

# WASHINGTON STATE TRANSPORTATION COMMISSION

## Regular Meeting Summary

March 17 & 18, 2015

Chairman Haley opened the meeting with a moment of silence for Joe Arrants, who died last week in working on the SR 520 floating bridge.

### **COMMISSION BUSINESS**

*Commissioner Riveland moved adoption of the February 18 & 19, 2015 meeting summary. Commissioner O'Neal seconded the motion and it was adopted unanimously.*

Staff provided an update on the status of legislation. Craig Stone, WSDOT Assistant Secretary for Tolling, provided some additional information on SSB 5481, regarding tolling customer service. The State of Texas conducted a similar amnesty program in 2009 and just over 7 percent of about 150,000 people with serious toll and penalty debts participated in the program. WSDOT has estimated the cost to administer toll amnesty to be \$411,500 to \$667,500, depending on the program participation percentage. WSDOT does not have an estimate for how much penalty revenue would be lost; it is concerned that passage will result in nonpayment of future penalties.

WSDOT also has estimated the cost to provide separate email notice and calls to inform toll account holders of the unpaid tolls at least ten days before unpaid tolls become civil penalties. The department expects these costs to be \$524,400 for the first year of implementation (\$118,800 salaries and benefits needed for adding 2 FTEs at WSDOT, \$357,600 for vendor system improvements, and \$48,000 for purchasing auto-dialer/email blast software), and \$176,400 annually thereafter.

Commissioners reported on their activities. Commissioners Riveland, Jennings and O'Neal met with the Ferry Advisory Committee-Tariffs. Commissioner Riveland reported that the reservation system in San Juan Islands is "wildly popular." Commissioner O'Neal commented that before it was put in place people were worried.

Commissioner Tortorelli reported that the Spokane MPO has signed a contract with Cambridge to develop a tool to evaluate projects based on local priorities. Commissioner Litt reported on the WTP 2035 presentation to the Senate Transportation Committee.

Chairman Haley has given talks on the Road Usage Charge Assessment to the Walla Walla Retired Teachers and the Tacoma Transportation Club.

### **SR 520 TOLL RATE ADJUSTMENT FOR JULY 2015**

Staff briefed the Commission on the financial status, traffic and revenue on the SR 520 Bridge.

#### [SR 520 Toll Rate Adjustment](#)

*Action/Follow-up: Commissioner Jennings moved, seconded by Commissioner Tortorelli that the planned SR 520 toll increase take effect on July 1 and that the new toll tables be adopted. The Commission agreed unanimously.*

## **TACOMA NARROWS BRIDGE 2015 TOLL RATE PROPOSAL**

Staff reviewed the traffic and revenue information on the TNB and the recommendation from the TNB Citizens' Advisory Committee (CAC). The CAC recommended a 50 cent rate increase in FY 2016 and FY 2017, with an annual review process with the CAC. Adjustments will be made if needed.

Commissioner Tortorelli asked if the tolling team discussed the adequacy of the fund balance. Commissioner Haley responded that they did discuss the trend lines and anticipate that revenue will fall between the Stantec forecast done for WSDOT and a flat revenue forecast.

### **TNB 2015 Toll Rate Proposal**

*Action/Follow-up: Commissioner Haley moved the Commission propose a 50 cent rate increase in FY 2016 and FY 2017, with an annual review process with the CAC. The proposed toll rates are:*

	<b><i>Good to Go!</i></b>	<b>Cash</b>	<b>Pay by Mail</b>
<b>FY 2016</b>	\$5.00	\$6.00	\$7.00
<b>FY 2017</b>	\$5.50	\$6.50	\$7.50

*Commissioner Jennings seconded the motion and it was adopted unanimously.*

The Commission then discussed the public comment sessions and public hearing schedule for the TNB toll setting. A webinar is planned for April 15, a public comment opportunity in Gig Harbor on April 22, and a public hearing and final action in Gig Harbor planned for May

## **TOLL OPERATIONS AUDIT**

Susan Hoffman, Principal Performance Auditor for the State Auditor's Office (SAO )and Denise Callahan, President, TAP International, briefed the Commission on the audit of toll operations now underway by the SAO. Ms. Callahan shared the credentials and experience of TAP with the Commission, including previous work auditing transportation agencies and IT operations.

