

**VERBATIM MINUTES OF THE TACOMA NARROWS BRIDGE
TOLL RATE HEARING
WASHINGTON STATE TRANSPORTATION COMMISSION
May 27, 2008**

The special meeting of the Washington State Transportation Commission was called to order at 6 p.m. on Tuesday, May 27, 2008, at the Inn at Gig Harbor, 3211 56th Street NW, Gig Harbor, Washington.

Commissioners present at the meeting were: Chair Ford, Bob Distler, Elmira Forner, Carol Moser, Philip Parker and Dale Stedman. Commissioners Distler and O’Neal were absent.

Chair Ford

We are in Gig Harbor for a hearing on the tolls for the Tacoma Narrows Bridge. My name is Dick Ford I’m the Chairman of the Washington State Transportation Commission. I will be in charge of the hearing tonight. I think you can see from the plaques who the members of the Commission are. We have five members of us, two of our members are not here tonight, they are traveling, but there is a full quorum of five members. I also want to acknowledge members of the CAC, Alan Weaver, Jim Pasin, Bob Ryan and Caroline Belleci. Thank you for coming and for all of the work that you do on the CAC to advise and provide recommendations to the Commission. The purpose of tonight’s hearing is to review and take action on the Tacoma Narrows Bridge toll proposal that is before us. We had an earlier hearing on the 20th, it was actually a workshop, I guess is a better way to put it. A number of people from the area came in and testified at that meeting, we have also received emails and letters, and those have been made available to all members of the Commission and are part of the record of this proceeding. The proposal that we have is a proposal that was made to us some weeks back by the Citizen Advisory Committee, and it is a proposal to amend the Washington Administrative Code – WAC 468-270-070 for the purpose of adjusting the tolls on the Tacoma Narrows Bridge to meet the financial requirements that we have on the bridge that are to be covered and paid for from toll revenues. We are going to start with a presentation by representatives of the Department. I think Ted Trepanier is actually going to do the presentation and we are hopeful that this presentation will explain at least in part what’s going on and why the tolls need to be adjusted. After Ted is through you may have a few comments from the Commission members or CAC members and then we will open for public testimony.

Ted Trepanier, State Traffic Engineer, WSDOT

With me tonight from the Department is Greg Selstead, Director of Toll Operations and Jerry Lenzi, Chief Engineer, WSDOT. As stated I will give just a brief overview of some of the key financial information relating to the toll operations just for the record and for information for the folks gathered here tonight. Just from the beginning a high level overview – we went into operations July 16th, with over 98 thousand Good To Go accounts, and 254 thousand transponders, more than four times the original number thought that would be issued by the time that we opened.

Currently over 98 percent of the Gig Harbor households have a Good To Go account. Nearly 70 percent are using the electronic tolling and that's 85 percent in the morning commute hours. There have been 12.5 million transactions to date and over \$24 million dollars revenue. The traffic volumes are right back up to averaging what they were pre-bridge/toll based on about 40 thousand eastbound trips each day. The violation rate is 2 percent and dropping ever so slightly, which is really very good news. The next slide is about solving the morning commute – much discussion about what would a new bridge actually mean to the travelers, and what it really meant was the end of congestion on SR 16 until reach the point where you meet the Nalley Valley Viaduct. Pretty much free flow both directions. The applicable statutes – what's required to be paid for by tolls – very high clip here – tolls must be charged to basically pay back the bonds, tolls must be charged to cover the annual operating and maintenance costs and tolls must be charged to repay the Motor Vehicle Fund loan that was made to the account at startup. Traffic and revenue numbers – again I apologize they are kind of small – our projector is a little close to the screen, but if anybody didn't get them there are handouts on the table with these slides in them, so this is slide number five – again this just shows the traffic and revenue data to date from opening – month by month we have the electronic tolls that are collected, the manual volumes that are collected, the potential violations, which are those that are recorded if the system is not paying either a manual or electronic toll and then number of non-revenue vehicles and the preliminary revenue date month by month. Just the highlights, because it's often asked what does potential violations mean, so potential violations are those that recorded by the system. The system initially is not paying either an electronic or manual toll and so the license plate is captured. Some of those do not turn into actual violations, because when they actually start the process to issue the violation the first thing they need to do is match the license plate number against the database – if they find out that person does have an account we actually charge that account for a video toll. Those numbers would then come off – the potential violations before they go into actual violations. The next slide number six is the projected versus actual revenue month by month, and there is two different projects here, there is the one that was done, the forecast that was done in April 2007, so prior to opening, and it runs out through this first fiscal year, is what this slide represents, and there was an updated forecast in February 2008, so that forecast is these numbers down here and in the shaded amount we have actually put in the actual numbers through December, so that you can kind of get a look at what the bottom line number looks like if you are trying to compare the early forecast to the updated forecast. Then we have the actual revenue up through April and the revenue from transponder sales in this column and then the revenue that's starting to come in from the courts month by month shows the last column to the right. If you plot that you get a real easy graphic on what the projected toll revenue looks like versus actual toll revenue. You can see that the revenue is dipping just a little bit underneath what was projected and primarily that's a factor of the electronic toll percentage being higher than what was projected. Since the electronic toll rate is less than what the cash rate and we have a higher percentage of those coming in revenue is just a little bit running behind what was originally projected. If you add back in revenue from the transponder sales as well as the violation revenue coming in, the actual revenue versus projected toll revenue actually comes up to date to within about \$200 thousand dollars of the projected amount, so very very close.

The next slide, we are on number nine now, is the budget versus actual expenditures for this biennium, for the toll operations group, and so we have our major categories of State Patrol Enforcement; the DOT administration; credit card fees, which we pay; the maintenance for the new bridge; the preservation that's a cost that is set aside to preserve the bridge; the insurance coverage which is a significant sum and then the toll operations contract with TransCore. The first set of columns is what the original budget was going into the biennium starting July 2007. The center columns are how it was adjusted during the supplemental budget process this last legislative session. During the supplemental process there was an increase in the toll operations contract to cover the start up costs that were higher than anticipated because each transponder actually had a cost to it. We issued four times as many as what was anticipated, four times as many accounts as what was anticipated, all come with a cost and those costs go up. And then reductions in the other categories which come very close to balancing out the increased cost of the operations contract.

Chair Ford

Ted I think it's important just to dwell for a moment on TransCore, because that has been a big issue and in a lot of people's mind. The fact was in the original budget we assumed a relatively small number, relatively to what we actually ended with, smaller number of the Good To Go cards would be in effect distributed for free. I think the original number was – you were going to issue about 25 thousand.

Mr. Trepanier

The original thinking was 25 thousand, by the time we actually had the first budget, they were looking at 25 thousand accounts and 50 thousand transponders and so by the time it actually ended up being about a fourth of what we....

Chair Ford

But the difference, which was dealt with in the supplemental was several million dollars difference in what was anticipated versus what actually happened on the transponders....right?

