

Lummi Island Ferry Advisory Committee (LIFAC) Meeting

June 26th, 2018 at 6:30 pm

Lummi Island Fire Hall – 3809 Legoe Bay Road

CALL TO ORDER

Chairman Nancy Ging called the meeting to order at 6:32 PM.

ROLL CALL

Present: Charles Bailey, Rhayma Blake, Cris Colburn, Jim Dickinson, Patricia Dunn, Nancy Ging

Also in Attendance: Roland Middleton-Whatcom County Public Works Special Projects Mgr., Rich Hudson-Senior Master, Cassandra Shoenmakers-Project Mgr. (kpff); Jon Hutchings-Director Whatcom County Public Works, Todd Donovan-Whatcom County Council Liaison, Lummi Island residents: Bill Fox, Sam Ging, David Kershner, Carolyn Kmiecik, Mike Kmiecik, Bill Lee, Wynne Lee, Beth Louis, Joan Moyer, Stuart Rich, Mike Skehan; Off-Island resident: Bobbie Jo Gregor

FLAG SALUTE

OPEN SESSION

Bill Lee – Thanked the committee for their work to date on the Ferry System Improvement Project.

Beth Louis – Also thanked the committee for their time and work on the project. Ging acknowledged Louis's valuable contributions to designing and implementing the survey.

David Kershner – Cautioned against overestimating demand for the ferry since lower than predicted ridership will lead to fare increases. (Full letter attached)

APPROVAL OF MINUTES

6/13/18 Meeting – Dunn moved and Colburn seconded a motion for approval. The motion carried.

OLD BUSINESS

- 1. Update on Operations, Rich Hudson, Senior Master** – Hudson announced that dry dock maintenance will be performed by Foss Shipyards, September 6-26, with the ferry returning on September 27th.
- 2. Update on Ferry System Improvement Project, Roland Middleton, Whatcom County Public Works Special Projects Mgr.**
 - a. Middleton explained that the draft of the Whatcom County Council Level of Service (LOS) for the Lummi Island Ferry System resolution that he had recently sent committee members was taken from the kpff report except for two items:
 - i. Item #2E referencing an intergovernmental agreement with the Lummi Nation to confirm the location of the Gooseberry Point terminal as shown on the 2015 Lummi Nation TIGER grant application.
 - ii. Item #3A suggests that funding for a ferry district could come from a ferry operations surplus, which he has since found to be not appropriate.

NEW BUSINESS

- 1. LIFAC LOS recommendation to County Council** – Ging suggested reviewing Middleton's draft of the resolution as a basis for discussion.
 - a. Dickinson suggested that we not limit ourselves to a new ferry replacement in case a newer used one came available. Middleton said that since this is a resolution, not an ordinance, such a possibility could be considered.
 - b. Bailey expressed concern that the kpff recommendation might be a ferry larger than

needed. Bailey moved that a 28-car vessel size be considered instead. Blake seconded.

- i. **Dunn** – Her experience in transportation management suggests that undersizing assets leads to early obsolescence and a lack of flexibility. Her study of projected ferry fare increases based on expenses suggests a 20-car hybrid vessel might require a fare increase in 10-11 years and the 34-car ferry in 8 years based on inflation. The best probable case for a local grant match that Whatcom County would have to pay would be \$2.1 million for a 20-car ferry and \$3 million for a 34-car ferry. Worst probable case would be \$4.3 million for 20-car and \$6.6 million for a 34-car hybrid. The difference of \$2 million is a minimal outlay for an asset that assures good service for 60 years. She supports a 34-car hybrid ferry for future generations.
- ii. **Dickinson** – The operating cost of a 34-car ferry, if properly designed, is less than that of a 20-car ferry. A 34-car ferry would also allow us to take advantage of a potential 20-25% increase in summertime revenue from those who would visit the island if they knew they did not have to wait in line. The island’s population grows in spurts, and this will allow for that. The county will not allow us to come back and request a larger ferry if we size this one too small. 34-car is the minimum size that should be recommended.
- iii. **Colburn** - Originally supported a smaller ferry. But kpff’s estimates that the increase in operating costs of a 34-car ferry is negligible and that crew size stays the same makes him see the larger vessel as valuable. It allows for the flexibility needed over the next 60 years to provide a wide range of responses.
- iv. **Blake** – Originally thought a 34-car ferry was too large for the island based on a tour of the Hiyu. But kpff has built a compelling case for a 34-car vessel. Blake could have also supported a 28-car vessel, but knowing that there will be a shortage of parking on Gooseberry Point, supports the larger 34-car ferry.
- v. **Bailey** – Appreciates this discussion and the work of kpff. The survey showed the respondents within the community deadlocked between and 34-car vessel and something smaller.
- vi. **Ging** – Originally wanted to maintain the schedule frequency we have now and minimize costs in order to keep fares low, a priority identified in the community survey. All of the choices reduce operating costs when compared to the Whatcom Chief. As Colburn suggested, the 34-car ferry offers the most flexibility over the long term. We currently have inadequate parking during dry dock. When the dock is moved, there will be even less Gooseberry Point parking available, maybe only 15-25 spaces. That is not likely to change over the following 20-30 years, so we need to be able to move vehicles since there is no place to park them. A 34-car boat also supports working conditions for the crew and crew preferences. A vessel that is too small is difficult to load. Although capital costs for a larger boat increase, operating costs do not. Kpff has listened to LIFAC, islanders, and the crew and made this recommendation, and Ging is inclined to not “out-guess” the experts who made this recommendation for a 34-car ferry. Bailey withdrew his motion for a 28-car vessel and moved to accept the language in 1A as is for a 34-car vessel. Colburn seconded. The motion carried unanimously.

