



# Meeting Notice

1111 Broadway, Suite 800, Oakland, CA 94607

• 510.208.7400

• [www.AlamedaCTC.org](http://www.AlamedaCTC.org)

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Mayor Carol Dutra-Vernaci

## **Executive Director**

Arthur L. Dao

# I-680 Sunol Smart Carpool Lane Joint Powers Authority

## Monday, November 13, 2017, 9:30 a.m.

### **Location:**

1111 Broadway, Suite 800  
Oakland, CA 94607

### **Teleconference Location:**

San Jose City Hall, T-1854 (Tower Side)  
200 East Santa Clara St., 18th Floor  
San Jose, CA 95113

### **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.

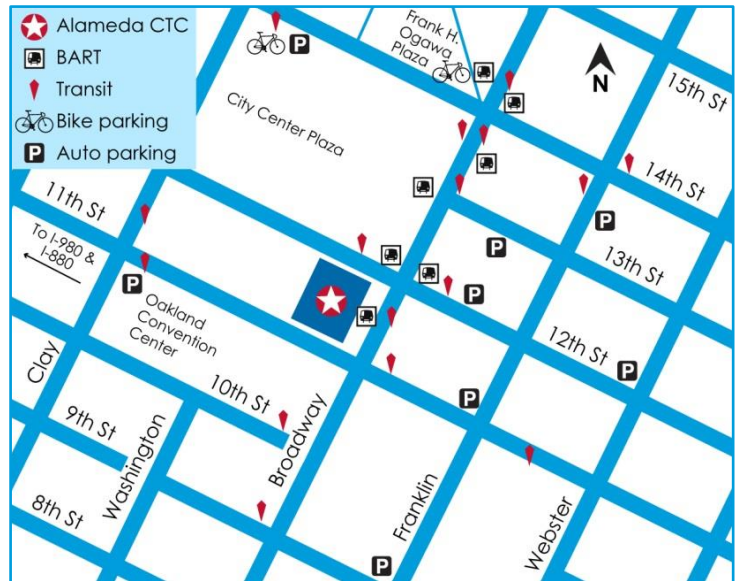
### **Glossary of Acronyms**

A glossary that includes frequently used acronyms is available on the Alameda CTC website at [www.AlamedaCTC.org/app\\_pages/view/8081](http://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](http://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](http://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 510-208-7450 (Voice) or 1-800-855-7100 (TTY) 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](http://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](http://www.AlamedaCTC.org/events/month/now).

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# I-680 Sunol Smart Carpool Lane Joint Powers Authority Meeting Agenda Monday, November 13, 2017, 9:30 a.m.

1111 Broadway, Suite 800, Oakland, CA 94607

• 510.208.7400

• www.AlamedaCTC.org

Teleconference location: San Jose City Hall, T-1854 (Tower Side), 200 East Santa Clara St., 18<sup>th</sup> Floor, San Jose, CA 95113

## 1. Pledge of Allegiance

**Chair:** Mayor Jerry Thorne, City of Pleasanton

**Vice Chair:** Lily Mei, City of Fremont

## 2. Roll Call

**Commissioners/Members:** Scott Haggerty, David Haubert, Lan Diep (Santa Clara Valley Transportation Authority)

## 3. Public Comment

**Staff Liaison:** Elizabeth Rutman

**Executive Director:** Arthur L. Dao

**Clerk:** Vanessa Lee

## 4. Consent Calendar

Page A/I

- 4.1. [Approve the October 9, 2017 I-680 Sunol Smart Carpool Lane Joint Powers Authority \(JPA\) meeting minutes.](#)

1

A

## 5. Regular Matters

- 5.1. [Approve the I-680 Sunol Smart Carpool Lane Statement of Revenues and Expenses as of September 30, 2017.](#)

5

A

- 5.2. [Approve the I-680 Sunol Smart Carpool Lane Joint Powers Authority Draft Audited Annual Financial Report for the Year Ended June 30, 2017.](#)

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- 5.3. [I-680 Southbound Express Lane: Monthly Operations Status Update.](#)

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I

- 5.4. I-680 Project Delivery Status Update (Verbal)

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## 6. Committee Member Reports

## 7. Staff Reports

## 8. Adjournment

**Next Meeting:** January 8, 2018

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

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# I-680 Sunol Smart Carpool Lane Joint Powers Authority Meeting Minutes Monday, October 9, 2017, 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

A roll call was conducted. All members were present with the exception of Commissioner Diep.

## 3. Public Comment

There were no public comments.

## 4. Consent Calendar

### 4.1. Approve the September 11, 2017 I-680 Sunol Smart Carpool Lane Joint Powers Authority (JPA) meeting minutes.

*Commissioner Haggerty moved to approve the Consent Calendar. Commissioner Haubert seconded the motion. The motion passed with the following votes:*

Yes: Thorne, Haggerty, Haubert, Mei

No: None

Abstain: None

Absent: Diep

## 5. Regular Matters

### 5.1. I-680 Southbound Monthly Operations Status Update.

Ashley Tam provided an update on the operation of the I-680 Southbound Express Lane for August 2017. She covered average toll trip data and roadway segment speeds and corridor performance information. Ms. Tam reviewed average speeds and density, toll rates during operational hours and corridor heat maps. She concluded the update by reviewing estimated versus forecasted revenue for FY2016-17.

Commissioner Haggerty asked if the lanes are still using the initially approved algorithm to determine toll rates. Liz Rutman stated that dynamic pricing stopped in July 1, 2017 and now the lanes use a static algorithm to determine toll rates. She noted that this is due to construction in the corridor.

Commissioner Haggerty asked what the system maximum for the express lanes managed by the Bay Area Infrastructure Financing Authority (BAIFA). Ms. Rutman stated that BAIFA has not made that information available to the public. Pierce Gould from MTC, stated that he also did not have any information on the system maximum set by BAIFA.

