

# SR 520 Finance Plan and Rate Setting Update

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**Washington State Transportation Commission**  
**March 18, 2014**

# The cost to replace the SR 520 Floating Bridge increased by \$170 million

## SR 520 Program change orders and risks\*

Updated 1/7/2014

	Pontoon design error change orders	Other construction change orders	Future potential risks and sales tax	Total change orders, future risks, and sales tax
Executed	\$130.7 M	\$68.2 M	N/A	\$198.9 M
Pending and potential	\$77.5 M	\$66.1 M	N/A	\$143.6 M
Future risks	N/A	N/A	\$61.6 M**	\$61.6 M**
Estimated additional sales tax	N/A	N/A	\$15.7 M	\$15.7 M
<b>TOTALS</b>	<b>\$208.2 M</b>	<b>\$134.3 M</b>	<b>\$77.3 M</b>	<b>\$419.8 M</b>

**Initial risk reserve** **\$250.0 M**

**Additional budget required** **\$169.8 M**

\*On construction contracts for:

- Eastside Transit and HOV Project
- Pontoon Construction Project
- Floating Bridge and Landings Project

\*\* WABN future risks of \$28.4 is not included in value

# Toll forecasting process reviewed with the Commission in December 2013

CDM Smith  
Gross Toll Revenue Forecast

## Gross Toll Revenue Potential =

Assumes all vehicles pay the toll that they intend to pay (by class, time of day, day of week, and payment type)

Parsons Brinckerhoff  
Adjusted Gross Toll Revenue Forecast

## Gross Toll Revenue Potential

- + Fees
- Discounts
- Revenue not recognized
- Unpaid toll revenue

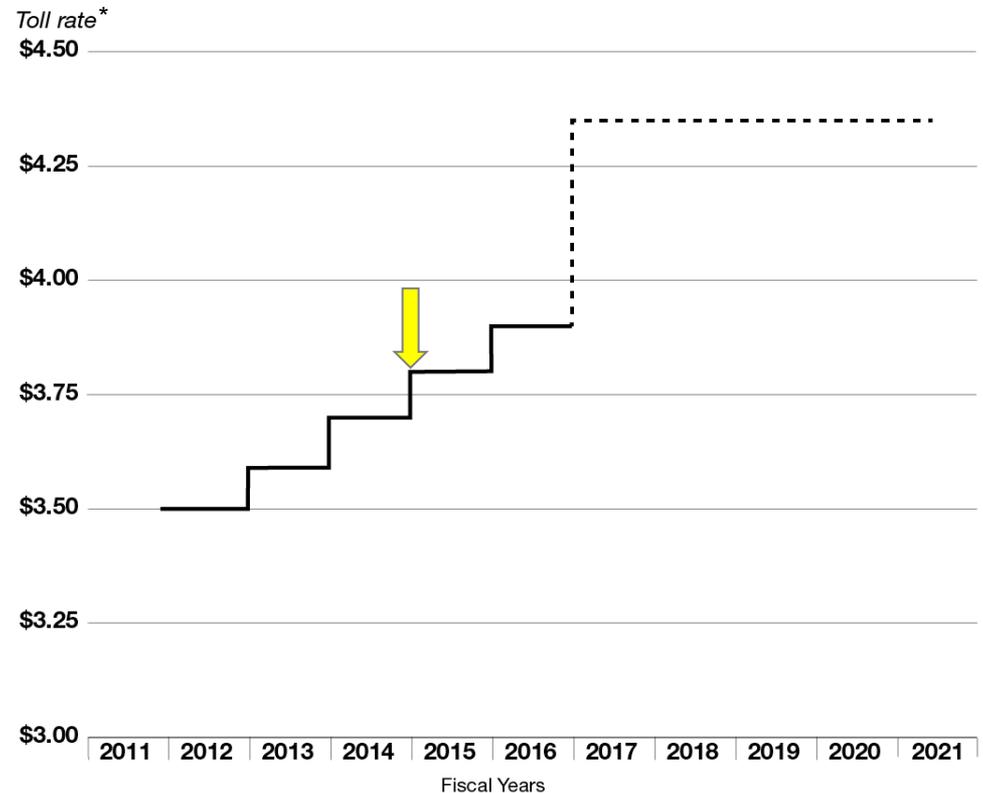
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= **Adjusted Gross Toll Revenue\***

\* Forecast of gross revenue collected; compares to the actual revenue reported in the SR 520 financial statements

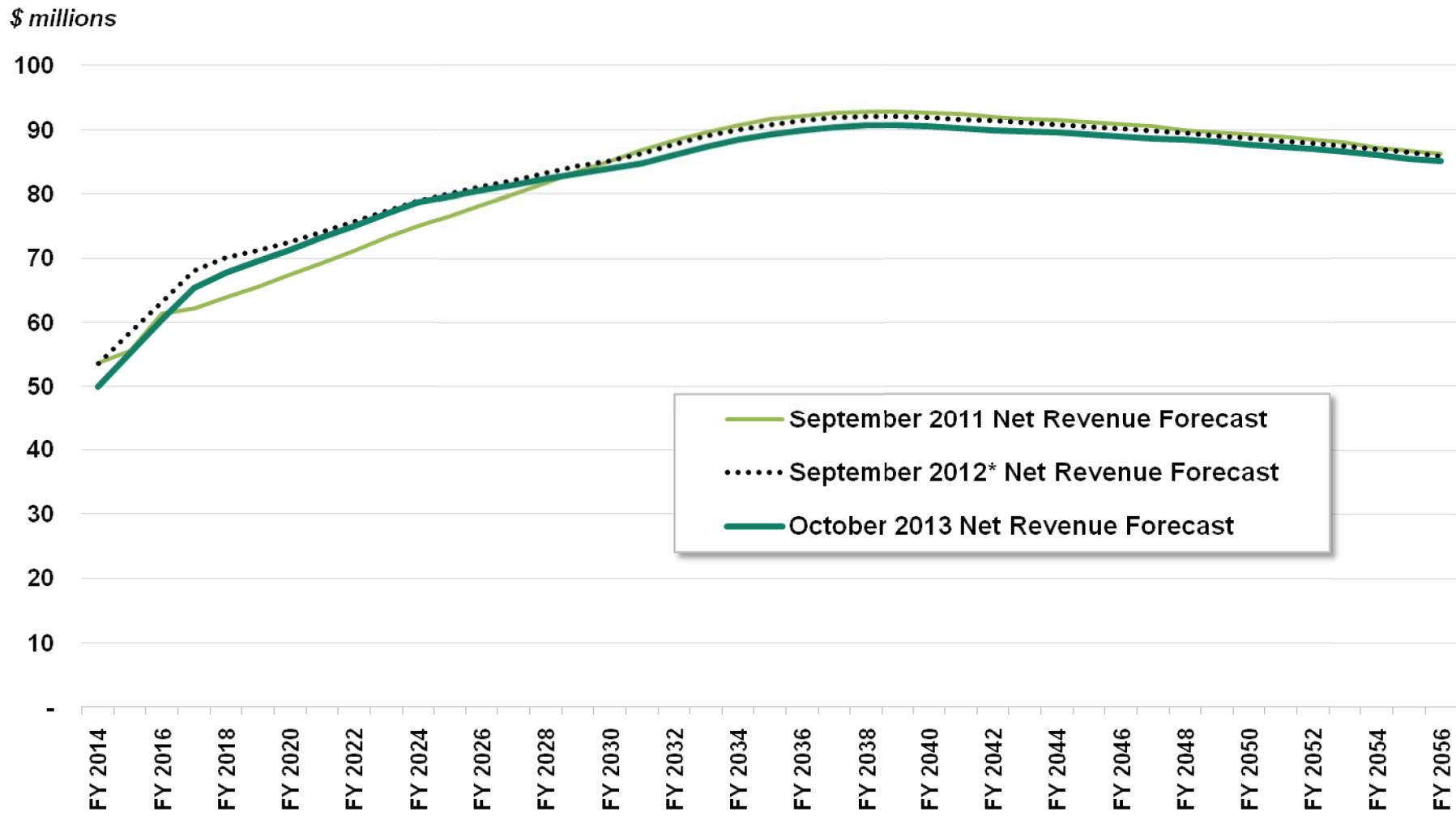
# WSTC adopted rate schedule includes a 2.5 percent increase effective July 1, 2014 (FY 2015)

Current adopted rate schedule in WAC 468.270.040 states, “(b) Starting July 1, 2012, the toll rates will increase two and one-half percent annually, subject to review and potential adjustment by the commission, in order to generate toll revenue sufficient to meet the costs and obligations listed in RCW 47.56.830 through 47.56.850.”



