



## Board of Directors Agenda

Friday, October 11, 2024  
10 a.m.

Welcome to SANDAG. The Board of Directors meeting scheduled for Friday, October 11, 2024, will be held in person in the SANDAG Board Room. While Board of Directors members will attend in person, members of the public will have the option of participating either in person or virtually.

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Webinar ID: 898 5120 0840

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**Public Comments:** Members of the public may speak to the Board of Directors on any item at the time the Board of Directors is considering the item. Public speakers are generally limited to three minutes or less per person.

Persons who wish to address the members on an item to be considered at this meeting, or on non-agendized issues, may email comments to the Clerk at [clerkoftheboard@sandag.org](mailto:clerkoftheboard@sandag.org) (please reference Board of Directors meeting in your subject line and identify the item number(s) to which your comments pertain). Comments received by 4 p.m. the business day before the meeting will be provided to members prior to the meeting. All comments received prior to the close of the meeting will be made part of the meeting record.

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**Vision Statement:** *Pursuing a brighter future for all*

**Mission Statement:** *We are the regional agency that connects people, places, and innovative ideas by implementing solutions with our unique and diverse communities.*

**Our Commitment to Equity:** *We hold ourselves accountable to the communities we serve. We acknowledge we have much to learn and much to change; and we firmly uphold equity and inclusion for every person in the San Diego region. This includes historically underserved, systemically marginalized groups impacted by actions and inactions at all levels of our government and society.*

*We have an obligation to eliminate disparities and ensure that safe, healthy, accessible, and inclusive opportunities are available to everyone. The SANDAG equity action plan will inform how we plan, prioritize, fund, and build projects and programs; frame how we work with our communities; define how we recruit and develop our employees; guide our efforts to conduct unbiased research and interpret data; and set expectations for companies and stakeholders that work with us.*

*We are committed to creating a San Diego region where every person who visits, works, and lives can thrive.*



# Board of Directors

Friday, October 11, 2024

## Comments and Communications

### 1. Non-Agenda Public Comments/Member Comments

Members of the public shall have the opportunity to address the Board of Directors on any issue within the jurisdiction of SANDAG that is not on this agenda. Public speakers are limited to three minutes or less per person. Public comments under this agenda item will be limited to five public speakers. If the number of public comments under this agenda item exceeds five, additional public comments will be taken at the end of the agenda. Board members and SANDAG staff also may present brief updates and announcements under this agenda item.

### Consent

#### +2. Approval of Meeting Minutes

Approve

*Tessa Lero, SANDAG*

The Board of Directors is asked to approve the minutes from its September 27, 2024, meeting.

[Meeting Minutes.pdf](#)

#### +3. Policy Advisory Committee Actions

Approve

*Francesca Webb, SANDAG*

The Board of Directors is asked to ratify the actions taken by the Policy Advisory Committees since the last Board meeting.

[PAC Actions.pdf](#)

#### +4. Meetings and Events Attended on Behalf of SANDAG

Information

*Francesca Webb, SANDAG*

This report provides an update on meetings and events attended by Board members.

[Mtgs and Events Attended on Behalf of SANDAG.pdf](#)

#### +5. FY 2025 Proposed Program Budget Amendment: State Route 125 Toll Removal Analysis

Approve

*Antoinette Meier, SANDAG*

The Board of Directors is asked to approve an amendment to the FY 2025 Program Budget to allocate funds and create a new Capital Improvement Program project number to develop a Project Initiation Document and Preliminary Environmental Analysis Report and evaluate benefits and burdens to social equity populations for the State Route 125 corridor.

[FY 2025 Prop Prog Budg Amend SR 125 Toll Removal Analysis.pdf](#)

[Att. 1 - FY 2025 Prog Budg Chgs SR 125 CMCP.pdf](#)

[Att. 2 - FY 2025 Prog Budg Chgs SR 125 Facility Ops.pdf](#)

[Att. 3 - FY 2025 Prog Budg Changes SR 125 Toll Removal Analysis.pdf](#)

[Att. 4 - Project Initiation Phase and Equity Analysis Timeline.pdf](#)

### Closed Session

**+6. Conference with Legal Counsel – Significant Exposure to Litigation Pursuant to Government Code Section 54956.9 (D)(2) (One Potential Case)**

*Amberlynn Deaton, Antoinette Meier, SANDAG*

The Board will be briefed in closed session on potential claims related to the delivery of its toll operations back-office system.

### Reports

**+7. Back Office System Update**

Approve

*Antoinette Meier, Alex Estrella, SANDAG*

Staff will present an update on the implementation of the back-office system (BOS). The Board of Directors is asked to approve writing off uncollectable account receivable balances older than three years in two phases (as of June 30, 2024, and in coordination with the BOS data migration date.)

[Back Office System Update.pdf](#)

[Supporting Materials.pdf](#)

### Adjournment

**8. Adjournment**

The next Board of Directors meeting is scheduled for Friday, October 25, 2024, at 9 a.m.

+ next to an agenda item indicates an attachment

## **September 27, 2024, Board of Directors Minutes**

### [View Meeting Video](#)

Chairwoman Nora Vargas (County of San Diego) called the meeting of the Board of Directors to order at 9:02 a.m.

#### **1. Non-Agenda Public Comments/Member Comments**

Public Comments: Tijuana Mayor Elect Ismael Burgueno Ruiz, Truth, Purita Javier, Cesar Javier, Robert Germann, and Mary Davis.

Member Comments: Councilmember Melanie Burkholder (Carlsbad) and Deputy Mayor Jewel Edson (NCTD).

#### **2. Chief Executive Officer Agency Report**

##### **2A. Chief Executive Officer Strategic Assessment Update**

Chief Executive Officer Mario Orso presented an update on the agency's activities.

Action: Information.

##### **2B. Administration Budget Amendment**

Senior Director of Organizational Effectiveness Melissa Coffelt presented the item.

The Board of Directors was asked to approve the transfer of funds within the FY 2025 Administration Budget as outlined in this report; and authorize the Chief Executive Officer to execute a lease extension agreement for the 401 B Street office space.

Public Comments on 2A and 2B: Kathryn Rhodes, Truth, Consuelo, The OriginalDra, Blair Beekman, and Paul the Bold.

