

**METROPOLITAN
TRANSPORTATION
COMMISSION**
Meeting Transcript



MAY 24, 2023

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BAY AREA TOLL AUTHORITY

WEDNESDAY, MAY 24TH, 2023, 9:50 AM

CHAIR, ALFREDO PEDROZA: GOOD MORNING, EVERYONE. I'M GOING TO CALL TO ORDER THE BAY AREA TOLL AUTHORITY BAT FOR MAY 24TH. I'M CHAIR PEDROZA, ALONG WITH VICE CHAIR NICK JOSEFOWITZ. KIMBERLY ROLL CALL PLEASE?

CLERK, KIMBERLY WARD: CHAIR PEDROZA?

CHAIR, ALFREDO PEDROZA: HERE.

CLERK, KIMBERLY WARD: VICE CHAIR JOSEFOWITZ?

NICK JOSEFOWITZ: HERE.

CLERK, KIMBERLY WARD: CANEPA?

DAVID CANEPA, HERE.

>>CLERK: COMMISSIONER DUTRA-VERNACI?

CAROL DUTRA-VERNACI: HERE.



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1 **CLERK, KIMBERLY WARD:** EL-TAWANSY IS ABSENT. COMMISSIONER
2 GIACOPINI? IS ABSENT. GLOVER IS ABSENT. MAHAN IS ABSENT.
3 MILEY?

4

5 **NATHAN MILEY:** HERE.

6

7 **CLERK, KIMBERLY WARD:** MOULTON PETERS? IS ABSENT. COMMISSIONER
8 RONEN?

9

10 **HILLARY RONEN:** HERE.

11

12 **CLERK, KIMBERLY WARD:** SCHAFF?

13

14 **LIBBY SCHAAF:** HERE.

15

16 **CLERK, KIMBERLY WARD:** SPERING?

17

18 **JAMES P. SPERING:** HERE.

19

20 **CLERK, KIMBERLY WARD:** THAO?

21

22 **SHENG THAO:** HERE.

23

24 **CLERK, KIMBERLY WARD:** QUORUM IS PRESENT.

25



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1 **CHAIR, ALFREDO PEDROZA:** I'LL NOTE WE HAVE TWO REQUESTS FOR
2 REMOTE PARTICIPATION UNDER A.B. 2449. COMMISSIONER FLEMING AND
3 COMMISSIONER CHAVEZ, YOU KNOW THE DRILL.

4

5 **VICTORIA FLEMING:** I'M REQUESTING PERMISSION UNDER A.B. 2449
6 DUE TO ILLNESS, I HAVE NOBODY UNDER THE AGE OF 18 IN MY
7 PRESENCE.

8

9 **CHAIR, ALFREDO PEDROZA:** COMMISSIONER CHAVEZ?

10

11 **CINDY CHAVEZ:** THANK YOU. AND I AM REQUESTING TO PARTICIPATE
12 REMOTELY BASED ON A.B. 2449 AND ALSO DUE TO ILLNESS, AND I
13 HAVE NOBODY PRESENT WITH ME AT THIS TIME.

14

15 **CHAIR, ALFREDO PEDROZA:** ALL RIGHT OF THE YOUR REQUEST IS NOTED
16 AND YOU CAN PARTICIPATE. THANK YOU ALL. ITEM TWO.

17

18 **SPEAKER:** FOR CLARIFICATION THE JUST CAUSE PART OF A.B. 2449.

19

20 **CHAIR, ALFREDO PEDROZA:** THANK YOU. THAT WASN'T NOTED BEFORE.
21 PROCEEDING TO ITEM TWO CHAIRPERSON'S REPORT NOTHING TO REPORT
22 FOR BATA. WE HAVE ONE ITEM UNDER CONSENT, FOR AGENDA ITEM
23 THREE. IF THERE IS NO QUESTIONS I'LL LOOK FOR A MOTION TO
24 APPROVE OUR CONSENT CALENDAR.

25



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1 **GINA PAPAN:** MOVE APPROVAL.

2

3 **CAROL DUTRA-VERNACI:** SECOND.

4

5 **CHAIR, ALFREDO PEDROZA:** MOTION BY PAPAN SECOND BY DUTRA-
6 VERNACI. PUBLIC COMMENT?

7

8 **CLERK, KIMBERLY WARD:** THERE ARE NO MEMBERS OF THE PUBLIC WITH
9 THEIR HAND RAISED, AND I HAVE RECEIVED NOTHING IN WRITING.

10

11 **CHAIR, ALFREDO PEDROZA:** ALL RIGHT. WE HAVE FIRST BY PAPAN,
12 SECOND BY COMMISSIONER DUTRA-VERNACI. ROLL CALL VOTE PLEASE.

13

14 **CLERK, KIMBERLY WARD:** CHAIR PEDROZA.

15

16 **CHAIR, ALFREDO PEDROZA:** YES.

17

18 **CLERK, KIMBERLY WARD:** JOSEFOWITZ.

19

20 **V. CHAIR, NICK JOSEFOWITZ:** YES.

21

22 **CLERK, KIMBERLY WARD:** ABE-KOGA?

23

24 **MARGARET ABE-KOGA:** AYE.

25



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1 **CLERK, KIMBERLY WARD:** AHN?

2

3 **EDDIE AHN:** AYE.

4

5 **CLERK, KIMBERLY WARD:** CANEPA?

6

7 **DAVID CANEPA:** AYE.

8

9 **CLERK, KIMBERLY WARD:** DUTRA-VERNACI?

10

11 **CAROL DUTRA-VERNACI:** AYE.

12

13 **CLERK, KIMBERLY WARD:** FLEMING?

