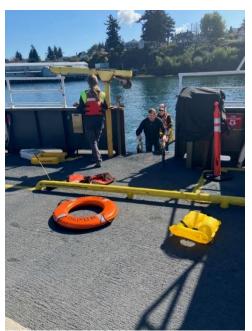


Happy October!

Nonpeak season has officially started, and we're heading straight into the holidays. Budget season is ongoing at Skagit County and we have an upcoming public hearing next week Tuesday, October 21st, on the 2026 ferry fare schedule and a proposal to provide relief for riders with non-expiry COVID punch cards. Read more about what's coming up this month below!

Guemes Ferry in the News



Our ferry crew was featured in the news a few weeks ago after a pilot crashed a small plane in the Guemes Channel. The crew had just returned to the Anacortes ferry office when they saw through the window a small plane crash into the channel. The crew was able to see the pilot climb out of the plane and was swimming just west of the usual ferry route. The crew immediately returned to the ferry to take the vessel out and attempt to rescue the pilot. They were able to pull the pilot onboard and bring him back to the terminal, where emergency response was waiting to help. The pilot was thankfully uninjured!

We want to share an extra special thank you to the crew involved in the rescue: Captain Guy Mitchell, Jon Barrett, Emily Grober, and Kelsea Teel, for their quick action helping a local pilot!

The ferry crew trains for person overboard emergencies every 90

days to ensure they are ready for any rescues that might be needed in the channel. Many of these types of drills and trainings happen during the lunch break each day.

Budget Season is Ongoing

New resolutions have been posted regarding the proposed 2026 ferry fare schedule and relief for non-expiry punch cards sold during COVID.

The annual series of meetings for the next budget and ferry fare schedule was ongoing this past month between the County Commissioners and Public Works staff. The initial work sessions and presentations were an opportunity for staff to present the proposed 2026 ferry fare schedule, 2025 revenue target report, and upcoming adoption schedule. Recordings of the first two meetings are posted on the ferry budget website.

The following documents, reports, and draft resolutions have been posted to the <u>budget website</u> for your review.

- 2025 Ferry Fare Revenue Target Report (Updated 10/1/25)
 - o 2026 Ferry Fare Proposal is included in this report.
- 2024 Ferry <u>Expenditure</u> and <u>Revenue</u> Reports
- 2025 (Jan. 1 through June 30, 2025) Budget Monitoring Report
- 2024 Ferry Budget Monitoring Report

Public Works staff have additionally published two resolutions online for public comment. The County Commissioners signed a resolution this past week to call for a public hearing on the two proposed resolutions below, which will be held on October 21st from 1:00 p.m. – 2:30 p.m.

- Proposed resolution adopting the 2026 ferry fare schedule.
 - If adopted, this resolution would increase fares by 30% to meet a 55% farebox recovery target in 2026. More information can be found in the 2025 Ferry Fare Revenue Target Report.
 - The proposal intends to amend the revenue target methodology to establish the 5-year average O&M expenditures projection using the past two years' actual expenditures, the current year's adopted budget, as of June 30, and the next two years' projected expenditures using cost escalation factors.
 - Miscellaneous fare categories are proposed to reflect the 2026 cost per run or cost per hour, as appropriate, based on the 2026 preliminary budget, as of June 30, 2025.
- Proposed resolution to provide a method to convert paper punch cards sold during COVID without expiration.
 - If adopted, this resolution would permit those still in possession of a paper punch card sold during COVID without an expiration date to convert the remaining rides to an equivalent number of trips in the electronic ticketing system.
 - Conversion of non-expiry COVID cards will not begin until after the resolution is approved by the Board of County Commissioners.
 - A request to convert non-expiry COVID cards will be processed by appointment only at the Anacortes ticket office, Monday through Thursday, between 8:00 a.m. – 4:00 p.m.
 - More information on how to convert non-expiry COVID cards will be shared after adoption of the resolution.

These two proposed resolutions are scheduled to be considered for adoption on November 10th at 1:00 p.m.

The proposals may be approved, modified, or rejected by the Skagit Board of County Commissioners. Interested citizens may attend the public hearing on October 21st in-person in the Commissioners' Hearing Room at 1800 Continental Place, Mount Vernon, or via Zoom at the link on the Commissioners' webpage. Written comments may be submitted to ferrycomments@co.skagit.wa.us. The subject line shall read, "Ferry 2026 Fare Proposal" and the body of the email should contain the comments rather than sending them as an attachment. Comments can also be mailed to 1800 Continental Place, Mount Vernon, WA 98273 ATTN: Ferry 2026 Fare Proposal.

We are accepting comments on these documents and the draft ferry fare schedule for 2026 through October 21st at 2:30 p.m., which is when the public hearing will conclude.

The ferry fare adoption schedule is posted below. After each meeting, a recording will be posted to the ferry 2026 budget website as well. The recordings for the September 9th work session and September 16th presentation are now posted.

