I am pleased to present Washington State Department of Transportation’s Toll Division Annual Report for fiscal year 2015 (July 1, 2014 - June 30, 2015). Results WSDOT, the agency’s strategic plan for 2014-2017, provides the vision, mission, values, goals, priority outcomes, and strategies to guide the work of the agency. In the report you will see how tolling continues to support a safe, reliable transportation system and contribute to each of our six agency goals:

**Strategic investment**: tolls provide critical funding for large, urban transportation projects on strategic corridors

**Modal integration**: tolls work to optimize system capacity, supporting speed and reliability of the many transportation modes that use our highway system

**Environmental stewardship**: tolls promote practices, like carpooling and transit, that reduce greenhouse gas emissions

**Organizational strength**: the Toll Division is home to many teams who look for innovative solutions, seek continuous improvement, and apply Lean practices

**Community engagement**: the Toll Division works with the Transportation Commission, advisory groups, communities, and our customers to evaluate options and provide feedback to decision makers regarding tolling

**Smart technology**: tolling in Washington state uses advanced technology to inform, improve, and operate efficiently

We have met every traffic and performance goal on the three toll facilities in operation in fiscal year 2015. Our 2015 customer survey showed satisfaction with the quality of customer service. The vast majority of tolls were paid on time and we surpassed 500,000 active Good To Go! accounts.

We are proud of our accomplishments and continuing efforts to improve mobility and customer service for Good To Go! customers and commuters throughout the Puget Sound region. Hundreds of thousands of drivers depend on Good To Go! for a high level of customer service and accountability for approximately 37.6 million transactions. As we move forward, we will continue to apply lessons learned from our existing facilities and use best practices from tolling agencies both near and far. In the coming year we will keep striving for improvement in all of our services.

In July 2015, we changed how we resolve penalties for unpaid tolls so customers can pay their tolls and start over with a clean slate. This program was implemented after the end of the fiscal year and results will be included in the fiscal year 2016 report.

The I-405 express toll lanes opened September 27, 2015. The new lanes provide drivers a choice to pay to avoid congestion. While many travelers have seen a real benefit, WSDOT is continuing to monitor performance and make further improvements.

In the fall of 2015, Craig Stone transitioned from assistant secretary to program administrator of the new SR 167/SR 509 Gateway Project. I am excited to take on leadership of this dynamic program as the new assistant secretary. I have had the opportunity to work with Craig for the last 16 years and am proud to share this Annual Report with you.

Sincerely,

Patty Rubstello
Assistant Secretary, WSDOT Toll Division

March 2016
Highlights from fiscal year 2015

We are in year two of Results WSDOT, the agency’s strategic plan for 2014-2017, which provides the vision, mission, goals, priority outcomes, and strategies to guide the work of the agency. It represents a shift in the way we do business to get the most capacity of the entire multimodal transportation system, leverage our limited funding, and engage with communities and partners.

How tolls help fund transportation projects
Washington state uses tolling to manage traffic more effectively, fund public improvement projects, and generate revenue required for ongoing operation and maintenance costs of existing facilities. The facilities authorized for tolling are determined by the Washington State Legislature. These authorized facilities are in various stages of development and will supplement the existing tolling framework in Washington state.

Fiscal Year (FY) 2015 current toll facilities
- Tacoma Narrows Bridge
- State Route (SR) 167 HOT lanes
- SR 520 bridge

Legislatively authorized future toll facilities:
- I-405 express toll lanes (Operations began in FY 2016)
- SR 99 tunnel

Gateway Project (directed to study)

How do future toll revenues help pay for construction?
Toll revenues in Washington state can be used as a funding source for construction work on projects that have been legislatively authorized. Toll revenues go to fund improvements and financial obligations on the corridor in which they are collected. This allows for a more expedited delivery on projects resulting in more efficient and reliable construction, increased transportation benefits, and increased revenue. Project investors typically purchase bonds backed by tolls which are paid from future revenue. Toll revenues from operational facilities are used for operations, maintenance, repair, and rehabilitation. Revenues are also used to pay the debt on existing toll bonds.

How does tolling help manage traffic?
Dynamic pricing is used on the SR 167 HOT lanes and I-405 express toll lanes. A computer algorithm changes the toll rate in response to traffic volumes. Toll rates increase as congestion increases to keep traffic moving.

37.6 million toll transactions
22 million SR 520 Bridge
14.4 million Tacoma Narrows Bridge
1.2 million SR 167 HOT Lanes

116,000 visits to 3 Good To Go! Customer Service Centers

$133.8 million gross toll revenue
$68.2 million Tacoma Narrows Bridge
$64 million SR 520 Bridge
$1.7 million SR 167 HOT Lanes

On SR 520
Transit ridership levels increase 52% since 2010 (4 percent increase since FY14)

7.5 minutes average time saved using SR 167 HOT Lanes
5 minutes southbound
10 minutes northbound

Good To Go! tolling on track to generate $1.2 billion to help fund new SR 520 Bridge

540,000 Good To Go! accounts surpassed half million mark

Launch of Flex Pass
44,000 distributed in first 3 months
How much does each toll transaction cost?
In FY 2015 on average 52 cents of each Good To Go! transaction went towards toll collection. As the table demonstrates, payment method influences this average the most. A portion of this cost goes to the following vendors: Schneider Electric (Rockville, MD), Electronic Transaction Consultants (Richardson, TX), and TransCore (Nashville, TN). The vendors employ approximately 150 employees in the Puget Sound region and their compensation is independent of traffic or toll rate levels. All revenue above the cost to collect the toll is reinvested into overall roadway operations, maintenance, and project construction as appropriate.

Washington State’s tolling framework, roles and responsibilities
The overall tolling framework was established by the Washington State Legislature in 2008. This framework serves as a guide for all toll facilities and establishes expectations that each facility should meet. The basic responsibilities of these facilities are to use tolls as a source of transportation funding, to enhance transportation system performance, and to increase the overall efficiency of the system. The setting of toll rates is an important part of this process. Tolls should be at rates that are both fair and equitable - covering debt and operations and maintenance costs. The responsibilities of the toll system are outlined below.

