



TOLL DIVISION ANNUAL REPORT FY 2020

JULY 1, 2019 - JUNE 30, 2020



A message from WSDOT



I am pleased to share the Washington State Department of Transportation's Toll Division Annual Report for fiscal year (FY) 2020 (July 1, 2019 to June 30, 2020).

In November, the Toll Division began collecting tolls on the state's newest tolled roadway, the SR 99 tunnel, which provides drivers with a direct route under downtown from the stadiums to the Space Needle. Leading up to toll commencement on Nov. 9, 2019, the department embarked on an award-winning educational campaign to educate drivers how the tunnel and tolling would work. Our efforts proved successful when 125,000 new **Good To Go!** accounts were opened in FY 2020, an increase of 13% from FY 19.

March 2020 brought the on-set of the COVID-19 pandemic and Governor Inslee's Stay Home, Stay Healthy order. Since then, traffic volumes and revenues have declined on all toll facilities as commutes and travel patterns have changed in response to the pandemic.

In response to a decline in revenue, our division, and others within WSDOT began looking at ways to reduce costs.

Agency wide, WSDOT is reducing costs by:

- Co-locating the Toll Division, Management of Mobility Division, and Multi-Modal Development and Delivery Division with our colleagues at the Washington State Ferries Headquarters. We have terminated our lease at the Goldsmith and have begun to realize some of these cost savings.
- Deferred any new hires, discontinued out-of-state travel, suspended new consultant contracts and task orders, and is holding off on any major purchases.
- Beyond that, WSDOT is continuing to evaluate all programs and projects for potential savings. These potential savings mechanisms will be shared with the Governor and the Legislature as they consider how best to move the state forward.

Specific to tolling and toll facilities, we have taken additional steps to reduce costs covered by toll revenues, including:

- The Toll Division closed two of our three walk-in customer service centers, saving \$1.25 million a year. While this was a difficult decision, most of our customers manage their accounts online or over the phone.
- We are working closely with the Office of Financial Management, the Office of the State Treasurer and the Washington State Transportation Commission and Legislature to update the financial plans for all toll facilities and determine actions that may be needed to cover financial obligations for each facility.

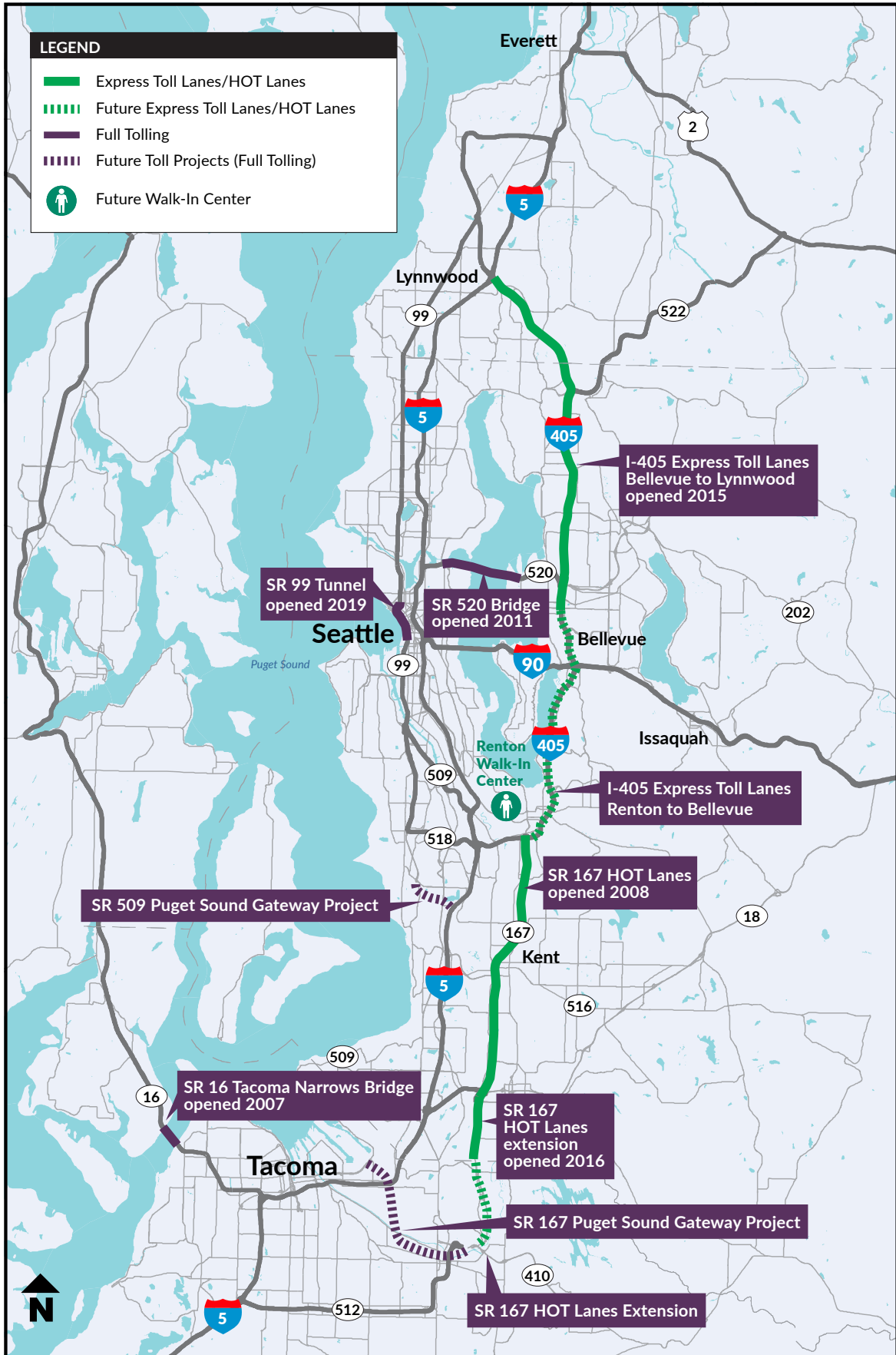
While this year was full of changes for our division, one thing that remained was the hard work of the Toll Division staff. I'm proud of our accomplishments in FY 20, and am looking forward to working with our partners to address the challenges that lie ahead for our toll facilities in the coming year.



Edward Barry | Director, WSDOT Toll Division

December 2020

TOLL FACILITIES



Highlights from Fiscal Year 2020

Tolling in Washington state

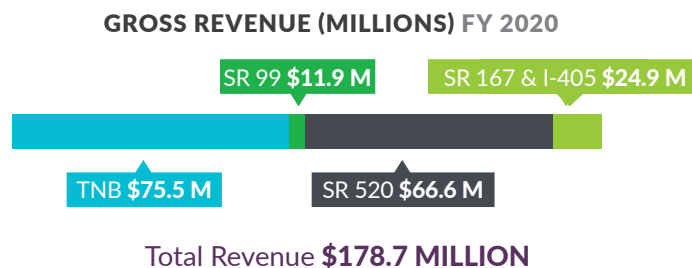
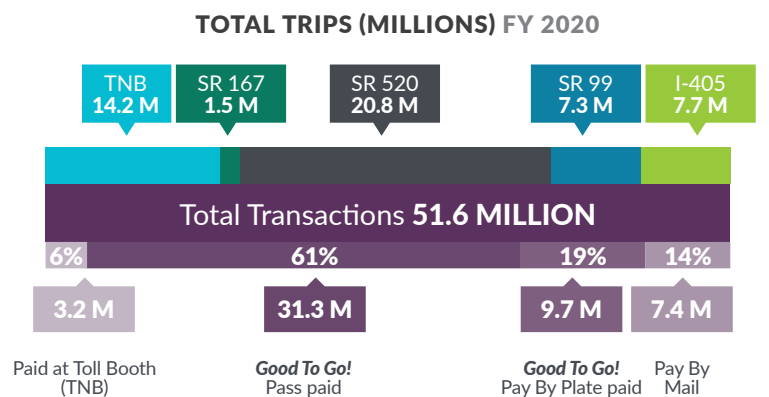
Over the last eleven years, Washington state has used tolling as a strategic tool to help manage congestion, enhance mobility, fund public improvement projects, and generate revenue required for ongoing operation and maintenance costs of existing facilities. Toll facilities are authorized by the Washington State Legislature, and the Washington State Transportation Commission establishes the toll rates and exemptions. The facilities noted in this report are either already in operation or authorized for tolling by the Legislature:

Fiscal Year (FY) 2020 current toll facilities

- State Route (SR) 16 Tacoma Narrows Bridge
- SR 167 HOT lanes
- SR 520 Bridge
- I-405 express toll lanes from Bellevue to Lynnwood
- SR 99 tunnel

Future facilities

- I-405 express toll lanes expansion from Renton to Bellevue
- SR 167 and SR 509 Expressways
- SR 167 HOT lane extension from Pacific to SR 512 (Gateway Projects)



Highlights from Fiscal Year 2020

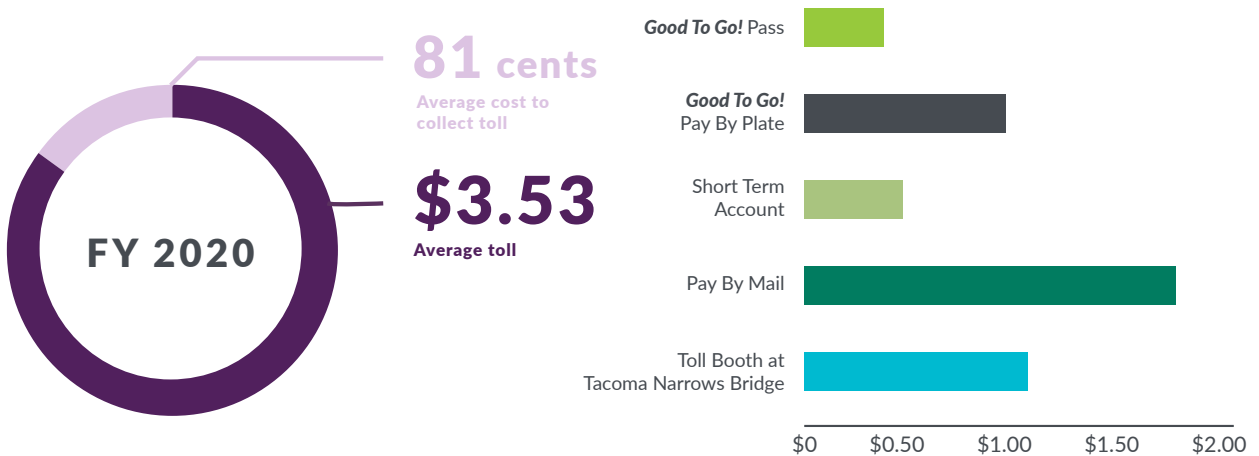
The cost to collect a toll

In FY 2020, it cost WSDOT an average of 53 cents to collect a toll for a trip made with a **Good To Go!** pass. Other methods available for customers to pay tolls, including Pay By Plate and Pay By Mail, are more expensive to collect. Customers choosing to use these more expensive payment methods pay a higher toll rate, which is intended cover the extra cost for WSDOT to collect the toll.