Commissioner Mei asked if the increase in the toll rate are seasonal. Ms. Rutman stated that the increases are directly related to usage in the lanes in different seasons.

*This item was for information only.*

### **5.3. I-680 Project Delivery Status Update.**

Trinity Nguyen provided a project delivery update on the I-680 Project. Ms. Nguyen covered project implementation and gave details on the construction contract procurement. In regards to procurement, Ms. Nguyen noted that four bids were received for the construction contract. With three of the four bids under the Engineer's Estimate, it is anticipated that Caltrans will be in a position to recommend an award by the end of this week. She also noted that the tree cutting contract work will soon begin and is estimated to take approximately six weeks to complete. Commissioner Mei asked if the tree removal work will impact traffic. Ms. Nguyen responded that the work is off of the traveled way so it is unlikely there will be an impact.

Commissioner Haggerty asked if RM3 should pass, would the SR-84 project or any other Alameda CTC project in the RM3 funding package be in a position to request funding. Art Dao stated that the SR-84 project anticipates clearing environmental by March 2018 and a strategy is in place to move quickly on the design. The project would likely be requesting funding in 2019. There are several other Alameda CTC projects that will be in position to be among the first in line to request for funding.

Commissioner Mei expressed concerns about congestion at the local interchanges along I-680 and sought options for partnerships on such projects. Art Dao explained that most often, the congestion at the local interchanges are a result of the mainline operations. Once the mainline is addressed, the real needs at the local interchange can be better assessed. Local interchanges are not within Caltrans' jurisdiction and is best addressed at the local level.

*This item was for information only.*

## **6. Committee Member Report**

There were no committee member reports.

## **7. Staff Reports**

There were no staff reports.

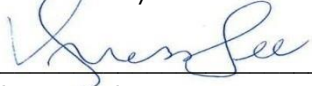
## **8. Adjournment/ Next Meeting**

The next meeting is:

Date/Time: Monday, November 13, 2017 at 9:30 a.m.

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

Attested by:

A handwritten signature in blue ink, appearing to read "Vanessa Lee", written over a horizontal line.

Vanessa Lee,  
Clerk of the Commission

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# Memorandum

5.1

1111 Broadway, Suite 800, Oakland, CA 94607

• PH: (510) 208-7400

• www.AlamedaCTC.org

**DATE:** November 6, 2017

**SUBJECT:** I-680 Sunol Smart Carpool Lane Statement of Revenues and Expenses as of September 30, 2017

**RECOMMENDATION:** Approve the I-680 Sunol Smart Carpool Lane Statement of Revenues and Expenses as of September 30, 2017

## Summary

This financial report summarizes revenues and expenses related to operations of the I-680 Sunol Smart Carpool Lane for the fiscal year through September 30, 2017. Net toll and other revenue was \$729,798 or 32.69 percent more than projected revenues through the first quarter of FY2017-18. Expenses through the first quarter totaled \$463,913, or 15.7 percent less than budget, which results in an increase to net position of \$265,885. This positive variance is due to actual revenue coming in higher and expenses coming in lower than projections. As of September 30, 2017, the I-680 Sunol Smart Carpool Lane had cash and investments totaling \$3.66 million.

## Background

The I-680 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 FY2017-18 operating budget approved by the I-680 Sunol Smart Carpool Lane Board in June 2017 includes \$2.2 million of toll revenues which is offset by \$2.2 million of operating expenses resulting in no change projected to net position for the year. There was no capital budget proposed for FY2017-18.

**Fiscal Impact:** There is no fiscal impact.

## Attachment

- A. I-680 Sunol Smart Carpool Lane Statement of Operating Revenues and Expenses as of September 30, 2017

## Staff Contact

[Patricia Reavey](#), Deputy Executive Director of Finance and Administration

[Christine Lacsamana](#), Senior Accountant

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**SUNOL SMART CARPOOL LANE**  
**Statement of Operating Revenues and Expenses**  
**As of September 30, 2017**

<b><u>OPERATING REVENUES</u></b>	<b><u>YTD Actuals</u></b>	<b><u>YTD Budget</u></b>	<b><u>% Used</u></b>	<b><u>Variance</u></b>
Toll Revenue	723,020	550,000	131.5%	173,020
Other Income	2,575	-	0.0%	2,575
Interest Income	4,203	-	0.0%	4,203
Total Operating Revenues:	<u>729,798</u>	<u>550,000</u>	<u>132.7%</u>	<u>179,798</u>
 <b><u>OPERATING EXPENSES</u></b>				
Operations and Maintenance	197,856	212,500	93.1%	14,644
Revenue Collection Fees	74,688	75,000	99.6%	312
Alameda CTC Operations and Management	62,121	75,000	82.8%	12,879
Enforcement	50,000	56,250	88.9%	6,250
Express Lane Operations Monitoring Technicians	28,579	35,000	81.7%	6,421
Alameda CTC Administration	15,924	13,750	115.8%	(2,174)
IT Support	15,125	11,250	134.4%	(3,875)
Insurance	8,918	11,250	79.3%	2,332
Utilities	7,327	7,500	97.7%	173
Roadway Maintenance	-	6,250	0.0%	6,250
Miscellaneous	1,868	6,250	29.9%	4,382
Legal Fees	1,507	2,500	60.3%	993
Contingency	<u>-</u>	<u>37,500</u>	<u>0.0%</u>	<u>37,500</u>
Total Operating Expenses:	<u>463,913</u>	<u>550,000</u>	<u>84.3%</u>	<u>86,087</u>
Operating Surplus (Deficit)	<u>265,885</u>	<u>-</u>		
 <b><u>Net Position</u></b>				
Beginning of year	<u>4,697,481</u>			
Net Position as of September 30, 2017	<u><u>\$ 4,963,366</u></u>			

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# Memorandum

5.2

1111 Broadway, Suite 800, Oakland, CA 94607

• PH: (510) 208-7400

• www.AlamedaCTC.org

**DATE:** November 6, 2017

**SUBJECT:** Sunol Smart Carpool Lane Joint Powers Authority Draft Audited Annual Financial Report for the Year Ended June 30, 2017

**RECOMMENDATION:** Approve the Sunol Smart Carpool Lane Joint Powers Authority Audited Annual Financial Report for the Year Ended June 30, 2017.

