

**MINUTES OF THE REGULAR MEETING OF THE
WASHINGTON STATE TRANSPORTATION COMMISSION
October 19 & 20, 2010**

The regular meeting of the Washington State Transportation Commission was called to order at 9:00 a.m., on Tuesday, October 19, 2010, in Room 1D2 of the Transportation Building in Olympia, Washington.

Commissioners present at the meeting were: Chair Philip Parker, Bob Distler, Dick Ford, Elmira Forner, Latisha Hill, Carol Moser and Dan O'Neal.

MINUTES SUMMARY ADOPTION

It was moved by Commissioner Ford and seconded by Commissioner O'Neal to adopt the July 13 & 14, 2010 meeting minutes. The motion passed unanimously.

WASHINGTON TRANSPORTATION PLAN (WTP) WORK SESSION

Bonnie Berk and Allegra Calder, Berk and Associates, provided a review of public comment received on the WTP from the various sources: Listening Sessions, on-line input, letters, and blog comments.

Commissioners agreed that there was a lot of valuable input provided through various media and that participation in the Listening Sessions appeared to reflect a cross-section of the community.

Themes and Drivers:

There was strong support for the themes and drivers articulated in the Draft WTP. Others that emerged:

- Educate, inform and reach out. Make the point that people aren't aware that all of the 14.5 cents was bonded and spent.
- Best practices should accompany local performance measures.

Specific Comments on Goals and Strategies and Commission response:

1. **Update GMA to reflect current conditions (recession)? No.** GMA not the cause of lack of growth. Continue to advocate changes in concurrency, essential Public Facilities.
2. **Include modernization within definition of preservation? No.** But establish uniformity across jurisdictions as to just what preservation means. Extend the lifespan of the asset; focusing on the use, more than the asset. Does preservation include better use and management of the system? Not as defined by WSDOT.
3. **Enact stricter laws to reduce wear and tear on the road.** Talk about the problem; don't highlight. Consider in revenue section.
4. **Address the transportation needs of small towns and rural areas, especially the need for transit subsidy. Yes.**
5. **Separate strategies for aging population and special needs. Yes.**
6. **Address conflict between environmental regulations and other goals. No.** There is not a lot of conflict; there is a need to balance. Recognize that sometimes environmental goals conflict, sometimes need to look for solutions and sometimes need to choose.
7. **More directly address climate change. Yes.** Vehicles are part of the problem.

8. **Broaden discussion of Technologies in Alternative Energy Section. Yes.** We need to have broader public dialogue of public role and where to go. Individuals and businesses will make decisions based on economics.
9. **What does stewardship mean? How is it different from preservation?**
10. **Facilitate, encourage and provide incentives for SOV alternatives.** This is covered adequately.
11. **Increase aviation capacity and maintain facilities at public use airports.** Don't single out Paine Field. Look at capacity of Bremerton, Everett and Olympia.

The Commission then turned to a discussion of the revenue section. The WTP Team recommends that the WTP 2030 use the JTC Recommendations as a starting point. Clarify that the JTC Recommendations includes options. Need to revise ferry section. The JTC Report focuses too much on autos; include local options and needs, such as sidewalks. WTP 2030 also should add VMT and system-wide tolling to the discussion.

Talk about transportation options; acknowledge that increased transit use decreases revenue flow into the system.

Recommendations 5 and 7 raise questions. On ferries, refer back to Ferry Funding Study. On tolling, refer back to tolling study.

What is the right mix of state/local funding? State distribution of revenue? Local authority? What is the responsibility of the state for local needs? What is the responsibility of the fare payer vs. state for ferry system?

Key Messages

The Commission discussed the key messages WTP 2030 should deliver.

Commissioner ideas:

- Preservation, first but not enough. We also need to grow the system.
- Former: Ferries belongs in preservation.
- Transcend silos. Mobility not just for freight.
- Look at King County Transit Task Force recommendations.

Dave Dye suggested the following:

- Preserve and maintain.
- Safety.
- Moving Washington.
 - Efficiency
 - Manage demand
 - Expand for the future.

http://wstc.wa.gov/Meetings/AgendasMinutes/agendas/2010/October19/documents/10_1020_BP02_WTPDotPrioritizationSummary.pdf

http://wstc.wa.gov/Meetings/AgendasMinutes/agendas/2010/October19/documents/10_1020_BP02_WTPKeyMessages.pdf

Action/Follow-Up: The Commission will review the entire Final Draft Plan and further discuss key messages at a day-long WTP work session November 17 at PSRC. In the meantime Commission Staff and Berk will incorporate the public comment into the Draft and the WTP Team will revise the Revenue Section.

