

## Meeting Agenda

### Bay Area Infrastructure Financing Authority Network and Operations Committee

*Carol Dutra-Vernaci, Chair*  
*Stephanie Moulton-Peters, Vice Chair*

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Friday, March 8, 2024

9:35 AM

Board Room - 1st Floor

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Meeting attendees may opt to attend in person for public comment and observation at 375 Beale Street, Board Room (1st Floor). In-person attendees must adhere to posted public health protocols while in the building. The meeting webcast will be available at <https://mtc.ca.gov/whats-happening/meetings/live-webcasts>. Members of the public are encouraged to participate remotely via Zoom at the following link or phone number.

Members of the public participating by Zoom wishing to speak should use the “raise hand” feature or dial \*9. When called upon, unmute yourself or dial \*6. In order to get the full Zoom experience, please make sure your application is up to date.

Attendee Link: <https://bayareametro.zoom.us/j/87558790389>

iPhone One-Tap: US: +16694449171,,87558790389#

Join by Telephone (for higher quality, dial a number based on your current location) US:  
888 788 0099 (Toll Free) or 877 853 5247 (Toll Free)

Webinar ID: 875 5879 0389

International numbers available: <https://bayareametro.zoom.us/j/87558790389>

Detailed instructions on participating via Zoom are available at:

<https://bayareametro.zoom.us/j/87558790389>

<https://mtc.ca.gov/how-provide-public-comment-board-meeting-zoom>

Members of the public may participate by phone or Zoom or may submit comments by email at [info@bayareametro.gov](mailto:info@bayareametro.gov) by 5:00 p.m. the day before the scheduled meeting date. Please include the committee or board meeting name and agenda item number in the subject line. Due to the current circumstances there may be limited opportunity to address comments during the meeting. All comments received will be submitted into the record.



## 5. Approval

- 5a. [24-0299](#) BAIFA Resolution No. 52 - Bay Area Infrastructure Financing Authority (BAIFA) Express Lanes 10-Year Financial Plan and Reserves Policy

Request for approval of BAIFA Resolution No. 52 adopting the BAIFA Express Lanes Program 10-Year Financial Plan for Fiscal Years (FY) 2023-24 to FY 2032-33.

**Action:** Authority Approval

**Presenter:** Ken Hoang

**Attachments:** [5ai 24-0299 Summary Sheet-BAIFA\\_RES\\_0052 EL\\_10-Yr Financial Plan\\_FY](#)  
[5aii 24-0299 PowerPoint\\_BAIFA\\_RES\\_0052 EL\\_10-Yr Financial Plan\\_FY\\_20](#)  
[5aiii 24-0299 TEMP-BAIFA-RES-0052.pdf](#)  
[5aiv 24-0300 TEMP\\_BAIFA-RES-0052 Attachment A.pdf](#)

- 5b. [24-0300](#) BAIFA Resolution No. 53 - Bay Area Infrastructure Financing Authority (BAIFA) Reserves Policy

Request for approval of BAIFA Resolution No. 53 adopting the BAIFA Reserves Policy beginning Fiscal Year (FY) 2024-25.

**Action:** Authority Approval

**Presenter:** Ken Hoang

**Attachments:** [5bi 24-0300 Summary Sheet-BAIFA-RES\\_0053-Reserves\\_Policy.pdf](#)  
[5bii 24-0300 TEMP-BAIFA-RES-0053.pdf](#)  
[5biii 24-0300 PowerPoint\\_BAIFA\\_RES\\_0053 EL Reserves\\_Policy.pdf](#)

## 6. Public Comment / Other Business

*Members of the public participating by Zoom wishing to speak should use the "raise hand" feature or dial \*9. When called upon, unmute yourself or dial \*6.*

## 7. Adjournment / Next Meeting

The next meeting of the Bay Area Infrastructure Financing Authority Network and Operations Committee will be held on Friday, April 12, 2024 at 9:35 a.m. at the Bay Area Metro Center, 375 Beale Street, San Francisco, CA. Any changes to the schedule will be duly noticed to the public.

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**Public Comment:** The public is encouraged to comment on agenda items at Authority meetings by completing a request-to-speak card (available from staff) and passing it to the Authority secretary. Public comment may be limited by any of the procedures set forth in Section 3.09 of MTC's Procedures Manual (Resolution No. 1058, Revised) if, in the chair's judgment, it is necessary to maintain the orderly flow of business.

**Meeting Conduct:** If this meeting is willfully interrupted or disrupted by one or more persons rendering orderly conduct of the meeting unfeasible, the Chair may order the removal of individuals who are willfully disrupting the meeting. Such individuals may be arrested. If order cannot be restored by such removal, the members of the Authority may direct that the meeting room be cleared (except for representatives of the press or other news media not participating in the disturbance), and the session may continue.

**Record of Meeting:** Authority meetings are recorded. Copies of recordings are available at a nominal charge, or recordings may be listened to at MTC offices by appointment. Audiocasts are maintained on MTC's Web site ([mtc.ca.gov](http://mtc.ca.gov)) for public review for at least one year.

**Accessibility and Title VI:** MTC provides services/accommodations upon request to persons with disabilities and individuals who are limited-English proficient who wish to address Commission matters. For accommodations or translations assistance, please call 415.778.6757 or 415.778.6769 for TDD/TTY. We require three working days' notice to accommodate your request.

**可及性和法令第六章:** MTC 根據要求向希望來委員會討論有關事宜的殘疾人士及英語有限者提供服務/方便。需要便利設施或翻譯協助者，請致電 415.778.6757 或 415.778.6769 TDD / TTY。我們要求您在三個工作日前告知，以滿足您的要求。

**Acceso y el Título VI:** La MTC puede proveer asistencia/facilitar la comunicación a las personas discapacitadas y los individuos con conocimiento limitado del inglés quienes quieran dirigirse a la Comisión. Para solicitar asistencia, por favor llame al número 415.778.6757 o al 415.778.6769 para TDD/TTY. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

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Attachments are sent to Authority members, key staff and others as appropriate. Copies will be available at the meeting.

All items on the agenda are subject to action and/or change by the Authority. Actions recommended by staff are subject to change by the Authority.



Bay Area Metro Center  
375 Beale Street  
San Francisco, CA 94105

## Meeting Minutes - Draft

### Bay Area Infrastructure Financing Authority Network and Operations Committee

*Carol Dutra-Vernaci, Chair*  
*Stephanie Moulton-Peters, Vice Chair*

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Friday, February 9, 2024

9:35 AM

Board Room - 1st Floor

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#### Roster

Carol Dutra-Vernaci (Chair), Stephanie Moulton-Peters (Vice Chair), David Canepa,  
Dina El-Tawansy\*, Sue Noack, David Rabbitt, and James P. Spering  
\*Non-Voting Member

#### 1. Call to Order / Roll Call / Confirm Quorum

**Present:** 4 - Chair Dutra-Vernaci, Vice Chair Moulton-Peters, Commissioner Canepa and  
Commissioner Spering

**Absent:** 2 - Commissioner Noack and Commissioner Rabbitt

Non-Voting Member Absent: Dina El-Tawansy

Ex Officio Voting Member Present: Commission Chair Pedroza

Ad Hoc Non-Voting Member Present: Commissioner Ahn, Commissioner Giacomini, and Commissioner Papan.

#### 2. Pledge of Allegiance / Acknowledgement of the Flag

#### 3. Compensation Announcement – Clerk of the Committee

#### 4. Consent Calendar

Upon the motion by Commissioner Spering and second by Commissioner Canepa, the Consent Calendar was unanimously approved. The motion carried by the following vote:

**Aye:** 4 - Chair Dutra-Vernaci, Vice Chair Moulton-Peters, Commissioner Canepa and  
Commissioner Spering

**Absent:** 2 - Commissioner Noack and Commissioner Rabbitt

#### 4a. [24-0017](#) Approval of the Minutes of the January 12, 2024 Meeting

**Action:** Committee Approval

**Attachments:** [4a 24-0017 January 12 2024 BAIFA Network and Ops Draft Minutes.pdf](#)

## 5. Approval

- 5a. [24-0155](#) Contract - Express Lanes Program Advisor: William R. Gray and Company, DBA Gray-Bowen-Scott (Gray-Bowen-Scott) (\$8,487,000 plus a contingency of \$1,500,000)

Request for Committee approval to award a contract to Gray-Bowen-Scott to provide express lanes program advisor services, including support for planning, policy, implementation, and operation of BAIFA's Express Lanes Network as well as for planning and coordination on regional express lanes matters. The contract would be for a term of three years and four months for a total amount not to exceed \$8,487,000 plus a contingency of \$1,500,000, subject to annual BAIFA budget approval, with an option to extend up to an additional three years in increments of BAIFA's choosing.

**Action:** Committee Approval

**Presenter:** Stephen Wolf

**Attachments:** [5a\\_24-0155\\_Summary\\_Sheet\\_Express\\_Lanes\\_Program\\_Advisor.pdf](#)

Upon the motion by Commissioner Spering and second by Commissioner Canepa, the Contract for Express Lanes Program Advisor: William R. Gray and Company, DBA Gray-Bowen-Scott for an amount not to exceed \$8,487,000 plus a contingency of \$1,500,000 was unanimously approved. The motion carried by the following vote:

**Aye:** 4 - Chair Dutra-Vernaci, Vice Chair Moulton-Peters, Commissioner Canepa and Commissioner Spering

**Absent:** 2 - Commissioner Noack and Commissioner Rabbitt

## 6. Public Comment / Other Business

## 7. Adjournment / Next Meeting

The next meeting of the Bay Area Infrastructure Financing Authority Network and Operations Committee will be held on Friday, March 8, 2024 at 9:35 a.m. at the Bay Area Metro Center, 375 Beale Street, San Francisco, CA. Any changes to the schedule will be duly noticed to the public.

**Bay Area Infrastructure Financing Authority  
Network and Operations Committee**

**March 8, 2024**

**Agenda Item 4b**

**Fiscal Year (FY) 2023-24 Bay Area Infrastructure Financing Authority (BAIFA) Statement  
of Revenues and Expenses for the Period Ended December 31, 2023 (Unaudited)**

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**Subject:**

Statement of Revenues and Expenses for the Period Ended December 31, 2023 (unaudited).

**Background:**

BAIFA manages the operations of Metropolitan Transportation Commission's express lanes on Interstate 680 (I-680) and the Interstate 880 (I-880), and uses FasTrak<sup>®</sup>, 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 the Highway 101 in San Mateo County (SM 101 EL) under a cooperative agreement between BAIFA and the San Mateo County Express Lanes Joint Powers Authority (SMCELJPA).

**Operating Revenues:**

BAIFA's main operating revenues are toll revenues collected through FasTrak<sup>®</sup> from BAIFA's express lanes. Year-to-date toll revenues collected were \$34.5 million, which was \$4.7 million more than the prior year-to-date actual. Out of the \$4.7 million increase, \$3.4 million was from I- 880 express lanes. The increase in toll revenues is primarily due to an increase in traffic on express lanes.

Violation revenues collected were \$2.1 million, which was \$2.0 million lower than the prior year-to-date actual. BAIFA reduced the violation penalty and fee charges from \$70 to \$30 effective on October 3, 2022.

Year-to-date interest and other revenues and reimbursement revenue from SM 101 EL were \$3.7 million, an increase of \$2.1 million compared to the prior year-to-date actual. The increase was mainly a result of higher interest income from current high interest rate.

**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 December 31, 2023, total operating expenses were \$8.1 million, which was \$0.6 million higher than the prior year-to-date actual. The increase is primarily due to higher express lane transaction volume in current fiscal year.

**Transfers:**

BAIFA transferred budgeted \$41.1 million to the capital program and reserve funds as of the second quarter of FY 2024, a \$40.0 million increase compared to prior year-to-date actual.

**Budget Status Update:**

As of the second quarter ended December 31, 2023 of FY 2023-24, BAIFA's financial statements resulted in combined express lanes operating surplus of approximately \$32 million or 78% of the budget. Total revenue generated was \$40 million or 51% of the adopted budget. Included in the total revenue were toll revenues from the express lanes of \$34.5 million that were favorable at 58% of the budget. Both I-680 and I-880 ELs have experienced better traffic flow which has allowed revenue to stay on track versus the budget. Violation revenues collected were 28% of the budget, and interest and other revenues were at 79% of the budget. Violation revenues were lower than 50% of the budget because we still have a backlog of the DMV holds. We resumed sending holds to DMV only in October 2023 for violations ready for DMV hold from January 2020 to May 2023. Interest revenues were high because of more favorable interest rates than the budget assumptions. The SM 101 EL received \$766 thousand of reimbursement revenue which was 9% of the estimated full year budget. Billing and subsequent reimbursements for this tolling system segment has been lagging behind but will continue as the year progresses. As of this period ending in the second quarter, \$8.1 million of total operating expenses (before transfers) have been incurred or 22% of the annual budget. The related vendor invoices and processing for payment thereof continue to be behind by up to a quarter period. Payments of invoices are anticipated to progress and catch up to the budget towards the end of the fiscal year. Transfers to the capital programs of \$26.1 million to fund the budgeted staff and consultant costs in the BAIFA Capital and Rehabilitation Programs were already made. Transfer to the capital reserve of \$15 million per budget was also completed.



