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

Meeting No. 9

DATE: Friday, March 13, 2020

TIME: 9:00 a.m.

PLACE: San Mateo County Transit District Office  
1250 San Carlos Avenue, Second Floor Auditorium  
San Carlos, CA

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

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1.0 CALL TO ORDER/ ROLL CALL

2.0 PLEDGE OF ALLEGIANCE

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

4.0 APPROVAL OF CONSENT AGENDA

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

4.1 Approval of the minutes of Board of Directors regular business meeting No. 8  
dated February 21, 2020. ACTION p. 1

5.0 REGULAR AGENDA

5.1 Accept the Statement of Revenues and Expenditures for the Period Ending  
January 31, 2020. ACTION p. 4

5.2 Review and approval of Resolution SMCEL 20-05 approving the opening of the  
SM 101 Express Lanes Project in Two Phases. ACTION p. 6
6.0 REPORTS
   a) Chairperson Report.
   b) Member Communication.
   c) Executive Council Report.
   d) Policy/Program Manager Report.

7.0 WRITTEN COMMUNICATIONS

None.

8.0 NEXT REGULAR MEETING

April 10, 2020

ADJOURN

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

PUBLIC RECORDS: Public records that relate to any item on the open session agenda for a regular Board meeting, standing committee meeting, or special meeting are available for public inspection. Those public records that are distributed less than 72 hours prior to a regular Board meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members, of the Board. The Board has designated the location of 555 County Center, 5th Floor, Redwood City, CA 94063, for the purpose of making public records available for inspection.

PUBLIC PARTICIPATION: Public comment is limited to two minutes per speaker. Persons with disabilities who require auxiliary aids or services in attending and participating in this meeting should contact Mima Guilles at (650) 599-1406, five working days prior to the meeting date.

If you have any questions about this agenda, please contact:

Mima Guilles, Secretary - (650) 599-1406
San Mateo County Express Lanes Joint Powers Authority  
Board of Directors Meeting Minutes  
Meeting No. 8

DATE: Friday, February 21, 2020
TIME: 9:00 A.M.
PLACE: San Mateo County Transit District Office  
1250 San Carlos Avenue, Second Floor Auditorium  
San Carlos, CA

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

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1.0 CALL TO ORDER/ ROLL CALL

Chair Aguirre called the meeting to order at 9:02 a.m. Roll call was taken.

Members Present:  
C/CAG Members:  
Alicia Aguirre, Maryann Moise Derwin, Diane Papan

SMCTA Members:  
Don Horsley, Rico Medina

Members Absent:  
SMCTA Member: Emily Beach

Staff Present:  
Sandy Wong – Executive Council  
Jim Hartnett – Executive Council  
Mima Guilles – Secretary  
Tim Fox – Legal Counsel  
Matthew Click – Program/Policy Manager  
Van Ocampo – C/CAG staff supporting SMCEL JPA  
April Chan, Derek Hansel, Joe Hurley, Jessica Epstein, Jennifer Williams – TA staff  
supporting SMCEL JPA

Other members of the public were in attendance.

2.0 PLEDGE OF ALLEGIANCE
3.0 PUBLIC COMMENT

None.

4.0 APPROVAL OF CONSENT AGENDA

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

4.1 Approval of the minutes of Board of Directors regular business meeting No. 7 dated January 10, 2020.  

APPROVED

Director Medina MOVED to approve the CONSENT AGENDA. Director Horsley SECONDED. MOTION CARRIED 5-0-0

5.0 REGULAR AGENDA

5.1 Accept the Statement of Revenues and Expenditures for the period ending December 31, 2019.  

APPROVED

Director Derwin MOVED to approve Item 5.1. Director Medina SECONDED. MOTION CARRIED 5-0-0

5.2 Review and approval of Resolution SMCEL20-04 authorizing the award of contract with Eide Bailly, LLP for Financial Audit Services.  

APPROVED

Director Papan MOVED to approve Item 5.2. Director Horsley SECONDED. MOTION CARRIED 5-0-0

5.3 Receive an informational item regarding financial projections for the SM 101 Express Lanes Project.  

INFORMATION

The Board of Directors received a presentation from Leo Scott of Gray/Bowen/Scott on the SM 101 Express Lanes project with regard to project schedule, timing of express lanes opening(s) to traffic, and financial projection. Board members asked clarifying questions. Mr. Scott solicited questions from board members to be considered by staff in making recommendation to the Board for a decision regarding a two-phase opening at the March meeting.