When looking at all payment methods, the average cost to collect was 81 cents and the average toll was \$3.53. All net revenue above the cost to collect the toll is reinvested back into overall roadway operations, maintenance, construction, and debt service as directed by the Legislature.

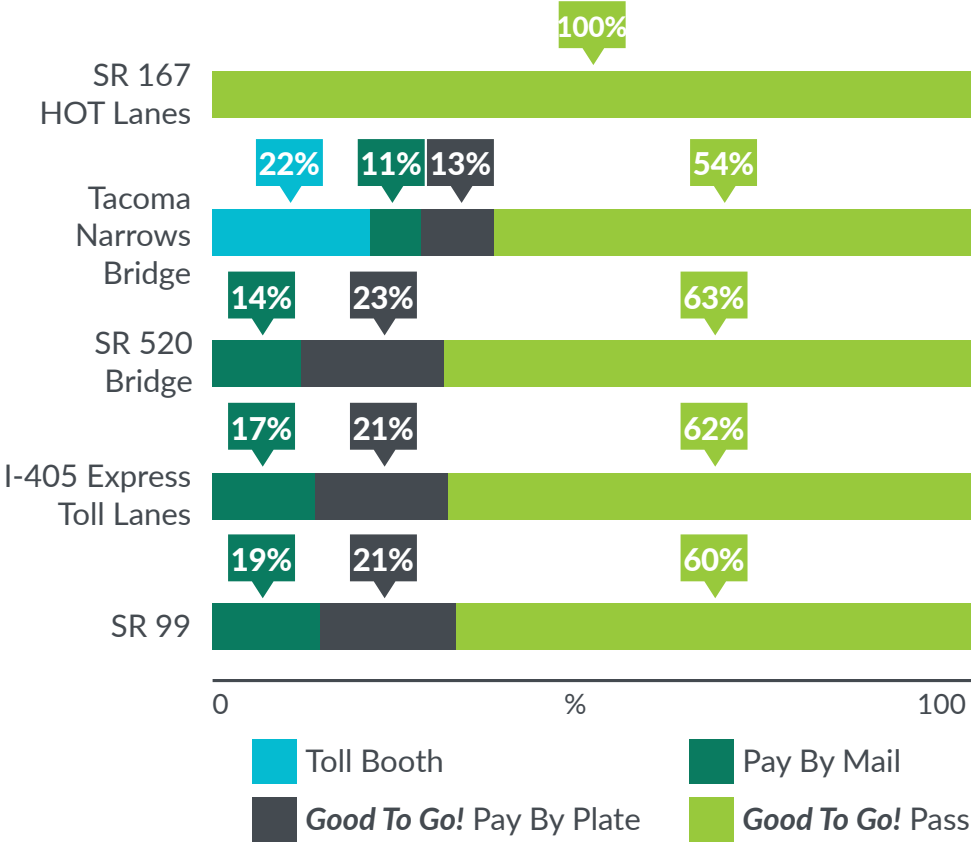
The FY 2020 cost to collect is higher than FY 2019 due to a reduction of trips resulting in the decline in travel related to the COVID-19 pandemic, which began in March 2020. While WSDOT began tolling the SR 99 tunnel in FY 2020, the overall annual trips decreased from 52.4 million to 50.7 million. There are certain costs associated with collecting tolls and operations that exist even with a reduction in toll revenue. Toll operation costs on each facility includes vendor costs for customer service and toll equipment maintenance, oversight of those vendors (including WSDOT staff and consultant costs), credit card and bank fees, and costs associated with mailing bills to customers. Since toll operations costs remain relatively constant, and revenue declined on all facilities due to the pandemic, this caused the toll operations to be a higher percentage of revenue than previous years.

COST TO COLLECT TOLL PER TRANSACTION



Additionally, WSDOT experienced an increase in expenditures, driven by additional vendor operational costs WSDOT has incurred to extend its existing contract while the new vendor completes testing in preparation to launch the new back office system. Notably, the decline in trips on all toll facilities related to the pandemic, resulted in less toll revenue being collected which resulted a reduction in credit card and bank fees. In FY 2020, about \$4 million went to credit card and bank fees, a 6 percent reduction from FY 2019.

TOLL TRIPS BY PAYMENT METHOD IN FY 2020



Business plan goal: High quality customer service

WSDOT strives to provide excellent customer service for people contacting **Good To Go!**.

WSDOT's customer relief program continues to be a success. The program makes it easier for customers to resolve a toll bill and offers first-time waiver of late fees and penalties. Nearly 62,000 customers had penalties waived in FY 2020 and WSDOT collected \$2.2 million in unpaid tolls as a result of the program.

Active accounts

	Total	New in FY 20
Total Good To Go! Accounts	1,054,000	125,000
Registered Passes	935,000	113,000
Pay By Plate	105,000	12,000
Other	14,000	1,000

 **438,000** CALLS

5.7 MILLION OUTGOING EMAILS 

 **4.2 MILLION** OUTGOING PIECES OF MAIL

Active passes*

	Total	New in FY 20
Total Passes	1,788,000	194,000
Stickers	1,130,000	137,000
Flex Pass	464,000	53,000
Motorcycles	23,000	2,000
Other	171,000	2,000

*Active Passes is the count of passes that have been registered to an active **Good To Go!** account.

Customer survey from FY 2020



Business plan goal: Outstanding program delivery and operation



Back Office System Update

WSDOT launched the new **Good To Go!** back office system, with new features, and opened the new customer service center on July 12, 2021. WSDOT will provide updates in future reporting on the implementation of the back office system. The update below reflects the progress made through June 30, 2020, the timeframe for this report.

As of June 30, 2020, the team leading the Back Office System Replacement Project has continued to work together with partners from both our current and new back office system vendors to prepare for a successful back office transition. WSDOT has worked with our current vendor, ETCC, to ensure we can continue the business of collecting tolls accurately and efficiently while we work to ensure our new system is ready to go live. While WSDOT is disappointed with the delays we have faced in this process, our teams have continued to make progress toward a successful implementation. The Toll Division's engineers, and analysts have worked tirelessly to test the new back office system developed by ETAN and run it through its paces to ensure the system will meet the needs of our customers. This work has included coordination with other supporting state agencies including the Department of Licensing, the Department of Enterprise Services, the Office of the State Treasurer, and the Department of Revenue, as well as with the roadway toll system vendors.

Customer Service Operations Team Update

The customer service operations team continues to work current operations while preparing for transition to future operations. The team is working closely with current operations vendor, ETCC, to ensure customers have a positive experience, particularly with the challenges introduced with COVID-19 and social distancing. All walk-in centers closed in March 2020 to ensure the safety of our call center staff and customers. Additionally, nearly all customer service activities are now performed remotely and only those staff needed to perform necessary on-site activity, such as pass fulfillment, remain at the customer center. It has been a time of challenges and change, but the call center staff have been a steady force, determined to make the customer service experience as seamless as possible.

Customer service operations is also excited for the upcoming transition to the new back office system. Staff have been busy with planning and preparations including reviewing system design documents, operations testing and creating new operating procedures that will use the new available tools. The weeks leading up to transition will be a flurry of activity including moving the call center from Seattle to the new 24,000 square foot facility in Renton as well as the hiring and training of 150 new staff.

Business plan goal: Proactive, transparent communication

On November 9, 2019, tolling began in the SR 99 tunnel under downtown Seattle. With several other major transportation projects occurring in Seattle at the same time, tolling had the capability to significantly affect how drivers get through the city.

WSDOT embarked on an extensive interagency coordination process with Seattle Department of Transportation, Port of Seattle, King County Metro and Sound Transit, with leadership, traffic operations, communications and performance monitoring work groups coordinating across levels. Along with our partners, WSDOT held interagency press conferences, dozens of briefings for stakeholders, businesses, advocacy groups and more.

To minimize diversion and ensure drivers understood how tolling works, WSDOT developed and executed an outreach plan for both the public and our partner agencies. The outreach plan included:

- **Outreach and Briefings**

Sent emails to 700 community groups and community service organizations; performed targeted outreach to 300 organizations which qualify for exemptions; attended 20 multi-agency briefings this fall with SDOT and other partners; and attended 15 fairs and festivals reaching nearly 6,500 people. The city of Seattle's Department of Neighborhoods distributed the Squeeze emails to an additional 400 community groups. WSDOT distributed fliers on board all ferry vessels and terminals and staffing key routes into Seattle with informational booths. WSDOT, SDOT and the Port of Seattle also distributed tolling information to freight contacts.

- **Paid Media**

This includes ads on radio, TV/Hulu, transit buses (192 exterior bus ads; 2 full wraps), billboards (10), newspapers, gas stations (58 stations with pump toppers, window clings or poster ads), social media and banner ads.

- **Outreach to Underrepresented Communities**

Through a partnership with the city of Seattle, trusted community liaisons who spoke Chinese, Vietnamese, Native American, Korean and Spanish canvassed downtown areas and also reached unhoused populations to share information about the tunnel and other upcoming transportation-related changes. To reach communities with limited English proficiency, WSDOT placed 70 paid ads in 17 print publications in Chinese, Amharic, Somali, Tagalog, Korean, Spanish and Vietnamese.

- **SR 99 Incentive Program**

Distributed 60,000 free **Good To Go!** sticker passes to drivers who currently were, or would soon be, using the tunnel. In support of the incentive program, a hotline was established to assist drivers with their SR 99 incentive program and general SR 99 tolling questions. The hotline received nearly 800 calls, and the communications team answered 1,000 emails.

- **Earned Media**

WSDOT distributed two blogs to media outlets featuring videos on how SR 99 tolling will work and how to get **Good To Go!** for tolling. Interagency media events with WSDOT, Sound Transit, SDOT and Metro happened in the lead up to the start of tolling and following the launch.

- **Signs**

WSDOT used portable message signs visible to the 75,000 to 80,000 daily drivers traveling in the SR 99 tunnel announcing the toll start date and promoting savings with a **Good To Go!** pass.