TACOMA NARROWS BRIDGE (TNB)

Chairman Parker invited Rep. Seaquist to join the Commission at the table. Craig Stone, Director, Toll Division, WSDOT opened the presentation with an overview of TNB revenue.

- **Financial Report**

Annual revenue continues to support the Commission's decision last spring to continue toll rates in effect and not increase tolls during FY 2011. FY 2010 toll revenue was slightly over projections, by \$312,000 (about .75%). FY 2011 revenue continues to be above projections.

- **TNB Citizen Advisory Committee (CAC)**

Commissioner O'Neal reported on the October 6 meeting of the CAC. Many there expressed concerns about WSDOT photo tolling initiative and its potential impacts on TNB revenue. The CAC wants to know why photo tolling isn't tested first on SR 520?

WSDOT is addressing the questions raised at that meeting, which include:

- **Benefits of Photo Tolling.** Annual savings of \$1.5 to \$2 million from reallocation of common toll expenses; consistency among toll facilities.
- **Is Photo Tolling mandatory for TNB?** No, it is a permissive toll collection option. The difference between photo tolls and transponder tolls should be the same on both facilities. The Commission recommends that TNB Photo Tolling begin the same day as SR 520 Photo Tolling.
- **Will TNB Revenue Subsidize SR 520?** No.
- **Effect of Photo Tolling on TNB Revenue:**
 - WSDOT currently has 7-8 % fail rate for photo recognition on TNB.
 - WSDOT estimates the cost of photo toll collection is \$1.50 more per transaction.
 - WSDOT is collecting data from other toll systems to estimate how many transponder users will switch to photo tolling.

SR 520 TOLL FACILITY TRANSPONDER UPDATE

Mr. Stone moved on to discuss transponder technology. Pete Briglia brought copies of the transponder pass media WSDOT is considering and explained the benefits of the new technology. Commissioners asked about interoperability with the ORCA Card, with CVISN, and with other technologies.

WSDOT is moving forward with an incentive program to ensure enough population is transponder-equipped when SR 520 tolling begins in April.

- WSDOT staff is recommending \$10 free SR 520 tolls per transponder with a new individual account, with a maximum incentive of \$60/account.
- Special group discounts for transponder purchase.
- Marketing is scheduled to begin January 18, 2011.

Action/Follow-up:

- (1) Commission recommends that TNB Photo Tolling begin the same day as SR 520 Photo Tolling.
- (2) The Commission adopted a schedule for TNB Photo Toll Rulemaking; public input meeting on January 19 in Gig Harbor. The Public Hearing on the Photo Toll rate would take place in Gig Harbor on January 25, 2011.

PUBLIC COMMENT

No public comment was given.

COMMISSION BUSINESS

It was moved by Commissioner O’Neal and seconded by Commissioner Ford to adopt the 2011 meeting schedule. The motion passed unanimously.

1. Outline for 2010 Annual Report.

Staff shared an outline for the 2010 Annual Report, developed with input from the Chair and previous chair. Commissioners endorsed the Outline with the following changes:

- In **Reflections**, use WSDOTs instead of numbers unless topics are prioritized. Add education.
- **Overview of 2010 Work** – emphasize how WTP ties together local and state needs and systems.
- **Looking Ahead.**
 - Implementing WTP 2030. Emphasize importance of a statewide plan, done by the Commission. Independent, nonpolitical, looking at the entire system statewide. Work jointly with others on specific items.
 - Statutory changes: preservation, economic vitality, stewardship.
 - Governance. Future of CRAB, TIB and FMSIB? CRAB and TIB work well with individual jurisdictions; they don’t use a cookie cutter.
 - Connecting transportation and land use – protect freight corridors.
 - Add Education. Local meetings not adequate.

WASHINGTON STATE AUDITOR’S OFFICE PERFORMANCE REPORT – WSDOT FERRIES DIVISION

Chairman Parker invited Rep. Seaquist to join the Commission at the table.

Scott Baird and Diane Perry, State Auditor’s Office reported on its review of WSF timekeeping and payroll process. SAO did not audit the actual payroll as against the time sheets. The current system is not automated and does not allow for timely and efficient management reports.

A major Commission concern is the generation and accrual of overtime. One of the SAO findings (first made in 2007) is that WSF lacks a robust performance measurement system. An example of

the drawbacks with the existing system: a Union scheduling proposal intended to reduce overtime took WSF 600 hours to evaluate and conclude that it would increase costs. WSF has completed a feasibility study of the recommendation for improved performance measurement and will be requesting funding for a Management Information System in the upcoming budget.

http://wstc.wa.gov/Meetings/AgendasMinutes/agendas/2010/October19/documents/10_1020_BP07_OSAFerriesPerfReport.pdf

Action/Follow-Up: None

PASSENGER VESSEL ASSOCIATION WSF EXPERT PANEL REPORT – FERRIES DIVISION

Captain Elizabeth Gedney, Director, Safety, Security and Risk Management, and Darrell Bryan, President & CEO, Clipper Navigation and PVA Chair, presented the review of WSF Operations by the PVA. The PVA reported that WSF is well-managed and follows industry best practices.

