

Moving Forward: Washington State Ferries

Lynn Peterson
Secretary

Cam Gilmour
Deputy Secretary

Lynne Griffith
Assistant Secretary of Transportation, Ferries Division

Joint Transportation Committee
January 7, 2015

Who we are



How we're doing

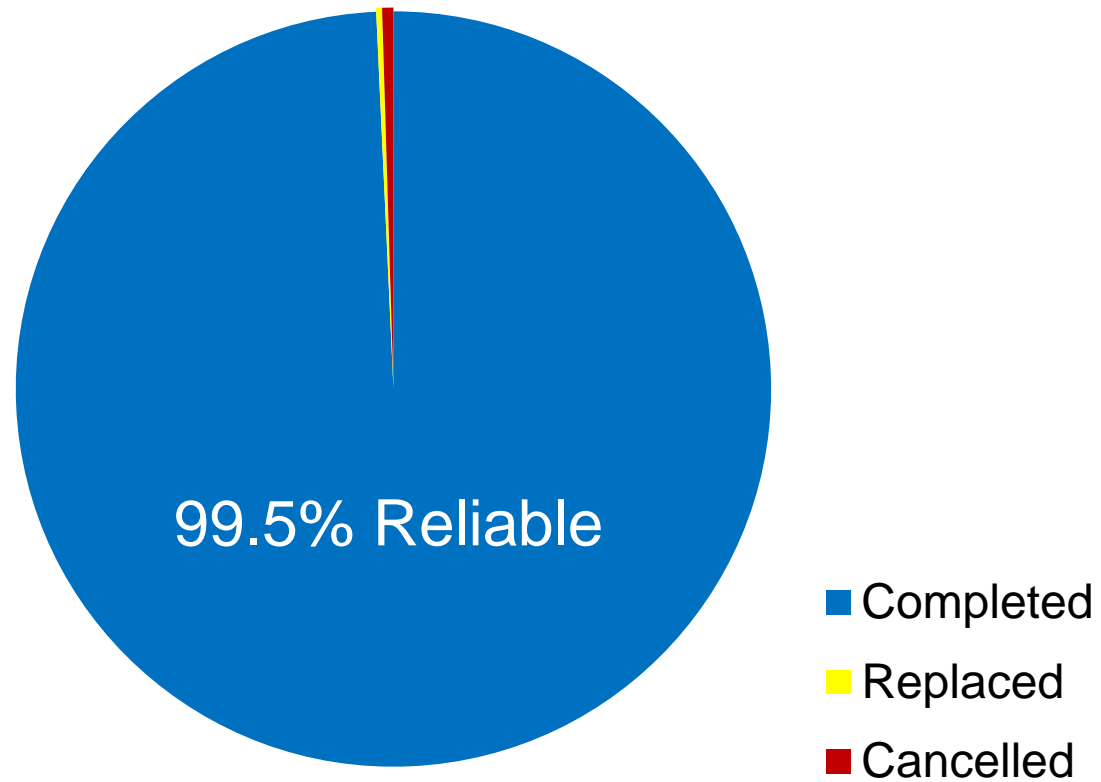
WSF performance measures

