METROPOLITAN TRANSPORTATION COMMISSION Meeting Transcript



1	BATA RECOVERY AD HOC WORKING GROUP
2	APRIL 5, 2021
3	
4	AMY WORTH, CHAIR: GOOD AFTERNOON, THIS IS AMY WORTH, CHAIR
5	IT'S MY PLEASURE TO CALL TO ORDER THE BATA RECOVERY AD HOC
6	WORKING GROUP, AND MAY WE PLEASE HAVE THE COVID ANNOUNCEMENT?
7	DUE TO COVID-19 THIS MEETING WILL BE CONDUCTED AS A ZOOM
8	WEBINAR PURSUANT TO THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE
9	ORDER N-29-20 WHICH SUSPENDS CERTAIN REQUIREMENTS OF THE BROWN
10	ACT. THIS MEETING IS BEING WEBCAST ON THE MTC WEB SITE. THE
11	CHAIR WILL CALL UPON COMMISSIONERS, PRESENTERS, STAFF, AND
12	OTHER SPEAKERS BY NAME AND ASK THAT THEY SPEAK CLEARLY AND
13	STATE THEIR NAMES BEFORE GIVING COMMENTS OR REMARKS. PERSONS
14	PARTICIPATING VIA WEBCAST AND ZOOM WITH THEIR CAMERAS ENABLED
15	ARE REMINDED THAT THEIR ACTIVITIES ARE VISIBLE TO VIEWERS.
16	COMMISSIONERS AND MEMBERS OF THE PUBLIC PARTICIPATING BY ZOOM
17	WISHING TO SPEAK SHOULD USE THE RAISED HAND FEATURE, OR DIAL
18	STAR NINE, AND THE CHAIR WILL CALL UPON THEM AT THE
19	APPROPRIATE TIME. TELECONFERENCE ATTENDEES WILL BE CALLED
20	UPON BY THE LAST FOUR DIGITS OF THEIR PHONE NUMBER. IT IS
21	REQUESTED THAT PUBLIC SPEAKERS STATE THEIR NAMES AND
22	ORGANIZATION, BUT PROVIDING SUCH INFORMATION IS VOLUNTARY.
23	WRITTEN PUBLIC COMMENTS RECEIVED AT INFO@BAYAREAMETRO.GOV BY
24	5:00 P.M. YESTERDAY WILL BE POSTED TO THE ONLINE AGENDA AND
25	ENTERED INTO THE RECORD BUT WILL NOT BE READ OUT LOUD. IF



1	AUTHORS OF THE WRITTEN CORRESPONDENCE WOULD LIKE TO SPEAK,
2	THEY ARE FREE TO DO SO. A ROLL CALL VOTE WILL BE TAKEN FOR
3	ALL ACTION ITEMS. PANELISTS AND ATTENDEES SHOULD NOTE THAT
4	THE CHAT FEATURE IS NOT ACTIVE.
5	
6	CLERK, KIMBERLY WARD: YOU ARE MUTED MADAM CHAIR.
7	
8	AMY WORTH, CHAIR: THANK YOU JESS, AND KIMBERLY MAY I PLEASE
9	RETURN TO YOU FOR THE ROLL CALL TO CONDUCT THE QUORUM.
10	
11	CLERK, KIMBERLY WARD: CONNOLY?
12	
13	DAMON CONNOLLY: HERE.
14	
15	CLERK, KIMBERLY WARD: DUTRA-VERNACI?
16	
	CAROL DUTRA-VERNACI: HERE.
18	
19	CLERK, KIMBERLY WARD: EL-TAWANSY IS ABSENT. JOSEFOWITZ?
20	
21	COM. NICK JOSEFOWITZ: HERE.
22	
23	CLERK, KIMBERLY WARD: WORTH?
24	

25

AMY WORTH, CHAIR: HERE.



1	
2	CLERK, KIMBERLY WARD: THANK YOU. QUORUM IS PRESENT.
3	
4	AMY WORTH, CHAIR: THANK YOU VERY MUCH. NEXT ITEM IS THE
5	CHAIR'S OPENING REMARKS, AND I WANTED TO SAY JUST BRIEFLY THAT
6	THE AD-HOC WORKING GROUP IS COMING TO THE NEXT PHASE THE
7	COMPLETION OF OUR REPORT. BEFORE WE CONSIDERATE WRITTEN REPORT
8	WE WANT TO UNDERSTAND THE CURRENTLY FINANCIAL FUNDAMENTAL
9	REPORT THE REHABILITATION PROGRAM WE WANT TO FOCUS ON THE
10	TRAFFIC AND REVENUE PICTURE STAFF WILL GIVE AN UPDATE ON THE
11	PROPOSED ACTION PLAN AND WE'LL INCORPORATE OUR INPUT THE
12	WRITTEN REPORT FOR THE AD-HOC WORKING GROUP WILL BE CONSIDERED
13	IN MAY BEFORE WE FORWARD IT TO BATA. SO, WITH THAT OUR NEXT
14	ITEM, ITEM 2A IS THE APPROVAL OF THE MINUTES. ARE THERE ANY
15	CORRECTIONS OR ADDITIONS TO THE MINUTES? OKAY. IF NOT, I
16	WOULD ENTERTAIN A MOTION TO APPROVE THE MINUTES.
17	
18	DAMON CONNOLLY: I'LL MOVE.
19	
20	CAROL DUTRA-VERNACI: I'LL SECOND. DUTRA-VERNACI.
21	
22	AMY WORTH, CHAIR: OKAY. MOVED BY COMMISSIONER JOSEFOWITZ, AND
23	SECONDED BY COMMISSIONER DUTRA-VERNACI. KIMBERLY, MAY WE
24	PLEASE HAVE A ROLL CALL.



CLERK, KIMBERLY WARD: YES. WITH A MOTION BY JOSEFOWITZ, AND 1 2 SECOND BY DUTRA-VERNACI. [ROLL CALL VOTE] 3 CLERK, KIMBERLY WARD: THANK YOU. THE MOTION PASSES 4 5 UNANIMOUSLY. 6 7 AMY WORTH, CHAIR: THANK YOU SO MUCH. KIMBERLY BEFORE WE GET TO 8 ITEM THREE, I WANT TO CHECK WITH YOU TO SEE IF WE HAVE ANY 9 WRITTEN CORRESPONDENCE FROM THE PUBLIC PRIOR TO THE MEETING. 10 CLERK, KIMBERLY WARD: THANK YOU FOR THAT. NO. WE HAVE RECEIVED 11 NOTHING IN WRITING AND THE SEE NO MEMBERS OF THE PUBLIC WITH 12 THEIR HANDS RAISED. 13 14 AMY WORTH, CHAIR: THANK YOU. NEXT ITEM THREE TRAFFIC TOLL 15 16 REVENUE AND REHABILITATION PROGRAM FUNDING OUTLOOK. BRIAN MAY I TURN TO YOU PLEASE FOR THAT REPORT AND UPDATE? I THINK 17 18 YOU'RE ON MUTE. 19 BRIAN MAYHEW: I'M ALWAYS ON MUTE. I HAVE GOT TO LEARN. 20 ANYWAY, THANK YOU, EVERYBODY, AND GOOD AFTERNOON. WE'RE GOING 21 22 TO TRY TO DO, IF YOU CAN PULL THE -- THERE WE GO. GO TO THE 23 FIRST PAGE. SO THE FIRST THING WE'RE GOING TO DO IS TALK A BIT ABOUT, GO BACK TO SORT OF THE BEGINNING GO BACK TO THE REVENUE 24

COMPONENT, AND THEN THE REVENUE STRUCTURES, THE PAYGO CAPITAL





- 1 STRUCTURES AND HOPEFULLY WE'LL SEE WHAT THE FINANCIAL
- 2 SITUATION IS FOR THE PAYGO CAPITALS AND PRELIMINARY LOOK IN
- 3 THE BUDGET IN ANOTHER MONTH. IN THE BEGINNING IS, HOW DOES A
- 4 \$5 TOLL WORK. NOW THE FIRST THING YOU HAVE TO KNOW WHEN YOU
- 5 HAVE THE FIVE THERE TOLL IS WITH OUR CURRENT TRAFFIC LEVEL
- 6 IT'S NOT WORTH \$5 IT'S WORTH FOUR. BUT ANYWAY, WHEN YOU BREAK
- 7 IT DOWN, WHEN WE HAD THE 138 MILLION PAID TRAFFIC BREAK IT
- 8 ONTO DEBT SERVICE COST WOULD BE 55 TRANSIT TRANSFERS, CALTRANS
- 9 19 YOU SEE ALL THINGS GOING TO PAYGO CAPITAL SOME VARIOUS
- 10 OTHER THINGS THAT BASICALLY GOES WHEN YOU HAVE THE \$0.21 ADD
- 11 TO TOTAL REVENUE THE TOTAL GETS CLOSE TO \$2 AND THAT'S WHAT WE
- 12 USE TO FUND OUR PAYGO CAPITAL PROGRAM. THE CURRENT TRAFFIC
- 13 LEVEL THE \$5 WORTH, YOUR SURPLUS IS GONE. THE BASIC PROGRAM
- 14 FUNDING SIMPLEST AND EASIEST WAY TO DESCRIBE WHAT WE DO IN
- 15 BATA IS WE NEED ABOUT, GIVEN THE TOTAL NUMBER OF PROJECTS WE
- 16 HAVE BUILT, WE NEED ABOUT \$700 MILLION A YEAR TO RUN THE
- 17 PLACE. THAT'S THE BASIC CORE EXPENSE. IN FACT, ALL OF THESE,
- 18 AS YOU SEE LISTED BELOW, ARE ACTUALLY STATUTORY. SO YOU'RE
- 19 REOUIRED TO MEET THESE COSTS ONE WAY OR ANOTHER. THEY'RE VERY
- 20 BASIC. CALTRANS, FASTRAK BATA TRANSFERS GO TO TRANSBAY
- 21 TERMINAL WHICH IS CONSIDERED PART OF THE BRIDGE. RM2, YOU SEE
- 22 THE 38%, BATA AND THEN THE DEBT SERVICE COSTS. WHEN YOU ADD IT
- 23 ALL UP IT GETS TO ABOUT \$700 MILLION A YEAR AND THAT'S ABOUT
- 24 WHAT WE NEED RUN THE PLACE. SHALL WE GO TO THE NEXT PAGE?
- 25 NOW HERE, WE LOOKED AT A CHART TO SEE HOW OFTEN WE MAKE 700





- 1 MILLION A YEAR, AND YOU WILL SEE THAT IT TAKES ABOUT, GIVE OR
- 2 TAKE, IT TAKES ABOUT 380,000 CARS A DAY, OR 140 MILLION PAYING
- 3 CUSTOMERS A YEAR. SO YOU CAN SEE, STARTING IN 2017 AND 2016,
- 4 IT'S VERY CLOSE, WE HIT THE PAYGO CAPITAL, SURPLUS THAT WE PUT
- 5 INTO PAYGO CAPITAL AND FROM THE PAYGO CAPITAL WE ADD IN THE
- 6 OTHER REVENUE AND THE HAVE THE PROGRAM THAT YOU HAVE TODAY.
- 7 BUT BASICALLY, YOU SEE THAT WHAT HAPPENS THEN IS, YOU GET TO
- 8 2020 WHERE WE NEED, AGAIN, WE NEED ABOUT 140 MILLION CARS A
- 9 YEAR TO BREAK EVEN, AND YOU WILL SEE OBVIOUSLY STARTING IN
- 10 2020 WE DIDN'T MAKE IT, 2021 WILL ACTUALLY BE WORSE. SO IF YOU
- 11 SUBTRACT THE NUMBERS AND YOU JUST DO THE SIMPLE REVENUE
- 12 CALCULATIONS, YOU WILL FIND THAT YOU'RE DOWN, IN TOLL REVENUE,
- 13 SINCE THE START OF THE PANDEMIC, ROUGHLY ABOUT \$270 MILLION,
- 14 GIVE OR TAKE, AND THAT'S ON A PURELY MATHEMATICAL REFERENCES
- 15 DOESN'T ACCOUNT FOR DELAYS INVOICES AND OTHER THINGS LIKE THAT
- 16 STRICTLY WHAT WE THINK WE'LL GET ACROSS IN THE TRAFFIC AND YOU
- 17 MULTIPLIED BY THE RATE. THAT'S WHERE WE ARE RIGHT NOW RUNNING
- 18 IN -- GO TO THE NEXT SLIDE -- HOPEFULLY THIS BRINGS THE WHOLE,
- 19 SORT OF, LOOK TOGETHER. HERE YOU SEE -- AND I'M GOING TO GO TO
- 20 THE CHART, TO THE TABLE FOR JUST A SECOND. HERE YOU SEE THE
- 21 MEASUREMENTS, FY 2019 WAS, BY FAR AND AWAY OUR BEST YEAR. SO
- 22 YOU CAN SEE THE TRAFFIC, ANNUALIZE 143 MILLION VEHICLES,
- 23 ACTUALLY, FISCAL, FEBRUARY 2020, WAS ACTUALLY COMPARED TO THE
- 24 OTHER FEBRUARY -- FEBRUARY 2019, ACTUALLY WAS A LITTLE BETTER
- 25 OFF. BUT THE NUMBERS COME OUT EQUAL SO I USE THAT AS A BENCH





- 1 TO MEASURE. YOU SEE COMING DOWN THE CHART, OBVIOUSLY FEBRUARY,
- 2 MARCH IS WHEN WE HAD -- MARCH, TRAFFIC BEGAN TO FALL DOWN IN
- 3 MARCH, APRIL BACK TO 50% OF PREVIOUS TRAFFIC LEVEL JUNE,
- 4 BEGINS TO PEAK IN OCTOBER, AND THEN YOU CAN SEE, THEN THE
- 5 SECOND WAVE, OR THIRD WAVE, WHICHEVER ONE WE WANT TO COUNT IT,
- 6 YOU SEE FALLING OFF AGAIN. MARCH '21 YOU SEE STABILIZING
- 7 AROUND 80 TO 82%. YOU SEE THE CHART THERE, THE BARS ARE THE
- 8 TRAFFIC, BUT FOLLOW THE LINE, THAT'S THE PERCENT WE'RE SEEING
- 9 IN THE GRAPH, WE DIP TO OUR LOWEST POINT CLIMB BACK OUT HAD A
- 10 SECOND TROUGH AND CLIMBING BACK OUT AGAIN TRAFFIC HAPPENS TO
- 11 BE PRETTY CLOSE TO THE FISCAL NUMBERS SO FOR US THAT'S A GOOD
- 12 NUMBER GOING INTO THE BUDGET AND PREPARING FOR WHAT WE HAVE TO
- 13 DO. STAY WITH THAT CHART FOR A SECOND. GO DOWN, MARCH 2020
- 14 ANALYZES TO, GOING DOWN JULY 2020 THAT'S THE CURRENT FISCAL
- 15 YEAR PICKED UP LOOKS BETTER THIS'S KIND OF WHAT YOU SEE
- 16 ANNUALIZING TO 111 CARS MARCH 2019 TRAFFIC THEN MARCH, OVERALL
- 17 ANALYZES TO 117 MILLION CARS AND 82%. YOU SEE WE HAVE A WAYS
- 18 TO GO BEFORE WE REACH THE TRAFFIC LEVEL WE REALLY NEED TO RUN
- 19 THE ENTERPRISE. GO TO THE NEXT CHART. NOW HERE, WHAT I HAVE
- 20 DONE IS LAID OUT THE FUNDING, AND AS WE LOOK GOING INTO NEXT
- 21 YEAR, I'LL TAKE A LOOK AT IT, BUT I'M GOING TO GO THROUGH THE
- 22 CHART FOR A SECOND, LET'S START IN 2017, YOU CAN SEE TOLL
- 23 REVENUE, OPERATING COST, THERE IS A SURPLUS IN OPERATING GAIN,
- 24 FROM THAT COMPONENT IN THERE, ADD OTHER REVENUE IN BUILD
- 25 AMERICA PAYMENTS VIOLATION, INTEREST, AND WE GET PAYMENTS FROM





