

Tacoma Narrows Bridge Rate Setting

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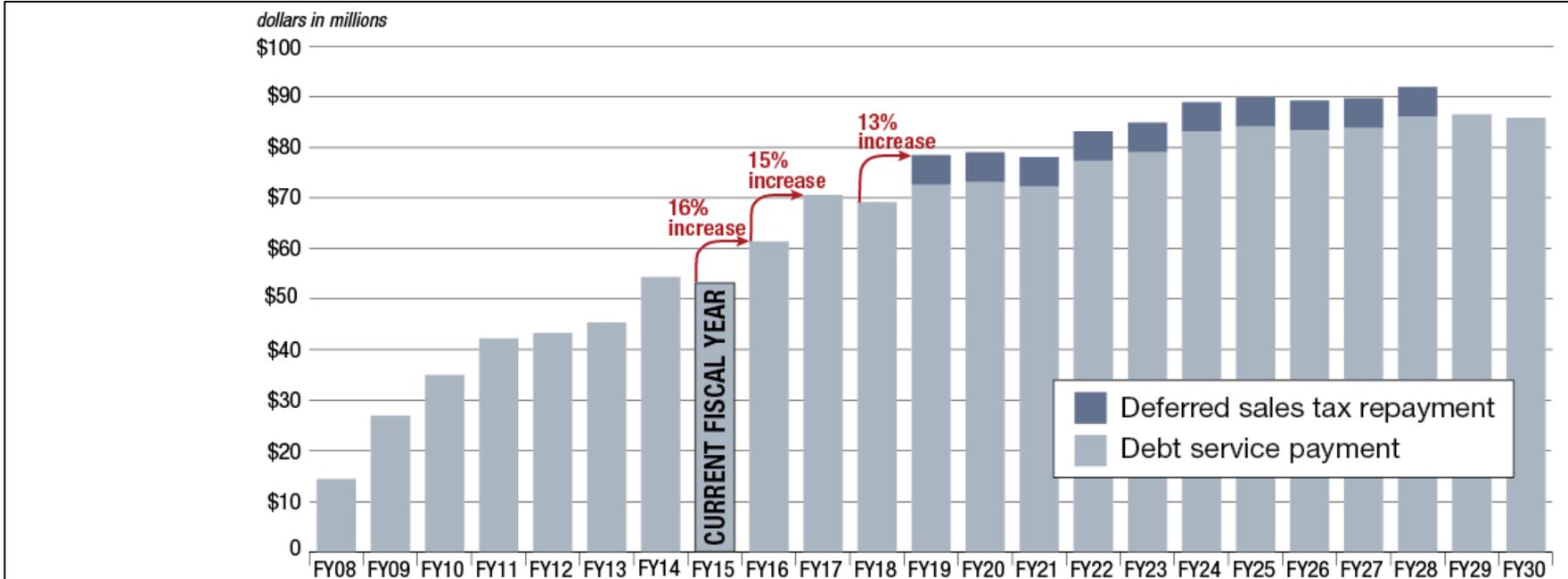
Washington State Transportation Commission
February 19, 2015

Presentation Outline

- **Rate Setting Overview**
 - Debt Service
 - Sufficient Minimum Balance
 - Financial Plan
 - What Rates are Required?
 - Rate Setting Milestones
- **Traffic and Revenue**
 - FY 2015 Q1-Q2
 - Stantec Forecast Model Methodology
 - Forecasted Annual Eastbound Traffic
- **Sufficient Minimum Balance Test**
 - Initial Scenario Results



Current Debt Service Schedule



| 2002 plan toll rate | | \$3.00 | \$4.00 | \$5.00 | | \$6.00 | |
|---------------------|-------------|--------|--------|--------|--------|--------|--------|
| Annual Toll Rate | Good To Go! | \$1.75 | \$2.75 | \$2.75 | \$4.00 | \$4.25 | \$4.50 |
| | Cash | \$3.00 | \$4.00 | \$4.00 | \$5.00 | \$5.25 | \$5.50 |
| | Pay By Mail | N/A | N/A | \$5.50 | \$6.00 | \$6.25 | \$6.50 |

Does not include capitalized interest paid in FY06 and FY07

Source: WSDOT Budget and Financial Division

- Debt service payment schedule was set when project was originally financed in 2002
- Payments and toll rates were assumed to increase over time in the 2002 plan
- Repayment for deferred sales taxes to begin in FY 2019 for ten years

Sufficient Minimum Balance

- **Washington State Transportation Commission requires that the Tacoma Narrows Bridge fund balance be kept at a sufficient level to ensure bonds can be paid in the event of unexpected circumstances**
 - Bridge insurance covers loss of bridge, business interruption, and acts of terrorism. The policy limit is \$500 million with a deductible for property and terrorism of \$10 million and \$5 million, respectively.
 - Fund balance remains in the Tacoma Narrows Bridge account
- **Balance within a given month should not be forecasted to fall below an amount equal to 12.5 percent of annual expenses**
 - Monthly balance is averaged over three months retrospectively
 - Intended to cover 45 days of interruption of toll collection
- **Civil penalty revenues and the cost of adjudication program are excluded from the sufficient balance test**
 - Revenue includes amounts due but not yet received
 - Net revenue from civil penalties is pledged to repay \$5.288 million loan from the motor vehicle fund

Tacoma Narrows Bridge Financial Plan

Tacoma Narrows Toll Bridge Account (511) **DRAFT**

Printed on: 2/11/2015

Financial Plan - Updated on February 4, 2015 - DRAFT

Forecasted revenue is based on adopted November 2014 TRFC Forecast. Forecasted expenses for FY 2016-17 are based on the Governor's proposed budget.

Historical Revenues and expenses from 2006 - 2014 are based on TNB Income Statements

