



February 26, 2025

To: Finance and Administration Committee

From: Darrell E. Johnson, Chief Executive Officer

A handwritten signature in blue ink, appearing to read "Darrell Johnson", is placed over a faint, light-colored rectangular stamp or watermark.

Subject: 91 Express Lanes Update for the Period Ending –
December 31, 2024

Overview

The Orange County Transportation Authority has owned and managed the operations of the 91 Express Lanes since January 2003. Since then, traffic volumes and toll revenues have fluctuated with changes in the economy and the added capacity to the State Route 91 corridor. Over the last quarter, over 5.5 million trips were made on the 91 Express Lanes in Orange County. This report focuses on the operational and financial activities for the period ending December 31, 2024.

Recommendation

Receive and file as an information item.

Background

The Orange County segment of the 91 Express Lanes (91 EL) is a four-lane, ten-mile tolled facility built in the median of State Route 91 (SR-91) between the State Route 55 (SR-55)/SR-91 interchange and the Orange/Riverside County Line. The 91 EL was built by the California Private Transportation Company (CPTC) for a cost of approximately \$135 million and opened to travelers in 1995. An agreement with the California Department of Transportation included a non-compete provision that created a 1.5-mile protection zone along each side of SR-91. This zone prohibited improvements along the corridor and created mobility problems as the region and corresponding transportation demands grew.

To mitigate growing concerns over congestion, Orange County Transportation Authority (OCTA) acquired the 91 EL franchise rights from the CPTC in January 2003. This eliminated the non-compete provision, clearing the way for future

enhancements to increase capacity and improve traffic flow along the SR-91 corridor.

With the non-compete provisions removed, the Riverside County Transportation Commission (RCTC) received authority to extend the 91 EL to Interstate 15 (I-15) in 2008. At a cost of \$1.4 billion, the RCTC 91 Corridor Improvement Project added general purpose lanes, tolled express lanes, auxiliary lanes, and direct express lane connectors from the Orange/Riverside County Line to I-15. The Riverside County segment of the 91 EL opened in 2017, providing customers with eight additional miles of travel on SR-91. To provide 91 EL customers with seamless experience, OCTA and RCTC entered a three-party operating agreement with one firm to service both facility segments.

Historically, the 91 EL has used congestion management pricing to adjust tolls quarterly based on the number of vehicles traveling through the express lanes. Since 2003, OCTA, and RCTC in 2017, has used this tolling method to provide customers with a safe, reliable, and predictable trip on the 91 EL. In November 2023, the RCTC 91 EL segment transitioned to dynamic pricing, which adjusts toll rates based on real-time traffic volumes to maintain free-flowing trips in accordance with the RCTC's 91 EL Toll Policy and Toll Schedule. The OCTA 91 EL segment still utilizes congestion management pricing, adjusting tolls quarterly.

Motorists pay tolls using a transponder that automatically deducts the toll amount from a prepaid account. The transponder can be used on any California tolled facility through existing interoperability agreements.

OCTA and RCTC's tolling agreements allow both agencies to operate the 91 EL well into the future (2065 for OCTA and 2067 for RCTC). This provides customers with transportation options for 18 miles of travel in one of California's busiest corridors.

Discussion

The sections below discuss various operational data and information for the 91 EL in greater detail.

Traffic Volumes

The total traffic volume on the OCTA 91 EL for the month of December 2024 was 1,837,504. This represents a daily average of 59,274 vehicles. This is a 7.7 percent increase in total traffic volume from the same period last year when traffic levels totaled 1,705,918. In looking at the 12 months ending

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December 2024, traffic volumes totaled over 21.7 million, which was six percent higher than the same period the prior year. Traffic volumes continue to grow steadily, resembling strong usage from commuters. The carpool percentage for the period ending December 2024 was 27.2 percent.

Gross Potential Toll Revenues (GPTR)

GPTR for the month of December 2024 was \$5,737,481, which represents an increase of 9.1 percent from the prior year's total of \$5,258,734 for the month of December 2023. GPTR is equal to the toll rate times the number of vehicles traveling on the 91 EL (the amount does not consider violations or discounts). For the previous 12 months, GPTR totaled over \$68.6 million, representing an increase of 6.1 percent from the same period the prior year.

Toll Adjustments

The Board of Directors (Board)-adopted Toll Policy requires staff to review traffic volumes on the Orange County segment of the 91 EL for potential toll adjustments on a quarterly basis. Based on the traffic volumes during the review period, no hours in the eastbound or westbound directions reached the trigger point for a toll adjustment in October 2024. As of December 2024, toll rates ranged from a minimum of \$1.90 to a maximum of \$9.10. The next scheduled toll adjustment occurred on January 1, 2025, and will be reported in the following report.

Number of Accounts and Transponders

The number of active accounts totaled 182,006, and 735,203 transponders were assigned to those accounts as of December 31, 2024. Over the past 12 months, the number of accounts increased by 7,895, while the number of transponders in circulation increased by 50,725. Over the past several years, there has been continued growth in the number of accounts and transponders, primarily driven by the extension of the 91 EL into Riverside County and the opening of the 15 Express Lanes with direct connectors from the 91 EL.