Mr. Trepanier

Right.....in the ballpark it was about a \$5 million dollar increase...when you look at all the variable fees that were charged, because we were paying under the previous contract...individual charges for each transponder, each account, each electronic toll collection, so the percentage was cost, so there was a number of variable fees that were all higher than what was anticipated.

Chair Ford

Basically the Legislature put back into the budget the recovery of the cost of the transponders.

Mr. Trepanier

Right....and the other variable fees that were associated with the transponders.....I'll talk in just a second, we have a graphic about the renegotiated contract with TransCore,

which really put our monthly costs right back down to what they would have been had we had the original amount of transponders....

Commissioner Stedman

Ted, before you go on, each of our meetings the last several months concerning this issue of under estimating the numbers. Now four times and estimate is a little bit like....hey what were you doing back there when you estimated 25 thousand. What caused this dramatic difference? Wasn't there some model someplace that you could look at that came a little closer to the conclusions on this?

Mr. Trepanier

Well, there are models, but those numbers are best estimates by experts in the industry, and our peers and the experts across the country....the folks that we consulted really thought that the ...number projection that we put out there was quite aggressive. I don't believe any toll facility in the country has opened up with the level of electronic penetration as what we had here. On one hand folks were telling us that we were not going to succeed in getting out that many electronic transponders prior to opening, we well exceeded. When you are months and months ahead in doing the planning and the budgeting, again it's really hard to make those projections when it's not like people are opening these facilities day in and day out across the country we have a whole lot of history to look at. A lot of folks are looking to us to say well gee how did they manage that, because when we open a facility we would really love to do what they....it was very successful and you know that really lead to...it was big part of there not being congestion and not having back up at the toll booths....back out onto the open lanes, and so it was a really neat thing that we had this high electronic penetration...it just come with a significant cost. Sometimes success costs a little money, but again we have renegotiated that back down so it's not an ongoing cost, it was a one time ...

Chair Ford

That's the key point.

Commissioner Forner

When you talk about the high number of transponders...that's actually a double edged sword...it means that our revenue is down a little bit, but perhaps it means that we will be able to reduce the number of cash at the toll booths, which will certainly reduce the operating costs of that bridge sooner than we thought...is that not true?

Mr. Trepanier

That is true, and in fact it has already done that because...I will just jump into a little bit of the discussion right now since we are there. When we renegotiated the contract with TransCore we actually looked at each element of their operation to see what was the right size of staff. When we looked at how many toll booth operators they needed we looked at a staffing plan that was based on conditions as they sit today, so based on having this 70 percent overall and 85 percent in the peak hour penetration rate, so that's how....

that's what we are paying for right now is basically the staff that's necessary to accommodate the manual toll collections that are going on today. On the same side we looked at the customer service center side, because having that many accounts out there now means more folks to potentially call in on billing date, and so there is a little bit of a trade off. Accounts and electronic transponders kind of mean back office customer service representatives...manual toll collection means people in the toll booths. We looked at all of those elements...every single element of the operation was renegotiated with the contractor. The next slide is a real high clipped breakout of how the toll revenue breaks out, where does the money go in essence and it's based on a \$3 dollar allocation, but the percentages are here and the same percentages apply whether you are talking about the \$1.75 electronic toll or the \$3 dollar manual toll...that's ...percentage rate, and so obviously the bulk of the collection \$1.78 out of the \$3 dollars goes repay the debt, the next biggest slice of the pie is the TransCore toll operations contract, then you have the preservation of the bridge and the maintenance of the bridge, and these slices here...the DOT administration of the contract...and this slides here is about 12 cents and the State Patrol enforcement is this sliver here at about 3 cents of the toll.....so the next graphic is one that was asked for when we met...it actually came out of some of our discussions from last Tuesday when we were here...it really just kind of shows how the debt service escalates over time...and so again this is just informational and it shows that as the bonds...the bonds were actually staggered as the bridge was being built and so they come on line and stagger fashion as well...so our debt service ramps up over time...it doesn't just start and then stagnant...so this really just gives you that background information on how the debt service ramps up over time. The toll operations costs for the Tacoma Narrows Bridge versus other facilities is this next this next graphic and it just shows that really actually pretty average costs when compared to peer facilities across the county and again every toll operation is in some way unique. In this country there is really no cookie cutter model and so our percentage right now is running about 18 percent...actually as revenues go up...as that debt service comes in...our percentage for administration will be a smaller percentage of the toll moving forward.

Commissioner Moser

Ted, on the previous pie chart though it shows that the operations are actually more like 20...I guess that's 25 percent of the pie and this is only showing 18 percent and then you were saying that in 2009 it's 15 percent, so which number are we supposed to....

Mr. Trepanier

Well, this was from an early study. This graphic was not...so that's why we show both...the pie chart was the actual based on the numbers as sit today, with this...with the \$1.75 and \$3 dollars inrevenue.

Chair Ford

Again it's back to this point. There's a \$5 million hit in transponder costs. That was a one time cost.as many as we did...if we want to get into that...that's fine, but that's over with. People now buy their own transponders, so the \$5 million for this biennium is a big percentage and that's why the number is as high as it is.

If you look going forward it's going to start to come down. I think that's the answer to it and if you allocated it solely to the fiscal year 2008 ...you would add a high number for 2008 and a much lower one for 2009. Because we budget on a biennial basis I suspect that's why we showed it over the whole term. We can go back to look at the numbers, but when we pull \$5 million out of the TransCore contract, which is now it's \$17.5 you are back down to \$12.5. That's sort of your base number based on where we are today. Now there are some escalators based on labor costs and some other things to that fixed price, so there will be in future years some increase to those costs.

Mr. Trepanier

And so, were posting the information month by month, so you actually can go and look at it and slice it out by month or first fiscal year or biennial projection, basically all of those numbers are in the handouts...and there is a lot more information posted on the website as well. To ...these bar charts...this came from the Toll Study prior to open.

Greg Selstead

And I think the key element, Commissioner Moser, this was a comparison of the pie chart of the percentage of the \$3 dollars...this is a national measure that we use to cross when comparing other toll systems, and it's a percentage of the cost to the annual revenue, so they are two different measures, so that's why again, we projected for 09 it was going to be 18 percent moving into as Ted indicated, but now actually what we project based on a renegotiated cost and projected revenues....lower about 15 percent.

Commissioner Stedman

Ted go back to that pie chart again would you. Can we assume that as using chart on page 11 that as the debt service requirements go up that the percentage that is being paid to debt service will grow slightly and the others for example WSP enforcement, maintenance and some of those will decline slightly....is that a fair statement or not?

Mr. Trepanier

Yes...I think as a percentage of the gross revenue...or as the toll rates go up the debt service will become a larger and larger percentage of the

Commissioner Stedman

The State Patrol costs will stay reasonably static as will the maintenance....well maybe the maintenance won't though, because as the bridge grown older...

