \$0.2 million from the FY2023 Revised Budget. This decrease is due to a less volume of toll transactions than anticipated.

FasTrak Customer Service (BATA)					
Scope Area	FY23 Revised	FY23 Forecast	FY24 Proposed	Variance btw FY23 v FY24	Percentage Change
FasTrak Maintenance & Accounting	90,374	94,500	200,000	105,500	111.6%
Customer Service Center	2,259,348	2,000,000	4,000,000	2,000,000	100.0%
Credit Card and Banking Fees	376,558	457,000	900,000	443,000	96.9%
Direct Costs	113,720	111,500	100,000	(11,500)	-10.3%
Total	\$ 2,840,000	\$ 2,663,000	\$ 5,200,000	\$ 2,537,000	95.3%

Express Lane Enhanced Enforcement (CHP) (Line 28) \$240,000, an increase of \$154,942 over the FY2023 Forecast

- This line item is for the California Highway Patrol to provide enforcement services. There is an increase of \$154,942 from the FY2023 Forecast. The increase is for additional CHP activity anticipated for the full corridor service levels. The FY2023 Forecast is based on actual expenditures through December 2023. There have been less CHP costs than originally projected.

	FY2023 Revised	FY2023 Forecast	FY2024 Proposed	Variance	% Change
Express Lane Enhanced Enforcement (CHP)	\$ 240,000	\$ 85,058	\$ 240,000	\$ 154,942	182.2%

Equity Program Administration and Costs (Line 29) \$1,435,000, an increase of \$1,227,500 from the FY2023 Forecast

- This line item reflects the agreement with Samaritan House for San Mateo 101 Express Lanes Equity Program administration services including eligibility screening, marketing and outreach, oversight, reporting and costs and the direct costs of procuring Clipper Cards and FasTrak® toll tag/transponders. Samaritan House will provide eligible residents with Clipper Cards and FasTrak® toll tag/transponders projected to cost \$1,300,000. The annual administration cost is \$120,000 and communication services including translation of materials and marketing is \$15,000.
- FY2024 Proposed Budget for this line item is \$1,435,000. The program is expected to ramp up due to additional outreach and expansion in FY2024.
- The FY2023 Forecast is projected at \$0.2 million, a decrease of \$0.8 million from the FY2023 Revised Budget as the program was underutilized. Staff is currently working with various stakeholders to increase marketing and outreach efforts for this program.

Equity Program Administration and Costs					
Scope Area	FY23 Revised	FY23 Forecast	FY24 Proposed	Variance btw FY23 v FY24	Percentage Change
Clipper Cards and FasTrak toll tag/transponders	915,179	175,500	1,300,000	1,124,500	640.7%
Annual Administration cost (Samaritan House)	109,821	22,000	120,000	98,000	445.5%
Communication services, including translation of materials and marketing	10,000	10,000	15,000	5,000	50.0%
Total	\$ 1,035,000	\$ 207,500	\$ 1,435,000	\$ 1,227,500	591.6%

Interest Expense – Operating Advances: (Line 30) \$269,098, an increase of \$125,584 from the FY2023 Forecast

- This is the estimated interest incurred on the balance from the Operating advances from both C/CAG and SMCTA
- The increase of \$125,584 in the FY2024 Proposed Budget is based on an average county pool interest rate of 4.375 percent on the projected \$6.0 million fund balance.
- The FY2023 Forecast is projected at \$143,514, an increase of \$84,796 from the FY2023 Revised Budget. The FY2023 Forecast is based on actual expenditures through March 2023. The projection from April through June is based on a projected fund balance of \$6.0 million at an estimated county pool interest rate of 4.0 percent.

	FY2023 Revised	FY2023 Forecast	FY2024 Proposed	Variance	% Change
Interest Expense on Operating Advances	\$ 58,718	\$ 143,514	\$ 269,098	\$ 125,584	87.5%

Credit Enhancement Fee: (Line 31) \$400,000 – new line item

- Credit Enhancement fee is a fee that the TA charges the San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA) for the TA's \$100 million bond issuance in 2020 for capital, finance and support costs associated with the US 101 Express Lanes Project. This fee compensates the TA for risk and efforts associated with the issuance and maintenance of the bond. The Credit Enhancement Fee is charged on the outstanding balance of the loan at an annual rate of 0.4 percent. However, in any fiscal year in which the Capital Loan balance is reduced by at least \$5 million,

the TA will use 0.15 percent of the Credit Enhancement Fee to reduce the outstanding principal on the Capital Loan.

- Included in the \$100 million loan agreement the TA made to the SMCEL-JPA in 2020, \$0.8 million was set aside to pay for the first two years of the enhancement fee. This set-aside fund is fully exhausted by end of August 2022.
- The FY2023 Forecast is \$332,055. This represents ten months of enhancement fee at 0.4 percent of the outstanding bond loan balance of \$100 million from September 2022 through June 2023. The credit enhancement costs for July and August 2022 were covered by the \$100 million bond.
- The FY2024 Proposed Budget for this line is \$400,000. This represents twelve months of the enhancement fee at 0.4 percent of the outstanding bond loan balance.

	FY2023 Revised	FY2023 Forecast	FY2024 Proposed	Variance	% Change
Credit Enhancement Fee	\$ -	\$ 332,055	\$ 400,000	\$ 67,945	20.5%

SMCEL-JPA Bond Interest: (Line 32) \$1,000,000 – new line item

- This line item is comprised of \$1.0 million in projected interest expense. When the TA issued debt in 2020 on behalf of the SMCEL-JPA to finance construction of the US101 Express Lanes Project, the TA identified and qualified \$6 million as capitalized interest for the first three years of the term of the loan. This capitalized interest allows the interest to be paid from the loan; however, after February 28, 2024, this set aside of capitalized interest may not be available to reimburse the interest costs as it is expected to be exhausted. The projected \$1.0 million expense represents interest for the months of March through June 2024. It is expected that the SMCEL-JPA would reimburse the TA for such expenses.

