



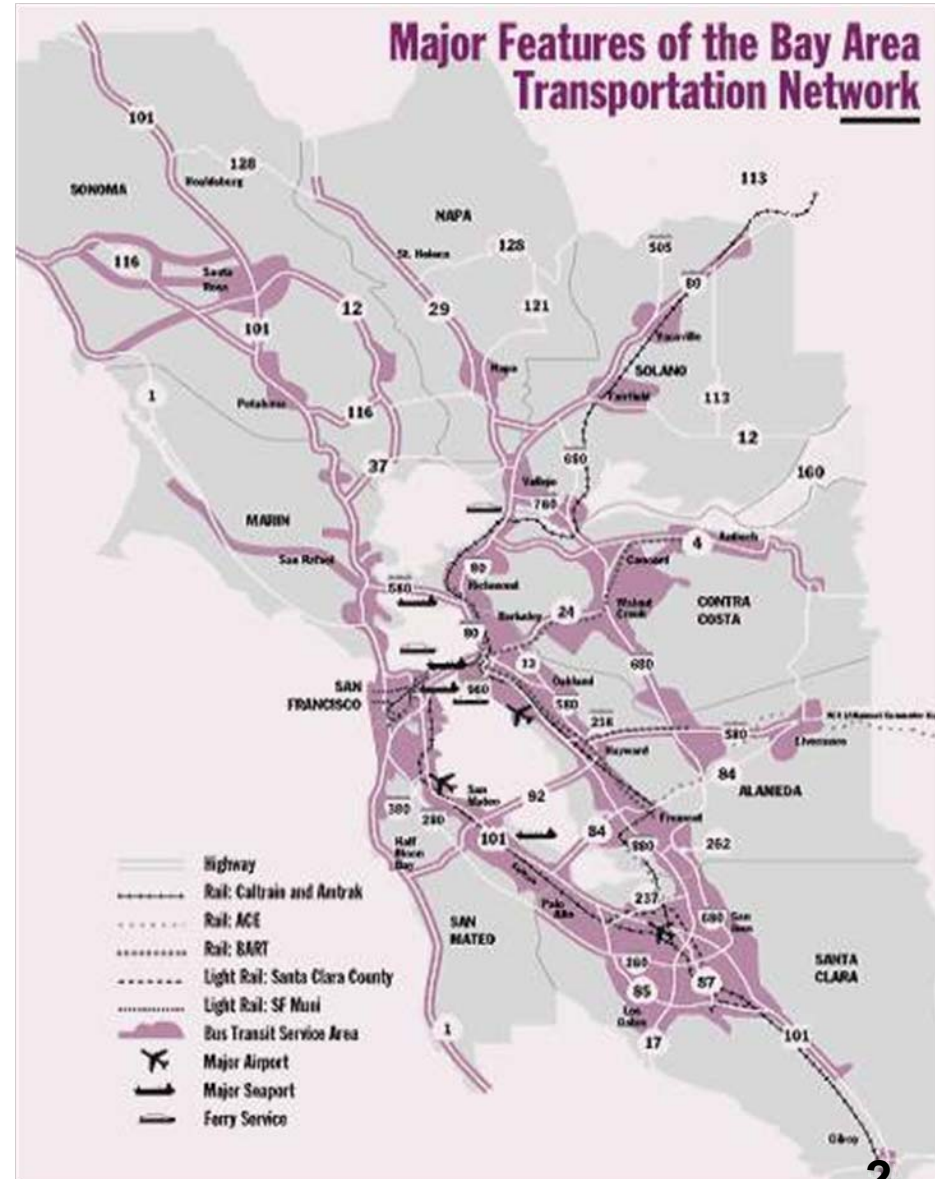
California Debt and Investment Advisory Commission