14

15 **VICTORIA FLEMING:** YES.

16

17 **CLERK, KIMBERLY WARD:** GLOVER IS ABSENT. MAHAN IS ABSENT.

18 MILEY?

19

20 **NATHAN MILEY:** YES.

21

22 **CLERK, KIMBERLY WARD:** MOULTON PETERS?

23

24 **STEPHANIE MOULTON-PETERS:** YES.

25



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1 **CLERK, KIMBERLY WARD:** NOACK IS ABSENT. PAPAN?

2

3 **GINA PAPAN:** YES.

4

5 **CLERK, KIMBERLY WARD:** RABBITT IS ABSENT. RONEN?

6

7 **HILLARY RONEN:** HERE --

8

9 **CLERK, KIMBERLY WARD:** GOT YA. COMMISSIONER SPERING?

10

11 **JAMES P. SPERING:** YES.

12

13 **CLERK, KIMBERLY WARD:** COMMISSIONER THAO? MOTION PASSES

14 UNANIMOUSLY BY ALL MEMBERS PRESENT.

15

16 **CHAIR, ALFREDO PEDROZA:** THANK YOU. PROCEED TO ITEM FOUR BATA

17 OVERSIGHT COMMITTEE REPORT. CHAIR IS NOT IN ATTENDANCE, VICE

18 CHAIR TAKE IT AWAY.

19

20 **MARGARET ABE-KOGA:** THE BATA OVERSIGHT COMMITTEE MET MAY 10TH,

21 2023 AND REFERS THE FOLLOWING TO THE AUTHORITY FOR APPROVAL

22 AGENDA ITEM 4A RESOLUTION NUMBER 52 REVISED UPDATES POLICIES

23 RELATED TO THE LOW-INCOME PAYMENT PLAN AND VIOLATIONS FOR

24 STATE OWNED BRIDGES I MOVE APPROVAL OF BATA RESOLUTION 52 IS

25 REVISED.



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1

2 **GINA PAPAN:** SECOND.

3

4 **CHAIR, ALFREDO PEDROZA:** MOTION BY ABE-KOGA SECOND BY PAPAN.

5 MOVING RIGHT ALONG. KIMBERLY DO WE HAVE ANY PUBLIC COMMENT FOR

6 ITEM 4A?

7

8 **CLERK, KIMBERLY WARD:** WE DO. ALETA DUPREE, GO AHEAD AND UNMUTE

9 YOURSELF. YOU WILL HAVE TWO MINUTES.

10

11 **SPEAKER:** THANK YOU. GOOD MORNING CHAIR PEDROZA. ALETA DUPREE

12 FOR THE RECORD, SHE AND HER. I WAS AT THE DISCUSSION ABOUT IT.

13 VERY GOOD DISCUSSION. AND SO, I MEAN THIS IS IMPORTANT. I ASK

14 IF YOU, WITH THIS PLAN, WHICH I THINK IS REASONABLE, AS

15 PRESENTED, TO ENSURE THAT IT IS CONSISTENT IN HOW IT'S

16 APPLIED. AND THAT THIS PLAN WILL BE USED IN A WAY THAT THE

17 PUBLIC WILL BE ENCOURAGED TO USE IT AS A STEPPING STONE. THIS

18 PLAN LOOKS LIKE IT TARGETS MOST IN NEED, BECAUSE PEOPLE OF

19 HIGHER INCOME CAN GENERALLY ACCESS THEIR BANKS OR CREDIT

20 UNIONS AND GET SIGNATURE LINES OF CREDIT. CREDIT CARD, EVEN

21 REWARDS CREDIT CARDS, WHICH HAVE THINGS AIRLINE MILES, HOTEL

22 POINTS, CASH BACK AND ALL KINDS OF OTHER THINGS. AND SO

23 RESERVING THE PAYMENT PLANS FOR THOSE OF MODEST MEANS ENSURES

24 THAT THERE IS MORE MONEY AVAILABLE FOR THOSE OF MODEST MEANS

25 WHO CANNOT GO TO A LARGE MULTI-NATIONAL BANK, OR A LARGE



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1 CREDIT UNION AND GET SOME KIND OF SIGNATURE-BASED CREDIT. SO,
2 I LOOK FORWARD TO SEEING HOW THIS PLAYS OUT. BUT I ASK THAT
3 OUR MINDSET OF THIS, BECAUSE IT IS AN EXTENSION OF CREDIT, IT
4 DOES INVOLVE RISK TO THE AGENCY. WE WANT TO MAKE SURE THAT THE
5 MONEY IS COLLECTED, AND IT IS FOR THIS REASON THAT WE MUST
6 REMEMBER WE COLLECT THESE TOLLS TO KEEP THESE SEVEN STATE
7 OWNED BRIDGES IN THE SAFE STATE OF GOOD REPAIR THAT I THINK
8 ALL OF US IN THE PUBLIC DESERVE. THANK YOU.

9

10 **CLERK, KIMBERLY WARD:** THANK YOU. THE NEXT SPEAKER IS VEDA
11 FLOREZ.

