



WSDOT Ferries Division Public Meeting
Edmonds, Wash.
South County Senior Center
Thursday, Sept. 25, 2008: 6 – 8:30 p.m.

Note: This meeting summary represents notes from the Washington State Department (WSDOT) Ferries Division public meeting, and is not a formal transcript or minutes. It is provided as a record for the staff and public in attendance and other interested parties.

Open House

Meeting attendees were given an opportunity to review the boards set up throughout the room. Ferries Division staff were available to answer questions.

Introduction

*David Moseley, Assistant Secretary, WSDOT Ferries Division
Diane Adams, Meeting Facilitator*

Diane welcomed everyone and encouraged people taking an early ferry to Kingston to take a comment form with them to send in. She walked the group through the agenda and reviewed the ground rules.

Walt Elliot, Kingston FAC Chair, introduced himself and the FAC members present from the Kingston and Edmonds FACs.

David welcomed everyone. He said that there is a lot of information here tonight but it is all online as well. He encouraged attendees to take the time to read it and e-mail him if they have questions. David acknowledged and thanked the people of Edmonds who did the striping on Highway 104. He said that he hopes that it helps with some of the queuing issues in Edmonds.

David reviewed the four priorities for the Ferries Division and the progress made to date.

1. *New boats.* David said that the Ferries Division needs to build new boats. He said that we have the biggest ferry system in the United States and we do not have any back-up boats. He emphasized that this is not a sustainable way to operate. He said that the Ferries Division is working on building these boats. The Ferries Division has a contract with Todd Shipyards and is on track to begin construction by the end of 2009 for the 144-car boats. The bids are due to the Ferries Division on Nov. 6, 2008 for (at least) two 64-car vessels and David hopes to contract before Thanksgiving.



2. *Maintain current boats.* Ferries started a vessel preservation program. David said that he is aggressively trying to make sure that all the boats are safe. There is work being done in Eagle Harbor and other shipyards. Ferries is working with the Coast Guard on a new interior hull inspection program. The new protocol will make sure that all boats are safe and functioning well.
3. *Community Outreach.* The Ferries Division's goal is to increase the level of community outreach and to get to ferry communities more often to talk to people and hear their concerns. David said that a mentor of his has a saying that has served him well: There is no substitute for personal recognizance. He explained that to him, this means, that you have to see the people and the communities to understand them. He has spent a lot of time traveling to the ferry communities to carry out this approach.
4. *Long-range plan.* Ferries spent much of 2008 working with the Joint Transportation Commission (JTC) on the ferry financing study and the long-range plan. David emphasized that the Ferries Division is not sustainable today and that they need a plan to return to financial sustainability.

David said that one of the challenges that the Ferries Division has faced is "tightening its belt." He said that he has reviewed the Ferries Division staffing patterns, consultants and overtime costs to make them more efficient. With the Cedar River Group analysis, he said that they have reduced their staff to 262 people from 321 people. He assured the public that the Ferries Division is trying to be as economical as possible.

Presentation: System Challenges and Funding Problem

David Moseley, Assistant Secretary, WSDOT Ferries Division

David explained that since the motor vehicle excise tax (MVET) went away, the Ferries Division lost 25 percent of the operating budget and 40 percent of the capital budget. What has happened since then is that the legislature has brought discretionary funds from other places to keep the ferry system going. This has been necessary even though the Ferries Division has reduced services and raised fares. David emphasized that this is why the system is not sustainable.

David described the \$3.9 billion gap in funding the existing baseline. He explained that on the capital side it's because the Ferries Division has an aging fleet and on the operations side it's because of the high costs fuel. Ferries was raising 78 percent of the operating budget from the fare box. Now the Ferries Division is only raising 70 percent because of fuel costs.



Presentation: Washington State Transportation Commission (WSTC)

Elmira Forner, Commissioner

Bob Distler, Commissioner

Elmira reviewed the WSTC's work in addressing the Ferries Division's funding gap. She said that WSTC conducted the preliminary study report with Cambridge Systematics to collect funding data. Elmira emphasized that the WSTC is tasked with making recommendations to the legislature and that the legislature will be tasked with deciding upon a solution. She explained that she knows it is an uphill battle because there are only 12 representatives from ferry communities and 140 representatives from other communities. Elmira said that they are most likely going to have to ask the local governments for support.