Debt Administration

**BAY AREA TOLL AUTHORITY
BRIAN MAYHEW - CFO**

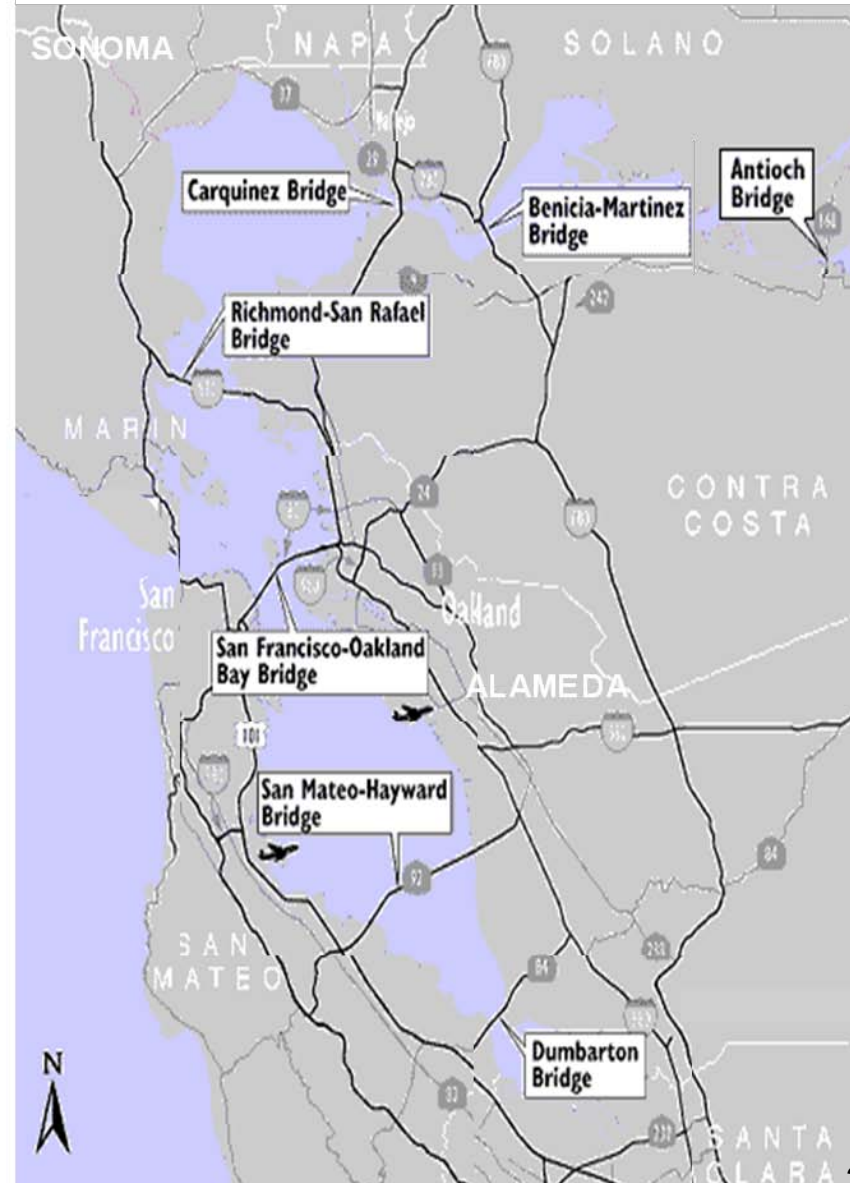
Bay Area's Transportation Network

- The Metropolitan Transportation Commission (MTC) is the regional transportation planning organization for the San Francisco Bay Area
 - 9 Counties
 - Over 7 million people
 - Over 4 million jobs
 - 4.5 million cars
 - 4,300 transit vehicles
 - 620 miles of freeways
 - 400 miles of carpool lanes
 - 1,400 miles of highway
 - 19,600 miles arterial streets
 - 7,000 miles of transit routes



Bay Area Toll Authority

- In 1998 BATA was created to manage the voter approved base toll and \$1.2b construction program
- In 2004 BATA was expanded by the voters to manage a second toll dollar and additional \$1.5b transit capital funding program
- In 2005 the state legislature put BATA in charge of all tolls and the \$8.6b seismic retrofit program



BATA Has a Track Record of Completing Major Transportation Infrastructure Projects

Completed Projects*

■ New Benicia Bridge	\$1,273 million
■ Richmond-San Rafael Bridge Retrofit	\$816 million
■ Carquinez Bridge Replacement	\$518 million
■ San Francisco-Oakland Bay Bridge– West Approach Replacement	\$468 million
■ San Francisco-Oakland Bay Bridge– West Span Retrofit	\$308 million
■ San Mateo-Hayward Bridge Widening	\$209 million
■ Benicia-Martinez Bridge Retrofit	\$178 million
■ San Mateo-Hayward Bridge Retrofit	\$164 million
■ Carquinez Bridge Retrofit	\$114 million