12

13 **VEDA FLOREZ:** GOOD MORNING. THANK YOU VERY MUCH FOR MOVING
14 FORWARD WITH THIS MOTION. I DO THINK IT'S A STEP IN THE RIGHT
15 DIRECTION. ALTHOUGH IT DOESN'T MEET ALL OF THE NEEDS,
16 ESPECIALLY FOR THOSE JUST ABOVE THE POVERTY THRESHOLD. SO, MY
17 HOPE AND DESIRE IS THAT AS WE IMPLEMENT THIS PROJECT WE
18 CONTINUE TO REVIEW AND MOVE FORWARD FOR THE NEXT STEPS TO
19 INCLUDE THOSE ABOVE THIS POVERTY THRESHOLD. SO, I HOPE THAT
20 THERE WON'T BE A HUGE AMOUNT OF TIME LAPSE BEFORE WE START
21 ADDRESSING THE NEXT NEED TO CONTINUE TO MOVE FORWARD
22 ADDRESSING THE NEEDS OF THOSE WHO ARE ABOVE THE POVERTY
23 THRESHOLD. AND I THANK YOU VERY MUCH FOR MY COMMENTS. THIS IS
24 VEDA FLOREZ, FOR MARIN COUNTY, PART OF THE POLICY ADVISORY
25 COUNCIL.



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1

2 **CLERK, KIMBERLY WARD:** THANK YOU. THERE ARE NO ADDITIONAL HANDS
3 RAISED MR. CHAIR.

4

5 **CHAIR, ALFREDO PEDROZA:** FIRST BY ABE-KOGA, SECOND PAPAN. ROLL
6 CALL VOTE, PLEASE.

7

8 **CLERK, KIMBERLY WARD:** CHAIR PEDROZA?

9

10 **CHAIR, ALFREDO PEDROZA:** YES.

11

12 **CLERK, KIMBERLY WARD:** VICE CHAIR JOSEFOWITZ.

13

14 **V. CHAIR, NICK JOSEFOWITZ:** YES.

15

16 **CLERK, KIMBERLY WARD:** COMMISSIONER ABE-KOGA?

17

18 **MARGARET ABE-KOGA:** AYE.

19

20 **CLERK, KIMBERLY WARD:** COMMISSIONER AHN?

21

22 **EDDIE AHN:** AYE.

23

24 **CLERK, KIMBERLY WARD:** CANEPA?

25



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1 **DAVID CANEPA:** AYE.

2

3 **CLERK, KIMBERLY WARD:** CHAVEZ?

4

5 **CINDY CHAVEZ:** YES.

6

7 **CLERK, KIMBERLY WARD:** DUTRA-VERNACI?

8

9 **CAROL DUTRA-VERNACI:** AYE.

10

11 **CLERK, KIMBERLY WARD:** FLEMING?

12

13 **VICTORIA FLEMING:** YES.

14

15 **CLERK, KIMBERLY WARD:** GLOVER IS ABSENT. COMMISSIONER MAHAN IS

16 ABSENT. MILEY?

17

18 **NATHAN MILEY:** AYE.

19

20 **CLERK, KIMBERLY WARD:** MOULTON PETERS?

21

22 **STEPHANIE MOULTON-PETERS:** YES.

23

24 **CLERK, KIMBERLY WARD:** NOACK IS ABSENT. PAPAN?

25



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1 **GINA PAPAN:** AYE.

2

3 **CLERK, KIMBERLY WARD:** RABBITT IS ABSENT. RONEN?

4

5 **HILLARY RONEN:** AYE.

6

7 **CLERK, KIMBERLY WARD:** SPERING?

8

9 **JAMES P. SPERING:** AYE.

10

11 **CLERK, KIMBERLY WARD:** THAO? THANK YOU. PASSES UNANIMOUSLY BY
12 ALL MEMBERS PRESENT.

13

14 **CHAIR, ALFREDO PEDROZA:** THANK YOU FOR ABE-KOGA FOR FILLING IN.
15 THIS IS THE ITEM FIFE A DRAFT BAY AREA TOLL AUTHORITY BUDGET
16 FOR 20232024 OPERATING AND CAPITAL BUDGET. MR. HANSEL.

17

18 **DEREK HANSEL:** PLEASE PULL UP THE SLIDE. HALFWAY THROUGH.
19 BRINGING FORWARD THE DRAFT BUDGET TODAY WE WILL HAVE THE FINAL
20 PROPOSED BUDGET TO YOU IN FIVE WEEKS. WE'RE HAPPY TO COME TO
21 THE BATA OVERSIGHT COMMITTEE ON THE 14th IF IT IS SO DESIRED
22 BASED ON THE OUTCOME OF THIS. NEXT SLIDE, PLEASE. NEXT SLIDE,
23 PLEASE. THERE WE GO. SORRY. BACK THAT ONE. THERE WE GO. WE ARE
24 HOLDING TOLL REVENUE -- THE TOLL REVENUE ESTIMATES AMONG THE
25 KEY ASSUMPTIONS THAT WE'RE MAKING WE ARE HOLDING THE TOLL



