



## I-680 Sunol Express Lane Joint Powers Authority Meeting Agenda Monday, May 10, 2021, 9:00 a.m.

Due to the statewide stay at home order and the Alameda County Shelter in Place Order, and pursuant to the Executive Order issued by Governor Gavin Newsom (Executive Order N-29-20), the Authority will not be convening at its meeting room but will instead move to a remote meeting.

Members of the public wishing to submit a public comment may do so by emailing the Clerk of the Commission at [vlee@alamedactc.org](mailto:vlee@alamedactc.org) by 5:00 p.m. the day before the scheduled meeting. Submitted comments will be read aloud to the Authority and those listening telephonically or electronically; if the comments are more than three minutes in length the comments will be summarized. Members of the public may also make comments during the meeting by using Zoom's "Raise Hand" feature on their phone, tablet or other device during the relevant agenda item, and waiting to be recognized by the Chair. If calling into the meeting from a telephone, you can use "Star (\*) 9" to raise/ lower your hand. Comments will generally be limited to three minutes in length.

Authority Chair: Lily Mei, City of Fremont  
Vice Chair: David Haubert, Alameda County, District 1  
Members: Karla Brown, Glenn Hendricks (Santa Clara Valley, Transportation Authority),  
Melissa Hernandez

Executive Director: Tess Lengyel  
Staff Liaison: [Gary Huisingh](#)  
Clerk of the Authority: [Vanessa Lee](#)

### Location Information:

Virtual Meeting Information: <https://zoom.us/j/96362636411?pwd=NTRRbldhTm5XSnlBZEhsMjBSWGhTdz09>  
**Webinar ID:** 963 6263 6411  
**Password:** 461150

For Public Access Dial-in Information: **(669) 900-6833**  
**Webinar ID:** 963 6263 6411  
**Password:** 461150

To request accommodation or assistance to participate in this meeting, please contact Vanessa Lee, the Clerk of the Authority, at least 48 hours prior to the meeting date at: [vlee@alamedactc.org](mailto:vlee@alamedactc.org)

### 1. Call to Order

### 2. Roll Call

### 3. Public Comment

### 4. Consent Calendar

Page/Action

- |      |  |   |   |
|------|--|---|---|
| 4.1. | <a href="#">Approve the February 8, 2020 I-680 Sunol Smart Carpool Lane Joint Powers Authority (JPA) Meeting Minutes</a> | 1 | A |
| 4.2. | <a href="#">I-680 Sunol SMART Carpool Lane JPA Annual Report Update</a>  | 7 | I |
| 4.3. | <a href="#">I-680 Sunol Express Lanes Project Implementation Update</a>  | 9 | I |

### 5. Regular Matters

- |      |   |    |   |
|------|---|----|---|
| 5.1. | <a href="#">Approve the I-680 Sunol Smart Carpool Lane FY2020-21 Third Quarter Financial Report</a> | 11 | A |
| 5.2. | <a href="#">Approve the I-680 Sunol Smart Carpool Lane Proposed Budget for FY2021-22</a>            | 15 | A |

### 6. Committee Member Reports

### 7. Staff Reports

### 8. Adjournment

Next Meeting: September 13, 2021

#### Notes:

- All items on the agenda are subject to action and/or change by the Authority.
- To comment on an item not on the agenda, submit an email to the clerk or use the Raise Hand feature or if you are calling by telephone press \*9 prior to or during the Public Comment section of the agenda. Generally public comments will be limited to 3 minutes.
- Call 510.208.7450 (Voice) or 1.800.855.7100 (TTY) five days in advance to request a sign-language interpreter.
- If information is needed in another language, contact 510.208.7400.
- Call 510.208.7400 48 hours in advance to request accommodation or assistance at this meeting.
- Meeting agendas and staff reports are available on the [website calendar](#).