Action: Upon a motion by Chairwoman Vargas, and a second by Second Vice Chair Lesa Heebner (Solana Beach), the Board voted to approve the transfer of funds within the FY 2025 Administration Budget as outlined in this report; and authorize the Chief Executive Officer to execute a lease extension agreement for the 401 B Street office space.

The motion passed.

Yes: Chairwoman Vargas, Second Vice Chair Heebner, Councilmember Burkholder, Councilmember Carolina Chavez (Chula Vista), Councilmember John Duncan (Coronado), Deputy Mayor Terry Gaasterland (Del Mar), Mayor Bill Wells (El Cajon), Mayor Tony Kranz (Encinitas), Mayor Dane White (Escondido), Councilmember Mitch McKay (Imperial Beach), Councilmember Jack Shu (La Mesa), Mayor Racquel Vasquez (Lemon Grove), Councilmember Luz Molina (National City), Mayor Steve Vaus (Poway), Councilmember Raul Campillo (City of San Diego), Mayor Rebecca Jones (San Marcos), Councilmember Ronn Hall (Santee), and Councilmember Dan O'Donnell (Vista).

No: None.

Abstain: None.

Absent: Oceanside.

## Consent

### 3. Approval of Meeting Minutes

The Board of Directors was asked to approve the minutes from its September 13, 2024, meeting.

### 4. Chief Executive Officer Delegated Actions\*

In accordance with various Board Policies, this report summarized delegated actions taken by the Chief Executive Officer.

### 5. Overview of Developments in the Financial Markets, Quarterly Finance Report as of June 30, 2024\*

This report provided an update on the latest developments in the financial markets, economy, sales tax revenues, and strategies being explored and implemented to minimize possible impacts to the TransNet Program.

### 6. Quarterly Project Progress and Budget Update, FY 2024, Quarter 4\*

This quarterly report provided an update on the status of the agency's projects as approved in the FY 2024 Program Budget through June 2024 (Quarter 4).

### 7. Master Agreement for State-Funded Transit Projects with Caltrans

The Transportation Committee recommended that the Board of Directors adopt Resolution No. 2025-04, authorizing the Chief Financial Officer to execute the Master Agreement for State-Funded Transit Projects with Caltrans.

### 8. Regional Active Transportation Program Call for Projects

This report provided an update on the Cycle 7 Regional Active Transportation Program Call for Projects.

### 9. Final 2025 Regional Transportation Improvement Program\*

The Transportation Committee recommended that the Board of Directors, acting as the San Diego County Regional Transportation Commission, adopt Regional Transportation Commission (RTC) Resolution No. RTC-2025-03, adopting the final 2025 Regional Transportation Improvement Program, including its air quality conformity analysis and air quality conformity redetermination of the revenue constrained Amended San Diego Forward: The 2021 Regional Plan.

### 10. Proposed Program Budget Amendment and Approval of Contract Award for the Uptown Bikeways: Eastern Hillcrest Bikeway Project

The Board of Directors was asked to authorize the Chief Executive Officer to approve the acceptance of additional funds from the City of San Diego in the amount of \$12,243,000, and award a contract to the vendor for construction of the Uptown Bikeways: Eastern Hillcrest Bikeway Project.

### 11. Policy Advisory Committee Actions

The Board of Directors was asked to ratify the actions taken by the Policy Advisory Committees since the last Board meeting.

Public Comments: Truth, Nos. 3-11; Mary Davis, No. 10; Mark, Nos 3-11; Kathryn Rhodes, No. 7; Consuelo, Nos. 3-11; Gerrie Trussell, No. 10; Blair Beekman, Nos. 3-11; The OriginalDra, Nos. 3-11; and Paul the Bold, Nos. 6, 10, & 11.

Action: Upon a motion by Councilmember Burkholder, and a second by Councilmember Shu, the Board voted to approve the Consent Agenda.

The motion passed.

Yes: Chairwoman Vargas, Second Vice Chair Heebner, Councilmember Burkholder, Councilmember Chavez, Councilmember Duncan, Deputy Mayor Gaasterland, Mayor Wells, Mayor Kranz, Mayor White, Councilmember McKay, Councilmember Shu, Mayor Vasquez, Councilmember Molina, Mayor Vaus, Councilmember Campillo, Mayor Jones, Councilmember Hall, and Councilmember O'Donnell.

No: None.

Abstain: None.

Absent: Oceanside.

## **Reports**

### **12. 2025 Regional Plan Update**

Senior Director of Regional Planning Antoinette Meier and Manager of Regional Models Bhargava Sana presented an overview of the preliminary modeling, proposed updates to the initial concept, and next steps for developing the 2025 Regional Plan.

Public Comments: Truth, Mary Davis, Rosa Padilla, Bee Mittermiller, Esperanza Gonzales, Maritza Garcia, Mark, Kathryn Rhodes, Cesar Javier, Corinna Contreras, Craig Jones, Paul the Bold, The OriginalDra, I.r., Blair Beekman, Phone #672/Consuelo, and sd.

Action: Discussion.

Closed Session Public Comments: Truth, Kathryn Rhodes, Blair Beekman, The OriginalDra, Paul the Bold, and Consuelo/Phone #672.

Chairwoman Vargas recessed to closed session at 12:46 p.m.

## **Closed Session**

### **13. Conference with Legal Counsel – Significant Exposure to Litigation Pursuant to Government Code Section 54956.9 (D)(2) (One Potential Case)**

Second Vice Chair Heebner reconvened to open session at 1:29 p.m.

Board Counsel Alfred Smith reported the following out of closed session: The Board met in closed session on Agenda Item No.13, and there was no reportable action.

Continued Non-Agenda Public Comments: Mark, Kathryn Rhodes, Consuelo, Blair Beekman, The OriginalDra, and Phone #415/Paul the Bold.

### **14. Adjournment**

The next Board of Directors meeting is scheduled for Friday, October 11, 2024, at 10 a.m.

Second Vice Chair Heebner adjourned the meeting at 1:39 p.m.

