

DISCLAIMER: This document contains the Whatcom County Council or Committee minutes, as approved. However, unless an attested signature page is attached, they are not the final approved minutes.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47

WHATCOM COUNTY COUNCIL
Public Works and Safety Committee

July 13, 2004

Committee Chair Barbara Brenner called the meeting to order at 1:35 p.m. in the Council Chambers, 311 Grand Avenue, Bellingham, Washington.

Present:

Dan McShane
Sam Crawford

Absent:

None

Also Present:

Laurie Caskey-Schreiber
Seth Fleetwood
Sharon Roy

COMMITTEE DISCUSSION AND RECOMMENDATION TO COUNCIL

1. **ORDINANCE AMENDING WHATCOM COUNTY CODE 20.82, PUBLIC UTILITIES, ADDRESSING TRANSMISSION LINES OF 115 KV AND TRANSMISSION LINES OF 115 KV OPERATING ABOVE 160 MW, AND MODIFYING WHATCOM COUNTY CODE 20.42 AND 20.43, RURAL AND COMMERCIAL FORESTRY CHAPTERS (AB2004-225)**

Brenner moved to recommend to the full Council.

Motion carried 2-0 with McShane out of the room.

2. **DISCUSSION REGARDING THE STATUS OF THE LUMMI ISLAND FERRY 20-YEAR PLAN (AB2004-238)**

Jeff Monsen, Public Works Director, stated a draft report dated June 21, 2004 in the Council packet supplements the June 3, 2003 report the Council received a year ago. He hopes that any unclear issues in the report can be cleared up, so he can finish this report and publish it to the Island community. He needs to finalize the supplemental information for the community that will allow them to understand their choices. He will submit an article about parking development on Lummi Island and the survey in the island newsletter.

Brenner stated they should also publish about the house on the property. Monsen stated he will.

In the report, he will talk about cost recovery, parking at Gooseberry Point, tideland lease, level of service (LOS) standard, and the pros and cons of the survey.

DISCLAIMER: This document contains the Whatcom County Council or Committee minutes, as approved. However, unless an attested signature page is attached, they are not the final approved minutes.

1 Operation and maintenance cost and boat rental rate. One issue that
2 influences recovery of 55 percent of the operating cost is that they established a
3 boat rental rate, much like other county vehicles. A monthly rate is charged and
4 compared periodically against actual costs. He referenced the chart on packet page
5 160. In the late 1990's, the County was not collecting enough to cover costs. The
6 County charged higher fees in 2002 through 2004 to recover that operating loss. In
7 2005, the rate will go down because they have caught up on the operating costs.

8
9 They should reconsider how they calculate operating cost to not get in that
10 position again. It's important to go through that exercise so cost recovery is clearer
11 over time, and isn't artificially influenced by an administrative rental rate.

12
13 By code, the level of fare box recovery of operating cost is 55 percent. The
14 State recovery rate used to be 60 percent, and has been raised to 80 percent.
15 Pierce County followed suit, and it has a recovery rate goal of 80 percent in about
16 ten years. The State and Pierce County don't recover capital expenditures as a part
17 of that recovery. Pierce County includes depreciation of all capital facilities for
18 future replacement in their recovery rate. The Skagit County recovery rate is
19 currently 39 percent, and does not include capital expenditures. Skagit County has
20 no intention of raising its recovery rate. That's how other entities stand on this
21 topic. As he discusses a code amendment to clarify how they calculate 55 percent,
22 he will clarify how other people deal with it.

23
24 Brenner asked if Mr. Mosen talked to Skagit County to find out where it
25 subsidizes the rest of the cost. Mosen stated Skagit County's method of collecting
26 the operating costs is identical to Whatcom County, except for its recovery rate.
27 The Pierce County ferry operation is larger and has been aggressive in recovering
28 cost. Skagit County has a much smaller ferry operation than Whatcom County. The
29 service that each county is providing is different from other counties. Policies,
30 services, fare box rates, and recovery goals are all different amongst the counties.