<table>
<thead>
<tr>
<th>Washington State Legislature</th>
<th>Transportation Commission</th>
<th>Department of Transportation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsibility</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Establish tolling, designate toll corridors and use of toll revenues</td>
<td>Set toll rates and related fees</td>
<td>Plan, analyze and construct facilities, collect tolls, build and operate toll collection systems</td>
</tr>
<tr>
<td>Roles</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Establish legal toll framework</td>
<td>Set toll rates within funding requirements</td>
<td>Develop toll collection systems and procedures</td>
</tr>
<tr>
<td>Authorize tolling in designated corridors</td>
<td>Set toll exemptions</td>
<td>Collect tolls</td>
</tr>
<tr>
<td>Approve financing plans</td>
<td>Establish advisory committees</td>
<td>Finance improvements</td>
</tr>
<tr>
<td>Enable tolling practices</td>
<td></td>
<td>Operate tolled corridors</td>
</tr>
<tr>
<td>Appropriate toll operation budget</td>
<td></td>
<td>Assess financial feasibility of toll projects</td>
</tr>
</tbody>
</table>

Cost to collect toll per transaction

<table>
<thead>
<tr>
<th>Payment Method</th>
<th>All facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good To Go! Pass</td>
<td>$0.40</td>
</tr>
<tr>
<td>Pay By Plate</td>
<td>$0.44</td>
</tr>
<tr>
<td>Short Term Account</td>
<td>$0.38</td>
</tr>
<tr>
<td>Pay by Mail</td>
<td>$0.98</td>
</tr>
<tr>
<td>TNB Cash</td>
<td>$1.02</td>
</tr>
</tbody>
</table>

Source: WSDOT Toll Division
**Good To Go! Customer Service**

**Agency Goal**
- **Community Engagement**: The Good To Go! customer service center allows WSDOT to interact with customers and strengthen credibility with the public.

The WSDOT Toll Division began an extensive public outreach effort prior to the opening of I-405 express toll lanes.

**July 2014-June 2015 (FY 15)**

**Public Briefings:** 56  
PEOPLE REACHED: 1,458

**Fairs/Festivals:** 1  
PEOPLE REACHED: 314

**WSDOT Briefings:** 16  
WSDOT STAFF REACHED: 384

**Motorcycle Briefings:** 6  
PEOPLE REACHED: 240

**Total Briefings:** 79  
Total Reached: 2,396

**Source: WSDOT Toll Operations**

**Toll transactions by payment method (FY 2015)**

SR 520 bridge

- **Good To Go! Pass**: 65%
- **Good To Go! Pay By Plate**: 19%
- **Pay By Mail**: 16%

*Source: WSDOT Toll Operations*

Tacoma Narrows Bridge

- **Good To Go! Pass**: 62%
- **Toll Booths**: 24%
- **Pay By Mail**: 7%
- **Good To Go! Pay By Plate**: 7%

*Source: WSDOT Toll Operations*

**Growth of Good To Go! Program**

A variety of toll payment methods allow customers to choose the way they travel and pay their tolls. The majority of customers use a pre-paid Good To Go! account. Electronic tolling is more cost efficient and saves time. Toll operators across the country are increasingly choosing all electronic tolling methods to lower costs and raise efficiency.

The Good To Go! program had a landmark year, passing half a million active accounts. Input from customer surveys and other forms of feedback have served to refine Good To Go! New updates will continue to improve the Good To Go! system and the corresponding customer service experience.
The Good To Go! customer service center provides a direct connection between WSDOT and its customers.

3 Customer Service Centers

116,000 visits
1/2 of all visits are in Gig Harbor

448,000 phone calls

3.1 million emails

2.8 million pieces of mail

Source: WSDOT Toll Operations

Maintaining high standards in serving customers

All three of WSDOT’s toll customer service centers (CSCs) are dedicated to a high level of service. Incoming email and walk in numbers continue to increase, and WSDOT continues to strive for excellent service to its customers, whether it is on the phone, via email, or in person. According to a survey released in FY 2015, customers were satisfied with the level of customer service provided by the Good To Go! program.

Enforcement for tolling keeps system fair

Drivers pay 78 percent of tolls using Good To Go! accounts. As of September 20, 2015, 95 percent of WSDOT FY 2015 toll transactions have been paid.

The new customer program for resolution developed in FY 2015 will affect enforcement operations in FY 2016. Customers with unpaid civil penalties can call Good To Go! to request a one time waiver of fees and penalties if they agree to pay all outstanding tolls. Details of this program will be released in the FY 2016 annual report.

The system for dealing with unpaid toll bills ensures fairness for all toll customers. After 80 days, customers with an unpaid toll bill are issued a notice of civil penalty. A fee of $40 is added to each unpaid toll transaction. Failure to pay this fee or request a hearing by the due date may result in a hold on the vehicle registration and other collection efforts.

For customers that decide to contest a civil penalty, judges are able to consider mitigating factors during the hearing process. Judges can also dismiss a civil penalty for just cause, requiring that the customer only pay the amount of the toll.

Lean management practices at CSC

WSDOT has applied Lean management practices to help better operate its CSC. One example is working with the CSC vendor to standardize their inventory management process and provide tools for more accurate reporting. The CSC vendor is responsible for managing pass and mailing supplies inventories. Changes included:

- Creating a better tracking tool
- Managing inventory levels more closely
- Delivering passes directly to WSDOT
- WSDOT handing off inventory to CSC vendor, who assumes stewardship of pass through sale distribution

Another example of Lean management practices at the CSCs is ensuring that customer service representatives were able to resolve customer complaints in a single call. WSDOT’s Toll Division launched a Lean effort to look at what authority the customer service representatives have to address customer issues on the first call. The primary changes to the process included establishing criteria and delegating authority to customer service representatives allowing them to dismiss fees and address other customer issues directly based on certain parameters. As a result of these changes, approximately 626 labor hours annually were redeployed and more than 700 customers are now able to receive issue resolution in one call.

Toll bill envelope redesign

Since the launch of photo tolling and Pay By Mail in December 2011, WSDOT has several years of experience and feedback from customers regarding envelopes and toll bills. This Lean review evaluated the Pay By Mail toll bill and envelope, reviewed best practices from across the county, and used focus groups to test proposed changes. The envelope improvements focused on increasing the likelihood of the recipient opening the envelope. The toll bill improvements focused on simplified language using a larger font size and adding graphics as appropriate.
Tacoma Narrows Bridge

Agency Goal
- Strategic Investment: The new Tacoma Narrows Bridge has decreased travel times between the Kitsap Peninsula and Tacoma and improved safety in the corridor.
- Community Engagement: The Tacoma Narrows Bridge Citizen Advisory Committee engages the community through the toll rate setting process. Their work is integral to the Transportation Commission’s annual toll rate setting process.

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Goal Met?</th>
<th>Accomplishments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay for new bridge construction</td>
<td>√</td>
<td>Meeting debt payments</td>
</tr>
</tbody>
</table>

Traffic on the Tacoma Narrows Bridge increased to approximately 14.4 million transactions in FY 2015. On average 42,000 vehicles crossed the bridge each weekday, with approximately 70 percent of transactions being paid using a Good To Go! account. WSDOT generated approximately $68.2 million in gross toll revenue and $456,000 in reprocessing fees. Revenue was slightly below projected totals, however, due to cost saving measures implemented by WSDOT, expenses were below projected by about 8 percent.