**Recommendations:**

Information

**Attachments:**

- Attachment A: BAIFA Statement of Revenues and Expenses for the Period Ended December 31, 2023 (unaudited)



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Andrew B. Fremier

Bay Area Infrastructure Financing Authority (BAIFA)  
Statement of Revenues and Expenses (Unaudited)  
Fiscal Year 2024  
For the Period Ended December 31, 2023

	CURRENT ACTUAL	PRIOR YEAR ACTUAL	\$ VARIANCE	% VARIANCE	APPROVED BUDGET	ANNUAL % OF BUDGET
<b>Operating Revenues:</b>						
Toll Revenues	34,502,083	29,846,544	4,655,539	15.6%	59,104,200	58.4%
Violation Revenues	2,147,337	4,134,667	(1,987,330)	-48.1%	7,570,000	28.4%
Interest and Other Revenues	2,926,607	904,448	2,022,159	223.6%	3,715,991	78.8%
SM Hwy-101 Reimbursement	766,214	721,592	44,622	6.2%	8,327,125	9.2%
<b>Total Revenues</b>	<b>40,342,242</b>	<b>35,607,252</b>	<b>4,734,990</b>	<b>13.3%</b>	<b>78,717,316</b>	<b>51.2%</b>
<b>Operating Expenses:</b>						
FasTrak Operations and Maintenance	2,753,097	2,611,668	141,430	5.4%	11,343,006	24.3%
Express Lanes & Backhaul Operations and Maintenance	2,983,860	3,035,759	(51,899)	-1.7%	13,349,015	22.4%
Express Lanes Administration	1,313,852	1,178,887	134,965	11.4%	4,138,575	31.7%
San Mateo Hwy-101 Tolling Operations Services	1,067,085	680,471	386,613	56.8%	8,327,125	12.8%
<b>Total Expenses</b>	<b>8,117,894</b>	<b>7,506,784</b>	<b>611,109</b>	<b>8.1%</b>	<b>37,157,721</b>	<b>21.8%</b>
<b>Operating Surplus (Shortfall) before Transfers</b>	<b>32,224,349</b>	<b>28,100,468</b>	<b>4,123,881</b>	<b>14.7%</b>	<b>41,559,595</b>	<b>77.5%</b>
<b>Transfers</b>						
Transfer (from)/to MTC	14,794	13,170	1,624	12.3%	343,715	4.3%
Transfer (from)/to Capital Program	26,073,000	1,080,000	24,993,000	2314.2%	26,073,000	100.0%
Transfer (from)/to Capital Reserve	15,000,000	-	15,000,000	100.0%	15,000,000	100.0%
<b>Total Transfers (In)/Out</b>	<b>41,087,794</b>	<b>1,093,170</b>	<b>39,994,624</b>	<b>3658.6%</b>	<b>41,416,715</b>	<b>99.2%</b>
<b>Net Operating Surplus (Shortfall)</b>	<b>(8,863,446)</b>	<b>27,007,298</b>	<b>(35,870,743)</b>	<b>-132.8%</b>	<b>142,880</b>	<b>-6203.4%</b>

Bay Area Infrastructure Financing Authority (BAIFA)

I-680 Express Lanes  
Statement of Revenues and Expenses (Unaudited)  
Fiscal Year 2024  
For the Period Ended December 31, 2023

	CURRENT ACTUAL	PRIOR YEAR ACTUAL	\$ VARIANCE	% VARIANCE	APPROVED BUDGET	ANNUAL % OF BUDGET
<b>Operating Revenues:</b>						
Toll Revenues	7,370,523	6,128,932	1,241,592	20.3%	12,451,600	59.2%
Violation Revenues	965,129	1,654,843	(689,714)	-41.7%	2,100,000	46.0%
Interest and Other Revenues	2,926,607	904,448	2,022,159	223.6%	903,485	323.9%
<b>Total Revenues</b>	11,262,259	8,688,223	2,574,037	29.6%	15,455,085	72.9%
<b>Operating Expenses:</b>						
<b>FasTrak Operations and Maintenance</b>						
RCSC Operations	572,463	650,871	(78,408)	-12.0%	1,996,366	28.7%
Banking/Credit Card Fees	151,797	139,805	11,992	8.6%	579,600	26.2%
BATA Financial Service	41,538	41,538	-	0.0%	124,614	33.3%
Collections/DMV Expenses	412,919	-	412,919	100.0%	813,600	50.8%
FasTrak O&M Subtotal	1,178,717	832,214	346,503	41.6%	3,514,180	33.5%
<b>Express Lanes &amp; Backhaul Operations and Maintenance</b>						
Operating Center	85,616	151,604	(65,987)	-43.5%	698,464	12.3%
California Highway Patrol Enforcement	-	-	-	0.0%	900,000	0.0%
Roadway Maintenance	279,710	56,158	223,552	398.1%	1,330,000	21.0%
Caltrans Expenditure	-	3,738	(3,738)	-100.0%	100,000	0.0%
Toll System Operations & Maintenance	591,255	1,061,654	(470,399)	-44.3%	2,665,151	22.2%
Utility Service	36,947	26,155	10,792	41.3%	80,000	46.2%
Backhaul Operations and Maintenance	1,997	-	1,997	100.0%	95,372	2.1%
Express Lanes and Backhaul O&M Subtotal	995,525	1,299,309	(303,784)	-23.4%	5,868,987	17.0%
<b>Express Lanes Administration</b>						
Salaries, Benefits & Overhead	567,751	527,195	40,556	7.7%	1,452,100	39.1%
Professional/Consultant Service	38,738	10,000	28,738	287.4%	184,553	21.0%
Audit/Accounting	35,402	35,258	144	0.4%	50,100	70.7%
Insurance	6,436	5,894	541	9.2%	6,988	92.1%
Other	11,988	8,034	3,955	49.2%	352,036	3.4%
Express Lanes Admin Subtotal	660,314	586,381	73,933	12.6%	2,045,777	32.3%
<b>Total Expenses</b>	2,834,556	2,717,904	116,652	4.3%	11,428,944	24.8%
<b>Operating Surplus (Shortfall) before Transfers</b>	8,427,703	5,970,319	2,457,385	41.2%	4,026,141	209.3%
<b>Transfers</b>						
Transfer (from)/to MTC	7,397	6,585	812	12.3%	171,857	4.3%
Transfer (from)/to Capital Program	17,376,500	250,000	17,126,500	6850.6%	17,376,500	100.0%
Transfer (from)/to Capital Reserve	3,500,000	-	3,500,000	100.0%	3,500,000	100.0%
<b>Total Transfers (In)/Out</b>	20,883,897	256,585	20,627,312	8039.2%	21,048,357	99.2%
<b>Net Operating Surplus (Shortfall)</b>	(12,456,194)	5,713,734	(18,169,927)	-318.0%	(17,022,217)	73.2%

Bay Area Infrastructure Financing Authority (BAIFA)

I-880 Express Lanes

Statement of Revenues and Expenses (Unaudited)

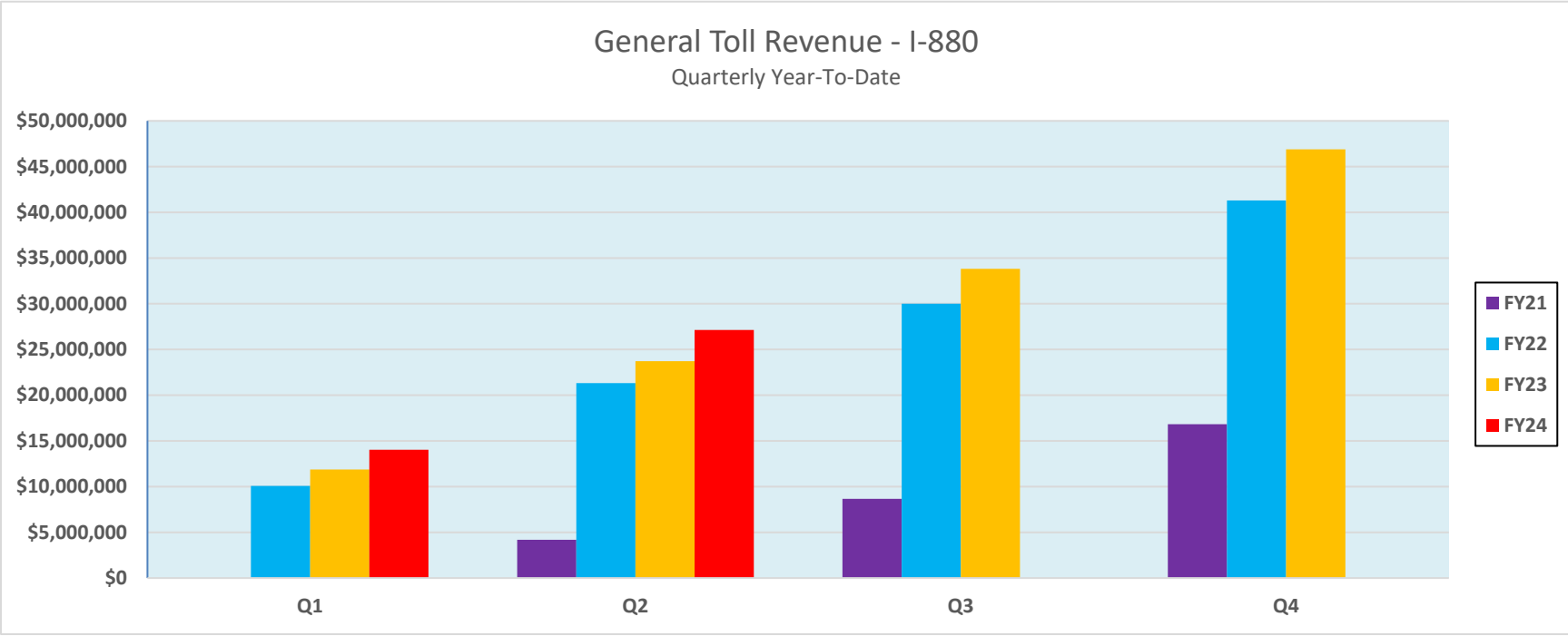
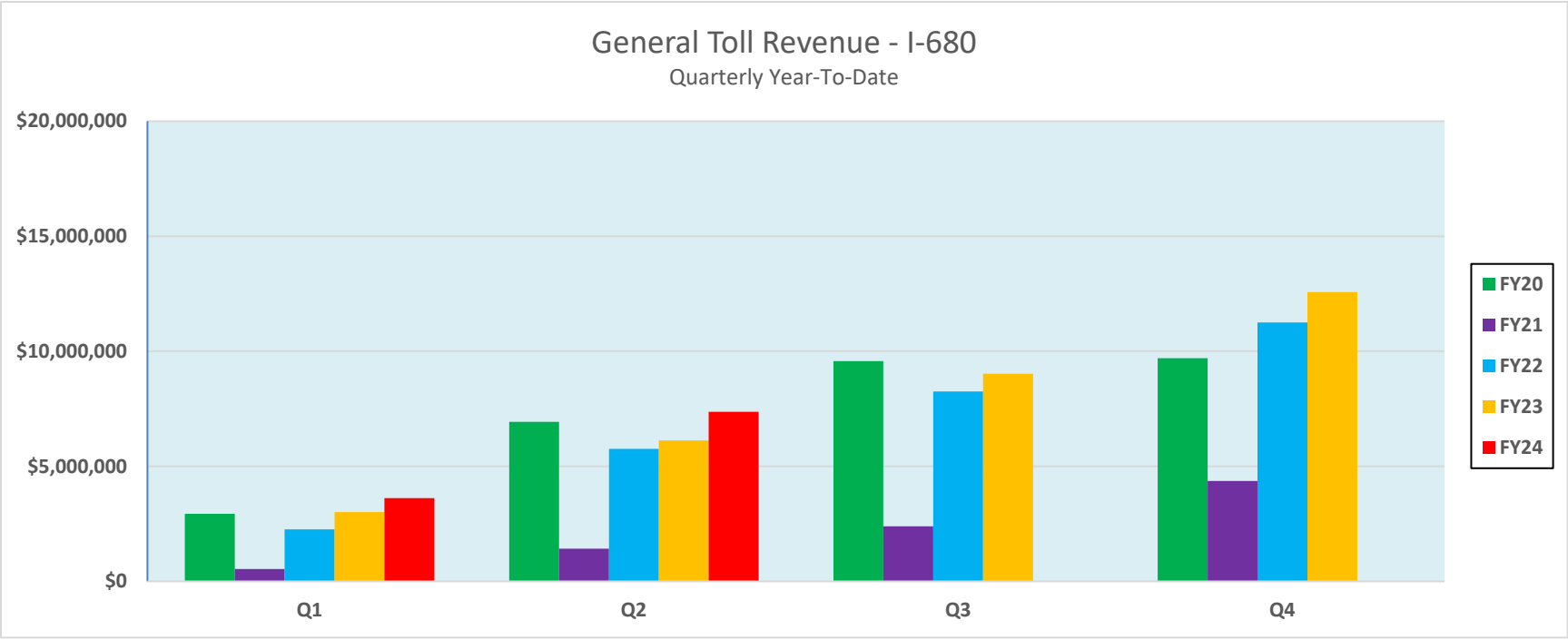
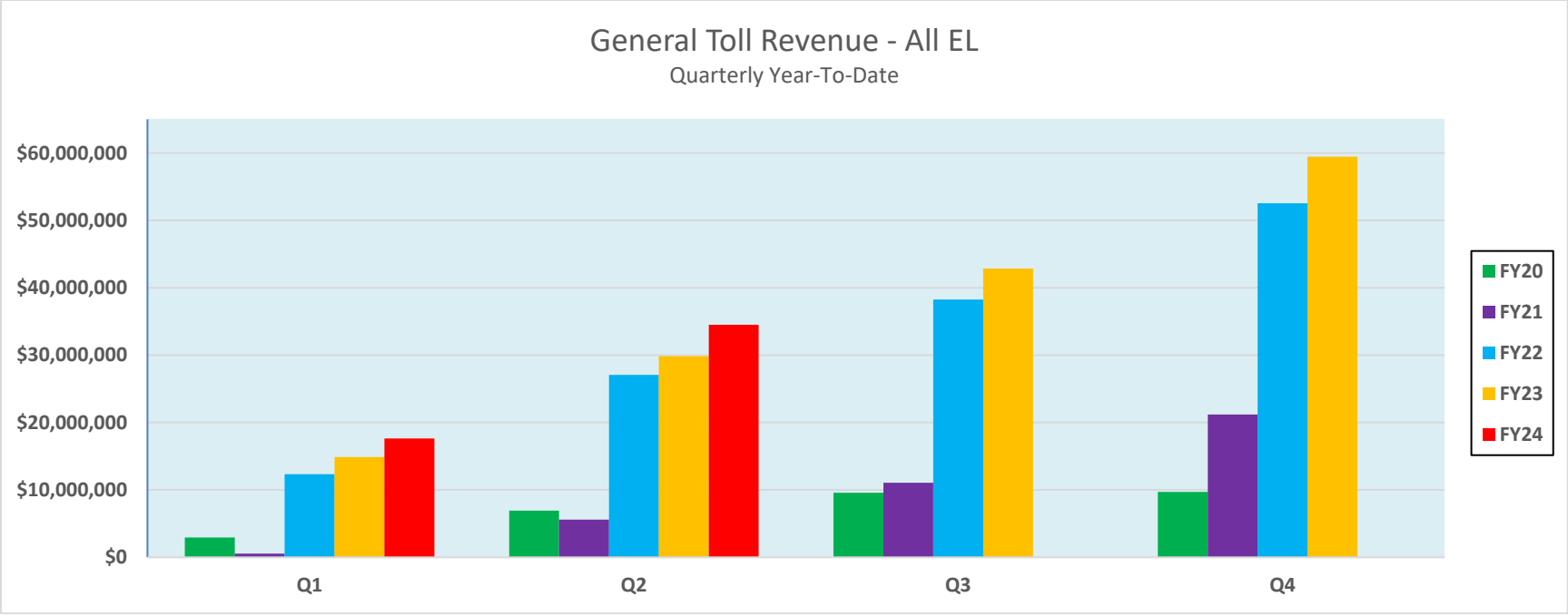
Fiscal Year 2024

