



Meeting Notice

1111 Broadway, Suite 800, Oakland, CA 94607

• 510.208.7400

• www.AlamedaCTC.org

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Commission Vice Chair
Councilmember Rebecca Kaplan,
City of Oakland

AC Transit
Director Elsa Ortiz

Alameda County
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Councilmember Michael Gregory

City of Union City
Mayor Carol Dutra-Vernaci

Executive Director
Arthur L. Dao

I-680 Sunol Smart Carpool Lane Joint Powers Authority

Monday, November 10, 2014, 9:30 a.m.

**1111 Broadway, Suite 800
Oakland, CA 94607**

Mission Statement

The mission of the Alameda County Transportation Commission (Alameda CTC) is to plan, fund, and deliver transportation programs and projects that expand access and improve mobility to foster a vibrant and livable Alameda County.

Public Comments

Public comments are limited to 3 minutes. Items not on the agenda are covered during the Public Comment section of the meeting, and items specific to an agenda item are covered during that agenda item discussion. If you wish to make a comment, fill out a speaker card, hand it to the clerk of the Commission, and wait until the chair calls your name. When you are summoned, come to the microphone and give your name and comment.

Recording of Public Meetings

The executive director or designee may designate one or more locations from which members of the public may broadcast, photograph, video record, or tape record open and public meetings without causing a distraction. If the Commission or any committee reasonably finds that noise, illumination, or obstruction of view related to these activities would persistently disrupt the proceedings, these activities must be discontinued or restricted as determined by the Commission or such committee (CA Government Code Sections 54953.5-54953.6).

Reminder

Please turn off your cell phones during the meeting. Please do not wear scented products so individuals with environmental sensitivities may attend the meeting.

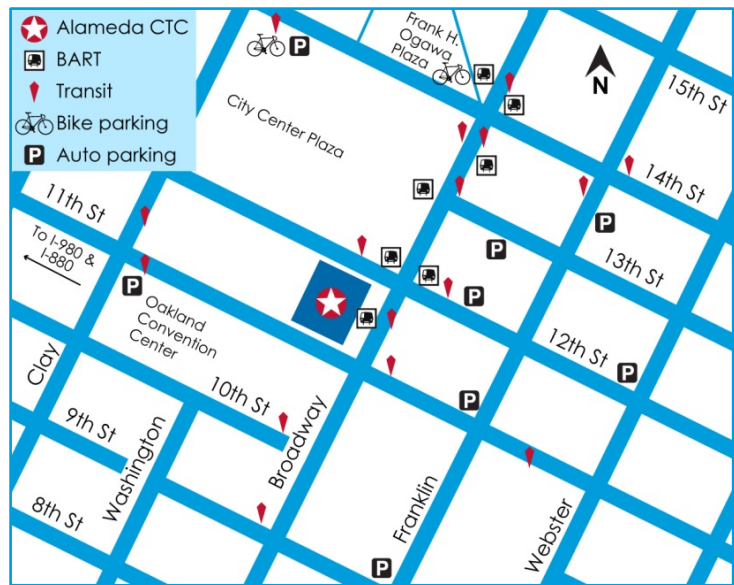
Glossary of Acronyms

A glossary that includes frequently used acronyms is available on the Alameda CTC website at www.AlamedaCTC.org/app_pages/view/8081.

Location Map

★ Alameda CTC
1111 Broadway, Suite 800
Oakland, CA 94607

Alameda CTC is accessible by multiple transportation modes. The office is conveniently located near the 12th Street/City Center BART station and many AC Transit bus lines. Bicycle parking is available on the street and in the BART station as well as in electronic lockers at 14th Street and Broadway near Frank Ogawa Plaza (requires purchase of key card from bikelink.org).



Garage parking is located beneath City Center, accessible via entrances on 14th Street between 1300 Clay Street and 505 14th Street buildings, or via 11th Street just past Clay Street. To plan your trip to Alameda CTC visit www.511.org.

Accessibility

Public meetings at Alameda CTC are wheelchair accessible under the Americans with Disabilities Act. Guide and assistance dogs are welcome. Call 510-893-3347 (Voice) or 510-834-6754 (TTD) five days in advance to request a sign-language interpreter.



Meeting Schedule

The Alameda CTC meeting calendar lists all public meetings and is available at www.AlamedaCTC.org/events/upcoming/now.

Paperless Policy

On March 28, 2013, the Alameda CTC Commission approved the implementation of paperless meeting packet distribution. Hard copies are available by request only. Agendas and all accompanying staff reports are available electronically on the Alameda CTC website at www.AlamedaCTC.org/events/month/now.

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I-680 Sunol SMART Carpool Lane Joint Powers Authority Meeting Agenda Monday, November 10, 2014, 9:30 a.m.

1111 Broadway, Suite 800, Oakland, CA 94607

• PH: (510) 208-7400

• www.AlamedaCTC.org

1. Pledge of Allegiance

2. Roll Call

3. Public Comment

Chair: Mayor Bill Harrison, City of Fremont

Vice Chair: Mayor Jerry Thome, City of Pleasanton

Commissioners/Members: Scott Haggerty, Gail Price (Santa Clara Valley Transportation Authority), Tim Sbranti

Staff Liaison: Stewart D. Ng

Executive Director: Arthur L. Dao

Clerk: Vanessa Lee

4. Consent Calendar

Page A/I

4.1. [October 13, 2014 I-680 Sunol SMART Carpool Lane JPA Meeting Minutes](#)

1

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Recommendation: Approve the October 13, 2014 meeting minutes.

5. Regular Matters

5.1. [Sunol Smart Carpool Lane JPA Fiscal Year 2013-14 Draft Audited Annual Financial Report](#)

3

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Recommendation: Approve Sunol Smart Carpool Lane Joint Powers Authority Draft Audited Annual Financial Report for the Year Ended June 30, 2014.

5.2. [Sunol Smart Carpool Lane Statement of Revenues and Expenses as of September 30, 2014](#)

21

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Recommendation: Approve the Sunol Smart Carpool Lane Statement of Revenues and Expenses as of September 30, 2014.

5.3. [I-680 Northbound Express Lane \(PN 721.0\): Monthly Status Update](#)

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5.4. [I-680 Southbound Express Lane \(PN 710.5\): Monthly Operations Update](#)

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6. Committee Member Reports (Verbal)

7. Staff Reports (Verbal)

8. Adjournment

Next Meeting: January 12, 2015

All items on the agenda are subject to action and/or change by the Commission.

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I-680 Sunol SMART Carpool Lane Joint Powers Authority Meeting Minutes Monday, October 13, 2014, 9:30 a.m.

4.1

1111 Broadway, Suite 800, Oakland, CA 94607 • PH: (510) 208-7400 • www.AlamedaCTC.org

1. Pledge of Allegiance

2. Roll Call

The Clerk conducted a roll call. All members were present with the exception of Gail Price of VTA and Commissioner Tim Sbranti.

Subsequent to the roll call:

Commissioner Tim Sbranti arrived prior to the vote on item 5.1

3. Public Comment

There were no public comments.

4. Consent Calendar

4.1. September 8, 2014 I-680 Sunol SMART Carpool Lane JPA Meeting Minutes

Commissioner Thorne moved to approve the Consent Calendar. Commissioner Haggerty seconded the motion. The motion passed unanimously (Price and Sbranti absent).

5. Regular Matters

5.1. Sunol JPA's participation in the Special District Risk Management

Authority (SDRMA) Property/Liability Programs

Seung Cho recommended that the Authority approve Resolution 14-01 approving the form and authorizing the execution of a sixth amended joint powers agreement and authorizing participation in the Special District Risk Management Authority Property/Liability and Workers' Compensation Programs. He stated that approval would allow the Authority to obtain property and liability, directors and officers, and employment practices liability insurance coverage through the SDRMA. He also stated that the Authority's participation in SDRMA's risk management program will result in annual cost-savings of up to 56% or \$29,000.

Commissioner Haggerty moved to approve this item. Commissioner Sbranti seconded the motion. The motion passed unanimously (Price absent).

5.2. I-680 Northbound Express Lane (PN 721.0): Monthly Status Update

Susan Chang presented the I-680 Northbound Express Lane Status Update. Susan reviewed the project approach as well as ongoing and completed activities. She also covered upcoming Project Approval and Environmental Document (PA&ED) activities in 2014 including planned upcoming public hearings. She concluded the update by providing information on the project delivery schedule.

