

RCTC 91 Express Lanes Toll Policy
Adopted October 10, 2018

Goals

The goals for the RCTC 91 Express Lanes toll policy are to:

- Provide a safe, reliable, and predictable commute for 91 Express Lanes customers;
- Optimize vehicle throughput at free flow speeds;
- Pay debt service and maintain debt service coverage;
- Increase average vehicle occupancy;
- Balance capacity and demand to serve customers who pay tolls as well as carpoolers with three or more persons who are offered discounted tolls;
- Generate sufficient revenue to sustain the financial viability of the RCTC 91 Express Lanes;
- Ensure all covenants in the Financing Documents are met; and
- Provide net revenues for Riverside Freeway/State Route 91 corridor improvements.¹

Definitions

Exhibit I, "Definitions", clarifies terms used in this RCTC 91 Express Lanes Toll Policy.

Super Peak Hours

The toll adjustment goals for Super Peak hours are to: a) reduce the likelihood of congestion by diverting traffic to other hours with available capacity; b) maintain free flow travel speed in the RCTC 91 Express Lanes; c) maintain travel time savings; d) accommodate projected growth in travel demand and; e) ensure that the toll road generates sufficient revenue to effectively operate the toll lanes and maintain a strong debt service position.

The toll for use of the RCTC 91 Express Lanes during a Super Peak hour shall be determined as follows:

1. Hourly and Daily Traffic Volumes will be monitored on a rolling 12-week period basis. The review period of 12 weeks may be reduced to a shorter period during times of Abnormal Traffic Volumes. In the case where traffic is stabilized for Super Peak hours, toll adjustments may be included in the Non-Super Peak for a quarterly adjustment.

¹ As allowable under Senate Bill 1316.

2. Hourly and Daily Traffic Volumes that exceed the Hourly and Daily Traffic Volume Increase Thresholds stated in the table below, will be flagged for further evaluation.

Segment	Hourly and Daily Traffic Volume Increase Thresholds
EB McKinley	1,200
EB I-15 South	1,200
WB McKinley	1,250
WB I-15 South	1,250

3. Hourly and Daily Traffic Volume Increase Thresholds that are met six times in a 12-week period excluding Abnormal Traffic Volumes, shall have the Average Hourly and Daily Traffic Volume calculated and a toll increase will be applied according to the tables below:

Eastbound			
McKinley Segment		15 South Segment	
Average Hourly and Daily Traffic Volume	Toll Increase Amount	Average Hourly and Daily Traffic Volume	Toll Increase Amount
>1,350	\$1.30	>1,450	\$1.30
1,300 to 1,350	\$1.00	1,400 to 1,450	\$1.00

See Exhibit II and III for the eastbound toll process flow.

Westbound			
McKinley Segment		15 South Segment	
Average Hourly and Daily Traffic Volume	Toll Increase Amount	Average Hourly and Daily Traffic Volume	Toll Increase Amount
>1,400	\$1.30	>1,450	\$1.30
1,350 to 1,400	\$1.00	1,400 to 1,450	\$1.00

See Exhibit IV and V for the westbound toll process flow.

4. Hourly and Daily Traffic Volume Decrease Thresholds that fall below the volumes stated in the table below, will be flagged for further evaluation.

Segment	Hourly and Daily Traffic Volume Decrease Thresholds
EB McKinley	1,200
EB I-15 South	1,200
WB McKinley	1,250
WB I-15 South	1,250

5. Hourly and Daily Traffic Volumes that fall below the Hourly and Daily Traffic Volume Decrease Thresholds six times in a 12-week period, excluding Abnormal Traffic Volumes, shall have the Average Hourly and Daily Traffic Volume calculated and a toll rate reduction applied according to the table below.

Toll rates shall be reduced until pricing and volumes reduce to the non-super peak level of service (LOS) toll schedule.

Segment	Hourly and Daily Traffic Volumes	Toll Rate Reduction
EB McKinley	<1,200	\$.65
EB I-15 South	<1,200	\$.65
WB McKinley	<1,250	\$.65
WB I-15 South	<1,250	\$.65

See Exhibit VI and VII for the toll reduction process flow.

Non-Super Peak Hours

Non-Super Peak hour toll rates will be set according to the vehicles per hour for single lane level of service (LOS) as set forth below. Toll rates were adopted on July 1, 2018 for each LOS reflecting the time-savings value to the driver as traffic moves into the next level of congestion. The adopted toll rates will increase annually by the Inflation Factor.

