

Washington State Ferries Capital Program

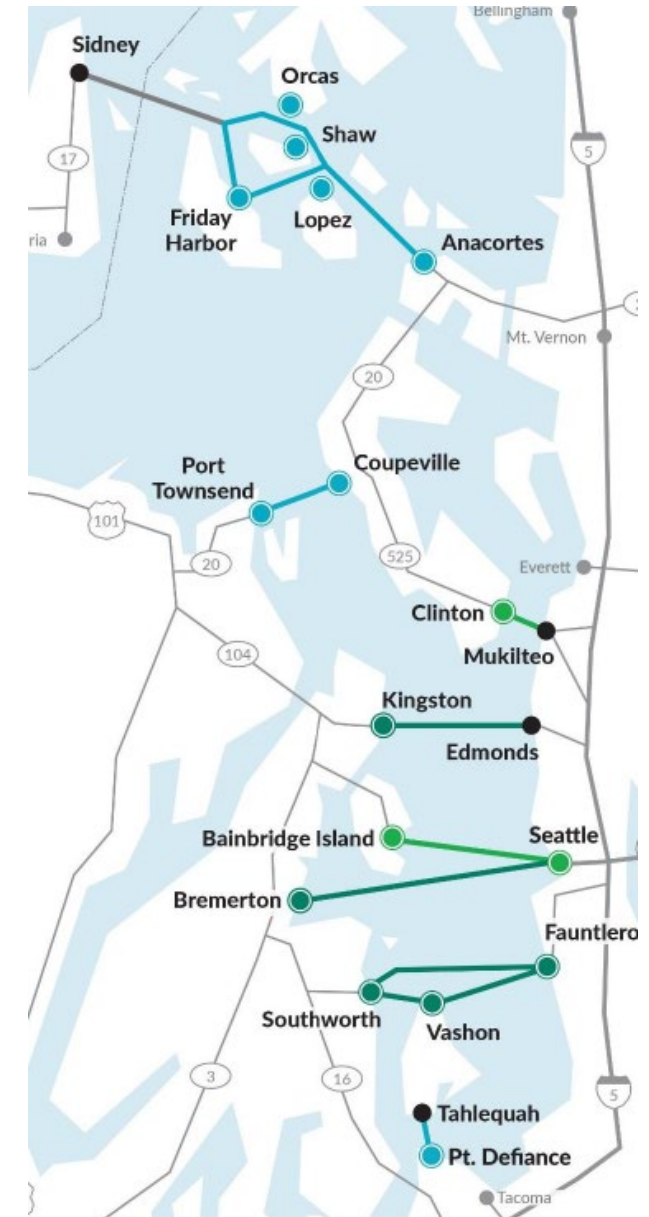
December 4th, 2025

WSF current service level

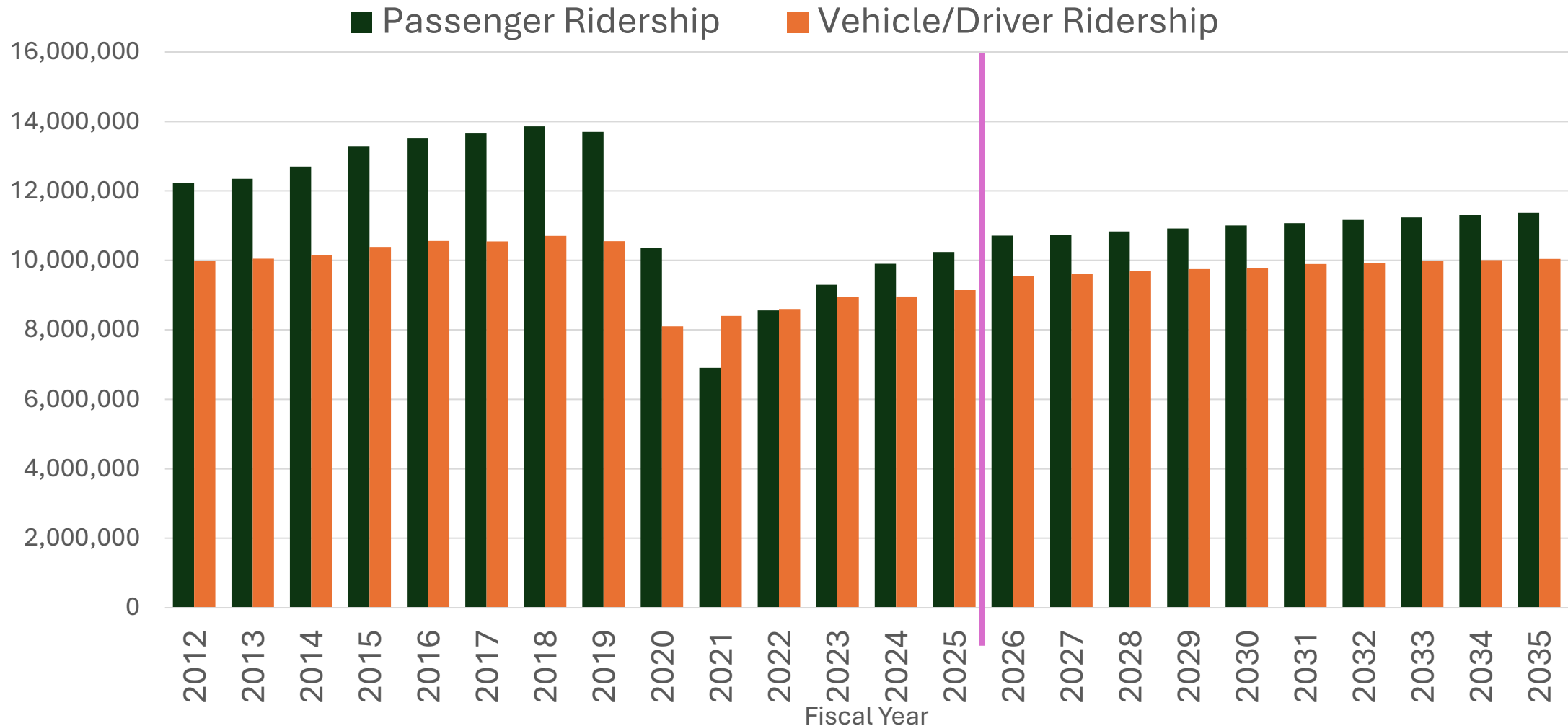
Route	Baseline Contingency Plan: 17 (off-peak) or 18 (peak) vessels
Anacortes/San Juan Islands	4 vessels, including 1 interisland-only vessel (interisland does not run on winter weekends)
Port Townsend/Coupeville	1 vessel late fall through winter to early spring; 2 vessels early spring through summer to late fall #
Mukilteo/Clinton	2 vessels
Edmonds/Kingston	2 vessels
Seattle/Bainbridge Island	2 vessels
Seattle/Bremerton	2 vessels
Fauntleroy/Vashon/Southworth	3 vessels (2-boat service on winter weekends) %
Point Defiance/Tahlequah	1 vessel
Anacortes/Sidney	No service

#Second vessel operates only Fridays through Mondays in 2025.