For the Period Ended December 31, 2023

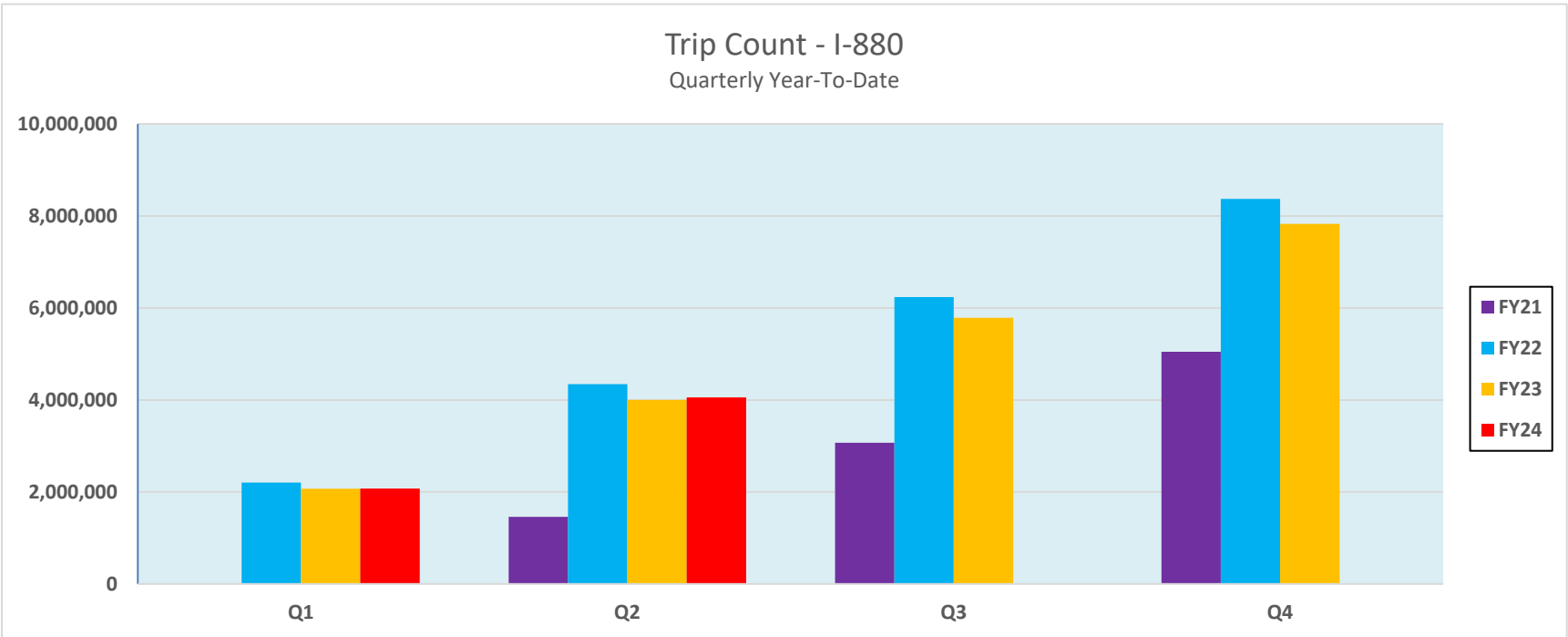
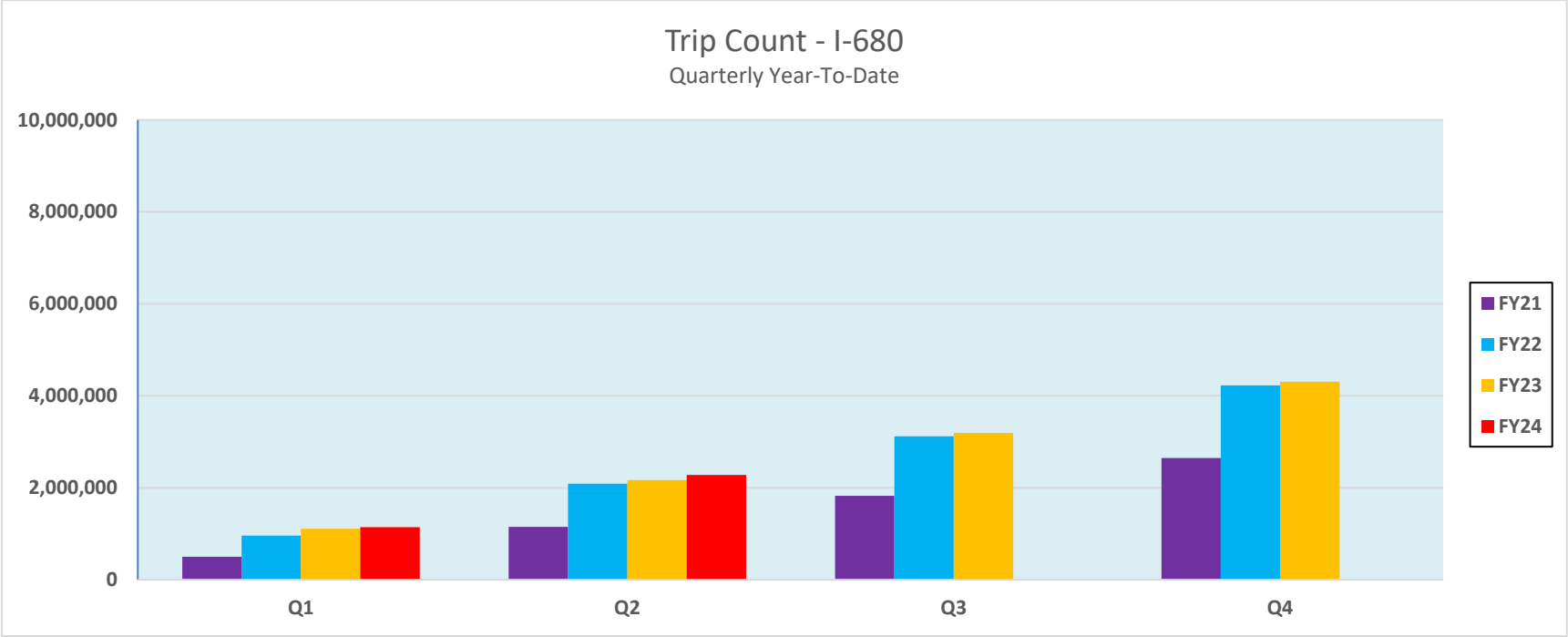
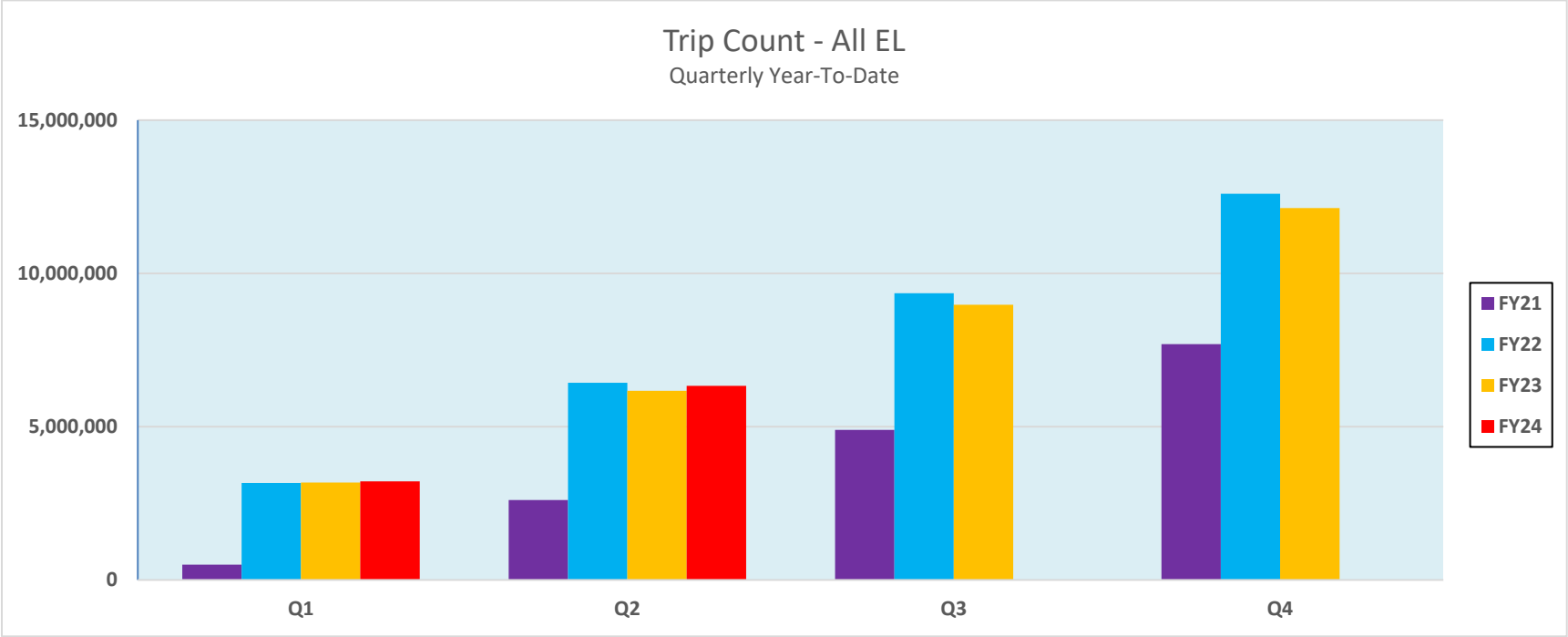
	CURRENT ACTUAL	PRIOR YEAR ACTUAL	\$ VARIANCE	% VARIANCE	APPROVED BUDGET	ANNUAL % OF BUDGET
<b>Operating Revenues:</b>						
Toll Revenues	27,131,560	23,717,613	3,413,947	14.4%	46,652,600	58.2%
Violation Revenues	1,182,208	2,479,824	(1,297,616)	-52.3%	5,470,000	21.6%
Interest and Other Revenues	-	-	-	0.0%	2,812,506	0.0%
<b>Total Revenues</b>	<b>28,313,768</b>	<b>26,197,437</b>	<b>2,116,331</b>	<b>8.1%</b>	<b>54,935,106</b>	<b>51.5%</b>
<b>Operating Expenses:</b>						
<b>FasTrak Operations and Maintenance</b>						
RCSC Operations	1,155,416	1,392,324	(236,907)	-17.0%	4,227,440	27.3%
Banking/Credit Card Fees	370,124	338,668	31,457	9.3%	1,436,400	25.8%
BATA Financial Service	48,462	48,462	-	0.0%	145,386	33.3%
Collections/DMV Expenses	378	-	378	100.0%	2,019,600	0.0%
FasTrak O&M Subtotal	1,574,380	1,779,453	(205,073)	-11.5%	7,828,826	20.1%
<b>Express Lanes &amp; Backhaul Operations and Maintenance</b>						
Operating Center	65,139	128,409	(63,270)	-49.3%	620,542	10.5%
California Highway Patrol Enforcement	1,091,647	333,944	757,703	226.9%	1,500,000	72.8%
Roadway Maintenance	158,266	55,025	103,241	187.6%	1,890,000	8.4%
Caltrans Expenditure	-	3,738	(3,738)	-100.0%	300,000	0.0%
Toll System Operations & Maintenance	604,539	1,152,996	(548,457)	-47.6%	2,898,718	20.9%
Utility Service	66,359	59,368	6,992	11.8%	150,000	44.2%
Backhaul Operations and Maintenance	2,385	2,970	(584)	-19.7%	120,768	2.0%
Express Lanes and Backhaul O&M Subtotal	1,988,335	1,736,450	251,885	14.5%	7,480,028	26.6%
<b>Express Lanes Administration</b>						
Salaries, Benefits & Overhead	553,635	530,062	23,573	4.4%	1,352,540	40.9%
Professional/Consultant Service	43,526	10,000	33,526	335.3%	215,312	20.2%
Audit/Accounting	41,590	41,374	216	0.5%	58,900	70.6%
Insurance	6,436	5,894	541	9.2%	8,152	78.9%
Other	8,352	5,176	3,176	61.4%	457,894	1.8%
Express Lanes Admin Subtotal	653,538	592,506	61,032	10.3%	2,092,798	31.2%
<b>Total Expenses</b>	<b>4,216,253</b>	<b>4,108,409</b>	<b>107,844</b>	<b>2.6%</b>	<b>17,401,652</b>	<b>24.2%</b>
<b>Operating Surplus (Shortfall) before Transfers</b>	<b>24,097,515</b>	<b>22,089,028</b>	<b>2,008,487</b>	<b>9.1%</b>	<b>37,533,454</b>	<b>64.2%</b>
<b>Transfers</b>						
Transfer (from)/to MTC	7,397	6,585	812	12.3%	171,857	4.3%
Transfer (from)/to Capital Program	8,696,500	830,000	7,866,500	947.8%	8,696,500	100.0%
Transfer (from)/to Capital Reserve	11,500,000	-	11,500,000	100.0%	11,500,000	100.0%
<b>Total Transfers (In)/Out</b>	<b>20,203,897</b>	<b>836,585</b>	<b>19,367,312</b>	<b>2315.0%</b>	<b>20,368,357</b>	<b>99.2%</b>
<b>Net Operating Surplus (Shortfall)</b>	<b>3,893,618</b>	<b>21,252,443</b>	<b>(17,358,825)</b>	<b>-81.7%</b>	<b>17,165,097</b>	<b>22.7%</b>

