



# Meeting Notice

1111 Broadway, Suite 800, Oakland, CA 94607

• 510.208.7400

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

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**Executive Director**  
Arthur L. Dao

## I-680 Sunol Smart Carpool Lane Joint Powers Authority

**Monday, November 9, 2015, 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.

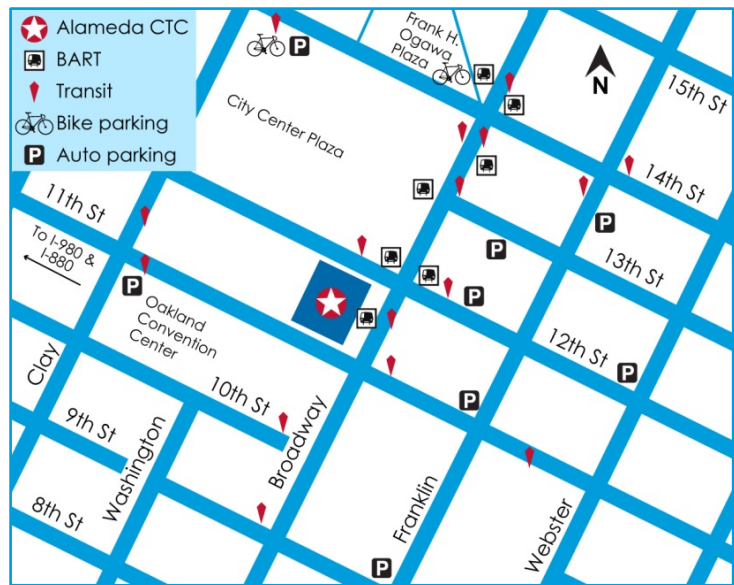
### Glossary of Acronyms

A glossary that includes frequently used acronyms is available on the Alameda CTC website at [www.AlamedaCTC.org/app\\_pages/view/8081](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).



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 510-893-3347 (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](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 9, 2015, 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 Jerry Thorne, City of Pleasanton

**Vice Chair:** Mayor David Haubert, City of Dublin

**Commissioners/Members:** Scott Haggerty, Bill Harrison, Jason Baker (Santa Clara Valley Transportation Authority),

**Staff Liaison:** Kanda Raj

**Executive Director:** Arthur L. Dao

**Clerk:** Vanessa Lee

## 4. Consent Calendar

Page A/I

### 4.1. [Approval of the I-680 Sunol Smart Carpool Lane Joint Powers Authority October 12, 2015 Meeting Minutes](#)

1 A

## 5. Regular Matters

### 5.1. [Sunol Smart Carpool Lane Statement of Revenues and Expenses as of September 30, 2015: Approval of the Sunol Smart Carpool Lane Statement of Revenues and Expenses as of September 30, 2015](#)

3 A

### 5.2. [Sunol Smart Carpool Lane Draft Audited Annual Financial Report for the Year Ended June 30, 2015: Approval of the Draft Audited Annual Financial Report for the Year Ended June 30, 2015](#)

11 A

### 5.3. [I-680 Southbound Express Lane \(PN 1364.005\): Monthly Operations Update](#)

31 I

### 5.4. [I-680 Northbound Express Lane \(PN 1369.000\): Monthly Status Update](#)

41 I

### 5.5. [I-680 Northbound and Southbound Express Lanes\(PN 1364.005/1369.000\): Funding Strategy for Express Lane Improvements – Preliminary Acceptance of Loan of Measure B Funds from Alameda CTC.](#)

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## 6. Committee Member Reports (Verbal)

## 7. Staff Reports (Verbal)

## 8. Adjournment

**Next Meeting:** January 11, 2016

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 12 2015, 9:30 a.m.

4.1

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## 1. Pledge of Allegiance

## 2. Roll Call

A roll call was conducted. All members were present with the exception of Commissioner Haggerty and Commissioner Baker.

## 3. Public Comment

There were no public comments.

## 4. Consent Calendar

### 4.1. Approval of the I-680 Sunol Smart Carpool Lane Joint Powers Authority September 14, 2015 Meeting Minutes

*Commissioner Harrison moved to approve the Consent Calendar. Commissioner Haubert seconded the motion. The motion passed unanimously (Baker absent).*

## 5. Regular Matters

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

Kanda Raj presented the I-680 Southbound Express Lane operations update for the month of August. He compared the 2014 and 2015 average hourly corridor, HOV/Express Lane and toll paying users' volumes, during the peak morning commute hours; average travel speed, average toll rates during the peak commute hours and throughout the operational hours of express lane. He concluded his presentation by providing information on Fiscal Year 2016 projected versus actual revenues and a comparison of 2004 Revenue Projection vs. actual revenue in Fiscal Years 2011 through 2015.

Commissioner Haubert wanted more detailed information about the peak hour toll rate in the worst performing freeway segment. Art stated that staff will provide the requested information in upcoming meeting.

*This item was for information only.*

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

Kanda Raj presented the I-680 Northbound Express Lane Monthly Status Update. He stated that the PA & ED approval is complete as of July 2015 and project has since moved into final design phase. Staff is expecting that the final design will be completed in late 2016/early 2017 for construction to commence in 2017. Construction activities are expected to last for two construction seasons, in 2017 and 2018, with the new HOV/Express Lane is expected to open in late 2018/early 2019.

*This item was for information only.*

**6. Committee Member Reports**

There were no committee member reports.

**7. Staff Reports**

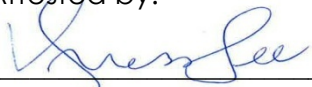
**8. Adjournment/ Next Meeting**

The next meeting is:

Date/Time: Monday, November 9, 2015 @ 9:30 a.m.

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

Attested by:



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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 2, 2015

**SUBJECT:** Sunol Smart Carpool Lane Statement of Revenues and Expenses as of September 30, 2015

**RECOMMENDATION:** Approve the Sunol Smart Carpool Lane Statement of Revenues and Expenses as of September 30, 2015.

## Summary

This financial report summarizes revenues and expenses related to the Sunol Smart Carpool Lane through September 30, 2015. Net toll revenue was \$468,861 or 110.3 percent of projected toll revenue through the first quarter of FY2015-16. Measure B Grant Revenue from Alameda CTC's I-680 Southbound HOT Lane Project (Project) was \$65,517, or 43.0 percent of projected grant revenue for total operating revenues of \$534,378. Expenses through the first quarter totaled \$437,109, or 31.7 percent less than budget, which results in an increase to net position of \$97,269. This surplus is primarily due to actual expense being less than budget.