	FY2023 Revised	FY2023 Forecast	FY2024 Proposed	Variance	% Change
SMCELJPA Bond Interest	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	100.0%

PROJECTED SOURCES OVER USES: (Line 35)

- The FY2023 Forecast projects a surplus of \$3.7 million and the FY2024 Proposed Budget projects a surplus of \$3.0 million. Staff proposes to distribute the surpluses for each year based on the flow of funds per the loan agreement when the yearend audit is completed, generally around the Fall time frame (October or November of each year). Depending on the availability of funds, future distributions may include funding of reserves and payment of debt principal. Staff will return to the Board this Fall with additional information in the new fiscal year regarding the audited FY2023 actuals and updated projections for FY2024.

ATTACHMENTS

1. SMCEL Resolution - 23-10
2. Proposed FY2024 SMCEL-JPA Budget

RESOLUTION SMCEL 23-10

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN MATEO COUNTY EXPRESS LANES JOINT POWERS AUTHORITY (SMCEL-JPA) ADOPTING THE SMCEL-JPA BUDGET FOR FISCAL YEAR 2024 IN THE AMOUNT OF \$22,426,634

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

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

WHEREAS, in accordance with Section 131266 of the California Public Utilities Code, the Authority conducted a public hearing concerning the annual budget at its meeting on June 9th, 2023; and

WHEREAS, the Board of Directors has been presented for its consideration and approval a proposed budget of \$22,426,634 for Fiscal Year 2024.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the SMCEL-JPA adopts the budget for Fiscal Year 2024, a copy of which is attached and incorporated herein as Attachment 2.

PASSED, APPROVED, AND ADOPTED, THIS 9th DAY OF JUNE 2023.

Rico E. Medina, Chair

SAN MATEO COUNTY Express Lanes JPA
FY2024 Proposed Budget

	FY2023 REVISED	^A FY2023 FORECAST	FY2024 PROPOSED	^A FY23 FORECAST vs FY24 PROPOSED VARIANCE	PERCENTAGE CHANGE
1 SOURCES OF FUNDS					
2 Toll Revenues	8,000,000	11,270,537	20,200,000	8,929,463	79.2%
3 Toll Violation, Fees and Penalties	-	1,614,124	4,200,000	2,585,876	160.2%
4 Allocated Bond Funds - Equity Program	635,000	207,500	577,550	370,050	178.3%
5 SMCTA Measure A (ACR TDM) - Equity Program	400,000	-	400,000	400,000	100.0%
6 Carryforward Balance from SMCTA & C/CAG	192,109	-	-	-	-
7 Advance from the C/CAG	1,350,000	-	-	-	-
8 Advance from the SMCTA	1,915,185	-	-	-	-
9 Additional advance from SMCTA	622,667	-	-	-	-
10 TOTAL SOURCES OF FUNDS	13,114,961	13,092,161	25,377,550	12,285,389	93.8%
11 USES OF FUNDS					
12 Staff Support	839,628	760,906	1,055,611	294,705	38.7%
13 Administrative Overhead	106,055	106,055	117,139	11,084	10.5%
14 Seminar/Training & Business Travel	20,000	6,000	40,500	34,500	575.0%
15 Audit & Bank Fees	26,160	20,243	22,636	2,393	11.8%
16 Promotional Advertising	50,000	85,130	50,000	(35,130)	-41.3%
17 Utilities	50,000	35,667	50,000	14,333	40.2%
18 Software Maintenance & License	32,000	26,205	33,600	7,395	28.2%
19 Legal Services	60,000	15,183	60,000	44,817	295.2%
20 Insurance	500,000	500,000	500,000	-	0.0%
21 SMCEL-JPA Bond Related Debt Fees		-	520,000	520,000	100.0%
22 Miscellaneous	32,400	28,699	29,350	651	2.3%
23 Consultant	1,800,000	1,314,758	2,206,700	891,942	67.8%
24 Express Lanes Maintenance	444,000	219,000	847,000	628,000	286.8%
25 Toll Operations and Maintenance (BAIFA)	4,981,000	2,860,000	8,350,000	5,490,000	192.0%
26 FasTrak Customer Service (BATA)	2,840,000	2,663,000	5,200,000	2,537,000	95.3%
27 Express Lanes Enhanced Enforcement (CHP)	240,000	85,058	240,000	154,942	182.2%
28 Equity Program Administration and Costs	1,035,000	207,500	1,435,000	1,227,500	591.6%
29 Interest Expense on Operating Advances	58,718	143,514	269,098	125,584	87.5%
30 Credit Enhancement Fee	-	332,055	400,000	67,945	20.5%
31 SMCEL-JPA Bond Interest	-	-	1,000,000	1,000,000	100.0%
32 TOTAL USES OF FUNDS	13,114,961	9,408,973	22,426,634	13,017,661	138.4%
33 PROJECTED SOURCES OVER USES	-	3,683,188	2,950,916	(732,272)	-19.9%

A - FY2023 Revised Budget assumes 8 months of southern segment toll revenues and O&M expenses and four months of the full corridor toll revenues and OM expenses whereas FY2024 Proposed Budget reflects a 12 month projection of the full corridor.

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: June 9, 2023

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

From: Executive Council

Subject: Review and approve SMCEL Resolution 23-08 to add a payment plan for certain qualified individuals to pay tolls, and to revise the SMCEL-JPA violation penalties schedule to create a one-time waiver for all toll violation penalties for qualified individuals effective July 1, 2023.

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

RECOMMENDATION

Review and approve SMCEL Resolution 23-08 to add a payment plan for certain qualified individuals to pay tolls, and to revise the SMCEL-JPA violation penalties schedule to create a one-time payment waiver for all toll violation penalties for qualified individuals, effective starting on July 1, 2023.

The payment plan will be offered to individuals having an income less than or equal to two hundred percent of the federal poverty guidelines. The waiver of outstanding penalties, excluding DMV fees, will be offered on a one-time basis to individuals having an income less than or equal to two hundred percent of the federal poverty guidelines. Section 10 of the adopted Toll Ordinance authorizes the SMCEL JPA Board of Directors to update Appendix C (Penalties) by resolution.