## Alameda CTC Schedule of Upcoming Meetings May through June 2021

**Commission Chair**  
Mayor Pauline Russo Cutter  
City of San Leandro

**Commission Vice Chair**  
Councilmember John Bauters  
City of Emeryville

**AC Transit**  
Board President Elsa Ortiz

**Alameda County**  
Supervisor David Haubert, District 1  
Supervisor Richard Valle, District 2  
Supervisor Wilma Chan, District 3  
Supervisor Nate Miley, District 4  
Supervisor Keith Carson, District 5

**BART**  
Vice President Rebecca Saltzman

**City of Alameda**  
Mayor Marilyn Ezzy Ashcraft

**City of Albany**  
Councilmember Rochelle Nason

**City of Berkeley**  
Councilmember Lori Droste

**City of Dublin**  
Mayor Melissa Hernandez

**City of Fremont**  
Mayor Lily Mei

**City of Hayward**  
Mayor Barbara Halliday

**City of Livermore**  
Mayor Bob Woerner

**City of Newark**  
Councilmember Luis Freitas

**City of Oakland**  
Councilmember At-Large  
Rebecca Kaplan  
Councilmember Sheng Thao

**City of Piedmont**  
Councilmember Jen Cavanaugh

**City of Pleasanton**  
Mayor Karla Brown

**City of Union City**  
Mayor Carol Dutra-Vernaci

**Executive Director**  
Tess Lengyel

### Commission and Committee Meetings

Time	Description	Date
2:00 p.m.	Alameda CTC Commission Meeting	May 27, 2021 June 24, 2021
10:00 a.m.	Programs and Projects Committee (PPC)	June 14, 2021
11:30 a.m.	Planning, Policy and Legislation Committee (PPLC)	
1:00 p.m.	Alameda CTC Audit Committee	

### Advisory Committee Meetings

5:30 p.m.	Bicycle and Pedestrian Advisory Committee (BPAC)	May 27, 2021
1:30 p.m.	Alameda County Technical Advisory Committee (ACTAC)	June 10, 2021
1:30 p.m.	Paratransit Advisory and Planning Committee	June 28, 2021

Due to the statewide stay at home order and the Alameda County Shelter in Place Order, and pursuant to the Executive Order issued by Governor Gavin Newsom (Executive Order N-29-20), the Commission will not be convening at its Commission Room but will instead move to a remote meeting.

Meeting materials, directions and parking information are all available on the [Alameda CTC website](http://www.AlamedaCTC.org). Meetings subject to change.

*This page intentionally left blank*



**1. Call to Order**

**2. Roll Call**

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

**Subsequent to the roll call:**

Commissioner Mei arrived during 5.1.

**3. Public Comment**

There were no public comments.

**4. Election of Chair and Vice Chair**

**4.1. Approve the election of the Chair and Vice-Chair of the Sunol Smart Carpool Lane Joint Powers Authority**

Tess Lengel stated that pursuant to the Sunol JPA's Administrative Code, the election of the Chair and Vice-Chair of the Authority will occur annually at its first meeting of the year, and such elections will be effective immediately. Ms. Lengyel noted that it is practice for the Chair and Vice Chair to serve two terms even though the election is annually. She noted that the current Chair, Commissioner Mei, and the current Vice-Chair, Commissioner Haubert have completed one year as Chair and Vice Chair.

*Commissioner Haubert moved to reelect Commissioner Mei and Commissioner Haubert as the Chair and Vice-Chair of the Authority. Commissioner Brown seconded the motion. The motion passed with the following roll call votes:*

Yes: Brown, Haubert, Hendricks, Hernandez,  
No: None  
Abstain: None  
Absent: Mei

**5. Consent Calendar**

**5.1. Approve the November 9, 2020 I-680 Sunol Smart Carpool Lane Joint Powers Authority (JPA) Meeting Minutes**

*Commissioner Haubert moved to approve the consent calendar. Commissioner Hernandez seconded the motion. The motion passed with the following roll call votes:*

Yes: Haubert, Hendricks, Hernandez, Mei  
No: None  
Abstain: Brown  
Absent: None

## 6. Regular Matters

### 6.1. I-680 Sunol Express Lanes Project Implementation Update

Liz Rutman provided the Authority with a status update on the I-680 Sunol Express Lanes project development and implementation activities. Ms. Rutman stated that the Interstate 680 (I-680) Sunol Express Lanes will provide enhanced mobility for motorists in both the northbound and southbound directions. She stated that the project has several key components: a new northbound express lane between south of Auto Mall Parkway and SR 84, conversion of the existing southbound controlled-access express lane to an open-access facility between SR 84 and SR 262, and deployment of a new toll system for both directions of travel with new technology that will allow for implementation of all toll policies adopted last June.