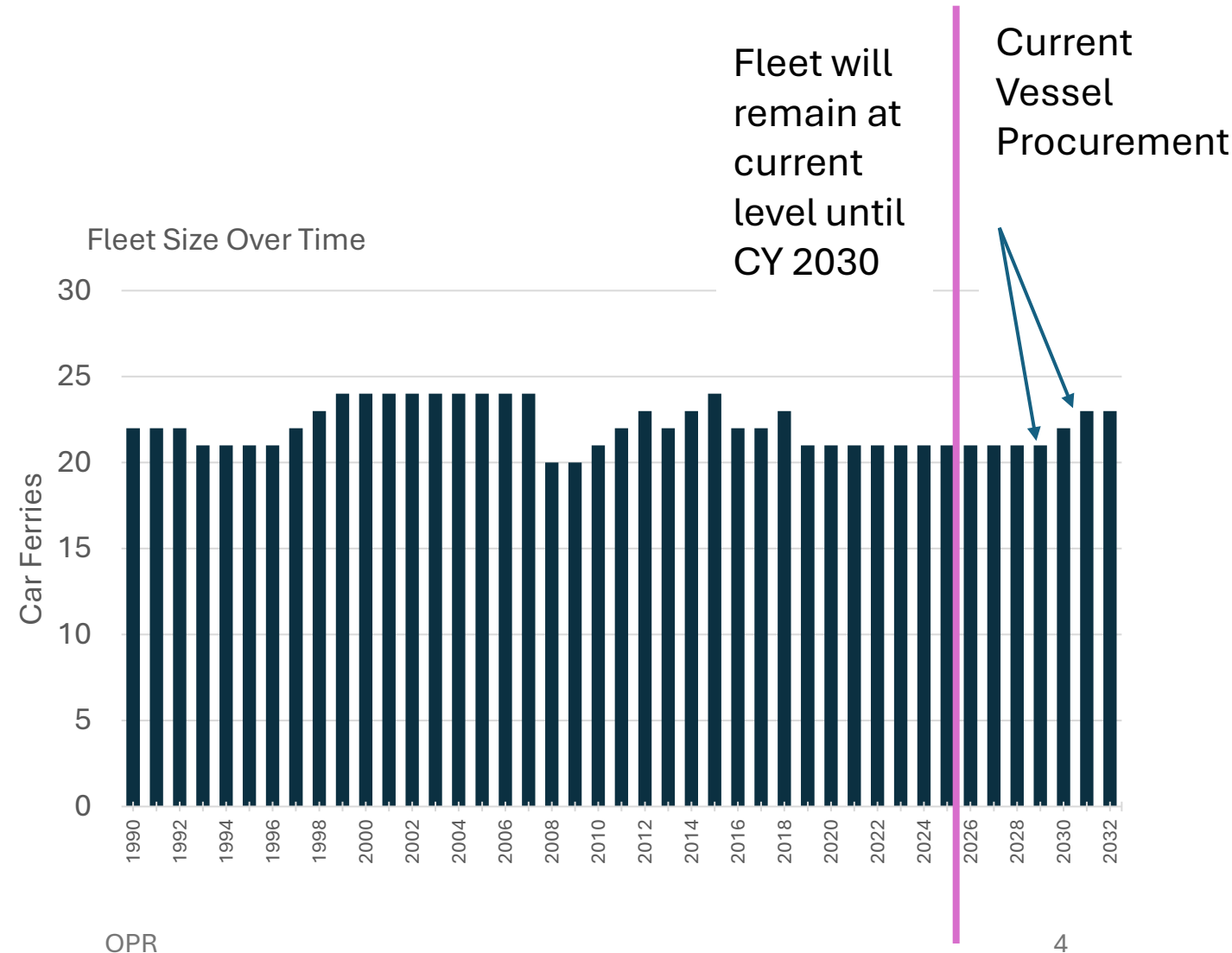
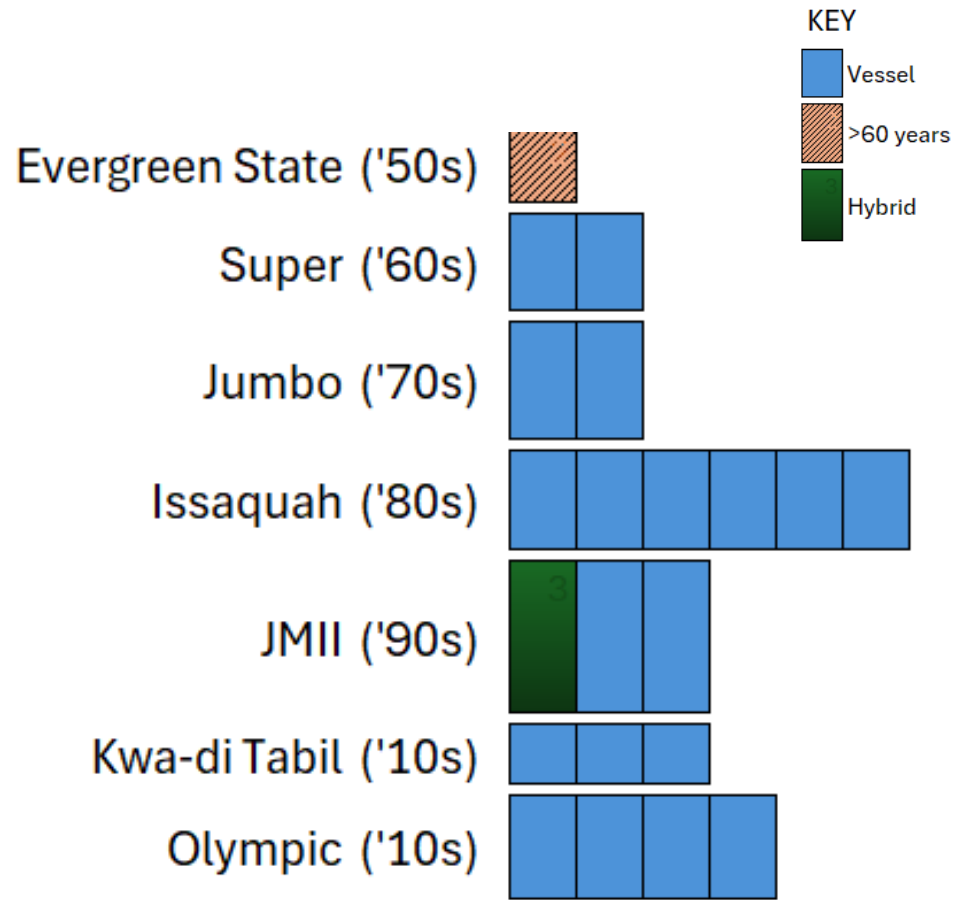
Sources: WSF 2025 Service Contingency Plan and WSF 2020 Electrification Plan