Supervisor Haggerty wanted to know where the public hearings would take place. Susan stated that the hearings would take place in January 2015 at Heart Elementary in Pleasanton and Chadmore Elementary in Fremont.

This item was for information only.

5.3. I-680 Southbound Express Lane (PN 710.5): Monthly Operations Update

Arun Goel presented the I-680 Southbound Express Lane Monthly Operations Update. He covered express lane performance, including year-over-year traffic and revenue comparison by month, and highlighted the average travel speed and speed differentials. Arun covered revenue and trips by day of the week and toll range during peak commute hours. Arun also provided information on commute patterns by highlighting average daily toll trips.

Commissioner Haggerty questioned if the Authority has considered increasing toll amounts. Arun stated that the toll amounts were capped at \$7.50 by Authority approval but legislation does allow for a higher toll amount.

This item was for information only.

6. Committee Member Reports

There were no committee member reports.

7. Staff Reports

There were no staff reports.

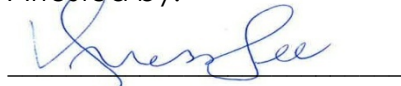
8. Adjournment/ Next Meeting

The next meeting is:

Date/Time: Monday, November 10, 2014 @ 9:30 a.m.

Location: Alameda CTC Offices, 1111 Broadway, Suite 800, Oakland, CA 94607

Attested by:



Vanessa Lee,
Clerk of the Commission



Memorandum

5.1

1111 Broadway, Suite 800, Oakland, CA 94607

• PH: (510) 208-7400

• www.AlamedaCTC.org

DATE: November 3, 2014

SUBJECT: Sunol Smart Carpool Lane Joint Powers Authority Draft Audited Annual Financial Report for the Year Ended June 30, 2014

RECOMMENDATION: Approve Sunol Smart Carpool Lane Joint Powers Authority Draft Audited Annual Financial Report for the Year Ended June 30, 2014.

Summary

Pursuant to Section 9.2(iv) of the Joint Powers Agreement and Section 6505 of the California Government Code, an independent audit was conducted for the fiscal year ended June 30, 2014 by Vavrinek, Trine, Day & Co. LLP. All financial statements are the responsibility of management. The auditor's responsibility is to express an opinion on the financial statements based on their audit. As demonstrated in the Independent Auditor's Report on page two (2) of the Draft Audited Annual Financial Report, the auditors of the Sunol Smart Carpool Lane Joint Powers Authority (Authority) have reported what is considered to be an unmodified or clean audit.

"In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority as of June 30, 2014, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America."

Financial Highlights:

- Total net position decreased by \$0.1 million or 3.6% from \$4.0 million to \$3.9 million as of June 30, 2014 compared to June 30, 2013. This decrease is mostly related to capital asset depreciation. Capital assets comprised \$2.1 million or 55.6% of the total net assets at June 30, 2014.
- As of June 30, 2014, cash and cash equivalents increased by \$0.5 million or 24.2% from \$2.1 million to \$2.6 million. This increase is mostly attributed to an increase in operating revenue over fiscal year 2013.
- Operating revenue was \$2.0 million during fiscal year 2014, an increase of \$0.7 million or 51.3% over fiscal year 2013.

- The Authority's total operating expenses were \$2.1 million during fiscal year 2014, an increase of \$0.5 million or 24.3% over the period of July 1, 2013 through June 30, 2014. Operating expenses for fiscal year 2014 were primarily comprised of \$1.9 million of program operations and maintenance costs.

Background

As part of the audit process, Vavrinek, Trine, Day & Co., LLP considered the Authority's internal controls over financial reporting in order to design audit procedures. They have not expressed an opinion on the effectiveness of the Authority's internal controls; however Vavrinek, Trine, Day & Co., LLP did not identify any deficiencies in internal controls that would be considered a material weakness.

Fiscal Impact: There is no fiscal impact.

Attachments

- A. Sunol Smart Carpool Lane Joint Powers Authority Draft Audited Annual Financial Report for the Year Ended June 30, 2014

Staff Contact

[Patricia Reavey](#), Director of Finance



SUNOL SMART CARPOOL LANE JOINT POWERS AUTHORITY

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2014

**SUNOL SMART CARPOOL LANE
JOINT POWERS AUTHORITY
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2014**

SUNOL SMART CARPOOL LANE JOINT POWERS AUTHORITY

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Sunol Smart Carpool Lane Joint Powers Authority
Oakland, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Sunol Smart Carpool Lane Joint Powers Authority (the Authority), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of June 30, 2014, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

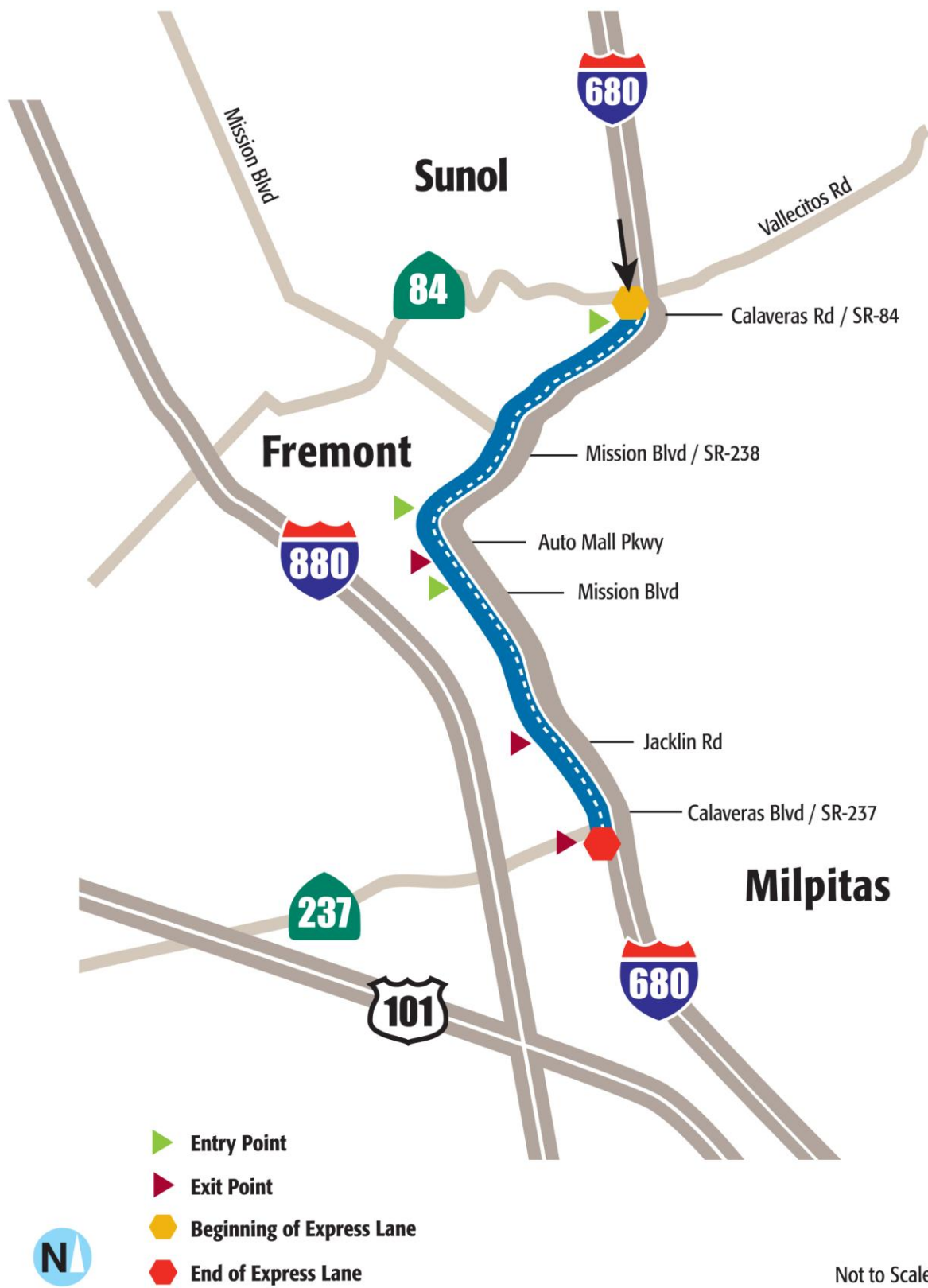
Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages **three through six** be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Signature

Palo Alto, California

DATE

MAP OF I-680 SUNOL SMART CARPOOL LANE



SUNOL SMART CARPOOL LANE JOINT POWERS AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014

Management has prepared the following discussion and analysis of the Sunol Smart Carpool Lane Joint Powers Authority financial performance, which provides an overview of its financial activities for the fiscal year ended June 30, 2014. Management encourages readers to consider the information presented here in conjunction with the accompanying financial statements and related notes.