Ms. Rutman stated that in June 2016, Kapsch TrafficCom was selected as the Toll System Integrator (TSI) for the I-680 Sunol Express Lanes project. She discussed the seven high-level stages of toll system implementation, which is highly specialized work performed by a TSI and overseen by a System Manager. The seven stages include design, software development, factory acceptance testing, equipment installation, system acceptance testing, beginning live operations, and operational acceptance testing. She stated that the System Detailed Design Document has been drafted and the Roadside Factory Acceptance Test is expected to begin this month. Because this work is behind schedule, Kapsch has installed the toll equipment at risk so that, once the software development and preliminary testing are completed, field testing can proceed immediately. Only upon completion of system testing during live operations, is the toll system implementation considered complete. Ms. Rutman then explained that the original I-680 Sunol Southbound Express Lane was decommissioned last August to allow for completion of the civil construction, and has been open only for carpools since then; and the new northbound lane was opened for use on October 29, 2020 and is also open only for carpools. She concluded her report by noting that full toll operations are currently projected to begin in Fall 2021.

Commissioner Brown asked if all fully electric vehicles are only available for the 50% toll discount for solo drivers. Ms. Rutman stated that the discount applies to any vehicle that has a valid decal issued by the DMV. If a person has a valid decal, the documentation may be submitted to the Bay Area Transportation Authority and a toll tag may be issued for the discount. Ms. Rutman stated that the same policy applies to all Express Lanes in the Bay Area.

Commissioner Hendricks noted that the full toll operations are projected to begin in the Fall of 2021. He questioned if a Fall 2021 projection was a change to schedule and he wanted to know if the projected date was the start or the end of the operational acceptance test (OAT). Ms. Rutman confirmed that Fall 2021 is a new projected start date and is the beginning of revenue operations and the beginning of the OAT. Ms. Lengyel stated that Alameda CTC intended to implement these lanes earlier; however there have been delays from the System Integrator and staff has been working with Kapsch to address performance issues on the contract.

Commissioner Hendricks asked if this date is solid barring any unforeseen problems. Ms. Lengyel stated that she is meeting with Kapsch Executive Management on a monthly basis, and with their global leadership on a quarterly basis, and Fall 2021 is a date that the Authority has been given by Kapsch to realistically deliver the system.

Commissioner Hendricks stated that since Fall 2021 is the beginning of OAT, will the Authority collect revenues, and if problems occur will there be a need to turn the tolling system off. Ms. Rutman stated that revenues would be collected and it is highly unlikely that there will be a need to turn the tolling system off.

Commissioner Mei commented that staff should evaluate the fees being charged if the consultants are not delivering services. Ms. Lengyel stated that staff is working with Kapsch on a corrective action plan.

