

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 6932

60th Legislature
2008 Regular Session

Passed by the Senate March 10, 2008
YEAS 48 NAYS 0

President of the Senate

Passed by the House March 5, 2008
YEAS 96 NAYS 0

Speaker of the House of Representatives

Approved

Governor of the State of Washington

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 6932** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 6932

AS AMENDED BY THE HOUSE

Passed Legislature - 2008 Regular Session

State of Washington 60th Legislature 2008 Regular Session

By Senate Transportation (originally sponsored by Senators Haugen, Swecker, Spanel, Jacobsen, Marr, Kilmer, Rockefeller, and Shin)

READ FIRST TIME 02/12/08.

1 AN ACT Relating to ferry vessel and terminal planning; amending RCW
2 47.60.005, 47.60.375, 47.60.345, 47.60.385, and 47.60.335; and adding
3 new sections to chapter 47.60 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 47.60.005 and 2007 c 512 s 3 are each amended to read
6 as follows:

7 The definitions in this section apply throughout this chapter
8 unless the context clearly requires otherwise.

9 (1) "Adaptive management" means a systematic process for
10 continually improving management policies and practices by learning
11 from the outcomes of operational programs.

12 (2) "Capital plan" means the state ferry system plan developed by
13 the department as described in RCW 47.06.050(2) (~~and adopted~~),
14 reviewed by the commission, and reported to the transportation
15 committees of the legislature by the commission.

16 (3) "Capital project" has the same meaning as used in budget
17 instructions developed by the office of financial management.

18 (4) "Commission" means the transportation commission created in RCW
19 47.01.051.

1 (5) "Improvement project" has the same meaning as in the budget
2 instructions developed by the office of financial management. If the
3 budget instructions do not define improvement project, then it has the
4 same meaning as "program project" in the budget instructions. If a
5 project meets both the improvement project and preservation project
6 definitions in this section it must be defined as an improvement
7 project. New vessel acquisitions must be defined as improvement
8 projects.

9 (6) "Life-cycle cost model" means that portion of a capital asset
10 inventory system which, among other things, is used to estimate future
11 preservation needs.

12 (7) "Maintenance cost" has the same meaning as used in budget
13 instructions developed by the office of financial management.

14 (8) "Preservation project" has the same meaning as used in budget
15 instructions developed by the office of financial management.

16 (9) "Route" means all ferry sailings from one location to another,
17 such as the Seattle to Bainbridge route or the Port Townsend to
18 Keystone route.

19 (10) "Sailing" means an individual ferry sailing for a specific
20 route, such as the 5:00 p.m. sailing from Seattle to Bremerton.

21 (11) "Travel shed" means one or more ferry routes with distinct
22 characteristics as determined by the department.

23 NEW SECTION. **Sec. 2.** A new section is added to chapter 47.60 RCW
24 to read as follows:

25 The department shall develop and maintain a vessel rebuild and
26 replacement plan that, at a minimum:

27 (1) Includes projected retirement dates for all vessels,
28 distinguishing between active and inactive vessels;

29 (2) Includes projected rebuild dates for all vessels;

30 (3) Includes timelines for vessel replacement, including business
31 decisions, design, procurement, and construction; and

32 (4) Includes a summary of the condition of all vessels,
33 distinguishing between active and inactive vessels.

34 **Sec. 3.** RCW 47.60.375 and 2007 c 512 s 13 are each amended to read
35 as follows:

36 (1) The capital plan must adhere to the following:

- 1 ~~((1))~~ (a) A current ridership demand forecast;
- 2 ~~((2))~~ (b) Vehicle level of service standards as described in RCW
3 47.06.140;
- 4 ~~((3))~~ (c) Operational strategies as described in RCW 47.60.327;
5 and
- 6 ~~((4))~~ (d) Terminal design standards as described in RCW
7 47.60.365.

8 (2) The capital plan must include the following:

- 9 (a) A current vessel preservation plan;
- 10 (b) A current systemwide vessel rebuild and replacement plan;
- 11 (c) A current vessel deployment plan; and
- 12 (d) A current terminal preservation plan.