6.0 REPORTS

a) Chairperson Report.

None.
b) Member Communication.

   None.

c) Executive Council Report.

   None.

d) Policy/Program Manager Report.

   Matthew Click, Program/Policy Manager, provided an update on the process and schedule for Request for Proposal (RF) for Equity Study consultant services. It is anticipated a decision will be presented to the board at the April meeting.

7.0 WRITTEN COMMUNICATIONS

   None.

8.0 NEXT REGULAR MEETING

   March 13, 2020

   ADJOURNMENT – 10:13 a.m.
San Mateo County Express Lanes Joint Powers Authority
AGENDA REPORT

Date: March 13, 2020

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

From: Executive Council

Subject: Accept the Statement of Revenues and Expenditures for the Period Ending January 31, 2020

(For further information, contact Derek Hansel, CFO, at 650-508-6466)

RECOMMENDATION

That the SMCEL-JPA Board accept and enter into the record the Statement of Revenues and Expenditures for the Period Ending January 2020.

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

BACKGROUND

Year to Date Revenues: As of January year-to-date, the Total Revenue is $0, because there have not been advances under the two operating loan agreements between the SMCEL-JPA, the San Mateo County Transportation Authority and the City/County Association of Governments.

Year to Date Expenditures: As of January year-to-date, the Total Expenditures are $235,291. Major expenses are in Staff Support $133,816, Administrative Overhead $31,287 and Consultant $41,688.

Budget Amendment:
There are no budget amendments for the month of January 2020.

ATTACHMENT

1. Statement of Revenues and Expenditures Fiscal Year 2020 (January 2020)
# SAN MATEO COUNTY EXPRESS LANE JPA

## STATEMENT OF REVENUES AND EXPENDITURES

**Fiscal Year 2020**  
**January 2020**

<table>
<thead>
<tr>
<th></th>
<th>ACTUAL 7/1/2019 To 1/31/2020</th>
<th>TOTAL SINCE INCEPTION</th>
<th>ADOPTED BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advance from San Mateo County Transportation Authority and City/County Association of Governments of San Mateo County</td>
<td>-</td>
<td>-</td>
<td>1,744,911</td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td>-</td>
<td>-</td>
<td>1,744,911</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| **EXPENDITURES:**           |                                |                       |                |
| 3                           | Staff Support                  | 133,816               | 610,276        |
| 4                           | Administrative Overhead        | 31,287                | 53,635         |
| 5                           | Business Travel                | 81                    | 3,000          |
| 6                           | Office Supplies                | 329                   | 3,000          |
| 7                           | Printing and Information Svcs  | -                     | 5,000          |
| 8                           | Legal Services                 | 9,366                 | 50,000         |
| 9                           | Consultant                     | 41,688                | 880,000        |
| 10                          | Insurance                      | 5,384                 | -              |
| 11                          | Miscellaneous                  | 13,340                | 140,000        |
| 11                          | **TOTAL EXPENDITURES**         | 235,291               | 1,744,911      |
| 12                          | **EXCESS (DEFICIT)**           | (235,291)             | -              |
| 13                          | **BEGINNING FUND BALANCE**     | -                     | -              |
| 14                          | **ENDING FUND BALANCE**        | (235,291)             | -              |
San Mateo County Express Lanes Joint Powers Authority
AGENDA REPORT

Date: March 13, 2020

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

From: SMCEL-JPA Executive Council

Subject: Review and approval of Resolution SMCEL 20-05 approving the opening of the SM 101 Express Lanes Project in Two Phases

(For further information, contact April Chan at 650-508-6228 or Derek Hansel at 650-508-6466)

RECOMMENDATION

That the SMCEL-JPA Board review and approve Resolution SMCEL 20-05 approving the opening of the SM 101 Express Lanes project in two phases, with the portion south of Whipple Avenue to be timed with the opening of VTA’s express lanes in late 2021, and the segment north of Whipple Avenue to open in late 2022.