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1 REVENUE ESTIMATES THAT WE WERE USING FOR FISCAL '24 AS BEING
2 EQUAL TO THOSE WHICH WE ESTIMATED FOR FISCAL '23 SO THIS IS
3 PROBABLY THE BIGGEST SINGLE ASSUMPTION THAT WE MAKE IN
4 DEVELOPING THE ESTIMATES. I WILL NOTE WE ARE NOT GOING TO HIT
5 THAT ESTIMATE FOR FISCAL '23. WE WILL FALL SHORT OF THAT.
6 TRAFFIC HAS NOT RECOVERED IN FISCAL '23 THE WAY WE CERTAINLY
7 WOULD HAVE HOPED IT'S GOING TO END UP PRETTY MUCH FLATTISH
8 RELATIVE TO FISCAL '22, NOT REALLY WHAT WE EXPECTED QUITE
9 HONESTLY. FISCAL, THE FIRST HALF OF THIS FISCAL YEAR WAS DOWN
10 SLIGHTLY OVER FIRST HALF OF FISCAL '22. WE WERE HOPING WE
11 COULD SEE SOME RECOVERY IN FISCAL '23 FISCAL -- BACK HALF OF
12 THE FISCAL YEAR AS COMPARED TO FISCAL '22 GIVEN HOW DEPRESSED
13 THAT THIRD QUARTER WAS THROUGH THE OMICRON SURGE. WE'RE
14 FINDING IT'S PRETTY FLAT AGAIN WE'RE HOPING FOR SOME UPLIFT IN
15 FISCAL '24 RELATED TO IMPLEMENTATION OF THE REPAYMENT PLAN.
16 THE SOON TO BE THEN RELEASE OF VIOLATIONS TO DMV REGISTRATION
17 HOLD. HOPEFULLY COLLECTING A GOOD PORTION OF LARGE AMOUNT OF
18 PAST DUE TOLLS AS WELL AS HOPEFULLY RESUMPTION OF SENDING DMV
19 REGISTRATION HOLDS LEADING TO INCREASED COLLECTIONS
20 ESSENTIALLY TRANSLATING INTO HIGHER RECOVERY THE PAID VEHICLE
21 TRAFFIC AS OPPOSED TO UNPAID VEHICLE TRAFFIC. SO THAT'S OUR
22 HOPE AND WE'LL SEE HOW WE GET THERE. NEXT SLIDE PLEASE. AGAIN,
23 YOU CAN KIND OF SEE IN THIS SLIDE WHAT WE'RE SEEING ON A WEEK
24 TO WEEK BASIS. WE ARE SEEING SOME RECOVERY HERE, KIND OF, OVER
25 THE LAST I WOULD SAY SIX WEEKS, AGAIN, THE FIRST QUARTER OF



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1 THIS CALENDAR YEAR DID NOT GO QUITE AS WE WOULD HAVE HOPED AND
2 CERTAINLY COMPARED TO WHAT WE HAD SEEN WITH THE OMICRON SURGE
3 IN FISCAL '22, WE'RE HOPEFUL THINGS CONTINUE AND THE THINK
4 ABOUT WORKSHOP CONTINUES TO BE A LARGER DRIVER THAN WHAT WE
5 WOULD SEE IN THE ECONOMY WITH SOME OF THE LAYOFFS BUT WE'LL
6 HAVE TO WATCH THAT OVER TIME. NEXT SLIDE, PLEASE. OKAY. SO,
7 FOR FUNDAMENTAL ASSUMPTIONS, WE DID JUST TALK ABOUT THE
8 BIGGEST ONE, WHICH IS WHAT DOES THE REVENUE PICTURE LOOK LIKE.
9 WE SEE SOME MINOR INCREASES IN STAFFING COSTS, COST OF LIVING
10 ADJUSTMENT, AGAIN, YOU JUST APPROVED, AND SMALL PIECES
11 THROUGHOUT THE OPERATING BUDGET. NEXT SLIDE, PLEASE. A FEW
12 NOTES I WOULD LIKE TO MAKE HERE ON THIS SLIDE. SO HERE IS OUR
13 ACTUAL REVENUE AND EXPENSE BUDGET, AND YOU WANT TO REALLY
14 FOCUS NOW ON THE EXPENSE SIDE OF THIS. THE BIGGEST INCREASE
15 THAT YOU WILL SEE IS FOR DEBT SERVICE. THAT IS NOT THE DEBT
16 SERVICE ITSELF IS ACTUALLY INCREASING. WE HAVE ACTUALLY TAKEN
17 STEPS OVER THE LAST BIT WITH SOME OF OUR FINANCING TO REDUCE
18 DEBT SERVICE PARTICULARLY OVER A LONG PERIOD OF TIME AND WE'LL
19 HAVE SOME POSITIVE DEBT SERVICE IMPACTS OVER THE NEXT SEVERAL
20 YEARS AS WELL. BUT IN FISCAL '23, WE PREPAID SOME DEBT
21 SERVICE. WE HAD THE EFFECT OF PRAY PAYING DEBT SERVICE THAT WE
22 ACTUALLY MADE A PAYMENT FOR IN FISCAL '22. WE ARE NOT DOING
23 THAT FOR FISCAL '24. SO, IT'S NOT REALLY GOING UP. IT'S JUST A
24 QUESTION OF HOW IT'S ALLOCATED FROM YEAR OVER YEAR BUT DID
25 WANT TO NOTE THAT. INTEREST INCOME, IT IS REVENUE ITEM,