## 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 FY2015-16 operating budget approved by the JPA Board in June 2015 includes \$1.70 million of toll revenues and \$0.61 million of grant revenues which is offset by \$2.56 million of operating expenses for an overall operating deficit of \$0.25 million. The FY2015-16 approved capital budget includes \$2.1 of both revenues and expenses for an automated toll violation enforcement system. The projected ending Net Position in the approved budget is approximately \$3.06 million which includes \$1.70 million of investments in capital assets. 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, 2015
- B. Sunol Smart Carpool Lane Statement of Capital Revenues and Expenses as of September 30, 2015
- C. Sunol Smart Carpool Lane Operating Expenses by Fund Source as of September 30, 2015

## 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, 2015**

<b><u>OPERATING REVENUES</u></b>	<b>YTD Actuals</b>	<b>YTD Budget</b>	<b>% Used</b>	<b>Variance</b>
Toll Revenue	468,861	425,000	110.3%	43,861
Measure B Grants	65,517	152,500	43.0%	(86,983)
Other Income	-	-	-	-
Total Operating Revenues:	<u>534,378</u>	<u>577,500</u>	92.5%	<u>(43,122)</u>
 <b><u>OPERATING EXPENSES</u></b>				
Operations & Maintenance Contract	182,760	250,000	73.1%	(67,240)
Revenue Collection Fees	72,126	87,500	82.4%	(15,374)
CHP Enforcement	56,250	56,250	100.0%	(0)
Alameda CTC Operations	6,592	25,000	26.4%	(18,408)
Express Lane Maintenance (Caltrans)	31,250	31,250	100.0%	-
Contingency	-	31,250	0.0%	(31,250)
Project Management/Controls	6,000	56,250	10.7%	(50,250)
Marketing/Public Outreach	11,945	25,000	47.8%	(13,055)
IT Support	38,625	18,750	206.0%	19,875
Alameda CTC Administration	10,669	12,500	85.4%	(1,831)
Insurance	9,610	12,500	76.9%	(2,890)
System Manager/Operations Support	-	10,000	0.0%	(10,000)
Other Consultant Costs	-	5,000	0.0%	(5,000)
Legal Fees	7,072	6,250	113.2%	822
Miscellaneous	1,706	6,250	27.3%	(4,544)
Utilities	<u>2,504</u>	<u>6,250</u>	<u>40.1%</u>	<u>(3,746)</u>
Total Operating Expenses:	437,109	640,000	68.3%	(202,891)
Operating Surplus (Deficit)	<u>97,269</u>	<u>(62,500)</u>		
 <b><u>Net Position</u></b>				
Beginning of year	<u>4,267,989</u>			
Net Position as of September 30, 2015	<u><u>\$ 4,365,258</u></u>			

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**SUNOL SMART CARPOOL LANE**  
**Statement of Capital Revenues and Expenses**  
**As of September 30, 2015**

	YTD Capital Actuals	YTD Budget	% Used	Variance
<b><u>CAPITAL REVENUES</u></b>				
Capital Grants	-	525,000	0.0%	(525,000)
Total Capital Revenues:	-	525,000	0.0%	(525,000)
<b><u>CAPITAL EXPENSES</u></b>				
Automated Toll Violation Enforcement System	-	525,000	0.0%	(525,000)
Total Capital Expenses:	-	525,000		(525,000)
Capital Surplus (Deficit)	-	-		
<b><u>Net Position</u></b>				
Beginning of year	-			
Net Position as of September 30, 2015	<u>\$ -</u>			

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**SUNOL SMART CARPOOL LANE  
OPERATING EXPENSES BY FUND SOURCE  
As of September 30, 2015**

	<b>Operating Expenses</b>	<b>Operating Expenses by --- Revenues Source ---</b>	
		<b>Alameda CTC Grants</b>	<b>Operating Revenues</b>
Operations & Maintenance Contract	\$ 182,760	\$ -	\$ 182,760
Revenue Collection Fees	72,126	-	72,126
CHP Enforcement	56,250	-	56,250
Alameda CTC Operations	6,592	-	6,592
Express Lane Maintenance (Caltrans)	31,250	31,250	-
Contingency	-	-	-
Project Management/Controls	6,000	6,000	-
Marketing/Public Outreach	11,945	-	11,945
IT Support	38,625	38,625	-
Alameda CTC Administration	10,669	-	10,669
Insurance	9,610	9,610	-
Other Consultant Costs	-	-	-
Legal Fees	7,072	7,072	-
Miscellaneous	1,706	1,706	-
Utilities	2,504	2,504	-
System Manager/Operations Support	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 437,109</b>	<b>\$ 96,767</b>	<b>\$ 340,342</b>

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# Memorandum

5.2

1111 Broadway, Suite 800, Oakland, CA 94607

• PH: (510) 208-7400

• www.AlamedaCTC.org

**DATE:** November 2, 2015

**SUBJECT:** Sunol Smart Carpool Lane Joint Powers Authority Draft Audited Annual Financial Report for the Year Ended June 30, 2015

**RECOMMENDATION:** Approve the Sunol Smart Carpool Lane Joint Powers Authority Audited Annual Financial Report for the Year Ended June 30, 2015.

## 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, 2015 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 financial position of the Authority, as of June 30, 2015, 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 increased by \$0.40 million or 10.28 percent from \$3.87 million to \$4.27 million as of June 30, 2015 compared to June 30, 2014. This increase is mostly due to a decrease in accrued liabilities related to a reversal of a prior year accrual. Capital assets comprised \$1.95 million or 45.71 percent of the total net position at June 30, 2015.
- For the year ended June 30, 2015, cash and cash equivalents increased by \$0.03 million or 1.11 percent from \$2.63 million to \$2.66 million. This increase is mostly attributed to an increase in operating revenue over fiscal year 2014.
- Operating revenue was \$2.07 million during fiscal year 2015, an increase of \$0.08

million or 4.23 percent over fiscal year 2014.

- The Authority's total operating expenses were \$1.67 million during fiscal year 2015, a decrease of \$0.46 million or 21.72 percent from fiscal year 2014. This decrease is mostly due to a reversal of a prior year accrual for maintenance costs. Operating expenses for fiscal year 2015 were primarily comprised of \$1.43 million of program management and operations 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, 2015

## **Staff Contact**

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





# SUNOL SMART CARPOOL LANE JOINT POWERS AUTHORITY



## ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2015

**SUNOL SMART CARPOOL LANE  
JOINT POWERS AUTHORITY  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2015**

**SUNOL SMART CARPOOL LANE JOINT POWERS AUTHORITY****TABLE OF CONTENTS**  
**JUNE 30, 2015**

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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, 2015, 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, 2015, 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 four through seven 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

**DATE**

## SUNOL SMART CARPOOL LANE JOINT POWERS AUTHORITY

## MAP OF I-680 SUNOL SMART CARPOOL LANE





**SUNOL SMART CARPOOL LANE JOINT POWERS AUTHORITY****MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2015**

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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, 2015. 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 \$0.40 million or 10.28 percent from \$3.87 million to \$4.27 million as of June 30, 2015 compared to June 30, 2014. This increase is mostly due to a decrease in accrued liabilities related to a reversal of a prior year accrual. Capital assets comprised \$1.95 million or 45.71 percent of the total net position at June 30, 2015.
- For the year ended June 30, 2015, cash and cash equivalents increased by \$0.03 million or 1.11 percent from \$2.63 million to \$2.66 million. This increase is mostly attributed to an increase in operating revenue over fiscal year 2014.
- Operating revenue was \$2.07 million during fiscal year 2015, an increase of \$0.08 million or 4.23 percent over fiscal year 2014.
- The Authority's total operating expenses were \$1.67 million during fiscal year 2015, a decrease of \$0.46 million or 21.72 percent from fiscal year 2014. This decrease is mostly due to a reversal of a prior year accrual for maintenance costs. Operating expenses for fiscal year 2015 were primarily comprised of \$1.43 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, 2015****Financial Analysis**