| (Amounts in thousands of nominal dollars except toll rates) | | Actuals | | Rate Setting Biennium | | Forecast | |
|--|---|-----------------|-----------------|-----------------------|-----------------|-----------------|-----------------|
| | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Fiscal Year | | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| 1 | Toll Rate (Good To Go! Pre-Pay) | \$4.25 | \$4.50 | \$4.50 | \$4.50 | \$4.50 | \$ 4.50 |
| 2 | Toll Rate (Cash) | \$5.25 | \$5.50 | \$5.50 | \$5.50 | \$5.50 | \$ 5.50 |
| 3 | Toll Rate (Pay-By-Mail) | \$6.25 | \$6.50 | \$6.50 | \$6.50 | \$6.50 | \$ 6.50 |
| 4 | Beginning Fund Balance (Financial Statements) | 11,578 | 9,081 | 12,351 | 10,890 | 2,015 | (3,685) |
| Sources of Toll Revenue Funds 1 | | | | | | | |
| 5 | Interest Earnings from Tacoma Narrows Account (511) 2 | 15 | 21 | 21 | 21 | 21 | 21 |
| 6 | Interest Earnings from Toll Collection Account (495) 2 | 7 | 8 | 8 | 8 | 8 | 8 |
| 7 | Toll Revenue - Good To Go! Pre-Pay & Cash | 60,159 | 66,162 | 67,566 | 68,727 | 69,881 | 70,931 |
| 8 | Toll Revenue - Pay By Mail | 2,980 | 2,726 | 2,839 | 3,009 | 3,091 | 3,138 |
| 9 | Transponder Sales Revenue | 306 | 248 | 191 | 210 | 181 | 189 |
| 10 | Violations | 9 | - | - | - | - | - |
| 11 | Fees 3 | 337 | 302 | 315 | 334 | 343 | 348 |
| 12 | Contractual Damages 4 | 306 | - | - | - | - | - |
| 13 | Miscellaneous Revenue 5 | 43 | - | - | - | - | - |
| 14 | Total Sources of State Funds | 64,163 | 69,467 | 70,940 | 72,309 | 73,525 | 74,635 |
| Uses of Toll Revenue Funds 6 | | | | | | | |
| 16 | Toll CSC Vendor Contract | (2,122) | (2,389) | (2,506) | (2,552) | (2,529) | (2,970) |
| 17 | Toll Booth and Lane Vendor Contract | (3,270) | (3,469) | (3,146) | (3,146) | (3,146) | (3,146) |
| 18 | Insurance 7 | (1,594) | (1,655) | (1,700) | (1,700) | (1,700) | (1,700) |
| 19 | Credit Card and Bank Fees | (1,121) | (1,157) | (1,291) | (1,342) | (1,371) | (1,403) |
| 20 | Transponder Cost of Goods Sold | (215) | (161) | (279) | (328) | (178) | (182) |
| 21 | Other Toll Operations Costs | (260) | (313) | (296) | (348) | (239) | (232) |
| 22 | Personal Service Contracts 8 | (615) | (1,142) | (927) | (678) | (334) | (330) |
| 23 | Salaries and Benefits | (523) | (675) | (1,220) | (1,198) | (794) | (771) |
| 24 | Infrastructure Maintenance | (254) | (373) | (685) | (550) | (617) | (594) |
| 25 | Subtotal: Operations and Maintenance Uses of Funds | (9,975) | (11,333) | (12,050) | (11,843) | (10,909) | (11,328) |
| 26 | Subtotal: Operating Sources less Operating Uses | 54,188 | 58,134 | 58,890 | 60,467 | 62,617 | 63,307 |
| 27 | Debt Service Payment 9 | (54,344) | (53,106) | (61,385) | (70,549) | (69,115) | (72,590) |
| 28 | Debt Service Withholding 9 | (579) | (1,542) | (891) | 492 | (714) | (212) |
| 29 | Subtotal: Uses of Funds incl. Debt Service | (64,897) | (65,981) | (74,326) | (81,899) | (80,737) | (84,130) |
| 30 | Deferred Sales Tax Repayment 10 | - | - | - | - | - | (5,791) |
| 31 | Preservation and Repair & Replacement (early years covered by ca | - | - | - | - | - | (201) |
| 32 | Total Uses of Toll Funds | (64,897) | (65,981) | (74,326) | (81,899) | (80,737) | (90,122) |
| 33 | Current Year Sources less Uses Balance | (735) | 3,486 | (3,386) | (9,590) | (7,212) | (15,486) |
| 34 | Cumulative Sources Less Uses Balance | 3,484 | 6,970 | 3,584 | (6,006) | (13,218) | (28,704) |
| 35 | Beginning Capital Balance | 3,922 | 3,922 | 2,853 | 2,336 | 1,660 | 858 |
| 36 | Total Sources of Capital Funds | - | - | - | - | - | - |
| 37 | Preservation and Repair and Replacement (covered by Capital Bala | - | (1,069) | (517) | (676) | (801) | (858) |
| 38 | Ending Capital Balance | 3,922 | 2,853 | 2,336 | 1,660 | 858 | - |
| 39 | Sources Less Uses + Ending Capital Balance (for Sufficiency Te | 7,406 | 9,823 | 5,920 | (4,346) | (12,359) | (28,704) |
| 40 | 12.5% Sufficient Minimum Balance | 8,112 | 8,248 | 9,291 | 10,237 | 10,092 | 11,265 |
| 41 | Lowest 3-month Rolling Average Balance | - | 6,254 | 3,115 | (6,799) | - | - |
| 42 | Amount Above/Below Sufficient Minimum Balance | - | (1,993) | (6,176) | (17,036) | - | - |
| 43 | | | | | | | |
| Civil Penalty Program - FOR INFORMATIONAL PURPOSES ONLY, NOT INCL. IN SUFFICIENCY FUND BALANCE 11 | | | | | | | |
| 44 | Civil Penalty Revenue (not incl. in Operating Revenue) | (649) | 3,427 | 3,573 | 3,785 | 3,888 | 3,947 |
| 45 | Civil Penalty Adjudication Costs (not incl. in Operating Expense | (1,113) | (1,623) | (1,132) | (1,443) | (1,100) | (1,100) |
| 46 | Subtotal: Civil Penalty Net Revenue | (1,762) | 1,804 | 2,441 | 2,342 | 2,788 | 2,847 |
| 47 | Scheduled Motor Vehicle Loan Repayment | - | (950) | - | (950) | (475) | (475) |
| 48 | Civil Penalty Net Revenue after Loan Repayments | (1,762) | 854 | 2,441 | 1,392 | 2,313 | 2,372 |
| 49 | Cumulative Balance for Civil Penalties | 1,675 | 2,528 | 4,969 | 6,361 | 8,674 | 11,046 |
| 50 | | | | | | | |
| 51 | Ending Fund Balance (Financial Statements) | 9,081 | 12,351 | 10,890 | 2,015 | (3,685) | (17,658) |

What Rates Are Required?

- RCW 47.46.100 states the toll charges must be imposed in amount sufficient to:
 - Provide for annual operating and maintenance expenses, except as provided in RCW [47.56.245](#);
 - Make payments required under RCW [47.56.165](#) and [47.46.140](#), including insurance costs and the payment of principal and interest on bonds issued for any particular toll bridge or toll bridges; and
 - Repay the motor vehicle fund under RCW [47.46.110](#), [47.56.165](#), and [47.46.140](#).
- Transportation Commission policy states that the sufficient minimum balance shall not be less than 12.5 percent of annual Tacoma Narrows Bridge costs (equivalent to 45 days of working capital year round), measured on a retrospective three month rolling average fund balance

