



Bay Area Toll Authority (BATA) MINUTES
February 27, 2008
Preservation Park Nile Hall
1233 Preservation Park Way
Oakland, California

BILL DODD, CHAIR
Napa County and Cities

SCOTT HAGGERTY, VICE CHAIR
Alameda County

TOM AMMIANO
City and County of San Francisco

TOM AZUMBRADO
*U.S. Department of Housing
and Urban Development*

TOM BATES
Cities of Alameda County

BOB BLANCHARD
Sonoma County and Cities

DEAN J. CHU
Cities of Santa Clara County

DAVE CORTESE
Association of Bay Area Governments

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U.S. Department of Transportation

FEDERAL D. GLOVER
Contra Costa County

ANNE W. HALSTED
*San Francisco Bay Conservation
and Development Commission*

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Marin County and Cities

SUE LEMPERT
Cities of San Mateo County

JON RUBIN
San Francisco Mayor's Appointee

BIJAN SARTIPI
*State Business, Transportation
and Housing Agency*

JAMES P. SPERING
Solano County and Cities

ADRIENNE J. TISSIER
San Mateo County

AMY WORTH
Cities of Contra Costa County

KEN YEAGER
Santa Clara County

STEVE HEMINGER
Executive Director

ANDREW B. FREMIER
Deputy Executive Director

Attendance

Chair Dodd convened the meeting at 10:02 a.m. In addition to Chair Dodd, the following Authority members were in attendance: Tom Bates, Bob Blanchard, Dean Chu, Dave Cortese, Dorene Giacopini, Federal Glover, Anne Halsted, Sue Lempert, Jon Rubin, Bijan Sartipi, Jim Sperring, Adrienne Tissier, Amy Worth, Ken Yeager and Vice Chair Scott Haggerty.

Consent Calendar

The Authority unanimously approved the following items on the Consent Calendar:

- Minutes of the January 23, 2008 Authority meeting.
- BATA Resolution No. 51, Revised, Revisions to the BATA Debt Policy.
The Authority unanimously approved BATA Resolution No. 51, Revised, BATA Debt Policy.

BATA Resolution No. 74, Revised, Toll Bridge Rehabilitation Funds to Fund Emergency Fender Repairs for the Richmond-San Rafael Bridge.

The Authority approved allocating \$7.0 million in Toll Bridge Rehabilitation Funds to fund emergency repairs for the Richmond-San Rafael Bridge fender system. Caltrans will seek to recover full funding from the entity that caused the damage to the fender system to reimburse the toll fund accounts.

Update on BATA Financing Bond Insurers.

Brian Mayhew updated the Authority on the bond insurer market and provided to the Authority options for the potential restructuring of BATA's variable rate debt portfolio. Since 2001 BATA has issued a total of \$5.4 billion in toll and revenue backed debt consisting of 54% floating rate and 46% fixed rate debt. BATA has two types of insured variable rate bonds, Auction Rate Securities (ARS) and Variable Rate Demand Obligation (VRDO). Two insurers, Ambac and XL Capital, guarantee payment on the variable rate debt. Since December, the credit strength of the AAA insurance companies has been in serious question, as a result of insuring securities linked to subprime mortgages. The perceived weakness of the insurance guarantee has disrupted the market for tax-exempt debt and driven interest rates through normal tax-exempt benchmarks, often through taxable equivalents.

JOSEPH P. BORT METROCENTER | 101 EIGHTH STREET | OAKLAND, CA 94607-4700

TEL 510.817.5700 | TTY/TDD 510.817.5769 | FAX 510.817.5848 | E-MAIL info@mtc.ca.gov | WEB www.mtc.ca.gov

Staff reviewed a number of potential options with the Authority to restructure the debt portfolio. Based on a review of the options, staff recommended the renegotiations of the bank standby bond purchase agreements and the refinancing of the ARS bonds and the XL-insured VRDO bonds. Staff further recommended that a special Authority meeting be held on March 5, 2008 to consider a formal recommendation (BATA Resolution No. 77) for approval.

After a number of questions were raised from Authority members, Chair Dodd directed staff to review the resolution to be considered by the Authority to ensure that it was consistent with the recommendation and to set-up a special meeting of the Authority for the late morning of March 5, 2008 to further consider actions to restructure the BATA debt portfolio.

Public Comment/Other Business/Next Meeting/Adjournment

There being no further business, Chair Dodd adjourned the meeting at 11:20 a.m.