The following table presents the Authority's net position as of June 30, 2015 and June 30, 2014:

	June 30, 2015	June 30, 2014
Current assets	\$ 2,851,544	\$ 3,066,054
Capital assets, net	1,951,027	2,149,830
Total assets	4,802,571	5,215,884
Total liabilities	(534,582)	(1,345,888)
Net position	\$ 4,267,989	\$ 3,869,996

The following table presents the Authority's change in net position for the fiscal year ended June 30, 2015 and the period ended June 30, 2014:

	June 30, 2015	June 30, 2014
Operating revenue	\$ 2,069,075	\$ 1,985,016
Operating expenses	1,671,082	2,134,627
Operating income	397,993	(149,611)
Capital contribution	-	5,608
Increase (decrease) in net position	397,993	(144,003)
Net position, beginning of period	3,869,996	4,013,999
Net position, end of period	\$ 4,267,989	\$ 3,869,996

While the Alameda CTC continues as the managing agency, it does not fund 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).

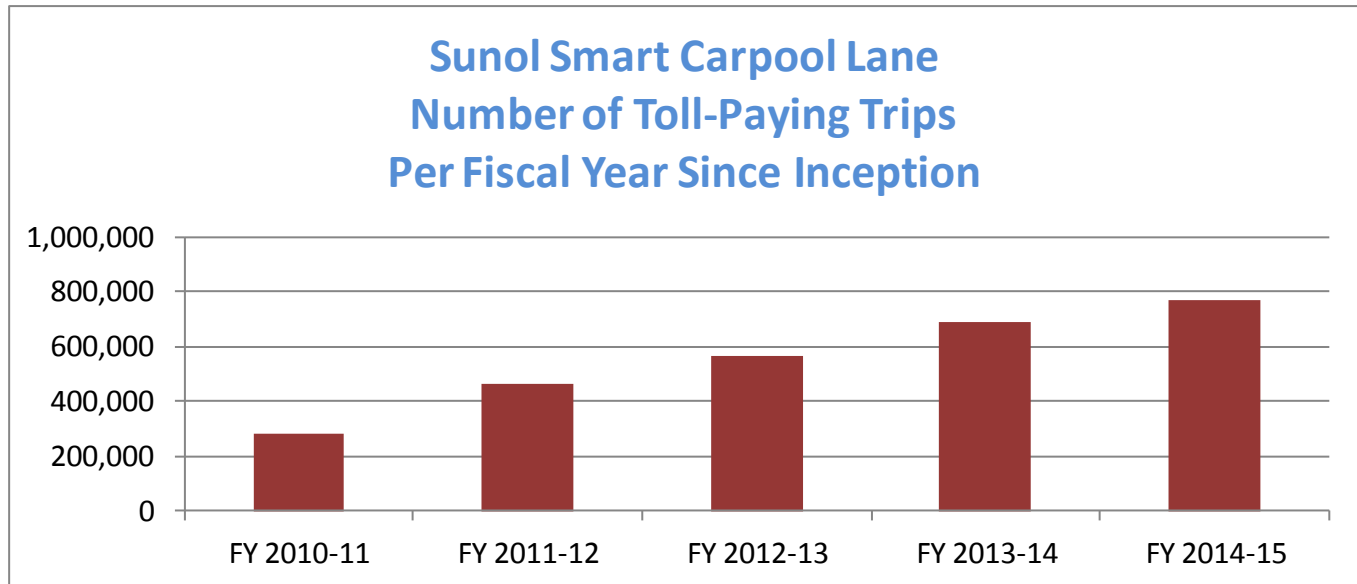
The Authority began operating a toll lane on the Sunol Grade segment of southbound Interstate 680 in Alameda and Santa Clara counties on September 20, 2010. Since operations began, monthly toll lane usage has tripled, going from 24,298 trips in October 2010 to 74,562 trips in June 2015.



# SUNOL SMART CARPOOL LANE JOINT POWERS AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2015

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



Cash increased by \$29.2 thousand or 1.1 percent. Revenues for the period, including tolls and other revenue in the amount of \$2,069.1 thousand plus the change in prepaid expenses of \$39.7 thousand and receivables of \$204.0 thousand, were offset by \$1,431.8 thousand of operations and maintenance expenses and \$40.5 thousand of net capital asset acquisition costs plus the change in liabilities of \$811.3 thousand.

### Capital Assets

The following table presents the Authority's capital asset activity from June 30, 2014 to June 30, 2015:

	June 30, 2014	Additions	Deletions	June 30, 2015
Toll revenue equipment	\$ 3,090,322	\$ 48,921	\$ (19,641)	\$ 3,119,602
Accumulated depreciation	(940,492)	(239,306)	11,223	(1,168,575)
Net book value	<u>\$ 2,149,830</u>	<u>\$ (190,385)</u>	<u>\$ (8,418)</u>	<u>\$ 1,951,027</u>

**SUNOL SMART CARPOOL LANE JOINT POWERS AUTHORITY****MANAGEMENT'S DISCUSSION AND ANALYSIS****JUNE 30, 2015**

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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 2015 was \$2,049.0 thousand. Actual operating revenues were \$2,069.1 thousand, which was \$20.1 thousand or 1.0 percent higher than budget.

The adopted operating expense budget including depreciation was \$2,388.6 thousand. Actual operating expenses were \$1,671.1 thousand, which was \$717.5 thousand or 30.0 percent less than budget.

The adopted capital budget for both revenue and expense was \$1,400.0 thousand. Actual capital revenue and expense was \$0.0 because the expected capital project, an automated toll violation enforcement system, was not initiated in fiscal year 2015.

