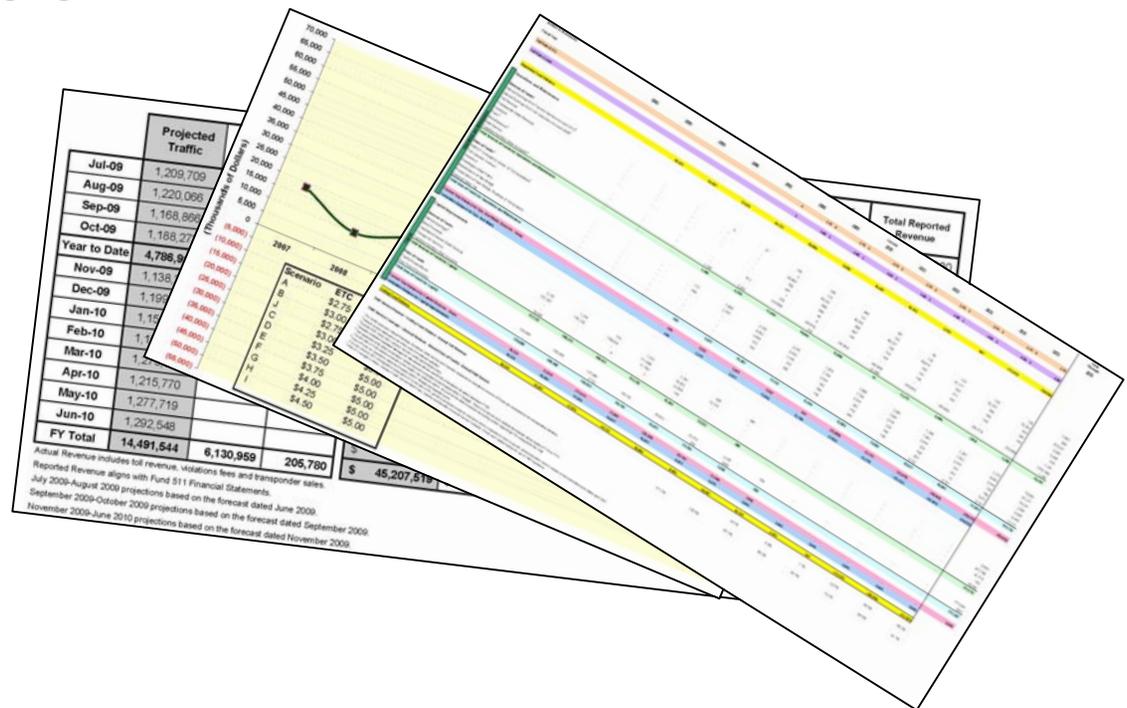

Tacoma Narrows Bridge Citizen Advisory Committee

Toll Rate Recommendation

December 16, 2009
CAC Chairman S. Alan Weaver

CAC Updates

- Good News
 - Revised Forecasts
 - Better Reports



CAC Concerns/Problems

- Timing of recommendation
- Changed membership
- \$5.28 million repayment of expenses
- Treasurer's letter: “ ... *bond documents must include a contractual commitment to meet a specified coverage ratio with a cushion of reserves.*”
- Fixed dollar amount required for Cash payers
 - Additional cost
 - Safety

CAC Guiding Principles

- Keep the toll as low as possible
- KISS principle (*“keep it simple, stupid”*) with one exception
 - No exemptions or reduced tolls
 - Same time pricing
 - No coupons
 - Exception: ETC pays less than Cash
- Strong desire to keep differential between ETC and Cash payers greater than the costs of collection
- Purpose to assure that the heavier users get the best break

