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BEFORE THE WASHINGTON

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UTILITIES AND TRANSPORTATION COMMISSION

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)  
In re Application No. B-079273 of ) TS-040650  
4 AQUA EXPRESS, LLC For a Certificate ) Volume V  
of Public Convenience and Necessity ) Pages 345-486  
5 to Provide Commercial Ferry Service.)  

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A hearing in the above-entitled matter was

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held from 9:34 to 11:10 a.m. and 2:15 to 4:29 p.m. on

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Thursday, July 1, 2004, at 9000 N.E. W. Kingston

11

Road, Kingston, Washington, before Administrative Law

12

Judge ANN E. RENDAHL, Chairwoman MARILYN SHOWALTER,

13

Commissioner RICHARD HEMSTAD and Commissioner PATRICK

14

OSHIE.

15

16

The parties present were as follows:

17

AQUA EXPRESS, LLP, by David Wiley,  
Attorney at Law, Two Union Square, 601 Union Steet,  
18 Suite 4100, Seattle, Washington 98101.

19

COMMISSION STAFF, by Donald T. Trotter,  
Assistant Attorney General, 1400 S. Evergreen Park  
Drive, S.W., P.O. Box 40128, Olympia, Washington,  
20 98504-1028.

21

KITSAP TRANSIT, by James K. Sells,  
Attorney at Law, 9657 Levin Road N.W., Silverdale,  
Washington 98383.

22

23

24

Barbara L. Nelson, CCR

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Court Reporter

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1                   JUDGE RENDAHL: We'll be on the record.  
2    Good morning, everyone. This is a hearing before the  
3    Washington Utilities and Transportation Commission  
4    here in Kingston, Washington. I'm Ann Rendahl, the  
5    Administrative Law Judge presiding over this  
6    proceeding, with Chairwoman Marilyn Showalter,  
7    Richard Hemstad and Patrick Oshie.

8                   This is a continuation of the hearing in  
9    Docket Number TS-040650, which is captioned In the  
10   Matter of the Application Number B-079273 of Aqua  
11   Express, LLP, for a Certificate of Public Convenience  
12   and Necessity to Provide Commercial Ferry Service.

13                  For those of you who are just coming today,  
14   we've held two -- we've held a day and a half of  
15   hearings, on June 21st and 22nd, concerning the  
16   application in Olympia. Yesterday, the  
17   Inlandboatmen's Union, who had protested the  
18   application, announced that they were withdrawing  
19   their protest to the application.

20                  The statutory requirements for commercial  
21   ferry applications require a hearing in this  
22   proceeding, so even though the protest has been  
23   withdrawn, we are continuing the hearing to finish  
24   the Applicant's case to meet its statutory -- to meet  
25   the statutory standards, and we've also planned

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1 public comment sessions for 1:30 today, and also for  
2 -- starting at 6:00 this evening to hear from the  
3 public. Can you all still hear me? Okay. Thank  
4 you.

5 I have circulated a revised agenda for  
6 today's hearing next to Ms. Hansen, in the green and  
7 blue and black shirt there, if you'd like to see a  
8 copy. After we take the appearances of the parties,  
9 we'll proceed with the Applicant's next witness, Mr.  
10 Hayes. And then I think Mr. Wiley has indicated that  
11 he would like to recall Mr. Tougas, who is a witness  
12 for the Applicant, to address an additional exhibit,  
13 and then we may begin to take Mr. Wiley's -- or the  
14 Applicant's witnesses to support the need for the  
15 application.

16 We have scheduled a lunch break between noon  
17 and 1:30. We'll come back for public comment and  
18 then continue with the need witnesses. Then we'll  
19 take our dinner break. We'll have a mid-morning and  
20 mid-afternoon break, as well, take a dinner break,  
21 and then come back for the public comment session.  
22 So that's what we'll be doing today.

23 Is there anything we need to cover before we  
24 take appearances and go on with the hearing? Okay.  
25 Let's take appearances from the parties. You've all

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1 previously stated appearances in this matter, so if  
2 you just state your name and the party you represent  
3 for the record, that would be helpful. Thank you.

4 MR. WILEY: Thank you, Your Honor.

5 JUDGE RENDAHL: You need to click the button  
6 forward. There you go.

7 MR. WILEY: Thank you, Your Honor. David W.  
8 Wiley, appearing today for the Applicant, Aqua  
9 Express, L.L.C.

10 JUDGE RENDAHL: Thank you.

11 MR. SELLS: If Your Honor please, James  
12 Sells, appearing on behalf of Intervenor Kitsap  
13 Transit.

14 MR. TROTTER: My name is Donald T. Trotter.  
15 I'm an Assistant Attorney General assigned to  
16 represent the Commission. To my right is Mr. Gene  
17 Eckhardt, who's the Assistant Director for Water and  
18 Transportation.

19 JUDGE RENDAHL: And could you spell Eckhardt  
20 for the record, please?

21 MR. TROTTER: E-c-k-h-a-r-d-t.

22 JUDGE RENDAHL: Thank you very much. All  
23 right. Again, before we go on the record, I mean,  
24 before we begin with the witnesses' testimony, the  
25 acoustics in this room appear to be quite good, but

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1 it's helpful to avoid side conversations that might  
2 distract people from being able to hear what the  
3 witness is saying, in particularly the court  
4 reporter. And again, if you haven't already turned  
5 off your cell phones, if you'd please do so, that  
6 would be helpful.

7 All right. Mr. Wiley, are you ready to  
8 bring on Mr. Hayes?

9 MR. WILEY: Yes, Mr. Hayes, please.

10 JUDGE RENDAHL: Good morning, Mr. Hayes.  
11 You can sit down. You don't need to stand up for  
12 this. If you could state your full name and address  
13 for the record, please?

14 MR. HAYES: Richard Hayes.

15 JUDGE RENDAHL: You'll need to push the  
16 button, the first button forward. There you go.

17 MR. HAYES: Richard Hayes, the address is  
18 3646 Beach Drive East, Port Orchard. The business  
19 address is --

20 JUDGE RENDAHL: You'll need to slow down  
21 just a bit.

22 MR. HAYES: Excuse me. Business address is  
23 200 Charleston Boulevard in Bremerton, which is  
24 Kitsap Transit.

25 JUDGE RENDAHL: Thank you. Could you raise

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1 your right hand, please?

2 Whereupon,

3 RICHARD HAYES,

4 having been first duly sworn, was called as a witness

5 herein and was examined and testified as follows:

6 JUDGE RENDAHL: Thank you. Mr. Wiley,

7 please go ahead.

8 MR. WILEY: Thank you.

9

10 D I R E C T E X A M I N A T I O N

11 BY MR. WILEY:

12 Q. Good morning, Mr. Hayes.

13 A. Good morning.

14 Q. I understand you're becoming something of a

15 veteran at these proceedings this week; is that

16 correct?

17 A. Well, I hope you get better with more

18 practice, so --

19 Q. Could you please tell us what your title is

20 with Kitsap Transit?

21 A. It's executive director.

22 Q. And as executive director of Kitsap Transit,

23 what are your general job responsibilities, please?

24 A. I manage the entire range of the agency's

25 activities, I report to a board of nine elected



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1 officials, who are essentially the core of the  
2 elected officials of Kitsap County, the three  
3 Commissioners, all the mayors of the four cities, and  
4 then two additional members from the Bremerton City  
5 Council, as the central city.

6 Q. For the record, could you just tell us a  
7 little bit about what Kitsap Transit Agency is? And  
8 also in your answer, if you'd identify it as to  
9 whether it is a public agency, I'd appreciate that.

10 A. Kitsap Transit is a Public Transportation  
11 Benefit Area authority, which is why we use the  
12 Kitsap Transit name instead. It is a specific  
13 purpose municipality charged under state law with  
14 responsibility for, in a county the size of Kitsap,  
15 the full range of public transportation activities  
16 running from specialized transportation in small  
17 buses for the elderly and disabled to large bus and  
18 large and small ferries at this moment.

19 Q. Has Kitsap Transit, as a Public  
20 Transportation Benefit Agency, been involved in any  
21 capacity with WUTC-regulated companies?

22 A. Yes, we have been involved for about, I  
23 think, 15 years now, with originally Horluck  
24 Transportation, and in about the last year, year and  
25 a quarter, we actually purchased the franchise and

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1 the operation and we are now directly operating that.  
2 And Horluck Transportation is a small passenger ferry  
3 operation that runs between downtown Bremerton and  
4 downtown Port Orchard, about a mile and a tenth.  
5 It's a very efficient and effective operation, in  
6 spite of its short length and small size, however.

7 Q. Who actually performs that service for you?

8 A. We are using a contractor to perform that  
9 service, and it's Kitsap Harbor Tours. He's also  
10 providing two of the three boats we use.

11 Q. Is that service responsive to particular  
12 commuter needs in the Kitsap County area?

13 A. Yes, it's a very large element of our  
14 service in support of the transportation incentive  
15 program with the Puget Sound Naval Shipyard and the  
16 Naval base, who are side-by-side in downtown  
17 Bremerton, and it carries hundreds of those two  
18 groups of people to work each morning.

19 Q. Is that service also linked to ground  
20 transportation?

21 A. Yes, buses meet that service on either end,  
22 which is a characteristic of our agency. Our basic  
23 plan for commuter activities is to have the buses  
24 meet the boats, including waiting, if necessary.

25 Q. Could you characterize your experience over

0355

1 the last six months as to the success of linking  
2 ground transportation with WUTC, or waterborne  
3 transportation, either regulated by the WUTC or in  
4 partnership with Kitsap Transit, previously regulated  
5 by the WUTC?

