

Whatcom County Ferry Advisory Committee
September 25, 2024
Minutes **DRAFT**

6:00 p.m. CALL TO ORDER – Diane Harper, Vice Chair (sitting in for Chair)

Present: Janice Catrell, Richard Frye, Pam Gould, Diane Harper, Carol Landt, Tom Philpot, Catherine Shornick

Absent: Todd Lagestee

This is an in-person meeting only. A hiring freeze prevents replacement of previous staff support for hybrid meetings; a community volunteer with necessary equipment would be most welcome.

Welcome to Laura Frolich and Roland Middleton, Public Works (PW); Gary Poole, Ferry Master; and Jon Scanlon, County Council (CC)

Agenda stands, other than pending motion from ad hoc Ferry and Terminal Committee

Minutes from August 28, 2024, adopted

COMMITTEE WORK

- **WCFAC member terms and open seats, follow-up:** Chair Pam Gould will send memo to Barry Buchanan; Jon Scanlon will follow through, regarding request adjustment to term appointments so only one-third of members rotate off each year, rather than the current 50%. [See attached]
- **ad hoc Access Committee, update:** Carol Landt reported that many unknowns continue, so ad hoc work has slowed. A letter campaign to inform fellow county citizens of the many needs for and reliances upon the ferry is pending.
- **ad hoc Ferry and Terminal Committee, update:** Tom Philpot reported on a lack of response from WCFAC’s earlier request to CC, PW and County Executive (Exec) regarding four recommended actions for an affordable solution, and therefore emphasized the first two questions. [See attached] Laura Frolich said KPFF is working on, and PW could look into responding in writing; the electronic component is more impactful than the vessel size. The question remains as to what the existing structure can tolerate. Roland indicated a 16- or 20-car ferry was not studied re the Gooseberry side. Diane cited earlier documentation assuming Gooseberry dock being adequate until 2040. Comparison of displacement between the Whatcom Chief and a 20-car ferry is needed.

The ad hoc committee also underscored a recommendation to pursue permission from DOT to downsize the ferry. Laura said 60% of design for 34-car ferry is completed, so the challenge is to meet the timeframe; as well, PW has not been directed to alter plans at this time. Roland said the timeframe will not change; they are looking at means of pivoting but again, there is no direction. It was pointed out that a smaller ferry could lower the overall cost and was included in the initial KPFF documents. Pam reported that KPFF indicated design work was on hold, and Liz Kosa (PW Director) had said she reached out to DOT re the timeline. Roland noted that maritime regulations require that we have funding on our end secured, indicating that federal regulations establishing the RAISE grants set the deadline, so there is no time extension possible. Rich F. asked that a case

be made for the best, affordable ferry within the timeline; such a vessel would also meet level of service (LOS) at three trips/60 cars per hour.

Jon Scanlon will ask Exec for another work session. Jon's focus is on closing the gap between total cost and cost to taxpayers. Sharon Shewmake told him she needs any request for funds by December, and the new county lobbyist is aware of the issue, although needs must be prioritized. Reportedly, the Exec met with federal and state representatives, and some WCFAC members met with Rick Larsen. Legislators underscored that the county must be the entity to reach out. Jon reported that both the General and Road funds are unhealthy; the Exec's budget proposal comes forward in October.

Motion (Shornick; Gould second): WCFAC recommends that the ad hoc Ferry and Terminal committee meet with County Council and request that Council enables that meeting (work session Oct 14, PW, or full CC Oct. 8). Passed unanimously by those present.

Diane said the size of ferry had nothing to do with the benefit cost analysis prepared for the RAISE grant. Roland indicated a 16-car ferry would meet that benefit analysis; Laura said decisions are based on what is wisest for tax base at this time.

- **Ad hoc Level of Service (LOS), update:** Diane H. reviewed a draft letter and information re LOS (see attachments) to consider for October action. LOS can be met by a 20-car ferry; however, public input and WCFAC comments are needed, so information will be available at the library and hopefully elsewhere. Roland said anecdotally, ridership has not returned to pre-Covid levels. Jon said WCFAC might ask for an update to Resolution 2018 026, not a change to LOS.

PW needs direction to investigate options; as to where direction comes from, CC must work with administration to move that forward.

NEW BUSINESS

- Charles Bailey reported that the Climate Impact Action Committee (CIAC) unanimously voted to advise CC to adopt a resolution opposing I-2117. [See attached.] Skagit County was awarded \$18.75M to support their ferry, and Whatcom County could anticipate at least that amount. *Motion (Gould; Philpot second):* WCFAC will send a letter to County Council endorsing CIAC's recommendations. Passed unanimously by those present.
- Laura Frolich, PW, presented an update on the ferry system budget [see attached], including projections, impacts, conclusions, service reduction options, a proposed budget, and a commitment to the ferry system and community. Inflation, insurance, drydock, fuel, fixed costs age of the ferry, suppressed ridership and fixed costs are all causes of *projected* shortfalls and deficient reserves in 2024-25. Increased ridership could provide a cushion, but due to union contracts, service reductions cannot be addressed until the next budget cycle. Annual fare increases are needed to afford the 55%, and to keep the ferry as self-sustaining as possible and

sustainable. PW is recommending limiting punch cards for needs-based only, and increasing fares 10% across all categories effective 2025. Comments can be sent to ferry@whatcom.wa.us and expressed to CC October 8 and 22, and November 6 and 19.

Laura noted that a taxing district has not been enabled at this time so is not available for projection purposes. People could receive notification that they are purchasing into an “impaired transport network” but Islanders would have to decide on taxing themselves. This is just one proposal, but the only one at this time.

WCFAC members expressed frustration that not enough time was allowed for WCFAC to respond to such a dramatic proposal, and that the full burden of shortfalls appears to be falling on Islanders. As well, history has shown that as fare costs increase, ridership decreases, so PW should consider lowering costs for some categories.

Efforts will be made to schedule an additional WCFAC meeting (before October 23rd).

OPEN SESSION

- Bob Anderson noted that the focus has been on lowering costs, and urged serious consideration of purchasing a used ferry to buy time. No service reductions have been suggested, and no cost saving have been included – both of which need to be included, even if it means reopening union contracts. Looking at the expense side is imperative.
- Jim Dickinson advocated for the Hiyu at \$1.85M, since it is available now. WCFAC should hold a special session to review the complexities.

Meeting adjourned 7:47 PM.

