LUMMI ISLAND FERRY ADVISORY COMMITTEE (LIFAC)

Twelfth Meeting

November 19, 2013

CALL TO ORDER
Committee Chair Mike McKenzie called the meeting to order at 6:33 p.m. in the Lummi Island Fire Hall, Bellingham, Washington.

ROLL CALL
Present: Mike McKenzie, Greg Brown, Charles Antholt, Robert Busch, Stu Clark, Crispin Colburn, and Josh Zender.

FLAG SALUTE

MINUTES CONSENT
1. Approved minutes of October 1 2013 LIFAC Work Session (Antholt abstained).

ANNOUNCEMENTS / SPECIAL PRESENTATIONS

McKenzie recognized the latest Lummi Island Elected Official Bill Lee. Bill is the District 11 Fire Commissioner. Congratulations from all to Fire Commissioner Bill Lee.

Presentation on alternative view for Net Zero Analysis – Jim Dickenson & Greg Brown
- Brown introduced the presentation explaining that Antholt had built and presented a model using numbers and assumptions that he felt were consistent with information that had been provided. Jim Dickenson put together a separate model using numbers and assumptions consistent with information that he believed had been presented. The Power Point presentation for Jim’s model is attached.
- Jim Dickenson started out reviewing the “What if” questions presented in previous discussions which presents a different and more advantageous picture for the replacement of the Chief with the used ferry Plattsburgh:
  ✔ Structure comparisons of the ferries where the Chief is the most stable while the current design of a new ferry was not appropriate for the service conditions. The Plattsburgh’s design is more wind efficient and is believed to be more seaworthy than the Chief. The Plattsburgh is in excellent condition and has spent its whole life in fresh water. Based on its overall age of almost 30 years, it would match an equal vessel with only 10 years of service in salt water conditions.
  ✔ Engine Drives were comparative for the Chief and Plattsburgh while the Voith drives for the new ferry are not very efficient.
  ✔ Costs to build a new ferry. A new 23 car ferry for the Columbia River was 5.8 million dollars which was 1.1 million over the estimate. Antholt provided information on a 20 car conventional drive ferry Sanpoil (also known as the Kelley Ferry) that was 9.7 Million dollars (picture attached). This ferry did not have any walk on passenger accommodations. Jim is speculative on the
County’s cost estimate for a new ferry as the Marine Surveyor provided the estimate was not commissioned by the County. He showed up at the request of Polly Hansen.

✓ The $500 thousand Plattsburgh retrofitting costs were rechecked by Brown from an east coast engineering (Gilligan & Associates) firm that were for adding bulkheads to lower the tonnage, re-location of fuel tanks to below deck, and provision of some ADA facilities. The $2.5 million presented to the county in 2008 included costs for the conversion and addition of 40 feet to the ferry.

✓ The confusion of differences in the draft of the Chief compared to the Plattsburgh were just clarified with a recent e-mail from the Lake Champlain Transportation Authority (LCTA) explaining that the numbers on the front of the boat are saying about 6.5 feet, so the drafts are really close.

✓ Crew size for the Plattsburgh would be the same as for the Chief. Jim explained that in a past phone conversation with one of the Coast Guard Marine Inspectors and one of his Lieutenants it was confirmed that if the Plattsburgh was converted to a “T” class bringing it to under 100 ton capacity, and that because it was built 1984, it could be operated by a crew of 3. The Master could see the majority of the outside passenger car area. If the Plattsburgh stays at an “h” class it would require a 4 person crew if the upstairs cabin was used. Conversations also inferred that there may be a political approach to operating the Plattsburgh in its current class without actually doing the modifications, but this would have to be addressed.

✓ Letters from the LCTA confirm delivery costs of under $500 thousand.

✓ Both ferry landings will handle the Plattsburgh right now. The wing walls on the island side have already been lengthened. The ferry would be hanging out quite a bit on the Gooseberry Point side, but the vessel is adequately powered to handle this. Lengthening the wall on the mainland side may be an issue to approach and a different time based on some actual service experience.

✓ Estimated asking price for the Plattsburgh was raised from $250 to $300 thousand dollars by LCTA due to what we believe to be current market conditions.

✓ Fuel costs were confusing and Jim went through quite a process to compare them. The specifics are covered in the power point, but in the result is that fuel consumption is almost the same.

✓ For annual repairs and maintenance, costs for the Plattsburgh and a new ferry are shown as $150 thousand, while the Chief is $350 thousand. This is based on 2/3 of the Pierce County Ferry annual costs as it is only dry dicked every two years. The Chief estimate is based on an average of the last 3 shipyard repair bids. This price does not include the wages paid to the crew for going down and working on the Chief during dry dock. Dry dock fees are over and above the repair and maintenance costs. These costs include rental of the back-up boat, crew to operate the back-up boat, etc.

✓ Antholt questioned the $11,887,000 cost for the purchase price of the Chief in the new model. After discussion, this number would have to be checked as it appears in both models the same. It is thought that this number is actually a replacement cost estimate for the Chief should it be unable to survive the 20
year time frame used. I would probably be better represented as an annual cost or some other listing.