FISCAL IMPACT

As the proposed Payment Plan Program for the region and the US 101 Express Lanes in San Mateo is still in a start-up phase, it is difficult to estimate the financial impact. As such, the proposed FY2024 budget is not making any special adjustments at this time. The express lane toll amounts and the algorithm to calculate the amounts owed are not being altered, and drivers are still required to pay tolls when driving in the express lanes. While the payment plan may mean that toll revenues have to be collected over time, it is possible that such a plan may encourage more people who receive a violation to pay the tolls and allow low-income drivers who may not have the means or ability to pay an affordable option to pay their tolls and toll evasion penalties, which would increase payments and reduce collection expenses.

SOURCE OF FUNDS

Not applicable.

BACKGROUND

Governor Newsom signed Assembly Bill 2594 (AB2594) into law in September of 2022. The bill includes new requirements, including the adoption of a payment plan program for the benefit of low-income individuals on toll facilities. The legislation also creates a new one-time waiver program for low-income individuals to obtain a complete waiver of bridge toll violation penalties, excluding DMV fees, that were incurred from March 20, 2020

through January 1, 2023. The legislation aims to serve people who have a household income equal to or below 200% of the federal poverty level. As an example, for a family of four, the amount would be \$60,000 in 2023 and \$29,160 for one individual (levels are generally adjusted each year).

Toll bridge operators are required to have an operative payment plan program by July 1, 2023 and that express lane operators can have until July 1, 2024 to implement the payment plan option. To be consistent with the Bay Area toll bridge operators to comply with the statutory requirement, and to minimize driver and operational complications and confusion, the express lane toll operators, SMCEL-JPA, Bay Area Infrastructure Financing Authority (BAIFA), Alameda County Transportation Commission (ACTC), and the Santa Clara Valley Transportation Authority (VTA), collectively decided to implement the low income payment plan starting on July 1, 2023, one year earlier than the legislative mandate. The Bay Area payment plan also includes a policy to provide a one- time waiver on all violation penalties, except DMV fees, for low-income individuals. Table 1 in Exhibit A contains information on the payment plan policies across all the bay area toll operators.

The Bay Area Toll Authority (BATA) plans to conduct regional outreach from July to November 2023 to make the public aware of the payment plan. The information campaign will be two pronged. The first step is to let drivers know that they need to pay their tolls and penalties, or risk the Department of Motor Vehicles requiring all tolls and penalties to be paid before they can register their vehicles. The second step is to specifically promote the payment plan. Emphasis will be placed on promoting the payment plan to equity priority communities, and that the campaign will target multiple languages and cultures.

To reach the targeted Equity Priority Communities, BATA staff will purchase local and multilingual/multicultural print ads, send out bulk mailing, conduct neighborhood outreach at places like libraries and flea markets, collaborate with other agencies such as the Department of Motor Vehicles, the CalFresh program, and similar low-income programs, and conduct outreach to community-based organizations, specifically at churches and community centers.

Staff had previously presented an overview of the draft payment plan at the November 2022 meeting to receive feedback.

The VTA, ACTC, BAIFA, and BATA have approved a regionally consistent payment plan. The BAIFA and BATA approvals included a sunset date of September 30, 2024 for the one-time waiver of penalties due to specific requirements in AB2594 that pertain to BATA's toll bridges. BAIFA has expressed the intent to remove the sunset date on the one-time penalty waiver for BAIFA express lanes prior to the expiration in September 2024.

ATTACHMENT

1. SMCEL Resolution 23-08
 - a) Exhibit A: Table 1: Low-income Payment Plan Policies
 - b) Exhibit B: Update to Attachment C

RESOLUTION SMCEL 23-08

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN MATEO COUNTY EXPRESS LANES
JOINT POWERS AUTHORITY ADOPTING CHANGES TO THE TOLL VIOLATION PENALTIES,
ADDING A LOW-INCOME PAYMENT PLAN AND WAIVER EXCEPTION**

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

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

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

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

WHEREAS, the SMCEL-JPA amended the civil penalties for toll violations on express lanes in the Bay Area region at \$10 for the first notice and \$20 for the second notice, effective October 3, 2022, to provide customers with a seamless travel experience and to operate the lanes in a manner generally consistent with its regional and statewide partners;

WHEREAS, to comply with Assembly Bill 2594 and to be regionally consistent on payment plan policies to minimize driver and operational complications, commencing July 1, 2023, the SMCEL-JPA shall provide to qualified individuals a payment plan option and a one-time waiver of outstanding toll evasion penalties for toll evasion violations on its toll facilities, occurring prior to the date of such individual's qualification for a payment plan.

NOW THEREFORE BE IT RESOLVED, that the SMCEL-JPA Board of Directors approve SMCEL Resolution 23-08, adopting a payment plan for certain qualified individuals as described in Exhibit A and amending Appendix C of the SMCEL Ordinance 2021-01, as described in Exhibit B, effective for transactions on or after July 1, 2023.

PASSED, APPROVED, AND ADOPTED, THIS 9TH DAY OF JUNE 2023.

Rico E. Medina, Chair

Exhibit A:

Low-Income Payment Plan Policies

	AB2594 (Ting) Section 40269.5 Requirements	BATA, BAIFA, VTA & ACTC Recommendations
Open to	Low income (up to 200% federal poverty guidelines)	Low income (up to 200% federal poverty guidelines)
Where and when effective?	Bridges 7/1/23; Express lanes 7/1/24	All agencies by 7/1/23
Minimum owed to be eligible for plan	\$100 in penalties (includes DMV fees)	\$100 in tolls, penalties, and DMV fees
Maximum owed before ineligible for plan	\$2,500 in penalties	No maximum
Both tolls and penalties included in payment plan?	Penalties and DMV fees only	Tolls, penalties, and DMV fees
Minimum first payment amount to enter plan and release DMV holds	Full amount of tolls owed	50% of tolls owed or \$100, whichever is lower
Minimum monthly payment for totals owed up to \$600	\$25/month	\$25/month
Max Number of plans	No concurrent plans; 2 in 6 Years	No concurrent plans; 2 in 4 years
Waiver of penalties	For toll bridges, on a one-time basis, waiver of all violation penalties (Section 40269.6)	On a one-time basis, waiver of all violation penalties (except DMV fees), without requiring an account