31
32 Parking. The County has a lease agreement with the Lummi Nation for more
33 than 80 parking spaces. It is a three-year agreement, which is short term. Now,
34 the County is discussing with Lummi Nation to do security surveillance. He
35 proposes extending that lease. The County and Lummi Nation will be more
36 aggressive dealing with long-term siting of a Lummi ferry and parking agreement.
37 A driver of the issues will be tribal plans for redevelopment of Gooseberry Point.

38
39 Brenner asked if the County has considered relocating the ferry to
40 Bellingham. Mosen stated only if they could not renew the lease, but not in the
41 context of redevelopment at Gooseberry Point.

42
43 Brenner stated the County will be at the mercy of what the Lummi Nation
44 wants to charge unless they both have something to bring to the table. Mosen
45 stated the 25-year renewal is what the County brings to the table. If they can't
46 agree on a price, an arbitrator is selected.

47

DISCLAIMER: This document contains the Whatcom County Council or Committee minutes, as approved. However, unless an attested signature page is attached, they are not the final approved minutes.

1 Caskey-Schreiber stated the lease would also bring a ready clientele if the
2 Lummi Nation ever wanted to develop commercially.
3

4 Brenner stated that if the County doesn't have a backup plan to move to
5 Bellingham, there is nothing to bargain with. Monsen stated a problem with the
6 alternative to Gooseberry Point is that water conditions in Bellingham Bay are
7 difficult, and it would require a dramatically different system. The current boat
8 can't cross Bellingham Bay right now.
9

10 Brenner asked if a bigger ferry would be able to. Monsen stated the boats he
11 references in the report would not. A 150-car boat could get across the bay. That
12 analysis hasn't taken into account cycle time. They will pursue that analysis, but
13 not to a fine level of detail. The County is not in a strong bargaining position.
14 Another alternative is to move northerly along the coast to off-reservation areas,
15 but that gets to industrial lands where security issues are a concern.
16

17 Brenner stated people would also have to travel further into Bellingham from
18 that area.
19

20 Caskey-Schreiber stated if the route is changed to Bellingham, the County
21 would have to negotiate with the Port of Bellingham.
22

23 Monsen stated the County made headway with the Tribe on the lease of
24 tidelands eight years ago, because the Tribe wanted to do redevelopment.
25 However, the Tribe shifted all its energy to the casino. Now, the Tribe is ready to
26 bring energy back to Gooseberry Point redevelopment.
27

28 Parking on Lummi Island. He has approval to move ahead with purchase of
29 property west of ferry land, the Embrey property. There is a purchase and sale
30 agreement of \$495,000. The closing date is this Friday. The County is trying to
31 extend the closing date. There are issues about a well, water line, and water supply
32 from the water association. The County needs to know those issues clearly before it
33 closes on the sale.
34

35 Caskey-Schreiber stated the County will possess the existing house. A citizen
36 is interested in keeping the house there as shelter or concession stand for the ferry.
37 Get some citizen input from an advisory committee on how the residents want that
38 parking lot developed. Monsen stated he recommended this purchase because of
39 the shape, increased size, and location of property. There are more opportunities
40 for creatively developing the property. Demolition of the house is the last
41 alternative. It could be sold and/or relocated or stay on site. It depends on
42 financing. All the options are open at this moment.
43

44 Brenner stated the decision the County makes about the house should be
45 based on finances and benefits to the County. Some people want to move it or
46 leave it there. Monsen stated he will focus on the long-term financial impacts of all
47 alternatives.

DISCLAIMER: This document contains the Whatcom County Council or Committee minutes, as approved. However, unless an attested signature page is attached, they are not the final approved minutes.