**Confirmed Attendance at SANDAG Board of Directors Meeting**

<b>Board of Directors</b>	<b>Title</b>	<b>Name</b>	<b>Attend</b>
Carlsbad	Councilmember	Melanie Burkholder (Primary)	Yes
Chula Vista	Councilmember	Carolina Chavez (Primary)	Yes
Coronado	Councilmember	John Duncan (Primary)	Yes
County of San Diego	Chairwoman	Nora Vargas (Primary)	Yes
County of San Diego	Supervisor	Joel Anderson (Primary)	Yes
Del Mar	Deputy Mayor	Terry Gaasterland (Primary)	Yes-virtual
El Cajon	Mayor	Bill Wells (Primary)(9-12:41pm)	Yes
Encinitas	Mayor	Tony Kranz (Primary)(9-17-1:39pm)	Yes
Escondido	Mayor	Dane White (Primary)	Yes
Imperial Beach	Councilmember	Mitch McKay (Alternate)	Yes
La Mesa	Councilmember	Jack Shu (Primary)	Yes
Lemon Grove	Mayor	Racquel Vasquez (Primary)(9-15-1:39pm)	Yes
National City	Councilmember	Luz Molina (Primary)	Yes
Oceanside	Deputy Mayor	Ryan Keim (Primary)	No
Poway	Mayor	Steve Vaus (Primary)(9-11:10am)	Yes
City of San Diego	Councilmember	Raul Campillo (Alternate)(9am-12pm)	Yes
City of San Diego	Councilmember	Vivan Moreno (Alternate)(9-10:49am)(12:05-1:39p)	Yes
San Marcos	Mayor	Rebecca Jones (Primary)(9am-12:43pm)	Yes
	Councilmember	Ed Musgrove (Alternate)(12:43-1:39pm)	Yes
Santee	Councilmember	Ronn Hall (Alternate)(9-11:05am)	Yes
Solana Beach	Second Vice Chair	Lesia Heebner (Primary)	Yes
Vista	Councilmember	Dan O'Donnell (Alternate)(9-18-11:32am)	Yes
Caltrans	Director	Everett Townsend	Yes
Metropolitan Transit System	Deputy Mayor	Matthew Leyba-Gonzalez (Primary)	Yes
North County Transit District	Deputy Mayor	Jewel Edson (Primary)	Yes
Imperial County	Supervisor	Jesus Eduardo Escobar	Yes
U.S. Department of Defense	Executive Director	Dennis Keck (Primary)	Yes
Port of San Diego	Commissioner	Dan Malcolm (Primary)	Yes
SD County Water Authority	Director	Mel Katz (Primary)	No
SDCRAA	Director	James Sly (Alternate)	Yes
Mexico	Consul General	Alicia Kerber (Primary)	Yes
SCTCA	Chairwoman	Erica Pinto (Primary)	No
Association of Planning Groups	Boardmember	Eileen Delaney	Yes-virtual



## Policy Advisory Committee Actions

### Overview

[SANDAG Board Policy No. 001](#) delegates certain responsibilities to the Policy Advisory Committees to allow SANDAG to effectively address key public policy and funding responsibilities. All items delegated to the Policy Advisory Committees are subject to ratification by the Board of Directors. Below are the delegated actions taken by the Policy Advisory Committees that are subject to ratification.

The links provided below will navigate to the SANDAG web page where the meeting agenda and minutes (when available) will be posted.

### Action: **Approve**

The Board of Directors is asked to ratify the actions taken by the Policy Advisory Committees since the last Board meeting.

### Fiscal Impact:

None.

### Schedule/Scope Impact:

None.

### [Executive Committee, October 11, 2024](#)<sup>1</sup>

Approved the draft agendas for its October 25, 2024, and November 8, 2024, Board of Directors meetings.

Approved the allocation of \$500,000 from the Contingency Reserve in FY 2025 to fund ongoing costs associated with responding to the inquiries from the Department of Justice.

**Victoria Stackwick, Chief of Staff**

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<sup>1</sup> Any changes to these actions will be reported to the Board of Directors following the Executive Committee meeting on Friday, October 11, 2024.

## Meetings and Events Attended on Behalf of SANDAG

### Overview

In accordance with Government Code requirements, when members of a legislative body attend meetings at the expense of the local agency, a report is to be provided summarizing such meetings. Since the last report, Board of Directors members reported their participation in the following meetings and events on behalf of SANDAG. Key topics of discussion are also summarized.

### ***September 16, 2024: LOSSAN Board Meeting***

Councilmember Joy Lyndes (Encinitas) participated in the LOSSAN Board meeting as the officially appointed representative for SANDAG. The Board approved Amendment No. 3 with the Abbi Agency to continue to provide social media marketing and passenger communication services for the Pacific Surfliner marketing program; authorized the Managing Director to negotiate and execute an agreement with Amtrak to provide continued operation of the Pacific Surfliner intercity passenger rail service; and received an update on the statewide redeployment plan for the state-owned bi-level cars. Councilmember Lyndes received a stipend of \$100 for virtual attendance at this meeting.

### ***September 26, 2024: FACT Board Meeting***

Deputy Mayor Jewel Edson (Solana Beach) participated in the FACT Board meeting as the officially appointed representative for SANDAG. The FACT Board received updates and reports from its partners including SANDAG. The Board discussed the June 2024 Financial Summary; 2024 Board Officer Elections; RideFACT progress report through June 2024 and a recap of the annual RideFACTNOW performance; and updates on the status of grant funded projects and programs. Deputy Mayor Edson received a stipend of \$100 for virtual attendance at this meeting.

***Victoria Stackwick, Chief of Staff***

### Action: **Information**

This report provides an update on meetings and events attended by Board members.

### **Fiscal Impact:**

Funding for expenses related to these meetings is provided via Overall Work Program Element No. 9000100 in accordance with Article III, Section 5 of the SANDAG Bylaws.

### **Schedule/Scope Impact:**

None.

## FY 2025 Proposed Program Budget Amendment: State Route 125 Toll Removal Analysis

### Overview

On [May 24, 2024](#), the Board of Directors directed staff to initiate the Project Initiation Phase, Preliminary Environmental Analysis Report (PEAR), and an equity analysis, and to provide a detailed timeline for the removal of toll-only operations of State Route 125 (SR 125) earlier than 2042.