Exhibit B:

ATTACHMENT C

Amended by SMCEL Resolution 23-08, June 9, 2023

Schedule of Penalties for Toll Evasion Violations

All Violations

1st Notice Toll + \$ 10 penalty

2nd Notice Toll + \$ 30 penalty

Exceptions:

1. If the violation is determined to be the fault of the toll agency.
2. For 1st time offense, a non-customer can open a FasTrak[®] account and the \$10 penalty will be waived.
3. For FasTrak[®] account holders in good standing, toll-only will be posted to the account balance. If the account balance is less than the amount of the toll, the account balance must be brought to the opening balance amount prior to posting the violation toll amount.
4. Low-Income Waiver: Effective July 1, 2023, on a one-time basis, customers who qualify for and enroll in a payment plan by having an income less than or equal to two hundred percent of the federal poverty guidelines will receive a waiver of all their outstanding toll evasion penalties that exist at the time of qualification, excluding DMV fees.

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

San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: June 9, 2023

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

From: Policy/Program Manager (PPM)

Subject: Receive Update on the US 101 Express Lanes Operations from Interstate 380 to the San Mateo/Santa Clara County line

(For further information please contact Lacy Vong, Policy/Program Manager, LVong@hntb.com)

RECOMMENDATION

Receive update on the US 101 Express Lanes operations from Interstate 380 to the San Mateo /Santa Clara County line. No Board action is required.

FISCAL IMPACT

There is no fiscal impact related to this informational item.

SOURCE OF FUNDS

N/A

BACKGROUND

US 101 Express Lanes Operations

On March 3rd, 2023, the northern segment of the US 101 Express Lanes (between Interstate-380 and Whipple Avenue) opened, establishing the full 22-mile San Mateo 101 Express Lanes corridor. There is now a seamless express lanes network along the US 101 from Interstate 380 through San Mateo County connecting to the express lanes in Santa Clara County owned and operated by the Santa Clara Valley Transportation Authority (VTA). The full corridor has been operational for about three months and is performing well.

The following are operational highlights for the month of April 2023, our second month with full corridor operations:

- The average potential daily revenue since the opening of the full corridor from March 3 through April 30, 2023 was \$81,046. The table below describes the month to month comparison of total potential revenue and average potential daily revenue.

Period	Number of Tolling Days	Total Potential Revenue for the Period	Average Poential Daily Revenue
March 1 – 31, 2023	23*	\$1,659,016	\$72,131
April 1 – 30, 2023	20	\$1,780,233	\$89,012

*Potential revenue for March 2023 includes 2 days of southern segment only revenue prior to opening of full corridor.

- Average daily full corridor toll rates per zone were as follows:

Period	Northbound	Southbound
March 3 – 31, 2023	\$2.29	\$2.10
April 1 – 30, 2023	\$2.83	\$2.23

- Average daily full corridor express lanes volumes were as follows:

Period	Number of Tolling Days	Average Daily EL Volume		% Change from Previous Month	
		Northbound	Southbound	Northbound	Southbound
March 3 – 31, 2023	21	26,364	22,253	-	-
April 1 – 30, 2023	20	27,362	24,004	+3.8%	+7.9%

- Average daily express lane trips increased in April compared to March by 3.8% in the northbound direction and 7.9% in the southbound direction.
- Express Lanes continue to provide an average speed differential benefit by operating at about 11 to 12 mph faster than the general purpose lanes in both directions.
- Similar occupancy declaration trends were observed during the northern segment opening as seen when the southern segment opening with an uptick in image-based trips, which are vehicles that may not yet have a FasTrak® account or transponder.
- Potential toll revenue increased in April to approximately \$1.78 million, which is the highest month of Fiscal Year 2023.
- Actual cumulative toll revenue in fiscal year 2023 through April is approximately \$9 million.
- Toll operations and maintenance (O&M) costs, which consists of the toll system operating and maintenance, FasTrak Regional Customer Service Center support, Caltrans civil roadway maintenance, and California Highway Patrol enhanced lane enforcement activities, is about \$3.1 million cumulative to date in fiscal year 2023. The Toll O&M costs do not include agency overhead and other administrative costs used to support the Express Lanes Program.
- In the period from April 2022 – April 2023, 1,891 participants have enrolled in the Community Transportation Benefits Program. 1,565 (83%) selected the Clipper Card benefit and 326 (17%) selected the FasTrak benefit.

ATTACHMENT

1. US 101 Express Lanes Operations Update Presentation



US 101 Express Lanes Operations Update

SMCEL-JPA Board Meeting June 9, 2023

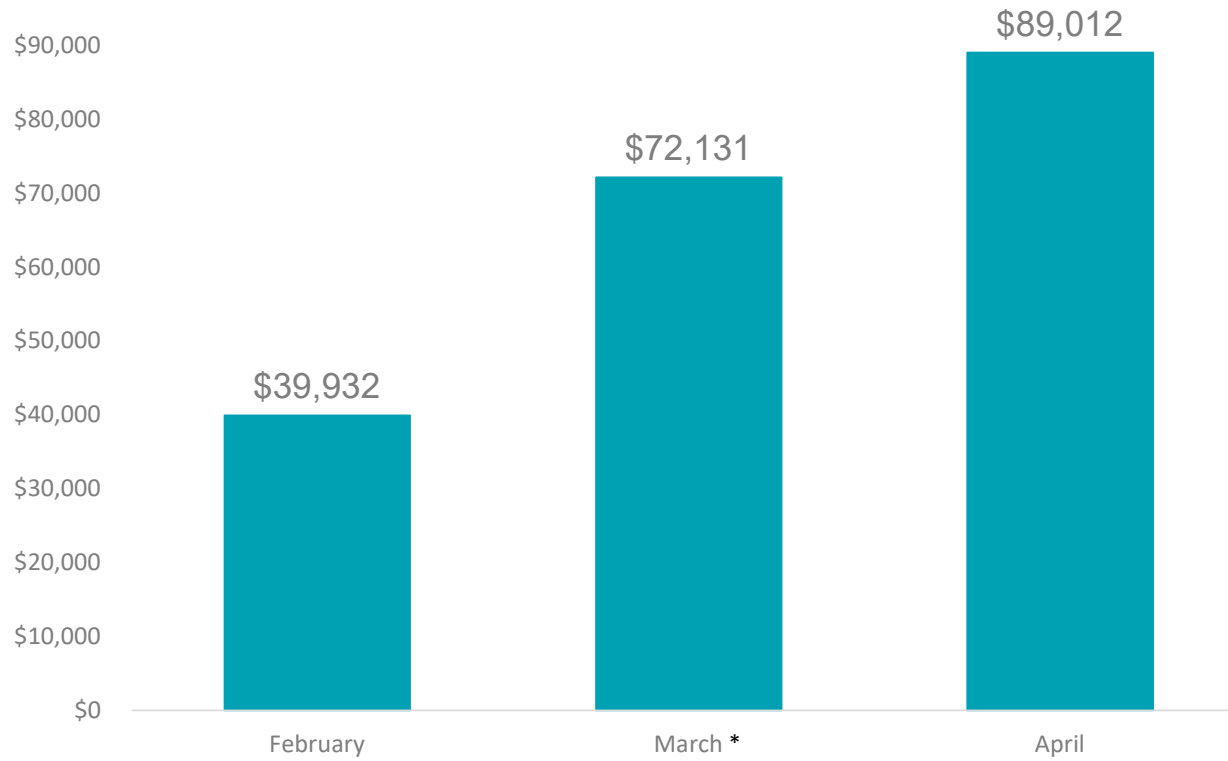
Full Corridor: Tolling and Revenue Summary