- c. The rest of the draft resolution (attached) was reviewed and modified as follows:
- i. 1C. Dunn moved and Colburn seconded a motion to add “and reliability”. The motion passed. Dickinson moved and Blake seconded a motion to strike “shall be a hybrid diesel-electric.” Dickinson suggested that our route does not have enough transit time to recharge the batteries. Also, the purchase, maintenance, and disposal of batteries is more expensive than diesel. Shoenmakers said Washington State Ferries (WSF) are in the process of converting their fleet to hybrid diesel-electric. Kpff proposed hybrid diesel-electric to be in a better position to convert to all-electric when the technology allows. Dunn asked for studies to back Dickinson’s concerns. He is not aware of any studies, but has had input from some Western Washington University professors. Blake suggested that the budget fund hybrid diesel-electric but not specify it be part of the design since technology is advancing so quickly. Ging quoted the advantages of hybrid diesel-electric over standard diesel stated in the kpff report, in particular increased maneuverability in docking and ease of conversion to all-electric in the future. Colburn, while affirming Dickinson’s expertise in diesel engines, said advances in hybrid diesel-electric are in process across all modes of transportation. Dickinson suggested that a larger diesel engine with more torque would increase maneuverability. Ging suggested that striking only “shall be hybrid diesel-electric” leaves the sentence incomplete and suggested modifying the motion to strike all of 1C. Dickinson and Blake agreed to that modification. The motion to strike all of 1C was opposed, with the exception of Dickinson. Colburn moved and Bailey seconded a motion to accept the wording of 1C with the addition of “and reliability” after electric conversion. The motion passed. Ging commented that hybrid diesel-electric is the option we are supporting now and can be discussed further in the design phase.
 - ii. 2A. Dunn moved and Bailey seconded approval. The motion passed.
 - iii. 2B. Dunn moved and Bailey seconded adoption as stated. Ging suggested that an emergency passenger only ferry float improves safety but invites management problems. Middleton explained that the suggestion came from the crew, the mechanics, and sheriffs. It is not intended to be a public dock. Dickinson suggested that it might not withstand the weather from November through April, and if built with public money, people will demand access. Blake agreed that the public will want to use it. Management strategies to generate revenue through permitting were not embraced when it was discussed in earlier meetings. Middleton said it can be struck, but the county will continue to look at it based on the request from the sheriff’s office and bridge maintenance crew. The passenger only ferry float has more to do with operations than level of service. Dunn withdrew her motion. Colburn moved and Blake seconded a motion to delete “install an emergency passenger only ferry dock” with the understanding that Public Works would continue to explore the possibility. The motion passed.
 - iv. 2C. Dunn moved and Colburn seconded replacing that statement with “Implement remote ferry queue monitoring.” in order to increase flexibility and include options beyond cameras. Dickinson suggested there might be fuel savings here as well. The motion passed.
 - v. 2D. Dunn moved and Blake seconded replacing that statement with “Implement self-serve ticketing.” To increase options and include the latest advances in technology. The motion passed.