The Project Initiation Phase includes the development of a Project Initiation Document (PID) and PEAR. The PID and PEAR will identify project alternatives, scope the environmental process, and develop a plan of action for implementing the toll removal. The equity analysis will evaluate benefits and burdens to social equity populations and identify recommendations to advance equity within the corridor. The Board of Directors is asked to amend the FY 2025 Program Budget to create a new Capital Improvement Program (CIP) and reallocate funding to facilitate this work.

As part of the May 24, 2024, action, the Board of Directors also directed staff to conduct an analysis of opportunity costs for public safety without immediate investment in State Route 67 (SR 67). Caltrans will provide an update on SR 67 safety improvements with the Mobility Working Group and Transportation Committee and bring an update to the Board in fall/winter 2024. If it is determined that paying back the toll revenue bonds early will impact the timely delivery of other regional priorities, staff will bring the item to the Board to discuss any potential funding impacts.

### Key Considerations

#### Funding Strategy

Staff presented an approximate cost of \$600,000 for conducting the Project Initiation Phase (\$400,000) and equity analysis (\$200,000) at the Board of Directors meeting on May 24, 2024. Staff proposes to re-purpose \$300,000 currently allocated for the SR 125 Comprehensive Multimodal Corridor Plan (CMCP) (CIP Project No. 1612501) and \$300,000 from toll revenues to complete this work under a new CIP Project No. 1612502, SR 125 Toll Removal Analysis. The SR 125 CMCP will be on hold until the completion of the SR 125 Toll Removal Analysis. The results of the analysis will be used to inform the SR 125 CMCP process. The table below and Attachments 1-3 show the proposed budget changes.

### Action: Approve

The Board of Directors is asked to approve an amendment to the FY 2025 Program Budget to allocate funds and create a new Capital Improvement Program project number to develop a Project Initiation Document and Preliminary Environmental Analysis Report and evaluate benefits and burdens to social equity populations for the State Route 125 corridor.

### Fiscal Impact:

The estimated cost for the initial planning work to identify options for removing tolls on State Route 125 and conduct an equity analysis is \$600,000. \$300,000 would be moved from Capital Improvement Program (CIP) Project No. 1612501 to new CIP Project No. 1612502. The remaining \$300,000 would come from toll revenues.

### Schedule/Scope Impact:

The Project Initiation Phase and equity analysis are anticipated to be completed by December 2025.

		<b>Funding Source</b>	
		<b>Toll Revenues</b>	<b>Total</b>
SR 125 CMCP (CIP Project No. 1612501)	Current	\$300,000	\$300,000
	Change	(\$300,000)	(\$300,000)
	Proposed	\$0	\$0
SR 125 Facility Operations (Overall Work Program 3312100)	Current	\$31,927,889	\$31,927,889
	Change	(\$300,000)	(\$300,000)
	Proposed	\$31,627,889	\$31,627,889
SR 125 Toll Removal Analysis (new CIP Project No. 1612502)	Current	\$0	\$0
	Change	\$600,000	\$600,000
	Proposed	\$600,000	\$600,000

### ***Project Initiation Phase***

A completed PID and PEAR are required for the project to proceed to the environmental phase and will identify the required environmental document. Upon completion of the project setup, Caltrans estimates that the Project Initiation Phase will take approximately 12 months and cost \$400,000.

### ***Equity Analysis***

The equity analysis of the toll road will utilize data on current toll usage, existing and projected transportation patterns along the corridor, and sociodemographic characteristics of neighboring communities to evaluate current equity impacts and identify near-term opportunities for addressing those impacts.

The equity analysis report will provide recommendations on additional research needed and mitigation measures to explore. The equity analysis will take approximately 12 months and cost \$200,000.

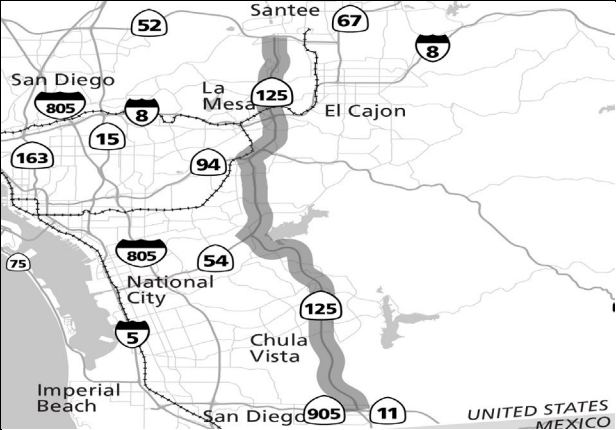
Attachment 4 shows the estimated timeline to complete the Project Initiation Phase and equity analysis.

### ***Next Steps***

Upon Board approval, staff will initiate the Project Initiation Phase and start the equity analysis. Staff will come back to the Board at the end of 2025 to provide the results of the studies and options the Board can consider for the SR 125.

### ***Antoinette Meier, Senior Director of Regional Planning***

- Attachments:
1. FY 2025 Program Budget Changes: SR 125 CMCP (CIP Project No. 1612501)
  2. FY 2025 Program Budget Changes: SR 125 Facility Operations (OWP 3312100)
  3. FY 2025 Program Budget Changes: SR 125 Toll Removal Analysis (CIP Project No.1612502)
  4. Project Initiation Phase and Equity Analysis Timeline

<b>Project Name: CMCP - High Speed Transit/SR 125</b> <b>CIP No.: 1612501</b>										<b>Corridor Director: Rachel Kennedy</b> <b>Project Manager: Mimi Morisaki</b>							
<b>Project Scope</b> Development of multimodal transportation solutions to improve mobility in the corridor along SR 125 from SR 52 to SR 905 and the U.S.-Mexico border. <del>The CMCP also will include analysis of tolls on the South Bay Expressway.</del>										<b>Site Location</b> 							
<b>Project Limits</b> On SR 125 from SR 52 to SR 905 and the U.S.-Mexico Border.																	
<b>Progress to Date</b> <del>Study will begin in FY25.</del> Study is on hold until the completion of the Project Initiation Phase and equity analysis that is part of the SR 125 Toll Removal Analysis (1612502).																	
<b>Major Milestones</b> Draft Environmental Document N/A Final Environmental Document N/A Ready to Advertise N/A Begin Construction N/A Open to Public N/A Construction Complete N/A																	