WSF ridership is not projected to return to 2019 levels within the next 10 years



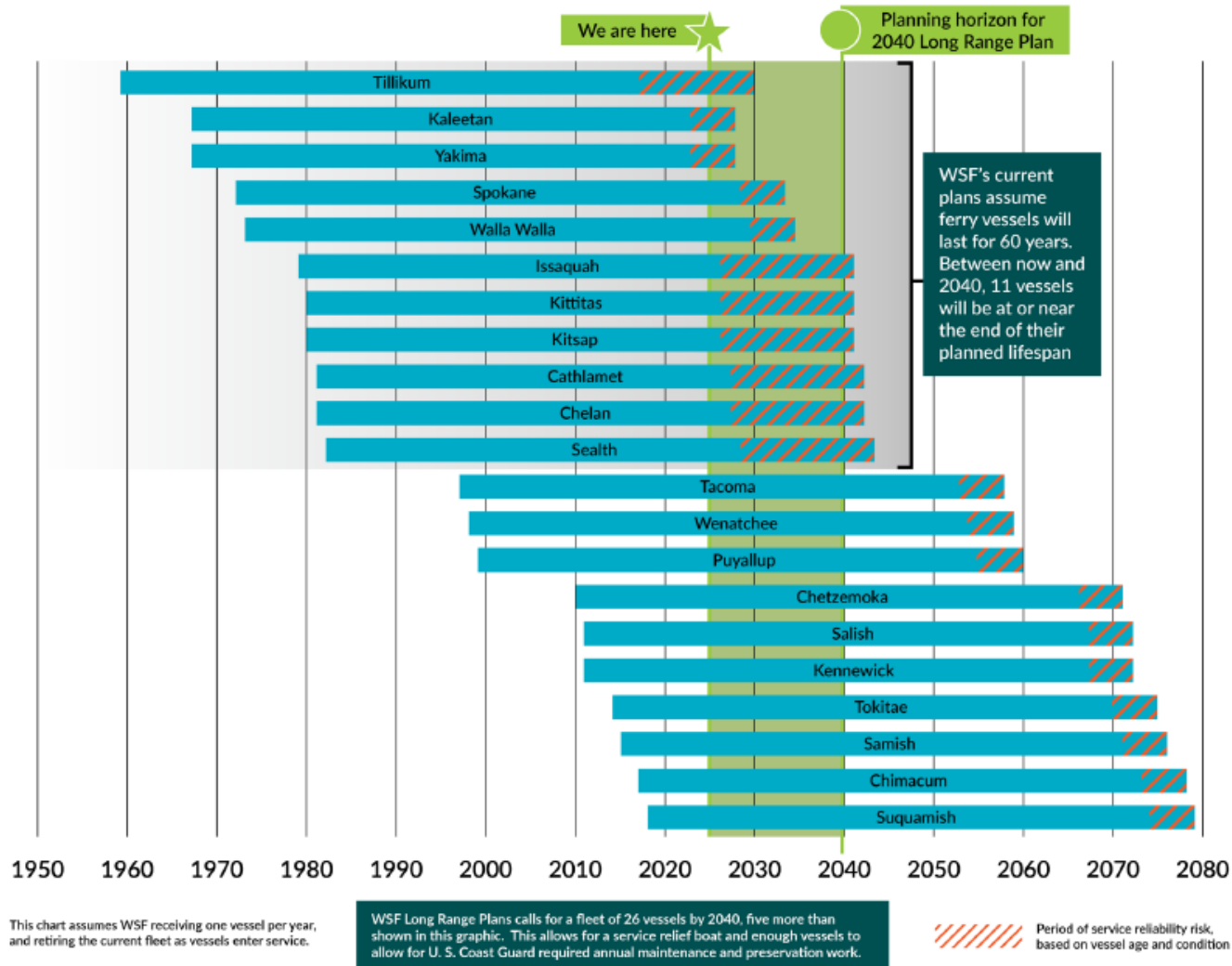
WSF fleet is on the low end of historical size



Current Procurement – Hybrid Electric Olympic Class (HEOC)

- 2025 Enacted budget includes sufficient funding for three vessels. WSF Awarded contract for two with an option for a third.
- Vessels are hybrid-electric ferries with a capacity of 160 vehicles.
- WSF under contract with Eastern Shipbuilding Group Inc. from Florida.
- Scheduled to arrive in the summer of 2030, 2031, and 2032 (if awarded).
- Risks:
 - WSF responsible for design errors and omissions and vessel performance
 - Shipyard and owner-furnished equipment vendor performance
 - Cost escalation and tariffs

WSF's update to the 2019 Long Range Plan calls for 11 vessels to retire by 2040



“Although 60 years is the standard, Washington State Ferries will need to retire the Issaquah Class ferries early, at approximately 50 years of age. These vessels have had neither sufficient out-of-service time, nor funding to complete the preservation requirements of the Lifecycle Cost Model.....these vessels are experiencing reliability issues and structural steel degradation that will shorten their attainable service life.”

- Ferries 2022 Capital Asset Management Plan

Source: WSF slides for HTC meeting 7/8/2025.

