

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

Meeting No. 22  
April 9, 2021

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

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

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**1.0 CALL TO ORDER/ ROLL CALL**

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

**Members Present:**

C/CAG Members:

Diane Papan, Maryann Moise Derwin, Alicia Aguirre (departed 10:38 a.m.)

SMCTA Members:

Rico Medina, Emily Beach

**Members Absent:**

Chair Don Horsley

**Staff Present:**

Sandy Wong – Executive Council

Jim Hartnett – Executive Council

Mima Guilles – Secretary

Tim Fox – Legal Counsel

Matthew Click – Program/Policy Manager (PPM) for SMCEL-JPA, HNTB

Sean Charpentier, Van Ocampo – C/CAG staff supporting SMCEL-JPA

April Chan, Derek Hansel, Joe Hurley, Jessica Epstein, Jayden Sangha, Jeremy Lipps – SMCTA staff supporting SMCEL-JPA

Other members of staff and the public were in attendance.

**2.0 BRIEF OVERVIEW OF TELECONFERENCE MEETING PROCEDURES**

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

**3.0 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.*

Drew, a member of the Public, noted that he had comments on Consent Item 4.1.

#### 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.

Drew, a member of the public, asked for a correction to Item 4.1, the Minutes of the March 12, 2021 meeting. He noted that #5.1 should be corrected to change “bypass” to “FivePaths.”

- 4.1 Approval of the minutes of regular business meeting No. 21 dated March 12, 2021, amended to reflect correction to minutes to replace “bypass” with “FivePaths.” APPROVED
- 4.2 Accept the Sources and Uses of Funds for the FY21 Period Ending February 28, 2021. APPROVED
- 4.3 Review and approval of Resolution SMCEL 21-03 approving TA Vendor Contract Supplement with FivePaths, LLC not to exceed \$56,000 to conduct a brand environment analysis and create logos for the SMCEL JPA. APPROVED

Director Medina MOVED to approve amended item 4.1. Director Aguirre SECONDED. Roll call was taken. **MOTION CARRIED 6-0-0**

#### 5.0 REGULAR AGENDA

- 5.1 Review, accept, and enter into the record the presentation providing an update on the Use of Proceeds Related 2020 Subordinate Sales Tax Revenue Variable Rate Demand Bonds for San Mateo County Transportation Authority. APPROVED

Jayden Sangha, Treasury Manager for the SMCEL-JPA, gave a presentation on the update on the Use of Proceeds Related 2020 Subordinate Sales Tax Revenue Variable Rate Demand Bonds.

Derek Hansel provided additional detail on the structure and rate situation.

Vice Chair Papan asked why was the Credit Enhancement fee prepaid and did it, come out bond proceeds

Derek Hansen responded that it was consistent with terms of loan agreement loan agreement requires payment from date of issuance hasn't been pre-paid. It has been set aside into the fund and will be paid to the SMCTA as it accrues.

Director Beach commented that she heard the similarities at the previous TA Board meeting and asked Derek to share some of the information.

Director Beach asked staff for additional information related to the financial benefits of utilizing this funding structure.

Derek Hansel provided additional details regarding the existing loan rate structure and the credit and financing challenges that the SMCEL-JPA might have faced had it secured the funding in the private financial market.

Vice Chair Diane Papan noted that this is one of the few transportation projects that has the ability to repay the SMCTA,

Jim Hartnett noted that the approved construction budget for the Express Lane project included a portion of the funding from future toll revenues.

Director Beach MOVED approval of items 5.1. Director Medina SECONDED. Roll call was taken. **MOTION CARRIED 6-0-0**

- 5.2 Discuss and provide direction on the option of requesting that the SMCTA apply the US-101 Express Lanes Project Loan Enhancement Rate of 0.4% towards the SMCEL-JPA Equity Program. **APPROVED**

Sean Charpentier gave a brief staff overview on Loan Agreement, the 0.4% Credit Enhancement, and the \$1 million in one-time funding and the \$600,000 per year for the Equity Program.

