CALL TO ORDER
Rhayma Blake called the meeting to order at 6pm

ROLL CALL
Present: Charles Bailey, Rhayma Blake, Cris Colburn, Jim Dickenson, Patricia Dunn, Judy Olsen

Also Attending:
WCPW: Rich Hudson, Senior Master, Roland Middleton, Elizabeth Cosa
Also: Cassandra Durkin (kpff), Todd Donovan, Whatcom County Council, Jon Hutchins, Director, WCPW, Bill Lee, Mike Skehan, Dave Kershner, Arnie Klauss

FLAG SALUTE

OPEN SESSION (Comments follow minutes when provided)
Bill Lee thanks LIFAC and Public Works for their efforts in 2019.

APPROVAL OF DATE MINUTES:
Charles moved approval and Judy seconded. Motion passed unanimously.

LIFAC INTERNAL BUSINESS
Members continue to recruit an off-island member for the open seat. All are asked to invite mainlanders to apply (through County Council) to the Committee. It was suggested that possible candidates are those with business interests on island.

Discussion of ways to make minutes available to the public before posting on the county website prior to approval. It was decided to create a mailing list of draft minutes for anyone interested. If interested send a note to lifacpat@gmail.com for inclusion.

The next Tome article will discuss:
- Information on the draft minutes list (above).
- Reiterate the vacant position and request community members ask mainlanders to apply.
- Island organizations can request LIFAC members speak to their boards or at meetings.

Committee members are strongly urged to attend “Effective Meetings for Focus & Productivity” specifically for committees like LIFAC. This will be led by Ann Macfarlane of Jurassic Parliament. Call Human Resources at 360.778.5300 to sign up.

OLD BUSINESS
Operations Update - Rich Hudson, Senior Master
Rich discussed the ferry outage on New Year’s Eve. There was a steering mechanism (island side) failure mid-channel, cars had to back off. The steering mechanism had been upgraded from analog to digital two years ago. The mechanics weren’t very familiar with the new digital system so the vendor service tech was contacted (after being up for 30 hours traveling) and talked PW mechanics through the problem. The components should have been watertight, but it was discovered that the rudder feedback unit cover was not attached properly at some point. The mechanics did this work on the deck in the cold and rain, shielding the sensitive
electronics with their bodies & coats! Members expressed their gratitude for their heroic efforts.

During 2020 dry dock the Chief will require steel replacement in areas exceeding the Coast Guard standard of 20% wasting. The area is only about 2’x3’ but is in an area difficult to work in. Repairs to the Lummi Island dock will cost less than expected.

Rich Hudson, Gary Poole, John Mulhern (crew), Elizabeth Kosa (Asset Manager), and Justin Myers (WCPW shop crew lead) visited the Foss diesel battery hybrid tug Carolyn Dorothy in Portland. All were impressed by the technology and pleased to see how well the boat operated. The Sr Master, 35 years with Foss, said he loves it and it's his favorite boat. It has redundant propulsion systems. It can operate as a pure diesel, a diesel electric hybrid, or a diesel battery hybrid. Battery charging is from the onboard diesel engines, not shore power. The group brought back some ideas for Elliott Bay Design Group, such as enhancing vibration dampening for batteries. With the diesel battery hybrid path we would not commit to a single propulsion source and would leave open the possibility of moving to an all electric shore charging system in the future.

**Update on Replacement Ferry Project** - Roland Middleton

Roland presented a LIFAC timeline - historical and future (attached). He commended LIFAC on the amount of public process and open meetings. 2020 goals are:

- Project inclusion in 6 and 14 year planning documents (accomplished)
- Recommendation for creation of a ferry district by the county council by March 2020 so an ordinance can be passed by September 2020. The rate can be established later. Tax collection should commence by 4th Quarter of 2021.
- A funding path. This will include the PW Director discussions with the new County Executive and probably a workshop with County Council members.
- A project funding request must be sent to the Public Works Board (or any other available revenue source. For grant agencies, 30% of design work must be in place.

Pat presented 3 funding alternatives briefly described in this table.

