

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE ESTABLISHING THE WHATCOM COUNTY FERRY DISTRICT**

**WHEREAS**, the unincorporated county residents have historically carried the financial burden of the Lummi Island ferry system; and

**WHEREAS**, access to Lummi Island is not limited to unincorporated county residents, rather it is available and is accessed by all Whatcom County residents and visitors; and

**WHEREAS**, all county residents are entitled to access all publicly owned transportation infrastructure; and

**WHEREAS**, County roads and drainage systems benefit all county residents and visitors; and

**WHEREAS**, the Ferry System Fund was adopted by ordinance 2005-090 on 12/6/2005 to account for all financial aspects of the county ferry system; and

**WHEREAS**, the incorporated county residents are benefitting from the Road Fund contribution to the Ferry Fund, yet they are not contributing to the expenses it takes to run the system; and

**WHEREAS**, the county Road Fund is unable to continue to bear the burden of the ferry maintenance, repair, capital replacement, and operations expenses; and

**WHEREAS**, the high ferry-related cost to the Road fund is currently significantly negatively affecting the levels of services that can be afforded to other county assets, leading to transportation and drainage infrastructure deterioration, deferred maintenance, and possible failures throughout unincorporated Whatcom County; and

**WHEREAS**, the burden on the road fund is \$3,200,000 annually and a total of \$52,000,000 for the vessel end-of-life replacement and associated terminal modifications, resulting in an estimated unfunded annual debt service obligation of \$1,500,000 over 30 years; and

**WHEREAS**, on July 24, 2018, the Whatcom County Council approved resolution 2018-026 establishing a level of service for the Lummi Island Ferry System, which included the creation of a Whatcom County ferry district; and

**WHEREAS**, Whatcom County is legally obligated by state law to provide multimodal connections between public roads, which includes a route to Lummi Island from the mainland; and

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**WHEREAS**, there are Whatcom County public road rights-of-way on Lummi Island, which Whatcom County is legally obligated to maintain as part of the county road system; and

**WHEREAS**, Chapter 36.54 RCW allows a County to establish and impose a county-wide ferry taxing district; and

**WHEREAS**, the County wishes to exempt those individuals who qualify for property tax exemptions under RCW 84.36.381;

**NOW, THEREFORE, BE IT ORDAINED** by the Whatcom County Council that a county-wide ferry taxing district is HEREBY established and titled Whatcom County Ferry District; and

**BE IT FURTHER ORDAINED** by the Whatcom County Council that the ferry district shall include the entire corporate boundary of Whatcom County; and

**BE IT FURTHER ORDAINED** by the Whatcom County Council that the exact levy amount, to be set at a later date by the governing body of the district, must be sufficient for the provision of ferry services as shown to be required by the budget prepared by the governing body of the ferry district. It is intended that the district shall incur indebtedness and to retire this indebtedness in whole or in part with revenues received from the tax levy authorized in RCW 36.54.130. The maximum amount of this indebtedness, and potential indebtedness for other ferry services provided by the district, is estimated to be \$30,000,000.

**BE IT FURTHER ORDAINED** by the Whatcom County Council that the governing body of the district may levy each year an ad valorem tax on all taxable property located in the district not to exceed 10 cents per thousand dollars of assessed value to be used only for ferry services; and

**BE IT FURTHER ORDAINED** by the Whatcom County Council that the governing body of the district may levy each year an ad valorem tax on all taxable property located in the district no greater than 10 cents per thousand dollars of assessed value and not to exceed 75 cents per thousand dollars of assessed value with approval of a majority of the voters in the district on a proposition at a general or special election. The levy shall be used only for ferry services; and

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**BE IT FINALLY ORDAINED** by the Whatcom County Council that the administration of the Whatcom County Ferry District is established as provided in Exhibit A.

**ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 2026.

ATTEST:

WHATCOM COUNTY COUNCIL  
WHATCOM COUNTY, WASHINGTON

\_\_\_\_\_  
Cathy Halka, Clerk of the Council

\_\_\_\_\_  
Kaylee Galloway, Council Chair

APPROVED AS TO FORM:

WHATCOM COUNTY EXECUTIVE  
WHATCOM COUNTY, WASHINGTON

\_\_\_\_\_  
Civil Deputy Prosecutor

\_\_\_\_\_  
Satpal Sidhu, County Executive

( ) Approved ( ) Denied

Date Signed: \_\_\_\_\_

1 EXHIBIT A

2  
3 Chapter 101.01  
4 WHATCOM COUNTY FERRY DISTRICT

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6 Sections:

- 7 101.01.010 Established
- 8 101.01.020 Purpose
- 9 101.01.030 Board of Supervisors
- 10 101.01.040 Powers
- 11 101.01.050 Meetings
- 12 101.01.060 Quorum, agenda and conduct of business
- 13 101.01.070 Staff
- 14 101.01.080 Resolutions of the board
- 15 101.01.090 Documents – Form
- 16 101.01.100 Records
- 17 101.01.110 Budget
- 18 101.01.120 Deposit of levy proceeds
- 19 101.01.130 Eligible expenditures
- 20 101.01.140 Implementation
- 21 101.01.150 Severability

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24 101.01.010 **Established.**

25 There is hereby established the Whatcom County Ferry District, referred to herein as the district. The  
26 district possesses all the powers as provided for in RCW 36.54.110.

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28 101.01.020 **Purpose.**

29 The purpose of the district is to provide funding for the Lummi Island ferry system, including, but not  
30 limited to, ferry and associated infrastructure, maintenance, repair, capital replacement, lease,  
31 emergencies, and all other operational expenses.

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33 101.01.030 **Board of Supervisors.**

34 Whatcom County councilmembers and the county executive shall be the board of supervisors of the  
35 district; provided, that the authorities and duties of the legislative and executive components of the  
36 board of supervisors be apportioned and performed in the same manner as that provided by the  
37 Whatcom County Home Rule Charter, as presently constituted and as it may hereafter be amended, for  
38 the governance of the affairs of the county; and further provided, that the county executive shall have  
39 no role in the legislative process of the board of supervisors, including the approval or veto of any  
40 legislative action of the board.

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42 101.01.040 **Powers.**

43 The powers of the district are as stipulated in Chapter 36.54 RCW. Administration of the district shall be  
44 carried out by the Director of Whatcom County Public Works or their designee and all resolutions of the

1 board, subject to the administrative control and direction of the county executive, pursuant to the  
2 Home Rule Charter of Whatcom County. The county executive and their designees may sign on behalf  
3 of the district any and all contracts, and any agreements with state, local, federal or other agencies,  
4 together with amendments to such agreements, certifications or other documents related to such  
5 agreements, that are necessary or related to carrying out any project in an annual work program  
6 approved by the board of supervisors.  
7 Purchasing and contracting policies of Whatcom County are adopted by reference for use by the district,  
8 with the substitution of the board of supervisors in the role of the Whatcom County council.  
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10 **101.01.050 Meetings.**

11 The board will meet as often as there is business to conduct, and, whenever possible, the meetings will  
12 take place on the same dates scheduled for county council meetings. Special meetings may be called by  
13 the chairperson as required, provided proper public notice and notice to board members is given.  
14 Meetings of the board are subject to the state's Open Public Meetings Act.  
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16 **101.01.060 Quorum, agenda, and conduct of business.**

17 Requirements for a quorum and procedures for the agenda and conduct of business of the board shall  
18 be the same as those for the county council under Chapter 2.02 WCC.  
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20 **101.01.070 Staff.**

21 The clerk of the council shall provide primary staff support to the board, with other council staff  
22 members assisting the board as needed.  
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24 **101.01.080 Resolutions of the board.**

25 The introduction, publication, consideration, and adoption of resolutions of the board which carry the  
26 force of law or which exercise the powers of the board as listed in Chapter 36.54 RCW shall be  
27 accomplished following the same procedure as that used for ordinances of the Whatcom County  
28 council, except where otherwise stipulated by state law.  
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30 **101.01.090 Documents – Form.**

31 Official documents issued by order of the board should be easily distinguished from documents issued  
32 by order of the county council. A format for resolutions of the board shall be established by the clerk of  
33 the council.  
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35 **101.01.100 Records.**

36 Actions of the board and minutes of the board meetings shall be maintained in the same manner as are  
37 council records and, if appropriate, may be filed, recorded, and stored within existing systems in the  
38 council office. The clerk will keep a separate index of actions taken by the board.  
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40 **101.01.110 Budget.**

41 The budget for the district shall be prepared by the Director of Whatcom County Public Works or their  
42 designee. Consistent with RCW 36.54.150, the district's budget will be adopted annually.  
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**101.01.120 Deposit of levy proceeds and eligible uses.**

All levy proceeds shall be deposited into the existing established Ferry System Fund, and these funds and proceeds thereon shall be used exclusively for the purposes outlined in RCW 36.54.130.

**101.01.130 Implementation.**

The Director of Whatcom County Public Works or their designee shall serve as the fund administrator for the Ferry Fund. The Fund Administrator shall follow WCC 10.34 for application of the Ferry Fund.

**101.01.140 Severability.**

If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstances is not affected.