

# Tacoma Narrows Bridge Citizen Advisory Committee Meeting Agenda

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**February 22, 2012 - 6 – 8 p.m.**

Gig Harbor Civic Center  
3510 Grandview St. | Gig Harbor, Wa

## **TNB Citizen Advisory Committee:**

Alan Weaver (Chair), Gig Harbor	Amy Matsuno, Port Orchard
Melody Griggs, Gig Harbor	Chris Myers (Vice Chair), Gig Harbor
Ted Hilliard, Tracyton	Jim Pasin, Gig Harbor
Ron Jones, Gig Harbor	

## **AGENDA:**

- |                    |  |   |
|--------------------|--|---|
| <b>6:00 – 6:05</b> | Call to order.....   | Alan Weaver   |
| <b>6:05 – 6:25</b> | Tacoma Narrows Bridge Update/Discussion.....                         | Craig Stone<br><i>Washington State Department of Transportation</i>               |
| <b>6:25 – 6:45</b> | Financial Plan Update/Discussion.....                                | Craig Stone/Jeff Caldwell<br><i>Washington State Department of Transportation</i> |
| <b>6:45 – 7:00</b> | Scenario Results.....  | Craig Stone   |
| <b>7:00 – 7:25</b> | Public Comment.....  | All   |
| <b>7:30 – 8:00</b> | CAC Deliberation.....  | All CAC Members   |
|                    | A. Minor Recommendations:  |   |
|                    | a. Treasurer’s issue   |   |
|                    | b. Two year plan vs one year plan                                    |   |
|                    | c. All subject to any new legislation                                |   |
|                    | B. Toll recommendations for <i>Good To Go!</i> Cash, and Pay By Mail |   |
| <b>8:00</b>        | Adjourn.....   | All   |

# Financial Plan and Scenarios Update

**Craig J. Stone, PE**  
Toll Division Director

**Dave Dye**  
Deputy Secretary

**Paula Hammond**  
Secretary of Transportation

**Steve Reinmuth**  
Chief of Staff

Tacoma Narrows Bridge Citizen Advisory Committee  
Gig Harbor, WA  
February 22, 2012

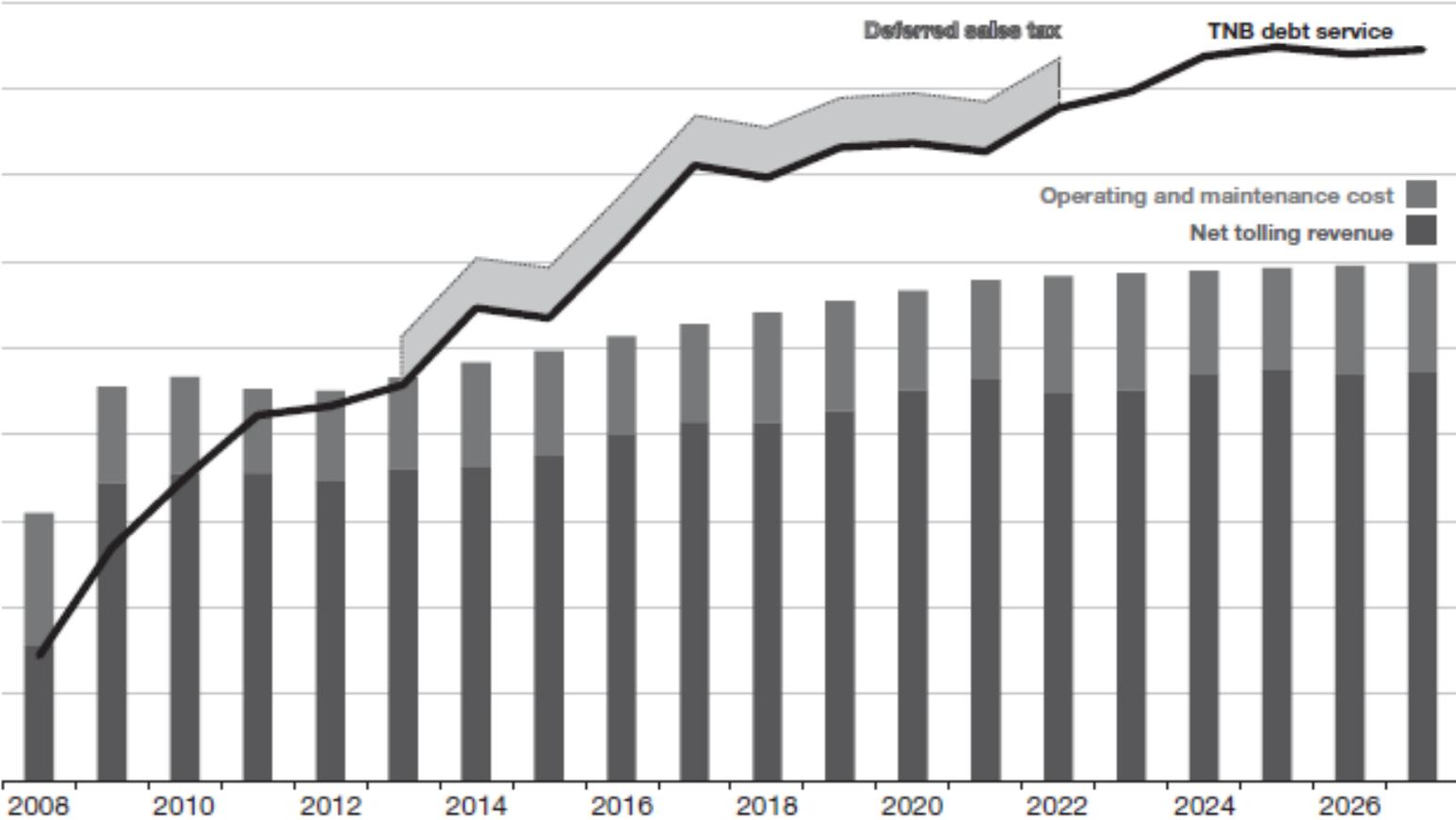
# TNB toll revenue versus debt service

(including transponder sales, penalties and fees)

