

EXHIBIT A

Chapter 10.34 FERRY RATES¹

Sections:

- 10.34.005 Definitions.**
- 10.34.010 Effective date for ferry user fees.**
- 10.34.020 Interpretation of rate schedule.**
- 10.34.030 Use of ferry user fee revenues.**

10.34.005 Definitions.

- A. "Ferry system" means all physical elements of the Lummi Island ferry operations, including the Gooseberry Point and Lummi Island vehicle and pedestrian staging areas, vehicle parking areas, ferry docks, and any and all boats utilized for transport purposes.
- B. "Ferry User Fees" means the charges required of and collected from all non-exempt users of the ferry system, as established and periodically amended in the Unified Fee Schedule. Ferry User Fees do not include 1) any consideration or credits earned under WCC 10.34.020(I) or 2) any surcharges collected pursuant to WCC 10.34.020(O).
- C. "Fare Box Considered Revenue" means the revenue from Ferry User Fees. Revenue from other funding sources will be only be included as Fare Box Considered Revenue if designated by resolution of the Whatcom County Council.
- D. "Capital Cost" means all the capital expenditures, including financing and depreciation expenses, necessary to replace, expand or create the physical elements of the ferry system.
- E. "Non-Capital Emergency Repairs" (NCER) means any emergency maintenance or repair to the terminal structures, and which costs shall be included as part of the Ferry System's operating expenditures.
- F. "Total Operating Expenses" (TOE) means all Ferry System expenses that are not Capital Costs. TOE includes the vessel rental rate, all daily running expenses, all actual regular and routine maintenance, all NCER expenses, and all administrative expenses associated with the use and operation of the ferry system. Consistent with past practice, the monthly Tidelands lease or its replacement will continue to be considered part of the Total Operating Expenses calculation at the value of its annual cash payments regardless of implementing the Governmental Accounting Standards Board's Statement No. 87 requiring lease accounting changes for financial reporting.

G. "Adjusted Total Operating Expenses" (ATOE) is the amount of Total Operating Expenses (TOE) minus adjustments defined in 10.34.05 (G)(1-6) and then used in the calculation of the Fare Box Recovery Goal.

Beginning January 1st 2024, the ATOE amount shall be determined by subtracting the following amounts from the TOE:

- (1) Motor Vehicle Fuel Tax Attributable to Ferry Operations;
- (2) Ferry Deficit Reimbursement Funds (RCW 47.56.725 (2));
- (3) Investment income or loss;
- (4) County Employee trips as defined in 10.34.010(I);
- (5) Other Miscellaneous Income – such as immaterial amounts due to NSF checks.
- (6) Actual NCER expenditures, up to \$150,000 in a calendar year.

H. "Fare Box Recovery Rate" means the percentage of ATOE to be recovered by Fare Box Considered Revenue as set by WCC 10.34.030.

I. "Fare Box Recovery Goal" means the amount to be recovered by Fare Box Considered Revenue. The Fare Box Recovery Goal shall be calculated by multiplying ATOE by the Fare Box Recovery Rate.

J. "Annual Fare Box Contribution" shall be calculated by subtracting the annual Fare Box Recovery Goal from the annual Fare Box Considered Revenue. A positive amount indicates a surplus in fare collection for the year, and a negative amount indicates a deficit in fare collection for the year.

K. "Cumulative Fare Box Reserve" is the ongoing calculation of fare box surplus or deficit and shall be calculated as the sum of each year's Annual Fare Box Contribution.

L. "Rate schedule" means the combination of ferry user fees and operational policies affecting the use of the ferry system.

M. "Ferry Fund" is the account where dedicated monies are held for ferry expenses.

N. "Ferry Fund Reserve Target" is defined as 50% of the average prior three years' ATOE and will be comprised of 55% Fare Box Considered Revenue and 45% County funds. The Ferry Fund shall contain the full Ferry Fund Reserve Target by 2034.

(Ord. 2021-012 Exh. A; Ord. 2015-034 Exh. A; Ord. 2013-042 Exh. A; Ord. 2012-016 Exh. A; Ord. 2010-054 Exh. A; Ord. 2008-052 Exh. A; Ord. 2008-017 Exh. A; Ord. 2007-001 Exh. A; Ord. 2005-090 Exh. A).