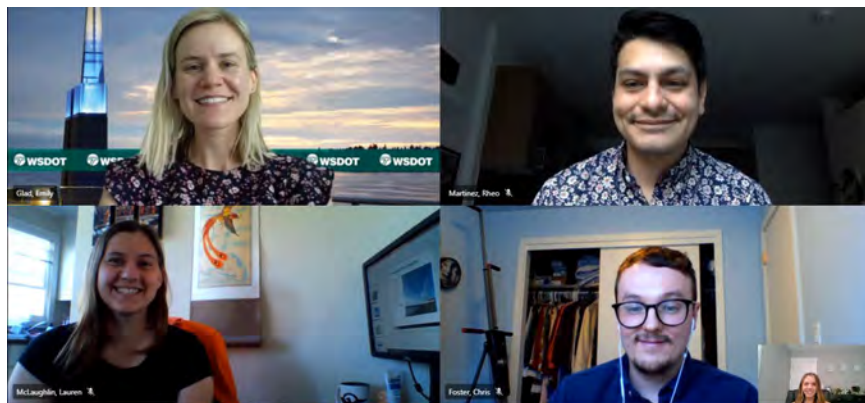
Team spotlight

FY 2020 brought many changes for the Toll Division. In response to the COVID-19 pandemic, beginning in March 2020, all WSDOT employees who were eligible began teleworking full time, which included all employees here at the Toll Division.

Our organization took this change in stride. We've had monthly all employee webinars coupled with a regular social calls to remain connected to our colleagues. Each work group within the division has also found unique ways to keep connected and meet the department's business needs.

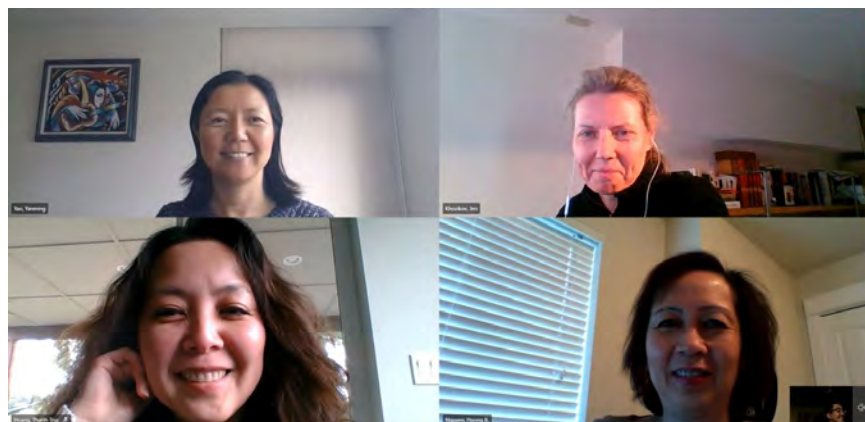
Communications

The communications team meets several times a week, where they discuss what each team member is working on, as well as taking turns giving presentations or leading a discussion on various topics including diversity and inclusion and racial injustice. The communications team also assists in planning the monthly webinars for the entire division.



Business Administration

The business administration team meets regularly as a group to connect and share tips on how they're making the telework transition work for them. Their self-funded solutions have ranged from new heating and cooling installed in their home office space, to speakers to hear each other better, to motorized adjustable desks.



Toll Operations

Each week, the toll operations team connects virtually with their entire team to check-in on their workload and stay connected with each other. This allows them to stay productive and provide support where their colleagues need it.



Customer Service

The customer service team successfully transitioned our customer service operations to a full time telework environment and are managing day-to-day operations virtually. Despite their team being reduced by three employees, they still manage to stay connected and most importantly help resolve and deescalate the most challenging customer escalations brought to their team.



Bridges and tunnels



The summer of 2020 marked 13 years since tolling began on the eastbound span of the Tacoma Narrows Bridge. Tolls are a flat rate and the primary goal of tolling the Tacoma Narrows Bridge is to repay the debt for constructing the bridge. Toll revenue is also used for operations, maintenance, repair, and rehabilitation.

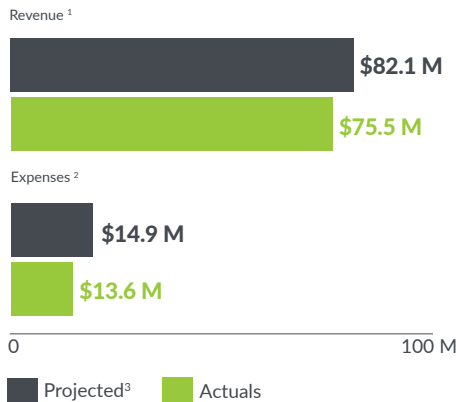
WSDOT is on track to meet the debt repayment goal in the early 2030s.

Looking ahead to FY 2021

Due to the pandemic and decline in revenue, WSDOT is deferring the replacement of the toll equipment on the Tacoma Narrows Bridge until the 2021-23 biennium. WSDOT will work with agency partners to address toll revenue shortfalls from the pandemic.

For more information visit wsdot.wa.gov/Tolling/TNB Tolling.

SR 16 REVENUE VS EXPENSES FY 2020

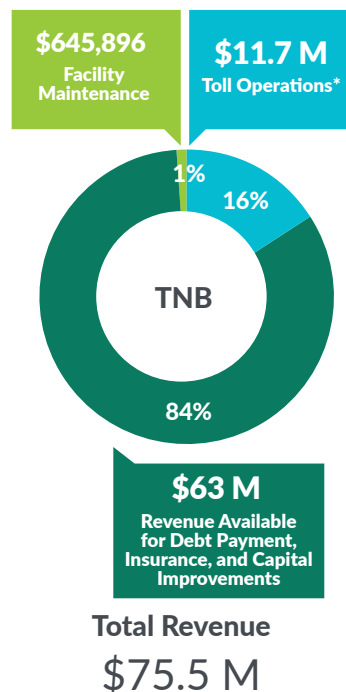


¹ Only includes tolling revenues.

² Expenses exclude preservation, CSC procurement, civil penalty, and transponder costs.

³ November 2019 TRFC forecasted revenues and December 2019 projected expenses.

SR 16 REVENUE VS OPERATIONS AND MAINTENANCE FY 2020



Average weekday trips
42,000

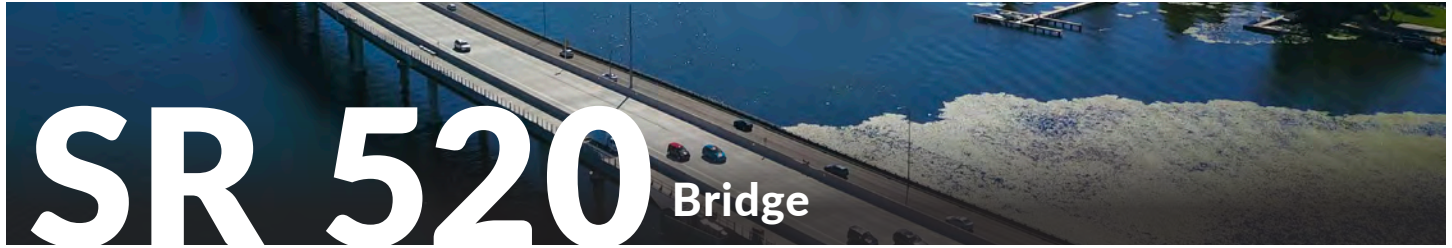
Increase of 1,000 trips
each weekday compared
to FY 2018



Good To Go! rate
\$5.00

*Toll Operations Costs

In FY 2019, the toll operations costs were 14 percent of toll revenue and in FY 2020 the toll operations costs were 16 percent of toll revenue. Facility maintenance are costs associated with maintaining the bridge, and not associated with toll collection. The FY 2020 cost to collect is higher than FY 2019 due to a reduction of trips resulting in the decline in travel related to the COVID-19 pandemic, which began in March 2020. There are certain costs associated with collecting tolls and operations that exist even with a reduction in toll revenue. Since toll operations costs remain relatively constant, and revenue declined on all facilities due to the pandemic, this caused the toll operations to be a higher percentage of revenue than previous years.



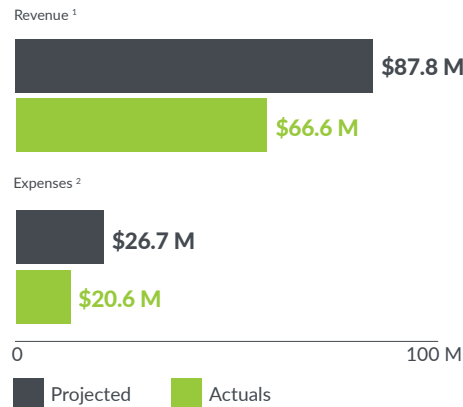
The 1.4 mile SR 520 Bridge is the world's longest floating bridge. In addition to generating revenue, SR 520 tolls adjust throughout the day to manage congestion in the corridor.

Looking ahead to 2021

WSDOT will work with agency partners to address toll revenue shortfalls from the pandemic.

For more information visit wsdot.wa.gov/Tolling/520.

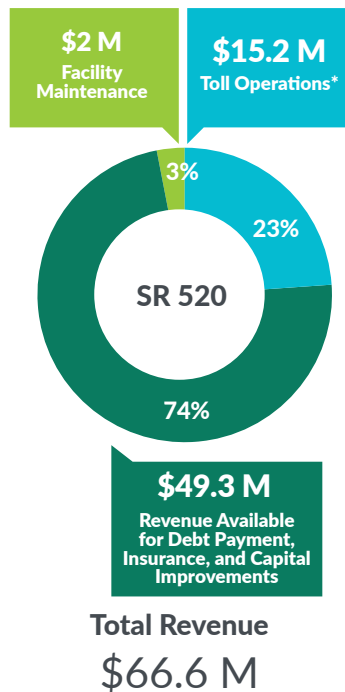
SR 520 REVENUE VS EXPENSES FY 2020



¹ The revenue only includes toll revenue. The expense forecast includes toll collection O&M costs, roadway O&M costs, credit card fees, and bridge insurance premiums. It excludes transponder costs, CSC procurement costs, and toll lane system and facility periodic repair and replacement costs.

² The expense includes toll collection O&M costs, roadway O&M costs, credit card fees, and bridge insurance premiums. It excludes transponder, civil penalty, CSC procurement, and periodic repair and replacement costs.

SR 520 REVENUE VS OPERATIONS AND MAINTENANCE FY 2020



*Toll Operations Costs

In FY 2019, the toll operations costs were 14 percent of toll revenue and in FY 2020 the toll operations costs were 16 percent of toll revenue of toll revenue. Facility maintenance are costs associated with maintaining the bridge, and not associated with toll collection. The FY 2020 cost to collect is higher than FY 2019 due to a reduction of trips resulting in the decline in travel related to the COVID-19 pandemic, which began in March 2020. There are certain costs associated with collecting tolls and operations that exist even with a reduction in toll revenue. Since toll operations costs remain relatively constant, and revenue declined on all facilities due to the pandemic, this caused the toll operations to be a higher percentage of revenue than previous years.