SANDAG Expenditure Plan (thousands of dollars)																	
Budget Phase	Prior Years	Prior Years	FY 24	FY24	FY 25	FY 25	FY 26	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	Total	Total
Administration	\$120	\$120	\$170	\$109	\$335	\$316	\$1,150	\$1,230	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,775	\$1,775
Environmental	1	0	30	26	500	205	946	946	0	0	0	0	0	0	0	1,477	1,177
Design	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Right-of-Way Support	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Right-of-Way Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Construction Support	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Construction Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vehicles	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
I.T.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Professional Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Communications	0	0	2	2	70	70	18	18	0	0	0	0	0	0	0	90	90
Project Contingency	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total SANDAG</b>	<b>\$124</b>	<b>\$120</b>	<b>\$202</b>	<b>\$137</b>	<b>\$905</b>	<b>\$591</b>	<b>\$2,114</b>	<b>\$2,194</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,342</b>	<b>\$3,042</b>

Caltrans Expenditure Plan (thousands of dollars)																	
Budget Phase	Prior Years	Prior Years	FY 24	FY24	FY 25	FY 25	FY 26	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	Total	Total
Environmental	\$0	\$0	\$100	\$0	\$250	\$100	\$0	\$250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$350	\$350
Design	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Right-of-Way Support	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Right-of-Way Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Construction Support	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Construction Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vehicles	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Caltrans</b>	<b>\$0</b>	<b>\$0</b>	<b>\$100</b>	<b>\$0</b>	<b>\$250</b>	<b>\$100</b>	<b>\$0</b>	<b>\$250</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$350</b>	<b>\$350</b>

<b>Total Expenditures</b>	<b>\$124</b>	<b>\$120</b>	<b>\$302</b>	<b>\$137</b>	<b>\$1,155</b>	<b>\$691</b>	<b>\$2,114</b>	<b>\$2,444</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,692</b>	<b>\$3,392</b>
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Funding Plan (thousands of dollars)																	
Funding Source	Prior Years	Prior Years	FY 24	FY24	FY 25	FY 25	FY 26	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	Total	Total
<b>Federal</b>																	
74100001 RSTP	\$119	\$118	\$150	\$124	\$609	\$521	\$1,999	\$2,114	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,877	\$2,877
RSTP	0	0	100	0	250	100	0	250	0	0	0	0	0	0	0	350	350
<b>Local</b>																	
91000100 TransNet-MC	2	2	52	13	57	70	54	80	0	0	0	0	0	0	0	165	165
93140001 SR 125 Toll Revenues	0	0	0	0	239	0	64	0	0	0	0	0	0	0	0	300	0
<b>Total Funding</b>	<b>\$124</b>	<b>\$120</b>	<b>\$302</b>	<b>\$137</b>	<b>\$1,155</b>	<b>\$691</b>	<b>\$2,114</b>	<b>\$2,444</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,692</b>	<b>\$3,392</b>

**Work Element: 3312100 – SR 125 Facility Operations**

**Project Manager: Lucinda Broussard**

### Project Expenses

Expense	FY 2023 Budget	FY 2024 Budget	FY 2025 Budget
Salaries, Benefits, Indirect	\$6,129,248	\$7,780,870	\$8,948,702
Other Direct Costs	\$5,186,443	\$6,072,197	<del>\$6,250,637</del> \$5,950,637
Materials and Equipment	\$553,316	\$623,000	\$495,000
Contracted Services	\$1,305,652	\$2,127,188	\$2,331,300
Pass-Through to Other Agencies	\$0	\$0	\$0
Debt Service and Project Reserves	\$5,869,150	\$13,894,000	\$13,902,250
<b>Total</b>	<b>\$19,043,809</b>	<b>\$30,497,255</b>	<b><del>\$31,927,889</del>\$31,627,889</b>

### Project Funding

Funding	FY 2023 Funding	FY 2024 Funding	FY 2025 Funding
SR125 Toll Road Revenue	\$19,043,809	\$30,497,255	<del>\$31,927,889</del> \$31,627,889
<b>Total</b>	<b>\$19,043,809</b>	<b>\$30,497,255</b>	<b><del>\$31,927,889</del>\$31,627,889</b>

### Objective

The objective of this work element is to maintain and operate the SR 125 Toll Road; collect tolls; and project revenue to pay for operations, maintenance, and debt. Emphasis in FY 2025 will be to transition the new roadway toll collection system and cash and credit card payment machines; increase toll revenue and efficiently manage operating expenses to support the repayment of outstanding debt; and improve customer service through new account management tools and support options.

### Previous Accomplishments

SANDAG has consistently operated the facility within budget, met debt service obligations, and exceeded traffic and revenue targets prior to the pandemic.

### Justification

In 2011, SANDAG completed the acquisition of the SR 125 Development Franchise Agreement, which is scheduled to terminate in 2042. To complete the purchase, SANDAG incurred debt and is required to manage the facility in a manner to support repayment of the bonds, adhere to Caltrans standards for maintenance, and to make improvements based on traffic levels. This work element provides for SANDAG management of the program, contracted services, daily operations, and debt service payments.