Level of Service Toll Schedule

LOS	Vehicles per Hour	McKinley Toll*	15 South Toll*
A	0 - 400	\$1.50	\$1.90
B	401 - 800	\$2.20	\$2.85
C	801 - 1,000	\$4.05	\$5.15
D	1,001 - 1,200	\$5.15	\$6.65
E (EB McKinley)	1,201 - 1,300	\$6.70	n/a
E (EB 15 South)	1,201 - 1,400	n/a	\$8.55
E (WB McKinley)	1,201 - 1,350	\$6.70	n/a
E (WB 15 South)	1,201 - 1,400	n/a	\$8.55

*Toll rates represents amounts as of July 1, 2018.

Non-Super Peak Hourly and Daily Traffic Volumes will be reviewed on a quarterly basis beginning January 1, 2018. Non-super peak Hourly and Daily Traffic Volumes will be averaged for the quarter, excluding Abnormal Traffic Volumes. If the Average Hourly and Daily Traffic Volume varies from the currently priced LOS, the toll rate will be increased or decreased according to the Level of Service Toll Schedule table above.

See Exhibit VIII (eastbound) and IX (westbound) for a non-super peak process flow.

Discount

Vehicles with three or more persons (HOV3+), zero emission vehicles (ZEVs), motorcycles, Department of Motor Vehicle issued disabled plates and disabled veteran plates are permitted to ride free in the RCTC 91 Express Lanes during most hours with valid a 91 Express Lanes Special Access Account. The exception is Monday through Friday 4:00 p.m. to 6:00 p.m. in the eastbound direction when these users pay 50 percent of the toll.

Financing Requirements

RCTC shall charge and collect tolls that generate enough revenue to maintain the Debt Service Coverage Ratios as required in the Financing Documents and to operate and maintain the RCTC 91 Express Lanes in a safe condition in accordance with all applicable laws and regulations. RCTC recognizes that it must maintain a strong debt service position in order to satisfy the covenants in the Financing Documents. The requirement to maintain Debt Service Coverage Ratios and comply with Financing Document and other financing covenants will supersede the specific policies for setting and modifying tolls and discounts.

Holiday Toll Schedules

Holiday toll schedules will be established using actual traffic volumes for the prior year holiday and the Level of Service Toll Schedule.

Interpretation

These policies are intended as guidance and may be amended or superseded at any time.

Exhibit I Definitions

Abnormal Traffic Volumes – Any week, day, or hour where traffic volumes vary from those of prior weeks due to a holiday, incident, construction or other atypical occurrence.

Average Daily and Hourly Traffic Volume - The sum of a specific day, hour, segment and direction for the period of time analyzed divided by the number of days included in the sum. A calculated average may have a tolerance of the lesser amount of $\pm 5\%$ or 50 vehicles applied to it in the application of the toll rate adjustments.

Cash Available for Debt Service – for any Period, the excess, if any, computed on a cash basis, of:

- (1) the amount of RCTC 91 Express Lanes cash receipts during such Period from whatever source, including, without limitation, toll receipts, transponder revenues, and investment earnings, *excluding*:
 - proceeds of insurance,
 - proceeds of debt service letter of credit or other amounts held in or disbursed from the payment account, the debt service reserve account, the coverage account and the major maintenance reserve account, and
 - the proceeds of any bonds or loans issued or executed to provide capital improvements to the RCTC 91 Express Lanes, over
- (2) All Operating and Maintenance Costs incurred during such Period and not deducted in the computation of Cash Available for Debt Service in a prior Period. In computing Operating and Maintenance Costs for any Period, an appropriate prorating will be made for expenditures such as insurance premiums and taxes that would be prorated if the computation were to be made in accordance with Generally Accepted Accounting Principles.

Debt Service – for any Period, all payments of principal, interest, premiums (if any), fees and other amounts made (including by way of prepayment) or required to be made by RCTC during such Period under the Financing Documents (debt service payments related to RCTC's internal subordinated debt borrowings or application of revenues to pay RCTC's sales tax revenue bonds are to be excluded from these calculations). In computing Debt Service for any Period prior to the issuance of any additional financing, subject to the specific terms of the Financing Documents, RCTC will give pro forma effect to the transactions contemplated by the Financing Documents and the use of proceeds of the additional financing. In computing Debt Service for any prospective Period, RCTC will estimate in good faith such payments on the basis of reasonable assumptions. Such assumptions will include the absence of any waivers of or amendments to any agreements and the absence of any optional or extraordinary mandatory redemption of existing financings.

Debt Service Coverage Ratio – defined specifically in the Financing Documents, which specific provisions control the implementation and setting of tolls and discounts, but generally, for any

Period, the ratio of Cash Available for Debt Service for such Period to Debt Service for such Period.