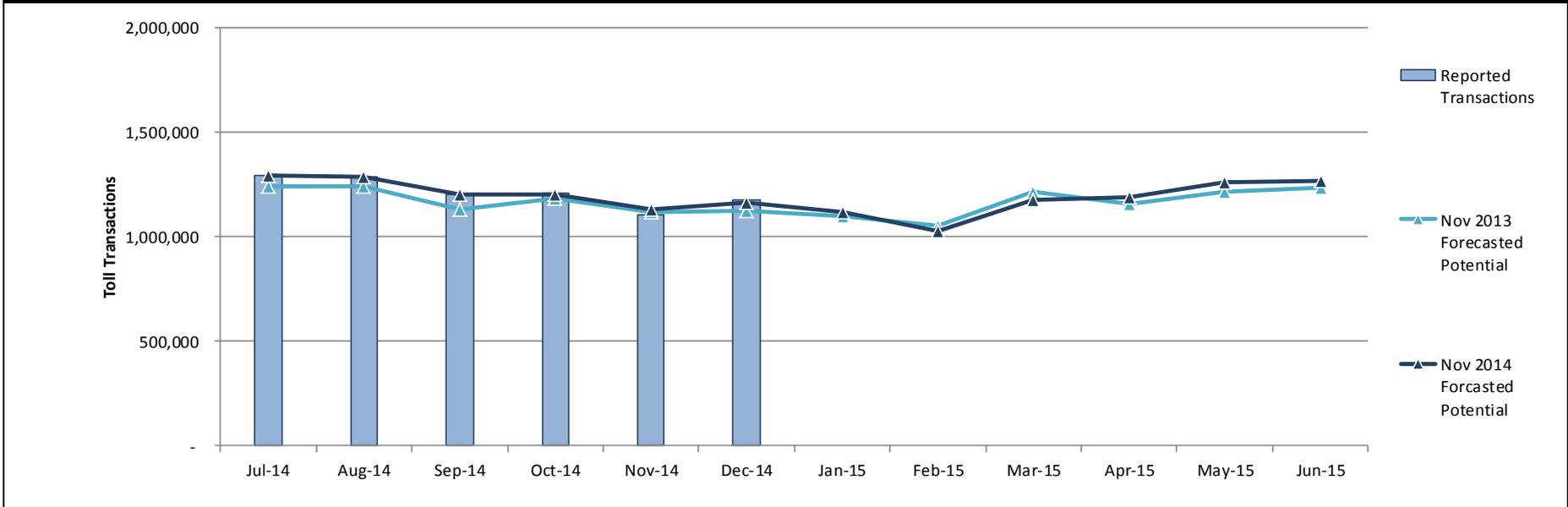
Rate Setting Milestones

| | Milestone |
|----------|---|
| January | File CR 101 WSTC rate setting kickoff meeting CAC rate setting kickoff meeting Financial plan/funding needs |
| February | CAC financial plan Q&A CAC proposed scenarios Preliminary scenario results Request any additional scenarios (if necessary) |
| March | CAC recommendation WSTC proposed rates File CR 102 (formal rate proposal) |
| April | Public Input meetings |
| May | Public Hearing Adopt toll rates File CR 103 (formal rate adoption) |

Traffic and Revenue

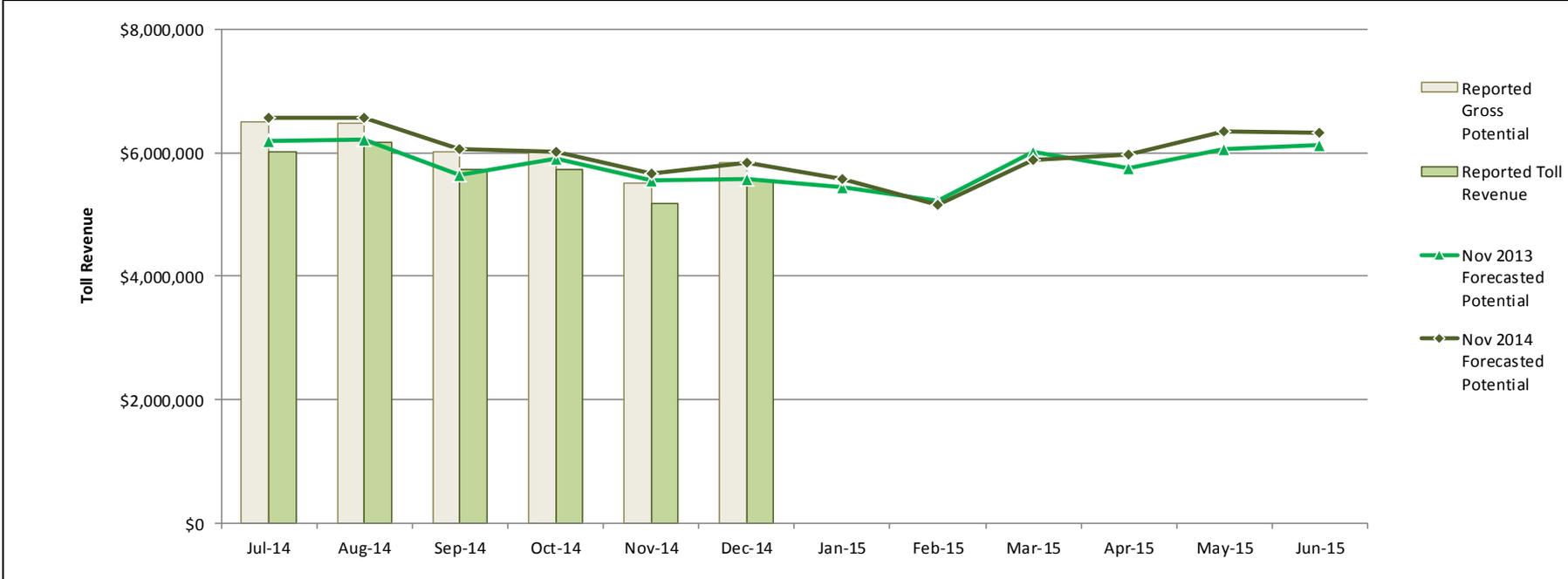
FY 2015 Q1-Q2 Projected and Reported Traffic

| TRAFFIC | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 | Dec-14 | Jan-15 | Feb-15 | Mar-15 | Apr-15 | May-15 | Jun-15 | YTD | Annual Total |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------------|
| Forecasted Potential (November 2013) ¹ | 1,242,494 | 1,242,950 | 1,126,845 | 1,182,113 | 1,117,165 | 1,123,185 | 1,097,971 | 1,052,683 | 1,212,899 | 1,157,908 | 1,216,989 | 1,231,037 | 7,034,752 | 14,004,239 |
| Forecasted Potential (November 2014) ² | 1,292,065 | 1,288,064 | 1,199,060 | 1,201,060 | 1,129,056 | 1,161,058 | 1,115,056 | 1,029,051 | 1,172,059 | 1,185,059 | 1,260,063 | 1,264,063 | 7,270,363 | 14,295,714 |
| Reported Transactions ^{3,A} | 1,290,551 | 1,286,525 | 1,198,257 | 1,204,577 | 1,101,929 | 1,177,708 | - | - | - | - | - | - | 7,259,547 | |
| Variance from Forecast Potential ⁴ | 48,057 | 43,575 | 71,412 | 3,517 | (27,127) | 16,650 | - | - | - | - | - | - | 156,084 | |
| Variance - % change | 3.9% | 3.5% | 6.3% | 0.3% | (2.4%) | 1.5% | - | - | - | - | - | - | 2.2% | |