- 1 SOME OTHER OPERATORS AS FAR AS ACT AGREEMENTS YOU TAKE THAT
- 2 ADD THE TWO TOGETHER YOU HAD \$173 MILLION AVAILABLE FOR
- 3 CAPITAL. GO DOWN, WE SPENT 140 MILLION IN REHAB 80 MILLION
- 4 RM211,719,000,256 TOTAL WE SPENT A LITTLE MORE IN OVERALL
- 5 PROJECTS THAN OUR CONTRIBUTION TO REHAB, OUR CONTRIBUTION TO
- 6 PAYGO CAPITAL. BUT AGAIN THAT WAS ALL PART OF A FUNDING PLAN
- 7 AND THAT'S PRETTY MUCH HOW WE PLAN IT. SAME AS TRUE FOR 2018
- 8 WHERE YOU NET DOWN YOU SEE THE REVENUE OVERALL THE PROJECT
- 9 DRAW 269 MILLION AGAINST 169 MILLION ASSETS RESERVE OF
- 10 147,002,019 PINNACLE YEAR BEST OVERALL 200 MILLION AVAILABLE,
- 11 FOR CAPITAL 156 MILLION WE MADE A POSITIVE CONTRIBUTION AND
- 12 '18 AND '19 PRETTY MUCH A WASH, FY '20, YOU SEE AGAIN THERE'S
- 13 AVAILABLE CAPITAL \$90 MILLION, ACTUALLY WASN'T HORRIBLY BAD AS
- 14 FAR AS THE OVERALL REVENUE PICTURE UNTIL MARCH WE WERE
- 15 ACTUALLY RUNNING A BIT AHEAD OF THE PRIOR YEAR. WE HAD AN
- 16 OPERATING LOSS. PICKED UP \$150 IN OTHER REVENUE, AND HAD 90
- 17 MILLION AVAILABLE FOR PAYGO CAPITAL WE DREW 77 MILLION MORE
- 18 FROM THE RESERVE AND PROJECT COST. THEN WE CONTRIBUTED TO THE
- 19 RESERVE TO MAKE THE PAYGO PAYMENTS. ALL IN ALL, THIS IS THE
- 20 WAY THAT THE PROJECT IS DESIGNED. NOW LET'S GO TO THE BUDGET
- 21 REALLY QUICKLY. WE ARE PROJECTING FOR FY '22, A 90% OF FY '19
- 22 TRAFFIC LEVEL IN PAID TRAFFIC. BIT AGGRESSIVE 14% INCREASE IN
- 23 TRAFFIC BUT WE ACTUALLY THINK OUR DATA POINTS TO EXACTLY THAT
- 24 NUMBER. AND WE FEEL PRETTY GOOD ABOUT THE NUMBER GOING IN. IF
- 25 YOU LOOK AT THAT NUMBER, JUST GOING IN WITH A 90% NUMBER, WE



- 1 WOULD HAVE, AFTER TOLL REVENUE, OTHER REVENUE, AND THEN
- 2 OPERATOR EXPENSES, WE WOULD HAVE, IN FISCAL YEAR 2022, WE
- 3 WOULD AGAIN HAVE AN OPERATING SURPLUS AVAILABLE FOR PAYGO
- 4 CAPITAL. NOW WE USE 48 -- THAT NUMBER IS 48 MILLION RIGHT NOW
- 5 IN OUR PLANNING PHASES GIVE OR TAKE 50 MILLION AS WE GET READY
- 6 FOR THE BUDGET. NOW IF WE ASSUME THE AVERAGE REHAB DRAW IS A
- 7 HUNDRED MILLION DOLLARS 52 MILLION WILL COME OUT OF THE
- 8 RESERVE TAKE 2021, AND 2020 TOGETHER AND YOU CAN SEE THAT THE
- 9 RESERVES HAVE BEEN CONTRIBUTING A LOT TO THE PAYGO CAPITAL. AS
- 10 YOU CAN SEE THE PROJECT COSTS ARE RIGHT THERE. THEY'RE IN THE
- 11 TABLE. BRIDGE REHAB HAS A TOTAL BUDGET OF 100 -- \$1.6 BILLION.
- 12 IT HAS, AS OF RIGHT NOW, ABOUT MID-YEAR DECEMBER OF THIS YEAR
- 13 IT STILL HAS A REMAINING BALANCE OF \$340 MILLION TO GO. PAYGO
- 14 CAPITAL SIDE OF IT. 1171 HAS A BUDGET OF \$570 MILLION, 81 TO
- 15 GO NOW, RM2, 1.6 BILLION, IT HAS ABOUT 87 MILLION TO GO AND
- 16 THE CORE CAPACITY PROGRAM THE OTHER HAD A \$250 MILLION BUDGET,
- 17 IT HAS 150 MILLION TO GO, SO WE HAVE ROUGHLY \$650 MILLION
- 18 DOLLARS, HALF OF IT IS [INDISCERNIBLE] PAYGO CAPITAL OVER THE
- 19 NEXT FEW YEARS PLUS WHAT YOU ADD IN THE BUDGET THE HUNDRED
- 20 MILLION OR WHATEVER THAT NUMBER TURNS OUT TO BE THAT'S WHAT WE
- 21 HAVE TO PLAN FOR WITH THE SURPLUS CAPITAL AND THE REVENUE THAT
- 22 WE HAVE. NOW WE DO KNOW, GOING INTO THIS BUDGET THAT, WE
- 23 EXPECT -- LET'S SAY FOR THE MOMENT THAT FOR OUR MODELING
- 24 NUMBERS IT'S ROUGHLY 50 -- IT'S ROUGHLY A \$50 MILLION DRAW ON
- 25 THE RESERVE -- I DO NOT KNOW HOW TO TURN THAT OFF. IT'S ABOUT



A \$50 MILLION DRAW ON THE RESERVE UNTIL WE THINK TRAFFIC 1 CATCHES UP. WHICH IS ROUGHLY 2025 IF EVERYTHING GOES ACCORDING 2 3 TO OUR MODELS FASTER IF IT GOES SOONER, SLOWER IF IT DOESN'T. WE KNOW THAT'S ABOUT ANOTHER \$150 MILLION DRAW ON THE RESERVE 4 5 AND AGAIN THAT'S ALL BUILT INTO OUR MODELS THE RESERVE HAS CAPACITY TO FUND THE PROGRAMS WE'RE LOOKING AT. IT IS NOT AN 6 7 INFINITE CAPACITY. AND AS I SAID, PROBABLY THOUSANDS OF TIMES 8 RATING AGENCIES AND BUDGET PRESENTATIONS EVERYTHING WE HAVE 9 SUBSTANTIALS RESERVE BUILT FOR JUST THIS VERY REASON TO DEAL 10 WITH AN EMERGENCY. BUT AS I HAVE ALWAYS SAID, WE CAN HANDLE 11 ABOUT 18 MONTHS OF NORMAL OPERATIONS. BEFORE WE HAVE TO START THINKING ABOUT HOW TO REPLENISH THAT RESERVE. REAR NOW ROUGHLY 12 14 -- 13/14 MONTHS INTO THIS. SO THERE'S NOT -- WE'RE GOING TO 13 14 BEGIN TO SEE AS WE GO INTO THE NEXT YEAR, AND THE NEXT, THAT 15 THAT'S GOING TO PUSH YOUR AVAILABLE RESERVE. SO I KNOW I HAVE 16 THROWN A LOT OF NUMBERS OUT. AND I KNOW YOU'RE ALL EXPECTED TO MEMORIZE THEM BY THE END OF THE AFTERNOON THE WAY THERESE DID. 17 18 BUT I DID STOP HERE AND TAKE ANY OUESTIONS YOU MIGHT HAVE AS 19 FAR AS THIS IS CONCERNED. 20 THERESE MCMILLAN: BRIAN COULD YOU BRING UP YOUR LAST SLIDE, 21 BECAUSE I THINK ACTUALLY, THE THREE OPTIONS -- BACK THE OTHER 22 23 WAY -- THIS ONE. YOU KNOW, I THINK, YOU KNOW, THE SUMMARY BEFORE US IS THAT WE HAVE THREE THINGS THAT WE CAN DO. AND 24

BRIAN'S PAINTED THE BASELINE FOR US, BUT, YOU KNOW, IT'S NOT



LIKE THERE IS A LOT, ENOUGH OTHER RABBITS LEFT -- EASTER 1 2 BUNNIES SO WE'RE NOT --3 BRIAN MAYHEW: LET ME TRY A COUPLE OF THINGS AS THIS LIST IS UP 4 5 IN FRONT OF YOU. FIRST OF ALL, DEFERRING THE PROJECT AGAIN LIKE RESERVE HAS A LIMITED LIABILITY. FIRST OF ALL STATUTORY 6 7 RESPONSIBILITIES MAINTENANCE ADEQUATE OPERATION AND 8 MAINTENANCE OF THE BRIDGES, COVENANTS AND BOND HOLDS, THE 9 FIRST REQUIREMENT, SECOND ONE IS MAINTAINING PROJECTS 10 SOMETHING BETWEEN CALTRANS AND OUR GUYS AND THAT, PUT THAT IN THE BUDGET. YOU CAN'T DEFER THAT FOREVER IF IT CAUSES THE 11 BRIDGES TO BE MAINTAINED IN AN UNSAFE MANNER, IN WHICH CASE, 12 AS WE WENT INTO LAST YEAR'S BUDGET WITH LOSS OF TRAFFIC GOING 13 INTO APRIL AND MAY AT AVERAGE OF 50%, WE DIDN'T KNOW WHAT TO 14 15 MAKE OF THIS. WE KNEW THAT WE HAD THE REVENUE BASE AND 16 RESERVES TO GET US THROUGH THE '21 YEAR, WE HAD TO SEE HOW THAT WOULD COME OUT. WE WOULD NOT RECOMMEND A MAJOR DEFERRAL 17 18 OF ALL PROJECTS. NOR DO WE THINK THAT'S EVEN REASONABLY 19 PLAUSIBLE. HOWEVER THERE MAY BE PROJECTS ON THE LIST AS YOU CATEGORIZE, 1, 2, 3, THAT THE THREE IS TO BE [INDISCERNIBLE] 20 21 THAT'S SOMETHING BUT I WILL NOT EVEN REMOTELY SAY TO YOU DEFER 22 ALL THREE PROJECTS, WE HAD \$640 MILLION WORTH OF APPROVED 23 PROJECTS ON THE BOX NOW BUT IF THERE ARE PROJECTS THAT ARE NOT ESSENTIAL FOR THE HEALTH AND SAFETY OF THE BILL THAT GOES INTO 24

THE POSSIBILITY OF DEFERRAL OF THOSE PROJECTS FOR A WHILE WE



- 1 USE THE SAME ANALYTIC TOOL TO DO THAT. THE KEY SAFETY PROJECTS
- 2 DRAWING AT RESERVE THIS IS CAN BE DONE -- IT CANNOT BE DONE
- 3 INDEFINITELY. EVEN IF YOU HAVE COMMITTED ALL YOUR RESERVES YOU
- 4 WOULD ONLY MAKE A FEW YEARS, AND THEN WOULD YOU BE NOWHERE.
- 5 WOULD YOU HAVE NO RESERVES. IF SOMETHING HAPPENED, IF A SECOND
- 6 THING HAPPENED ALONG THE WAY YOU JUST DON'T WANT TO BE THERE
- 7 AND THE OTHER IS KIND OF BRING IN NEW REVENUE THAT BRINGS YOU
- 8 TO, IT CAN BE NEW REVENUE FROM SB1, FROM THE STATE, FROM THE
- 9 FEDS. I KNOW THERE HAS BEEN A LOT OF TALK OF THOSE THINGS,
- 10 THEY'RE NOT PLEDGIBLE REVENUES, I CAN'T FINANCE OFF OF THEM
- 11 BUT THAT I CAN BE BROUGHT IN ON A PROJECT BY PROJECT APPROVED
- 12 BASIS TO TAKE THE PRESSURE OFF OF THE FIDUCIARY AND CONSIDER
- 13 WHAT YOU'RE GOING TO DO WITH THE TOLLS. LOOK BEYOND 18 MONTHS
- 14 WE HAVE GOT TO REPLACE THE LOWER TRAFFIC NUMBER. YOU HAVE TO
- 15 LOOK TO REPLACE THAT JUST TO KEEP YOUR OPERATIONS IN SHAPE.
- 16 AND TO MAKE YOUR COVERAGES. SO, YOU HAVE -- ALL OF THESE
- 17 THINGS ARE OPTIONS YOU CAN BE DEALING WITH IN THE FUTURE.
- 18 WHILE I'M NOT GOING TO TELL YOU WHAT TO DO, AND THEY'RE
- 19 PROBABLY EVEN MORE.