Vice Chair Papan said that the Equity Study has indicated there is a significant demand and limited amount of money for equity and limited impact. This agenda item is to extend an invite to the SMCTA to join us in creating a more robust program by applying a Credit Enhancement Fee to the equity program. The idea is to have the SMCEL-JPA extend an invitation to the TA board to earmark the Credit Enhancement Fee to for the Clipper Card option, which would support the local transit agencies and enhance equity program. Would like to see what other SMCEL-JPA Board members think.

Jim Hartnett said that he would characterize the request as an amendment of the Loan Agreement, which he would characterize as a pro-equity loan agreement. The Loan Agreement constrains the SMCTA's ability to invest elsewhere in the County.

Director Aguirre appreciates all the collective effort to get to where we are today and noted that what we are trying to do is to enhance the equity program to the best of our ability.

Director Beach thanked everybody for their input asked staff about why it is a loan and not a grant, and what are the other sources of revenue for the equity program.

April Chan responded that it is a loan rather than a grant because there is significant need for funding for highway projects in San Mateo County, and if it were a grant it would reduce the funding available for other highway projects in the County. Other sources of equity funding could be the net toll revenues.

Jim Hartnett noted that there are multiple program and discounts that support equity throughout the County.

Director Derwin noted that C/CAG has always prioritized equity related to the Express Lanes, and equity featured prominently in the State of Transportation speech given by Jim Hartnett.

Chair Horsley expressed that it was early to have this discussion because the lanes are not open, and we do not know the revenue that will be generated.

Gina Papan, member of the public, noted that the request was not to change the Loan Agreement, but a request for elected officials to enhance the equity program. Encouraged the Board to pass this request on to the SMCTA.

Vice Chair Papan thanked **everybody** for their comments, and noted that there is no dispute about the need for a Loan, and that nobody is asking for an amendment to the Loan. What is being proposed is asking the SMCTA Board to dedicate the \$400,000 Credit Enhancement to the Equity Program.

Director Medina expressed appreciation for the discussion and comments, and agrees that equity is essential, and noted that it is premature to proceed at this moment.

Director Derwin noted that the request is for the SMCTA to consider using the Credit Enhancement to enhance the Equity Program.

Director Beach expressed pride for both organizations for having a Loan Agreement that includes equity, which would not be available if funding were secured through the private market. SMCTA is balancing this conversation with funding other projects throughout the County. The SMCEL-JPA will have to address the policy question about how it is going to allocate the net toll revenues.

Director Aguirre noted that the available funding felt very limited and was looking for what else we can do to support equity.

Vice Chair Papan MOVED to request that the SMCTA Board agendize the consideration of applying the US-101 Express Lanes Project Loan Enhancement Rate (fee) to the San Mateo County Express Lanes JPA Equity Program.

Director Aguirre SECONDED.

Director Beach requested clarification if the motion were an invitation to agendaize and discuss the matter or a request to take a specific action.

Vice Chair Papan confirmed that it was a request for the SMCTA Board to consider the request.

Roll call was taken. **MOTION CARRIED 4-2-0.** Director Horsley and Director Medina opposed.

- 5.3 Review and approval of Resolution SMCEL 21-04 approving Master Agreement with the City/County Association of Governments of San Mateo County (C/CAG) for vendor services in support of the San Mateo County Express Lanes Joint Powers Authority. **APPROVED**

Sean Charpentier gave a brief overview of the Master Agreement with the City/County Association of Governments of San Mateo County (C/CAG) for vendor services in support of the San Mateo County Express Lanes Joint Powers Authority.

Director Papan **MOVED** approval of items 5.3. Director Derwin **SECONDED**. Roll call was taken. **MOTION CARRIED 6-0-0**

- 5.4 Review and approval of Resolution SMCEL 21-05 deferring the review of staffing structure as required by Joint Exercise of Powers Agreement. **APPROVED**

Sandy Wong, Executive Council, gave an update on deferring the review of staffing structure as required by Joint Exercise of Powers Agreement.