Projected and Reported Traffic and Revenue FY2008-2009

Originally presented by WSDOT

	Projected Traffic	Reported Traffic	Variance	Projected Toll Revenue	Reported Toll Revenue	Variance	Total Operating Revenues
Jul-08	1,255,786	1,260,676	4,890	\$ 3,947,017	\$ 4,130,793	\$ 183,776	\$ 4,236,353
Aug-08	1,266,537	1,249,245	(17,292)	\$ 4,004,336	\$ 4,064,786	\$ 60,450	\$ 4,141,957
Sep-08	1,161,754	1,186,566	24,812	\$ 3,671,588	\$ 3,869,276	\$ 197,688	\$ 3,932,288
Oct-08	1,180,928	1,192,760	11,832	\$ 3,710,680	\$ 3,808,881	\$ 98,201	\$ 3,904,410
Nov-08	1,107,862	1,094,721	(13,141)	\$ 3,476,427	\$ 3,517,102	\$ 40,675	\$ 3,667,601
Dec-08	1,167,554	1,000,687	(166,867)	\$ 3,645,072	\$ 3,173,948	\$ (471,124)	\$ 3,265,040
Jan-09	1,115,745	1,116,257	512	\$ 3,478,990	\$ 3,549,598	\$ 70,608	\$ 3,677,954
Feb-09	1,117,296	1,039,376	(77,920)	\$ 3,480,591	\$ 3,307,885	\$ (172,706)	\$ 3,358,149
Mar-09	1,155,743	1,155,283	(460)	\$ 3,604,720	\$ 3,675,422	\$ 70,702	\$ 3,801,203
Apr-09	1,103,203	1,175,827	72,624	\$ 3,436,794	\$ 3,773,037	\$ 336,243	\$ 3,902,643
May-09	1,159,417	1,204,369	44,952	\$ 3,635,357	\$ 3,897,896	\$ 262,539	\$ 3,995,431
Jun-09	1,172,817	1,258,189	85,372	\$ 3,665,607	\$ 3,554,690	\$ (110,917)	\$ 3,701,453
FY Total	13,964,642	13,933,956	(30,686)	\$ 43,757,179	\$ 44,323,313	\$ 566,134	\$ 45,584,482

July 2008 - August 2008 projections based on forecast dated June 2008.

September 2008 - November 2008 projections based on forecast dated September 2008.

December 2008 - February 2009 projections based on forecast dated November 2008.

March 2009 - June 2009 projections based on forecast dated March 2009.

Other Reported Revenue: August write off of FY08 Violation Penalty Revenue not collected; quarterly collection of fees for printed customer statements.

Reported Revenue aligns with Fund 511 Financial Statements for TNB Toll Operations, and includes Biennial Year End Adjustments.

Projected and Reported Traffic and Revenue FY2009-2010

Originally presented by WSDOT

	Projected Traffic	Reported Traffic	Variance	Projected Toll Revenue	Reported Toll Revenue	Variance	Total Reported Revenue
Jul-09	1,209,709	1,306,609	96,900	\$ 3,782,879	\$ 4,293,278	\$ 510,399	\$ 4,381,830
Aug-09	1,220,066	1,294,569	74,503	\$ 3,837,805	\$ 4,259,985	\$ 422,180	\$ 4,377,849
Sep-09	1,168,866	1,215,868	47,002	\$ 3,675,281	\$ 3,938,650	\$ 263,369	\$ 4,048,989
Oct-09	1,188,273	1,207,464	19,191	\$ 3,717,476	\$ 3,865,982	\$ 148,506	\$ 4,006,633
Nov-09	1,138,265	1,106,449	(31,816)	\$ 3,552,155			\$ -
Year to Date	5,925,179	6,130,959	205,780	\$ 18,565,596	\$ 16,357,895	\$ 1,344,454	\$ 16,815,301
Dec-09	1,199,741			\$ 3,728,516	\$ -		\$ -
Jan-10	1,152,774			\$ 3,581,778	\$ -		\$ -
Feb-10	1,154,294			\$ 3,581,480	\$ -		\$ -
Mar-10	1,273,519			\$ 3,953,995	\$ -		\$ -
Apr-10	1,215,770			\$ 3,774,674	\$ -		\$ -
May-10	1,277,719			\$ 3,992,763	\$ -		\$ -
Jun-10	1,292,548			\$ 4,028,717	\$ -		\$ -
FY Total	14,491,544	6,130,959	205,780	\$ 45,207,519	\$ 16,357,895	\$ 1,344,454	\$ 16,815,301

Actual Revenue includes toll revenue, violations fees and transponder sales.

Reported Revenue aligns with Fund 511 Financial Statements.