## **6.2. Approve the I-680 Sunol Smart Carpool Lane FY2020-21 Second Quarter Financial Report**

Patricia Reavey recommended that the Authority approve the I-680 Sunol Smart Carpool Lane FY2020-21 Second Quarter Financial Report. The financial report provides a summary of revenues and expenses related to the I-680 Sunol Smart Carpool Lane for the fiscal year through December 31, 2020. Ms. Reavey stated that net toll and other revenues were \$106,314 or 54.76 percent less than projected through the second quarter of FY2020-21 with no additional revenues expected through the balance of the fiscal year, and that operating expenses through the second quarter totaled \$392,878 or 63.88 percent less than budget. She stated that assets that were no longer usable due to upgrades under development as part of Alameda CTC's I-680 capital project were disposed resulting in a loss on disposal of assets of \$417,130, and that these variances together resulted in a decrease to net position of \$703,694. As of December 31, 2020, the I-680 Sunol Smart Carpool Lane had cash and investments totaling \$5.9 million. She also stated that the significant variances from budget for both revenues and expenses as of December 31, 2020 are related to the timing of the planned shut-down of revenue operations on the express lane related to construction work on Alameda CTC's I-680 capital project, which was brought forward three months to take advantage of lighter traffic flows during the pandemic, minimizing the effect on commuters, and to expedite the capital project. Construction on the I-680 express lanes will continue to have a significant effect on revenues and expenses for the I-680 Express Lane throughout the fiscal year. She noted that staff has reviewed all budgeted projections for both revenues and expenses in relation to the timing of construction work on the lanes and is bringing a separate staff report to propose updates to the adopted budget which reflect updated expectations due to construction work on the express lane.

Commissioner Mei wanted to ensure that staff is fiscally responsible for vetting charges allocated from the vendor who has contract delivery delays. Ms. Lengyel stated that Alameda CTC is working closely with legal counsel regarding the articles in the agreement pertaining to damages and delays. Staff is looking at the full ability to recoup costs according to the contract.

Commissioner Mei asked if staff has other recommendations to better offset the delay in implementing the I-680 Sunol Express Lanes. Ms. Lengyel stated that she is meeting with Kapsch Executive Management on a monthly basis and their global leadership on a quarterly basis to ensure the project is delivered.

*Commissioner Brown moved to approve this item. Commissioner Hernandez seconded the motion. The motion passed with the following roll votes:*

Yes: Brown, Hendricks, Hernandez, Haubert, Mei  
No: None  
Abstain: None  
Absent: None

### **6.3. Approve the I-680 Sunol Smart Carpool Lane FY2020-21 Mid-Year Budget Update**

Patricia Reavey recommended that the Authority approve the I-680 Sunol SMART Carpool Lane JPA FY2020-21 Mid-Year Budget Update. Ms. Reavey provided an overview of the proposed budget changes that consist of adjustments to the beginning net position of the currently adopted budget to the ending net position in the audited financial statements for FY2019-20, changes due to closure of toll revenue service, and timing of I-680 Express Lane project and related upgrades including the disposal of legacy equipment. She reviewed proposed changes to specific line items in the budget and noted that there is a beginning net position of \$6.8 million, revenues of \$118 thousand, and expenses of \$2.15 million for an overall change in net position of \$2 million. There were no changes proposed for the maintenance reserve, and the operational risk reserves are replenished as part of this budget update to \$2 million. Operational risk reserves are important to ensure sustainability and cover unanticipated expenses such as the pandemic.

Commissioner Hendricks asked how much the revenue is reduced in this fiscal year due to the Implementation of a new toll system being delayed, and what the overall budget will look like going forward. Ms. Lengyel stated that overall the revenues are reduced because tolls are not being collected and expenditures are also reduced because the Authority is not paying for enforcement by CHP nor the transactions fees with BATA. The Authority will dispose of the antiquated equipment and is working with legal counsel on addressing the damages due to the delay of the implementation of the toll system. Ms. Reavey stated that, overall, expenses decreased more than revenues.

*Commissioner Haubert moved to approve this item. Commissioner Brown seconded the motion. The motion passed with the following roll votes:*

Yes: Brown, Hendricks, Hernandez, Haubert, Mei  
No: None  
Abstain: None  
Absent: None

## **7. Committee Member Report**

There were no committee reports.



**8. Staff Reports**

There were no staff reports.

**8. Adjournment/ Next Meeting**

The next meeting is:

Date/Time: Monday, May 10, 2021 at 9:00 a.m.

