



June 10, 2020

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Extension of 91 Express Lanes Temporary Measures

Overview

In April 2020, the Orange County Transportation Authority and the Riverside County Transportation Commission respective Board of Directors approved the temporary waiving of monthly account maintenance fees for 91 Express Lanes customers. The Orange County Transportation Authority Board of Directors also approved the temporary modification of the 91 Express Lanes Toll Policy to allow the ability to suspend automatic toll rate increases. An additional extension of these measures is being requested for approval.

Recommendations

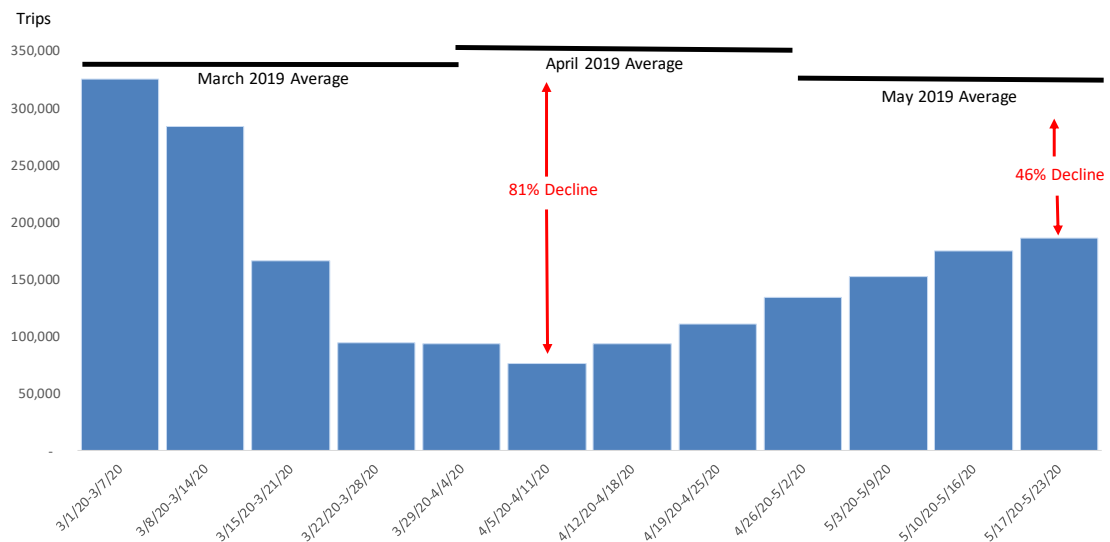
- A. Authorize the Chief Executive Officer to temporarily waive for a period of up to 90 days, 91 Express Lanes monthly account fees, for the months of July 2020, August 2020, and September 2020.
- B. Authorize the Chief Executive Officer to temporarily modify for a period of up to 90 days the 91 Express Lanes Toll Policy to allow for the ability to remove automatic toll rate increases, if necessary.

Discussion

On April 13, 2020, the Orange County Transportation Authority (OCTA) Board of Directors (Board) approved recommendations related to the operations of the 91 Express Lanes (91 EL). These recommendations were driven by the sharp decreases of traffic volumes and toll revenues attributed to the novel coronavirus (COVID-19) pandemic and California Governor Newsom's orders for residents to self-quarantine and refrain from non-essential travel.

Traffic volumes and toll revenues dropped to their lowest weekly level since OCTA acquired the 91 EL in 2003 during the week of April 5, 2020. Since then, traffic volumes and revenues have been increasing steadily each week. At the

lowest point in April 2020, traffic volumes dropped 81 percent from the levels reached in 2019. For the most current week available, traffic volumes are down approximately 46 percent from the same period in 2019. The graph below shows the weekly changes in traffic volumes since the beginning of March 2020.



Amid the concerns about the spread of COVID-19 and following the governor's guidance to help reduce its spread, the 91 EL customer walk-in center in Corona was closed in March 2020 and will remain so until further notice. Operational activities in the Anaheim and Corona locations continue to function with a combination of remote workers and core staff located at the facilities. Core essential functions include aiding stranded motorists, providing incident management services and dispatching emergency vehicles through the traffic operations center. The call center remains open to respond to customer service and violation calls.

Extension of Temporary Measures

Although traffic volumes and toll revenues have been increasing over the past several weeks, they still are approximately half of the levels from the previous year. In addition, the stay-at-home order is still in place; however, it has been modified to reflect additional services to be allowed to operate. Even with an easing of restrictions, the number of unemployed individuals continues to increase in the Southern California region and many are facing financial hardships.

Given these conditions, staff is recommending that OCTA's Chief Executive Officer's (CEO) authorization to temporarily waive account maintenance fees be

extended for an additional period of up to 90 days. These fees are for the Standard and Express Club accounts and generate approximately \$200,000 per month for OCTA. If the stay-at-home mandate is lifted and traffic volumes return to a normal state, the monthly account maintenance fees will be reinstated by the CEO.

In addition to the temporary waiver of account maintenance fees, the Board also approved the temporary modification of the 91 EL Toll Policy in April 2020 to allow the ability to suspend automatic toll rate increases. Toll increases for Easter Sunday and Mother's Day were not implemented, as well as a scheduled April 1, 2020, toll rate increase. The main purpose of this modification was to address the two percent cost-of-living adjustment that is scheduled for July 1, 2020. An extension of this 91 EL Toll Policy modification is being requested to address the Labor Day toll structure in September 2020. On certain holidays, the toll rates are adjusted to reflect higher usage. If traffic volumes continue to have lower usage, then the holiday rates will not be implemented during the Labor Day holiday.

Summary

Staff is requesting Board of Directors' approval for authorization for the Chief Executive Officer to extend temporary measures related to the ongoing operations of the 91 Express Lanes.

Attachment

None.

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