Financial Highlights

- Total net position decreased by \$0.1 million or 3.6% from \$4.0 million to \$3.9 million as of June 30, 2014 compared to June 30, 2013. This decrease is mostly related to capital asset depreciation. Capital assets comprised \$2.1 million or 55.6% of the total net position at June 30, 2014.
- As of June 30, 2014, cash and cash equivalents increased by \$0.5 million or 24.2% from \$2.1 million to \$2.6 million. This increase is mostly attributed to an increase in operating revenue over fiscal year 2013.
- Operating revenue was \$2.0 million during fiscal year 2014, an increase of \$0.7 million or 51.3% over fiscal year 2013.
- The Authority's total operating expenses were \$2.1 million during fiscal year 2014, an increase of \$0.5 million or 24.3% over fiscal year 2013. Operating expenses for fiscal year 2014 were primarily comprised of \$1.9 million of program operations and maintenance costs.

Overview of the Basic Financial Statements

The basic financial statements of the Authority are presented as an enterprise fund, which reports all activities using the accrual basis of accounting and the economic resources measurement focus. With this basis of accounting, revenues are recorded when earned and expenses are recorded when the related liabilities are incurred. The enterprise fund is used to account for the collection of toll revenues and payment of the Authority's expenses. The financial statements provide both long-term and short-term financial information and information about cash flows. The Authority's financial statements are presented as follows:

- Statement of Net Position;
- Statement of Revenues, Expenses and Changes in Net Position;
- Statement of Cash Flows; and
- Notes to the financial statements.

SUNOL SMART CARPOOL LANE JOINT POWERS AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014

Financial Analysis

The following table presents the Authority's net position as of June 30, 2014 and June 30, 2013:

	June 30, 2014	June 30, 2013
Current assets	\$ 3,066,054	\$ 2,189,432
Capital assets, net	2,149,830	2,368,900
Total assets	5,215,884	4,558,332
Total liabilities	(1,345,888)	(544,333)
Net position	\$ 3,869,996	\$ 4,013,999

The following table presents the Authority's change in net position for the fiscal year ended June 30, 2014 and the period ended June 30, 2013:

	June 30, 2014	June 30, 2013
Operating and capital revenue	\$ 1,985,016	\$ 1,312,168
Operating expenses	2,134,627	1,616,652
Operating income	(149,611)	(304,484)
Capital contribution	5,608	-
Increase (decrease) in net position	(144,003)	(304,484)
Net position, beginning of period	4,013,999	4,318,483
Net position, end of period	\$ 3,869,996	\$ 4,013,999

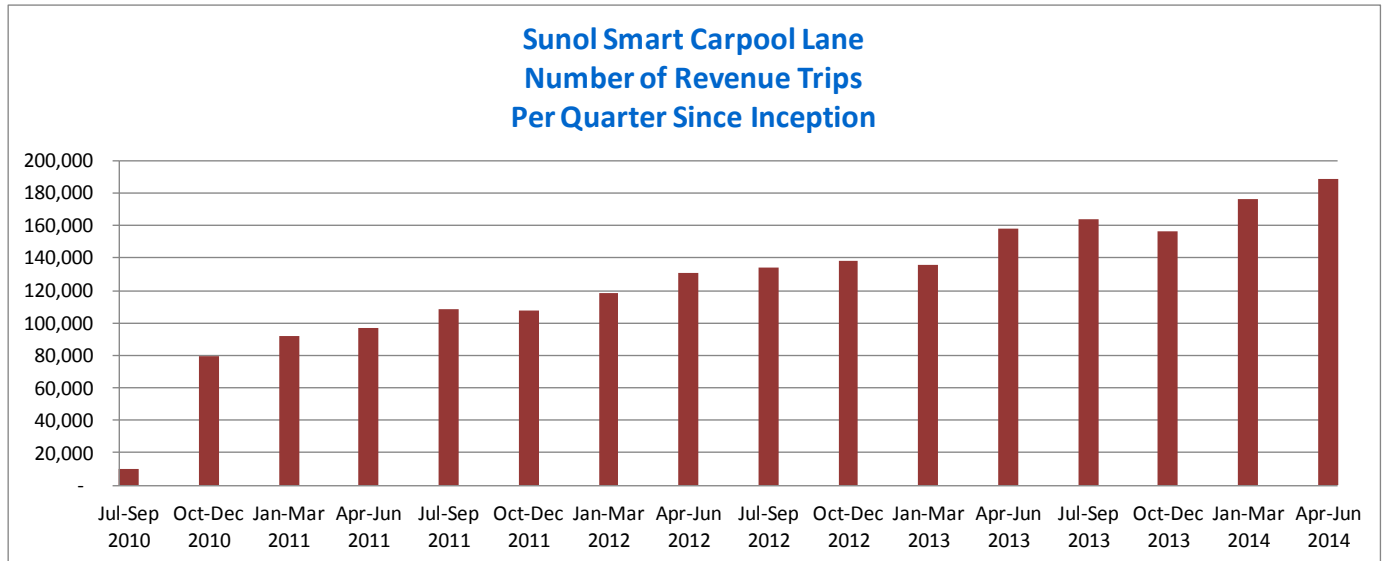
While the Alameda County Transportation Commission (Alameda CTC) continues as the managing agency, it no longer funds administrative support costs on behalf of the Authority. Accordingly, these costs were included in the Statement of Revenues, Expenses, and Changes in Net Position beginning July 1, 2012 (see Note 3 to the financial statements for a more detailed explanation).

The Authority began operating a toll lane on the Sunol Grade segment of southbound Interstate 680 in Alameda and Santa Clara counties on September 20, 2010. Monthly toll lane usage increased from 24,862 trips in October 2010 to 61,476 trips in June 2014.

SUNOL SMART CARPOOL LANE JOINT POWERS AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014

The following chart demonstrates the trips that have been taken in the toll lane by quarter since inception in September 2010.



Cash increased by \$511.8 thousand or 24.2%. Revenues for the period, including tolls and other revenue in the amount of \$1,985.0 thousand plus the change in liabilities of \$801.5 thousand, were offset by \$1,909.9 thousand of program management expenses plus the change in receivables of \$360.3 thousand and prepaid expenses of \$4.5 thousand.

Receivables increased by \$360.3 thousand or 1239.6%.

Capital Assets

The following table presents the Authority's capital asset activity from June 30, 2013 to June 30, 2014:

	June 30, 2013	Additions	June 30, 2014
Toll revenue equipment	\$ 3,084,714	\$ 5,608	\$ 3,090,322
Accumulated depreciation	(715,814)	(224,678)	(940,492)
Net book value	\$ 2,368,900	\$ (219,070)	\$ 2,149,830

SUNOL SMART CARPOOL LANE JOINT POWERS AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

Comparison of Budget to Actual

Prior to each fiscal year, the Authority adopts a budget for the coming year. The originally adopted operating revenue budget for fiscal year 2014 was \$1,350.0 thousand which was increased to \$1,835.0 thousand by the Board in order to account for grant revenues contributed by the Alameda CTC. Actual operating revenues were \$1,985.0 thousand, which was \$150.0 thousand or 8.2% higher than budget.

The originally adopted operating expense budget was \$1,535.0 thousand, which was increased to \$2,120.0 thousand by the Board mostly to account for expenses previously identified to be paid by Alameda CTC's I-680 Southbound HOT Lane Project. Actual operating expenses were \$2,134.6 thousand of which \$224.7 thousand was for depreciation (a non-cash related transaction not accounted for in budget). Therefore, actual operating expenses were \$210.1 thousand or 9.9% less than budget.

Request for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. Questions concerning information provided in this report or requests for additional financial information should be addressed to Arthur Dao, Executive Director, or Patricia Reavey, Director of Finance, of the Alameda County Transportation Commission at 1111 Broadway, Suite 800, Oakland, California 94607.