Financing Documents – the documents under which RCTC has issued toll revenue bonds or other financings, including financings with TIFIA, payable primarily from toll revenues.

Fiscal Year – July 1 to June 30

Holiday – Any of the following holidays that occur or are recognized any day between Monday through Friday: New Year's Day, Memorial Day, 4th of July, Labor Day, Thanksgiving and Christmas. Other days where traffic volumes differ from the average hourly and daily traffic volumes, due to a recurring holiday, may be added to the holiday schedule.

Hourly and Daily Traffic Volume – the traffic volume for an hour, day, direction and segment of the Express Lane.

Hourly and Daily Traffic Volume Increase Threshold - The Hourly and Daily Traffic Volume Increase Thresholds are used to determine when a Super-peak hour shall receive a toll increase. The threshold amounts are equal to the optimal throughput for each single lane in the facility as determined by analysis of operational conditions at traffic volumes during the first 16 months of operation. The threshold amounts will be reviewed regularly but no less than annually and following a change to the roadway that may impact capacity either favorably or unfavorably. Thresholds for super-peak toll increases may be adjusted based on a review of traffic information.

Hourly and Daily Traffic Volume Decrease Threshold – The Hourly and Daily Traffic Volume Decrease Thresholds are used to determine when a Super-peak hour shall receive a toll decrease. The threshold amounts are equal to the actual traffic volume deemed to be less than the optimal capacity for maximizing volume while maintaining free-flow conditions for each single lane of the facility. The threshold amounts will be reviewed annually and following a change to the roadway that may impact the optimal capacity either favorably or unfavorably. Thresholds for super-peak toll decreases may be adjusted based on a review of traffic information.

Inflation Factor - The product of the hourly toll times the CPI Index Adjuster for the region from January to December of the previous calendar year. The Inflation Factor will be applied to all toll rates as of June 30th prior to the start of the new fiscal year, the Non-Super-peak level of service toll schedule, and the Super-peak toll increase and decrease amounts. All tolls will be rounded up or down to the nearest \$.05.

Non-Super Peak – Hourly period that is not Super-peak.

Operating and Maintenance Costs – defined specifically in the Financing Documents, but generally, all reasonable and necessary expenses of administering, managing, maintaining and operating the RCTC 91 Express Lanes and in accordance with the operation and maintenance agreements.

Period – Length of time referring to an hour, day, week or month.

Super Peak – Hourly period, per day, and per direction with traffic volume use which meets or exceeds the following volume thresholds:

Segment	Hourly and Daily Traffic Volume Thresholds
EB McKinley	1,300
EB 15 South	1,400
WB McKinley	1,350
WB 15 South	1,400

Week – 12:00 a.m. Sunday to 11:59 p.m. the following Saturday.

Exhibit II
Toll Policy Decision Process
Super Peak
Eastbound – McKinley

Monitor Hourly and Daily Traffic Volume for last 12 weeks, excluding Abnormal Traffic Volumes

Flag individual hours when Hourly and Daily Traffic Volume is 1,200 or more per hour. Determine if this occurs six or more times in the 12 week period.

Calculate Average Daily and Hourly Traffic Volume for the 12 week period.