The audit is asking:

Is WSDOT's toll collection system accurately collecting, processing, and reporting toll transactions? If not, why?

Is WSDOT's toll collection system in compliance with Washington's IT security standards and payment card industry security standards? And if not, why?

A special focus will be on identifying Current Issues and their Driving Factor(s).

Ms. Hoffman anticipates issuance of a Final Report in December 2015.

The evaluation will include:

- Adherence to business requirements; reconciliation; collections; and financial reporting of transaction processing, including how transaction reporting affects revenue forecasts.
- Compliance with OCIO requirements.
- Sufficiency of controls over payment processing and protecting payment information.
  - Interfaces
  - Network, access, software application security, security monitoring and logging

There will be on-site verification of transaction processing, including analytics on transaction data, evaluation of selected IT security activities, and system review at ETC headquarters.

Issues that will be looked at include:

- unbilled transactions and non-revenue accounts
- timely reconciliation

Root cause analysis will look at contract management, project management, communication, decision-making, performance management, continuous process improvement, oversight, risk management, and financial management. The SAO has talked with WSDOT about the potential for its work to influence the selection of its next tolling vendor. TAP will be reviewing what is customer driven, what is systems driven and what is operationally driven.

[Toll Operations Audit](#)

*Action/Follow-up: None.*

**PUBLIC COMMENT**

Paul W. Locke told the Commission that people who are living off investments in retirement have to pay tax on income that would have been tax-free in previous years. His federal taxes are more than all his expenses for the year. He urged the Commission to look closely at the ferry system to find ways to reduce costs.

**FERRY RIDERS OPINION GROUP CUSTOMER SATISFACTION SURVEY RESULTS**

Bill Young, Project Manager, Research Assurance, briefed the Commission on the combined FROG survey results from 2014.

<b>Survey</b>	<b>Sample Universe</b>	<b>Interviewing Month</b>
Winter Rider Survey	FROG Panel members	April 2014
Freight Shipper Survey	Freight Companies	April 2014
Spring Policy Survey	FROG Panel members	June 2014
General Public Survey	VOWS Panel members	June 2014
Summer Onboard Survey	Ferry Riders not in panel	August 2014
Summer Rider Survey	FROG Panel members	October 2014
Fall Policy Survey	FROG Panel members	October 2014

The objective of the 2014 research was to understand travel behavior, satisfaction with WSF performance on key attributes, and opinions regarding key issues currently facing the state ferry system among customers. The objectives included:

- Winter/Summer Rider satisfaction with WSF performance
- Winter/Summer Rider travel behavior
- Current and potential recreational usage of WSF
- Freight shippers usage and attitudes towards WSF
- Attitudes towards WSF held by the general public
- Attitudes about fare structure
- Attitudes about capital funding and maintenance needs

The Customer satisfaction grid indicates the priority areas for improving service:

- cleanliness of terminal bathrooms
- clear directions on ferry loading
- efficient processing of vehicles

### Customer Satisfaction Survey Results

*Action/Follow-up: None*

## **MOVING CLEANER WITH ALTERNATIVE FUEL VEHICLES**

Scott DeWees, Co-Coordinator of the Western Washington Clean Cities Coalition, briefed the Commission on the organization. Nearly 100 Clean Cities Coalitions exist across the nation to advance the energy, economic, and environmental security of the U.S. by supporting local decisions to reduce petroleum use in transportation.

Western Washington Clean Cities Coalition (WWCCC) is a membership based organization founded in 1998, and housed in the City of Seattle. It moved to the Puget Sound Clean Air Agency in 2009. It supports the Agency's transportation-emission reduction goals.