November 2011 revenue forecast, no future toll increases assumed

Dollars in millions

\$90  
\$80  
\$70  
\$60  
\$50  
\$40  
\$30  
\$20  
\$10  
\$0

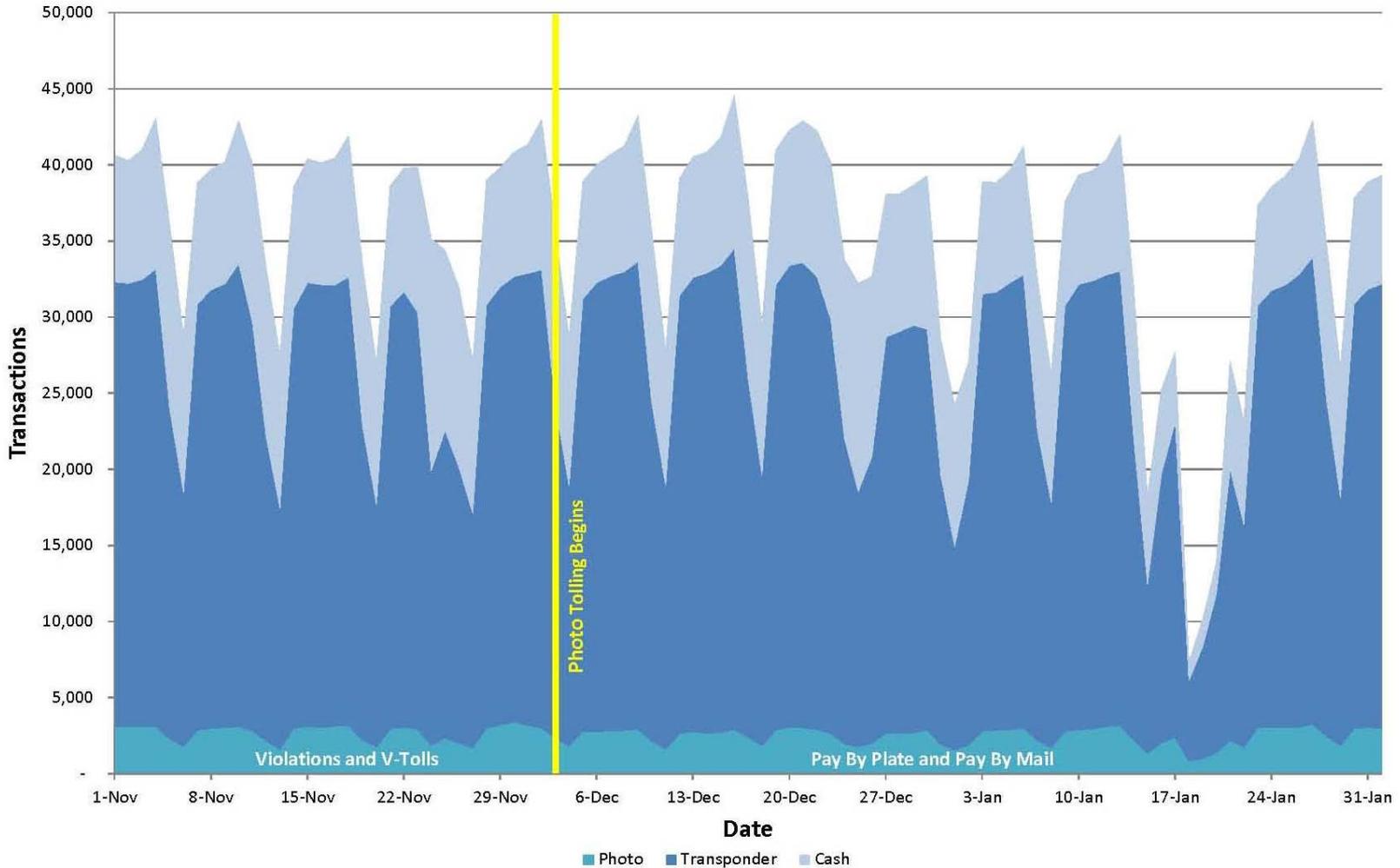


	2008		2010		2012		2014		2016		2018		2020		2022		2024		2026	
Actual toll rate	\$1.75 to \$3.00		\$2.75 to \$4.00																	
2002 plan toll rate	\$3.00		\$4.00		\$5.00										\$6.00					

Note: Operating and maintenance cost reflect actual expenditures through fiscal year 2011, allotted amounts for 2012 and 2013, and estimates for the out-biennia are based on WSDOT's 2012 supplemental budget request.

# TNB Daily Transactions by Type

November 2011 - February 2012



# Changes from December Financial Plan

## 2013 Revenues

- **February revenue forecast is almost unchanged (down \$45K)**
  - Reporting has changed – in December “Pay By Mail Impacts” showed the difference between a forecast including Pay By Mail and a forecast without. In February total Pay By Mail revenues are broken out.
- **Fee revenues are higher than shown in December by \$661K**
  - Previous financial plan did not include all fees, such as Pay By Plate
- **Transponder sales up \$22K**
- **Violation revenues are shown**
  - Some violations will be booked in 2013
- **Civil penalty revenues down \$241K**
  - Previous estimate was based on an older Pay By Mail forecast
- **Removed transfer of \$302K to Motor Vehicle Fund**
  - Update due to agreement in House and Senate budget provisos

# Changes from December Financial Plan

## 2013 Costs

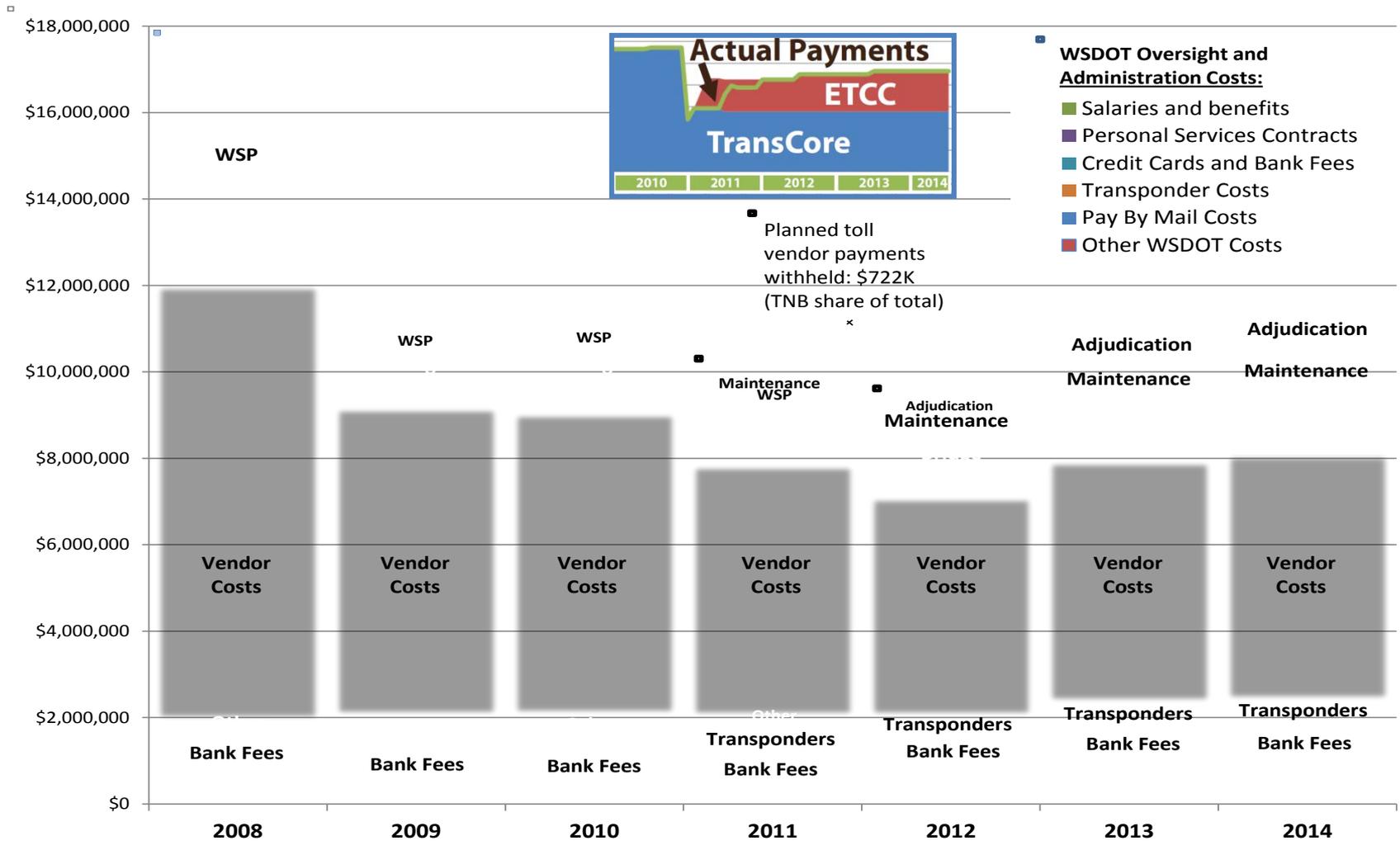
- **WSDOT oversight cost slightly reduced (\$39K)**
  - Includes staff and consultants, credit card fees, transponder purchases
- **Vendor costs slightly increased (\$116K)**
  - This is contingency in case SR 520 volumes are lower than expected and TNB bears a higher portion of vendor cost than anticipated
- **Future years include some contingencies, compared to actual costs shown for prior years**
  - Assumes most vacant staff positions will be filled
  - Share of vendor cost assumes lower SR 520 share than expected
  - Bridge insurance cost higher reflecting recent cost experience
- **Overall costs down \$404K for 2012, up \$78K for 2013**
  - Slight increase in 2014 and 2015