SUNOL SMART CARPOOL LANE JOINT POWERS AUTHORITY

STATEMENT OF NET POSITION JUNE 30, 2014

ASSETS

Cash	\$ 2,629,165
Accounts receivable	389,411
Prepaid expenses	47,478
Capital assets, net of accumulated depreciation	2,149,830
Total Assets	<u>5,215,884</u>

LIABILITIES

Accounts payable	249,217
Accrued liabilities	1,096,671
Total Liabilities	<u>1,345,888</u>

NET POSITION

Net investment in capital assets	2,149,830
Unrestricted	1,720,166
Total Net Position	<u>\$ 3,869,996</u>

The accompanying notes are an integral part of these financial statements.

SUNOL SMART CARPOOL LANE JOINT POWERS AUTHORITY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2014

OPERATING REVENUES

Toll charges	\$ 1,620,655
Other revenues	364,361
Total operating revenue	<u>1,985,016</u>

OPERATING EXPENSES

Depreciation expense	224,678
Operations and maintenance	1,909,949
Total operating expenses	<u>2,134,627</u>
Operating loss	(149,611)
Capital contributions	5,608
Change in net position	(144,003)
Net Position - Beginning	<u>4,013,999</u>
Net Position - Ending	<u>\$ 3,869,996</u>

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The accompanying notes are an integral part of these financial statements.

SUNOL SMART CARPOOL LANE JOINT POWERS AUTHORITY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from operating activities	\$ 1,624,688
Payments for operating activities	(1,112,897)
Cash flow provided by operating activities	511,791
Cash and Cash Equivalents - Beginning	2,117,374
Cash and Cash Equivalents - Ending	<u>\$ 2,629,165</u>

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating loss	\$ (149,611)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	224,678
Changes in assets and liabilities:	
Increase in receivables	(360,341)
Increase in prepaid expenses	(4,490)
Increase in liabilities	801,555
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 511,791</u>

SCHEDULE OF NONCASH CAPITAL ACTIVITIES

Contribution of capital assets	\$ 5,608
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The accompanying notes are an integral part of these financial statements.

SUNOL SMART CARPOOL LANE JOINT POWERS AUTHORITY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

NOTE 1 – REPORTING ENTITY

The Sunol Smart Carpool Lane Joint Powers Authority (the Authority) is a joint powers authority, organized in February 2006 pursuant to a Joint Powers Agreement among the Alameda County Congestion Management Agency (ACCMA), Alameda County Transportation Improvement Authority (ACTIA), and the Santa Clara Valley Transportation Authority. ACCMA and ACTIA have been succeeded by the Alameda County Transportation Commission (Alameda CTC) which has all of the powers and responsibilities of the former agencies. The Agreement was entered into pursuant to the Government Code of the State of California, commencing with Section 6500. The Authority was formed to plan, design, construct, and administer the operations of a value pricing high-occupancy vehicle program on the Sunol Grade segment of southbound Interstate 680 in Alameda and Santa Clara Counties. The Authority began operations of the Project on September 20, 2010. Members of the Authority's Board of Directors are elected officials representing Alameda and Santa Clara Counties.

NOTE 2 – MANAGING AGENCY

Alameda CTC is the managing agency. From its inception in 2006, the Alameda CTC provided all administrative support including office space, staff time, accounting, and insurance. While the Alameda CTC continues as the managing agency, it ceased funding these administrative support costs on behalf of the Authority as of July 1, 2012. Accordingly, these costs are included in the Statement of Revenues, Expenses, and Changes in Net Position. Throughout fiscal year 2014, Alameda CTC continued to subsidize operations and maintenance of the Sunol Smart Carpool Lane with local grant funding through its I-680 Southbound HOT Lane Project. During the fiscal year ended June 30, 2014, the Alameda CTC incurred operations and maintenance expense on behalf of the Authority as follows:

Express Lane Maintenance	\$	125,000
Project Management/Controls		85,000
IT Support		70,800
Insurance		61,753
System Manager/Operations Support		18,789
Other Consultant Costs		3,019
Total	\$	<u>364,361</u>

These costs are paid by the Authority and the funding of grant revenue and the expenses are shown as operating revenue and operating expenses, respectively, in the accompanying financial statements.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Accounting

All activities of the Authority are reported using the economic resources measurement focus and the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America, as applicable to governmental agencies. With this measurement focus, all assets and liabilities associated with operations are included on the Statement of Net Position, and revenues are reported when earned and expenses are reported when the related liabilities are incurred.

SUNOL SMART CARPOOL LANE JOINT POWERS AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2014

Enterprise funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. The principal operating revenue of the Authority is the collection of toll revenue.

Operating expenses of the Authority are made up of administrative costs, depreciation, and operations and maintenance costs. Since inception of the Authority, the Alameda CTC as the managing agency has provided administrative support and subsidized operations and maintenance costs of the Sunol Smart Carpool Lane through its I-680 Southbound HOT Lane Project. The Alameda CTC will continue to cover some costs related to operations and maintenance while utilization of the Sunol Smart Carpool Lane grows to a sustainable level and the Authority is considered solvent. However, as of July 1, 2012, the managing agency no longer funds the Authority's administrative support costs. Accordingly, these costs as well as all other operations and maintenance costs incurred by the Authority are included in the Statement of Revenues, Expenses, and Changes in Net Position beginning July 1, 2012.

The Authority adheres to accounting principles issued by the Governmental Accounting Standards Board (GASB).

Revenue Recognition

The Authority recognizes toll revenue at the time the toll lane is used, net of funds for invalid or stolen tags, equipment malfunctions, and violations dismissed in court.

Net Position

Net position is reported in the following categories:

- Net investment in capital assets – This category includes all capital assets reduced by accumulated depreciation. The Authority has no capital related debt.
- Unrestricted – This category represents net position of the Authority that is not restricted for any project or other purpose.

State law requires all toll revenues to be used only for programs and projects that benefit the owners of the vehicles paying the tolls within the corridor. The Board has designated \$300,000 of net position for replacement of toll equipment (including hardware and software) and \$200,000 for roadway rehabilitation.

Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and related disclosures. Accordingly, actual results may differ from those estimates.

SUNOL SMART CARPOOL LANE JOINT POWERS AUTHORITY

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2014

NOTE 4 – CASH

The Authority had \$2,629,165 cash in the bank as of June 30, 2014. The Authority has not adopted an investment policy. It follows the investment policy of its managing agency.

Cash held in banks is entirely collateralized by the bank holding the deposit. California laws requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the deposit or first trust deed mortgage notes with a value of 150% of the deposit as collateral for all municipal deposits. This collateral remains with the institution, but is considered to be held in the Authority's name and places the Authority ahead of general creditors of the institution.

Custodial credit risk is the risk that in the event a financial institution or counterparty fails, the Authority would not be able to recover the value of its deposits and investments. At June 30, 2014, the Federal Depository Insurance Corporation insured the Authority's cash deposits up to \$250,000 and the financial institution's trust department collateralized the remainder in the Authority's name.

NOTE 5 – CAPITAL ASSETS

Equipment costing \$5,000 or more and having a useful life of more than one year is reported in the Statement of Net Position at historical cost. Capital assets are depreciated using the straight-line method over estimated useful lives of five to twenty years.

Capital asset balances at June 30, 2014, and activity for the year then ended, are as follows:

	June 30, 2013	Additions	June 30, 2014
Toll revenue equipment	\$ 3,084,714	\$ 5,608	\$ 3,090,322
Accumulated depreciation	(715,814)	(224,678)	(940,492)
Net book value	<u>\$ 2,368,900</u>	<u>\$ (219,070)</u>	<u>\$ 2,149,830</u>

NOTE 6 – RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The following is a list of insurance covering operations:

Type of coverage	Deductible	Limits
General Liability	\$ 10,000	\$ 2,000,000 General aggregate
Excess Liability	-	5,000,000
Employment Practices	35,000	1,000,000
Directors' and Officers'	25,000	1,000,000
Property and Equipment Floater	1,000	3,498,817



Memorandum

5.2

1111 Broadway, Suite 800, Oakland, CA 94607

• PH: (510) 208-7400

• www.AlamedaCTC.org

DATE: November 3, 2014

SUBJECT: Sunol Smart Carpool Lane Statement of Revenues and Expenses as of September 30, 2014

RECOMMENDATION: Approve the Sunol Smart Carpool Lane Statement of Revenues and Expenses as of September 30, 2014.