## 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, 2017 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 of the Draft Audited Annual Financial Report, the auditors of the Sunol Smart Carpool Lane Joint Powers Authority (Authority) have expressed what is considered to be an unmodified audit or clean opinion.

*"In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of June 30, 2017, and the 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 increased by \$0.15 million or 3.4 percent from \$4.54 million to \$4.70 million as of June 30, 2017, compared to June 30, 2016. This increase is mostly due to a decrease in liabilities related to an accrual for project management services. Capital assets, net of accumulated depreciation, comprised \$1.59 million or 33.7 percent of the total net position at June 30, 2017.
- For the year ended June 30, 2017, cash and cash equivalents increased by \$0.03 million or 1.0 percent from \$3.40 million to \$3.43 million. This increase is mostly related to toll revenue collections which were slightly more than operating expense paid during the fiscal year.

- Operating revenue was \$2.08 million during fiscal year 2017, a negligible decrease of \$0.08 million or 3.7 percent from fiscal year 2016.
- The Authority's total operating expenses were \$1.94 million during fiscal year 2017, an increase of \$0.07 million or 3.5 percent from fiscal year 2016. This is a nominal increase in operating expenses over the prior fiscal year. Operating expenses of \$1.72 million for fiscal year 2017 were primarily comprised 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.

## **Attachment**

- A. Sunol Smart Carpool Lane Joint Powers Authority Draft Audited Annual Financial Report for the Year Ended June 30, 2017

## **Staff Contact**

[Patricia Reavey](#), Deputy Executive Director of Finance and Administration



# Sunol Smart Carpool Lane Joint Powers Authority

5.2A

Annual Financial Report for the Year Ended  
June 30, 2017



**SUNOL SMART CARPOOL LANE  
JOINT POWERS AUTHORITY  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2017**

# 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 (Authority), as of and for the year ended June 30, 2017, 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 financial position of the Authority, as of June 30, 2017, and the 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***

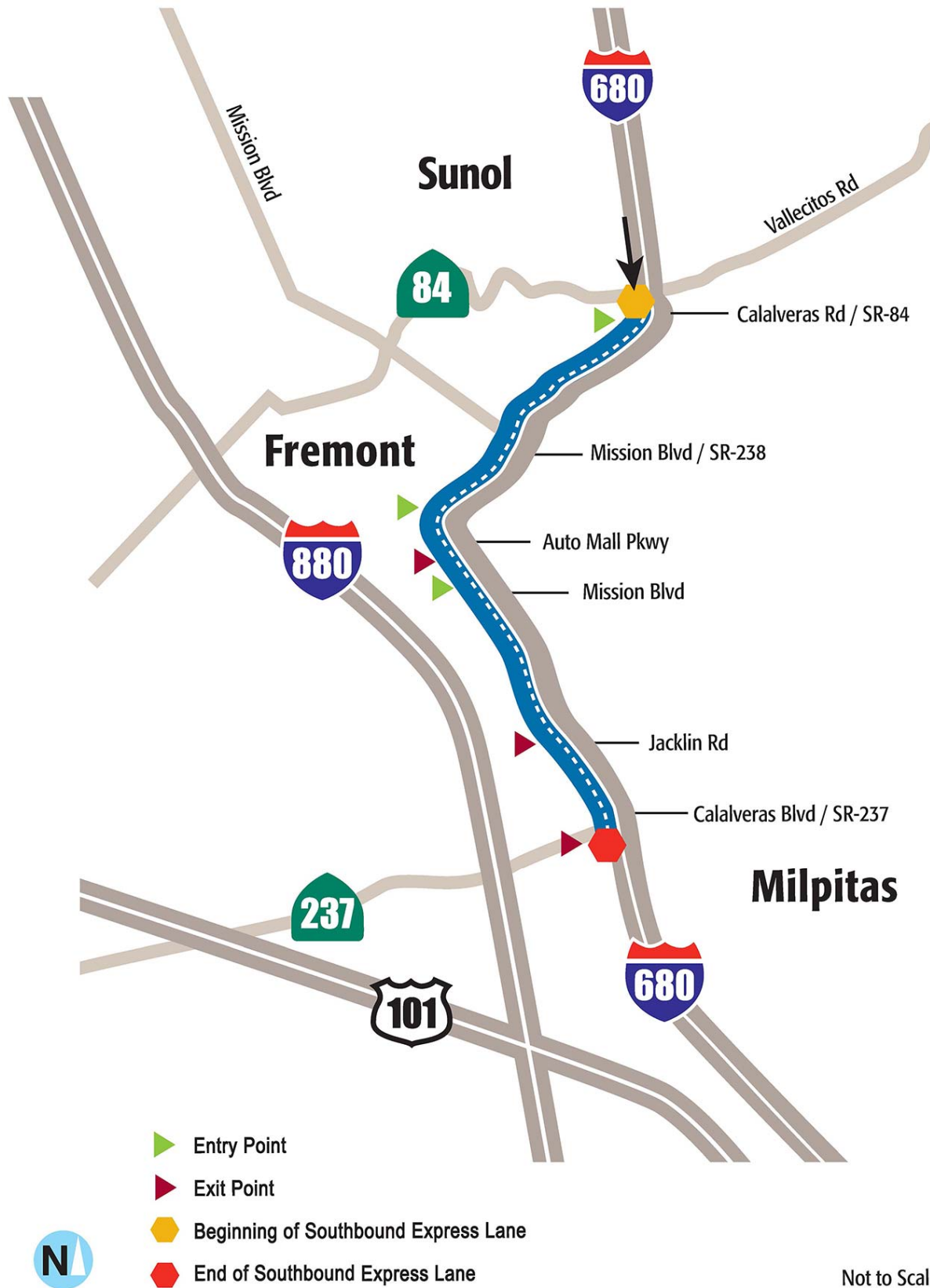
Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental 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.