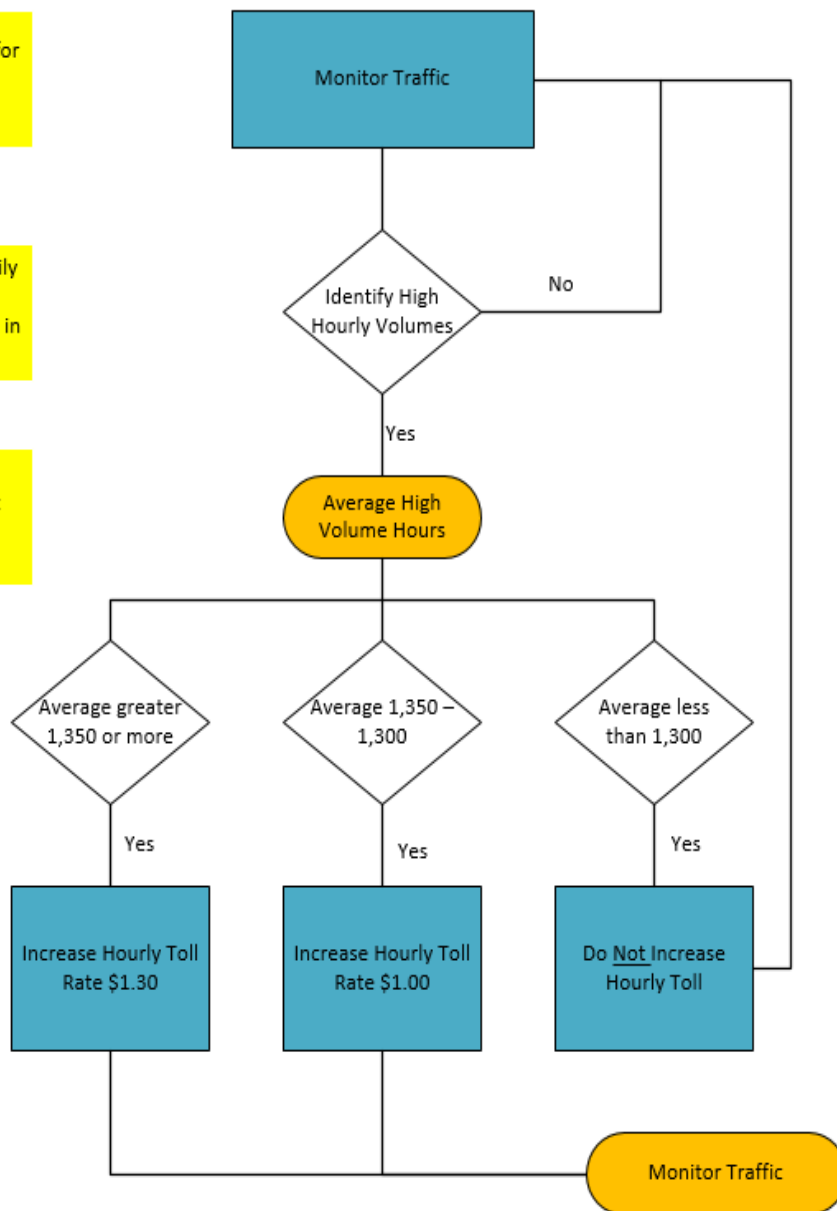


Exhibit III
Toll Policy Decision Process
Super Peak
Eastbound – 15 SB

Monitor Hourly and Daily Traffic Volume for last 12 weeks, excluding Abnormal Traffic Volumes

Flag individual hours when Hourly and Daily Traffic Volume is 1,200 or more per hour. Determine if this occurs six or more times in the 12 week period.

Calculate Average Daily and Hourly Traffic Volume for the 12 week period.