Summary

This financial report summarizes expenses related to the Sunol Smart Carpool Lane operations through September 30, 2014. Net toll revenue was \$477,735 or 131.9 percent of projected toll revenue for the first quarter of FY2014-15. Measure B Grant Revenue from Alameda CTC's I-680 Southbound HOT Lane Project (Project) was \$104,039, or 69.4 percent of projected grant revenue. Also included as other revenue is an insurance settlement of \$21,380 for total operating revenues of \$603,154. Expenses through the first quarter totaled \$462,049, or 14 percent less than budget for the quarter, which results in an increase to the net position of \$141,105. This surplus is mostly due to toll revenues coming in higher than budgeted.

Background

The Sunol Smart Carpool Lane JPA is in a strong position compared to budget after the first quarter of the fiscal year and remains sustainable. The FY2014-15 budget approved by the JPA Board in June 2014 included approximately \$1.45 million of toll revenues, \$600,000 of grant revenues and \$2.15 million of operating expenses with an overall operating deficit of \$101,000 and a projected ending Net Position of approximately \$3.15 million. The approved budget reflects the subsidy of operations that the Sunol Smart Carpool Lane JPA continues to receive from Alameda CTC Project grant funds.

To assist in understanding the Statement of Revenues and Expenses, staff has included a spreadsheet which summarizes costs by funding source (Attachment B).

Fiscal Impact: There is no fiscal impact.

Attachments

- A. Sunol Smart Carpool Lane Statement of Operating Revenues and Expenses as of September 30, 2014
- B. Sunol Smart Carpool Lane Statement of Capital Revenues and Expenses as of September 30, 2014

C. Sunol Smart Carpool Lane Operating Expenses by Fund Source as of September 30,
2014

Staff Contact

[Patricia Reavey](#), Director of Finance

[Yoana Navarro](#), Senior Accountant

SUNOL SMART CARPOOL LANE
Statement of Operating Revenues and Expenses
As of September 30, 2014

<u>OPERATING REVENUES</u>	YTD Actuals	YTD Budget	% Used	Variance
Toll Revenue	477,735	362,250	131.9%	115,485
Measure B Grants	104,039	150,000	69.4%	(45,961)
Other Income	21,380	-	-	21,380
Total Operating Revenues:	603,154	512,250	117.7%	90,904
 <u>OPERATING EXPENSES</u>				
Operations & Maintenance Contract	181,973	200,000	91.0%	(18,027)
Revenue Collection Fees	68,862	68,750	100.2%	112
CHP Enforcement	56,250	56,250	100.0%	-
Alameda CTC Operations	48,121	50,000	96.2%	(1,879)
Express Lane Maintenance (Caltrans)	31,250	31,250	100.0%	-
Project Management/Controls	22,918	25,000	91.7%	(2,082)
IT Support	17,475	18,750	93.2%	(1,275)
Insurance	16,561	17,500	94.6%	(939)
System Manager/Operations Support	5,000	12,500	40.0%	(7,500)
Alameda CTC Administration	2,804	12,500	22.4%	(9,696)
Marketing/Public Outreach	-	12,500	0.0%	(12,500)
Other Consultant Costs	-	10,000	0.0%	(10,000)
Legal Fees	6,250	6,250	100.0%	-
Miscellaneous	1,834	6,250	29.3%	(4,416)
Utilities	2,751	5,000	55.0%	(2,249)
Contingency	-	5,000	0.0%	(5,000)
Total Operating Expenses:	462,049	537,500	86.0%	(75,451)
Operating Surplus (Deficit)	141,105	(25,250)		
 <u>Net Position</u>				
Beginning of year	3,869,996			
Net Position as of September 30, 2014	<u>\$ 4,011,101</u>			

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SUNOL SMART CARPOOL LANE
Statement of Capital Revenues and Expenses
As of September 30, 2014

		YTD Captial Actuals	YTD Budget	% Used	Variance
<u>CAPITAL REVENUES</u>					
Capital Grants		-	350,000	0.0%	(350,000)
Total Capital Revenues:		-	350,000	0.0%	(350,000)
<u>CAPITAL EXPENSES</u>					
Automated Toll Violation Enforcement System		-	-		-
Depreciation Expense		-	-		-
Total Capital Expenses:		-	-		-
Capital Surplus (Deficit)		-	350,000		
<u>Net Position</u>					
Beginning of year		-			
Net Position as of September 30, 2014		<u>\$ -</u>			

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**SUNOL SMART CARPOOL LANE
OPERATING EXPENSES BY FUND SOURCE
As of September 30, 2014**

	Operating Expenses	Operating Expenses by --- Revenues Source ---	
		ACCMA Capital Grants	Operating Revenues
Operations & Maintenance Contract	\$ 181,973	\$ -	\$ 181,973
Revenue Collection Fees	68,862	-	68,862
CHP Enforcement	56,250	-	56,250
Alameda CTC Operations	48,121	-	48,121
Express Lane Maintenance (Caltrans)	31,250	31,250	-
Project Management/Controls	22,918	22,918	-
IT Support	17,475	17,475	-
Insurance	16,561	16,561	-
System Manager/Operations Support	5,000	5,000	-
Alameda CTC Administration	2,804	-	2,804
Marketing/Public Outreach	-	-	-
Other Consultant Costs	-	-	-
Legal Fees	6,250	6,250	-
Miscellaneous	1,834	1,834	-
Utilities	2,751	2,751	-
Contingency	-	-	-
Total Operating Expenses	\$ 462,049	\$ 104,039	\$ 358,010

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Memorandum

5.3

1111 Broadway, Suite 800, Oakland, CA 94607

• PH: (510) 208-7400

• www.AlamedaCTC.org

DATE: November 3, 2014

SUBJECT: I-680 Northbound Express Lane (PN 721.0): Monthly Status Update

RECOMMENDATION: Receive a monthly status update of the I-680 Northbound Express Lane Project.

Summary

The I-680 Northbound Express Lane Project will widen I-680 from SR 237 in Santa Clara County to SR 84 in Alameda County and construct a northbound HOV/Express Lane in the corridor. The purpose of this item is to provide the Commission with a monthly status update of project development activities which are either completed or planned for the project. This item is for information only.

Background

The I-680 Northbound Express Lane Project will widen I-680 from SR 237 in Santa Clara County to SR 84 in Alameda County and construct a 14 mile long northbound HOV/Express Lane in the corridor. The project is intended to provide a number of benefits including: 1) enhanced mobility by reducing traffic congestion; 2) reduced travel time and improved travel reliability; and 3) reduced congestion related accidents; thereby enhancing safety. The Express Lane facility will utilize available HOV lane capacity by offering solo drivers the choice to pay a toll electronically to access the lane, while regular carpool users continue to use the lane at no cost.

The Project Team continues to make progress toward completing a Draft Environmental Document (DED) an EIR/EA later this year and a final Environmental Document (ED) by fall 2015. The following is a detailed discussion of work in progress and/or upcoming major tasks.

Environmental Technical Studies, Traffic and Engineering Studies & Reports

All environmental, traffic and engineering studies & reports have been completed, reviewed, and approved by Caltrans District 4 and Caltrans HQ.

Environmental Document

The Administrative DED is under Caltrans review. Various cycles of internal agency reviews by Alameda CTC, Caltrans District 4, and Caltrans HQ, Legal are expected prior to publishing the DED for public review and comment. Public circulation of the DED will occur in November 2014 and two public hearings are expected in Pleasanton and Fremont in early January 2015. After the public and agency review process, a preferred alternative will be selected by the project development team. A final ED addressing the preferred alternative in detail is expected in fall 2015.

Project Approval

The Project Report (PR) process is underway. The Draft PR will document the need for the project and summarize the studies, cost, scope, and overall impact of project alternatives; and its approval is required prior to releasing a DED for public circulation and agency reviews. A Draft PR is planned for completion in November 2014. After the selection of a preferred alternative, the Draft PR will be updated to become the Final PR. Completion of a Final PR indicates Caltrans, FHWA, and Alameda CTC approval of the project. Final PR approval for this project is anticipated in fall 2015.