Average paid weekday trips

65,000

Increase of 3,000 trips each weekday compared to FY 2018



Average weekday transit boardings

17,500



Average weekday vanpool trips

306



Good To Go! rate (peak period)

\$4.30



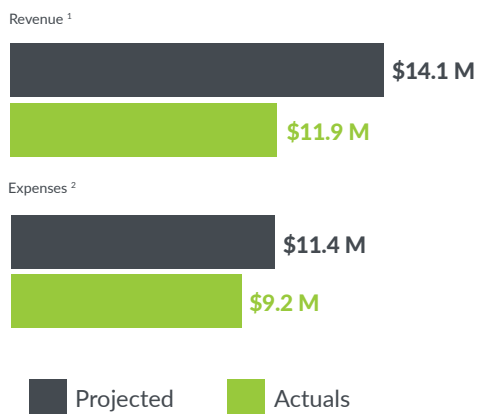
At the direction of the Legislature, WSDOT collects tolls to repay \$200 million in construction bonds borrowed to build the tunnel, and to fund the ongoing cost of operating and maintaining a safe facility. After nearly two decades of planning and construction, the SR 99 tunnel under downtown Seattle opened to traffic on Feb. 4, 2019. Tolling of the SR 99 tunnel began on Nov. 9, 2019.

In the first three months of tolling, the proportion of vehicles using the tunnel that had a **Good To Go!** account was 83 percent. Additionally, 93,000 new accounts were opened and 103,000 **Good To Go!** passes were purchased since the tolling start date was announced.

During the first few months of tolling, traffic volumes in the SR 99 tunnel remained higher than expected, partly due to the fact that many tunnel users prepared in advance by obtaining a **Good To Go!** pass prior to the start of tolling. Traffic volumes on I-5 remained close to baseline averages, as did transit ridership. Volumes increased on city streets parallel to the SR 99 tunnel, but travel times were not significantly impacted.

This funding is part of the \$3.3 billion investment to replace the aging Alaskan Way Viaduct and rebuild SR 99 through Seattle.

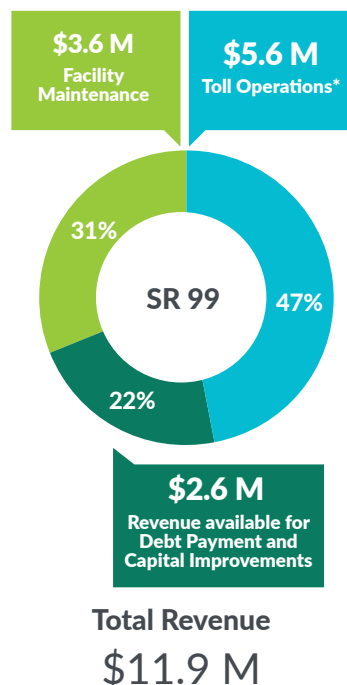
**SR 99 REVENUE VS EXPENSES
FY 2020**



¹ Only includes tolling revenues.

² Expense includes toll collection O&M costs, roadway O&M costs, and credit card fees. It exclude CSC procurement, civil penalty, transponder, and periodic repair and replacement costs.

**SR 99 REVENUE VS OPERATIONS
AND MAINTENANCE
FY 2020**



Average weekday trips
37,000



Good To Go! rate
(peak period)
\$2.25

***Toll Operations Costs**

On SR 99 the toll rates are much lower than Tacoma Narrows Bridge and SR 520, which means the set costs of toll operations will always be higher percentage of revenues than for facilities with higher toll rates. FY 2020 the toll operations costs were 47 percent of toll revenue. Facility maintenance are costs associated with maintaining the tunnel, and not associated with toll collection.

Looking ahead to FY 2021

WSDOT will work with agency partners to address toll revenue shortfalls from the pandemic.

For more information visit <https://wsdot.wa.gov/tolling/sr-99-tunnel-tolling>.

Express Toll Lanes

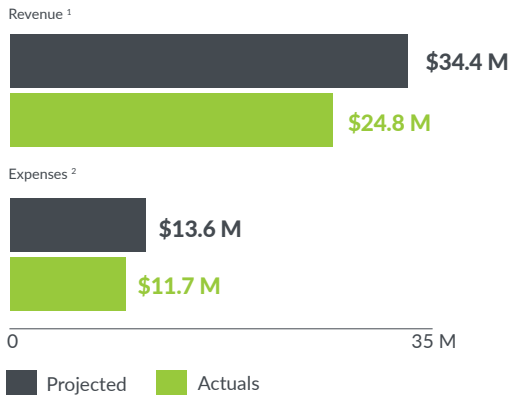


The HOT lanes have met the intended goals of the pilot project to help manage traffic and provide a reliable option for users in the SR 167 corridor. The HOT lanes also have the added benefit of steady revenue generation and are covering toll operating and maintenance costs.

Tolls adjust dynamically based on congestion and range from 50 cents to \$9.

For more information visit wsdot.wa.gov/Tolling/SR167HotLanes.

SR 167 AND I-405 REVENUE VS EXPENSES FY 2020

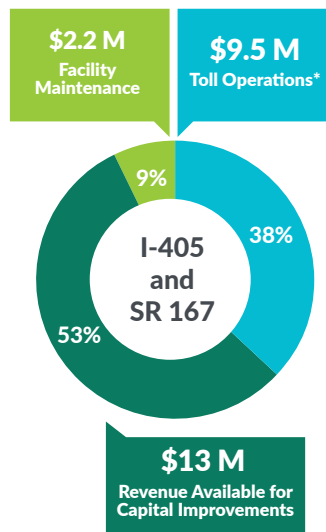


¹ Only includes tolling revenues.

² Expenses exclude capital improvements, CSC procurement, Washington State Transportation Commission, traffic management center operations and incident response, transportation planning and research, civil penalty, and transponder costs.

³ November 2019 TRFC forecasted revenues and December 2019 projected expenses.

SR 167 AND I-405 REVENUE VS OPERATIONS AND MAINTENANCE FY 2020



Total Revenue
\$24.8 M



Average paid weekday trips

5,400

Increase of 200 trips each weekday compared to FY 2018



Average weekday transit boardings

1,500



Travel time savings

NB 5 minutes

SB 6 minutes



Good To Go! rate (average peak period)

\$4.07

*Toll Operations Costs

In FY 2019, the toll operations costs were 29 percent of toll revenue and in FY 2020 it was 38 percent of toll revenue. Express toll lanes on I-405 and SR 167 experienced the steepest decline in traffic and revenue due to the pandemic. Toll rates on I-405 and SR 167 are based on traffic, and on I-405 toll rates were often near the minimum 75 cents starting in March 2020.

Facility maintenance are costs associated with maintaining the roadway, and not associated with toll collection.

SR 167 45 MPH METRIC
FY 2020

FY 2020 45 MPH Metric

Jul - Dec **68%**

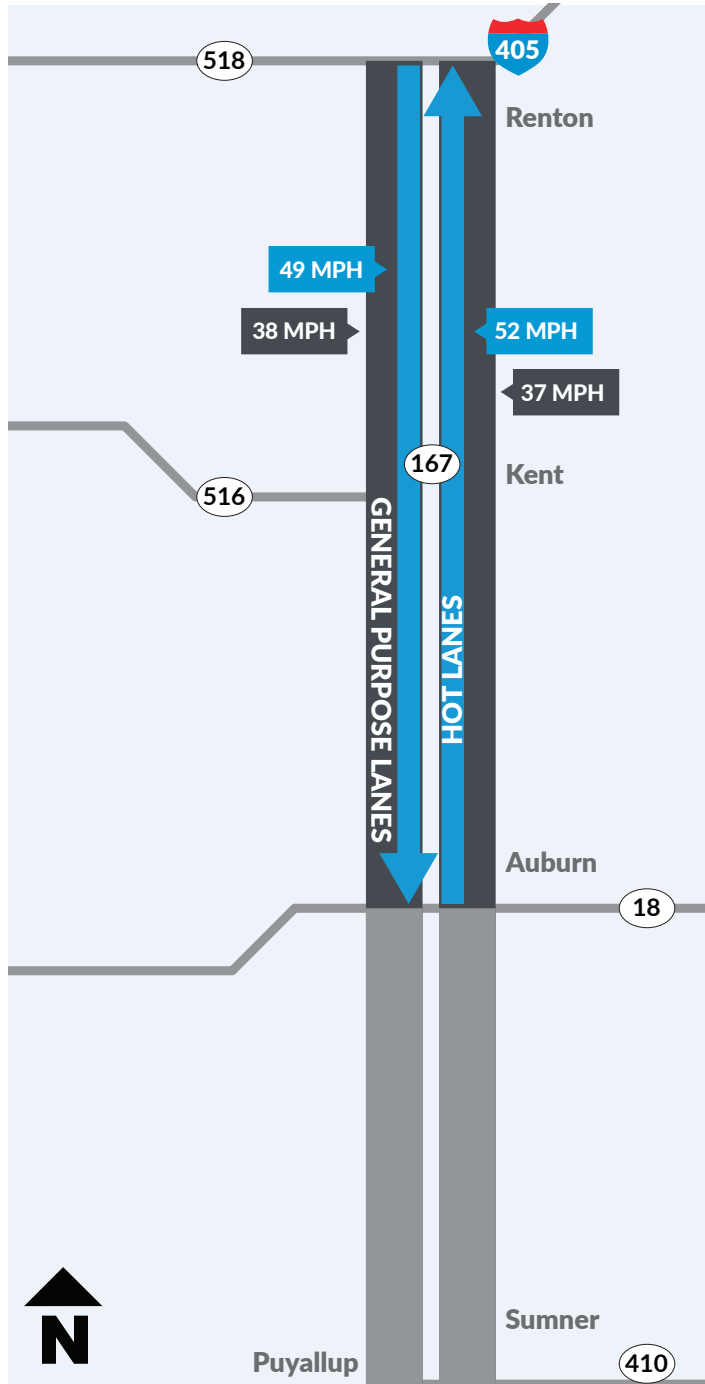
Jan - Jun **90%**

During the first half of FY 2020, SR 167 saw a continuation of the performance trend observed during FY 2019. The opening of the Direct Connector in February 2019 improved traffic flow between I-405 and SR 167. With southbound traffic transitioning easier from I-405 onto SR 167, southbound congestion increased in the general-purpose lanes and the HOT lane. Performance on southbound SR 167 remained a challenge and kept declining from FY 2019 into FY 2020, reaching 59% average during the first half of FY 2020.

On the northbound direction, the number of drivers traveling in the HOT lanes dropped from 84% during FY 2019 to 76% on the first half of FY 2020. WSDOT took a proactive approach to address the decline in performance, making the rate adjustments more sensitive to declining speeds earlier in the morning and sustained into the morning peak.

The decline in northbound and southbound performance shifted sharply to an upward trend as traffic eased under Governor Inslee's stay-at-home order, going from 76% to 89% for the northbound direction during the morning peak period and 59% to 91% for the southbound direction during the evening peak period. With almost free-flowing traffic conditions, toll rates remained close to their minimum towards the end of FY 2020.