\* Weekday, two-axle, peak period, Good to Go! toll rate

# Comparison of net revenue forecasts (FY 2014-56)



\* Modified to incorporate nickel rounding of toll rates in fiscal years 2014-16, as adopted by the Washington State Transportation Commission in May 2013.

# Updated net revenue projections (FY 2014-56)

Forecast Category	Sep 2012* Forecast (\$ millions)	Oct 2013 Forecast (\$ millions)	Variance (\$ millions)	Variance (%)
<b>Gross Toll Revenue Potential</b>	<b>5,020.6</b>	<b>4,908.6</b>	<b>(112.0)</b>	<b>-2.2%</b>
Toll Payment Discounts and Fees	30.6	13.9	(16.7)	-54.6%
Revenue Not Recognized	(96.6)	(90.5)	6.1	-6.4%
Unpaid Toll Revenue	(237.5)	(196.1)	41.4	-17.4%
Miscellaneous Pledged Revenues	-	-	-	
Transponder Sales Revenue	74.0	35.7	(38.4)	-51.8%
Pay By Mail Rebilling Fees	100.3	113.9	13.5	+13.5%
Recovered Toll Revenue	10.5	12.5	2.0	+18.7%
<b>Subtotal: Revenue Adjustments</b>	<b>(118.7)</b>	<b>(110.7)</b>	<b>7.9</b>	<b>-6.7%</b>
Credit Card Fees	(112.5)	(94.1)	18.4	-16.4%
Toll Collection O&M	(867.5)	(863.0)	4.5	-0.5%
<i>Customer Service Center (CSC)</i>	<i>(425.8)</i>	<i>(461.1)</i>	<i>(35.3)</i>	<i>+8.3%</i>
<i>Roadway Toll Systems (RTS)</i>	<i>(52.8)</i>	<i>(35.3)</i>	<i>17.5</i>	<i>-33.1%</i>
<i>State Costs for Toll Bill Printing, Postage, and LES</i>	<i>(141.7)</i>	<i>(160.1)</i>	<i>(18.4)</i>	<i>+13.0%</i>
<i>State Operations</i>	<i>(173.2)</i>	<i>(170.8)</i>	<i>2.4</i>	<i>-1.4%</i>
<i>Transponder purchase and inventory costs</i>	<i>(74.0)</i>	<i>(35.7)</i>	<i>38.4</i>	<i>-51.8%</i>
Routine Facility O&M Costs	(190.6)	(167.8)	22.8	-11.9%
Bridge Insurance Premiums	(143.1)	(142.1)	1.0	-0.7%
<b>Subtotal: O&amp;M Costs</b>	<b>(1,313.8)</b>	<b>(1,267.0)</b>	<b>46.8</b>	<b>-3.6%</b>
<b>Net Toll Revenue before R&amp;R</b>	<b>3,588.2</b>	<b>3,530.8</b>	<b>(57.3)</b>	<b>-1.6%</b>
Periodic Facility R&R	(256.2)	(270.1)	(13.9)	+5.4%
Periodic Toll Equipment and CSC R&R	(17.0)	(48.2)	(31.1)	+182.6%

\*Modified to incorporate nickel rounding of toll rates in fiscal years 2014-16, as adopted by the Washington State Transportation Commission in May 2013.

# Traffic and Toll Revenue is performing as expected

	Forecast <sup>1,2</sup>	Actual	Variance
<b>Toll Transactions</b>			
FY 2013 <sup>1</sup>	19,682,000	20,220,601	+2.7%
Jul - Dec 2013 <sup>2</sup>	10,377,000	10,506,284	+1.2%
<b>Gross Toll Revenue Potential</b>			
FY 2013 <sup>1</sup>	\$62,591,000	\$61,301,711	-2.1%
Jul - Dec 2013 <sup>2</sup>	\$32,320,000	\$32,346,994	+0.1%
<b>Net Toll Revenues</b>			
FY 2013 <sup>1</sup>	\$47,124,000	\$46,784,511	-0.7%
Jul - Dec 2013 <sup>2</sup>	\$23,749,000	\$25,193,407	+6.1%

<sup>1</sup> – Comparison based on September 2012 Forecast

<sup>2</sup> – Comparison based on October 2013 Forecast

# TIFIA disbursement requirements and schedule (\$300 million loan)

- TIFIA loan agreement identifies six specific requirements before disbursement can be made
  - Executed contracts with sufficient funding
  - TIFIA identified as an additional insured on contracts
  - Project included in TIP/STIP
  - Updated traffic and revenue study
  - Updated investment grade rating letter
  - Certification of a fully funded project
- Disbursement schedule
  - 8/15/2014          \$117,970,000
  - 1/15/2015          \$98,030,000
  - 7/15/2015          \$42,000,000
  - 1/15/2016          \$42,000,000

# Closing the funding gap

- Based on financial modeling:
  - Additional funding is needed September 2015
  - The Legislature was provided two Plans of Finance that closed the funding gap. One assumed the use of toll-backed bonds, and the other Triple Pledge Bonds.
  - The 2014 Legislature prefers the issuance of Triple Pledge Bonds.
  - Neither Plan of Finance fully covers the funding gap. An additional state and/or federal contribution is required.

# Triple Pledge Bonds: Plan of Finance to address \$170 million cost increase

<i>(dollars in Millions)</i>	September 2013 Plan of Finance <sup>3</sup>	Triple Pledge Plan of Finance	Variance
2003 Nickel Account	52.2	52.2	0.0
2005 Transportation Partnership Account	492.1	525.9	33.8
Motor Vehicle Account	2.6	2.6	0.0
Federal Pay-as-You-Go	170.9	198.1	27.2
Local Funds	1.7	1.7	0.0
Toll Revenue	74.0	70.3	-3.7
Other (deferred sales tax and earned interest)	143.6	159.4	15.8
Bond Proceeds <sup>1</sup>	1,787.0	1,884.0	97.0
Triple Pledge (Toll/MVFT/GO) Bonds	550.0	661.0	111.0
Toll Revenue Bonds	14.0	0.0	-14.0
Direct GARVEE Bonds			
First GARVEE Issue	600.0	600.0	0.0
Second GARVEE Issue	323.0	323.0	0.0
TIFIA Loan	300.0	300.0	0.0
<b>Total Funding<sup>2</sup></b>	<b>2,724.2</b>	<b>2,894.2</b>	<b>170.0</b>