Bob asked attendees to press their legislators to step up and find a solution. Bob emphasized that everything presented here, in terms of numbers, is about the base case. It represents current service levels and it is not intended to keep up with projected growth. Bob explained the three-legged stool concept in which funding comes from the fare box, state sources (subsidies) and local funding. The local funding could be an increase in an existing tax rate or creating a new tax. Bob said that the WSTC is constantly working with the Joint Transportation Commission (JTC) and the Ferries Division on the same set of numbers and no one has discovered any magic bullets yet. Bob explained that we are where we are because of the lack of the MVET and the rise in fuel fees.

Public Comments and Questions

1. In the long-term plan, does fare box recovery meet its goals? *The fare box recovery is no longer a target, it is the result of closing the gap. We won't have a specific goal for fare box recovery but we will be happy if it's in the 70-percent range.*
2. Is the capital need boat replacement only or boat and terminal replacement? *It is not terminal expansion. It is terminal preservation and small upgrades.*
3. Terminals are an enormous real estate opportunity. You are in a prime location for private sector capital investment to create the kind of urban density that is desired right now in communities. Your terminals could be self-supporting. Are you looking at your terminals just as industrial facilities or looking at private investment to use them better? *The WSTC is in charge of public-private partnerships. Some were discussed but there was no money in the program. The state is looking at this, not just for ferries, but for roads as well. The tool is in the toolbox, but we have not taken it out.*



4. How have citizens had input in these issues? *They have not gotten that far yet. Jeff Doyle, Washington State Department of Transportation, leads the Public Private Partnership office. Please e-mail David and he will give you his contact info. I met with Jeff this week to talk about opportunities for WSF. When a project is further along, we will go through a public process.*
5. What is a public private partnership? *Usually it is a multi-use facility that has commercial activity space that would not impact the industrial use. It is paid for in part by a private developer and in part by a public agency (like WSF). One option is to lease part of the terminal to a private entity. For example, Edmonds could build the new terminal to the south if a private developer came along.*

Presentation: Building Blocks for the Long Range Plan

Michael Hodgins, Consultant

Michael directed everyone to the packet and reiterated the gap in funding and the challenges that the Ferries Division faces. He described the ferry financing legislation and explained that it directs the Ferries Division to look at strategies to meet demand. The planning team received preliminary feedback on the 90 strategies at the June public meetings and has identified three that are the most effective and that we want to share with you tonight. These are reservations for vehicles, transit enhancements and pricing. Michael said that the Ferries Division has mixed and matched these strategies to make a specific package for the Edmonds / Kingston route.

Reservations:

Michael reviewed the reservations system and reminded attendees that the reservations system has been very successful on the Port Townsend / Keystone route. He said that the Ferries Division will build on that experience and tailor it to each route. Michael said that he knows there were a lot of concerns about reservations in June and the Ferries Division has worked on answering those questions for the public. A few key pieces that would make the system successful are:

- Users would pay something in advance to avoid no-shows
- Space would vary by route and time of day
- Vehicles would need to arrive 10 to 15 minutes ahead of time
- Reservations could be made up to 30 minutes ahead of sailing
- Majority of boat would be reserved (small number of spaces set aside for emergencies)

Michael reviewed the frequently asked questions.

Public Comments and Questions



1. I don't understand the 10 -15 minute check-in time. Can you explain? *It's a process time for our terminals. We would have to get the systems in place to effectively and efficiently check people in and use the technology to ensure a quick transition. The technology from Tacoma Narrows Bridge is one thing we're looking at.*
2. If you get approval, when will it happen on this route? *We can't guess when it might happen but this would be one of the routes we'd like to try it as soon as possible.*
3. Is the reservation fee an additional fee above the ticket price? *This question has not been resolved. It doesn't need to be an additional fee. It could be a part of what you're already paying. The process would be an extension of what is already happening with frequent users.*
4. Change always has benefits and loses. What are the loses for a reservations system? *You do lose some spontaneity but there are trade-offs. With spontaneity you may have to sit in line. Also, not all of the boat would be reserved so you would still be able to take a chance if you wanted to make a spontaneous trip.*
5. I think that it's worth looking at the different routes. What works in Keystone, might not work here. Don't think of it as one system but many small systems. *Yes, characteristics can vary by route.*

Transit Enhancements:

Michael talked about the reasons that the Ferries Division is considering transit enhancements as a part of their long-range plan. He said that the survey showed that lack of transit was a frequently cited factor that prevented people from walking on the ferry. Studies have shown that if you want to get people out of their cars, transit needs to be available on both sides of the route.