Mr. Trepanier

Typically maintenance costs, as you said they are to maintain the brand new structure...maintenance costs are a little lower and may grow over time. I know we are putting money into preservation which will basically accumulatefor the bigger ticket items like repaving projects.....

Chair Ford

None of us will be around at this table, but we have to do the first paint job on it you will

have a big maintenance cost.

Mr. Trepanier

Okay, so we have talked quite a bit about the renegotiation of the tolls contract already, so I won't spend a lot of time on this slide, but in fact we did renegotiate the TransCore contract...everybody was thinking that there would should be ato scale that went along with this fore fold increase in electronic transponders, and we agreed with that....the elements with TransCore they very good in negotiating in good faith with us. And like I said each element of their operation and renegotiate the contract down to a fixed amount each month. Just ballpark numbers...what we would have been paying under the previous contract for about the same number accounts and transponders and traffic and everything that we have out there now is between \$715-725 thousand....renegotiate that down to \$565-\$666 thousand fixed amount, which again like I said was very close to what we would have been paying at the lower number of transponders....quite a significant reduction in cost...

Commissioner Stedman

When did that new rate start?

Mr. Trepanier

The change order was executed and I think it was effective April^{1st}. Central Tolling Fund...We had legislation this last session to establish a separate tollingwhich is basically a repository for the electronic deposits that people have on file....just a holding account if you will...so that we can keep the funds separate between the Tacoma Narrows Bridge and the SR 167 HOT Lanes account, so when people pay their \$30 dollar deposit or whatever they elect to put in their account, it sits in central tolling fund and then when a toll is incurred...so if they go across the Tacoma Narrows Bridge the system reports that electronic toll and then at the end of the day those transfers are made from the central tolling fund into the TNB fund 511 and the likewise the HOT lanes...when that's utilized...when people go under gantry then that electronic toll is collected that's batched up electronically and then there is a transfer made out of the central tolling fund into the 167 account. That actually just now is going to be going on line this year. It's going to be implemented the end of this month...and right now we are basically keeping those sub account...the funds do not intersperse and the central tolling account makes that real clean....Insurance on the bridge...again just a quick slide to talk about the insurance cost because it has...some questions related to that. All of the toll facilities to date in the state have been insured again it's an issue with the bonding process...ifyou have insurance...the state incurs a pretty good risk against the toll facility if they are not insured. Again just kind of following history and following the rules as they have been laid forward. This new facility is insured for replacement costs up to \$500 million and then for the loss of revenue there is \$60 million in deductibles...again that's all spelled out on the slide.

In the traffic analysis we have in place on the road way traffic report equipment that is dependant on the toll operations at the toll plaza...there has been some question about can we use our equipment to cross check TransCore equipment just kind of a double check if you will...they are actually seeing the revenue from all cars that are in fact crossing the structure...those loops and recording equipment is now online on SR 16 and there is a set of detectors just off the east end of the bridge. Comparing the counts...across those loops versus the counts that we get from TransCore with their system we have match of over 99 percent, which is very very high and is well within the accuracy range of our equipment and the equipment is a 100 percent foolproof, so consider that pretty much an exact within the tolerance.

Chair Ford

Any questions from up here at the table?

Commissioner Stedman

This isn't a question...I happen to be staying here tonight so I in the dining room. When we got to the insurance item here there are three pictures of the original Galloping Gertie Bridge. One during the beginning of the storm, one kind of during the middle of the storm, and then the end of the storm. I'm curious did the original bridge have insurance?

Chair Ford

Well, it did but the agent sold the policy to the state pocketed the premium, he ended up in jail, but the insurance company to their credit, paid off as it was their agent.

Commissioner Stedman

I'm glad!

Chair Ford

So were the taxpayers!

Mr. Trepanier

This is not the agent that we used to make...

Chair Ford

However, in a manner again of full disclosure the state does self insure a lot of their facilities, but they do have umbrella coverage's for losses above a certain amount, which is something they do so that the impacts of some of these losses would not be so great, but the main reason...that this old statute on toll bridges...partly contributed to by the first Tacoma Narrows Bridge, but even prior to that the lenders on toll facilities...do expect that the facility will be insured. I spent most of my life at the Port of Seattle and we used almost exclusively revenue bonds...we couldn't sell the bonds without insurance....it was covenant in the bonds, so it's not an uncommon thing to have insurance, but it is expensive, but on the other hand so is the bridge...I think that there is about \$700 million tied up in it, so it's covering that asset...yes go ahead Carol.

Commissioner Moser

We used to have a slide that showed comparable toll prices today given prices years ago

when the bridge was first opened, do we still have that slide?

Mr. Tepanier

Actually it's in the facts sheet I believe.

Chair Ford

Is the facts sheet out there, so it's on the back of the facts sheet, so you can see what the escalation of cost is. It's amazing when you consider what incomes were and so forth what people paid in tolls in years back...it's quite a difference. I think it's worth...on this issue of the transponders to be as open as a person can...there are some differences of opinion, some of us thought that it was really important to get as many people to use transponders as possible as an opening round on this project, and that therefore the cost of the transponders should be factored back into the funding of the bridge. We did get some modest help out of the Legislature...it's over a \$1 million that they gave us to help offset some of these costs. There's a couple reasons...if you follow tolling in this state a perennial problem with tolls bridges was that there was skimming going on by people who collected the cash...people got sent to jail on a fairly regular basis because they were toll collectors...one for the state and one for me sort of...and when we have it electronic there is going to be no skimming, because it goes straight through to the bank basically...when it hits the account it goes right to the bank, so that was one part of it, but perhaps even more we knew that having this kind of facility available allowed frequent users to get the best productivity out of the right of way that's possible...in other words you can go through it across the bridge at 50 miles an hour, you don't have to stop and pay a toll. It's amazing, we did some public polling on tolling, most people's minds around this state are still back to the good old days when you have to stop and pay the toll, and they saw these long lines of people waiting to fumble through and get the \$3 dollars or whatever the toll was and pay it, so we've got a double benefit, we have great security on the photos that are electronic and we have a free flow of traffic that's really been helpful to those who use the bridge. We are now going to open it up to public testimony. I would hope that people would try to keep their comments to about three minutes, so everyone who does want to speak...I may ask you if you want to run longer to move to the end of line if we've taken care of everybody.

The issue before us today is a recommendation to increase the tolls from \$1.75 to \$2.75 for the electronic tolls and from \$3 dollars to \$4 dollars for cash tolls. The amount we calculated in this based on the data we had and of course some of which is projections...how many people will drive over the bridge...I can not tell you what the number will be a year from now in exact numbers...we have projections from experts, that's what we are working with, but this was a level that was necessary to raise the dollars that are needed to fund the bonds, the insurance and the operational costs...the other costs that are included under the law. The Commission's role in this is to put a revenue stream that meets the costs that are required under the law. And the flexibility that we have is such things as a lower rate for those who use transponders versus those who pay cash...that kind of thing.

