

SR 520 Tolling Update

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Washington State Transportation Commission
October 17, 2012

Agenda

- 1. SR 520 TOLLING UPDATE**
- 2. SR 520 TRAFFIC AND REVENUE PROJECTIONS**
 - a) Revised Traffic and Gross Toll Revenue Forecast
 - b) Revised Net Toll Revenue Forecast
- 3. NET TOLL REVENUES: MEETING BOND COVENANTS**
- 4. TOLL RATE SETTING: PROCESS AND SCHEDULE**

SR 520 TOLLING UPDATE

Toll Operations

- **Tolling implementation**
 - On, December 29, 2011, WSDOT began tolling the existing SR 520 bridge.
- **SR 520 tolling is open road, variably-priced, and all electronic**
 - Allows all vehicles to travel through the corridor maintaining highway speeds
 - Variable pricing permits better traffic management during peak and off peak times
- **Tolls are collected in both directions with two primary payment methods:**
 - *Good To Go!* account: electronic, linked to a prepaid account. Options:
 - *Pass*
 - *Pay By Plate* — *pre-registered license plates captured via cameras*
 - Pay By Mail: users without an account will have a bill mailed to them at the higher rate

Early Indicators of Toll Success



- **Good To Go! accounts**
 - Goal was 100,000 new accounts by day of opening
 - As of September 2012, 314,000 new accounts opened since February 2011, for a total of 378,000 active accounts
- **Trips paid via Good To Go! accounts**
 - CDM Smith forecasted that 72% of transactions during the first year of tolling would be paid via *Good To Go!* accounts (pass or Pay By Plate)
 - Early indications:
 - *April through June, approximately 81% of all toll trips were made by Good To Go! account users (71% pass, 10% Pay By Plate)*
 - *Good To Go! pass market share regularly exceeds 80% during weekday AM and PM peak hours*

Initial SR 520 Toll Traffic Results – FY2012*

FISCAL YEAR 2012 TOLL TRAFFIC	Actual ^{1,7}	Forecast <u>with</u> Ramp-Up ^{2,3}	% Variance
Average Weekday ^{4,8}	63,453	56,475	+12%
Average Weekend ^{5,8}	38,030	27,791	+36%
Average Daily ⁶	56,738	47,822	+18%

- Average weekday daily traffic exceeded forecast by **+12%**
- Average weekend daily traffic exceeded forecast by **+36%**
- Overall, average daily traffic was **+18%** above forecast
- Approximately **81%** of average daily trips were prepaid (*Good To Go!*) transactions
 - Average weekday *Good To Go!* share was approximately **82%**
 - Average weekend daily *Good To Go!* share was approximately **73%**

* Traffic averages do not include toll traffic during the first week of operations due to insufficient data collection during that period.

¹ Toll traffic counts are generated by in-lane toll collection equipment. Actual counts include transit buses and other toll-exempt vehicles.

² CDM Smith forecast dated Aug. 2011 included a monthly seasonal adjustment factor. Forecast excluded transit buses and other toll-exempt vehicles.

³ Ramp-up adjustment of 5% included in forecast to account for changes in travel behavior as customers become accustomed to tolls in FY 2012.

⁴ Average weekday traffic calculations exclude a small sample of days that showed irregular data related to extreme weather or equipment errors. Excluding irregular days from averages provides a more accurate snapshot of typical weekday traffic.

⁵ Calculation of average weekend daily traffic excludes planned weekend construction closures days.

⁶ Average daily traffic calculated as a blend of all weekdays and weekends days, except as noted in (4) and (5) above.

⁷ WSDOT is in the process of reviewing CSC vendor reconciliation reports, which will become the primary source of this data. Until completion of this review, reported traffic and revenue will be based on preliminary, un-reconciled database queries.

⁸ Average weekend daily traffic calculations are inclusive of holidays during which weekend toll rates are charged (e.g., Memorial Day).

Initial SR 520 Toll Traffic Results – FY 2013 Q1

JULY - SEPTEMBER 2012 TOLL TRAFFIC	Actual ^{1,7}	Forecast ^{2,3}	% Variance
Average Weekday ⁴	65,950	65,728	+0.3%
Average Weekend ⁵	37,417	32,829	+14.0%
Average Daily ⁶	58,319	56,929	+2.4%

**PRELIMINARY
DRAFT RESULTS**

- Average weekday daily traffic is tracking the forecast
- Average weekend daily traffic exceeds forecast by **+14%**
- Overall, average daily traffic was **+2.4%** above forecast
- Approximately **80%** of average daily trips were prepaid (*Good To Go!*) transactions
 - Average weekday *Good To Go!* share was approximately **81%**
 - Average weekend daily *Good To Go!* share was approximately **73%**

¹ Toll traffic counts are generated by in-lane toll collection equipment. Actual counts exclude transit buses and other toll-exempt vehicles.

² CDM Smith forecast dated August 2012 after applying a monthly seasonal adjustment factors. Forecasts exclude transit buses and other toll-exempt vehicles.

³ Ramp-up adjustments are no longer included in the FY 2013 forecasts.

⁴ Average weekday traffic is subject to construction activity but there were no weekday construction closures during the tolling hours from 5 AM to 11 PM.

⁵ Calculation of average weekend daily traffic excludes planned weekend construction closures days.

⁶ Average daily traffic calculated as a blend of all weekdays and weekends days, except as noted in (4) and (5) above.

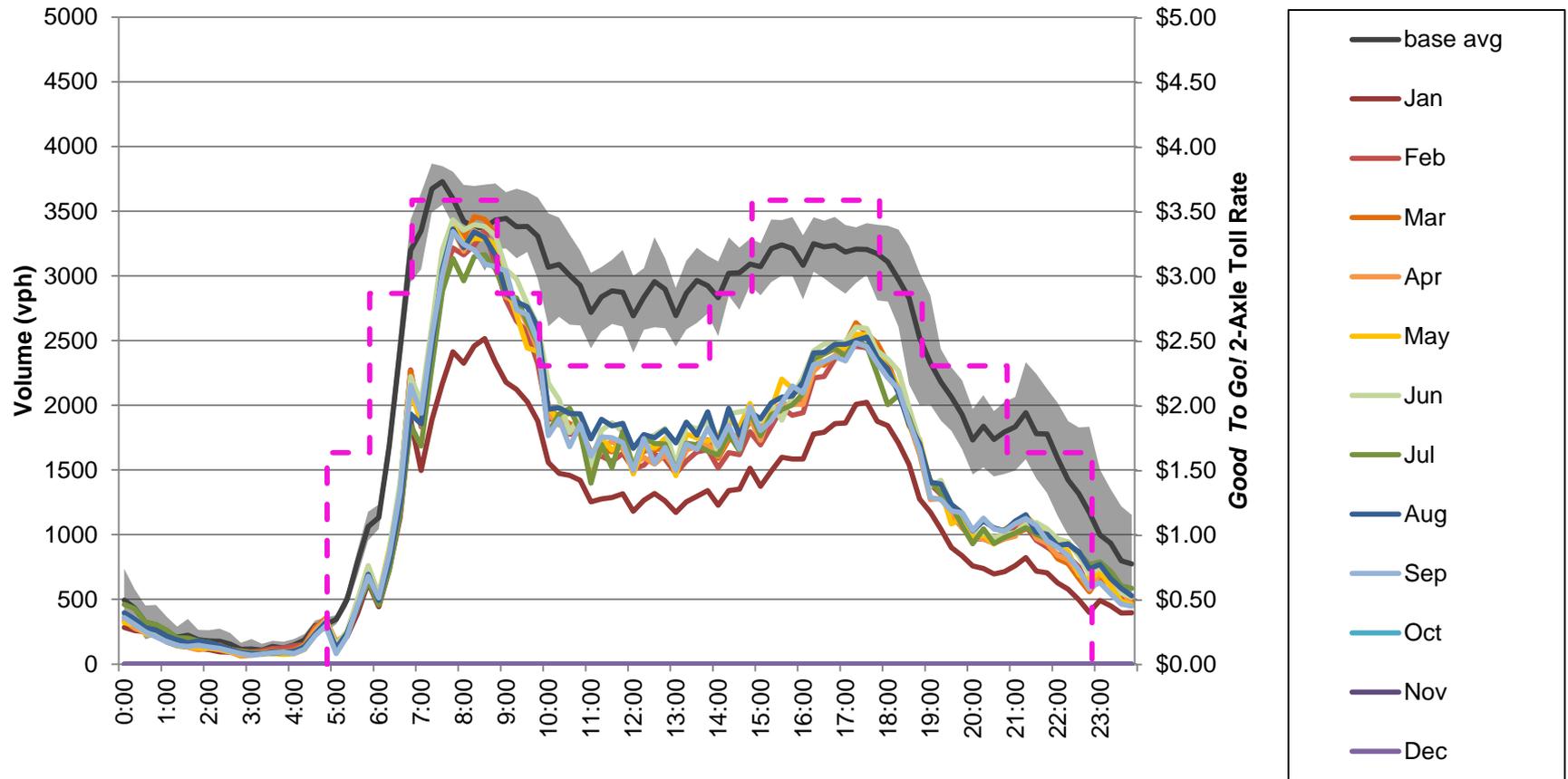
⁷ WSDOT is in the process of reviewing CSC vendor reconciliation reports, which will become the primary source of this data. Until completion of this review, reported traffic and revenue will be based on preliminary, un-reconciled database queries.