**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 and Administration, 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, 2015**

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**ASSETS**

Cash	\$ 2,658,404
Accounts receivable	185,386
Prepaid expenses	7,754
Capital assets, net of accumulated depreciation	1,951,027
Total Assets	<u>4,802,571</u>

**LIABILITIES**

Accounts payable	1,078
Accrued liabilities	533,504
Total Liabilities	<u>534,582</u>

**NET POSITION**

Net investment in capital assets	1,951,027
Unrestricted	2,316,962
Total Net Position	<u>\$ 4,267,989</u>

DRAFT

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, 2015****OPERATING REVENUES**

Toll charges	\$ 1,935,586
Other revenues	133,489
Total operating revenue	<u>2,069,075</u>

**OPERATING EXPENSES**

Depreciation expense	239,306
Operations and maintenance	1,431,776
Total operating expenses	<u>1,671,082</u>
Change in net position	397,993
<b>Net Position - Beginning</b>	<u>3,869,996</u>
<b>Net Position - Ending</b>	<u><u>\$ 4,267,989</u></u>

DRAFT

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, 2015****CASH FLOWS FROM OPERATING ACTIVITIES**

Cash receipts from customers	\$ 2,273,100
Payments to suppliers for goods and services	(2,203,358)
Cash flow from operating activities	<u>69,742</u>

**CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Acquisition of capital assets	(40,503)
Net change in cash and cash equivalents	<u>29,239</u>
Cash and Cash Equivalents - Beginning	2,629,165
Cash and Cash Equivalents - Ending	<u><u>\$ 2,658,404</u></u>

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

Operating income	\$ 397,993
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	239,306
Changes in assets and liabilities:	
Decrease in receivables	204,025
Decrease in prepaid expenses	39,724
Decrease in liabilities	(811,306)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u><u>\$ 69,742</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, 2015****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 2015, 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, 2015, the Alameda CTC incurred operations and maintenance expense on behalf of the Authority as follows:

Express Lane Maintenance	\$	(190,000)
Project Management/Controls		55,908
IT Support		74,755
Insurance		57,140
System Manager/Operations Support		(8,009)
Legal Fees		10,347
Miscellaneous		14,069
Utilities		12,899
Total	\$	<u>27,109</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. Negative amounts included in operations and maintenance costs incurred by the Alameda CTC are due to the reversals of prior year accruals for operations and maintenance.

**SUNOL SMART CARPOOL LANE JOINT POWERS AUTHORITY****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2015**

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**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.

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.

**SUNOL SMART CARPOOL LANE JOINT POWERS AUTHORITY****NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

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**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**

The Authority had \$2,658,404 cash in the bank as of June 30, 2015. 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 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.

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, 2015, 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, 2015, and activity for the year then ended, are as follows:

	June 30, 2014	Additions	Deletions	June 30, 2015
Toll revenue equipment	\$ 3,090,322	\$ 48,921	\$ (19,641)	\$ 3,119,602
Accumulated depreciation	(940,492)	(239,306)	11,223	(1,168,575)
Net book value	<u>\$ 2,149,830</u>	<u>\$ (190,385)</u>	<u>\$ (8,418)</u>	<u>\$ 1,951,027</u>



**SUNOL SMART CARPOOL LANE JOINT POWERS AUTHORITY****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2015**

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**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	
Public Officials and Employee Errors	5,000	10,000,000	General Aggregate
Personal Liability (Commissioners)	5,000	500,000	General Aggregate
Employment Practices Liability	35,000	10,000,000	General Aggregate
Employee Benefits Liability	5,000	10,000,000	General Aggregate
Auto Liability	5,000	10,000,000	
Employee Dishonesty	5,000	400,000	
Uninsured/Underinsured Motorists	5,000	1,000,000	
Property	5,000	1,000,000,000	
Boiler and Machinery	varies	1,000,000,000	
Excess General Liability	-	5,000,000	

No claims exceeded coverage limits over the past three years.

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# Memorandum

5.3

1111 Broadway, Suite 800, Oakland, CA 94607

• PH: (510) 208-7400

• www.AlamedaCTC.org

**DATE:** November 2, 2015

**SUBJECT:** I-680 Southbound Express Lane (PN 1364.005): Monthly Operations Update

**RECOMMENDATION:** Receive a status update on the operation of the I-680 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 Monthly Operation Update of the express lane facility for the month of September 2015, included as Attachment A.

Review of September 2015 operation reports indicates that the express lane facility continued to provide travel reliability (speed and travel time savings) in the lane, and improved traffic operations within the corridor.

Comparison of performance metrics demonstrates that the average daily toll paying usage continues to increase. This is an indication that solo drivers continue to choose to utilize the express lane to experience travel reliability and time savings. The average travel speed in the express lane continues to remain steady on average; maintaining at or above the posted speed limit.

## Background

The I-680 Southbound Express Lane facility spans over 14 miles from SR 84 near Pleasanton to SR 237 in the City of Milpitas. The facility was opened 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. In addition to carpoolers who use the lane at no cost, it allows toll-paying solo drivers to benefit from optimized capacity, reduced congestion and increased travel time reliability. 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 Sunol JPA, has been operating the express lane facility since it opened to traffic in September 2010.

All Electronic Toll (AET) collection method has been employed to collect tolls, i.e.) no need to stop to pay tolls. Tolls are collected via FasTrak® transponders, issued by Bay

Area Toll Authority that are automatically read by readers mounted on overhead gantries. Toll rates are calculated based on real-time traffic conditions (speed and volume) in HOV/express and general purposes lanes. 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. California Highway Patrol officers continued to provide enforcement services while Caltrans provides roadway maintenance services, through reimbursable service agreements.

**September 2015 Operation Update:** See Attachment A. During the peak commute hour, the motorists in the express lane, including the carpool users, travelled with speeds approximately 10-15 mph faster than the motorists travelling in the general purpose lanes. Vehicle speeds observed in HOV/Express Lane during the commute hours indicate that the use of the lane by solo drivers did not degrade the level of service in the lane and/or impede the benefits of carpooling.

Year over year comparison indicates a 5% increase in corridor traffic during the peak commute hour since last year. The comparison also indicates a 21% increase in HOV/Express Lane usage.

The average daily and monthly toll paying trips were approximately 3,580 and 78,750, respectively.

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

## **Attachments**

A. I-680 Southbound Express Lane September 2015 Operation Update

## **Staff Contact**

[Kanda Raj](#), Express Lanes Program Manager

[Taylor Rutsch](#), Express Lane Operation Staff



# I-680 SB Express Lane Monthly Operations September 2015 Update




A Presentation for the  
I-680 Sunol Smart Carpool Lane Joint Powers Authority (SSCLJPA)  
**November 9, 2015**



# Average Hourly Traffic Volume – During Peak Period

September 2014 & 2015

Year over Year Comparison (7:00 – 10:00 am, Mon - Fri)

	September 2014	September 2015	2014 vs. 2015
Corridor	6,914 vph	7,277 vph	 5%
HOV/Express Lane	1,019 vph	1,237 vph	 21%
Toll-Paying Users	526 vph	569 vph	 8%