<table>
<thead>
<tr>
<th></th>
<th>Alt 1</th>
<th>Alt 2</th>
<th>Alt 3</th>
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</thead>
<tbody>
<tr>
<td>CRAB funding</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>County funded/debt</td>
<td></td>
<td></td>
<td>Y</td>
</tr>
<tr>
<td>Fare Surcharge</td>
<td></td>
<td>10 years</td>
<td>22 years</td>
</tr>
<tr>
<td>Ferry District</td>
<td>Y</td>
<td></td>
<td>Y</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>$2,076,000</td>
<td>$76,000</td>
<td>$3,567,000</td>
</tr>
</tbody>
</table>

Projected cash flows follow these minutes.

Discussion of these alternatives included these comments:

- Jim is strongly against a fare surcharge
- Councilmember Donovan noted that in Alt 1 & 2, a $41 (on a median $300,000 home) ferry district tax is high, politically. He suggested exploring options.
- Roland noted that if Initiative 976 survives court challenges, CRAB money could be in jeopardy.

Charles moved and Cris seconded a motion to pursue Alternative 2: Ferry District property tax, Fare Surcharge, and CRAB funding. Motion passed with Jim voting Nay. Pat will add variations on Alt 3 for further discussion and review by the next meeting.

Roland reminded the group of how powerful it is when an advisory committee and county departments stand shoulder to shoulder and are in sync in front of the county council.

Meeting adjourned at 8:08 pm.
From Roland Middleton: Lummi Island Ferry, Level of Service Timeline:

February 2012 – Whatcom County Council establishes LIFAC (ord. 2012-005; WCC 2.145)
- 2012 to 2015 – LIFAC reviews all available information regarding LOS for ferry systems, discussions on LOS approach and needed analysis
- January 2016 – LOS Progress Report Part One
- October 2016 – Analysis of Ferry Sailings in 2015
- November 2016 – LIFAC requests assistance from WC Public Works to complete a transparent analysis and recommendation of a new LOS
- February 2017 – LIFAC drafted resolution adopted by County Council establishing LOS goals and a LOS action plan (res. 2017-081)
- August 2017 – Kpff consulting team brought on board
- November 2017 – Public meeting roundtable style discussion hosted by PLIC and LIFAC
- February 2018 – LIFAC conducted public survey
- March 14, 2018 – Public meeting hosted by LIFAC with Kpff team discussing LOS, projected ridership and vessel capacities; Q&A
- May 22, 2018 – Public meeting hosted by LIFAC with Kpff team discussing LOS analysis, vessel and terminal options and funding mechanisms; Q&A
- May 2018 – LIFAC conducted public survey
- June 26, 2018 – LIFAC approves the Kpff draft LOS recommendations and analysis and draft resolution
- July 2018 – Kpff final alternatives analysis published, including:
  - Existing conditions
  - Ridership demand forecast
  - LOS analysis
  - Vessel characteristics
  - Terminal options
  - Financial forecast and funding options
  - Service alternatives
- July 2018 – LIFAC drafted resolution adopted by County Council adopting the LOS implementation plan for a new vessel and propulsion, terminal improvements, and operations changes.
- 2018 and 2019 – Review of vessel propulsion information and funding discussion
- September 2019 – Elliot Bay Design Group Propulsion system selection study
- December 2019 – LIFAC confirms LOS conclusion, vessel size and propulsion system (Diesel Electric (Battery) Hybrid).
Lummi Island Ferry
Level of Service Timeline

County Road Administration Board funding:

2020 actions:
- Project planning and engineering adequate for:
  - inclusion in 6-year and 14-year documents and their adoption
  - creation of a county ferry district (subject to county’s financial plan)
  - submission of project funding request to the Public Works Board or any other available revenue source

2021 actions:
- County requests CRABoard to issue call for projects at Spring meeting
- CRABoard may act on a call for projects at the Spring meeting, but must act on request no later than Summer meeting
- If a call for projects is approved, project applications must be submitted no later than December 31st