⁸ Average weekend daily traffic calculations are inclusive of holidays during which weekend toll rates are charged (e.g., 4th of July, Labor Day).

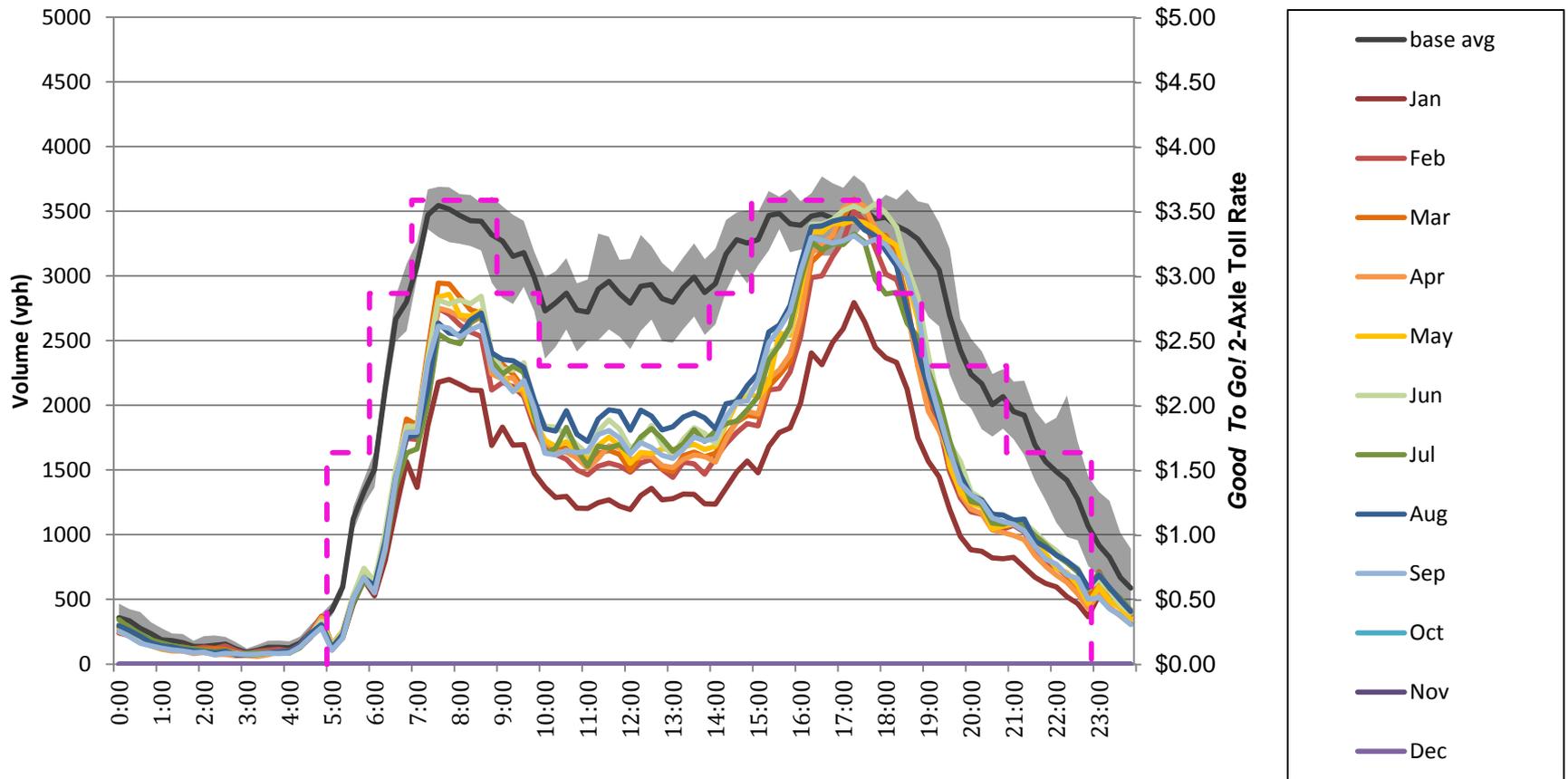
Initial Traffic Results – September 2012

- **Traffic on SR 520**
 - Toll traffic is generally at or above projected
 - Traffic patterns reflect a more traditional peak/off-peak pattern compared to before tolling where the midday sustained near peak levels
 - Overall performance measure of 45 mph, 90% of the time, dipped to 88% in September, with a compliance rate of 97% for the AM peak, and 80% for the PM peak

Initial Traffic Results – Eastbound



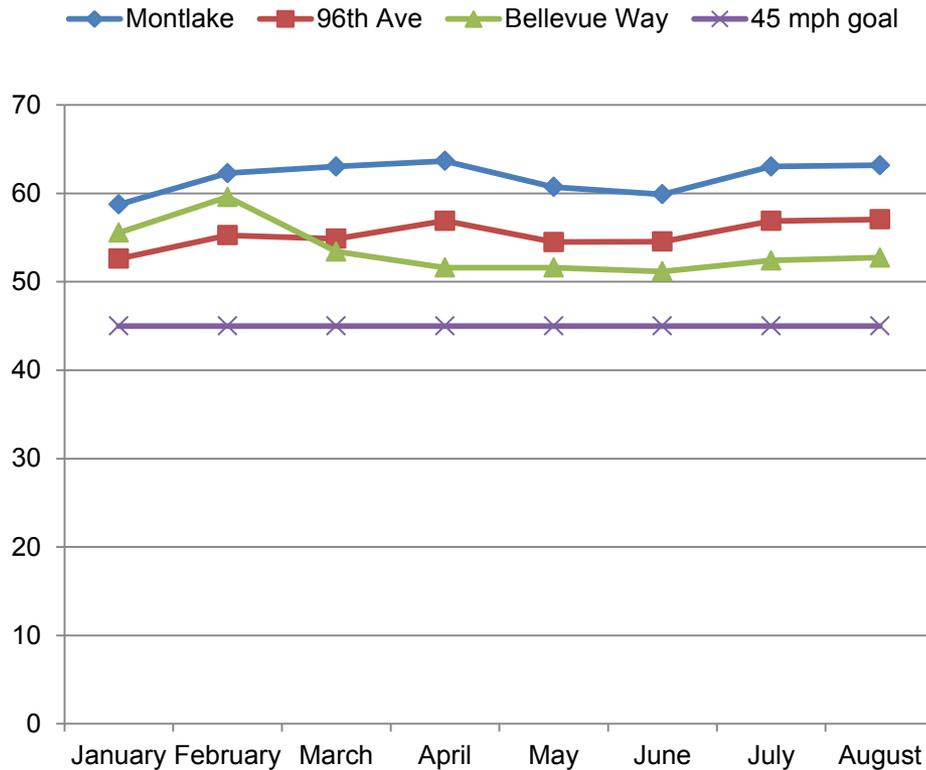
Initial Traffic Results – Westbound



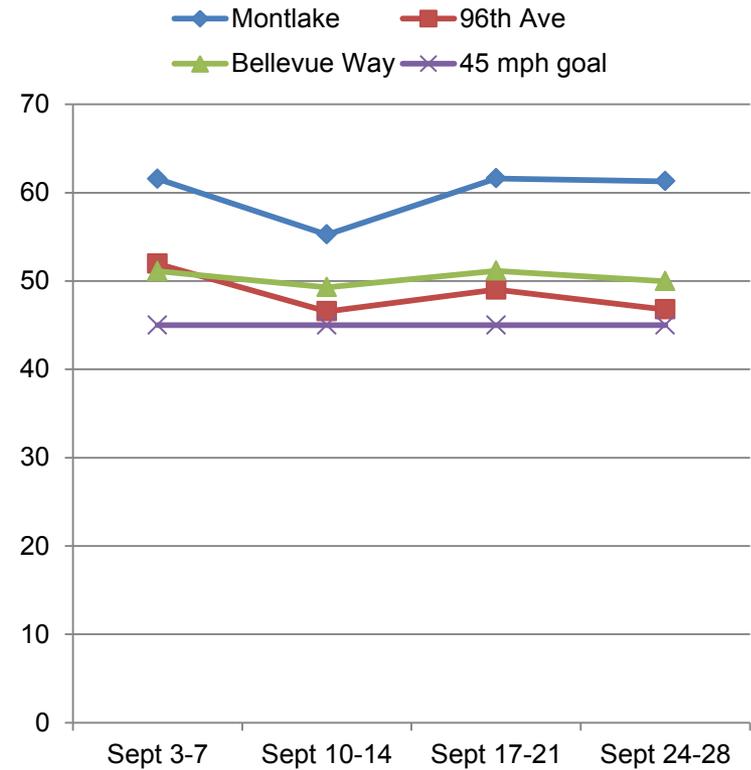
Average Weekday Speeds AM Peak Hour (7 – 9 AM)