**Note:**

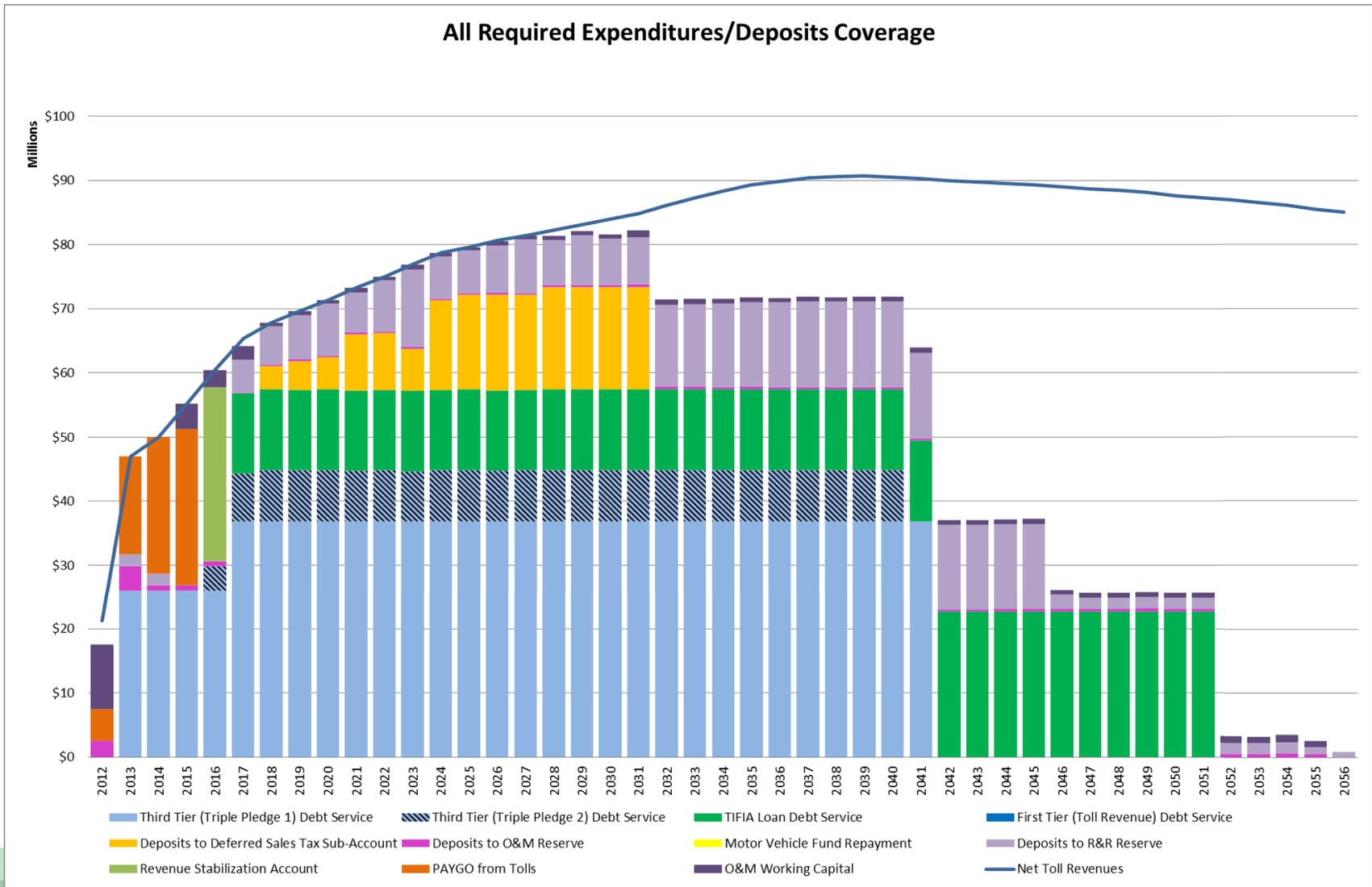
<sup>1</sup> – Bond Proceeds and not PAR amount

<sup>2</sup> – Varies by rounding

<sup>3</sup> – The September 2013 Plan of Finance prepared for the GARVEE #2 sale assumed the sale of 1<sup>st</sup> Tier bonds

# Triple Pledge Plan of Finance

## All required expenditures/deposits



# Coverage ratios for the Triple Pledge Plan of Finance

Debt Service Coverage	Master Bond Resolution			Lowest Coverage	
	Covenant	ABT	Policy	Calculated at	for Year
Toll revenue bonds (1st Tier)	1.50x	2.00x	2.00x	N/A	N/A
Triple pledge bonds (3rd Tier)	1.25x	1.30x	1.30x	1.48x	2017
TIFIA loan coverage (4th Tier)	1.10x	1.10x	1.15x	1.15x	2017
Coverage, including deposits to DST	n/a	n/a	1.10x	1.10x	2025
Sufficiency	1.00x	n/a	1.00x	1.00x	2025
GARVEE bonds (FY 2012 O.A. coverage)	n/a	3.50x	3.75x	6.09x	2023

**Notes:**  
 Triple pledge bonds are backed by Tolls, MVFT, and the General Obligation (GO) pledge  
 DST stands for Deferred Sales Tax  
 ABT stands for Additional Bonds Test  
 O.A. stands for Obligation Authority

# 1st Tier Bonds: Plan of Finance to address \$170 million cost increase

<i>(dollars in Millions)</i>	September 2013 Plan of Finance <sup>3</sup>	1 <sup>st</sup> Tier Plan of Finance	Variance
2003 Nickel Account	52.2	52.2	0.0
2005 Transportation Partnership Account	492.1	525.9	33.8
Motor Vehicle Account	2.6	2.6	0.0
Federal Pay-as-You-Go	170.9	170.9	0.0
Local Funds	1.7	1.7	0.0
Toll Revenue	74.0	70.3	-3.7
Other (deferred sales tax and earned interest)	143.6	159.4	15.8
Bond Proceeds <sup>1</sup>	1,787.0	1,911.2	124.2
Triple Pledge (Toll/MVFT/GO) Bonds	550.0	550.0	0.0
Toll Revenue Bonds	14.0	138.2	124.2
Direct GARVEE Bonds			
First GARVEE Issue	600.0	600.0	0.0
Second GARVEE Issue	323.0	323.0	0.0
TIFIA Loan	300.0	300.0	0.0
<b>Total Funding<sup>2</sup></b>	<b>2,724.2</b>	<b>2,894.2</b>	<b>170.0</b>

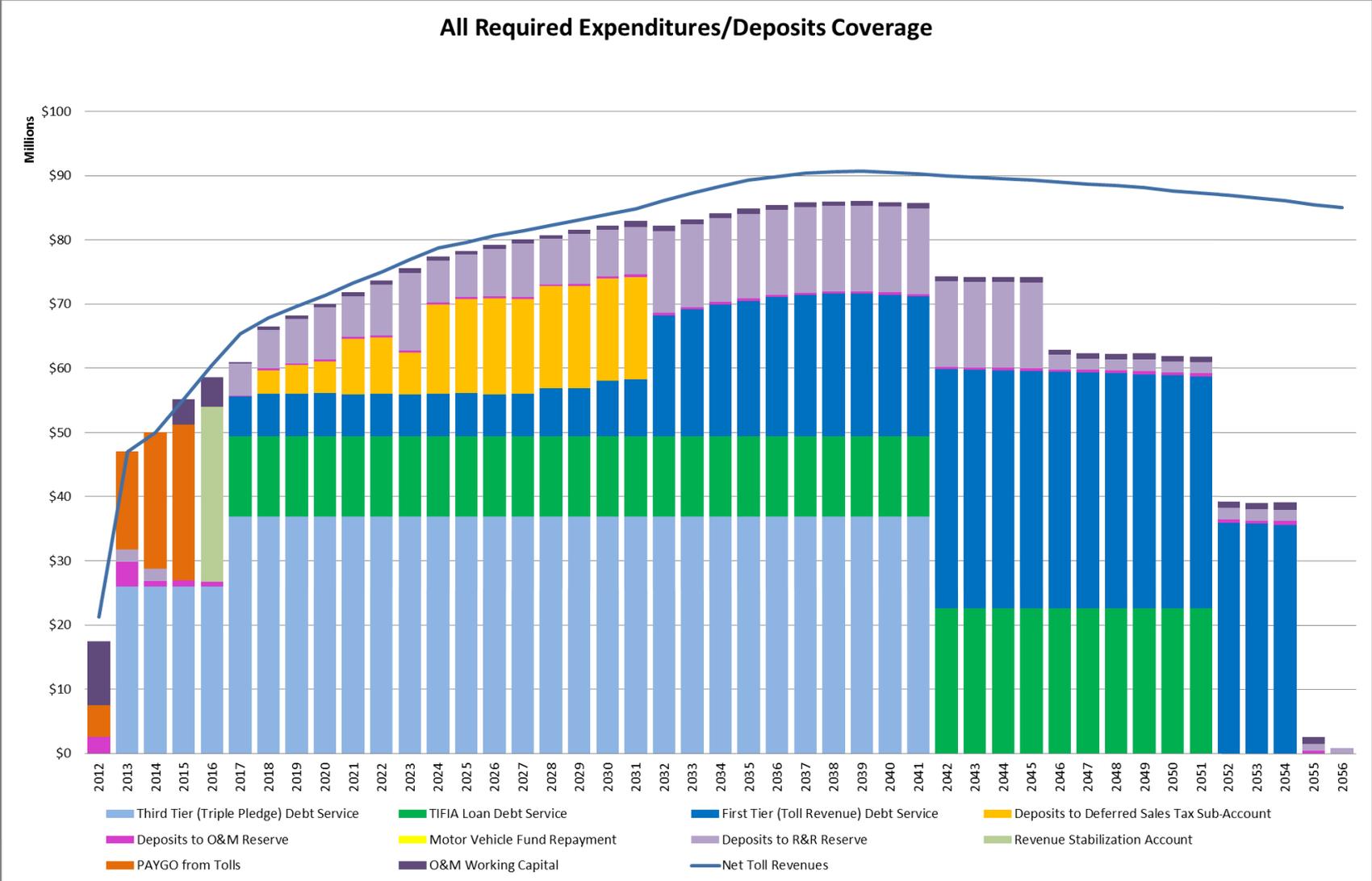
**Note:**

<sup>1</sup> – Bond Proceeds and not PAR amount

<sup>2</sup> – Varies by rounding

<sup>3</sup> – The September 2013 Plan of Finance prepared for the GARVEE #2 sale assumed the sale of 1<sup>st</sup> Tier bonds