Pricing:

Research shows that pricing strategies affect demand. Michael said that the Ferries Division has looked at its pricing structure and evaluated tools to find the incentives and disincentives within pricing. These strategies would get phased in over time and would only be used if demand warrants:

- Congestion pricing
- Frequent user policy
- Small car incentive
- Off-peak discount
- Passenger discount

Michael explained that the Ferries Division would most likely mix and match elements of each pricing strategy to develop a package. He said that the Ferries Division wants to maximize the demand shift, achieve revenue neutrality, and minimize the overall cost impact on frequent users.



The last building block is the ferry service changes. Michael suggested that these things would be implemented if we are not able to change demand with the strategies. He told people that the table has level I and II by route. On the Edmonds / Kingston route, Level I includes adding a smaller boat (100 cars) and Level II is to add a large boat.

Edmonds / Kingston Package

Ray Deardorf, Planning Director

Ray presented the details on the Edmonds / Kingston Route. He displayed a chart that is a detailed version of the table in the packet. He said that the Ferries Division would add reservations and transit enhancements first. If the Ferries Division cannot manage demand with those changes, they will utilize some pricing strategies. After those strategies have been implemented, service changes may occur. Level I for this route is to add a third small boat and Level II, adds a third large boat.

Group Discussion

Diane Adams, Meeting Facilitator

Diane presented the workshop questions and led a group discussion:

- What impact would a package like this have on you and your community?
- What other ideas or concerns do you have?

Public Comments and Questions

1. What about emergency availability on the ferry? My doctor is on the other side.
2. I don't see how making a reservation over the phone will fix the traffic congestion problem.
3. It sounds like the computer system for the reservations system is going to be too expensive.
4. Have you done an economic impact assessment of these things? If fares are increased, how will that impact property taxes on the other side?
5. Are there other tax revenues available?
6. If you want more walk-ons, you need more parking and better transit connections.
7. I don't have a choice of when I travel (I have to get to work) so I don't think trying to shift demand is going to make a difference. You're going to hurt the commuter when you implement peak pricing.
8. There are cost benefits and community impacts to those businesses near the terminal. Everyone should recognize the revenue stream around the ferry service and there should be local cost sharing.



9. Will frequent user discounts go with this pricing strategy? I can't afford to live and work on the other side if the fares increase.
10. How do we pay for reservations? I prefer to drive up and pay. The system appears very complex (tracking, computer system, etc.). *You would pay ahead for a reservation.*
11. Have you considered other sources of fuel for vessels (i.e. nuclear power)?
12. Are you eligible for Federal Highway Administration [FHA] funds? *A very small amount of our funds come from FHA.*
13. How many in the audience would accommodate a tax increase? *[Audience members raised their hands].*
14. I think you should look at steam turbine, nuclear, etc. for energy. There are a lot of things out there. Let's lead the industry, not follow.
15. My employer pays for transit but not the ferry. It should be one in the same. Can you mandate something like that?
16. Why is the new 144-car ferry wider? Now there is no access through the Ballard Locks. *The ADA regulations are a big part of it.*
17. There is inequity in the fares. Can we change the pricing structure of the ferry system?
18. How will the priority system in a canceled sailing work? It seems like there are too many people in too many places.
19. A few years ago, the CFO at WSF outlined a new ticketing system but did not do a cost-benefit analysis. What does this system cost? Have you done a cost-benefit analysis for the Web-based system?
20. Is WSF talking to WSDOT about the Tacoma Narrows Bridge technology? *Yes, those conversations are happening.*
21. To raise fares on people who are already spending huge amounts of money on ferries will be horrendous. I don't know if you've run the numbers impacts but this is huge for people.
22. We need shuttles on each side if we want people to utilize the walk-on capacity of the ferry.
23. The proposed pricing structure should be taken off the table entirely, at least the disincentives.
24. What is peak? If you do the reservations system and successfully shift the peak, it will always be changing. Then, who will decide when the peak pricing happens?
25. The usability of the Web-based system depends on the right pieces being in place. For example, the schedule needs to be correct. If the first boat in the morning leaves late, you're already off schedule and your reservations system won't work.
26. The reservations system works like a restaurant, when the restaurant is full, you stop taking reservations. You will eliminate all peaks that way. Why do you have peak pricing at all then? *Even restaurants have happy*