# Changes from December Financial Plan

## Minimum Sufficient Balance

- **On June 30, 2012 the new forecast projects the fund balance will be 8.5% over the total of revenues – costs, still short of the 12.5% minimum sufficient balance.**
  - The December financial plan forecast that ratio at 7.3%.
- **The new forecast shows a fund balance that is –15.3% of the minimum sufficient balance at the end of 2013.**
  - The December forecast amount was –17.3%
- **In 2013, a toll increase needs to raise an additional \$17.4M.**
  - The December forecast needed to raise \$18.7M
- **If the Commission included TNB funds in the bond payment account in the calculation of sufficient minimum balance, \$17M would need to be raised in 2013**
  - In 2014 the difference would be more substantial

# Overview of TNB Toll Collection Costs



# Sufficient Minimum Balance Calculations

- In the following slides, two methods are used to calculate the sufficient minimum balance:

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## **Commission Policy** For Sufficient Minimum Balance

Revenues should exceed costs and debt service transfers from the TNB Account by 12.5% within a fiscal year.

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## **Alternative Policy** For Sufficient Minimum Balance

**(Under discussion by the CAC):**

Same as above, except that TNB funds are included in the fund balance regardless of whether they reside in the TNB account or the statewide bond retirement account.

# TNB Toll Rate Scenarios

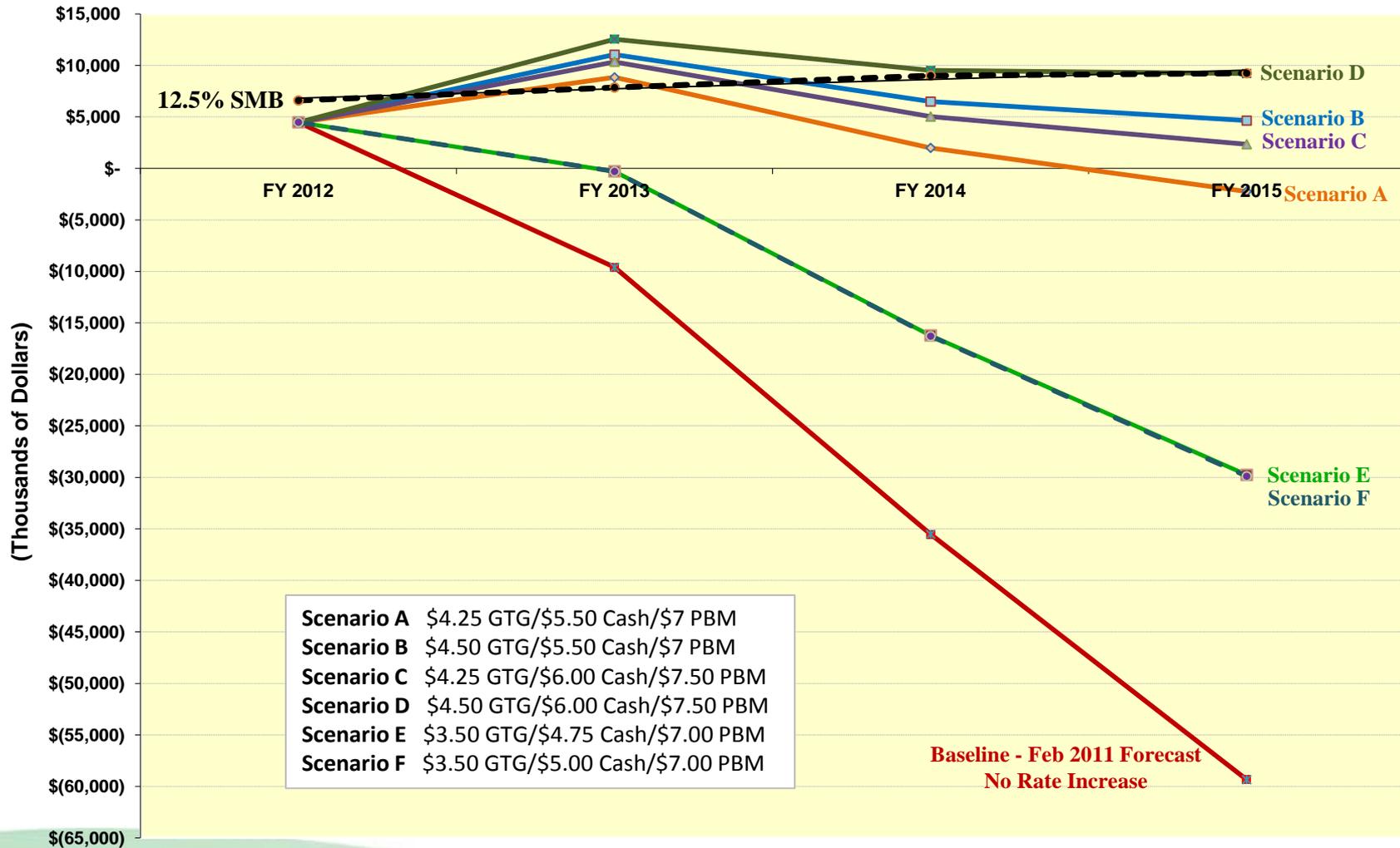
(Dollars in thousands)