January – August Monthly Averages



September Weekly Averages

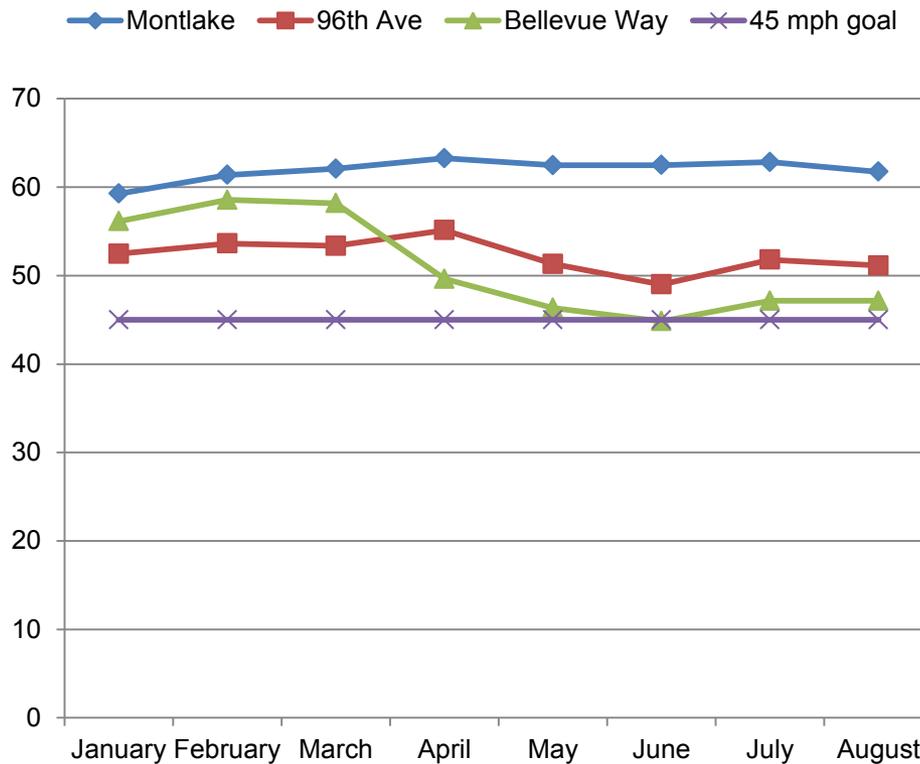


*After FY 2012 Q3 the data station used for collection was changed from 108th Ave to Bellevue Way due to data quality and consistency issues at the 108th Ave

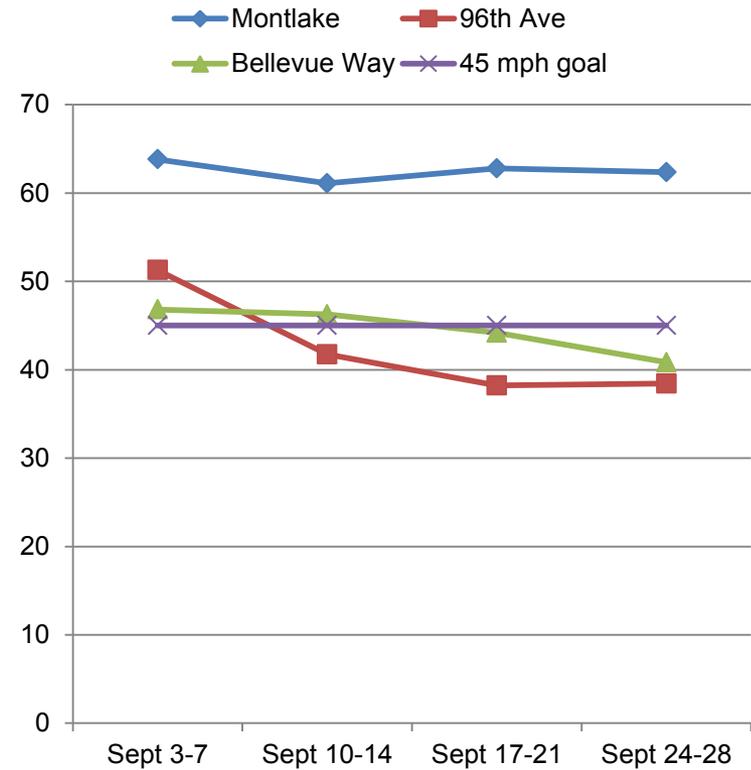
Average Weekday Speeds PM Peak Hour (3 – 6 PM)



January – August Monthly Averages



September Weekly Averages

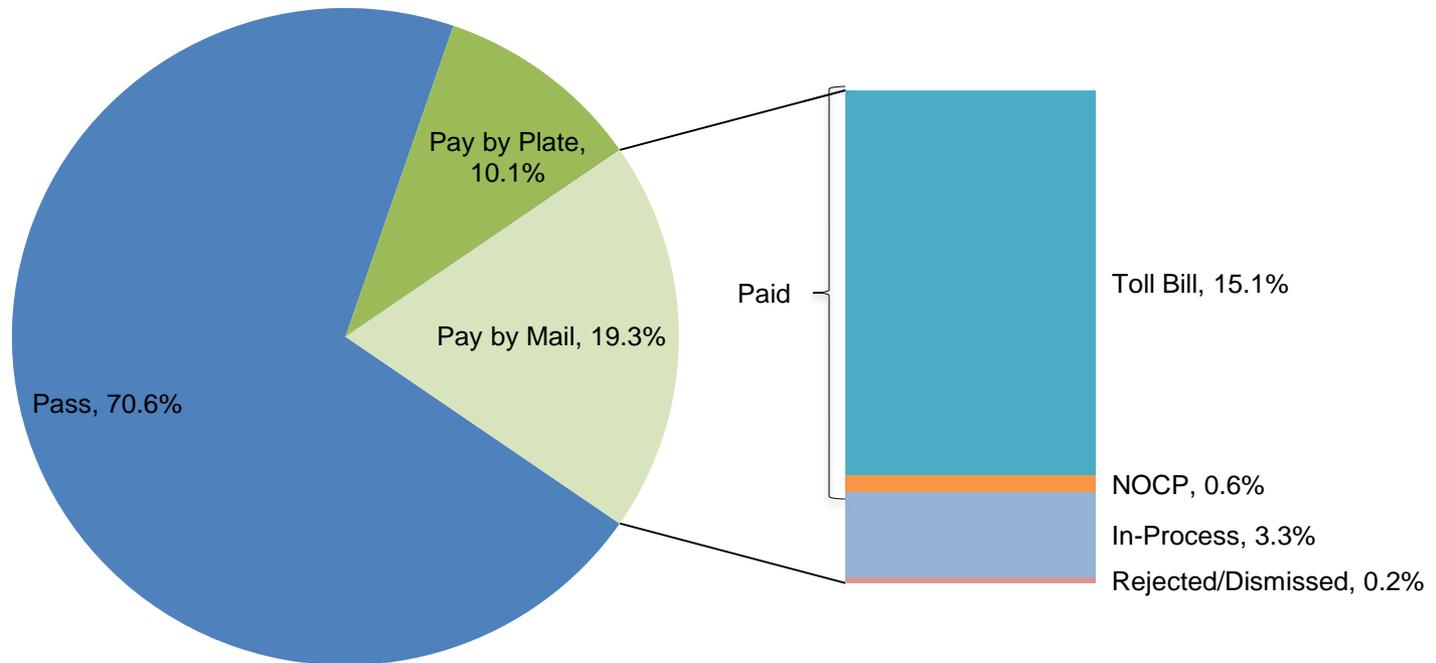


*After FY 2012 Q3 the data station used for collection was changed from 108th Ave to Bellevue Way due to data quality and consistency issues at the 108th Ave

Initial Traffic Impacts-September 2012

- **SR 520**
 - Toll traffic is generally at or above projected levels
 - Travel times are six minutes shorter on average during the peaks
- **I-90**
 - Traffic has increased 13 percent
 - I-90 travel times are three minutes longer on average during the peaks
- **SR 522**
 - Traffic has increased 13 percent
 - Travel times have not increased during the morning peak and are about two minutes longer during the afternoon peak
- **I-5**
 - Traffic has increased approximately 3 percent in downtown Seattle
 - Travel times through downtown Seattle are approximately two minutes slower in both directions.
- **I-405**
 - Traffic has increased approximately 6 percent in downtown Bellevue
 - Travel times through Bellevue are approximately one minute slower southbound and eight minutes slower northbound during the PM peak

SR 520 Payment Methods FY 2012 Q4



Source: GTC query Transaction Counts by Payment Category April-June 2012

- **9 months of photo-tolling experience**
- **Approximately 96.5% of transactions are paid, the remaining 3.5% will be pursued through DOL holds and collections**

SR 520 Photo Billing Program Update

- Approximately 96% of tolls are collected prior to civil penalty phase¹
- WSDOT is issuing approximately 33% fewer toll bills than estimated in June 2010^{1, 2}
- Collection rate on toll bills is in line with June 2010 estimates (73%)^{1, 2}
- WSDOT is issuing approximately 33% fewer NOCPs than estimated in June 2010^{1, 2}
- WSDOT is collecting approximately 28% more NOCP revenues than estimated in June 2010^{1, 2}