hours and specials at certain times of the day which is essentially peak / off-peak pricing.

- 27. There are negative environmental impacts both in the long queues here and also, in the summer, when people are forced to drive around because of the lack of an off-peak discount.
- 28. If there is a priority for local residents, how will I physically get to the toll booth with non-residents in the way? *Great question. There will need to be some changes to the structure of the system.*
- 29. I see a lot of money being put into the strategies (new reservations system, transit enhancements, etc.) but I don't see what money comes back to fill the pot.
- 30. I would be willing to pay a vehicle tab increase. *That's an easy solution but it's not that popular.*
- 31. The state needs to find a funding solution. Talk to your legislators.
- 32. What about passenger-only ferries? *The legislature has asked WSF not to pursue passenger-only ferries. The counties have the ability to utilize them and we encourage that. We don't view it as competition but as a complimentary system.*
- 33. I think you need a "Level 0.5" where you add a third boat in the summer only, which will make money.
- 34. There are five boats on the San Juan route (25 percent of your whole fleet). I think it's feasible to build a bridge between the islands so that you could cut the number of boats needed in half and give them to other routes.
- 35. I've heard some confusing things about terminal expansion. Is this still a possibility? *The designs for a new terminal in a new location are still available. If a private developer comes along, we would be open to that.*
- 36. How did you come to the decision to have the meeting tonight in Edmonds rather than Kingston? *The long-range planning process includes three meetings. Since this is a route meeting and we had two meetings in Kingston, the Edmonds people requested a meeting here.*

David thanked everyone for coming and said that he was excited to work on this challenge with them.

Approximately 36 attendees. The public sign-in included:

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|----------------|------------------|
| Walt Elliott | Harriet Muhrlein |
| Paul Lundy | Mark Bell |
| Rex Lee Carlaw | Ralph Marsh |
| Grant Sullivan | Karen Paterson |
| Ken Jones | Dennis Cziske |
| Chris Imbach | Arleen Crader |
| Terrie Barrows | Evan Stoll |



Kathleen & Glenn Wooten
Betsy Cooper
John Dewhirst
Alan Jovanovich
John Reed
Jean Hopkins
Joan Bloom
Herbert Shippin
Sumner Baltrell
Cameron Covington
Mark Hanna

Kelley O'Connell
Doug Myers
Stephen Clifton
Sara and Walt Rowls
Teresa Berntsen
Janice Bamsart
Sue Welling
Marilyn B Salter
Bill Angle
Mike Doubleday
Ted Hikel

Ferries Division Staff:
David Moseley, Assistant Secretary
Ray Deardorf, Planning Director
Joy Goldenberg, Communications Manager
Shawn Devine, Communications
Steve Rodgers, Operations
Michael Hodgins, Consultant
Diane Adams, Consultant
Kristina Walker, Consultant
Blair Scanlan, Cedar River Group

Washington State Transportation Commission:
Elmira Forner, Commissioner
Bob Distler, Commissioner

No comments were submitted at the meeting.

The following comments were received following the meeting. Names have been omitted.