✓ The 10 year major overhaul/renovation costs are based on the conditions of the vessels. The Plattsburgh will be right out of the shipyard having completed renovations and the new ferry would be obvious. The $3 million for the Chief is based upon known issues including replacement of the house (est. $1 mil), deck replacement, possible frame rail replacement, etc.

✓ The comparison of the two model results are as follow:

<table>
<thead>
<tr>
<th></th>
<th>Plattsburgh</th>
<th>New Ferry</th>
<th>Whatcom Chief</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antholt</td>
<td>$33,856,376</td>
<td>$49,009,039</td>
<td>$32,993,926</td>
</tr>
<tr>
<td>Dickenson</td>
<td>$29,965,434</td>
<td>$43,094,773</td>
<td>$38,353,903</td>
</tr>
</tbody>
</table>

✓ The conclusion is that although the NPV Model is the same, without the actual confirmed data and costs, as well as accepted assumptions that to use in the model, then the model is not of much value. The first model shows about a $1 million dollar savings by purchasing the Plattsburgh now over a 20 year time frame, to a saving to the County of over $9 million in the second model. Brown commented that the point of this whole exercise is that LIFAC cannot complete this model with the resources that they have. The County will have to take the information we have obtained and spend enough money and Staff time to verify the costs and assumptions LIFAC is presenting. LIFAC can only advise the County that they should look at these options and use the NPV Model to make a calculated decision. One of the largest assumptions that need to be addressed is the expected remaining life for the Chief including the estimated cost to keep it in service, and LIFAC alone is unable to determine this number.

✓ Clark brought up the issue of the access and egress to vehicles as loaded on a full ferry. This is a very touchy subject and he feels that before we bring this to the County that there should be an opinion as to when and/or if the Coast Guard is ever going to comment on this issue. Busch commented that he felt that it would take an incident before anything happens. McKenzie commented that he had a written request into the County for a Coast Guard report and that he had not received any response.

✓ Clark commented that as far as numbers point of view that LIFAC needs to take this forward and that it to our advantage to have as strong an argument as possible so that the County will put some money into completing a true evaluation of the options.

PUBLIC COMMENT

• Rhyma Blake, speaking as President of PLIC, was following up on Candy Jones’s comments at the last LIFAC meeting regarding the availability of handicap parking during the last dry dock period. The comment was that there were not enough available parking spaces for the handicapped and that the space seemed to have been kept for the construction workers. PLIC sent out a letter requesting input on this issue and received only one letter in return. The letter was from an individual who is 86 and disabled, and the problem it is to get through dry dock. Before PLIC sends a letter to the County, Rhyma is unsure to how many spaces there were and she recalled seeing a
diagram showing this. Someone commented that there were 5 handicapped spaces available and that was an increase over 2012. She commented that after talking to the Department of Licensing that there were 60 disabled driver permits for handicapped parking on the Island. Based on this information she asked if any of us had any input as to what number of handicapped spaces should be requested in the letter to the County. Antholt responded that maybe we should just ask for 10 spaces thus doubling what was available this year. This would get the conversation going. Bill Lee commented that he felt that the request for additional spaces would turn into a competition between businesses and disabled spots. There was some question by some that the County may have increased the available spots to 10 during the dry dock, but without the drawing it was really uncertain. Brown commented that this needed to be determined prior to the letter in order to decide if you were really asking for 15 spaces rather than 10 spaces.

- Joan Moye (?) commented on the access/egress for vehicles on the ferry. She felt that it was important to consider the option for an emergency crew to get in from whichever side. Brown comments that the worst case scenario for this option is a scary one. Busch comments that it doesn’t even have to be a boat incident, that it can be a medical incident inside the car and believes that this is much more likely to happen and has happened in the past. Dickenson added one additional comment that the incident does not even have to happen on the Chief. It could happen on the east coast or Canada, but it will ripple through the Coast Guard and will impact the operation here. McKenzie commented that in any presentation to the County that safety and liability which go hand and glove need to be in the forefront.

- Bill Lee comments that during dry dock you may have 60 disabled people who need to make that trip from the Island. In a shopping center or some other situation, you’re not facing the same kind of situation that we might have. It is very important to ask for more spaces and to point out that this year some people were profoundly impacted by not being able to find a place to park.

- Mary suggested that before LIFAC takes the ferry options to the County that they eliminate all the things about the proposed new ferry being un-seaworthy. The comments are pure speculation. The person who designed the new ferry was a marine architect.

- Bill Lee comments that however the analysis for the ferry option might turn out, he thinks it would be really valuable to advance the notion that the County begin to use this kind of analysis (NPV Model). He states that he has watched the ferry situation very closely for a long time and has never seen any explanation of how they do their economic analysis. We should encourage them to take advantage of this method.