Palo Alto, California

November XX, 2017

# SUNOL SMART CARPOOL LANE JOINT POWERS AUTHORITY

## MAP OF I-680 SUNOL SMART CARPOOL LANE JUNE 30, 2017



# SUNOL SMART CARPOOL LANE JOINT POWERS AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**JUNE 30, 2017**

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Management has prepared the following discussion and analysis of the Sunol Smart Carpool Lane Joint Powers Authority (the Authority) financial performance, which provides an overview of its financial activities for the fiscal year ended June 30, 2017. Management encourages readers to consider the information presented here in conjunction with the accompanying financial statements and related notes.

### Financial Highlights

- Total net position increased by \$0.15 million or 3.4 percent from \$4.54 million to \$4.70 million as of June 30, 2017, compared to June 30, 2016. This increase is mostly due to a decrease in liabilities related to an accrual for project management services. Capital assets, net of accumulated depreciation, comprised \$1.59 million or 33.7 percent of the total net position at June 30, 2017.
- For the year ended June 30, 2017, cash and cash equivalents increased by \$0.03 million or 1.0 percent from \$3.40 million to \$3.43 million. This increase is mostly related to toll revenue collections which were slightly more than operating expenses paid during the fiscal year.
- Operating revenue was \$2.08 million during fiscal year 2017, a negligible decrease of \$0.08 million or 3.7 percent from fiscal year 2016.
- The Authority's total operating expenses including depreciation were \$1.94 million during fiscal year 2017, an increase of \$0.07 million or 3.5 percent from fiscal year 2016. This is a nominal increase in operating expenses over the prior fiscal year. Operating expenses of \$1.72 million for fiscal year 2017 were primarily comprised of program operations and maintenance costs.

### Overview of the Basic Financial Statements

The basic financial statements of the Authority are presented as single 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, 2017

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### Financial Analysis

The following table presents the Authority's net position as of June 30, 2017, and June 30, 2016:

	June 30, 2017	June 30, 2016
Current assets	\$ 3,503,499	\$ 3,501,505
Capital assets, net	1,585,134	1,809,451
Total assets	5,088,633	5,310,956
Total liabilities	(391,152)	(767,529)
Net position	\$ 4,697,481	\$ 4,543,427

The following table presents the Authority's change in net position for the fiscal year ended June 30, 2017, and the period ended June 30, 2016:

	June 30, 2017	June 30, 2016
Operating revenue	\$ 2,083,153	\$ 2,162,406
Operating expenses	1,939,514	1,873,863
Operating income	143,639	288,543
Nonoperating revenue (expense)	10,415	(13,105)
Increase (decrease) in net position	154,054	275,438
Net position, beginning of period	4,543,427	4,267,989
Net position, end of period	\$ 4,697,481	\$ 4,543,427

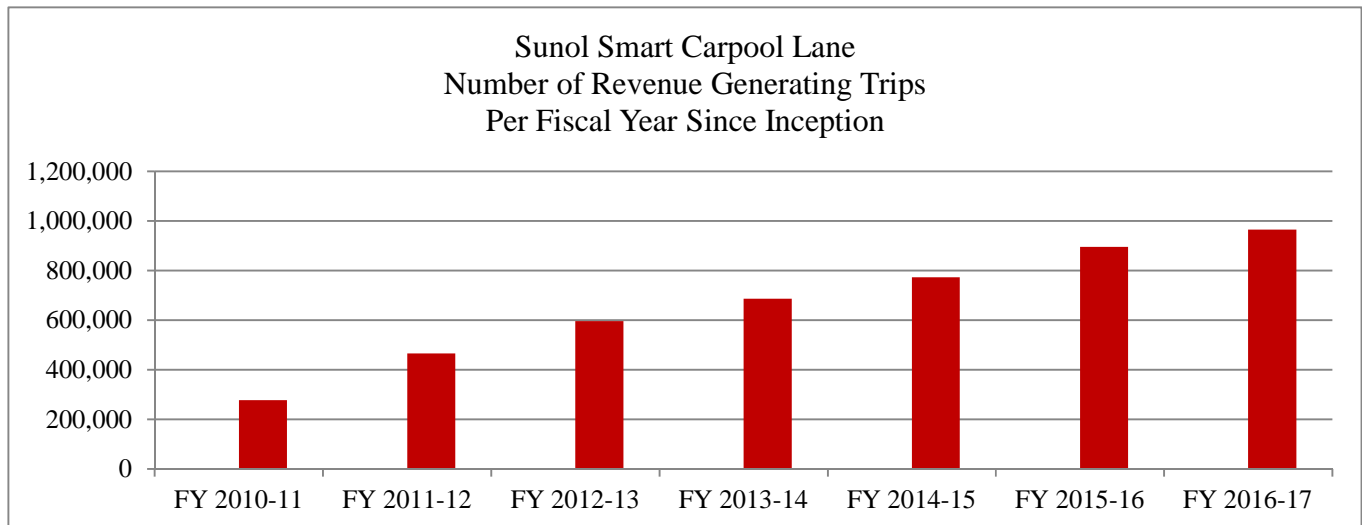
While Alameda County Transportation Commission (Alameda CTC) continues as the managing agency of the Sunol Smart Carpool Lane, it no longer subsidizes administrative support costs on behalf of the Authority. Accordingly, these costs were included in the Statement of Revenues, Expenses, and Changes in Net Position (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. Since operations began, monthly toll lane usage has more than tripled, going from 25,792 trips in October 2010 to 89,193 trips in June 2017.