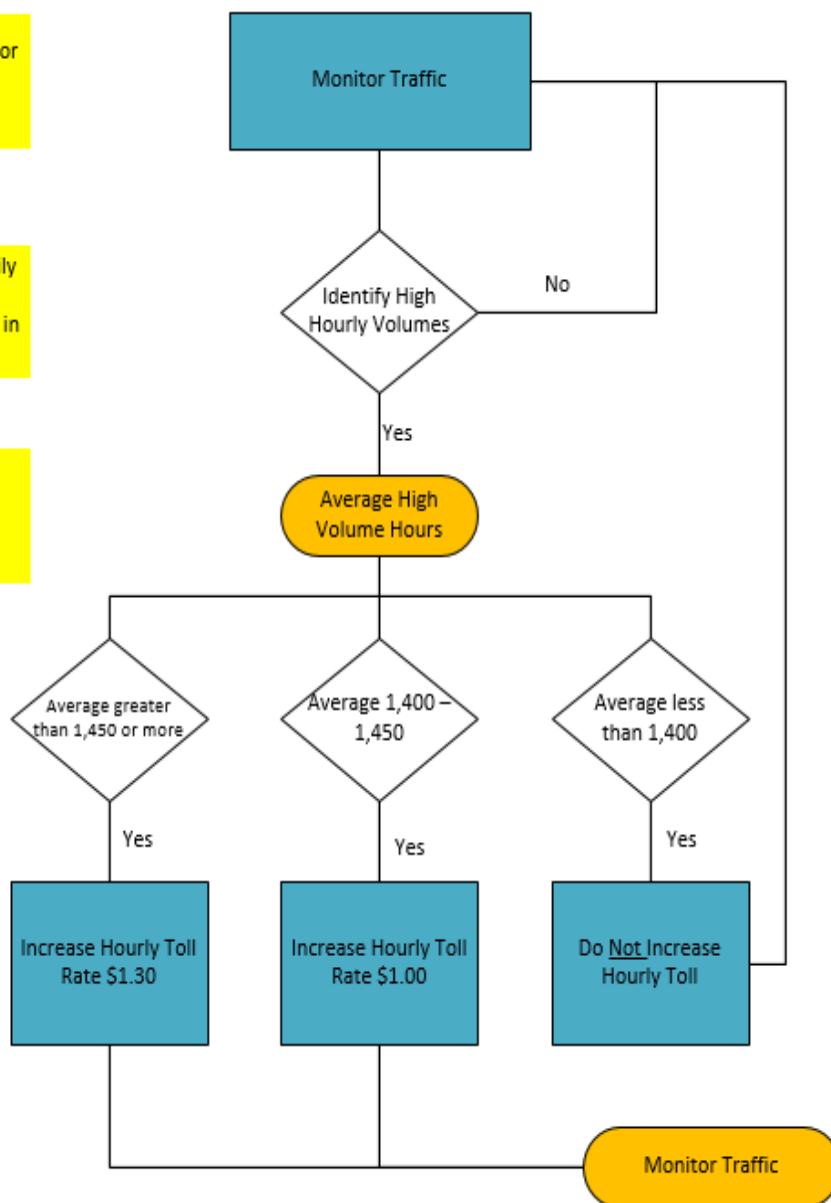


Exhibit IV
Toll Policy Decision Process
Super Peak
Westbound – McKinley

Monitor Hourly and Daily Traffic Volume for last 12 weeks, excluding Abnormal Traffic Volumes

Flag individual hours when Hourly and Daily Traffic Volume is 1,250 or more per hour. Determine if this occurs six or more times in the 12 week period.

Calculate Average Daily and Hourly Traffic Volume for the 12 week period.

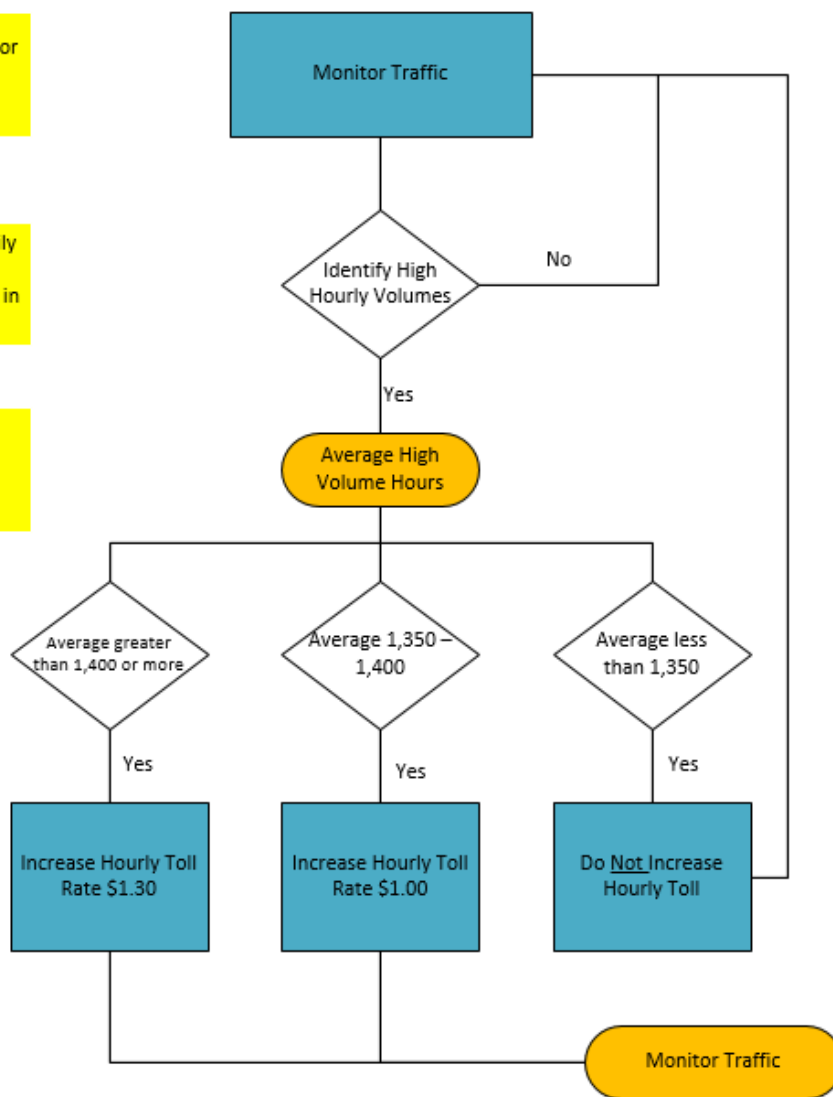


Exhibit V
Toll Policy Decision Process
Super Peak
Westbound – 15 SB

Monitor Hourly and Daily Traffic Volume for last 12 weeks, excluding Abnormal Traffic Volumes

Flag individual hours when Hourly and Daily Traffic Volume is 1,250 or more per hour. Determine if this occurs six or more times in the 12 week period.