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1 OBVIOUSLY UP SHARPLY WANTED TO NOTE THAT, A FUNCTION OF BOTH
2 INTEREST RATES INCREASING BUT WE'RE ALSO BEING A LITTLE MORE
3 ACTIVE IN THE WAY THAT WE'RE TRYING TO MANAGE THAT MONEY TO
4 GENERATE ADDITIONAL INCOME. SO FAR THAT LOOKS LIKE IT'S GOING
5 WELL AND HOPEFULLY WE'LL CONTINUE TO MAKE THAT -- I TELL OUR
6 TREASURY FOLKS, THE ONE SET OF FOLKS THAT I HAVE GOT, ARE
7 PROFITS AND NOT A COST CENTER. SO I LIKE THOSE FOLKS. FINALLY
8 I WOULD NOTE ON RM3, THE BUDGET ACTION WE'RE REQUESTING, AND
9 AGAIN YOU WILL HEAR THIS AGAIN NEXT MONTH, THE REQUEST, THE
10 ACTION WE'RE REQUESTING IS TO PUT MONEY INTO THE FUND, OKAY,
11 SO THAT EXPENDITURES OUT OF THE RM3 FUND WOULD NOT ACTUALLY BE
12 BUDGET ACTIONS. THEY'RE JUST GOING TO BE MADE PURSUANT TO THE
13 ALLOCATIONS THAT ARE APPROVED BY THE PROGRAMMING AND
14 ALLOCATIONS COMMITTEE AT MTC AND CONSISTENT WITH THE MEASURE
15 ITSELF. IT IS POSSIBLE WE WOULD BE BACK TO YOU WITH A BROADER
16 AUTHORIZATION TO FUND THOSE ALLOCATIONS OUT OF THE FUND, BUT
17 THAT WOULD BE DONE AS KIND OF A STANDING AUTHORIZATION, AS
18 OPPOSED TO A BUDGET ACTION, WHERE THE BUDGET ACTION WOULD DO
19 THIS. SO THIS IS CONSISTENT WITH HOW SOME OF THE
20 TRANSPORTATION AUTHORITIES ACROSS THE REGION OPERATE,
21 INCLUDING THE SAN MATEO TRANSPORTATION AUTHORITY WITH WHICH
22 I'M RATHER FAMILIAR. NEXT SLIDE, PLEASE. JUST WANTED TO SHOW
23 YOU WHERE OUR MONEY COMES FROM AND WHERE IT GOES. YOU CAN SEE
24 IN THE BIG BLUE PIECE OF PIE, THAT'S OUR TOLL REVENUE. WE HAVE
25 ALSO GOT LARGE PIECES OF REVENUE COMING IN FROM INTEREST



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1 INCOME, AND THEN WHAT WE CALL THE BAB SUBSIDY, THE FEDERAL
2 GOVERNMENT SUBSIDIZES OUR INTEREST ON A PORTION OF OUR TAXABLE
3 DEBT AND WE RECOGNIZE THAT IN REVENUE, ON BUDGET MORE THAN 50%
4 THAT BUDGET GOING INTO DEBT SERVICE SO OBVIOUSLY A HUGE PIECE
5 OF IT. NEXT SLIDE. HERE IS OUR DRAFT REHAB BUDGET FOR THE
6 FOLLOWING YEAR, THIS IS GENERALLY CONSISTENT WITH THE CIP THAT
7 YOU APPROVED EARLIER THIS YEAR. I WOULD NOTE COSTS UP ON AN
8 ANNUAL BASIS FROM WHAT WE SHOWED YOU IN THE CIP, RELATED TO
9 SOME ACCELERATED FUNDING PROJECTS, THERE ARE SOME COST
10 INCREASES. IN MY NEXT LIFE I WANT TO BE A BRIDGE PAINTER,
11 BECAUSE THEY MAKE A LOT OF MONEY. OR AT LEAST WE SPEND A LOT
12 ON PAINT AND THEY MUST BE MAKING A LOT OF MONEY. AND THEN
13 THERE IS A NEW PROJECT, AND I WOULD DEFER, FRANKLY, TO OUR
14 ENGINEERING STAFF FOR ANY MORE DETAILS ON THIS. BUT THERE IS A
15 NEW PROJECT WHERE FHWA CAME IN AND ESSENTIALLY RIGHT AFTER WE
16 ADOPTED THE CIP, WE ARE NOW BEING REQUIRED TO DO CERTAIN
17 TESTING ON IT. ONE STEEL, I THINK IT'S WELL WELDS, OR RIVETS.
18 ANDY HAS A TECHNICAL EXPLANATION. MAYBE WHAT I REALLY WANT TO
19 BE IS A STEEL WELDER OR RIVET INSPECTOR BECAUSE THAT'S NOT A
20 PROJECT EITHER BUT THAT'S BEING DONE, I WOULD NOTE
21 IMPORTANTLY, ALL OF THIS WORK IS BEING FUNDED FROM BOND
22 PROCEEDS. YOU WILL NOTE THAT IN MY DISCUSSION OF THE OPERATING
23 BUDGET ITSELF WHERE SOME YEARS AGO, PRE-PANDEMIC WE WOULD HAVE
24 BEEN ABLE TO FUND A LARGE PORTION OF THE REHABILITATION BUDGET
25 FROM ONGOING TOLL REVENUES. WE CAN'T PAY GO REHAB RIGHT NOW.



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1 WE'RE FUNDING IT SOLELY FROM BOND PROCEEDS. JUST WANT TO NOTE
2 THAT. NEXT SLIDE, PLEASE. NEXT SLIDE, PLEASE. THERE WE GO. SO,
3 I JUST WANT TO IDENTIFY THE REMAINING BALANCES THAT WE HAVE IN
4 ALREADY APPROVED CAPITAL PROGRAMS. AND NOTABLY I WANT TO POINT
5 OUT, THESE ARE NOT CASH BALANCES, THESE ARE RATHER THE
6 BALANCES AND PROGRAMS, ESSENTIALLY AUTHORIZATIONS THAT THIS
7 BOARD HAS PROVIDED PREVIOUSLY WHERE THE -- WE HAD NOT SPENT
8 FULLY AGAINST THOSE AUTHORIZATIONS, FULLY HALF OF THAT BRIDGE
9 REHAB. SO, AGAIN, THESE ARE CAPITAL PROJECTS YOU HAVE
10 AUTHORIZED, BUT WE HAVE JUST NOT SPENT AGAINST YET. AND THE
11 REASON FOR THAT IS, TYPICALLY THAT WE'RE LOOKING FOR MULTI-
12 YEAR AUTHORIZATION OF PROJECTS SO THAT CALTRANS KNOWS THAT
13 THEY CAN ENCUMBER PROJECTS AND WHAT THEY NEED TO DO BUT THEY
14 JUST HAVEN'T SPENT THOSE MONEYS YET. AND THEN YOU CAN SEE THE
15 BALANCE ACROSS A FEW OF THE DIFFERENTLY PROGRAMS. NEXT SLIDE,
16 PLEASE. AND THIS SHOWS OUR INVESTABLE BALANCES. AND JUST
17 WANTED TO SHOW THIS BECAUSE CERTAINLY WE HAVE GOT A VERY LARGE
18 INVESTMENT BALANCE FOR BATA. SO THAT'S REALLY GOOD NEWS, BUT
19 IT IS NOT AS IF THERE IS A LOT OF FREE CASH FLOATING AROUND.
20 SO I JUST WANTED TO KIND OF STEP THROUGH FOR JUST A SECOND
21 WHAT THOSE BALANCES ARE. YOU HEAR US REGULARLY REFER TO WHAT
22 WE CALL THE HARD DECK. THIS IS COMPRISED OF A FEW DIFFERENT
23 FUNDS, BUT IS REALLY MOST IMPORTANTLY FUNDS THAT ALLOW US TO
24 HAVE THE KIND OF LIQUIDITY WE NEED TO HAVE TO ADDRESS ANY
25 UNFORESEEN CIRCUMSTANCES, THOSE COULD BE REVENUE