- System preservation
- Safety
- Mobility
- Stewardship



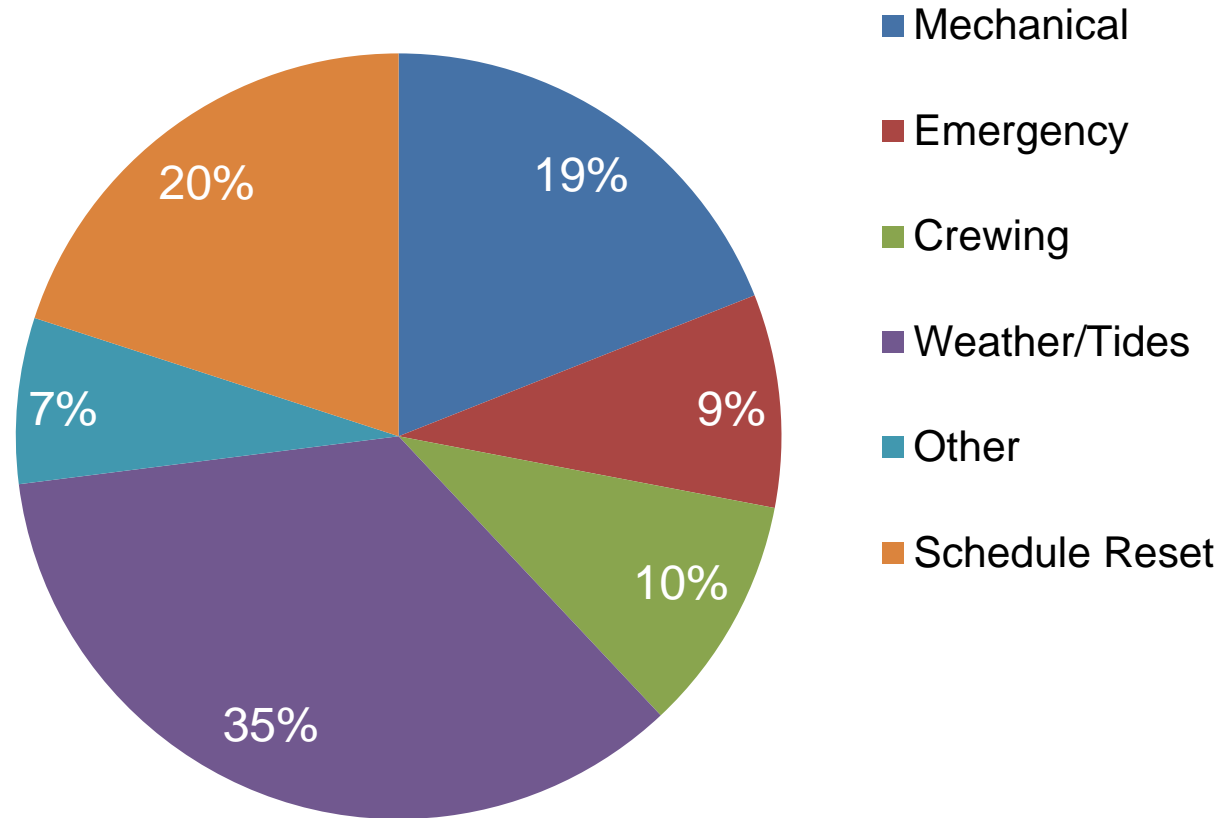
How we're doing

Reliability of Scheduled Sailings



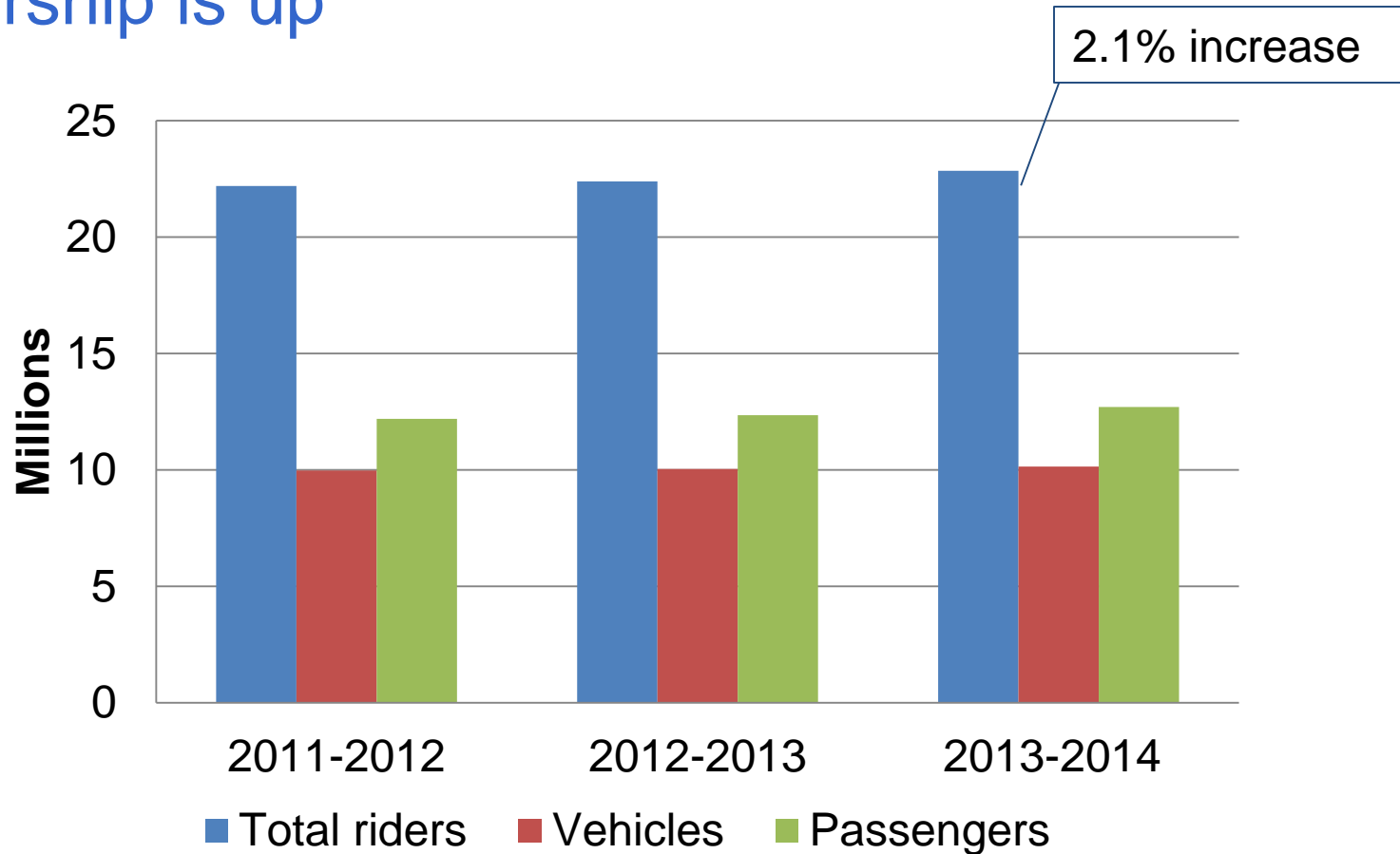
How we're doing

FY2014 Cancelled Sailings = Less than 1%



How we're doing

Ridership is up



How we're doing

Committed to LEAN:

Practical design and process improvement

- Mukilteo Multimodal Terminal Project
- Friday Harbor Trestle replacement
- Lopez wingwall replacement
- Purchasing Process
- Fuel consumption savings
- Demand Management



How we're doing

Demand management - Vehicle reservations



Phase 1

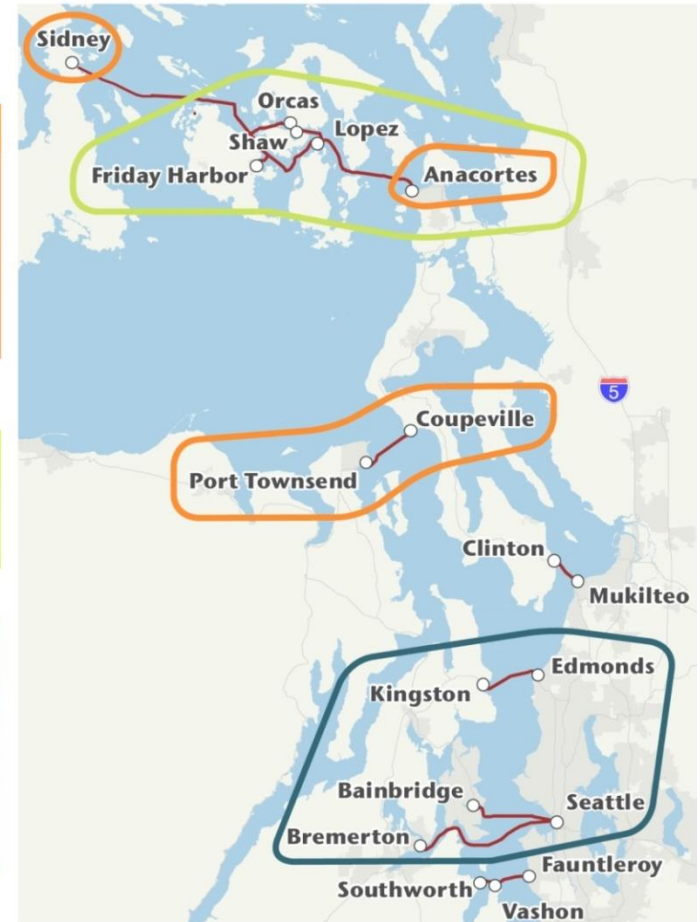
- Port Townsend - Coupeville
- Anacortes - Sidney, B.C.
- Anacortes - San Juan Islands (Commercial Only)

Phase 2

- Anacortes - San Juan Islands

Phase 3

- Kingston - Edmonds
- Bainbridge - Seattle
- Bremerton - Seattle



How we're doing

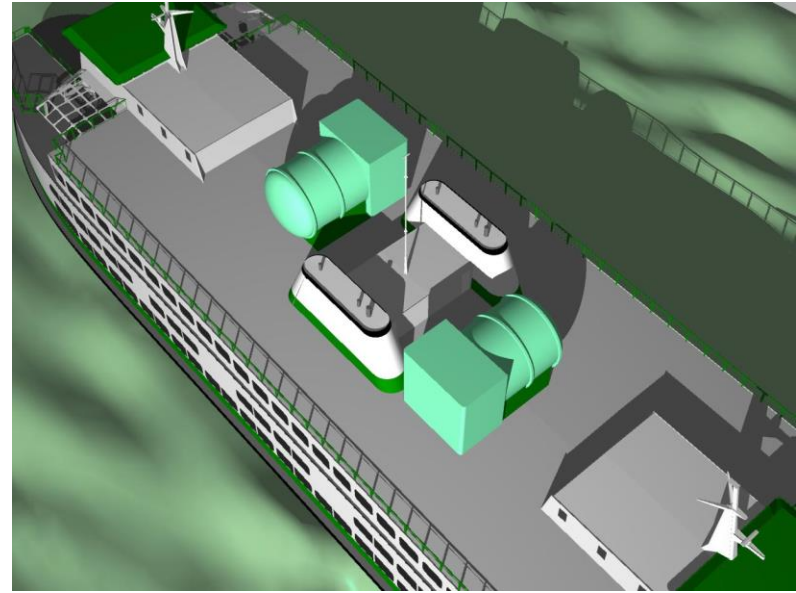
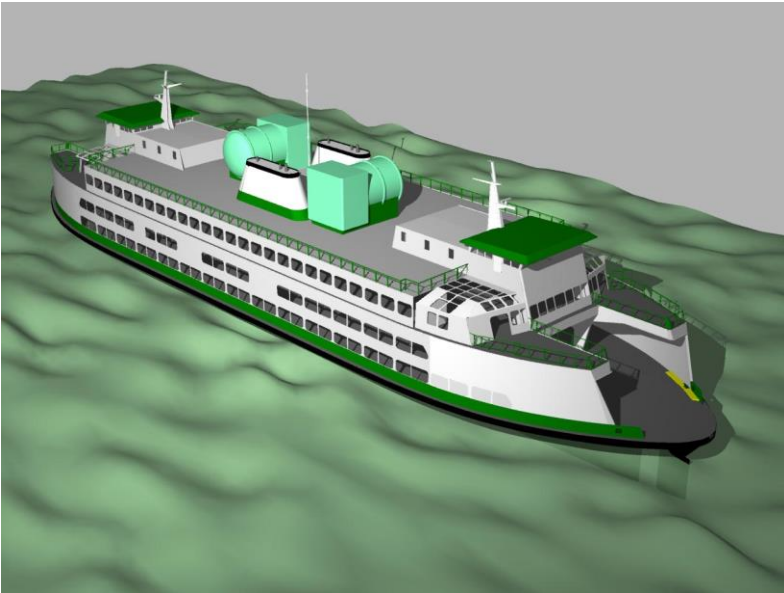
Phase 2 Reservations - San Juan Islands