**Commission Policy**  
For Sufficient Minimum Balance

		FY 2012	FY 2013	FY 2014	FY 2015
12.5% Sufficient Minimum Balance (SMB) under Commission Policy		6,594	7,850	9,005	9,232
<b>Baseline Scenario - February 2012 Forecast</b>	TNB Account Ending Fund Balance	\$ 4,474	\$ (9,607)	\$ (35,518)	\$ (59,346)
\$2.75 GTG/\$4 Cash/\$5.50 PBM	Sufficient Fund Balance Coverage	8.5%	-15.3%	-49.3%	-80.4%
<b>Scenario A</b>	TNB Account Ending Fund Balance	\$ 4,474	\$ 8,833	\$ 1,986	\$ (2,241)
\$4.25 GTG/\$5.50 Cash/\$7 PBM	Sufficient Fund Balance Coverage	8.5%	14.1%	2.8%	-3.0%
<b>Scenario B</b>	TNB Account Ending Fund Balance	\$ 4,474	\$ 11,035	\$ 6,480	\$ 4,635
\$4.50 GTG/\$5.50 Cash/\$7 PBM	Sufficient Fund Balance Coverage	8.5%	17.6%	9.0%	6.3%
<b>Scenario C</b>	TNB Account Ending Fund Balance	\$ 4,474	\$ 10,341	\$ 5,027	\$ 2,337
\$4.25 GTG/\$6.00 Cash/\$7.50 PBM	Sufficient Fund Balance Coverage	8.5%	16.5%	7.0%	3.2%
<b>Scenario D</b>	TNB Account Ending Fund Balance	\$ 4,474	\$ 12,543	\$ 9,520	\$ 9,212
\$4.50 GTG/\$6.00 Cash/\$7.50 PBM	Sufficient Fund Balance Coverage	8.5%	20.0%	13.2%	12.5%
<b>Scenario E</b>	TNB Account Ending Fund Balance	\$ 4,474	\$ (290)	\$ (16,221)	\$ (29,759)
\$3.50 GTG/\$4.75 Cash/\$7.00 PBM	Sufficient Fund Balance Coverage	8.5%	-0.5%	-22.5%	-40.3%
<b>Scenario F</b>	TNB Account Ending Fund Balance	\$ 4,474	\$ (302)	\$ (16,289)	\$ (29,892)
\$3.50 GTG/\$5.00 Cash/\$7.00 PBM	Sufficient Fund Balance Coverage	8.5%	-0.5%	-22.6%	-40.5%

# TNB Toll Rate Scenarios – Projected TNB Account Ending Fund Balance

Commission Policy  
For Sufficient Minimum Balance



Scenario A	\$4.25 GTG/\$5.50 Cash/\$7 PBM
Scenario B	\$4.50 GTG/\$5.50 Cash/\$7 PBM
Scenario C	\$4.25 GTG/\$6.00 Cash/\$7.50 PBM
Scenario D	\$4.50 GTG/\$6.00 Cash/\$7.50 PBM
Scenario E	\$3.50 GTG/\$4.75 Cash/\$7.00 PBM
Scenario F	\$3.50 GTG/\$5.00 Cash/\$7.00 PBM

# TNB Toll Rate Scenarios

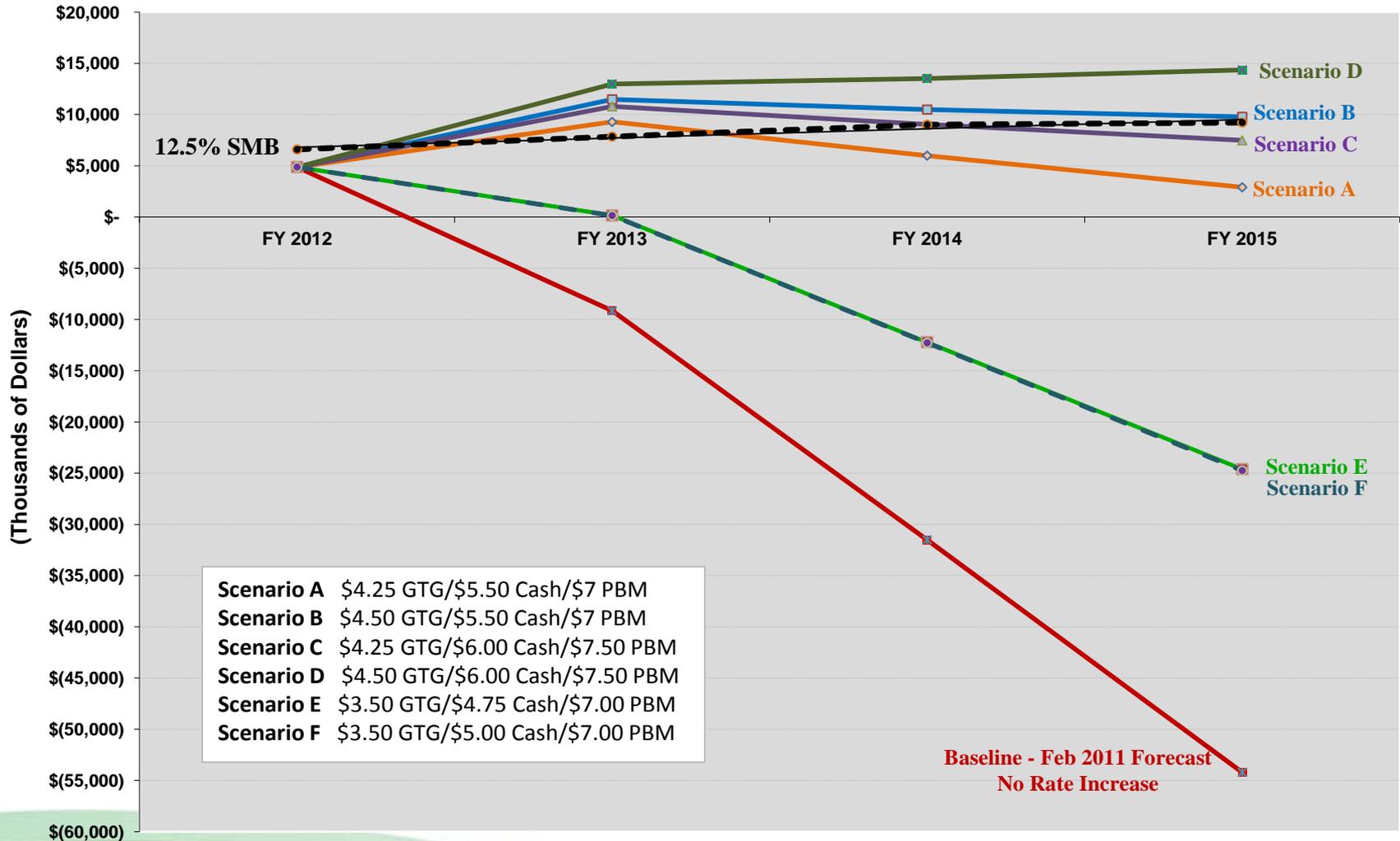
(Dollars in thousands)