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1 CIRCUMSTANCES, IT COULD BE A VARIETY OF COST CIRCUMSTANCES,
2 AND, FRANKLY, INCLUDING SOME PRETTY BAD SCENARIOS THAT COULD
3 DEVELOP, AND THIS GIVES OUR US THE COMFORT AND GIVES THE
4 FINANCIAL COMMUNITY THAT HAS LENT US NINE AND A HALF MILLION
5 DOLLARS THE COMFORT THAT WE WOULD ACTUALLY BE ABLE TO OPERATE
6 TO DO ANY NECESSARY WORK AND, CERTAINLY, FOR THE FINANCIAL
7 COMMUNITY TO PAY THEIR NINE AND A HALF BILLION DOLLARS BACK,
8 WHICH THEY CARE DEEPLY ABOUT. WE ARE REQUIRED PURSUANT TO THE
9 TERMS OF OUR INDENTURE TO MAINTAIN DEBT SERVICE RESERVE FUNDS
10 THAT'S A LITTLE OVER HALF A BILLION DOLLARS WE HAVE MONEY IN
11 OUR DEBT SERVICE FUNDS WHERE WE HAVE PUT MONEY INTO THOSE
12 ACCOUNTS TO PAY THE DEBT SERVICE, \$550 MILLION OF DEBT SERVICE
13 ANNUALLY SO THERE IS OFTEN A LOT OF MONEY IN THOSE FUNDS, WE
14 PUT A BUNCH OF MONEY INTO THE A RM3 FUND AGAIN NOT FREE CASH
15 JUST SITTING AROUND IT'S MONEY THAT'S REALLY SET UP TO PAY
16 THOSE PROJECTS OVER TIME INCLUDING OUR OPERATING COMMITMENTS.
17 I BELIEVE THAT ENDS WE'RE THROUGH TO THREE.

18

19 **CHAIR, ALFREDO PEDROZA:** SPERING?

20

21 **JAMES P. SPERING:** IT'S A VERY COMPLEX FUNDING STRUCTURE AND IT
22 SEEMS FAIRLY FRAGILE YOU KNOW YOU HAVE THOSE RESERVE SO CAN
23 YOU SHED LIGHT ON OUR ABILITY TO DEAL WITH BOTH THE
24 IMPROVEMENT PLANS THAT WE ADOPTED AND ALSO ON THE
25 REHABILITATION NEEDS HOW DOES THAT LOOK FOR THE OUT YEARS?



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1

2 **DEREK HANSEL:** I APPRECIATE THE QUESTION. WE ARE, AGAIN, KIND
3 OF PRE-PANDEMIC. WE HAVE A LOT OF REASONABLE AMOUNT OF FREE
4 OPERATING CASH FLOW THAT COULD BE USED TO ADDRESS
5 REHABILITATION NEEDS. AS YOU SAW IN, AGAIN, THE DRAFT BUDGET
6 THAT WE'RE PROPOSING FOR OPERATIONS, TODAY, IT IS WHAT I WOULD
7 CALL A FINALLY BALANCED BUDGET, RIGHT? WE ARE ABLE TO PAY DEBT
8 SERVICE. WE'RE ABLE TO OPERATE THE BRIDGES. WE'RE ABLE TO PUT
9 ALL OF THE NECESSARY MONEY INTO THE RM3 FUND, AND TO PUT MONEY
10 INTO THE RM2 PROGRAM TO DEAL WITH BOTH THE DEBT SERVICE THAT
11 HAS BEEN ASSOCIATED WITH THE CAPITAL PROGRAMS, AS WELL AS RM2
12 OPERATING FUNDS. BUT THEN WE DON'T HAVE ANYTHING LEFT. RIGHT?
13 OF ANY SIGNIFICANCE. SO, FUNDING FOR THAT REHABILITATION
14 PROGRAM OVER TIME IS GOING TO HAVE TO COME FROM MORE REVENUE.
15 WHERE IS THAT GOING TO COME FROM? COULD IT COME FROM CONTINUED
16 TRAFFIC RECOVERY? THAT WOULD BE GREAT. WE REALLY HOPE TO SEE
17 INCREASES IN OUR PAID TRAFFIC. SO, WE HAVE GOT A LOT OF
18 VEHICLES CROSSING WHERE WE HAVE FOLKS NOT PAYING. AND TO THE
19 EXTENT THAT THOSE ARE INSUFFICIENT, EVENTUAL WE ARE GOING TO
20 HAVE TO, AND MAYBE SOONER RATHER THAN LATER, DEPENDING ON WHAT
21 HAPPENS WITH THOSE OTHER TWO THINGS. YOU KNOW, WE'RE GOING TO
22 HAVE TO LOOK AT TOLL INCREASES FOR, ACTUALLY FUNDING THE
23 REHABILITATION PROGRAM, EITHER ON A PAY GO BASIS OR TO SECURE
24 ADDITIONAL BOND.