- Data for Second Month of full corridor operations:
 - First full month
 - April 3rd to April 28th
 - 20 Tolling Days
- Average Daily Posted Toll Rates:
 - Southbound: \$2.23
 - Northbound: \$2.83
- Average Potential Daily Revenue: \$89,012
- Average speed differential between Express Lanes and GP:
 - AM Peak: 11 mph
 - PM Peak: 12 mph



Note: Potential revenue assumes full collection of image-based tolls and no leakage from all account types.

Average Daily Potential Revenue

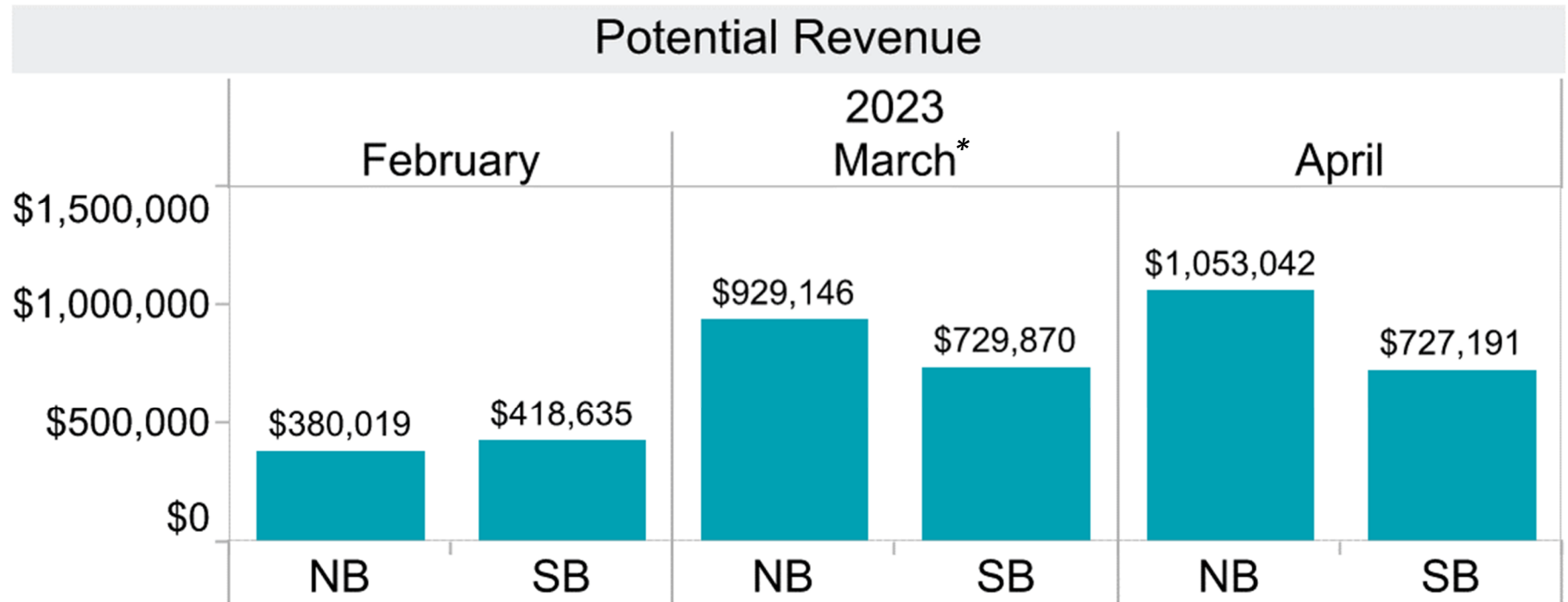


Note: Potential revenue assumes full collection of image-based tolls and no leakage from all account types.

