

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

Meeting No. 37
June 10, 2022

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

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

1.0 CALL TO ORDER/ ROLL CALL

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

Members Present:

C/CAG Members:

Diane Papan, Maryann Moise Derwin

SMCTA Members:

Rico Medina, Emily Beach

Members Absent:

Don Horsley

Staff Present:

Sean Charpentier – Executive Council

Carter Mau – Executive Council

Mima Crume – Clerk

Tim Fox – Legal Counsel

Van Ocampo, Kaki Cheung – C/CAG staff supporting SMCEL-JPA

Carter Mau, April Chan, Joe Hurley, Grace Martinez, Jeannie Chen, Connie Mobley-

Ritter – SMCTA staff supporting SMCEL-JPA

Lacy Vong, Christa Cassidy, Monique Fuhrman – HNTB

Other members of staff and the public were in attendance.

2.0 BRIEF OVERVIEW OF TELECONFERENCE MEETING PROCEDURES

Clerk Crume 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.

Clerk Crume reported that there were no public comments submitted before the meeting. No public comment was made at the meeting.

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 Review and approval of Resolution SCMEL 22-13 finding that, as a result of the continuing COVID-19 pandemic state of emergency declared by Governor Newsom, meeting in person would present imminent risks to the health or safety of attendees. APPROVED
- 4.2 Approval of the minutes of Board of Directors regular business meeting No. 36 dated May 13, 2022. APPROVED
- 4.3 Accept the Sources and Uses of Funds for the FY22 Period Ending April 30, 2022. APPROVED
- 4.4 Review and approval of Resolution SMCEL 22-19 authorizing the SMCEL-JPA Chair to execute Amendment No. 3 to the Agreement with the Office of County Counsel of San Mateo County for general legal services for Fiscal Year 2022/2023 in an amount not to exceed \$60,000. APPROVED
- 4.5 Review and Approval of Resolution SMCEL 22-14 Approving the Fiber Optic Infrastructure Operations & Maintenance Agreement between the State of California Department of Transportation (CALTRANS) and the San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA) for the US 101 Express Lanes. APPROVED
- 4.6 Review and approval of Resolution SMCEL 22-15 approving the License Agreement between the City of San Carlos and SMCEL-JPA for Express Lanes Toll facilities within the City Rights of Way. APPROVED

Director Aguirre MOVED to approve the consent agenda. Chair Papan SECONDED. Roll call was taken. **MOTION CARRIED 4-0-0** (No response from Director Medina)

5.0 REGULAR AGENDA

- 5.1 Public Hearing: Approval of Resolution SMCEL 22-16 adopting the Fiscal Year (FY) 2023 SMCEL-JPA Operating Budget of \$9,574,961. APPROVED

The Board received a brief presentation on the FY2023 SMCEL-JPA Operating Budget. The FY2022 Forecast assumed 5 months of the southern segment operations, whereas FY2023 Budget reflects 12 months of the southern segment operations. Insufficient toll revenues are projected to cover expenses, SMCTA and CCAG will need to loan funds to support JPA operations. To better project revenues and expenses for the northern segment, more data is needed.

Chair Papan asked how was the \$4.4 estimated.

Grace Martinez said the basis for the estimate is the actuals from the time we opened in February to March. It was multiplied by 12.

Chair Papan added that on the FasTrak operating expenses, and once the northern section opens, will it double.

Sean Charpentier's only insight was that it will go up. Waiting until we collect additional data because it is a reflection of fixed and variable costs. More information will be brought up to the Board next month.

Director Derwin mentioned due to the Russian war and inflation, she has asked if there are any reason for us to be concerned with these numbers. And her second question was is anyone going to talk about the bond today and interest rates.

Grace said they have just based everything they had on the actuals on whatever little data they would have for the year. In the presentation made last month, the interest rates that were affecting the loan on the agency and there was enough buffer there. About 3 to 5 years' worth of interest has been included in the structure of the loan.

April chimed in and said that they are currently looking at the evaluation interest rate may impact the payback. They're preparing a presentation for the TA Board and can bring back to the JPA Board in the July meeting.

Chair Papan asked where we are at with the interest rate in the bond.