## Product, Tasks, and Schedule for FY 2025

Task No.	Total	Task Description	Task Product	Completion Date
1.	\$1,690,805	Operations management with a focus on crucial supporting roles such as human resources, regional membership, trainings, safety, insurance, and other regulatory compliance. (Admin)	Continued enhancement in efficiency and advancement in innovation and growth, and heightened adaptability.	6/30/2025
2.	<del>\$4,050,976</del> \$3,750,976	Prioritizing customer service excellence, with a focus on reducing call center wait times, efficiently providing FasTrak program and 6C toll technology information, processing payments, and managing customer accounts. With a goal of enhancing Toll Road marketing and promotion, aimed at increasing usage, revenue, FasTrak® account sign-ups, and account growth. (CustServ)	Call center performance reports, outreach and marketing plans, marketing collateral, and updated customer agreements.	6/30/2025
3.	\$3,308,650	Continue to effectively maintain safe facilities while incorporating electric vehicles, focus on routine preventive maintenance and upgrade the infrastructure. Manage energy efficiently, with renewable sources and emphasize sustainability, utilize technology for real-time monitoring, conduct regular inspections, and adhere to safety and compliance standards. (Facilities)	Adopting electric vehicles and charging, alongside routine maintenance. Grow efficiencies and with a sustainable operation. Ensure a safe, environmentally friendly, and technologically advanced workplace.	6/30/2025
4.	\$17,143,529	Maintain accurate revenue and expense information in SR 125 accounting system; ensure debt service and funding reserve obligations are recorded in a timely manner; and provide management reports along with adherence to the Master Trust and Franchise Development Agreements. (Finance)	Quarterly and annual financial and operations reports via the Municipal Securities Rulemaking Board's Electronic Municipal Market. Access portal required under the Security and Exchange Commission Rule 15c2-12 with respect to the Continuing Disclosure and Master Trust Agreements	6/30/2025
5.	\$3,465,598	Complete transition to the new Regional Tolling System; database migration, administration, and support for SANDAG's Tolling and Customer Information Services in support of SANDAG's tolling software implementation, maintain high level of tolling system availability, network security, and interface with external partners. (IT)	Reliable system performance at toll lanes and back office, database administration support for ongoing operational needs, monthly supplemental reports, an interoperable toll system that conforms to applicable standards	6/30/2025
6.	\$2,268,331	Maintain the toll collection hardware, traffic management systems, enforcement protocols, and safety measures in optimal condition, while ensuring diligent upkeep of roadway maintenance and landscaping. (Roadway)	Toll road operations on a 24/7/365 basis and monthly maintenance report	6/30/2025

## Future Activities

Continue to improve the Toll Operations Center building, roadway, and network infrastructure to meet the terms of the SR 125 Development Franchise Agreement.



Project Name: **CMCP--SR 125 Toll Removal Analysis**

CIP No.: **1612502**

RTIP No.: **TBD**

Corridor Director: **Rachel Kennedy**

Project Manager: **Mimi Morisaki**

**Project Scope**

The project will conduct the Project Initiation Phase, which includes the development of a Project Initiation Document (PID) and Preliminary Environmental Analysis Report (PEAR). The PID and PEAR will identify project alternatives, scope the environmental process, and develop a plan of action for removing toll-only operations earlier than 2042. The Equity Analysis will evaluate benefits and burdens to social equity populations and identify recommendations that advance equity within SR 125 corridor.

**Project Limits**

On SR 125 from SR 905 to SR 54

**Progress to Date**

Project will begin in FY25.

**Major Milestones**

Draft Environmental Document

N/A

Final Environmental Document

N/A

Ready to Advertise

N/A

Begin Construction

N/A


Open to Public

N/A

Construction Complete

N/A

**Site Location**



SANDAG Expenditure Plan (thousands of dollars)														
Budget Phase	Prior Years	FY 24	FY 25	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	Total	Total
Administration	\$0	\$0	\$0	\$20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20
Environmental	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Design	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Right-of-Way Support	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Right-of-Way Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Construction Support	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Construction Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vehicles	0	0	0	0	0	0	0	0	0	0	0	0	0	0
I.T.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Professional Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Communications	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Project Contingency	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total SANDAG	\$0	\$0	\$0	\$20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20

Caltrans Expenditure Plan (thousands of dollars)														
Budget Phase	Prior Years	FY 24	FY 25	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	Total	Total
Environmental	\$0	\$0	\$0	\$580	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$580
Design	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Right-of-Way Support	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Right-of-Way Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Construction Support	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Construction Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vehicles	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Caltrans	\$0	\$0	\$0	\$580	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$580

Total Expenditures	\$0	\$0	\$0	\$600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$600
SR 125 Toll Pass-Through	\$0	\$0	\$0	\$580	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$580

Funding Plan (thousands of dollars)														
Funding Source	Prior Years	FY 24	FY 25	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	Total	Total
Local														
93140001 SR 125 Toll Revenues	0	0	0	600	0	0	0	0	0	0	0	0	0	600
Total Funding	\$0	\$0	\$0	\$600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$600



*SR 125 Toll Removal Analysis Project Initiation Phase and Equity Analysis Timeline*

<b>Timeframe</b>	<b>Project Initiation Phase Milestones</b>	<b>Equity Analysis Milestones</b>
<b>Oct. 2024 - Jan. 2025</b> (FY 2025 Q2/Q3)	<ul style="list-style-type: none"> <li>• Project setup</li> </ul>	<ul style="list-style-type: none"> <li>• Start and complete project setup</li> <li>• Perform data gathering and processing</li> </ul>
<b>Feb. - April 2025</b> (FY 2025 Q3/Q4)	<ul style="list-style-type: none"> <li>• Complete project setup</li> <li>• Begin Functional PID and PEAR Components</li> </ul>	<ul style="list-style-type: none"> <li>• Complete data gathering and processing</li> <li>• Initiate data analysis</li> </ul>
<b>May - July 2025</b> (FY 2025 Q4/Q1)	<ul style="list-style-type: none"> <li>• Continue PID and PEAR analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Complete data analysis</li> <li>• Develop recommendations</li> </ul>
<b>Aug. - Oct. 2025</b> (FY 2026 Q1/Q2)	<ul style="list-style-type: none"> <li>• Draft PID and PEAR Reports</li> </ul>	<ul style="list-style-type: none"> <li>• Draft Report</li> </ul>
<b>Nov. - Dec. 2025</b> (FY 2026 Q2/Q3)	<ul style="list-style-type: none"> <li>• Final PID and PEAR Reports</li> </ul>	<ul style="list-style-type: none"> <li>• Final Report</li> </ul>

## Back Office System Update

### Overview

SANDAG operates tolling on the Interstate 15 (I-15) Express Lanes and South Bay Expressway (State Route 125 / SR 125) Toll Road. In 2016, SANDAG awarded a contract to ETAN for a regional back-office system to operate tolled facilities. There were significant delays with launching the system, and since the system went live, there have been ongoing performance issues that have impacted customer experience and resulted in substantial manual work by staff to ensure the integrity of transaction recordings and financial reporting.

On [January 12, 2024](#), SANDAG staff provided an overview of the Toll Roads Operations Action Plan and asked the Board to authorize the Chief Executive Officer to execute a sole source contract for a new back-office system to operate the SR 125 and I-15 Express Lanes. A sole source contract with Deloitte/A-to-Be was pursued to address the extensive deficiencies with the current back-office system. Deloitte/A-to-Be was selected based on their ability to provide a proven back-office system for toll collection on an expedited schedule. This report provides a status update on project progress and presents some key policy decisions associated with the project.