WWCCC does:

- Fleet and member consultation
- Organizes educational and training events
- Advocates for petroleum reduction policies
- Administers project funding
- Connects our region to the national Clean Cities landscape

Recent accomplishments:

- Renewable natural gas for Pierce Transit
- SeaTac airport ground support equipment-electrification
- EV leases for government agencies
- Contributor to Washington State Alternative Fuel Rule-development

As of December 31, 2014, there are 12,351 electric vehicles registered in Washington. WWCCC has been an advocate for the West Coast Green Highway. There has been great progress with the Electric Highway. There is a need for greater charger density and an opportunity to connect regional destinations.

Questions:

- Expand West Coast Green Highway for other alternative fuels?
- Use of public-private partnership for participation in additional infrastructure?

Different types of pollutants include fine particles, nitrogen dioxide, ozone (smog), sulfur dioxide, carbon monoxide, lead, and air toxics (such as benzene). Are all fine particles the same?

No, diesel particles are a smaller percentage of the total, but more toxic. There is no specific federal standard for diesel exhaust.

Health effects include reduced lung function, heart attacks, strokes, premature death, and cancer.

Darren Engle, Director of Government Relations, Blue Star Gas, briefed the Commission on propane powered vehicles. He emphasized how much things have changed: technology has changed, environmental awareness has changed, fuel prices and national security concerns have changed. Different fuels fit best for different size and weight of vehicles. Propane is a good fuel for light and medium duty vehicles. It has been adopted widely for use in fleet vehicles.

- reduces operating costs
- has affordable flexible fueling options
- offers proven performance
- lower emissions
- reduces reliance on foreign fuels

Propane reduces carbon monoxide by 60%, releases 40% fewer smog producing hydrocarbons while refueling, including 20% less nitrogen oxide, and 12% less carbon dioxide.

One of every four school buses uses propane. It has the most developed infrastructure for alternative fuels.

[Air Quality and Alternative Fuels](#)  
[Propane Autogas – The Practicable Solution](#)

*Action/Follow-up: None.*

## **WASHINGTON STATE FERRIES CHALLENGES AND SUCCESSES**

Lynne Griffith, Assistant Secretary of WSF, WSDOT, briefed the Commission on the challenges facing WSF and pathways to success.

WSF meets its sailing schedule 99.5% of the time. Weather and tides are the predominant reason (35%) for delay. Crewing problems account for only 10% of delay.

Challenges:

- Unifying WSF
- Creating a LEAN culture
- Increasing transparency
- Investing in people
- Focusing on core business
- Aligning WSF leadership

Creating a LEAN culture includes practical solutions and designs:

- Mukilteo Multimodal Terminal Project
- Friday Harbor trestle replacement
- Lopez wingwall replacement
- Purchasing process
- Fuel consumption savings
- Demand Management

Focusing on core business translates into service reliability and customer service. WSF needs to invest in training and developing staff. Service reliability also involves:

- On-time performance
- Efficient vehicle loading

- Safe vehicle off loading
- Adequate crewing
- vessel maintenance
  - increase access to vessels
  - increase spare vessels
- Terminal maintenance

There is a lot working well in customer service. Ridership is up, the vehicle reservations system is welcomed, there is exceptional safety and security.

Chairman Haley expressed her disappointment that the Commission was unable to attend the keel-laying of the Chimacum and the christening of the Samish. Ms. Griffith indicated that WSF will work to coordinate schedules better in the future.

[Washington State Ferries Challenges and Successes](#)

*Action/Follow-up: None.*

**2015 WASHINGTON STATE FERRIES FARE SETTING AND FARE POLICIES**

Ray Deardorf, Planning Director, WSF, WSDOT, briefed the Commission on the status of fare setting and fare policies. First, he covered the process and timeline, providing options for Commission action should the legislature not adopt a transportation budget by the end of April.