We have to raise the money, and I think that's important to have an obligation to raise the dollars that are needed to pay these costs and that's our role. With that I have....

Public Comment

Gina Brewington

I'm a Good To Go transponder user, and I use it about three times a week. I live in Tacoma, so some of my activities, in fact mine, are in Gig Harbor area, and therefore I use it that many times. I considering moving into Gig Harbor eventually and then probably I wouldn't be using the bridge that much, but I am concerned the fact that the Good To Go...the transponder part of it...the increase for them is over 53 percent or whatever, may be 53 percent for this first increase from \$1.75 to \$2.75. And the ones who stop at toll booths from three to four which is only 25 percent. I'm not an expert on how you figure all the different ways of paying for things ect., but just from a fair aspect of things, thinking of it is this fairly done....it doesn't seem like it to me! We are the ones that you can count on...you know how much you are getting from us every month. We are the ones who are the solid income that you can count on every single month. Those coming over the bridge stopping at the toll booths either they're to lazy to buy their transponder or they're just one time people going across on a trip, or they're people who farther away from Gig Harbor area and maybe only use the bridge occasionally. So therefore it seems like we are being almost penalized for being someone you can count on. I just would ask you to possibly reconsider the percentage amount...I would suggest that it be \$2.25 for the transponder people and the \$4 dollars for the other. I makes me a little bit nervous when I consider that the increases are going to continue, that they are going to be at least eight increases and who knows maybe more. I can't hardly imagine what the eventual amount will be, but it seems that those of us who are going across that bridge are willing to pay, we are doing what we can, but I don't think we should have to do a bigger share than those who occasionally go across the bridge.

Jim Pasin

If I might could I be last?

Chair Ford

Okay.

Lucrita Devine

I'm a citizen and resident here in Gig Harbor. I'm a little bit hesitant to comment because although the presentation was very through....for an ordinary person like me without having the opportunity to study it's difficult to comprehend it all...how early was that information available?

Chair Ford

We had the same presentation a week ago.

Ms. Devine

Yes, but was it available earlier than that?

Mr. Trepanier

The financial information has been available for sometime...we met with the Citizen's Advisory Committeeand we've had it on our website as a resource.....

Ms. Devine

I don't know what opportunity...I know about...I saw you last week I was here also, and I heard you speak about the Citizen's Advisory Committee, but how does the Citizen's Advisory Committee make information available for the general public?

Robert Ryan

If I may...Chairperson of the Citizen's Advisory Committee....at every one of our meetings, which we have scheduled quarterly throughout the year and more frequently in the time period when are looking at the possible changes in the rate. We have had public input available at every one of those meetings...and all of the information that we have received was made available to the public for their review at that time.

Ms. Devine

Somehow I'm not aware of that..so.

Mr. Ryan

And that's posted on the website...I understand and it's also been published in both Gateway and the News Tribune...prior to every meeting. There was one meeting that we had a notification only one week in advance...other than that all of the other meetings at least two weeks in advance.

Ms. Devine

I wanted to ask also had there been any thought given to having a public survey similar to the one that was just used for the ferry system....for the San Juan ferry....

Chair Ford

For this particular bridge...not to my knowledge. We did a broad statewide assessment of tolling when we did the Regional Tolling Study three or four years ago, but it could be broken down by regions and so forth, but that did focus in on specific facilities.

Commissioner Forner

Dick, I was part of that Tolling Study and what we found statewide it depended on the area that we were looking, but there was certainly concern about...something that was mentioned earlier was waiting in line and causing traffic problems...there was also a big concern that the funds should stay with that particular project and that was certainly something that was brought up, especially in this area, but I think overall there was realization that eventually tolls would be the way that was going to have something built,

because we have waited so many years and talked about it for so many years...the money is just not there. Certainly the Legislature has told us time and time again the gas tax won't do it, and so I think there was a general public acceptance that new construction or new projects were going to be tolled. That I think is evident in the tolling study.

Chair Ford

There was an election here...the people in Gig Harbor overwhelmingly voted no on the new bridge, but the wider area that was where the election was held favored it. Mr. Boss will be on stage here momentarily and he will tell you why that was not fair, but the real bottom line is this bridge would not have been built had it not been for tolls. The Legislature right, wrong or indifferent with Legislators from all over the state having something to say about it...not just your Legislators...believed the bridge was necessary and voted to do it and they voted to do it as a toll bridge. From the Commissions point of view that's a...we can not go back and unravel what has been done. I do think that even if the state said we'll pay all, but we are going to close the bridge now, we would hear more screams now from Gig Harbor on that... than you like the bridge...we've got that much feedback, people like the bridge, they just don't want to pay for it.

Ms. Devine

Well not exactly...I will...that we do appreciate the bridge and the convenience of it.

Chair Ford

And the safety!

Ms. Devine

But it's a little bit like buying a new car.....or if you want to buy a new and you have to weight the stress it's going to take to financially.

Chair Ford

Sure...I understand!

Ms. Devine

The financial burden that we are going to have to incur...then we have to question whether we appreciate it as much as.....but anyway I wanted to just say...last week I was here and a Mr. Wilson spoke and he spoke of himself as a typical...citizen...and he complimented the CAC for...I think it was the CAC....anyway he was very supportive of the increase as it stood...proposed. I have to say that I also am, what I call a typical Gig Harbor citizen, and I've talked to....I haven't done a survey...I haven't passed a petition, but I have talked to different people, business owners, bank tellers, retired single women on limited income...grocery clerks. I've asked them all what do you think about the bridge increase in tolls and all of them have said...this going to create a burden on us. I usually go over...I have in the past used the bridge taking classes over in Tacoma. I now concentrate on using that bridge one time a week and only one time a week if I can help it...and then I'm you know coordinating with my husband...can we carpool and that sort of thing

Last week also there an expression used...we haven't hit the goal...we increased the tolls on the ferry system and we are still using the ferry system, but I want to say to you all...and I want to call upon you to think were....three to five years later...many people argue with the goal. I want to reference you statement here on your report "despite the recent increase in the state gas tax it is not enough to keep pace with the inflation of materials costs. As consumers reduce vehicle use in response to high gas prices, there's even gas tax revenue to build the road projects that are planned" my concern is personal for my own financial resources, and it's also that by increasing these rates as much you are for the....that I have to concur with this woman...you are going to be....and that's going to impact your revenue.

Chair Ford

That's what it is you're right.

Ms. Devine

So, I want to ask that you reconsider the amounts that you are going to charge and like this women I would like to as that you decrease the amount that you are increasing for the transponder users and increase the amount for the occasional....

Chair Ford

.....it's probably close enough for this discussion, if we take your recommendation that's fifty cents less, we would have to increase the cash by a dollar....because about two thirds of the people use transponders and one third use the cash, so you are recommending a \$5 dollar toll for the cash people and \$2.25....that's what I wanted to hear...that's you recommendation.