Calculate Average Daily and Hourly Traffic Volume for the 12 week period.

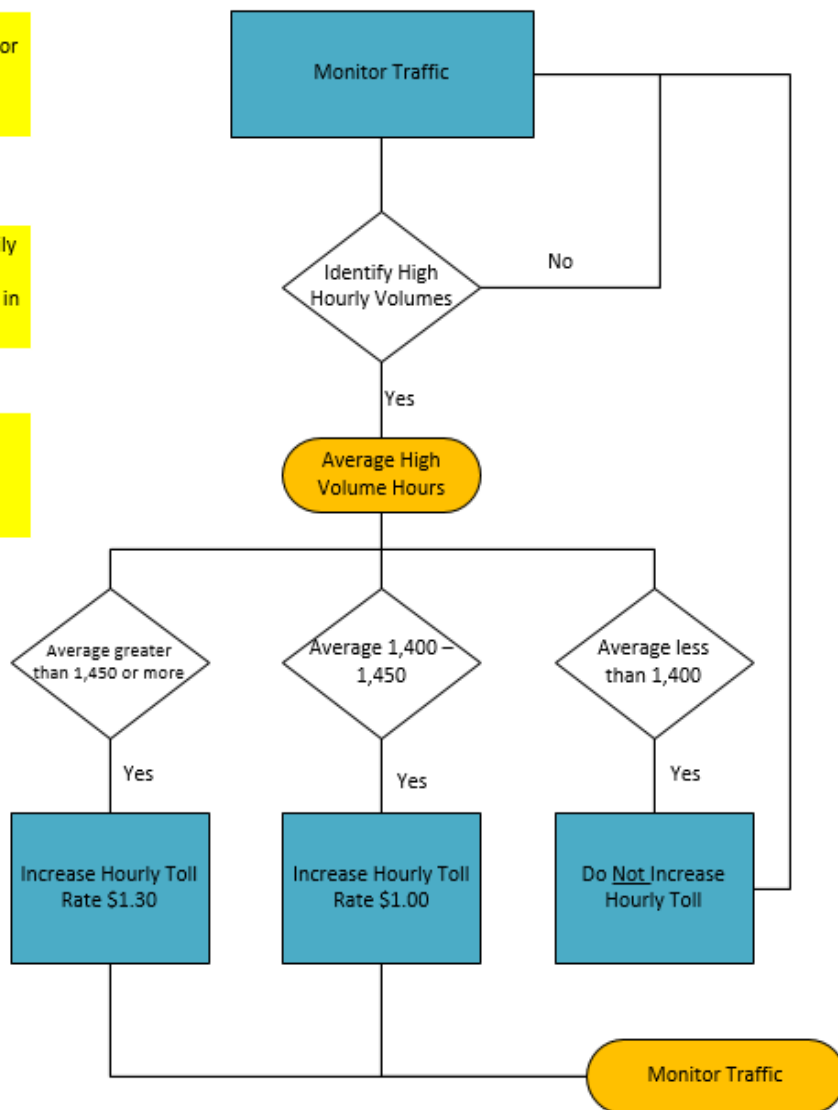


Exhibit VI
Toll Policy Decision Process
Toll Decrease – Eastbound

Monitor Hourly and Daily Traffic Volume for last 12 weeks, excluding Abnormal Traffic Volumes

Flag individual hours when Hourly and Daily Traffic Volume is 1,200 or less per hour. Determine if this occurs six or more times in the 12 week period.

Calculate Average Daily and Hourly Traffic Volume for the 12 week period.