Under Construction

■ San Francisco-Oakland Bay Bridge– East Span Replacement	\$5,687 million
■ I-880/SR-92 Interchange Improvement	\$245 million
■ Antioch Bridge Retrofit	\$195 million
■ Dumbarton Bridge Retrofit	\$365 million



*Partial list of BATA funded projects
Note: All costs reflect budgeted costs

BATA DEBT PORTFOLIO

January 2011



	2010	2011
Debt Outstanding:	\$6.4billion	\$8.7 billion
BATA (AA/Aa3/AA-) stable/stable/stable	\$5.6 billion	\$8.0 billion
BAIFA (BBB+/Baa2) stable/stable	\$0.8 billion	\$0.7 billion
Fix Rate Tax Exempt	\$3.6 billion	\$3.9 billion
Fix Rate Taxable (BABs)	\$1.3 billion	\$3.3 billion
Variable	\$1.5 billion	\$1.5 billion
Swaps Outstanding:	\$2.3 billion	\$2.3 billion
Synthetic Fix	\$1.7 billion	\$1.7 billion
Synthetic Float	\$0.6 billion	\$0.6 billion

Trustee

“A financial institution with trust powers, such as a commercial bank or trust company, that is given fiduciary powers by an issuer to enforce the terms of a bond indenture.”



WANTED: SUPER TRUSTEE

– Long term relationship

– Reliability

- Make accurate payments in timely manner
- Diligent about compliance items
- Pro-active in following up on pending issues

– Bank Resources

- Banking capacity to do the following:
 - tickler file capabilities
 - ability to do complex calculations
 - storage system to maintain bond documents, monthly bank statements and communication documents
 - provide safekeeping for bond proceeds
 - perform wire transfers
 - provide sweep accounts
 - provide access to on-line bank access to bank balances
 - provide monthly bank statements

– Accessible

- Easy access to support staff during business hours

– Experience

- Knowledge in all aspects of trust services

– Excellent Reputation

- Established spotless reputation
- Word of mouth from other issuers



BATA's Complex Debt Portfolio

- **Trustee's Monthly Payments**

- Process swap payments calculated on various Libor, CMS, and BMA indices
 - A total of 17 different swap payments to 7 counterparties
- Calculate and process variable rate payments on 19 vrdb series to bondholders
 - Process 19 draws on reimbursement agreement to 8 liquidity providers

- **Trustee's Quarterly Payments**

- Process Letter of Credit fees to liquidity agent
- Process remarketing fees to 8 agents

- **Trustee's Semi Annual Payments**

- Calculate and process fix interest payments on 10 bond series to BATA bondholders
- Process principal payments to bondholders or sinking funds on 10 bond series
- Prepare IRS request for BAB subsidy on 3 different BAB issuances

- **Trustee Annual Compliance Responsibilities**

- Follow up on budget covenant compliance
- EMMA filing of CAFR



What BATA expects from Trustee

- **PROTECT OUR BONDHOLDERS**

- **ENFORCE COMPLIANCE DOCUMENTS**

- Monitor bond proceeds and administer payment of requisitions
- Administer and process investments in the bond proceeds and reserve funds
- Provide appropriate sweep funds for reserve fund and bond proceeds
- Provide online access to accounts
- Provide monthly bank statements
- Work with bond counsel to resolve any issues regarding indenture
- Monitor covenants and gather compliance items
- Post annual CAFR and material event notices with EMMA

- **HAVE STAFF AVAILABLE DURING BUSINESS HOURS AT ALL TIMES**



WHAT CAUSES TRUSTEE PROBLEMS...

- Lack of communication (available staff)
- No local representative
- Staff turnover
- Staff training and redundancy
- Lack of knowledge
 - transaction
 - process
 - documentation
 - calculations
- Inadequate resources
 - lack of ability to perform wire transfers, safekeeping, calculations
 - cannot provide web access to accounts
 - cannot provide support to primary relationship person on account
 - Lack of organization
- Industry commitment
 - too many mergers/acquisitions
 - in and out of trust services
- **“Low ball” bids**
 - you get what you pay for
- Playing politics