1) Source: FY 2012/2013 Photo Toll/NOCP results

2) Source: FY 2011/2013 Budget Decision Packages

Preliminary SR 520 Civil Penalty Statistics

	FY 2012 Q4	FY 2013 Q1
Number of civil penalty transactions issued	95,379	84,759
Number of civil penalty transactions paid upon receipt of NOCP ²	15,595	10,710
Number of civil penalty transactions adjudicated via a written dispute in lieu of hearing	5,666	2,980
Number of civil penalty transactions adjudicated via an in-person hearing	5,742	5,100
Number of civil penalty transactions which did not receive a response	68,376	65,969
Workload costs related to adjudicated transactions ³	\$428,000	\$405,000
Cost and effectiveness of debt collection activities ⁴	N/A	N/A
Cash received related to \$40 civil penalty fee ^{5, 6}	\$793,360	\$1,024,920

1) FY 2013 Q1 figures are estimated as of 10/10/2012. Official numbers will be available on 10/31/2012

2) Represents payment received prior to the NOCP Due Date (23 days) and without an administrative hearing

3) Costs include: WSDOT Costs, ETCC support staff and system maintenance, OAH costs, security costs, consulting support

4) Debt Collection activities are anticipated to begin in two phases: DOL hold (Oct 2012) and outside collections (Mar 2013)

5) Revenues reported here represent cash received from NOCP penalty payments only rounded to the nearest \$40 increment due to partial payments

6) Financial statements report total revenues after NOCP recipient has been deemed "liable"

SR 520 4th Quarter Traffic and Revenue

SR 520 Projected and Reported Traffic and Revenue

Traffic and Revenue Statistics for Fiscal Year 2012 - through June Fiscal Month Close

October 8, 2012

	Projected Traffic	Reported Traffic Revised	Variance	Projected Toll Revenue	Reported Toll Revenue	Variance	Reported Transponder Revenue	Toll Vendor Contractual Damages	Civil Penalty Revenue (Fund 17P)	Reported Misc. Revenue	Total Reported Revenue		
Jul-11						\$ -				\$ 12,132	12,131.97		
Aug-11						\$ -				\$ 437	436.60		
Sep-11						\$ -	\$ 67,806			\$ 3,363	71,168.88		
Oct-11						\$ -	\$ 47,438			\$ 47,890	95,328.42		
Nov-11						\$ -				\$ 392	391.80		
Dec-11		118,148	A	118,148	\$ -	\$ 281,962	B	\$ 281,962		\$ 2,301	859,869.67		
Jan-12	1,374,000	1,310,244	A	(63,756)	\$ 3,549,613	\$ 3,124,692	B	\$ (424,921)		\$ 340,074	\$ 140,218	3,604,984.41	
Feb-12	1,446,000	1,531,765	A	85,765	\$ 3,780,531	\$ 4,098,944	B	\$ 338,413		\$ 94,597	\$ 110,521	4,304,062.57	
Mar-12	1,431,000	1,698,788	A	267,788	\$ 3,718,347	\$ 4,425,108	B	\$ 706,761		\$ 58,941	\$ 186,436	4,670,484.80	
Apr-12	1,460,000	1,611,469	A	151,469	\$ 4,302,714	\$ 4,423,123	B	\$ 120,409	\$ 41,477	\$ 14,823	\$ 23,540	\$ 196,123	4,699,086.53
May-12	1,474,000	1,831,795	A	357,795	\$ 4,344,898	\$ 4,764,191	B	\$ 419,293	\$ 46,492	\$ 653	\$ 1,363,731	\$ 192,546	6,367,612.53
Jun-12*	1,474,000	1,710,219	A	236,219	\$ 4,344,898	\$ 4,985,937	B	\$ 641,039	\$ 47,805	\$ 2,549,363	\$ 956,955	\$ 109,094	8,648,954.70
FY To Date	8,659,000	9,812,428		1,153,428	\$ 24,021,001	\$ 26,103,958		\$ 2,082,957	\$ 1,320,036	\$ 2,564,839	\$ 2,344,226	\$ 1,001,454	\$ 33,334,513
FY Totals	8,659,000	9,812,428		1,153,428	\$ 24,021,001	\$ 26,103,958		\$ 2,082,957	\$ 1,320,036	\$ 2,564,839	\$ 2,344,226	\$ 1,001,454	\$ 33,334,513

Notes:

A = Reported Traffic - While we are not aware of any material discrepancies on traffic counts for 8FY12, key ETCC reconciliations have not been completed. Final transaction counts will not be known until reconciliations are complete.

When tolling on SR-520 began in December 2011, the source used to derive the transaction counts was from ETCC generated system queries. Through ETCC submitted reconciliations, not yet approved by WSDOT, more than 250,000 estimated transactions were identified that are still in process for the December - June time frame (as of 9/19/12). These transactions are waiting for final disposition within the ETCC system. If some or all of these transactions are dismissed (not viable), the traffic count for the applicable month will decrease by the associated quantity.

B = Toll Revenue - As of February 13, 2011, WSDOT transitioned tolling customer service center operations to a new vendor - Electronic Transaction Consultants Corporation (ETCC). With this transition, the new ETCC system encountered problems in the accuracy and timeliness of recording revenue and other accounting transactions. WSDOT and ETCC have investigated and corrected accounting records for known discrepancies. While we are not aware of any material discrepancies in the accounting records, ETCC has not completed key reconciliations which ensure timely and accurate processing of financial transactions. Upon completion of these reconciliations, any discrepancies identified will be addressed and necessary correcting adjustments made.

The 250,000 estimated transactions still in process for the December - June time period correspond to \$1.205m in revenue that was not recognized in the accounting records during 8FY12. This revenue was not recognized given the uncertainty of these transactions reaching a disposition within the system that would correspond with revenue recognition. When these transactions process through the ETCC system to their final disposition, the appropriate amount of revenue will be recognized in the subsequent fiscal period for any transactions that are not dismissed.

Forecast Details:

For monthly traffic, the monthly estimate is derived from annual projections and seasonal factors documented in the SR 520 Bridge Investment Grade Traffic and Revenue Study (CDM Smith, August 2011)

For monthly revenue, the monthly estimate is derived from annual projections and seasonal factors documented in SR 520 Bridge Investment Grade Traffic and Revenue Study (CDM Smith, August 2011). Amounts net of projected revenue leakage, allowance for doubtful accounts, and customer incentives/discounts/fees.

SR 520 4th Quarter Financials

THE 520 BRIDGE ACCOUNT WASHINGTON STATE DEPARTMENT OF TRANSPORTATION

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE State Fiscal Year 2012, Quarter Ending June 30, 2012-DRAFT*

	NOTES	JULY THROUGH MARCH	APRIL THROUGH JUNE	YEAR-TO-DATE
REVENUES:				
Tolling Revenue	1	11,930,707	14,173,251	26,103,958
Transponder Sales	2	1,184,462	135,575	1,320,036
Toll Vendor Contractual Damages	3	0	2,564,839	2,564,839
Toll Bill Reprocessing Fee	4	293,751	482,351	776,102
Interest Income		(863,391)	126,779	(736,612)
Miscellaneous	5	209,940	15,412	225,352
Total Revenues	6	12,755,468	17,498,207	30,253,675
EXPENDITURES:				
Goods and Services				
Toll CSC Operations Vendor Contract		1,055,395	1,063,698	2,119,093
Toll Lane Vendor Contract		110,000	206,430	316,430
Insurance		1,636,870	0	1,636,870
Credit Card and Bank Fees		166,980	265,440	432,420
Transponder Cost of Goods Sold	7	842,621	91,022	933,643
Other	8	218,140	27,424	245,564
Personal Service Contracts	9	242,374	(104,024)	138,350
Salaries and Benefits		256,677	276,789	533,466
Capital Outlay - Intangible Software Asset	10	98,296	2,580,765	2,679,061
Capital Outlay - SR 520 Replacement Bridge Construction	11	282,359,951	145,203,277	427,563,227
Total Expenditures		286,987,304	149,610,801	436,598,105
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		(274,231,836)	(132,112,594)	(406,344,430)
OTHER FINANCING SOURCES (USES)				
Bonds Issued	12	567,472,263	601,552,219	1,169,024,482
Cost of Financing	13	(2,374,341)	(1,549,247)	(3,923,588)
Operating Transfers Out	14	(10,169,020)	(7,253,258)	(17,422,278)
Total Other Financing Sources (Uses)		554,928,902	592,749,714	1,147,678,616
NET CHANGE IN FUND BALANCE		280,697,066	460,637,119	741,334,186
FUND BALANCE - BEGINNING		(174,471,833)	106,225,233	(174,471,833)
FUND BALANCE - ENDING		106,225,233	566,862,353	566,862,353

Toll Financial Statements were prepared in accordance with Generally Accepted Accounting Principles for governmental fund types.

The notes to the financial statements are an integral part of this statement.