Project Implementation Approach

The PR and ED include studies and analysis for both the full project limits (SR 237 to SR 84) and an initial phase of construction (Auto Mall Parkway to SR 84). The limits for the initial phase of construction are based on immediate operational benefits and projected funding availability. In the interest of expediting important improvements for the public, Alameda CTC and Caltrans have agreed to incorporate a pavement rehabilitation project (Auto Mall Parkway to SR 84) into the I-680 Northbound Express Lane Project. Staff is exploring project delivery and funding options to expedite the implementation of the initial phase.

Fiscal Impact: There is no significant fiscal impact to the budget due to this item. This is for information only.

Staff Contact

[Stewart Ng](#), Deputy Director of Programming and Projects

[Susan Chang](#), Project Controls Team



Memorandum

5.4

1111 Broadway, Suite 800, Oakland, CA 94607

• PH: (510) 208-7400

• www.AlamedaCTC.org

DATE: November 3, 2014

SUBJECT: I-680 Southbound Express Lane (PN 710.5): Monthly Operations Update

RECOMMENDATION: Receive a monthly operations update on the I-680 Southbound Express Lane.

Summary

The purpose of this item is to provide the JPA Board with the September 2014 Monthly Operations Update of the express lane facility. This item is for information only.

Review of September 2014 operational/performance monitoring data indicates that the express lane facility continued to provide travel reliability in the lane, improve traffic congestion and operations within the corridor, including in the general purpose lanes, and thereby increases the overall corridor traffic throughput.

While comparing the year over year performance matrices, it is noted that the average daily number of toll paying trips has increased by approximately 9 percent. This is an indication that more solo drivers are choosing to utilize the Express Lane, to experience the travel reliability and time savings. While it appears that traffic congestion has returned to the corridor with upward economic activities noted in Silicon Valley, the average travel speed in the Express Lane continues to remain steady and stay above the posted speed limit, with core commute hours extending.

Background

The I-680 Southbound Express Lane opened to traffic in September 2010 and is the first operational express lane facility in Northern California; it is one of a few in the nation to have a shared toll and non-toll facility. The express lane facility spans over 14 miles from SR 84, near Pleasanton, to SR 237 in the City of Milpitas, and admits toll-paying solo drivers in addition to carpoolers (who use the lane at no cost). The express lane optimizes capacity, reduces congestion and increases travel time reliability within the 14 mile corridor.

Constructed within the restricted right-of-way, the facility has no physical barrier between the General Purpose Lanes and the Express Lane, but is separated by a double white

stripe. The Alameda CTC, acting as the managing agency for the JPA has been operating the express lane facility since it has opened to traffic in September 2010.

Since the opening, approximate 2.18 Million solo drivers have reached their destinations by traveling at speeds that are typically near 17 miles per hour faster (several segments within the 14 mile corridor experience speeds over 27 miles per hour faster) than which motorists experience in the general purpose lanes, during peak commute hour. Travel speeds throughout the corridor on average remained above the posted speed at all times during operational hours and the average work week trips continued to show increase in facility utilization. During traffic incidents and severe congestion the Express Lane remains with high performance and no degradation in reliability or travel time.

Tolls are collected via FasTrak® transponders that are automatically read by readers mounted on overhead gantries. Currently, the I-680 Express Lane includes five FasTrak® readers: one at each toll zone (at Andrade, Washington and Mission), and two at stand-alone enforcement zones (south of Vargas and south of Scott Creek). Readers at the toll zones are linked to the Toll Data Center (TDC). The accounts of vehicles passing through with valid FasTrak® transponders are charged the appropriate toll for the length of their trip, based on the toll rates published via dynamic message signs. Toll rates are calculated by a computerized real-time dynamic pricing model. The enforcement zone readers are not linked to the TDC and are used to aid CHP enforcement by determining if a vehicle has a valid FasTrak® transponder.

The September 2014 operational update (daily/monthly trip, travel time and revenue information) is included as Attachment A.

Fiscal Impact: There is no fiscal impact.

Attachments

A. I-680 Southbound Express Lane September 2014 Operations Update

Staff Contact

[Stewart Ng](#), Deputy Director of Programming and Projects

[Arun Goel](#), Express Lane Operations

Express Lane September 2014 Highlights

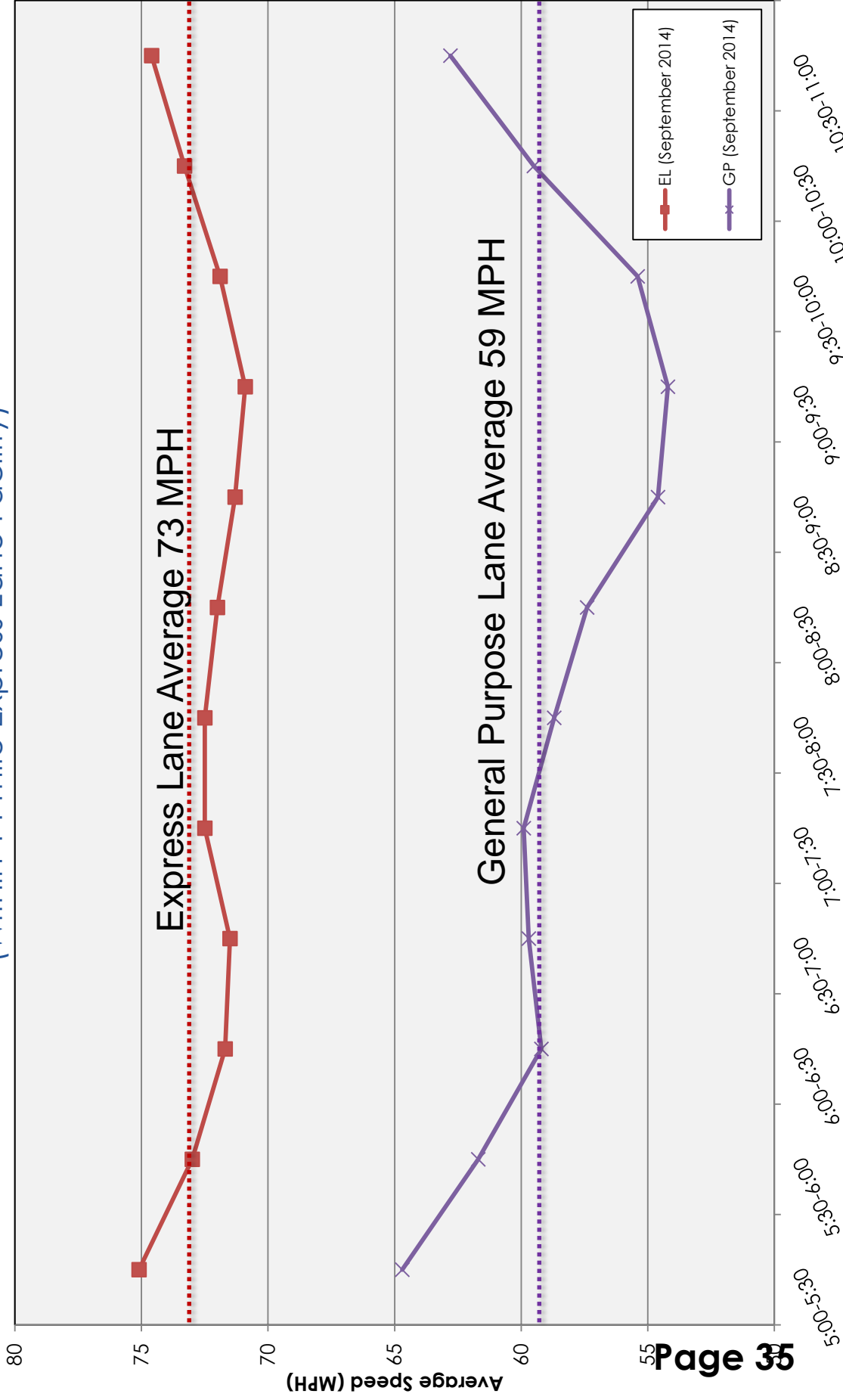
- Since 2010: **2.18 million** solo drivers
- Average Speed: **>65 MPH**
- Average Work Week Trips: **Increased**
- Max GP Comparison: **>17 MPH**
- Toll Paying Users: **>3,048 (avg. daily)**
- Monthly Revenue: **>\$194,000**
- **>77% Repeat Customer** → **>92% Revenue**