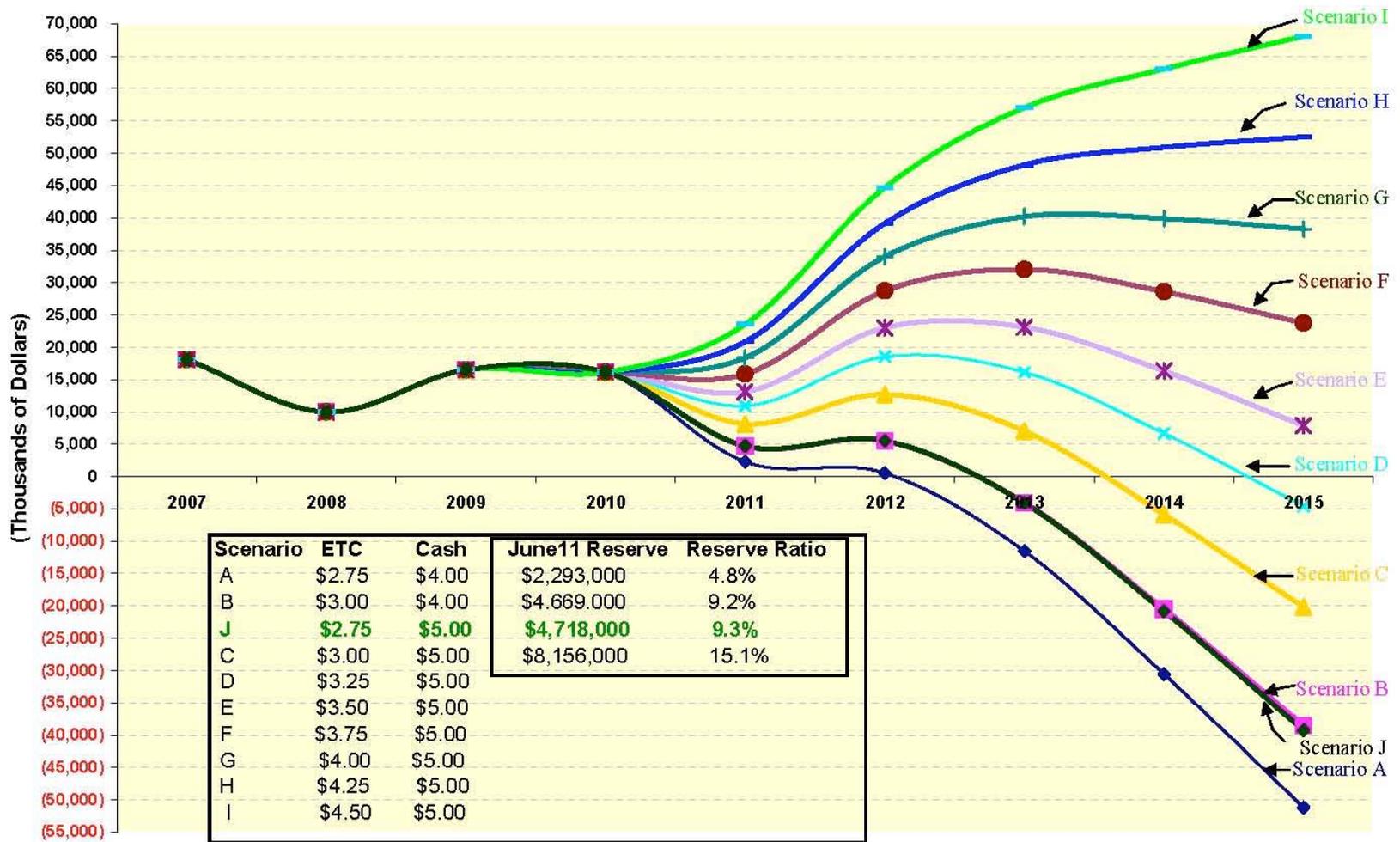
July 2009-August 2009 projections based on the forecast dated June 2009.

September 2009-October 2009 projections based on the forecast dated September 2009.

November 2009-June 2010 projections based on the forecast dated November 2009.

Original Toll Rate Scenario Chart

with Projected Fund Balances - Originally presented by WSDOT



CAC Considerations

- Amount of Reserve: \$4,669,000 is 9.3% of debt service reserve (just short of 10% “suggestion” or “requirement”)
 - December 2008 - Worst “disaster” experienced so far
 - Reduced traffic volume about 170,000 vehicles, which if multiplied by average toll of slightly over \$3.00, meant a loss of about \$500,000.
 - The reserve account of \$4,669,000 is over 9 times as great as the loss
- Fairness Between Cash and ETC
 - One or both will have to be raised
 - Many small quarters outweigh an occasional \$1
 - Advantage of raising cash vs. ETC is to give cash payers an incentive to purchase a transponder. In effect, a cash payer can cure his problem by becoming an ETC member

Final Toll Rate Scenarios Discussed

	ETC	Cash	Estimated Reserve Amount on June 30, 2011	Reserve Ratio	Effect
Scenario A	\$2.75	\$4.00	\$2,293,000	4.8%	Current rates
Scenario B	\$3.00	\$4.00	\$4,669,000	9.2%	Adds \$.25 to ETC
Scenario J*	\$2.75	\$5.00	\$4,718,000	9.3%	Adds \$1.00 to cash
Scenario C	\$3.00	\$5.00	\$8,156,000	15.1%	Adds \$.25 to ETC/\$1.00 to cash

*The CAC recommends the Transportation Commission adopt Scenario J with toll rates of \$2.75 for *Good To Go!* customers and \$5.00 for cash toll payers to begin July 2010.

Questions for the CAC?

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