2022 actions:
- Technical Review Committee completes its review and develops a written report no later than 30 days prior to the CRABoard Spring meeting
- CRABoard reviews the committee report and may act at the Spring meeting, but must act no later than Summer meeting
- If approved by the CRABoard, a CFCIP project funding request is included in the CRAB agency biennial budget request submitted late summer

2023 actions:
- State Legislature reviews CRAB CFCIP budgetary request
- If approved by the Legislature and Governor, CFCIP funds available for project expenditures beginning July 1st, or upon execution of the CRAB/County contract whichever occurs last
## WC Ferry System Replacement
### Scenarios Comparisons (in thousands)
#### 22 Year Scenario
**2021 - 2042**

<table>
<thead>
<tr>
<th></th>
<th>Alt 3</th>
<th>Alt 1</th>
<th>Alt 2</th>
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<tbody>
<tr>
<td></td>
<td>Crap</td>
<td>Good</td>
<td>Good+Fare Inc</td>
</tr>
<tr>
<td>&gt;Interest+Fare</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>&lt;Interest</td>
<td></td>
<td>25,800</td>
<td>25,800</td>
</tr>
<tr>
<td></td>
<td>32,046</td>
<td>35,800</td>
<td>36,730</td>
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</table>

#### Funding Sources:
- **CRAB Funding**: 10,000, 10,000, 10,000
- **County Funds (Debt)**: 20,000
- **Fare Surcharge**: 2,046, 930
- **Ferry District**: 25,800, 25,800, 32,046, 35,800, 36,730

#### Total Cost:
- **Ferry and Dock Cost**: 29,400, 29,400, 29,400
- **Interest Expense**: 3,567, 2,076, 76
- **Total**: 32,967, 31,476, 29,476

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<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>Interest Earned</strong></td>
<td>-</td>
<td>240</td>
<td>281</td>
</tr>
<tr>
<td><strong>Cash positive (negative)</strong></td>
<td>(63)</td>
<td>6,564</td>
<td>7,579</td>
</tr>
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</table>

### Notes:
- $29.4$m required in first 6 years to place new ferry into service
- Assumes $10m from CRAB
- "Total Outflows" components = ferry and docks.
- Not shown: Fare surcharge for 2050 ferry
- Accumulated cash could be directed to future dock or other improvements in the plan.
**WC Ferry System Replacement**

**Cash Flow (in thousands)**

"Almost all Cash" (least interest) Scenario  DRAFT

**At 7/12/2019**

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<thead>
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<th>Year:</th>
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<th>17</th>
<th>18</th>
<th>19</th>
<th>20</th>
<th>21</th>
<th>22</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>2021</td>
<td>2022</td>
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<td>2039</td>
<td>2040</td>
<td>2041</td>
<td>2042</td>
<td></td>
</tr>
<tr>
<td>Beginning Cash</td>
<td>-</td>
<td>2,808</td>
<td>5,625</td>
<td>8,952</td>
<td>10,885</td>
<td>4,699</td>
<td>500</td>
<td>483</td>
<td>465</td>
<td>447</td>
<td>430</td>
<td>932</td>
<td>1,437</td>
<td>1,942</td>
<td>2,450</td>
<td>2,959</td>
<td>3,469</td>
<td>3,981</td>
<td>4,494</td>
<td>5,009</td>
<td>5,526</td>
<td>6,044</td>
<td></td>
</tr>
</tbody>
</table>

**Inflows:**

- **Property Tax ($41/median home)**: 4,300 4,300 4,300 4,300 4,300 4,300 25,800
- **Debt Financing (pd by CRAB)**: 2,000
- **CRAB**: 500 500 500 500 500 500 500 500 500 500 500 500 500 500 500 500 500 500 500 500 500 10,000

**Total Inflows**: 4,300 4,300 4,800 4,800 4,800 6,800 500 500 500 500 500 500 500 500 500 500 500 500 500 500 500 500 500 37,800

**Outflows:**

- **Total Capital Outflows**: 1,500 1,500 1,500 2,900 11,000 11,000
- **Debt Pymt**: 519 519 519 519 8