**Alternative Policy  
For Sufficient Minimum Balance**

		FY 2012	FY 2013	FY 2014	FY 2015
12.5% Sufficient Minimum Balance (SMB) under Commission Policy		6,594	7,850	9,005	9,232
TNB Portion of Bond Retirement Account Ending Balance		409	451	4,007	5,145
<b>Baseline Scenario - February 2012 Forecast</b>	TNB Ending Fund Balance plus TNB Fund in Bond Retirement Account	\$ 4,883	\$ (9,156)	\$ (31,511)	\$ (54,202)
\$2.75 GTG/\$4 Cash/\$5.50 PBM	CAC Sufficient Fund Balance Coverage	9.3%	-14.6%	-43.7%	-73.4%
<b>Scenario A</b>	TNB Ending Fund Balance plus TNB Fund in Bond Retirement Account	\$ 4,883	\$ 9,284	\$ 5,993	\$ 2,904
\$4.25 GTG/\$5.50 Cash/\$7 PBM	CAC Sufficient Fund Balance Coverage	9.3%	14.8%	8.3%	3.9%
<b>Scenario B</b>	TNB Ending Fund Balance plus TNB Fund in Bond Retirement Account	\$ 4,883	\$ 11,486	\$ 10,486	\$ 9,780
\$4.50 GTG/\$5.50 Cash/\$7 PBM	CAC Sufficient Fund Balance Coverage	9.3%	18.3%	14.6%	13.2%
<b>Scenario C</b>	TNB Ending Fund Balance plus TNB Fund in Bond Retirement Account	\$ 4,883	\$ 10,792	\$ 9,033	\$ 7,482
\$4.25 GTG/\$6.00 Cash/\$7.50 PBM	CAC Sufficient Fund Balance Coverage	9.3%	17.2%	12.5%	10.1%
<b>Scenario D</b>	TNB Ending Fund Balance plus TNB Fund in Bond Retirement Account	\$ 4,883	\$ 12,994	\$ 13,527	\$ 14,357
\$4.50 GTG/\$6.00 Cash/\$7.50 PBM	CAC Sufficient Fund Balance Coverage	9.3%	20.7%	18.8%	19.4%
<b>Scenario E</b>	TNB Ending Fund Balance plus TNB Fund in Bond Retirement Account	\$ 4,883	\$ 161	\$ (12,214)	\$ (24,615)
\$3.50 GTG/\$4.75 Cash/\$7.00 PBM	CAC Sufficient Fund Balance Coverage	9.3%	0.3%	-17.0%	-33.3%
<b>Scenario F</b>	TNB Ending Fund Balance plus TNB Fund in Bond Retirement Account	\$ 4,883	\$ 149	\$ (12,282)	\$ (24,748)
\$3.50 GTG/\$5.00 Cash/\$7.00 PBM	CAC Sufficient Fund Balance Coverage	9.3%	0.2%	-17.0%	-33.5%

# TNB Toll Rate Scenarios – Projected TNB Account Ending Fund Balance

Alternative Policy  
For Sufficient Minimum Balance



<b>Scenario A</b>	\$4.25 GTG/\$5.50 Cash/\$7 PBM
<b>Scenario B</b>	\$4.50 GTG/\$5.50 Cash/\$7 PBM
<b>Scenario C</b>	\$4.25 GTG/\$6.00 Cash/\$7.50 PBM
<b>Scenario D</b>	\$4.50 GTG/\$6.00 Cash/\$7.50 PBM
<b>Scenario E</b>	\$3.50 GTG/\$4.75 Cash/\$7.00 PBM
<b>Scenario F</b>	\$3.50 GTG/\$5.00 Cash/\$7.00 PBM

# Questions?

For more information please contact:

**Craig Stone**

Toll Division Director

206-464-1222 or [stonec@wsdot.wa.gov](mailto:stonec@wsdot.wa.gov)

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

Draft Financial Plan Through 2015 - Updated on February 22, 2012

Revenue estimate is based on adopted February 2011 Transportation Revenue Forecast; expenditure estimates for FY12 and FY13 are based on agency allotment plan  
(dollars in thousands)