6 A. Well, the ridership has gone up about six  
7 percent, although it was quite strong before on the  
8 -- what was Horluck and what is now Kitsap foot  
9 ferry. We have been meeting ferries for about --  
10 well, actually, for 22 years now, and during that  
11 period of time, our ridership has gone from about  
12 600,000 a year to about five million this year. So a  
13 huge portion of the agency's ridership gains and  
14 success are due to that very simple premise that you  
15 have to meet the ferries.

16 Q. Does Kitsap Transit have a particular  
17 interest in passenger-only ferries and, if so, could  
18 you please give us a brief background on the interest  
19 and role of Kitsap Transit in passenger-only ferry  
20 service between Kitsap County and the Seattle area?

21 A. As early as about five years ago, in looking  
22 at our mission and set of purposes as an agency, the  
23 Staff recommended and the board enthusiastically  
24 agreed, actually, that our mission would include  
25 cross-Sound passenger ferry service.

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1           One of the major premises is that we did not  
2 wish to get into the situation they're in in King  
3 County, where they have a separate agency for every  
4 single activity. Meeting each other is the key  
5 element of an overall transportation system, and  
6 having it all run by one party does really seem to  
7 help that.

8           Q.    Could you recount the impacts that  
9 initiative referenda and legislation has played in  
10 your agency's interaction with passenger-only ferry  
11 service in the last five years?

12          A.    Well, if I could go back a bit further. In  
13 1992, a number of us, several people included in this  
14 room, worked on a cross-Sound study, which wound up  
15 proposing passenger ferry service from the three  
16 points we're still talking about, Kingston,  
17 Bremerton, and the South Kitsap area straight to  
18 Seattle. The State put a plan together as an adjunct  
19 to the Washington State Ferries' car boat system, and  
20 we began developing the local resources, especially  
21 the park and ride network that you need actually at  
22 that time.

23                The State got a good way into that, at least  
24 for service to Bremerton, and then Initiative 695  
25 came along and essentially took away the resources

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1 necessary to continue.

2 Q. If I could interrupt you here, we've had  
3 Initiative 695 addressed on the record. Do you  
4 recall about when that was? Is that the end of the  
5 '90s, early 2000?

6 A. Yeah, 1997 or eight, is my recollection. We  
7 volunteered -- '99, okay. We volunteered at that  
8 time to take responsibility for passenger ferry  
9 service and put together our initial cross-Sound  
10 passenger ferry plan, which was first available in  
11 2000. As we proceeded forward with that, the State  
12 suddenly decided -- the State had previously  
13 announced they were out of the passenger ferry  
14 business and they suddenly decided they were just  
15 kidding and they were going to get back in the  
16 passenger ferry business.

17 They then put a plan together and basically  
18 submitted it to the voters. And it lost in Kitsap, I  
19 think it got 37 percent of the vote in Kitsap, even  
20 though it would have provided the passenger ferry  
21 service. We took that particularly based on  
22 statements by legislators and others at that point  
23 that they really were out of the passenger ferry  
24 program at that point, and we put -- we updated our  
25 plan and put a ballot measure together.

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1 Unfortunately, in November of '03, we lost the ballot  
2 measure by 39 to 61. So --

3 Q. If I could interrupt you, what did that  
4 measure envision, please?

5 A. That measure envisioned a full-blown  
6 passenger ferry program that ran in a transit scale  
7 of operation, meaning all day long, with much more  
8 intensive service at rush hour, fully developed  
9 terminals, not as large a program as WSF had  
10 initially proposed, smaller boats and smaller  
11 terminals, but still a complete transit style  
12 operation.

13 Q. And what was the proposed funding for that  
14 service?

15 A. It was sales tax and motor vehicle excise  
16 tax. The legislature had, prior to that, given PTBAs  
17 and, in King County, ferry districts, the authority  
18 to ask for certain levels of tax rates. We went to  
19 about 50 percent of those authorized levels with our  
20 package.

21 Q. After the failure of this initiative in  
22 Kitsap County, what was Kitsap Transit's response?

23 A. Well, after you collect yourself, we had  
24 been working with the private operators, because in  
25 our plan, we had envisioned an extensive plan, but we

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1 had not envisioned directly operating it. We had  
2 intended to carry on in the manner we do with the  
3 small ferry system. So we had been in touch and  
4 working with the private operators this entire time.  
5 They expressed an interest pretty much immediately at  
6 that point in proceeding to seek franchises, and we  
7 thought that was a good idea, with certain  
8 conditions, so we sat down and worked out with them  
9 the conditions under which we would like to see them  
10 go forward.

11           The gist of it is that we would be able and  
12 allowed to provide considerable capital support to  
13 the program, which, in a capital intensive business,  
14 like the passenger ferry world, can drastically  
15 reduce the fares you have to charge. And we had  
16 intended and still intend and have these grant  
17 requests in to try to provide that high level of  
18 support to help keep the fares down.

19       Q.    Is it your understanding that that's  
20 consistent with the state legislative changes in  
21 2003?

22       A.    We believe so, yes.

23       Q.    Do you see any hallmark to that legislation  
24 with respect to public-private involvements?

25       A.    Well, the legislation, as we had proposed

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1 it, and we were the primary proponent, did envision  
2 public-private partnerships, probably with a slight  
3 balance toward the public, because they would be  
4 operated under contract. This arrangement tilts the  
5 balance a bit more toward private operation, but --  
6 and it tilts it toward a slower, more gradual start,  
7 actually, more like the way we started the transit  
8 system. And I think, over a 10-year period, it will  
9 probably work about as well.

10 Q. Is it your understanding that, at least  
11 initially, for the foreseeable future, the Applicant,  
12 Aqua Express, does not intend to use State ferry  
13 facilities for its service?

14 A. That is true. In fact, throughout the  
15 system, we are looking at alongside, rather than  
16 inside of or with.

17 Q. With respect to starting a passenger-only  
18 ferry service in your county, are there land use  
19 issues that also implicate the service? In other  
20 words, are there permitting at the local level that  
21 often are at play in this type of proposed service?

22 A. Yes, there definitely are. While the  
23 primary impact to support a program like this does  
24 fall on the transit system, it has to be consistent  
25 with growth management and, to the extent that local



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1 governments administer shoreline management, it has  
2 to be consistent with that, as well. Considerable  
3 work has gone into not just our plan, but the  
4 county's growth management plans to take passenger  
5 ferry service at these three points into account, so  
6 --

7 Q. By these three points, you're referring to  
8 the geographic locations you mentioned earlier;  
9 correct?

10 A. Yes, Kingston, Bremerton and South Kitsap.

11 JUDGE RENDAHL: If you all would remember  
12 not to speak over each other, it would be helpful.

13 THE WITNESS: Excuse me.

14 Q. You also brought a map into the hearing  
15 room. We are not making that an exhibit, but could  
16 you describe, just geographically, what we're talking  
17 about with this proposed service, in terms of where  
18 it is in the county, and we've also got another map  
19 as an exhibit to show where some of the parking lots  
20 would go. And if you would remember, we're making a  
21 record here --

22 A. Yes.

23 Q. -- so try to describe what you're pointing  
24 at.

25 A. I will stay seated so that I can be heard,

0362

1 as well. This is a general map of the area showing  
2 the Bainbridge Island ferry terminal in the lower  
3 right-hand corner and the Kingston terminal adjacent  
4 to which on the Port's property this project is  
5 proposed to start.

6 I brought the map because one of the things  
7 that people need to see, and this is a land use and  
8 an environmental issue, we have a large number of  
9 customers who now ride all the way down to Bainbridge  
10 Island. This is a road here, 305, on the island and  
11 through Poulsbo, which is under serious congestion  
12 and general stress. Part of the concept here is to  
13 take all of these people --

14 JUDGE RENDAHL: When you say all of these  
15 people, you need to describe where all of these  
16 people are.

17 THE WITNESS: Okay. We have three buses now  
18 that run from the Kingston, Indianola, Suquamish area  
19 and come down here --

20 JUDGE RENDAHL: Down here meaning --

21 THE WITNESS: Down here to Bainbridge  
22 Island, excuse me.

23 JUDGE RENDAHL: Thank you.

24 THE WITNESS: And then we have several buses  
25 that start in the Poulsbo vicinity, and they make

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1 connections with Clallam and Jefferson County further  
2 to the north across the floating bridge.

3           So we're in touch with five or six buses  
4 worth of people per peak ferry that now go a lot  
5 further than they have to to get to a port to access  
6 a boat to get to Seattle. There will be  
7 substantially fewer vehicle miles traveled, which is  
8 one of the measures of the effectiveness of your  
9 overall transportation system under this model, and  
10 there should be two or 300 fewer cars on Bainbridge  
11 Island during rush hour.

12       Q. If I could interrupt you, Mr. Hayes, is that  
13 -- the road that you're referring to, is that SR-305?

14       A. Yes, that's SR-305. In the long run, as the  
15 Mason and -- pardon me, Clallam and Jefferson  
16 Counties develop, if you would note that Highway 104  
17 in the upper corner, you come across the bridge and  
18 go that way to Kingston and you're traveling about a  
19 third the distance that you are to Bainbridge Island  
20 to access a ferry to Seattle.

21           JUDGE RENDAHL: And when you say the bridge,  
22 the Hood Canal bridge?

23           THE WITNESS: That's the Hood Canal floating  
24 bridge that I'm talking about.

25           JUDGE RENDAHL: And that's on Route 104,

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1 that goes --

2 THE WITNESS: Yes, it is. It's in the upper  
3 left-hand corner right there.

4 Q. And for the record, your movement of the  
5 shortened distances were on -- could you describe  
6 what you just pointed to in the map, please?