25



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1 **JAMES P. SPERING:** WE HAVE A TOLL INCREASE PLANNED?

2

3 **DEREK HANSEL:** THE JANUARY 2025 INCREASE OF THE DOLLAR WILL
4 COME IN FOR RM3 BUT THE BOARD HAS NOT ADOPTED TOLL INCREASES
5 BEYOND A REASONABLE DOUBT THAT TO FUND REHABILITATION.

6

7 **ANDREW FREMIER:** ANDREW FREMIER, EXECUTIVE DIRECTOR. WHILE IT'S
8 TRUE WE DO HAVE A BATA PLAN OF FINANCE ANTICIPATED A \$27
9 DOLLAR INCREASE FOR TOLL REHAB. AND THAT'S BEEN PRESENTED OVER
10 THE YEARS TO THE AUTHORITY.

11

12 **JAMES P. SPERING:** THE BUDGET YOU HAVE PROJECTED, THAT PROTECTS
13 OUR BOND RATING AND HOW WE ARE VIEWED IN THAT MARKET; IS THAT
14 CORRECT?

15

16 **DEREK HANSEL:** IT DOES. IT DOES, AND THAT'S OBVIOUSLY CRITICAL
17 FOR US. WE HAVE ALREADY BEEN IN THE MARKETS EITHER ON A
18 VARIABLE RATE BASIS OR FIXED RATE BASIS WITH THOSE TWO
19 TRANSACTIONS YOU APPROVED EARLIER THIS YEAR FOR ALMOST \$700
20 MILLION OF FINANCING. AGAIN, THIS IS A HUGELY CAPITAL
21 INTENSIVE ENTERPRISE, SO IT'S REALLY CRITICAL TO MAINTAIN
22 THOSE RATINGS TO MAINTAIN THAT COST OF CAPITAL, WHICH ALLOWS
23 US TO DO ALL THE OTHER THINGS WE NEED TO DO WITH THE TOLL
24 REVENUE.

25



MAY 24, 2023

1 **JAMES P. SPERING:** AND THE LAST QUESTION IS THE FINES AND
2 PEOPLE CROSSING THE BRIDGE WITHOUT PAYING, DOES THAT -- HOW
3 DOES THAT MARKET VIEW THAT? IS THAT JUST AN OPERATING EXPENSE?
4 I MEAN, IS THAT NORMAL?

5

6 **DEREK HANSEL:** YEAH, I WOULD SAY THAT OUR PEAK TRAFFIC NUMBERS
7 ARE MUCH LOWER THAN MANY OF OUR PEER AGENCIES, RIGHT? WE'RE
8 KIND OF HOVERING AROUND THE 90% LEVEL. I WOULD SAY THAT MOST
9 OF OUR PEER AGENCIES ARE 95% AND UP, EACH POINT IS WORTH ABOUT
10 \$9 MILLION SO IF WE COULD GET UP TO THAT 95% LEVEL WE'RE
11 TALKING ABOUT \$45 MILLION ADDITIONAL REVENUE MUCH APPRECIATED
12 CERTAINLY FOR MY SCENE AND I KNOW THEY WOULD APPRECIATE IT AS
13 WELL, IT'S NOT THE DRIVING FACTOR AND IT'S SOMETHING FRANKLY
14 WE HAVE JUST GOT TO GET BETTER.

15

16 **JAMES P. SPERING:** LAST QUESTION, WE DON'T HAVE ANY LARGE SUM
17 OF MONEY THAT'S JUST LOOKING FOR A PROJECT?

18

19 **DEREK HANSEL:**

20

21 **CHAIR, ALFREDO PEDROZA:** KIM DO WE HAVE PUBLIC COMMENT?

22

23 **CLERK, KIMBERLY WARD:** YES WE DO. ALETA DUPREE. PLEASE UNMUTE
24 YOURSELF YOU HAVE TWO MINUTES.