- San Juan Islands vehicle reservations launched Jan. 5
- 2,000+ spots reserved
 - 97% online



How we're doing

LNG Project Status



What I have learned

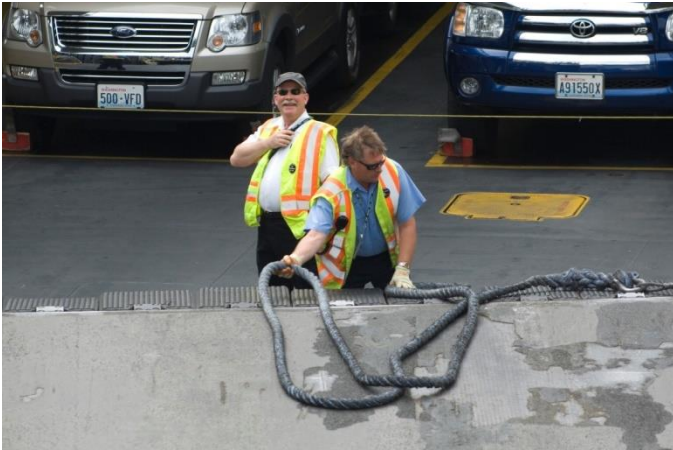
There is a lot working well...

- Experienced, well trained deck crews
- Knowledgeable engine crews and Eagle Harbor maintenance and trades personnel
- Customer oriented, friendly terminal staff
- Exceptional safety and security programs
- Ship building is going well
- Terminal and vessel preservation underway
- Caring and engaged employees