1
2 McShane asked if the current recapture rate includes the capital cost of boat
3 replacement. Mosen stated it is dry dock and fuel.
4

5 Crawford asked if that number would go up if the County bought a new ship.
6 They would still have dry dock and fuel costs, in addition to the cost of a new boat.
7 Mosen stated a policy decision that needs to be made is whether the operating
8 cost includes the cost of replacing the boat. Without a change in County policy,
9 capital costs of the boat would not be included in the rate structure. The
10 administration does not propose doing that, but the Council must deal with that
11 question.
12

13 Level of Service. At this point in time, level of service (LOS) is considered in
14 the capital facilities plan. For the ferry, the formula is a bit odd. The formula looks
15 at the maximum number of users on the boat and the number of uses they have
16 now. That is not a classic version of LOS. It should be amended. The Lummi
17 Island Community Club wants the County to reconsider LOS not on how many times
18 people use the boat, but on how many opportunities there are to move people
19 across. Focus on people, not deck space. Total capacity is more important to
20 people. Morning use is the highest demand. He would recommend a combination
21 of total capacity and also consider that the highest demand is a peak hour issue, not
22 an average use issue. He's not sure how to mix those from a land use planning
23 standpoint. Ultimately, the final 20-year plan has to be clear on the significance of
24 peak hour use versus average use. If they have a boat twice the car deck size, they
25 will still have a morning demand that would fill the boat. That demand would
26 consolidate to the capacity of the boat.
27

28 McShane stated that if the LOS established is not met, it would trigger denial
29 of building permits. Mosen stated peak hour service drives the level of
30 improvement. That is not the case with ferries, which look more at averages over
31 time. It's not clear how to match the two for land use planning. One question is a
32 reasonable wait time. There is plenty of capacity to get off the island in the
33 evening. That doesn't mean people should have to shift their schedules. It's a
34 balancing act.
35

36 Caskey-Schreiber stated the higher LOS, the more incentive there is to
37 develop in that area. It's an induced use factor, where they will maximize capacity
38 again, because more people will think living on Lummi Island is a viable option to
39 commute on a normal schedule. Mosen stated part of the reason for the existing
40 financial issues is that revenue generation can't grow because the boat is reaching
41 capacity. Creating capacity can generate revenue, and artificially limit the increase
42 needed for added cost in fare structure. Changing capacity during peak hours can
43 increase revenue. The kind of growth they saw in passenger cars peaked and
44 started to decline. The last rate increase was to encourage walk-on passengers.
45

46 Brenner asked if they are creating a gated community on Lummi Island.
47

DISCLAIMER: This document contains the Whatcom County Council or Committee minutes, as approved. However, unless an attested signature page is attached, they are not the final approved minutes.

1 Caskey-Schreiber stated it already is.
2

3 Brenner stated it depends on the size of the ferry. Monsen stated his purpose
4 is to provide the financial plan as a service to the County. That issue is a land use
5 question. He won't address the land use question. At one point, the Council said it
6 doesn't want to use the boat as a method to control land use.
7

8 Caskey-Schreiber stated the issues are tied together. They have to consider
9 them. That's the reality. Monsen stated that if they quadrupled the capacity of
10 moving people and vehicles across the passage, it would have nearly no influence
11 over development demand. Today, it clearly does. The 20-year plan will balance
12 financial responsibility while allowing the community to develop to where it should
13 go.
14

15 Caskey-Schreiber stated they're trying to keep it at a level where they can
16 support it without making it subsidized even more by the rest of the residents in the
17 county.
18

19 Brenner stated limiting ferry size wouldn't limit development. It would just
20 limit the kind of buyer. It would encourage more retirees instead of families.
21 Monsen stated that's correct. It also depends on how frequent the ferry runs are.
22

23 Crawford asked if a bridge is out of the question. Monsen stated in late
24 1950's and early 1960's, there was an effort to develop a bridge by individuals who
25 promoted Lummi Island being the point of ferry service to the San Juan islands,
26 instead of Anacortes. However, the State chose Anacortes and the local motivation
27 for a bridge was lost. Financially, for the kind of bridge needed to still allow boat
28 traffic, the cost would be the same as the cost of running a boat for a long time.
29 Permitting a bridge would be difficult. A bridge would be expensive and change
30 character of Lummi Island and the reservation.
31

32 Proposed survey. The County wants to ask the community where it wants to
33 invest the next major capital investment capacity, whether it be toward car deck
34 space, walk-on space and support services, or to continue as it is. They can
35 continue with a combination of plans, but the question is about the major
36 investments.
37

