

WASHINGTON STATE TRANSPORTATION COMMISSION

Regular Meeting Summary

January 21 & 22, 2014

Chairman O'Neal called the Transportation Commission to order at 9:00 a.m.

COMMISSION BUSINESS

Commissioner Haley moved adoption of the December meeting summary. Commissioner Cowan seconded the motion and it was adopted unanimously.

Commissioner Parker briefed the Commission on the first meeting of the WTP Advisory Group. Twenty members of the 23-member advisory group participated on January 9, 2014. Much of the discussion centered on the need for revenue, and for connecting transportation and economic development. Staff and commissioners noted in response that the WTP should focus on policy, not revenue, which is a means to an end. The update should, however, address financing. Staff suggested that the State Treasurer be consulted in developing recommendations on transportation finance policy.

The tribal representative on the WTP Advisory Group asked that tribes be added to the WTP Steering Committee. Some Advisory Group members suggested that a member be added to represent health issues.

Staff reported that a WTP 2035 logo is in development and will be shared with the Commission.

Commissioner O'Neal reported on concerns and developments in rail transport of oil. Staff reported that bills on oil transport have been introduced in the House and Senate. The House is holding a hearing on oil transportation today.

Follow-Up/Action: None.

JOINT TRANSPORTATION COMMITTEE (JTC) EFFICIENCIES STUDY

JTC Consultants Michael Hodgins, Berk Consulting and Kathy Scanlan, Scanlan Consulting briefed the Commission on the study they did on Efficiencies in the Construction and Operation of State Transportation Projects. The study had three primary objectives:

- Develop a broad understanding of the costs of transportation projects and what drives the costs.
- Determine whether transportation projects cost more in Washington than in other states.
- Identify potential reforms or efficiency measures.

Construction costs account for about 84% of the \$10.5 billion WSDOT spent on highway and bridge construction between 2003 and 2012. About 5% of project costs accounts for payment of sales tax.

Right-of-way comprises about 6% of project costs; planning, permitting and environmental review accounts for about 10% of project costs; mitigation costs vary widely ranging between 2% and 45% of individual projects and averaging 16% in the sample studied.

Findings:

- Large projects drive department costs. Sixteen projects, accounting for 1% of projects, make up 1/3 of the overall expenditures.
- Mitigation adds to project costs. Stormwater facilities account for 51% of mitigation cost and wetland restoration for 21%.
- Project management review indicates that WSDOT paid about \$484 million (8%) more than the original award amount over 10 years. The differential between the original contract award and final payment amount grows with larger projects.
- Compared to Oregon and Utah, WSDOT project delivery metrics do not differ significantly.
- Project-level cost comparisons across states are very difficult.

Key cost drivers:

- project size
- state-specific regulations
- labor costs
- cost of materials
- risk assignment. WSDOT’s extensive use of Design-Bid-Build contracting leaves a significant share of project risk with the owner (WSDOT).

The Study also looked at potential actions and the magnitude of potential cost savings. The consultants estimated the dollars involved and then assessed the likely influence of the potential action to reduce that dollar amount.

Area of Study	Potential Impact
• Adopt practical design to guide scoping and design decisions.	High
• Sales and Use tax. South Dakota is the only other state collecting.	
○ Reinstate public road construction exemption for state highways.	High
○ Direct receipts from state sales and use tax paid by contractors on state highway projects to transportation fund.	High
○ Exempt contractors on state highway projects from sales and use tax on materials consumed during construction.	Medium
• Prevailing Wage. State law is broader than Davis-Bacon, which applies to 82% of contracts awarded.	
○ Exempt WSDOT projects from state prevailing wage act.	Low
○ Exempt WSDOT federal-aid projects from state prevailing wage act.	Low
○ Change Washington State prevailing wage language to match federal prevailing wage language.	Low
○ Establish a threshold below which WSDOT projects not subject to prevailing wage.	Low
○ Modify how Labor & Industries sets the state rate.	Low
• Environmental Review and Permitting.	
○ Allow smaller projects that qualify for a NEPA categorical exclusion but not a SEPA categorical exemption to submit NEPA documentation only	Low
○ Expand SEPA exemptions to match NEPA categorical exclusions.	Low
• Authorize different project delivery methods.	Variable
• Improve data collection to better inform management and policy choices.	Variable
• Focus federal funding on fewer projects to limit impact of federal aid conditions.	Variable
• Develop plan, timeline and cost estimate for fish passage barrier removal.	Variable

[JTC Efficiencies Study](#)

Follow-Up/Action: None.