Bay Area Infrastructure Financing Authority (BAIFA)  
San Mateo County Hwy 101 Express Lanes  
Statement of Revenues and Expenses (Unaudited)  
Fiscal Year 2024  
For the Period Ended December 31, 2023

	CURRENT ACTUAL	PRIOR YEAR ACTUAL	\$ VARIANCE	% VARIANCE	APPROVED BUDGET	ANNUAL % OF BUDGET
<b>Operating Revenues:</b>						
SM Hwy-101 Reimbursement	766,214	721,592	44,622	6.2%	8,327,125	9.2%
<b>Total Revenues</b>	766,214	721,592	44,622	6.2%	8,327,125	9.2%
<b>Operating Expenses:</b>						
<b>Express Lanes &amp; Backhaul Operations and Maintenance</b>						
Operating Center	60,957	44,664	16,293	36.5%	566,582	10.8%
Roadway Maintenance	32,836	14,161	18,675	131.9%	2,730,000	1.2%
Toll System Operations & Maintenance	675,217	408,076	267,141	65.5%	3,431,552	19.7%
Backhaul Operations and Maintenance	-	-	-	0.0%	172,718	0.0%
Express Lanes and Backhaul O&M Subtotal	769,010	466,901	302,109	64.7%	6,900,852	11.1%
<b>Express Lanes Administration</b>						
Salaries, Benefits & Overhead	261,528	213,571	47,958	22.5%	524,551	49.9%
Professional/Consultant Service	36,547	-	36,547	100.0%	501,722	7.3%
Other	-	-	-	0.0%	400,000	0.0%
Express Lanes Admin Subtotal	298,075	213,571	84,504	39.6%	1,426,273	20.9%
<b>Total Expenses</b>	1,067,085	680,471	386,613	56.8%	8,327,125	12.8%
<b>Net Operating Surplus (Shortfall)</b>	(300,870)	41,121	(341,991)	-831.7%	0	-100%



BAIFA Operating  
Toll Revenue - Graphs  
As of December 2023 (unaudited)



**Bay Area Infrastructure Finance Authority  
Network and Operations Committee**

**March 8, 2024**

**Agenda Item 5a**

**BAIFA Resolution No. 52 – Bay Area Infrastructure Financing Authority (BAIFA) Express  
Lanes 10-Year Financial Plan and Reserves Policy**

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**Subject:**

Request for approval of BAIFA Resolution No. 52 adopting the BAIFA Express Lanes Program 10-Year Financial Plan for Fiscal Years (FY) 2023-24 to FY 2032-33.

**Background:**

MTC's goals in operating express lanes are to enhance mobility and congestion relief, including transit and carpool priority, to offer value and choice to road users by making unused capacity in the carpool lane available to toll-paying customers, and to support the buildout of the MTC network with toll revenue after operations and maintenance, rehabilitation and replacement and reserves are covered.

Staff presented a draft of BAIFA's first 10-year financial plan at the BAIFA Network and Operations Committee meeting on September 8, 2023 [[Agenda Item 4b](#) (<https://mtc.legistar.com/LegislationDetail.aspx?ID=6337286&GUID=5E568131-04E5-4EE9-95BA-A77909D8228B&Options=&Search=>)]. This plan outlines a 10-year forecast of income and expenses for the operation, maintenance, preservation, and rehabilitation of BAIFA's express lanes and tolling infrastructure. The Financial Plan includes actual revenue and expenses up to June 30, 2023, the budgeted revenue and expenses for FY 2023-24, and projected revenues and expenses through FY 2032-33, offering a network-level financial perspective.

The express lane network in the current Financial Plan includes:

- Contra Costa I-680 (CC-680) between San Ramon and Martinez (opened in FY 2017-18 and extended in FY 2021-22)
- Alameda I-880 (ALA-880) between Oakland and Milpitas (opened in FY 2020-21)
- Solano I-80 (SOL-80) between Vacaville and Fairfield (expected to open in FY 2025-26)

The total capital cost to build the three express lanes above was approximately \$686 million and was predominantly funded by BATA Toll Funds (\$345 million), Senate Bill 1 (\$123 million) and Regional Measure 3 (\$85 million).



MTC assigned the responsibilities for the express lanes to BAIFA in 2013 under MTC Resolution 4087. Streets and Highways Code Section 149.7, under which the MTC express lanes network is authorized, establishes the MTC network, also called the BAIFA Express Lanes Facility, as a single financial enterprise, much in the same way the BATA toll bridges are a single enterprise: revenue from any corridor in the facility can be used for eligible expenses on any other corridor. Eligible expenses include debt obligations, development, maintenance, repair, rehabilitation, improvement, reconstruction, administration, and operation of the toll facility, including toll collection and enforcement and reserves. After eligible expenses, the remaining revenue must be returned to the corridor from which it was generated pursuant to an expenditure plan adopted by BAIFA.

Total revenue for the 10-year period from FY 2023-24 to 2032-33 is projected to be \$941 million. Revenue is comprised of tolls (86% of total revenue), violations (11%), and interest and other income (3%).

Costs include those for Operations & Maintenance (O&M) and Rehabilitation and Replacement (R&R).

- O&M costs reflect both fixed and variable costs. Fixed costs are independent of lane usage and are generally a function of mileage. Fixed O&M costs include toll system, roadway, enforcement, utilities, and staff costs. Variable O&M costs are those tied to usage and include banking fees, manual image review, and other transaction costs.
- R&R costs include toll system replacement on an 8-year lifecycle and rehabilitation of civil assets, which are generally on longer lifecycles (such as pavement rehabilitation on a 10-year lifecycle). Civil work includes capital preventative maintenance (CAPM) projects identified in the Caltrans 10-year State Highway Operation and Protection Program (SHOPP).

O&M and R&R expenditures are projected to total \$847 million over the 10 years from FY 2023-24 to FY 2032-33. O&M comprises 56% of projected expenditures, and R&R, 44%.

From inception through FY 2032-33, the Financial Plan projects \$195 million in revenue available after considering O&M and R&R and before considering reserves. This includes \$101 million in actual revenue through FY 2022-23 and an additional \$94 million in projected revenue from FY 2023-24 through FY 2032-33. The Financial Plan is included in BAIFA Resolution No. 52.

A reserves policy is necessary to ensure financial stability, manage risks, and maintain the long-term sustainability of the express lanes program, ensuring that the program can adapt to changing circumstances and maintain its operations over time. Staff has prepared a Reserves Policy recommendation for adoption in Agenda Item 5b.

Revenue and expense projections in the financial plan are based on conservative assumptions on revenue growth and cost escalation as documented the attachment to BAIFA Resolution No. 52. Staff will reconcile the Financial Plan with actuals on an annual basis and update the Financial Plan (e.g., extending the forecast and revising assumptions) every two years, or as needed based on major, unanticipated changes. The near-term work plan includes business and policy decision points that can alter these projections, generally with upside net revenue potential given the conservative underlying assumptions. Commissioner feedback from the September 8, 2023, BAIFA Network and Operations Committee meeting has been incorporated in the work plan. Major elements include:

- On-Going Operations:
  - Evaluating and adjusting the Dynamic Pricing Algorithm (DPA) to enhance congestion management and vehicle flow for more consistent travel times.
  - Risk management: identifying operational risks, assessing their likelihood of occurrence and impact, and implementing mitigation strategies.
  - Changes to the CAV discount: Federal statute allowing the State Clean Air Vehicle (CAV) sticker program, administered by the DVM, is set to expire in 2025; this would effectively end the CAV discount for Bay Area express lanes since all DMV-issued sticker clean air vehicle stickers would expire.

- Solano I-80 Express Lanes Implementation:
  - Establishing occupancy requirements and hours of operation, including consideration of weekend tolling, which will be approved by BAIFA via amendment to the BAIFA Toll Facilities Ordinance prior to the summer 2025 opening of the lanes.
- Next Generation Express Lane Toll System, the lifecycle replacement of the existing toll systems:
  - Opting for multiple contracts, dividing them by function—software and hardware—to manage risk, foster competitive bidding and encourage a more diverse marketplace of qualified vendors.
- Pilot Programs and Innovation:
  - Assessing the feasibility, effectiveness, and potential impact of new policies through pilot projects, including Express Lanes START and the I-680 app-based occupancy verification pilot, before implementing them on a large scale.
    - At the BAIFA Network and Operations Committee on September 8, 2023, Chair Dutra-Vernaci inquired about extending the low-income user discount (Express Lanes START) to the entire network and its potential revenue impact, a consideration not included in the current Financial Plan. Staff would evaluate and incorporate financial considerations based on results of the pilot evaluation and commissioner feedback.
    - Vice Chair Josefowitz also asked about including funds for occupancy enforcement in the financial plan to reduce leakage and enhance trust in the express lane program. Staff believes the Financial Plan includes the capacity for any near-term actions and intends to identify and account for longer term needs under the current work plan as part of the evaluation of the current pilot for consideration in the next Financial Plan update.
- Plan Bay Area (PBA) 2050+ and Express Lanes Strategic Planning
  - Achieving regional consistency in customer-facing policies, including carpool occupancy requirements, operating hours, toll policy, messaging and signage, customer education, and incident management.

- At the BAIFA Network and Operations Committee on September 8, 2023, Commissioner Canepa emphasized the importance of regional uniformity.
- Developing a build-out strategy aligned with PBA 2050+ priorities, including broader, Next Generation Freeway tolling plans.
- Prioritizing regional transit initiatives, such as an Express Bus Network, to encourage carpooling, reduce greenhouse gas emissions and vehicle miles traveled (VMT), and offer commuters more reliable travel times and options.
  - During the BAIFA Network and Operations meeting on September 8, 2023, Vice Chair Josefowitz raised the question of using Express Lane revenue to address the transit "fiscal cliff." This proposal faces challenges both financially and legally. MTC's Executive Director Fremier noted there is significant pressure from the State to use Express Lane revenue for express lanes rehab projects. Additionally, current law imposes mitigation requirements for vehicle miles traveled that could make network expansion more costly. Statutory restrictions also exist regarding the use of remaining revenue for transit operating costs. This is an important discussion that staff recommends be opportunities explored further in the fall when we discuss the Remaining Revenue policy.