Traffic on the Tacoma Narrows Bridge increased to approximately 14.4 million transactions in FY 2015. On average 42,000 vehicles crossed the bridge each weekday, with approximately 70 percent of transactions being paid using a Good To Go! account. WSDOT generated approximately $68.2 million in gross toll revenue and $456,000 in reprocessing fees. Revenue was slightly below projected totals, however, due to cost saving measures implemented by WSDOT, expenses were below projected by about 8 percent.

Tacoma Narrows Bridge toll rates for FY 2015

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10,292,077</td>
<td>$68,683,168</td>
</tr>
<tr>
<td>$11,172,000</td>
<td>$69,190,000</td>
</tr>
</tbody>
</table>

1 November 2014 Forecasted Revenue and January 2015 Projected Expenses
2 Expenses exclude Preservation, Civil Penalty, and Transponder costs
3 Includes tolling revenue and rebilling fees

Source: WSDOT Toll Finance
Increase in average toll rates allow for debt payment to proceed

The 2002 plan for the Tacoma Narrows Bridge called for low initial debt repayment that would rise over time. The payment plan was altered in FY 2015 by deferring sales tax repayment to FY 2032. The toll rate for the Tacoma Narrows increased by 25 cents across all payment types for all two axle vehicles.

Growing numbers of customers are using photo tolling rather than the Good To Go! Pass

Payment patterns seen on the Tacoma Narrows Bridge highlight a trend across all toll facilities. Customers are increasingly choosing to pay tolls via photo tolling versus a Good To Go! pass despite the higher cost of the Pay By Plate or Pay By Mail method.

This trend poses a few challenges: the higher cost to collect associated with photo based methods, and the requirement to use a manual review process on photo transactions. WSDOT sought to encourage Good To Go! electronic payment while conducting outreach associated with the opening of the I-405 express toll lanes and the introduction of the Flex Pass. WSDOT will continue to monitor this trend and evaluate possible alternatives.
Where your Tacoma Narrows Bridge toll dollar goes

1 Customer service center vendor (ETCC) $1,970,609 (2.9%)
2 Roadway and toll booth toll collection vendor (TransCore) $3,145,887 (4.6%)
3 WSDOT oversight and other 1 $350,065 (0.5%)
4 Credit card and bank fees $1,297,997 (1.9%)
5 Insurance premiums $1,324,939 (1.9%)
6 Pay By Mail mailing $284,585 (0.4%)
7 Bridge/roadway operations and maintenance $447,577 (0.7%)
8 Consultant services $906,481 (1.3%)
9 Available for debt service payments, capital expenditures, reserves 2 $58,658,706 (85.8%)

Total: $68,386,846

1 “Other” includes expenditures for supplies, communications, rents, repairs, services provided by outside vendors, etc.
2 Includes funds set aside for a sufficient minimum balance.
3 Expenses related to Civil Penalty adjudication and transponder sales are not included as they have corresponding revenue sources other than Tolling Revenue.
4 “Toll dollar” refers only to revenue collected as a toll, so excludes rebilling fees, civil penalty, transponder, contractual damages, interest, and miscellaneous revenue.

Source: Tacoma Narrows Bridge Account WSDOT Financial Statements for FY 2015

Next Steps

• Replace aging network equipment
• Evaluate measures for cost efficiency
The SR 167 HOT lanes pilot project serves to reduce congestion and travel times for all users of the SR 167 corridor. These toll lanes, opened on May 3, 2008, have served as a model for the newer I-405 express toll lanes as well as other projects across the United States. Six years after the start of the project overall traffic in the region has increased, leading to an overall traffic increase on SR 167. However, due to the HOT lanes, drivers are continuing to experience decreased travel times along the corridor.

HOT Lanes are meeting objectives

<table>
<thead>
<tr>
<th>Objectives</th>
<th>Goal Met?</th>
<th>Accomplishments</th>
</tr>
</thead>
</table>
| Free Flow Traffic | ✓ | • HOT lanes speeds >45 mph  
| | | • Travel times more reliable |
| Reduced Congestion | ✓ | • Daily tolled volumes up  
| | | • Corridor transit volumes up |
| Improved Safety | ✓ | • Average collision rate remains stable  
| | | • Incident response time down |
| Demonstrated Ability to Finance Improvements | ✓ | • HOT lanes generating revenue to cover operating costs since April 2011 |
| Equitable Use of Facility | ✓ | • Annual surveys show both low and high income drivers use HOT lanes |

SR 167 average peak hour toll rates for FY 2015

- **Northbound AM (7-8 a.m.)**
  - $2.75
- **Southbound PM (4-5 p.m.)**
  - $2.25
HOT lanes use and revenue continues to grow

Outside of the main objectives, the HOT lanes have the added benefit of steady revenue generation. Revenue exceeded projections in FY 2015 largely due to increased volumes which leads to higher toll rates.

HOT lanes expenses are down (FY 2015)

More people are choosing HOT lanes and saving time

<table>
<thead>
<tr>
<th>Month</th>
<th>Tolled Trips</th>
<th>Average Toll Paid</th>
<th>Travel Time Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 2008</td>
<td>1,000</td>
<td>$1.00</td>
<td>4 minutes saved</td>
</tr>
<tr>
<td>June 2013</td>
<td>4,200</td>
<td>$1.25</td>
<td>6 minutes saved</td>
</tr>
<tr>
<td>June 2014</td>
<td>4,500</td>
<td>$1.25</td>
<td>6 minutes saved</td>
</tr>
<tr>
<td>June 2015</td>
<td>4,800</td>
<td>$1.75</td>
<td>5 minutes saved</td>
</tr>
</tbody>
</table>

1 Tolled trips per weekday (Tuesday - Thursday)
2 Average toll rate (Tuesday - Thursday)
3 AM Peak (7-8am) PM Peak (4-5pm); Savings = HOT lanes vs. general purpose lane

HOT lanes benefit transit users

Increasing transit ridership on SR 167 since the HOT lanes opened suggests that the HOT lanes may have a direct impact on transit ridership, though with other factors involved such as gas prices and changes in transit service also having an impact, it is difficult to determine the HOT lanes’ impact. Either way, users of transit systems on SR 167 are able to take full advantage of the HOT lanes.
Safety remains a priority in the HOT lanes
Although there are multiple factors that impact safety on any given roadway, WSDOT is confident that there is no adverse impact to safety caused by the HOT lanes.

Vehicle Speeds in the HOT lanes remain consistent
One of the main objectives of the HOT lanes is to keep vehicle speeds above 45 mph. WSDOT achieves this by using a dynamically priced toll system. The toll rates change during the day based on traffic demand in order to maintain the speed requirements. These dynamically adjusted rates range from $0.50 to $9.00 to accommodate varying traffic demands. The average toll rate for Tuesday to Thursday travel was $1.25 for FY 2014 and $1.75 in FY 2015.