# 1st Tier Bonds Plan of Finance covers all required expenditures/deposits

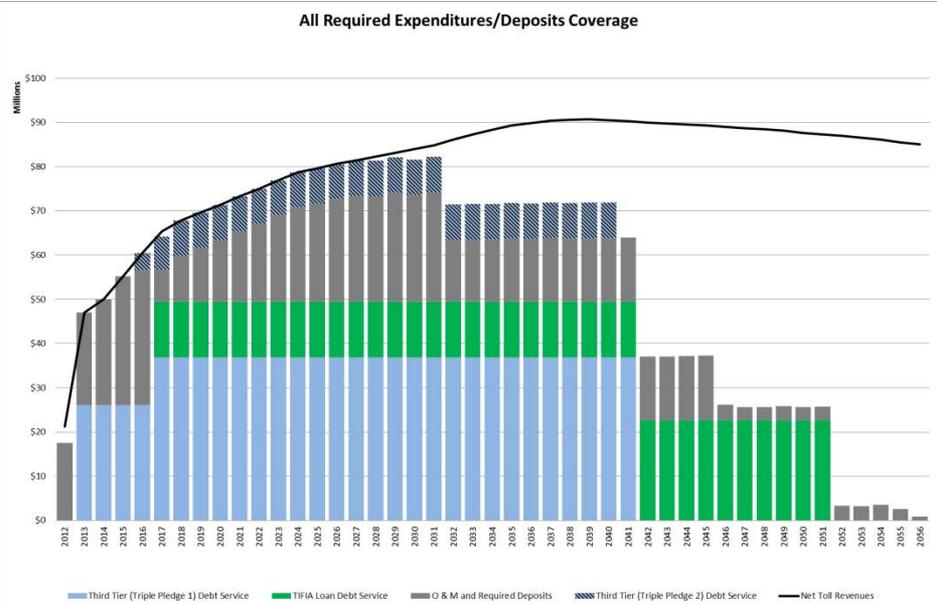


# Coverage ratios for the 1<sup>st</sup> Tier Plan of Finance

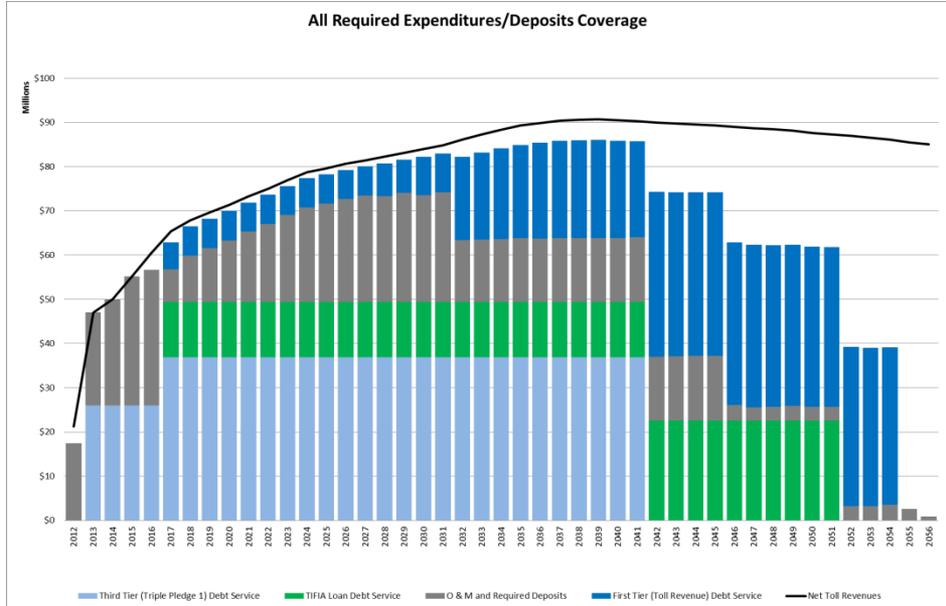
Debt Service Coverage	Master Bond Resolution			Lowest Coverage	
	Covenant	ABT	Policy	Calculated at	for Year
Toll revenue bonds (1st Tier)	1.50x	2.00x	2.00x	2.42x	2053
Triple pledge bonds (3rd Tier)	1.25x	1.30x	1.30x	1.52x	2017
TIFIA loan coverage (4th Tier)	1.10x	1.10x	1.15x	1.18x	2017
Coverage, including deposits to DST	n/a	n/a	1.10x	1.12x	2025
Sufficiency	1.00x	n/a	1.00x	1.02x	2025
GARVEE bonds (FY 2012 O.A. coverage)	n/a	3.50x	3.75x	6.09x	2023

**Notes:**  
 Triple pledge bonds are backed by Tolls, MVFT, and the General Obligation (GO) pledge  
 DST stands for Deferred Sales Tax  
 ABT stands for Additional Bonds Test  
 O.A. stands for Obligation Authority

# Comparing Triple Pledge and 1<sup>st</sup> Tier Plans of Finance



3<sup>rd</sup> Tier (Triple Pledge)  
Plan of Finance



1<sup>st</sup> Tier Bonds  
Plan of Finance

# Rate Setting Update

# Toll Revenue Forecasting Process

CDM Smith  
Gross Toll Revenue Forecast

**Gross Toll Revenue Potential =**  
Assumes all vehicles pay the toll that they intend to pay  
(by class, time of day, day of week, and payment type)



Parsons Brinckerhoff  
Gross to Net Revenue Forecast

**Gross Toll Revenue Potential**

- + Fees
- Discounts
- Revenue not recognized
- Unpaid toll revenue

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**= Adjusted Gross Toll Revenue**

- + Transponder sales revenue
- + Pay By Mail rebilling fees
- + Recovered toll revenue

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**= Adjusted Gross Toll Revenue & Fees**

- Credit card fees
- Toll collection O&M costs
- Routine facility O&M costs
- Bridge insurance premium