7 A. Yes, 104 is from the Hood Canal bridge here  
8 and down to -- down to Kingston.

9 Q. That would be on the northeast side of the  
10 map that you brought in to the hearing room; is that  
11 correct?

12 A. Yes, it starts on the northeast side and  
13 winds up on the northwest side, running across the  
14 top of the map.

15 Q. Can you indicate for the record what sort of  
16 traffic congestion there is on SR-305 on a Monday  
17 through Friday basis currently?

18 A. Well, there will be more people who can  
19 probably describe it better, because I don't wind up  
20 stuck in it, I avoid it and can, but you can wait  
21 considerable periods of time, easily in the 15 to  
22 20-minute range, to get across the Agate Pass bridge,  
23 which is this bridge between Bainbridge Island, and  
24 then you can wait through two or three lights in  
25 Poulsbo itself to get through the Poulsbo area.

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1 Q. Do you believe that passenger-only ferry  
2 application between Kingston and Seattle will have  
3 any impact on SR-305 and, if so, what is it?

4 A. We believe it will be quite positive. We  
5 think that initially it will be a reduction in  
6 vehicle travel. There will be probably increases in  
7 the congestion over time, because you never seem to  
8 really remove vehicles from a major arterial, but the  
9 rate of increase will slow markedly and the highway's  
10 ability to survive as a functioning arterial should  
11 be extended, and the cost to improve it should be  
12 materially reduced over a long period of time.

13 Q. Thank you. I don't have any more questions  
14 on the map right now. I don't want Mr. Waggoner to  
15 have his arm go to sleep. But do you have anything  
16 else on the map you wanted to point out now?

17 A. I don't believe so. We also, I think, will  
18 pull a few people from the western side of Central  
19 Kitsap, for instance, the Bangor-Briedablik area up  
20 in here. So I think some of these people will go  
21 that way, which is less congested than this, as well.  
22 We know we'll have some number of people, because  
23 we've lost the passenger ferry service out of  
24 Bremerton down here, are going to Kingston, so there  
25 will actually be some benefit for people returning to

0366

1 Bremerton, as well.

2 JUDGE RENDAHL: Not being from Kitsap  
3 County, can you spell Briedablik for the court  
4 reporter?

5 THE WITNESS: I didn't expect that. I think  
6 it's B-r-i-e-d-a-b-l-i-k.

7 JUDGE RENDAHL: Thank you. We can correct  
8 it later if somebody else --

9 THE WITNESS: You may have to.

10 JUDGE RENDAHL: -- has a different spelling.  
11 Okay. Thank you.

12 Q. Mr. Hayes, focusing on the present  
13 application, did your board formally agree to the  
14 application, as required by the statutory changes in  
15 2003?

16 A. Yes, we did. It's Resolution 04-22, which  
17 is from early this year, and --

18 Q. Would that be Exhibit 25, Mr. Hayes?

19 A. Yes, it would. And it indicates quite  
20 strong support for the request, and I'm sure you'll  
21 hear from several of our board members later today,  
22 and I think you'll be able to tell easily, then, that  
23 their support is very strong for this.

24 Q. Thank you. Have you also studied, as your  
25 role as executive director, some of the on-the-ground

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1 impacts in the Kingston area of the proposed service?

2 A. Actually, we have put together what we call  
3 an uplands plan, which spells out the on-the-ground  
4 resources that we either have already developed or  
5 intend to bring into play, and I've also provided --  
6 I don't know if it's an exhibit or not. I provided a  
7 smaller map of the area, which shows the location of  
8 a couple of park and ride lots we have already  
9 constructed.

10 We took the State very seriously when they  
11 announced they were going to run the service, and we  
12 started building park and ride lots as early as six  
13 or seven years ago. We have two lots, one at  
14 George's Corner. I suppose I should --

15 Q. Mr. Hayes, let me -- you're jumping ahead of  
16 me a little bit.

17 A. Excuse me.

18 Q. I wanted to show you -- you have an exhibit  
19 next in line in front of you. I would ask you to  
20 identify that, please, for the record.

21 A. That is the uplands plan for Kingston  
22 passenger-only ferry service to Seattle.

23 Q. And is that the memoranda that you referred  
24 to -- memorandum that you referred to that sketches  
25 the ground linkage to the proposed service?

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1           A.    Yes, it does, and the other resources, from  
2 lockers for bicycles to whatever.  It also is  
3 submitted to the county as a partial fulfillment of  
4 the land use issues regarding this application.

5           Q.    Is that Exhibit 26 that's been previously  
6 identified?

7           A.    Yes, it is.

8           Q.    Also, this morning, we distributed an  
9 exhibit that is, I believe, identified as 27, which  
10 is a -- it's encaptioned Kingston Commuter Route.  I  
11 will -- if I could approach the witness, Your Honor,  
12 I'll hand him a copy of that exhibit.

13                   JUDGE RENDAHL:  Please do.

14                   THE WITNESS:  I've got one.

15           Q.    Mr. Hayes, can you identify for the record  
16 what that exhibit is?

17           A.    This is a preliminary design for a small bus  
18 route, which will connect the Kingston ferry with the  
19 park and rides midday, including the Suquamish park  
20 and ride, where there will be a connection with  
21 Poulsbo and the service that goes onto Bainbridge  
22 Island.

23           Q.    We've had a number of witnesses refer to  
24 Suquamish in their testimony or references in their  
25 testimony.  How far is Suquamish from Kingston, do



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1 you know?

2 A. I actually don't have the intermediate  
3 distance. Kingston to Bainbridge Island is 17 miles.  
4 I would personally estimate that Suquamish is about a  
5 third to two-fifths of that distance, so five to six  
6 miles.

7 Q. And when you refer to the 17-mile post for  
8 Bainbridge Island, are you referring to the terminal  
9 -- the Washington State Ferry terminal on Bainbridge  
10 Island?

11 A. Yes, it's basically terminal to terminal,  
12 Kingston to Bainbridge Island.

13 Q. Well, I know there will be some other  
14 witnesses who know how far Suquamish is, but tell us,  
15 on Exhibit 27, why parking lots are relevant to the  
16 type of planning you've been engaged in with respect  
17 to integrating the passenger-only ferry service?

18 A. We use two types of service to connect to  
19 ferries. Local bus service is, in the case on  
20 Bainbridge Island, small buses that do loop routes on  
21 rush hour, do nothing but go back and forth between  
22 the ferries and through the neighborhoods, and then  
23 we use larger and smaller buses to connect with park  
24 and ride lots, and those buses, again, go from the  
25 park and ride lot to a ferry at arrival times and

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1 meet the ferry.

2           Consistent with that plan, we have put two  
3 park and ride lots in place, one at George's Corner  
4 and one at Bayside Church park and ride. I think you  
5 can see those on the map. George's Corner is an  
6 initial primary intercept point for people coming  
7 down from Clallam and Jefferson County, so it's the  
8 larger of the two. I made a count about a week ago  
9 now, and there are 160 parking spaces available at  
10 George's Corner. In addition, we have surveyed --  
11 and there's about 102 at Bayside, excuse me.

12           We have surveyed our riders at that those  
13 two points, and a significant number, in the range of  
14 more than half, indicate they probably will keep  
15 parking there, but switch to the Kingston passenger  
16 ferry. So you can think of over half of the spaces  
17 occupied at those points, and that's about 100 at  
18 each place that are occupied, as people who are going  
19 to use the lot in the future to go to Kingston. So  
20 there's 100 people we already know about and are  
21 accounted for. Then you have 175 and 102 empty and,  
22 at Bayside, we could put into effect about 40 more  
23 that we just didn't contract for initially, but that  
24 are there and that are excess to the church's needs.  
25 That's a co-op lot with the church. So we have 100,

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1 175, and at least 120 or 25, which gets you to 400  
2 spaces available essentially on day one.

3 Q. Are those lots currently underutilized?

4 A. Yes, they normally, if we had anticipated or  
5 if we'd made a judgment that passenger ferries from  
6 Kingston would not be about to happen, one of those  
7 lots, probably the larger one, would have been in  
8 Poulsbo to pick those people up there on the way to  
9 Bainbridge Island.

10 Q. Let's go back to Exhibit 26, if you would.  
11 That's your Uplands Memo.

12 A. Yes.

13 Q. Can you -- obviously, the document speaks  
14 for itself, but I want to ask you to characterize  
15 what your -- are you, in fact, describing, in fairly  
16 precise detail, the kind of parking and ground  
17 transit arrangements that will be linked to the  
18 service in this memo?

19 A. Yes, the other parking that's available is  
20 at the terminal. It is pretty much full, although  
21 there may be some switching there to this service.  
22 We did not survey the people in that parking lot. We  
23 just picked up the ones on our buses.

24 JUDGE RENDAHL: When you say that parking  
25 lot --

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1           THE WITNESS: The parking lot right at the  
2 ferry terminal itself. The Port has actually 250  
3 spaces, I think, and 100 of them are reserved for  
4 commuter parking. There's also roughly another 100  
5 spaces in greater downtown Kingston, about half of  
6 those in a lot we manage that would be available to  
7 support this.

8           Q. If this application is granted and a  
9 passenger-only ferry service is launched between  
10 Kingston and Seattle, do you see any impact of that  
11 service on the use of your buses at Kitsap Transit?

12          A. We believe the initial impact will be  
13 positive. Just as with cars, it's a third the  
14 distance from these park and ride lots to Kingston,  
15 or more like a fourth or a fifth, excuse me, than it  
16 is for that bus to proceed all the way down to  
17 Bainbridge Island. So there will be more shuttle, as  
18 opposed to long-haul commuter bus service. We'll get  
19 probably more trips to the terminal out of each bus,  
20 so our efficiency initially will rise to some extent.