Deck crews



Highly trained



Experienced



Hard working

Engine crew, tradesman, & mechanics

Eagle Harbor Maintenance



Knowledgeable

Technically capable



Terminal Staff



Helpful and Friendly

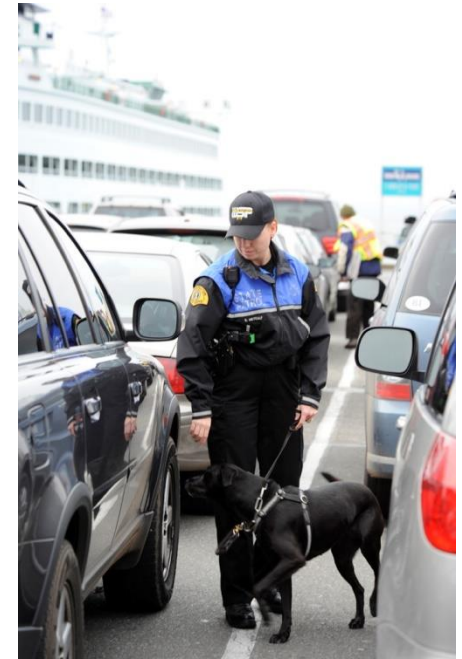
Customer oriented



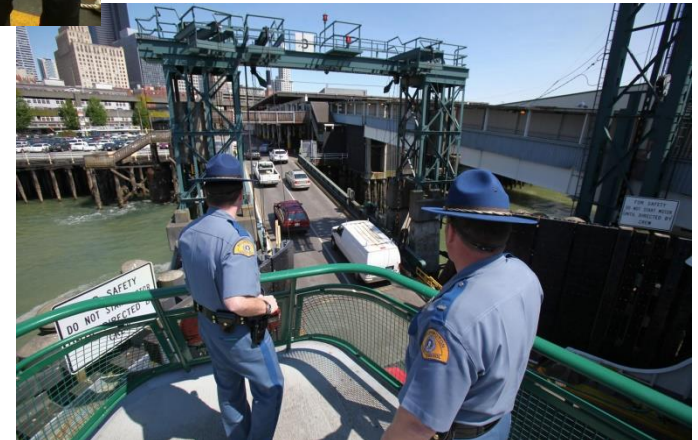
Exceptional safety/security programs



Emergency rescues



Security Partners



Ship building is going well



Samish



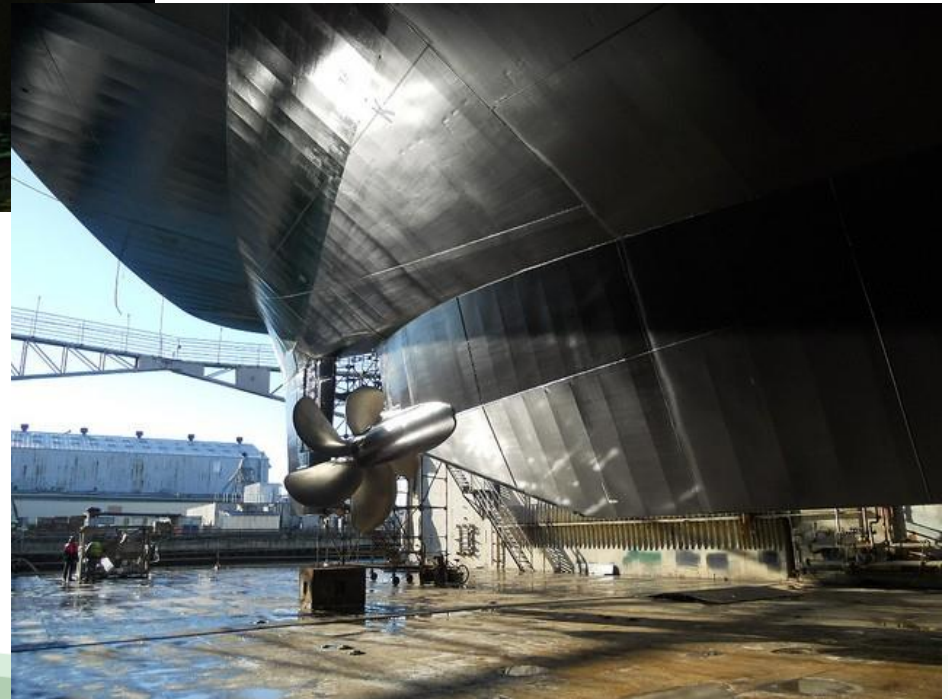
Chimacum keel laying



Vessel preservation



Puyallup dry-dock



Terminal preservation

Seattle Terminal



Anacortes Terminal

Mukilteo Terminal



Caring and engaged employees

Toys for Tots



Baby Zoe Shower

Holiday Cruise



Opportunities for improvement

- Improve labor relations
- Unite organization - One WSDOT, One WSF
- Increase transparency
- Invest in people
- Focus on operations and maintenance
- Align leadership

Opportunities for improvement

Improve labor relations

- Engage labor leaders
- Improve communication
- Recognize employees
- Tap employee talent