10.34.010 Effective date for ferry user fees.

Ferry user fees are set forth in the Whatcom County Unified Fee Schedule and become effective as set forth in the ordinance adopting or amending such schedule.

(Ord. 2021-012 Exh. A; Ord. 2015-034 Exh. A; Ord. 2013-042 Exh. A; Ord. 2012-016 Exh. A; Ord. 2010-054 Exh. A; Ord. 2008-052 Exh. A; Ord. 2008-017 Exh. A; Ord. 2007-001 Exh. A; Ord. 2005-090 Exh. A; Ord. 2002-012; Ord. 2001-064; Ord. 93-080 Exh. Q).

10.34.020 Interpretation of rate schedule.

The following provisions should be observed in application of the ferry rate schedule:

- A. Buses, mobile homes, motor homes, fifth wheels in bed of pickup, and trailers including goosenecks are charged by total length. Length includes tongue, hitch, and projections to the rear.
- B. Tow vehicles with trailers shall be charged a combined rate based on total length of the trailer, as defined in subsection A of this section, and weight of the tow vehicle based on the gross vehicle weight of the designation of the vehicle. Heavy machinery that is self-propelled onto the ferry shall be charged at the corresponding vehicle weight.
- C. Special trips are a surcharge in addition to the applicable fare.
- D. A weekly run limited to fuel trucks, charged at the regular rate, shall be scheduled by the public works department and published appropriately.
- E. All trucks shall be charged regular round-trip rates based on gross vehicle weight.
- F. Over-width vehicles or trailers shall be charged a 50 percent surcharge. Over-width vehicles are any vehicle or load that exceeds the outside width limit of eight and one-half feet (8.5 ft) as defined in RCW 46.44.010.
- G. Free passage shall be granted to the Whatcom County Fire District 11 for departmental business per the terms of their interlocal agreement for fire protection services, Whatcom County Contract #201511022 or its replacement.

H. Children under nineteen (19) years of age will receive free passenger and pedestrian passage all year round. No child discount is available for drivers of vehicles.

I. Whatcom County employees on official Whatcom County Public Works or Sheriff's Department business shall be exempt from fares. These exempt fares will be tracked, and \$10.00 per trip will be applied in the Adjusted Total Operating Expense calculation each year as outlined in 10.34.005(G)(4).

J. During the term of the tidelands lease agreement dated October 24, 2011, lessee (Whatcom County) shall grant free foot and noncommercial passenger vehicle passage upon and across the ferry operated by lessee between Gooseberry Point and Lummi Island to those persons going to Lummi Island for legitimate tribal business who are either enrolled members of the Lummi Nation or employees thereof, and who also present appropriate identification issued by the nation, including Lummi Indian Business Council identification cards or current fishing cards/licenses as issued by the Lummi Nation.

K. A needs-based discount is provided for Lummi Island residents who meet the Very Low Income levels set annually by the Department of Housing and Urban Development (HUD). The needs-based discount shall always be higher than any other discount. The current year's levels will be posted on the Whatcom County Public Works ferry web page. The reviewing authority will screen all applicants to determine eligibility. The number of needs-based applications processed annually, regardless of approval, will depend on the constraints of the ferry operations budget for each year. These needs-based tickets will not be sold on the Ferry and will require a valid voucher issued by the reviewing authority and a valid photo ID. Eligibility will be reviewed at least annually by the reviewing authority.

L. A needs-based discount is available to Lummi Island residents who currently hold property tax exemptions or deferral as defined under RCW [84.36.381](#) and [84.38.030](#) and WAC [458-16-020](#) and [458-18-020](#), and as these may be hereafter amended. These multi-ride needs-based tickets are not sold on the ferry and require a valid photo ID.