**HOT LANES SPEEDS VS. GENERAL PURPOSE LANES SPEEDS
FY 2020**



**NORTHBOUND AUBURN TO RENTON
= 15 MPH FASTER**

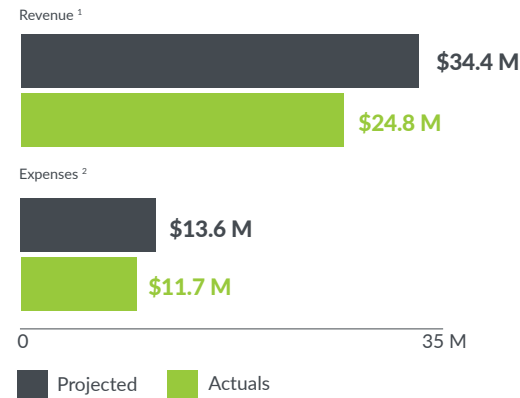
**SOUTHBOUND RENTON TO AUBURN
= 11 MPH FASTER**



In FY 2020 the I-405 express toll lanes between Bellevue and Lynnwood continued to meet the intended goals of providing a faster, more predictable trip, providing a choice to people and generating revenue to reinvest back into the the corridor. Tolls adjust dynamically based on congestion and range from 75 cents to \$10.

For more information visit wsdot.wa.gov/Tolling/405.

**SR 167 AND I-405 REVENUE VS EXPENSES
FY 2020**

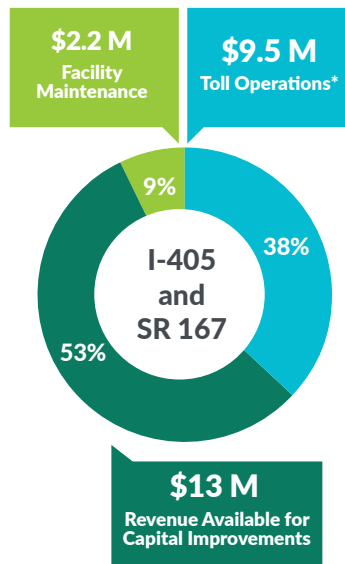


¹ Only includes tolling revenues.

² Expenses exclude capital improvements, CSC procurement, Washington State Transportation Commission, traffic management center operations and incident response, transportation planning and research, civil penalty, and transponder costs.

³ November 2019 TRFC forecasted revenues and December 2019 projected expenses.

**SR 167 AND I-405 REVENUE VS
OPERATIONS AND MAINTENANCE
FY 2020**



**Total Revenue
\$24.8 M**



Average paid
weekday trips

31,000



Average weekday
transit boardings

5,300



Travel time savings

NB 8 minutes

SB 8 minutes



**Good To Go! rate
(average peak period)**

\$4.15

***Toll Operations Costs**

In FY 2019, the toll operations costs were 29 percent of toll revenue and in FY 2020 it was 38 percent of toll revenue. Express toll lanes on I-405 and SR 167 experienced the steepest decline in traffic and revenue due to the pandemic. Toll rates on I-405 and SR 167 are based on traffic, and on I-405 toll rates were often near the minimum 75 cents starting in March 2020.

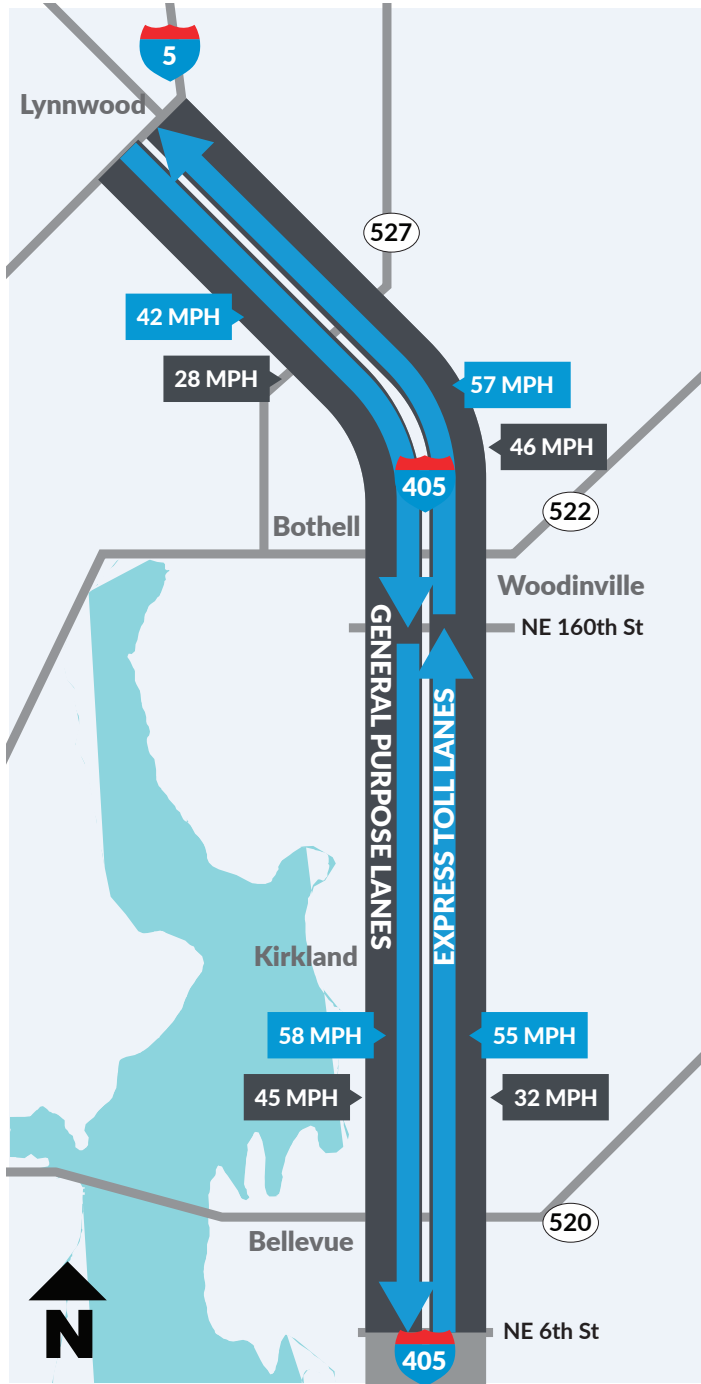
Facility maintenance are costs associated with maintaining the roadway, and not associated with toll collection.

I-405 45 MPH METRIC
FY 2020**FY 2020** 45 MPH Metric**Jul - Dec** 85%**Jan - Jun** 92%

The northbound I-405 express toll lanes maintained an 89% average performance during the first half of FY 2020. The southbound ETL performance was 69% during this same period, a 2% decline compared to the second half of FY 2019. To address the growing southbound demand, WSDOT implemented changes to the tolling algorithm in January 2020. The goal of this update was to better align short-trip rates with those of higher priced longer trips, by making the short-trip rates more sensitive to the toll lanes low speeds.

While WSDOT started to monitor drivers response to this adjustment, traffic started to decline following COVID-19 measures at the beginning of March. The average ETL performance in both directions rose during the second half of FY 2020, especially in the months after stay-at-home orders started, going from 89% to 96% in the northbound direction and from 69% to 87% in the southbound direction. With free-flowing traffic conditions, toll rates followed accordingly and remained at their minimum towards the last quarter of FY 2020.

I-405 EXPRESS TOLL LANES VS GENERAL PURPOSE LANES SPEEDS FY 2020



In FY 2020, the express toll lanes moved vehicles an average 15 mph faster than the general purpose lanes during the southbound morning peak period and 18 mph faster during the afternoon northbound peak period.

**NORTHBOUND BOTHELL TO LYNNWOOD
= 11 MPH FASTER**

**SOUTHBOUND LYNNWOOD TO BOTHELL
= 14 MPH FASTER**

**NORTHBOUND BELLEVUE TO BOTHELL
= 23 MPH FASTER**

**SOUTHBOUND BOTHELL TO BELLEVUE
= 13 MPH FASTER**

PROJECTS IN PROGRESS



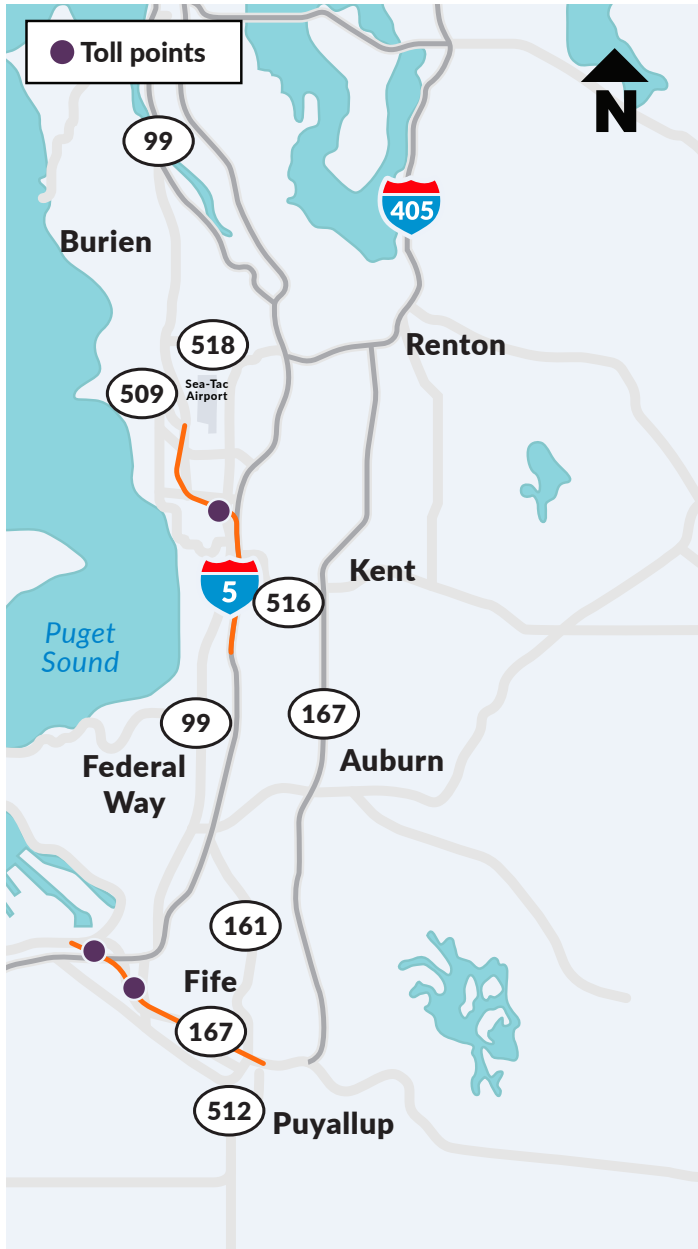
I-405/SR 167 Express Toll Lane Corridor

Peak period congestion on I-405 between Renton and Bellevue is among the worst in the state. In order to provide relief to this congested corridor, the 2015 Connecting Washington transportation package allocated \$1.22 billion for the I-405 Renton to Bellevue Widening and Express Toll Lanes Project. As part of the total project budget, the Legislature identified \$215 million in toll revenue as a funding source for completing the project.

