

Bay Area Infrastructure Financing Authority
Network and Operations Committee

February 13, 2026

Agenda Item 4b

**Fiscal Year (FY) 2025-26 Bay Area Infrastructure Financing Authority (BAIFA) Statement
of Revenues and Expenses for the Period Ended September 30, 2025 (Unaudited)**

Subject:

Statement of Revenues and Expenses for the Period Ended September 30, 2025 (unaudited).

Background:

BAIFA manages the operations of the Metropolitan Transportation Commission (MTC)'s express lanes on the Interstate 680 (I-680) and the Interstate 880 (I-880), and uses FasTrak[®], the electronic toll payment system, which is managed by the Bay Area Toll Authority (BATA), to collect cash-free tolls on the express lanes. BAIFA also operates the express lane tolling on Highway 101 in San Mateo County (SM Highway 101) under a cooperative agreement between BAIFA and the San Mateo County Express Lanes Joint Powers Authority (SMCELJPA). The construction of Interstate 80 (I-80) express lanes in Solano County is complete and began tolling operations on December 16, 2025.

Operating Revenues:

BAIFA's main operating revenues are toll revenues collected through FasTrak[®] from BAIFA's express lanes. Current year-to-date toll revenues collected were \$19.6 million, the same as the prior year-to-date actual. Approximately 75 percent of the total toll revenues, \$14.7 million, were from I-880 express lanes.

Violations revenues collected were \$2.6 million, \$229,000 higher than the prior year-to-date actual. Higher violation revenues were attributed to an increase in DMV hold collections.

Interest and other revenues were \$3.5 million as of September 30, 2025, an increase of \$256,000 compared to the prior year-to-date actual. The increase in interest income was due to higher investment balances in the current year, despite a lower interest rate environment and yield curve movements negatively impacting market values.

The SM Highway 101 reimbursement revenue decreased by \$385,000 by the end of the first quarter. The decrease is mainly a result of the timing difference in reimbursable invoices paid compared to the prior year.

Operating Expenses:

BAIFA's operating expenses are the expenses incurred from the express lane operations, such as FasTrak® operations and maintenance and roadway and backhaul operations and maintenance. As of September 30, 2025, total operating expenses were \$2.5 million, which was \$163,000 lower than the prior year-to-date actual. The decrease was primarily driven by the timing difference in operation and maintenance expenses. This decrease was partially offset by an increase in administrative costs. The increase in administrative costs was due to an increase in staffing levels and the implementation of Cost-of-Living Adjustment (COLA) pursuant to the Memorandum of Understanding that contributed to the upward trend in personnel-related expenses.

Transfers:

As of September 30, 2025, total transfer for BAIFA was \$22.2 million, an increase of \$21.1 million compared to prior year-to-date actual. This increase was due to timing difference in the quarterly transfer to capital funds. In FY 2024-25, the transfer to capital funds was completed annually in the second quarter.

Budget Status Update:

For the first quarter of FY 2025-26, ending September 30, 2025, BAIFA generated \$25.7 million in total revenue, representing 22 percent of the adopted annual budget. Toll revenues from the I-680 and I-880 express lanes totaled \$19.6 million, or 21 percent of the budget. This figure appears slightly below expectations because the budget includes projected tolls from the I-80 express lanes, which are scheduled to open this fall. When excluding the I-80 portion, toll revenues from I-680 and I-880 are tracking above expectations, reaching 27 percent of their combined budget. Steady traffic volumes on both corridors continue to support strong toll collections.

Violation revenues reached 32 percent of the annual budget, driven by consistent and timely collections through the DMV. Interest and miscellaneous revenues performed well, reaching 39 percent of the budget. This favorable result is mainly due to higher-than-expected interest earnings, which exceeded the assumptions built into the budget. No reimbursement revenue has been recorded yet for the SM 101 Express Lanes due to billing delays, as invoices were processed the month after the quarter ended.

Operating expenses for the quarter totaled \$2.5 million, or 5.2 percent of the annual budget. This low spending level is typical early in the year, as vendor invoices often arrive with a delay of one to two months. Spending is expected to increase in the coming months as operations ramp up.

Transfers to support capital programs and reserves were made as planned, totaling one-quarter of the annual budget.

Expenses for SM 101 Express Lanes were \$250,000, or 4 percent of the budget. These costs were mainly for staff time, while consultant expenses and reimbursements are lagging.

BAIFA's net operating surplus before transfers recorded a net operating surplus of \$23.2 million.

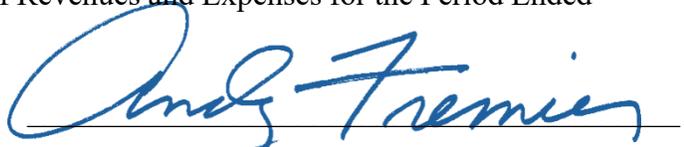
After transferring \$12.9 million to capital programs and \$9.4 million to the capital reserve, the remaining surplus was \$962,000. This positive result reflects strong express lane revenues and modest operating costs during the first quarter of FY 2025-26.

Recommendations:

Information

Attachments:

- Attachment A: BAIFA Statement of Revenues and Expenses for the Period Ended September 30, 2025 (unaudited)

A handwritten signature in blue ink that reads "Andrew B. Fremier". The signature is written in a cursive style and is positioned above a horizontal line.

Andrew B. Fremier