Change of access to HOT lanes has made HOT lanes easier to use
One major focus in the HOT lanes for FY 2015 was the change in access. WSDOT applied for and received a $520,000 federal grant to fund construction and a collaborative evaluation with the Washington State Transportation Center at the University of Washington to study continuous access. WSDOT evaluated its effects on safety, revenue, reliability and speed, customer attitudes, transit operations, and lane system performance. The lessons learned from this project will help inform access on other WSDOT toll lane projects. The final evaluation of the change is nearly complete and will be released in FY 2016.

The SR 167 extension project continues to move forward
In FY 2015 focus was brought to Stage 4 of the SR 167 Extension project. This phase of the project focuses on adding a lane on SR 167 southbound going over SR 18 to just south of the Pierce County line. In addition, HOV bypass lanes and ramp meters will be installed at six ramp locations.

Customer survey shows high satisfaction again
Since the toll lanes first opened in 2008, WSDOT has conducted a yearly survey of the users of the toll lanes to determine their overall effectiveness and diversity of use. The 2015 survey included responses from nearly 3,000 Good To Go! customers who had paid to use the SR 167 HOT Lanes within the past year. The survey showed strong overall satisfaction with the value of the HOT Lanes among all income groups, especially among households with incomes below $50,000. 65% of users across all income groups supported expanding HOT Lanes to other freeways in our region. These results are consistent with surveys conducted over the past three years, showing that the HOT Lanes have gained loyal users that enjoy the benefit of the HOT Lanes system.

HOT lanes should be opened on other freeways in our region

The money I spend for the HOT lanes is well worth it

Next Steps
- Southbound extension
- Extend pilot status through FY 2017
- Transition to new lane systems vendor
The main objectives of tolling on SR 520 are to help pay for the new SR 520 Bridge, reduce overall traffic congestion, and improve travel times on SR 520. The overall projected contribution to the new SR 520 Bridge fund from tolling is $1.2 billion.

### Objectives | Goal Met? | Accomplishments
--- | --- | ---
Pay for new bridge construction | √ | On track to generate $1.2 billion in toll revenue for the new SR 520 Bridge
Reduce congestion on SR 520 | √ | Faster travel times on SR 520

### Toll volumes on SR 520 maintain steady growth

On average 74,000 tolled vehicles per weekday crossed the SR 520 Bridge in FY 2015, up from 72,000 per weekday in FY 2014. Overall, toll volumes are down by about one-third of the pre-tolling level of 103,000 in FY 2011.

<table>
<thead>
<tr>
<th>Source: WSDOT Toll Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>number of tolled vehicles</td>
</tr>
<tr>
<td>85,000</td>
</tr>
<tr>
<td>80,000</td>
</tr>
<tr>
<td>75,000</td>
</tr>
<tr>
<td>70,000</td>
</tr>
<tr>
<td>65,000</td>
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<tr>
<td>60,000</td>
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<tr>
<td>55,000</td>
</tr>
<tr>
<td>50,000</td>
</tr>
<tr>
<td>45,000</td>
</tr>
<tr>
<td>FY 13</td>
</tr>
</tbody>
</table>

### Average weekday peak toll rates for FY 2015
Generated revenue aligns with planned $1.2 billion of funding towards the new SR 520 bridge

In FY 2015 tolling on SR 520 generated $64 million in gross toll revenue and $1.5 million in reprocessing fees. These fees count towards the goal of $1.2 billion dollars in funding contributing to the new SR 520 Bridge construction set by WSDOT in December of 2011.

Rate Increase for SR 520

Tolls on SR 520 increased approximately 2.5 percent in FY 2015. The peak weekday Good To Go! pass rate rose to $3.80 and the peak weekday Pay By Mail rate rose to $5.40. The toll increase affects all rate levels. This is the fourth planned 2.5 percent annual rate increase for SR 520. These incremental toll increases are needed for operations and maintenance costs and to make debt payments on the bonds that are financing the SR 520 program construction.

SR 520 revenue: actual vs. forecast (FY 2015)

<table>
<thead>
<tr>
<th></th>
<th>Expense</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual</td>
<td>$12,594,616</td>
<td>$65,489,642</td>
</tr>
<tr>
<td>Projected</td>
<td>$12,560,364</td>
<td>$66,035,000</td>
</tr>
</tbody>
</table>

Increasing volume of photo based transactions on SR 520

Consistent with the Tacoma Narrows Bridge, there is a decreasing number of trips paid for using a Good To Go! Pass. WSDOT anticipates marketing for the Flex Pass will help increase use of Good To Go! on SR 520.

SR 520 Bridge transaction type by percentage

<table>
<thead>
<tr>
<th></th>
<th>FY 13</th>
<th>FY 14</th>
<th>FY 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay By Plate</td>
<td>%14</td>
<td>%16</td>
<td>%19</td>
</tr>
<tr>
<td>Pay By Mail</td>
<td>%16</td>
<td>%16</td>
<td>%16</td>
</tr>
<tr>
<td>Good To Go! Pass</td>
<td>%70</td>
<td>%68</td>
<td>%65</td>
</tr>
</tbody>
</table>

Continued growth for vanpools and transit

Transit ridership on SR 520 rose to 23,000 in fiscal year 2015, up 4 percent from FY 2014 and 52 percent since FY 2010. Some of this transit increase can be attributed to the added routes by King County Metro and Sound Transit. In addition, the number of vanpools crossing the SR 520 Bridge rose to 238, compared to the FY 2014 level of 200 or the pre-tolling level of 130.

For information on travel times on the SR 520 Bridge and corresponding cross-lake routes, please refer to the Gray Notebook, WSDOT’s quarterly performance and accountability report.
SR 520 daily transit volumes continue to increase

Before
15,000

BUS RIDERS

Now
23,000

Before
130

NUMBER OF VANPOOLS

Now
238

Source: King County Metro

Toll collection point is moving

In FY 2016, the toll collection point needs to be moved to an interim location to make room for construction activities as crews go into the next phase of work to prepare for opening the new floating bridge in 2016. Once the SR 520 Bridge construction is complete, the toll equipment will move a final time to its permanent location near Evergreen Point Road.