FY 2015 Q1-Q2 Projected and Reported Revenue

| REVENUE | Jul-14 | Aug-14 | Sep-14 | Oct-14 | Nov-14 | Dec-14 | Jan-15 | Feb-15 | Mar-15 | Apr-15 | May-15 | Jun-15 | YTD | Annual Total |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
| Forecasted Potential (November 2013) ¹ | \$6,192,985 | \$6,217,036 | \$5,638,958 | \$5,897,197 | \$5,557,174 | \$5,576,064 | \$5,446,363 | \$5,221,191 | \$6,017,371 | \$5,744,281 | \$6,062,884 | \$6,124,928 | \$35,079,414 | \$69,696,432 |
| Forecasted Potential (November 2014) ² | \$6,562,452 | \$6,559,450 | \$6,066,419 | \$6,016,420 | \$5,674,395 | \$5,846,406 | \$5,584,390 | \$5,160,360 | \$5,891,410 | \$5,965,415 | \$6,356,440 | \$6,336,442 | \$36,725,542 | \$72,019,999 |
| Forecasted Gross Potential ³ | \$6,192,985 | \$6,217,036 | \$5,638,958 | \$6,016,420 | \$5,674,395 | \$5,846,406 | \$5,584,390 | \$5,160,360 | \$5,891,410 | \$5,965,415 | \$6,356,440 | \$6,336,442 | \$35,586,200 | \$70,880,657 |
| Reported Gross Potential ⁴ | \$6,496,847 | \$6,489,230 | \$6,020,851 | \$6,018,004 | \$5,508,964 | \$5,848,662 | - | - | - | - | - | - | \$36,382,558 | |
| Variance From Forecasted Gross Potential | \$303,862 | \$272,194 | \$381,893 | \$1,584 | (\$165,431) | \$2,256 | - | - | - | - | - | - | \$796,358 | |
| Variance - % Change | 4.9% | 4.4% | 6.8% | 0.0% | (2.9%) | 0.0% | - | - | - | - | - | - | 2.2% | |
| Forecasted Adjusted ⁵ | \$6,143,365 | \$6,167,223 | \$5,593,777 | \$5,754,778 | \$5,427,627 | \$5,592,158 | \$5,341,537 | \$4,935,947 | \$5,635,205 | \$5,705,992 | \$6,080,012 | \$6,060,883 | \$34,678,928 | \$68,438,503 |
| Reported Toll Revenue ^{A,B} | \$6,013,436 | \$6,169,873 | \$5,728,594 | \$5,733,372 | \$5,179,488 | \$5,561,499 | - | - | - | - | - | - | \$34,386,262 | |
| Variance From Adjusted Forecast ⁶ | (\$129,929) | \$2,650 | \$134,817 | (\$21,407) | (\$248,139) | (\$30,659) | - | - | - | - | - | - | (\$292,667) | |
| Variance - % Change | (2.1%) | 0.0% | 2.4% | (0.4%) | (4.6%) | (0.5%) | - | - | - | - | - | - | (0.8%) | |



See footnotes on slide 23

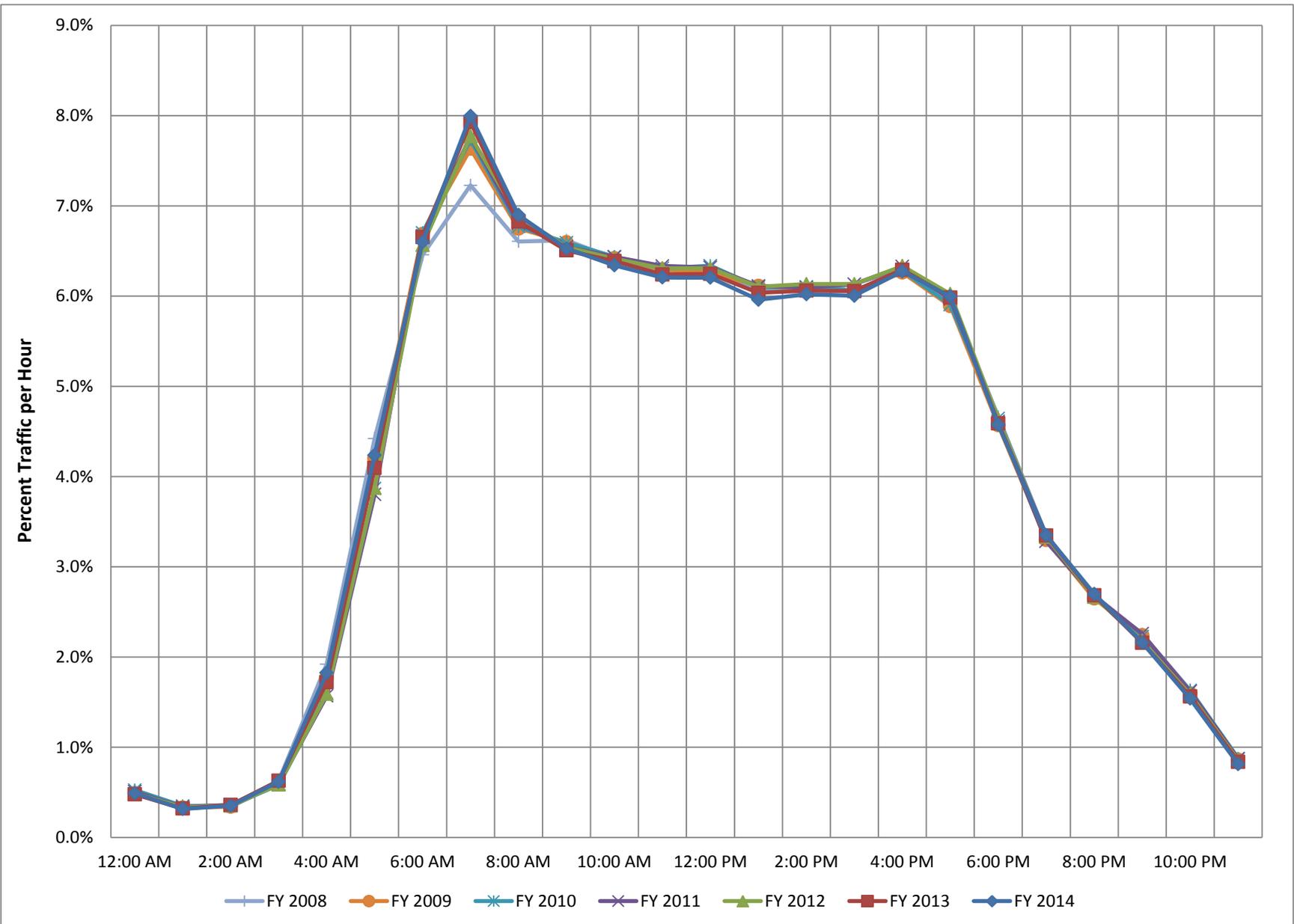
Forecast Model Methodology

- **Review of current and historical transaction trends**
 - By vehicle class
 - By payment type
 - By time of day
 - Traffic response to past toll increases (elasticity)
- **Review of economic projections**
 - County-wide household and employment growth
 - Zonal level growth in regional model (April 2014 PSRC land use update)
- **Growth rates were applied to FY 2014 actual transactions**
 - Baseline forecast assumes no toll increases
 - Adjustments for long-term payment type rates
 - Short term growth rates based on projected household/employment growth
 - Long term growth rates reduced to 1 percent.