Upcoming

- October 23, WCFAC meeting; possible additional meeting TBD
- October 8, 22 and November 6 and 19, CC meetings

Attachments: [submitted with draft minutes for county posting]

- WCFAC August 28, 2024, Minutes
- WCFAC Terms
- WCFAC Ferry Alternatives 8.28.24
- Background for LOS letter
- WCFAC letter on LOS 9.24.24 draft
- Climate Impact Advisory Committee to CC
- Whatcom County Ferry System Operations Budget Update

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Submitted by C. Shornick

Whatcom County Ferry Advisory Committee
August 28, 2024
Minutes

6:00 p.m. CALL TO ORDER – Pam Gould, Chair

Present: Janice Catrell, Richard Frye, Pam Gould, Diane Harper, Todd Lagestee, Tom Philpot, Catherine Shornick

Absent: Carol Landt

Welcome to Laura Frolich, Public Works Assistant Director and Ferry Manager

Agenda, stands; Minutes from July 24, 2024, adopted

COMMITTEE WORK

- **Motion on ferry operational reports 2022 and 2023:** Diane Harper reviewed request for financial information (see attached). *Motion (Harper; Lagestee second): WCFAC requests that fiscal year 2022 and 2023 Ferry Operation Reports be issued by Whatcom County Public Works that at a minimum include the updated version of the six pages identified below in the 2021 report. (The 2022 report need not include the columns showing projections, but the 2023 report should do so).*
 - Page 5 – Summary of Revenues
 - Page 6 – Summary of Expenses
 - Page 7 – Overview of Ferry Fund Balance
 - Page 11 – Analysis of Vessel Rental Rate (the only way dry-dock information is available)
 - Page 13 – Ridership Statistics
 - Page 15 – Appendix A – Income Statement

We recognize that it will be necessary to include a cautionary note in these reports to explain why the past years' finances differ from what was presented in the 2013-2021 Reports. Motion passed unanimously among those present; to be sent to Public Works (PW).
- **WCFAC member terms and open seats, follow-up:** Chair Pam Gould will bring a draft resolution to next meeting, in order to request term appointments that allow for only one-third of members rotating off each year, rather than the current 50%.
- **Punch card exchange dates recommendation:** The next exchange opportunity is on the regular punch card sale date. Concerns include staff time and expenses for exchanges over the summer, inability of people off-island to exchange cards and lack of an option to mail in cards for exchange, absence of any expiration dates on the cards, and another increase anticipated in January. Laura Frolich reported that calculations are necessary in person, so problems arise when mailed-in checks are inaccurate. PW is aware of inconveniences; it's possible an automated system could be developed. Todd Lagastee called attention to the intent of RCW 19.240, specifically regarding expiration language on gift cards¹, and urged a close review of that regulation.

¹ RCW19.240 The definitions in this section apply throughout this chapter unless the context clearly requires otherwise. (1)(a) "Gift card" means a record as described in subsection (5)[(2)] of this section in the form of a card, or a stored value card or other physical medium, containing stored value primarily intended to be exchanged for consumer goods and services...

- **WCFAC discussion, draft letter on replacement ferry costs and funding:** Diane H. reviewed presentation (see attached), noting that a smaller hybrid ferry could still allow for the RAISE grant and state funds, but with financial gap closer to \$4M. Discussion included the importance of both moving quickly and exploring other alternatives including Bellingham facilities and battery supplies in Marysville. Pam G. reported that State Senator Sharon Shewmake said at a recent Town Hall that we need to ask for additional funds. Todd L. expressed concerns about wording of the draft letter, suggesting that the WCFAC could *support the actions* rather than requesting them. Unfortunately, time does not allow for a full rewrite. Laura F. underscored hopes for a solution-oriented working session in September, after which PW may bring a proposal to the County Council (CC). PW is in a position to justify revenue alternatives, although PSE does not appear to be ready for electrification. Laura hopes for a viable and realistic decision. *Motion (Harper; Frye second): WCFAC will forward letter to County Council as drafted, with an additional item #4, investigate local building facilities and battery supply options; and to change 'request' to 'recommend'.* Motion passed with five in favor (one no, one absent, one no vote recorded).
- **ad hoc Access Committee, update:** Pam G. deferred report, while noting that Kim Boon passed on her spreadsheet of entities/stakeholders to Carol L., and the LI Fire Department provided a consolidated report of fuel needs and emergency responses. Work continues.
- **ad hoc Ferry and Terminal Committee, update:** Tom Philpott reviewed financial projections surrounding a smaller vessel that would help close a funding gap and may still allow for the RAISE grant (see attachment); he asked if KPFF could develop a 24-car hybrid vessel.
- **WCFAC discussion on updating Level of Service (LOS) recommendation:** Diane H. reviewed LOS history (see attachment). One of WCFAC's jobs is to review the resolution CC adopted in 2018, when costs over and above the vessel were not considered might have changed recommendations. *Motion (Harper; Philpott second): WCFAC form a limited ad hoc committee to consider updating the 2017 LIFAC recommendation, and to bring a recommendation to the September WCFAC meeting.* Motion passed unanimously among those present. The community will be asked for input as to how to address LOS; former LIFAC members Charles Bailey and Rhayma Blake are willing to serve on the ad hoc.

UPDATES FROM STAFF

Laura Frolich briefly described her background that includes earth sciences and water conservation and resources, and a Master's in Public Administration. She expressed gratitude for the work of WCFAC, acknowledging that things are happening quickly regarding cost escalations and the need to secure funding sources.

Gary Poole, Ferry Master, thanked Laura F. for making his job easier since her arrival, noting that she strives for systems to work. Ticket sales will include exchanges on September 4th; more combined events may occur depending on how this one goes. It was surprising how many punchcards were submitted—over 4,000 lines of data were recorded. The ferry will have a service outage on September 18th for dock inspection, during which time the crew will participate in much needed safety drills. No date is set for the next drydock; however, it is hoped that a possible two-year commitment could make things simpler.

Gary and Laura commented on a recent Ferry Summit they both attended, including how various systems compared and possibilities of lobbying Olympia together. Differences include LOS (earlier shutdowns at end of day), emergency services (one system has a separate vessel), and private services that provide crew (off-island). Gary observed that it is a huge benefit to islanders that our crew members live on-island, particularly for emergencies.

OPEN SESSION

Bob Anderson expressed concerns surrounding the reality of receiving state and RAISE funds and having all funding in place by July 2025. He urged PW and WCFAC to pursue answers posed earlier, but also to look at a shorter term (seven to ten years), reconditioned vessel that fits existing docks. This would allow for aligning funds and other forces and resolving issues.

Charles Bailey thanked and welcomed Laura F, noting the deep well of talent within the island crew, community and committee. He served on LIFAC and worked on the earlier LOS, but pointed out that a smaller ferry would actually better serve the LOS. The focus should be on the funding gap; it is up to CC to take action (no action is an action). He urged replacing the vessel with a smaller design that would not require new terminals and would qualify for the RAISE grant. He asked that all options be considered but to act soon.

Jim Dickinson questioned how many vehicles realistically could be transported in any hour. The county, state and feds are broke now but will come back. The Hiyu is \$1.85M, uses less fuel, produces less pollution, has good spacing for cars, and docks could be renovated differently. A real vetting of the Hiyu is needed.

Tom Hodges raised the consideration of trip reductions, asking if coordination could occur with Whatcom Transit and other options to move people more than vehicles. Regarding punch cards, some people simply cannot be on site; is it ok for the county to simply keep their money (of unused cards)? There is no indication on the ticket that they expire.

[Laura F. responded that it sounds like a legal question. Gary P. observed that the exchange is new for everyone; some people were actually yelling at the ferry crew during exchange events. **He urged people to remember that the crew is trying to help and to please work with them.**]

David Kershner agreed in large part with Jim and Bob; there is nothing to lose in requesting a revision or extension for the RAISE grants from DOT. It's possible [with a smaller vessel] the gap could be less than \$5M.