### Background

In March 2024, SANDAG executed a sole source agreement with Deloitte/A-to-Be that included \$11 million for the design and development of a new back-office system. The agreement also covered ongoing maintenance and operations for up to five years totaling \$17.7 million for a total contract amount of \$28.7 million. The project scope included replacing the existing ETAN system with an “out-of-the-box” solution by November 2024, with future phases of work to cover additional features. Meeting this aggressive schedule assumed minimal customization and acceptance of predefined functionalities and system modules at system launch.

Due to the immediate need to address deficiencies with the current back-office system, the systems planning process was expedited for procuring the Deloitte/A-to-Be system. As a result, significant time has been spent trying to match the desired functionalities from the existing back-office system to the new Deloitte/A-to-Be solution causing delays to the project delivery schedule.

### Key Considerations

In July 2024, a new project leadership team with experience delivering complex transportation technology systems was assigned to the project to help understand and address the project delays. The new project leadership team conducted a detailed assessment of the project organizational structure, procurement structure, critical path tasks, and dependent subsystems.

### Action: **Approve**

Staff will present an update on the implementation of the back-office system (BOS). The Board of Directors is asked to approve writing off uncollectable account receivable balances older than three years in two phases (as of June 30, 2024, and in coordination with the BOS data migration date.)

### Fiscal Impact:

The Back Office System replacement project is budgeted under (Capital Improvement projects 1400406/1400407). The additional cost to deliver the system varies depending on the delivery scenario the board would like to pursue.

### Schedule/Scope Impact:

The revised schedule for delivering the first phase of the back-office system under the Deloitte/A-to-Be contract is expected to be July 2025.

Based on this assessment, some immediate improvements were put into place to facilitate decision making and advance deliverables. This includes a more effective project management organizational structure with essential staff and executive leadership from departments involved in toll operations, finance, Information Technology (IT), and communications.

The new project leadership team is also applying the systems engineering process moving forward. This approach is developed by the engineering profession and applied to highly complex technology projects. It defines the various phases of the project development life cycles, from initial planning to testing, and ultimately turning on and managing the system. This project development approach helps communicate and set expectations that need to be met from a user perspective rather than the system vendors driving the project development process.

The project team is currently finalizing the System Design Document and Data Migration Plan which are required before advancing to system implementation, testing, and ultimately going live. Additional time was needed to gather critical input on user needs across the teams relying on the new back-office system to ensure all critical functions would be operational at system launch.

Two policy decisions need to be considered to move forward with the System Design Document and Data Migration Plan. The first is to address stale account receivable balances and is presented here for Board review and approval. The second is a revision to the SR 125 Bond Indenture documents which would be brought back to the Board at a future meeting.

To help facilitate the implementation of a new BOS, staff recommends a clean-up of the toll customer account receivable balances. An official write-off of uncollectable balances has not been completed in many years. The accounts receivable balances are reviewed annually by the accounting team and an allowance for uncollectable accounts is recorded in the financial statements. The financial statements for both SR 125 and I-15 included \$83 million (\$5 million in toll road fees and the remainder in penalties and fines) in allowances for uncollectible accounts as of June 30, 2023. Since the appropriate allowances have been recorded, a write-off of stale account receivable balances is not expected to have a financial impact on either SR 125 or I-15. As of June 30, 2024, there were over 700,000 toll road customer accounts with balances due. A review of accounts receivable balances showed that approximately 266,000 customer accounts owe more than \$67 million that is more than three years old and over \$45 million is more than six years old. Based on the time frame, the likelihood of collecting these funds, and the costs associated therewith, it is recommended that the account receivable balances that are more than three years old be officially written off. Per Board Policy No. 17, the CEO is authorized to write-off uncollectable debt in an amount not exceeding \$5,000 per account when it is likely that the full debt is uncollectible and that it would not be cost efficient to pursue collection of the entire debt. Of the \$67 million of account receivable balances that are more than three years old, approximately 1,864 customer accounts are greater than \$5,000 and require Board approval. As mentioned above, the majority of the balances recommended to be written off are from fines and penalties. About 7%, or \$5 million of the \$67 million is from actual toll road fees. Cleaning up the stale account receivable balances, will reduce the amount of data that has to be migrated into the new BOS. Staff also recommends the Board approve a second round of accounts receivable review and write-offs in coordination with the BOS data migration timeline. This is estimated to be an additional \$9.4 million write-off impacting approximately 38,000 customer accounts.

The second policy decision is a recommended revision to the SR 125 bond indenture document. The bond indenture is a legal document between the bond issuer (SANDAG) and the bondholder that records the obligations of the bond issuer and benefits owed to the bondholder. The SR 125 bond indenture language did not account for multiple toll road operations and the idea that customer deposits can apply to either I-15 or SR 125. From an accounting standpoint, the customer deposits belong to the customers until one of the toll roads is used and then the deposit becomes a revenue to the toll road. The current bond indenture language says that upon receipt of cash advances representing deposits against future toll payments from users or potential users of SR 125, SANDAG will deposit and hold such moneys in a special account, separate from other assets of SANDAG. Bond Indenture language on customer deposits

don't align with how the new BOS will treat these deposits. The Deloitte/A-to-Be BOS solution is set up in a way that does not separate customer deposits by toll road. After consultation with external bond counsel, the recommendation is to make a minor modification to the bond indenture language to clarify the handling of customer deposits. Work is underway with bond counsel to propose draft revisions to the SR 125 Bond Indenture documents to clarify that customer deposits are not specific to SR125 and will be allocated to the appropriate roadway as they become earned revenue. The proposed revisions will be brought to the Board for approval at a future meeting.

### **Next Steps**

Staff is negotiating with Deloitte/A-to-Be on a revised schedule for delivering Phase 1 of the new back-office system. The estimated revised 'go-live' date is expected to be July 2025. The delays in onboarding the Deloitte/A-to-Be system also will require SANDAG to support the functionality of its current system so that toll collection on both SR 125 and I-15 can continue; SANDAG is working with ETAN to understand if they can continue to provide this support.