Outstanding Debt

As of December 31, 2024, the outstanding amount of the 91 EL tax exempt 2023 Senior Lien Toll Road Revenue Refunding Bonds (Bonds) totaled \$41.7 million. The Bonds are rated "AA-" by Standard and Poor's, "AA3" by Moody's, and "AA-" by Fitch Ratings. The next scheduled debt service payment is on February 15, 2025.

Reserve Funds

The 2023 Bonds require three reserve funds: a major maintenance fund, an operating fund, and a debt service reserve fund. All three funds were fully funded with a total balance of approximately \$13.3 million as of December 31, 2024.

In addition to the required debt reserve funds, the Board elected to establish two additional reserve funds. An internal capital projects fund has a balance of \$27.1 million and is used for large capital projects for the 91 EL, such as pavement rehabilitation and back-office system (BOS) upgrades. The other reserve fund was established in 2017 for two future Measure M2 projects (Projects I and J) on the SR-91 corridor. Project I improves interchanges, on- and off-ramps, and bridges along SR-91 between SR-55 and State Route 57, estimated to cost approximately \$460 million. Project I is in final design and is expected to be completed in 2028. Project J includes operational improvements on SR-91 between State Route 241 and the Orange/Riverside County Line and is currently scheduled for completion in 2035. The balance in that reserve fund is \$114.1 million and is used as project expenses are incurred. Lastly, OCTA has approximately \$106.1 million set aside in excess toll revenues for SR-91 corridor projects.

Operations Update

In March 2022, Cofiroute USA, LLC (CUSA) deployed a new BOS for the 91 EL for both Orange and Riverside counties. Since deployment, CUSA, OCTA, and RCTC staff have continuously monitored the BOS performance and the performance in the customer service center (CSC). Part of the monitoring includes the assessment of Key Performance Indicator (KPI) penalties in accordance with the contract. For the 2025 fiscal year to date, OCTA and RCTC identified issues with the BOS and CSC that amounted to estimated penalties of \$327,310 per the KPI standards for both agencies. From these penalties, \$205,390 is attributed to the performance faults of the BOS, and \$121,920 is attributed to the CSC performance failures.

During the past several months, the BOS experienced connectivity issues and customer survey transfer issues in the call center. All BOS system issues experienced during the reporting period have been mitigated or resolved. For the CSC, penalties arose primarily from CUSA failing to meet the daily standard for average speed of answer and abandon rate. These penalties have been reviewed with CUSA and will be deducted from the corresponding monthly invoice or waived based on staff evaluation of its impact. Staff will continue to monitor the performance of the BOS, CSC, and will report ongoing KPI penalties that are assessed.

Attachment A summarizes some of the KPIs of the CSC over the past 12 months. The KPIs for service level for the speed of answer and abandon rate were not achieved due to technical issues that caused a handful of the representatives to be unavailable to take customer calls. CUSA also experienced attrition, which affected the number of calls being answered. CUSA addressed technical issues and is continuously recruiting additional phone representatives to manage the call center demands.

Over the past several months, Operational Acceptance Testing (OAT) has commenced; however, for various reasons, the testing has been restarted for several technical issues that have arisen. The restart of OAT has aligned with contractual requirements as OAT requires all systems to be functional without any issues for 60 consecutive days. The current schedule shows the completion of OAT during the fourth quarter of fiscal year 2025.

During the reporting period, OCTA staff has worked with its contractors to upgrade and replace the analog cameras along the 91 EL in Orange County with new digital cameras. The scope to replace the cameras also included the replacement of electrical wiring and pedestals. The project has advanced significantly and is expected to be complete by June 2025.

OCTA and RCTC staff have also been engaged in its video wall and advanced traffic management system (ATMS) upgrade project. During the past several months, the contractor has procured the necessary hardware for the video wall and ATMS. The video wall was installed and became operational during the reporting period. The ATMS hardware has been installed, and the contractor is working on the configurations and will commence testing in the third quarter of fiscal year 2024-25. Over the next several months, staff will continue to work on completing the video wall integration with the ATMS and completing the project by the end of the fiscal year.

Looking Ahead over the Next Six Months

The ATMS and camera integration projects are expected to be completed by June 2025. During this period, OCTA will also be providing support to RCTC regarding the implementation of their Occupancy Detection System (ODS). RCTC will use the ODS to verify users of their high-occupancy vehicle (HOV) lane and assess tolls to users who are incorrectly receiving HOV discounts. If successful, OCTA will evaluate the benefits of adding an ODS to the OCTA segment and will provide a recommendation to the Board.

Summary

An operational report for the 91 Express Lanes for the period ending December 31, 2024, is provided for Board of Directors' review. The report provides a summary of key operational and financial activities.

Attachments

- A. 91 Express Lanes, Key Performance Measures, December 2024
- B. 91 Express Lanes Status Report, December 2024

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