PVA Recommendations:

1. Review ferry governance models used elsewhere.
2. Vessel master should act as management's representative for vessel and crew
3. Modify capital projects design and management structure to align more with industry norm, which largely contracts out projects
4. Reduce engineers and design staff
5. Operate vessels a maximum of 60 years.
6. Needs a dedicated capital funding source.
7. Should plan around a fleet of 22 vessels, to allow for adequate maintenance.
8. Vessels should be bid nationwide. "Build in Washington" is unique to this state.
9. Review marine insurance.
10. Continue to develop loss-prevention program. (Jones Act puts burden on employer to prove worker not injured.)
11. Needs additional key metrics in level of service, cost efficiency and safety.
12. Test contract dry-docking for an entire vessel class.
13. Don't support Cedar River Group recommendation of 24-hour availability for vessels in maintenance.
14. Guarantee adequate funding and sufficient schedule to support 60-year vessel life.
15. Emphasize vessel construction over terminals.
16. Explore different approaches to in-house maintenance.
17. Overall very impressed with Eagle Harbor staffing. Need additional supervisory staff at Eagle Harbor.
18. Continue transition to zero-based budget.
19. Legislature should establish a vessel replacement fund.
20. Institute automatic fare increases and let WSF set fares.
21. Develop policies and procedures for fuel surcharge.
22. Evaluate a fuel price management program.
23. Seek new technologies to improve energy efficiency and refine operating procedures.
24. Evaluate demand for extended service hours and apply demand management tools.
25. Reduce out-of-service time.

26. Right-size crew levels when there are fewer passengers aboard.
27. Evaluate staffing against Coast Guard requirements.
28. Identify ways to get a
29. Staff only Chief Engineer 24 hours a day.
30. Review type of work performed by vessel crews while vessel in shipyard.
31. Consider cut-off time for loading.
32. Unload vehicles ahead of bikes.
33. Unload tunnel before gallery and side decks.
34. Implement reservation system.
35. Improve customer service; ferry ride is more than transportation.
36. Ensure staff in contact with public is trained and recognized.

The Commission discussed Recommendations 20 and 21 with Captain Gedney and Mr. Bryan. Clipper Navigation sets Seattle-Victoria fares; Seattle-San Juan fares are set by Clipper, which is then approved by UTC. WSF gets significantly more oversight – at a great cost – compared to other ferry systems. An automatic increase would keep the system from getting deeper in the hole. PVA urges the ability to move quickly on fare adjustment.

How should fares be set? Things are moving in the right direction. Demand management should be pursued. Adjust fares to maintain ridership.

Can Commission work with PVA? Not sure; PVA role is to review operations and information, not to provide solutions.

http://wstc.wa.gov/Meetings/AgendasMinutes/agendas/2010/October19/documents/10_1020_BP08_PVAExpertPanelReview.pdf

Action/Follow-up: Commission will provide information – such as the fuel surcharge report -- to PVA. It is ready to implement.

WSF REFORM EFFORTS AND ACTIVITIES

David Moseley, Assistant Secretary, Ferries Division and Steve Reinmuth, Chief of Staff, WSDOT provided an update on WSF reforms. Beginning in July, WSDOT instituted a quarterly red flag report to evaluate overtime and pay by category.

WSF regards the PVA Report as helpful and welcome. Governor has asked WSDOT for an Action Plan by November 15 on PVA Report.

TKW of Portland did an external management review of WSF. Safety and reliability are the priorities at WSF; cost containment is not a part of the culture. There also have been some growing pains as WSDOT integrates WSF into the agency.

The Commission expressed its appreciation for the WSF presentation. Even though ferries issues aren't often raised in Eastern Washington, the information provided is very helpful.

http://wstc.wa.gov/Meetings/AgendasMinutes/agendas/2010/October19/documents/10_1020_BP09_FerriesReform.pdf

COMMISSION BUSINESS

Following the SAO presentation, the Commissioners discussed the Draft Letter on Ferry Fares they requested last month. At 10:00 am, the Commission resumed its Agenda and agreed to return to the letter at the end of the scheduled agenda.