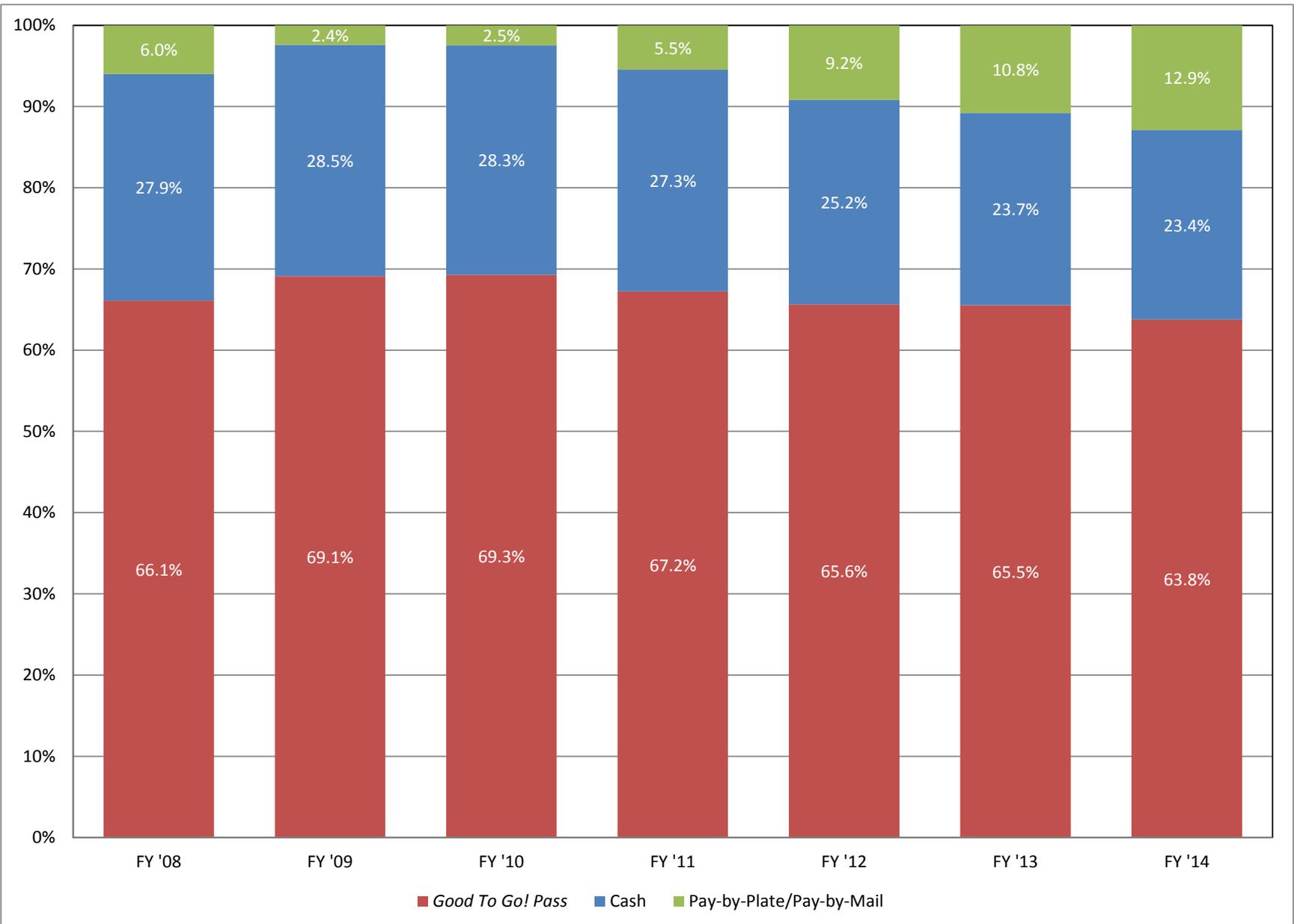
Historical Transactions by Fiscal Year

| | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 |
|--------------------------|------------|------------|------------|------------|------------|------------|------------|-----------|
| | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14 | 14/15 |
| July | 669,112 | 1,260,676 | 1,306,609 | 1,295,677 | 1,251,598 | 1,245,321 | 1,261,915 | 1,290,551 |
| August | 1,332,870 | 1,249,245 | 1,294,569 | 1,292,565 | 1,277,207 | 1,271,306 | 1,266,670 | 1,286,525 |
| September | 1,239,899 | 1,186,566 | 1,215,868 | 1,200,817 | 1,183,275 | 1,162,037 | 1,153,860 | 1,198,257 |
| October | 1,242,452 | 1,192,760 | 1,207,464 | 1,204,093 | 1,190,557 | 1,162,254 | 1,186,000 | 1,204,577 |
| November | 1,165,713 | 1,094,721 | 1,106,449 | 1,070,981 | 1,111,361 | 1,093,484 | 1,102,564 | 1,101,929 |
| December | 1,168,451 | 1,000,687 | 1,178,283 | 1,179,021 | 1,203,881 | 1,116,081 | 1,134,245 | 1,177,708 |
| January | 1,136,524 | 1,116,257 | 1,107,393 | 1,096,784 | 1,008,003 | 1,083,710 | 1,092,010 | |
| February | 1,123,604 | 1,039,376 | 1,046,204 | 957,747 | 1,100,584 | 1,012,832 | 999,868 | |
| March | 1,194,321 | 1,155,283 | 1,190,740 | 1,214,508 | 1,162,409 | 1,151,437 | 1,146,554 | |
| April | 1,176,209 | 1,175,827 | 1,161,012 | 1,145,066 | 1,141,864 | 1,119,667 | 1,157,650 | |
| May | 1,243,452 | 1,204,369 | 1,209,228 | 1,191,500 | 1,228,455 | 1,212,813 | 1,229,418 | |
| June | 1,203,867 | 1,258,189 | 1,237,512 | 1,214,739 | 1,207,735 | 1,197,041 | 1,227,986 | |
| Total July-Dec | 6,818,497 | 6,984,655 | 7,309,242 | 7,243,154 | 7,217,879 | 7,050,483 | 7,105,254 | 7,259,547 |
| Total Year | 13,896,474 | 13,933,956 | 14,261,331 | 14,063,498 | 14,066,929 | 13,827,983 | 13,958,740 | - |
| % Change July-Dec | | 2.4% | 4.6% | -0.9% | -0.3% | -2.3% | 0.8% | 2.2% |
| % Change Total | | 0.3% | 2.3% | -1.4% | 0.0% | -1.7% | 0.9% | - |

Hourly Transaction Profiles by Fiscal Year



Initial Payment Type Allocation by Fiscal Year



Regional Economic Projections

| AREAS | County | Total Population | | | | Total Households | | | | Total Employment | | | |
|--------------|--------|------------------|---------|-----------|---------|------------------|--------|-----------|--------|------------------|---------|-----------|---------|
| | | Estimates | | Forecasts | | Estimates | | Forecasts | | Estimates | | Forecasts | |
| | | 2000 | 2010 | 2020 | 2030 | 2000 | 2010 | 2020 | 2030 | 2000 | 2010 | 2020 | 2030 |
| Green River | King | 165,587 | 188,505 | 207,041 | 222,041 | 68,874 | 74,497 | 85,186 | 90,922 | 206,536 | 189,625 | 229,597 | 262,470 |
| South Kitsap | Kitsap | 60,717 | 67,580 | 81,763 | 96,482 | 21,963 | 25,553 | 31,219 | 36,258 | 13,859 | 14,779 | 18,009 | 19,831 |
| Peninsula | Pierce | 56,285 | 64,194 | 73,563 | 86,529 | 20,550 | 24,373 | 27,447 | 31,600 | 13,900 | 17,362 | 21,666 | 23,859 |
| Tacoma Area | Pierce | 199,231 | 209,659 | 227,494 | 242,796 | 78,641 | 82,972 | 91,891 | 98,809 | 120,807 | 113,599 | 147,000 | 160,995 |

| AREAS | County | Total Population | | | | Total Households | | | | Total Employment | | | |
|--------------|--------|------------------|------|-----------|---------|------------------|------|-----------|---------|------------------|------|-----------|---------|
| | | Estimates | | Forecasts | | Estimates | | Forecasts | | Estimates | | Forecasts | |
| | | 2000 | 2010 | 2010-20 | 2020-30 | 2000 | 2010 | 2010-20 | 2020-30 | 2000 | 2010 | 2010-20 | 2020-30 |
| Green River | King | | | 0.9% | 0.7% | | | 1.3% | 0.7% | | | 1.9% | 1.3% |
| South Kitsap | Kitsap | | | 1.9% | 1.7% | | | 2.0% | 1.5% | | | 2.0% | 1.0% |
| Peninsula | Pierce | | | 1.4% | 1.6% | | | 1.2% | 1.4% | | | 2.2% | 1.0% |
| Tacoma Area | Pierce | | | 0.8% | 0.7% | | | 1.0% | 0.7% | | | 2.6% | 0.9% |