Depending on whether a fare increase is needed, the primary issue for this fare cycle, is whether to continue to have a lower fare increase for passengers than for vehicles. Bainbridge and Bremerton support continued lower passenger fare increases but other routes do not. Greg Beardsley, FAC-T Chair, explained that island-bound residents must use vehicles to access stores and facilities not available on the islands.

Commission staff pointed out that WTP 2035 recommends that fare differentials be used to encourage shifting from autos to passengers who walk or ride on board in order to maximize the person-carrying capacity of the fleet.

[Fare Setting Process Update](#)  
[Travel Shed Analysis](#)

*Action/Follow-up: If the Legislature requires additional revenue generation, begin the FY 2016-17 fare-setting in May.*

**KING COUNTY: LEAN GOVERNMENT IN TRANSPORTATION AND CAPITAL PROJECTS**

Fred Jarrett, Deputy County Executive, reported that he has been directed to help transform King County into one of the best-run governments in the country. He said that LEAN is all about how to get people to work more efficiently.

- Community needs and expectations are rapidly changing and becoming more complex while King County’s fiscal resources are constrained.

- King County struggles to use tax dollars as efficiently as possible and to communicate to the public how we use those tax dollars to respond to their needs.
- King County does not use evidence-based decision making systematically to strategically improve community conditions.
- County employees bring tremendous skills, knowledge, and passion that are not fully used to drive greater effectiveness and efficiency in our programs and services.

Mr. Jarrett said to be clear about outcomes: establish goals, metrics and strategies. Those goals and strategies lead to products – what does government deliver? Our interest is in the quality and cost per unit of the products we create and deliver.

King County has developed about 45 lines of business with outcome metrics. Most are functional lines of business; some of them are cross-cutting operational lines of business, such as information technology, accounting. King County had 14 different project management tools; now there are two.

Purpose: Provide public transit services to improve regional mobility and quality of life in King County.  
Outcomes:

- Improve customer and employee safety and security
- Increase access to public transportation products and services
- Increase public transportation market share throughout King County, and in centers and areas of concentrated economic activity
- Reduce environmental footprint (normalized against service growth)

Transit Products:

- Bus Trips
- Passenger Ferry Trips
- Rail/Streetcar Trips
- Paratransit Trips
- Vanpool Trips

LEAN management also reduced investment in spare parts inventory for buses. LEAN succeeded in reducing the top reason for bus mechanical failures (pneumatics systems) in January to zero pneumatics failures in February.

Mr. Jarrett recommends starting and being willing to fail.

### [Information For the Post Industrial Public Sector](#)

*Action/Follow-up: None.*

## **WASHINGTON TRANSPORTATION PLAN 2035: IMPLEMENTATION SCORECARD**

### **Results Washington**

Wendy Korthuis-Smith, Director, Accountability & Performance, Office of the Governor and John Cooper briefed the Commission on Results Washington. In developing the measures and goals, it became apparent that transportation is a way to achieve many end goals, so transportation measures are scattered among several goals. Transportation outcome measures and leading indicators are included in four of the five goals:

- Prosperous Economy

- Sustainable Energy and Clean Environment
- Healthy and Safe Communities
- Efficient, Effective and Accountable Government

LEAN is about both the people and the process. How will the state motivate and encourage LEAN implementation?

The outcome measures and leading indicators are flexible and changeable, as the customers indicate the need for revisions.

Commissioner Tortorelli asked why the transportation goal is dependent on existing funding, which means the state system will continue to decline? How do we improve transportation to improve the economy? Chairman Haley asked if and how other units of government will be engaged and involved?

### Results WA Transportation Goals and Performance

*Action/Follow-up: Continue to work with Results Washington.*

#### WTP Scorecard

Paul Parker, Deputy Director, WSTC and Amy Scarton, Assistant Secretary, Community and Economic Development, WSDOT, briefed the Commission on work toward development of a scorecard to track progress of WTP 2035 implementation. They shared a public version that will focus on progress in meeting the goals and strategies. A separate internal document will track progress on strategies and recommendations, including engagement of responsible parties.