# SUNOL SMART CARPOOL LANE JOINT POWERS AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2017

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



During the fiscal year ended June 30, 2017, cash increased by \$32.9 thousand or 1.0 percent. Revenues for the period, including investment and other income, in the amount of \$2,093.6 thousand plus the change in receivables of \$30.9 thousand were offset by the change in liabilities of \$376.4 thousand and \$1,715.2 thousand of operations and maintenance expenses which resulted in the change in the cash balance.

### Capital Assets

The following table presents the Authority's capital asset activity from June 30, 2016 to June 30, 2017:

	June 30, 2016	Additions	Deletions	June 30, 2017
Toll revenue equipment	\$ 3,119,602	\$ -	\$ (8,162)	\$ 3,111,440
Accumulated depreciation	(1,310,151)	(220,936)	4,781	(1,526,306)
Net book value	<u>\$ 1,809,451</u>	<u>\$ (220,936)</u>	<u>\$ (3,381)</u>	<u>\$ 1,585,134</u>

Additional information regarding the Authority's capital assets can be found in Note 5 on page 13 of this report.

# SUNOL SMART CARPOOL LANE JOINT POWERS AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017

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### Comparison of Budget to Actual

Prior to each fiscal year, the Authority adopts a budget for the coming year. The adopted operating revenue budget for fiscal year 2017 was \$2,100.0 thousand. Actual operating revenues were \$2,083.2 thousand, which was \$16.8 thousand or 0.8 percent less than budget.

The adopted operating expense budget was \$2,319.7 thousand. Actual operating expenses were \$1,939.5 thousand, which was \$380.2 thousand or 16.4 percent less than budget.

There was no adopted budget for investment income for the fiscal year. However, actual investment income was \$10.4 thousand. An investment program was established, as needs were identified during the fiscal year, which was not part of the budget when it was developed.

There was no adopted budget for capital projects and no capital expenses were incurred in the fiscal year. However, there is a related capital project administered by Alameda CTC which encompasses an automated toll violation enforcement system and construction for continuous access in the southbound express lane in addition to construction for a full express lane in the northbound direction (see Other Significant Matters section).

### Other Significant Matters

Alameda CTC, in cooperation with the California Department of Transportation and the Federal Highway Administration, will construct a High Occupancy Vehicle (HOV)/Express Lane on northbound I-680 from the State Route (SR) 237 interchange in Santa Clara County to north of the SR 84 interchange in Alameda County. The complete project will widen about 15 miles of the freeway to accommodate the HOV/Express Lane along with several auxiliary lanes connecting on-ramps and off-ramps. Bridge crossings will be modified, and retaining walls will be constructed to accommodate the widening. The project will also include upgrading the southbound express lane configuration from a controlled access to a near continuous access configuration. The project approval and environmental phase of the project was completed in the summer of 2015. To provide operational benefits and expedite congestion relief in the corridor, the design efforts for an initial nine mile segment from Auto Mall Parkway to State Route (SR) 84 began in August 2015. This first phase of the project was advertised September 2017, and construction is anticipated to commence January 2018.

The Authority was originally formed to plan, design, construct, and administer the operations of a value pricing high-occupancy vehicle program on the Sunol Grade segment of Interstate 680 between the interchange of Alcosta Boulevard in the City of Dublin in Alameda County and SR 237 (Calaveras Boulevard) in the City of Milpitas in Santa Clara County. In addition to managing the operations of the existing toll lane, the Authority provides oversight for the planning, design and construction of the northbound project and will be responsible for the operations and maintenance of the express lane once it is put into service, which is currently projected for 2020.

### Request for Information

This financial report is designed to provide a general overview of the Authority's finances for all those interested in the finances of the Sunol Smart Carpool Lane JPA. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department at 1111 Broadway, Suite 800, Oakland, CA 94607.

# SUNOL SMART CARPOOL LANE JOINT POWERS AUTHORITY

## STATEMENT OF NET POSITION

JUNE 30, 2017

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### ASSETS

#### Current Assets

Cash	\$ 3,434,421
Accounts receivable	66,302
Interest receivable	2,776

#### Capital assets

Capital assets, net of accumulated depreciation	1,585,134
Total Assets	<u>5,088,633</u>

### LIABILITIES

#### Current Liabilities

Accounts payable	86,764
Accrued liabilities	304,388
Total Liabilities	<u>391,152</u>

### NET POSITION

Investment in capital assets	1,585,134
Unrestricted	3,112,347
Total Net Position	<u>\$ 4,697,481</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, 2017

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### OPERATING REVENUES

Toll revenue	\$ 2,083,153
Total operating revenue	<u>2,083,153</u>

### OPERATING EXPENSES

Operations and maintenance	1,715,197
Depreciation expense	<u>224,317</u>
Total operating expenses	<u>1,939,514</u>
Operating income	<u>143,639</u>

### NONOPERATING REVENUES (EXPENSES)

Interest income	<u>10,415</u>
Change in net position	<u>154,054</u>
Net Position - Beginning	<u>4,543,427</u>
Net Position - Ending	<u><u>\$ 4,697,481</u></u>

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, 2017

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### CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from customers	\$ 2,116,820
Payments to suppliers for goods and services	<u>(2,091,575)</u>
Cash flow from operating activities	<u>25,245</u>

### CASH FLOWS FROM INVESTING ACTIVITIES

Cash receipts from interest income	<u>7,640</u>
Net change in cash and cash equivalents	32,885
Cash and Cash Equivalents - Beginning	<u>3,401,536</u>
Cash and Cash Equivalents - Ending	<u><u>3,434,421</u></u>

### RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	143,639
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation expense	224,317
Decrease in receivables	33,666
Decrease in liabilities	<u>(376,377)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 25,245</u></u>

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

# **SUNOL SMART CARPOOL LANE JOINT POWERS AUTHORITY**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

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### **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 (Agreement) among the Alameda County Congestion Management Agency (ACCMA), the Alameda County Transportation Improvement Authority (ACTIA), and the Santa Clara Valley Transportation Authority. As of July 1, 2010, ACCMA and ACTIA have been succeeded by 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 Interstate 680 in Alameda and Santa Clara Counties. Members of the Authority's Board of Directors are elected officials representing Alameda and Santa Clara Counties. The Interstate 680 (I-680) Express Lane is located along a 14-mile stretch of I-680 in the southbound direction from State Route 84 south of Pleasanton to State Route 237 in Milpitas, CA and has been in operation since September 20, 2010.

### **NOTE 2 – MANAGING AGENCY**

Alameda CTC is the managing agency. From the Authority's inception in 2006, Alameda CTC provided all administrative support including office space, staff time, accounting, and insurance. While 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, all of the Authority's operating costs are included in the Statement of Revenues, Expenses, and Changes in Net Position.

### **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. Revenues are reported when earned and expenses are reported when the related liabilities are incurred.

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 operations and maintenance costs and depreciation. Since inception of the Authority, 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. As of July 1, 2012, the managing agency no longer funded the Authority's administrative support costs. Accordingly, these costs as well as all other operations and maintenance costs incurred by the Authority have been included in the Statement of Revenues, Expenses, and Changes in Net Position since July 1, 2012.

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

# **SUNOL SMART CARPOOL LANE JOINT POWERS AUTHORITY**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

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### **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 offset 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 net toll revenues to be used only for construction of high-occupancy vehicle facilities and the improvement of transit services within the corridor from which the revenue was generated. The Board has designated \$1,000,000 of net position for ongoing maintenance cost such as the replacement of toll equipment (including hardware and software) and 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.

### **NOTE 4 – CASH AND INVESTMENTS**

The Authority had \$2,229,182 cash in the bank and \$1,205,239 invested with the Local Agency Investment Fund (LAIF) for total cash and investments of \$3,434,421 as of June 30, 2017. The Authority's investment policy follows the investment policy of its managing agency, Alameda CTC.

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 percent of the deposit or first trust deed mortgage notes with a value of 150 percent 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.

LAIF is regulated by California Government Code §16429 under the oversight of the Treasurer of the State of California. The pool is not registered with the Securities and Exchange Commission. The fair value of the Authority's investments in the pool is reported in the accompanying financial statement at amounts based upon the Authority's pro-rata share of the fair value provided by LAIF for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on accounting records maintained by LAIF, which is recorded on the amortized cost basis. LAIF transactions (combination of deposits and withdrawals) are restricted to 15 transactions per month with a minimum transaction amount of \$5,000 and increments of a thousand dollars thereafter.

# SUNOL SMART CARPOOL LANE JOINT POWERS AUTHORITY

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

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, 2017, 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.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Authority would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's investments are not exposed to custodial credit risk.

### 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, 2017, and activity for the year then ended, are as follows:

	June 30, 2016	Additions	Deletions	June 30, 2017
Toll revenue equipment	\$ 3,119,602	\$ -	\$ (8,162)	\$ 3,111,440
Accumulated depreciation	(1,310,151)	(220,936)	4,781	(1,526,306)
Net book value	<u>\$ 1,809,451</u>	<u>\$ (220,936)</u>	<u>\$ (3,381)</u>	<u>\$ 1,585,134</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	\$ 5,000	\$ 10,000,000 per occurrence
Employee and Public Officials Errors & Omissions	5,000	10,000,000 per occurrence
Public Officials Personal Liability	500	500,000 per occurrence
Employment Practices Liability	5,000	10,000,000 per occurrence
Employee Benefits Liability	5,000	10,000,000 per occurrence
Employee and Public Officials Dishonesty	-	1,000,000 per occurrence
Auto Liability	5,000	10,000,000 per occurrence
Uninsured/Underinsured Motorists	1,000	1,000,000 per accident
Property	5,000	1,000,000,000 per occurrence
Boiler and Machinery	5,000	100,000,000 per occurrence/ per occurrence/
Excess Liability	-	5,000,000 other aggregate

No claims exceeded coverage limits over the past three years.



# Memorandum

5.3

1111 Broadway, Suite 800, Oakland, CA 94607

• PH: (510) 208-7400

• www.AlamedaCTC.org

**DATE:** November 6, 2017

**SUBJECT:** I-680 Sunol Southbound Express Lane (PN 1408.000): Monthly Operations Update

**RECOMMENDATION:** Receive a status update on the operation of the I-680 Sunol Southbound Express Lane.

## Summary

The purpose of this item is to provide the I-680 Sunol Smart Carpool Lane Joint Powers Authority ("Sunol JPA") with a Monthly Operation Update of the existing I-680 Southbound Express Lane facility for September 2017. See Attachment A for express lane operation limits.

The September 2017 operations report indicates that the express lane facility continues to provide travel time savings and travel reliability along the corridor. Express lane users experienced higher speeds and lesser average lane densities than the general purpose lanes, resulting in a more comfortable drive and travel time savings for express lane users.

## Background

The I-680 Sunol Southbound Express Lane spans approximately 14 miles from SR 84 near Pleasanton to SR 237 in the City of Milpitas. See Attachment A for the operational limits of the express lane. Motorists using the express lane benefit from travel time savings and travel reliability as the express lane optimizes the corridor capacity by providing a new choice to drivers. Single occupancy vehicles (SOVs) have the option to pay a toll and travel within the express lane, while carpool, clean-air vehicles, motorcycles, and transit vehicles enjoy the benefits of toll-free travel in the express lane. The Alameda CTC, acting as the managing agency for the Sunol JPA, has been operating the express lane facility since it opened to traffic in September 2010. California Highway Patrol (CHP) officers provide enforcement services and the California Department of Transportation (Caltrans) provides roadway maintenance services through reimbursable service agreements.