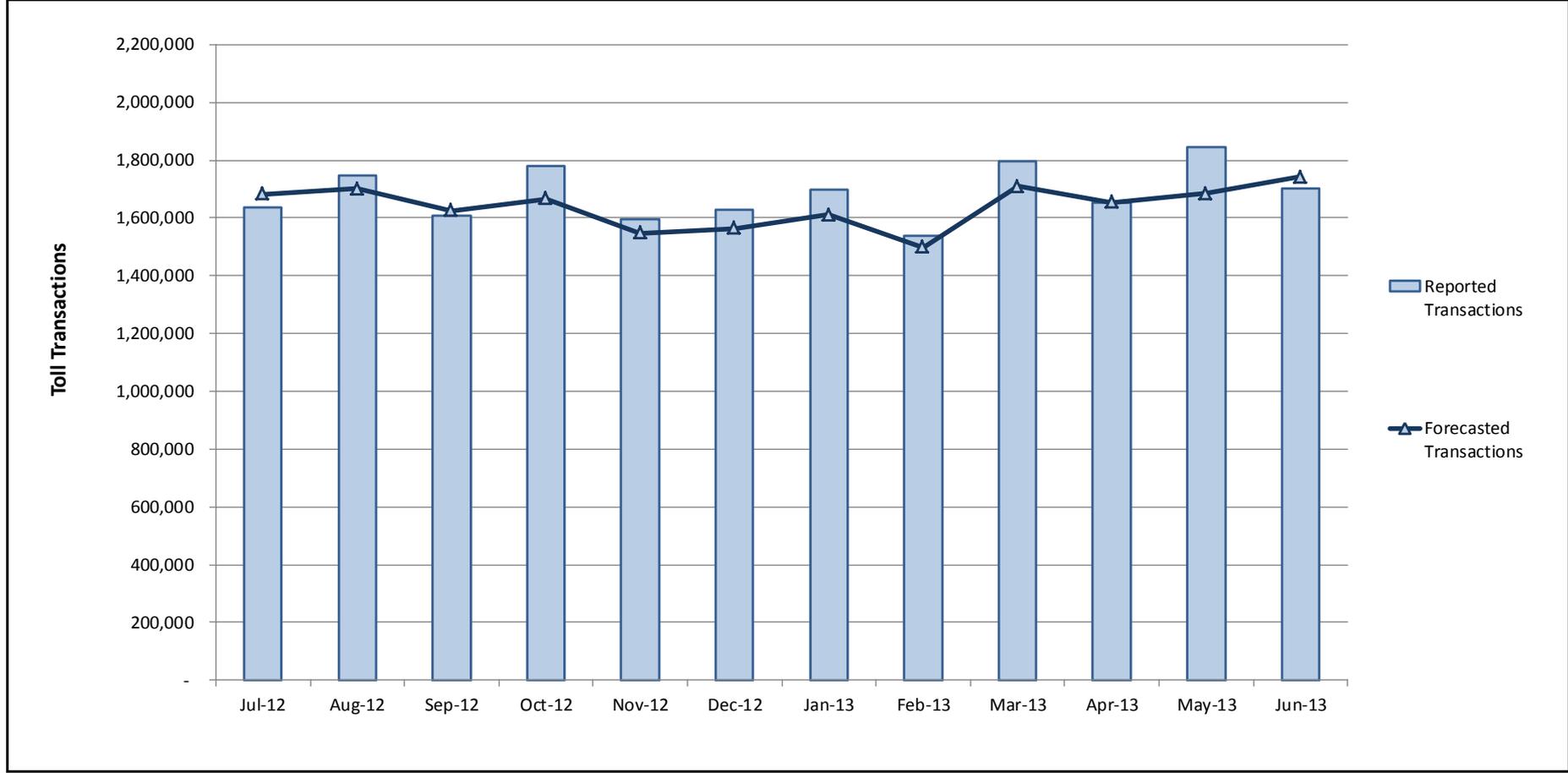
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**= Net Toll Revenue (Available for Debt Service) \***

\* Does not include miscellaneous pledged revenue, which is not forecasted

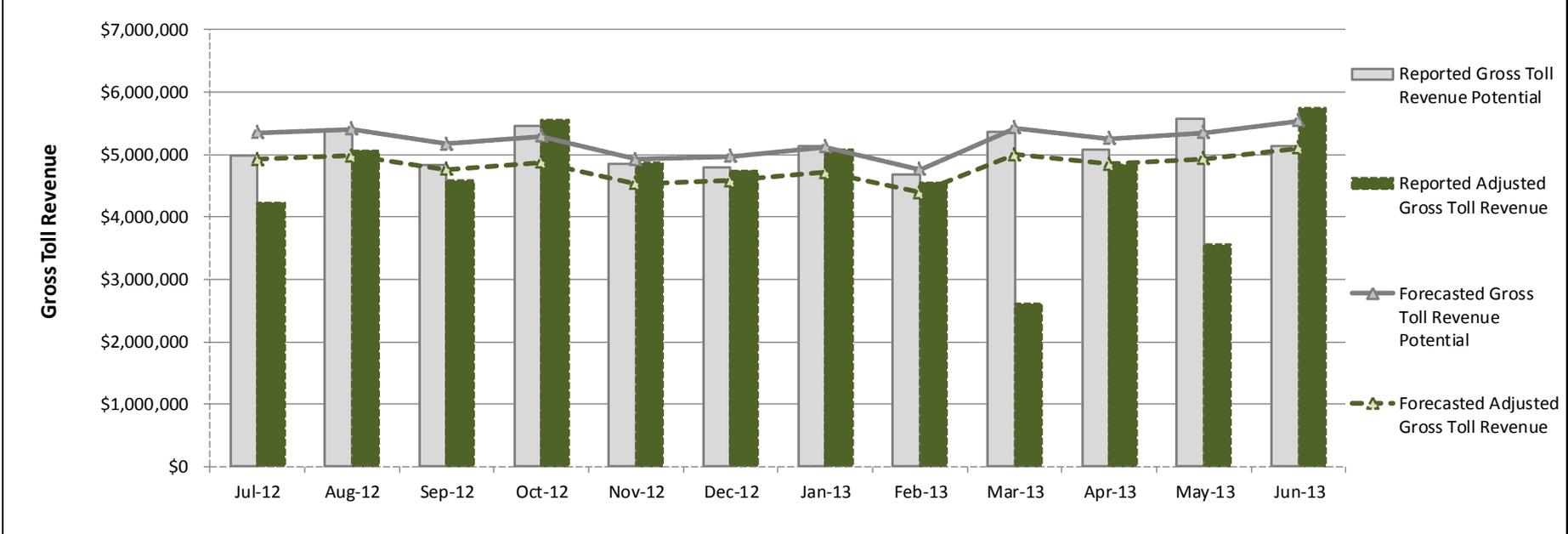
# FY 2013 Forecasted and Reported Toll Traffic

TOLL TRANSACTIONS	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Fiscal Year To Date	Annual Total
Forecasted Closure Days	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	14.0	14.0
Reported Closure Days	2.0	2.0	2.0	1.2	2.0	-	-	1.0	-	2.0	-	2.0	14.2	14.2
Forecasted Transactions	1,682,000	1,700,000	1,625,000	1,666,000	1,548,000	1,564,000	1,611,000	1,498,000	1,708,000	1,654,000	1,684,000	1,742,000	19,682,000	19,682,000
Reported Transactions	1,634,862	1,748,279	1,605,673	1,780,703	1,595,208	1,627,330	1,697,451	1,537,817	1,794,438	1,651,778	1,843,724	1,703,339	20,220,601	20,220,601
Variance From Forecast	(47,138)	48,279	(19,327)	114,703	47,208	63,330	86,451	39,817	86,438	(2,222)	159,724	(38,661)	538,601	538,601
Variance - % Change	(2.8%)	2.8%	(1.2%)	6.9%	3.0%	4.0%	5.4%	2.7%	5.1%	(0.1%)	9.5%	(2.2%)	2.7%	2.7%



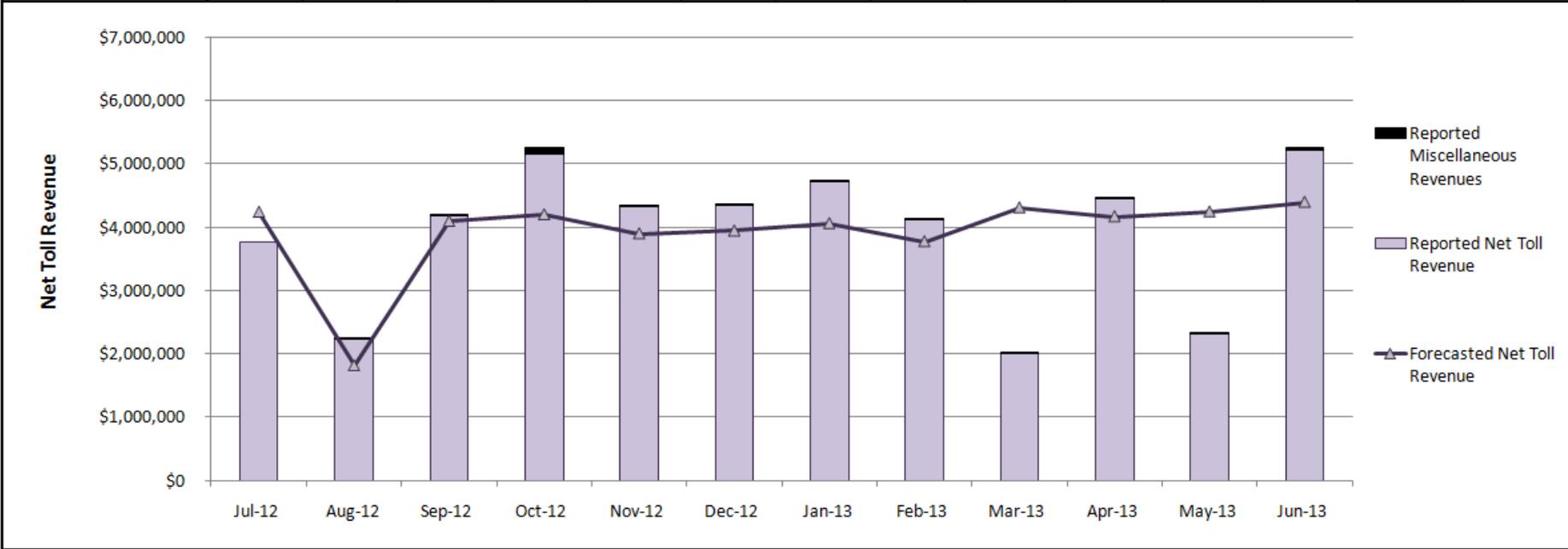
# FY 2013 Forecasted and Reported Gross Toll Revenue