JTC TACOMA NARROWS BRIDGE REFINANCING STUDY

JTC Staff Director Mary Fleckenstein briefed the Commission on the TNB refinancing study. The study summarized the history of TNB financing and tolling, and examined seven scenarios for future toll rates. Toll rates to date are below projected rates developed in the 2002 TNB finance plan. Under the current forecast, tolls are likely to peak at \$6.00.

The study examined several scenarios:

- Deferred sales tax repayment: if the \$58 million of deferred sales tax were paid by someone other than tollpayers, it would reduce tolls by 35-45 cents
- A 5% cut in toll vendor and toll operations cost: would reduce tolls by a nickel
- Shift preservation costs of \$26 million elsewhere: would reduce tolls by 10-15 cents
- If tolls paid only debt service, could impact tolls by \$1.10 to \$1.45
 - if a loan, repaid over 10 years, the ongoing toll would be \$2.30 – \$3.70
 - if a loan, repaid over 5 years, the ongoing toll would be \$3.70 – \$5.75
- What would it take to keep maximum toll at \$6.00? Between \$161 - \$242 million, if traffic growth was zero to negative in worst case analysis.
- What would be required to level debt service? A total \$231 million.
- Double-digit tolls are not likely.

Take-aways from the JTC Study:

1. Blended tolls not likely to reach double-digits.
2. The legislature can take action to reduce the impact of tolls on TNB users.
3. A significant impact on tolls will be costly with implications for other projects and programs funded from the Motor Vehicle Account.
4. There will be pressure to provide similar relief for users of other tolled facilities.
5. That the Transportation Commission – and not the Legislature – sets toll rates is an important consideration for the bond market.

[JTC Tacoma Narrows Bridge Refinance Study](#)

Follow-Up/Action: None.

THE GRAY NOTEBOOK

Tristan Atkins, Director, WSDOT Aviation, reported that WSDOT used \$900,000 of state funds to leverage \$21.3 million in federal dollars to fund 56 airport projects in fiscal year 2014. Pavement conditions at many small airports are deteriorating. Between 2005 and 2012, the pavement condition index at primary airports has increased from 72 to 80. WSDOT is working with emergency responders to ensure access to small airports in case of a Cascadia subduction zone quake.

Megan White, Director of WSDOT Environmental Programs, reported that WSDOT is on track to meet the March 2014 stormwater mapping deadline. WSDOT built 169 stormwater facilities to protect water quality. In FY 2013, all 1,800 WSDOT stormwater facilities were inspected. Between July 2012 and June 2013, 86% of construction site stormwater samples met water clarity targets.

In the current biennium, WSDOT is spending \$36 million on fish passage. The expectation is that \$200 million is needed next biennium.

[Gray Notebook](#)

Follow-Up/Action: Schedule an update on fish passage following publication of the GNB.

INTEGRATED TRIP PLANNING

Marcy Jaffe, MJC Transportation Innovations, reported on integrated trip planning: what it is, how it could work, and the type of data that is needed for a trip plan using public transportation.

She showed examples of successful integrated trip planning in Washington and in other states for interregional trips. She also showed what happens when travelers experience gaps in the network. Information is available on Google Maps, Bing Map, and I Maps. The playing field is level.

The data that is needed is:

- stop locations
- schedules

On-line Training is available:

- National Rural Transit Assistance Program offers free tools
- View the Support Center – GTFS Builder
- Kitsap Transit mentored with Ms. Jaffe to manage in-house 48 routes & over 1000 bus stops
- Agencies can use simple Excel data tools. <http://mjcaction.com/clients.html>

Massachusetts, Idaho and Oregon have each invested in trip planning. Portland is live with an open source, integrated trip planner. Sound Transit is leading the effort in the Puget Sound area, and includes real-time data.

The key is keeping data current. Washington State Ferries data expired with the new ferry schedule.

MJC suggests that Department staff develop a policy for any partner that receives public funds to provide their data in a standardized way. Other benefits:

- Meeting Federal mandates for Title VI (equity) & Low English Proficiency – easy to map routes with this standardized data
- Output of trip planning in variety of languages
- Need to ensure that all data is provided for Trip Planner to be trustworthy and reliable.