*The Financial Statements are marked "Draft" as the state's books are not officially closed each fiscal year until the State Auditor issues his report and the Office of Financial Management publishes the Comprehensive Annual Financial Report (CAFR) in November.

SR 520 4th Quarter Financials

THE 520 CIVIL PENALTY ACCOUNT WASHINGTON STATE DEPARTMENT OF TRANSPORTATION

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE State Fiscal Year 2012, Quarter Ending June 30, 2012-DRAFT*

	NOTES	JULY THROUGH MARCH	APRIL THROUGH JUNE	YEAR TO YEAR-TO-DATE
REVENUES:				
Civil Penalty & NOCP Vendor Contractual Damages	1	0	2,344,226	2,344,226
Interest Income		(120)	(182)	(302)
Total Revenues		(120)	2,344,044	2,343,924
EXPENDITURES:				
Goods and Services				
Adjudication System Vendor Contract	2	86,162	498,179	584,340
Other	3	21,194	98,700	119,894
Salaries and Benefits		7,610	27,790	35,399
Total Expenditures		114,966	624,668	739,834
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		(115,086)	1,719,376	1,604,290
NET CHANGE IN FUND BALANCE		(115,086)	1,719,376	1,604,290
FUND BALANCE - BEGINNING		0	(115,086)	0
FUND BALANCE - ENDING		(115,086)	1,604,290	1,604,290

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SR 520 TRAFFIC AND REVENUE PROJECTIONS

Key Highlights

- **Most recent traffic data is on track**
- **Updated toll traffic, gross revenue, and net revenue forecasts have been prepared**
- **August 2012 traffic and gross revenue projections are about 2 percent lower than projected in August 2011**
- **Operating and maintenance expenditures plus other revenue adjustments are lower than projected in September 2011**
- **September 2012 net revenue projections are about 1 percent higher than projected in September 2011**

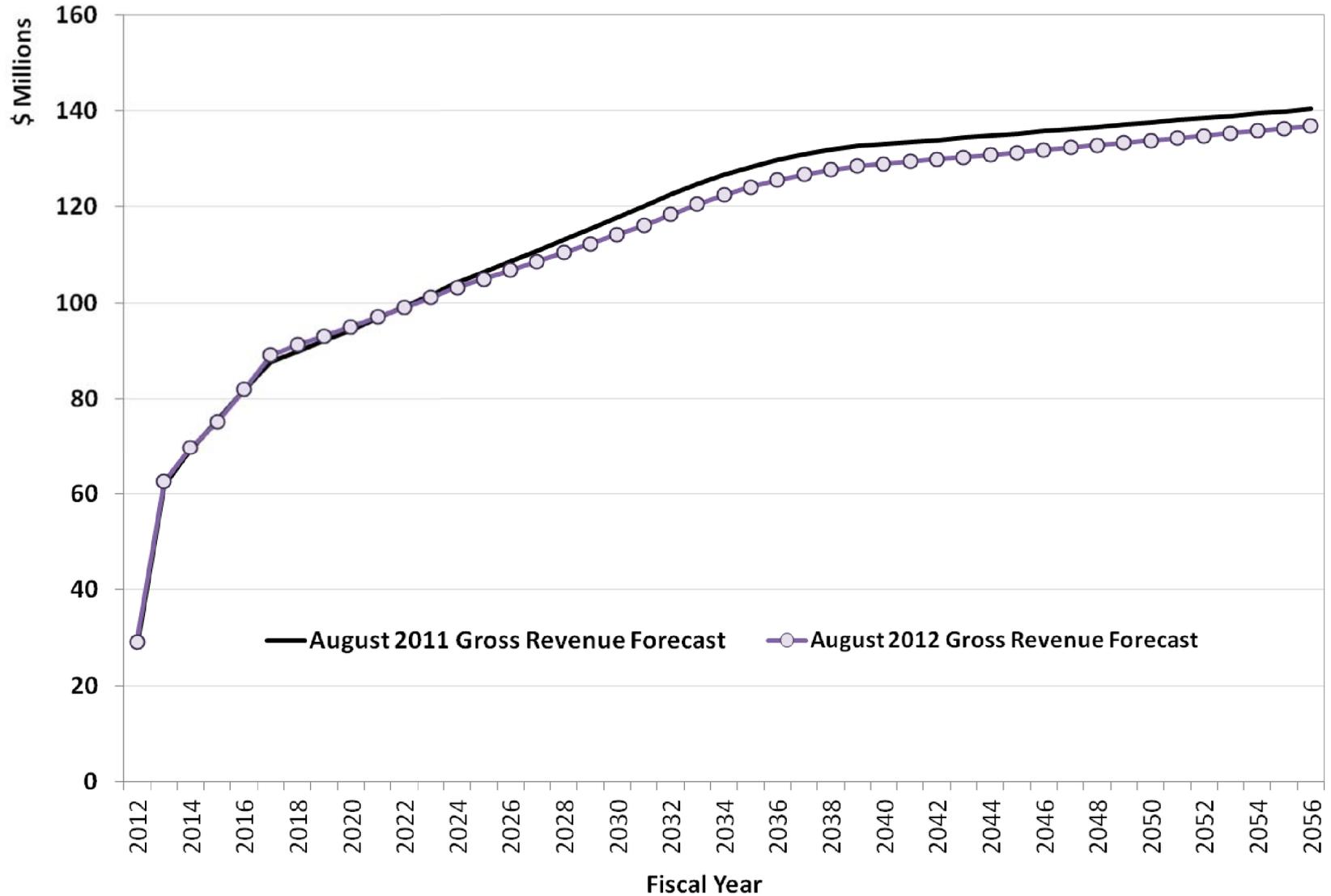
Traffic & Gross Toll Revenue Forecasts — August 2012 Update Factors

- **Tolling experience**
 - Higher participation in *Good To Go!* program earlier than expected
 - Less shifting of traffic from higher to lower toll periods
 - Weekend usage higher than previously projected
- **Future population and employment estimates updated**
 - Population estimates in corridor similar to August 2011 forecast
 - Short term employment estimates in corridor similar to August 2011 forecast
 - Longer term (post 2020) employment lower than August 2011 forecast
- **Commission's planned toll rate schedule is maintained**
 - 2.5% annual toll increases through FY 2016
 - Approximately 15% toll increase in FY 2017

Traffic & Gross Toll Revenue Forecasts — August 2012 Update Results

- Overall, traffic and gross revenues projections have been revised downward from the August 2011 forecast
- Forecasts are generally slightly higher in the early years (through FY 2021)
- Forecasts are lower by FY 2022 and each year thereafter
- Gross revenues are 2.2% lower over the 44 year forecast period

Gross Revenue Forecast Comparison



Net Toll Revenue Update (September 2012)

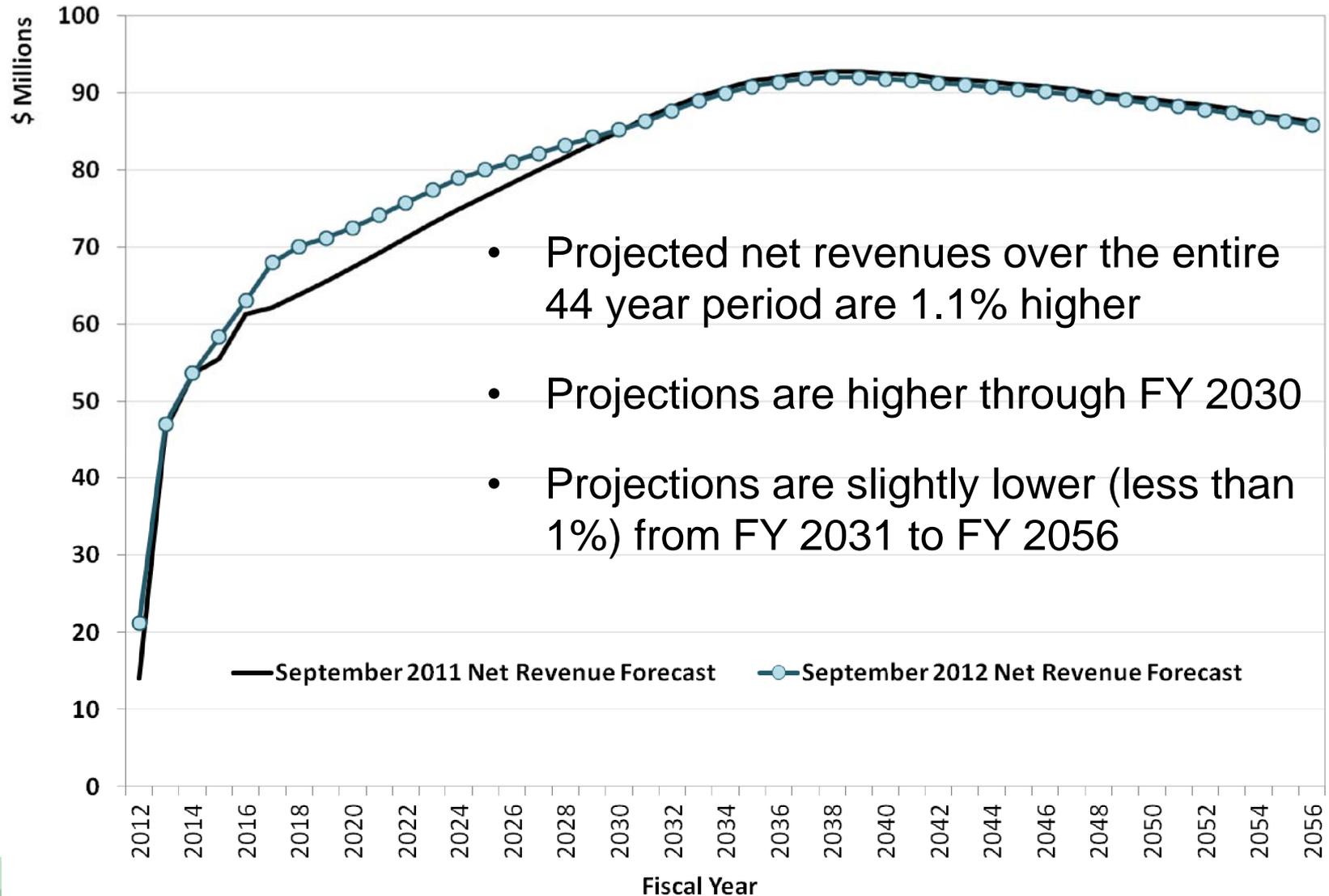
- **Overall projected O&M expenditures and other gross revenue deductions are lower than in September 2011**
- **Primary cause: downward revision to projected toll collection costs**
 - CSC vendor contract — option to extend current favorable pricing through FY 2018
 - Longer-term cost projections were revised downward and reflect slightly lower overall traffic forecast
 - Higher share of *Good To Go!* accounts and other savings lowers state costs for printing and postage expenses