VPH = Vehicles Per Hour

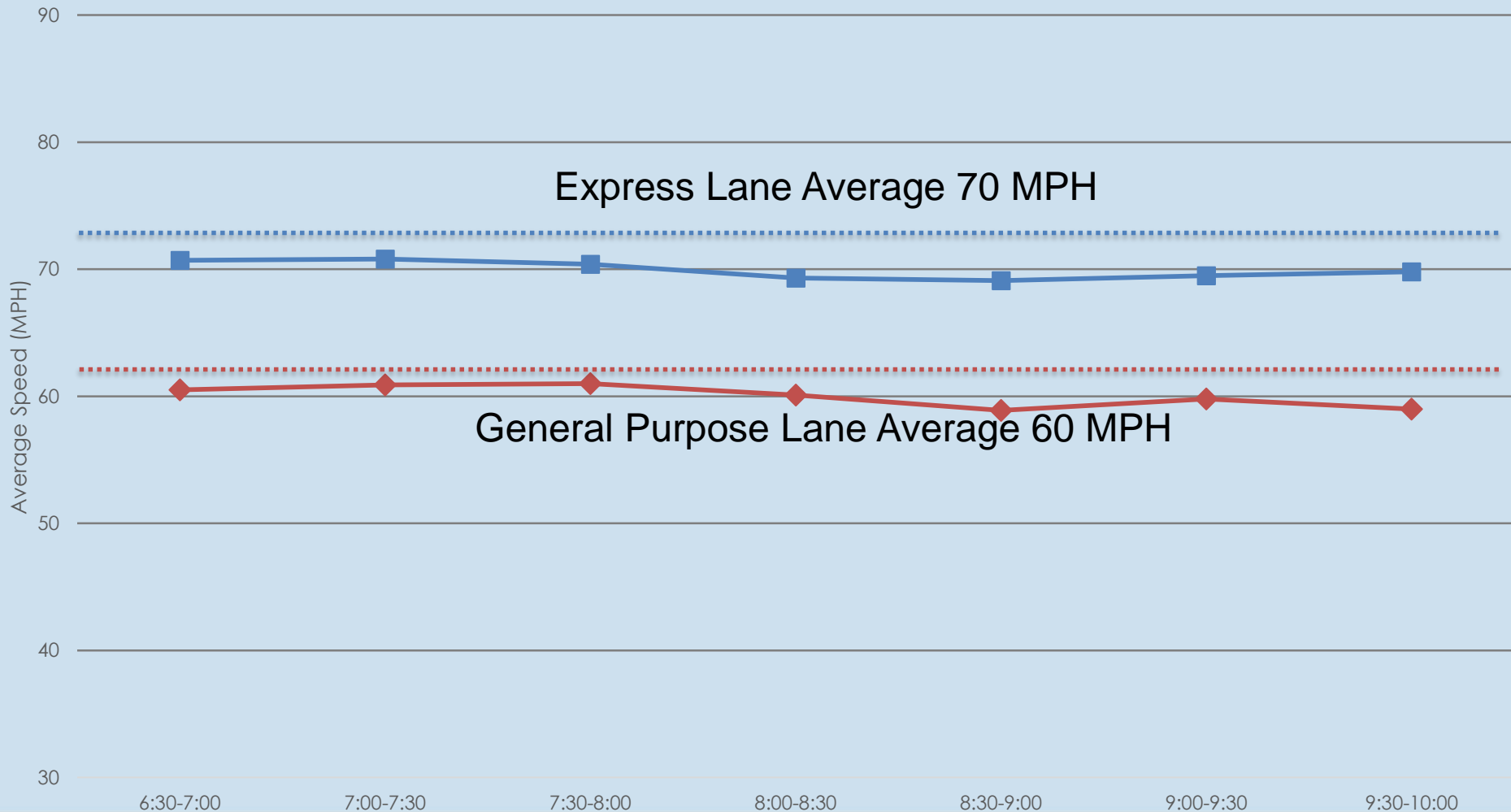
# Average Daily HOV/EL Volume vs. Toll Trips

September 2014 & 2015  
Year over Year Comparison



# Average Travel Speed - During Peak Period

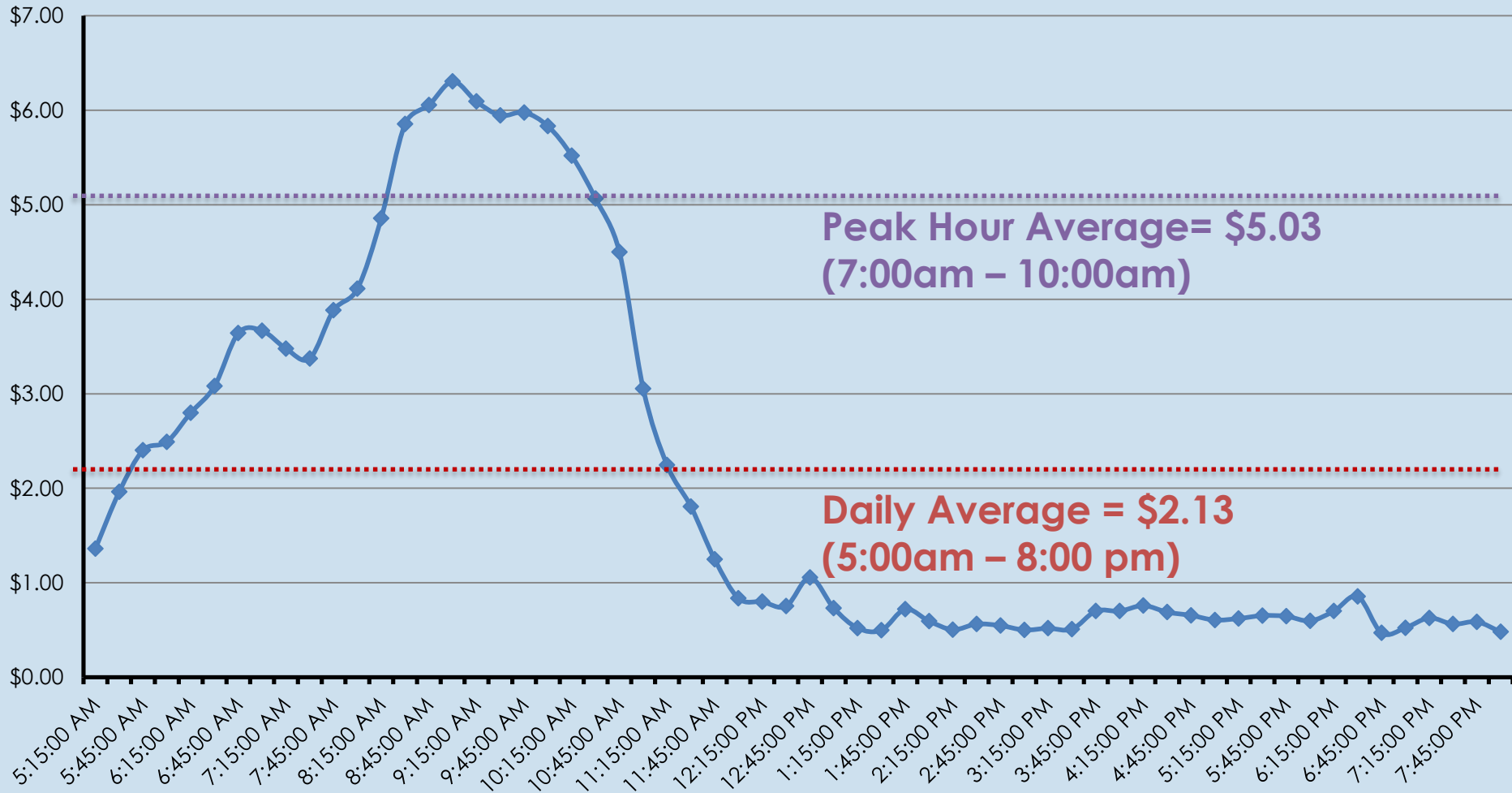
Throughout the Corridor in September 2015 (7:00 – 10:00am, Mon - Fri)