21           We do expect, but we expect to be able to  
22 keep up with it, that demand will grow. So we have  
23 plans for two additional park and rides and the  
24 locations are secured and we are budgeting in a  
25 manner that we believe will provide for additional

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1 bus service to keep up with the growth in ridership  
2 on the ferries.

3 Q. So Kitsap Transit is prepared to respond to  
4 development of additional ground services in light of  
5 this ferry?

6 A. Yes, it is.

7 Q. Can you tell us what other sorts of impacts  
8 on your agency you would foresee by a flourishing  
9 passenger-only ferry service from Kingston to Seattle  
10 and round trip?

11 A. Well, as an agency that's essentially  
12 dependent on sales tax, we do expect positive growth,  
13 I should add concentrated and consistent with growth  
14 management, more in the vicinity of the terminals  
15 than would be the case with off-highway growth.

16 So we believe that the improvements that  
17 Aqua Express will put in and our ability to respond  
18 will actually provide the funds in the long run to  
19 help us operate additional service. So that's a good  
20 long-term match and a good benefit.

21 Q. I have to ask you the converse question.  
22 Can you tell us what impact there would be on your  
23 agency of denial of this application?

24 A. Well, we would have to find three to 500  
25 additional parking spaces in the area of Poulsbo,

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1 preferably just a little bit outside of Poulsbo, and  
2 we have, I think, an opportunity there, but we have  
3 not even purchased the property in that case yet. So  
4 we are behind the eight ball in terms of where these  
5 people will go over the next five to 10 years if this  
6 doesn't happen.

7 Q. Would there be ramifications on the  
8 Bainbridge terminal and the Bainbridge parking lot if  
9 this application were to be denied?

10 A. Both our terminal and the general parking  
11 situation in the immediate vicinity of the terminal  
12 on Bainbridge Island are at maximum capacity. We  
13 have 16 buses in there at the peak ferry in the  
14 evening, and there's room for 16. I think my drivers  
15 would say there's room for 14 or 15, but we would  
16 need to take some steps immediately to add room to  
17 that terminal and capacity for more buses.

18 Q. That would cost money, I assume?

19 A. Any development in the vicinity of a  
20 terminal, because you're competing for land where the  
21 value of the land as a parking space makes it quite  
22 valuable and people want to hang onto it, which  
23 creates lots of difficulties.

24 Q. Does your agency currently have excess funds  
25 for that kind of capital expenditure?

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1 A. Not really, no.

2 Q. And Mr. Hayes, do you see private operated  
3 passenger-only ferry service as an interrelated part  
4 of the greater Puget Sound transportation modes, and  
5 if so, could you describe what sort of role it would  
6 play?

7 A. Sure. I think it's going to become key. We  
8 clearly are having a great deal of difficulty  
9 financing highway improvements. We're adding  
10 capacities to the Narrows Bridge, but we're actually  
11 adding kind of a marginal amount of capacity, given  
12 the expense level, so these ferries are absolutely  
13 the answer. And compared to highway construction,  
14 since you don't have to build a roadway, I think  
15 we'll find that it's a relatively inexpensive  
16 process. A constructed peak-hour, peak direction  
17 seat on a passenger ferry costs about 10 percent of  
18 what it costs in a rail system, so they're a  
19 relatively inexpensive response to regional  
20 congestion.

21 MR. WILEY: Thank you. I don't believe I  
22 have any further questions at this point, Your Honor.  
23 I would tender the witness and offer Exhibits 25  
24 through 27.

25 JUDGE RENDAHL: Are there any objections to

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1 they will be admitted. Mr. Trotter or Mr. Sells.

2 Mr. Sells, do you have any question for this witness?

3 MR. SELLS: I do, Your Honor, briefly.

4 JUDGE RENDAHL: You'll need to take the  
5 microphone from Mr. Wiley.

6 MR. SELLS: We'll just change places, Your  
7 Honor.

8

9 C R O S S - E X A M I N A T I O N

10 BY MR. SELLS:

11 Q. Mr. Hayes, you indicated that there was a  
12 vote on passenger-only ferry service last November;  
13 is that correct?

14 A. Yes.

15 Q. And the voters, it would appear,  
16 overwhelmingly voted not to have this service; is  
17 that correct?

18 A. Yes.

19 Q. Do you see that as a rejection by the voters  
20 of the service or a rejection by the voters of the  
21 tax?

22 A. We look at it as a rejection by the voters  
23 of the level of the tax, in particular. We isolated,  
24 and this is something you do after an election, we  
25 isolated 15 reasons why people voted against it,



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1 ranging from some level of reliance on unproven  
2 low-wake technology in the central link with  
3 Bremerton to people hate motor vehicle excise taxes  
4 period, and then the general reluctance to add a  
5 higher level of sales tax at this point. They also  
6 were not sure that private operators could really do  
7 what we had proposed they would be able to do as  
8 operators.

9           Our budget numbers were very cautious and  
10 they were actually prepared by a person who worked  
11 for Mr. Bryan, who testified earlier, for quite some  
12 time, who's well regarded as a passenger ferry budget  
13 person from the private sector, but I think there was  
14 distrust of those numbers, too. And then there was  
15 organized opposition, which always causes an issue,  
16 dollar ballot measures trouble. The opposition was  
17 led by people who lived on Rich Passage, who  
18 presented themselves as anti-tax group. So we've  
19 isolated all those.

20           I believe, as we look at this process over  
21 the next two to three years, we will address 12 of  
22 the 15 reasons and hopefully really get those off the  
23 table as issues as we go toward the future.

24           Q.   Anyone who would have voted for that  
25 proposal then would, in effect, be adding additional

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1           A.    Yes, it was three-tenths of a cent sales tax  
2   and three-tenths of a percent motor vehicle excise  
3   tax.

4           Q.    And by the time this service starts, you  
5   believe -- is it your belief that those problems that  
6   some of these voters have will be addressed?

7           A.    Yes, we think we will -- I would say two  
8   years out after the programs prove themselves and  
9   after the ridership -- there was even a lot of  
10   question that the ridership was there, and I don't  
11   have those questions, so I think those questions will  
12   be answered and the climate will be very difficult --  
13   or different.  Less difficult, pardon me.

14                   MR. SELLS:  Thank you.

15                   JUDGE RENDAHL:  Now Mr. Trotter.

16

17                               C R O S S - E X A M I N A T I O N

18   BY MR. TROTTER:

19           Q.    Good morning, Mr. Hayes.

20           A.    Good morning.

21           Q.    I just have a couple of follow-ups.  You  
22   used in your testimony the term rush hour.  Can you  
23   tell me what period of time during the morning and  
24   evening you had in mind?

25           A.    Rush hour, at our ferry terminals, is

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1 generally from 5:30 to probably no further than 8:30.  
2 In the evening, it's about 3:30 to 6:30, basically.

3 Q. You also discussed plans that the PTBA was  
4 considering regarding capital contributions, and I  
5 believe you testified that one of the attributes of  
6 that -- one of the benefits of that will be that the  
7 private ferry operator won't have to charge higher  
8 rates because of that program. Do you recall that  
9 testimony?

10 A. Yes.

11 Q. And do I take it correctly that what you  
12 meant by that is if somehow Kitsap Transit is able to  
13 contribute capital to the private operator, that the  
14 private operator won't have to include that cost in  
15 its rate structure?

16 A. That's my understanding, yes, because it was  
17 a contribution that it can't show up in the rate  
18 structure.

19 Q. So all other things equal, rates would be  
20 lower?

21 A. Yes, that's our expectation.

22 Q. What type of capital contributions are you  
23 considering in this program?

24 A. Well, we're already working with the funding  
25 we have to help put the final improvements to the

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1 terminal in place, and we have requests in for a  
2 prototype boat and then a follow-up fleet that --  
3 we've made it really clear the private operators will  
4 work with us on the design and the concepts so that  
5 we would also, over a two to five-year period, be in  
6 a position of providing them with equipment.

7 Q. What terminal were you referring to?

8 A. We were talking about all three terminals  
9 providing equipment. The initial thrust of the boat  
10 development program is actually Bremerton, because we  
11 need really a world beater, low-wake boat for the  
12 Bremerton service to get to the speeds we need to  
13 operate at in Bremerton. But the boats appropriate  
14 for use, especially off the peak of the peak at all  
15 three points, and as we're looking at our development  
16 in South Kitsap, the terminal we can put together is  
17 so small that it would really only be appropriate for  
18 smaller boats.

19 Q. Okay. So when you say all three points, you  
20 mean Kingston, Bremerton and Southworth?

21 A. Yeah, excuse me, all, yeah.

22 Q. So with respect to this proposal before the  
23 Commission today, your testimony regarding capital  
24 contributions would refer to the terminal that Kitsap  
25 would build in Kingston?

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1           A.    Would help build.  We're actually sort of  
2 sharing the cost of that now.

3           Q.    And sharing that with the Port?

4           A.    To some extent with the Port, to a greater  
5 extent with the private developers.

6           Q.    Okay.  And then, with respect to the  
7 vessels, would those vessels have any role in the  
8 Kingston-Seattle service?

9           A.    I believe they would in the long run.  I  
10 think, in the near term, they are well set up with  
11 equipment, based on our conversations, so we're not  
12 worried about them for the first, say, three or four  
13 years, but as expansion occurs, we hope to be able to  
14 help.

15          Q.    With respect to currently, you are actually  
16 providing money for developing a passenger only ferry  
17 terminal here in Kingston?

18          A.    Yes, we are.

19          Q.    And do I take it correctly that Kitsap  
20 Transit has no current plans to offer additional  
21 passenger-only ferry service itself?

22          A.    No, we don't.  We're going to limit our role  
23 to capital, at least with regard to cross-Sound.  We  
24 have some longer term schemes for small, very small  
25 boat, local passenger ferry service, but they would

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1 program.