FISCAL IMPACT

There is no fiscal impact to the approved FY2020 SMCEL-JPA Budget. Based on the financial investigations for an early opening of the segment south of Whipple Avenue, staff estimates that there is a potential for up to $7.6 M in excess net revenues or a potential loss of up to ($4.8 M) during the one-year period between the first and second opening. The FY 2022 Budget, covering July 1, 2021 to June 30, 2022, will be developed to reflect these financial projections.

BACKGROUND

As staff has been reporting on the status of the project’s construction progress, the segment of the US101 express lanes south of Whipple Avenue is scheduled for completion and operation as early as late 2021. The segment of express lanes north of Whipple Avenue are scheduled for completion and operation in late 2022.

At the February 21, 2020 JPA board meeting, staff presented updated financial revenue and cost projections for the US101 express lanes once the lanes are ready for operation. Staff also discussed the rationale and possible benefits and risks of an early opening, including the following:

- Proof of concept – early adoption of use
- Early identification and mitigation of issues
- Timed with the opening of VTA’s express lanes, also slated for late 2021

If both the southern segment of the San Mateo express lanes, which is approximately 6 miles in length,
can be opened simultaneously with VTA`s, which is approximately 8 miles in length, it would provide a total of 14 miles of express lanes in the southern San Mateo and northern Santa Clara counties for commuters.

While there are risks in an early opening, including 1) potential for negative net revenue in the first year; 2) congestion reduction in the general purpose lanes in a shorter segment may not be obvious; 3) adverse reaction to the conversion from a 2+ HOV to a 3+ HOV from Whipple Avenue to the San Mateo/Santa Clara county line; and 4) potential costs extending the equipment warranty, staff believes the potential benefits outweigh these risks.

On some of the risks, staff will be working with the project management team on developing a robust public education and outreach program to help facilitate a smooth opening and mitigate the potential for negative response. As staff develops these measures, we will return at a later date with more information.

**ATTACHMENT**
- Resolution SMCEL-JPA 20-05
- Powerpoint presentation - SM 101 Express Lanes Project, Express Lanes Financial Projection. Can also be viewed at: https://www.ccag.ca.gov/express-lane-jpa/
RESOLUTION SMCEL 20-05

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN MATEO COUNTY EXPRESS LANES JOINT POWERS AUTHORITY (SMCEL-JPA) AUTHORIZING OPENING OF THE SM 101 EXPRESS LANES PROJECT IN TWO PHASES

RESOLVED, by the Board of Directors of San Mateo County Express Lanes Joint Powers Authority that,

WHEREAS, the construction of US101 express lanes south of Whipple Avenue in San Mateo County are scheduled for completion as early as late 2021, and the express lanes north of Whipple Avenue are scheduled for completion in late 2022; and

WHEREAS, the Board discussed the rationale and possible benefits of an early opening of the southern segment south of Whipple Avenue in late 2021, including but not limited to the following: 1) proof of concept, including early adoption of use; 2) early identification and mitigation of issues, and 3) timed with the opening of VTA’s express lanes which is also slated for late 2021; and

WHEREAS, while there are potential risks to an early opening in late 2021 of the southern segment of the express lanes, it presently appears that the benefits outweigh the risks.

NOW THEREFORE BE IT RESOLVED, by the Board of Directors of the San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA) that the SMCEL-JPA Board approves a two-phase opening of the US101 express lanes, with the segment south of Whipple Avenue to be timed to coincide as closely as possible with the opening of VTA’s express lanes in late 2021, and the segment north of Whipple Avenue to open in late 2022.

PASSED, APPROVED, AND ADOPTED, THIS 13TH DAY OF MARCH, 2020.

__________________________
Alicia Aguirre, Chair
SM 101 EXPRESS LANES PROJECT

Express Lanes Financial Projections
SM 101
EXPRESS LINES PROJECT
PROJECT UPDATES

Express Lane Addition

Caltrans Project Approval (South and North) Nov 2018

JPA Formed July 2019

100% PS&E Sep 2019

Begin Construction March 2020

Begin Toll Systems Installation Spring 2021

Begin Toll Systems Testing Spring 2021

Open Express Lanes Late 2022

North of Whipple

Begin Construction Mar 2019

Substantial Construction Completed Feb 2020

Begin Toll Systems Installation Spring 2020

Begin Toll Systems Testing Spring 2021

Potential Open Express Lanes Late 2021

HOV to Express Lane Conversion

VTA Civil Construction Completed Summer 2020

VTA Toll System Installation Completed Summer 2021

VTA Potential Open Express Lanes Late 2021
WHY CONSIDER AN EARLY OPENING?