### **Next Steps**

The financial outlook for the BAIFA express lanes network is strong. The 10-year Financial Plan predicts sufficient revenue to cover operating and maintenance (O&M) and repair and replacement (R&R) costs, as well as to establish reserves. Upon approval of the 10-year Financial Plan and Reserves Policies, staff will commence filling reserves. In collaboration with Caltrans and partner County Transportation Authorities, staff plans to develop the framework for a Remaining Revenue Policy. This policy would define the circumstances under which remaining revenue can be allocated and establish criteria for identifying projects eligible to receive remaining revenue. Staff aim to present the Remaining Revenue Policy to the Committee in the fall.

**Recommendations:**

Staff recommends that this Committee refer BAIFA Resolution No. 52, BAIFA 10-Year Financial Plan for FY 2023-24 to 2032-33 to the Authority for approval.

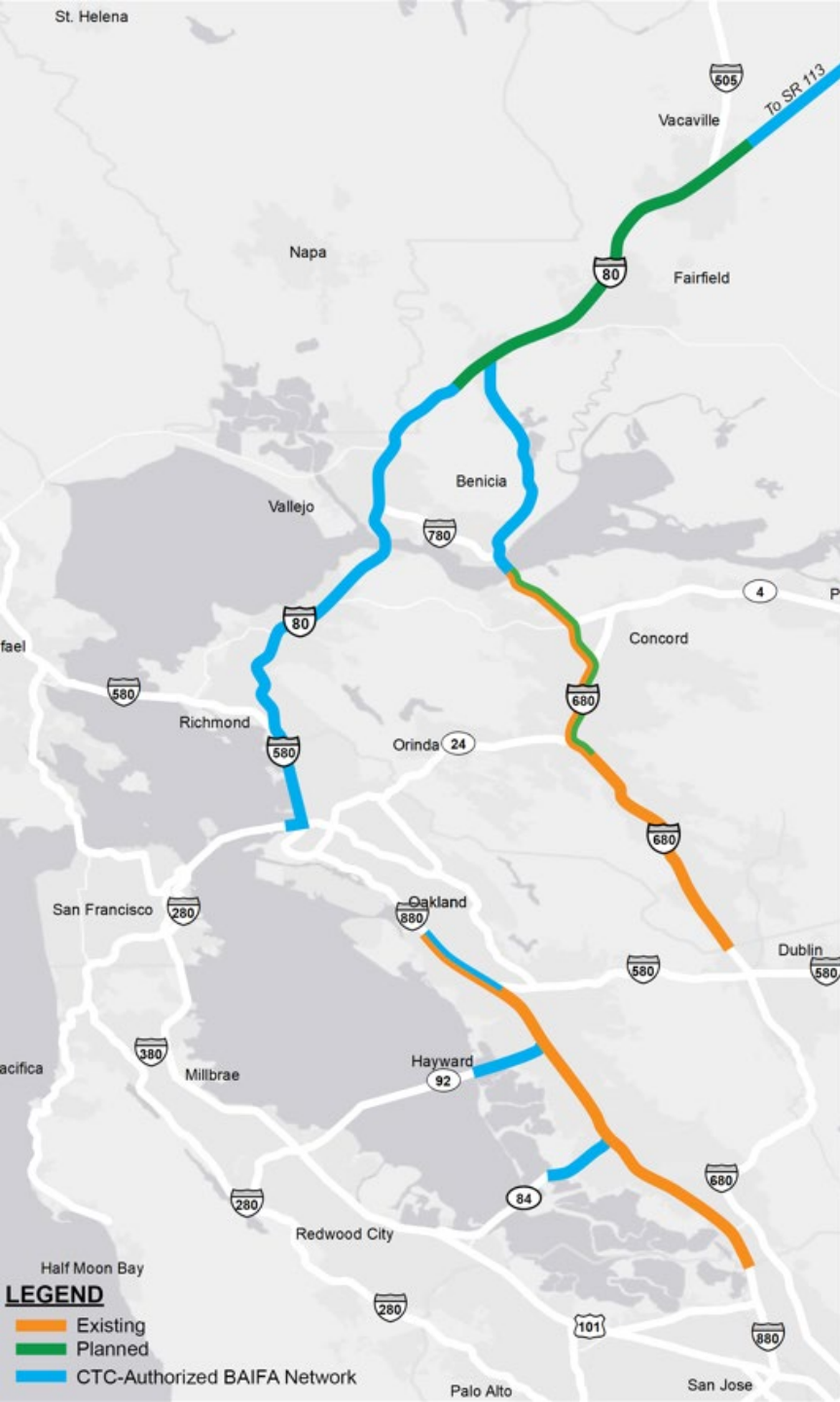
**Attachments:**

- Attachment A: PowerPoint
- Attachment B: BAIFA Resolution No. 52



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Andrew B. Fremier



# MTC Express Lanes 10-Year Financial Plan & Reserves Policy

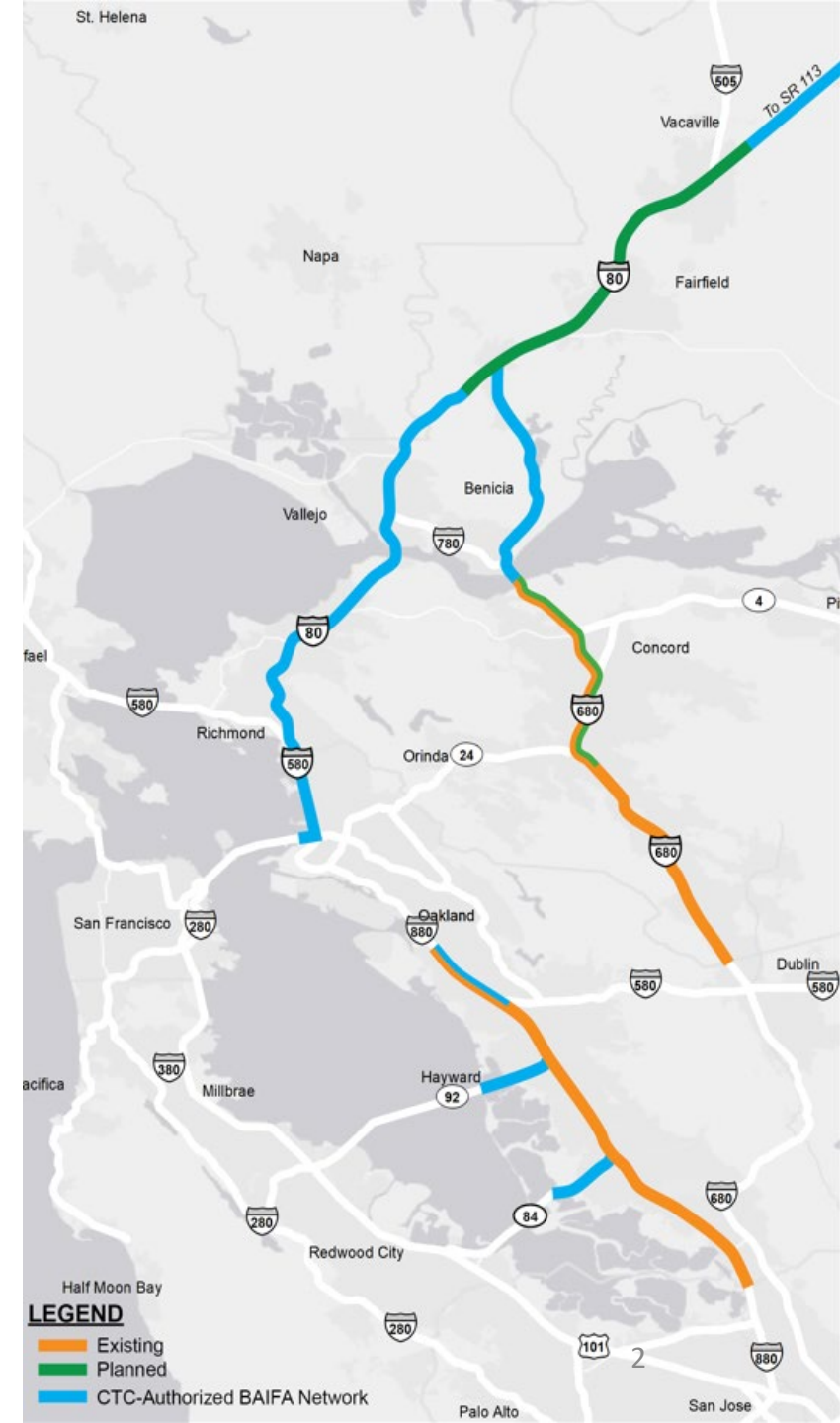
# BAIFA Network and Operations Committee

## March 8, 2024

# Background: MTC Go-Live Dates

## MTC Network:

- 117 miles when Solano-80 opens in 2025
- 285 total miles when express lane facility is fully built



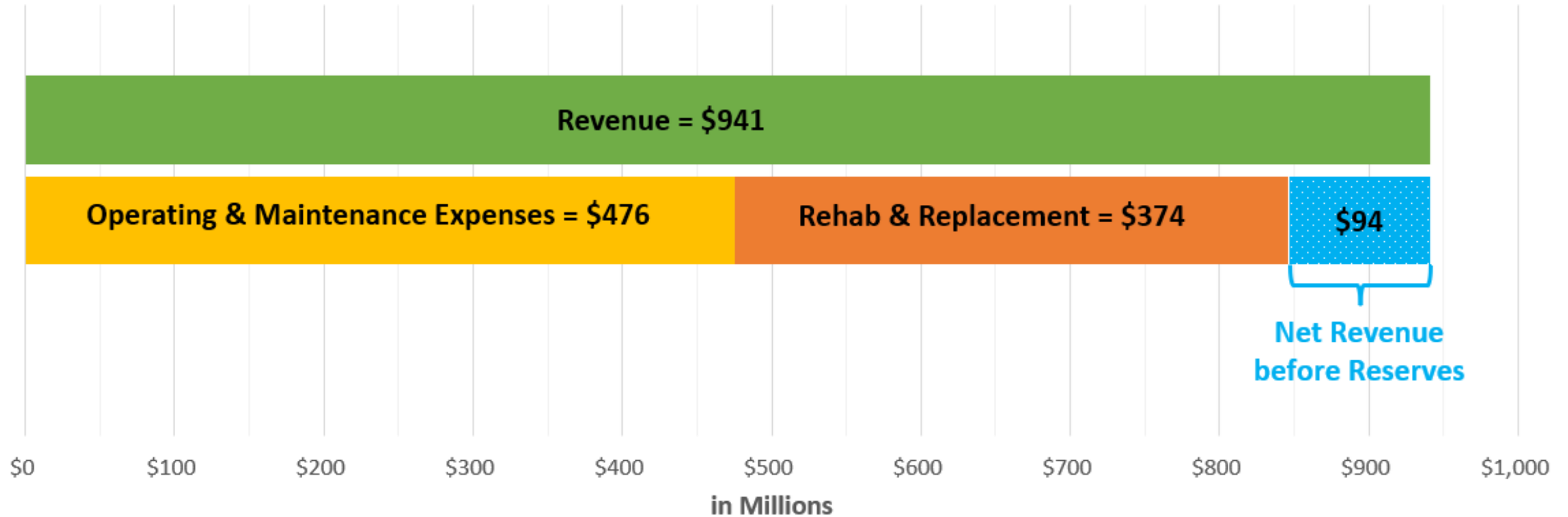
# Discussion Topics

- Financial plan (BAIFA Resolution No. 52) and reserves policy (BAIFA Resolution No. 53) for adoption
- Express lanes work plan and policy considerations
- Next steps