# Average Toll Rate - Throughout the Corridor

September 2015 (Mon-Fri)



# Revenue - Estimated Gross vs. Forecasted

Cumulative Revenue in FY 2015/16  
(July - September 2015)

**Estimated Gross Revenue**

**\$469,316**

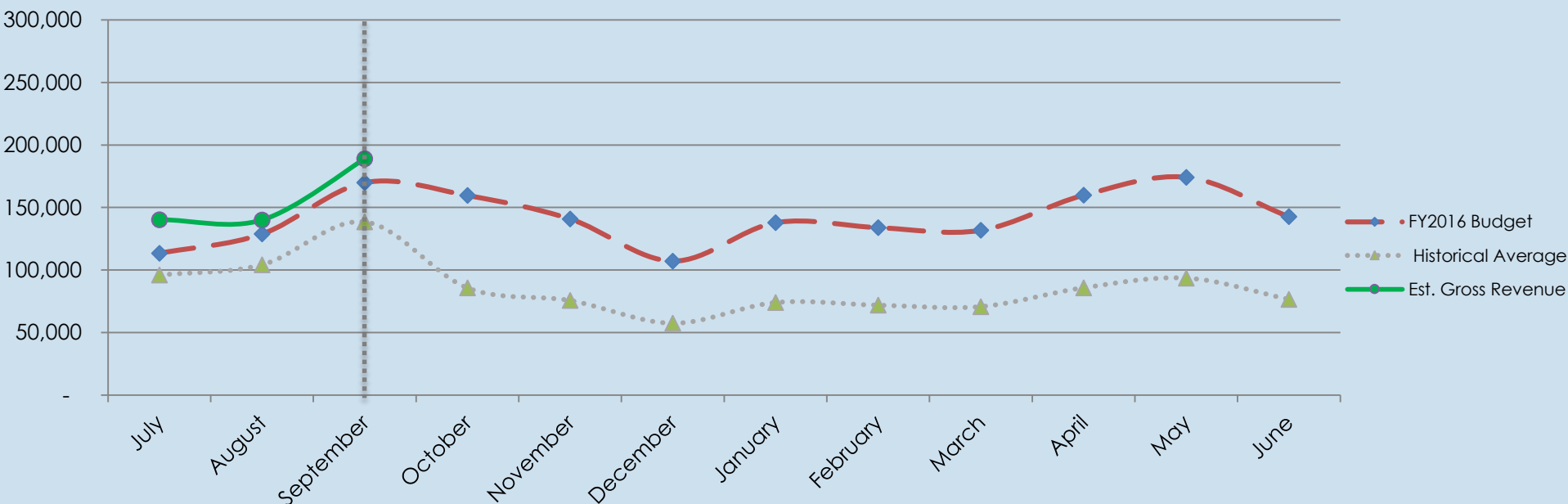


**14%**

**Forecasted\***

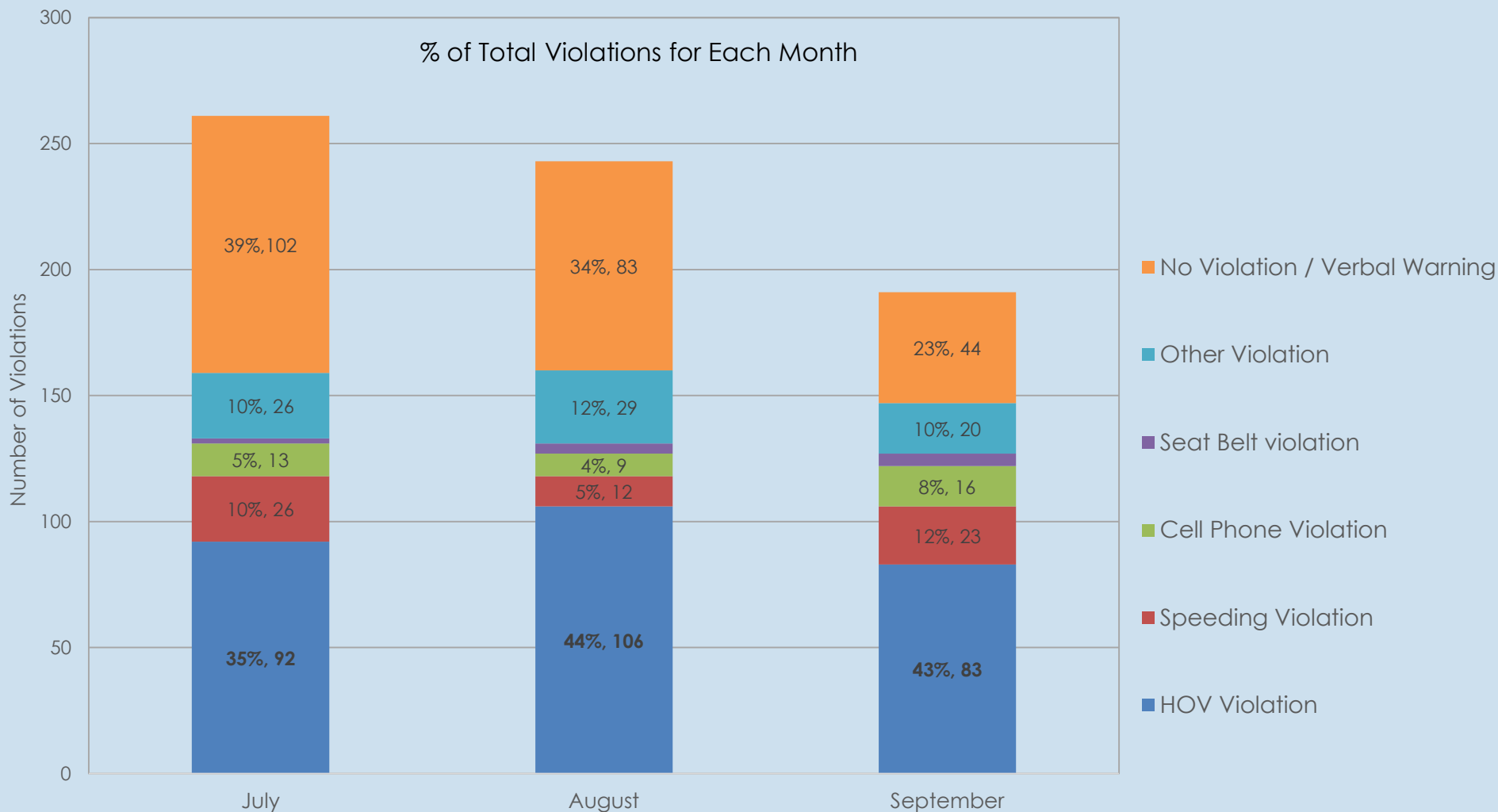
**\$412,119**

\* Forecasted revenue for the full FY 15/16 is \$1,700,000



# CHP Enforcement Statistics

Q1 FY 15/16 (July – September 2015)





# Questions ?





# Memorandum

5.4

1111 Broadway, Suite 800, Oakland, CA 94607

• PH: (510) 208-7400

• www.AlamedaCTC.org

**DATE:** November 2, 2015

**SUBJECT:** I-680 Northbound Express Lane (PN 1369.000): 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 High Occupancy Vehicle (HOV)/Express Lane in the corridor. This overall project will be implemented with a phased approach. The initial phase, Phase 1 Modified, of the project will complete design and construction of a 9-mile segment between south of Auto Mall Parkway and SR84. 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.