Should the letter:

- Explain its actions delaying action on the tariff request?
- Explain why Commission is now proposing an increase that does not meet actual shortfall?
- Share the Commission's view on the proper approach to consider tariff increases?
 - Rely on WSF information and adopt its tariff proposal?
 - Set tariffs to meet actual need?
- Raise issues relating to failure to address fare structure, including demand management and mode shift?

The Commission asked Rep. Seaquist for his thoughts on how to improve fare-setting. He suggested the Commission work with the Chairs and a citizen advisory group (similar to the Tacoma Narrows Bridge Citizen Advisory Committee) for improved information. The letter should suggest solutions.

Reema Griffith, Executive Director, WSTC suggested there is a role for the survey data to play.

Action/Follow-up: The Commission directed Ms. Griffith to revise the letter based on their comments.

WSDOT HIGHWAY SYSTEM PLAN UPDATE

Jay Alexander, Director, Capital Program Development and Management, WSDOT provided a report on the Highway System Plan update. The Plan is looking at where scaled investments can be made to solve specific problems. In an uncertain world, putting off bigger investments for 10 years may clarify the size of the ultimate investment that is needed.

http://wstc.wa.gov/Meetings/AgendasMinutes/agendas/2010/October19/documents/10_1020_BP10_HSP2030Update.pdf

Action/Follow-up: The Commission asked for a highway needs estimate for WTP 2030.

WSDOT LONG-TERM PROGRAM NEEDS ASSESSMENT

David Dye, Chief Operating Officer, WSDOT commented that Transportation equals jobs.

Washington's Economic Vision:

- Invest in the right infrastructure
- Put WA to work
- Create a foundation for success
- Compete in global economy

\$27 million of freight moves on WA roadways every hour of every day. Exports = \$51 billion in 2009.

2003 and 2005 revenue packages = \$15.5 billion infrastructure

- 273 of 421 projects completed

ARRA =

- \$492 million for 217 highway and local projects
- \$179 million for 55 transit projects
- \$590 million for high-speed passenger rail

74% of Highway Program dollars are contracted to the private sector

54% of design work for Nickel and TPA done by consultants

http://wstc.wa.gov/Meetings/AgendasMinutes/agendas/2010/October19/documents/10-1020_BP11_TransportationInvestment.pdf

Action/Follow-up: The Commission asked for a highway needs estimate for WTP 2030.

PUBLIC PRIVATE PARTNERSHIPS

The budget proviso directed a study to focus on best practices for non-toll PPPs.

Jeff Doyle, Director, Public Private Partnerships, WSDOT reported that five public agencies were interviewed: Kitsap Transit, Sound Transit, City of Vancouver, City of Olympia, and King County.

Themes:

- Be clear about project goals before you start
- Active involvement of other public agencies
- Organizational responsibility tends to fall to Economic Development officials
- All organizations utilize outside experts much more than WSDOT
- Approval authorities were kept abreast but not deeply involved in project development and negotiations

There are projects being pursued by WSDOT, such as the electric highway, but their future depends on continued federal funding. There are possibilities to pursue without legislative changes, but amendments would be helpful. Private investors also need a focus on what the state wants to have happen; this helps the private investor understand what benefit there is.

http://wstc.wa.gov/Meetings/AgendasMinutes/agendas/2010/October19/documents/10_1020_BP12_PPPBestPracticeReview.pdf

Action/Follow-up: The Commission will receive and review Draft Recommendations in early December. The Final Report, with recommendations and any suggested legislative changes, will be delivered to the Legislature in January.

ROUTE JURISDICTION TRANSFER – SR 527 FINAL FINDINGS

Tom Ballard, Director of Transportation Improvement Board, and Clint Ritter, Program Engineer, presented the SR 527 Final Report evaluating the transfer by the legal criteria.

It was moved by Commissioner O'Neal and seconded by Commissioner Ford to approve the Final Findings Report for the requested transfer. The motion passed unanimously.

Eddie Low, Bothell City Engineer spoke in support of the transfer.

http://wstc.wa.gov/Meetings/AgendasMinutes/agendas/2010/October19/documents/10_1020_BP13_FinalFindingSR527.pdf

http://wstc.wa.gov/Meetings/AgendasMinutes/agendas/2010/October19/documents/10_1020_BP13_SR527CorridorMap.pdf

Action/Follow-up: The Commission approved the SR 527 transfer from the State to the City.

If you would like additional detail on what occurred at any Commission meeting in Olympia, please refer to our web site at www.wstc.wa.gov and click on the link titled "Meeting Audio on TVW" under the 2010 Olympia Meetings section of the home page. There you will be able to access the full audio recording of the meeting. If you have questions please contact our office at 360-705-7070.

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