

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

Meeting No. 40
September 16, 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: Rico E. Medina (Chair), Alicia Aguirre (Vice Chair), Diane Papan, Don Horsley, Emily Beach and Maryann Moise Derwin

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.

Members Present:

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

SMCTA Members: Don Horsley, Emily Beach, Rico E. Medina

Members Absent:

None.

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, Connie Mobley-Ritter – SMCTA staff supporting SMCEL-JPA

Matt Click, Lacy Vong, Christa Cassidy, Amanda Parham – 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 COVID-19 PANDEMIC STATE OF EMERGENCY

3.1 Review and approval of Resolution SCMEL 22-23 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.

Director Beach MOVED to approve item 3.1. Director Horsley SECONDED. Roll call was taken. **MOTION CARRIED 5-0-0**

4.0 PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

Note: Public comment is limited to two minutes per speaker.

Clerk Crume announced that there were not any comments from the public.

5.0 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.

5.1 Approval of the minutes of Board of Directors regular business meeting No. 38 dated July 8, 2022. APPROVED

5.2 Approval of the minutes of Board of Directors regular business meeting No. 39 dated August 12, 2022. APPROVED

5.3 Information on Sources and Uses of Funds for the FY22 Period Ending June 30, 2022. INFORMATION

5.4 Accept the Sources and Uses of Funds for the FY23 Period Ending July 31, 2022. APPROVED

Director Derwin MOVED to approve the consent agenda. Director Beach SECONDED. Roll call was taken. **MOTION CARRIED 6-0-0**

6.0 REGULAR AGENDA

6.1 Approve SMCEL Resolution 22-24 adopting proposed changes to the express lanes toll violation penalties, setting the amounts at \$10 and \$20 for the first and second notice (for a total of \$30 after the second notice). ACTION

The Board received a presentation on the Revision to Toll Violation Penalties. Two types of violations can occur in the express lanes. The first type is a violation of the declared occupancy on a FasTrak transponder. The second type of violation takes place when the toll system captures a vehicle without a FasTrak transponder/account traveling in the lane. On October 21, 2021, the Bay Area Toll Authority (BATA) approved a reduction in penalties for BATA operated bridge crossing violations to \$5 + \$10. The proposed violation penalties would be set at \$10 and \$20 for the first and second notices (for a total of \$30 after two notices). The express lane operator across the region is taking this reduce penalty amount to their respective boards for action. Upon approval, the reduced penalties

would take effect on October 3, 2022. BAIFA has approved the new penalty amount in their July 2022 meeting. Other regional partners and express lanes operators have adopted the new amended penalty amount earlier this month.

Director Beach asked what would happen after the third violation and is there a consequence that escalates from there. Kaki Cheung said yes, there is a resolution process and the customer service center could work with the violator. If the violation does not get addressed, a DMV hold can be placed on the vehicle. Staff will be coming back in the future months to talk about Assemblymember Ting's bill. If signed by the Governor, violators that meet certain eligibilities can have access to a payment plan.

Public member Drew asked if there is a third violation notice. He also inquired what would happen if the violator repeated the violations during different days of the week. If a violator utilizes the express lane multiple times, the violator would get multiple toll violation notices. Lacy Vong chimed in and said for the express lanes, unlike the bridge, there is only two notices for violations and not a third notice. If the second notice isn't paid after 21 days, the customer service center would escalate that to the DMV. When a vehicle owner tries to renew his/her registration, the owner would see the amount of the violation penalties and a hold on their account.

Director Papan asked on how does one get a transponder if they don't have a credit card.

Lacy Vong responded that there are cash payment network throughout the Bay Area. FasTrak and BATA has partnership with retailers where one could go to specific kiosks to pay with cash.

Director Beach thought the point of capping these violations was so that nobody could get more than \$30 worth of violations. It is clear now that the reduced penalties are \$10 + \$20, for a total of \$30 for one incident.

Lacy confirmed that it is the correct understanding.

Director Aguirre asked about the potential impact of the reduced penalties to the JPA budget.

Sean Charpentier responded and said the budget was based on what we saw in the first two months of operation. We don't have a lot of data to analyze what we're collecting in tolls versus penalties. We'll have a better idea next year after the northern segment open and we have more time and data to analyze what was paid in tolls and penalties.

April Chan added that at the time that the budget was put together, the primary focus was on toll revenues. The reason we wanted to lower the penalties was to encourage more people to sign up for the transponder, which could potentially increase our revenues.

Director Aguirre commented that the sign-up process may still seem challenging for the average person that do not have internet or a computer. The Director asked if there is a way to sign up for an account via phone, and that translation service is offered.

Sean said that MTC has been working on this equity issue and recently adopted changes to their business practices, which made it easier for the non- bank to access transponders. The cost was reduced and made it easier. Staff could come back at a future meeting to discuss what MTC did and what staff members are seeing.

Lacy added that through the customer service center, people can call an 800 number and a customer service agent can sign the user up over the phone. The service representative can also help them identify cash payment network locations in their area. The center has also increased the number of customer service agents so that people could get through faster and it is multilingual.

Director Horsley wanted to know if there was a way to limit the total amount that one person might have to pay.