- vi. 2E. Dunn moved and Bailey seconded adoption as stated. The motion passed.
- vii. 2F. Dunn moved and Bailey seconded adoption as stated. Dunn agreed to Colburn’s friendly amendment to delete “an emergency passenger only ferry float” The motion passed.
- viii. 2G. Dunn moved and Bailey seconded adoption as stated. Middleton explained that it is appropriate to state that we will be coordinating with Lummi Nation. The motion passed.
- ix. 2H. Dunn moved and Bailey seconded adoption as stated. Dickinson said this wording provides flexibility to consider land anywhere on Gooseberry Point, which Middleton said was the case. Dunn agreed to accept Blake’s friendly amendment to delete the word “fee”. The motion passed.
- x. 2I. Blake moved and Colburn seconded adoption as stated. Schoenmakers noted that this is actually a requirement. The motion passed.
- xi. 3A. Dunn moved and Colburn seconded a motion to delete “To increase grant opportunities” and “The ferry district shall be funded by any year end surplus greater than \$1,000,000 in the ferry operations budget.” They also moved to add “This district shall be funded by a seasonal surcharge or other mechanisms on single cash fares for the capitalization of future vessels.” Ging proposed a friendly amendment to strike “or other mechanisms” which was accepted. Ging noted that the original wording was not legal since it mixed capital and operating funds. She also supports the surcharge instead of any increase in property taxes. The seasonal surcharge was also strongly supported in the survey. Middleton said that in 2008 there was a \$4 surcharge on single round-trip vehicle and passenger cash fares during June, July, and August. This would be a stand-alone district funded by a seasonal surcharge, not property taxes. Dunn confirmed that there would not be an increase in administrative costs since it does not involve tax rolls. Dickinson suggested that the increased ridership resulting from a larger ferry might preclude the need for a surcharge. Surcharges can be abused if not capped. Colburn agreed that providing this single-purpose definition is important. Ging commented that a surcharge is based on usage, and nobody but ferry–users are paying for it. Ging also reaffirmed that surcharges can be used for operating or capital expenses, but fares cannot be used for capital expenditures. The ferry district would become the recapitalization fund. Ging suggested that it is appropriate for those causing the seasonal peak ridership to help bear the extra cost of a larger ferry which is not necessarily needed the rest of the year. If implemented sooner, it could be used towards the replacement vessel under consideration, and then the next new vessel. The motion passed. Dickinson abstained. Dickinson moved that the maximum surcharge would be \$1 and future increases limited to inflation. There was no second. Blake said it might be worth discussing in the future. Middleton and Dunn agreed.
- xii. 3B. Dickinson moved and Colburn seconded adoption as stated. Bailey questioned whether “long-term” was necessary. Middleton suggested this is mostly about the terminals which is a long-term project. Blake asked, assuming this resolution passes, whether the county would make offers on fee-land properties that are on the market now, even though this is considered “long-term”. Middleton confirmed that once the resolution is passed, the county will have the ability to move forward on purchases, and several of the property owners have asked for that to happen. The motion

- passed.
- xiii. 3D (now 3C). Bailey moved and Dunn seconded a motion to remove the placeholder Level of Service in Policy 6A-1 of the Whatcom County Comprehensive Plan and replace it with “Public Works shall establish a performance metric to monitor service performance of the Lummi Island Ferry system. This will include a count in both sailing directions. This count will include percent capacity, on-time performance, and the number of vehicles left in the queue. The count shall be compared to the desired level of service of no more than two sailing waits during average weekday peak periods. Policy 6C-9 in the Comprehensive Plan will also be struck. Schoenmakers clarified that kpff did not make a recommendation regarding frequency of the periodic counts. Middleton suggested they might only be during peak periods. Middleton clarified that two sailing waits would be 60-minutes, not 40-minutes like today. Ging added a friendly amendment that it would be a week long count in both sailing directions which was accepted. Bailey suggested adding actions to be taken. Middleton says those operational tools are already defined in the Comprehensive Plan. The motion passed.

- 2. Next Meeting on July 11th** – Council member Donovan said this will be an educational process for the council members. Blake suggested using the survey as an educational tool. Donovan wondered if there is no intergovernmental agreement, how the plan would move forward. Middleton said that should be addressed in the presentation which will be a PowerPoint with kpff’s assistance. Middleton recommended that LIFAC members do most of the speaking. Ging wants to highlight the amount of public input in the process. Donovan suggested showing how LIFAC came to the 34-car ferry recommendation, but expect multiple opinions. Councilmembers will not receive the written report until before the meeting, but it is now available online. Councilmembers are expected to read what is in the packet. The presentation will probably take place in the July 24th Committee of the Whole meeting in the afternoon. People can speak in support of the resolution in the evening council meeting.