2 Q. And I apologize for this maybe glimpse of  
3 the obvious, but there's no negative impact of the  
4 proposed service between Kingston and Seattle on the  
5 service between Bremerton and Port Orchard, is there?

6 A. Not at all. In fact, we think success in  
7 one area will make people more comfortable with using  
8 it in other areas, so they should reinforce each  
9 other.

10 MR. TROTTER: Those are all my questions.  
11 Thank you very much.

12 JUDGE RENDAHL: Thank you. Are there any  
13 questions from the Bench?

14 CHAIRWOMAN SHOWALTER: Yes.

15

16 E X A M I N A T I O N

17 BY CHAIRWOMAN SHOWALTER:

18 Q. Regarding Initiative 51 --

19 A. Yes.

20 Q. -- did you track voter response on a  
21 geographical basis, that is, within the Kingston area  
22 and the Poulsbo area?

23 A. Yes, and in both R-51 and our package, the  
24 responses were stronger in the Kingston, Poulsbo and  
25 Bainbridge Island area, particularly strong in

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1 Bainbridge Island, but the percentages in those three  
2 areas were much higher on the Kitsap Transit  
3 proposal, in the high fifties and sixties, generally  
4 speaking, as opposed to just squeaking by with the  
5 R-51 package.

6 Q. But a majority of voters would have approved  
7 the Kitsap proposal, is that correct, in those areas?

8 A. If we had tailored the proposal to the  
9 communities more narrowly benefiting directly from  
10 it, yes, but the legislation we asked for said we had  
11 to do it within the framework of the entire PTBA,  
12 which is county-wide.

13 Q. I'm trying to get a sense of the time it  
14 takes to get from Poulsbo to Kingston or Port  
15 Townsend to Kingston. What is the approximate number  
16 of minutes it would take, without any traffic  
17 congestion, to drive from Poulsbo to Kingston?

18 A. Just from Poulsbo to Kingston, it very much  
19 depends on where you start in Poulsbo. If you have  
20 to cross 305, it adds probably a minimum of five  
21 minutes, and usually more like 10. If you live above  
22 305, to the north, I think it probably takes about 20  
23 to 25 minutes to get to Kingston.

24 Q. And what about from Port Townsend?

25 A. I think it is roughly an hour from Port

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1 Townsend to Kingston, but I would defer to people who  
2 travel that more often. I've only been that way once  
3 in about the last six months.

4 Q. What is a realistic estimate of what it  
5 would take to get from one's home, let's say north of  
6 -- somewhat north of Poulsbo to downtown Seattle by  
7 the time you either drive all the way to Kingston or  
8 go to one of the park and rides?

9 A. If -- oh, okay. Through Kingston, as  
10 opposed to through Bainbridge?

11 Q. Right. I'm trying to get a sense of, if the  
12 application is approved, what is the realistic  
13 commute time for some significant portion of the  
14 population. Obviously, if you live right in  
15 Kingston, it's pretty short. Going out to other  
16 populated areas, are we talking about overall an  
17 hour, hour and 40 minutes?

18 A. I think you're talking about an hour savings  
19 if you're starting in Port Townsend. I believe that  
20 would be the case. If you're starting north of  
21 Poulsbo, I think it's going to be more like half an  
22 hour, with the bulk of that time being saved because  
23 you're traveling at 50 or 55, as opposed to 35 to 40,  
24 with many more frequent stoplights.

25 Q. That's the savings in time. What is the



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1 Kingston route?

2 A. Via the Kingston route, I think you're down  
3 to an hour or so in total time consumed, as opposed  
4 to an hour and a half or longer, depending on where  
5 you are.

6 CHAIRWOMAN SHOWALTER: Thank you. I have no  
7 further questions.

8 COMMISSIONER HEMSTAD: I don't have any  
9 questions.

10 COMMISSIONER OSHIE: I don't have any  
11 questions, as well.

12 JUDGE RENDAHL: And I have no questions,  
13 either. Mr. Wiley, do you have any redirect?

14 MR. WILEY: I just have one question.

15

16 R E D I R E C T E X A M I N A T I O N

17 BY MR. WILEY:

18 Q. Mr. Hayes, you were asked by Mr. Trotter  
19 about the vessel situation with this applicant, and  
20 your answer kind of strayed to some of the other  
21 proposed applicants, and I just want you to clarify.  
22 At the present, Kitsap Transit has not contributed  
23 any vessels or any money towards the acquisition of  
24 vessels to the Kingston-Seattle route; is that  
25 correct?

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1           A.    No, and I think for the first several years,  
2 we are expecting that they can manage that part very  
3 well on their own.

4           Q.    And your testimony, with respect to  
5 assisting with fleet expansion, looked three to four  
6 years out at a minimum, did it not?

7           A.    Yes, it did.

8           MR. WILEY:  No further questions.

9           JUDGE RENDAHL:  Okay.  I think at this time,  
10 since I understand, Mr. Wiley, you would like to  
11 bring on another witness, why don't we take maybe a  
12 10, 15-minute break, our morning break now, and then  
13 we'll come back and take the witness.  So we'll be  
14 off the record at this point.

15                   (Recess taken.)

16   Whereupon,

17                                 DAVID TOUGAS,  
18 having been previously duly sworn, was recalled as a  
19 witness herein and was examined and testified as  
20 follows:

21           JUDGE RENDAHL:  Okay.  Let's be back on the  
22 record.  We're back on the record after our  
23 mid-morning break.  Mr. Tougas, you're back on the  
24 stand and you remain under oath from your testimony  
25 on the 21st and 22nd of June.

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1           JUDGE RENDAHL:  If you could identify  
2 yourself for the record and who you are with for  
3 those here today, that would be helpful.

4           THE WITNESS:  Okay.  My name is David  
5 Tougas.  I am employed by Four Seasons Marine  
6 Services Corp., which is one of the four partners in  
7 Aqua Express, L.L.C.

8           JUDGE RENDAHL:  Thank you.  Mr. Wiley.

9           MR. WILEY:  Thank you, Your Honor.

10

11           R E D I R E C T   E X A M I N A T I O N

12 BY MR. WILEY:

13         Q.  Mr. Tougas, at the close of your testimony  
14 on cross-examination by the Staff, you were asked  
15 about Exhibit 17 and an apparent inconsistency in  
16 some of the calculations in Exhibit 17.  That was the  
17 source of a Records Requisition Number Three.  Since  
18 that time, have you been able to review the totals in  
19 Exhibit 17 and do you have a revised or corrected  
20 exhibit?

21         A.  Yes, I do.

22         Q.  And could you state for the record, please,  
23 what Exhibit 22 is?

24         A.  Exhibit 22 is a revised or a corrected  
25 version of Exhibit 17.  As Staff pointed out, the

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1 total line on Exhibit 17 was incorrect. Again, the  
2 way that we --

3 Q. Can I interrupt you there, so we -- how was  
4 it incorrect and what was omitted in Exhibit 17  
5 that's now shown in Exhibit 22? And please direct us  
6 to the line and the column, if you could.

7 A. Okay. In the last column on the right, the  
8 total year one column, the bottom line on page two of  
9 Exhibit 17 says total revenue of \$1,133,000, and that  
10 is in error because it failed to pick up the line  
11 item that said discounted fare passenger fare  
12 revenue, which is about halfway down Exhibit 17.  
13 It's \$450,000. That was not picked up, nor was cargo  
14 fare revenue, which is about three lines down,  
15 \$9,540.

16 Q. So you understated the total fare revenue on  
17 Exhibit 17 by those amounts; is that correct?

18 A. That's correct.

19 Q. And looking at Exhibit 22, the new total is  
20 as shown in the far right-hand corner; is that  
21 correct?

22 A. Correct.

23 Q. And bottom right-hand corner. If I go back  
24 to Exhibit 16 and attempt to tie the figure, for  
25 instance, of total fare revenue in Exhibit 22 and the

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1 total fare revenue in Exhibit 16, there's a slight  
2 discrepancy, and I'm wondering if you can explain why  
3 I can't tie that dollar for dollar, cent for cent,  
4 please?

5 A. Well, the column in Exhibit 17 and Exhibit  
6 22 that says total year one is calculated as the  
7 average passengers and the average fare for the  
8 entire year, so in other words, it's the 12 months  
9 average passengers and average fare multiplied  
10 together to get the total, whereas on Exhibit 16, the  
11 numbers for full fare revenue are picking the month  
12 by month calculations.

13 Q. So it's a bit of an apples and oranges to  
14 the extent that one's monthly estimated and one's  
15 annualized average; is that correct?

16 A. Correct, but it's within, what, about 5,000,  
17 \$6,000, which we consider immaterial. It would not  
18 change our decision-making process. And furthermore,  
19 it's -- all of the numbers on these exhibits are  
20 rounded to the last dollar, and these are projections  
21 and estimates and we know that we're never going to  
22 be able to hit that last dollar, and probably we  
23 shouldn't be implying that degree of precision, but  
24 from a materiality point of view, the numbers are  
25 pretty close, and from a decision-making point of

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1 view, they're good numbers.

2 Q. And is it a fair assumption that these pro  
3 formas are prepared in conjunction with generally  
4 accepted accounting principles?

5 A. Well, generally accepted accounting  
6 principles apply to historical financial statements  
7 and not to pro forma projections. There's really --  
8 there's generally accepted formats, and these are in  
9 conformity with generally accepted formats, but I  
10 don't want to say that they're in conformity with  
11 generally accepted accounting principles, because  
12 those apply to historic financial statements.