Director Papan added if there is a discretion along the way that the back office might interject or should there be a cap.

Sean said that we are in discussions with express lanes operators throughout the Bay Area. A legislation is on the governor's desk, AB2594 sponsored by Assemblymember Ting. The proposed bill establishes the guidelines for a payment plan to address many of these issues. We anticipate that it will be signed by the governor and that would require the bridges to have adopted payment plans in place by July of next year. The express lanes operators will have until the following July of 2024 to have payment plan options. Staff is currently in discussions with both BATA and the express lane operators to discuss timing and details.

Director Beach commented that the penalty reduction is absolutely the right thing to do. These are not incidents where people are deceiving the occupancy intentionally. She hopes that the notices will be sent in multiple languages. Also, during the last discussion on fees, the question of whether or not the reduced penalty would cover the cost of processing the violation was asked, , and the answer is yes. The Director thinks it is the responsible thing to do and it's not cutting into the operational cost.

Director Beach MOVED to approve item 6.1. Director Horsley SECONDED. Roll call was taken. **MOTION CARRIED 6-0-0**

6.2 Receive Update on the Community Transportation Benefits Program.
INFORMATION

The Board received an update presentation on the Community Transportation Benefits Program and marketing plan. The Policy/Program Manager, in

consultation with SMCEL-JPA staff, developed a detailed marketing plan in an effort to increase Program awareness among qualified residents across San Mateo County.

- 6.3 Receive a presentation on the status of the outstanding 2020 Variable Rate Demand Bonds used to fund a portion of the SMCEL-JPA Express Lanes project.

INFORMATION

The Board received a presentation on the US101 Express Lanes, an update on Variable Rate Bond.

April Chan mentioned that this is specifically related to how the recent financial markets may be impacting the amount of payment that we need to make to the bond.

Director Papan asked about the variable rate vs. fixed rate slide.

Connie Mobley explained that the SIFMA rate is the short-term variable note rate. The SIFMA rate currently is at 1.44%. California variable rate bonds generally run under the SIFMA rate because there is a high demand for California bonds regardless of its variable status. SIFMA rate is below our expectation for 2022. The actual rate being paid is on average well under 1%.

Director Papan asked if we had something that would say what we're paying now compared to where we started.

Connie said the historical average in April was 12 basis points. Right now the weekly rate was 12 basis points. The overall average is 67 basis points. The average through June was 7 basis points, it is now 39 basis points.

Director Papan suggested that we have a chart that shows what we're paying now.

Director Beach commented that she's comforted that the presentation showed that the variable choice was the right one, that we're still saving money and it provides us flexibility to pay back early. The financial data shows how fluid the market is, and these rates have significant financial impacts on both the JPA and the Transportation Authority. The Director asked at what interest rates would start to cause us concerns.

Connie answered when rate reaches 4 to 4.1%, the agencies may be concerned.

Public Member Drew, asked which is the 4%, is it the federal or SIFMA.

Connie said that it is the all-in cost for the bonds. When that hits 4.1%, then we would be concerned. They would completely utilize this capitalized interest fund. The expectation is that the rate is not going to get there, but staff will watch it very carefully every day.

Director Beach commented that she thinks it's very important for us to watch this and hopefully see these lanes continue to be sustainable. At her commute.org

meeting, an interesting presentation on hybrid offices is sort of the new normal. In this particular survey, mostly San Francisco based companies are stating that only 2/3 of those office workers are likely to go into the office no more than 3 days a week. The primary commuting days are Tuesday, Wednesday, Thursday. The Director believes that this will be a very interesting trend for us to monitor.

6.4 Receive Update on the US 101 Express Lanes operations and policy options related to toll revenue. INFORMATION

The Board received a presentation on the US 101 Express Lanes operations and policy options related to toll revenue.

Director Horsley asked what is the potential technology systems that are available for enforcement.

Matt said that in most instances across the Bay Area and the country, hardware systems are installed in the field, and there are software systems to detect the number of people in the vehicle. In the Bay Area, MTC is conducting two pilots, one is hardware-based systems, with cameras and radar. A software-based technology where people have to use their phone to declare occupancy is being tested as well. It's a software-based solution.

Public Member Drew asked out of the 35% image-based transactions, 50% have FasTrak accounts and 50% are violations. Is there are breakdown of those image-based transactions.

Matt said this information hasn't been pulled specifically, it is something that staff will investigate. Lacy chimed in and said it's two different systems that actually need to talk to each other. Both systems are under the MTC umbrella, but they're different organizations. One is in the lane that picks up the image based transactions, and then the reconciliation happens after it goes to the FasTrak customer service center.

Carter Mau has asked if the team can put together a comparison information with other toll lanes in the Bay Area. It is very important to learn from other operators and adjust when necessary.

7.0 REPORTS

a) Chairperson Report.

None.

b) Member Communication.

None.

c) Executive Council Report - Executive Council Verbal Report.

None.

d) Policy/Program Manager Report.

None.

8.0 WRITTEN COMMUNICATIONS

None.

9.0 NEXT REGULAR MEETING

October 14, 2022

10.0 ADJOURNMENT – 10:32 a.m.