Vessel Preservation Work

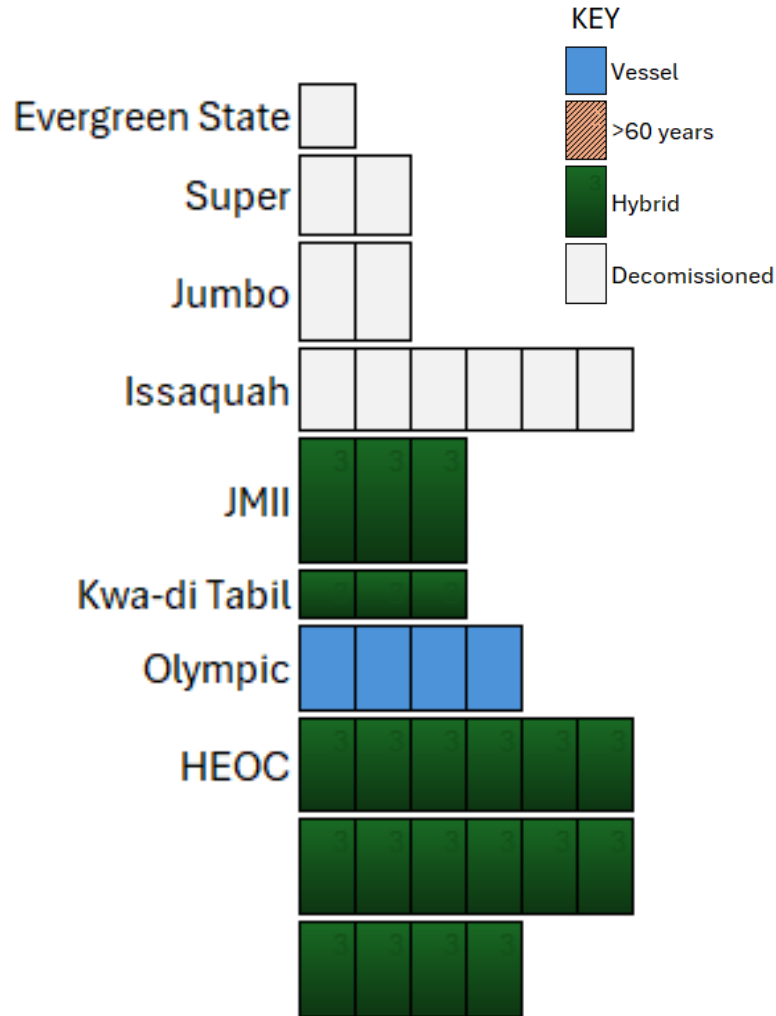
- Under current operations vessels receive around 8 weeks of maintenance and preservation activities.
- WSF's goal is that the average time out-of-service for maintenance and preservation activities increases to 12 weeks per year.
- Current funding is prioritized for US Coast Guard regulatory compliance items for the fleet and to perform the most critical preservation needs on assets.
- Risks:
 - Aging vessels
 - New technologies
 - Drydock availability

Terminals

- Several WSF Ferry terminals have structural and seismic issues due to creosote timber pilings.
- Planning for Fauntleroy terminal replacement is underway. The alternative for further environmental review has been selected.
- Additional work is needed at:
 - Anacortes
 - Edmonds
 - Southworth

