

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.

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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RESOLVED, that amounts on deposit in the O&M Reserve shall be used and withdrawn by BAIFA solely to pay for budgeted O&M expenses in the event of revenue shortfalls, interruptions in revenue collection or to fund unanticipated O&M expenses;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RESOLVED, that amounts on deposit in the Emergency Reserve shall be used and withdrawn in emergency situations, including natural Act of God or man-made disasters, that necessitate immediate action as determined by either the Executive Director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

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.