Unite organization



Setting WSDOT's Direction

Lynn Peterson
Secretary of Transportation



Increase transparency



July 29, 2014 *Tacoma Casualty*

Image source: The Columbian

Unsung Tacoma heroes



Invest in people

Training and succession planning



Focus on operations and maintenance



Improve schedule reliability

Creative maintenance solutions



Problem: Fleet age impacts reliability

Fleet is aged

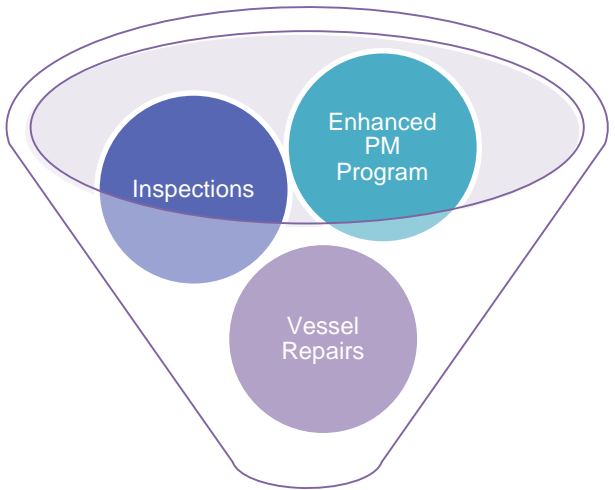
Requiring
enhanced
maintenance

But, access
to vessels is
a problem



Options for improving fleet performance

Increase Access to Vessels



Service Day Impacts

Increase Spare Vessels



Build New Vessels

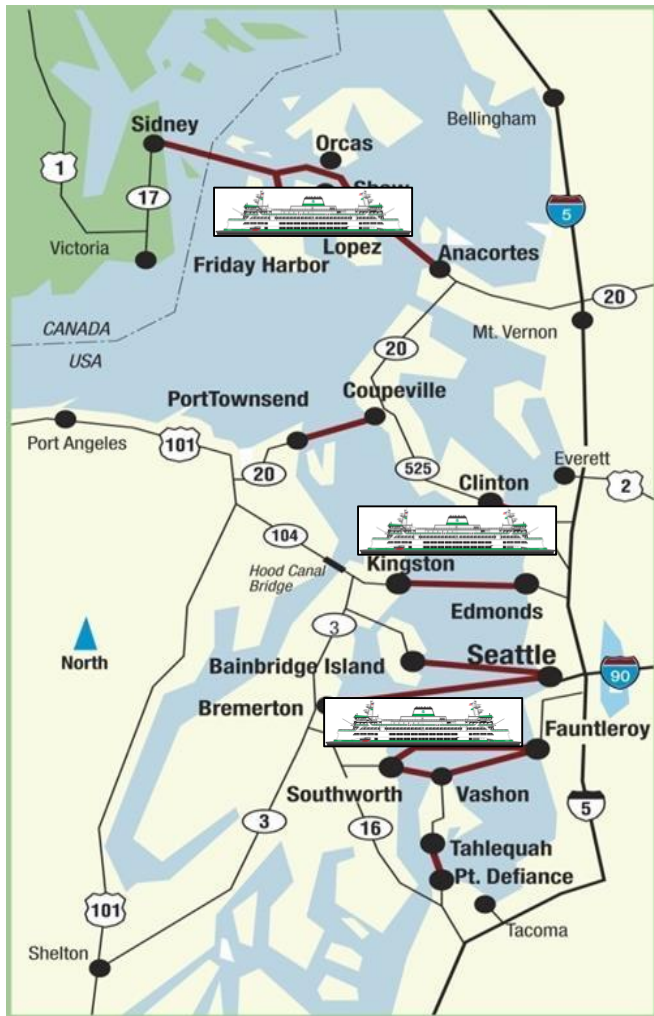
Identify maintenance solutions

Expert Panel Reviews

- Internal Task Team
- Passenger Vessel Association



Invest in Vessels



New Olympic Class

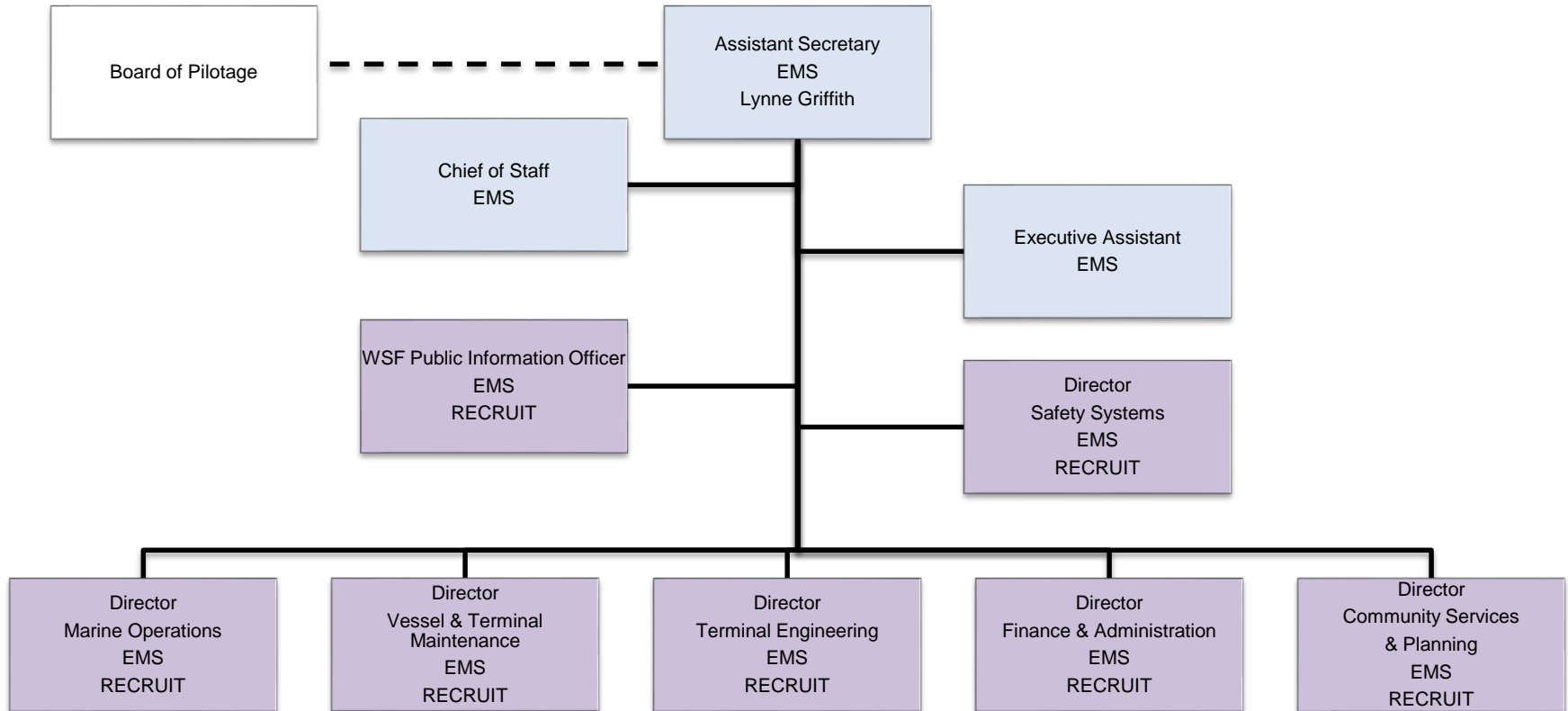
- 2014 – *Tokitae*
- 2015 – *Samish*
- 2017 – *Chimacum*
- 2018 – 4th vessel
(included in Governor's budget proposal)