Brian Lagerberg, WSDOT Director of Public Transportation, asked:

- Who is responsible to ensure the data is correct and up-to-date?
- Who facilitates the format?

Commissioners suggested the WTP could include a policy recommendation for integrated trip planning.

[Integrated Trip Planning](#)

Follow-Up/Action: Revisit during WTP 2035 process.

SECRETARY'S REPORT

Cam Gilmour, Deputy Secretary, WSDOT briefed the Commission on SR 520 cost overruns. The Legislature has appropriated \$2.724 billion for the SR 520 design-build project; this includes a \$250 million risk reserve.

The assessment as of January 18:

- A total of \$208 million is due to the design error.
- \$170 million overage is within the 5% overage of national experience.
- There remains about \$138 million of unused bond capacity. About 10% of that is not available, leaving \$124 million to allocate to SR 520 construction. WSDOT will look at finding savings elsewhere in the SR 520 and other projects, and/or from lower bids on upcoming projects.
- Toll rates will not be impacted.

Mr. Gilmour also briefed the Commission on WSDOT's Strategic Plan. Still in draft stage, it should be finalized within 4 – 8 weeks. One of the goals is to help every employee see their role within the organization. WSDOT is committed to practical design, or finding "the correct answer," to a transportation need. WSDOT is rewriting design manuals; WSDOT is conducting a seminar on context-sensitive solutions.

Commissioner Royer observed that the AWW Project Review Committee provided the most-focused leadership on the tunnel replacement project. He noted that the Expert Review Panel recommended a reconstituted state-city project review committee, but nothing has happened. He asked that WSDOT talk to the Governor about reactivating the AWW Project Review Committee.

Follow-Up/Action: Continue to monitor SR 520 cost overruns.

EXPRESS TOLL LANES POLICY

Dan Mathis, Regional Administrator, Federal Highway Administration and James Colyar, Transportation Mobility Specialist, FHWA briefed the Commission on the Federal Highway Administration requirements for HOV Lanes.

Tolling may be done under four different authorizations. Two are mainstream:

- Section 129 (general tolling program); or
- Section 166 (HOV to HOT conversions).

Two are not:

- Value Pricing Pilot Program (VPPP)
- Interstate System Reconstruction and Rehabilitation Pilot Program (ISRRPP)

Mr. Mathis indicated the carpool discount option that the Commission has discussed is probably not allowed under mainstreamed programs. To pursue that approach, he recommends investigating the VPPP option, which would require a tolling agreement. NEPA re-evaluation is needed if the Commission pursues an option other than a 3+ carpool.

Commissioners and staff asked if any HOV facilities have converted to all pay. Not that the Regional FHWA staff are aware of. It may be possible to provide a uniform carpool discount, undifferentiated between 2+ and 3+ carpools. It may be possible to adopt a 4+ carpool policy. It may be possible to adopt a 3+2 only policy, allowing only small cars to travel free. FHWA will investigate and report back.

Lisa Klein, Principal, BAIFA Express Lanes Network, Metropolitan Transportation Commission talked about the toll strategies used on the Bay Area Transportation Authority bridges. Since July 2010, carpools (and other HOV-eligible vehicles) pay half the regular toll rate. Most Bay Area bridges have a 3+ carpool policy. The HOV lanes are available only 5:00 am – 10:00 am and 3:00 pm – 7:00 pm. BATA has had a long-standing policy allowing two-seater vehicles to qualify for carpool status.

BAIFA plans for Tier One Express Lanes:

- Convert existing carpool lanes
- First segment open in 2016
- Dynamic pricing
- Carpools and buses free

On BATA HOV lanes, buses, carpools, motorcycles, and clean air vehicles travel free.

[FHWA and HOV Lanes](#)

[Bay Area Toll Policy Experience](#)

Follow-Up/Action: Seeks further clarification from FHWA on carpool and motorcycle policy.

WSDOT PEDESTRIAN AND BICYCLE SAFETY AND SAFE ROUTES TO SCHOOLS PROGRAM

Kathleen Davis, Director, Highways and Local Programs, WSDOT and Paula Reeves, Transportation Planning Supervisor, Highways and Local Programs, WSDOT briefed the Commission on Community Design and trends. The function of the Community Design program is to better balance the regional need for moving automobile traffic with the community need for a vibrant, connected and safe pedestrian environment.