GROSS TOLL REVENUE	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Fiscal Year To Date	Annual Total
Forecasted Closure Days	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	14.0	14.0
Reported Closure Days	2.0	2.0	2.0	1.2	2.0	-	-	1.0	-	2.0	-	2.0	14.2	14.2
Forecasted Potential	\$5,348,000	\$5,405,000	\$5,169,000	\$5,297,000	\$4,922,000	\$4,975,000	\$5,124,000	\$4,765,000	\$5,432,000	\$5,260,000	\$5,354,000	\$5,540,000	\$62,591,000	\$62,591,000
Reported Potential	\$4,976,772	\$5,398,814	\$4,836,775	\$5,459,692	\$4,853,751	\$4,797,087	\$5,138,969	\$4,686,538	\$5,364,149	\$5,075,045	\$5,574,437	\$5,139,682	\$61,301,711	\$61,301,711
Variance From Forecast	(\$371,228)	(\$6,186)	(\$332,225)	\$162,692	(\$68,249)	(\$177,913)	\$14,969	(\$78,462)	(\$67,851)	(\$184,955)	\$220,437	(\$400,318)	(\$1,289,289)	(\$1,289,289)
Variance - % Change	(6.9%)	(0.1%)	(6.4%)	3.1%	(1.4%)	(3.6%)	0.3%	(1.6%)	(1.2%)	(3.5%)	4.1%	(7.2%)	(2.1%)	(2.1%)
Forecasted Adjusted	\$4,925,000	\$4,978,000	\$4,761,000	\$4,879,000	\$4,533,000	\$4,582,000	\$4,719,000	\$4,389,000	\$5,003,000	\$4,844,000	\$4,931,000	\$5,102,000	\$57,646,000	\$57,646,000
Reported Adjusted	\$4,230,904	\$5,059,454	\$4,577,504	\$5,554,772	\$4,879,344	\$4,746,432	\$5,082,396	\$4,541,162	\$2,620,307	\$4,830,121	\$3,567,172	\$5,752,095	\$55,441,664	\$55,441,664
Variance From Forecast	(\$694,096)	\$81,454	(\$183,496)	\$675,772	\$346,344	\$164,432	\$363,396	\$152,162	(\$2,382,693)	(\$13,879)	(\$1,363,828)	\$650,095	(\$2,204,336)	(\$2,204,336)
Variance - % Change	(14.1%)	1.6%	(3.9%)	13.9%	7.6%	3.6%	7.7%	3.5%	(47.6%)	(0.3%)	(27.7%)	12.7%	(3.8%)	(3.8%)



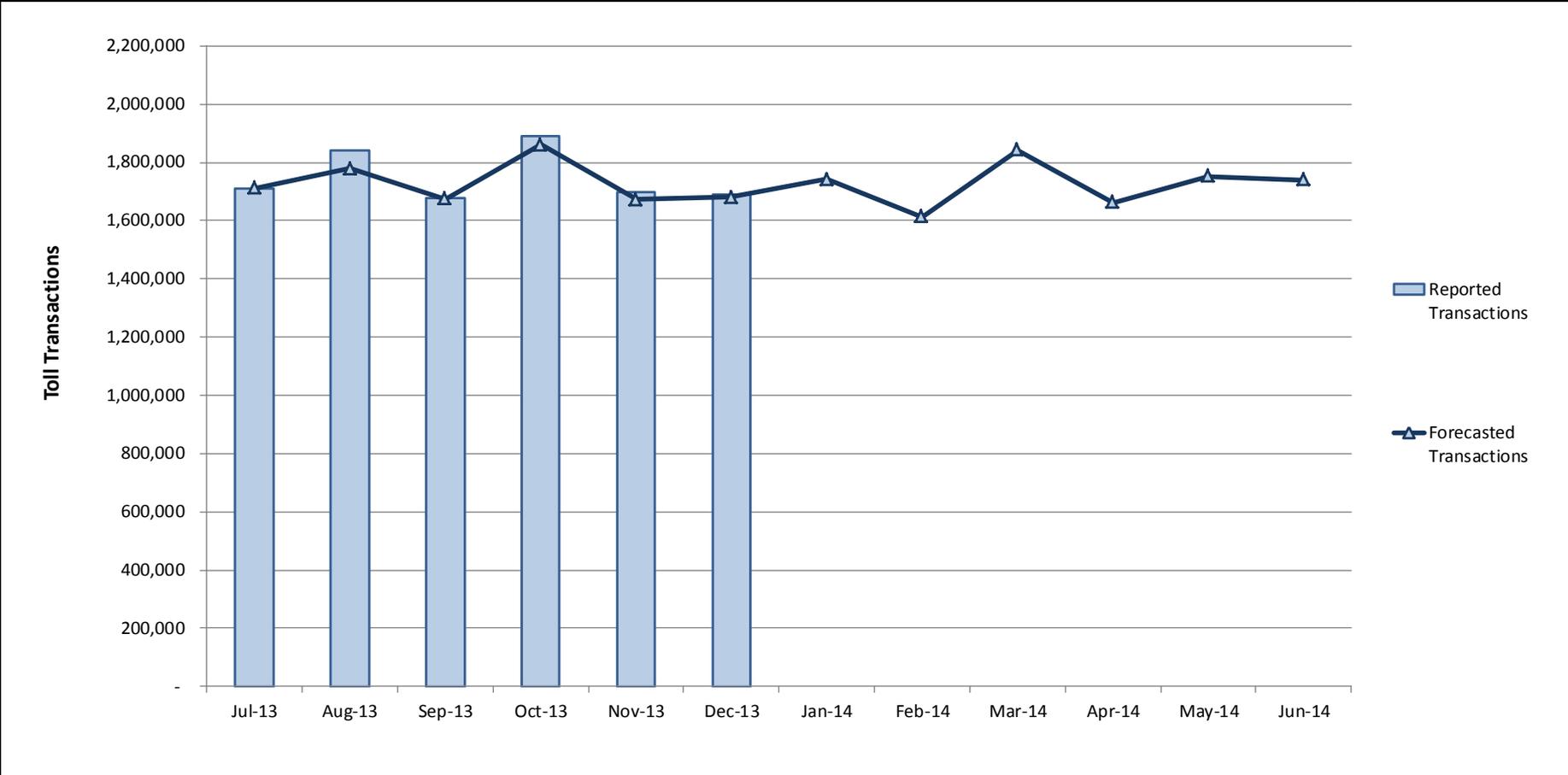
# FY 2013 Forecasted and Reported Net Toll Revenue