Source: 520 Project Office
Where your SR 520 toll dollar goes

Total: $66,375,642

1. Customer service center vendor (ETCC) $4,564,019 (6.9%)
2. Roadway and toll booth toll collection vendor (Telvent) $367,335 (0.6%)
3. WSDOT oversight and other¹ $1,698,645 (2.6%)
4. Credit card and bank fees $1,204,420 (1.8%)
5. Insurance premiums $2,221,899 (3.3%)
6. Pay By Mail mailing $950,831 (1.4%)
7. Bridge/roadway operations and maintenance² $0 (0%)
8. Consultant services $1,587,467 (2.4%)
9. Available for debt service payments, Capital expenditures, and contributions to reserve accounts³ $53,781,026 (81.0%)

¹ "Other" includes expenditures for supplies, communications, rents, repairs, services provided by outside vendors, printing, and registered owner look up costs.
² Includes funds set aside for periodic repair and replacement (preservation), repayment of deferred sales tax on construction and operations and maintenance reserves, and a revenue stabilization fund as applicable, plus cost of investment activities. $26,024,975 of this amount was used to pay principal and interest on project construction debt in FY 2015.
³ Expenses related to transponder sales are not included as they have corresponding revenue source other than Tolling Revenue. "Toll dollar" refers only to revenue collected as tolls and rebilling fees, or transferred from the Civil Penalty account after recovery. Transponder, contractual damages, interest, and miscellaneous revenue are excluded.

Source: SR 520 Account WSDOT Financial Statements for FY 2015

Next Steps

- New bridge is set to open Spring 2016
- Analyze measures for cost efficiency
Overview of I-405 express toll lanes

The I-405 express toll lanes are the newest WSDOT toll facility. Upon their launch in fall 2015, the I-405 express toll lanes will let drivers choose to travel faster by paying a toll. Toll rates will adjust depending on traffic, and drivers will pay the rate they see upon entering the lanes. Tolls can be paid with the current Good To Go! pass or using Pay By Mail for an additional $2.00.

Introduction of the Flex Pass

The Flex Pass was introduced in March 2015. Carpools in the express toll lanes must have the correct number of occupants and a Good To Go! Flex Pass set to HOV mode to travel toll-free. The Flex Pass works in two modes, HOV and TOLL. Drivers who do not meet occupancy requirements can use the toll lanes with a Flex Pass in TOLL mode, and will be charged a toll based on the displayed rate.

Agency Goal

- Strategic investment: Express toll lanes strategically manage limited roadway space to improve traffic. Toll revenue will be reinvested in the corridor.
- Modal Integration: Express toll lanes offer a more reliable trip for all modes that choose to use them.
- Environmental Stewardship: By improving traffic flow, express toll lanes can decrease air pollution and greenhouse-gas emissions.
- Organizational Strength: The Toll Division and the I-405/SR 167 Corridor program worked together to deliver a complex project on time.
- Community Engagement: Over a decade of community-based partnerships led to toll authorization and consensus recommendations on carpool policy and future funding priorities.
- Smart Technology: Dynamic tolls change based on real-time traffic conditions to maintain speeds of at least 45 miles per hour in the express toll lanes.

Please note that this report covers activities in FY 2015 from July 1, 2014 through June 30, 2015. Initial post-launch operations of the I-405 express toll lanes, which opened on September 27, 2015, will be covered in the FY 2016 Annual Report. Additional reporting will be available online at www.GoodToGo405.com/library
Sale of Flex Pass shows strong start for I-405 express toll lanes

Sales of the Flex Pass began on March 21, 2015 in preparation for the opening of the I-405 express toll lanes. Between its introduction and the end of FY 2015, 13,850 Flex Passes were sold compared to a projected number of 6,500. These numbers are a positive sign for the I-405 express toll lanes and the Good To Go! program in general.

RideshareOnline.com
WSDOT partnered with RideshareOnline.com to give away free Flex Passes in FY 2015. The carpool incentive program required applicants to live, work, or play in King or Snohomish counties, and carpool on I-405 between Bellevue and Lynnwood with at least one other person at least once a week. As of the end of FY 2015, 10,000 free carpool passes had been distributed.

Motorcycle incentive
WSDOT introduced a motorcycle incentive program for users of I-405. To get a free motorcycle pass, riders had to live, work or play in King or Snohomish counties and ride their motorcycle on I-405. Approximately 2,500 free motorcycle passes were distributed as of FY 2015.

Pass replacement program
In advance of the opening of the I-405 express toll lanes, WSDOT offered customers with existing Good To Go! switchable passes the opportunity for a free upgrade to a Flex Pass. The switchable (on/off) pass was originally designed for carpooling on the SR 167 HOT lanes, but customers who wish to carpool toll-free in the I-405 express toll lanes must have a Flex Pass set to HOV mode. As of the end of fiscal year 2015, 20,000 replacement passes had been distributed.

For more information please visit GoodToGo405.org.

Community Engagement
The I-405 express toll lanes mean a lot of changes for drivers, which is why it was essential for WSDOT to help drivers prepare. Drivers take nearly 500,000 trips on the north end of I-405 each day, and WSDOT worked to get the word out to these travelers letting them know what to expect and how to get ready for the changes to I-405.

In October 2013, WSDOT began a grassroots outreach effort including a speakers bureau, media and social media outreach, and began planning for an extensive marketing education campaign.
Puget Sound Gateway Program

Agency Goal

• Strategic Investment: Leverages the opportunity to build an integrated system by constructing SR 509 and SR 167, using the design-build approach to accelerate construction and capitalize on economies of scale. Improves regional mobility and relieves traffic congestion on local roads and highways by providing new and more efficient travel options, improving overall system performance for freight, commuters and transit.

• Modal Integration: Completes critical freight links between the ports of Seattle and Tacoma and key distribution centers, warehouses, and industrial areas in King and Pierce counties. Provides direct access to Seattle-Tacoma International Airport from the south, better connecting the state’s hub airport to I-5 and improving movement of air cargo.

• Organizational strength: The Toll Division will engage with teams from the Northwest and Olympic regions to complete this complex project.

What is the Puget Sound Gateway Program?
The Puget Sound Gateway Program is comprised of two unique projects, SR 509 and SR 167, which together make major improvements to ease traffic congestion and improve regional mobility. Construction funding is part of the Connecting Washington Transportation Revenue Package, approved by the State Legislature.

What do the first phases of the Gateway projects do?
The project will add 6 miles of new highway for SR 167 and 2 miles of new highway for SR 509. There will be several new interchanges, including connections between these two highways and Interstate 5.

SR 99 Tunnel

Agency Goal

• Strategic Investment: The seismically vulnerable 1950s-era viaduct will be replaced by the new tunnel.

• Organizational Strength: WSDOT engages teams from the Toll Division and the Alaskan Way Viaduct Replacement Program to deliver a complex project

Tolling to help SR 99 work

The viaduct replacement program serves to replace the aging Alaskan Way Viaduct with a tunnel. WSDOT aims to use tolling on this project to provide an estimated $200 million dollars toward project construction.