Opportunities for improvement

Align leadership to achieve:

- Increased accountability
- Flattened organization
- Integration with WSDOT where appropriate
- Collaborative fleet/management relations
- Improved communications
- Cultural shift with emphasis on LEAN practices

Leadership accountability & alignment



Questions?

For more information please contact:

Assistant Secretary Lynne Griffith

206-515-3401

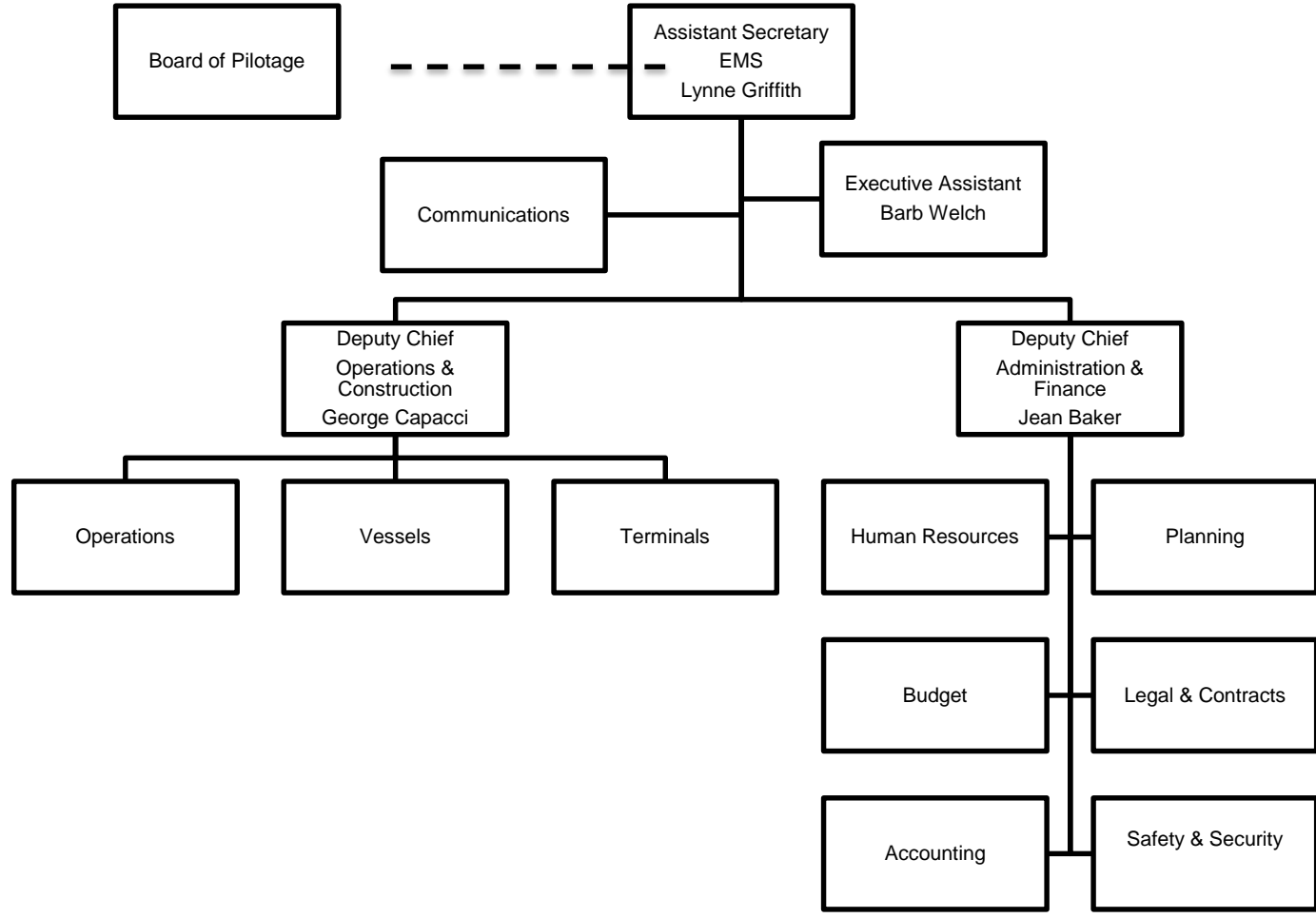
GriffiL@wsdot.wa.gov

Or

<http://www.wsdot.wa.gov/ferries/>

Resource Slides

Current Organizational Chart



Vessel retirement/replacement

	11-13	13-15	15-17	17-19	19-21	21-23	23-25	25-27	27-29	29-31
--	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------