Net Toll Revenue Update (September 2012)

Other Changes to Gross Revenue Adjustments:

- **Projected uncollectible revenues are higher**
 - Revised forecast reflects lower expectation for the share of toll bills paid after two billing cycles
 - Forecasting process has been revised to allow for a portion of *Good To Go!* transactions to be processed via mail (with some bills going unpaid) due to:
 - *Transponders users without an active Good To Go! account; and*
 - *Good To Go! user accounts with insufficient funds (expired credit card)*
- **Bridge insurance premiums are higher during construction period based on actual expenditures for FY 2012**
- **Facility O&M costs unchanged**

Net Toll Revenue Forecasts Remain on Track



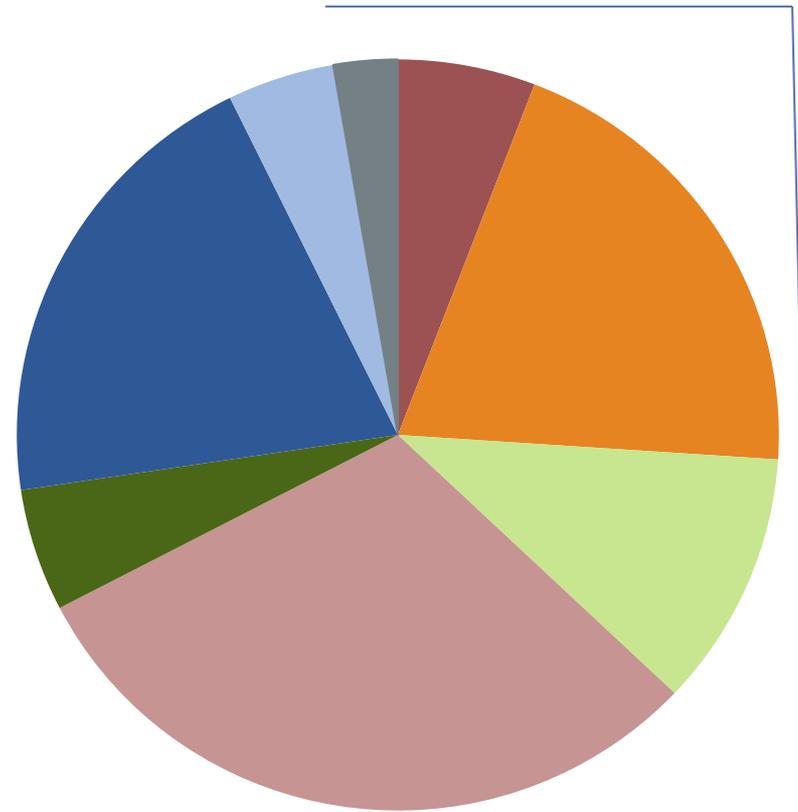
- Projected net revenues over the entire 44 year period are 1.1% higher
- Projections are higher through FY 2030
- Projections are slightly lower (less than 1%) from FY 2031 to FY 2056

NET TOLL REVENUES: MEETING BOND COVENANTS

Presented by the Office of the State Treasurer

SR 520 Floating Bridge, Eastside and West Approach Bridge: Toll Revenues Fund 40%

- MVFT Funds
- PAYGO Federal Funds
- Bond Proceeds
 - First Tier Toll Revenue
 - Bonds
 - Triple Pledge Bonds
 - TIFIA
- GARVEE Bonds
- Sales Tax Deferral Deposits
- PAYGO Net Toll Revenues



SR 520 Toll-Backed Debt

- Tier 1 - Toll Revenue Bonds
- Tier 2 – Sub Toll Revenue Bonds
- Tier 3 - Triple Pledge Bonds
- Tier 4 - TIFIA



Revised Project Net Toll Revenues Meet All Bond Covenants for SR 520

- Two types of bond covenants:

- Rate Covenants

- Produce funds to satisfy Coverage Requirements on Debt Service in each fiscal year in which bonds are outstanding

- Sum Sufficient Covenant

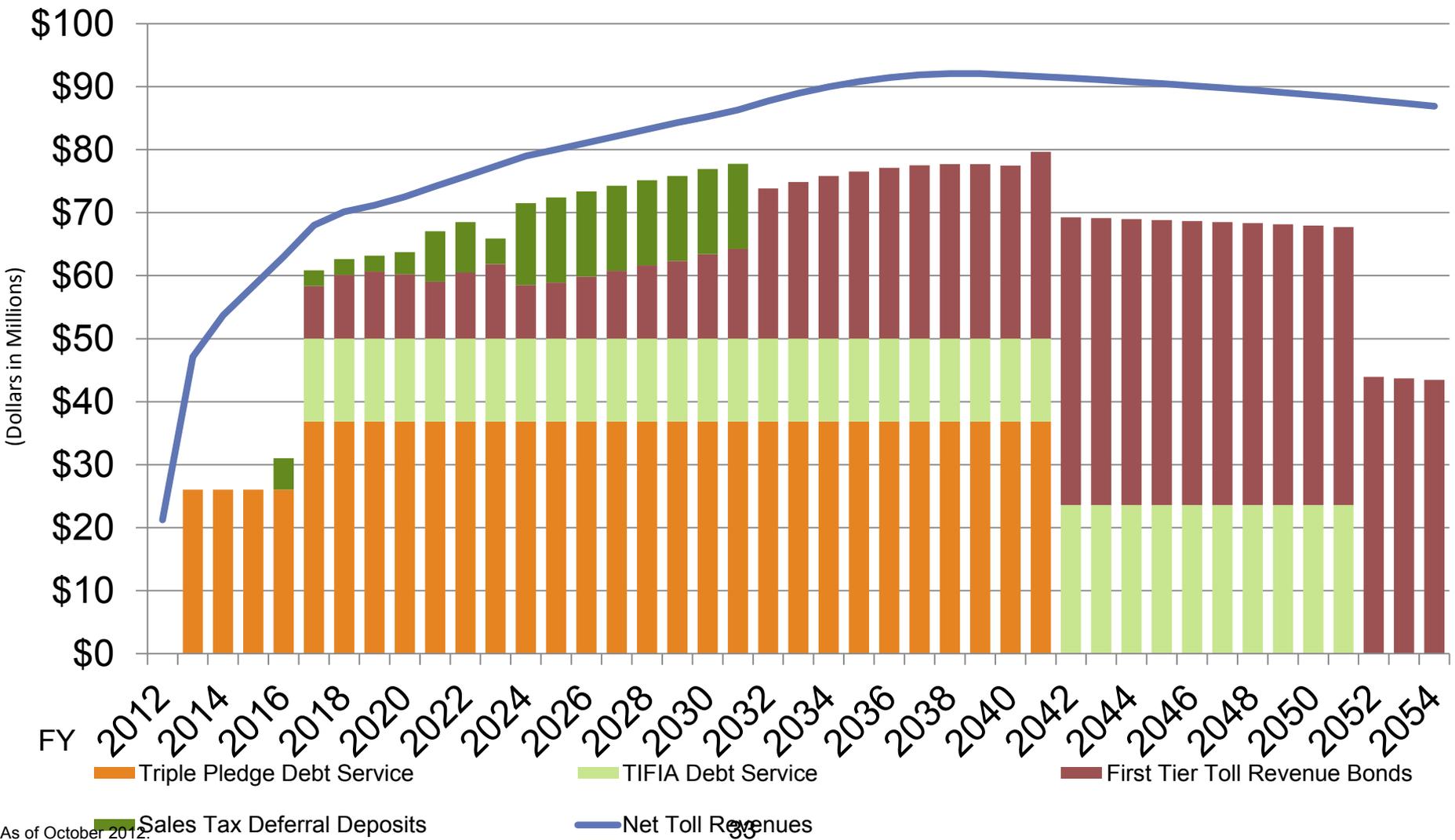
- Provide funds for all required expenditures in every fiscal year in which any Bonds are outstanding