Meeting adjourned.

Upcoming

- September 25th, WCFAC meeting.

Attachments:

- WCFAC July 24, 2024, Minutes (note: submitted with attachments earlier for County posting)
- Harper, Ferry Operational Reports

- Draft Letter on Replacement Ferry Costs and Funding
- Tom Philpott report from ad hoc
- LOS review

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Submitted by C. Shornick

Whatcom County Ferry Advisory Committee

<https://www.whatcomcounty.us/3149/WCFAC-Reports-and-Additional-Information>

Membership: 9 voting members appointed by County Council

5 members live on the island.

2 members who live in unincorporated Whatcom County.

2 members who live anywhere on the mainland (incorporated or unincorporated, priority given to 1 Lummi Nation member when possible)

1 County Council member (ad hoc non-voting)

Terms: Members serve 3-year terms. Each member is limited to 2 terms, with 1-year separation required before applying again.

WCFAC terms as they were appointed have 5 ending this January.

position	term ends			current member
	1/31/2025	1/31/2026	1/31/2027	
1	island			Pamela Gould
2	island			Diane Harper
3			island	Thomas Philpot
4			island	Catherine Shornick
5	island			Richard Frye*
6	mainland			Janice Cattrell
7	mainland			Todd Lagerstee*
8		unincorp.		Carol Landt
9		unincorp.		Vacant

If the terms are adjusted as shown for positions 1, 7, and 9; only three of the nine positions rotate each year. This also allows the mainland and unincorporated areas to have a continuing representative.

position	suggested shifts in term end			current member
	1/31/2025	1/31/2026	1/31/2027	
1		island		Pamela Gould
2	island			Diane Harper
3			island	Thomas Philpot
4			island	Catherine Shornick
5	island			Richard Frye*
6	mainland			Janice Cattrell
7		mainland		Todd Lagerstee*
8		unincorp.		Carol Landt
9			unincorp.	Vacant

* already has served one full term

Dear County Executive Sidhu, County Council Members, and Public Works Ferry Division:

The County needs to act quickly on how to replace the Whatcom Chief, the current ferry, as all funding must be committed by **July 1, 2025**, or the \$25 million RAISE grant is lost. The Whatcom County Ferry Advisory Committee (WCFAC) is aware that the current County Ferry 14 Year Capital Plan indicates that the current dock structures' useful life extends through 2040. We also want to note that the decision by LIFAC to recommend a 34-car ferry versus a smaller ferry was based on a very small margin, and that there has been a significant change in projected future ferry ridership with a move towards work-at-home and other demographic trends since 2017. Based on this information, WCFAC has discussed the option of a smaller electric-diesel ferry, whether RAISE and state grants would support such a ferry, and the possibility of a used diesel ferry.

As well, in a recent Island Town Hall, State Representative Sharon Shewmake was apprised of skyrocketing costs of our new ferry proposal and associated funding gaps. She encouraged us to reach out to her directly to request additional State funds and to request an adjustment from USDOT in our RAISE grant proposal. She commented that we are not the first community to have changes in circumstances that require a change in project design.

We therefore recommend that you take the following four actions as soon as possible in order to determine the possibilities for an affordable solution.

1) Ask Kpff or other appropriate experts to provide the following information:

- (a) the maximum vessel size that will be compatible with the existing terminal structures through 2040;
- (b) the cost of a smaller hybrid diesel ferry that could safely utilize the existing structures; and
- (c) the total costs of acquiring used or new diesel ferries including necessary terminal structure modifications.

2) Seek permission from USDOT to downsize the ferry to a smaller vessel that would lower greenhouse gas emissions, account for changing circumstances due to the COVID pandemic that resulted in rapid adoption of "work-at-home" technology, and respond to unexpectedly large increases in the costs of marine projects and shipbuilding. Please include a request to our federal and state elected representatives, as well as the appropriate department employees, for assistance in getting this permission.

3) Seek additional state funding of \$18.7 million, which--with the \$5.3 million the state has already provided for the new ferry--would put Whatcom County at par with the \$24 million the state has allocated to Skagit County for the new Guemes Island ferry that serves a similarly sized population.

4) Investigate the possibility of utilizing local shipbuilding and battery suppliers.

Our community stands ready to reach out to State and Federal elected officials and agencies to encourage them to approve the use of the RAISE grant and to approve additional State grants for a smaller electric-diesel hybrid ferry. Based on changes in commute patterns and in costs, WCFAC intends to give the County an updated recommendation on the size of the ferry needed. WCFAC stands ready to consider any actions that we may take that the County would find helpful in this situation.

We recommend that the County immediately begin these four actions, as the answers will do much to determine what solutions will be reasonable for further investigation. Please keep us informed.

Sincerely,

The Whatcom County Ferry Advisory Committee

Adopted August 28, 2024

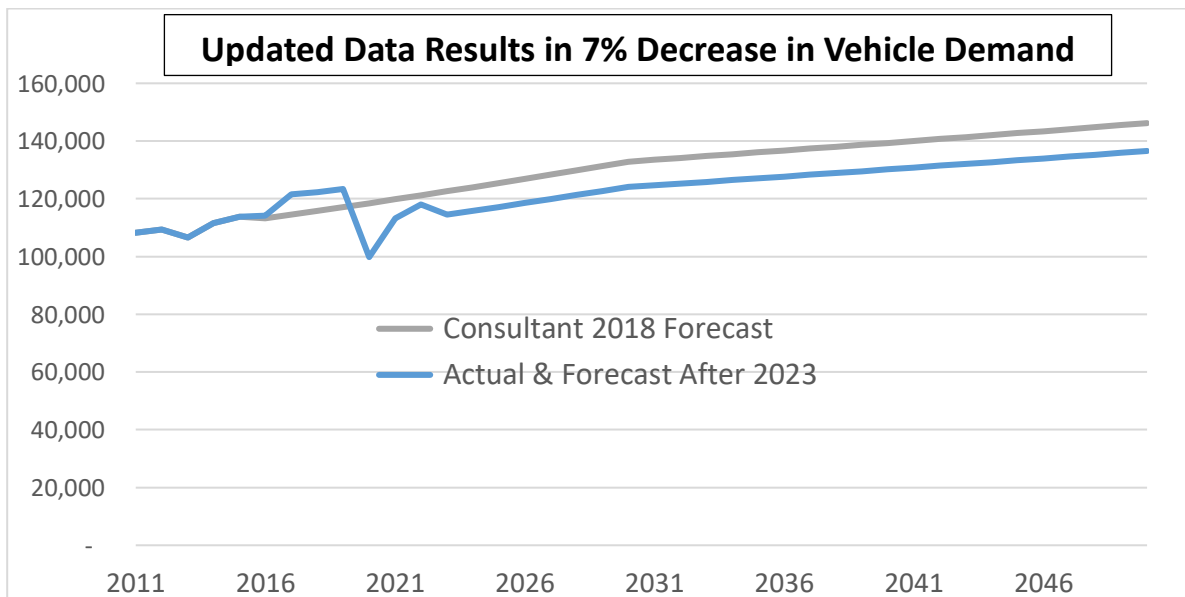
2.5. Demand Forecasting

To provide information relevant to the forecast level of service and associated vessel sizing, a detailed ridership demand forecast was completed by Steer Davies Gleave as part of the Lummi Island Ferry LOS Alternatives Analysis completed in 2018. ...The analysis related ferry ridership to demand generators and costs, and generated ridership projections through 2040. Select key findings of this study included:

- Ridership on the MV Whatcom Chief generally declined between 2007 and 2017, after strong growth through the mid-1990s and overall flat-lining in the early 2000s. Starting in 2009, pedestrians/passengers declined but rebounded in 2016. Vehicle counts declined for the 10 years following 2004, but started to recover in 2014.
- Following strong population growth through the end of the 1990s, the population of Lummi Island continued to increase, but at a decreased rate of growth. Further, the population showed signs of rapid aging, because of longtime residents getting older and additional middle-aged individuals and retirees migrating in.
- Fares increased considerably following 2007. For example, the vehicle cash fare went from \$4 in 2007 to \$13 in 2011, an increase of more than threefold. The demographic shifts and fare policy changes have driven ridership patterns.
- Statistical models based on the total Lummi Island population, working-age Lummi Island population, and historic fares were developed to generate unconstrained ridership forecasts to 2040. **Using a projected population (0.5% growth per year) and constant fares in 2017 dollars, pedestrian/passenger ridership was forecast to grow 1.74% per year and vehicles (w/driver) at 0.87% annually to 2040 (from a 2016 base).**
- Under these conditions, current daily profile, and existing level of service, weekday hourly demand from Gooseberry Point to Lummi Island in 2040 is projected to be higher than capacity between 5 and 7 p.m. in the spring and summer months.

Using the generated future populations as input into the ridership models, future ridership (one-way trips) was forecasted. The underlying model was calibrated to 2016 ridership data and island demographics and 2016 was considered the base year...

UPDATE: The results when using 2023 as the base year:



The model used by Steer Davies Gleave and Kpff results in a growth rate of about 9% every 10 years.

Their projected population growth rate results in an increase of about 5% every 10 years.

Fewer Commuters Using the Ferry During Peak Demand Period			
U.S. Census Decennial Surveys and 2022 American Community Survey 5-Year Estimates	Whatcom County 2022	Lummi Island 2020/2022	Lummi Island 2010/2011
Transportation to Work			
Single Occupant Vehicle	68%	45%	
Carpool	8%	0%	
Other means	9%	16%	
Worked from home	16%	40%	24.5%*
Housing Units			
Occupied housing units	90123	464	479
Vacant housing units	9941	435	485
<i>percentage available</i>	10%	48%	50%

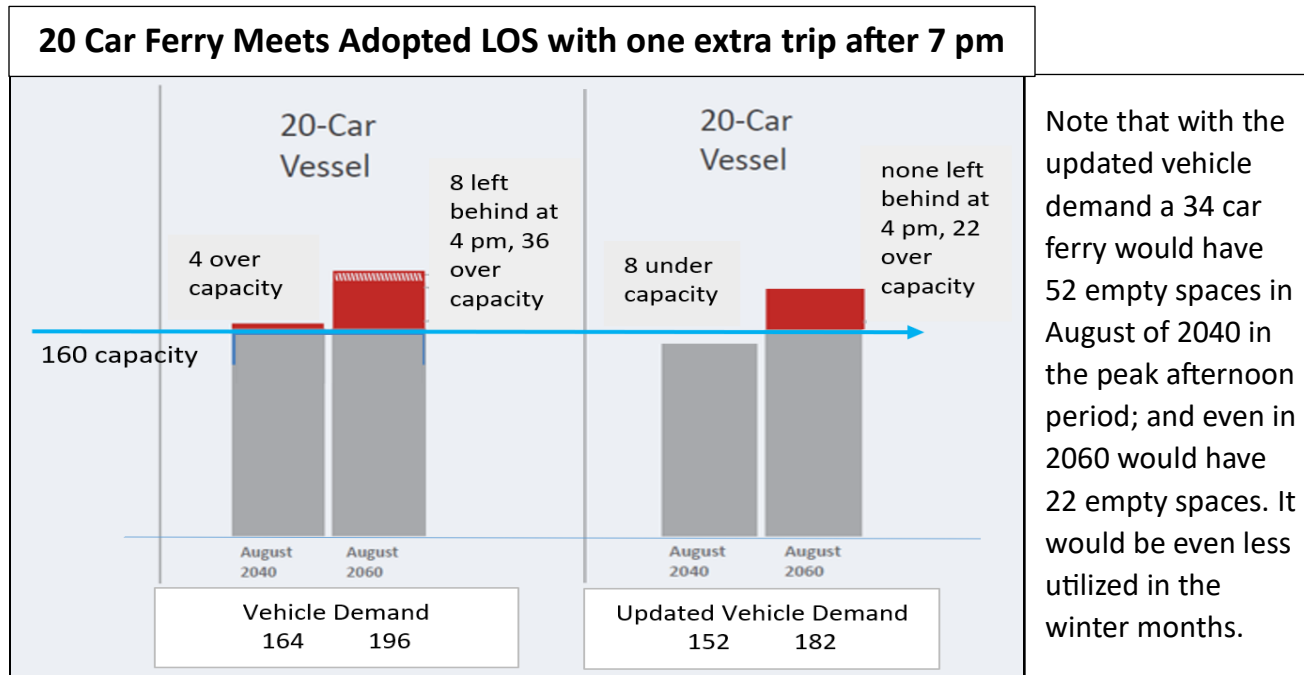
* Not asked the same way, so this percentage may be too high.

Nationally household trips prior to the pandemic had been increasing at a faster rate than population. Technological changes accelerated by the pandemic have changed commuting patterns everywhere, dramatically for those workers who live on Lummi Island. This may indicate that the growth rates used in the 2018 model to generate vehicle trips on the Whatcom County Ferry are higher than what would be estimated now.

If vehicle demand increases at a rate closer to population growth, then the vehicle demand will be considerably lower than what is shown.

RAISE grant, Appendix A Level of Service Alternatives Analysis, pdf page 318 of 407

Kpff applied the 2016 ridership projections to the 20-car alternative shown on left; the right side shows the result with updated vehicle demand.



RAISE grant, Appendix A Level of Service Alternatives Analysis, pdf page 164 of 407

Solutions Kpff suggests that can apply if the ridership projections are too low

(excluding those that would require rebuilding docks)

“If the LOS becomes worse with a new vessel, we recommend exploring other operational and programmatic modifications for improving the desired LOS by reducing dwell time:

- Congestion pricing that increases the cash fare during peak periods (such as peak seasons or peak times of day). This pricing structure can shift passenger’s travel patterns to travel at less congested time periods of the day, thus saving time and money.
- Enhanced ticketing system to speed up ticketing process will reduce the risk of holding the ferry during busy sailings while fares are collected.”

An additional demand management solution found in the Resolution 2018-026 adopted action plan is to provide more convenient parking on the mainland to encourage pedestrian use.

