



Exhibit B to the Six-Year Transportation Improvement Plan

**WHATCOM COUNTY
2012-2025 FOURTEEN-YEAR
FERRY CAPITAL PROGRAM**

Overview

This program provides a blueprint for the effective, efficient, and continuing operation of the Whatcom County Ferry System. Capital improvements are scheduled based on 83 years of experience operating and maintaining the system, while complying with applicable regulations.

Inevitably, priorities and available funds for the ferry system will change over the fourteen years projected in this program. Therefore, the intention of the program is to be a guide indicating long-range improvements and anticipated revenues and expenditures. Strict adherence is not required.

Enacted in 1975, Revised Code of Washington (**RCW**) **36.54.015** states “The legislative authority of every county operating ferries shall prepare, with the advice and assistance of the county engineer, a fourteen year long range capital improvement plan embracing all major elements of the ferry system. Such plan shall include a listing of each major element of the system showing its estimated current value, its estimated replacement cost, and its amortization period.”

Table 1: Ferry System Current and Replacement Values – 2009 meets applicable requirements, showing the current value, replacement cost, and amortization periods for the vessels and facilities. The current value of the M/V Whatcom Chief is the book value, calculated from the depreciated original construction cost and any depreciated improvements/major repairs. The facilities’ current value is book value: original cost less depreciation plus depreciated improvements.

RCW 36.81.121 (1) states “...the legislative authority of each county, after one or more public hearings thereon, shall prepare and adopt a comprehensive transportation program for the ensuing six calendar years....and for those counties operating ferries shall also include a separate section showing proposed capital expenditures for ferries, docks, and related facilities. Copies of the program shall be filed with the county road administration board and the secretary of transportation not more than thirty days after its adoption by the legislative authority...” Subsection (2) requires expanded information on how a county will spend all its money on the various facets of the transportation program. This RCW Section was enacted in 1961. The capital expenditure portion of Subsection (1) is satisfied by:

Table 2: Projected Revenues defines the known and/or anticipated sources of operating and capital project funding for the 14-Year Plan.

Table 3: Projected Expenditures includes all other expenditures on the system that meet Subsection (2) requirements. Operational expenditures are delineated between vessel and non-vessel costs. U.S. Coast Guard regulations currently require the ferries to be dry-docked every two years, however to extend the life,

improve reliability and protect our capital investment Whatcom County schedules dry-docking every year for its vessel. The landings are inspected regularly as required by the National Bridge Inspection Standards administered through the Washington State Department of Transportation. The inspection report helps identify and schedule major maintenance and replacement of these facilities.

This RCW section also provides the reporting requirement and timing of program submission, as well as establishing the annual update requirement.

Additionally, the Federal Highway Administration requires all agencies within a Metropolitan Planning Organization to develop and annually update the long range Transportation Improvement Plans and their Biennial Element. Whatcom County updates this 14-Year plan each year and incorporates the results into the Six-Year Transportation Improvement Program.

Major Project Analysis

Pending sufficient grant funding (est. \$850,000), a complete replacement of the current wheelhouse is planned to improve control operations with modern equipment, improve access and compliance with ADA, and to improve safety of vehicle loading/unloading operations. There is \$70,000 in 2012 and \$5,000 in 2013 for design of each of these pilot house upgrades.

Gooseberry Point dock improvements include \$250,000 for structural steel painting/sealing in 2012. There is an additional \$100,000 included in 2013 for associated dock components that have significant deterioration concerns. For 2012, \$100,000 is included to address ferry queuing issues and traffic congestion on Haxton Way, and \$200,000 for ferry parking facilities due to expiration of parking lot lease.

Lummi Island dock improvements include \$200,000 for structural steel painting/sealing and miscellaneous dock upgrades in 2012.

Major Maintenance/Reconstruction

Pile, dolphin & fender work:

Major pile dolphin and fender work replacement is scheduled as funding and operational periods allow.

Vessel dry-docking:

US Coast Guard regulations require periodic inspections of all ferry vessels. In addition to yearly certifications, each vessel is required to be dry-docked every two years, with an underwater hull survey required as part of the annual certification between dry dockings. Whatcom County schedules dry-docking every year. The engine overhaul, vessel painting, hull repairs, and other major and minor repairs occur during dry-docking. Propulsion engine overhauls occur every third year. Generator engines are overhauled on a six-year cycle. Engines

are replaced every seventh overhaul. Every three to five years, a vessel survey is conducted to assess the vessel's overall condition, establish the fair market value, estimate replacement cost, and provide a detailed hull strength assessment. This survey is used in part to determine the requirements for hull plating and framing replacement, and is also a requirement of the current insurance carrier.