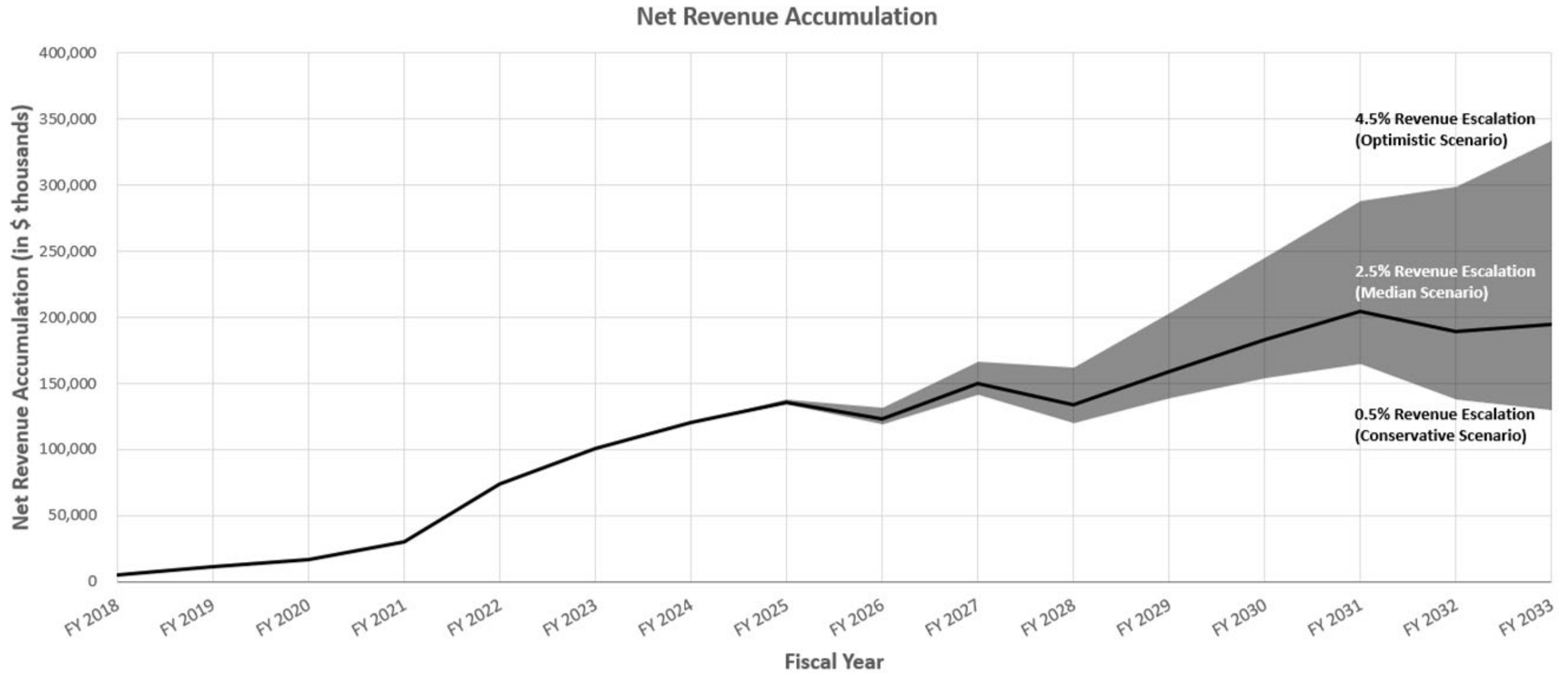


# Express Lane Financial Spotlight (in total)

## Network – 10-Year Projection (FY 24-33)



# Potential Revenue Variability



# Reserves Policy Considerations

Fund	Considerations	Estimated Range
<b>O&amp;M Reserve Fund</b>	Safeguard 12 months of Fixed O&M costs for operations.	\$20 M - \$30 M
<b>Emergency Reserve Fund</b>	Safeguard funding for emergency reconstruction, repair, and operations.	\$25M
<b>Capital R&amp;R Reserve Fund</b>	Safeguard 3-year maximum of R&R costs for essential R&R needs, including any shortfall needed for emergencies.	\$135M
<b>Total Reserves</b>	Preliminary Range	\$180 M - \$190 M

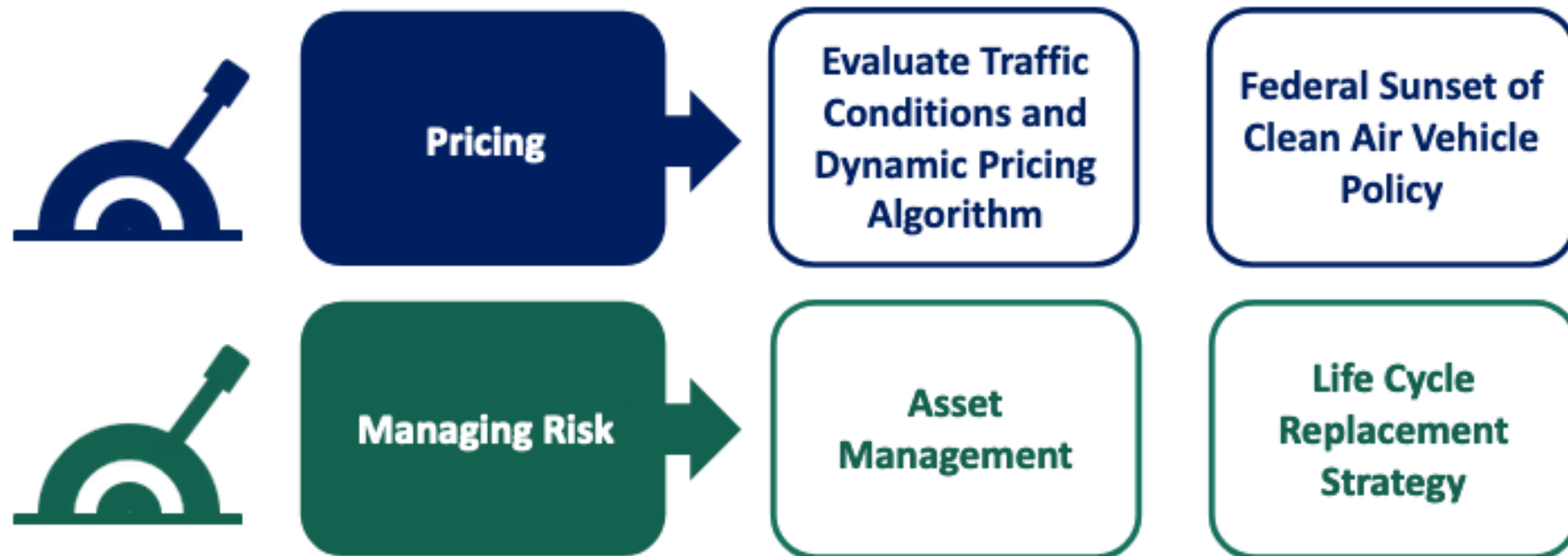
# Express Lanes Work Plan

In addition to the Reserves Policy, the plans and policies in the following areas can alter these financial plan projections:

- Operational Refinement
- Solano I-80 Express Lanes Implementation
- Next Generation Express Lane Toll System
- Pilot Programs: Occupancy Enforcement and Equity
- Plan Bay Area 2050+

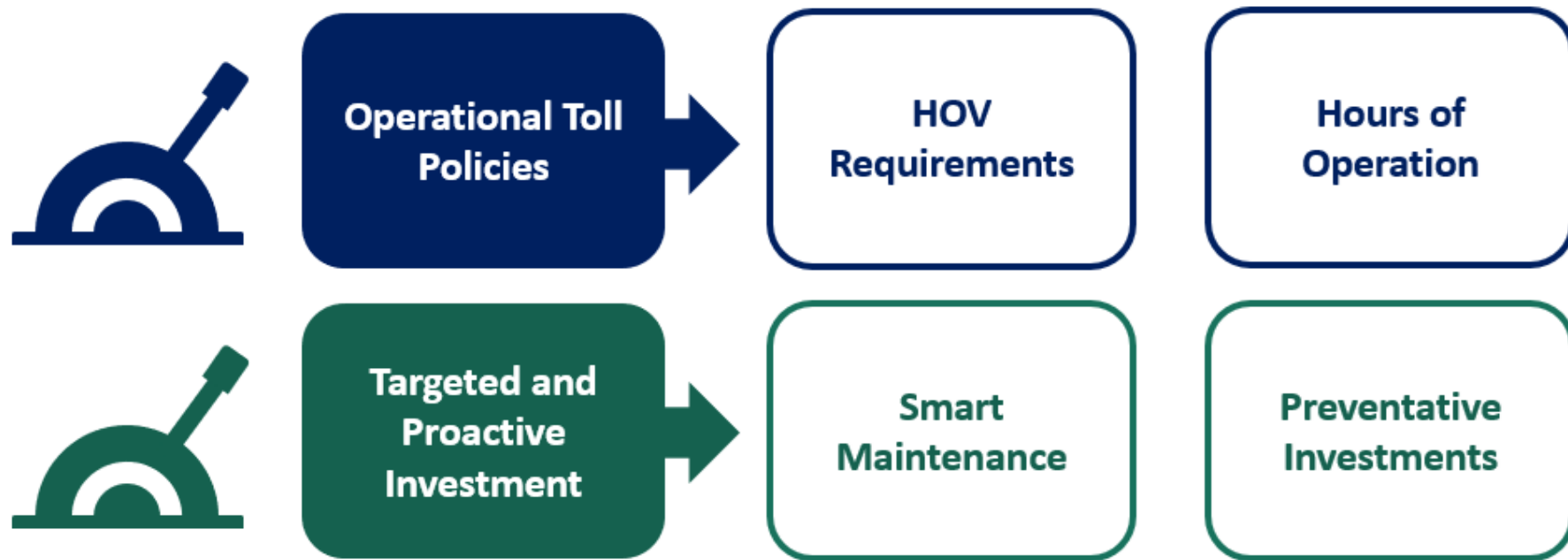
# Operational Refinement

*Evaluate operational and financial data on an ongoing basis to increase efficiency, reduce expenses, enhance performance, and deliver improved results for our customers*



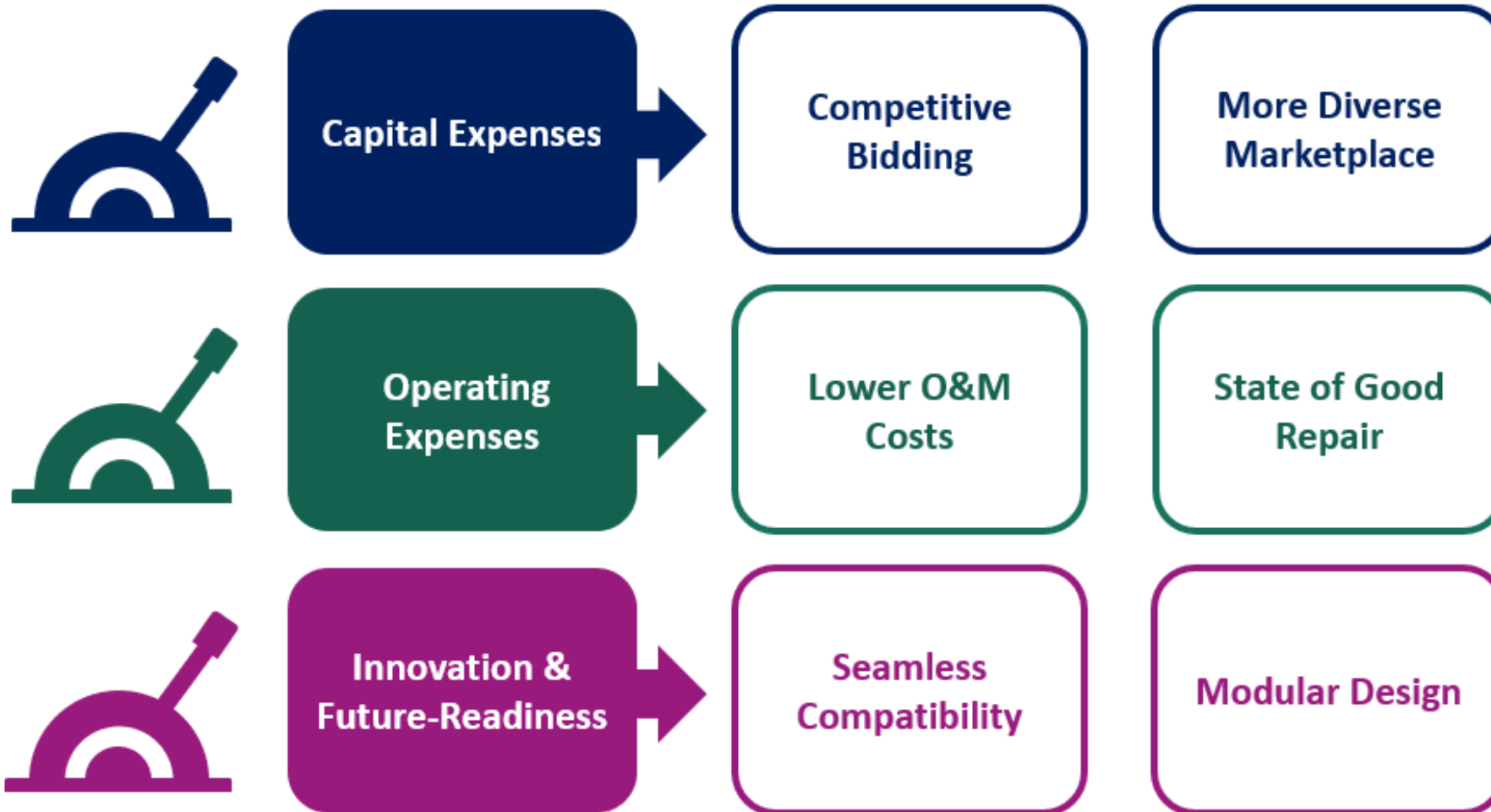
# Solano I-80 Express Lanes Implementation

*Deliver an Express Lane on the Interstate-80 corridor between Fairfield and Vacaville in Solano County, with toll commencement anticipated in the summer of 2025.*