Community Design relies heavily on partnership opportunities to make its programs work:

- WSDOT paving projects
- WSDOT corridor planning
- Public-Private Partnerships (Microsoft and SR 520 Trail)
- Tribal Nations (SR 203 in Carnation)
- Transit Agencies (Chief Sealth Trail)
- Utility – Stormwater Projects
- Rails to Trails

Other relevant programs and actions are:

- Bicycle & Pedestrian and Safe Routes to Schools Programs
- Complete Streets Act
- Main Street Highways Initiative
- WSDOT endorsement of NACTO Urban Streets Design Guide
- Context Sensitive Solutions

In 2012, Washington experienced 560 fatal and serious injury pedestrian or bicyclist collisions, accounting for 20% of all fatal and serious injury traffic collisions that year. This trend has increased since 2010.

Automobile dependency is costly, discourages physical activity, and adversely affects air quality. The National Household Travel Survey indicates that in Washington, 13% of all trips and 10% of all miles traveled were on foot or by bicycle. There has been a 10% increase in biking and walking statewide over the past 5 years.

Walkability = Community Economic Development.

- Rents in walkable shopping areas can be 27 to 54 percent higher than mainly automobile dependent or drive-to shopping
- Each point increase in your community WalkScore correlated to a \$500 to \$3000 increase in rent and home values.
- Over 80 percent of residents regularly walk to run errands when retail and services are one-fifth of a mile or less from most homes.
- BUT - when that average distance between homes, retail and services increases to half of a mile, the share of even periodic foot travelers drops significantly – 30% or less.

[Local Programs Status Report](#)

Follow-Up/Action: None.

FEET FIRST

Lisa Quinn, Executive Director, Feet First talked about its purpose to promote walkable communities. Feet First works closely with WSDOT's Community Design group. The Traffic Safety Commission's Target Zero has moved up its focus on pedestrian safety.

Feet First does walking audits of neighborhoods.

- Are there sidewalks?
- Are there crosswalks?
- Does the signal provide adequate time to cross?
- Do cars actually stop?

Feet First helps improve walking routes to schools, provides safety training and is sponsoring Walkable Washington Awards.

Washington is one of the only states that requires a person in the road to yield to a car. Feet First is pursuing a statutory change to require cars to yield to pedestrians if there is no sidewalk available. This also recognizes that there is not the ability or funding to build sidewalks everywhere.

[Feet First](#)

Follow-Up/Action: None.

TNB RATE SETTING

Craig Stone and Rob Fellows briefed the Commission on FY 2013 actual traffic, revenue and costs. In March 2013, WSDOT made changes to revenue recognition, adjusting revenue downward by \$1 million. This reflects Generally Accepted Accounting Principles that limits toll revenue recognition to amounts estimated to be collected within 12 months and prior to issuance of a Notice of Civil Penalty. WSDOT also was able to refine the estimate for doubtful accounts, reducing that estimate of toll revenue by \$106,000, cumulative from the beginning of toll bills through March 2013.

In FY 2013, 71% of payments were made using *GoodToGo!* and 24% paid at the toll booth. In FY 2013, traffic was slightly below forecast and, toll revenue was approximately 4% below forecast. After a notice of civil penalty is issued, toll revenue is adjusted and accounted for as civil penalty revenue rather than as toll revenue.

A Supplemental Budget Request seeks:

- Restoration of a 5.5% legislative cut to address Tacoma Narrows Bridge lane vendor contractual obligations
- Customer Service Center vendor market adjustment for FY 2015
- Acceleration of customer service center re-procurement:
 - Develop Requests for Proposals, Solicitation and Negotiation
 - Vendors Transition Costs
 - Transition Support
 - Customer Service Center Hosted Software Support
 - Customer Service Center System Improvements
- Conditional costs are reflected in customer service costs, personal service contracts

For FY 2015, the planned \$0.25 toll increase to take effect July 1, 2014 appears to be adequate to meet revenue needs and maintain a sufficient minimum balance.

Alan Weaver, Chairman of the TNB Citizens Advisory Committee, told the Commission that the CAC has met once and is scheduled to meet again next week. Several members are interested in removing the toll booths and want to discuss that.

Mr. Stone advised the Commission of the rate-setting schedule milestones if the Commission decides to take different action than planned last year.

[TNB Rate Setting](#)

Follow-Up/Action: Act on TNB toll rates following WSDOT and CAC recommendations.