13 MR. WILEY: Thank you for that  
14 clarification, Mr. Tougas. I offer Exhibit 22 and  
15 tender the witness.

16 JUDGE RENDAHL: Are there any objections to  
17 admitting Exhibit 22? Hearing no objection, the  
18 exhibit will be admitted. Mr. Sells.

19 MR. SELLS: I have no questions, Your Honor.  
20 Thank you.

21 JUDGE RENDAHL: Mr. Trotter.

22 MR. TROTTER: No questions.

23 JUDGE RENDAHL: Any questions from the Bench  
24 on this corrected Exhibit Number 22?

25 COMMISSIONER OSHIE: No questions.

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1 JUDGE RENDAHL: And I have no questions, so  
2 I believe you are done, Mr. Tougas --

3 THE WITNESS: Thank you.

4 JUDGE RENDAHL: -- yet again. Let's be off  
5 the record for a moment.

6 (Discussion off the record.)

7 JUDGE RENDAHL: Let's be back on the record.  
8 Mr. Waggoner, if you would state your name for the  
9 record and give your address or business address if  
10 you're here representing a business?

11 MR. WAGGONER: My name is Tom Waggoner. I  
12 live at 10599 West Kingston Road, in Kingston. Also  
13 have a business address, Kingston Lumber, on Highway  
14 104, Kingston, Washington.

15 JUDGE RENDAHL: Thank you. And as you  
16 speak, if you slow down just a bit for the court  
17 reporter, and it will also help all of us to hear you  
18 a bit better, as well.

19 MR. WAGGONER: Thank you.

20 JUDGE RENDAHL: I know it's sometimes a bit  
21 nerve-wracking to be behind the mike, in front of all  
22 of us. So I'm going to swear you in as a witness,  
23 and then Mr. Wiley will ask you some questions.

24 Whereupon,

25 TOM WAGGONER,

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1 herein and was examined and testified as follows:

2 JUDGE RENDAHL: Thank you. Mr. Wiley,  
3 please go ahead.

4

5 D I R E C T E X A M I N A T I O N

6 BY MR. WILEY:

7 Q. Good morning, Mr. Waggoner. Thank you for  
8 being here early.

9 A. Good morning.

10 Q. Would you please identify the company that  
11 you are associated with and what your position is,  
12 please?

13 A. It's Kingston Lumber. I've been the owner  
14 of Kingston Lumber since 1968. Started with two  
15 employees and we peaked with 115 employees in the  
16 year 2000, and we are scaled back to 89 at this  
17 present time.

18 Q. As a business person in Kingston, do you  
19 have any community board or leadership positions that  
20 you would relate to the Commission?

21 A. I had the honor of working with Senator  
22 Magnuson and Senator Jackson as a Port Commissioner  
23 in the funding of the Port of Kingston back in the  
24 early or late sixties, I've been a Fire Commissioner,  
25 also had the privilege of working with a committee of



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1 three of us that -- in a subcommittee the chamber in  
2 working with our congressional or our state  
3 legislatures to fund the fishing pier in Kingston.

4           Also, we were able to get the Department of  
5 Transportation to purchase 10 acres that are  
6 kitty-corner from where our business is located with  
7 the future for -- of that piece of ground to become a  
8 combination holding area for passenger -- or auto  
9 ferries, as well as a park and ride lot for the  
10 passenger ferry -- potential passenger ferry coming  
11 to Kingston. This was in the mid-eighties. It's 10  
12 acres that will hold approximately 400 cars. Also, I  
13 at the present time am the president of the Chamber  
14 of Commerce and have been the chairperson of the  
15 Chamber's Ferry Subcommittee, which was established  
16 in 1996.

17           Q. What does Kingston Lumber do, briefly?

18           A. Kingston Lumber supplies material to  
19 builders all over the Puget Sound basin. Actually,  
20 all over the state, but we primarily function --  
21 focus on the Puget Sound basin, plus on the Olympic  
22 Peninsula. About 15 percent of our business is done  
23 locally, and the balance of that is done throughout  
24 the whole region.

25           Every time I speak about passenger ferries,

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1 I -- someone will say, Well, you have a vested  
2 interest, because you're in the lumber business, you  
3 want to build houses in Kingston. I'm pleased to say  
4 that we just finished the largest month in the  
5 history of our company, and there was no passenger  
6 ferries involved. So we do a lot of business out of  
7 the area, and we'd like to see more business here  
8 with the passenger ferry.

9 Q. So are you also appearing today as a private  
10 citizen, as someone who uses ferry services?

11 A. Yes, yes, both.

12 Q. Would you please just briefly describe your  
13 interest as a business person in Kingston and as a  
14 private citizen in the development of passenger  
15 ferries, and also allude to your community  
16 involvement, if you wish, in the answer.

17 A. Well, the community in this area has -- when  
18 I'm talking about this area, I'm talking about the  
19 North Kitsap area, which is basically from Poulsbo up  
20 through this region right here.

21 JUDGE RENDAHL: So you're meaning Kitsap  
22 County north of Poulsbo?

23 THE WITNESS: Yes, yes. The business  
24 climate has been very static, very level. There's  
25 not been a lot of tremendous growth. We've been

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1 handicapped because we'll have people that will come  
2 in and say they're interested in establishing some  
3 sort of business, but then the transportation issue  
4 and their access to downtown Seattle becomes a  
5 problem, and it becomes a detriment.

6           There -- as far as on the retail side, the  
7 downtown business side, we're lacking in the growing  
8 customer base, because obviously we are -- it's easy  
9 for us -- or the community to go into the Silverdale  
10 area to do major shopping, and it's hard for people  
11 in downtown Kingston to operate a business.

12           We personally operated a gift and flower --  
13 a nursery, small nursery next to our establishment.  
14 We had a very good growth to start with, the  
15 community embraced our garden shop, it became a  
16 destination spot, but we didn't have the growing  
17 customer base. And this -- we had to give this up.  
18 This was after 695, because the area was just going  
19 flat or down. And having a business in a small  
20 community that is embraced by a small community and  
21 then taking it away, my wife and I don't want to go  
22 through it again. It was really hard for us.

23           And on the flip side, we put in a window and  
24 door establishment in that facility, because they're  
25 on wheels, we can travel, we can go out of the area,

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1 and it's doing very well, but that's because we can  
2 go outside of the local region.

3 Q. What options are there currently, Mr.  
4 Waggoner, briefly, for travel between Kingston and  
5 Seattle?

6 A. Well, the primary -- we have three, and I  
7 guess I -- it just depends on where you're going. I  
8 can't say they're primary. Well, obviously, the  
9 Kingston ferry to Seattle, we have Bainbridge Island  
10 to Seattle, and then we have the option to drive  
11 around, for example, going to the airport, you can  
12 flip a coin and drive around through Tacoma, across  
13 the Narrows Bridge, and back up.

14 Q. When you say the Kingston to Seattle, you  
15 meant Kingston-Edmonds, Seattle?

16 A. Kingston-Edmonds to Seattle, yes.

17 Q. What sort of time increments are involved?  
18 And if you want to distinguish time of day when you  
19 are estimating those increments, that's fine, but  
20 just in general.

21 A. Well, we have probably five trucks a day  
22 leave there over on that so side, so we have a pretty  
23 good feel for the amount of time it takes us to run a  
24 route.

25 JUDGE RENDAHL: When you say over on that

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1 side, you mean the Seattle side?

2 THE WITNESS: On the Seattle side. We refer  
3 to that as overseas. In the morning, during the  
4 commute hour, you can catch -- first of all, you  
5 should probably be down at the ferry dock perhaps 15  
6 minutes early, just in case there might be an  
7 overload on the ferry. It takes you 25 minutes to  
8 cross, and it could take another five minutes to 10  
9 minutes while you're sitting on the ferry to offload.  
10 If they're running a full load, it takes them 15  
11 minutes to offload the ferry. Then you go up onto  
12 I-5. If you're going on I-5, getting on I-5 can be  
13 time consuming. You get down around the Canal  
14 bridge, 45th, and you can come to a dead standstill,  
15 so you can spend perhaps an hour trying to get into  
16 downtown Seattle.

17 Q. Is that from -- after unloading at the  
18 Edmonds ferry dock?

19 A. Yes, after unloading at the ferry, yes,  
20 Edmonds.

21 Q. Is it also frequent to have southbound  
22 congestion in the morning from the 175th exit south  
23 to Seattle, as I saw today, for instance, coming into  
24 Edmonds?

25 A. You have -- you never know, but yes, just

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1 about every major on ramp, you're going to have  
2 congestion, you're going to have slowdown. If you  
3 can get over and get into the high occupancy lane,  
4 that can speed it up, but you don't get into that  
5 until about 115th, and you're very limited to where  
6 you can go downtown. There's only one off ramp  
7 downtown. You miss that, and you go way south, so  
8 you're better off to stay on the freeway.

9 Q. You mentioned two other outlets for  
10 overseas, as you termed it, contact with Seattle.  
11 Kingston-Bainbridge, could you talk about the timing  
12 for that passage?

13 A. Kingston to Bainbridge, you can, if you're  
14 on a transit bus, you can -- and by the time it makes  
15 all of its stops, you're probably 40 minutes to that  
16 terminal. If you're in an auto, you're probably 30  
17 minutes, and by the time you park your car and walk  
18 down on the boat, you're probably 40 minutes,  
19 possibly 45 minutes. You're at a 35-minute crossing  
20 into downtown Seattle.

21 A couple of years ago, the State ferries  
22 were running three large boats on the Bainbridge run,  
23 and there probably will come a day when they do that  
24 again. To get to Bremerton -- or Bainbridge or off  
25 of Bainbridge, you could spend literally an hour just

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1 going from Winslow to the Agate Pass bridge because  
2 of the traffic, the stoplights and so forth.