- 21 THERESE MCMILLAN: IF I CAN, MADAM CHAIR, JUST PARTICULARLY ONE
- 22 THING WITH NUMBER TWO, IN OUR PLANNING GOING FORWARD,
- 23 REPLENISHING THOSE RESERVES FROM WHATEVER WE DO DRAW -- YOU
- 24 KNOW, WHATEVER DECISIONS WE MAKE TO DRAW ON TO KEEP THOSE KEY
- 25 SAFETY PROJECTS MOVING FORWARD IN THE PIPELINE IS A



SIGNIFICANT COMMITMENT WE NEED TO DO, AS WELL, AS WE CONSIDER 1 2 HOW ALL THREE OF THESE THINGS WORK TOGETHER. 3 AMY WORTH, CHAIR: SO, ALFREDO -- THANK YOU THERESE, AND THANK 4 5 YOU BRIAN FOR THAT CLARIFICATION. ALFREDO YOU HAD YOUR HAND 6 UP. 7 8 ALFREDO PEDROZA: BRIAN YOU MAY HAVE GLOSSED OVER WHEN YOU WERE 9 THROWING OUT ALL THOSE GREAT NUMBERS, THE RESERVES, THE SIZE OF IT AND SO FORTH? 10 11 BRIAN MAYHEW: I'LL GIVE YOU HISTORY ON IT THE TOLL SETTING 12 AUTHORITY IS NOT AS CLEAR AS IT WAS TODAY. OUR TOLL SETTING 13 AUTHORITY WAS LIMITED AND COORDINATE RAISE TOLLS TO COMPLETE 14 15 PROJECTS AND LEAVING RM1 PROJECT STRAND SAID WE CREATED THE 16 IDEA OF TAKING THE ONE PLUS ONE QUALITY ONE, AND ADD IN THIS RESERVE AND THESE TWO ARE OKAY, IF WE PASS THE COVENANT THEN 17 18 YOU FORCE THE TOLL INCREASE THAT WAS \$300 MILLION AT THE TIME 19 CONSIDERED ONE YEAR'S DEBT SERVICE WHEN WE GOT TO RM2 WE DOUBLED TO 600. IF 300 WORKED ON THE FIRST \$1.5 BILLION OF 20 21 PROJECTS, WHEN WE GOT TO SEISMIC THAT CHANGED THINGS A LITTLE 22 BIT BECAUSE SEISMIC WAS MUCH BIGGER THAN RM1 AND RM2. MUCH 23 BIGGER. WE CERTAINLY COULDN'T SET-ASIDE THE DEBT SERVICE REQUIREMENTS OR PROJECT REQUIREMENTS. SO WHEN WE SET THAT UP 24

WE BEGAN TO -- WE BROKE IT DOWN INTO COMPONENTS. AND YOU SEE



- 1 THIS IN THE BUDGET EVERY WEEK. THERE IS AN OPERATING RESERVE
 2 PART OF OUR BOND COVENANTS, REQUIRES YOU TO HAVE TWO TIMES
- 3 OPERATING BUDGET, ONE PIECE OF IT, THE SECOND ONE IS A RESERVE
- 4 FOR REHAB PROGRAMS, TWO TIMES THE REHAB BUDGET AT THE MOMENT
- 5 ABOUT \$200 MILLION. THEN THERE IS A SELF INSURANCE RESERVE
- 6 AND THEN WE HAVE A VARIABLE RATE INTEREST RESERVE. SOMETHING
- 7 WE ALMOST HAD TO HIT WHEN INTEREST RATES SPIKED IN 208. IF YOU
- 8 ADD THEM UP THEY ADD UP TO \$1 BILLION ROUGHLY 18 MONTHS OF
- 9 OPERATING ENTERPRISE. THAT'S THE OPERATING RESERVE. IN THE
- 10 COMPONENTS THAT'S HOW THEY'RE BROKEN OUT. ADDS TO \$1 BILLION,
- 11 AND \$1 BILLION IS 18 MONTHS OF BRIDGE OPERATIONS AND AN
- 12 EMERGENCY. THAT'S HOW WE DEMONSTRATED IT WAS CREATED.
- 14 ALFREDO PEDROZA: I APPRECIATE THAT. THE ONLY OTHER INFORMATION
- 15 THAT WOULD BE HELPFUL IS THE COST OF DELAYING SOME OF THESE
- 16 PROJECTS BECAUSE I THINK THAT WOULD FACTOR INTO IDENTIFYING
- 17 NEW REVENUE STREAMS TO IDENTIFY THAT COST BENEFIT OF A DOLLAR
- 18 NOW VERSUS A DOLLAR TOMORROW. BRIAN I THINK AS WE ADVANCE
- 19 THESE CONVERSATIONS THAT'S GOING TO BE AN IMPORTANT COMPONENT
- 20 TO FACTOR IN THOSE KINDS OF OPTIONS AS WELL.
- 22 BRIAN MAYHEW: I'LL LEAVE THAT TO ANDY AND PETER, IN OUR
- 23 MODELING WE ESCALATE THEM TO THEIR CONSTRUCTION POINT AND
- 24 PRESENT VALUE. THAT'S WHAT WE DO AS FAR AS ESSENTIALS AND
- 25 INDEX GOING UP YEAR TO YEAR.

21



1 2 ALFREDO PEDROZA: GOT IT. 3 ANDREW FREMIER: COMMISSIONER PEDROZA YOU'RE RIGHT ANDREW 4 5 FREMIER DEPUTY DIRECTOR OF BATA I THINK YOU'RE RIGHT GETTING TO THE SUPPORT FOR THE VIEWPOINT COST BENEFIT WILL HELP NOT 6 7 ONLY MOVING FORWARD BUT SUPPORTING WHATEVER ACTIONS 8 COMMISSIONER OF THE AUTHORITY TAKES REGARDING NEW REVENUE ET 9 CETERA. 10 11 AMY WORTH, CHAIR: BRIAN GO BACK TO THE PREVIOUS SLIDE. THE CAPITAL BUDGET. I'M GOING TO MAKE IT BIGGER SO YOU CAN READ IT 12 HERE. MOVE THAT AROUND. IF YOU COULD JUST ASK, SO IF YOU GO 13 DOWN TO PROJECT COST, I THINK WE UNDERSTAND REVENUE. SO THE 14 15 BRIDGE REHAB WHAT WE'RE SEEING HERE OVER FOUR YEARS IS 16 ESSENTIALLY ABOUT AN AVERAGE OF 100 MILLION A YEAR. 134 AVERAGES 76. THAT INTENT, IS THAT CORRECT TO BE ABLE TO PUT 17 18 \$100 MILLION A YEAR INTO THE REHAB AND MAINTENANCE? THAT'S 19 BASICALLY REHAB AND MAINTENANCE OF THE BRIDGES, CORRECT? 20 BRIAN MAYHEW: THOSE ARE THE ACTUAL EXPENSES BUT THAT I FIT 21 22 INTO THE MODELING OF AVERAGING 100 MILLION A YEAR. WE'RE 23 ALWAYS HAPPY THE ACTUAL EXPENDITURE AVERAGES ROUGHLY 100 24 MILLION.



- 1 AMY WORTH, CHAIR: RIGHT. I RECOGNIZE THAT SOME THINGS MAY COST
- 2 MORE IN ONE YEAR AND THEN YOU CARRY THEM OVER TO THE NEXT YEAR
- 3 AND WHATEVER. THAT MAKES SENSE. SO THE RM2, THOSE ARE THE
- 4 COMPLETION OF THE RM2 CAPITAL OBLIGATIONS? OR IS THAT THE RM2
- 5 OPERATING? IF YOU COULD JUST EXPLAIN THOSE OTHER COSTS.

6

- 7 BRIAN MAYHEW: OPERATING GOES AT THE TOP, WE HAVE THE 42 RM2
- 8 PROJECTS, 1.5 -- NO. 1.6 BILLION I THINK, IN RM2 RIGHT NOW
- 9 THOSE ARE THE PROJECT COSTS AND DRAWDOWN ON AN ANNUAL BASIS
- 10 THAT WE REIMBURSE THE PROJECT OPERATORS FOR THEIR CONSTRUCTION
- 11 COST.

12

- 13 AMY WORTH, CHAIR: AND THEORETICALLY WE'RE STILL PAYING FOR
- 14 THEM BUT SHOULD BE FINISHING UP MOST OF THE CAPITAL.

15

- 16 BRIAN MAYHEW: THERE'S 87 MILLION LEFT TO GO ON RM2 SOME SEEMS
- 17 TO BE INSTALLED SO I'M NOT SURE HOW MUCH WE WOULD BE DRAWING
- 18 TOO QUICKLY.

19

- 20 AMY WORTH, CHAIR: AND THE 1171, CAN YOU EXPLAIN THAT FOR OUR
- 21 VIEWERS AT HOME, WHAT 1171 IS?

- 23 BRIAN MAYHEW: I HAVE A TOUGH TIME DOING THAT, AND I'M AFRAID O
- 24 AFRAID MY BOSS IS NOT GOING TO REMEMBER HOW THIS ALL HAPPENED.
- 25 1171 WAS A SECTION OF CODE WHEN WE WERE DOING THE TOLL SWITCH



OVER FROM CALTRANS TO BATA AND BAT WAS A CREATED THERE WAS A 1 SECTION OF CODE THAT INCLUDED SOME PROJECTS THAT WERE IN OUR 2 3 LONG RANGE PLAN, AND 1171 WAS IN OUR LONG RANGE PLAN SO WHEN WE TOOK OVER OPERATION OF THOSE TOLL PROJECTS THAT I WERE 4 5 DESIGNED TO BE COMPLETED WITH THE RESIDUAL BASE DOLLAR TOLL. SO MY BOSS, SHE WAS NOT QUITE THE BIG BOSS, SHE WAS MORE LIKE 6 7 NUMBER -- ASK ME HOW MANY RESIDUAL TOLL WORK, I DID SOME BACK 8 OF THE ENVELOPE CALCULATIONS AND THAT'S WHAT THE NUMBER CAME 9 OUT TO BE. 10 AMY WORTH, CHAIR: SOUND LIKE WE'RE GOING TO BE WINDING THE 11 NUMBER DOWN? 12 13 BRIAN MAYHEW: THERE IS STILL ABOUT \$180 MILLION. THOSE GO 14 15 THROUGH YOUR ALLOCATION PROCESS. 16 AMY WORTH, CHAIR: YEP. AND THEN WHAT'S OTHER? 17 18 19 BRIAN MAYHEW: CORE CAPACITY CHALLENGE. 20 AMY WORTH, CHAIR: WE LOVE THOSE. 21 22 23 BRIAN MAYHEW: IN THOSE PROJECTS I DID NOT INCLUDE THE EXPRESS

LANE PROJECTS, THE 345 MILLION BALANCE OF 113 MILLION IN 2020



WHICH WAS TRANSFERRED TO BAIFA AND THEY'RE ALL GONE SO THAT'S 1 2 NOT IN THE DATA ANYMORE. 3 AMY WORTH, CHAIR: THANK YOU BRIAN. COMMISSIONER JOSEFOWITZ? 4 5 COM. NICK JOSEFOWITZ: BRIAN, CAN YOU -- IF WE -- YOU KNOW, ONE 6 7 OF THE THINGS THAT MTC HAS DONE REALLY WELL IS KEEP US HAVING 8 A REALLY HIGH BOND RATING AND THAT NOT ONLY MAKES IT CHEAPER FOR US TO SERVICE OUR DEBT IF WE PAID OUT OUR RESERVES, IF WE 9 10 SORT OF DIPPED INTO OUR RESERVES, HOW WOULD THAT IMPACT OUR BOND RATING? 11 12 BRIAN MAYHEW: OH, THERE WOULD BE NOTHING GOOD ABOUT THAT. I 13 14 THINK WE SENT ALL OF THE CREDIT REPORTS, WE JUST FINISHED. WE 15 JUST FINISHED \$732 MILLION ROLLOVER, AND JUST AS WE DID LAST 16 YEAR, WHEN THIS WAS JUST STARTING, AND THIS YEAR WHEN WE'RE A YEAR INTO T I CAN JUST SAY THAT THE RATING AGENCIES WOULD NOT 17 ALLOW US TO HAVE THIS LEVEL OF LEVERAGE. BECAUSE WE HAVE A LOT 18 OF LEVERAGE. BECAUSE WE'RE A PROJECT BASED ORGANIZATION. 19 WOULD FIRST SUSPEND YOUR RATINGS, THEN LOWER THEN TO SEE WHERE 20 21 YOU WOULD YOU END UP. THE REAL IMMEDIATE CONSEQUENCE OF THAT, AND NOBODY WOULD DO THAT -- I MEAN, WE WOULDN'T DO THAT 22 23 WITHOUT A FIGHT. BUT I'M TELLING YOU IF YOU LOOK AT ALL THE RATING REPORTS -- WHICH I'M HAPPY TO SEND YOU -- THE REPORTS 24 CLEARLY STATE A SUBSTANTIAL REDUCTION ON THE RESERVE AND 25



UNPLANNED RESERVE WITHOUT RESTORING IT WOULD LEAD TO A 1 2 DOWNGRADE, IF YOU HAVE THE DOWNGRADE A SIGNIFICANT ENOUGH 3 DOWNGRADE THE LIQUID FACILITIES ON THE VARIABLE THAT ARE PULLED -- [INDISCERNIBLE] IT'S MADE YOU RICH AND POWERFUL MADE 4 5 BATA WHAT IT IS BUT WE CAN MANAGE THE DEBT LOAD. 6 7 COM. NICK JOSEFOWITZ: REMIND US OF WHAT THE DEBT LOAD IS 8 BRIAN? 9 BRIAN MAYHEW: WE'RE DOWN TO NINE IN CHANGE NOW. WE HAVE PAID A 10 11 GREAT DEAL OFF IN THE LAST FEW YEARS. WE HAVE ABOUT 9 MILLION 12 OUTSTANDING. 13 COM. NICK JOSEFOWITZ: ON THE BACK OF THE ENVELOPE IF WE HAVE 14 15 INTEREST COST THAT GOES OFF BY LIKE HALF A%, ONE% OVER TIME 16 THAT'S COMPLETELY GOING TO WIPE OUT THE EQUIVALENT OF ALL THE MONEY WE'RE TAKING FROM RESERVES. I'M SURE IT'S MUCH MORE 17 18 COMPLICATED AND AS WE'RE CONTEMPLATING THIS WE SHOULD GET A 19 THOROUGH LOOK AT THAT FROM YOU BRIAN AS TO WHAT THOSE TRADE-OFFS ARE. SMALL CHANGES IN THE INTEREST RATE ON \$9 BILLION IS 20 21 GOING TO OVERWHELM THE \$150 MILLION THAT WE MIGHT TAKE OUT OF 22 THESE RESERVES. SO, I THINK --23 BRIAN MAYHEW: YOU'RE SOMEWHAT PROTECTED. 75% OF THE PORTFOLIO 24

IS FIXED. BUT YOU'RE RIGHT. INTEREST RATES UP ONE% ON THE



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APRIL 5, 2021

REMAINING TWO AND A HALF BILLION DOLLARS WINDS UP BEING 10 TO

2 12 MILLION A YEAR. 3 COM. NICK JOSEFOWITZ: I THINK WE SHOULD BE REALLY SERIOUSLY 4 5 LOOKING AT SORT OF WHEN WE SHOULD BE INCREASING [INDISCERNIBLE] BY HOW MUCH. BECAUSE THERE IS A PLANNED TOLL 6 7 INCREASE IN 2027, AND I THINK THIS IS THE TYPE OF -- YOU KNOW, 8 THIS IS THE TYPE OF SITUATION THAT JUSTIFIES US SORT OF EXPLORING WHETHER IT'S APPROPRIATE TO BRING THAT TOLL INCREASE 9 10 FORWARD. SO THAT WE CAN REALLY GET US -- YOU KNOW, WE DON'T FALL BEHIND EITHER ON OUR RESERVES, OR ON OUR BRIDGE REHAB. 11 AND IN FACT, THAT WE MAYBE THINK ABOUT ACCELERATING OUR BRIDGE 12 REHAB BECAUSE IT WASN'T CLEAR TO ME IN THE FIRST PLACE THAT WE 13 WERE SPENDING ENOUGH MONEY ON THE BRIDGE REHAB, AND THAT OUR 14 BRIDGES WERE NOT MASSIVELY DETERIORATING AND NOT BEING KEPT IN 15 16 THE GOOD STATE OF REPAIR. I DON'T SAY THAT LIGHTLY. IT'S SOMETHING WE ALL HAVE TO EXPLORE AND I DON'T ADVOCATE IT FOR 17 18 NOW BUT IT'S SOMETHING THAT'S DEFINITELY WORTH EXPLORING. 19 BRIAN MAYHEW: YOU'RE ABSOLUTELY TOTALLY CORRECT AND I COULDN'T 20 HAVE SAID IT BETTER. I'LL ADD TWO THINGS. AGAIN THERE ARE TWO 21 22 COMPONENTS THAT YOU HAVE TO LOOK AT RIGHT NOW IN THE FUTURE 23 TOLL INCREASES. WHEN WE INCREASE THEM OR NOT. IF TRAFFIC, FOR EXAMPLE, HAD STAYED AT 70%, THERE IS A VERY GOOD CHANCE, IN 24