Pending Board approval of writing off uncollectable account receivable balances older than three years, staff will finalize the Data Migration Plan and System Design Document so design and development work on the Back Office System can proceed. The revisions to the bond Indenture will come back to the Board for action in the coming months.

**Antoinette Meier, Senior Director of Regional Planning**  
**Kimberly Trammel, Director of Accounting & Finance**  
**Lucinda Broussard, Director of Regional Transportation Services**



## Progress Update on the New Tolling Back Office System (BOS)

Board of Directors | Item 7

Antoinette Meier, Senior Director of Regional Planning  
Kimberly Trammel, Director of Accounting & Finance  
Lucinda Broussard, Director of Regional Transportation Services  
Alex Estrella, Technology Planning Manager

October 11, 2024

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## Regional Toll Facilities

### I-15 and SR 125

SANDAG currently manages two facilities:

#### I-15 Express Lanes

- 20 miles of High Occupancy Toll (HOT) managed lanes on I-15 from SR 78 to SR 163
- Operated by SANDAG since the 1990s

#### SR 125 Toll Road

- A tolled ten-mile stretch of SR 125 running from Otay Mesa Road from SR 905 to SR 54
- Built by private company and purchased by SANDAG in 2011

On an annual basis, approximately \$56 million is generated from toll related collections on SR 125 and I-15 combined.



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## New Back Office System (BOS)

### January 12, 2024

- Toll Operations Action Plan presented to the Board.
- Board approves negotiating a sole source agreement with Deloitte/A-to-Be to replace current BOS due to serious performance issues.

### March 2024

- SANDAG executes sole source agreement with Deloitte/A-to-Be for new BOS
  - \$11 million for the design-implementation
  - \$17.7 million operations and maintenance for 5 years

### April 26, 2024

- Board adopts the revised Toll Operations Action Plan

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## Toll Operations Action Plan

Presented To Board Of Directors On April 26, 2024

<b>Apr 2024</b>	SANDAG Deloitte/A-to-Be/Fagan	<b>requirements gathering &amp; outcome matrix approval</b>	<b>in progress</b>
May 2024	SANDAG	Update Board Policies to outline reporting requirements for when a multimillion-dollar project is failing to meet its deadlines and deliverables, including whether or not errors or delays are identified, under what conditions a report is required, as well as when a report will no longer be required. (OIPA Recommendation #4; Audit Committee Recommendation #3)	<b>in progress</b>
<b>May 2024</b>	SANDAG Deloitte/A-to-Be/Fagan	<b>data migration plan</b>	<b>scheduled</b>
Jun 2024	SANDAG	Complete assessment of Toll Operations and develop Toll Operations Improvements Plan to address staffing, policies, procedures, structure, and ongoing management of the system. Phase II	<b>in progress</b>
<b>Jun 2024</b>	SANDAG Deloitte/A-to-Be/Fagan	<b>software integration testing</b>	<b>scheduled</b>
Jul 2024	SANDAG	Provide semi-annual report to Board on Sole Source awards, including the project, underlying reason for the Sole Source award (and demonstrating adherence to public procurement laws), funding source/s, value of the award, and name of the Approving Official. (OIPA Recommendation #5)	<b>scheduled</b>
<b>Sept 2024</b>	SANDAG Deloitte/A-to-Be/Fagan	<b>user acceptance testing begins</b>	<b>scheduled</b>
<b>Dec 2024</b>	SANDAG Deloitte/A-to-Be/Fagan	<b>launch phase 1 Deloitte/A-to-Be back office system</b>	<b>scheduled</b>
<b>Summer 2025</b>	SANDAG Deloitte/A-to-Be/Fagan	<b>complete implementation of Deloitte/A-to-Be back office system</b>	<b>scheduled</b>

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## Key Decision Points

### Minimum Viable Product

- What is a minimum viable product?
- Which finance and accounting functions should be included?
- What are the critical business rules?
- How to integrate with existing systems?
- What functionality is necessary for public-facing sites?
- What data to migrate?
- What elements are required for bondholders?

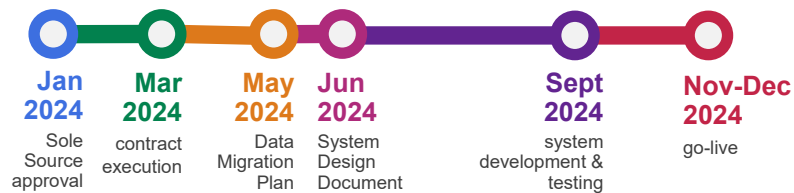
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## Where We Are Now

### BOS Schedule

#### Original Timeline



#### Revised Timeline



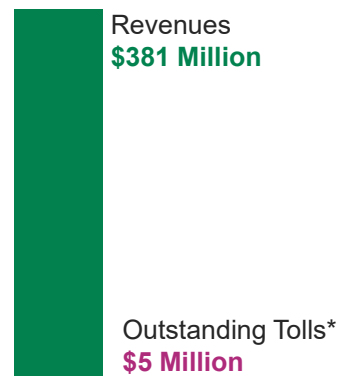
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## Write-off Accounts Receivable

- Official write-off of uncollectable debt has not been done in years
- An additional cost to bring years of accounts receivable activity into the new BOS
- Board Policy No. 17 requires Board approval to write-off uncollectible debt greater than \$5,000 per customer account
- Clean up item will not impact the fund financials
- An allowance has been booked annually
- As of June 30, 2024, approximately \$5 million in tolls and \$62 million in penalties owed that are more than 3 years old
  - Of this, \$20 million is owed by 1,864 customer accounts exceeding \$5,000

### Toll Revenues and Outstanding Tolls FY 2012 - FY 2021



\*More than 3 years old

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## Bond Indenture Clarification

Bond Indenture language on customer deposits doesn't align with how the new BOS will handle these deposits because SANDAG receives deposits that can be used on I-15, SR 125, or other California toll roads.

- Work is underway with Bond Counsel to propose minor revisions to the SR 125 Bond Indenture documents to clarify that customer deposits are not specific to SR 125 and will be allocated to the appropriate roadway as they become earned revenue.
- The proposed revisions will be brought to the Board for approval at a future meeting.

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