38 Caskey-Schreiber asked if the second option would be to facilitate transit by
39 adding a foot passenger-only boat. That item can have stronger language about
40 better facilitating pedestrian flow.
41

42 Brenner asked if the reference to better transit is intended for Whatcom
43 Transportation Authority (WTA). Monsen stated the reference to better transit is to
44 improve current LOS and address future growth. WTA may not be enough. In the
45 financial analysis, he included the cost of providing a transit bus to a satellite
46 location.
47

DISCLAIMER: This document contains the Whatcom County Council or Committee minutes, as approved. However, unless an attested signature page is attached, they are not the final approved minutes.

1 (Clerk's Note: End of tape one, side A.)
2

3 Brenner asked the purpose of a satellite location instead of the current
4 location at Gooseberry Point. Monsen stated the parking at Gooseberry Point is
5 through a lease with the Tribe at the Tribe's discretion. A satellite parking lot would
6 be owned by the County. His concern with the survey is coming up with what they
7 would calculate the number on. He wants to know the direction the County should
8 focus its investments. Residents select their preferred option on the survey form,
9 but they are not voting for or against one over the others.

10
11 Pros and cons. He and the Lummi Island Transportation Committee
12 submitted suggested pro and con language for each option (*on file*). He will
13 consolidate that information and submit the final pros and cons on the matter.
14

15 Financial impacts. There are two scenarios for car capacity and two scenarios
16 for people capacity. The two scenarios in option one is to purchase a new boat in
17 two to five years. Scenarios two and three ignore the financial implication that the
18 County will still need to replace the Whatcom Chief in 10 to 15 years.
19

20 The financial information in the draft plan tries to convey the range of cost
21 changes to the current rate formula. His analysis ignores the fare structure of cars
22 over passengers in terms of deck space and passenger space.
23

24 Brenner stated that even if they promote walk-on passengers, don't shift the
25 rates to walk-on passengers.
26

27 Monsen stated this financial information is just to give them an idea.
28 Whatever they will decide will involve a rate structure discussion.
29

30 Crawford asked the point of the survey. The ferry is reaching capacity and
31 will eventually need to be replaced. He asked why they don't just decide on option
32 1A to plan for the future. He asked why they are going through this process.
33 Monsen stated there was a request from the community to go through this process.
34 A previous Council committed to going through this process. He is developing the
35 survey and this information because of previous commitments.
36

37 Crawford stated option 1A is one of the clearest presentations he's seen of the
38 inevitable direction they need to move ahead. He is in favor of moving forward with
39 that option. The Council is sympathetic to the LOS the community desires.
40

41 Brenner stated option 1A is the cheapest in terms of percentage of fare
42 structure increases.
43

44 Roy stated the community survey is important. Not everyone agrees on
45 increasing capacity. The survey gives people a sense they have a say in the
46 decision. It would be nice for the County to get that feedback.
47

DISCLAIMER: This document contains the Whatcom County Council or Committee minutes, as approved. However, unless an attested signature page is attached, they are not the final approved minutes.

1 Brenner stated she agreed. They have to weigh the community desire with
2 the cost. In the end, it will cost more to do nothing.

3
4 Crawford asked what the County would do if something happened to the Chief
5 today. If something happened to the Whatcom Chief and it is no longer a safe boat,
6 the County will have to do something about it. In 2000, people suggested the ferry
7 was beyond its useful capacity. He doesn't understand the logic of prolonging it for
8 ten to 15 years, other than to put off the financial expenditure.

9
10 Brenner stated the islanders have to know the corresponding fare structure
11 increase. They have to understand the financial ramifications of every option.

12
13 Mosen stated one scenario not included was eliminating that capital expense.

14
15 McShane stated there are two issues. The first is capital cost. The second is
16 recovery rate. Two major policy decisions need to be presented to the community.
17 That may influence how the community thinks. They're talking about significant
18 increases. If the County increases the recovery rate to 80 percent, it significantly
19 increases the cost to the public and may change some people's preference. Have a
20 healthy debate about that.