RAISE grant, Appendix A Level of Service Alternatives Analysis, pdf page 226 of 407

Table 3: Vessel Construction Costs

	20 Car Ferry	28 Car Ferry	34 Car Ferry
Shipyard Cost	\$5,802,000	\$8,050,000	\$9,129,000
Design and Bid	\$543,000	\$543,000	\$543,000
Construction Support and Commissioning	\$1,028,000	\$1,051,000	\$1,061,000
Total	\$7,373,000	\$9,644,000	\$10,733,000

Note that the 20 Car Ferry is 69% of the cost of the 34 Car Ferry, while obtaining 80% of the throughput.

9/25/24 DRAFT ----- to be reviewed and public comment is invited ----- action on the proposed letter may be taken at the October WCFAC meeting, and would include a draft resolution for Council convenience.

Dear County Council and Executive Sidhu,

The Whatcom County Ferry Advisory Committee recommends that the Whatcom County Council adopt the attached draft resolution which updates Resolution 2018-026 establishing an action plan to obtain the adopted level of service for the Lummi Island ferry.

The amended Resolution would not change the level of service adopted by the former Lummi Island Ferry Advisory Committee, but would update the minimum size of the ferry from “a 34 car vessel” to “the design and construction of a 20 car or larger vessel.”

We recommend this change for the following four reasons

1. **New Data Available.** We have updated ridership projections using seven additional years of ridership data and 2020 and 2022 Census reports. Using the demand model and methodology that Kpff consultants used, the projections demonstrate that a 20 car vessel will be adequate to meet the adopted two-boat wait level of service in peak summer afternoons between 4 and 7 pm, accepting that one additional trip after 7 pm may be needed in the year 2060.
2. **Greater Service Flexibility.** Kpff established that the 20 car ferry that they modeled can make 8 trips in the 3 hour peak travel periods, versus only 6 trips for larger ferries. The faster trips by the 20 car ferry gives ferry managers more flexibility to adjust the number of trips to meet changing demand, and it reduces the time vehicles spend waiting for the next trip.
3. **More Cost-effective.** Since the 20 car ferry has almost 80% of the throughput of the 34 car ferry, even though much smaller, a 20 car hybrid diesel-electric ferry maximizes throughput for each dollar spent. It also may allow reduction in the cost of modifying the terminals.
4. **Climate-friendly.** A 20 vehicle versus a 34 vehicle ferry lessens the immediate and long term environmental costs.

Please see the addendum to this letter for the analysis supporting each of these reasons.

In conclusion the Whatcom County Ferry Advisory Committee recommends that the County Council update the minimum size of the ferry necessary to meet the adopted Level of Service in Resolution 2018-026.

Thank you for the efforts that you and staff are making to obtain a new ferry.

Sincerely,

Whatcom County Ferry Advisory Committee

Addendum: Background Analysis

The update to Resolution 2018-026 is needed for the following reasons:

1. **New Data Available.** Updating ridership projections using seven additional years of ridership counts and the results of the U.S. Census for 2020-2022: the minimum capacity to meet the adopted level of service is a 20 car ferry instead of a 34 car ferry; accepting that in 2060 one extra ferry trip after 7 pm would be required.
 - Methodology used to forecast future demand was found in the RAISE grant, Appendix A, report from consultants Steer Davies Gleave. When their methodology was applied using the seven additional years of ferry ridership data from the Public Works Department, the projected vehicle demand used to size the ferry was at least 7% lower.
 - The population growth rate that the Kpff consultant used indicates about a 5% increase in population per decade. However, the growth rate forecast for ferry ridership would equal about 9% per decade. This is true to past trends nationally of each household taking an increasing number of vehicle trips. However, the COVID pandemic greatly accelerated the adoption of distance work, and the U.S. census shows that between 2011 and 2022, workers living on the island reduced commuting, with the percentage of those working at home increasing from 25% to 40%. It is difficult post-COVID to predict increased trips per household, so the model used in 2017 by Steer Davies Gleave and Kpff may estimate too high of a peak period demand in future years.
2. **Greater Service Flexibility.** The 20 car ferry modeled by Kpff was able to make almost 3 trips per hour (8 trips in 3 hours); while the larger 28 and 34 vehicle ferries they modeled were limited to 2 trips per hour (6 trips in 3 hours).
 - The smaller ferry allows ferry managers more flexibility to adjust the number of trips, adding an additional trip only as demand indicates. Also, the Level of Service of no more than a two trip wait has a different impact if two trips take about 45 minutes versus a 30 minute wait for the next ferry. This also impacts the length of the queue on Haxton Way in non-peak periods.
 - When surveyed in 2018, those dependent upon the ferry were 41% in favor of a smaller than 34 car ferry, even though the difference in cost was presented as less than three million dollars and the number of vehicles that would experience more than a two trip wait were about double what is in the updated forecast.
3. **More Cost-Effective.** Since the 20 vehicle ferry has almost 80% of the throughput of

the 34 vehicle ferry (160 vehicles in 3 hours versus 204 vehicles in 3 hours), even though much smaller; a 20 car hybrid diesel-electric ferry maximizes vehicle throughput for each dollar spent.

- The cost of a 20 car ferry, using the ratio of the costs Kpff estimated in 2018 for the 20, 28, and 34 car ferries as cited in the RAISE grant Appendix A, would be about \$24 million instead of \$35 million.
- Both the over \$18 million that Skagit County was granted by the State and the USDOT RAISE grant were based on the environmental advantages of a ferry that uses electricity. A traditional diesel only ferry would have to cost \$43 million less to be a less expensive alternative to a diesel-electric propulsion system.

1) **Climate-friendly.** A 20 vehicle versus a 34 vehicle ferry lessens the immediate and long term environmental costs, including materials necessary to build, the impact on the marine environment at the terminals, and the ongoing fuel consumption of diesel and electricity.

September 23, 2024

Dear Whatcom County Council Members,

I am writing on behalf of the members of the Whatcom County Climate Impact Advisory Committee (CIAC) to advise Council to adopt a resolution opposing Initiative 2117 (I-2117) on the Nov. 5th ballot.

I-2117 would repeal the Washington Climate Commitment Act (CCA). The CCA, which became law in 2021, places a cap on statewide emissions of greenhouse gases (GHGs) through the auction of allowances (permits to emit GHGs), with the number of allowances available declining over time to achieve the emission reduction goals set under RCW 70A.45.020.

The Climate Commitment Act is a critical policy tool in the fight against climate change and CIAC strongly opposes its repeal. The CCA achieves limits on GHG emissions at the lowest possible cost. It channels these revenues to promote environmental justice and the CCA auctions have generated \$1.67 billion in revenue for over 2,300 projects supporting climate mitigation and adaptation across Washington.

In Whatcom County, the CCA has already delivered significant revenue: [\\$92 million across 87 projects](#)ⁱⁱⁱ has already been appropriated in Whatcom County. Some examples include:

- \$6.7 million to Whatcom Transportation Authority to adopt a zero-fare policy for riders under 18ⁱⁱⁱ
- \$45,000 to Whatcom County Public Works for zero-fare policy for riders under 18 for the *Whatcom Chief*^v
- \$2.7 million in Climate Planning grant funding to Whatcom County jurisdictions to support integration of HB 1181 into the Comprehensive Plan^v
- \$1.3 million in Home Electrification and Appliance Rebate funding to Bellingham and Whatcom County
- 19 new electric vehicle charging stations in Whatcom County funded through the Washington Electric Vehicle Charging Program^{vi}
- Free youth fares available for Amtrak Cascades
- Lake Whatcom Watershed Forest Conservation
- Clean Hydrogen Hub with federal and state funding to support 17 projects, including in Whatcom County

Repeal of the Climate Commitment Act will shut off future revenue to these initiatives. Repeal would also remove a significant source of state funds for major climate-friendly capital projects, including for example, the current county funding gap of \$47 million for the Lummi Island Ferry Replacement and System Modernization Project. More generally, repeal of the CCA would also hobble funding to implement other measures in the Whatcom County Climate Action Plan.