The project will connect the I-405 express toll lane system, between Bellevue and Lynnwood, to the SR 167 HOT lanes, completing a more than 50 mile system of managed lanes that will improve speeds and trip reliability across all lanes for most trips.

Construction started in FY 2020, and is on track to open in 2024.

For more information visit wsdot.wa.gov/Projects/I405/RentontoBellevue.



Puget Sound Gateway Program

The Puget Sound Gateway Program is composed of two projects: the completion of SR 167 in Pierce County, and the completion of SR 509 in King County. These projects close two crucial gaps in the state's highway system and provide essential connections to the ports of Tacoma and Seattle. These projects will help ensure people and goods move more reliably through the Puget Sound region.

The Gateway Program is key to enhancing the state's economic competitiveness, both nationally and globally, by connecting the state's largest ports to key distribution centers in King and Pierce counties and to eastern Washington. Funding for the total Puget Sound Gateway Program comes from the state gas tax, local contributions, a federal INFRA grant and future tolls. Total funding for the project is estimated at \$2 billion; approximately \$1.6 billion from the Connecting Washington Revenue Package, \$130 million from local contributions, a \$74 million federal INFRA grant and an estimated \$180 million in revenue from tolling.

The Gateway Program was initially funded over a 16-year timeline with completion scheduled for 2031. In 2019 the Legislature accelerated funding and moved up completion to 2028 to deliver the benefits three years ahead of the initial schedule. Also in 2019, the Legislature authorized tolling, solidifying the toll contribution to funding. Construction for the 509 and 167 completion projects occurs in three stages. The first stage started in 2020, the next stage starts in late 2021/2022, and the final stage of construction occurs between 2024 and 2028.

The first stage of the SR 167 Completion Project is scheduled for completion 2021, with a new 70th Avenue East replacement bridge across I-5 in Fife and a new roundabout connecting the bridge to SR 99. The new bridge replaces an existing two-lane bridge with fourlanes and a dedicated 12-foot-wide path for pedestrians, bicyclists and rollers to safely cross I-5.

Also in 2020, work started on the first stage of SR 509 construction. WSDOT partnered with Sound Transit to build a new SR 99 bridge as part of Sound Transit's Federal Way Link Extension work. Combining these projects helps reduce construction impacts to nearby communities.

For more information visit wsdot.wa.gov/Projects/Gateway.

Technology and Interoperability

Toll interoperability is the nationwide effort to make toll passes from every state work across the country. WSDOT is working hard to ensure that eventually all **Good To Go!** passes are interoperable throughout the United States. WSDOT is part of the Western Region Toll Operators (WRTO) organization dedicated to coordinating national interoperability (NIOP) with other toll organizations in the west like California, Oregon and Utah. These states have signed an agreement to ensure toll interoperability within the region so **Good To Go!** passes can be used all over the west.

Interoperability highlights include:

- WSDOT Assistant Secretary for Urban Mobility, Patty Rubstello, has taken leadership of the WRTO as the Chair leading western states on NIOP.
- Preparation for signature of NIOP agreements between WRTO members are underway.
- WRTO is working on updating Technical Specification for adoption by its members to support NIOP.
- WSDOT Toll Division worked with the Western Region Hub, which will be hosted by the Transportation Corridor Agencies of California. The Western Region Hub is one of four regional hubs nationwide that will process all toll transactions from other regions.
- California has completed its move to the same toll transponder technology (6C protocol) used by WSDOT. WSDOT is working to ensure California's FasTrak passes and **Good To Go!** passes work in all facilities in the region, ensuring greater accuracy and less time and effort to collect tolls from regional customers.

WSDOT's back office toll system upgrades that are underway will enable electronic toll collection interoperability with out of state toll facilities. WSDOT is using toll pass technology (ISO 18000 6C protocol) that is open-source, flexible, and cost-effective and is being adopted by toll operators across the country. In addition, all WSDOT toll facilities are equipped to read multiple toll pass technologies, which provides WSDOT flexibility to implement interoperability with other regions using compatible technologies.



Financial Reports

WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
STATE ROUTE 520 CORRIDOR STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
STATE FISCAL YEAR 2020, QUARTER ENDED JUNE 30, 2020

		JUL	OCT	JAN	APR	
	NOTES	THROUGH	THROUGH	THROUGH	THROUGH	YEAR-TO-DATE
		SEP	DEC	MAR	JUN	
REVENUES						
Toll revenue	1	\$ 21,863,287	\$ 20,304,021	\$ 16,414,549	\$ 7,988,521	66,570,379
Debt service reimbursement (FHWA)	2	88,842,813	-	10,961,438	-	99,804,250
Transponder sales	3	234,072	241,759	173,669	83,061	732,561
Toll vendor contractual damages	4	78,406	4,482	3,816	415,631	502,335
Toll bill reprocessing fee	5	393,615	343,756	239,102	86,029	1,062,502
Interest income		410,009	556,849	499,346	638,463	2,104,667
Miscellaneous	6	34,163	662,365	24,869	3,136,248	3,857,645
TOTAL REVENUES		111,856,365	22,113,232	28,316,789	12,347,954	174,634,340
EXPENDITURES						
Goods and Services						
Toll operations vendor contracts	7	3,278,316	2,575,096	2,423,848	2,511,911	10,789,171
Insurance	8	3,335,558	15,154	15,154	15,154	3,381,019
Credit card and bank fees		496,031	443,534	411,147	153,443	1,504,154
Transponder cost of goods sold	9	139,872	161,827	132,203	47,084	480,986
Pay-by-mail		148,711	507,942	220,729	156,217	1,033,598
Other	10	210,375	163,741	162,140	124,460	660,715
Total Goods and Services		7,608,862	3,867,293	3,365,220	3,008,268	17,849,644
Personal service contracts	11	409,936	509,895	389,481	405,248	1,714,560
Salaries and benefits		554,275	426,465	470,500	431,491	1,882,731
Maintenance and preservation	12	533,156	533,891	476,969	592,025	2,136,040
TOTAL EXPENDITURES		9,106,230	5,337,543	4,702,170	4,437,032	23,582,975
EXCESS / (DEFICIENCY) OF REVENUES OVER EXPENDITURES		102,750,135	16,775,690	23,614,619	7,910,922	151,051,366
OTHER FINANCING SOURCES (USES)						
Operating transfers in					2,062,078	2,062,078
Operating transfers out - debt service	13	(102,834,075)	(13,990,304)	(24,949,828)	(13,989,135)	(155,763,341)
TOTAL OTHER FINANCING USES		(102,834,075)	(13,990,304)	(24,949,828)	(11,927,057)	(153,701,263)
NET CHANGE IN FUND BALANCE		(83,939)	2,785,386	(1,335,209)	(4,016,135)	(2,649,897)
FUND BALANCE - BEGINNING		92,350,307	92,266,368	95,051,753	93,716,544	92,350,307
FUND BALANCE - ENDING		\$ 92,266,368	\$ 95,051,753	\$ 93,716,544	\$ 89,700,409	\$ 89,700,409

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

<p>Tolling Operations System and Customer Service - In Fiscal Year (FY) 2018, WSDOT procured and contracted with a new toll system vendor and a customer service vendor. The costs for design and implementation of the new toll system and customer service center are allocated to all toll facilities. Design and implementation costs are reported in several categories on the financial statements. State Route Number 520 Corridor portion of these expenditures in fiscal year 2020 are \$671,933 for current quarter and \$2,361,109 for the fiscal year.</p>												
<p>Detailed Notes</p>												
<p>1. Toll Revenue – Revenue earned, net of any adjustments, from tolls on vehicles traveling over the 520 Bridge, which are collected by either <i>Good To Go!</i> electronic toll accounts or pay-by-mail.</p>												
<p>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.</p>												
<p>3. Transponder Sales – Sales of transponder devices to potential and existing <i>Good To Go!</i> electronic toll account customers.</p>												
<p>4. Toll Vendor Contractual Damages – Charges to ETCC for not meeting Key Performance Indicators (KPIs) and accrued liquidated damages levied against ETAN for delays related to the development and deployment of a new Back Office System (BOS).</p>												
<p>5. Toll Bill Reprocessing Fee Revenue – The allocated portion of fees associated with the issuance of second toll billings.</p>												
<p>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.</p>												
<p>7. Toll Operations Vendor Contract – Payment for monthly operations costs.</p>												
<p>8. Insurance – Annual premium for insuring the facility and monthly insurance brokerage fee paid to the Department of Enterprise Services (DES).</p>												
<p>9. Transponder Cost of Goods Sold – Cost of purchasing, packaging, and shipping transponders. Transponder Cost of Goods Sold is directly related to Transponder Sales Revenue.</p>												
<p>10. Other Goods and Services – Expenditures for supplies, communications, rents, repairs, service provided by outside vendors, printing, and registered owner look up costs.</p>												
<p>11. Personal Service Contracts – Expenditures incurred for traffic and revenue forecast consulting and CSC operations consulting. Increase in services provided by Jacobs.</p>												
<p>12. Maintenance and Preservation – Cost of maintenance and preservation activities on the SR520 corridor. For this quarter, maintenance totaled \$591,316 and preservation totaled \$709. Year to date Maintenance totaled \$2,028,513 and Preservation totaled \$107,527.</p>												
<p>13. Operating Transfers Out – debt service – Transfers of cash to the Toll Facility Bond Retirement Account to facilitate the payment of debt service on the Series 2012C, 2012F, 2014C and 2017C bonds. The GARVEE transfer out for the Series 2012F & 2014C bonds is paid by a reimbursement from FHWA (Note 2).</p>												

WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
STATE ROUTE 520 CIVIL PENALTY STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
STATE FISCAL YEAR 2020, QUARTER ENDED JUNE 30, 2020

		JUL THROUGH SEP	OCT THROUGH DEC	JAN THROUGH MAR	APR THROUGH JUN	YEAR-TO-DATE
	NOTES					
REVENUES						
Civil penalty	1	\$ 1,596,380	\$ 1,812,059	\$ 666,847	\$ 114,105	\$ 4,189,391
Interest income		32,062	47,818	50,973	68,830	199,683
TOTAL REVENUES		1,628,442	1,859,876	717,820	182,935	4,389,074
EXPENDITURES						
Goods and Services						
Adjudication system vendor contract	2	170,209	174,253	142,467	123,907	610,836
Administrative hearing	3	6,989	10,136	7,592	9,984	34,701
Credit card and bank fees		21,604	37,840	19,609	16,223	95,275
Other	4	36,733	119,685	60,068	58,093	274,579
Total Goods and Services		235,534	341,914	229,736	208,207	1,015,391
Salaries and benefits		17,704	15,478	19,863	20,893	73,938
TOTAL EXPENDITURES		253,238	357,391	249,599	229,100	1,089,329
EXCESS / (DEFICIENCY) OF REVENUES OVER EXPENDITURES		1,375,204	1,502,485	468,221	(46,165)	3,299,745
OTHER FINANCING SOURCES (USES)						
Operating transfers in					-	
Operating transfers out - debt service					(1,434,000)	(1,434,000)
TOTAL OTHER FINANCING USES					(1,434,000)	(1,434,000)
NET CHANGE IN FUND BALANCE		1,375,204	1,502,485	468,221	(1,480,165)	1,865,745
FUND BALANCE - BEGINNING		11,878,549	13,253,753	14,756,238	15,224,459	11,878,549
FUND BALANCE - ENDING		\$ 13,253,753	\$ 14,756,238	\$ 15,224,459	\$ 13,744,294	\$ 13,744,294