Ms. Devine

That's exactly what I'm recommending.

Randy Boss

I first would like to question why there are three state patrol officers standing outside the door...is the Commission afraid of some terrorist operation or something here tonight?

Chair Ford

No....I just think...

Commissioner Stedman

Let me respond to that Dick....I asked one of them and he said primarily because the angry ones that leave here....speed!

Commissioner Forner

Thank you for patrolling the bridge!

Mr. Boss

First of all...I would like to point out that we are here tonight to talk about tolls on the Tacoma Narrows Bridge. I do want to comment to the Commission that I'm thankful that you are addressing the Tacoma Narrows Bridge as the Tacoma Narrows Bridge. There has been some discussion about renaming the bridge and I would hate to set tolls on the Tacoma Narrows Bridge, rename the bridge, and then there would be no place to collect the tolls, so I would like to make that point. Thank you very much for maintaining the name of the Tacoma Narrows Bridge in perpetuity of the toll. I would like to....I have made public comments to the Commission and you have those on record, so I'm not going to go over those tonight in any great detail. This handout material tonight was new to me and very interesting and I would like to take just a couple of minutes to go through that...on page nine or slide nine of your presentation tonight you refer to "where the money goes" the allocation of the \$3 dollar toll on the Tacoma Narrows Bridge and I'm curious of where the \$3 dollar toll rate comes from because the proposition before the Commission tonight is \$2.75 and \$4 dollars....so I don't know how you could develop...

Chair Ford

Randy....this table was done when we had a \$3 dollar toll, which we still have until.....and we would not....we didn't take the time to change it, but the allocation was here as an illustrated thing....come on now...give us a break.

Mr. Boss

The tolls now are \$1.75 and \$3 dollars.

Chair Ford

They are \$3 dollars, so we used the \$3 dollar number

Mr. Boss

Right...thank you...I appreciate that, however that's implementive I guess...I think that's the word...of the entire evaluation of the debt structure on the Tacoma Narrows Bridge if you'll go to slide nine...the budget and actual expenditures...you know I have been a critic of the CAC as well as the Transportation Commission for toll setting and setting tolls based on projection numbers and budget numbers rather than using actual numbers and real numbers...real world numbers that have been generated since the bridge opened in July of last year. There have been some questions this evening and some answers this evening that the budget numbers and the financial numbers that were presented...have been known for some time now. As one who has attend almost every on of the CAC meetings, and almost every one of the Transportation Commission meetings regarding the tolls find the last column the actual expenditures through April 3, 2008 to be a brand new column, a brand new number, a brand new set of numbers that no one that I know has seen this...now they could have seen this last week, I wasn't here. This is all new information...I bring that to light because you will notice that on the far right hand column at the very bottom the actual expenditures through April 3, 2008....very small numbers...it's hard to read...is actually \$13, 484, 000 dollars...

when the projection number if you will go to the far left column there was somewhere between \$68 million and \$69 million dollars. The issue here is the CAC set the toll rate that you are looking at tonight to cover the \$68-69 million dollar number and not the \$13 million number, which is the actual. Now let me adjust the \$13 million, because.....

Chair Ford

Now let's let him testify please...Bob let him go....

Mr. Boss

The \$13 million dollars is only through April 2008, which is only three quarters of the year, so let's increase that by 25 percent, which would bring it up to \$16, 855, 000 dollars which is the actual expenditures for the first year of operations on the bridge. The toll rates that you are looking at adjusting and setting tonight is to cover the \$68-69 million dollars and that's been my complaint throughout the entire process is that there was no need to increase the toll to \$2.75 and \$4 dollars if you were to look at the actual numbers that the bridge...the cost of the bridge was...rather than importing speculated numbers and projected numbers. I have asked the Commission, I have asked the CAC several times to produce those numbers so that the public could actually see what we were paying for based on actual write the checkbook numbers and until last week, because I wasn't here, this column has never appeared any place, so I appreciate the Transportation Commission finally and the CAC finally in getting someone to produce the actual numbers, so that the people of Gig Harbor and the rest of the state can see what actual costs need to be repaid by the tolls. What I would ask the Commission and CAC to do is to step back...take these new numbers, which are the actual numbers that need to be used to calculate the tolls. Take a few weeks and do an actual evaluation and then set the toll rates based on the actual numbers and not the blue sky projection numbers, which the Transportation Commission used to set the toll rate, which is before this community this evening. An example of the bad evaluation process was the TransCore...contract that the Transportation Commission and the CAC has addressed. They have no clue. All of a sudden the Governor's supplemental budget this year...the Transportation Commission announced that...yes excuse me the Transportation Commission, DOT actually announced that the TransCore contract is \$5 million dollars over budget. It just kind of popped out of nowhere...it was a big surprise and no one knew why...but finally got to the bottom of it...there was a \$5 million dollar supplemental put into the budget to take care of that. TransCore got paid the \$5 million dollars, then DOT renegotiated the TransCore contract and the budget number, and there's been some discussion about saving us thousand and hundreds of thousand of dollars in the TransCore contract, however the budget number for the TransCore contract is higher than when it was renegotiated even after paying the \$5 million dollars the TransCore contract went up. Finally, there was some discussion tonight about the actual traffic counts...I have been requesting for the last year that DOT get an independent traffic count on the bridge. The DOT has been relying on the TransCore, this is our transponder account collections, this is our toll booth collections, this is our violations and therefore that's how many cars went across the bridge. The DOT had no independent means of tracking how many cars actually went across the bridge, so they can say no...no I'm sorry you're five thousand cars short, or you're ten thousand cars short.

Where is the revenue from those five or ten thousand cars? The DOT had no way of knowing that, so finally I find out tonight, thank you very much, the DOT has finally implemented some independent method for tracking the traffic on the bridge, so hopefully we'll get a better accounting from the TransCore folks, who by the way were supposed to have accuracy reports to the DOT by April, March or April of this year...on data testing that they did on the TransCore collection system...the cameras and the counters, they have all of that, they were supposed to test to see how accurate they were. We heard earlier in May/April/March sometime that TransCore said "congratulate ourselves were almost a 100 percent accurate." However, they have not reported their findings, they have not turned in the report that was due some time in April, and there's some shenanigans I'm thinking going there, that maybe TransCore's equipment isn't quite as accurate as TransCore reported their equipment was, so it's good to see that the public questioning and comments before the Commission the CAC have at least resulted in some type of an independent traffic counter, so that the DOT will know how many cars go across the bridge, so they can see if their actually collecting all of the revenue they are supposed to be collecting. And, number two the reduction in some of the overhead expenses like the police, the State Patrol account and the administrative overhead account that was reduced from 23 to 17 positions and tow trucker operators ect. I'm glad to see that you are zoning in and looking at some of these costs. I'm glad to see you're challenging these costs, I'm glad to see that you're incorporating these reductions into the billing systems, however it doesn't reflect in the toll charges, the toll rate that you are recommending here before the community tonight. So, I would like to have you step back from the process,up a little while, take a look at the rate, the actual numbers and incorporate those actual numbers into the rate setting process and set a toll that pays the cost of the bonds plus the cost of the operation and not any more. I would be happy to answer any questions that you might have.