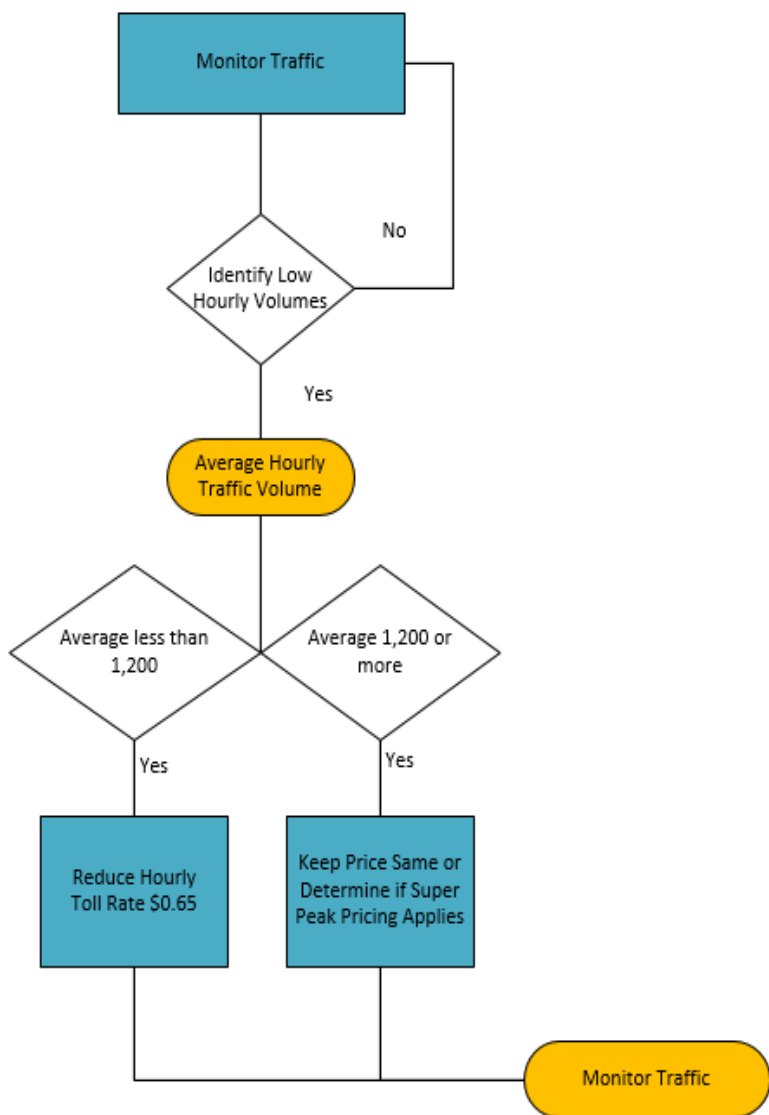


Exhibit VII
Toll Policy Decision Process
Toll Decrease – Westbound

Monitor Hourly and Daily Traffic Volume for last 12 weeks, excluding Abnormal Traffic Volumes

Flag individual hours when Hourly and Daily Traffic Volume is 1,200 or less per hour. Determine if this occurs six or more times in the 12 week period.

Calculate Average Daily and Hourly Traffic Volume for the 12 week period.

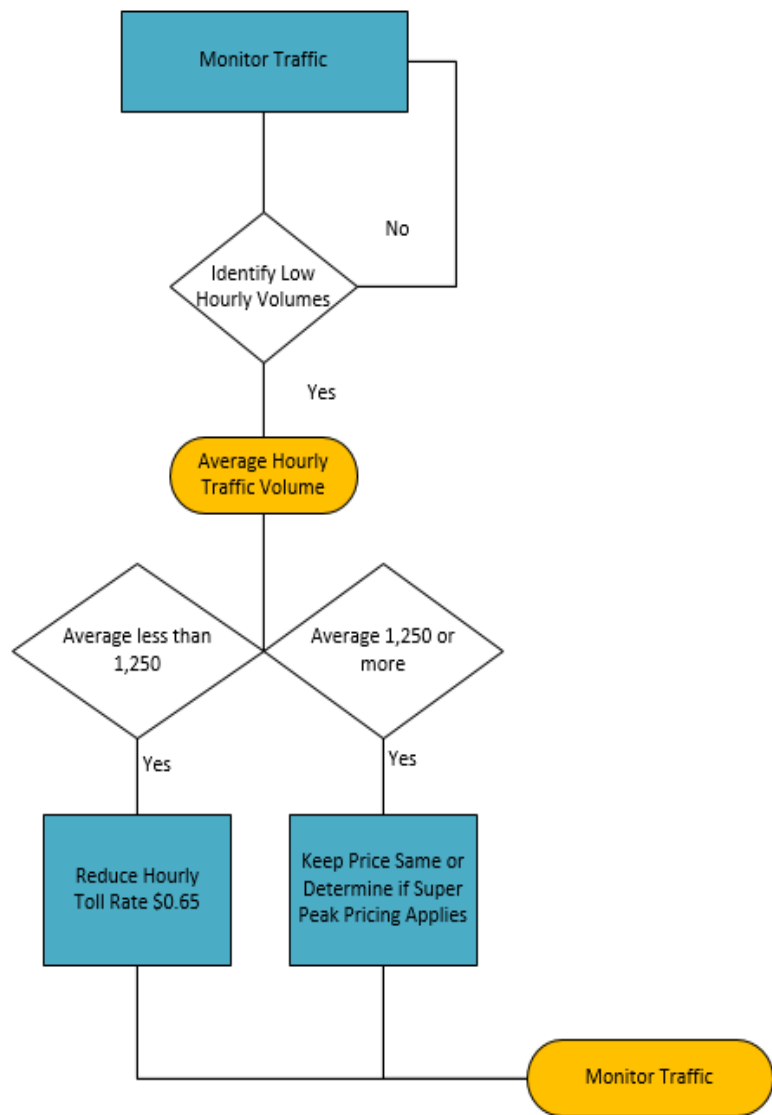


Exhibit VIII Toll Policy Decision Process Non-Super Peak – Eastbound

Monitor Hourly and Daily Traffic Volume for last quarter, excluding Abnormal Traffic Volumes

Average Hourly and Daily Traffic Volume for the last quarter.