**March 2023 data includes 2 days of Southern Segment only tolling and 21 days of full corridor tolling*



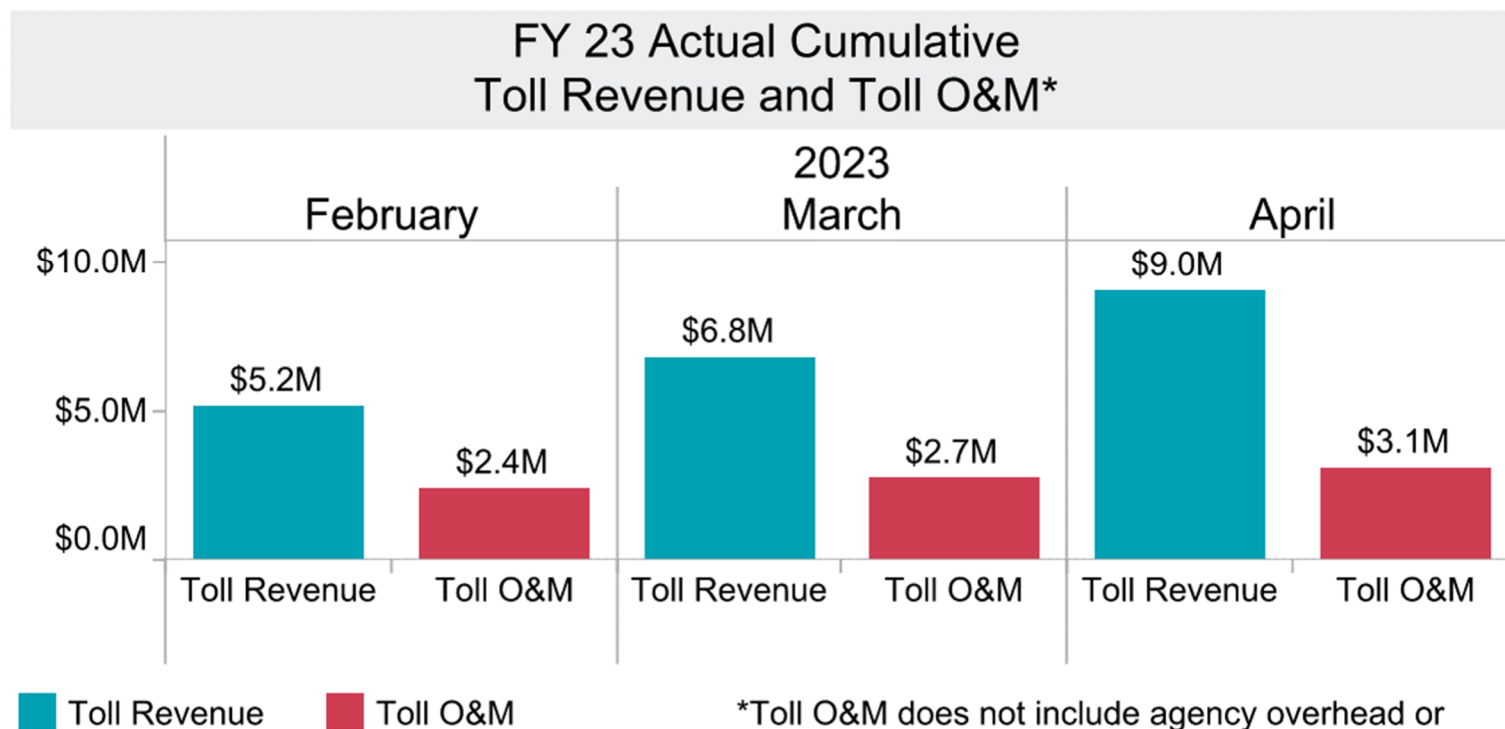
Monthly Potential Revenue



Note: Potential revenue assumes full collection of image-based tolls and no leakage from all account types.

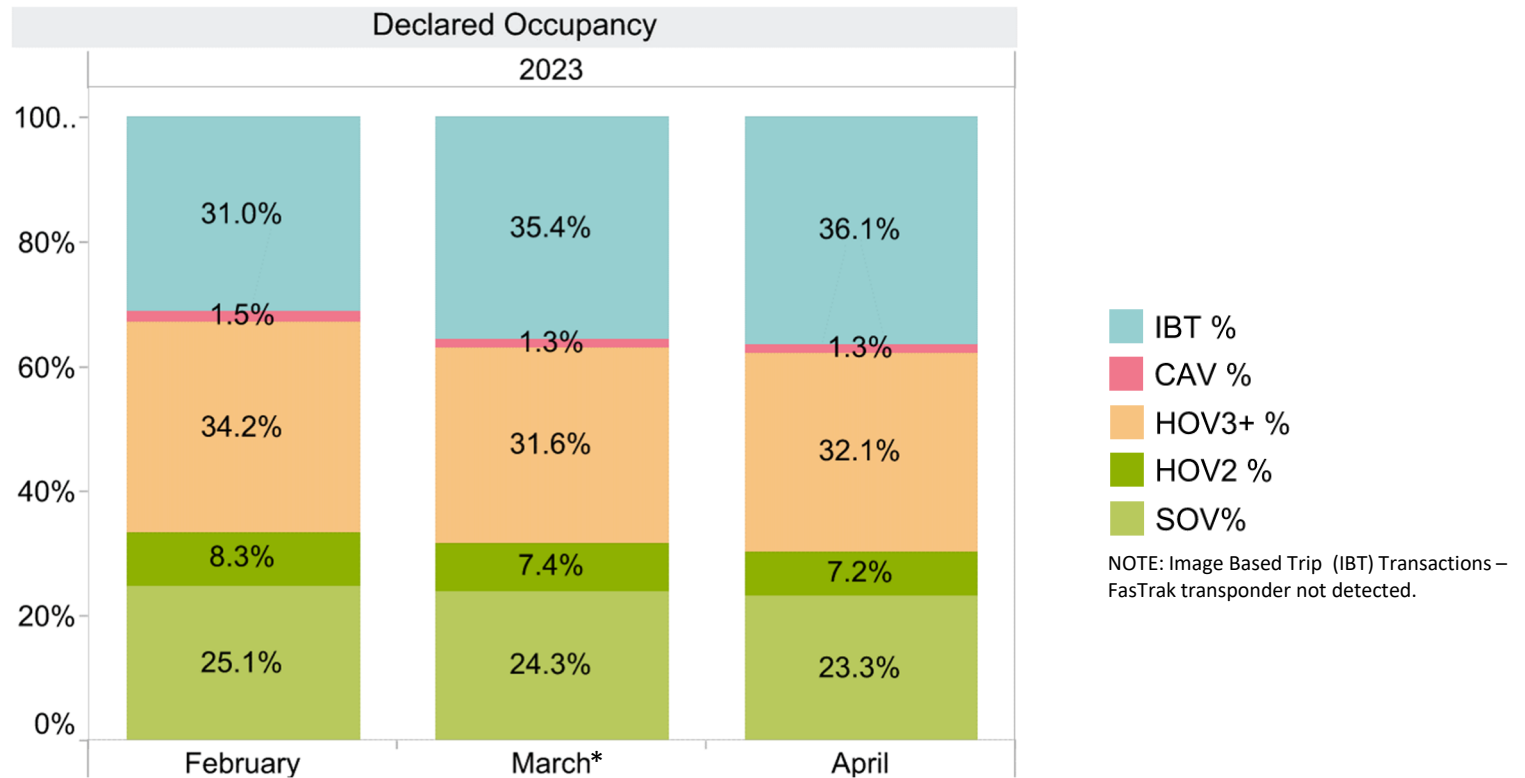
**March 2023 data includes 2 days of Southern Segment only tolling and 21 days of full corridor tolling*