*This page intentionally left blank*



# Memorandum

4.2

1111 Broadway, Suite 800, Oakland, CA 94607 • 510.208.7400 • www.AlamedaCTC.org

**DATE:** May 3, 2021

**TO:** I-680 Sunol Express Lane Joint Powers Authority

**FROM:** Liz Rutman, Director of Express Lanes Implementation and Operations

**SUBJECT:** I-680 Sunol SMART Carpool Lane JPA Annual Report Update

## Recommendation

This item is to provide the Authority with an update on the I-680 Sunol Southbound Express Lane FY 2019-20 Annual Report. This item is for information only.

## Summary

Annually, staff provides the Sunol Smart Carpool Lane Joint Powers Authority (JPA) Board an annual report. The attached I-680 Sunol Southbound Express Lane FY 2019-20 Annual Report includes key project and express lane information and milestones, corridor usage, toll rate data, and financial information.

## Background

This tenth annual report is responsive to the JPA Administrative Code requirement that the managing agency shall prepare or oversee the preparation of an annual report to the governing board and the member agencies.

**Fiscal Impact:** There is no fiscal impact. This is an information item only.

## Attachment:

- A. [I-680 Southbound Sunol Express Lane FY 2019-20 Annual Report](#)

*This page intentionally left blank*



**DATE:** May 3, 2021

**TO:** I-680 Sunol Express Lane Joint Powers Authority

**FROM:** Liz Rutman, Director of Express Lanes Implementation and Operations

**SUBJECT:** I-680 Sunol Express Lanes Project Implementation Update

## Recommendation

This item is to provide the Authority with an update on the status of I-680 Sunol Express Lanes – Phase 1 project implementation. This item is for information only.

## Summary

The Interstate 680 (I-680) Sunol Express Lanes (EL) Project (Phase 1) will provide enhanced mobility for motorists in both the northbound and southbound directions by providing a 9-mile express lane segment on northbound I-680 between south of Auto Mall Parkway and SR 84 and converting the existing southbound controlled-access express lane to an open-access facility between SR 84 and SR 262. A new toll system will be deployed for both directions of travel with new technology that will allow for implementation of all adopted toll policies.

The purpose of this item is to provide the Authority with a status update on the project development and implementation activities which are either completed or planned for the Phase 1 project.

## Background

The I-680 Sunol Southbound Express Lane was opened to traffic in September 2010 as a controlled access HOV/Express Lane. Deemed a success, the next logical step was to develop a parallel northbound express lane. The I-680 Sunol Express Lanes Project (Phase 1) has widened northbound I-680 to provide a 9-mile Express Lane segment on northbound I-680 between south of Auto Mall Parkway and SR 84. To be consistent with the new northbound express lane and provide enhanced accessibility for users, the project has also converted the existing southbound controlled-access express lane to an open-access facility between SR 84 and SR 262. The project will provide a number of benefits to all motorists within the corridor. Motorists using the express lane will enjoy faster and more reliable travel times within the corridor, and all travel lanes will see reduced congestion. The express lane will optimize the

corridor capacity by providing a choice to drivers: single occupancy vehicles (SOVs) will have the option to pay an electronic toll to access the express lane, while carpools with two or more persons, motorcycles, and transit vehicles may use the lane at no cost and eligible clean air vehicles may receive a 50% toll discount for solo drivers. All users must have a valid FasTrak® account to use the express lanes.

The Project Approval and Environmental Document (PA&ED) for the overall project was completed in July 2015. In December 2015, WMH Corporation was selected to prepare the civil design and will continue to provide design support during construction. In June 2016, Kapsch TrafficCom Transportation NA, Inc. (Kapsch) was selected to provide Toll System Integration Services. In November 2017, Bay Cities Paving & Grading Inc. was awarded the civil construction contract.

