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JIM HARTNETT  
EXECUTIVE DIRECTOR

Date: January 7, 2019

To: Sandy Wong

From: Jim Hartnett

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Dear Sandy:

After the San Mateo County Transportation Authority (TA) and City/County Association of Governments joint ad hoc meeting that occurred on January 2, 2019, the ad hoc committee members were to report back to their respective Board of Directors regarding the discussions that took place at the ad hoc meeting.

The TA Board of Directors met on Thursday, January 3, and the TA Board discussed the ad hoc committee meeting, and the next steps for determining the owner/operator of the US 101 Managed Lanes project. The TA Board desires to work collaboratively with C/CAG on this project, and provides the following information for the consideration of the C/CAG Board members in their discussions of the Managed Lanes project.

1. Necessity for Action – There is a statutory requirement that C/CAG and TA boards each approve both a contract with an operator and develop a San Mateo County Expenditure Plan for net revenues.
2. Governance - For ongoing policy decisions, the TA board is open to a joint decision making model, rather than vesting full authority in one Board or the other board. The joint decision making model could be a joint committee of C/CAG and TA board members which makes recommendations to both boards on policy issues, but the final decision would vest with both boards. Alternatively, a JPA could be formed by C/CAG and the TA, by which a JPA board is appointed of members from each board, and the JPA board would be vested with final decisions.
3. Financial Risks – The TA recognizes that there are financial risks of potential cost over runs on the construction of the project, and that there may be cash flow requirements for

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ramping up the managed lanes operations. These costs will be the primary responsibility of the TA, with C/CAG helping with STIP or other funds if it can. However, in no event would the TA request of C/CAG that its member cities provide their own funds to cover the financial risks.

4. Extension north of I-380 - For extension of the Managed Lanes project North of I-380, the TA and C/CAG are currently in partnership with the San Francisco County TA (SFCTA) and is completing the Caltrans required Project Initiation Document (PID) for the project. The next step is the Project Engineering/Environmental Phase. Given the importance of the project, the TA feels the project will have strong support from San Francisco and the region, and its merit will not be hindered if the Managed Lanes project south of I-380 is owned by San Mateo County.

MTC/BAIFA stated that whether the ownership of the managed lanes remains with San Mateo County, or if it is transferred to BAIFA, the extension north of I-380 is of common interest and it will work with San Mateo County and San Francisco to extend the managed lanes facility north of I-380.

At the TA Board meeting, there was also discussion regarding an option of having BAIFA serve as the operator of the managed lanes facility, with San Mateo County maintaining ownership of the facility. C/CAG and TA Staff will be meeting with MTC/BAIFA staff to further develop this option, but the TA Board felt that the new option represented a viable proposal. The statements regarding governance, financial risks, and extending the facility north of I-380 are applicable, regardless of whether the facility is operated by BAIFA or the Valley Transportation Authority.

We look forward to the January 25 joint committee meeting and hope that the committee can come to a recommendation that it can present to both boards.

Sincerely,



Jim

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