Minor Maintenance

General minor maintenance is continual on the ferry, landings, aprons, and waiting facilities. The costs and extent of the work is unpredictable and frequently, problems must be repaired immediately upon detection. Routine maintenance such as building painting and roof cleaning is more predictable and scheduled in advance.

History of the Ferry System

The ferry system is the only link for the majority of Lummi Island residents and vehicles to the mainland at Gooseberry Point. Total annual passenger use is stable with vehicle trips of 110,405 and 197,980 total passengers during 2010. Following is a brief chronology outlining the history of the Whatcom County Ferry System.

YEAR/EVENT

- 1926 Lummi Shore Road from Bellingham was completed and a ferry, the Central, owned by Whatcom County and large enough to hold six small Model-T Fords started making scheduled runs between Lummi Island and Gooseberry Point.
- 1929 The slightly larger Chief Kwina replaces the Central.
- 1950 Gooseberry Point terminal built.
- 1962 The M/V Whatcom Chief begins service.
- 1978 Lummi Island terminal is relocated.
- 1982 New lift mechanism installed on transfer span at Lummi Island.
Gooseberry Point pier refurbished
- 1987 Gooseberry Point Transfer span, wing walls and dolphins replaced
- 1997 Major refurbishment of Gooseberry point landing accomplished
- 2002 20-Year Plan Phase 1 Process and report completed.
- 2005 Major Status Report on Ferry System
- 2006 Lummi Island Dock preservation project (Bearing Seats Rebuild).
Major corrosion repair to vessel hull.
Completed design package for a 35-car replacement vessel.
Completed design package for urgent electrical/structural terminal repairs.
First Rate Increase in 5 years.
- 2008 Rate Increase
- 2009 Rate adjustment
- 2009 Emergency wing wall replacement on Lummi Island.
- 2010 Emergency wing wall replacement on Lummi

**TABLE 1. FERRY SYSTEM CURRENT AND REPLACEMENT VALUES - 2009
VESSELS**

Current Statistics	<i>M/V Whatcom Chief</i>	
LENGTH (ft)	94	
BEAM (ft)	44	
DISPLACEMENT (tons)	78	
YEAR BUILT	1962	
CAPACITY -- Passengers	100	
CAPACITY -- Cars	20	
CURRENT INSURED VALUE - 2009	\$970,000	
TOTAL CURRENT VALUE - 2009⁽¹⁾		\$970,000
Replacement Statistics		
YEAR	2010	
CAPACITY -- Passengers	100	
CAPACITY -- Cars	20	
REPLACEMENT VALUE - 2009 ⁽²⁾	\$3,750,000	
TOTAL - REPLACEMENT VALUE - 2009		\$3,750,000

FACILITIES

LOCATION	YEAR BUILT	REPLACE MENT YEAR	CURRENT BOOK VALUE ⁽⁴⁾	REPLACEMENT VALUE - 2009 ⁽⁵⁾
Lummi Island Landing				
Transfer Span	1982	2022	\$195,000	\$1,990,000
Dock	1978	2018	\$23,000	\$360,000
Dolphins/Wingwall ⁽³⁾	1978	2018	\$485,000	\$1,750,000
Parking Lots	2005	2045	\$50,000	\$85,000
Passenger Waiting/Office	1978	2018	\$10,000	\$25,000
Subtotal - Lummi Island Landing			\$763,000	\$4,210,000
Gooseberry Point Landing				
Transfer Span	1987	2027	\$445,000	\$2,200,000
Dock	1997	2037	\$87,000	\$590,000
Dolphins/Wingwall ⁽³⁾	1997	2037	\$640,000	\$1,750,000
Subtotal - Gooseberry Point Landing			\$1,172,000	\$4,540,000
TOTAL FACILITIES VALUE			\$1,935,000	\$8,750,000
TOTAL VESSEL & FACILITIES VALUE			\$2,905,000	\$12,500,000

NOTES:

- (1) Depreciated Columbia Sentinel Engineers (2008) Value plus Depreciated Improvements
- (2) Appreciated Columbia Sentinel Engineers (2008) Replacement Value
- (3) Replace with Steel Pilings
- (4) Estimated using a 40-year life and straightline depreciation (including depreciated improvements)
- (5) Replacement value based on cost estimates by Art Anderson Associates (2007)