NET TOLL REVENUE	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Fiscal Year To Date	Annual Total
Forecasted Net Revenue	\$4,238,000	\$1,815,000	\$4,094,000	\$4,197,000	\$3,897,000	\$3,940,000	\$4,060,000	\$3,772,000	\$4,307,000	\$4,167,000	\$4,243,000	\$4,394,000	\$47,124,000	\$47,124,000
Reported Net Revenue	\$3,760,382	\$2,233,518	\$4,168,811	\$5,142,535	\$4,332,321	\$4,345,830	\$4,709,556	\$4,111,339	\$1,994,485	\$4,443,302	\$2,319,133	\$5,223,297	\$46,784,511	\$46,784,511
Variance From Forecast	(\$477,618)	\$418,518	\$74,811	\$945,535	\$435,321	\$405,830	\$649,556	\$339,339	(\$2,312,515)	\$276,302	(\$1,923,867)	\$829,297	(\$339,489)	(\$339,489)
Variance - % Change	(11.3%)	23.1%	1.8%	22.5%	11.2%	10.3%	16.0%	9.0%	(53.7%)	6.6%	(45.3%)	18.9%	(0.7%)	(0.7%)
Miscellaneous Revenues	(\$1,080)	\$15,046	\$6,226	\$121,159	\$7,306	\$9,017	\$3,063	\$10,785	\$15,008	\$15,407	\$11,270	\$23,250	\$236,458	\$236,458



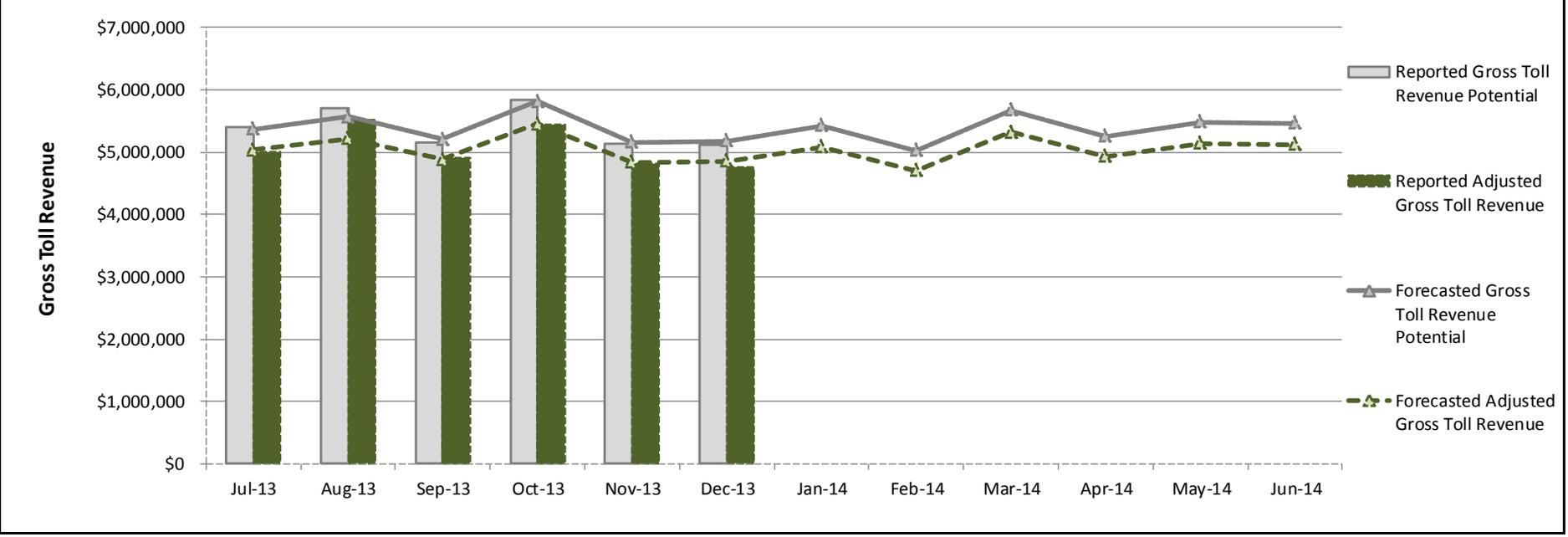
# FY 2014 Forecasted and Reported Toll Traffic

TOLL TRANSACTIONS	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Fiscal Year To Date	Annual Total
Forecasted Closure Days	2.0	2.0	2.0	0.7	0.7	0.7	0.3	0.3	0.3	3.0	3.0	3.0	8.0	18.0
Reported Closure Days	2.0	-	1.2	-	-	-							3.2	
Forecasted Transactions	1,711,000	1,778,000	1,675,000	1,861,000	1,672,000	1,680,000	1,742,000	1,613,000	1,842,000	1,661,000	1,752,000	1,740,000	10,377,000	20,727,000
Reported Transactions	1,708,484	1,841,483	1,675,903	1,891,692	1,699,102	1,689,620							10,506,284	
Variance From Forecast	(2,516)	63,483	903	30,692	27,102	9,620							129,284	
Variance - % Change	(0.1%)	3.6%	0.1%	1.6%	1.6%	0.6%							1.2%	



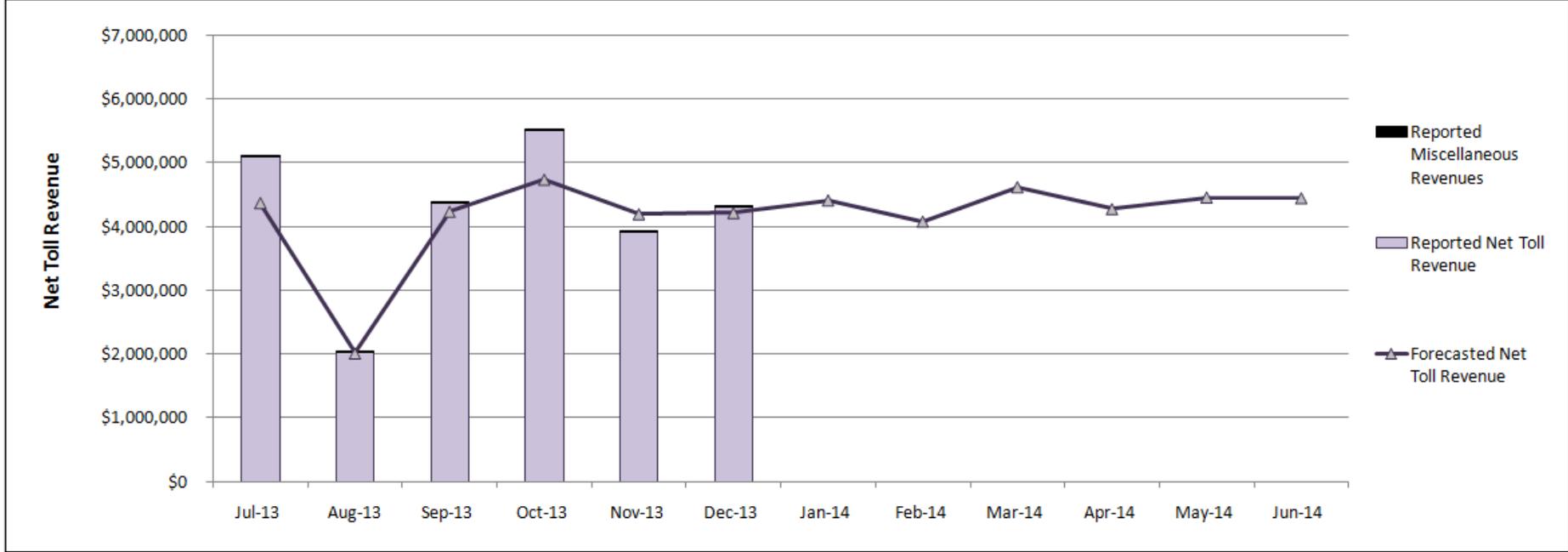
# FY 2014 Forecasted and Reported Gross Toll Revenue