3 I had a nephew that works for Boeing. He's  
4 now been transferred over to Brussels. He built a  
5 house out here with the idea that passenger ferry was  
6 coming, and then, of course, 695 shot that down. For  
7 him to get to Seattle, he rode a bicycle part of the  
8 way, he got on a transit bus, he got on the ferry, he  
9 took his bicycle on the ferry, rode his bicycle from  
10 the ferry dock to off to where he could get a decent  
11 parking area, into another car, and went to the  
12 Boeing plant to work. That was it. He was not  
13 alone. So that was some of the complications that we  
14 have had and we will have in the future as the area  
15 grows if something doesn't relieve that pressure.

16 Q. We'll have some commuter testimony about  
17 those time increments this afternoon.

18 A. Thank you.

19 Q. But I wanted to ask you, also, about your  
20 example of driving around to Sea-Tac International  
21 Airport from Kingston. That's the third option I  
22 think you were alluding to. What time increments are  
23 involved in that?

24 A. Driving around, if you don't go during the  
25 rush hour, because down at the Narrows bridge can be

0400

1 pretty tricky. It depends on the time of day. You  
2 can drive -- you can drive to Sea-Tac in probably an  
3 hour and 45 minutes. We have trucks that make a  
4 decision as to whether they're coming back across the  
5 Narrows bridge or coming across the ferry, depending  
6 upon where they are in the south part of King County,  
7 north part of Pierce County.

8 I might mention that our ferry fare, we  
9 spend about 90 to \$100,000 a year on ferry fares, so  
10 we do contribute fairly well to the transportation  
11 system.

12 Q. Meaning Kingston Lumber?

13 A. Kingston Lumber, yes.

14 Q. Do you see a passenger-only ferry service  
15 between Kingston and Seattle as something with any  
16 implications for employment at your company or the  
17 North Kitsap area, in general?

18 A. Well, obviously, the North Kitsap area, it  
19 would be a tremendous boom. We find that in the  
20 outlying area, there was a lot of what we referred  
21 to, I guess, it would be cottage industry or  
22 high-tech industry, people working at home, but they  
23 still need to get to downtown Seattle. And that  
24 35-minute ferry crossing and maybe 10 minutes from  
25 your house and 35 minutes puts you downtown pretty



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1 quick.

2           For our business, where we would use that is  
3 sending people over there, we do business with  
4 clients in downtown Seattle. It would be very easy  
5 for us to go over and pick up plans, sit down with  
6 their people, have conversation with them. We  
7 conduct a fair amount of business in downtown  
8 Seattle, because we are all over the Puget Sound  
9 basin. So it would help us, and that's going to give  
10 us more contact, which means we're going to employ  
11 more people.

12           Like I said, we were at -- it's rather  
13 ironic. We were at 115 employees, and the headlines  
14 in the paper, 695 passed, and three months later, we  
15 started cutting our staff down to where we are today,  
16 at 85.

17       Q. You mean 695 failed; correct?

18       A. Or failed. Well, yeah.

19       Q. Excuse me, passed. I'm getting my  
20 referendum and initiatives confused.

21       A. We were hoping it was going to fail.

22       Q. Sorry. In other words, the motor vehicle  
23 excise tax initiative passed and denied that revenue?

24       A. Yes.

25       Q. Thank you. Sorry. You've been on some task

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1 force, have you not, with the local politicians and  
2 business people regarding passenger-only ferry  
3 service?

4 A. Yes, very much so. We've testified before  
5 various House and Senate transportation committees in  
6 the past few years. We started in the early or  
7 mid-eighties, we started talking about the idea of  
8 eventually a passenger ferry coming to Kingston. As  
9 you know, this area grew on the old -- what they  
10 called the old Mosquito Fleet. Obviously, that was  
11 the only way to get to town. And with the congestion  
12 problems on the ferries, you could see that. If you  
13 lived it every day, you could see that need coming.

14 And three or four of us were kicking around  
15 some ideas and what -- maybe there's going to come a  
16 day, and I was fortunate enough with my wife to be in  
17 Sydney, Australia, and observe high-speed passenger  
18 ferries running around Sydney, Australia, taking  
19 people to shopping centers, to zoos, the whole nine  
20 yards, and it was a combination of private operators  
21 and public operators working together that were  
22 operating the vessels. We had the experience of  
23 riding them. Came back and thought, boy, that's a  
24 step in the right direction. We really need to have  
25 that.

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1           To save time, I was fortunate enough to  
2 visit Nichols Boat Works on Whidbey Island, and they  
3 were in the process of completing six high-speed  
4 water buses, so to speak, for Venezuela or a country  
5 down in South America that they were -- had the  
6 contract. And they also, at the time, were finishing  
7 up that program and they were beginning to build a  
8 high-speed wave rider vessel that was going to run  
9 from -- I think it was Boston out to Hyannisport --  
10 or, no, excuse me, out to Nantucket, and we got the  
11 idea maybe we could borrow that boat and run it back  
12 and forth and show off what the technology is that's  
13 out there.

14           We weren't able to pull that off, but we  
15 kept the thought in front of us, and in 1997, we  
16 decided why don't we charter a ferry and go in the  
17 passenger ferry business for a day. Although we  
18 didn't have the permission from the UTC, we leased a  
19 ferry, and set up and did some demonstration day, and  
20 I can talk more about that.

21           Q. No, what I'm going to, Mr. Waggoner, is  
22 whether, on that committee, you had other members who  
23 had particular, for instance, medical needs that  
24 could be addressed by the public -- the private --  
25 privately-owned passenger ferry service and how that

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1 would link to their care?

2 A. That's -- could we -- could I go back to  
3 that a little later?

4 CHAIRWOMAN SHOWALTER: Mr. Wiley, bear in  
5 mind this is no longer a contested proceeding. We do  
6 need to establish the statutory requirements.

7 MR. WILEY: Yeah.

8 CHAIRWOMAN SHOWALTER: But use your judgment  
9 as to when you have met that need or how far beyond  
10 you may be.

11 THE WITNESS: I'll answer your question. On  
12 our committee, we had four different individuals that  
13 were involved in the Kingston area and knew it very  
14 well, we had several people that were also commuters  
15 that were on our committee. One of our leads on the  
16 committee was a gal by the name of Kathy Sutton. And  
17 approximately six months after we started this  
18 campaign and we did our demonstration day, Kathy  
19 Sutton announced that she had breast cancer, and she  
20 worked with us on our committee.

21 We did seven -- we leased the vessel seven  
22 different times to go either to Olympia or to Seattle  
23 to demonstrate the need. Also, we went to Home Port  
24 Everett with some Navy people on board, two admirals,  
25 and through putting all of this together, and this is

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1 what this is right here, she was involved with this,  
2 and of course her condition was deteriorating, but  
3 she was a trooper.

4 Q. Did you and she perceive a need for quick  
5 access to Seattle for medical facilities that would  
6 service --

7 A. Yes.

8 Q. -- patients in this area?

9 A. She became and had firsthand experience of  
10 that.

11 JUDGE RENDAHL: Can you speak directly into  
12 the mike? I'm sorry. It helps to hear.

13 THE WITNESS: Okay. It soon was quite  
14 evident to her, in her treatments, it would be very  
15 easy for her to get on a passenger ferry 10 minutes  
16 from her house, get on a passenger ferry, 35 minutes  
17 to downtown Seattle, catch a cab and go up to Swedish  
18 and get her treatments. Didn't have to have somebody  
19 take her, she didn't have to rely on anybody, she  
20 could do this very -- on her own free will.

21 She also, from that, started collecting  
22 money for -- to give to other people in the community  
23 that didn't have the money, were having trouble to  
24 get money to afford the ferry fare to go over to  
25 Seattle to get the treatment. So she pointed out

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1 very -- right from the get-go, and she talked about  
2 this in her testimony before the House and the Senate  
3 transportation committee meetings, that this was a  
4 need that has to be considered and it's needed in  
5 this community. She passed away last February.

6 Q. Can you tell us why you're here today  
7 supporting this application, please, Mr. Waggoner, if  
8 you would?

9 A. Well, it's needed for the -- it's obvious  
10 that it's needed for the community. We've had -- in  
11 our doing event trips to Seattle, doing our  
12 demonstration ride, we had people come up to us and  
13 thank us. We had people come up and say, I can get  
14 home and see my kids play Little League, I can get  
15 home to my kid's piano recital, I can -- all sorts of  
16 ways they could tie in with what their kids are doing  
17 in the community. I even had one gal come up, she  
18 lives right over here, I can come home and feed my  
19 horses. It's a lifestyle.

20 And I think one of the things that I know  
21 I'll never forget was this elderly couple that came  
22 down when we did our demonstration day, we did five  
23 round trips to Seattle, and we took a group, and one  
24 of our departures was 5:00, the last boat back was  
25 8:00. We had this elderly couple that was probably

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1 in their 90s that were able to get down on the boat.  
2 It was a strain and a struggle, but they were there  
3 with their daughter. They went over and came back on  
4 the 8:00 boat and they thanked us because they could  
5 go to town, get off the boat, have a nice dinner at a  
6 nice restaurant and have a nice evening out and come  
7 back without having to drive in Seattle or worry  
8 about how to get to downtown Seattle.

9           A few of those experiences really point out  
10 to you real quick the need and make you work harder  
11 at making sure that this happens, that it's got to  
12 happen. And the community has been whipsawed, it's  
13 gone up and down, we've gone through having the  
14 governor sign the bill, we were on board, all of us  
15 were there, had him sign the bill to authorize the  
16 route and the funding and have the ferry system come  
17 into the community and spend over a million dollars  
18 doing terminal design and this type of thing. The  
19 community, it's here, it's happening, it's going to  
20 -- here we go. Then to have the funding pulled out  
21 from underneath you, you become a depressed area. We  
22 were referring to our area as a third world country,  
23 because everything just came to a stop and went in  
24 reverse.