Year Over Year Comparison by Month

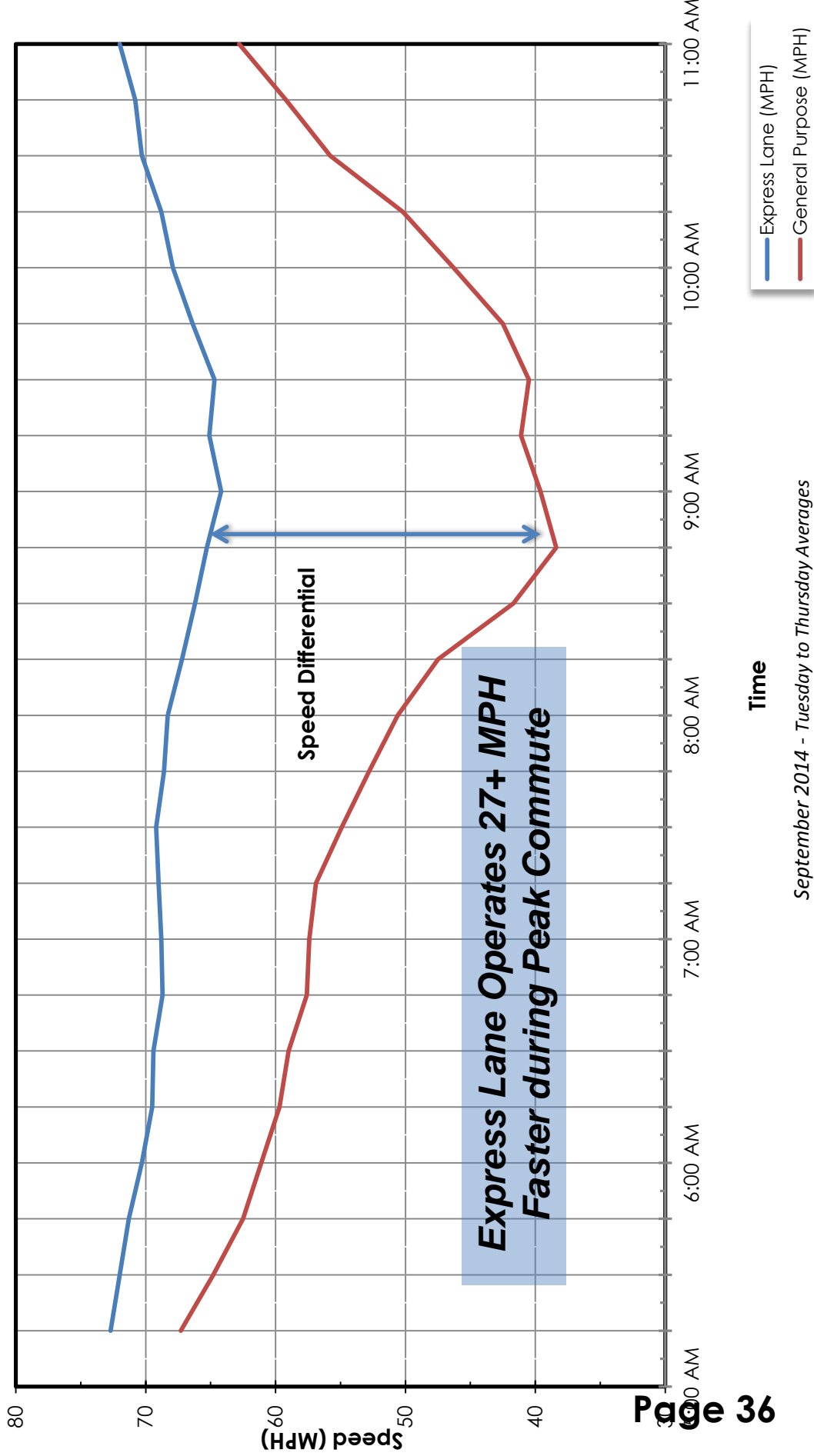
	September 2013	September 2014
Average Daily Toll Paying Trips	2,795 vehicles	3,048 vehicles
	 9% Users	
Average Daily Toll Revenue	\$7,115	\$9,263
Average Toll Rate	\$2.55	\$3.04
Average Peak Period Toll Rate M-F 5AM to 11AM	\$2.52	\$3.22
Average Peak Period Toll Rate M-Th 5AM to 9AM	\$2.49	\$3.24

September 2014 Average Travel Speed (Within 14-mile Express Lane Facility)



Average Daily Speed Curves During Peak Commute Period

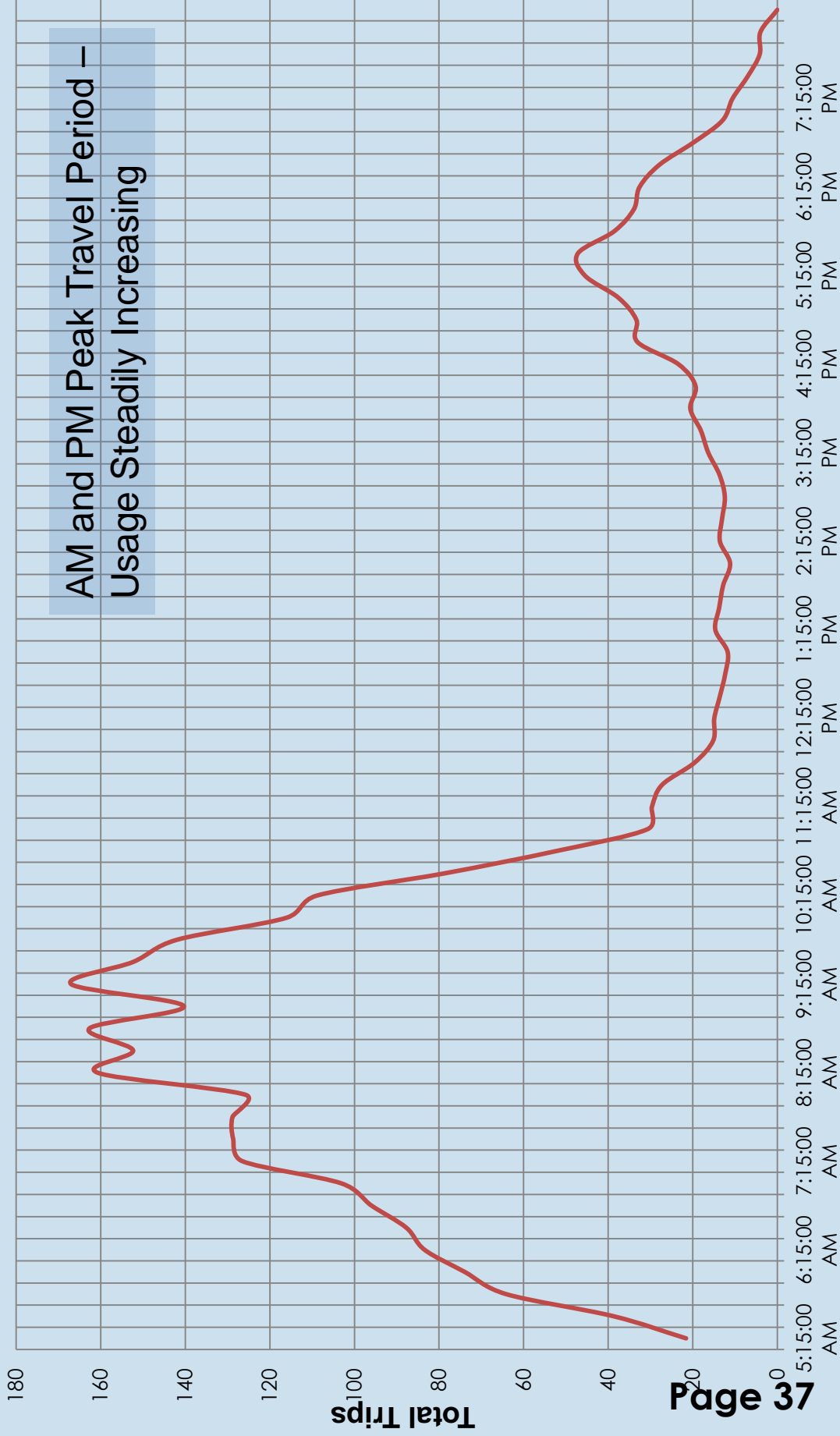
Central Segment (Washington to Mission)