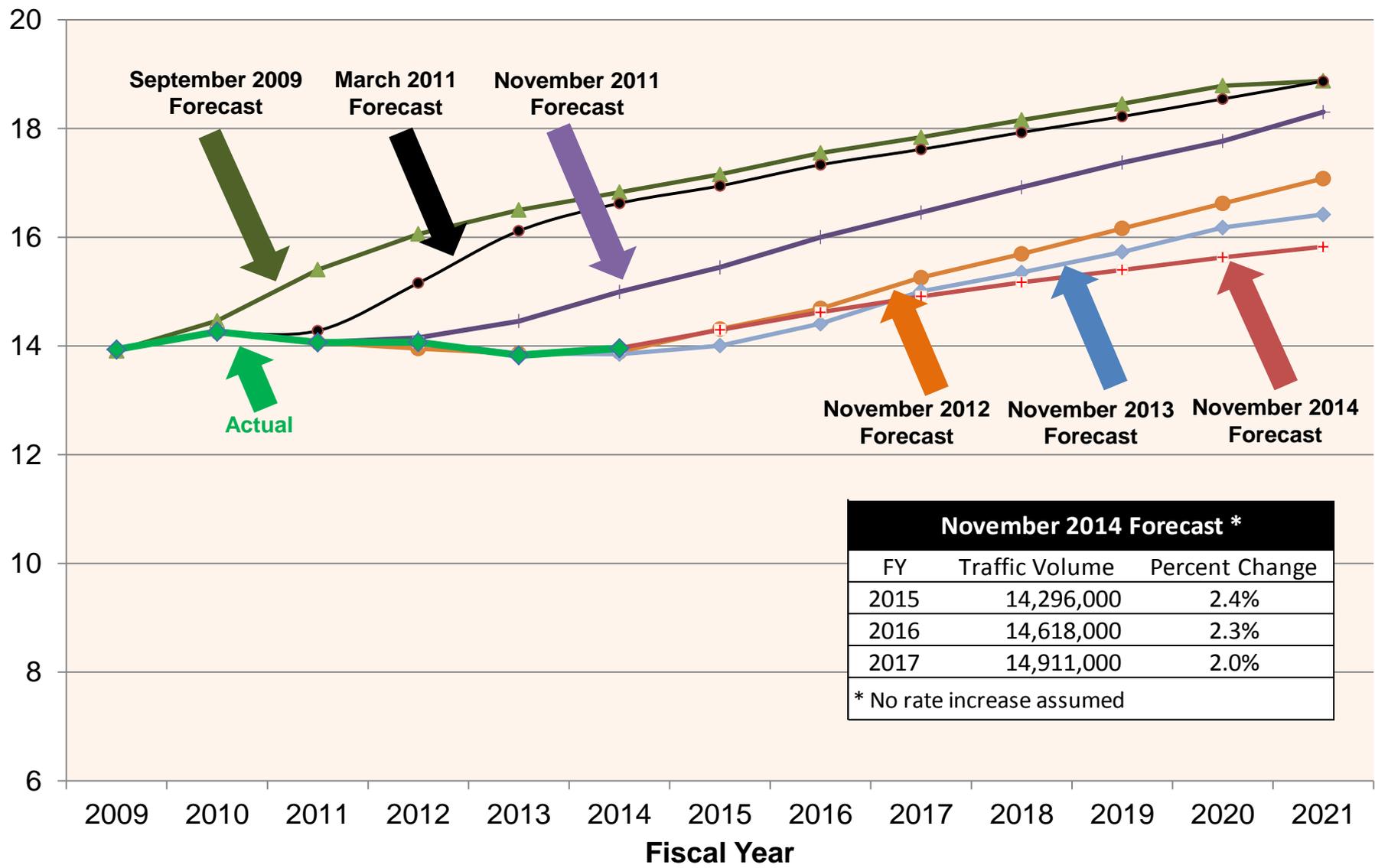
Fiscal Year 2014 by Payment Type and Vehicle Class

| Mo. # | Year | Total | Manual Lane Transaction | | | | | | Electronic Toll Collection (Transponder Transaction) | | | | | | Photo Tolling (Image Transaction) | | | | | |
|-------------------------|------|-------------------|-------------------------|---------------|---------------|---------------|--------------|--------------|--|---------------|---------------|---------------|---------------|---------------|-----------------------------------|---------------|---------------|---------------|---------------|---------------|
| | | | 0+2 | 3 | 4 | 5 | 6 | 7+ | 0+2 | 3 | 4 | 5 | 6 | 7+ | 0+2 | 3 | 4 | 5 | 6 | 7+ |
| 7 | 2013 | 1,267,193 | 319,689 | 4,625 | 4,633 | 2,201 | 237 | 175 | 751,348 | 8,760 | 5,728 | 3,394 | 1,982 | 3,994 | 151,438 | 2,392 | 1,716 | 2,172 | 927 | 1,782 |
| 8 | 2013 | 1,270,356 | 318,377 | 4,464 | 4,609 | 2,415 | 222 | 213 | 753,526 | 8,669 | 5,841 | 3,300 | 1,990 | 4,045 | 153,306 | 2,505 | 1,796 | 2,286 | 1,049 | 1,743 |
| 9 | 2013 | 1,157,809 | 269,132 | 3,213 | 3,780 | 2,128 | 220 | 200 | 711,241 | 7,101 | 4,707 | 2,987 | 1,830 | 3,504 | 139,498 | 2,266 | 1,439 | 2,012 | 928 | 1,623 |
| 10 | 2013 | 1,190,054 | 253,400 | 2,670 | 2,818 | 2,063 | 203 | 201 | 758,152 | 7,363 | 4,677 | 3,102 | 2,426 | 3,992 | 139,602 | 2,320 | 1,495 | 2,284 | 1,181 | 2,105 |
| 11 | 2013 | 1,106,409 | 248,877 | 2,042 | 1,902 | 1,960 | 160 | 171 | 696,454 | 5,687 | 3,455 | 2,641 | 1,603 | 3,051 | 130,965 | 1,744 | 1,111 | 2,012 | 919 | 1,655 |
| 12 | 2013 | 1,137,925 | 256,211 | 1,524 | 1,486 | 1,780 | 170 | 119 | 718,900 | 4,870 | 3,029 | 2,680 | 1,559 | 2,793 | 135,453 | 1,746 | 1,041 | 2,220 | 860 | 1,484 |
| 1 | 2014 | 1,095,704 | 226,358 | 1,546 | 1,557 | 1,888 | 191 | 108 | 709,207 | 5,237 | 3,232 | 2,813 | 1,574 | 3,038 | 131,288 | 1,762 | 1,213 | 2,348 | 862 | 1,482 |
| 2 | 2014 | 1,003,237 | 211,896 | 1,448 | 1,447 | 1,696 | 167 | 103 | 644,128 | 4,610 | 2,687 | 2,357 | 1,358 | 2,497 | 121,870 | 1,650 | 1,067 | 2,157 | 747 | 1,352 |
| 3 | 2014 | 1,151,734 | 253,973 | 2,098 | 2,134 | 1,988 | 172 | 114 | 726,426 | 5,882 | 3,696 | 2,795 | 1,422 | 2,643 | 140,390 | 1,859 | 1,401 | 2,240 | 814 | 1,687 |
| 4 | 2014 | 1,162,269 | 254,723 | 2,608 | 2,425 | 2,132 | 195 | 138 | 729,304 | 6,490 | 4,134 | 3,077 | 1,543 | 3,061 | 143,783 | 2,256 | 1,404 | 2,390 | 909 | 1,697 |
| 5 | 2014 | 1,234,022 | 280,942 | 3,714 | 3,695 | 2,169 | 187 | 155 | 757,212 | 7,272 | 5,036 | 2,993 | 1,500 | 3,009 | 156,498 | 2,554 | 1,664 | 2,604 | 1,059 | 1,759 |
| 6 | 2014 | 1,232,528 | 291,379 | 3,374 | 3,725 | 2,224 | 227 | 105 | 741,543 | 7,325 | 4,876 | 2,892 | 1,562 | 3,218 | 159,860 | 2,655 | 1,794 | 2,672 | 1,172 | 1,925 |
| Fiscal Year 2014 | | 14,009,240 | 3,184,957 | 33,326 | 34,211 | 24,644 | 2,351 | 1,802 | 8,697,441 | 79,266 | 51,098 | 35,031 | 20,349 | 38,845 | 1,703,951 | 25,709 | 17,141 | 27,397 | 11,427 | 20,294 |

