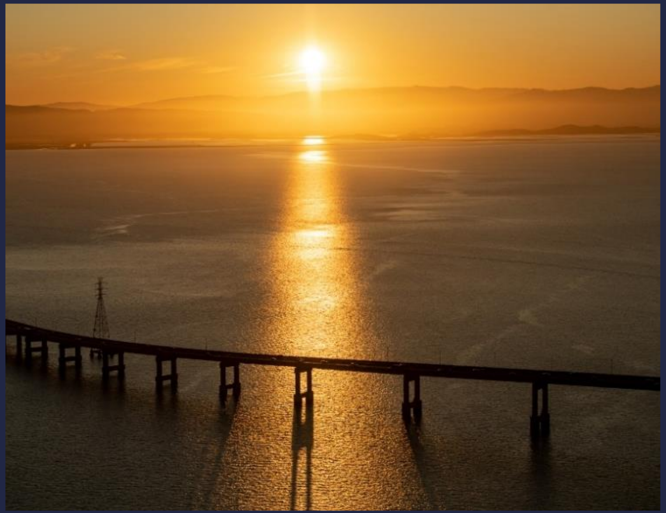


2025 Plan of Finance – Resolution No. 183

BAY AREA TOLL AUTHORITY

January 22, 2025

Natalie Perkins
Director of Treasury

The BATA Debt Portfolio

- An extremely strong credit, underpinned by excellent metrics, high income service area, limited competition, and prudent fiscal management
  - Among the highest rated toll entities in the country; AA level ratings
- Diverse and flexible debt portfolio, including:
  - Fixed and variable rate
  - Taxable and tax-exempt
  - Senior and subordinate liens
- Debt portfolio requires ongoing maintenance

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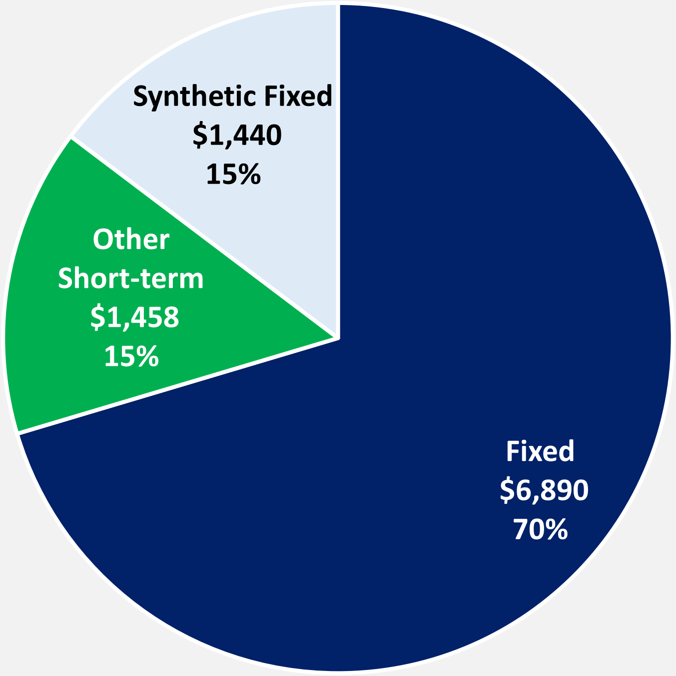
Composition of BATA Debt Portfolio

- A portion of the short-term portfolio remains “unhedged”
  - Takes advantage of generally low short-term rates
  - All of this has a “natural hedge” of short-term investments
- Required maintenance of short-term portfolio is staggered in timing to mitigate any impact of market access challenges

Fixed vs. Other Short-term Outstanding Debt by Par ($ Millions)



2025 Plan of Finance

1. Maintenance of existing short-term portfolio
   - Refunding of $306 million of Term Rate bonds (by April 1)
   - Substitution and extension of letters of credit (LOCs)
2. New Money
   - Up to $500 million in new money authorized
     - A portion of the authorization may be used to refund subordinate lien bonds onto the senior lien
   - Approximately $400 million of fixed rate Green Bonds – Climate Bond Certified for Regional Measure 3 (RM3)
3. Self-Liquidity Variable Rate Demand Bonds (VRDBs)
   - Second Subordinate Lien Indenture provides for the issuance of self-liquidity VRDBs
4. Potential refinancing of debt to achieve debt service savings, reduce risk or provide future flexibility