**Annual Financial Plan**

Fiscal Year	Actuals										Forecast					Total Through 2015
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015			
Toll Rate (Pre-Pay)						\$ 1.75	\$ 2.75	\$ 2.75	\$ 2.75	\$ 2.75	\$ 2.75	\$ 2.75	\$ 2.75	\$ 2.75		
Toll Rate (Cash)						\$ 3.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00		
Toll Rate (Pay-By-Mail, Customer Initiated)										\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00		
Toll Rate (Pay-By-Mail)										\$ 5.50	\$ 5.50	\$ 5.50	\$ 5.50	\$ 5.50		
<b>Beginning Unreserved Fund Balance</b>	-	36,524	34,597	17,076	44,723	17,753	9,418	16,290	16,413	8,124	4,474	(9,607)	(35,518)			
<b>Operations and Maintenance</b>																
<b>Sources of Funds <sup>1</sup></b>																
Interest Earnings from Tacoma Narrows Account (511) <sup>2</sup>	-	-	-	8	52	232	281	341	145	82	118	135	138	1,531		
Interest Earnings from Toll Collection Account (495) <sup>2</sup>	-	-	-	-	-	3	115	71	33	34	35	36	37	363		
Toll Revenue - Pre-Pay & Cash	-	-	-	-	-	29,960	44,323	45,353	44,049	43,399	43,190	43,993	44,817	339,084		
Toll Revenue - Pay-By-Mail	-	-	-	-	-	-	-	-	-	1,684	3,368	4,235	4,787	14,074		
Toll Revenue Used for Financing Deferred Sales Tax	-	-	-	-	-	-	-	-	-	(1,848)	(5,759)	(5,759)	(5,759)	(13,367)		
Transponder Sales Revenue	-	-	-	-	-	760	608	629	644	352	361	374	385	4,113		
Violations	-	-	-	-	-	467	598	594	489	158	79	-	-	2,384		
Civil Penalties Gross Revenue	-	-	-	-	-	-	-	-	-	281	843	1,057	1,194	3,375		
Transfers from/(to) Other Accounts <sup>3</sup>	-	-	-	1,300	5,288	-	(10)	-	-	-	-	(1,057)	(1,194)	4,327		
Fees <sup>4</sup>	-	-	-	-	-	1	56	104	76	286	767	909	999	3,197		
Miscellaneous Revenue <sup>5</sup>	-	-	-	-	913	279	0	16	768	2	2	2	2	1,984		
Inventory Reserve <sup>6</sup>	-	-	-	-	(343)	(234)	380	(190)	387	-	-	-	-	-		
Debt Service Payment <sup>7</sup>	-	-	-	-	-	(14,389)	(26,915)	(34,925)	(42,200)	(43,267)	(45,743)	(54,599)	(53,429)	(315,467)		
Debt Service Withholding <sup>7</sup>	-	-	-	-	-	(300)	0	22	(2,755)	2,824	(43)	(3,556)	(1,138)	(4,945)		
<b>Total Sources of Funds for Operations and Maintenance</b>	-	-	-	1,308	5,910	16,777	19,435	12,013	1,636	5,835	1,129	(14,230)	(9,161)	40,652		
<b>Uses of Funds <sup>8</sup></b>																
WSDOT Oversight & Admin. of Toll Operations <sup>9</sup>	-	-	-	172	1,866	2,180	2,278	2,301	2,260	2,265	2,659	2,719	2,779	21,479		
WSDOT Oversight & Admin. of Adjudication Process	-	-	-	-	-	-	-	-	-	337	952	973	995	3,257		
Toll Operator Contract	-	-	-	490	2,759	9,852	6,932	6,781	5,621	4,934	5,508	5,631	5,756	54,265		
Insurance	-	-	-	-	-	2,680	1,339	1,602	1,463	1,486	1,600	1,600	1,600	13,370		
Washington State Patrol	-	-	-	-	-	572	315	271	209	-	-	-	-	1,366		
Maintenance of New Bridge	-	-	-	-	-	103	268	229	211	410	450	510	545	2,727		
Preservation of New Bridge, Roadway & Toll Systems	-	-	-	-	-	-	-	-	113	53	76	193	2,935	3,370		
Pay-By-Mail Admin.	-	-	-	-	-	-	-	-	-	38	92	94	96	320		
Compensation Adjustment <sup>12</sup>	-	-	-	-	-	-	-	-	-	(39)	(39)	(39)	(39)	(156)		
<b>Total Uses of Funds for Operations and Maintenance</b>	-	-	-	662	4,625	15,387	11,132	11,184	9,876	9,484	11,299	11,681	14,667	99,998		
<b>Current Year Balance for Ops. And Maint. (Sources - Uses)</b>	-	-	-	646	1,285	1,390	8,302	829	(8,240)	(3,650)	(10,170)	(25,911)	(23,828)	(59,346)		
<b>Cumulative Balance for Ops. And Maint.</b>	-	-	-	646	1,931	3,321	11,624	12,453	4,213	563	(9,607)	(35,518)	(59,346)			
<b>Capital Improvements</b>																
<b>Sources of Funds</b>																
Interest Earnings <sup>2</sup>	2,125	1,239	774	1,523	1,802	824	400	-	-	-	-	-	-	8,687		
Bond Net Proceeds <sup>10</sup>	231,207	197,234	108,634	111,986	16,002	12,716	-	-	-	-	-	-	-	677,780		
Capitalized Interest (Debt Service)	-	-	-	(1,792)	(2,580)	-	-	-	-	-	-	-	-	(4,372)		
Toll Revenue Used for Financing Deferred Sales Tax	-	-	-	-	-	-	-	-	-	-	1,848	5,759	5,759	13,367		
Charges for Services	-	-	4	2	145	-	-	-	-	-	-	-	-	152		
Transfers from Motor Vehicle Account (MVA)	39,000	-	-	-	-	-	-	-	-	-	-	-	-	39,000		
<b>Total Sources of Funds for Capital</b>	<b>272,332</b>	<b>198,473</b>	<b>109,412</b>	<b>111,720</b>	<b>15,369</b>	<b>13,540</b>	<b>400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,848</b>	<b>5,759</b>	<b>5,759</b>	<b>734,613</b>		
<b>Uses of Funds</b>																
Capital Expenditures <sup>11</sup>	235,808	200,400	127,046	84,720	43,623	23,319	2,230	707	50	-	-	-	-	717,902		
Deferred Sales Tax	-	-	-	-	-	-	-	-	-	-	5,759	5,759	5,759	17,278		
Prior Period Recoveries	-	-	(113)	-	-	(54)	(400)	-	(1)	-	-	-	-	(568)		
<b>Total Uses of Funds for Capital</b>	<b>235,808</b>	<b>200,400</b>	<b>126,933</b>	<b>84,720</b>	<b>43,623</b>	<b>23,266</b>	<b>1,830</b>	<b>707</b>	<b>49</b>	<b>-</b>	<b>5,759</b>	<b>5,759</b>	<b>5,759</b>	<b>734,613</b>		
<b>Current Year Balance for Capital (Sources - Uses)</b>	<b>36,524</b>	<b>(1,927)</b>	<b>(17,521)</b>	<b>27,001</b>	<b>(28,254)</b>	<b>(9,726)</b>	<b>(1,430)</b>	<b>(707)</b>	<b>(49)</b>	<b>-</b>	<b>(3,911)</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Cumulative Balance for Capital Improvements</b>	<b>36,524</b>	<b>34,597</b>	<b>17,076</b>	<b>44,077</b>	<b>15,822</b>	<b>6,097</b>	<b>4,667</b>	<b>3,960</b>	<b>3,911</b>	<b>3,911</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Ending Unreserved Fund Balance</b>	<b>36,524</b>	<b>34,597</b>	<b>17,076</b>	<b>44,723</b>	<b>17,753</b>	<b>9,418</b>	<b>16,290</b>	<b>16,413</b>	<b>8,124</b>	<b>4,474</b>	<b>(9,607)</b>	<b>(35,518)</b>	<b>(59,346)</b>			
Days of Expenses Covered by Ending Fund Balance								128	57	31	(56)	(180)	(293)			
Sufficient Fund Balance = Ending Fund Balance / (Total Uses of Fund + Debt Service Payment)								35.1%	15.6%	8.5%	-15.3%	-49.3%	-80.4%			
12.5% Sufficient Minimum Balance								5,852	6,516	6,594	7,850	9,005	9,232			
Additional Fund Balance Needed to Reach 12.5% Sufficient Minimum Balance										2,120	17,457	44,523	68,578			
TNB Portion of Highway Bond Retirement Account (303) Ending Balance						300	300	370	3,209	409	451	4,007	5,145			
CAC Sufficient Fund Balance = (TNB Account Ending Fund Balance + TNB Portion of Bond Retirement Account Ending Fund Balance) / (Total Uses of Fund + Debt Service Payment)								35.8%	21.7%	9.3%	-14.6%	-43.7%	-73.4%			
Additional Fund Balance Needed to Reach 12.5% CAC Sufficient Minimum Balance										1,711	17,006	40,516	63,434			

See Notes on Reverse

NOTES:

<sup>1</sup> For GAAP purposes, Interest Earnings, Donations, Debt Service and Transfers displayed as Operations Sources of Funds are considered to be Nonoperating Activities.

<sup>2</sup> Interest income displayed is net of the cost of investment activities. The interest earning estimates from TNB account in FY13 to FY15 assume the annual ending fund balance will reach the required 12.5% Sufficient Minimum Balance.

<sup>3</sup> As required by RCW 46.63.160 (9), through June 30, 2013, TNB civil penalty revenue that are in excess of amounts necessary to support TNB toll adjudication process must be allocated toward repayment of the \$5.288 m MVA loan.

<sup>4</sup> Includes NSF check, Customer Service Center administration fees, and the reprocessing fee associated with the second PBM statement.

<sup>5</sup> Includes contractor liquidated damages for late project delivery, cash over, prior period recoveries, \$102k of donations for grand opening in FY08, \$2,350 down-payment for the \$21,501 sale of surplus right of way in FY10, and the \$164 monthly payment for the same real estate sale starting from FY11 for 19 years. The \$10,000 in FY09 reflects a transfer to the Health Care Authority Admin. Account for the state insurance accounting system supporting FTEs assigned to the TNB. In FY11, \$763,297 was paid by toll vendor as the contractual damages. Among the \$763,297, \$11,556 was from TransCore and \$396,000 was from ETCC due to vendor system issues which caused a decrease in toll revenue; another \$355,741 was paid by ETCC to repay related TNB costs.

<sup>6</sup> Inventory Reserve represents the change in consumable inventory of transponders from year to year. For governmental fund financial reporting, inventory balances are recorded as a reservation of fund balance so they are not spendable resources. In 2010, a new law (Chapter 249, Laws of 2010, Sec. 8(3)) authorizes the use of the Toll Collection Account (495) to record transponder inventory upon certification of the new statewide tolling operations center and photo toll system are fully operational. This certification occurred in December 2011.

<sup>7</sup> Debt Service Payment represents Principal and Interest payments paid out of the Highway Bond Retirement Account for bonds sold for TNB Account construction costs. Debt Service Withholding represents the amount transferred in a given fiscal year from the TNB Account, more or less than the Debt Service Payment. RCW 47.10.847 requires the State Treasurer to withhold amounts for as required by the bond proceedings into the Highway Bond Retirement Account, which is on a monthly basis prior the due dates of the debt service payment.

<sup>8</sup> Uses of Funds for Operations in FY12 and FY13 reflect agency proposed 2011-13 allotment plan. Operation and maintenance uses except for insurance, maintenance, preservation is inflated in FY14 and FY15 using half the rate of IPD. Maintenance and preservation are from WSDOT plan updated in January 2012.