I-405 EXPRESS TOLL LANES: TOLL RATES AND EXEMPTIONS

The Commission will determine the structure for dynamic tolls on I-405 Express Toll Lanes, including:

- Maximum toll rate
- Minimum toll rate
- Pay By Mail differential
- Exemptions (Note – by statute, transit and vanpools must be exempt on I-405). Possible exemptions may include:
 - Emergency vehicles / incident response / maintenance vehicles

- Private buses
- Motorcycles
- Carpools (defined as 2+ or 3+ occupancy)

WSDOT would like the Commission to hold public input meetings and file the CR 102 in April, and adopt Express Toll rates in May.

How dynamic tolling works:

- A computer algorithm adjusts toll rates based on traffic conditions to maximize traffic flow and performance:
 - Roadway sensors detect speed changes in express and general purpose lanes
 - Changes in volume and speed trigger step increases or decreases
 - Rates are sent to and displayed on overhead roadway signs
 - Drivers pay the rate displayed at the time they enter the express toll lanes
- There is a tradeoff between performance and availability:
 - Can raise rates or switch to HOV-only when speeds drop below 45 MPH
 - HOV-only means lanes are unavailable to paid users when needed most
- Similarities to SR 167 HOT Lane System:
 - Different rates will appear as traffic conditions change
 - Adjustments can be made to the algorithm based on operating experience (how often rates are calculated, how quickly they step up and down, etc.)
- Differences from SR 167 HOT Lane System:
 - Algorithm owned and maintained by State
 - Integrated with traffic management systems
 - Allows customization to accommodate multiple segments and facilities

Maximum toll rate:

- If the algorithm proposes a rate higher than the maximum, the toll system would either:
 - Remain at the maximum rate allowing performance to degrade, or
 - Switch to HOV-only making the lane unavailable to paying customers
- The choice of a maximum toll rate is not strictly technical, but based on perception of public acceptability
 - Equity concerns may result from very high toll rates
 - Setting a high maximum can also be construed that high rates are likely
 - Setting a low maximum can result in poor performance or availability
- Local precedent: SR 167 HOT Lane maximum rate is \$9.00
 - Rationale: approximately \$1.00 per mile, and less than \$10.00 threshold
 - \$9.00 rate has very rarely been hit, during initial operation only
 - Average peak hour, peak direction rate is \$2.50 southbound PM and \$3.50 northbound AM

Minimum toll rate

- Minimum toll should cover toll collection cost
- Minimum toll should raise sufficient revenue
 - A majority of toll transactions will be at the minimum rate
 - Significant contribution to revenue for the initial I-405 segment
- A low minimum toll will improve express toll lane use and lessen concerns about equity
 - Local precedent: SR 167 minimum is \$0.50
 - Modeling assumed \$0.80 as minimum toll in opening year

- Modeling assumed tolls in effect between 5AM and 8PM; WSDOT is considering whether 24 hour operation makes sense
- Options could include:
 - \$.50 (consistent with SR 167)
 - .80 (consistent with modeling)
 - \$1.00 (may raise more revenue)
 - Others?
- Considerations:
 - Modeling shows \$.80 needed to achieve revenue targets in FY 2017
 - .80 or above covers average cost per transaction in FY 2017
 - SR 167 minimum rate has not been adjusted since opening

Pay By Mail differential

- Local Precedent:
 - SR 520 Pay By Mail differential is projected at \$1.70 in FY 2017. The financial plan does not rely on additional increases after that time.
 - Tacoma Narrows Bridge Pay By Mail differential is \$2.00 higher than Good To Go!
 - Intent to cover incremental costs and losses of payment method
 - Higher cost due to mailing and address look-ups
 - Not all post-paid tolls will be collected
- Modeling assumed a \$1.70 Pay By Mail toll differential in FY 2017
 - Increment would be added to dynamic toll cost
 - Signs would tell customers an additional charge applies
- Other options to consider in future rate setting cycle
 - Make consistent: standardize the differential for all facilities
- Options could include:
 - \$1.00 (covers cost increment only)
 - \$1.25 (covers incremental cost and losses)
 - \$1.70 (consistent with modeling and SR 520 in FY 2017 and beyond)
 - \$2.00 (consistent with Tacoma Narrows Bridge)
 - Others?
- Considerations:
 - Higher options will cover incremental costs for longer period
 - Higher options create greater incentive for users to get a pass

[I-405 Express Toll Lanes Rate Setting](#)

Follow-Up/Action: Continue to develop Express Toll lane policies. Seek legislative or legal clarification of authority to proceed with toll rate setting.