THE BUDGET, WE WOULD HAVE REQUIRED YOU TO RAISE THE TOLL. WE



WOULD HAVE MADE A REQUEST SHOWING YOU THAT YOU ARE NOW 1 OBLIGATED TO RAISE THE TOLL AT SOME AMOUNT. AT 70% TRAFFIC 2 3 YOU'RE PROBABLY TALKING ABOUT MINIMUM OF 25 TO \$0.50 THAT'S WHAT YOU HAVE TO MAINTAIN YOUR OPERATING CAPACITIES AND 4 5 OPERATING COVERAGES. THE FIRST SET OF RULES. THE SECOND HAS TO DO WITH PROJECT ABILITY DO WE RAISE THE TOLL JUST TO MAINTAIN 6 7 OUR OPERATING COVERAGE. THE SECOND ONE YOU ARE REQUIRED TO --8 WE HAVE CAPITAL \$640 MILLION IN EXISTING PROJECTS. WE HAVE A 9 RESPONSIBILITY TO MAINTAIN THE BRIDGES IN AN APPROPRIATE FASHION AND IF OUR TRAFFIC STAYS DOWN OR IF WE CAN'T MEET THAT 10 11 OBLIGATION YOU FACE YOUR SECOND TEST AND THAT TEST IS WE CAN'T MAINTAIN THE BRIDGES IN A SAFE AND OPERATIONAL MANNER, LOOK AT 12 THE 27 TOLLS IN OUR MODEL AND WE ONLY TELL WHEN YOU HAVE TO DO 13 IT AND WE WARN YOU IF YOU'RE GOING TO HAVE TO DO IT. WE DON'T 14 GO IN AND MAKE RECOMMENDATIONS ON ANOTHER OF OTHER THINGS BUT 15 16 WE DIDN'T THINK IF OUR MODELS DIDN'T HANDLE, AND THE INCREASE IS 2027 BY MODELING PURPOSES BECAUSE AFTER 2027 REHAB COSTS GO 17 18 UP ANOTHER 100 MILLION AND WE CAN'T HANDLE THAT ON A PAYGO 19 BASIS THAT'S WHY THE OTHER TOLL INCREASES IN THERE. IF WE HAD TO DO MORE NOW TO KEEP THE BRIDGES OPERATIONALLY SAFE YOU HAVE 20 21 TO LOOK AT THAT 27, WHETHER WHOLE OR PARTIAL YOU PHASE IT IN 22 ALL ON THE THEME OF OPTIONS BUT YOU WOULD HAVE TO LOOK TO THAT 23 DOLLAR THAT'S IN THE MODEL AND SEE WHAT YOU NEED TO MAINTAIN 24 THE BRIDGES IN A SAFE MANNER.



- AMY WORTH, CHAIR: GREAT. THANKS BRIAN. ANY OTHER QUESTIONS, 1 2 NICK, AT THIS POINT? TERRIFIC. CAN I FOLLOW UP, QUICKLY, 3 BRIAN IN TERMS OF THE NUMBER -- AND I THINK THIS EXPLAINS IT -- YOU SAID IN TERMS OF LOSS TOLL REVENUE WE LOST \$270 MILLION 4 5 TO DATE. 6 7 BRIAN MAYHEW: YES. 8 9 AMY WORTH, CHAIR: OF THAT 270 HOW MUCH HAVE WE DRAWN FROM 10 RESERVES? 11 BRIAN MAYHEW: THAT'S NOT THE RESERVE DRAW. 12 13 AMY WORTH, CHAIR: I'M JUST TALKING ABOUT THE REVENUE. 14 15 16 BRIAN MAYHEW: YOU HAVE LOST \$250 MILLION THAT DIDN'T GO IN SO THAT HIT THE RESERVE BECAUSE WE HAD TO DRAW. 17
- 19 AMY WORTH, CHAIR: THAT'S WHAT I MEAN. THERE IS 250 MILLION
- 20 THAT WE DIDN'T GET. IT'S LIKE A RESTAURANT, YOU DIDN'T SELL
- 21 THOSE MEALS, THEY'RE NEVER COMING BACK IT'S GONE. THE QUESTION
- 22 IS HOW MUCH -- WELL -- OKAY. THAT'S RIGHT. I'LL HOLD THAT
- 23 QUESTION BECAUSE I THINK AT SOME POINT -- YOU KNOW, OBVIOUSLY
- 24 THAT'S THE QUESTION. AND AS YOU POINTED OUT BOTH THE RESERVES
- 25 AND THE MAINTENANCE OF THE BRIDGES IS BOTH SIGNIFICANTLY



1	CRITICAL IN TERMS OF OUR EMISSIONS. LET ME TURN TO DINA THEN
2	CAROLE AND ALFREDO, I THINK YOU HAD YOUR HAND BACK UP TOO.
3	GREAT.
4	
5	DINA EL-TAWANSY: BRIAN I REALLY LIKE THE DETAILED CONVERSATION
6	WE'RE HAVING AROUND THE BUDGET. THE OPERATIONS MAINTENANCE AND
7	COST PAID TO CALTRANS, WHERE WOULD THAT FALL AROUND THE TABLE
8	YOU'RE SHOWING HERE.
9	
10	BRIAN MAYHEW: IF YOU GO TO THE TOP OF THE O&M COST TO THE VERY
11	TOP LINE, THAT'S IN THERE.
12	
13	DINA EL-TAWANSY: OKAY OTHER OPERATING COST? BECAUSE I'M SEEING
14	TRANSFER.
15	
16	BRIAN MAYHEW: TRANSFER WOULD INCLUDE ALL OPERATING INCLUDING
17	BATA AND CALTRANS. DINA EL-TWANSY: OKAY. THE COSTS YOU HAVE
18	ON THERE, THE PROJECT COST IS PURELY REHAB COST?
19	
20	BRIAN MAYHEW: I'M SORRY. THAT, I HARDLY HEARD.
21	
22	DINA EL-TAWANSY: THE BRIDGE REHAB PROJECT THAT YOU HAVE UNDER
23	THE [INDISCERNIBLE] COST IS PURELY REHAB PROJECTS, RIGHT?



BRIAN MAYHEW: YES. CORRECT. NOW THAT DOESN'T BREAK DOWN WHICH 1 2 ONES BATA SPENDS ITSELF AND WHAT CALTRANS SPENDS. 3 DINA EL-TAWANSY: THAT IS RIGHT THE NUMBERS DIFFERENT THAN WHAT 4 5 I'M FAMILIAR WITH. SO THAT INCLUDES BOTH. 6 7 BRIAN MAYHEW: CORRECT. I DON'T THINK YOU WOULD BUY TOLL TAGS. 8 9 AMY WORTH, CHAIR: ALL OF THE OPERATING MONEY COMES OUT OF THE BRIDGE TOLLS. WHEN YOU TALK ABOUT WHO IS SPENDING IT IT'S 10 BASICALLY ACKNOWLEDGE FROM THE TOLL. 11 12 BRIAN MAYHEW: ALL FROM TOLLS. THE ONLY THING IS CALTRANS 13 OPERATING COSTS HAVE A STATUTORY LIEN SUPERIOR TO EVERYTHING 14 15 AND THEN AFTER THAT IT FALLS DOWN THE SAME BUCKET. 16 AMY WORTH, CHAIR: RIGHT. OKAY. ALL RIGHT. THANKS BRIAN. DINA, 17 18 DO YOU HAVE ANY OTHER QUESTIONS? 19 DINA EL-TAWANSY: NO FURTHER OUESTIONS. THANK YOU. 20 21 22 AMY WORTH, CHAIR: CAROLE? 23 CAROL DUTRA-VERNACI: BRIAN I'M CONFUSED WITH A COUPLE OF THE 24

CONCEPTS HERE. YOU WERE ASKED ABOUT THE BOND RATING, IT SOUNDS



LIKE WE NEED TO WORRY NOW. I THINKING 18 MONTHS BEFORE WE 1 2 START TO WORRY SO IN LIGHT OF OUR BOND RATING, YOU CAN EXPLAIN 3 MORE WHY YOU'RE SAYING WE DON'T HAVE TO WORRY FOR 18 MONTHS? ARE YOU SAYING WE CAN DRAWN DOWN AT THE END OF 18 MONTHS IS 4 5 WHEN OUR RESERVES WOULD HIT THAT LINE WHERE IT'S GOING TO IMPACT OUR BOND RATING. IS THAT WHAT YOU MEAN BY THAT? 6 7 8 BRIAN MAYHEW: FIRST LET ME CORRECT MYSELF. WE STARTED WORRYING 9 14 MONTHS AGO. 10 11 CAROL DUTRA-VERNACI: OKAY. THAT'S GOOD. [LAUGHTER] 12 13 BRIAN MAYHEW: AND WE TOOK SEVERAL DEFENSIVE MOVES IN OUR WORRYING LAST APRIL BY PREPAYING SOME DEBT TO MAKE SURE WE 14 15 DIDN'T HAVE COVERAGE ISSUES BECAUSE WE HAD NO IDEA WHERE 16 TRAFFIC WAS GOING TO COME OUT. SO WE TOOK SOME DEFENSIVE MOVES GOING INTO THAT AND WE ALWAYS WORRY ABOUT OUR BOND RATING 17 18 BECAUSE THERE IS SO MUCH ADDITIONAL COST INVOLVED WITH HIGHER 19 INTEREST RATES. WHEN I SAY WE CAN SURVIVE 18 MONTHS, YOU CAN'T WAIT 18 MONTHS AND THEN DECIDE THAT YOU HAVE TO DO SOMETHING. 20 WE'RE IN A POSITION WHERE WE'RE GETTING VERY CLOSE TO MAKING 21

DECISIONS AND HOW THINGS GO FORWARD. FIRST THING AS WE DO OUR

MODELING AND DO OUR WORK FOR THE BUDGET, WE'RE GOING TO SEE A

SURPLUS. THAT SURPLUS IN AND OF ITSELF, BUDGET MATERIALLY DOES

NOT FORCE A TOLL INCREASE. IT DOESN'T FORCE US TO MAKE A

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- METROPOLITAN
 TRANSPORTATION
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 Meeting Transcript
 - 1 STATUTORY TOLL INCREASE. SO THAT PART, THE FIRST TEST IS
 - 2 PASSED GOING INTO THE BUDGET THAT DOESN'T HAVE ANYTHING TO DO
 - 3 WITH NOT WORRYING. FIRST OF ALL IT CAN CHANGE. SECOND PART IS
 - 4 HOW LONG WILL THE RESERVE LAST IN A PLANNED SERIES OF DRAWS.
 - 5 WE HAVE A TEN YEAR REHAB PROGRAM FOR GOOD REASONS BUT WE ALSO
 - 6 HAVE OTHER PAYGO OBLIGATIONS AS WELL. OUR MODELS WILL LOOK AT
 - 7 THAT AND SOLVE THEN WHETHER WE MAKE IT WITH -- I THINK THE
 - 8 ZERO LINE ON THE RESERVE WOULD BE A YEAR'S DEBT SERVICE I
 - 9 THINK IF YOU HIT THAT NUMBER AND DO NOT HAVE A PLAN TO
 - 10 REPLENISH IT YOU WOULD PROBABLY LOSE YOUR RATINGS. IN THE
 - 11 FINANCIAL REPORT, WE WERE DOWN TO ABOUT 80 PLUS PERCENT, ABOUT
 - 12 150 DOWN AGAIN AND THAT'S BASED ON SOME NUMBERS I SAW THE
 - 13 OTHER DAY. IF THAT WERE TO CONTINUE INTO NEXT YEAR, AND THE
 - 14 DRAWS WERE TOO BIG, I WOULD START MAKING MY RECOMMENDATIONS
 - 15 WELL BEFORE NEXT CHRISTMAS. SO IT'S NOT A ROLLING 18 MONTHS.
 - 16 YOU KNOW, ONCE THE CRISIS IS OVER, AND I'LL JOIN WITH ANYBODY
 - 17 ELSE ON THE GUESSING WHEN IT'S GOING TO END, BECAUSE I CAN'T.
 - 18 ONCE THE CRISIS IS OVER, THEN WE HAVE TO HAVE A PLAN TO
 - 19 RESTORE WHATEVER WE TOOK OUT OF THAT RESERVE. IF WE DON'T DO
 - 20 THAT THE NEXT TIME WE MEET WITH THE RATING AGENCIES THEY'RE
 - 21 GOING TO SAY, OKAY, WHAT'S YOUR PLAN. THEY'RE NOT GOING TO
 - 22 KILL YOU FOR USING THE RESERVE. THAT I EXPECT YOU TO USE IT.
 - 23 ONCE THE EMERGENCY IS OVER THAT I WANT TO SEE YOU TO REPLENISH
 - 24 IT AND IF RM3 GETS CLEARED AND OTHER THINGS HAPPEN OR IF THE
 - 25 TOLL INCREASE MOVES UP OR ARE PHASED IN, IF WE DON'T GET TO A



- 1 POINT, WHERE WE SEE THE ABILITY TO RESTORE THE RESERVE, TO THE
- 2 DESIGNATED LEVEL THAT YOU PUT IN THE BUDGET EVERY YEAR, WE'RE
- 3 -- WE WILL BEGIN THE PROCESS OF BEING -- THE RATINGS WILL BE
- 4 SUSPENDED THIN BEGIN THE PROCESS OF DOWN GRADES AND OUTLOOKS
- 5 AND IT'S VERY HARD TO GET OUT OF THAT.

6

- 7 CAROL DUTRA-VERNACI: ANOTHER THING WITH THE COSTS FOR REGIONAL
- 8 MEASURE TWO, SO THOSE ARE THE COSTS FOR THE PROJECTS, LIKE YOU
- 9 SAID, THERE ARE 45 OF THEM OR HOWEVER MANY OF THEM THERE ARE
- 10 OUT THERE BUT IT SEEMS TO ME THAT WE WERE HAVING A
- 11 CONVERSATION AS SOME OF THESE PROJECTS GET FREED UP AND MONEY
- 12 GUESSED FREED UP, WHAT ARE WE GOING TO DO WITH THAT MONEY,
- 13 WOULDN'T THAT PLAY INTO THIS CONVERSATION THAT WE'RE TALKING
- 14 ABOUT REVENUE BEING AVAILABLE FOR OTHER COSTS?