Chair Ford

Bob do you want to say something?

Mr. Ryan

Yes...I did want to mention that Mr. Boss has misstated that the actual expenditures through April 30. While they are in fact the actual expenditures...do not contain the normal debt service retirement that is covered in the supplemental budget or in the original budget and this periods \$13 million dollars expenditures is for a approximately a 10-month period out of a biennium period and not a 10-month period out of an annual period, and so therefore the misstatement issaying that we are looking at something totally different when if fact we are not. We have looked at these numbers and considered the debt service alternate biennium and not the just the original debt service payment of \$1.4 million but the total debt service payment in the first year of \$13 million dollars and in the second year of about \$20 some million dollars....\$27 million dollars...and that's what is the difference, and I think if those numbers are factored in plus the actual expenditures calculated out on a...to annualize those and take them up to the biennium, I think you would be seeing that those cost numbers are in fact pretty close to our...what we were projecting. I just want to make sure that that misstatement of his is not allowed to go on.

Chair Ford

Randy...just so you understand...the debt service number is given to us by the State

Treasurer who manages this and I don't know whether you own your house or whether you pay property tax, but at least I find I have to accumulate a little money in my account, so when the property tax bill comes in....I have enough money in the account to pay it. Now if I leave it until I got the bill to start figuring how I was going to pay for it I would be in deep trouble. Frequently bonds are paid on semi annual or annual amounts, but we have to accumulate the money as we go along, so if you've got an argument with the number, if that's your problem go talk to the Treasurer cause he's the guy who issued the bonds, he's the guy that pays them off and we've got to take his number as the correct number, and we have to accumulate it as we go along.

Mr. Boss

Okay...so let me address that then...on slide nine it says that the Narrows Bridge toll operation biennium budget for the year 2008/09, so you are saying that's not 2008/09, it's for what period then?

Chair Ford

It's 2008, it's the biennium, it's the biennium amount that the Treasurer gave us as what we needed to have to meet the debt service.

Mr. Boss

Well according to Mr. Ryan that would be for a two year period.....

Mr. Ryan

If you look at your slide on slide 11 you will see those two years of debt service that are covered....the two that spoke about, the \$27 million and the \$13 million.

Mr. Boss

And it's not the debt service that I'm addressing it's the maintenance and operations charges. If you look at slide 10 the debt service is \$41 million dollars and the subtotal of the operation and the maintenance expenses is \$28 million.

Chair Ford

What?

Mr. Boss

On slide 10....not for the one year 2008/09.

Mr. Ryan

It is for the 2008/09 biennium.

Mr. Boss

Okay, so then would that be then about \$14 million dollars a year?

Mr. Ryan

That's about the number, and so what were sitting on is for \$12 million out of the \$14 million in 10 months. That would be correct Randy....

Mr. Boss

Okay...and so I would ask you to take a look at the actual numbers...

Chair Ford

These are the actual numbers....that's where I think we have a fundamental disagreement. Sure, some of them of them are projections.

Mr. Boss

The last column is the actual numbers, however that's not the....

Chair Ford

No that is not the actual numbers for the biennium those are some accounting numbers for a certain period, but we have to budget on the basis that when we close the biennium on July 1st or June 30th of 2009 we've paid off all the bills. That's what this is about...it's an accrual type system...it is not a cash system...we couldn'twith a cash system and so you know I appreciate your viewpoint, but I don't agree with it, because that would not get us to where we need to go.

Mr. Boss

Well thank you very much for the opportunity to speak.

Commissioner Forner

Randy....I have a question...I appreciate all the work that you do, but just can't understand what you're asking us to do. It really bothers me when I see 25 professionals of the auditors office, the Commission, the CAC that are....I'm no accountant, I don't know numbers, but I have to rely on them. You are one person challenging all these professional people and it's kind of a little bit of an insult, both to the Commission and those people, but one person, yourself challenges all these people. When I go to the doctor and he says you need xrays, he gets professionals, and then my neighbor comes and says well you have had them do this..this and this and he's not a doctor....why are you paying all these people to do this...tell me what your expectation is of us when you challenge all these numbers when...all these good people that are not trying to fowl up the citizens they are trying do a good job. Why do you keep challenging...I expect you to challenge them, but the way you challenge them is discrediting the people that have spent a lot of time doing them that really bothers me Randy!

Mr. Boss

Let me answer that question Commissioner Forner.

Commissioner Forner

Well I don't know...I'm just letting you know how I feel.

Mr. Boss

It will take just one second. If you want to go back to slide number nine...Washington State Patrol enforcement was originally budgeted \$1.5, but then was reduced to who knows I can't read the number, and the Citizen's Advisory Committee set the toll based on that, whatever number that is \$680 thousand dollars, when in fact the State Patrol only used \$465 thousand dollars of those, so there is additional funds being allocated to pay the State Patrol. That's a

minor expense...administration and toll operations went from \$6 million to \$2 million and we are actually collecting tolls to pay the \$2 million dollars when in fact there was only really \$1.3 million dollars....

Commissioner Forner

But Randy we made the best decision we could with the information that we had at the time, and that's going to continue until the bonds are paid off.

Mr. Boss

What I think Commissioner Forner is that you didn't know what these numbers were when you said...

Chair Ford

They are forecasts....

Commissioner Forner

Of course we don'tthey are forecasts...just like you didn't know whether gas was going to be \$3 dollars or \$4 dollars.

Commissioner Stedman

I think we've listened to Randy long enough...don't you think.

Mr. Boss

.....you know I've asked to see the actual numbers of fund 511...I had to do a public records request and I have been stonewalled if you will to not provide that information, so this information in the actual costs....was news to me and I thank you very much and I appreciate it.

Chair Ford

Okay....Jim are you ready to go? Use the microphone so that we can be sure we are picking you up.

Jim Pasin

One of the concerns that I have continuously had in being on the CAC is to assure the public that we are collecting the amount of funds and using those revenues appropriately. One of the things that have been discussed is what happens with some of the surplus funds or the reserves that we have and I think an easy example is to take a look at the preservation of the bridge, we have \$400 thousand dollars allocated and in the first year we've spent none,

which is acceptable. There was a conversation that those funds would be drawing some interest, I don't know what amount, but my real question or hope is that those funds that we have in reserve or that end up with reserves at the end of any fiscal year that the income from those funds be properly allocated back into the revenues of the bridge. I would hope that we can start looking at that when we have our meetings later on this year.