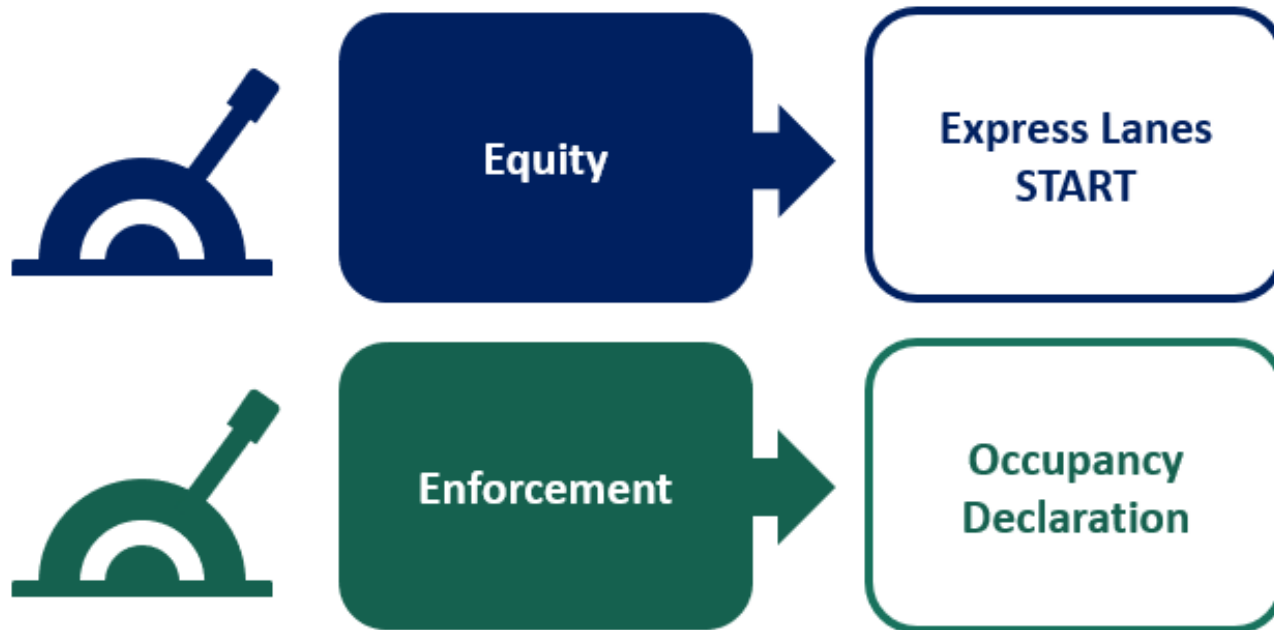
# Next Generation Express Lane Toll System

*Lifecycle replacement of the existing toll system, with planning underway for first replacement in 2026 and subsequent replacements through 2030.*



# Pilot Programs, Innovation, and Deployment

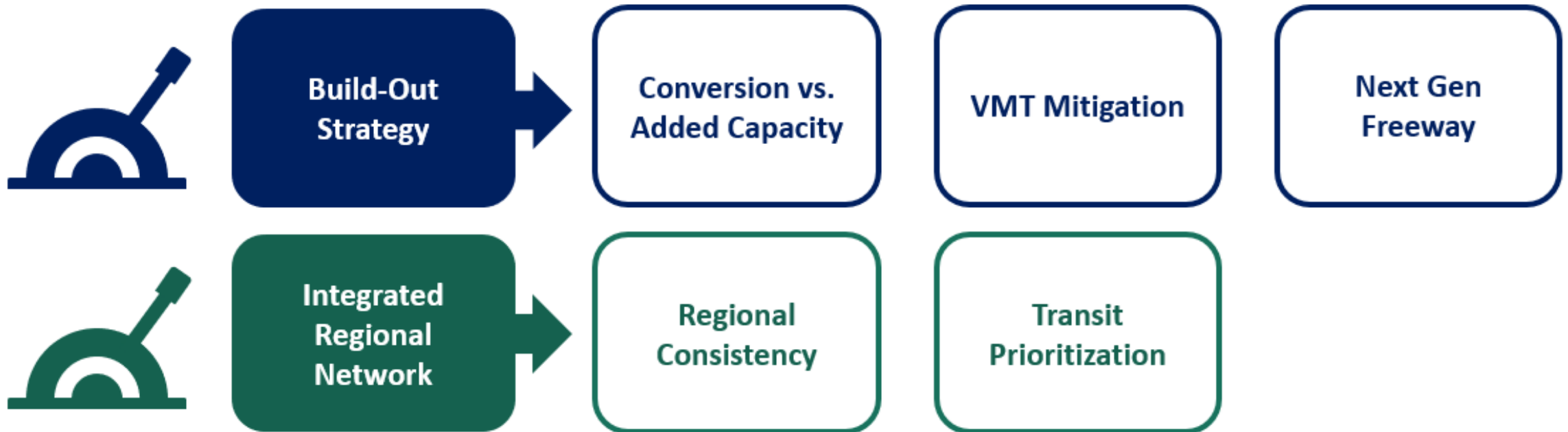
*Pilot programs provide opportunities to demonstrate innovative, equitable toll policies on a limited basis to evaluate feasibility, effectiveness and potential impact before wide-scale implementation.*





# Plan Bay Area 2050+ and Express Lanes Strategic Planning

*Strategically aligning Express Lanes Network goals with PBA 2050+ and Regional Strategy goals over the next 18 months.*



## Next Steps

	<b>Action</b>	<b>Timeline</b>
1	Adopt 10-yr Financial Plan & Reserves Policy	March 2024
2	Adopt FY2024-25 Budget	June 2024
3	Adopt Remaining Revenue Framework	Fall 2024

Date: March 27, 2024  
W.I.: 6840, 6861  
Referred by: BAIFA Network and  
Operations

ABSTRACT

BAIFA Resolution No. 52

This resolution adopts the BAIFA Express Lanes 10-Year Financial Plan for FY 2023-24 to FY 2032-33.

Further discussion of the BAIFA Operating and Capital Budgets is contained in BAIFA Network and Operations Committee's Summary Sheet dated March 8, 2024.

Date: March 8, 2024  
W.I.: 6840, 6861  
Referred by: BAIFA Network and  
Operations

Re: Bay Area Infrastructure Financing Authority Express Lanes 10-Year Financial Plan for  
Fiscal Years 2023-24 to 2032-33

BAY AREA INFRASTRUCTURE FINANCING AUTHORITY  
RESOLUTION NO. 52

WHEREAS, the Metropolitan Transportation Commission (“MTC”) and the Bay Area Toll Authority (“BATA”) have executed a joint exercise of powers agreement dated as of August 1, 2006, as amended, which created and established the Bay Area Infrastructure Financing Authority (“BAIFA”): and

WHEREAS, BAIFA staff has prepared a 10-year Financial Plan setting forth the anticipated revenues and expenditures of BAIFA for FY 2023-24 to 2032-33; now, therefore, be it

WHEREAS, the adoption of the Express Lanes 10-Year Financial Plan is not a budgetary action; and

WHEREAS, the final draft Express Lanes 10-Year Financial Plan was reviewed and recommended by the BAIFA Network and Operations Committee for approval; now, therefore, be it

RESOLVED, that BAIFA approves the Express Lanes 10-Year Financial Plan for Fiscal Years 2023-24 to 2032-33 attached hereto as Attachment A and incorporated herein as though set forth in length; and, be it further

RESOLVED, that the Executive Director or designee or Chief Financial Officer may approve adjustments to the Express Lanes 10-Year Financial Plan for FY 2023-24 to 2032-33 to improve the accuracy of the project information upon better revenue projections, cost estimates or schedule information, provided that there shall be no increase in the overall annual BAIFA operating or capital budget without prior approval of BAIFA.

BAY AREA INFRASTRUCTURE FINANCING  
AUTHORITY

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Alfredo Pedroza, Chair

The above resolution was entered into by the  
Bay Area Infrastructure Financing Authority  
at a regular meeting of the Board held in  
San Francisco, California and at other remote  
locations, on March 27, 2024.

Date: March 27, 2024  
W.I.: 6840, 6861  
Referred by: BAIFA

Attachment A  
BAIFA Resolution No. 52

Bay Area Infrastructure Financing Authority (BAIFA)  
Express Lanes 10-Year Financial Plan for FY 2023-24 to 2032-33

Express Lane Network		Budget										
Fiscal Year		Forecast										
		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033
Total (FY 24-33)		Adding SOL 80 O&M (prorate) 680 N CC Go Live+Sol 80										
Operating Revenues			0.06	0.03	0.20	0.17	0.03	0.03	0.03	0.03	0.03	0.03
Adjusted Gross Toll Revenue	805,226	56,000	59,104	66,905	77,088	79,759	81,760	83,811	85,913	88,068	90,277	92,542
Adjusted Gross Violation Revenue	106,708	7,150	7,570	7,760	9,328	10,868	11,141	11,421	11,707	12,001	12,302	12,610
Interest and Other Revenue	28,620	423	3,716	2,213	2,574	2,665	2,732	2,800	2,870	2,942	3,016	3,092
Total Adjusted Operating Revenue	940,554	63,573	70,390	76,878	88,990	93,292	95,632	98,031	100,490	103,011	105,595	108,244
Operating Costs												
Variable Operating Costs												
Total Variable Costs	217,481	10,787	13,372	16,129	19,811	20,966	21,911	22,899	23,931	25,010	26,137	27,316
Fixed Operating Costs												
Total Fixed Costs	257,711	15,129	15,123	19,177	24,461	25,699	26,557	27,444	28,360	29,307	30,286	31,297
Total Operating Costs	475,192	25,916	28,496	35,306	44,272	46,664	48,468	50,342	52,291	54,317	56,424	58,613
Operating Surplus (Deficit)												
Operating Surplus (Deficit)	465,361	37,657	41,895	41,572	44,718	46,628	47,165	47,689	48,199	48,694	49,171	49,630
Required Rehabilitation & Replacement (R&R) Costs												
Toll System												
Total Toll System R&R Costs	217,519	550	8,000	19,683	35,806	14,878	33,647	19,207	9,716	11,438	39,924	25,220
Backhaul Network Infrastructure												
Total Backhaul Network Infrastructure Costs	9,692	-	73	2,348	933	225	237	1,080	98	3,146	1,250	302
Civil I (LED Luminaires, Markings, etc.)												
Total Civil I Costs	33,971	-	-	3,983	-	175	10,224	-	-	10,970	5,804	2,815
Civil II (Barrier and Pavement Replacement)												
Total Civil II Costs	82,855	9,700	13,470	-	365	4,844	13,210	1,541	14,563	1,699	17,608	15,556
Express Lane Improvements												
Total Express Lane Improvement Costs	7,003	1,160	622	-	-	-	6,381	-	-	-	-	-
Total R&R Costs	351,040	11,410	22,165	26,015	37,103	20,122	63,699	21,828	24,377	27,253	64,585	43,893
Other Capital Projects												
Total Other Capital Projects Costs	20,000	-	-	-	20,000	-	-	-	-	-	-	-
Total R&R Costs	371,040	11,410	22,165	26,015	57,103	20,122	63,699	21,828	24,377	27,253	64,585	43,893
Facility Net Revenue												
Express Lane Network (before CapEx)												
Net Revenue In (Out)	94,322	26,247	19,730	15,558	(12,385)	26,506	(16,534)	25,861	23,822	21,440	(15,414)	5,737
Net Revenue Beginning Balance		74,277	100,524	120,254	135,812	123,426	149,933	133,399	159,260	183,082	204,523	189,109
Net Revenue Ending Balance		100,524	120,254	135,812	123,426	149,933	133,399	159,260	183,082	204,523	189,109	194,846

Category	Description and Examples
Revenue	Includes: Toll Revenue, Violation Fees, and Interest and Other Income
Fixed Operating & Maintenance (O&M)	Fixed costs are independent of lane usage and are generally a function of mileage. Includes toll system, roadway, enforcement, and staff costs.
Variable Operating & Maintenance (O&M)	Variable O&M costs are those tied to usage and include banking fees, manual image review, and other transaction costs.
Rehab & Replacement (R&R)	Express Lanes R&R costs include toll system replacement and civil asset rehabilitation and replacement included as Civil I or Civil II.
Civil I	Express Lanes R&R of civil assets generally performed by BAIFA contractors. Includes pavement marking and restriping
Civil II (Caltrans SHOPP)	Express Lanes R&R of civil assets generally performed by Caltrans and included as capital asset preventative maintenance (CAPM) projects identified in the 10-year State Highway Operation and Protection Program (SHOPP). Includes pavement rehabilitation and replacement and median barrier replacement, with BAIFA's proportional share determined in accordance with the BAIFA and Caltrans Operations and Maintenance Agreement.



<b>Revenue/Expense Category</b>	<b>Annual Escalation Assumption</b>
Revenue	2.5%, to match the observed Compound Average Growth Rate (CAGR) of revenue on CC-680 southbound between FY 2017-18 and FY 2021-22.
Fixed Operating & Maintenance (O&M)	3.3%, based on the average 10-year CAGR of the Consumer Price Index for the Bay Area.
Variable Operating & Maintenance (O&M)	4.5%, adding 2.0% unit price escalation to the assumed 2.5% revenue escalation
Rehab & Replacement (R&R)	5.0%, consistent with planning-level assumptions in Plan Bay Area 2050

**Bay Area Infrastructure Financing Authority  
Network and Operations Committee**

**March 8, 2023**

**Agenda Item 5b**

**BAIFA Resolution No. 53 – Bay Area Infrastructure Financing Authority (BAIFA)  
Reserves Policy**

---

**Subject:**

Request for approval of BAIFA Resolution No. 53 adopting the BAIFA Reserves Policy beginning Fiscal Year (FY) 2024-25.