TOLL DIVISION OPERATIONAL REVIEW

The 2012 State Legislature passed a budget proviso requiring the Washington State Department of Transportation to conduct a review of the Department's toll operations and maintenance program in order to:

- Identify and eliminate inefficiencies and redundancies;
- Incorporate lessons learned; and
- Analyze opportunities to conduct operations more effectively

The Legislature further directed the Department to use the results of the state performance audit and the Cost of Service Study as the basis for the review.

Lean Organizational Review was led by a Lean Process Team made up of representatives from each functional group within the Toll Division, as well as members-at-large providing management and oversight. Functional area leads (Lean Leads) were identified who are responsible to facilitate the Lean work in their specific areas, coordinating with subject matter experts (SMEs) and end-users for the Lean reviews. The Lean Leadership Team includes the Lean Sponsor (Assistant Secretary, Toll Division) and the management and oversight members from the Lean Process Team.

The Toll Division Operational Review was expansive, extended beyond toll operations, and encompassed all aspects of the Toll Division. Several organizational and operational efficiencies have been identified. Findings have been categorized under five themes.

- Tolling has become a larger share of the transportation funding solution nationally, and within Washington State;
- WSDOT's tolling program is growing and maturing;
- Customers are generally satisfied with the services being provided;
- Costs are reasonable and consistent with peer agencies; and
- There are opportunities for improvements.

Finding: WSDOT's Tolling Structure is Appropriate

- The Toll Division is a highly focused team that leverages the private sector to provide support to implement and operate its integrated toll program.
- The structure has been validated by the Joint Transportation Committee's Expert Review Panel and the General Tolling Consultant.

Finding: Organizational Realignment and Staff Reductions

The organization of the Toll Division was evaluated and restructured to better meet the current and future needs of the organization. Based on this review, the Development and Operations departments were combined under a single Director. Each position was evaluated to validate the function served and to determine the long-term need. Four WSDOT positions and three and one-quarter consultant positions have been identified for elimination.

Finding: Clarification of Roles and Responsibilities

- Roles and responsibilities of toll division activities were reviewed to determine the appropriate responsibilities of toll activities and functions.
- This work will continue through the end of 2014, when an executive order defining roles and responsibilities will be issued by the Secretary of Transportation.

Finding: Co-location with the Customer Service Center Vendor

The benefits of co-locating Toll Division staff with the customer service center vendor were evaluated and the Toll Division will pursue co-location opportunities.

Finding: Customer Expectations

According to a recent survey, most customers are satisfied. Having an issue or dispute resolved the first time someone calls is the largest service gap between importance to the customer and customer satisfaction.

Finding: Cost of Service evaluation on Cost to Collect

An evaluation of peer agencies demonstrates that WSDOT's cost per transaction is reasonable.

The review of Toll Division collection costs by payment method and facility was performed to evaluate cost drivers. The results of the cost of service analysis highlight areas requiring further examination:

- Cash Collection on Tacoma Narrows Bridge
- Pay By Mail
- Short Term Account contacts
- Customer Contacts
- Inactive Accounts

Finding: Operational Efficiencies

- Escalated Customer Inquiry Procedures Improvement – possible 40% reduction in escalated customer inquiries forwarded to WSDOT for remediation (equal to potentially \$15,000 annually) by implementing a customer outreach program and empowering CSC frontline staff to research and dismiss certain fees which were erroneously assessed or could be dismissed as a part of a customer education program
- \$0.25 Pay by Plate Fee Reversal Process Improvement – possible 40% reduction in reversal processing time (equal to potentially \$27,000 annually) by implementing a customer outreach program, empowering CSC frontline staff to handle reversals without transferring to another team, and streamlining the back-up documentation requirements.
- Image Review of Photo Enforced Transactions Improvement – implementation of recommended improvements will lead to a 10 to 20 percent reduction in errors and an increase in revenues.

Finding: Re-evaluation of Toll Program Funding Needs

A thorough review of the impacts of the 5 percent budget cuts made to the FY 2013-15 biennium toll program budget has determined that the vendor cuts are not sustainable and WSDOT will need to address either due to contractual obligations or to facility changes:

- Expected contract commitments with lane vendors, Telvent and TransCore;
- Risk mitigation strategies for CSC operations;
- Cashless study on Tacoma Narrows Bridge; and
- Ramp up activities in advance of starting the I-405 Express Toll Lanes.