Mv Tokitae (to replace Evergreen State)



MV Samish (to replace Hiyu)



3rd Olympic (to replace Klahowya)



4th Olympic (to replace Tillikum)



5th Olympic (to replace Elwha)



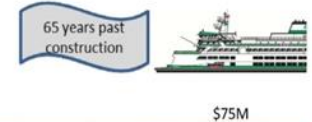
6th Olympic (to replace Kaleetan)



7th Olympic (to replace Yakima)



8th Olympic (to replace Hyak)



Biennium Total	\$120.5M	\$190M	\$125.9M	\$75.7M		\$67.1M	\$384.1M	\$126.9M		\$75M
----------------	----------	--------	----------	---------	--	---------	----------	----------	--	-------

Proviso updates

Proviso	Description	Status
ESSB 5024, 221(4)	Develop and submit a fuel reduction plan for WSF	<ul style="list-style-type: none">• The plan was submitted October 21, 2013.• We've begun capital/operating implementation
ESSB 5024, 209(9)	Plan to integrate and transition customer service, reservation, and payment systems into the statewide tolling customer service center.	<ul style="list-style-type: none">• The plan was submitted January 31, 2014.• In Governor's budget to look at integration of the customer service center.
ESSB 6001, 221(9)	Evaluate the feasibility of using re-refined used motor oil processed in Washington state as a ferry fuel source	<ul style="list-style-type: none">• The report was submitted December 9, 2014.• The report found that it is not yet feasible to use re-refined used motor oil as a ferry fuel source due to high content of sulfur

Proviso updates

Proviso	Description	Status
ESSB 5024, 221(7) ESSB 5024, 309(8)	Consolidate office space in downtown Seattle; consider renewal of the lease for the Ferry Division's headquarters building under certain circumstances	<ul style="list-style-type: none"> The review group looked at five sites. The current Ferry Division headquarters location was found to be the most advantageous. The Governor's budget covers the reduction in lease cost.
ESSB 5024, 221(1)	Include with budget submittals, greater level of detail for WSF including the administrative functions in operating and capital programs	<ul style="list-style-type: none"> Greater level of detail information was submitted with the WSDOT Agency Budget Request to OFM for the 2015-2017 Biennium in Sep 2014.
ESSB 5024, 309(9)	Report on fuel and maintenance savings achieved on the Hyak super class vessel project and potential to save additional funds through other vessel conversions.	<ul style="list-style-type: none"> We estimate there will be fuel and maintenance savings following conversion to a hybrid propulsion system and to LNG propulsion system. The request for proposals processes are still underway.

Budget Proposal

Capital Budget Items	Governor's 2013-2015 Supplemental Proposal	Governor's 2015-2017 Proposal
Conversion of Selected Vessels to LNG Propulsion System		New revenue proposal for \$12.1 mil in 2015-2017 (total project cost \$145.2 mil)
Acquisition of Fourth 144-car Vessel		New proposal for \$86.0 mil in 2015-2017 to acquire a fourth 144-car vessel (total project cost \$128.0 mil)
Preservation of Seattle Colman Dock	Re-aging of project costs that reduces 2013-2015 budget by \$1.8 mil	Re-aging of project costs that reduces 2015-2017 budget by \$73.1 mil
Relocation of Mukilteo Terminal	Re-aging of project costs that reduces 2013-2015 budget by \$9.4 mil	Re-aging of project costs that increases 2015-2017 budget by \$5.0 mil
Emergency Repairs	Increasing 2013-2015 budget by \$2.1 mil (total budget becomes \$7.0 mil)	
Combined Toll and Ferries Division Customer Service Center for One Account-Based Ticketing		New proposal for \$325,000 to fund Ferries share of the cost of the RFP process in 2015-2017
Operating Budget Items	Governor's 2013-2015 Supplemental Proposal	Governor's 2015-2017 Proposal
Olympic Class Vessel Operations		New proposal for \$3.1 mil to operate new vessels (including USCG safety-related requirement for an additional oiler per vessel)
Vessel Maintenance Increase		Additional maintenance funding of \$2.8 mil to ensure vessels are safe and reliable
Training Increase		Additional training funding of \$2.5 mil to address need for qualified employees to operate vessels and terminals
Reservation System Operating Funding		New proposal for \$2.3 mil for operational costs of the reservation system
Keep Klahowya in the Fleet		New proposal for \$1.5 mil to keep the MV Klahowya as a fleet back-up vessel
Ferry Service Cuts		No service cuts are proposed