Alameda CTC, in partnership with Caltrans, is the implementing agency for preliminary engineering, environmental studies, design, right-of-way acquisition, and utility relocation. For the construction phase, Alameda CTC is the project sponsor and Caltrans is the implementing agency to administer the construction of the Phase 1 project. Civil construction began on March 5, 2018. In order to complete the civil construction work, with Caltrans concurrence, the I-680 Sunol Southbound Express Lane ceased revenue operations and began operating in HOV ONLY mode beginning August 10, 2020, meaning that they are open for use only to HOV-eligible vehicles during the operating hours of 5 am – 8 pm, Monday – Friday, and open to all users during all other hours. On October 29, 2020, the new northbound express lane was opened for use, also in HOV ONLY mode, while construction and toll system development activities were completed. At this time, the new toll system is not yet ready to begin tolling operations. However, the civil construction work and is substantially complete and close-out of the civil construction contract is underway

Implementation of a new toll system requires the services of a Toll System Integrator (TSI), who provides very specialized services for toll system design, software development, equipment procurement and installation, testing, and opening the express lanes for revenue service. Only upon completion of system testing during live operations, is the toll system implementation considered complete. The Kapsch team has encountered delays in finalizing the toll system design and software development. To keep the project moving forward, Kapsch has installed the toll equipment at risk so that, once the software development and preliminary testing are completed, field testing can proceed immediately. Full toll operations are currently projected to begin in Fall 2021.

**Fiscal Impact:** There is no fiscal impact. This is an information item only.



# Memorandum

5.1

1111 Broadway, Suite 800, Oakland, CA 94607 • 510.208.7400 • www.AlamedaCTC.org

**DATE:** May 3, 2021

**TO:** I-680 Sunol Express Lane Joint Powers Authority

**FROM:** Patricia Reavey, Deputy Executive Director of Finance and Administration  
Yoana Navarro, Accounting Manager

**SUBJECT:** Approve the I-680 Sunol Smart Carpool Lane FY2020-21 Third Quarter Financial Report

## Recommendation

It is recommended that the Authority approve the I-680 Sunol Smart Carpool Lane FY2020-21 Third Quarter Financial Report.

## Summary

This financial report provides a summary of revenues and expenses related to the I-680 Sunol Smart Carpool Lane for the fiscal year through March 31, 2021. Net toll and other revenues were \$112,052 or 1.9 percent more than projected through the third quarter of FY2020-21. No additional toll revenues are expected through the balance of the fiscal year. Operating expenses through the third quarter totaled \$542,869 or 44.3 percent less than budget due to allowances made in operating expense budget line items for current schedule which anticipates that the express lanes will become operational before the end of the fiscal year. In addition, non-operating expenses through the third quarter totaled \$418,272 or 40.4 percent less than budget due to a delay in the Toll Revenue Forecasting special project. Non-Operating expenses are comprised mostly of the loss on disposal of assets that were no longer usable due to the upgrades under development as part of Alameda CTC's I-680 capital project. These variances together resulted in a decrease to net position of \$849,089 for an ending net position of \$5,977,549. As of March 31, 2021, the I-680 Sunol Smart Carpool Lane had cash and investments totaling \$5.7 million.

## Background

The FY2020-21 mid-year budget update approved by the I-680 Sunol Smart Carpool Lane Board in February 2021 included \$0.1 million of revenues which was offset by \$2.1 million of expenses, including depreciation, resulting in a decrease of \$2.0 million to the projected net position for the fiscal year. The projected net position in the budget at the

end of FY2020-21 was \$4,793,694 comprised of \$257,969 invested in capital assets; \$2,500,000 reserved for maintenance; \$2,000,000 reserved for operational risk; and \$35,725 of unrestricted funds. There was no capital budget proposed for FY2020-21.

**Fiscal Impact:** There is no fiscal impact associated with the requested action.

**Attachment:**

- A. I-680 Sunol Smart Carpool Lane Statement of Operating Revenues and Expenses  
As of March 31, 2021