SR 520 Bond Covenants

- In every fiscal year in which the Bonds are outstanding, Net Revenues must at least equal:

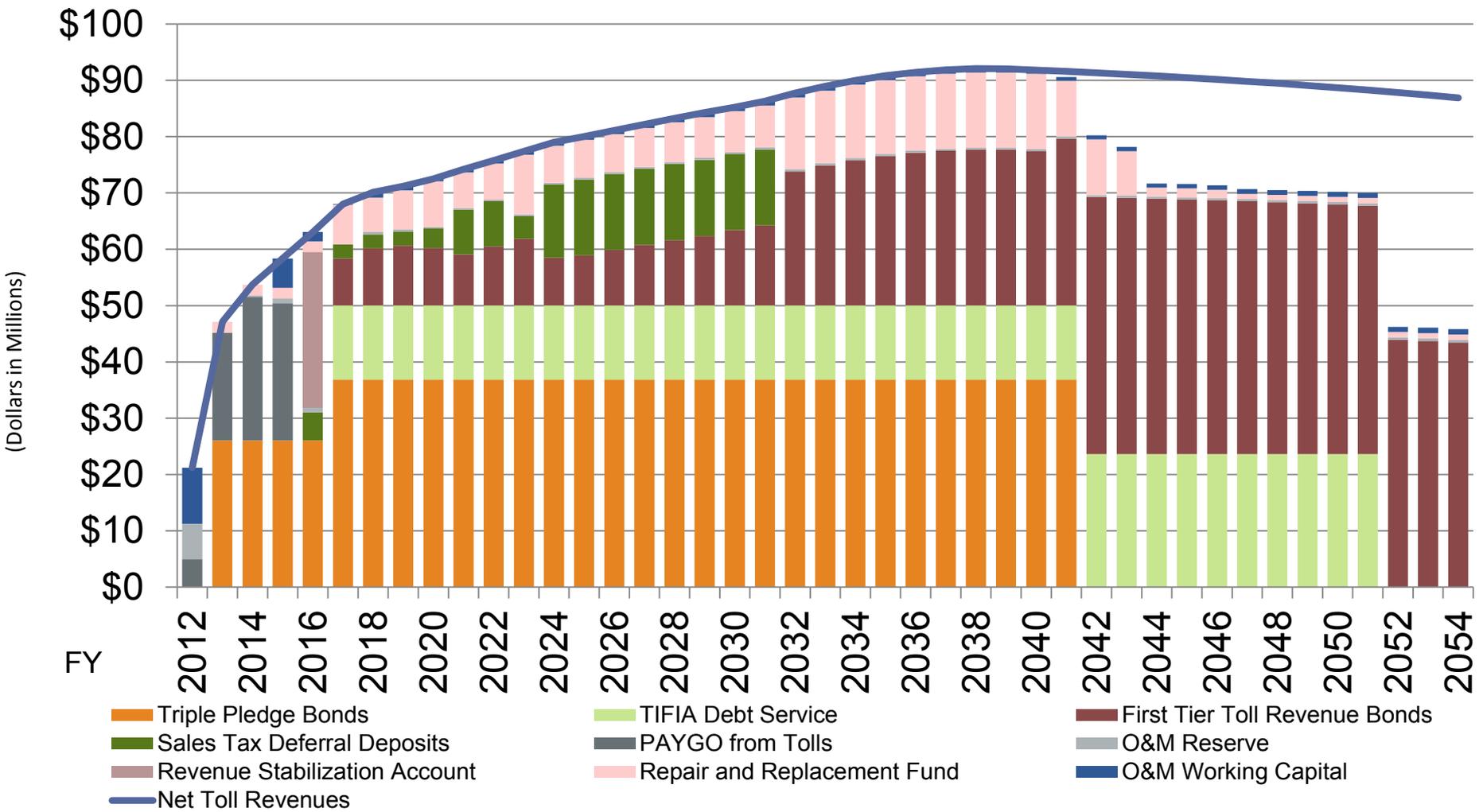
Review of Toll Rate Schedule	Issuance of Additional Bonds	
150%	200%	Debt Service on Tier 1
135%	150%	Debt Service on Tiers 1 + 2
125%	125%	Debt Service on Tiers 1 + 2 + 3
110%	110%	Debt service on Tiers 1 + 2 + 3 + 4
100%	100%	All debt service and other required deposits (“Sum Sufficient” covenant)

Projected Net Toll Revenues Meet Coverage for Debt Service and Deferred Sales Tax Deposits



As of October 2012

Projected Net Toll Revenues Cover All Required Expenditures in Every Year Bonds are Outstanding



As of October 2012.

Appendix



Application of Revised Net Toll Revenues FY 2012-2054 (\$ in millions)

Fiscal Year Ending 6/30	Net Toll Revenues Available for Debt Service [A]	First Tier Toll Revenue Debt Service [B]	First Tier Toll Revenue Debt Service Coverage [A]/[B]	Triple Pledge Debt Service [D]	Triple Pledge Debt Service Coverage [A]/[B+D]	TIFIA Debt Service [F]	TIFIA Debt Service Coverage [A]/[B+D+F]	Deposits to Deferred Sales Tax Subaccount
2012	21.22	-	N/A	-	N/A	-	N/A	
2013	47.12	-	N/A	26.02	1.81x	-	1.81x	
2014	53.71	-	N/A	26.02	2.06x	-	2.06x	
2015	58.37	-	N/A	26.02	2.24x	-	2.24x	
2016	63.06	-	N/A	26.02	2.42x	-	2.42x	5.00
2017	68.04	8.33	8.16x	36.86	1.51x	13.17	1.17x	2.50
2018	70.14	10.11	6.94x	36.86	1.49x	13.17	1.17x	2.50
2019	71.20	10.64	6.69x	36.86	1.50x	13.17	1.17x	2.50
2020	72.53	10.21	7.10x	36.86	1.54x	13.17	1.20x	3.50
2021	74.19	9.04	8.20x	36.86	1.62x	13.17	1.26x	8.00
2022	75.77	10.49	7.22x	36.86	1.60x	13.17	1.25x	8.00
2023	77.39	11.81	6.55x	36.86	1.59x	13.17	1.25x	4.06
2024	78.99	8.49	9.30x	36.85	1.74x	13.17	1.35x	13.00
2025	80.04	8.88	9.01x	36.86	1.75x	13.17	1.36x	13.50
2026	81.11	9.84	8.24x	36.86	1.74x	13.17	1.35x	13.50
2027	82.17	10.74	7.65x	36.86	1.73x	13.17	1.35x	13.50
2028	83.25	11.62	7.16x	36.86	1.72x	13.17	1.35x	13.50
2029	84.30	12.31	6.85x	36.86	1.71x	13.17	1.35x	13.50
2030	85.24	13.39	6.36x	36.86	1.70x	13.17	1.34x	13.50
2031	86.33	14.22	6.07x	36.86	1.69x	13.17	1.34x	13.50
2032	87.74	23.82	3.68x	36.86	1.45x	13.17	1.19x	
2033	88.97	24.86	3.58x	36.86	1.44x	13.17	1.19x	
2034	90.00	25.79	3.49x	36.86	1.44x	13.17	1.19x	
2035	90.83	26.51	3.43x	36.86	1.43x	13.17	1.19x	
2036	91.45	27.10	3.37x	36.86	1.43x	13.17	1.19x	
2037	91.88	27.48	3.34x	36.86	1.43x	13.17	1.19x	
2038	92.08	27.68	3.33x	36.86	1.43x	13.17	1.19x	
2039	92.07	27.70	3.32x	36.86	1.43x	13.17	1.18x	
2040	91.84	27.44	3.35x	36.86	1.43x	13.17	1.19x	
2041	91.61	29.63	3.09x	36.86	1.38x	13.17	1.15x	
2042	91.36	45.67	2.00x	-	2.00x	23.60	1.32x	
2043	91.09	45.54	2.00x	-	2.00x	23.60	1.32x	
2044	90.78	45.39	2.00x	-	2.00x	23.60	1.32x	
2045	90.49	45.24	2.00x	-	2.00x	23.60	1.31x	
2046	90.17	45.08	2.00x	-	2.00x	23.60	1.31x	
2047	89.83	44.92	2.00x	-	2.00x	23.60	1.31x	
2048	89.48	44.74	2.00x	-	2.00x	23.60	1.31x	
2049	89.09	44.55	2.00x	-	2.00x	23.60	1.31x	
2050	88.70	44.35	2.00x	-	2.00x	23.60	1.31x	
2051	88.29	44.14	2.00x	-	2.00x	23.60	1.30x	
2052	87.84	43.92	2.00x	-	2.00x	-	2.00x	
2053	87.40	43.70	2.00x	-	2.00x	-	2.00x	
2054	86.90	43.45	2.00x	36	2.00x	-	2.00x	