ADJOURN – The meeting adjourned at 8:43 PM.

LIFAC Meeting Comment-6-26-18

My name is David Kershner. I have lived on the island full or part-time for about 50 years. I appreciate all the work this committee has done and all the work that went into the Level of Service Analysis. My main point is that we need to make sure we have not overestimated future demand for the ferry, given that lower-than-predicted ridership will almost certainly require increased fares to meet the fare box recovery rate. Here are my comments and questions:

- 1) the annual vehicle forecast for 2040 developed by Steer Davies Gleave assumes that fares will not increase in the next 21 years, except for adjustments for inflation. Why is that a plausible assumption, given that Skagit County just approved a surcharge for ferry replacement and fuel costs are likely to increase over time, both of which would increase the added cost of a larger vessel versus a smaller one?
- 2) the Steer Davies Gleave report states that a shift to younger in-migrants to Lummi Island is considered a “realistic optimistic case,” as the population will “need to become younger” to sustain itself. Why is that a plausible scenario, with island real estate becoming increasingly unaffordable for middle-income people and the number of commuters having declined in recent years?
- 3) The annual vehicle ridership forecast for 2040, based on economic modeling and assuming fares only adjusted for inflation, is 16 percent higher than for 2017 (Figure 1). The annual vehicle ridership estimate for 2060, based on estimates and not on any apparent modeling, is an additional 20 percent higher in that year relative to 2040. Why is this a plausible estimate, when Steer Davies Gleave acknowledges “decelerating growth” in population through 2040 and then doesn’t forecast beyond that year? What if we not only have decelerating growth but also a flat line or deceleration in the number of commuters? What if the island community continues to become disproportionately retired persons, taking fewer trips than residents they replace? If the ridership projections are too high, won’t the County be forced to increase ferry fares to meet our fare box recovery? Isn’t that less likely with a 20-vehicle or 24-vehicle ferry versus a 34-vehicle ferry?

In summary, I just hope we aren’t going to commit ourselves to more vehicle capacity than we need and to fare increases that could have been avoided.

PROPOSED BY: _____

INTRODUCED: _____

RESOLUTION NO. _____

**ESTABLISHING A LEVEL OF SERVICE
FOR THE LUMMI ISLAND FERRY SYSTEM**

WHEREAS, the Lummi Island Ferry Advisory Committee was established to review and provide recommendations on proposed changes to ferry operations and fares; and,

WHEREAS, the Lummi Island Ferry Advisory Committee was established to assist the county in collecting information from ferry riders on actual and desired ferry services, concerns, and ideas for improved service; and,

WHEREAS, the Lummi Island Ferry Advisory Committee was established to analyze and develop recommendations to continue and improve the cost-effective operation of ferry service to Lummi Island; and,

WHEREAS, the Lummi Island Ferry Advisory Committee was established to research, review, and make recommendations regarding ferry replacement, long-term planning, parking, transportation to and from ferry docks, alternative docking locations, alternative funding sources, and other major capital and operational issues regarding ferry service to Lummi Island; and,

WHEREAS, the Whatcom County Council asked the Lummi Island Ferry Advisory Committee to propose a Level of Service Ferry System Action Plan to meet the goals established with Resolution 2017-012; and,

WHEREAS, the alternatives analysis identified in Policy 6C-9 of the Whatcom County Comprehensive Plan is complete; and,

WHEREAS, the Lummi Island Ferry Advisory Committee has proposed a Level of Service Action Plan for the Lummi Island Ferry System identified in Exhibit A.

NOW, THEREFORE, BE IT RESOLVED the Whatcom County Council approves the Level of Service Action Plan for the Lummi Island Ferry Service as shown on the attachment hereto (Exhibit A).

APPROVED this ____ day of _____, 20__.

ATTEST:

WHATCOM COUNTY COUNCIL
WHATCOM COUNTY, WASHINGTON

Dana Brown-Davis, Clerk of the Council

Rud Browne, Council Chair

APPROVED AS TO FORM:

Christopher Quinn
Deputy Prosecuting Attorney – Civil Division

Exhibit A

Lummi Island Ferry Service Level of Service Action Plan

1. Vessel

- A. Balancing capacity against operating costs (fuel, personnel, etc.) to ensure affordable fares over the long run, including needs-based fares, while optimizing vehicle demand, deck space and trip frequency to minimize wait times, the design and construction of a 34 car vessel is added to the 2019-2024 Six-Year Transportation Improvement Program. The timing of the design and construction shall coincide with the next cycle of funding by the County Road Administration Board.
- B. The design of the vessel shall accommodate all walk-on passengers during typical peak times, accommodate legal loads of vehicles per Washington State Commercial Vehicle Guide and comply with U.S. Coast Guard safety standards and the Americans with Disabilities Act.
- C. To approach the goal of a carbon neutral vessel and provide flexibility for future electric conversion and reliability, the design of the vessel shall be a hybrid diesel-electric.