The CIAC is specifically responsible under Whatcom County Code 2.126.030(I) “to make recommendations relevant to Whatcom County’s climate change mitigation and impact prevention, adaptation, and preparation goals to the Whatcom County Council and the Whatcom County Executive regarding state and federal policy priorities.” For this reason, we are advising you to Council to adopt a resolution supporting the continuation of the Climate Commitment Act by opposing I-2117 on the November 5th ballot.

Thank you for your consideration.

Phil Thompson- Chair, Whatcom County Climate Impact Advisory Committee
Approved 10-0-0 by the Climate Impacts Advisory Committee at 9-18-24 Meeting

ⁱ <https://climate.wa.gov/washington-climate-action-work/climate-commitment-act-polluters-pay-communities-benefit/cca-dashboard-climate-commitment-act-projects-awards-and-appropriations>

ⁱⁱ <https://climate.wa.gov/washington-climate-action-work/climate-commitment-act-projects-and-programs>

ⁱⁱⁱ <https://wsdot.wa.gov/business-wsdot/grants/public-transportation-grants/grant-programs-and-awards/transit-support-grant>

^{iv} <https://whatcom.legistar.com/View.ashx?M=F&ID=13280230&GUID=2E4497C6-3E32-4C5B-80AA-291BA1791BF5>

^v <https://deptofcommerce.app.box.com/s/9dstm9ob1yf3jwcp15ox60w0cmielscv>

^{vi} <https://waevcharging.org/dashboard>



Whatcom County Public Works Ferry System Operations Budget

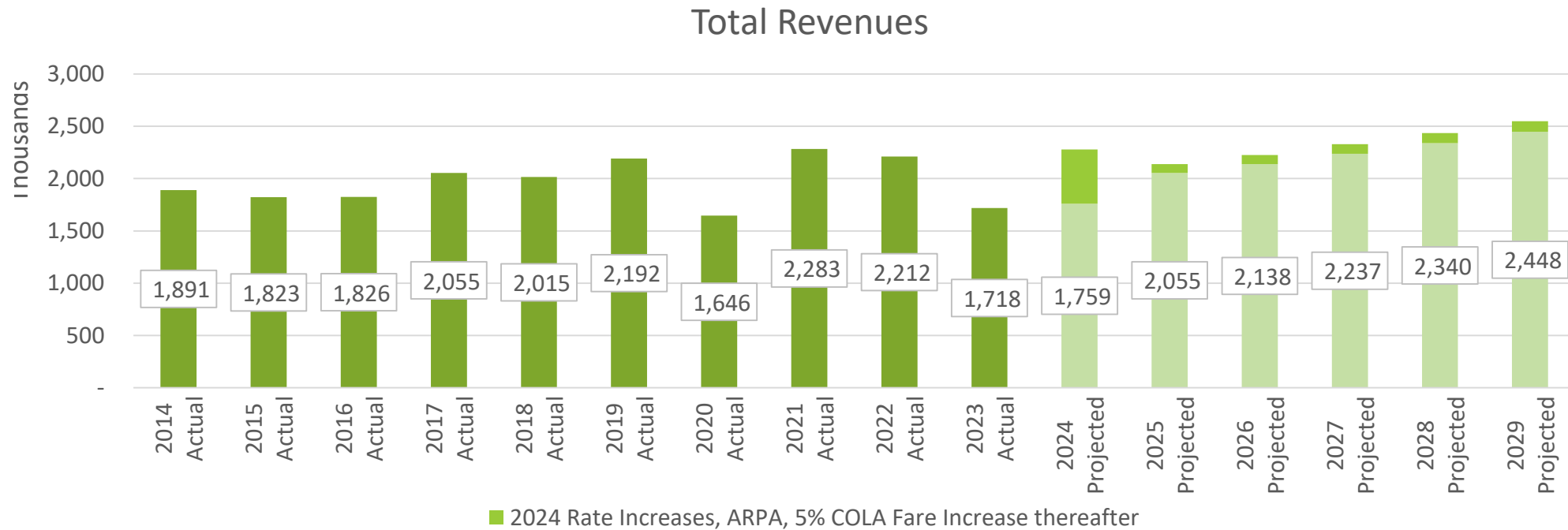
LAURA FROLICH, ASSISTANT PUBLIC WORKS DIRECTOR

WCFAC MEETING SEPTEMBER 25, 2025

Agenda

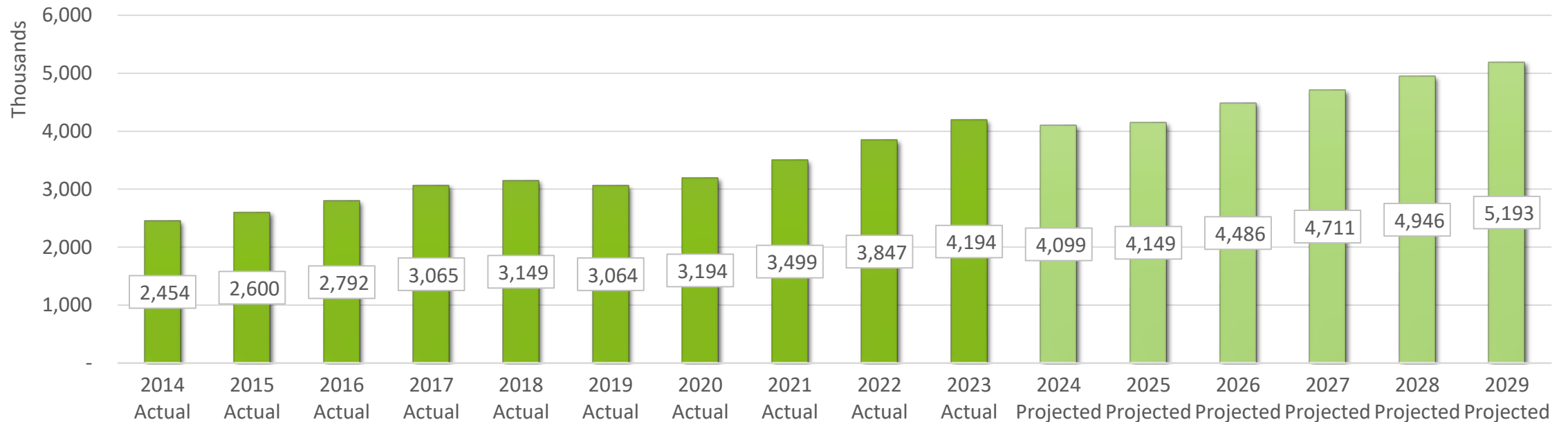
- Budget Projections Overview
- Key fiscal impacts
- Budget Conclusions & Considerations
- Service Reduction Options
- Fare Increase Options
- 2025 Budget Proposal
- Impacts
- Public Works Commitments
- Public Comments