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

<u>Detailed Notes</u>										
<p>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.</p>										
<p>2. The Adjudication System Vendor Contract – 520 Bridge share of the adjudication system vendor contract with ETCC for the adjudication system module.</p>										
<p>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</p>										
<p>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.</p>										

WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
STATE ROUTE 16 TACOMA NARROWS BRIDGE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
STATE FISCAL YEAR 2020, QUARTER ENDED JUNE 30, 2020

		JUL	OCT	JAN	APR	
		THROUGH	THROUGH	THROUGH	THROUGH	
	NOTES	SEP	DEC	MAR	JUN	YEAR-TO-DATE
REVENUES						
Toll revenue	1	\$ 21,951,986	\$ 20,332,390	\$ 17,869,208	\$ 15,312,468	\$ 75,466,053
Civil penalty	2	666,888	810,503	580,119	336,358	2,393,869
Transponder sales	3	122,871	127,841	90,877	50,245	391,833
Toll vendor contractual damages	4	5,594	2,120	1,883	178,946	188,542
Toll bill reprocessing fee	5	151,018	138,648	125,339	(747)	414,258
Interest income		92,546	152,028	134,236	135,195	514,005
Miscellaneous	6	6,234	6,137	5,190	17,940	35,502
TOTAL REVENUES		22,997,138	21,569,667	18,806,852	16,030,404	79,404,061
EXPENDITURES						
Goods and Services						
Toll operations vendor contracts	7	2,306,737	2,072,946	1,984,446	2,137,614	8,501,742
Insurance	8	1,214,950	- 5,482	5,482	5,482	1,231,397
Credit card and bank fees		515,472	463,618	437,114	253,081	1,669,286
Transponder cost of goods sold	9	73,394	85,574	69,179	28,462	256,609
Pay-by-mail		59,980	219,958	115,281	92,077	487,296
Other	10	111,554	91,028	82,265	84,540	369,387
Total Goods and Services		4,282,088	2,938,607	2,693,767	2,601,256	12,515,717
Personal service contracts	11	125,090	139,456	138,863	151,849	555,258
Salaries and benefits		311,833	255,958	265,135	306,745	1,139,672
Civil penalty adjudication costs	12	153,427	215,606	174,337	164,256	707,627
Maintenance and preservation	13	143,377	249,583	295,292	367,527	1,055,779
TOTAL EXPENDITURES		5,015,815	3,799,211	3,567,394	3,591,633	15,974,053
EXCESS / (DEFICIENCY) OF REVENUES OVER EXPENDITURES		17,981,323	17,770,456	15,239,458	12,438,772	63,430,008
OTHER FINANCING USES						
Operating transfer in		1,567,875	- 1,567,875	1,567,875	1,567,875	6,271,500
Operating transfers out	14	(17,507,420)	(17,016,130)	(25,162,420)	(18,061,130)	(77,747,100)
TOTAL OTHER FINANCING USES		(15,939,545)	(15,448,255)	(23,594,545)	(16,493,255)	(71,475,600)
NET CHANGE IN FUND BALANCE		2,041,778	2,322,201	(8,355,087)	(4,054,483)	(8,045,592)
FUND BALANCE - BEGINNING		22,069,598	24,111,376	26,433,577	18,078,490	22,069,598
FUND BALANCE - ENDING		\$ 24,111,376	\$ 26,433,577	\$ 18,078,490	\$ 14,024,006	\$ 14,024,006

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

<p>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. The remaining obligation at the beginning of 2019-21 biennium is \$2,438,000.</p>
<p>Tolling Operations System and Customer Service - In Fiscal Year (FY) 2018, WSDOT procured and contracted with a new toll system vendor and a customer service vendor. The costs for design and implementation of the new toll system and customer service center are allocated to all toll facilities. Design and implementation costs are reported in several categories on the financial statements. Tacoma Narrows Bridge portion of these expenditures in fiscal year 2020 are \$288,739 for current quarter and \$1,014,602 for the fiscal year.</p>
<p>Detailed Notes</p>
<p>1. Toll 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.</p>
<p>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.</p>
<p>3. Transponder Sales – Sales of transponder devices to potential and existing <i>Good to Go!</i> electronic toll account customers.</p>
<p>4. Toll Vendor Contractual Damages – Charges to ETCC for not meeting Key Performance Indicators (KPIs) and accrued liquidated damages levied against ETAN for delays related to the development and deployment of a new Back Office System (BOS).</p>
<p>5. Toll Bill Reprocessing Fee Revenue – The allocated portion of fees associated with the issuance of second toll billings.</p>
<p>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.</p>
<p>7. Toll Operations Vendor Contracts – Payment for monthly toll operations costs.</p>
<p>8. Insurance – Annual premium for insuring the facility and monthly insurance brokerage fee paid to the Department of Enterprise Services (DES).</p>
<p>9. Transponder Cost of Goods Sold – Cost of purchasing, packaging, and shipping transponders. Transponder Cost of Goods Sold is directly related to Transponder Sales Revenue.</p>
<p>10. Other Goods and Services – Expenditures for supplies, communications, rents, repairs, outside vendor services, printing, and registered owner look up costs.</p>
<p>11. Personal Service Contracts – Expenditures incurred for traffic and revenue forecast consulting and CSC operations consulting.</p>
<p>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.</p>
<p>13. Maintenance and Preservation – Cost of maintenance and preservation activities on the new TNB. For the quarter, Maintenance totaled \$253,130 and preservation totaled \$114,397. Year to date Maintenance totaled \$645,896 and Preservation totaled \$409,883.</p>
<p>14. Operating Transfers Out – Total includes amount transferred to MVA for debt service pursuant to RCW 47.46.140 and MVA loan repayment of \$5M per enacted budget (ESHB 2322.SL).</p>

WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
STATE ROUTE 99 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
STATE FISCAL YEAR 2020, QUARTER ENDED JUNE 30, 2020

		JUL THROUGH SEP	OCT THROUGH DEC	JAN THROUGH MAR	APR THROUGH JUN	YEAR-TO-DATE
	NOTES					
REVENUES						
Toll revenue	1	\$ -	\$ 3,887,806	\$ 5,859,876	2,103,509	\$ 11,851,190
Civil penalty	2		-	257,737	1,238,995	1,496,731
Transponder sales	3	46,315	189,023	109,938	51,931	397,208
Toll vendor contractual damages	4	-	522	2,607	234,941	238,070
Toll bill reprocessing fee	5		-	250,853	131,384	382,237
Interest income		19,583	(749)	(138,921)	(227,161)	(347,249)
Miscellaneous	6	-	5,865	6,841	11,629	24,335
TOTAL REVENUES		65,899	4,082,466	6,348,930	3,545,228	14,042,523
EXPENDITURES						
Goods and Services						
Toll operations vendor contracts	7	245,198	955,262	1,555,174	1,524,829	4,280,464
Credit card and bank fees		-	83,152	146,844	51,071	281,067
Transponder cost of goods sold	8	40,241	173,487	83,689	29,443	326,860
Pay-by-mail		-	117,366	231,031	152,915	501,312
Other	9	116	46,468	101,902	79,705	228,192
Total Goods and Services		285,555	1,375,736	2,118,640	1,837,963	5,617,894
Personal service contracts	10	121,734	179,211	320,153	267,802	888,900
Salaries and benefits		570	120,229	337,352	294,274	752,424
Civil penalty adjudication cost	11		-	130,050	138,266	268,315
Maintenance and preservation	12	833,063	821,604	1,036,725	937,698	3,629,090
Capital Outlays		-	31,235,862	10,181,399	7,746,905	49,164,166
TOTAL EXPENDITURES		1,240,922	33,732,642	14,124,318	11,222,907	60,320,789
EXCESS / (DEFICIENCY) OF REVENUES OVER EXPENDITURES		(1,175,023)	(29,650,175)	(7,775,388)	(7,677,680)	(46,278,266)
OTHER FINANCING SOURCES (USES)						
Operating transfers out		-	(2,620,375)		(4,815,375)	(7,435,750)
TOTAL OTHER FINANCING USES		-	(2,620,375)	-	(4,815,375)	(7,435,750)
NET CHANGE IN FUND BALANCE		(1,175,023)	(32,270,550)	(7,775,388)	(12,493,055)	(53,714,016)
FUND BALANCE - BEGINNING		3,611,973	2,436,950	(29,833,600)	(37,608,988)	3,611,973
FUND BALANCE - ENDING	13	\$ 2,436,950	\$ (29,833,600)	\$ (37,608,988)	\$ (50,102,043)	\$ (50,102,043)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Tolling Operations System and Customer Service - In Fiscal Year (FY) 2018, WSDOT procured and contracted with a new toll system vendor and a customer service vendor. The costs for design and implementation of the new toll system and customer service center are allocated to all toll facilities. Design and implementation costs are reported in several categories on the financial statements. State Route Number 99 portion of these expenditures in fiscal year 2020 are \$379,285 for the current quarter and \$1,332,774 for the fiscal year.