Actual Cumulative Toll Revenue & Toll O&M



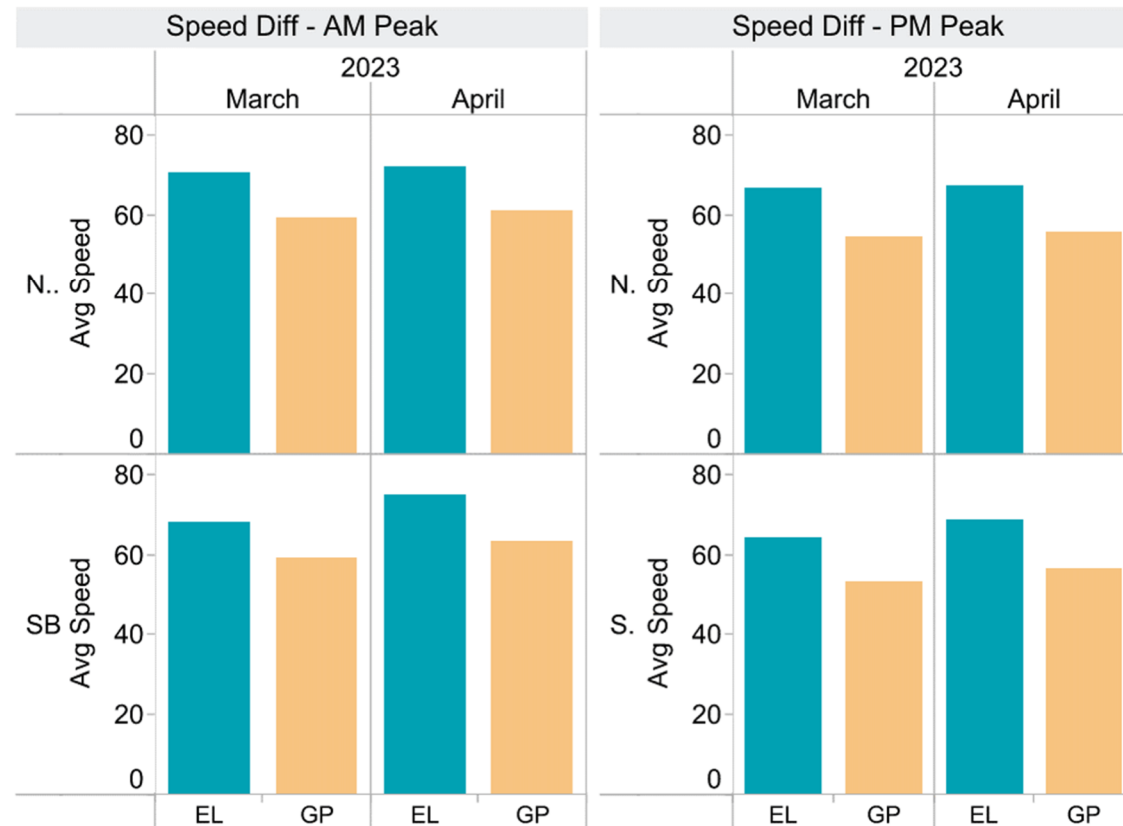
*Toll O&M does not include agency overhead or administrative costs.

Average Declared Occupancy



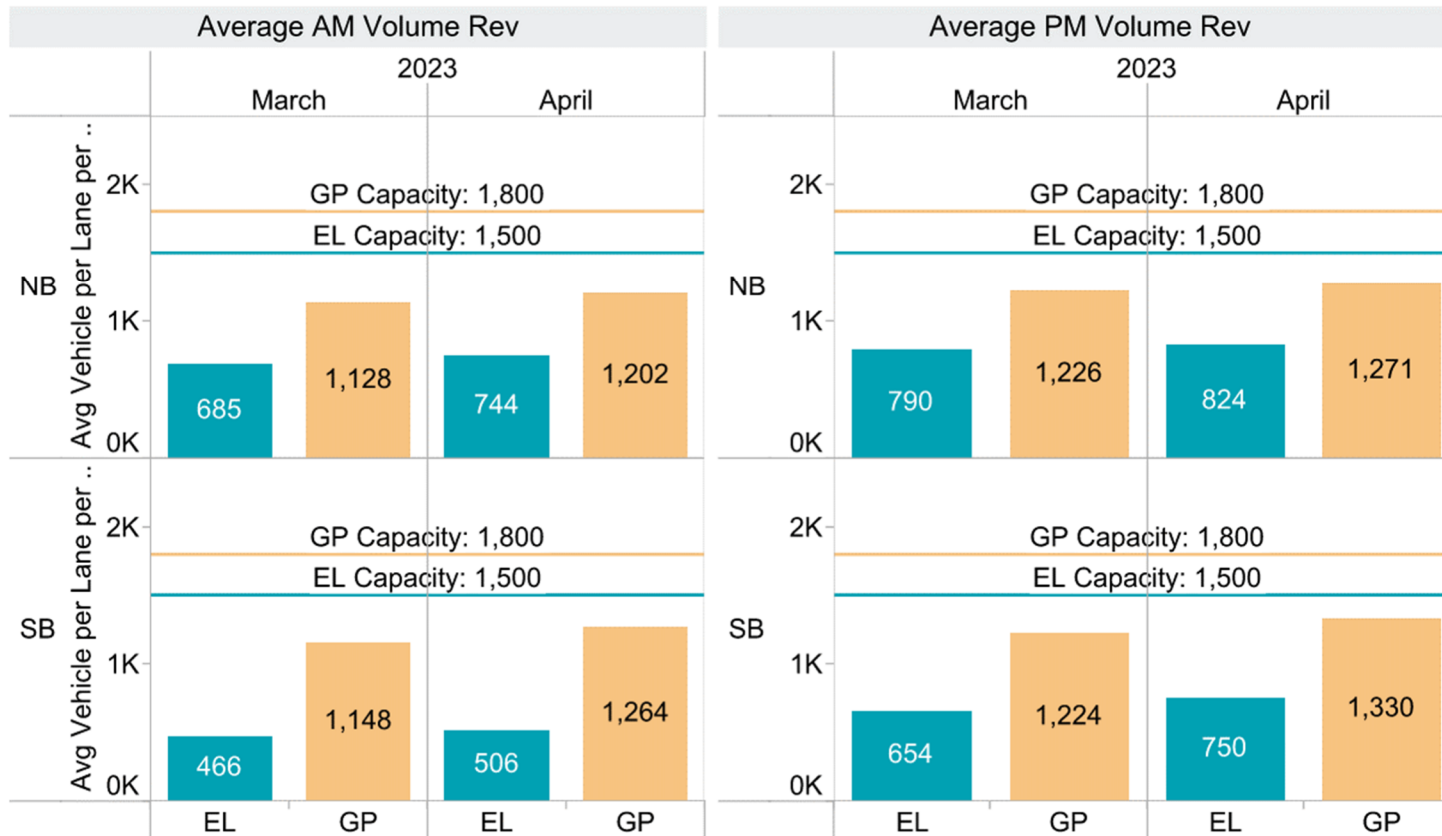
*March 2023 data includes 2 days of Southern Segment only tolling and 21 days of full corridor tolling