15

- 16 BRIAN MAYHEW: YOU'RE PROBABLY ABOUT 10 TO 15 YEARS AWAY FROM
- 17 ANY MEANINGFUL SURPLUS IN RM2. THEN YOU WOULD BE IN A WORLD
- 18 WHAT YOU WOULD BE DECIDING, OKAY, WHAT DO YOU WANT TO DO WITH
- 19 IT. THE NEW BILL, WHAT IS IT? 570? ANYWAY, THE NEW RM3 BILL
- 20 DOES HAVE PROVISION IN THERE SURPLUS FUNDS GOING TO ADDITIONAL
- 21 PROJECTS OR OPERATIONS AND MAINTENANCE OF A FACILITY. THAT'S A
- 22 CHOICE YOU GET TO MAKE. YOU'RE A WAYS AWAY FROM THAT. I
- 23 HAVEN'T COMMITTED TO MAKING THE PAYMENTS ON THE PAYGO CAPITAL
- 24 YET.



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16

APRIL 5, 2021

CAROL DUTRA-VERNACI: GOOD ENOUGH. I APPRECIATE THESE

CONVERSATIONS BECAUSE THE NEEDING THE TOLL INCREASES 2 3 STATUTORILY BECAUSE I WAS THINKING WE NEED THE CARS FOR THE CLIMATE CHANGE YET WE'RE TRYING TO GET PEOPLE OUT OF THEIR 4 5 CARS INTO PUBLIC TRANSPORTATION. 6 7 BRIAN MAYHEW: SO OFTEN THIS IS THE CATCH 22 OF ANY ENTERPRISE. 8 WATER, IN A DROUGHT THAT I HAVE TO CHARGE MORE FOR THE WATER, 9 YOU HAVE TRANSIT SERVICES THAT LOSE TRANSIT BUT THAT I HAVE FIXED COST. WE'RE THE SAME WAY. WE DESIGNED IT KNOWING THAT IN 10 THESE CIRCUMSTANCES WE DON'T WANT TO GO ASK TOLL PAYERS, HEY 11 LOOK TRAFFIC IS DOWN SORRY ABOUT THAT YOU HAVE TO PUT UP 12 ANOTHER BUCK. WE DID THE SAME THING IN 2008. WE DID THE SAME 13

15 MUCH AS THIS TIME -- BUT WE LOST BASICALLY OVER A MILLION CARS

THING, BETWEEN 2007 AND 2010, WE LOST MORE TRAFFIC -- NOT AS

OVER THE YEARS AND FINALLY GOT TO THE POINT WHERE WE WERE NOT

17 GOING TO BE ABLE TO MAKE OUR [INDISCERNIBLE] THAT WAS A GOOD

18 18 MONTHS AFTER THE RECESSION STARTED, SIX MONTHS INTO THE

19 RECOVERY AND NOBODY WANTS TO DO IT IN A RECESSION BUT AT THAT

20 POINT AT LEAST WE HAD HELD OFF PAST THE VERY WORST OF IT ALL

21 AND ASKED FOR THE INCREASE. AND THAT'S WHAT YOU WANT TO DO.

22 YOU WANT TO BE IN A SITUATION WHERE, OKAY, WE HAVE GOTTEN

23 OURSELVES PAST THE EMERGE, NOW YOU GO TO THE RECOVERY MODE

24 VERSUS -- AND THEN WHEN YOU GO TO THE RECOVERY MODE, YOU HAVE



TO LOOK AND SEE WHAT WAS DONE AND HOW YOU NEED TO RECOVER, AND 1 THAT'S WHAT WE WANT TO DO. 2 3 CAROL DUTRA-VERNACI: GREAT ANSWERS. THANK YOU AMY. 4 5 AMY WORTH, CHAIR: THANK YOU. CHAIR PEDROZA? 6 7 8 ALFREDO PEDROZA: THANK YOU AMY. IN TERMS OF THE TOLL INCREASE, SUPPORT THE DISCUSSION OF THAT, BUT IT HAS TO COME COUPLED 9 10 WITH THE COST OF WHAT IT WOULD COST THE TAXPAYERS, IN THE REGION IF WE DELAY THESE PROGRAMS, THESE PROGRAMS. THAT'S PART 11 OF THE NARRATIVE THAT WE HAVE TO FRAME BEING SENSITIVE TO TOLL 12 INCREASES IN A PANDEMIC THERE HAS TO BE AN AREA AROUND IT TO 13 FRAME THE STORY. SO I JUST WANTED TO SHARE THAT. 14 15 16 AMY WORTH, CHAIR: THANK YOU FOR JOINING OUR MEETING. BEFORE WE TAKE PUBLIC COMMENT, WE HAVE THIS \$250 MILLION LOSS OF TOLLS 17 18 AND I WOULD CONSIDER THE STATUTORY REQUIREMENTS AS WELL AS 19 MAINTENANCE REQUIREMENTS EQUAL. WE HAVE THESE OBLIGATIONS AND THESE OTHER THINGS, BUT BRIDGE REHAB IS VITAL. IT'S ONE OF THE 20 21 CONDITIONS UPON WHICH YOU CAN BASE ANY LOOK AT INCREASING 22 REVENUE. SO, IT'S NOT THAT IT'S OPTIONAL, IT JUST FALLS INTO A 23 LITTLE BIT SLIGHTLY DIFFERENT CATEGORY. BRIAN I'M TRYING TO UNDERSTAND, OF THE 250 LOSS -- I'M TRYING TO UNDERSTAND. YOU 24

SAY WE HAVE A BILLION DOLLARS IN RESERVES IF WE GET DOWN TO



HALF OF THAT, YOU'RE SAYING THAT'S WHERE WE GET INTO -- THAT'S 1 WHERE THE WORLD IS WE ARE IN A HUGE BIT OF HURT. THE REVENUE 2 3 SO FAR WHAT HAS BEEN OUR TOTAL DRAW ON RESERVES? 4 5 BRIAN MAYHEW: THAT'S A CALCULATION I HAVEN'T MADE YET. RIGHT NOW THE \$1 BILLION IS DOWN ABOUT \$150 MILLION. BUT A LOT OF 6 7 THAT HAS TO DO WITH CASH FLOW OTHER AND THINGS. DEBT SERVICE, 8 WE DIDN'T GET A BUILD AMERICA BOND PAYMENT. OUR DEBT SERVICE WENT A LITTLE EARLY THIS YEAR. THERE ARE SOME THINGS I HAVE TO 9 FACTOR IN BEFORE I CAN GIVE YOU AN EXACT NUMBER. BUT THE LAST 10 TIME I LOOKED IT WAS DOWN ABOUT 150 MILLION. 11 12 AMY WORTH, CHAIR: THANK YOU SIR. IF THERE ARE NO OTHER 13 14 QUESTIONS FROM THE COMMITTEE I WOULD LIKE TO TURN TO THE 15 PUBLIC AND I SEE ROLAND LEBRUN IS HERE TO SPEAK. 16 CLERK, KIMBERLY WARD: MR. LEBRUN, PLEASE UNMUTE YOURSELF. 17 18 19 SPEAKER: THANK YOU MADAM CHAIR. AND JUST TO REMIND YOU, WE REALLY NEED SOMEBODY WITH YOUR SKILLS DOWN HERE WHERE I LIVE. 20 21 I DON'T HAVE A QUESTION ABOUT FUNDING PER SE, BUT THIS SOUND 22 TO ME LIKE A CHOICE BETWEEN AN ROCK AND A HARD PLACE. I HAVE A

OUESTION/REOUEST, THROUGH THE CHAIR. I WOULD BE INTERESTED IN

PROJECT ESPECIALLY IF IT'S DATA-DRIVEN AND SOME OTHER INPUTS

LEARNING MORE ABOUT HOW WE PRIORITIZE REHABILITATION, A

23

24



- 1 GENERALLY HOW THAT WORKS, AND THROUGH THE CHAIR THERE, IS A
- 2 QUICK ANSWER RIGHT NOW, THAT'S GREAT, BUT AGAIN IF SOME OF YOU
- 3 WOULD LIKE TO AGENDAIZE A LONGER ANSWER AT A FUTURE MEETING
- 4 THAT ALSO WOULD BE PERFECTLY WONDERFUL. THANK YOU.

5

- 6 AMY WORTH, CHAIR: GREAT ROLAND, THANK YOU VERY MUCH FOR YOUR
- 7 COMMENTS. AND I KNOW WE'RE GOING TO BE DISCUSSING SOME OF THAT
- 8 AS WE IMPROVE FORWARD INTO THE ASSET MANAGEMENT AND
- 9 MAINTENANCE EVALUATION. SO THANK YOU. WITH THAT I'LL CLOSE THE
- 10 PUBLIC COMMENT PERIOD AND BRING IT BACK TO THE COMMITTEE TO
- 11 SEE IF THERE ARE ANY FURTHER QUESTIONS OR COMMENTS. OKAY.
- 12 THANK YOU BRIAN. YOU HAVE A WAY OF MAKING THESE COMPLEX
- 13 FINANCIAL MATTERS UNDERSTANDABLE. THANK YOU. I APPRECIATE
- 14 THAT. MOVING ON NOW, WE WILL GO TO OUR NEXT ITEM WHICH IS OUR
- 15 BATA RECOVERY ACTION PLAN. I WOULD LIKE TO TURN TO PETER LEE
- 16 WHICH WAS -- WILL GIVE US THAT REPORT.

- 18 PETER LEE: GOOD AFTERNOON COMMISSIONERS. PETER LEE BATA STAFF.
- 19 I'LL WAIT FOR THE PRESENTATION TO COME UP. THANK YOU. NEXT
- 20 SLIDE. WE'LL BE A BIT OUICK. AS COMMISSIONER WORTH NOTED, WE
- 21 HAVE HOPED TO HAVE FINALIZED A REPORT FOR A WORKING COMMITTEE
- 22 THIS MONTH HOWEVER WE REQUIRED ADDITIONAL TIME TO CONSIDER
- 23 SOME OF THE IMPACTS OF UPDATED TRAFFIC AND REVENUE
- 24 PROJECTIONS. SO WHAT WE PLAN TO DO IS COME BACK AT ANOTHER
- 25 MEETING IN MAY TO FINALIZE THE REPORT. HOWEVER THE NEXT SERIES



- 1 OF SLIDES I'M GOING TO WALK THROUGH ARE ACTION PLANS THAT WILL
- 2 BE INCORPORATED INTO THE REPORT. MUCH OF IT WILL BE FAMILIAR
- 3 TO THE AD-HOC COMMITTEE MEMBERS AS IT COVERS MOST OF THE ITEMS
- 4 WE HAVE TALKED ABOUT IN THE LAST SEVEN MONTHS. NEXT SLIDE.
- 5 NEXT SLIDE. SORRY. SO OUR PROPOSED ACTION PLAN IS BROKEN UP
- 6 INTO TWO PARTS. THE FIRST PART FOCUSES ON YOU UNDERSTANDING
- 7 AND GOOD STATE OF REPAIR AND THEN THE SECOND PART WE'RE
- 8 FOCUSING ON SOME OF OUR POLICIES AND ADMINISTRATIVE WORK THAT
- 9 WE WANT TO TAKE CARE OF. THE FIRST ITEM, AND I'LL GO INTO MORE
- 10 DETAIL, BE IS GOING INTO OUR NEXT YEAR'S BUDGET AND THE
- 11 REHABILITATION PROGRAM RESERVES, ASSET MANAGEMENT AND OTHER
- 12 THANKING TO THE BOARD IN THE NEAR FUTURE WITH SOME REPORT ON
- 13 CONDITION AND COSTS OF OUR REHAB PROGRAM AND NEXT STEPS INTO
- 14 BETTER MANAGING OUR ASSETS. NEXT SLIDE. SO WHAT WE WOULD
- 15 RECOMMEND GOING INTO THE NEXT FISCAL YEAR, FISCAL YEAR '21/'22
- 16 IS A RECOMMENDATION TO MAKE A DRAW ON THE RESERVES OR ANY
- 17 PAYGO REVENUE THAT WE WOULD HAVE ON THE ORDER OF ABOUT \$66
- 18 MILLION. IN THE MIDDLE COLUMN HERE FOR THE BATA FUNDED CORE
- 19 PROGRAM THIS IS NEXT YEAR IN ADDITION \$34 MILLION THAT WE HAD
- 20 ALREADY PLANNED FOR TO SPEND THIS YEAR TO BRING US BACK TO THE
- 21 \$100 MILLION PROXIMATE REHAB PROGRAM. 48 MILLION GOES
- 22 PRIMARILY TO BRIDGE INTEGRITY PROJECTS. WE HAVE A PROJECT TO
- 23 REPLACE THE FIRE SUPPRESSION SYSTEM IN THE YERBA BUENA ISLAND
- 24 TUNNEL AS WELL AS REPLENISH THE CONTINGENCY THAT WE HAVE HAD
- 25 TO DRAWDOWN OVER THE LAST SEVERAL YEARS AND THEN SOME ONGOING





- 1 REHABILITATION PROJECTS. THAT'S IN THE WORKS FOR 48 MILLION
- 2 THEN REQUEST FOR \$14 MILLION FOR THE OPEN ROAD TOLLING PROJECT
- 3 IT'S PART OF THE BUDGET FOR THE ORT BUT IN THE NEXT YEAR FOR
- 4 MOVING FORWARD ON SOME OF OUR CONTRACTS THERE. IN ADDITION WE
- 5 HAVE SOME SUPPLEMENTAL FUNDING REQUESTS. THESE ARE ALL PRETTY
- 6 MUCH WITHIN THE CONTROL OF THE AUTHORITY, INCLUDING \$3 MILLION
- 7 FOR LPP THAT WE WISH TO PUT ON THE OPEN ROAD TOLLING PROJECT
- 8 WHICH WE WOULD SEE IN APRIL, BATA OVERSIGHT MEET PACKET. SO
- 9 THIS IS JUST AN INITIAL REQUEST. IT WILL PROBABLY REQUIRE THE
- 10 DRAW, AS BRIAN SAID, ON THE RESERVE, AND TO MOVE FORWARD INTO
- 11 NEXT YEAR BUT WE'RE STILL FINALIZING THESE NUMBERS. NEXT
- 12 SLIDE. BUT OVER THE NEXT TEN YEARS, THIS IS A SUMMARY OF WHAT
- 13 WE PLAN TO DO OVER THE NEXT TEN YEARS FOR 2032. WE HAVE AN
- 14 EXISTING 588 ON THE LAST LINE YOU SEE ON THE BOTTOM OF WHAT WE
- 15 HAD ALREADY PROGRAMMED. WE'RE HOPING TO GET AN ADDITIONAL \$400
- 16 MILLION, APPROXIMATELY, TO, AGAIN PUT BACK INTO CORE PROJECTS
- 17 ON THE BRIDGES, LIKE PAINT ON THE RICHMOND SAN RAFAEL BRIDGE
- 18 AND CONTINUE REHABILITATION PROJECTS AS WELL AS FULLY FUNDING
- 19 THE REST OF THE OPEN ROAD TOLLING PROJECTS \$62 MILLION. THE
- 20 MIDDLE COLUMN IS, AGAIN, \$121 MILLION OVER THE NEXT TEN YEARS.
- 21 THE TWO SMALLER AMOUNTS UNDER TOLL COLLECTION AND APPROACHES
- 22 ARE AREAS WHERE WE THINK WE CAN GET LPP FUNDING FOR OPEN ROAD
- 23 TOLLING AS WELL AS SOME OF OUR FORWARD PROJECTS. I WANT TO
- 24 NOTE THE \$94 MILLION NEEDED FOR THE RIGHT COLUMN IS A PURSUIT
- 25 OF SOME COVID-19 RELIEF HIGHWAY FUNDS THE FEDS JUST ALLOCATED