| FY 2014 | Counts | | | | | |
|-------------------------|------------------|---------------|---------------|---------------|---------------|-------------------|
| | 0+2 | 3 | 4 | 5 | 6+ | Total |
| <i>Good-to-Go!</i> Pass | 8,697,441 | 79,266 | 51,098 | 35,031 | 59,194 | 8,922,030 |
| Cash | 3,184,957 | 33,326 | 34,211 | 24,644 | 4,153 | 3,281,291 |
| Photo Tolling Total | <i>1,703,951</i> | <i>25,709</i> | <i>17,141</i> | <i>27,397</i> | <i>31,721</i> | <i>1,805,919</i> |
| Pay-by-Plate | 854,825 | 12,897 | 8,599 | 13,744 | 15,914 | 905,979 |
| Short Term Account | 645 | 10 | 6 | 10 | 12 | 683 |
| Pay-by-Mail | 848,481 | 12,802 | 8,535 | 13,642 | 15,795 | 899,256 |
| | | | | | | 14,009,240 |

Forecasted and Actual Annual Eastbound Traffic

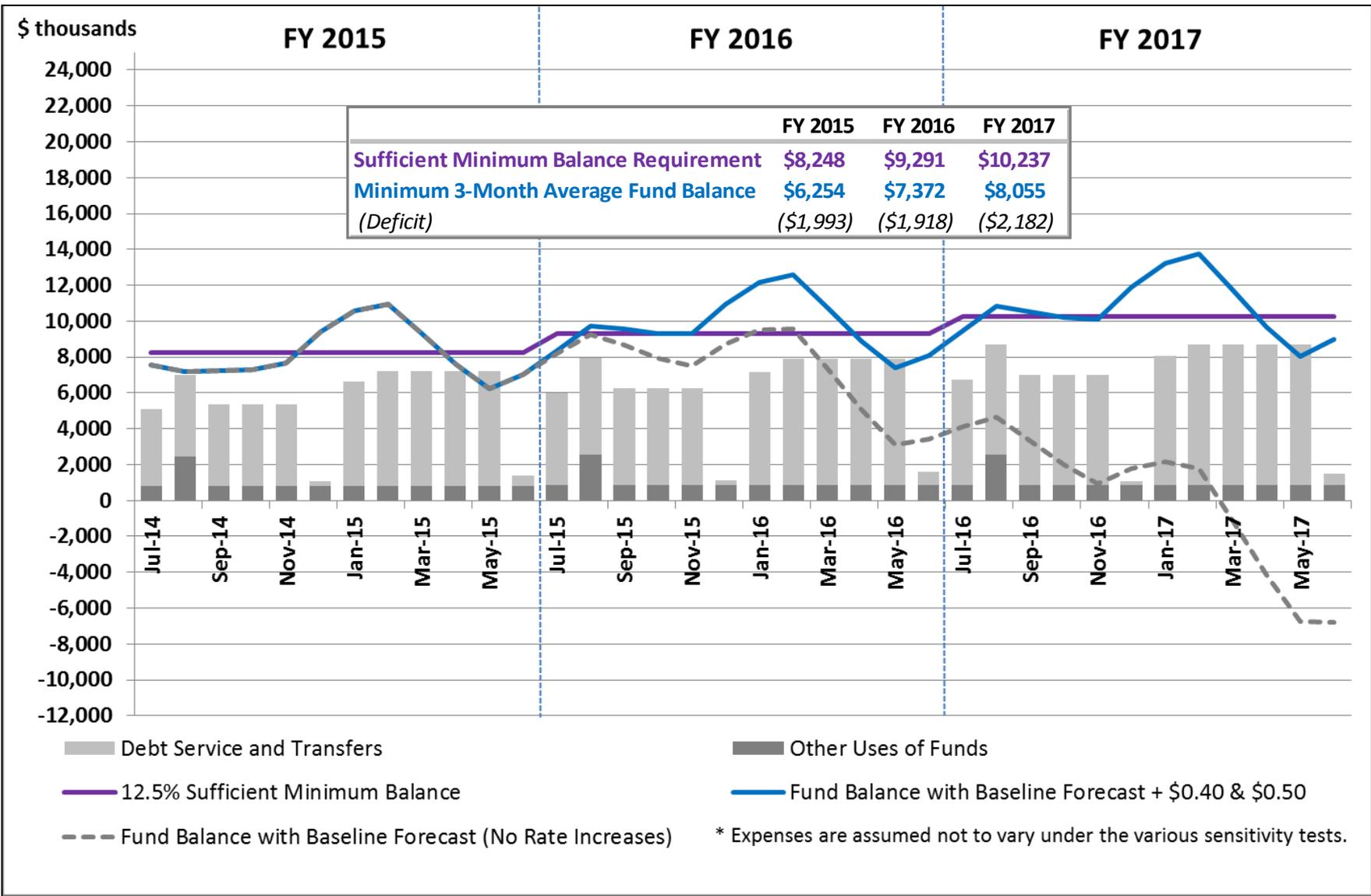
In millions



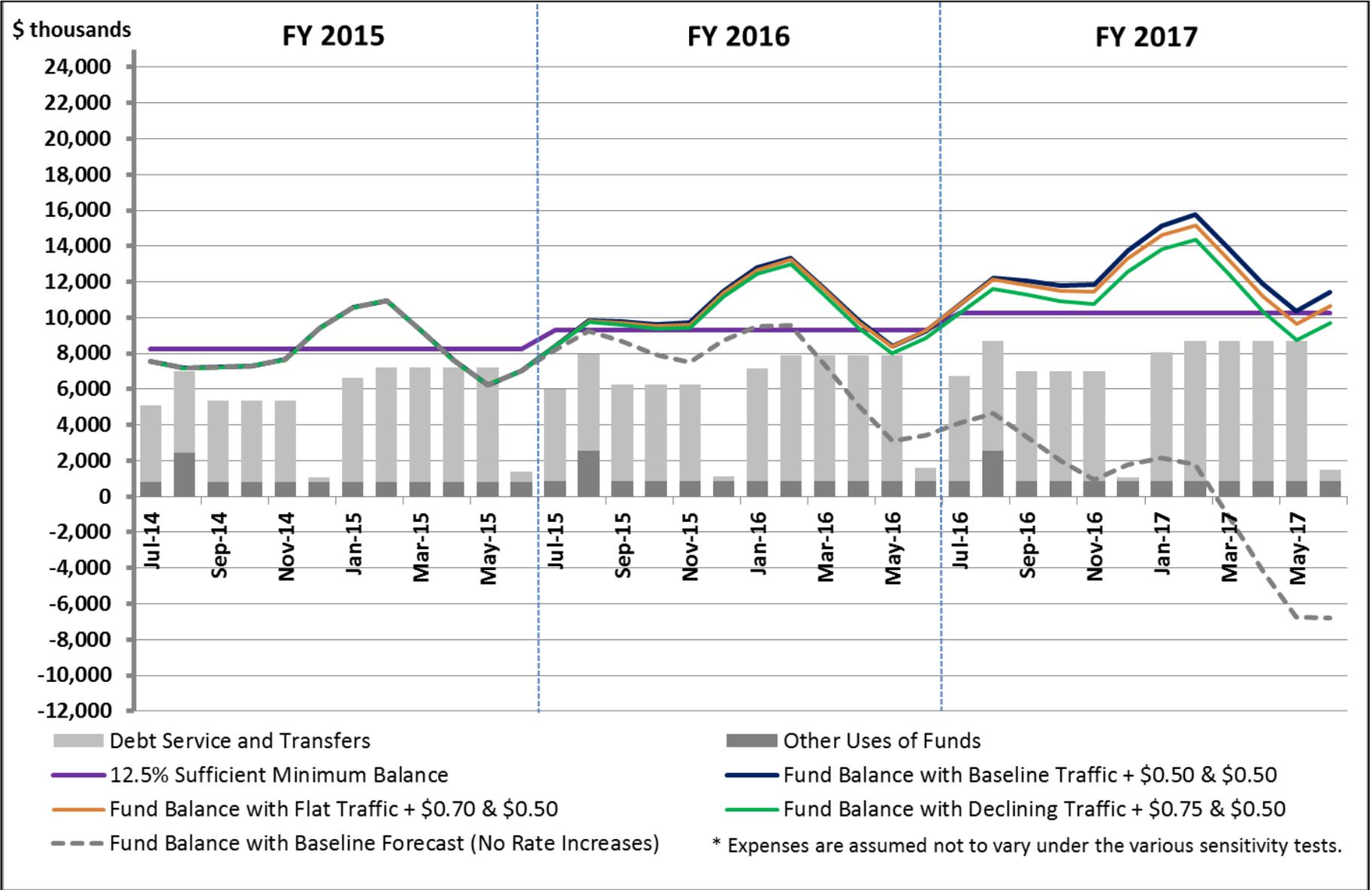
| November 2014 Forecast * | | |
|----------------------------|----------------|----------------|
| FY | Traffic Volume | Percent Change |
| 2015 | 14,296,000 | 2.4% |
| 2016 | 14,618,000 | 2.3% |
| 2017 | 14,911,000 | 2.0% |
| * No rate increase assumed | | |

Citizen Advisory Committee Requested Scenario

\$0.40 in FY 2016 and \$0.50 in FY 2017



Minimum Toll Increases for Various Traffic Scenarios FY 2016 and FY 2017



Minimum Toll Increases for Various Traffic Scenarios

FY 2016 and FY 2017

| | FY 2015 | FY 2016 | FY 2017 |
|--|----------------|----------------|----------------|
| Sufficient Minimum Balance Requirement | 8,248 | 9,291 | 10,237 |
| Baseline + \$0.50 & \$0.50 | | | |
| Minimum 3-Month Average Fund Balance | 6,254 | 8,403 | 10,376 |
| <i>Surplus / (Deficit)</i> | <i>(1,993)</i> | <i>(888)</i> | <i>139</i> |
| Flat Traffic + \$0.70 & \$0.50 | | | |
| Minimum 3-Month Average Fund Balance | 6,254 | 8,383 | 9,659 |
| <i>Surplus / (Deficit)</i> | <i>(1,993)</i> | <i>(907)</i> | <i>(579)</i> |
| Declining Traffic + \$0.75 & \$0.50 | | | |
| Minimum 3-Month Average Fund Balance | 6,254 | 8,009 | 8,731 |
| <i>Surplus / (Deficit)</i> | <i>(1,993)</i> | <i>(1,282)</i> | <i>(1,506)</i> |

For questions or further information...

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FY 2015 Q1-Q2 Projected and Reported Traffic

Footnotes

1. Data is based upon the TRFC November 2013 Forecast adjusted for non-revenue transactions. The remaining months of the forecast, italicized and gray highlight are for information purposes.
2. The data is based upon the TRFC November 2014 Forecast adjusted for non-revenue transactions.
3. The reported traffic is based on the TNB lane collection system data adjusted for duplicate and non-revenue transactions.
4. The variance is a comparison between reported transactions and the November 2013 forecast for the first three months and the November 2014 forecast for the remaining nine months.