Lummi Island Ferry 14-Year Capital Program								
Table 2. Expenditures 2012-2025 Page 1, All in 000's								
	2012	2013	2014	2015	2016	2017	2018	
Operating Expenses								
Vessel Operations								
Personnel	1,089	1,130	1,170	1,211	1,254	1,299	1,338	
Fuel & Operating Supplies	482	595	730	757	780	799	824	
Insurance	70	70	70	70	70	75	77	
Other Operating Expenses(1)	603	621	640	659	679	699	720	
Total Vessel Operations	2,244	2,416	2,610	2,697	2,783	2,872	2,959	
Other Operations								
Administration	224	232	240	248	257	266	274	
Parking Lots								
Lummi Island	11	12	12	12	13	13	13	
Gooseberry Pt.	89	90	91	91	92	92	95	
Staging Areas								
Lummi Island	13	14	14	14	15	15	15	
Gooseberry Pt.	13	14	14	14	15	15	15	
Docks								
Lummi Island	42	43	43	44	45	45	46	
Gooseberry Pt.	42	43	43	44	45	45	46	
Total Operating Expenses	2,678	2,864	3,067	3,164	3,265	3,363	3,465	
Capital Expenditures								
Major Vessel Upgrades	70	5						
Gooseberry Point								
Docks	250	100						
Staging	100							
Parking	200							
Lummi Island								
Docks	200							
Staging								
Parking								
Total Capital Program Costs	820	105	-	-	-	-	-	-
Total Costs	3,498	2,969	3,067	3,164	3,265	3,363	3,465	
NOTES:								
(1) Includes dry dock costs								

Lummi Island Ferry 14-Year Capital Program

Table 2. Expenditures 2012-2025 Page 2, all in 000's

	2019	2020	2021	2022	2023	2024	2025
Operating Expenses							
Vessel Operations							
Personnel	1,378	1,419	1,462	1,506	1,551	1,598	1,646
Fuel & Operating Supplies	858	892	892	928	965	1,003	1,044
Insurance	79	81	84	86	89	92	94
Other Operating Expenses(1)	742	764	787	810	835	860	886
Total Vessel Operations	3,056	3,157	3,225	3,330	3,440	3,552	3,669
Other Operations							
Administration	282	291	299	308	318	327	337
Parking Lots							
Lummi Island	14	14	14	15	15	16	16
Gooseberry Pt.	98	101	104	107	110	113	117
Staging Areas							
Lummi Island	16	16	16	17	17	18	19
Gooseberry Pt.	15	16	16	17	17	18	18
Docks							
Lummi Island	47	49	50	52	53	55	57
Gooseberry Pt.	47	49	50	52	53	55	57
Total Operating Expenses	3,576	3,692	3,776	3,898	4,024	4,155	4,289
Capital Expenditures							
Major Vessel Upgrades							
Gooseberry Point							
Docks							
Staging							
Parking							
Lummi Island							
Docks							
Staging							
Parking							
Total Capital Program Costs	-	-	-	-	-	-	-
Total Costs	3,576	3,692	3,776	3,898	4,024	4,155	4,289

NOTES:

(1) Includes dry dock costs

Lummi Island Ferry 14-Year Capital Program							
Table 3. Revenues 2012-2025, All in 000's							
	2012	2013	2014	2015	2016	2017	2018
Category							
Punch Card Fares (3)	1,085	1,132	1,221	1,264	1,309	1,344	1,388
Cash Fares (4)	271	283	305	316	327	336	347
(Memo 55% of Operating Cost) (1)	1,356	1,415	1,527	1,580	1,636	1,680	1,735
MVFT Deficit Subsidy	160	160	160	160	160	170	170
County Road Fund Subsidy	1,134	1,289	1,380	1,424	1,469	1,513	1,559
Total Revenues	2,680	2,864	3,067	3,164	3,265	3,363	3,464
Total Expenditures (2)	2,680	2,864	3,067	3,164	3,265	3,363	3,464
Net Unfunded	-	-	-	-	-	-	-

	2019	2020	2021	2022	2023	2024	2025
Category							
Punch Card Fares	1,437	1,488	1,525	1,579	1,635	1,692	1,751
Cash Fares	359	372	381	395	409	423	438
(Memo 55% of Operating Cost) (1)	1,797	1,861	1,906	1,973	2,043	2,115	2,189
MVFT Deficit Subsidy	170	170	170	170	170	170	170
County Road Fund Subsidy	1,609	1,661	1,699	1,754	1,811	1,869	1,930
Total Revenues	3,576	3,692	3,775	3,897	4,024	4,154	4,289
Total Expenditures (2)	3,576	3,692	3,775	3,897	4,024	4,154	4,289
Net Unfunded	-	-	-	-	-	-	-

Note 1: After Subtracting the MVFT Deficit Subsidy.
Note 2: As Shown On Table 2.
Note 3: Equal to 80% of Fares
Note 4: Equal to 20% of Fares