For more information on the status of the SR 99 Tunnel project, please visit www.wsdot.wa.gov/Projects/Viaduct/About/Tunneling
Technology and Interoperability

WSDOT leads a group of toll agencies whose goal is to standardize the way in which passes are programmed across multiple states. Toll interoperability is the effort to make toll passes from every state compatible with one another. This allows travelers to use a single toll pass at facilities across multiple states. There are currently six protocols used for tolling across the country, the challenge at this point is to shift nationally to a single interoperable protocol.

Federal legislation in place requires interoperability within the United States by 2016. Washington has been making a push to utilize tolling communications protocol ISO 18000-6C (commonly known as 6C). California, Indiana, and Louisiana are currently in the process of implementing the 6C protocol.

Washington’s use of flexible tolling technology means that whichever protocol is chosen can fit the WSDOT tolling framework.

Source: WSDOT Toll Operations
**COMBINING BALANCE SHEET**

WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
WASHINGTON TOLLING SYSTEM
STATE FISCAL YEAR 2015, QUARTER ENDED JUNE 30, 2015

The notes to the financial statements are an integral part of this statement.
Tolling Subsidiary Accounting System – Repeat independent audits have determined that the tolling subsidiary accounting system for WSDOT, which is managed by a contracted service organization, contains weaknesses in internal controls. The most recent audit showed that some of the deficiencies identified in previous audits have been remediated, resulting in improved internal controls. The Toll Division continues to work with our service organization to remediate the remaining deficiencies. WSDOT is committed to the highest standard of transactional and financial accountability for the citizens of Washington State.

Detailed Notes
1. Accounts Receivable, net:
   (a) TNB and 520 Bridge Accounts consist primarily of: (1) Crossings where a Toll Bill has been sent to the customer via Pay-by-Mail, (2) Customer payments made by credit card which had yet to settle by March 31, (3) Crossings that are in the image review process and toll fees have yet to be transferred from customer accounts, (4) Crossings that are not viable and are awaiting dismissal, (5) and the Accounts allocated share of NSF fee, transponder sales and $5 reprocessing fee receivables
   (b) HOT Lanes Account consists of HOT Lanes allocated share of NSF fee and transponder sales receivables.
2. Notice of Civil Penalties, net - The TNB balance consists of all outstanding amounts due related to TNB notices of civil penalties and the 520 Civil Penalty balance consists of all outstanding amounts due related to 520 Bridge notices of civil penalties.
3. Due from Toll Vendor – For TNB, HOT Lanes and the 520 Bridge Account, the Due from Toll Vendor consists primarily of amounts due from the CSC operations vendor (ETCC) due to renegotiation of the CSC operations contract. For the Central Toll Account amount are due from the CSC operations vendor ETCC due to operational and system errors that have required manual corrections and have resulted in amounts due to WSDOT.
4. Consumable Inventory – Toll transponders valued at cost using the first in, first out (FIFO) method.
5. Unearned Revenue:
   (a) TNB Account - Notice of civil penalty amounts not yet recognized because the adjudication process has not been completed. Also included are amounts associated with deferrals for toll bill amounts not estimated to be collected until they become NOCP receivables, as well as amounts directly attributable to items (a) (3) and (4) described above in Note 1.
   (b) 520 Bridge Account - amounts associated with deferrals for toll bill amounts not estimated to be collected until they become NOCP receivables, as well as amounts directly attributable to items (a) (3) and (4) described above in Note 1.
   (c) 520 Civil Penalty Account – Notice of civil penalty amounts not yet recognized because the adjudication process has not been completed.
   (d) Central Toll Account - amounts from customers on deposit for prepaid Good To Go! accounts. No revenue is recognized in the Central Toll Account. Funds from the prepaid accounts, held in the Central Toll Account, are transferred to the applicable toll facility when a transponder is “read” as the customers’ vehicle crosses one of the toll facilities. Until this event, the prepaid toll account balance represents a liability to the state and is owed to the customer.
6. Cancelled Warrants – When a vendor cannot be located, such as when the vendor changes addresses without notification, the original warrant (check) must be cancelled and reissued once the vendor is located.
7. Unavailable Revenue:
   (a) TNB Account - amounts associated with TNBs long-term portion of the toll vendor receivable and a real estate contract receivable. Also included are deferrals for NOCP and $5 fee receivable amounts estimated to take over 12 months to collect.
   (b) HOT Lanes Account - amounts associated with the accounts long-term portion of the toll vendor receivable.
   (c) 520 Bridge Account - amounts associated with 520s long-term portion of the toll vendor receivable. Also included are deferrals for $5 fee receivable amounts estimated to take over 12 months to collect.
   (d) 520 Civil Penalty Account – amounts associated with deferral for NOCP receivable amounts estimated to take over 12 months to collect.
8. The Unspent Bond Proceeds and Operations and Repair Restrictions – 520 Bridge Account Reserves required by the Master Bond Resolution. Additionally, fund balances are considered “restricted” if its usage is limited by creditors, other governments, or through constitutional provisions, and “committed” if usage is limited by the governing authority.
## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
TACOMA NARROWS BRIDGE ACCOUNT
STATE FISCAL YEAR 2015, QUARTER ENDED JUNE 30, 2015

<table>
<thead>
<tr>
<th>NOTES</th>
<th>JULY THROUGH MARCH</th>
<th>APRIL THROUGH JUNE</th>
<th>YEAR-TO-DATE</th>
</tr>
</thead>
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<td></td>
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<td><strong>TOTAL REVENUES</strong></td>
<td></td>
<td>54,061,970</td>
<td>18,394,465</td>
</tr>
</tbody>
</table>

| EXPENDITURES       |                    |                |              |
| Toll CSC operations vendor contract | 7 | 1,477,567     | 493,042      | 1,970,609    |
| Toll booth and lane vendor contract | 2,351,974 | 793,913      | 3,145,887    |
| Insurance          | 8  | 1,320,258    | 4,681        | 1,324,939    |
| Credit card and bank fees | 9 | 923,009     | 374,988      | 1,297,997    |
| Transponder cost of goods sold | 10 | 266,309     | 83,756       | 350,065      |
| Pay-by-mail        | 212,299 | 72,286      | 284,585      |
| Other              | 10  | 266,309     | 83,756       | 350,065      |
| **TOTAL GOODS AND SERVICES** | | 6,685,734 | 1,894,112 | 8,579,846 |
| Personal service contracts | 11 | 665,899 | 240,582 | 906,481 |
| Salaries and benefits | 416,662 | 147,275 | 563,937 |
| Civil penalty adjudication costs | 12 | 937,770 | 251,781 | 1,189,551 |
| Infrastructure maintenance and preservation | 13 | 348,303 | 215,287 | 563,590 |
| **TOTAL EXPENDITURES** | | 9,054,368 | 2,749,037 | 11,803,405 |

| EXCESS OF REVENUES OVER EXPENDITURES | 45,007,602 | 15,645,428 | 60,653,030 |

| OTHER FINANCING USES       |                    |                |              |
| Operating transfers out    | 14 | (41,350,015) | (14,300,785) | (55,650,800) |
| **TOTAL OTHER FINANCING USES** | | (41,350,015) | (14,300,785) | (55,650,800) |

| NET CHANGE IN FUND BALANCE | 3,657,587 | 1,344,643 | 5,002,230 |

| FUND BALANCE - BEGINNING | 9,081,234 | 12,738,821 | 9,081,234 |
| FUND BALANCE - ENDING    | 12,738,821 | 14,083,464 | 14,083,464 |