Director Aguirre **MOVED** approval of items 5.4. Director Medina **SECONDED**. Roll call was taken. **MOTION CARRIED 6-0-0**

- 5.5 Receive presentation and provide direction, by motion, on the Clean Air Vehicle Toll Discount to be included in the Public Draft Toll Ordinance. **INFORMATION**

The Board received a presentation from Matt Click on the Clean Air Vehicle Toll (CAV) Discount to be included in the Public Draft Toll Ordinance.

Steven Wolfe from the MTC requested that the Express lanes open with a consistent CAV discount and work with MTC and other operators and make a seamless transition to a new discount.

Member of the Public and MTC Commissioner Gina Papan expressed that it would be helpful to gather data first and to have consistent standards with the other express lane operators.

Director Beach asked if there were interest with the VTA and SFCTA with adjusting the CAV discount on the US 101 Corridor first.

Steven Wolfe from the MTC indicated that there was an acceptance from regional partners to evaluate the timeline for stepping down from the 50% CAV in time for the opening of the second segment of US 101 Express Lane.

Director Beach asked if the number of CAVs caused operational problems (pre Covid) for the VTA.

Matt Click acknowledged that there was anecdotal information the VTA did have times where express lanes were shifted to operating at HOV only to maintain performance requirements, however there was not definitive information about the vehicle mixture causing the degradation of performance.

Vice Chair Papan clarified that current State Law requires toll lanes to provide some CAV discount, and least until the Statute expires in 2025.

Member of the Public and MTC Commissioner Gina Papan expressed support for consistency in messaging prior to the opening of the Express Lanes.

Director Beach suggested establishing a vision statement that the SMCEL-JPA is going to move faster than 2025 and set a clear vision that we will step down and reduce the CAV discount by the time we open the second segment.

Director Medina supports opening the first segment with regional consistency and having a timeframe for reducing the CAV that is earlier than 2025.

Vice Chair Papan MOVED to direct staff to prepare an ordinance that would give CAV a 50% discount in the lane, including a sunset provision related to the opening of the second segment and noting that we reserve the right to adjust the CAV discount earlier based on the available data. . Director Beach SECONDED. Roll call was taken. **MOTION CARRIED 5-0-0.** (Director Aguirre not present.)

5.6 Receive a presentation on the draft SMCEL-JPA Website Design.

INFORMATION

The Board received a presentation from Jeremy Lipps on the draft SMCEL-JPA website design.

Director Beach asked if videos from past can be uploaded to the new website. Jeremy responded yes. Director Beach added if there is capacity to add a two-

minute video to show an overview on how you drive in and out of lanes. She also noted to have other languages and to have in the FAQ the different price options.

Director Medina commented that a short video would help and for additional information you can shift them to Q&A

Chair Horsley commented if Cantonese and Mandarin use the same written language and can Tagalog be added as another language. April noted that her team will look into the Tagalog language and also added that both Cantonese and Mandarin uses the same languages character.

## 6.0 REPORTS

### a) Chairperson Report.

None.

### b) Member Communication.

None.

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

Sandy Wong congratulated Jim Harnett on his retirement and also thanked him for his leadership and all his hard work throughout San Mateo County.

Jim Harnett thanked the Board and staff for being a part of the JPA Board and was a pleasure to serve.

Chair Horsley thanked Jim Harnett for his transformational leadership and superb public servant.

### d) Policy/Program Manager Report.

Matt Click noted that they will be bringing forward a recommended preferred alternative for the equity [program next](#) May Board meeting.

## 7.0 WRITTEN COMMUNICATIONS

None.

## 8.0 NEXT REGULAR MEETING

May 14, 2021

ADJOURNMENT – 11:22 a.m.