



ELIZABETH KOSA
DIRECTOR

MEMORANDUM

To: The Honorable Satpal Singh Sidhu, Whatcom County Executive and The Honorable Members of the Whatcom County Council

From: Elizabeth Kosa, Director *EK*

Subject: Lummi Island Ferry Replacement and System Modernization Project Grant Agreement with U.S. Department of Transportation

Date: July 13, 2026

Enclosed for your review and approval is a grant agreement between the U.S. Department of Transportation and Whatcom County to obligate \$25 million in federal funding for the Lummi Island Ferry Replacement and System Modernization Project.

Requested Action

Public Works respectfully requests that the County Council authorizes the County Executive to enter into a grant agreement with the U.S. Department of Transportation to receive federal funding for the Lummi Island Ferry Replacement and System Modernization Project.

Background and Purpose

In July of 2018, the Whatcom County Council approved resolution 2018-026, which established a level of service for the Lummi Island Ferry System and included the Lummi Island Ferry Service Action Plan. Elements of the currently proposed project include construction of a new 20-car diesel-electric battery hybrid ferry, modifications to the existing Lummi Island terminal including construction of a passenger only float, upland improvements and other ancillary project elements.

As part of the project development significant work has gone into obtaining outside funding for this project which is highlighted by the successful award of \$25 million in federal funds via the 2022 Rebuilding American Infrastructure with Sustainability and Equity grant program (RAISE). This grant agreement, which will be administered by the Maritime Administration, will obligate these funds making them available for the construction phase of this project.

Funding Amount and Source

This grant agreement will obligate \$25,000,000.00 in federal funds with state and local funding being utilized to meet the required non-federal 20% match for a total agreement amount of \$50,810,000.00. This item is listed as Item No. 27 on the 2026 Annual Construction Program. Please contact James Lee at extension 6264 or jlee@co.whatcom.wa.us if you have any questions or concerns regarding this agenda item.