Detailed Notes

1. **Toll Revenue** – Revenue earned, net of any adjustments, from tolls on vehicles traveling in the eastbound direction over the TNB, which are collected
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.
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) and accrued liquidated damages levied against ETAN for delays related to the development and deployment of a new Back Office System (BOS).
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 Operations Vendor Contracts** – Payment for monthly toll operations costs.
8. **Transponder Cost of Goods Sold** – Cost of purchasing, packaging, and shipping transponders. Transponder Cost of Goods Sold is directly related to Transponder Sales Revenue.
9. **Other Goods and Services** – Expenditures for supplies, communications, rents, repairs, outside vendor services, printing, and registered owner look up costs.
10. **Personal Service Contracts** – Expenditures incurred for traffic and revenue forecast consulting and CSC operations consulting.
11. **Civil Penalty Adjudication Costs** – Allocated share of the adjudication system vendor contract with ETCC for the adjudication system module, as well as
12. **Maintenance and Preservation** – Cost of maintenance and preservation activities on SR99. For the quarter, Maintenance totaled \$937,698 and preservation totaled \$0. Year to date Maintenance totaled \$3,627,207 and Preservation totaled \$1,883.
13. **Fund Balance** – The Legislature appropriated \$78 million for the project from the AWW Account. The project started spending from this account in

WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
 INTERSTATE 405 AND STATE ROUTE 167 ETL STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 STATE FISCAL YEAR 2020, QUARTER ENDED JUNE 30, 2020

		JUL THROUGH SEP	OCT THROUGH DEC	JAN THROUGH MAR	APR THROUGH JUN	YEAR-TO-DATE
REVENUES						
Toll revenue	1	\$ 8,673,968	\$ 8,510,314	\$ 6,528,963	1,131,280	\$ 24,844,525
Civil penalty	2	(417,529)	1,774,455	993,200	1,118,182	3,468,307
Transponder sales	3	107,165	112,797	77,191	35,058	332,211
Toll vendor contractual damages	4	5,108	1,887	1,694	178,482	187,171
Toll bill reprocessing fee	5	171,621	160,973	138,396	79,335	550,325
Interest income		213,298	320,703	316,936	404,486	1,255,423
Miscellaneous	6	5,530	5,618	4,777	9,132	25,058
TOTAL REVENUES		8,759,161	10,886,747	8,061,157	2,955,955	30,663,020
EXPENDITURES						
Goods and Services						
Toll operations vendor contracts	7	1,632,512	1,389,152	1,297,588	1,504,666	5,823,918
Credit card and bank fees		189,868	174,684	179,048	51,680	595,279
Transponder cost of goods sold	8	65,099	81,388	58,761	31,988	237,236
Washington State Patrol	9	282,213	266,602	222,703	-	771,519
Pay-by-mail		69,638	243,634	127,507	82,236	523,015
Other	10	291,994	426,582	75,216	61,085	854,877
Total Goods and Services		2,531,323	2,582,042	1,960,823	1,731,655	8,805,843
Personal service contracts	11	148,634	155,819	205,707	159,382	669,541
Salaries and benefits		368,446	313,216	336,637	295,994	1,314,294
Civil penalty adjudication cost	12	142,465	202,986	162,437	139,376	647,263
Maintenance and Preservation	13	-0	102,898	115,417	1,978,715	2,197,030
Capital outlays		2,022,036	2,929,792	2,199,195	4,035,267	11,186,290
Other Agency/Program Expenditures	14	40,768	41,092	27,268	113,391	222,520
TOTAL EXPENDITURES		5,253,672	6,327,845	5,007,486	8,453,780	25,042,782
EXCESS / (DEFICIENCY) OF REVENUES OVER EXPENDITURES		3,505,489	4,558,902	3,053,672	(5,497,825)	5,620,239
NET CHANGE IN FUND BALANCE		3,505,489	4,558,902	3,053,672	(5,497,825)	5,620,239
FUND BALANCE - BEGINNING		61,009,199	64,514,688	69,073,591	72,127,262	61,009,199
FUND BALANCE - ENDING		\$ 64,514,688	\$ 69,073,591	\$ 72,127,262	\$ 66,629,438	\$ 66,629,438

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Tolling Operations System and Customer Service - In Fiscal Year (FY) 2018, WSDOT procured and contracted with a new toll system vendor and a customer service vendor. The costs for design and implementation of the new toll system and customer service center are allocated to all toll facilities. Design and implementation costs are reported in several categories on the financial statements. I-405 and SR 167 ETL portion of these expenditures in fiscal year 2020 are \$288,576 for current quarter and \$1,014,030 for the fiscal year.

Per Engrossed Substitute Senate Bill 5825, in Fiscal Year 2020 the Interstate I-405 ETL fund and the SR167 High Occupancy Toll Operations Account merged into one fund called I-405 and SR 167 ETL.

Detailed Notes

1. **Toll Revenue** – Revenue is earned, net of any adjustments, from tolls on vehicles traveling in the I 405 express toll lanes, which are collected by either *Good To Go!* electronic toll accounts or pay-by-mail. Revenue is 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. **Civil Penalty**- 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.
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) and accrued liquidated damages levied against ETAN for delays related to the development and deployment of a new Back Office System (BOS).
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 Operations Vendor Contract** – Payment for monthly operations costs.
8. **Transponder Cost of Goods Sold** – Cost of purchasing, packaging, and shipping transponders. Transponder Cost of Goods Sold is directly related to Transponder Sales Revenue.
9. **The Washington State Patrol** – Support for the enforcement of the laws governing the use of I-405 and SR 167 ETL by issuing citations to violators.
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. **Civil Penalty Adjudication Costs** – I-405 and SR 167 ETL 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. **Maintenance and Preservation** – Cost of maintenance and preservation activities on the I-405 and SR167 ETL. 3rd quarter Maintenance totaled \$1,978,715 and there were no preservation costs. Year to date Maintenance totaled \$2,197,030 and there were no Preservation costs.
14. **Other Agency/Program Expenditures** – Sum of costs associated with other programs. Quarter 4 of fiscal year 2020 consisted of the program L - Transportation Commission (\$101,809) and program T - Transportation Planning (\$ 11,582).

WASHINGTON STATE DEPARTMENT OF TRANSPORTATION
TOLLING SYSTEM COMBINED BALANCE SHEET
STATE FISCAL YEAR 2020, QUARTER ENDED JUNE 30, 2020

		SR16 TNB	SR520	SR520 CIVIL	I-405 and SR167		CENTRAL	
		BRIDGE	BRIDGE	PENALTY	ETL	SR99 Tunnel	TOLL	
	NOTES	FUND 511	FUND 16J	FUND 17P	FUND 595	FUND 535	FUND 495	TOTAL
ASSETS								
Cash and cash equivalents		\$ 14,090,234	\$ 91,185,774	\$ 12,633,190	\$ 70,865,161	\$ (48,127,125)	\$ 27,315,102	\$ 167,962,336
Accounts receivable, net	1	1,117,689	1,174,801	-	429,230	755,085	-	3,476,805
Notice of civil penalties, net	2	2,412,538	-	5,280,744	2,591,469	1,179,165	28,752	11,492,667
Due from other funds/agencies		666,050	676,960	225,798	235,469	251,575	3,245,936	5,301,787
Due from toll vendor	3	693,895	1,663,936	(10,792)	548,837	1,090,616	974,586	4,961,078
Loan Receivable	4	-	-	-	-	-	-	0
Consumable inventories	5	-	-	-	-	-	433,159	433,159
TOTAL ASSETS		18,980,406	94,701,471	18,128,939	74,670,166	(44,850,684)	31,997,535	193,627,833
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities								
Accounts payable		1,050,584	1,786,455	48,959	4,451,582	1,121,190	411,362	8,870,131
Retained percentages payable		-	379,711	-	-	159,634	2,182,356	2,721,701
Due to other funds/agencies		243	4,892	-	307	750,181	955	756,579
Due to department of revenue - taxes		751,355	1,235,198	189,409	1,291,080	1,345,527	1,939,395	6,751,963
Unearned revenue	6	1,454,386	8,264	1,970,010	547,665	890,952	27,375,694	32,246,971
Liability for cancelled warrants	7	2,746	-	-	-	-	87,773	90,519
Total Liabilities		3,259,315	3,414,519	2,208,377	6,290,634	4,267,484	31,997,535	51,437,865
Deferred inflows of Resources								
Unavailable revenue-\$5 fee, NOCPs, Real Estate	8	1,093,302	181,464	-	1,143,860	189,195	-	2,607,821
Unavailable revenue-toll vendor		603,782	1,405,078	2,176,268	603,441	793,123	-	5,581,692
Total Deferred Inflows of Resources		1,697,084	1,586,542	2,176,268	1,747,301	982,318	-	8,189,513
Fund Balances								
Nonspendable consumable inventories		-	-	-	-	-	433,159	433,159
Restricted for operations and maintenance		-	11,855,555	-	-	-	-	11,855,555
Restricted for repair and replacement		-	21,684,303	-	-	-	-	21,684,303
Restricted for transportation		14,024,007	33,855,593	-	-	-	-	47,879,600
Restricted for revenue stabilization		-	17,804,958	-	-	-	-	17,804,958
Restricted for Deferred Sales Tax		-	4,500,000	-	-	-	-	4,500,000
Committed for transportation		-	-	13,744,294	66,632,231	(50,100,486)	(433,159)	29,842,880
Total Fund Balances	9	14,024,007	89,700,409	13,744,294	66,632,231	(50,100,486)	-	134,000,455
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		\$ 18,980,406	\$ 94,701,471	\$ 18,128,939	\$ 74,670,166	\$ (44,850,684)	\$ 31,997,535	\$ 193,627,833

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Detailed Notes									
1. Accounts Receivable, net - I-405/SR 167 ETL, SR 16 TNB, and SR 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, (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									
2. Notice of Civil Penalties, net - I-405 and SR 167 ETL, SR 16 TNB and SR 520 Bridge balances consist of all outstanding balances due related to notices of civil penalties for each respective facility.									
3. Due from Toll Vendor – For I-405/SR 167 ETL, SR 16 TNB and SR 520 Bridge, 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 amounts 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. In addition, liquidated damages levied against ETAN for back office system development and deployment delays are included in the Due from toll vendor amounts.									
4. Loan Receivable – In Fiscal Year 2019, WSDOT sold the Aberdeen Casting Basin real property to the Port of Grays Harbor for \$4,520,521. This associated loan was paid in full in fiscal year 2020.									
5. Consumable Inventory – Toll transponders valued at cost using the first in, first out (FIFO) method.									
6. Unearned Revenue:									
(a) SR 16 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 (1) (3) and (4) described above in Note 1.									
(b) SR 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 (1) (3) and (4) described above in Note 1.									
(c) SR 520 Civil Penalty Account – Notice of civil penalty amounts not yet recognized because the adjudication process has not been completed.									
(d) I-405 and SR 167 ETL 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 (1) (3) and (4) described above in Note 1.									
(e) SR 99 Tunnel Account – amounts directly attributable to items (1) (3) and (4) described above in Note 1.									
(f) Central Toll Account - amounts from customers on deposit for prepaid <i>Good To Go!</i> 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.									
7. 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.									
8. Unavailable Revenue:									
(a) SR 16 TNB Account - amount 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) SR 520 Bridge Account - amount 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.									
(c) SR 520 Civil Penalty Account – amounts associated with deferral for NOCP receivable amounts estimated to take over 12 months to collect.									
(d) I-405 and SR 167 ETL Account – amounts associated with long-term portion of the toll vendor receivable. Also included are deferrals for NOCP and \$5 fee receivable amounts estimated to take over 12 months to collect.									
9. Fund Balances:									
(a) SR 99 Tunnel Account - The Legislature appropriated \$78 million for the project from the AWW Account. The project started spending from this account in November 2019. These funds will be reimbursed with a bond sale later this biennium.									

For more information

Good To Go!

www.GoodToGo.com

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