An All Electronic Toll (AET) collection method has been employed to collect tolls. Through June 2017, toll rates were calculated based on real-time traffic conditions (speed and volume) in express and general purposes lanes evaluated every three minutes. Beginning July 1, 2017, in preparation for the construction of the new northbound express lane and

conversion of the southbound lane to continuous access, a time-of-day pricing plan is in effect with rates changing as frequently as every 15 minutes.

**September 2017 Operations Update:** Over 83,000 express lane toll trips with FasTrak® toll tags were recorded during operational hours in September. Along with the HOV-eligible users, these express lane users generally experience higher speeds and lesser lane densities than the general purpose lanes. Lane density is measured by the number of vehicles per mile per lane and reported as Level of Service (LOS). LOS is a measure of freeway performance based on vehicle maneuverability and driver comfort levels, graded on a scale of A (best) through F (worst).

Table 1 summarizes the speed differentials and LOS at three segments during the morning commute hours in September.

Table 1. Speed Differentials and Level of Service for September 2017  
Morning Commute (5 AM – 11 AM)

Express Lane Segment	Speed Differential Range (mph)	Average Speed Differential (mph)	Average Express Lane LOS	Average General Purpose Lane LOS
North (Andrade Rd to Washington Blvd)	11 – 16	14	B	C
Central (Washington Blvd to SR 262)	10 – 16	13	B	C
South (SR 262 to Calaveras Rd)	8 – 12	10	A	A

Attachment B presents the speed and density heat maps for the I-680 corridor during operational hours for the six-month period from April 2017 – September 2017. These heat maps are a graphical representation of the overall performance of the express lane corridor, showing the average speeds and densities along the corridor throughout the day for both the express and general purpose lanes, and are used to evaluate whether the express lane is meeting both federal and state performance standards. From April through September, the average speeds in the express lane ranged from 60 to 70 mph during the morning commute hours (5 am to 11 am) with lower speeds occurring between Andrade Road and Sheridan Road; and between Washington Boulevard and Mission Blvd/SR 262; average speeds throughout the rest of the day exceeded 70 mph. The express lane operated at LOS C or better at all times, with LOS C occurring during the morning commute hours between and Sheridan Road and SR 238, and for a short period of time between SR 238 and Auto Mall Parkway. By comparison, the general purpose lanes experienced average speeds as low as 40 mph and LOS D and E throughout portions of the corridor.

Table 2 presents the maximum posted toll rates to travel the entire southbound express lane corridor and the average toll assessed to non-HOV users.

Table 2. Toll Rate Data for September 2017

Month	Maximum Posted Toll (Travel Entire Corridor)	Average Assessed Toll (All Trips)
September	\$9.00	\$3.03

The estimated gross revenue generated from the I-680 Sunol express lane to date in Fiscal Year 2017/18 is \$723,000, while the forecasted operation budget is \$550,000.

**Fiscal Impact:** There is no fiscal impact.

#### **Attachments**

- A. I-680 Southbound Express Lane Location Map
- B. I-680 Southbound Corridor Heat Maps April 2017 – September 2017