13 **Sec. 4.** RCW 47.60.345 and 2007 c 512 s 10 are each amended to read
14 as follows:

15 (1) The department shall maintain a life-cycle cost model on
16 capital assets such that:

17 (a) Available industry standards are used for estimating the life
18 of an asset, and department-adopted standard life cycles derived from
19 the experience of similar public and private entities are used when
20 industry standards are not available;

21 (b) Standard estimated life is adjusted for asset condition when
22 inspections are made;

23 (c) It does not include utilities or other systems that are not
24 replaced on a standard life cycle; and

25 (d) It does not include assets not yet built.

26 (2) All assets in the life-cycle cost model must be inspected and
27 updated in the life-cycle cost model for asset condition at least every
28 three years.

29 (3) The life-cycle cost model shall be used when estimating future
30 ~~((system))~~ terminal and vessel preservation needs.

31 (4) The life-cycle cost model shall be the basis for developing the
32 budget request for terminal and vessel preservation funding.

33 NEW SECTION. **Sec. 5.** A new section is added to chapter 47.60 RCW
34 to read as follows:

35 (1) The department shall develop and maintain a vessel maintenance

1 and preservation program that meets or exceeds all federal requirements
2 and, at a minimum:

3 (a) Includes a bilge and void maintenance program;

4 (b) Includes a visual inspection/audio gauging steel preservation
5 program; and

6 (c) Uses a lowest life-cycle cost method.

7 (2) The vessel maintenance and preservation program must maximize
8 cost efficiency by, at a minimum:

9 (a) Reducing planned out-of-service time to the greatest extent
10 possible; and

11 (b) Striving to eliminate planned peak season out-of-service
12 periods.

13 (3) When construction is underway for the replacement of a vessel,
14 the vessel that is scheduled for retirement is exempt from the
15 requirement in subsection (1)(c) of this section.

16 (4) The department shall include a plain language status report on
17 the maintenance and preservation vessel program with each budget
18 submittal to the office of financial management. This report must
19 include, at a minimum:

20 (a) A description of the maintenance and preservation of each
21 vessel in the fleet;

22 (b) A highlight and explanation of any significant deviation from
23 the norm;

24 (c) A highlight and explanation of any significant deviation from
25 the vessel preservation plan required under RCW 47.60.375;

26 (d) A highlight and explanation of decisions not to invest in
27 vessels; and

28 (e) A highlight and explanation of decisions to invest early in
29 vessels.

30 **Sec. 6.** RCW 47.60.385 and 2007 c 512 s 14 are each amended to read
31 as follows:

32 (1) Terminal improvement project funding requests must adhere to
33 the capital plan.

34 (2) Requests for terminal improvement design and construction
35 funding must be submitted with a predesign study that:

36 (a) Includes all elements required by the office of financial
37 management;

- 1 (b) Separately identifies basic terminal elements essential for
2 operation and their costs;
- 3 (c) Separately identifies additional elements to provide ancillary
4 revenue and customer comfort and their costs;
- 5 (d) Includes construction phasing options that are consistent with
6 forecasted ridership increases;
- 7 (e) Separately identifies additional elements requested by local
8 governments and the cost and proposed funding source of those elements;
- 9 (f) Separately identifies multimodal elements and the cost and
10 proposed funding source of those elements; and
- 11 (g) Identifies all contingency amounts.
- 12 (h) When planning for new vessel acquisitions, the department must
13 evaluate the long-term vessel operating costs related to fuel
14 efficiency and staffing.

15 **Sec. 7.** RCW 47.60.335 and 2007 c 512 s 9 are each amended to read
16 as follows:

17 (1) Appropriations made for the Washington state ferries capital
18 program may not be used for maintenance costs.

19 (2) Appropriations made for preservation projects shall be spent
20 only on preservation and only when warranted by asset condition, and
21 shall not be spent on master plans, right-of-way acquisition, or other
22 nonpreservation items.

23 (3) Systemwide and administrative capital program costs shall be
24 allocated to specific capital projects using a cost allocation plan
25 developed by the department. Systemwide and administrative capital
26 program costs shall be identifiable.

27 (4) The vessel emergency repair budget may not be used for planned
28 maintenance and inspections of inactive vessels.

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