• Proof of concept
• Southern segment (~6 miles) opening is timed with the opening of VTA’s 101 Express Lanes Project (~8 miles), creating a total of 14 miles
• Early identification of issues

WHY DECIDE NOW?

• Initiate and issue the necessary design and construction contract change orders (Civil and Transcore) to keep project on schedule
• Help to determine when the SM 101 EL Equity Study needs to be completed
• Begin timely public outreach
Benefits From Early Opening

• Potential for first year excess net revenues
• Ability to manage the lane more efficiently with increased person throughput
• Encourage travel mode shift earlier
• Test revenue projections with actual operation
• Goodwill with private sector partners
• Early market penetration of FasTrak® in the corridor
• Early issue identification for more cost-effective resolution
• Early mitigation of risks
• Early driver adoption
• Timed with opening with VTA’s Express Lanes
Possible Delays that Prevent Early Opening

- Contingent on VTA being able to open late 2021
- TransCore’s ability to meet the schedule requirement
- MTC’s ability to staff back office operations
- Required O&M agreements with Caltrans & BAIFA/Transcore not executed in time

Risks From Early Opening

- Potential for first year loss
- Congestion reduction in the general purpose lanes may not be obvious
- Adverse early reaction to the conversion from 2+ HOV to 3+ HOV
- Potential for extended warranty cost
### Early Opening Annual Excess Net Revenue Estimates

<table>
<thead>
<tr>
<th></th>
<th>10 mph Shear Speed Constraint (In $M)</th>
<th>20 mph Shear Speed Constraint (In $M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Gross Revenue of TOM runs</td>
<td>$16.6</td>
<td>$25.5</td>
</tr>
<tr>
<td>Post-processing adjustment range</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anticipated cheaters of the system</td>
<td>$0.8 - $1.7</td>
<td>$1.3 - $2.6</td>
</tr>
<tr>
<td>Revenue loss due to HOV-only mode time periods</td>
<td>$0.8 - $3.3</td>
<td>$1.3 - $5.1</td>
</tr>
<tr>
<td>Toll zone based tolling inefficiencies</td>
<td>$2.5 - $3.3</td>
<td>$3.8 - $5.1</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$4.1 - $8.3</strong></td>
<td><strong>$6.4 - $12.8</strong></td>
</tr>
<tr>
<td>Operations and Maintenance Costs</td>
<td>$6.8 - $8.7</td>
<td>$7.0 - $9.0</td>
</tr>
<tr>
<td>Revenue ramp-up loss</td>
<td>$0.4 - $0.5</td>
<td>$0.6 - $0.7</td>
</tr>
<tr>
<td>Capital Costs For Early Opening Tasks</td>
<td>$3.9</td>
<td>$3.9</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$11.1 - $13.1</strong></td>
<td><strong>$11.5 - $13.6</strong></td>
</tr>
<tr>
<td><strong>Approximate Annual Excess Net Revenue</strong></td>
<td><strong>$1.4 – ($4.8)</strong></td>
<td><strong>$7.6 – ($0.9)</strong></td>
</tr>
</tbody>
</table>
Summary Findings / Staff Recommendation

• Financial investigations for an early opening indicate the potential for up to $7.6 M in excess net revenue or a loss of up to ($4.8 M)

• Strong qualitative benefits support an early opening and the risk of an operating loss is low compared to the opportunity for excess net revenue
  ➢ Proof of concept – early adoption of use
  ➢ Early identification of issues
  ➢ Timed with the opening of VTA’s express lanes

• Staff recommends SMCEL JPA approve a two-phase opening of the US101 express lanes, one to be timed with the opening of VTA’s express lanes in late 2021, and the latter one north of Whipple in late 2022.
Questions?

For more information on the project, visit 101express.com