**Total Outflows**: 1,500 1,500 1,500 2,900 11,000 11,000 519 519 519 519 - - - - - - - - - - - - - - - - - - - 31,476

**Net Inflows (Outflows)**: 2,800 2,800 3,300 1,900 (6,200) (4,200) (19) (19) (19) (19) 500 500 500 500 500 500 500 500 500 500 500 500 500 6,324

**Ending Total Cash**: 2,808 5,625 8,952 10,885 4,699 500 483 465 447 430 932 1,437 1,942 2,450 2,959 3,469 3,981 4,494 4,994 5,509 6,026 6,544

**Interest Earned (3%)**: 8 17 27 33 14 1 1 1 1 1 1 3 4 6 7 9 10 12 13 15 17 18 20 240

**Cash, After Interest Earned**: 2,808 5,625 8,952 10,885 4,699 500 483 465 447 430 932 1,437 1,942 2,450 2,959 3,469 3,981 4,494 4,994 5,509 6,026 6,544

**Notes:**

- $29.4m required in first 6 years to place new ferry into service
- No road fund contribution
- Assumes $10m from CRAB
- "Total Outflows" components = ferry and docks.
- Not shown: Fare surcharge for 2050 ferry
- Interest on CRAB funds after 2031 is $134,000, or $58,000 more than the $76,000 interest incurred to finance.
- Accumulated cash could be directed to future dock or other improvements in the plan.
### WC Ferry System Replacement

**Cash Flow (in thousands)**

*Crap Scenario*  DRAFT  

*At 8/21/2019*

| Year | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | Total |
|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Beginning Cash | - | 595 | (815) | 120 | (347) | 88 | 3 | 19 | 35 | 51 | 66 | 82 | (2) | 22 | (3) | (9) | (15) | (20) | (26) | (32) | (37) | (43) | 21 | (4) | (30) | (56) | (56) |

**Inflows:**

- Property Tax  
- Debt Financing (part of CRAB)  
- Road Fund  
- Fare Surcharge (5% cents)  
- CRAB  
- Total inflows  

<table>
<thead>
<tr>
<th>Outflows:</th>
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<tbody>
<tr>
<td>Ferry/Dock</td>
</tr>
<tr>
<td>Debt Pymt</td>
</tr>
<tr>
<td>Debt Pymt (accrued)</td>
</tr>
<tr>
<td>Total Outflows</td>
</tr>
</tbody>
</table>

**Net Inflows (Outflows):**

| Year | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | Net Inflows (Outflows) |
|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|

**Ending Total Cash:**

<table>
<thead>
<tr>
<th>Year</th>
<th>2021</th>
<th>2022</th>
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<th>2025</th>
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<th>2042</th>
<th>2043</th>
<th>2044</th>
<th>2045</th>
<th>2046</th>
<th>Cash, After interest Earned</th>
</tr>
</thead>
<tbody>
<tr>
<td>593</td>
<td>(815)</td>
<td>120</td>
<td>(347)</td>
<td>88</td>
<td>3</td>
<td>19</td>
<td>35</td>
<td>51</td>
<td>66</td>
<td>82</td>
<td>(2)</td>
<td>22</td>
<td>(3)</td>
<td>(9)</td>
<td>(15)</td>
<td>(20)</td>
<td>(26)</td>
<td>(32)</td>
<td>(37)</td>
<td>(43)</td>
<td>21</td>
<td>(4)</td>
<td>(30)</td>
<td>(56)</td>
<td>(63)</td>
<td></td>
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</tbody>
</table>

**Notes:**

- $30m required in first 6 years to place new ferry into service.
- Assumes $10m from CRAB.
- Road Fund pays for bulk of ferry financing (really bad scenario).
- Fare surcharge shown is for capital. With 2050 ferry surcharge, total = $1.00.
- Not shown: Fare surcharge for 2050 ferry.
- Approx $8m paid in interest.
### WC Ferry System Replacement