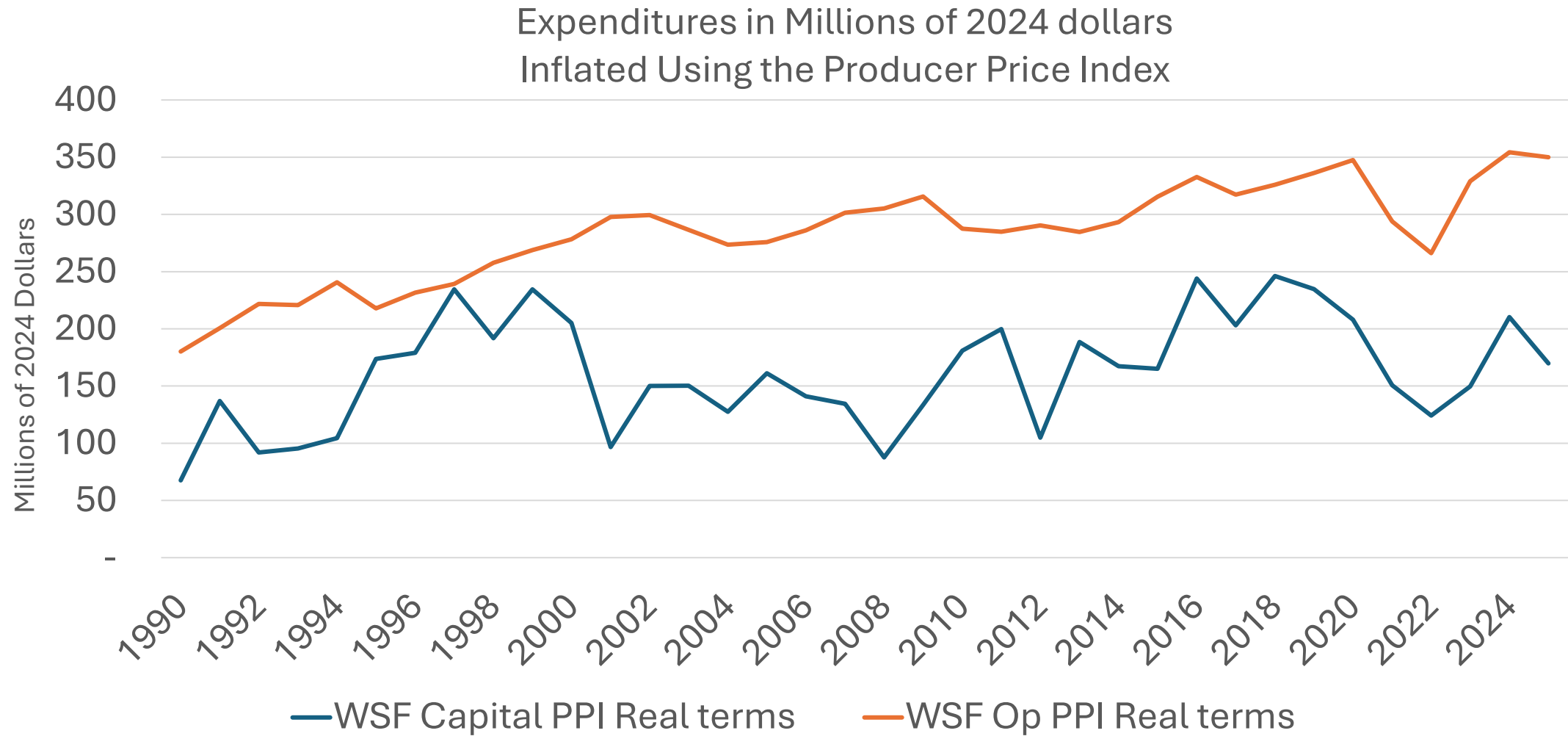


WSF's 2020 Electrification plan calls for the fleet to be 85% hybrid electric by 2040



- Plan calls for:
 - 16 New electric vessels
 - 6 Vessel conversions (Jumbo Mark II and Kwa-di Tabil)
 - Electrification of 16 terminals
- Notes:
 - Jumbo Mark II vessels make up 25% of all fuel used by the fleet.
 - WSF uses up to 10% biodiesel (B10) when available. WSF has not received a steady supply of biodiesel since January 2025.

Capital spending is "lumpy" and slightly above PPI



Ferries capital – historic & current spending

- Capital spending has averaged ~ \$160-190 million/year
 - Or, \$320-380 million per biennium
 - Lowest years < \$100 million; highest years > \$200-240 million
 - Pattern over time has been slow, steady growth and a lot of variability
 - Periods of greater investment during vessel acquisition
- Speaking of, ferries capital spending is currently historically high:
 - \$480-880 million/biennium during the six-year period from 23-25 to 27-29.
- Electrification program is mostly funded separately with CCA proceeds
 - \$110-230 million/biennium from 23-25 to 25-27, inc. a portion of new vessels

Ferries capital funding sources

- Ferries capital spending comes out of two state ferries-specific accounts:
 - Puget Sound Capital Construction Account ("PSCCA"); and
 - Capital Vessel Replacement Account ("CVRA")?
 - But, also, from transportation package accounts (Nickel, TPA, CWA, MAW)
- State revenue to PSCCA and CVRA averages \$122 million/biennium
 - Fuel tax (PSCCA) = ~ \$32 million
 - Vehicle fees and CVR surcharge (CVRA) = ~ \$90 million (increased in 2025)
- Other support – amounts vary year to year
 - Transportation packages have tended to provide additional support
 - Sometimes as transfers and sometimes as appropriations from other accounts
 - Federal grant funding – currently about \$113 million per biennium
 - Transfers in from other accounts on an ad hoc basis

Ferries capital fiscal outlook

- Near-term:
 - Ferries accounts balanced through 2027-29
 - \$112 million per biennium in federal grant funds
 - \$180 million per biennium in transfers in, including MAW package support
 - \$120-430 million per biennium in additional spending from package accounts
 - \$110-230 million per biennium in CCA spending for electrification program
- Longer-term:
 - Combined capital account shortfall of \$250-300 million per biennium
 - Enacted plan does not include:
 - Full cost of Fauntleroy replacement, or replacement of other agency terminals;
 - Vessel construction beyond three new HEOC-class vessels; and
 - Additional vessel conversions (beyond one) and terminal conversions.