## 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 to 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 maximize available HOV lane capacity by offering solo drivers the choice to pay an electronic toll to access the lane, while regular carpool/carpool eligible users continue to use the lane at no cost.

Currently, there is heavy afternoon congestion on I-680 Northbound from Scotts Creek Boulevard to Andrade Road. Traffic studies have confirmed that this heavy congestion is caused by two bottleneck locations affecting northbound I-680 between SR 237 and SR 84 on weekday evening commutes between 2pm and 7pm. These bottleneck locations are: near Washington Boulevard and at the lane drop at the truck scales which is located between Sheridan Road and Andrade Road. The initial phase of construction, Phase 1 Modified, proposes to add a new HOV/Express Lane from south of Auto Mall Parkway to SR 84 to eliminate these bottleneck locations and alleviate much of the daily traffic congestion.

The Environmental Document and Project Approval (PA&ED) for the overall project was completed in July 2015. A design consultant team for final civil design has been procured and final design is underway. A Request for Proposals to procure a consultant/contractor

to provide Toll System Integration services was issued on September 21, 2015, with an anticipated date for contract execution in early 2016. The following is a detailed discussion of work in progress and/or upcoming major tasks.

### ***Environmental Document & Project Approval (PA&ED)***

Completed in July 2015 for the overall project between SR237 and SR84.

### ***Project Implementation Approach***

The approved Environmental Document and Project Report include studies and analysis for both the full project limits (SR 237 to SR 84) and an initial Phase 1 Modified of construction (south of Auto Mall Parkway to SR 84). The limits for Phase 1 Modified 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 into the I-680 Northbound Express Lane Project - Phase 1 Modified Project.

This initial Phase 1 Modified Project, is anticipated to save approximately \$80 million in capital cost, and would be achieved as follows:

- Lane and shoulder width reductions, at levels acceptable to Caltrans, intend to reduce the amount of highway and structure widening necessary, with capital cost savings estimated at approximately \$65 million; and
- Minimize right of way acquisitions, utility relocation work, and environmental impacts to further reduce capital cost up to \$15 million and accelerate the right of way, design and construction schedule by about six months.

In its October 2015 meeting, the Commission authorized \$200,000 in local funds to advance critical path-project development schedule activities while the staff awaits the results of audit on design consultant contract.

The Phase 1 schedule is as follows:

- Complete Final Design (PS&E): December 2016
- Construction advertisement: February 2017
- Construction: mid 2017 - late 2018
- System Integration: mid 2018 – late 2018

Alameda CTC, in partnership with Caltrans, is the implementing agency for preliminary engineering, environmental studies, design, right-of-way acquisition, and utility relocation.

**Fiscal Impact:** There is no significant fiscal impact. This is for information only.

### **Staff Contact**

[Kanda Raj](#), Express Lanes Program Manager

[Gary Sidhu](#), Highway Program Manager



# Memorandum

5.5

1111 Broadway, Suite 800, Oakland, CA 94607

• PH: (510) 208-7400

• www.AlamedaCTC.org

**DATE:** November 2, 2015

**SUBJECT:** I-680 Northbound and Southbound Express Lanes(PN 1364.005/1369.000)

**RECOMMENDATION:** Funding Strategy for Express Lane Improvements – Preliminary Acceptance of Loan of Measure B Funds from Alameda CTC.

## Summary

Over the last three years, Interstate 680 Corridor in Alameda County (from I-580 to Route 237) has very quickly emerged as one of the most congested corridor in the entire Bay Area. In particular, the 9-mile segment of northbound I-680 from south of Auto Mall Parkway in Fremont to Route 84 near Pleasanton has experienced substantial daily congestion and delays between the hours of 1:30 PM and 7:30 PM. Bottlenecks or traffic queues are often four to six miles long with speed of less of 10 miles per hour, essentially standstill condition.

The emerging congestion and operational deterioration of this major Interstate freeway through Alameda County has markedly increased delays, created major cut-through traffic on neighborhood streets thus causing congestion on local roadways, slowed the movement of goods and freights, worsened air quality, and negatively affected commuters' and residents' quality of life because of time spent in bottlenecks. The I-680 Sunol Express Lane Joint Powers Authority and the Alameda CTC has been monitoring the congestion level in the corridor and proactively working on developing solutions. The Alameda CTC, as the Managing Agency for the Sunol JPA, accelerated the process to develop the environmental document and the required Caltrans' project approval report for the project to construct a northbound express carpool lane (high occupancy toll lane) from Route 237 in Santa Clara County to Route 84 in Pleasanton. This accelerated effort resulted in an environmental clearance for the project in July 2015, in record time.

To further expedite the development and delivery of the project, the Alameda CTC Board approved the initiation of the final design and preparation of the Plan, Specifications, and Estimate (PS&E) for the construction of the initial most congested 9-mile segment of northbound I-680 from south of Auto Mall Parkway in Fremont to Route 84 in Pleasanton. A major requirement for the delivery of the project is the execution of multiple cooperative agreements with Caltrans for project development and for construction contract administration. As often is the case for any agency investing in the state

highway system, the State has many rigorous requirements including a requirement for the Alameda CTC to identify a full funding commitment for the construction of the project.

The current estimated total cost of the project is \$202.4 million, from inception to complete construction. The project is currently funded by 2000 Measure B funds in the amount of \$14.5 million, 2014 Measure BB funds in the amount of \$40 million, State Highways Operation and Protection Program (SHOPP) in the amount of \$24.5 million, State Traffic Congestion Relief Program (TCRP) in the amount of \$20.9 million, and SB 680 toll revenue in the amount of \$2.5 million, for a total of \$102.4 million. The current funding need to construct a new 9-mile express lane on northbound I-680 is about \$100 million.

In addition to the needed improvements on northbound I-680, additional improvements on the existing 14-mile southbound express lane are also needed to modify the current limited toll lane ingress and egress arrangement throughout the southbound corridor to allow for more open and free-flowing access between general purpose lanes and the toll lane. This modification will improve overall freeway operations and eliminate known congestion at specific locations such as at the Route 262 (Mission Boulevard) and the Auto Mall Parkway exits. The current estimated cost for the southbound I-680 express lane modifications is \$20 million. All together, the remaining funding need for improvements in both the northbound and southbound I-680 is \$120 million.