Application of Revised Net Toll Revenue After Debt Service FY 2012-2054 (\$ in

Fiscal Year Ending 6/30	Available Net Toll Revenues	Deposits to Project Fund from Tolls	Deposits to O&M Reserve	Deposits to Revenue Stabilization Subaccount	Deposits to Repair and Replacement Fund	Deposits to TFA for O&M Working Capital	Additional Deposits to TFA
2012	21.22	4.94	6.31	-	-	9.96	-
2013	21.10	19.12	0.10	-	1.88	-	0.00
2014	27.68	25.54	0.27	-	1.88	-	0.00
2015	32.34	24.39	0.89	-	1.88	5.18	0.00
2016	32.03	-	0.83	27.63	1.92	1.66	0.00
2017	7.18	-	0.07	-	6.96	0.15	0.00
2018	7.50	-	0.49	-	6.03	0.98	0.00
2019	8.03	-	0.37	-	6.91	0.75	0.00
2020	8.79	-	0.21	-	8.14	0.43	0.00
2021	7.12	-	0.27	-	6.30	0.55	0.00
2022	7.25	-	0.27	-	6.45	0.53	0.00
2023	11.50	-	0.29	-	10.61	0.59	0.00
2024	7.47	-	0.30	-	6.58	0.59	0.00
2025	7.63	-	0.31	-	6.71	0.61	0.00
2026	7.74	-	0.32	-	6.79	0.63	0.00
2027	7.91	-	0.33	-	6.93	0.65	0.00
2028	8.10	-	0.35	-	7.06	0.69	0.00
2029	8.46	-	0.42	-	7.20	0.84	0.00
2030	8.32	-	0.34	-	7.28	0.69	0.00
2031	8.58	-	0.40	-	7.38	0.80	0.00
2032	13.89	-	0.39	-	12.71	0.79	0.00
2033	14.08	-	0.40	-	12.89	0.79	0.00
2034	14.18	-	0.38	-	13.04	0.76	0.00
2035	14.30	-	0.37	-	13.17	0.75	0.00
2036	14.33	-	0.36	-	13.24	0.73	0.00
2037	14.37	-	0.36	-	13.30	0.71	0.00
2038	14.38	-	0.35	-	13.33	0.70	0.00
2039	14.34	-	0.33	-	13.34	0.67	0.00
2040	14.37	-	0.34	-	13.36	0.68	0.00
2041	11.95	-	0.35	-	9.91	0.70	1.00
2042	22.08	-	0.36	-	9.91	0.71	11.10
2043	21.94	-	0.38	-	7.89	0.75	12.92
2044	21.79	-	0.37	-	1.58	0.75	19.09
2045	21.64	-	0.39	-	1.58	0.78	18.90
2046	21.48	-	0.39	-	1.50	0.79	18.81
2047	21.31	-	0.41	-	0.92	0.82	19.17
2048	21.14	-	0.42	-	0.92	0.85	18.95
2049	20.94	-	0.43	-	0.92	0.86	18.73
2050	20.75	-	0.44	-	0.92	0.87	18.51
2051	20.54	-	0.45	-	0.92	0.91	18.26
2052	43.92	-	0.46	-	0.92	0.92	41.62
2053	43.70	-	0.49	-	0.92	0.97	41.32
2054	43.45	-	0.48	-	0.92	0.97	41.08

TOLL RATE SETTING: PROCESS AND SCHEDULE

Rate Setting Steps for SR 520

- **WSDOT and OST prepare financial plan (establishing funding requirements) and proposed rate schedule**
- **Commission decides whether to examine other rate proposals**
- **WSDOT analyzes traffic, gross toll revenues, and net toll revenues for Commission rate proposal(s)**
- **Treasurer Representative indicates whether proposal(s) would meet financial requirements**
- **Commission proposes a new rate schedule (CR 102) or affirms a 2.5% increase on July 1, 2013 (takes no action)**
- **Treasurer Representative certifies that net revenues under the new rates will be sufficient to meet Bond Covenants in each and every year**
 - Note: current WAC toll schedule (2.5% increases) has already been certified
- **Commission adopts rates (CR 103) or affirms current WAC (CR 105)**

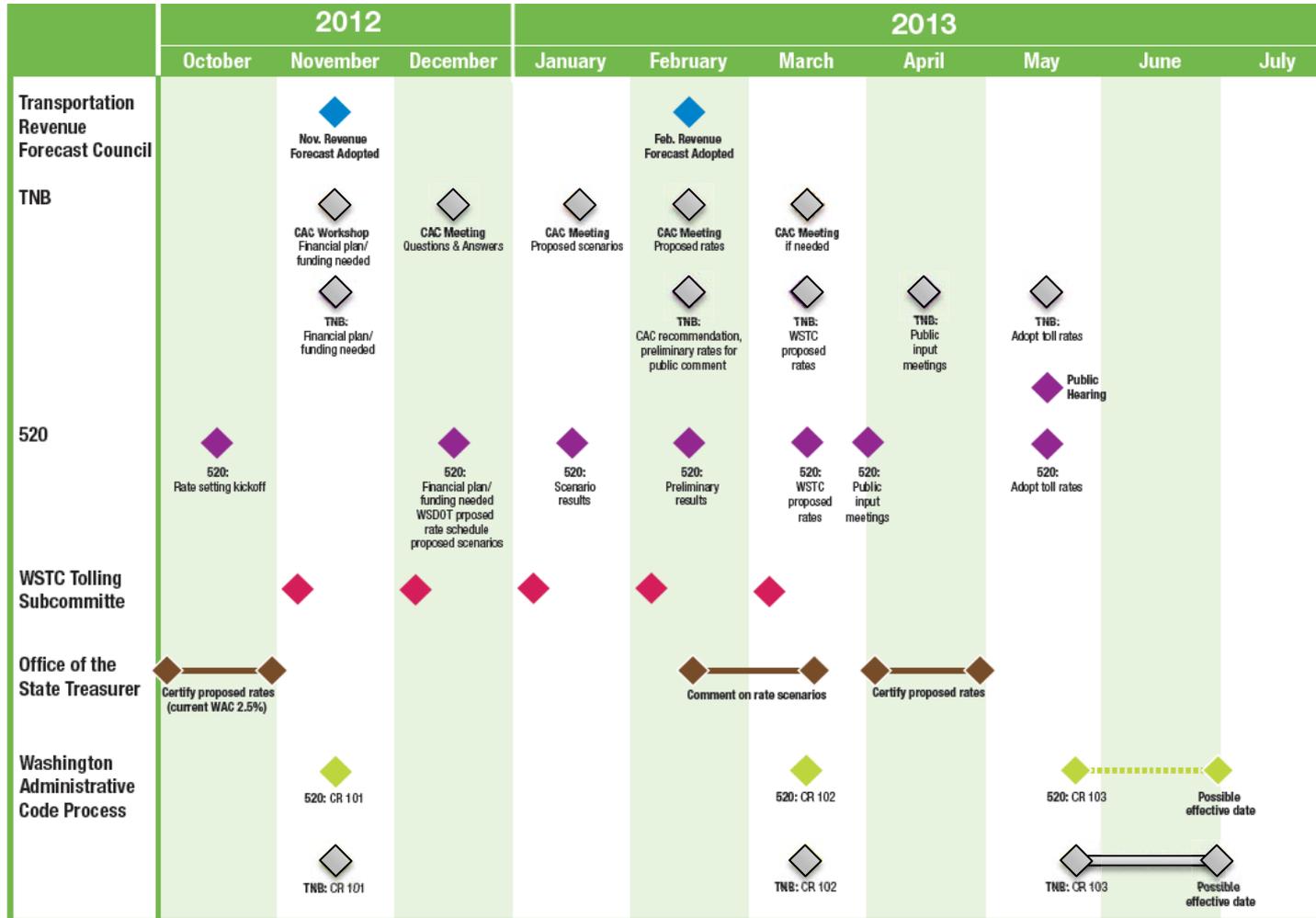
Requirements for Adopting Toll Rate Schedule Revisions

- **Traffic Consultant certifies traffic and gross toll revenue projections are reasonable**
- **Consulting Engineer certifies that O&M costs are reasonable**
- **Treasurer Representative certifies Bond Covenants will be met in every year bonds are outstanding**
- **Master Bond Resolution requires toll rates be set to produce Net Toll Revenues to meet:**
 - Rate covenants for each type of debt
 - Sum sufficient covenant to cover all required expenditures
 - Applies to each fiscal year in which bonds are outstanding

How is this different than before?

- **Focus on sufficiency of net revenues through FY 2056 (net revenue pledge) rather than on the next year's ending fund balance**
- **Expectation that WSDOT will provide an initial rate schedule rather than a citizen advisory committee**
- **Allowance for time in the schedule to obtain the necessary certificates of reasonableness and sufficiency under the proposed toll rates prior to adoption (issuing a CR 103)**

Draft FY 2014 Rate Setting Schedule



Questions?