Actual and Projected Revenues

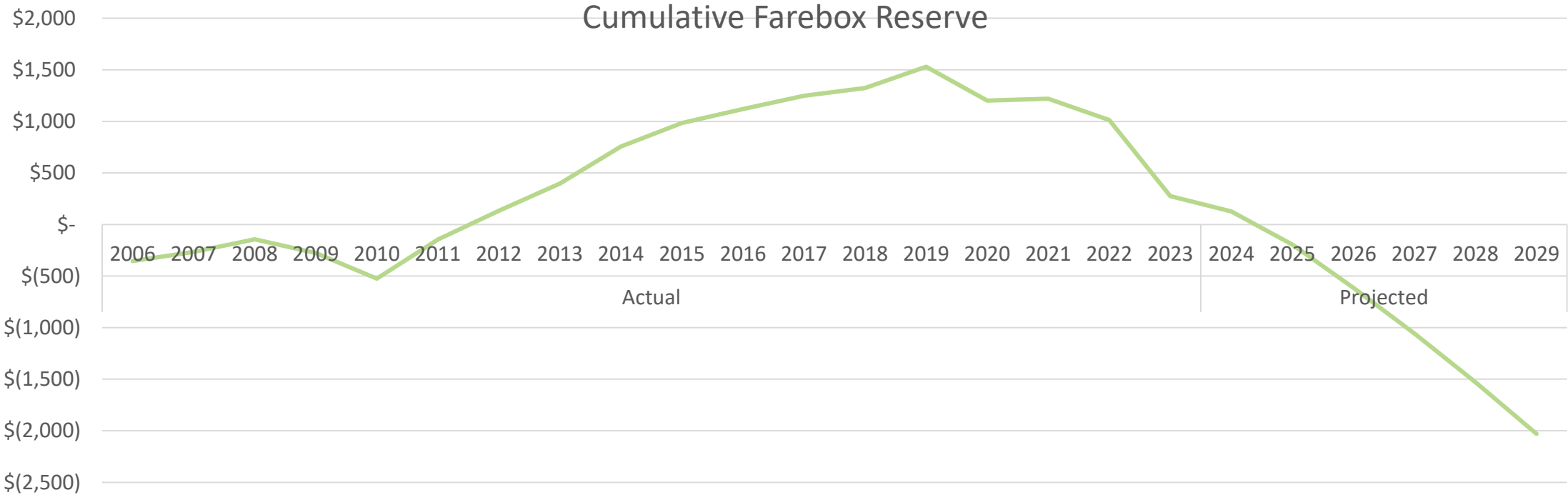


Actual and Projected Expenses

Total Expenditures



Farebox revenue projections



Key Fiscal Impacts- Inflation

- Vessel Operating Costs:
 - Money is required to set aside for vessel repairs and replacement- the ERR Fund rates continue to increase
 - Insurance Rate Hike- In 2023 we paid \$50,000 annual, in 2024 quoted only by one provider- same coverage \$95,000 in 2024
 - long and expensive dry dock in 2024
 - Fuel costs
 - Older vessel has more frequent and costly repairs and maintenance (Boat out of service the other week for the electronic steering not operating properly)
- County wide services costs increases (space, IT, HR, Finance, Facilities, Executive)
- Ridership is decreasing

Budget Conclusions

- ❑ Projected shortfall for farebox recovery in 2025- 2027
- ❑ Costs outside of our control have escalated dramatically since 2020 (i.e. insurance, shipping industry)
- ❑ Fares are predicted to be unable to provide their expected match of anticipated/planned operating expenses for 2025-2027 budget
- ❑ Recent fare increases are not going to be sufficient
- ❑ Road fund is unable to absorb and offset deficient spending

Budgeting Considerations

- Service is operating at a loss
- Increasing prices uniformly is most equitable
- Assisting needs-based customers is important
- Assurances- Farebox monies kept separate –surplus and deficient
- Results of active litigation is uncertain, not factored in

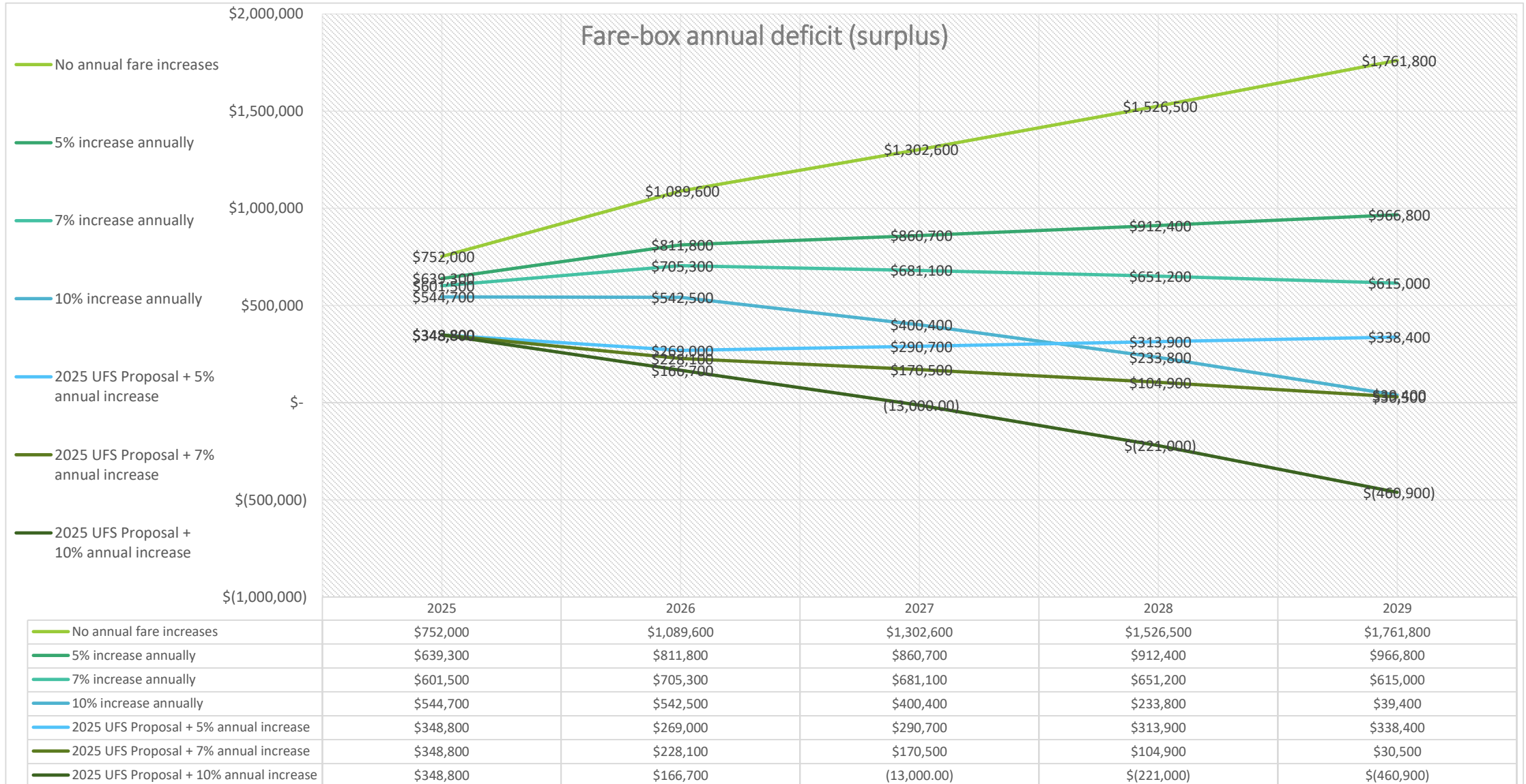
Service Reduction Options

- Striving to maintain quality of service customers are accustomed too
- Service cuts could not be implemented before the next budget cycle
- Service cuts are being evaluated and could be implemented in 2026, to help neutralize future fare increases