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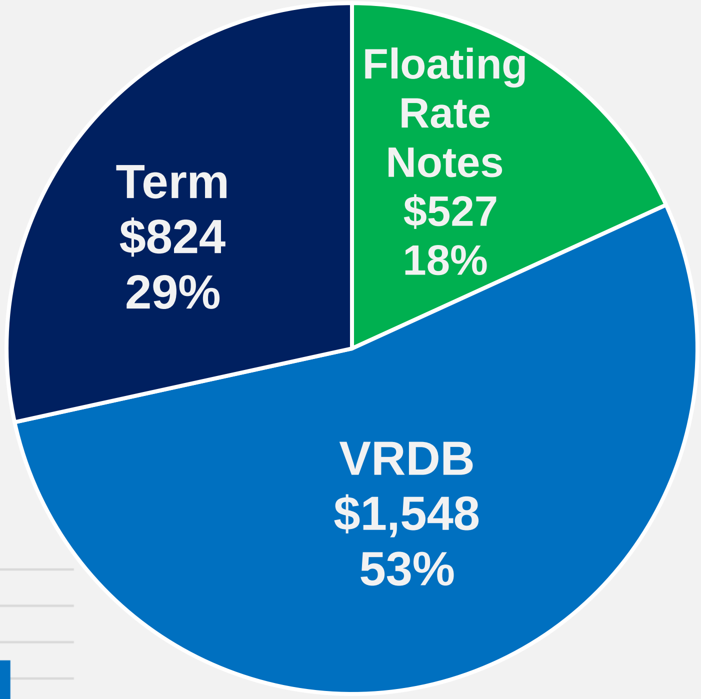
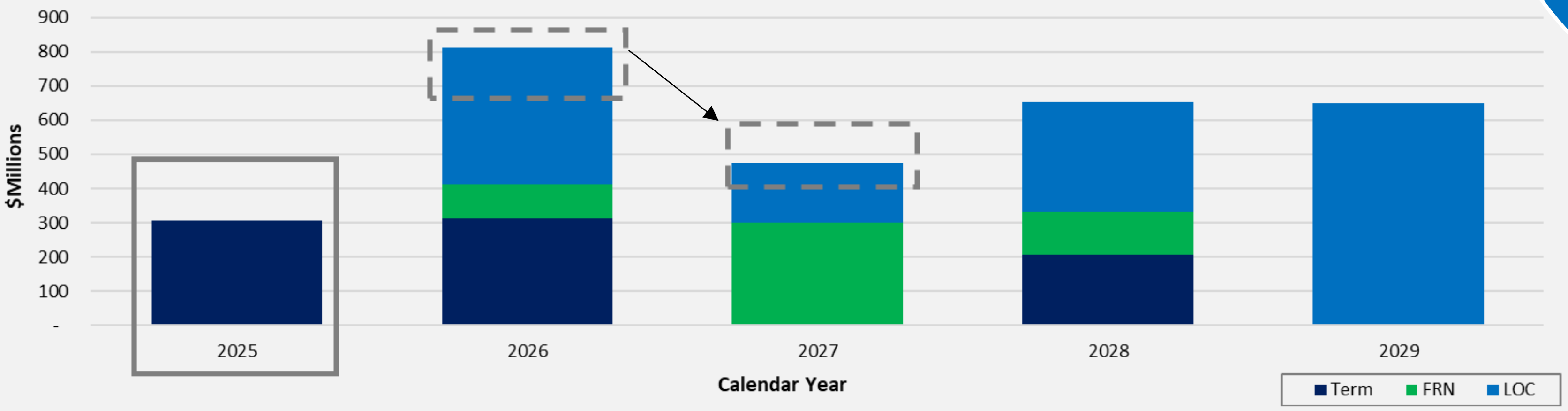
Short-term Portfolio Maintenance

- $306 million in term bonds with a purchase date of April 1, 2025 refunded with fixed rate bonds
- $150 million in LOCs expiring October 2026 to be replaced with new LOC from PNC Bank expiring in 2027
- Self-liquidity VRDBs may address additional future LOC expirations or purchase dates

Short-term Debt by Type ($ Millions)



Purchase Date/LOC Expiration



Second Subordinate Indenture & Self-Liquidity Bonds

- New Second Subordinate Indenture improves debt administration, allows for the issuance of self-liquidity VRDBs and will eventually replace existing Subordinate Indenture
- Existing VRDBs are supported by third party LOCs
- Self-liquidity bonds would be supported by the Authority’s fund balances, rather than external funds, in the event VRDBs could not be remarketed
  - This would further diversify the Authority’s short-term debt and is expected to provide for interest and support cost savings
- The existing Subordinate Lien will be closed with the first issuance of bonds under the Second Subordinate Indenture

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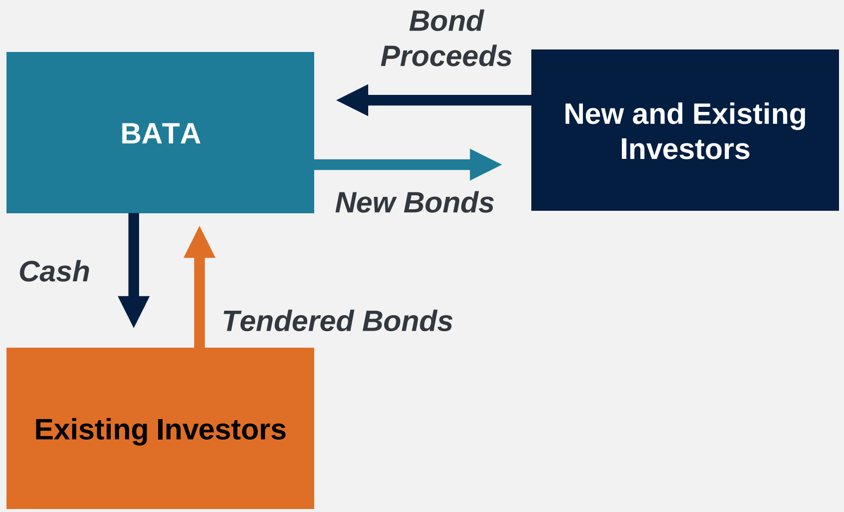
Overview of the Tender Process

- A tender invites investors to sell back outstanding bonds
- A public Letter to Bondholders and Invitation to Tender is released to the market
- Investors make their own decisions on whether or not to tender bonds – as such, ultimate participation is unknown at the launch of the tender
- BATA will have discretion as to which tenders of bonds will be accepted

TENDER OFFER

Investors tender bonds for cash; purchase can be funded with bond proceeds or cash on hand



Requested Authority Action

Resolution No. 183 would approve:

- Maintenance of variable rate portfolio
- The issuance of up to $500 million in new money bonds
- Refunding of existing fixed rate bonds, provided debt policy guidelines are met
- The form of financing documents and additional documents
  - Draft Official Statement including Appendix A
  - Second Subordinate Indenture
  - Standby Bond Purchase Agreement
  - Acceptance of Good Faith Estimate

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