**I-680 SUNOL SMART CARPOOL LANE**  
**Statement of Operating Revenues and Expenses**  
**As of March 31, 2021**

	<u>YTD Actuals</u>	<u>YTD Budget</u>	<u>% Used</u>	<u>Favorable / (Unfavorable) Variance</u>
Beginning Net Position, June 30, 2020	\$ 6,826,638			
<b><u>OPERATING REVENUES</u></b>				
Toll Revenue	\$ 85,930	\$ 85,213	100.8%	\$ 717
Other Income	1,000	-	0.0%	1,000
Interest Income	25,122	24,750	101.5%	372
Total Operating Revenues:	<u>112,052</u>	<u>109,963</u>	<u>101.9%</u>	<u>2,089</u>
<b><u>OPERATING EXPENSES</u></b>				
Operations and Maintenance	\$ 46,198	\$ 67,500	68.4%	\$ 21,302
Revenue Collection Fees	19,777	150,000	13.2%	130,223
Alameda CTC Operations and Management	231,105	200,250	115.4%	(30,855)
System Manager/Operations Support	28,540	18,750	152.2%	(9,790)
Enforcement	15,454	112,500	13.7%	97,046
Express Lane Operations Monitoring Technicians	9,451	48,000	19.7%	38,549
Utilities	10,061	37,500	26.8%	27,439
Alameda CTC Administration	51,225	53,250	96.2%	2,025
IT Support	25,525	31,838	80.2%	6,313
Insurance	74,342	75,000	99.1%	658
Public Outreach/Education	5,982	18,750	31.9%	12,768
Legal Fees	8,556	37,500	22.8%	28,944
Roadway Maintenance	4,348	30,000	14.5%	25,652
Miscellaneous	12,305	18,750	65.6%	6,445
Contingency	-	75,000	0.0%	75,000
Total Operating Expenses:	<u>542,869</u>	<u>974,588</u>	<u>55.7%</u>	<u>431,719</u>
Operating Surplus (Deficit)	<u>(430,817)</u>	<u>(864,625)</u>		
<b><u>OTHER EXPENSES</u></b>				
Special Project - Salaries & Benefits	\$ 1,142	\$ 3,900	29.3%	\$ 2,758
Special Project - Toll Revenue Forecasting	-	281,250	0.0%	281,250
Loss on Disposal of Assets	417,130	417,130	100.0%	-
Total Non-Operating Expenses:	<u>418,272</u>	<u>702,280</u>	<u>59.6%</u>	<u>284,008</u>
<b><u>ENDING NET POSITION</u></b>	<u>\$ 5,977,549</u>			
<b><u>Net Position</u></b>				
Invested in Capital Assets	312,347			
Maintenance Reserve	2,500,000			
Operational Risk Reserve	2,000,000			
Unrestricted Net position	1,165,202			
Total Net Position as of March 31, 2021	<u>\$ 5,977,549</u>			

*This page intentionally left blank*



# Memorandum

5.2

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

**DATE:** May 3, 2021

**TO:** I-680 Sunol Express Lane Joint Powers Authority

**FROM:** Patricia Reavey, Deputy Executive Director of Finance and Administration  
Jeannie Chen, Director of Finance

**SUBJECT:** Approve the I-680 Sunol Smart Carpool Lane Proposed Budget for FY2021-22

## Recommendation

It is recommended that the Authority approve the I-680 Sunol Smart Carpool Lane Proposed budget for FY2021-22.

## Summary

The proposed Sunol Smart Carpool Lane FY2021-22 budget reflects an operating deficit due to the closure of the express lane to revenues service for capital project work on both the northbound and southbound lanes.

The proposed budget is summarized in Attachment A of this staff report and contains projected revenues of \$2,715,000, which reflects a projected return to revenue service in the original southbound I-680 Express Lane and the start of new revenue service in the new northbound I-680 Express Lane in the fall timeframe, and an operating expense budget of \$3,786,900 and other expenses budget of \$410,247, which includes special project expenses related to toll revenue forecasting and non-cash depreciation expense. This is an increase of \$2,045,990 in total projected expenses over the current FY2020-21 budget, related to operations cost of the new I-680 Express Lane system.

There are no capital projects planned for the Sunol Smart Carpool Lane during FY2021-22. If capital needs should arise throughout the fiscal year, a revision to the budget will be made identifying both the additional budget amount needed and the funding source(s), during the mid-year budget update process.