OLD BUSINESS

1. Replacement Ferry –
   a. McKenzie proposes that LIFAC needs to move this issue forward and/or to put it to bed tonight. He has a draft letter (with help from others) that would be addressed to the Council Committee on Public Works and Safety. This letter suggests to the Council that they should be looking into a replacement ferry for the Chief. He proposing and wants some discussion as he has some concerns.
   Antholt rejects the letter without each LIFAC member having a copy to review
and edit. McKenzie has no problem with this and suggests that LIFAC needs to move forward and if LIFAC votes to move ahead that this letter would set the table for that. Zender asks if the intent of such a letter is to put this issue in the County hands to evaluate using a professional staff and explore viable options. Colburn asks if this is because of cost estimate or because of safety and risk. We have not articulated this point is a persuasive way to the Council. The cost stuff can’t come before that assessment for a decision making. Antholt says what we can say is “that the Chief is over 50 year old. It is time to prepare. Here’s a model to use. Get on with it.” Colburn comments that this information is not persuasive enough and that the issue is driven by risk and safety (cost added by Antholt). If we aren’t concerned by the downside then what incentives do we have to look at the alternatives. Clark comments that “the” reason that LIFAC has spent so much time on this is because there is an option available that may not be available in a year or 18 months. The question is that are the safety and other factors great enough to provide an impetus to make an economic analysis and determine if it is advisable to take advantage of the present availability (of the Plattsburgh). Colburn says that this is a matter that adds urgency to the need for a decision, but it is not a decision that we can make. We are trying to make another body to have a serious concern, and to perceive an opportunity and address it. Busch brought up if it was important that the asking price for the Plattsburgh had gone up $500 thousand in less than 4 years. Clark added that the fact that the due to the changes in the economy and all of the shipyards are full that this adds to the urgency for a decision.

b. McKenzie makes a motion to move:
“To create a letter that is acceptable to the group, to submit to County Council Committee for Public Works that requests that Committee looks at a request for a scientific study of a new proposal.” Brown seconded the motion for purposes of further discussion. After much discussion, there was no vote on this motion. The understanding is that the original letter would be sent to each of the LIFAC members for comment and revision.

c. McKenzie brought up a question regarding the date for the December meeting and that it was only a couple of weeks away. He pointed out the need to have the letter ready to go at the meeting without taking up a lot of the meeting time. A second motion was made to:
“LIFAC members will write the letter to the Council Committee on Public Works for them to take action by initiating a study to look into the options for possible replacement of the Whatcom Chief.” There would be a new motion at the next meeting to revise as necessary and approve the letter in order to move it ahead to the Council Committee. The motion was passed 6 to 1 with one abstention.

2. Electronic Ticketing –
a. McKenzie did not have a great deal of new information, but he did comment that the Staff had somehow stumbled upon the same equipment (GTAC PS336) that Colburn had identified in our previous meetings. One of the LIFAC members had commented at the last meeting that such a small handheld device had been tested on the Chief.

3. Communications issues from the September Meeting (from 8/6 mg w/Brenner)
DISCLAIMER: This document is a draft and is provided as a courtesy. This document is not to be considered as the final minutes. All information contained herein is subject to change upon further review and approval by the Lummi Ferry Island Advisory Committee.

a. The deal is that McKenzie has requested in writing a couple or several times and has had no response yet in regard to a meeting e with the County Executive, Head of Public Works, and someone representing the County Council. Currently, Public Works (and the Council) are doing things regarding the ferry that is not being passed to LIFAC at all. LIFAC would have to determine if they wanted this to be a public meeting (more than 3 members in attendance) or not. LIFAC is just trying to improve the lines of communication to those of committees like for the new jail. McKenzie would like for the Executive to discuss full out what the future is for the Lummi Ferry. The Executive has communicated that there is no plan for a new ferry, so what is plan “B” for the Whatcom Chief? Discussion comments were that maybe the Executive is waiting for the new County Council to be in place.

4. Strategy and plan for fare schedule and for rapid pursuit of;
   a. Appropriate fare schedule recommendation to the County:
   b. Eliminating all or part of the $3 fare surcharge:
   c. Comments:
      i. McKenzie commented that Diane Harper has volunteered to work on this issue with a point person from LIFAC (Zender). She is eager to take the Task Force Model, getting all of the updated numbers (request from public records), plug them into the model and see what it produces.

NEW BUSINESS

- Antholt suggests that no matter what the results of the various issues regarding the future of the Chief, that there needs to be a contingency plan for breakdowns either on the landings or the boat. He has sketched out some ideas for a model (attached) and thinks we should get working on this for the next year. McKenzie commented that this should be reviewed by the members for the next meeting.

OTHER BUSINESSES

There was no other business

TENTATIVE AGENDA FOR THE NEXT WORK SESSION

The date for the next meeting is **Tuesday December 3**

CALL TO ORDER
ROLL CALL
FLAG SALUTE
MINUTES CONSENT
PRESENTATION
OLD BUSINESS
Letter to Council Committee on Public Works
Electronic Ticketing Update
Fare Schedules and Ferry Costs
Contingency Plan

NEW BUSINESS

ADJOURN
DISCLAIMER: This document is a draft and is provided as a courtesy. This document is not to be considered as the final minutes. All information contained herein is subject to change upon further review and approval by the Lummi Ferry Island Advisory Committee.

ADJOURN

The meeting adjourned at 8:10 p.m.

The Committee approved these minutes on January 7, 2014.

ATTEST:

Michael McKenzie, Committee Chair