A. Backlogged Financial Reconciliations - On February 13, 2011, WSDOT transitioned tolling customer service center operations to a new vendor - Electronic Transaction Consultants Corporation (ETCC). During the transition, the 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. At this time, ETCC has not completed key reconciliations which ensure timely and accurate processing of financial transactions and accurate system reporting. Upon completion of these reconciliations, any discrepancies identified will be addressed and necessary correcting adjustments will be made.

FY 2015 Q1-Q2 Projected and Reported Revenue

Footnotes

1. Data is based upon the TRFC November 2013 Forecast adjusted for non-revenue transactions. The remaining months of the forecast, italicized and gray highlight are for information purposes.
2. The data is based upon the TRFC November 2014 Forecast adjusted for non-revenue transactions.
3. The Forecasted Gross Potential data comes from the November 2013 monthly forecasted potential revenue for July through September and the November 2014 monthly forecasted potential revenue for October through June.
4. The Reported Gross Potential data comes from the TCS/AVI report, ICRS/VPS report, and WSDOT's accounting system and is subject to change pending fiscal period closeout.
5. The Forecasted Adjusted Gross Toll Revenue reflects adjustments for Pay By Plate Fees, less Short-term Account Discounts and Toll Revenue Not Recognized. November 2013 TRFC is used for July, August and September; November 2014 TRFC for remaining months.
6. The variance is a comparison between Reported Toll Revenue and the Forecasted Adjusted Gross Toll Revenue.

A. Backlogged Financial Reconciliations - On February 13, 2011, WSDOT transitioned tolling customer service center operations to a new vendor - Electronic Transaction Consultants Corporation (ETCC). During the transition, the 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. At this time, ETCC has not completed key reconciliations which ensure timely and accurate processing of financial transactions and accurate system reporting. Upon completion of these reconciliations, any discrepancies identified will be addressed and necessary correcting adjustments will be made.

B. Reports in the Subsidiary Accounting System for Tolling - After the close of the fiscal year, WSDOT determined, through independent audits, that the tolling subsidiary accounting system for WSDOT, which is managed by a contracted service organization, contained weaknesses in internal control requiring revision to existing procedures and protocols. The results of the audit findings provide concern to WSDOT, and we will take appropriate actions to remediate the issues. WSDOT will aggressively pursue actions by our contracted service provider to remediate deficiencies identified through these independent audits, as we are committed to the highest standard of transactional and financial accountability for the citizens of Washington State.