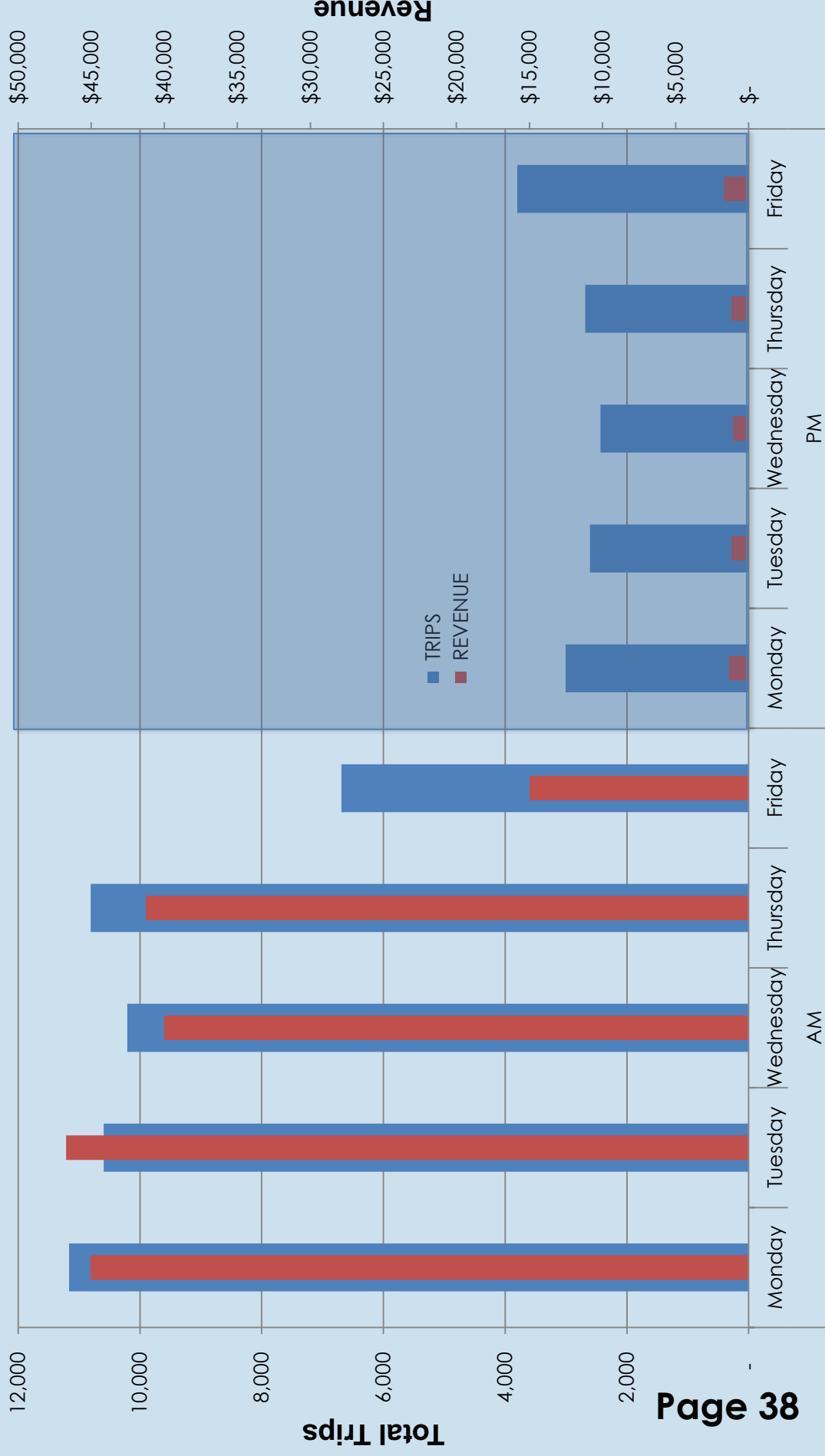
Average Daily Toll Trips

September 2014

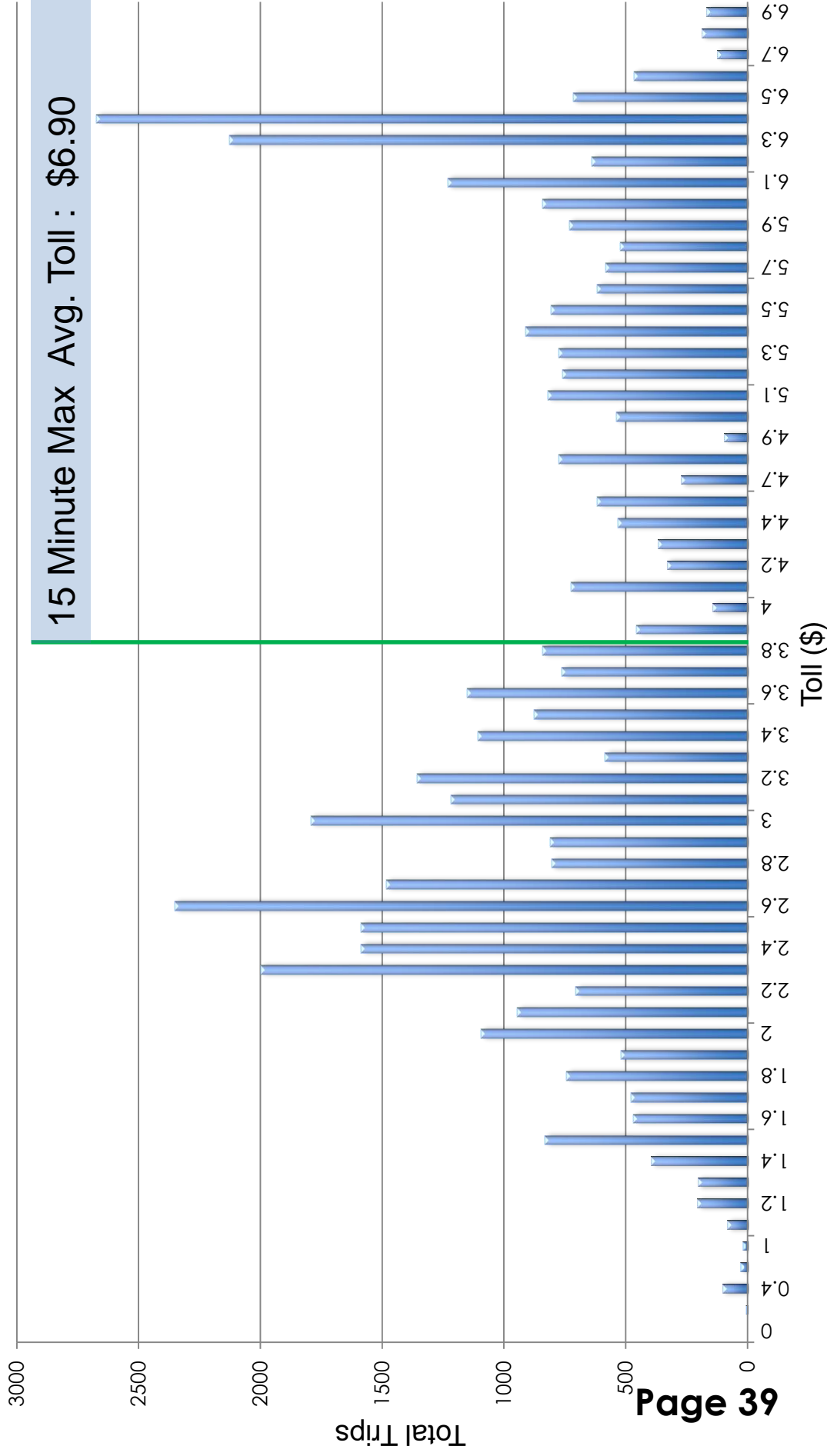
(Tuesday to Thursday from 5 AM to 8 PM)



Revenue and Trips by Day of Week



September 2014 Toll Range During Peak Commute (5AM to 11AM)



Revenue (Estimated Gross vs. Forecasted)

Revenue in FY 2014/15
(September 2014)

Estimated Gross Revenue

\$442,000

18%

Forecasted*

\$373,500

* Forecasted revenue for the full FY 14/15 is \$1,449,000