Full Corridor Express Lanes Speeds

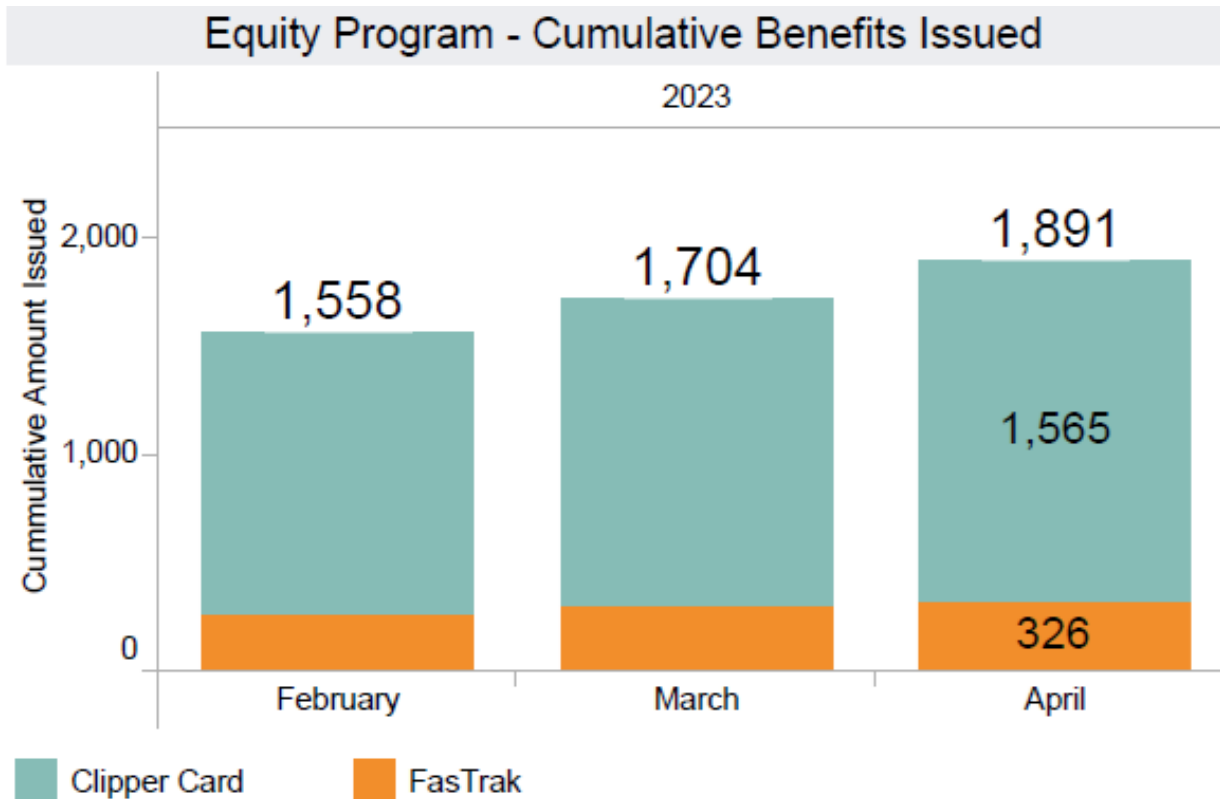


EL = Express Lanes / GP = General Purpose

Full Corridor Average Hourly Lane Volumes



Community Transportation Benefits Program



Questions?



San Mateo County Express Lanes Joint Powers Authority Agenda Report

Date: June 9, 2023

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

From: Executive Council

Subject: Election of a Chairperson and a Vice Chairperson to serve a one-year term, effective July 1, 2023

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

RECOMMENDATION

That the San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA) Board of Directors elect a Chair and Vice-Chair to serve a one-year term, effective July 1, 2023.

FISCAL IMPACT

None

SOURCE OF FUNDS

N/A

BACKGROUND

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

Chairperson and Vice Chairperson

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

On June 10, 2022, the SMCEL-JPA appointed San Bruno City Councilmember Rico E. Medina (SMCTA) as the Chair, and Redwood City Councilmember Alicia Aguirre (C/CAG) as the Vice-Chair.

Staff recommends that the election of the Chairperson precedes the election of the Vice Chairperson.

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

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

Voting

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

ATTACHMENT

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