The notes to the financial statements are an integral part of this statement.
NOTES TO THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
TACOMA NARROWS BRIDGE ACCOUNT
STATE FISCAL YEAR 2015, QUARTER ENDED JUNE 30, 2015

Tolling Subsidiary Accounting System – Repeat independent audits have determined that the tolling subsidiary accounting system for WSDOT, which is managed by a contracted service organization, contains weaknesses in internal controls. The most recent audit showed that some of the deficiencies identified in previous audits have been remediated, resulting in improved internal controls. The Toll Division continues to work with our service organization to remediate the remaining deficiencies. WSDOT is committed to the highest standard of transactional and financial accountability for the citizens of Washington State.

Motor Vehicle Account (MVA) Obligation – In 2005-07, as tolling began on the Tacoma Narrows Bridge (TNB), an operating loan of $5,288,000 was made from the Motor Vehicle Account to capitalize the Tacoma Narrows Bridge Account (Chapter 518, Laws of 2007, Section 1005(15)). RCW 46.63.160 requires that net civil penalties deposited in the Tacoma Narrows Bridge Account must first be allocated toward repayment of the operating loan. In order to transfer the funds the State Treasurer’s Office must be provided administrative transfer authority. For the 2013-15 biennium, the Legislature provided authority in Chapter 10, laws of 2015 PV (2ESHB 1299, Section 1106(13)) to transfer $950,000.

Detailed Notes
1. Tolling Revenue – Revenue earned, net of any adjustments, from tolls on vehicles traveling in the eastbound direction over the TNB, which are collected at toll booths, as electronic toll accounts, or pay-by-mail. The increase in Tolling Revenue is directly related to increased summer travel across the TNB.

2. Civil Penalty Revenue – Revenue earned when any of the following conditions exist: (a) Payment of Notice of Civil Penalty is received, or (b) Notice of Civil Penalty payment due date passes without receiving a request for an administrative hearing, or (c) an Administrative Law Judge upholds the Notice of Civil Penalty. Civil Penalty revenue decreased 54.5% to $293,923, primarily due to a $450,072 adjustment to correct duplicate entries from July 2012 to March 2015 resulting from a system defect. While we work with our service organization to fix the system defect, we will make monthly adjusting entries to ensure accurate Civil Penalty Revenue.

3. Transponder Sales – Sales of transponder devices to potential and existing Good to Go! electronic toll account customers.

4. Toll Vendor Contractual Damages – Charges to ETCC for not meeting Key Performance Indicators (KPIs), totaling $12,270, and the short-term portion of future amounts due from ETCC, totaling $133,200.

5. Toll Bill Reprocessing Fee Revenue – The allocated portion of fees associated with the issuance of second toll billings.

6. Miscellaneous Revenue – This can include revenue for administrative and statement fees, NSF check fees, cash over, payments related to sale of surplus property, and prior period recoveries.

7. Toll CSC Operations Vendor Contract – Payment for monthly Customer Service Center (CSC) operations costs.

8. Insurance – Annual premium for insuring the facility and monthly insurance brokerage fee paid to the Department of Enterprise Services (DES).


10. Other Goods and Services – Expenditures for supplies, communications, rents, repairs, outside vendor services, printing, and registered owner look up costs.

11. Personal Service Contracts – Expenditures incurred for traffic and revenue forecast consulting and CSC operations consulting.

12. Civil Penalty Adjudication Costs – TNB’s share of the adjudication system vendor contract with ETCC for the adjudication system module, as well as its share of supplies, communications, credit card fees, Office of Administrative Hearings costs, and salaries and benefits of WSDOT staff.

13. Infrastructure Maintenance and Preservation – Cost of maintenance and bridge preservation activities on the new TNB.

14. Operating Transfers Out – Pursuant to RCW 47.46.140, $13,350,785 was transferred to MVA for debt service paid.
### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
HIGH OCCUPANCY TOLL OPERATIONS ACCOUNT
STATE FISCAL YEAR 2015, QUARTER ENDED JUNE 30, 2015

The notes to the financial statements are an integral part of this statement.
NOTES TO THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
HIGH OCCUPANCY TOLL OPERATIONS ACCOUNT
STATE FISCAL YEAR 2015, QUARTER JUNE 30, 2015

Tolling Subsidiary Accounting System – Repeat independent audits have determined that the tolling subsidiary accounting system for WSDOT, which is managed by a contracted service organization, contains weaknesses in internal controls. The most recent audit showed that some of the deficiencies identified in previous audits have been remediated, resulting in improved internal controls. The Toll Division continues to work with our service organization to remediate the remaining deficiencies. WSDOT is committed to the highest standard of transactional and financial accountability for the citizens of Washington State.

Detailed Notes
1. Tolling Revenue – Revenue earned from single occupancy vehicles traveling in the High Occupancy Vehicle (HOV) Lanes on SR167 with a Good To Go! transponder account. A variable fee, based on traffic volumes, is automatically charged to their account.
2. Transponder Sales – Sales of transponder devices to potential and existing Good To Go! electronic toll account customers.
3. Toll Vendor Contractual Damages – Charges to ETCC for not meeting Key Performance Indicators (KPIs), totaling $1,276 and the short-term portion of future amounts due from ETCC, totaling $12,000.
4. Miscellaneous Revenue – This can include revenue for administrative and statement fees, NSF check fees, cash over, and prior period recoveries.
5. Toll CSC Operations Vendor Contract – Payment for monthly CSC operations costs.
6. Transponder Cost of Goods Sold – Cost of purchasing, packaging, and shipping transponders. The per unit cost of transponders and packaging cost increased in the 4th quarter.
7. The Washington State Patrol – Support for the enforcement of the laws governing the use of the HOT Lanes by issuing citations to HOT Lane violators.
8. Other Goods and Services – Expenditures for supplies, communications, rents, repairs, services provided by outside vendors, etc.
10. Infrastructure Maintenance – Cost of maintenance activities on the HOT Lanes. The quarterly costs include Goods and Services of $3,202 and Salaries and Benefits of $31,860.
### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

WASHINGTON STATE DEPARTMENT OF TRANSPORTATION

THE STATE ROUTE NUMBER 520 CORRIDOR ACCOUNT

STATE FISCAL YEAR 2015, QUARTER ENDED JUNE 30, 2015

The notes to the financial statements are an integral part of this statement.
NOTES TO THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
THE STATE ROUTE NUMBER 520 CORRIDOR ACCOUNT
STATE FISCAL YEAR 2015, QUARTER JUNE 30, 2015

Tolling Subsidiary Accounting System – Repeat independent audits have determined that the tolling subsidiary accounting system for WSDOT, which is managed by a contracted service organization, contains weaknesses in internal controls. The most recent audit showed that some of the deficiencies identified in previous audits have been remediated, resulting in improved internal controls. The Toll Division continues to work with our service organization to remediate the remaining deficiencies. WSDOT is committed to the highest standard of transactional and financial accountability for the citizens of Washington State.