Connie Mobley-Ritter said something they follow on a daily basis. Yesterday the daily rate was 21 basis points or .21% and the weekly were 52 basis points. They've capitalized interest at a rate of 2% to cover at least 3 years' worth of not only the interest rate, but also all of the fees and remarketing rates associated with the bonds. In March it looked like that capitalization rate was going to take us into 2025. Interest rates have gone up, but the expectation is that it will still take us to December 2024.

Chair Papan asked what was the interest rate we started on.

Connie said 1 basis point.

Chair Papan suggested if it was okay with the Board and staff we see this regularly see on the agenda.

Director Aguirre MOVED to approve the consent agenda. Director Derwin SECONDED. Roll call was taken. **MOTION CARRIED 5-0-0**

5.2 Receive update on the US 101 Express Lanes operations. INFORMATION

The Board received an update on the US 101 Express Lanes operations. The average potential daily revenue for the southern segment during this period was \$18,203. Daily average express lanes volumes continue to increase month to month. Express Lanes continue to operate at about 10 to 12 mph faster than the general purpose lanes in both directions during peak periods. Out of these trips, most continue to be image-based trips followed by drivers who declared as single occupant vehicle (SOV). Clean Air Vehicle (CAV) declarations represented the smallest portion of trips at about 1.5% in April. The general observation is the express lanes continue to be in a period of ramp-up. As congestion continues to climb back to pre-pandemic levels in the corridor, the express lane volumes and associated toll rates are expected to increase.

Director Aguirre asked if we're taking into account the summer travel as a decrease in demand and how will this reflect when gathering data.

Lacy Vong said that what they're actually reporting right now is the actual performance of the lane to what we're currently seeing. They are currently working with Connie and Grace in relation to the budget item in terms of projections.

Director Derwin asked if we have data for violators.

Lacy said violation notices have started going out and have a certain time to pay the fee. There's some data once violations are being paid.

Clerk Crume reported that there were no public comments.

5.3 Election of a Chairperson and a Vice Chairperson to serve a one-year term, effective July 1, 2022. APPROVED

Director Aguirre MOVED to elect Rico Medina as the SMCEL-JPA Chairperson. Board Member Beach SECONDED. Roll call was taken. **MOTION CARRIED 5-0-0**

Vice Chair Medina made a motion to nominate Director Derwin as the next Vice Chair however Director Derwin has appreciated the nomination but has not formally announced her re-election for the fall as Town Council.

Vice Chair Medina MOVED to elect Aguirre as the SMCEL-JPA Vice Chair. Board Member Derwin SECONDED. Roll call was taken. **MOTION CARRIED 5-0-0**

6.0 REPORTS

- a) Chairperson Report.

None.

- b) Member Communication.

None.

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

Carter Mau thank Chair Papan for her leadership to the SMCEL-JPA. He has added with the uncertainties on return to work, gas prices, the war in Ukraine, the uncertainties is on top of everyone's minds when developing budgets. They will continue to give regular updates on how this will develop.

Sean Charpentier thanked Chair Papan and vice Chair Medina leadership over the last year. He has presented on the equity program at CTOC meeting in Burlingame, CA Association of Toll Operators. There's been a pretty widespread regional discussion about equity and pricing and to date it's mostly focused on the bridges. As reported that BATA reduced its fines and penalties on its bridges in the fall. At that time, we began working with the express lanes operators to discuss potential amendments to the fines and penalties that do address some of those equity concerns, but also reflect the unique nature of express lanes versus an all-lane tolling experience like the bridge. And I just wanted to preview a bit of schedule with the Board that we will be coming to the JPA board in July with an informational item on regionally consistent adjustments to the fines and penalties for express lanes as an information item and assuming it all goes well, will return in August for action.

- d) Policy/Program Manager Report.

Lacy reported out and said since Matt wasn't here, he did want to send a note to thank Chair Papan for her leadership particularly in opening of the lane. And looking forward to working with the new Chair and Vice Chair. She and Matt has also presented this work as part of other equity work in Seattle, WA at the American Society of Civil Engineering Conference and again it is showing how much of a leadership in equity because we're not seeing this across the country. It's really an honor to be working and talking about this work which really recognized, not just regionally but nationally and how many people on the engineering side the importance of that outreach.

7.0 WRITTEN COMMUNICATIONS

None.

8.0 NEXT REGULAR MEETING

July 8, 2022

9.0 ADJOURNMENT – 9:45 a.m.