- 1 TO THE DEPARTMENT. IT WILL BE CHALLENGING TO GET. I WOULD NOTE
- 2 \$94 MILLION REPRESENTS A GOOD PORTION OF WHAT'S ALREADY
- 3 ALLOCATED TO THE SHOP. I THINK IT'S ABOUT 400 -- THE
- 4 DEPARTMENT GOT AROUND 486 MILLION IN SHOP FUNDING SO TO
- 5 RECEIVE THE FULL 94 MILLION WOULD BE DIFFICULT BUT WE ARE
- 6 MAKING THAT REQUEST. OUR GOAL RIGHT NOW IS TRYING TO GET BACK
- 7 TO THE \$100 MILLION A YEAR TOTAL FUNDING THAT BRIAN NOTED
- 8 EARLIER IN REHAB. NEXT SLIDE. AND SO, WHERE WE ARE TODAY IS
- 9 THAT BLUE LINE ON THE BOTTOM, WHERE WE WERE PRIOR TO COVID,
- 10 AND THE ORANGE LINE WHERE WE HAD A FRONT-LOADED PROGRAM. BUT
- 11 WHERE WE ARE MOVING TOWARDS THE YELLOW LINE AND IF WE WERE TO
- 12 GET TO SUPPLEMENTAL FUNDING WE WOULD BE JUST UNDER THE \$100
- 13 MILLION A YEAR MARK FOR REHAB. THAT'S WHAT WE'RE WORKING
- 14 TOWARDS GETTING ADOPTED IF THE NEXT YEAR'S BUDGET WHEN WE COME
- 15 BACK IN MAY AND JUNE TO THE OVERSIGHT FOR BATA. NEXT SLIDE.
- 16 THE NEXT PART OF OUR ACTION PLAN IS IN KIND OF A NEAR-TERM
- 17 LOOK AS WELL AS A LONG-TERM LOOK. THESE ITEMS HERE ARE WHAT
- 18 WE'RE GOING TO PURSUE OVER THE NEXT 6 TO 12 MONTHS AND REPORT
- 19 BACK TO BATA AS EARLY AS FALL OF 2021. REAL QUICK, NUMBER ONE
- 20 IS CONTINUE TO TRACK OUR TRAFFIC AND REVENUE NUMBER TWO PURSUE
- 21 COST SAVINGS THAT WE TALKED ABOUT IN THE PAST ADMINISTRATIVE
- 22 OVERHEAD SAVINGS THAT WE'RE TRYING TO GET AND ITEMS C AND D
- 23 ARE, BRINGING BACK SOME INITIAL ASSET MANAGEMENT REVIEW WORK.
- 24 BRINGING BACK TO THE BOARD, AND FINALLY TO SEEK ADDITIONAL
- 25 FUNDING AND WORK WITH FINANCE REVENUE OPTIONS. NEXT SLIDE.





- 1 JUST TO GO INTO A LITTLE BIT MORE DETAIL ON SOME OF OUR
- 2 REVENUE LOOK, WE INCLUDED A SLIDE TO TALK ABOUT WHERE OUR
- 3 CURRENT TOLL STRUCTURE IS AND JUST TO REMIND EVERYONE. THE
- 4 UPPER COLUMN ON THE LEFT THE TOLL STRUCTURE INCLUDES THE RM3
- 5 TOLL CERTAINLY STILL HELD IN ESCROW. WE ARE WORKING ON THE
- 6 JANUARY '22 REGIONAL MEASURE INCREASE, SO ABOUT EIGHT MONTHS
- 7 FROM NOW WE WILL BE ADDING THE EXTRA RM3 TOLL INCREASE WHICH
- 8 HAS ALREADY BEEN PROVED ARE -- APPROVED AND PENDING THEN
- 9 FOLLOWED UP BY THE RM3 INCREASE, THE REGIONAL MEASURE THREE
- 10 INCREASE WOULD BE ELIGIBLE TO BE ADDED ON AFTER 2025 AND THE
- 11 PLAN INCREASE THAT WE ALREADY TALKED ABOUT. NEXT SLIDE.
- 12 GETTING CLOSER TO THE DEEPER DIVE AND LOOK AT OUR ASSET
- 13 MANAGEMENT PROGRAM. WHAT WE HOPE TO DO IN THE NEAR-TERM OVER
- 14 THE NEXT SIX MONTHS IS TO BRING BACK TO THE BATA OVERSIGHT
- 15 MEET A HIGH LEVEL LOOK AT THE BRIDGES AS WELL AS -- BUT TO GO
- 16 INTO MORE DETAIL ON CONDITION AS WELL AS COST OF SOME OF OUR
- 17 PROJECTS, TO BEGIN TO ANSWER SOME OF THE QUESTIONS THAT THE
- 18 AD-HOC COMMITTEE HAD REQUESTED AS WELL AS COMMISSIONER
- 19 PEDROZA, TO FOCUS MORE ON, YOU KNOW, GET INTO THE CONDITION
- 20 AND LOOK AT WHAT THE COSTS ARE, AND IMPACTS AND LE LAYS OF ANY
- 21 OF OUR PROJECTS. WE'RE IN THE PROCESS OF CONSULTING SUPPORT TO
- 22 REVIEW SOME OF OUR EXISTING BASELINE DATA AND TO GO THROUGH
- 23 THE BRIDGE CONDITION REPORTS AND GIVE US ASSISTANCE IN THAT
- 24 AREA. HOWEVER, I WANT TO SAY THAT THAT REVIEW IS THE KIND OF
- 25 TIP OF THE ICEBERG FOR US. WE DO NEED A DEEPER DIVE TO LOOK AT



- 1 THE BRIDGES IN A LOT MORE DETAIL AND PRODUCE BRIDGE ASSET
- 2 MANAGEMENT PLANS THAT WILL LOOK AT THE MORE LONG-TERM NEEDS OF
- 3 THE BRIDGES. GOING TO THE NEXT SLIDE. YOU KNOW, I WANT TO SAY
- 4 THAT CURRENT REHABILITATION PROGRAM IS FOCUSED ON PROJECTS TO
- 5 MAINTAIN AND REHABILITATE THE BRIDGES IN ITS PRESENT CONDITION
- 6 AND WE NEED TO SPEND TIME ON LONG-TERM AND LIFE CYCLE
- 7 REPLACEMENT COST. SO THAT'S OUR NEED WHERE WE NEED TO TAKE
- 8 ADDITIONAL TIME AND RESOURCES TO PROBABLY LOOK AT THE FULL
- 9 LIFE CYCLE COST OF THE PROJECTS. ESPECIALLY IN THE AREAS OF
- 10 PAINT AND DECK REPLACEMENT SOME ARE LARGER DOLLAR ITEMS. IF WE
- 11 KNOW IN THE FUTURE THAT WE MAY HAVE POSSIBILITY OF REPLACING A
- 12 PROJECT WE MAY TAKE A DIFFERENT STRATEGY IN THOSE AREAS WHERE
- 13 WE SPENDING A LOT OF MONEY SO WE WANT TO BE EFFICIENT IN HOW
- 14 WE'RE SPENDING. A FULL LIFE CYCLE COST ANALYSIS IS PROBABLY
- 15 NECESSARY IN THIS CASE. THE WORK WE DID ON THE RICHMOND SAN
- 16 RAFAEL BRIDGE TOOK ABOUT A YEAR WE'RE ANTICIPATING THE
- 17 REMAINDER OF THE BRIDGES TO TAKE ABOUT THE SAME. THESE ARE BIG
- 18 LONG COMPLEX BRIDGE NONE OF THE BRIDGES ARE THE SAME. THAT I
- 19 ARE DIFFERENT BY MATERIAL, STRUCTURE, TYPE, AS WELL AS AGE
- 20 WHICH COMPLICATES THE PLAN WE PLAN TO CLEAN UP REQUIREMENTS BY
- 21 2024, 2025 IN SUPPORT OF THAT POSSIBLE TOLL INCREASE AND
- 22 SUPPORTING RESEARCHING PATH 5,002 IMPLEMENTATION WHICH IS THE
- 23 STANDARD FOR ASSET MANAGEMENT IN SOME INITIAL WORK AND WE HAVE
- 24 HAD CONVERSATIONS WITH EXPERTS IN THE FIELD. WE NEED TO START
- 25 THAT PROCESS AND THAT'S THE 50 STEP IN GETTING THE ISO



CERTIFICATION FOR OUR PROGRAM. THIS IS GOING TO REOUIRE 1 CERTIFICATION FOR A PROGRAM WITH CALTRANS, AND BATA AND HAVE 2 3 RESOURCES LONG-TERM INTO THE FUTURE. NEXT SLIDE. SECOND FOCUS ON PROGRAM ADMINISTRATION CERTAINLY REVISION OF MASTER 4 5 AGREEMENT BETWEEN CALTRANS AND BATA TO MANAGE OUR PROJECTS WE HEARD FROM COMMISSIONERS TO ADDRESS EQUITY WITHIN OUR FASTRAK 6 7 POLICY WE'RE GOING TO LOOK AT THAT AND UPCOMING IN THE YEAR WE 8 WANT TO LOOK AT CURRENTLY BILLS COMING THROUGH THE LEGISLATION 9 TO HELP US ADVANCE SOME OF OUR TRANSIT PRIORITY WORK THAT HAS BEEN NOTED BY THE COMMITTEE AND SEE IF THERE IS OPPORTUNITIES 10 11 FOR US TO BETTER COORDINATE WITH CALTRANS AND OTHERS. LASTLY TO SUMMARIZE WHAT OUR REAL OUICK SCHEDULE FOR 12 ALL THE FIVE ACTIVITIES THAT WE'RE TALKING ABOUT, YOU KNOW, 13 OUR INITIAL WORK RIGHT NOW IS THE FOCUS ON THE BUDGET, WHICH 14 COMING UP IN MAY, JUNE, AND SOON THEREAFTER REHABILITATION 15 16 PLAN UPDATE WITH SOME INITIAL ASSET MANAGEMENT WORK AND THEN THE WORK ON THE LONG-TERM ASSET MANAGEMENT PLAN OVER THE NEXT 17 18 3 TO 4 YEARS AND FINALLY THE MASTER CO-OP CONDITIONS. WITH 19 THAT IT COMPLETES MY PRESENTATION I WOULD BE HAPPY TO TAKE OUESTIONS. 20

21

- 22 AMY WORTH, CHAIR: THANK YOU PETER FOR THE UPDATE. I'LL TURN TO
- 23 COMMISSIONERS FOR QUESTIONS.



COM. NICK JOSEFOWITZ: ARE YOU MOVING FORWARD WITH ISO? OR ARE 1 2 YOU THINKING ABOUT MOVING FORWARD WITHOUT ISO CERTIFICATION? 3 PETER LEE: IN OUR INITIALLY RESEARCH RIGHT NOW WE HAVEN'T 4 5 FOUND TOO MANY DOTS WITH STATES THAT IS IMPLEMENTED IT WE'RE TRYING TO IDENTIFY THE CHALLENGES BUT MANY OF THE BEST 6 7 PRACTICES WE'RE CERTAINLY INTERESTED IN PURSUING BUT WITH 8 CERTIFICATION I'M NOT SURE WHY IT HASN'T BEEN ADOPTED AROUND 9 THE COUNTRY, MARTA AND BART ARE WELL ALONG IN THE PROCESS BUT WE HAVEN'T FOUND TOO MANY DOT TYPE ASSET PRACTICES THAT WAY. 10 BUT THE PRACTICES AND PROCEDURES ARE WHAT WE WANT TO DO. 11 12 13 COM. NICK JOSEFOWITZ: FOR THAT REASON, AMERICA GETS A D GRADE IN INFRASTRUCTURE. WE SHOULD BE PART OF THAT SOLUTION RATHER 14 15 THAN PERPETUATING THE PROBLEM. I'M THRILLED THAT YOU HAVE MADE 16 THAT TYPE OF PROGRESS ON THAT. AND THAT'S THE TYPE OF THING THAT WE'RE GOING TO NEED TO GET COMFORTABLE WITH WHATEVER 17 18 WE'RE DOING AND ESPECIALLY IF WE'RE GOING TO BE CONSIDERING A 19 TOLLING -- BRINGING FORWARD A SORT OF A TOLL INCREASE. MY OUESTION IS -- I AM HAPPIER WITH WHERE THIS IS LANDING NOW, 20 21 VERSUS WHERE IT WAS. WE'RE COMING OUT WITH AN ACTION PLAN FOR 22 THE BRIDGES. WHERE WE'RE KIND OF, YOU KNOW, AND I APPRECIATE 23 PETER AND ANDY, THAT YOU TOOK SOME OF THE FEEDBACK FROM US, AT 24 THE LAST MEETING AND KIND OF DID SOMETHING A LITTLE BIT MORE -- WHICH FEELS LIKE IT'S REALLY ADDRESSING THE PROBLEM MORE 25



SUBSTANTIVELY. I GUESS THE OUESTION IS, WHAT -- THE 1 PRESENTATION STARTED WITH, LIKE, IN '21 /'22, WE'RE GOING TO 2 3 DIP INTO OUR RESERVES. WHAT IS THE TIMELINE FOR US TO KIND OF THINK ABOUT EVEN A SMALL TOLL INCREASE THAT WOULD MEAN THAT WE 4 5 DON'T HAVE TO DIP INTO THE RESERVES? TO CONSIDER THAT, I AM SURE THAT WE WOULD WANT TO DO AND THERE IS LEGAL REQUIREMENTS 6 7 TO DO A TON OF PUBLIC OUTREACH LIKE TITLE SIX. BUT WHAT'S I 8 WANT TO MAKE SURE WE'RE NOT GOING TO BE BEHIND THE EIGHT BALL AND LOST THE OPPORTUNITY TO KEEP OUR RESERVES TO RETAIN OUR 9 CREDIT RATING TO MAKE SURE WE HAVE THE FUNDS TO REBUILD THE 10 BRIDGES THAT TYPE OF STUFF. 11 12 ANDREW FREMIER: I'LL TAKE A CRACK AT IT AND IF ANYONE WANTS TO 13 HELP I'LL TAKE THAT HELP. IT'S WHAT WE'RE GOING TO TALK ABOUT 14 15 IN THE NEXT ITEM AND WORTH TALKING ABOUT A COUPLE OF TIMES. WE 16 HAVE MARKERS COMING UP, THE BUDGET DISCUSSIONS STARTING IN MAY, AND RIGHT NOW ARE HAPPENING BEHIND THE SCENES BUT THE 17 18 BUDGET WE ADOPT IN JUNE IS GOING TO LAY OUT AN APPROACH OF HOW 19 WE MOVE FORWARD IN THE NEAR-TERM. IN PETER'S TOLL SCHEDULE SLIDE WE TALK ABOUT THE ALREADY APPROVED BATA TOLL INCREASE 20 21 FOR RM3 AT THE END OF THE YEAR. I THINK THE QUESTION THAT WE 22 WANT TO DO WORK ON AND IS SORT OF THE NEAR-TERM WORK PETER 23 TALKED ABOUT IN THE NEXT SIX MONTHS IS TO REALLY TRY TO DO SOME HIGH LEVEL LOOK AT THIS ASSET MANAGEMENT WORK, NOT THE 24