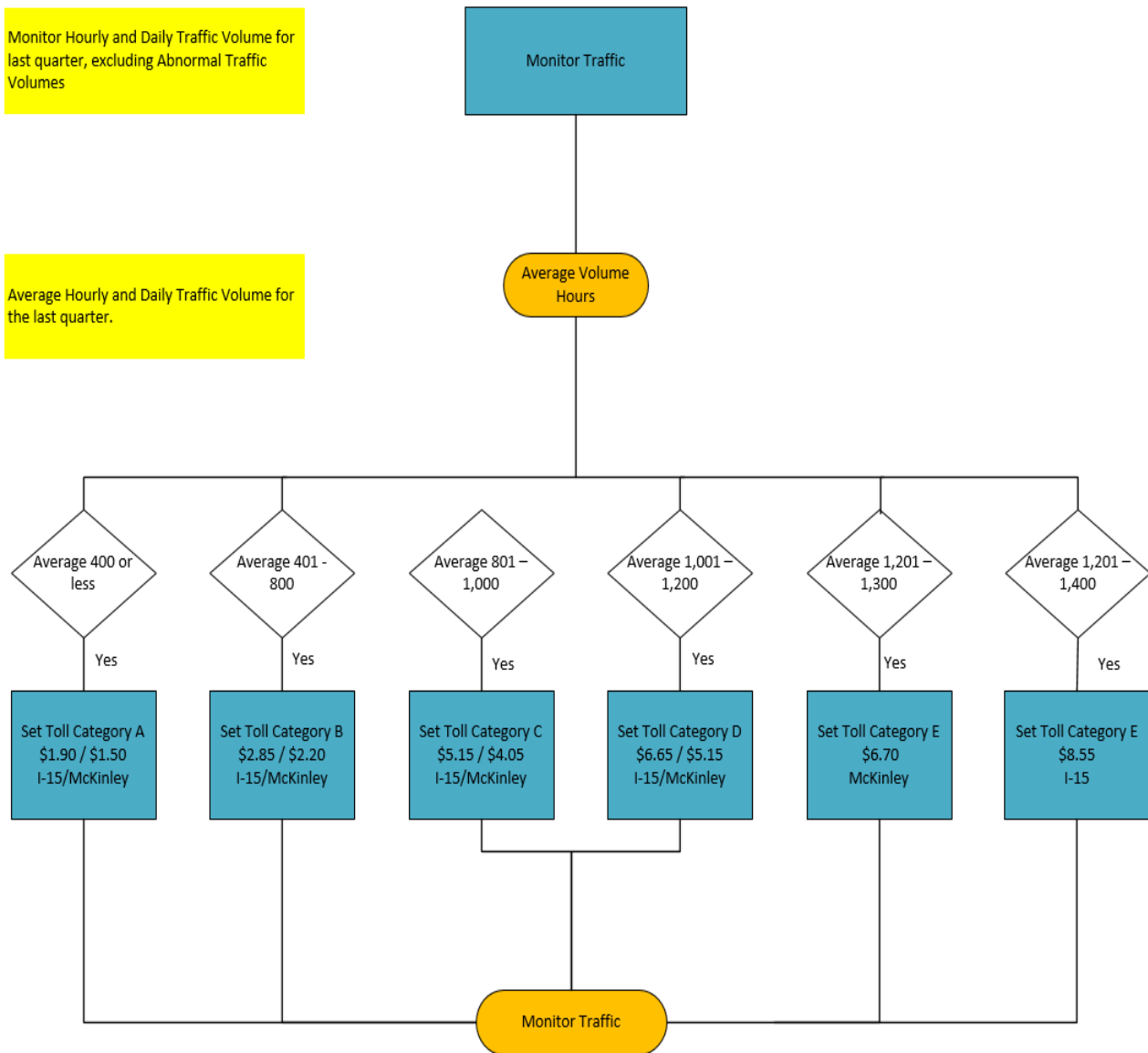


Exhibit IX Toll Policy Decision Process Non-Super Peak – Westbound