<sup>9</sup> WSDOT Oversight & Admin. includes Credit Card and Bank Fees, Transponders, Salaries and Benefits, Personal Service Contracts, Travel, and Capital Outlays for use in TNB Operations.

<sup>10</sup> The \$677.78m bond net proceeds for Tacoma Narrows Bridge include \$681.17m PAR amount, \$3.03m premium, and \$6.42m underwriter discount/cost of issuance.

<sup>11</sup> In addition to the \$718 million capital expenditures from TNB account, \$11 million was spent on the TNB capital improvement from MVA account in the 1999-2001 and 2001-2003 Biennia prior to the creation of Tacoma Narrows Toll Bridge Account.

<sup>12</sup> The compensation adjustment is based on the assumption of a 3% salary reduction which is expected to be included in the 2011-13 general fund operations budget.



February 13, 2012

Mr. David Dye, Deputy Director  
Washington State Department of Transportation  
P.O. Box 47300  
Olympia, WA 98504-7300

**RE: Pierce County District Court Administrative Order Dismissing Remaining Toll  
Infractions issued by ETCC, the new Toll Vendor**

Dear Mr. Dye:

I am writing to you in my capacity as Presiding Judge of the Pierce County District Court (PCDC). The Presiding Judge is charged by court rule to lead the management and administration of the Court. Since 2007 PCDC has adjudicated toll violations on the Tacoma Narrows Bridge (TNB). After careful review of the current situation, I have concluded that attempting to resolve the remaining 14,000+ toll infraction cases would constitute a severe drain on a court already suffering from county budget cuts and would yield little, if any income.

Accordingly I intend to issue a General Administrative Order dismissing the remaining 14,000+ TNB toll cases issued by ETCC that are still open in PCDC. My reasons for issuing that order are as follows:

- Since WSDOT began issuing TNB toll infractions again in September 2011 after a seven-month hiatus, WSDOT has consistently failed to provide adequate or reliable toll infraction data to PCDC to enable PCDC to effectively process those cases.
- The above data problems have been exacerbated and compounded by WSDOT's filing of a very large number of toll infraction cases between November 25 and December 9, 2011.
- Of particular concern have been a large number of toll infractions which WSDOT has subsequently dismissed, notified the *Good to Go!* (GTG) customers of the dismissals, but failed to notify PCDC of those dismissals. That causes the court to continue to process those cases (as we are required to do), resulting in delinquency notices being automatically mailed out to GTG customers from



PCDC after they have received dismissal notices from WSDOT. Attached is an example of correspondence PCDC has received from such customers.

- In response to a request from PCDC, on Feb. 1, 2012, WSDOT provided a master list of toll dismissals from Sept. 27, 2011 through January 30, 2012. Of those 23,600 dismissals, the Court had not been notified of 10,000, and a portion of those cases were never filed with the Court.
- Since Jan. 30, 2012, WSDOT continues to administratively dismiss cases and notify GTG customers of the dismissal without notifying PCDC. Since receiving the list of 23,600 dismissals from WSDOT on Feb. 1, 2012, PCDC has received seven “empty” dismissal files (i.e., files that contain no data) from WSDOT dated 2-1-2012 through 2-7-2012, all of which are dated after the large dismissal file containing dismissals through Jan. 30, 2012. During that same time period (Feb. 1-7), PCDC has once again begun to receive letters from GTG customers who have attached correspondence from WSDOT indicating their toll infraction(s) have been dismissed. In other words, WSDOT continues to dismiss toll cases and notify toll customers without forwarding critical dismissal information to PCDC.
- Two other complications have arisen since Jan. 30, 2012:
  - WSDOT is now sending dismissal letters to GTG customers dated after Jan. 30 for cases included in the pre-Jan. 31 dismissal list provided to PCDC, but which are including a statement that, **“Pierce County District Court requires a copy of this dismissal letter in order to dismiss this infraction in their system. Please provide Pierce County District Court with a copy of this letter.”** That is creating unnecessary work for both GTG customers and PCDC staff, because cases in the pre-Jan. 31 dismissal list have already been processed and dismissed.
  - GTG customers are also providing to PCDC copies of WSDOT dismissal letters dated before Jan. 30 for cases that were not included in the pre-Jan. 30 dismissal list. In other words, it is clear the list of 23,600 dismissals was not complete even for tickets issued between Sept. 27, 2011 and Jan. 30, 2012. Those dismissal letters still included incorrect language (since removed by WSDOT after PCDC brought this to WSDOT’s attention) that **“The infraction issued in your name has been. . .removed from the court docket. Your motor vehicle record will not be impacted.”** This creates the problem described in the third bullet above.
- Of the 46,000 cases filed since September 2011:
  - 25,000 have been dismissed
  - 14,000+ remain open

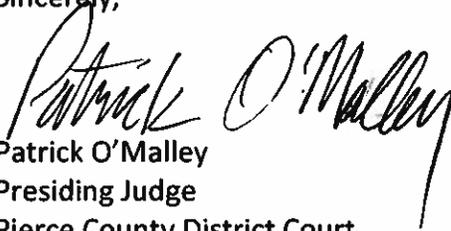
- The vast majority of the WSDOT dismissal letters indicate the toll was transferred to the defendant's GTG account, which indicates the violation was filed in error and WSDOT cannot identify GTG customers.
- The thousands of dismissals have inundated PCDC switchboard phones, resulting in abnormally long hold times, as well as significantly impacting fax and mail processing.
- The demands of researching, processing, and responding to toll inquiries continue to consume a large amount of PCDC resources and provide no real benefit to PCDC, Pierce County or WSDOT.

We anticipate some nominal administrative costs to PCDC in connection with these dismissals. Once those costs are known we will invoice WSDOT for them under the existing Inter Local Agreement between PCDC and WSDOT for reimbursement of toll violation processing costs.

We fully acknowledge and appreciate that introducing a new tolling system is a complex and demanding task in the best of times. I hope this information gives you an appreciation of our situation and an understanding of why we plan to issue the General Dismissal Order. We do not make this decision lightly, and only after weighing the options and selecting the best course of action for the taxpayer, WSDOT and Pierce County.

Thank you for your cooperation and best wishes for success as the tolling program moves forward.

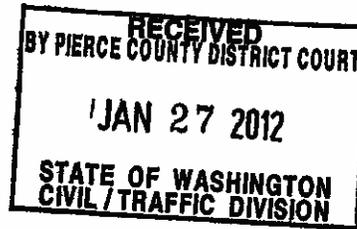
Sincerely,

  
Patrick O'Malley  
Presiding Judge  
Pierce County District Court

Enclosure

January 25, 2012

Pierce County District Court  
930 Tacoma Ave S Room 239  
Tacoma, Wa. 98402-2102



Washington State Department of Transportation  
310 Maple Park Avenue SE  
P.O. Box 47300  
Olympia, WA 98504-7300

Re: Zachary J. Hight Case No: 1ZT106040 - Vehicle License: B53275S WA

To Whom It May Concern:

Attached to this letter is a Dismissal letter from Good to Go regarding the **false toll infraction** on October 22, 2011. Please see my Good to Go account record indicating that I never crossed the bridge on that day.