These challenges exist in a larger context of transportation cost pressures and preservation needs

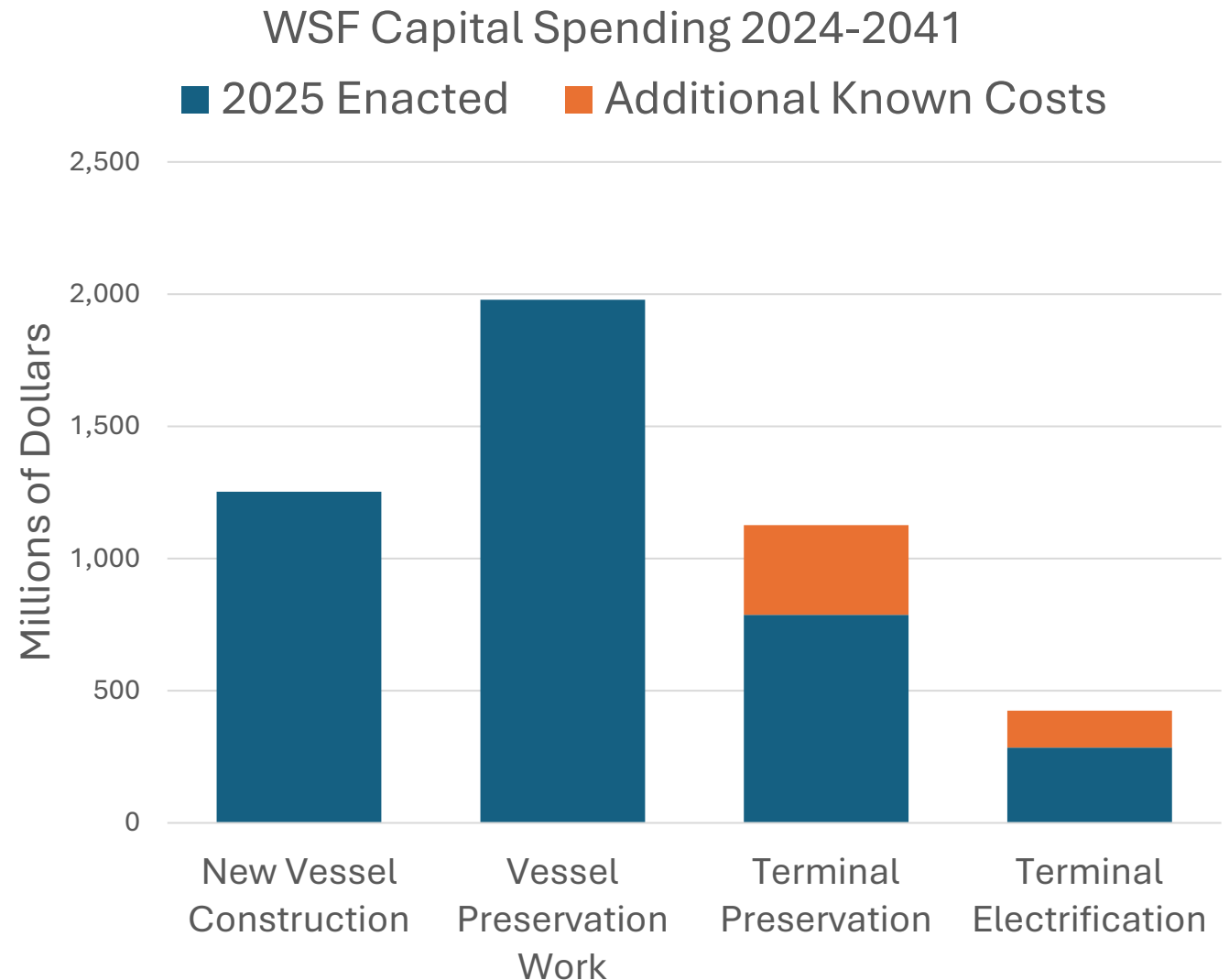
- Bridge and roadway asset preservation
 - Per WSDOT, preservation spending is 40% of amount needed for asset preservation.
 - \$8 billion over 10 years to fix failing assets and provide a cost-effective level of service.
- Fish passage barrier removal
 - WSDOT indicates an additional \$4 billion is required to complete the current fish barrier correction plan, above the \$5.2 billion currently planned.
- Improvement program
 - WSDOT has experienced significant inflation on large projects in recent years
 - Near-term large projects, such as the I-5 Columbia River bridge replacement, have potential to put added pressure on the transportation budget.