**Background:**

Per California Streets and Highway Code §149.7, reserves for the development, maintenance, repair, rehabilitation, improvement, reconstruction, administration, and operation of the toll facility are considered eligible direct expenses to be funded by revenues generated from the operation of the CTC-Authorized BAIFA Express Lanes Facility (“Facility”). BAIFA’s authorized Facility includes 285 miles of high occupancy toll lanes and is comprised of five freeway routes: Interstate 80 (“I-80”) in Alameda, Contra Costa and Solano counties, Interstate 680 (“I-680”) in Solano and Contra Costa counties, Interstate 880 (“I-880”) in Alameda County, State Route 84 (“SR-84”) in Alameda County and State Route 92 (“SR-92”) in Alameda County. To date, the Contra Costa I-680 Express Lanes and Alameda I-880 are in operation, while the Solano I-80 Express Lanes are under construction.

BAIFA’s Reserves Policy creates three reserves: (1) the Operations & Maintenance (O&M) Reserve, (2) the Emergency Reserve, and (3) the Capital Repair and Replacement (R&R) Reserve. The Reserves Policy sets forth appropriate levels of financial reserves for the Facility to ensure financial stability, mitigate financial risks such as revenue shortfalls or unanticipated costs, and maintain the long-term sustainability of the Express Lanes program, ensuring that the program can adapt to changing circumstances and maintain its operations over time. The Reserves Policy identifies the replenishment amount and conditions of fund withdrawal for each of the three reserves. The Reserves Policy was developed based on BAIFA’s annual Operating and Capital Budget adoption, and the 10-Year Financial Plan, which projects O&M and R&R needs of the Facility between FY 2023-24 and 2032-33.

### **1. Operations & Maintenance (O&M) Reserve:**

The purpose of the Operations & Maintenance (O&M) Reserve is to safeguard funding for budgeted O&M expenses of the Facility in the event of revenue shortfalls, interruptions in revenue collection due to non-physical impacts (e.g., pandemic, public evacuation, cybersecurity breach etc.), or to fund unanticipated O&M expenses.

Generally, O&M expenses are classified as variable (i.e., costs incurred on a transaction basis) and fixed (i.e., costs incurred as part of the enterprise business activities). Fixed O&M expenses include costs such as salaries and benefits, overhead, audit and accounting costs, utility payments, toll system maintenance, roadway maintenance, etc. These costs are considered necessary to maintain operations of the Express Lane enterprise, regardless of transaction volume.

Therefore, the O&M Reserve is equal to twelve (12) months of fixed O&M expenses, which include essential operating needs of the Facility. The fixed O&M expenses are calculated by staff based on the adopted BAIFA Annual Operating Budget for such Fiscal Year.

### **2. Emergency Reserve:**

The purpose of the Emergency Reserve is to safeguard funding for reconstruction, repair and operations of the Facility in the event of a major emergency. Major emergencies include natural Act of God disasters (e.g., earthquake, flood, extreme winds, subsidence, wildfire etc.) and manmade disasters (catastrophic accident, terrorist attack etc.).

The Emergency Reserve holds no less than \$25 million as an extraordinary loss account solely for the purpose of funding major emergency reconstruction, repair, and operations of the Facility. If needed, the Emergency Reserve will be supplemented by the Capital Repair and Replacement (R&R) Reserve.

### **3. Capital Repair and Replacement (R&R) Reserve:**

The purpose of the Capital Repair and Replacement (R&R) Reserve is to safeguard funding for budgeted R&R expenses of the Facility. R&R activities include rehabilitation of the Facility's infrastructure and equipment, which generally have a lifecycle between six and ten years for toll equipment and 10 to 40 years for civil assets.

R&R expenditures are cyclical and have high sunk costs, particularly the Roadside Toll System and civil pavement activities. Coupled with the varying operational go-live dates of different corridors and segments, BAIFA must accumulate adequate reserves to fund these projects.

The Capital R&R Reserve would be equal to the maximum total of three (3) consecutive years of anticipated R&R costs, as identified in the BAIFA 10-Year Financial Plan. Funds from the Capital R&R Reserve would be used and withdrawn to fund anticipated capital rehabilitation and lifecycle replacement costs, as determined in BAIFA's Express Lane Rehabilitation Budget or to fund major emergency reconstruction and repair of any of the Facility's infrastructure and equipment, supplementing the Emergency Reserve.

**Next Steps:**

The timing of filling and replenishing reserves is affected by factors such as cash flow needs, reserve levels, and fund availability. Initially, we would distribute the existing accumulated revenue equally among the three reserves. Subsequently, we would recommend continuing to add to the reserves until they reach full capacity and consistently replenish them as they are drawn down. This will be done as part of the annual budget process, and is subject to Authority approval as part of that process.

**Recommendations:**

Staff recommends that this Committee refer BAIFA Resolution No. 53 – Reserves Policy, to the Authority for approval.

**Attachments:**

- Attachment A: PowerPoint
- Attachment B: BAIFA Resolution No. 53



Andrew B. Fremier

Date: March 27, 2024  
W.I.: 6840, 6861  
Referred by: BAIFA Network and  
Operations

ABSTRACT

BAIFA Resolution No. 0053

This resolution adopts the Reserves Policy for the Bay Area Infrastructure Financing Authority (BAIFA).

Further discussion of the BAIFA Reserves Policy is contained in BAIFA's Reserves Policy Summary Sheet dated March 8, 2024.

Date: March 27, 2024  
W.I.: 6840, 6861  
Referred by: BAIFA Network and  
Operations

Re: Bay Area Infrastructure Financing Authority Reserves Policy

BAY AREA INFRASTRUCTURE FINANCING AUTHORITY  
RESOLUTION NO. 53

WHEREAS, the Metropolitan Transportation Commission (“MTC”) and the Bay Area Toll Authority (“BATA”) have executed a joint exercise of powers agreement dated as of August 1, 2006, as amended, which created and established the Bay Area Infrastructure Financing Authority (“BAIFA”); and

WHEREAS, BAIFA staff has prepared a Reserves Policy setting forth appropriate levels of financial reserves to ensure financial stability, mitigate financial risks such as revenue shortfalls or unanticipated costs, and maintain the long-term sustainability of the Express Lanes program, ensuring that the program can adapt to changing circumstances and maintain its operations over time; now, therefore be it

RESOLVED, that BAIFA creates three reserves, the Operations & Maintenance (O&M) Reserve, the Emergency Reserve and the Capital Repair & Replacement (R&R) Reserve; and be it further

RESOLVED, that BAIFA shall establish, hold and maintain an O&M Reserve equal to twelve (12) months of fixed budgeted O&M expenses for such Fiscal Year, as calculated by staff; and be it further

RESOLVED, that amounts on deposit in the O&M Reserve shall be used and withdrawn by BAIFA solely to pay for budgeted O&M expenses in the event of revenue shortfalls, interruptions in revenue collection or to fund unanticipated O&M expenses; and be it further

RESOLVED, that BAIFA shall establish, hold and maintain an Emergency Reserve of no less than \$25 million as an extraordinary loss account solely for the purpose of funding major emergency reconstruction, repair, and operations of any of the Express Lanes; and be it further

RESOLVED, that amounts on deposit in the Emergency Reserve shall be used and withdrawn in emergency situations, including natural Act of God or man-made disasters, that necessitate immediate action as determined by either the Executive Director or Designee; and be it further

RESOLVED, that BAIFA shall establish, hold and maintain a Capital R&R Reserve equal to the maximum total of three (3) consecutive years of anticipated R&R costs, as identified in the BAIFA adopted Express Lanes 10-Year Financial Plan; and be it further

RESOLVED, that amounts on deposit in the Capital R&R Reserve shall be used and withdrawn to fund anticipated capital rehabilitation and lifecycle replacement costs, as determined in BAIFA's Express Lane Rehabilitation Budget or to fund major emergency reconstruction and repair of any of the Express Lanes supplementing the Emergency Reserve; and be it further

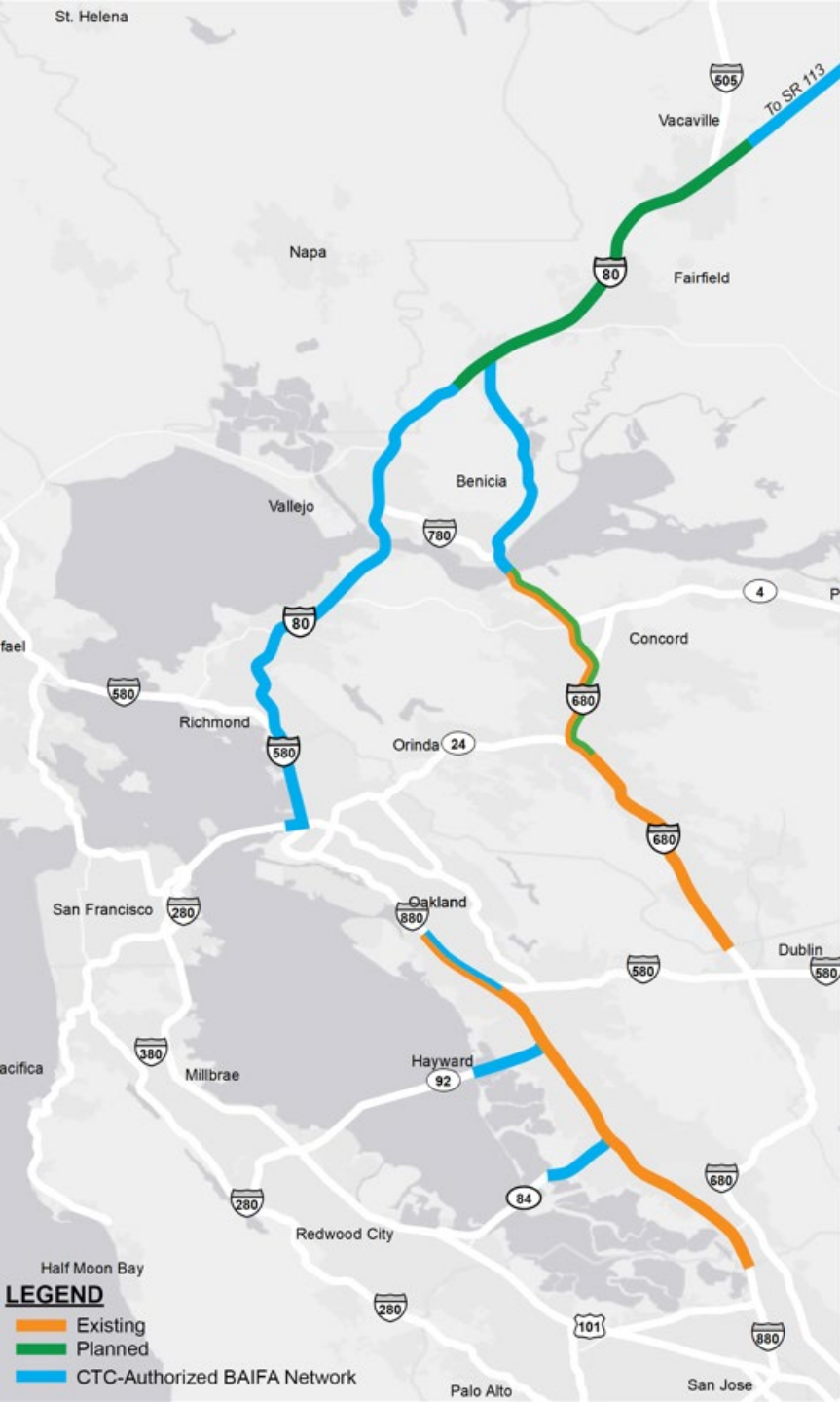
RESOLVED, that staff shall furnish BAIFA with the budgeted and actual reserve amounts as part of BAIFA's annual Operating and Capital Budget.

BAY AREA INFRASTRUCTURE FINANCING  
AUTHORITY

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Alfredo Pedroza, Chair

The above resolution was entered into by the Bay Area Infrastructure Financing Authority at a regular meeting of the Board held in San Francisco, California and at other remote locations, on March 27, 2024.



# **BAIFA Resolution No. 53 - Bay Area Infrastructure Financing Authority (BAIFA) Reserves Policy**

# BAIFA Network and Operations Committee

## March 8, 2024



# Reserves Policy Considerations

Fund	Considerations	Estimated Range
<b>O&amp;M Reserve Fund</b>	Safeguard 12 months of Fixed O&M costs for operations.	\$20 M - \$30 M
<b>Emergency Reserve Fund</b>	Safeguard funding for emergency reconstruction, repair, and operations.	\$25M
<b>Capital R&amp;R Reserve Fund</b>	Safeguard 3-year maximum of R&R costs for essential R&R needs, including any shortfall needed for emergencies.	\$135M
<b>Total Reserves</b>	Preliminary Range	\$180 M - \$190 M