DEEP DIVE THAT WE THINK WILL TAKE SOME TIME BUT TO TRY TO HELP



1 US ADDRESS MORE CLEARLY THE KINDS OF PROJECTS THAT WE BELIEVE

- 2 ARE CRITICAL AND REALLY TO ADDRESS SOME OF COMMISSIONER
- 3 PEDROZA'S POINTS THAT HE ADDED AS TO MAKING SURE THAT WE CAN
- 4 MAKE A CASE TO THE PUBLIC IF WE THINK THERE'S A DIFFERENT
- 5 APPROACH TO THE TOLL SCHEDULE THAT MIGHT NEED TO TAKE PLACE.
- 6 SO THAT IS ALREADY APPROVED FOR REGIONAL MEASURE THREE
- 7 INCREASE AT THE BEGINNING OF NEXT YEAR, AND THE QUESTION S
- 8 WHETHER YOU WANT TO REPURPOSE THAT DIFFERENTLY. YOU CAN'T MAKE
- 9 THAT DECISION AT THE END OF THE DAY. BUT IN SIX MONTHS WE CAN
- 10 GIVE YOU GOOD INFORMATION THAT WILL HELP BATA TALK ABOUT IT IN
- 11 A TIMELY MANNER TO SEE IF THAT'S THE TIME YOU WANT TO ADDRESS
- 12 SOMETHING. ANY OTHER TOLL INCREASE OTHER THAN ALREADY APPROVED
- 13 RM3 WOULD REOUIRE A WHOLE PUBLIC DISCUSSION THAT TAKES SEVERAL
- 14 MONTHS AT MINIMUM. WE WANT TO MAKE SURE WE'RE AHEAD OF THAT IF
- 15 IT'S GOING TO BE A TOOL FOR YOU. THE CADENCE IS LOOKING AT A
- 16 LOT OF DISCUSSION IN THE BUILDING UP FOR JULY APPROVAL AND
- 17 GETTING READY FOR THE RM3 INCREASE AT THE BEGINNING OF THE
- 18 NEXT CALENDAR YEAR, THOSE ARE THE EARLY WINDOWS TO SEE IF
- 19 THERE IS ANY CHANGE IN PATH THAT YOU MIGHT WANT TO TAKE OTHER
- 20 THAN WHAT'S ALREADY BEEN APPROVED.
- 22 COM. NICK JOSEFOWITZ: THANK YOU ANDY. I THINK, YOU KNOW, IT'S
- 23 INTERESTING TO BE REMINDED OF THAT RM3 INCREASE IN JANUARY. I
- 24 THINK THAT MIGHT BE SOMETHING, WHERE, INSTEAD A BUCK, YOU GO
- 25 FOR A BUCK 25, OR A BUCK 50, AS AN OPTION TO CONSIDER. BECAUSE



I THINK IT WOULD BE CERTAINLY -- I DON'T KNOW, IT MIGHT NOT BE 1 OPTIMAL TO INCREASE IT BY A BUCK IN JANUARY AND ANOTHER 25 2 3 SENDS IN MARCH OR SOMETHING. 4 5 THERESE MCMILLAN: ACTUALLY, IF I COULD JUMP IN THERE, MADAM CHAIR, IF IT'S OKAY. 6 7 8 AMY WORTH, CHAIR: PLEASE DO. ABSOLUTELY. 9 THERESE MCMILLAN: ONE OF THE THINGS THAT, YOU KNOW, BRIAN'S 10 PRESENTATION, AND OUR STAFF DISCUSSIONS LEADING UP TO THAT, 11 REALLY CRYSTALLIZED FOR ME, COMMISSIONER JOSEFOWITZ, WAS THIS 12 THREE LEGGED STOOL OF TRAFFIC LEVELS, HOW QUICKLY THE RESERVE 13 IS BEING IMPACTED, AND THE AMOUNT OF REHAB WE SHOULD BE DOING. 14 RIGHT? WE HAVE A TARGET RIGHT NOW OF 100 MILLION PER YEAR. BUT 15 16 AS MANY OF YOU HAVE HEARD, IS THAT THE RIGHT AMOUNT? AS WE LOOK AT IT AND EVALUATE IT. IS THERE MORE THAT WE SHOULD BE 17 DOING AND WHAT DOES IT LOOK LIKE. I APPRECIATE IT WE'RE 18 19 BUILDING THIS ENTIRE BUDGET NEXT YEAR, THE TRAFFIC IS GOING TO RETURN TO 90%. IT'S PLATEAUED RIGHT NOW, AND AS BRIAN POINTED 20 21 OUT, THOSE TRAFFIC LEVELS ARE REALLY ESSENTIAL IN TERMS OF 22 SETTING OFF TRIGGERS OF WHAT WE MUST DO VERSUS WHAT WE HAVE 23 ROOM TO DO. AND THEN, YOU KNOW, THE RESERVE HAS ENABLED US TO

KIND OF FILL IN THOSE SPACES THAT, AS COMMISSIONER DUTRA-

VERNACI AND OTHERS ARE POINTING, TO THERE IS A LIMIT, AND

24



- 1 THERE IS SOME POINT, A TRIGGER, LIKE, NO, WE CAN'T GO BELOW
- 2 THAT. SO AT LEAST FOR ME, THE NEXT YEAR, I THINK, IS GOING TO
- 3 BE ARTICULATING AND GETTING A SENSE OF, YOU KNOW, WHAT ARE
- 4 THOSE TRIGGER MARKS, THOSE THREE THINGS THAT WE LOOK AHEAD TO,
- 5 AND WOULD INFORM DECISIONS WE MAKE. AND I THINK YOU'RE POINT
- 6 IS WELL TAKEN. IF WE DO CHOOSE TO ACCELERATE THE BRIDGE TOLL,
- 7 THE BRIDGE TOLL INCREASE THAT'S ALREADY PLANNED, YOU'RE GOING
- 8 TO DO IT ONE TIME. [LAUGHTER] WE DON'T KNOW MULTIPLE BITES OF
- 9 THIS APPLE. IF WE MAKE THAT REALLY SIGNIFICANT, WE NEED TO
- 10 SCALE IT AND SIZE IT BASED ON THE BEST COLLECTIVE THINGS WE
- 11 WANT TO ACCOMPLISH WITH THAT. AND SO, I JUST SEE THE NEXT YEAR
- 12 ANDY WAS POINTING OUT AS REALLY BEING ABLE TO BETTER
- 13 ARTICULATE THAT WHAT COMBINATION OF FACTORS LOOKS LIKE. THAT'S

AMY WORTH, CHAIR: GREAT. ALL RIGHT. THAT MAKES SENSE. THANK

- 14 MY THOUGHT LOOKING AHEAD.
- 17 YOU THERESE.

15

16

18

- 19 BRIAN MAYHEW: MAY I NOW TURN TO DINA? NO. NICK. ARE YOU
- 20 FINISHED? I'M SORRY. DINA?
- 22 DINA EL-TAWANSY: NO. I'M SORRY, MADAM CHAIR, I DID PUT MY HAND
- 23 DOWN. I WAS JUST GOING TO COMMENT ON THE ISO 55,000. IT'S
- 24 COMMISSIONER JOSEFOWITZ IS TALKING ABOUT, AND I WANT TO SAY
- 25 SOMETHING CONNECTED THAT WE ARE CONSIDERING. WE TALKED TO A



LOT OF OUR EXPERTS THAT ARE DOING ASSET MANAGEMENT AND 1 BRIDGES. AND THAT I LOOK AT THAT AND CERTIFICATION AND 2 3 PROVIDED SOME INPUT TO THE TEAM SO IT WOULD BE INTERESTING TO SHARE THAT AT THE RIGHT TIME IF YOU ARE INTERESTED IN HEARING 4 5 MORE ABOUT THAT. 6 AMY WORTH, CHAIR: GREAT, DINA. I CONCUR. IF THAT PROVIDES A 7 8 FOUNDATION IF WE'RE LOOKING FOR ADDITIONAL FUNDS NEEDED TO DO 9 THE REHAB TO MAINTAIN THE BRIDGES THAT KIND OF DOCUMENTATION MAKES SENSE. AT THIS POINT I WOULD LIKE TO TURN TO THE PUBLIC 10 FOR PUBLIC COMMENT. AND I SEE THAT ALETA DUPREE HAS HER HAND 11 12 UP. WELCOME. 13 CLERK, KIMBERLY WARD: MS. DUPREE. PLEASE UNMUTE YOURSELF. 14 15 16 SPEAKER: CAN YOU HEAR ME NOW? 17 18 CLERK, KIMBERLY WARD: YES. 19 SPEAKER: THANK YOU CHAIR AMY WORTH AND MEMBERS. ALETA DUPREE 20 21 FOR THE RECORD. GOOD REPORT. I AM SUPPORTIVE OF A MODEL TOLL 22 INCREASE, AND THE FACT THAT WE'RE DOING ELECTRONIC TOLLING NOW 23 MAKES IT EASIER TO IMPLEMENT. CERTAINLY, I APPRECIATE THAT WE ARE GOING FORWARD WITH THE OPEN ROAD TOLLING, AND CERTAINLY 24

NEED TO MAINTAIN OUR FOCUS ON THIS FIRST PROJECT OF COMPLETING



- 1 THE THREE NORTHERN BRIDGES, AND THEN TO MOVE SOUTH OF THE BAY
- 2 BRIDGE AND DO THE TWO SMALLER ONES. OBVIOUSLY, WE HAVE TO
- 3 MAKE SURE WE DO ALL OF OUR REHAB AND I THINK IT'S BETTER TO
- 4 RAISE A TOLL THAN TO FALL BEHIND ON THIS WORK. AND WHETHER IT
- 5 BE PAINTING OR RUST PREVENTION, REPLACING PARTS, CERTAINLY
- 6 OPEN ROAD TOLLING IS A SAFETY IMPROVEMENT AS WELL. THERE ARE
- 7 GOING TO BE CHALLENGES. I THINK TRAFFIC IS GOING TO COME BACK.
- 8 THERE ARE PEOPLE WHO ARE GOING TO WANT TO GET IN THEIR CARS
- 9 AND THERE ARE PEOPLE WHO HAVE CARS AND CARS ARE NOT GOING
- 10 AWAY. SOME PEOPLE HAVE TO HAVE CARS. SO LET'S MAKE ALL OF
- 11 THESE THINGS HAPPEN AND NOT LOSE OUR FOCUS. THANK YOU.
- 13 AMY WORTH, CHAIR: ALETA THANK YOU VERY MUCH FOR JOINING US
- 14 TODAY AND THANK YOU FOR YOUR COMMENTS. I DON'T SEE ANY OTHER
- 15 PUBLIC COMMENT. KIMBERLY ANY PUBLIC COMMENT ON THIS ITEM?
- 17 CLERK, KIMBERLY WARD: NO. I SEE NO HAND UP AND I HAVE RECEIVED
- 18 NO WRITTEN PUBLIC COMMENT.
- 20 AMY WORTH, CHAIR: THANK YOU VERY MUCH. IF THERE ARE NO FURTHER
- 21 COMMISSIONER COMMENTS. LET'S MOVE TO ITEM FIVE, NEXT STEPS.
- 22 AND I WOULD LOVE TO TURN TO ANDY FREMIER FOR THAT, PLEASE.
- 24 ANDREW FREMIER: THANK YOU MADAM CHAIR. I THINK A LOT OF OUR
- 25 DISCUSSION WE COVERED BUT LET ME REITERATE OUR APPROACH. AS A

12

16

19





- 1 REMINDER WHEN WE STARTED IN EXERCISE BACK IN JULY AND AUGUST
- 2 WE HAD NO IDEA WHETHER TRAFFIC WAS GOING TO RETURN EVEN TO THE
- 3 LEVEL THAT HAS BEEN BE CONSISTENT FOR THE LAST SIX MONTHS. WE
- 4 ALSO ARE IN THE THROWS OF TRANSITIONING TO ELECTRIC TOLLING,
- 5 AND THE RETURN OF TRAFFIC THAT'S SOMEWHAT SUSTAINABLE AND THE
- 6 FACT THAT WE HAVE MIGRATED RELATIVELY SUCCESSFULLY TO A MORE
- 7 MODERN ALL ELECTRONIC TOLLING SYSTEM ALTHOUGH THERE IS PLENTY
- 8 OF WORK TO DO IN THAT SPACE WE'RE DOING A GOOD JOB AT
- 9 COLLECTING REVENUE COMPARED TO WHERE WE WERE EARLIER IN THE
- 10 MERE. AS BRIAN MENTIONED IN HAS PART OF THE PRESENTATION, THAT
- 11 GIVES US A LEVEL OF CONFIDENCE THAT WE CAN KEEP THE LIGHTS ON
- 12 IN THE BUILDING, COVER THE DEBT RESERVES AND AS LONG AS WE'RE
- 13 WILLING TO DIP INTO THE RESERVES FOR A PERIOD OF TIME WE
- 14 SHOULD BE ABLE TO KEEP THE IMPORTANT CAPITAL PROJECTS GOING
- 15 NOT JUST IN THE BRIDGE PRESERVATION BUT IN TRANSIT PRIORITY
- 16 AND MODERNIZING THE OPEN ROAD TOLLING SYSTEM WHICH REMEMBER
- 17 DOES OUITE A BIT FOR REMOVING OBVIOUS OUT OF PEOPLE'S WAY. AND
- 18 I THINK IS A GOOD IMPORTANT LONG-RUN THING FOR IMPROVING HOW
- 19 TRAFFIC OPERATES IN THE BRIDGE CORRIDORS. SO WE, I THINK, HAVE
- 20 A GOOD WAY FORWARD FOR STUDYING THIS YEAR'S BUDGET THAT SHOULD
- 21 KEEP US COMFORTABLE, AND AS WE HAVE BEEN TALKING ABOUT THE
- 22 CHANGE AHEAD GIVING SOME CREDIBLE EXPLANATION WITH GOOD FACTS
- 23 ON HOW, ONE, MAYBE WE CAN SUPPORT SOME ADDITIONAL
- 24 OPPORTUNITIES TO GET SOME FEDERAL OR STATE MONEY TO FILL THE
- 25 HOLE, AS COMMISSIONER WORTH, YOU HAVE BEEN MENTIONING WE THINK