21
22 Brenner stated that if the County provides a van service, it has to include the
23 cost of that also.

24
25 Mosen stated scenarios 2A and 2B tried to capture those kinds of costs,
26 assuming a van service would not be subsidized by WTA.

27
28 Brenner stated option three still assumes they have to purchase a ferry in the
29 future. Mosen stated scenarios two and three ignore that fact.

30
31 Brenner stated that no matter what they do, they would have to purchase a
32 new ferry soon. Mosen stated there is no reason to believe the boat can't continue
33 to operate at a reasonable price for ten to 20 years. However, the boat is
34 functionally obsolete. There could be a State or federal requirement to change the
35 boat in the future because of higher standards.

36
37 Crawford asked how much the County is spending on the Austin Creek bridge
38 replacement or on Frost Road. Mosen stated the Frost Road cost is \$500,000.

39
40 Crawford asked the cost of the Smith Road widening project in today's dollars.
41 Mosen stated that cost is \$1.5 million per mile.

42
43 Crawford stated the County hasn't tried to recover those costs. There are
44 mechanisms in place to recover some of this ferry cost. They are far from
45 discussing what percentage that should be. A cost of \$6.1 million is not that far out
46 of the question.

DISCLAIMER: This document contains the Whatcom County Council or Committee minutes, as approved. However, unless an attested signature page is attached, they are not the final approved minutes.

1 Mosen stated the survey is a mail survey to the residents. He has two lists
2 of names and addresses. One list is 690 Lummi Island registered voters. Of those,
3 476 own property. There are 214 registered voters who don't own property on
4 Lummi Island. About 20 property owners are registered to vote, but who don't live
5 on the island.

6
7 Brenner asked about non-registered voter property owners. Mosen stated
8 there are 1,439 parcels. That represents about 1,000 ownerships. Of the 1,000
9 ownerships, 476 registered voters own property. About half the property owners
10 are registered voters living on the island.

11
12 He is trying to get a sampling of the various interests. Insure that everyone
13 has access to a ballot. The question is whether they send one to all registered
14 voters and also all property owners. Some of those names are duplicate. The
15 County could tally what the voters said versus what the property owners said.

16
17 ***The committee concurred to compare voter response versus owner***
18 ***response.***

19
20 Mosen stated the list of property owners doesn't identify the number of
21 owners. It is an ownership and a mailing address. How multiple owners of one
22 property respond is their issue to resolve.

23
24 Crawford stated the two surveys, one for owners and one for voters, is
25 appropriate.

26
27 Brenner stated they will see a difference in results. The audience at Lummi
28 Island is divided already. She doesn't want to encourage that division. However,
29 the County needs the information it can get.

30
31 Sheila Marshall, West Shore Drive, stated she has a concern about the
32 Embrey property. Leave the doors open to the house as a community center. The
33 Lummi Island Community Land Trust may be able to keep up the building. It will
34 meet and discuss the issue tonight. The previous owner and current owner have
35 done a lot of work on the house. There is not enough room in the library for
36 community meeting space. People don't use the Grange Hall without paying a fee.
37 They can barely use the schools anymore. The library doesn't charge a fee.

38
39 Bob Fodor, North Nugent, stated the County should keep the Embrey house
40 there. It wouldn't have much value if it were moved. It doesn't take up that many
41 parking spaces. It is well-situated. The west and south sides of the lot are ample
42 for parking needs. The residents need a community center. The Lummi Island
43 Community Land Trust is chartered for this kind of purpose. Keep the house. If the
44 County decides to sell it, don't give it to someone on the island without a public
45 process.

DISCLAIMER: This document contains the Whatcom County Council or Committee minutes, as approved. However, unless an attested signature page is attached, they are not the final approved minutes.

1 Art Thomas, Islandview Road, stated the survey started as an advisory
2 measure to give the Council an idea of what the islanders want. The assessed value
3 of property in 1958 was \$500,000. The Whatcom Chief was purchased for
4 \$250,000. Today, assessed value of property on Lummi Island is \$139 million. The
5 cost for a new ferry would be \$6 million. That doesn't seem too expensive
6 compared to 1960.