Detailed Notes
1. Tolling Revenue – Revenue earned, net of any adjustments, from tolls on vehicles traveling over the 520 Bridge, which are collected by either Good To Go! electronic toll accounts or pay-by-mail.
2. Debt Service Reimbursement (FHWA) – Federal Highway Administration Revenue provided for debt service on GARVEE bonds (Series 2012F & Series 2014C). These revenues are received every six months and the associated operating transfers out occur at the same time.
3. Transponder Sales – Sales of transponder devices to potential and existing Good To Go! electronic toll account customers.
4. Toll Vendor Contractual Damages – Charges to ETCC for not meeting Key Performance Indicators (KPIs), totaling $24,154, and the short-term portion of future amounts due from ETCC, totaling $254,796.
5. Toll Bill Reprocessing Fee Revenue – The allocated portion of fees associated with the issuance of second toll billings.
6. Miscellaneous Revenue – This can include revenue for administrative and statement fees, NSF check fees, cash over, payments related to sale of surplus property, and prior period recoveries.
8. Insurance – Annual premium for insuring the facility and monthly insurance brokerage fee paid to the Department of Enterprise Services (DES).
10. Other Goods and Services – Expenditures for supplies, communications, rents, repairs, services provided by outside vendors, printing, and registered owner look up costs.
11. Personal Service Contracts – Expenditures incurred for traffic and revenue forecast consulting and CSC operations consulting.
12. Capital Outlay – Costs associated with construction of the new replacement 520 Floating Bridge. Spending in 4th quarter reduced 43.5% as project is coming to a close.
14. Operating Transfers In – For the 2013-15 biennium, the Legislature provided authority in Chapter 10, laws of 2015 PV (2ESHB 1299, Section 1106(7)) to transfer $886,000 from SR 520 Civil Penalty Account, which represents a portion of the pledged toll revenue collected through the civil penalty process.
### THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
THE 520 CIVIL PENALTY ACCOUNT
STATE FISCAL YEAR 2015, QUARTER JUNE 30, 2015

<table>
<thead>
<tr>
<th>REVENUES</th>
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<th>APRIL THROUGH JUNE</th>
<th>YEAR-TO-DATE</th>
</tr>
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<tbody>
<tr>
<td>Civil penalty</td>
<td>$8,062,702</td>
<td>$1,765,041</td>
<td>$9,827,743</td>
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<tr>
<td>Interest income</td>
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<td>57,990</td>
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<td><strong>TOTAL REVENUES</strong></td>
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<td><strong>1,799,511</strong></td>
<td><strong>9,885,733</strong></td>
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<th>EXPENDITURES</th>
<th>JULY THROUGH MARCH</th>
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<th>YEAR-TO-DATE</th>
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<tbody>
<tr>
<td>Goods and Services</td>
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<tr>
<td>Adjudication system vendor contract</td>
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<td>Administrative hearing</td>
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<td>Credit card and bank fees</td>
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<tr>
<td>Other</td>
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<td><strong>Total Goods and Services</strong></td>
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<th>EXCESS OF REVENUES OVER EXPENDITURES</th>
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<th>OTHER FINANCING SOURCES (USES)</th>
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<td>Operating transfers out -</td>
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<td>(886,000)</td>
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<td><strong>TOTAL OTHER FINANCING USES</strong></td>
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</tbody>
</table>

*The notes to the financial statements are an integral part of this statement.*
Tolling Subsidiary Accounting System – Repeat independent audits have determined that the tolling subsidiary accounting system for WSDOT, which is managed by a contracted service organization, contains weaknesses in internal controls. The most recent audit showed that some of the deficiencies identified in previous audits have been remediated, resulting in improved internal controls. The Toll Division continues to work with our service organization to remediate the remaining deficiencies. WSDOT is committed to the highest standard of transactional and financial accountability for the citizens of Washington State.

Detailed Notes

1. **Civil Penalty Revenue** – Revenue earned when any of the following conditions exist: (a) Payment of Notice of Civil Penalty is received, or (b) Notice of Civil Penalty payment due date passes without receiving a request for an administrative hearing, or (c) an Administrative Law Judge upholds the Notice of Civil Penalty. Civil Penalty revenue decreased 20.6% to $1,765,041 primarily due to a $538,571 adjustment to correct duplicate entries from July 2012 to March 2015 resulting from a system defect.

2. **The Adjudication System Vendor Contract** – 520 Bridge share of the adjudication system vendor contract with ETCC for the adjudication system module.

3. **Administrative Hearing** – The Office of Administrative Hearings (OAH) has the necessary expertise to provide fair and impartial administrative law judges (ALJs) to preside over the toll violation dispute processes. OAH provides ALJs to preside over and/or decide the toll violation disputes. These costs include labor hours for the ALJs for their services performed for Toll Adjudication, Training and Administration.

4. **Other Goods and Services** – Expenditures for the 520 bridge’s share of adjudication costs. These costs include supplies, communications, services provided by outside vendors, printing, and settlement costs.

5. **Operating Transfers Out** - For the 2013-15 biennium, the Legislature provided authority in Chapter 10, laws of 2015 PV (2ESHB 1299, Section 1106(7)) to transfer $886,000 to the SR 520 Corridor Account, which represents a portion of the pledged toll revenue collected through the civil penalty process.
Title VI Notice to Public

It is the Washington State Department of Transportation’s (WSDOT) policy to assure that no person shall, on the grounds of race, color, national origin or sex, as provided by Title VI of the Civil Rights Act of 1964, be excluded from participation in, be denied the benefits of, or be otherwise discriminated against under any of its federally funded programs and activities. Any person who believes his/her Title VI protection has been violated, may file a complaint with WSDOT’s Office of Equal Opportunity (OEO). For additional information regarding Title VI complaint procedures and/or information regarding our non-discrimination obligations, please contact OEO’s Title VI Coordinator at (360) 705-7082.

Americans with Disabilities Act (ADA) Information

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