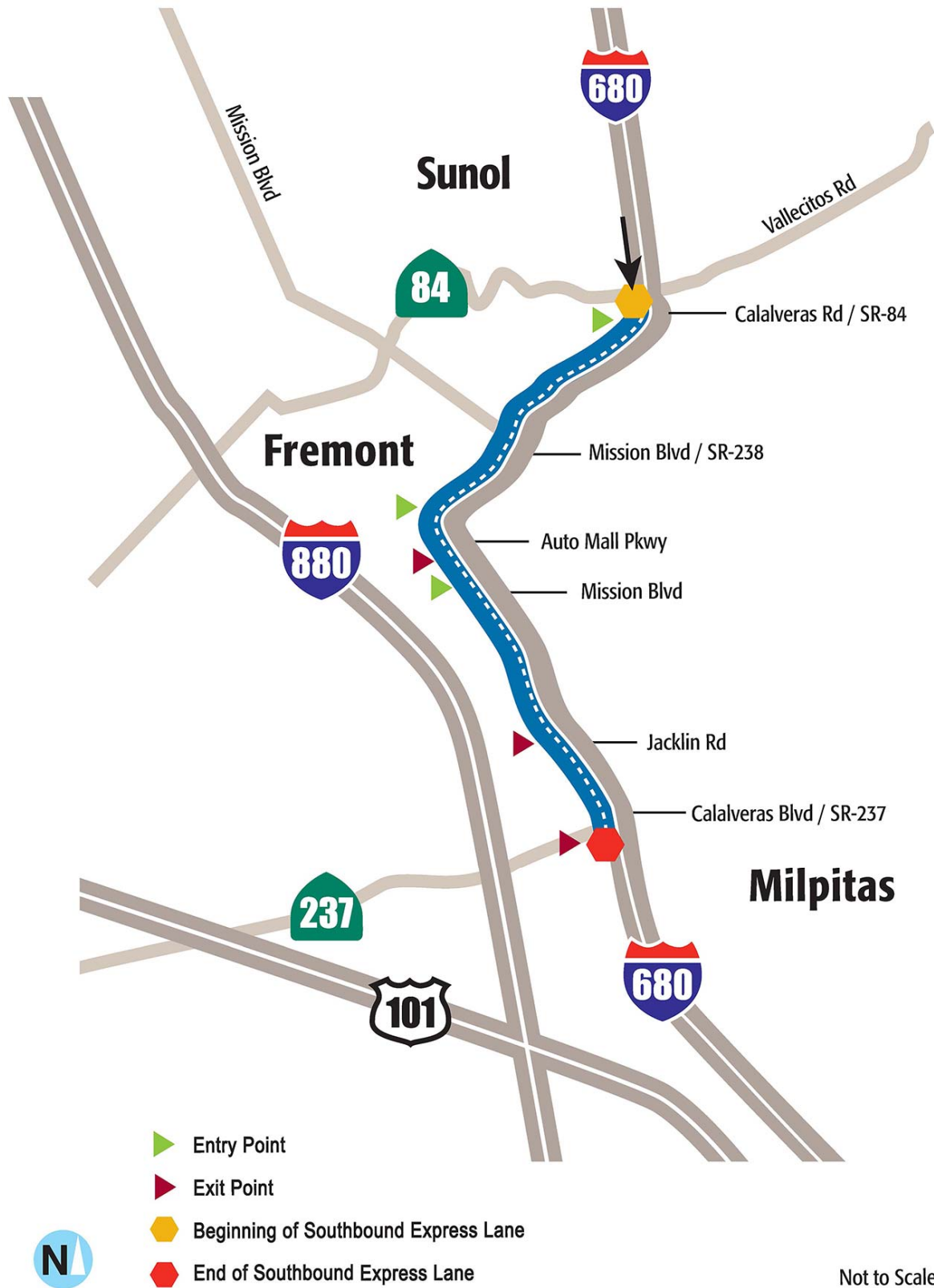
#### **Staff Contacts**

[Liz Rutman](#), Director of Express Lanes Implementation and Operations

[Ashley Tam](#), Assistant Transportation Engineer

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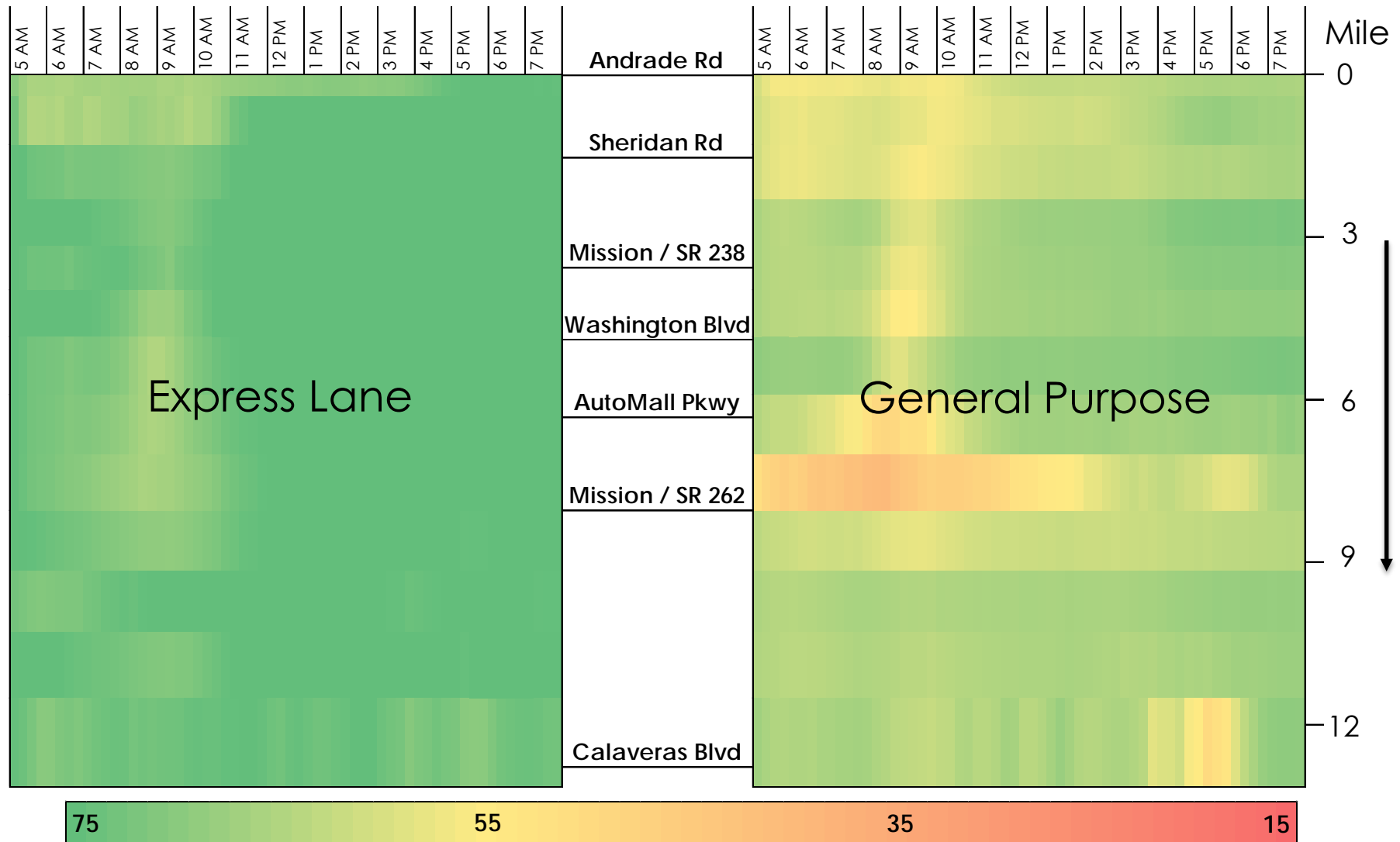
## Sunol I-680 Southbound Express Lane Location Map



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# I-680 Sunol Corridor Average Speed Heat Map<sup>5.3B</sup>

Monday-Friday, April 2017– September 2017



# I-680 Sunol Corridor Average Density Heat Map

Monday-Friday, April 2017 – September 2017