The projected net position balance at the end of FY2021-22 is \$3,311,547 comprised of \$1,000,000 reserved for maintenance, \$2,000,000 reserved for operational risk, \$230,722 invested in capital assets, and \$80,825 of unrestricted funds. The reserves for maintenance in

net position has decreased by \$1,500,000 in this proposed budget for FY2021-22 as major maintenance work is not expected to be required on the express lanes during the next few years due to the upgrades included in the capital project work expected to be completed in FY2021-22. The reserves in this budget are in line with best practices and are necessary to ensure sustainability when maintenance is needed on the toll lane and to cover unanticipated expenses and loss of revenues, such as those related to commitments in the operations and maintenance agreement with Caltrans and loss of revenue due to unexpected events, such as the COVID-19 pandemic, catastrophic failure of the toll lane systems, or a natural disaster, which are not covered by insurance.

### **Background**

Since inception in 2010, FY2019-20 was the fourth fiscal year in which the Sunol Smart Carpool Lane JPA was successful in adopting a budget that allowed for all expenses to be paid with current year toll revenues. However, the practice did not continue for FY2020-21 nor the proposed budget for FY2021-22 due to the pandemic and the closure of revenues operations related to capital project work. It will be important to continue to set aside funds for maintenance and operational risk in future years, whenever possible, in order for the Sunol Smart Carpool Lane to remain sustainable.

**Fiscal Impact:** The fiscal impact of approving the FY2021-22 proposed budget will be to provide resources of \$2,715,000 and authorize expenses of \$4,197,147 reflecting a decrease of \$1,482,147 in net position for a projected ending net position balance of \$3,311,547.

### **Attachment:**

- A. I-680 Sunol Smart Carpool Lane Fiscal Year 2021-22 Proposed Budget

**I-680 SUNOL SMART CARPOOL LANE JPA**  
**Fiscal Year 2021-22**  
**Proposed Budget**

	<b>FY 2020-21 Adopted Budget</b>	<b>FY 2021-22 Proposed Budget</b>
<b>Beginning Net Position</b>	\$ 6,826,638	\$ 4,793,694
 <b><u>OPERATING REVENUES</u></b>		
Toll Revenue	85,213	2,500,000
Toll Violation Revenue	-	200,000
Interest Income	33,000	15,000
<b>Total Operating Revenues:</b>	118,213	2,715,000
 <b><u>OPERATING EXPENSES</u></b>		
Operations and Maintenance	90,000	900,000
Revenue Collection Fees	200,000	735,000
Alameda CTC Operations and Management	267,000	215,000
System Manager/Operations Support	25,000	100,000
Enforcement	150,000	570,000
Express Lane Monitoring	64,000	105,000
Utilities	50,000	100,000
Alameda CTC Administration	71,000	55,000
IT Support	42,450	106,900
Insurance	100,000	200,000
Public Outreach/Education	25,000	100,000
Legal Fees	50,000	25,000
Roadway Maintenance	40,000	50,000
Miscellaneous	25,000	25,000
Contingency	100,000	500,000
<b>Total Operating Expenses:</b>	1,299,450	3,786,900
<b>Operating Surplus/(Deficit)</b>	(1,181,237)	(1,071,900)
 <b><u>OTHER EXPENSES</u></b>		
Special Proj - Toll Rev Forecasting Salaries & Benefits	5,200	8,000
Special Project - Toll Revenue Forecasting	375,000	375,000
Depreciation*	54,377	27,247
Loss on Disposal of Assets*	417,130	-
<b>Total Non-Operating Expenses:</b>	851,707	410,247
<b><u>PROJECTED ENDING NET POSITION</u></b>	<b>\$ 4,793,694</b>	<b>\$ 3,311,547</b>
 <b>Net Position</b>		
Maintenance Reserve	2,500,000	1,000,000
Operational Risk Reserve	2,000,000	2,000,000
Invested in Capital Assets	257,969	230,722
Unrestricted	35,725	80,825
<b>Total Net Position</b>	<b>\$ 4,793,694</b>	<b>\$ 3,311,547</b>

\* Non-cash expense

*This page intentionally left blank*