Date	Time	Meeting	Description	How to Join
9/9	1:00 –	Non-televised	Initial review with County	Zoom and in-person, 1800
	2:30 p.m.	Work Session	Commissioners of budget and	Continental Place, Mount
			ferry fare documents.	Vernon
9/16	8:30 –	Televised	Ferry staff will present the	TV21, Zoom, and in-person,
	9:30 a.m.	Presentation	proposed ferry fare schedule	1800 Continental Place,
			and fare setting methodology.	Mount Vernon
10/21	1:00 –	Public	Open public hearing to take	TV21, Zoom, and in-person,
	2:30 p.m.	Hearing	feedback on 2026 ferry fare	1800 Continental Place,
			schedule.	Mount Vernon
11/10	1:00 –	Televised	Commissioners will consider	TV21, Zoom, and in-person,
	2:00 p.m.	Hearing	the 2026 ferry fare schedule for	1800 Continental Place,
			adoption.	Mount Vernon

The County Commissioners are currently evaluating the entire 2026 county budget as well, which includes the budget for the Public Works ferry division. The ferry division budget is adopted each year as part of the county-wide budget. You can view the 2025 adopted budget on the Finance and Budget website. If you are looking through the 2025 budget expense and revenue documents, the ferry division falls under the road fund. To view only the ferry expenses and revenue, please view those documents on the ferry archive page under the 2025 budget documents.

If you are interested in the general budget meetings and public hearing, the schedule for those meetings is below. The budget work sessions are recorded and can be requested via email to commissioners@co.skagit.wa.us

Date	Time	Description	How to Join			
9/30	2:00 p.m. – Non-televised work session with Pu		Zoom and in-person, 1800			
	4:00 p.m.	Works to review budget requests.	Continental Place, Mount Vernon			
10/9	10:00 a.m. –	Non-televised work sessions to discuss				
	12:00 p.m.	all requests and changes for the 2026	Zoom and in-person, 1800 Continental Place, Mount Vernon			
10/15	1:00 p.m. –	budget.				
	3:00 p.m.	budget.				
The preliminary budget will be released on November 17 th , which will kick off the formal public comment period.						
12/1	10:00 a.m. –	Public hearing to take feedback on the				
	11:00 a.m.	preliminary 2026 budget. The written	TV21, Zoom, and in-person, 1800			
		public comment period will formally	Continental Place, Mount Vernon			
		close at the end of the public hearing.				
12/8	2:00 p.m. –	Televised hearing for the County	TV21, Zoom, and in-person, 1800 Continental Place, Mount Vernon			
	2:30 p.m.	Commissioners to deliberate and				
		potentially adopt the 2026 budget.				

Ferry Replacement Project Update

Thank you for applying for the Technical Advisory Group!

The Skagit County Commissioners will be conducting a value engineering assessment of the current all-electric vessel design and bid package this fall to evaluate how to best reduce the cost of the vessel to meet our available budget. We will be putting out a Request for Qualifications in the coming months to select a third-party contractor to conduct this work. When the RFQ is released, we will send out a press release.

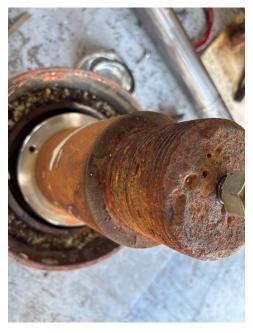
In conjunction with the value engineering effort, the County Commissioners are convening a temporary



Technical Advisory Group (TAG) to help evaluate previous vessel replacement studies along with the outcomes of the value engineering study. The TAG will be responsible for creating a recommendation to the County Commissioners for a preferred propulsion system for the new ferry. The TAG will not only evaluate a new ferry design but also consider refurbishing the existing ferry to use for the next 10-15 years.

The TAG will consist of nine voting members and the Ferry Division Manager as a non-voting member. We received thirteen completed applications for the TAG. The County Commissioners are currently reviewing the applications and share the nominated members soon. You can view more information about the TAG charter, membership requirements, meeting expectations, and expected outcomes on the ferry replacement website.

Maintenance Updates



Outdrive Repair Effort

The ferry outdrive was removed from the vessel following the loss of its propeller in January 2025 and is still undergoing an overhaul. While this was originally part of routine maintenance, additional repairs were needed, including replacement of the corroded propeller shaft and a full rebuild of the lower unit.

A new propeller is currently in production. Once it's ready, the propeller will be shipped for final assembly and testing of the outdrive. All related costs will be submitted to the insurance company for reimbursement.

As shown in the photo, corrosion on the propeller shaft was significant enough to require full replacement.

Outdrives on the ferry have been in service for over 35 years and are maintained with great care to ensure safe and reliable operation. However, some steering system components on the ferry are becoming outdated and increasingly difficult to source. Joe, Chief Engineer, is actively exploring modernization options to extend the life of these systems. Full replacement of the outdrives would cost well over \$1 million, which is not feasible within our current budget.

Additional maintenance period next spring

Please be advised, the Ferry Division is planning to have a pier-side maintenance period in the late spring or early summer of 2026. Pier-side maintenance means the vessel will still be in the water while the work is completed. The work will not require the vessel to drydock, and the maintenance will be done away from the Anacortes terminal, allowing passenger only service to be provided while the vehicle ferry is out of service.

The U.S. Coast Guard is requiring the County to replace four small sections of steel on the vessel deck forward of the car deck. This was called out during the 2025 drydock; however, if done at that time, the ferry's return would have been delayed even further. Other maintenance items will be addressed during this time as well, including a full replacement of wiring connected to the engines that caused a shutdown in June of this year.



Given the vessel's age, there are times when annual maintenance periods are beneficial, and doing this work in 2026 should reduce the amount of time out of service for the next required drydock in spring of 2027.

We will have more information on the specific dates of the maintenance period next winter after we have selected a vendor to conduct the maintenance work. As soon as we have more information on schedule and details for passenger-only service, we will share them.

Feedback? We'd love to hear from you!

If you have thoughts, ideas, or feedback on our monthly newsletter, Jenn Rogers,

Communications Manager, would love to hear from you! You can e-mail her at <u>irogers@co.skagit.wa.us</u>