Fare Increase Options

- A. No fare changes.
- B. Increase rates by CPI (estimated at 4%) across all customer categories.
- C. Limit multi-rider punch cards to needs based customers only.
- D. Increase Rates by 10% across all customer categories.
- E. Limit multi-rider punch cards to needs based customers only AND Increase rates by consumer price index (estimated at 4%).
- F. Limit multi-rider punch cards to needs based customers only AND increase Rates by 10% across all customer categories.

Fare Box Annual Deficit Projections (\$)



Fiscal Impacts

<u>Rate Options: Impacts on Transportation Costs</u>				
	<u>Options</u>	<u>Rates(single ride with vehicle)</u>	<u>Average Monthly Cost</u>	<u>Average Annual Cost</u>
A	No rate changes	\$12.20	\$244	\$2,928
B	Plus 4%	\$13	\$254	\$3,045
C	Limit punch cards	\$15.00	\$300	\$3,600
D	Plus 10%	\$14.00	\$280	\$3,360
E	Limit punch cards and plus 4%	\$16.00	\$320	\$3,840
F	Limit punch cards and plus 10%	\$17.00	\$340	\$4,080
Average Monthly and Annual Costs are based on a 20 trips per month.				

Proposal for 2025-2027 budget: Option F

F. Limit multi-rider punch cards to needs based customers only
AND increase Rates by 10% across all customer categories.

Impacts

- We recognize that limiting the availability of multi-ride punch cards is a significant shift
- We want to help ease this transition as much as possible.
- We know this change may present challenges, particularly for those who've budgeted around discounts.
- We are proposing this increase to ensure the long-term sustainability of the ferry service.

Public Works Commitments

1. Provide safe, reliable, and accessible ferry service to Lummi Island
2. Operate a fiscally solvent system each year
3. Be open and transparent about our decision-making process

Customer Feedback Options

- Submit written comments to ferry@co.whatcom.wa.us
- Communicate in writing to WCFAC
- Attend a WCFAC meeting
- Provide public comment at a County Council meeting:
 - October 8th, 22nd (Opportunity for public comment)
 - November 6th, 19th
- Contact your Elected Officials

The Case for a New 20-car Ferry

Rich Frye Sept 25, 2024

Rumor has it that the County is unlikely to be able to afford the rapidly inflating cost of the 34-car proposed ferry and the massive infrastructure it will require to replace the Whatcom Chief. At the same time it has become clear that County bookkeeping practices surrounding ferry financing over many years have deviated significantly from existing laws and regulations.

Of particular significance is the rapidly approaching deadline for submitting a complete plan to USDOE by next July to qualify for our \$25m grant, which at best will cover only a small portion of projected costs. The logical approach at this point is to find and lock in a more affordable plan to replace the Chief with a) the best vessel we can afford that (b) we can pull off the shelf quickly enough to meet the approaching deadlines.

Our WCFAC subcommittee has spent considerable time exploring our remaining options, and have agreed that at this late date our best short notice option for a workable and affordable vessel is the 20-car vessel included in the kpff designs from the beginning.

New 20-car ferry specs	
Length =	120' (15' longer)
Beam =	48' (2' wider)
Design Displacement=	334 LT (almost <i>twice</i> Chief)
Side cabin	

Whatcom Chief specs	
Length =	105'
Beam =	46'
Design Disp=	192 LT
Center cabin	

The *Whatcom Chief* was designed as a 16-car ferry in the 1950's. For many years we have all seen that it regularly carries up to 20 vehicles with a lot of painstaking guidance from the crew to use up every inch of deck space. Since current DOT requirements require more space all around each vehicle, this new "20-car design" will often be able to carry *more* than 20, load and unload them faster than the Chief, and sometimes be able to move 60 (or more) vehicles per hour from the high-demand side, a much better situation than where we are right now.

Whatcom Chief 16-car ferry

20-car ferry concept plan

While it is debatable how often this slightly larger vessel could carry *more* than 20 cars, we can be certain that:

- Its design will load and unload *much faster* than the Chief, meaning that:
- It will *regularly* be able to make three round trips/hr and carry 60 cars in the peak direction.
- This ability could almost certainly be enhanced by altering the design slightly to carry another 2 -4 AEU.*
- d) And**Ops costs could be significantly reduced and performance enhanced by using aluminum instead of steel and building the vessel right here in Whatcom County.

Jim Dickinson
2094 West Shore Drive
Lumm Island, WA 98262
(360) 296-3940

To WAC FAC County Officials and Concerned Citizens'.

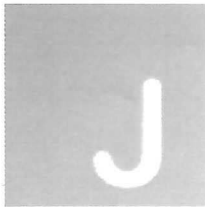
It appears the quest for new Island Ferry is at a near standstill due to excessive costs and uncertainty.

I would like to once again present the used Former Washington State Ferry to be reviewed in a presentation and question and answer period by WACFAC. This presentation will not be quick or simple and will involve participation of all concerned. As Chair of the former Committee that wrote the extensive 2015 report, I and others on that group will be pleased to moderate that presentations.

The HIYU Report Documents are available here:

HIYU committee reports from 2015, updated in 2024 by Jim Dickinson and posted here for information and convenience- <https://savetheferry.com/HIYU-Independent-Committee-Final-Report-f24.pdf> <https://savetheferry.com/HIYU-Committee-Initiated-References-f24.pdf>

1



Jim Dickinson

• Lummi Island • 13w

This Report and the companion Reference Document was done by 9 fellow Islanders and one off-Island LIFAC Member. The group worked very hard to insure that all materials in the Documents are true and easily substantiated. We included the References Document as the then LIFAC Chair wanted the Report to be shorter, try as we could, it was found that there was too much pertinent information that needed to be presented, therefore, despite a pre Edit by Greg Brown, and the final Edit by Nancy Gale, the team agreed a short Report, needed to cover all contingency's, was impossible. At that point the Reference Document was added to give more information which helps explain all aspects needed for the Report. Please read the Report and the References, so you may understand the totality of the HIYU recommendation. It is our belief that we left no major contingency's unanswered, but with any endeavor there will be questions, please feel free to ask then, they will be answered.