To bridge this \$120 million funding gap for the delivery of the improvements needed on the I-680 Corridor, it is recommended that the JPA endorses the Alameda County Transportation Commission's action to program \$120 million (\$100 million for northbound plus \$20 million for southbound) from the 2000 Measure B Capital Program. The funding from the 2000 Measure B Capital Program would come from capacity in the 2000 Measure B Capital Fund projected over the remainder of the Program until revenue collection ceases in 2022. The current 2000 MB Capital Program financial model shows adequate capacity during the latter part of the construction phase and system integration, i.e. FY17/18, FY18/19, and FY 19/20 to fund the shortfalls for the northbound project and southbound conversion. The early part of the construction phase and system integration can be funded with currently programmed funds, including funding from the 2014 Measure BB Capital Program. The actual amount expended from the 2000 Measure B Capital Fund will be repaid by net operating revenues from the northbound and southbound express lane once they are both operational. Based on current cash flow projections for the northbound and southbound express lane operations, the \$120 million of net operating revenues needed to reimburse the 2000 Measure B Capital Fund could be generated within 20 years of opening the northbound express lane. In effect, the recommended action is a means by which the construction can be funded by advancing the anticipated express lane revenues.

Pursuant to Streets and Highway Code, Section 149.5 (e) (3) (A) and (B), the Sunol JPA is authorized to commit excess net toll revenue for reinvesting in transportation improvements within the corridor, such as construction of high-occupancy vehicle facilities, including the design, preconstruction, construction, and other related costs of



the northbound Interstate 680 Sunol Smart Carpool Lane project and transit improvements that directly serve the corridor.

Compliant with the eligible expenditures cited in State statutes above, staff recommends that the Sunol JPA approve the concept of funding those transportation improvements from net revenues and accepting a loan of \$120 million in 2000 Measure B loans from Alameda CTC Commission to pay for the above referenced northbound I-680 improvements, and commit to repay the loan within 20 years from net operating revenues from the northbound and southbound express lane operations as a first priority expenditure, once the northbound express lane is operational along with the southbound express lane, which is anticipated in late 2018/early 2019. Based on current cash flow projections for the northbound and southbound express lane operations, the \$120 million of net operating revenues could be generated within 20 years after opening the northbound express lane.

## **Background**

Express Lanes in the I-680 Corridor are included in both the 2000 Measure B and 2014 Measure BB capital programs. The I-680 corridor has long been a critical element of the Alameda County transportation network, and has recently moved up the list of the most congested corridors in the Bay Area. Sunol JPA and Alameda CTC have been proactively seeking solutions to address recurring and projected traffic congestion in the corridor. Express lane implementation is a new concept that 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. Express Lane facilities leverage available HOV lane capacity by offering solo drivers the choice to pay an electronic toll to access the lane. Regular carpool and carpool-lane eligible users are able to continue to use the existing southbound and proposed northbound express lanes at no cost.

Currently, there is heavy afternoon congestion on I-680 Northbound from Scotts Creek Boulevard to Andrade Road. Traffic studies have confirmed that this heavy congestion is caused by two bottleneck locations affecting northbound I-680 between SR 237 and SR 84 on weekday afternoon/evening commutes between 1:30 pm and 7:30 pm. The first bottleneck location is near Washington Boulevard. The second is at the lane drop near the truck scales located between Sheridan Road and Andrade Road. The initial phase of construction proposes to add a new HOV/Express Lane from south of Auto Mall Parkway to SR 84 to eliminate the two bottleneck locations and alleviate congestion. The congestion on the freeway has spilled onto local streets that parallel the freeway causing significant congestion along the local streets.

The Project Approval and Environmental Document (PA&ED) for the overall project was completed in July 2015. A design consultant team has been procured, and final design is underway for the initial phase of the project. A Request for Proposals to procure a consultant/contractor to provide Toll System Integration services was issued on September 21, 2015, with an anticipated date for contract execution in early 2016.

The existing I-680 Southbound Express Lane was the first express lane to operate in Northern California that since opened to traffic in September 2010, served over 2.2 million of solo drivers, and thereby improved the operations within the corridor. Within the last five years, additional express lanes have been developed in the Bay Area region, including express lanes along eastbound and westbound I-580 in eastern Alameda County. The development included research and analysis of additional access opportunities. Several of these new express lane facilities are considering a new type of access, referred to as "continuous" or "near continuous" that will not only increase the access opportunities to get in and out of the lanes but also provide driver familiarity since they look and feel like any other HOV lane facility.

As recommended by the approved traffic operational analysis, the I-680 Northbound Express Lane will be constructed as a continuous access type facility. To complement the northbound project and to meet consistent driver expectations, the southbound express lane facility will have to be converted into either a continuous or near continuous access type express lane. Alameda CTC has been considering the conversion of the southbound facility for-a-while, however has been waiting for the right moment for this conversion. To ensure consistency and to benefit the economies of scale, it is prudent to combine the southbound conversion while constructing the northbound project.

#### Shortfall

The northbound project is not fully funded. However, the State requires identification of construction funds prior to proceeding into the design phase of a project on the State Highway System. Alameda CTC has not yet reached this milestone. The current funding shortfall for the construction phase of the I-680 Northbound Express Lane Project from south of Auto Mall Parkway to SR 84 is \$100 million. Alameda CTC desires to convert the southbound I-680 express lane access to continuous, but the current net operating revenues from the southbound express lane operations are not sufficient to fund the required improvements to convert the access. The conversion of the existing southbound I-680 express lane is currently estimated to cost \$20 million if included in the northbound project (as opposed to being a stand-alone project with a separate project development and construction phases).

Staff solicited federal, state and regional funds for these improvements to no avail.

#### Recommendation

Pursuant to Streets and Highway Code, Section 149.5 (e) (3) (A) and (B), the Sunol JPA is authorized to commit excess net toll revenue for reinvesting in transportation improvements within the corridor, such as the construction of high-occupancy vehicle facilities, including the design, preconstruction, construction, and other related costs of the northbound Interstate 680 Sunol Smart Carpool Lane project and transit improvements that directly serve the corridor.

Compliant with the eligible expenditures cited in State statutes above, staff recommends that the Sunol JPA approve the concept of funding those transportation improvements

from net revenues and accepting a loan of \$120 million in 2000 Measure B loans from Alameda CTC Commission to pay for the above referenced northbound I-680 improvements, and commit to repay the loan within 20 years from net operating revenues from the northbound and southbound express lane operations as a first priority expenditure, once the northbound express lane is operational along with the southbound express lane, which is anticipated in late 2018/early 2019. Based on current revenue projections for the northbound and southbound express lane operations, the \$120 million of net revenues beyond the cost of operations and maintenance could be generated within 20 years after opening the northbound express lane.

**Fiscal Impact:** The recommended action will start the process of committing the net operating revenue of the I-680 Express Lanes for 20 years to repay a loan of \$120 million of 2000 Measure B funds from Alameda CTC, in order to construct the I-680 Northbound Express Lane and convert the existing I-680 Southbound Express Lane from restricted access to a continuous/near continuous access type facility. The repayment is expected to begin in Fiscal Year 2019, utilizing net operating revenue. At this stage, the Board's action is preliminary in nature, and thus the action has no direct fiscal impact.

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