Future Lean initiatives may include: review of customer portals, review of payment processing, and review of infrequent user payment methods.

[Toll Division Operational Review](#)

Follow-Up/Action: None.

PUBLIC COMMENT

Bremerton Mayor Patty Lent spoke to the Commission about the need to coordinate development of Colman Dock and other WSF ferry facilities to enable landings and departures of passenger only ferries. She would like to see the King County Ferry District operate the fast ferry.

Follow-Up/Action: None.

OFM REPORT ON FERRY PERFORMANCE MEASURES

Jean Baker, Deputy Chief, Administration and Finance, WSF/WSDOT briefed the Commission on highlights of the latest WSF Annual Performance Report.

–A Final Environmental Impact Statement (FEIS) was published in June of 2013 for the Mukilteo Multimodal Terminal Project. The FEIS received national recognition.

–Progress continued on the construction of two new Olympic Class vessels. Delivery is scheduled for March 2014 for the Tokitae, and in November 2014 for the Samish.

–Upgraded vehicle reservations on the Port Townsend – Coupeville route have reduced backups, while increasing predictability of travel times.

–WSF submitted a waterways suitability (safety and security) assessment to the U.S. Coast Guard to convert six Issaquah Class vessels to Liquid Natural Gas propulsion.

WSF met all goals except:

- Number of passenger injuries exceeded the 3-year moving average.
- Did not meet on-time goal for FY 2013 due to long lead time issues for Lopez Island wingwall and the Southworth exit lane luminaires.
- Terminal project PE costs were below goals; however, additional engineering led to reduced project costs for multiple projects.
- Vehicle Reservation System initial customer demand greater than planned with longer wait times for assistance during survey period.

Outcomes:

- WSF will review specifics of passenger injuries, determine causal factors and address.
- Pay more attention to impacts of long lead time components for terminal projects.
- Continue to balance preliminary engineering with benefits of lower costs. We need to recognize the trade-off.
- Requesting telephone system improvements request in supplemental budget – people will be able to pre-select route, date, vehicle so calls will go faster when they are answered by the agent.
- Requesting in supplemental budget one additional FTE at the call center
- New web feature: terminal conditions page for travel planning

[OFM Report on Ferry Performance Measures](#)

Follow-Up/Action: None.

2014 FERRY RIDERS OPINION GROUP (FROG) SURVEY

Consultant Bill Young, Research Assurance, briefed the Commission on the plans for the 2014 Ferry Riders' Opinion Group. The current panel size of 14,971 has 6,102 active FROG Members (have done 1 or more surveys). A potential 8,869 additional members may be recruited from the WSF origins and destinations study.

On-board Recruiting in Winter 2014 expects to grow the panel by another 3,000 to 6,000. The recruiting plan is to send potential panel members an email link to a Quick Poll Survey. The Quick Poll Questions are designed to encourage participation, such as:

- Overall Satisfaction with WSF Services
- Allowing More Advertising On Dock / On Boat to Generate New Revenue
- Congestion Pricing of Fares

- Privatization of WSF – Who Would Provide Better Service/Fares?
- Trade-offs – Increased Fares or Decreased Services to Balance Budget

2014 FROG Surveys will include:

- Online FROG winter (commuter) survey will collect WSF performance measures & attitudes based on 2 RCW Requirements:
 - RCW 47.64.355 – Track Over Time System Performance Measures
 - RCW 47.60.286 – Inform Operational, Pricing, and Planning Decisions
- Freight WSF users study to collect attitudes of WSF Freight users.
- General Puget Sound basin and statewide WSF attitude study to collect general attitudes towards WSF by local and statewide residents (using VOWS panel).
- Online FROG summer (recreational) survey to collect WSF recreational usage and performance attitudes.

[FROG Survey](#)

Follow-Up/Action: None.

TRANSPORTATION COMMISSION

DAN O'NEAL, Chairman

TOM COWAN, Vice-Chairman

ANNE HALEY, Member

PHILIP PARKER, Member

ABSENT

JERRY LITT, Member

CHARLES ROYER, Member

JOE TORTORELLI, Member

ATTEST:

REEMA GRIFFITH, Executive Director

DATE OF APPROVAL