I contacted Good to Go on December 9, 2011 because it was brought to my attention, by my wife, that under my name Pierce County had issued a ticket for this supposed infraction on December 7, 2011. I immediately contacted the court, which informed me of the supposed toll infraction and then I immediately contacted Good-to-Go who informed me that the infraction document had just been mailed by Pierce County District Court. One serious issue here is that everyone seems to have a wrong address on me. I do not live on Lela Lane in Port Orchard but rather on Horizon Lane in Port Orchard – please note the full address at the bottom of this letter.

At the time of my first conversation with Good to Go I was told that they recognized the mistake, which apparently is habitual – please see The News Tribune article regarding the glitches that have been going on for some time now. The article states: *“The system sent out more than 18,000 tickets recently for Narrows Bridge toll violations, and it’s pretty clear that a lot of them are in error. Some people with transponders received tickets even though they say their accounts are in good standing. Others had tolls deducted from their Good to Go accounts and got tickets for the crossing... And what are those folks being told to do? Go to court to resolve it... State Rep. Larry Seaquist, D-Gig Harbor, is concerned about the tolling authority’s ‘wide range of problems.’ Even more disturbing is his perception that the DOT doesn’t really seem to care about what citizens are experiencing.”*

This is an outrage that Good to Go and Pierce County District Court and the DOT require me to fix this problem. So, after being told by Good to Go that they were going to dismiss the charge I assumed that Good to Go would take care of THEIR mistake.

As of yesterday, I received another letter from Pierce County District Court indicating that my fine is now up to \$77 dollars and my failure to pay the original fine has been reported to the Department of Licensing. Since Good to Go doesn't inform the court, I'm assuming that the Court won't be informing the DOT. Again, this is so wrong on so many levels!

I contacted Good to Go again, verified that they did indeed dismiss the charge and now you have a copy of that letter. I'm embarrassed for all involved that you require innocent people to clean up your mistakes.

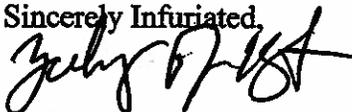
**Pierce County District Court:** I want this entire charge wiped off of my DOT records and my Good to Go records if any are held by the court and from the Search Case Records online page found at the Washington Courts website. Again, please remove this FALSE case number corresponding to the FALSE infraction from any records associated with my name. Please go to [www.courts.wa.gov](http://www.courts.wa.gov) and search my full name under the Courts Home page and this is where I want it removed in addition to any other locations the Court might have with this information.

**DOT:** Remove this charge immediately so that I may be able to renew my vehicle license as the letter from the court states that privilege is now in jeopardy.

I have attached all the necessary documents mentioned in this letter, however, should you need additional information in order to complete my request please do not hesitate to contact me.

For the record, I have always had a transponder in my vehicle and have always maintained funds in my account to cross the Narrows Bridge. No one should have to take time from otherwise important daily tasks to clear their name and at the very least, someone should issue an apology. This is shameful!

Sincerely Infuriated,



Zachary Jay Hight  
9514 Horizon Lane SE  
Port Orchard, Wa. 98367  
360-689-4934 – Cell

cc: Rep. Larry Seaquist – 26<sup>th</sup> Legislative District  
cc: King 5 News – Seattle, Washington



**Washington State  
Department of Transportation**  
**Paula J. Hammond, P.E.**  
Secretary of Transportation

**Transportation Building**  
310 Maple Park Avenue S.E.  
P.O. Box 47300  
Olympia, WA 98504-7300

360-705-7000  
TTY: 1-800-833-6388  
[www.wsdot.wa.gov](http://www.wsdot.wa.gov)

February 16, 2012

The Honorable Patrick O'Malley, Presiding Judge  
Pierce County District Court  
930 Tacoma Avenue South, Rom 239  
Tacoma, WA 98402

Dear Judge O'Malley:

Thank you for your letter detailing the problems that the Pierce County District Court system has experienced recently with the last remaining batch of toll violations. It is indeed unfortunate that the Notice of Infraction process has been so unreliable since our vendor implemented the new toll system in February 2011. I respect your decision to dismiss the remaining 14,000 toll violations but want you to know we will hold our vendor accountable for all lost toll revenue due to this action, as we have in other similar instances over the past year, so taxpayers and toll payers are not financially harmed.

Since the start of the NOI toll process, WSDOT and Pierce County District Courts have worked closely and cooperatively to issue and adjudicate toll infractions. As mentioned in your letter, however, the introduction of a new tolling system is a complex undertaking which can and did cause problems. We apologize for the demands put on your staff to research, process and respond to the toll inquiries. To that end, we offer to reimburse you for the nominal administrative costs connected with these dismissals. As noted above, we will recover these added costs from our vendor. I have asked WSDOT Toll Division staff to contact court staff to make arrangements to resolve these issues and to tie off all remaining loose ends related to the NOI process.

I want to thank you and all of your hard working staff at the Pierce County District Courts. I know these last nine months have been difficult for all of us as we transitioned to our new system. I am pleased that we can now close the books on the NOI process and move ahead with a more predictable and reliable photo tolling system. Thank you again for your partnership on this project.

Sincerely,

David L. Dye  
Deputy Secretary of Transportation

DLD:pb/lsh

cc: Senator Mary Margaret Haugen  
Representative Judy Clibborn  
Senator Curtis King  
Representative Mike Armstrong

Senator Derek Kilmer  
Representative Larry Seaquist  
Representative Jan Angel  
Jennifer Ziegler

# Q&A: Pierce County Courts notice of infraction dismissal

We respect the Pierce County Court's decision to dismiss the remaining 14,000 toll violations and understand their frustration. We apologize for the demands put on the Court's staff to research, process and respond to the inquiries. We will hold our vendor accountable for all lost toll revenue due to these dismissals.

Since the start of the notice of infraction (NOI) process, WSDOT and Pierce County Courts have worked closely and cooperatively to issue and adjudicate toll infractions. As Judge O'Malley stated in his letter, setting up a new toll system is complex. We appreciated the Court's time and effort as we transitioned to our new system. We're eager to complete this final cleanup so we can close the books on the old notice of infraction process.

## **How much revenue was lost due to the infraction dismissals?**

The 14,000 infractions dismissed by Pierce County Courts is about \$70,000 in revenue. We will hold our vendor accountable for this revenue loss.

## **Did WSDOT successfully process any toll infractions since February 2011?**

We had problems with the infraction process through most of last year. For the majority of infractions, we were able to convert to toll transactions. However, if we could not convert infractions to transactions, we sent them to Pierce County Court.

## **Is it true that WSDOT dismissed large numbers of infractions without involvement from the court?**

We converted most of the infractions to toll transactions – that is the best outcome for everyone. We've been working with the courts throughout the process but clearly, this was too much work. We appreciate the Court's efforts through this transition and respect their reason for dismissing the remaining transactions.

## **Is this issue related to the toll rate increase on the Tacoma Narrows Bridge?**

These infraction issues have nothing to do with the rate increase for the Narrows Bridge. We will hold our vendor accountable for all lost toll revenue due to this issue as we have in similar instances during the past year. We are withholding \$40,000 per month in payments to the vendor due to lost NOI since July 2001.

## **Are Notice of Infractions still being issued?**

We ended the notice of infraction process on Dec. 3rd with an introduction of photo tolling and a new payment option, Pay By Mail. Drivers who bypass the toll booths without a **Good To Go!** account will receive a bill in the mail instead of an infraction.

## **For more information:**

Patty Michaud  
Toll Project Communications  
michaup@wsdot.wa.gov  
206-716-1133