*Action/Follow-up: Commissioners concurred with the scorecard approach.*

#### WTP 2035 Phase 2

Kerri Woehler, Director, Multi-Modal Planning, WSDOT and Richard Warren, Program Manager, Multi-Modal Planning, WSDOT, briefed the Commission on WSDOT's process and timeline for further development and implementation of WTP 2035. Phase 2 is a continuation of the work of Phase 1. The same Steering Committee will lead the effort and WSDOT is inviting the Advisory Group members to continue.

The outcomes will be:

- integration of all modal plans
- performance targets
- WSDOT implementation plan

Work will intensify in Fall 2015 and aims for completion in late 2017.

*Action/Follow-up: Schedule another update in fall 2015.*

### INTEGRATED TRANSIT TRIP PLANNING

Terry White, Customer Service Supervisor and Damon Berbert, IT Project Manager, King County Metro, briefed the Commission on development of the Puget Sound Integrated Trip Planner. Metro provides about 400,000 rides a day. For 40% of the riders, the bus is their only way to get around.

- In 1972, the trip planner was the telephone and schedule.



- In 1990, call center staff answered 560,000 trip planning calls (72% calls lost).
- In 1995, introduced automated next bus info by phone “MyRide” (46% calls lost).
- In 1995, introduced Metro Online website, which was primarily timetables and general transit information (12% lost).
- In 2001, introduced Online Regional Trip Planner (10% lost)
  - Community Transit, Everett Transit, Metro, Pierce Transit, Sound Transit and Washington State Ferries

Today, there are a variety of options:

- desktop trip planning           2014 page views 18,356,015
- mobile web trip planning       2014 page views 1,770,488
- mobile apps

Mr. Berbert provided a live demonstration of the mobile app from his iPhone.

Brian Lagerberg, Public Transportation Director, WSDOT, provided an update on WSDOT work to ensure data is available for intercity bus travel. Through the WSDOT contract with Google, the Google trip planner will include the intercity bus information from WSDOT.

Chairman Haley asked what can be done to make travel information more available in rural parts of the state that may lack regular route service.

Mr. Lagerberg said that WSDOT is working on the information sharing questions. One focus of the public transportation plan is how transit providers can work together to improve access. Travel Washington provides feeder service into existing public transportation.

[Puget Sound Trip Planner](#)

*Action/Follow-up: Continue to monitor progress on trip planning.*

**PRESERVATION AND MAINTENANCE NEEDS AND SHORTFALLS**

Walt Olsen, Deputy Director, County Road Administration Board (CRAB), briefed the Commission on the pavement condition and preservation of county roads. Counties have 39,207.46 total system miles, of which 25,650 miles are paved (65.4%) and 13,557 miles are unpaved. The county arterial system is 14,321 miles, of which 12,765 miles are paved (89.1%).

CRAB has about \$20 million a year for arterial preservation. The 2013 estimated need totals over \$67 million. Between 2010 and 2013, the percentage of county arterial miles in poor or very poor condition has ranged between 4.7 and 6.4%. Mr. Olsen explained that the availability of ARRA funds and input costs helped to maintain good road conditions. But, currently highway construction costs are up about 30%. As more gasoline has been produced, production of asphalt and binders has declined and prices have increased.

In order to avoid reconstruction, roads must be maintained every 13-14 years. CRAB has done forecasts of road condition at different funding levels:

- at \$58.5 million funding, less than 50% of arterials will be fair or better by 2024.
- at \$68.5 million funding, 53% of arterials will be fair or better by 2024.