Chair Ford

I'll try to answer that because we've had a number of conversations with the Treasurer, the money into a specific account for the credit of the Tacoma Narrows Bridge, so the money has to be appropriated out of that account by the Legislature within the rules that have been laid out under the law. They do get interest, it's not very great right now, because there kept in relatively short term investments, but they do earn interest, and the interest goes back in it. Until recently that was not the case to be honest with you, so that's why your question is a good one. Frequently the interest that was earned on highway funds ended up in the general fund, they did not go back to highways, but now they do, and now they go back in this case to the specific account, so whatever that earnings is we have tried to keep what they call in the business the coverage factor pretty low, but enough for example, with gas at the price it is we are starting to see people take fewer trips. The tolls increase itself will probably reduce trips, so we will have a drop in traffic. It would not be surprising if traffics drops a little bit, and we've had to factor that into our thinking to some degree. I mean its...you know I with...all this is projections to a point...hopefully not completely off base, but we don't know how many people are going to go over the bridge over the next roughly 12 months. We don't know whether the mix is going to be exactly the way it has been...you know...heavy on the Good To Go accounts and later on cash. The money...and what has happened in other toll projects in the past, if you followed those at all, they are able to pay off the bonds early on many of these because they accumulate it in the toll account...surpluses, so they defuse the bonds before...with those surplus funds. I suspect if we are lucky we might be able to do that, but I'm not going to project that...even if I did you're not going to be able to nail me because I'm going to probably be gone by the time they're paid off...anyway that's what happened on the Evergreen Point...the toll brought in more dollars and they I think they paid it off in about 20 years...wasn't it...instead of a 30-year period.

This is all I had on the list did anybody else want to get up and tell us who they are and comment? You come first, and back over there somebody raised their hand.

Larry Vincent (?)

I'm from Gig Harbor and this only peripherally connected to the toll on the bridge it really has to do with the HOV HOT lane combinations in terms of transponders. It turns out that I and I'm sure many others have a vehicle which requires a license mounted transponder and therefore will always....there's no way to shield it so if I ever...I can not use the carpool lane on 167 basically without paying the toll. I hope that...I know this...this is just a trial run, I hope that that will be very much in the minds people who look at the whole use of transponders and how they interact because it seems to me...here we have a case where an error in design is all I can guess that it is...

occurred that is in fact keeping a lot of people from using....what I think is my right to be able to use when I have a car full of people that I want to take the carpool lane and not the other...thank you.

Chair Ford

Greg I assume you've heard some of this before and have it in the long-range plan to see if we do....someone else back here wanted to speak....oh Larry for goodness sakes...Representative Seaquist...

Representative Seaquist

Thank you Mr. Chairman. If I may I'm Representative Larry Seaquist. I wanted...to point out that as we all know Gig Harbor in this community with this new bridge is pioneering the tolling process for this entire state. In the Legislature we have been monitoring very carefully how this procedure was working and I'm really complimentary of everybody involved, starting with the community itself. The community has been very involved as you would expect if you put your three bucks into that toll takers hand you get a real sense of ownership. Bob Ryan and the CAC in my view have been setting a wonderful example of what a community can do when they put themselves together to seriously think about how you set rates and what's fair. There were a number of complicated questions that have been resolved and are now going to be....approximately as a draft of a statewide policy. I'm also complimentary, believe it or not of our DOT staff. Certainly I have repeatedly been after them to show the numbers, but you see now that DOT has been adopting a new mode of interacting with the community....here's all the numbers, it's on the website, so I think that's another positive part of what were modeling for the whole state. Finally, I'm personally very grateful for the leadership shown by you Mr. Chairman and every member of this Commission. You are very hard working Commission...I appreciate how much you have in very great detail in with many hours of personal investment...worked through the details of this so that as we step forward into a statewide tolling regime what we've learned here, what we've developed here, what we've pioneered here, is going to serve the citizens of this whole state very well and I thank you.

Chair Ford

We do appreciate all that you have done to help on this as well. I now appreciate maybe more than I once did why it's tough for the Legislature to raise taxes. We've had some of the same kinds of issues around it. You are quite right... some of us are working on a special little subcommittee on the 520 bridge. We were on the phone today on a conference call and a lot of the same issues are out there and it's....and the amount of money we need to raise for that particular project is roughly three times what was spent on the Tacoma Narrows Bridge, so it's a big project and it's going to be interesting to see how it unfolds.

Commissioner Stedman

Dick....question....I'm not sure whether it was Gina...was it Lucrita...is that your name Lucrita and Gina is sitting over here. One of you, when I listen to woman I always get them confused....you know how they are...

one of you said you could raise the price for the casual user or words to that effect and not...very much with the transponder people, which one of you said that? I was looking at the numbers here and interesting one out of every three people crossing the bridge...is what you are calling a casual user. To me that takes that out of a idea that there is just a few of them over there and they ought to may more and a whole bunch of us ought to pay less. I hope that you will two will take a look at those number again before you get to concerned about now charging equitably for both groups, because you've got in the case of the manual users through April of this year, you have 3.6 million trips by cash users as compared to 8.5 trips by the transponder user. That's not to me a handful of casual that's a whole bunch of them. A larger number of transponders that's for sure.

Commissioner Forner

Mr. Chair I move that we change the existing toll for the Tacoma Narrows Bridge that are now \$1.75 for electronic and \$3 dollars for cash to \$2.75 electronic and \$4 dollars for cash.

Chair Ford

Is there a second?

Commissioner Moser

I'll second that.

Chair Ford

Alright we have it on the table...lets have some discussion. I wanted to add a little to the point here. The differential, although it's not a precise number, but the differential was picked for...a couple of reasons. Certainly wanted as many people on Good To Go as we could get, because of the traffic flow and the improvement of traffic flow. There is a cost differential between collecting it electronically and collecting cash. The difference to some degree was an effort to recognize the difference in toll collection costs between the two methods and we've kept that differential in this recommendation in sort of the same relationship...although I know if some of you are accountants and want to break this down by the penny I would probably be off base, but we are sure that there is a clear difference in cost between a manual system where people pay cash...we have to take the dollars down to the bank and deposit them and people have to count it and you have all of that going on there. So, part of it was to represent the differential in cost of collection and the second was to make sure we continue to encourage the use of the transponders. A question...

Marlin Jensen

I'm a property manager and this is just a thought...when I can't rent an apartment...guess what I do? I lower the rent and I have people fighting over an apartment. I'm just thinking if we have...you know the more we raise the tolls are we going to be making less money in the long run than if we kept them lower and more people choose to go over the bridge and that's just my thought.

Chair Ford

We struggle with this all the time on ferries and it's the elasticity question. One of the things we're going to.....you do it and we'll find out how much happens as a result of a higher fare and at some point your right...we probably would do better to lower the rate...but that's the honest distinction....

Commissioner Moser

We have a motion on the table that we are speaking to, it is my understanding, and we have a proposed schedule....that Commissioner Forner proposed part of that schedule then I'm assumed that she is proposing that we adopt the whole schedule and changes. I just wanted to make sure we....

Chair Ford

Is there anything that needs to be highlighted or voided in that that you wanted...