- 1 ABOUT THAT AS THE COST LIVE NEW OPPORTUNITY THAT'S THE BEST
- 2 PLACE TO KIND OF CREATE AN OPPORTUNITY TO FILL THE MISSING
- 3 \$250 MILLION THAT WE HAVE BEEN TALKING ABOUT. WE THINK IN THE
- 4 COMING MONTHS TO GATHER EVIDENCE WHAT WE NEED TO SUPPORT A
- 5 PRESENTATION OF WHAT YOUR OPTIONS ARE OF BRINGING MORE REVENUE
- 6 IN, IN THE LONG-TERM, THE RESOLUTION RM3 WILL GO A LONG WAYS
- 7 ALL BY ITSELF TO HELP US IN THAT ENDEAVOR. WE MAY NEED TO BE
- 8 MORE AGGRESSIVE AND THAT'S CERTAINLY WHAT WE HAVE BEEN TALKING
- 9 ABOUT THE LAST HALF-HOUR OR SO. I THINK THAT IS GOING TO BE
- 10 COMPLICATED AND WE THINK THAT IS MORE THAN THE AD-HOC
- 11 COMMITTEE CAN TAKE ON UNDER ITS CHARGE BUT CAN ADVISE THE FULL
- 12 AUTHORITY AND OVERSIGHT MEET ON HOW TO MOVE FORWARD AND
- 13 NAVIGATE THAT STRATEGIC PATH FORWARD. SO I THINK OUR TABLE HAS
- 14 BEEN SET FOR THE COMING MONTHS AS PETER MENTIONED WE'RE
- 15 WORKING EARNESTLY TRYING TO FILL IN THE GAPS OF A REPORT FOR
- 16 YOU TO EVALUATE NEXT MONTH THAT YOU CAN BRING FORWARD TO THE
- 17 BATA OVERSIGHT AND BATA AUTHORITY IN THE COMING MONTHS BUT I
- 18 THINK YOU HAVE A BRIEFER FOR WHAT IT'S GOING TO LOOK LIKE AND
- 19 WE'RE EXCITED ABOUT TAKING ON THE CHALLENGE. ONE OBSERVATION
- 20 TOO THAT WAS MENTIONED QUICKLY IN PETER'S SLIDES IS THERE ARE
- 21 A COUPLE OF BILLS THAT ARE IN PLACE, THE BONTA AND CHIU BILL
- 22 THAT MAY BE AN OPPORTUNITY TO TACKLE SOME OF THESE LEGISLATIVE
- 23 OUESTIONS EARLY. SO WE WANT TO BE TIMELY IF THAT'S AN
- 24 OPPORTUNITY. BECAUSE THE SOONER WE CAN START TO BE MORE
- 25 EFFICIENT OR SAVE MONEY OR CREATE SOME MORE OR STRENGTHEN OUR



- 1 RELATIONSHIP, I THINK THE SOONER WE'LL BE ABLE TO MAKE
- 2 DIFFERENCES THAT ARE MATERIAL. BECAUSE EVEN A COUPLE MILLION
- 3 DOLLARS IN SAVINGS GOES A LONG WAYS TO KEEPING SOME PROJECTS
- 4 OR ASSET MANAGEMENT WORK MOVING. AND WE THINK THAT'S AN
- 5 IMPORTANT WORK OF THIS ASSIGNMENT. THAT'S ALL I HAVE UNLESS
- 6 YOU WOULD LIKE TO GIVE US ANY MORE ADVICE OR ANYTHING THAT YOU
- 7 WOULD LIKE TO ADD THAT WE MAY HAVE MISSED.

- 9 AMY WORTH, CHAIR: LET ME TURN TO THE COMMITTEE TO SEE IF
- 10 ANYBODY HAS ANY QUESTIONS OR COMMENTS? YOU KNOW, I REALLY
- 11 APPRECIATE -- I'LL JUMP IN ANDY. I APPRECIATE THE
- 12 PRESENTATIONS TODAY. I THINK WE'RE GETTING A FIRM HANDLE ON
- 13 THE FINANCES AND AS WE LOOK AT THE MAINTENANCE REHAB, AS YOU
- 14 MENTIONED WE HAVE DONE THE RICHMOND, SAN RAFAEL BRIDGE, WE
- 15 HAVE THESE OTHER BRIDGES TO DO LOOKING AT MAINTENANCE
- 16 STANDARDS. WE HAVE A CLEAR IDEA OF WHAT REALLY IS A GOOD
- 17 ANNUAL REHAB NUMBER. AND I GUESS THE OTHER QUESTION IS THAT WE
- 18 HAD TALKED A LITTLE BIT ABOUT, AND I ASSUME THIS WILL BE
- 19 COMING BACK TO US AT OUR NEXT MEETING IS DISCUSSIONS AROUND
- 20 DECISION MAKING IN OTHER WORDS WE'RE IN A VERY IMPORTANT
- 21 PARTNERSHIP WITH CALTRANS AND BATA, AND I -- YOU KNOW, I'M
- 22 THINKING OF THE BAY BRIDGE CONSTRUCTION AND IT WAS CERTAINLY
- 23 ALL HANDS ON DECK, COMMUNICATION LINES WERE TIGHTENED AND WE
- 24 WERE ABLE TO MAKE DECISIONS IN ONE ROOM AND I RECOGNIZE THE
- 25 BRIDGES ARE UNIQUE REPRESENTING BOTH WORK AT THE LOCAL LEVEL



AND ALSO IN SACRAMENTO. WERE YOU ANTICIPATING TO BRINGING SOME 1 2 OF THOSE POINTS US SO WE CAN HAVE AN OPPORTUNITY TO 3 UNDERSTANDING WHAT THE POTENTIAL MIGHT BE 4 5 ANDREW FREMIER: YES. I THINK PETER HAS THE SCHEDULE AND GETTING LEGISLATIVE CHANGES AND COOPERATIVE AGREEMENTS DONE 6 7 SOONER THAT'S GOOD NEWS BUT WE ARE STARTING THE CONVERSATION 8 WITH DINA'S HELP WITH THE FOLKS IN SACRAMENTO BECAUSE A LOT OF 9 THINGS THAT WE'RE THINKING ABOUT CHANGING IN THE COOPERATIVE 10 AGREEMENT ARE HEADQUARTERS RELATED ISSUES OVER THE DISTRICT 11 BECAUSE THE DISTRICT MANAGER IS THE TOLL COLLECTORS DAY-TO-DAY MAINTENANCE AND BRIDGE ENGINEERING FOLKS ARE ONE, AND CALTRANS 12 AND MAINTENANCE DIVISION AND QUESTIONS AROUND SOME OF THESE 13 THINGS RESIDE UNDER THE DIRECTOR'S PURVIEW SO WE'RE LOOKING 14 15 FORWARD TO HAVING CONVERSATIONS WITH YOU ALL AND THE DIRECTOR 16 OF CALTRANS, WITH DINA'S SUPPORT, WE CAN MANAGE THAT PROCESS. AND THERE IS A HANDFUL OF THINGS THAT THE DEPARTMENT WOULD 17 18 LIKE US TO CONSIDER IN THE CORPORATIVE AGREEMENT. WE NEED TO 19 UNDERSTAND THAT AS WELL. 20 AMY WORTH, CHAIR: DINA? 21 22 23 DINA EL-TAWANSY: WE ARE WORKING TOWARDS HAVING A COMMUNICATION PLAN TO ENSURE WE ARE ADVANCING THE PROJECTS AND ALL THE WORK 24

WE'RE DISCUSSING HERE FORWARD IN A TIMELY MANNER AND WORKING



- 1 ON COMMUNICATION BETWEEN BATA AND CALTRANS WE'RE SHARING THAT
- 2 WITH ANDY AND THE TEAM VERY SOON. BUT THE IDEA HERE IS TO
- 3 ENSURE THAT THE COMMUNICATION IS STREAMLINED AND ALSO TO
- 4 ENSURE THAT WE ARE RESOLVING ANY ISSUES THAT COME UP IN A TIME
- 5 LEAN MANNER SO IT DOESN'T SIT STILL FOR A WHILE. SO DEFINITELY
- 6 WORKING WITH ANDY AND HIS TEAM ON THAT.

7

- 8 AMY WORTH, CHAIR: GREAT DINA THANK YOU FOR YOUR COMMENDS AND
- 9 WE APPRECIATE YOUR LEADERSHIP ON THAT. I THINK IT'S GREAT. AND
- 10 WE ALL LOVE THESE BRIDGES DEEPLY AND WANT TO CONTINUE TO TAKE
- 11 REALLY GOOD CARE OF THEM SINCE THAT I TAKE SUCH GOOD CARE OF
- 12 US EVERY DAY. SO THAT IS TERRIFIC. THANK YOU. ARE THERE ANY
- 13 OTHER COMMENTS ON THIS ITEM? OKAY. WELL, I'M JUST GOING TO
- 14 MOVE TO MY CLOSING COMMENTS. AND I REALLY DON'T HAVE ANYTHING
- 15 TO ADD. OTHER THAN I JUST WANT TO THANK EVERYONE FOR YOUR
- 16 CONTINUED, YOU KNOW, INVOLVEMENT IN THIS. IT'S HELPFUL TO HAVE
- 17 AN UNDERSTANDING OF THE FINANCE AND MAINTENANCE ISSUES AROUND
- 18 THE BRIDGES SO THAT WE CAN FORWARD OUR RECOMMENDATIONS TO THE
- 19 FULL BATA. THANK YOU FOR YOUR PARTICIPATION. I WANT TO ASK IF
- 20 THERE ARE ANY PUBLIC COMMENDS ON THIS ITEM. I THINK I ASKED
- 21 FOR PUBLIC COMMENT ON ANDY'S. I JUST WANT TO MAKE SURE.

22

- 23 CLERK, KIMBERLY WARD: NO PUBLIC COMMENT -- AND I SEE NO HAND
- 24 RAISED NOTHING IN WRITING.



AMY WORTH, CHAIR: ROLAND? 1 2 KIMBERLY WARD, CLERK: WE CAN HEAR YOU. 3 4 5 SPEAKER: I WANT TO TALK ABOUT GENERAL PUBLIC COMMENT AT THE 6 END. 7 8 AMY WORTH, CHAIR: LET'S MOVE TO GENERAL PUBLIC COMMENT SINCE YOU'RE HERE. ROLAND BEFORE YOU GO, NOW IS THE TIME FOR PUBLIC 9 COMMENT FOR ANY OTHER BUSINESS THAT'S BEFORE THIS COMMITTEE, 10 BUT WASN'T ON THE AGENDA. SO ROLAND, PLEASE JOIN US. 11 12 13 SPEAKER: YES. I APOLOGIZE FOR RAISING MY HAND TOO EARLY. SO, I THINK IT'S OBVIOUS TO EVERYBODY IN THIS VIRTUAL ROOM THAT MTC 14 HAS GOT AN EXCELLENT TRACK RECORD OF PLANNING, DESIGNING, 15 16 BUILDING, AND OPERATING BRIDGES. BUT, MOVING FORWARD, WHAT I WOULD REALLY LIKE IS FOR MTC TO ADD THE THINGS I MENTIONED TO 17 THE INTERNAL SKILLS WHICH IS TO PLAN, DESIGN, BUILD, AND 18 19 OPERATE TUNNELS. BECAUSE AT THE END OF THE DAY, THERE IS ONLY ONE PART FOR EVERY FORM OF INFRASTRUCTURE, WHETHER THAT 20 21 INFRASTRUCTURE IS ABOVE OR BELOW THE GROUND. THANK YOU. 22 23 AMY WORTH, CHAIR: ROLAND, THANK YOU VERY MUCH FOR THOSE 24 COMMENTS. AND OUR NEXT SPEAKER IS ALETA DUPREE.



- 1 SPEAKER: THANK YOU, AGAIN, CHAIR AMY WORTH AND MEMBERS. ALETA
- 2 DUPREE FOR THE RECORD. GOOD MEETING. GOT A LOT DONE TODAY. I'M
- 3 LOOKING FORWARD TO THE NEXT ONE AND FINISHING OUT WORK TO
- 4 PREPARE THE REPORT. IT'S IMPORTANT TO ENGAGE AND I THINK WE DO
- 5 A PRETTY GOOD JOB OF IT, AND WE CERTAINLY TALK MORE ABOUT
- 6 THESE ISSUES THAN PRETTY MUCH ANY OTHER AGENCY I HAVE SEEN.
- 7 AND, THIS IS ABOUT PEOPLE. THINKING BACK TO ME GETTING MY
- 8 DRIVER'S LICENSE FOR THE FIRST TIME, DRIVING OF THE NEW YORK
- 9 STATE THRUWAY, AND I HAVE BEEN ON MANY DIFFERENT SYSTEMS WITH
- 10 MANY DIFFERENT FORMATS. SOME SYSTEMS ARE MOVING ALONG, THE NEW
- 11 YORK STATE THRUWAY JUST PUT UP A DASHBOARD ON THEIR WEB SITE
- 12 WITH A PROPOSED DEMOLITION SCHEDULE OF THEIR 50 REMAINING TOLL
- 13 PLAZAS TO BE TAKEN DOWN. SO OPEN ROAD TOLLING IS VERY
- 14 AGGRESSIVE WITH THEM YET ON THE OTHER HAND IN OHIO THEY'RE NOT
- 15 DOING ANY OF THIS WORK AT ALL BECAUSE THAT I SAY NOT ENOUGH
- 16 PEOPLE ARE USING EASY PASS. WE HAVE ENOUGH UNIQUE CHALLENGES
- 17 IN THE BAY AREA, WITH THE CHALLENGES OF WE WANT MORE TRAFFIC
- 18 BUT I DO NOT HAVE A CAR AND I RIDE BUSES. I RIDE BART. PEOPLE
- 19 WANT TO MOVE AROUND. I JUST GOT MY SECOND COVID VACCINE. I
- 20 HOPE TO BE MOVING ARE AROUND IN THE BAY AREA. LET'S GET
- 21 INVOLVED WITH THE PROPOSED FASTRAK START BECAUSE EQUITY IS
- 22 REALLY AT THE HEART OF ALL THIS HERE, BRINGING PEOPLE BACK
- 23 MOVING ABOUT SAFELY IN THE BAY AREA EFFICIENTLY AND
- 24 AFFORDABLY. THANK YOU.



1	AMY WORTH, CHAIR: ALETA THANK YOU FOR JOINING OUR MEETING AND
2	FOR YOUR COMMENT. KIMBERLY ANY ADDITIONAL COMMENT
3	
4	CLERK, KIMBERLY WARD: NOTHING IN WRITING AND I SEE NO HANDS
5	UP.
6	
7	AMY WORTH, CHAIR: THANK YOU FOR ATTENDING OUR NEXT MEETING
8	WILL BE NOTICED AND SCHEDULED AS APPROPRIATE. THANK YOU ALL
9	VERY MUCH. HAVE A LOVELY EVENING. BYE. [ADJOURNED]
10	



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