Conclusions:

- Overall, “fair & better” pavement conditions will remain at or near acceptable levels (>90%) for the short term, but will continue to deteriorate as a result of use and environmental conditions.
- As some pavements are preserved or reconstructed, others will fall into the “poor” and “very poor” condition, but at an increasing rate without added resources.
- Other existing sources of funding (MVFT, Property Taxes, etc.) will continue to be needed for other required expenses.
- New funding toward maintenance and preservation of the existing system must be considered first priority.
- Without new resources for maintenance and preservation, the existing system will consume all available funding for new or reconstruction projects.

CRAB recommendations:

- Continue to fund CAPP at current levels from current sources (MVFT, TPA & HSA).
- Dedicate new resources to maintenance and preservation of existing system.
- Identify backlog of maintenance and preservation on county road using MVFT study money.
- Ban studded tires statewide on all vehicles.

Commissioner Tortorelli asked what can be done to phase out studded tires. Mr. Olsen answered that with the quality of tires available and the bare road conditions WSDOT strives to maintain, there is less need than ever for studded tires.

About \$50 million is diverted from county road funds to traffic policing purposes. Commissioners pointed out that no counties have funded a Transportation Benefit District.

Alison Hellberg, Government Relations Advocate, Association of Washington Cities, emphasized how difficult it is to talk about money for maintenance and preservation when the Legislature is focused on funding new projects. The loss of the MVET and the property tax cap, along with the recession, makes it difficult to maintain the existing system.

Ms. Hellberg spoke to the backlog of needs in Longview, Yakima, and Vancouver, as examples. Transportation Benefit Districts have become the go-to funding source for city transportation improvements. AWC is seeking to increase the councilmanic authority from \$20 to \$50 and administrative efficiencies. The Senate proposal would increase the authority to \$40.

Commissioner Litt asked about TBD revenue collections

- improving DOL computer systems
- as TBDs have become more prevalent, there has been more fraud in reporting residences

Commissioner Tortorelli asked if AWC would support a requirement that TIB funding be limited to cities that have implemented TBDs. Ms. Hellberg responded that bigger cities prefer direct distribution of state money; smaller cities may prefer distribution through TIB because a direct distribution may not provide enough revenue. AWC also seeks greater authority for TBDs.

Cam Gilmour, WSDOT Deputy Secretary, indicated that the information on pages 5 -16 in the Gray Notebook explains what WSDOT is doing to keep pavement conditions as good as they can be. Whether the city, county or state, we need to be creative and ingenious about keeping the existing system functioning.

Despite the downward trend in preservation funding since 2000, between 2012 and 2013, the overall pavement rating improved. WSDOT is taking steps that delay the need for an overlay for 2-3 years. But that stopgap cannot be sustained.

An asset sustainability ration should be at 90%. Right now it is at 65 %. The trend is positive but it cannot be sustained. By 2020, we estimate a \$1.7 billion shortfall in pavement preservation revenue. The remaining service life is trending down. Chip seal should be done every 7 years; at current funding levels, we will be at a 24-year cycle. Between 2013 and 2020, deferred preservation liability will quadruple. About 1/3 of the need is met in the budget under discussion.

The WSDOT strategic plan will be comparing improvement needs and preservation needs on state highways.

### [Pavement Condition and Preservation of County Roads](#)

*Action/Follow-up: Continue to monitor.*

### **PUBLIC COMMENT**

John Wilson, an Olympia resident, is concerned that roundabouts are being built to save money instead of installing traffic signals. The City of Tumwater is planning major changes to old highway 99.

**TRANSPORTATION COMMISSION**

\_\_\_\_\_  
ANNE E. HALEY, Chairman

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JOE TORTORELLI, Vice-Chairman

ABSENT

\_\_\_\_\_  
RITA BROGAN, Member

\_\_\_\_\_  
DAN O'NEAL, Member

\_\_\_\_\_  
ROY JENNINGS, Member

\_\_\_\_\_  
MARY RIVELAND, Member

\_\_\_\_\_  
JERRY LITT, Member

ATTEST:

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REEMA GRIFFITH, Executive Director

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DATE OF APPROVAL