M. Rate changes adopted by ordinance or executive order shall be implemented no sooner than 60 days after Whatcom County submits an application for certification of toll changes to the state aid office as may be required pursuant to WAC 468-22-040. The implementation date for rate changes shall be included in the authorizing ordinance or executive order. Multi-ride cards are convenience cards that may have a discount applied to them. Multi-ride cards are only valid if they are fully intact, less punches used. With the exception of needs-based multi-ride cards, no multi-ride card shall have a discount greater than 20% applied to its corresponding single ride fare. The needs-based multi-ride discount shall always be higher than any other discount. One punch on the multi-ride card equals one round trip. Multi-ride cards purchased prior to the most current fare change are valid for 30 calendar days after the rate change takes

effect. The remaining value (original value divided by original number of trips times the remaining unpunched trips) of multi-ride cards purchased at the previous rate, higher or lower than the new rate, shall be used as a credit towards purchasing the current fare multi-ride card. No refunds, returns, or replacement cards will be allowed or issued.

N. All children under the age of twelve (12) years must be accompanied by an adult when traveling on the Whatcom County ferry.

O. A capital surcharge of \$1.00 shall be collected for all fares except for needs-based fares (subsection K and subsection L of this section). The capital surcharge shall be used exclusively for the construction of a new ferry vessel and terminal improvements.

P. Entities and individuals legally authorized to transport human remains shall be exempt from fares when using the ferry to pick up and transport the body of a deceased person from Lummi Island. Ferry personnel reserve the right at the time of travel to require riders claiming this exemption to present burial-transit permits required under RCW 70.58A.210 or other legal authority authorizing transport of the deceased person.

(Ord. 2021-012 Exh. A; Ord. 2015-034 Exh. A; Ord. 2013-042 Exh. A; Ord. 2012-016 Exh. A; Ord. 2010-054 Exh. A; Ord. 2008-052 Exh. A; Ord. 2008-017 Exh. A; Ord. 2007-001 Exh. A; Ord. 2005-090 Exh. A; Ord. 2002-012; Ord. 2001-064; Ord. 93-080 Exh. Q).

10.34.030 Use of ferry user fee revenues.

Beginning January 1, 2006, a 55 percent Fare Box Recovery Rate shall be applied and evaluated continuously, from that time forward, on an annual basis. An annual review of ferry system services, actual and projected operating costs, and actual and projected revenue from ferry user fees shall occur to verify that the Fare Box Recovery Rate is being achieved. The annual review shall be presented to the Whatcom County Council during the 2nd quarter of each calendar year. The purpose of this review is to use the Cumulative Fare Box Reserve total, Ferry Fund Reserve Target, and current projections to determine if a fare change is warranted. Additionally, beginning January 1, 2024, the Cumulative Fare Box Reserve's adequacy shall be evaluated, in part by comparison against the annual Ferry Fund Reserve Target with the goal of fully funding the Ferry Fund Reserve Target by 2034. At a minimum, fares or expenditures shall be adjusted each year for inflation per the Consumer Price Index (CPI-U). All CPI-U related fare changes shall go into effect in January of the following year.

The 55 percent Fare Box Recovery Rate shall be applied to the Adjusted Total Operating Expenses (ATOE) to determine the Fare Box Recovery Goal. The remaining 45% of the ATOE shall be funded through other county funding sources, which include but are not limited to road taxes.

The Cumulative Fare Box Reserve tracks each Annual Fare Box Contribution over time, maintaining a running balance to determine annually if a surplus (positive) or deficit (negative) exists. Beginning January 1, 2024, the annual Ferry Fund Reserve Target will be subtracted from the Cumulative Fare Box Reserve before determining if a Cumulative Fare Box Reserve surplus or deficit exists. A Cumulative Fare Box Reserve deficit indicates that insufficient Fare Box Considered Revenue has been collected over the years and shall be corrected by increasing future Fare Box Considered Revenues and/or decreasing TOE. A Cumulative Fare Box Reserve surplus indicates that Fare Box Considered Revenues have exceeded the amount required by the Fare Box Recovery Goal and the Ferry Fund Reserve Target. When a cumulative surplus exists, the surplus shall be evaluated with other available information to determine if a future fare decrease is warranted.

. (Ord. 2021-012 Exh. A; Ord. 2015-034 Exh. A; Ord. 2013-042 Exh. A; Ord. 2012-016 Exh. A; Ord. 2010-054 Exh. A; Ord. 2008-052 Exh. A; Ord. 2008-017 Exh. A; Ord. 2007-001 Exh. A; Ord. 2005-090 Exh. A; Ord. 2002-012; Ord. 2001-064).