Received via e-mail, Oct. 17, 2008

Hi, the mail address given in a local paper was wrong so this was the only substitute could find. I keep missing the ferry meetings held in or about Kingston but I wanted to offer a few suggestions and observations anyway. As a relative newcomer to the state I definitely see the ferries as part of the highway system and do not understand the reluctance to fund them-the are a vital link, as much as the Golden Gate Bridge is to San Franciscans, whether they actually use it daily or not. But to Kingston specifically. I suspect that charging for additional passengers is counter intuitive since it discourages ride sharing and thus



puts more cars on the boats, requiring more boats. Less income perhaps but also less boats. I'm guessing the state comes out ahead, considering the cost of car-carrying boats.

I do think traffic needs to be rerouted to better serve the commercial center of Kingston and my suggestion here would be to reverse the routes to the ferry. It would be better for the "town" if the ferry traffic exited through its commercial center so people might be more tempted to stop and enjoy it, even for just a few minutes. When they're already late for the ferry they are rushing through town. Put those folks on that upward path that's being talked about. Locals know the town well enough to get to the businesses the back way, where the parking is anyway.

Anyway, that's my 2 cents worth and thanks for your attention.

The following comments were received following the meeting. Names have been omitted.

Received via e-mail, Oct. 17, 2008

1. Three wheeled vehicles are the only ones which must pay peak season surcharge even if they buy a 20-ride pass. It is ludicrous that a trike or sidecar rig is treated as an oversized vehicle and subjected to peak season surcharges IN ADDITION TO the oversize vehicle surcharge they already have to pay.
2. Three wheeled vehicles do not have the re-value card option available to them.
3. Southworth needs a 7:15 A.M. boat from Southworth to Fauntleroy. It's ridiculous that there is an hour and fifteen minute gap in service during the peak of commuter traffic.
4. Good-to-go & Wave-to-go need to be combined.
5. Ferry passages purchased should never expire. The money they were purchased with does not expire. When a service has been paid for, it should be delivered, even if it is a year or two after purchase. Taking money and refusing to deliver is theft, plain and simple. Many commuters use more than one mode, and have to retain multiple passes. It is very difficult to use all of them when I have to keep a car pass, trike/sidecar pass, motorcycle pass and walk on pass.
6. Bicycles should not be charged more than pedestrians.



Washington state needs to encourage alternative transportation methods, and a bicycle is one of the most environmentally friendly modes of transportation.

Received via e-mail, Oct. 14, 2008

Power the Washington State Ferries Utilizing Grid Electricity. The Washington State Ferry System can save money, stabilize the cost of energy, and eliminate most if not all carbon emissions.

Current Facts:

1. The propeller shafts on the Washington State Ferries are powered via electrical motors.
2. Energy is stored aboard the Ferries in liquid form as diesel fuel. A diesel generator converts the energy in the diesel fuel to the electrical power required to run the motors delivering power to the propellers.
3. Diesel fuel must be transferred to the storage tanks on the ferries via hose connections giving rise to the potential for fuel spills.
4. Diesel fuel is currently being delivered via fuel trucks. The trucks burn diesel and add to carbon emissions.
5. The current system is inefficient, harmful to the environment, and unnecessary.

Technical Feasibility:

1. Lithium Ion Batteries are currently available such that a bank of them can store enough energy to operate a ferry for an entire day.
2. The durability of Lithium Ion batteries has been proven.
3. A seagoing vessel can be designed to carry the weight of the batteries.
4. Adaptation to existing ferry design would be cost effective. Essentially the on board diesel generator and diesel storage tanks would be replaced with battery storage capacity.
5. The diesel fuel lines used to fill the on board diesel storage tanks would be replaced with a high capacity shore-power electrical connection.
6. The ferry is a perfect application for electrical power because of the defined time under power and the time spent "pushing the dock" that can be used for recharging the batteries.

Benefits:



1. Cost savings of \$1,443,064 annually for a boat like the WSF MV Tillikum. This is based upon \$4 per gallon diesel and an electricity rate of \$.10 per kwh.
2. Alternate funding is available for “green projects.” An example of available funds is 10 million in grant money from Google for ideas that improve the world.
3. Electricity is generated locally while diesel is imported.
4. The diesel fuel delivery costs, along with the risk of (and actual) environmental pollution is eliminated.
5. No longer will the diesel generators have to be maintained with oil changes, daily service, and engine overhauls.
6. No future carbon tax.

[report accompanied comment – available upon request]