7
8 The Growth Management Act (GMA) requires that the transportation element
9 complement the land use plan. It's illegal to use transportation to control growth.

10
11 Capital recovery is something the Council needs to consider, but as a
12 countywide policy. It's reasonable to charge those who use bridges.

13
14 Fred Kinney, Legoe Bay Road, listed his credentials. He thanked Jeff Monsen
15 and his staff for their help and cooperation. As a resident, he knows the Whatcom
16 Chief is 40 years old and is exposed to saltwater environment. It goes 25,000 miles
17 per year. The ferry has been well-maintained, but there were issues with the last
18 shut down. It's starting to show its age. The vehicle service on Lummi Island is
19 inadequate. Peak capacity is less than half the peak demand. There are wait times
20 of one to two hours. Increased demand for walk-on passengers is a result. That's
21 the driver behind the better passenger service. Increased demand for passengers
22 includes increased demand for parking, more congestion, better passenger facilities,
23 and better security. Facilities would serve only ten percent of community that are
24 walk-on passengers. Money spent to serve walk-on passengers would be a high
25 cost and a low benefit, and fails to address the core problem. The County needs to
26 plan for both passengers and vehicles. Larger vehicle passenger ferry is the most
27 cost-effective means of the problem. A 40-vehicle ferry will increase peak capacity
28 only from 60 to 80 cars per hour, due to single-lane loading. New dock
29 modifications are needed in the future to accommodate two-lane loading to
30 increase capacity to 120 cars per hour. With a five-year lead time for a new ferry
31 and two-and-a-half to three percent population growth per year, demand will
32 increase by 12 to 15 percent by the time a new ferry can be put into service. They
33 will only add 33 percent capacity when they increase to a larger ferry. Delaying the
34 purchase of a new larger ferry will result in increased cost and more aggravating
35 ferry service.

36
37 Richard Frye, 2072 Granger Way, stated the issue is investment pricing
38 capacity. There is a lot of talk about the vague concept of demand for ferry service.
39 Costs are vague. The issue is appropriate timing, pricing, and capacity to maximize
40 social benefits to the County and Lummi Island residents. Talk about demand and
41 what demand is about. It's about willingness to pay for a certain kind of service.
42 The issue is not that the current ferry doesn't carry all the cars. The issue is when
43 the ferry carries the cars and how long people are willing to wait. If people are
44 willing to wait all day, the current ferry would probably handle all the cars. Then it
45 becomes a peak load demand pricing and allocation problem. Combine the supply
46 side and the demand side. Measure benefits as well as cost. The main issue about
47 LOS is about how long the average person waits in line during the day.

DISCLAIMER: This document contains the Whatcom County Council or Committee minutes, as approved. However, unless an attested signature page is attached, they are not the final approved minutes.

1
2 If they are going to do a survey, don't have three general questions. Instead,
3 strive for maximum amount of granularity in the data, which involves information
4 about how often people use the ferry, the amount of time they wait in line, time of
5 day they ride, willingness to pay for shorter waits.
6

7 The question of capacity is tied to the Council's decisions on the growth rate
8 of Lummi Island. If there will be unlimited growth, the County will need a bigger
9 ferry sooner. If a new ferry only increases capacity by 25 to 30 percent, the County
10 will be in the same position in five to ten years. Consider the appropriate growth
11 wait in addition to the ferry size.
12

13
14 **OTHER BUSINESS**

15
16 There was no other business.
17

18
19 **ADJOURN**

20
21 The meeting adjourned at 3:05 p.m.
22
23
24

25 _____
26 Jill Nixon, Minutes Transcription
27

28 ATTEST:

WHATCOM COUNTY COUNCIL
WHATCOM COUNTY, WASHINGTON

29
30
31
32
33 _____
34 Dana Brown-Davis, Council Clerk

Barbara Brenner, Committee Chair