GROSS TOLL REVENUE	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Fiscal Year To Date	Annual Total
Forecasted Closure Days	2.0	2.0	2.0	0.7	0.7	0.7	0.3	0.3	0.3	3.0	3.0	3.0	8.0	18.0
Reported Closure Days	2.0	-	1.2	-	-	-							3.2	
Forecasted Potential	\$5,375,000	\$5,568,000	\$5,209,000	\$5,820,000	\$5,163,000	\$5,185,000	\$5,427,000	\$5,024,000	\$5,676,000	\$5,260,000	\$5,482,000	\$5,467,000	\$32,320,000	\$64,656,000
Reported Potential	\$5,403,386	\$5,703,900	\$5,149,164	\$5,836,834	\$5,143,835	\$5,109,875							\$32,346,994	
Variance From Forecast	\$28,386	\$135,900	(\$59,836)	\$16,834	(\$19,165)	(\$75,125)							\$26,994	
Variance - % Change	0.5%	2.4%	(1.1%)	0.3%	(0.4%)	(1.4%)							0.1%	
Forecasted Adjusted	\$5,039,000	\$5,220,000	\$4,883,000	\$5,456,000	\$4,840,000	\$4,861,000	\$5,087,000	\$4,709,000	\$5,322,000	\$4,931,000	\$5,139,000	\$5,126,000	\$30,299,000	\$60,613,000
Reported Adjusted	\$4,996,403	\$5,513,532	\$4,911,760	\$5,440,469	\$4,807,019	\$4,752,848							\$30,422,032	
Variance From Forecast	(\$42,597)	\$293,532	\$28,760	(\$15,531)	(\$32,981)	(\$108,152)							\$123,032	
Variance - % Change	(0.8%)	5.6%	0.6%	(0.3%)	(0.7%)	(2.2%)							0.4%	



# FY 2014 Forecasted and Reported Net Toll Revenue

NET TOLL REVENUE	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Fiscal Year To Date	Annual Total
Forecasted Net Revenue	\$4,367,000	\$2,016,000	\$4,231,000	\$4,731,000	\$4,192,000	\$4,212,000	\$4,408,000	\$4,078,000	\$4,614,000	\$4,273,000	\$4,454,000	\$4,441,000	\$23,749,000	\$50,017,000
Reported Net Revenue	\$5,091,813	\$2,023,170	\$4,365,138	\$5,504,263	\$3,898,883	\$4,310,140							\$25,193,407	
Variance From Forecast	\$724,813	\$7,170	\$134,138	\$773,263	(\$293,118)	\$98,140							\$1,444,407	
Variance - % Change	16.6%	0.4%	3.2%	16.3%	(7.0%)	2.3%							6.1%	
Miscellaneous Revenues	\$54	\$6,458	\$11,645	\$1,910	\$474	\$4,862							\$25,404	



# SR 520 Rate Setting Milestones

		WAC Revision Process	
	Milestone	Planned 2.5% increase, update to the toll rate tables only	Deviate from the planned 2.5% increase
December	WSDOT proposed rates	✓	✓
	Financial plan/funding needs	✓	✓
	File CR 101	✓	✓
April	WSTC proposed rates	✓	✓
	Certification of proposed rates	✓	✓
	File CR 102		✓
	File CR 105	✓	
May	Public Input meetings		✓
June	Public Hearing		✓
	Adopt toll rates	✓	✓
	File CR 103	✓	✓

# The Financial Charge for Rate Setting

## Section 7.02 Master Bond Resolution.

“The State, acting by and through the Tolling Authority, covenants to set and adjust the Toll Rate Schedule and maintain Tolls on the SR 520 Corridor and on any Additional Eligible Toll Facilities at rates that will generate Toll Revenue sufficient to pay Operating and Maintenance Expenses; to pay, when due, the principal of and interest on all Outstanding Bonds; and to meet the State’s financial and other covenants under this Master Resolution and applicable law. “

# Financially, What Must Be Covered

- Operations & Maintenance (O&M)
- Timely deposit of required amounts into the reserves, including but not limited to debt service, O&M, and R&R reserves
- Minimum debt coverage covenants\*
- “Other payments to comply with all financial and other covenants made by the State in this Master Resolution, in any Bond Sale Resolution and in other proceedings related to the issuance of Bonds.”
- Other anticipated funding obligations of the System, giving due regard to the Projected Toll Rate Schedule provided to the Tolling Authority by WSDOT and the State Treasurer pursuant to Section 7.03(b) of this Master Resolution.

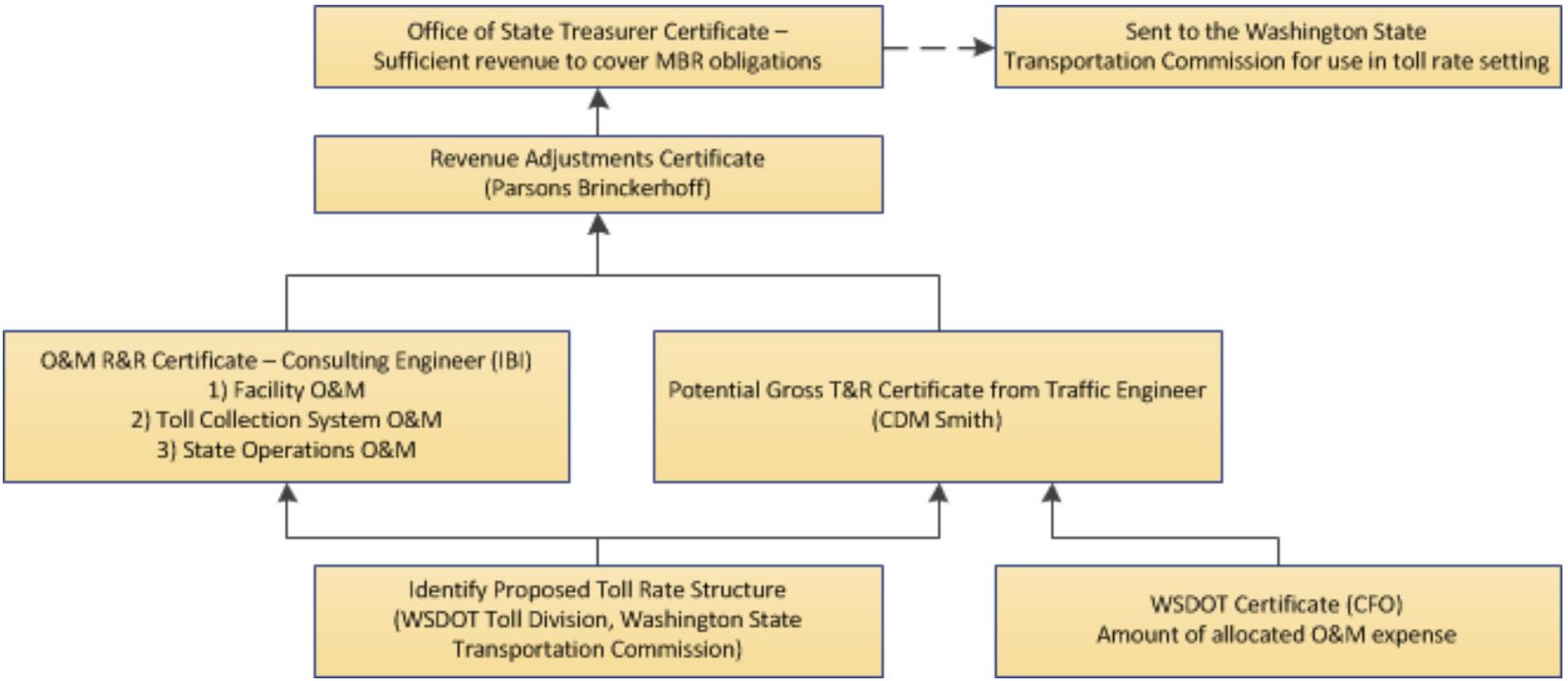
\* *Meet “Additional Bonds Test” requirements in order for scheduled bond sales to occur*

# Other Requirements

## Section 7.01 Master Bond Resolution

- The Tolling Authority shall include variable pricing in adopting Toll Rate Schedules.
- Tolls shall be set to maintain travel time, speed, and reliability and to generate sufficient Toll Revenue to meet all requirements previously outlines.
- Tolls may vary for type of vehicle, time of day, traffic conditions, or other factors designed to improve performance of the System.

# Certification Process



# SR 520 Certificate Process of 2.5 Percent Increase

Certificate	From	Certificate Status
Potential Gross Traffic & Revenue	CDM Smith	Draft submitted October 2013
Consulting Engineer	IBI	Draft submitted October 2013
Revenue Adjustments	Parsons Brinckerhoff	Draft submitted October 2013
Office of the State Treasurer	Office of the State Treasurer	Anticipated in April 2014

# For questions or further information...

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