25



MAY 24, 2023

1 **SPEAKER:** ALETA DUPREE, SHE AND HER FOR THE RECORD. I ALWAYS
2 ENJOY DEREK'S COMPREHENSIVE AND CREDIBLE PRESENTATION IT'S
3 VERY MEANINGFUL BREAKS IT DOWN INTO A PLAIN LANGUAGE THAT I
4 CAN UNDERSTAND. SO THE BUDGET LOOKS REASONABLE AND IT'S
5 BALANCED AND WE HAVE THAT MONEY, THAT MONEY IS DESIGNATED FOR
6 THINGS THAT NEED TO BE DONE. BUT I WOULD SAY WE'RE IN PRETTY
7 GOOD SHAPE, WE WANT TO ALWAYS KEEP OUR CREDIT RATING UP,
8 BECAUSE NOT ONLY DOES IT LOOK GOOD IN THE COURT OF PUBLIC
9 OPINION, BUT IT ALSO MEANS THAT WE PAY LESS INTEREST SO WE
10 HAVE MORE MONEY TO DO THE THINGS THAT NEED TO BE DONE. I WOULD
11 HOPE TRAFFIC WOULD RECOVER. I READ A REPORT TODAY THAT IN THE
12 NEW YORK AREA, ON THE -- EXCUSE ME -- ON THE MTA BRIDGES AND
13 TUNNELS, THOSE LIE ENTIRELY WITHIN THE CITY OF NEW YORK, THERE
14 ARE NINE SUCH INSTALLATIONS THERE RUNNING AROUND 100% PRE-
15 PANDEMIC TRAFFIC ON MOST DAYS AND THEIR TOLL RECOVERY IS VERY
16 HIGH, 95% OF THEIR BUSINESS IS EASY PASS. SO, HOW CAN WE BRING
17 TRAFFIC BACK TO THE BRIDGES? ESPECIALLY WHEN WE ARE SEEING
18 FEWER PEOPLE DRIVING CARS? I -- THERE'S A PLACE FOR CARS,
19 ESPECIALLY, I WOULD HOPE THEY WOULD ALL BE ELECTRIC. AND I
20 WONDER TO MYSELF ARE WE MISSING REVENUES. BUT I DON'T WANT TO
21 UPSET MY TRANSIT AGENCY FRIENDS BUT WE DON'T CHARGE FOR THE
22 BUSES. AND I'M NOT SAYING WHETHER WE SHOULD OR SHOULDN'T, BUT
23 LET'S FIND OUT WHY PEOPLE AREN'T COMING BACK TO THE BRIDGES.
24 BECAUSE I BELIEVE THE BRIDGES DESERVE TO BE DRIVEN OVER. THANK
25 YOU.



MAY 24, 2023

1

2 **CLERK, KIMBERLY WARD:** THANK YOU. THERE ARE NO ADDITIONAL
3 HAPPENED RAISED MR. CHAIR.

4

5 **CHAIR, ALFREDO PEDROZA:** THANK YOU. THIS IS AN INFORMATION
6 ITEM. NO ACTION. WE'RE GOING TO PROCEED TO ITEM SIX, PUBLIC
7 COMMENT. I'LL ASK IF WE HAVE RECEIVED ANY GENERAL PUBLIC
8 COMMENT

9

10 **CLERK, KIMBERLY WARD:** WE HAVE RECEIVED NOTHING IN WRITING.
11 ALETA DUPREE HAS RAISED HER HAND FOR GENERAL PUBLIC COMMENT.
12 GO AHEAD AND UNMUTE YOURSELF. YOU WILL HAVE TWO MINUTES.

13

14 **SPEAKER:** THANK YOU, AGAIN, CHAIR ALFREDO PEDROZA AND MEMBERS.
15 ALETA DUPREE FOR THE RECORD, SHE AND HER, AS I SPEAK
16 GENERALLY. YOU KNOW, I'M A BIG FAN OF BATA. I MEAN IT. I'M A
17 BIG FAN OF BATA AND I'M A BIG FAN OF MTC. THAT'S TRUE. THAT'S
18 ABSOLUTELY TRUE. AND I THINK ALL THE TIME ABOUT BATA BECAUSE I
19 USE IT INDIRECTLY WITH THE BUSES THAT GO OVER THE BRIDGE.
20 MAYBE SOME DAY I'LL BE ABLE TO RENT AN ELECTRIC CAR AND DRIVE
21 BETWEEN THE EAST BAY AND PENINSULA OVER THE BRIDGE AND THEN I
22 CAN PAY \$7 DIRECTLY INTO THE WORK OF BATA AND HAVE THAT DEEPER
23 LEVEL OF PARTICIPATION. BUT HOW CAN WE GET PEOPLE INTERESTED
24 IN PARTICIPATING MORE DEEPLY IN BATA? BECAUSE MOST PEOPLE
25 DRIVING OVER BRIDGES IS MUNDANE. FOR SOME IT'S EXCITING. THERE



MAY 24, 2023

1 IS LOTS OF YOUTUBE VIDEOS OF PEOPLE DRIVING OVER BRIDGES AND
2 THROUGH TUNNELS AND GOING THROUGH TOLL INSTALLATIONS OF ALL
3 DIFFERENT KINDS, MANY OF THEM ARE EASY PASS. BUT I THINK
4 CERTAINLY WE WANT TO OUTREACH TO PEOPLE ABOUT THE IMPORTANCE
5 OF BATA, AND PAYING FOR THE WORK OF BATA. IT SADDENS ME THAT
6 THERE ARE SOME WHO DON'T PAY FOR THE WORK OF BATA. AND, YEAH,
7 I MEAN I ADMIT IN MY TEENS, I SKIPPED FARE ON THE NEW YORK
8 CITY SUBWAY MORE TIMES THAN I CAN COUNT. I HAVE LEARNED FROM
9 THAT, NOW I PAY MY FARE USING THE NEW OMNI SYSTEM. BUT CAN WE
10 GET EXCITED ABOUT BATA AND MTC? I'M NOT A SUPER FAN. BUT I AM
11 A FAN. BECAUSE THESE SERVICES HELP ME, AND I LOOK FORWARD TO
12 BEING ABLE TO RIDE A BUS OVER THE BAY BRIDGE SEE IN-PERSON.
13 THANK YOU.

14

15 **CLERK, KIMBERLY WARD:** THERE ARE NO ADDITIONAL HANDS RAISED MR.
16 CHAIR.

17

18 **CHAIR, ALFREDO PEDROZA:** PROCEEDING TO ITEM FIVE ADJOURNMENT,
19 THE BAY AREA TOLL AUTHORITY MEETING IS SCHEDULED TO BE HELD
20 JUNE 28TH, 2023 AT THIS BUILDING. THIS MEETING IS ADJOURNED.

21 [ADJOURNED]

22

23

24



NTT

Broadcasting Government