2. Terminals

- A. Design and construction of the marine structure modifications to the Gooseberry Point terminal and Lummi Island terminal to accommodate the new vessel is added to the 2019-2024 Six-Year Transportation Improvement Program. The timing of the design and construction shall coincide with the next cycle of funding by the County Road Administration Board and the construction of the new vessel.
- B. In addition to the modifications to accommodate a new vessel, improvements to the Lummi Island terminal shall include: reconfigure the queuing lanes, install ADA restrooms, ~~install an emergency passenger only ferry float,~~ and improve bicycle and pedestrian loading by locating the queuing area as close to the vessel as possible to reduce the time required to load onto the ferry.
- C. Install cameras to view the ferry queue and provide a live feed to monitor the queue. Implement remote ferry queue monitoring.
- D. Determine an online ticketing approach and/or ticket vending machine option to purchase and install. Implement self-serve ticketing.
- E. Whatcom County will initiate an intergovernmental agreement with the Lummi Nation to confirm the location of the Gooseberry Point Terminal as shown on the 2015 Lummi Nation TIGER grant application. Upon the finalization of the agreement

Whatcom County Public Works shall initiate the environmental review and permitting process for the Gooseberry Point terminal relocation.

F. Construction of the new Gooseberry Point terminal relocation is to be accomplished prior to the end of the Uplands Lease Agreement with the Lummi Nation (October 2046). The design shall include dual lane loading, ~~an emergency passenger-only ferry float,~~ and improve bicycle and pedestrian loading by locating the queuing area as close to the vessel as possible to reduce the time required to load onto the ferry.

G. Whatcom County shall coordinate the Gooseberry Point terminal relocation with the Lummi Nation's permitting, funding and construction of the future Fisherman's Cove Improvements.

H. As property becomes available, Whatcom County shall purchase ~~fee~~ lands adjacent and near the new location of the Gooseberry Point terminal. The property will be utilized for off-street queuing, parking, and passenger amenities.

I. All infrastructures shall be designed to accommodate the 100-year sea level rise prediction by NOAA.

3. Operations

A. ~~To increase grant opportunities a~~ A Whatcom County ferry district ~~is to~~ will be created ~~to increase grant opportunities.~~ The ferry district shall be funded by any ~~year-end surplus greater than \$1,000,000 in the ferry operations budget.~~ This district shall be funded by a seasonal surcharge on single cash fares for the capitalization of future vessels.

B. The long-term improvements shall be phased over time to allow for a complete funding portfolio to leverage a variety of funding sources and mechanisms.

~~C. Once the new vessel is in operation implement a summer time fare surcharge on cash fares or other mechanism for the recapitulation of a future vessel.~~

~~D~~ C. Change the Whatcom County Comprehensive Plan policies regarding Ferry System service:

a. Policy 6A-1: The Lummi Island Ferry Advisory Committee (LIFAC) is cooperating with Public Works to develop an updated LOS standard. LIFAC will present a revision to this section when that work is complete. The interim LOS is calculated using the scheduled trips, the estimated car unit of the ferry, and the Small Area Estimates Program (SAEP) population figure. The interim standard is established at 439. (LOS = (Scheduled one way trips X estimated car units for the boat) X 2 / SAEP population figure from OFM for Lummi Island.) Public Works shall establish a performance metric to monitor service performance of the Lummi Island Ferry system. This will include a week long periodic count at least every quarter during average peak times in both sailing directions, This count will include percent capacity, on-time

performance, and the number of vehicles left in the queue. The **periodic** count shall be compared to the desired level of service of no more than two sailing waits during average weekday peak periods.

b. Strike Policy 6C-9:

~~Policy 6C-9: Conduct a ferry feasibility study to inform the next annual Comprehensive Plan update so that sufficient planning, engineering, design and cost detail is available to use in competing for grants and other sources of funding for a replacement ferry. LIFAC should provide input on the scope of work and any consultants or vendors retained, as well as reviewing and providing input on key milestones.~~