Over the next 5 years

- First HEOC expected in FY 2031.
- There are currently 21 vessels, 3-4 of which are undergoing preservation and maintenance work at a given time. Current levels of service are at high risk for disruption.
- Extended time out-of-service for larger preservation or electrification would further increase risk of disruptions.
- A focus on current service levels means delaying:
 - Vessel retirements – raises risk of forced retirement;
 - Life extensions and overhauls – raises risks of time out of service; and
 - Electrification of Jumbo Mark II vessels – increases carbon emissions and fuel costs.

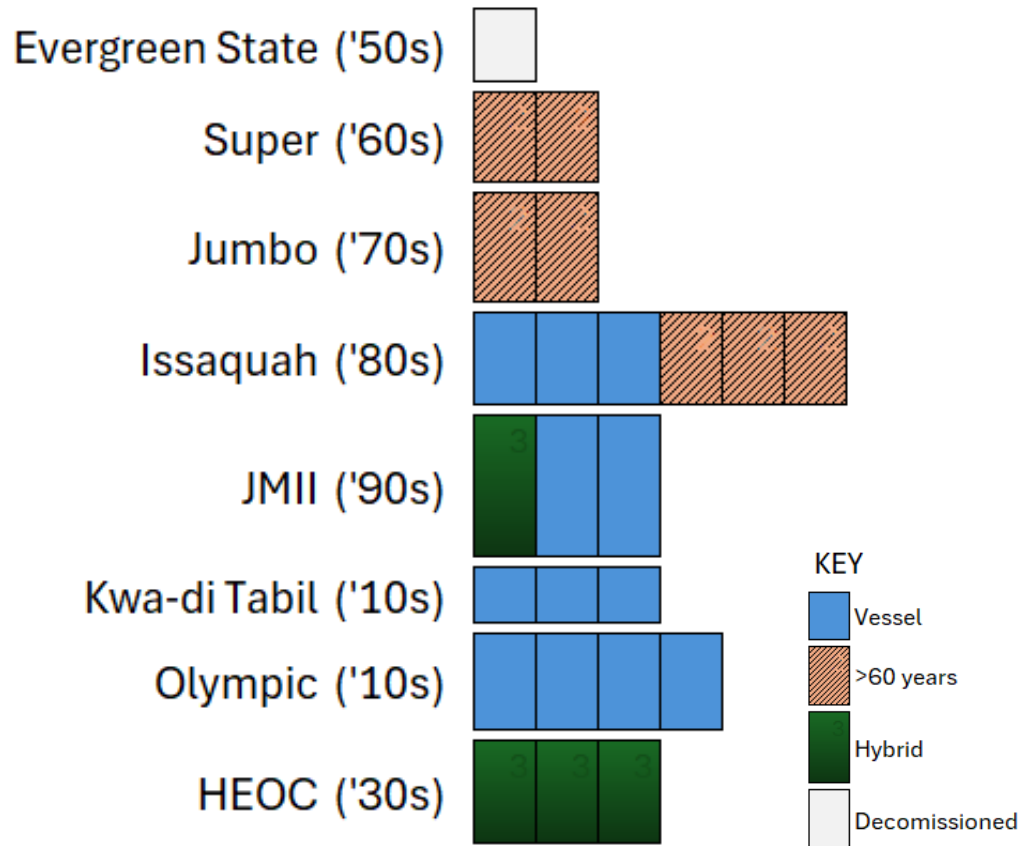
Current projects in 2025 Enacted budget

- Three Hybrid-Electric Olympic Class Vessels (HEOCs)
- Vessel Preservation Work
- Three terminal electrifications
 - Seattle
 - Clinton
 - Bremerton
- One Jumbo Mark II Conversion
 - Wenatchee
- Fauntleroy Terminal Work



What is not included in current funding levels

2040 Anticipated Fleet Status
without further funding



- Full electrification of the fleet
- Replacement of vessels > 60 years of age
- Life extension of vessels > 60 years of age
- Electrification of remaining JMII vessels
- Full cost of Terminal Projects

VERY approximate cost estimates

- Vessels
 - Approximately \$300-450 million per HEOC
 - Alternative design requires new process and RFP
- Life extension – \$100-200 million per vessel
 - May extend life for 10-15 years
 - Additional option: \$50 million for engine replacement
- Terminal electrification – \$50+ million per terminal
- JMII conversions – \$50-100 million each
- KDT conversions – WSF no longer believes feasible due to size of vessel

Long-term questions for the Governor and Legislature

- How to operate and maintain ferry assets when:
 - Overall ferry system needs total \$800-900 million per biennium (op and cap);
 - Non-ferries preservation and maintenance needs total \$3.5 billion per biennium
- Should WSF stay at the current level of service?
- How many vessels should WSF operate with?
 - How many of those will be new?
 - How many of those will be hybrid-electric?
- What is the right level of spending to extend the life of existing vessels?
- Should WSF electrify the remaining two JMII?