Commissioner Moser

No....but I just wanted to make sure that everyone understood that we are talking about the full schedule of cost...a proposed toll increase....first of all I would thank the citizens for coming out tonight, because democracy is a very messy process. I used to on the Richland City Council and we frequently had lots of hearings where everybody had to raise rates especially utilities and it's difficult and boy I'm feeling pinched just as much as everybody else out there with the prices skyrocketing, the cost of gasoline and the cost of food and nobody likes to see prices increased...I don't! I'm very sympathetic for those of you that have to depend on the bridge every day to get back and forth, but it's the irony that we have a bridge that we can get back and forth...that makes us mobile and think sometimes we forget that years ago we didn't even have the ability to be on this part of the state, because we would have to take a ferry, so we take these things for granted and yet the bridge gives us great mobility to get back and forth that we didn't used to have. One of the interesting things I think, in all of these toll setting schedules is that when you look back in time, if you were to price the cost of the tolls for the first Tacoma Narrows Bridge today it would be asking the rate to pay \$15.10 for that toll. Back then it was a \$1.10, so I think that we have lost sight of the fact that these projects cost a lot of money to build, but they also provide us great mobility and back then people would have been willing to pay \$15.10 to cross a bridge to get from here to there, because that was the value of the money back then...that's what they were paying...so this is the schedule that's on the Facts Sheet. Secondly, I'm a little bit concerned that given the price of gasoline and the cost of food these days...I'm really hoping that we analyzed this carefully enough to ensure that our projected revenues and our projected expenses do pencil out and that we've...the budget to where we have a lot of confidence in those numbers, because we are placing great faith in your recommendation to this Commission.half way through year we are going to be another look just to make sure that we are on track, because what's remarkable is even though these are forecasted numbers they are tracking so closely that it's amazing how close we've come to projection and actual expenses and revenue. A lot of good work has gone in, because we are actually....with revenues and expenses that we need to stay on top of that.

I think about a year and a half ago I suggested that we needed to be tracking this very closely and I got chastised for micro managing, but I can see now that everybody wants to find out how close we these numbers, and again thanks to the Citizen's Advisory Committee for taking the difficult task and working the numbers and trying to make it as palatable as possible. I can only say that I'm thankful for those people that don't have electronic transponders, because they are really helping us make budget on this whole bridge...you know if we didn't have people out there paying cash we would be in a world of hurt....for those of you that you using the electronic transponder, so thank goodness for that Sunday traffic, because they are keeping the numbers up....so invite all of your relative and friends to visit you on the island so that they can go home and pay that full amount.

Commissioner Stedman

I don't have a transponder living in Spokane I wouldn't.

Commissioner Moser

Well you keep coming over here Dale and....

Commissioner Stedman

If I keep coming to these meetings I help pay for it that's for sure....I wonder if the audience knows that information basically about all other tolls that have been charged in the state has been recomputed on the back of this little explanation thing on your...

Commissioner Moser

Finally, I just make one last....this is at the national level we have not kept pace with keeping up the costs of servicing our infrastructure, and we are as a nation in a world of hurt, we have bridges collapsing in Minneapolis, we have bridges that are structurally deficient, we had to shut down part of our ferry service because our ferries were in woeful repair and needed repairs, so unfortunately it filters down to the state when the national government can't pony up the money that needs in order to keep us all....so if you have any friends in the high congress then you need to just bug them and say we have this reauthorization coming up...it's time for the federal government to pay their fair share for national infrastructure...that would actually help all of us in making some decision about how we are going to allocate our funds, but thank you again for coming tonight and giving us you opinion, because that's what democracy is all about and I'm all for democracy.

Chair Ford

Are there any further comments about....

Unidentified speaker

Just one comment Mr. Stedman...last week when they talked about that 30 percent that went over the bridge. You have absolutely information about the variable in that, so I think that would be important if you are making a comparison...and factoring that in. And again I would encourage you to be cautious on the side of the citizens that use this all the time...if you have to change the rate....

I appreciate your proposal of \$2.75, I would really appreciate it if it were \$2.50 and increasing the other to \$4.25 maybe. Or the other resource that I'm thinking of is the cost of the transponder...add a dollar to the transponder costs.

Chair Ford

Is there any further comments?

Commissioner Stedman

Call for the question....

Kati Wright

I actually work here in the hotel that were standing in as well as the fact that I was born and raised in this community before I was forced to move the bridge due to high rent costs here in the community. I can't afford to live here, however taking into consideration the fact that I do make over 20 trips per month closer to 20-25 trips a month, somewhere in there. Looking at the cost that you are proposing for the transponder puts me at somewhere between 50 and 70 dollars a month. I'm now stuck in a rock and a hard place, I can not afford to drive back and forth at the current income level that I'm making and I can't afford to live on this side of the bridge. There are quite a few people, especially my generation that are now in that situation where we were born and raised here, we've been forced to move on the other side of the bridge where the rent is more affordable for us, but we still work here and our dollars go to this community and there is other situations that are part of that. As a meeting planner for this hotel, the meeting that you are currently sitting in, I can tell you that some of the citizens are from the other side of the bridge and I have that occurring on a daily basis. Their dollars come into this community and they stay here, they eat here, they sleep here, they meet here and we are going to lose quite a bit of that and those are those \$4 dollar toll people that you are talking about and that's where their sales tax stays here and it goes back into the state. You can't fund a local community with those dollars if they can't afford to come here. I would like to recommend what the ladies recommend is that you don't raise that toll to a point where it drives people out of our local community, because they can't afford to pay it.

Commissioner Parker

I think at one time when we hear the talk about the manual collection of tolls we took a look in the amount of money it costs to collect an off dollar amount i.e. \$3.01...the time it takes for toll people and the way it slows the lanes down is why we tried to stay at a solid dollar amount on the manual collections, so we didn't have the volume of change to handle and that would cost actually more money.

Chair Ford

Okay...we are going to bring it to a close....

Unidentified speaker

If you were to charge \$5 dollars for the so called casual user and \$2.50 for the transponder user, it would raise just slightly more than the fee that you are now looking at.

And that might in fact make.....

Chair Ford

The question has been called for....all those in favor say "Aye". All Commissioners responded "Aye" in favor and none opposed? The motion is carried and passed unanimously.

Meeting adjourned.

The Commission meeting adjourned at 8 p.m., on May 27, 2008.

WASHINGTON STATE TRANSPORTATION COMMISSION

DICK FORD, Chair

ELMIRA FORNER, Vice-Chair

PHILIP PARKER, Member

CAROL MOSER, Member

ABSENT
DAN O'NEAL, Member

ABSENT
ROBERT S. DISTLER, Member

DALE STEDMAN, Member

PAULA HAMMOND, Ex-Officio Member
Secretary of Transportation

JENNIFER ZIEGLER, Governor's Office

ATTEST:

REEMA GRIFFITH, Executive Director

DATE OF APPROVAL