**Cash Flow (in thousands)**

*Almost all Cash* (least interest) + $.50 Fare Increase  

DRAFT

At 10/28/2019

| Year: | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | Total |
|-------|---|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|----|----|----|-----|
|       | 2021| 2022| 2023| 2024| 2025| 2026| 2027| 2028| 2029| 2030| 2031| 2032| 2033| 2034| 2035| 2036| 2037| 2038| 2039| 2040| 2041| 2042 |
| **Beginning Cash** | - | 2,902 | 5,812 | 9,233 | 11,259 | 5,168 | 61 | 138 | 216 | 811 | 1,409 | 1,914 | 2,422 | 2,930 | 3,441 | 3,953 | 4,466 | 4,981 | 5,497 | 6,015 | 6,535 | 7,056 |
| **Inflows:** | | | | | | | | | | | | | | | | | | | | | | |
| Property Tax ($41/median home) | | | | | | | | | | | | | | | | | | | | | | |
| Fare Surcharge ($0.50, capital, 10 yrs) | 93 | 93 | 93 | 93 | 93 | 93 | 93 | 93 | 93 | 93 | 93 | 93 | 93 | 93 | 93 | 93 | 93 | 93 | 93 | 93 | 93 | 93 | 93 |
| Debt Financed (pd by CRAB $) | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| **Total Inflows** | 4,393 | 4,393 | 4,893 | 4,893 | 5,893 | 593 | 593 | 593 | 593 | 593 | 593 | 593 | 593 | 593 | 593 | 593 | 593 | 593 | 593 | 593 | 593 | 593 | 37,730 |
| **Outflows:** | | | | | | | | | | | | | | | | | | | | | | |
| Total Capital Outflows | 1,500 | 1,500 | 1,500 | 2,900 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 |
| Debt Pymt | 516 | 516 | 516 | 516 | 516 | 516 | 516 | 516 | 516 | 516 | 516 | 516 | 516 | 516 | 516 | 516 | 516 | 516 | 516 | 516 | 516 | 516 | 516 | 516 | 516 | 516 | 516 |
| **Total Outflows** | 1,500 | 1,500 | 1,500 | 2,900 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 |
| **Net Inflows (Outflows)** | 2,893 | 2,893 | 3,393 | 3,993 | (6,107) | (5,107) | 77 | 77 | 593 | 593 | 593 | 593 | 593 | 593 | 593 | 593 | 593 | 593 | 593 | 593 | 593 | 593 | 593 | 593 | 593 | 593 | 593 |
| **Ending Total Cash** | 2,893 | 5,795 | 9,205 | 11,226 | 5,152 | 61 | 138 | 216 | 811 | 1,409 | 1,914 | 2,422 | 2,930 | 3,441 | 3,953 | 4,466 | 4,981 | 5,497 | 6,015 | 6,535 | 7,056 | 7,579 | 8,093 | 8,612 | 9,131 | 9,650 | 10,169 | 10,688 | 11,207 | 11,726 |
| **Interest Earned (3%)** | 9 | 17 | 28 | 34 | 15 | 0 | 0 | 1 | 2 | 4 | 6 | 7 | 9 | 10 | 12 | 13 | 15 | 16 | 18 | 20 | 21 | 23 | 25 | 27 | 29 | 31 | 33 | 35 | 37 | 39 |
| **Cash, After Interest Earned** | 2,902 | 5,812 | 9,233 | 11,259 | 5,168 | 61 | 138 | 216 | 811 | 1,409 | 1,914 | 2,422 | 2,930 | 3,441 | 3,953 | 4,466 | 4,981 | 5,497 | 6,015 | 6,535 | 7,056 | 7,579 | 8,093 | 8,612 | 9,131 | 9,650 | 10,169 | 10,688 | 11,207 | 11,726 |

**Notes:**

- $29.4m required in first 6 years to place new ferry into service
- Funding from: CRAB, Property tax, fare increase,
- Capital Fare surcharge could be substituted with change in Road Fund/Fare %.
- No road fund contribution
- Assumes $10m from CRAB
- "Total Outflows" components = ferry and docks.
- Not shown: Fare surcharge for 2050 ferry
- Interest on CRAB funds after 2028 is $177,000, or $145,000 more than the $32,000 interest incurred to finance.
- Accumulated cash could be directed to future dock or other improvements in the plan.
- THIS IS A DRAFT