25           Then there were other times when the ferry

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1 was possibly coming, making screaming headlines, and  
2 then it also -- we had the rug pulled out from under  
3 us. So we're up and down, up and down. And to give  
4 you an example of that, even today, this morning in  
5 the paper is Foot Ferries Back on its Feet in 30  
6 Days. State regulators cleared the way for service  
7 to start in Bremerton and Kingston.

8 Q. So we're back on?

9 A. We're back on, and I had calls this morning,  
10 whoop-dee-do, we're not there yet, you know, but --

11 Q. Thank you very much for your testimony here  
12 today.

13 A. Thank you.

14 MR. WILEY: No further questions.

15 JUDGE RENDAHL: Any questions from the Bench  
16 or from the counsel?

17 MR. SELLS: No, Your Honor.

18 JUDGE RENDAHL: Thank you very much, Mr.  
19 Waggoner. You can step down. Thanks. Let's be off  
20 the record for a moment.

21 (Discussion off the record.)

22 JUDGE RENDAHL: Back on the record.

23 MR. SELLS: With Your Honor's permission, I  
24 will probably not take part in the remainder of the  
25 hearing, save my clients some money.



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1 JUDGE RENDAHL: You may be excused.

2 MR. SELLS: Thank you.

3 JUDGE RENDAHL: We'll be off the record.

4 (Lunch recess taken.)

5 (Evidentiary hearing recessed temporarily in  
6 order to hold a public hearing, contained in  
7 a separate transcript volume, at this time.)

8 (Evidentiary hearing resumed at 2:15 p.m.)

9 JUDGE RENDAHL: Okay. Let's be back on the  
10 record. We're back on the record for the afternoon  
11 portion of the evidentiary hearing in the Aqua  
12 Express application hearing.

13 Just a reminder, for those of you who have  
14 joined us, if you could turn off your cell phones so  
15 that we don't have interruptions during the hearing,  
16 that would be much appreciated. We're going to now  
17 turn to --

18 CHAIRWOMAN SHOWALTER: Mr. Bolt, please be  
19 seated.

20 MR. BOLT: Thank you.

21 JUDGE RENDAHL: We'll now turn to the  
22 Applicant's next witness, addressing need for the  
23 service. Mr. Bruce.

24 MR. BRUCE: Yes.

25 JUDGE RENDAHL: If you could state your name

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1 MR. BRUCE: My name's David Bruce. My  
2 address is 10633 West Kingston, Kingston, Washington.

3 JUDGE RENDAHL: Thank you. And would you  
4 raise your right hand, please?

5 Whereupon,

6 DAVID BRUCE,  
7 having been first duly sworn, was called as a witness  
8 herein and was examined and testified as follows:

9 JUDGE RENDAHL: Please go ahead, Mr. Wiley.

10

11 D I R E C T E X A M I N A T I O N

12 BY MR. WILEY:

13 Q. Good afternoon, Mr. Bruce. At the risk of  
14 being accused of bias, would you tell us what your  
15 occupation is, please?

16 A. I hesitate to, but I am a trial lawyer. I  
17 have a small firm in downtown Seattle. It's called  
18 Savitt & Bruce. We practice primarily in the area of  
19 commercial litigation. I also do some work for  
20 governments. I've been practicing law for about 20  
21 years, and I started with the Perkins Coie Law Firm a  
22 long time ago.

23 Q. Thank you. You indicated your address is in  
24 Kingston. How far from the terminal do you live?

25 A. It's exactly a half a mile. I clocked it

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1 this morning.

2 Q. And could you please state for the  
3 Commission how you commute to your job in downtown  
4 Seattle at the present time?

5 A. It's multi-modal, in the best sense of the  
6 word. I typically get up at 5:00 in the morning. I  
7 leave my house at 5:20 and get in my car. I drive my  
8 car from Kingston to the Agate Pass bridge, where I  
9 park. I ride my bicycle the length of Bainbridge  
10 Island onto the Winslow Ferry. I take the ferry to  
11 downtown Seattle, and then I ride my bicycle up the  
12 hill to Fourth Avenue, where my law firm is. The  
13 entire thing takes a dead minimum of an hour and a  
14 half. It often takes an hour and 45 minutes. It's  
15 not unusual for it to take two hours, and sometimes  
16 it takes longer, particularly in the winter, where  
17 it's miserable.

18 Q. And do you always use a bike, even in the  
19 winter?

20 A. No, I don't always use the bike. In fact,  
21 about half of the time, I go by car. Because I have  
22 small children, who are seated in the back there,  
23 it's very important for me to get home before 8:30 in  
24 the evening, when they go to bed. So if I'm  
25 extraordinarily busy at work, which I am sometimes, I

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1 drive. And when I do that, I leave the house even  
2 earlier. This Tuesday, I left the house at 4:15,  
3 having gotten up at 3:45 in the morning so that I  
4 could get to work enough prior to the start of the  
5 business day to draft the brief that I had due that  
6 day.

7 So I also, as a result of all of that, I  
8 maintain a parking spot on Bainbridge Island for the  
9 days when I have to drive.

10 Q. Could you please total up what your  
11 out-of-pocket costs are currently for commuting?

12 A. Yeah. It's \$120 a month for the parking  
13 spot, it's \$74 a month for the monthly pass on the  
14 ferry, it's 50 to \$60 a month at a minimum now for  
15 gas. And that's excluding my personal gas; that's  
16 the amount of gas I attribute to my commute. And so  
17 that takes you to right about 250 a month right  
18 there. If you add in anything for the amount of  
19 insurance and maintenancethat is attributable to my  
20 commute, it's probably 275, maybe even 300.

21 Q. Do you see any benefit or convenience to  
22 your personal lifestyle posed by passenger-only ferry  
23 service between Kingston and Seattle, and if so,  
24 could you state what that is for the Commissioners,  
25 please?

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1           A.    Sure.  One thing is, and this is actually  
2   the least of it, but I would save money.  I would  
3   actually spend less money with the foot ferry service  
4   than I spend commuting now, but that's the least  
5   important thing.  The most important thing has to do  
6   with my children.  And this is not Mr. Wiley's fault;  
7   this is mine.  This was the wrapping that my father's  
8   day gift from my son, James, came in.  And at the  
9   bottom, it says, You're still the best dad, which is  
10  a tribute, really, just to my advocacy skills, I  
11  suppose, because it's certainly not true.  But at the  
12  top, and you can't really see this, it says, You may  
13  not be here much.

14           The foot ferry would give me another hour a  
15  day with my children.  And that, you know, is a small  
16  amount of time, I suppose, in some sense, but the  
17  marginal cost or the marginal benefit of that hour is  
18  huge to me, because right now I usually get one hour  
19  with them, maybe an hour and a half if I'm lucky.  If  
20  I get another hour a day, it's worth -- it's  
21  priceless to me.

22           The other benefit that the ferry would  
23  provide, and these are alternative benefits, is it  
24  would also make it more possible for me to do my job.  
25  As I think all of the Commissioners know, lawyers who

0414

1 do what I do bill by the hour, and most of them are  
2 expected to bill 1,800 or so hours a year. I spend  
3 750 hours a year commuting right now. The  
4 passenger-only ferry service would give me at least  
5 another 250 hours a year. Those are hours that I  
6 could either work to be competitive with my peers or,  
7 God willing, spend with my children.

8 To put all of this another way, you know,  
9 people's lives are either about time or about money.  
10 My life is about time. I don't have enough of it.  
11 And if I even get another half hour a day out of  
12 this, it's worth all the money in the world to me.

13 Q. Which brings me to a question that's come in  
14 the record before about the surveys and price points.  
15 For this service right now, the proposed service  
16 subject to Commission approval is \$10.50 daily round  
17 trip, with a five percent discount for commuting. If  
18 this fare were to increase because of cost of service  
19 requirements to, say, \$13 round trip in the next year  
20 or so, would you willingly pay that?

21 A. Yes, I wouldn't flinch if it cost \$20 round  
22 trip. I would pay with only a little grumbling \$30  
23 round trip. And I'm pretty sure I would pay \$50  
24 round trip, because my time is worth an awful lot to  
25 me.

0415

1           Q.    Thank you.  Do you have any other things you  
2    want to say about why you're supporting this  
3    application, Mr. Bruce?

4           A.    I do, and forgive me for narrating, but just  
5    a couple of more things.  One is, like one of -- the  
6    couple who testified in public session, our family  
7    built our lives in reliance on the State providing  
8    this service.  We bought our property in Kingston in  
9    1992, and ever since then, until quite recently, the  
10   State has indicated, as the representatives here  
11   said, that there would be ferry service in another  
12   year or two.

13                    We would not have built our home here, which  
14   we built when my older boy was less than a year old,  
15   if we didn't think there was going to be ferry  
16   service, and I remember at the time we talked about,  
17   Well, what if it doesn't come for five or 10 years?  
18   And you know, what we said is, Well, we'll just give  
19   up or we'll figure something else out.  We've been  
20   here 10 years now, with me commuting three and a half  
21   to four hours a day, we still don't have the ferry  
22   service, and I can't do it anymore.  I have gone  
23   through a tremendous family crisis in large measure  
24   because of the amount of time I spend commuting.  And  
25   I have no choice.  If this service doesn't come in, I

0416

1 Seattle or I have to move to Seattle. My family's  
2 not willing to move to Seattle, so I need the ferry.

3 Q. Thank you very much, Mr. Bruce.

4 A. Thank you.

5

6 E X A M I N A T I O N

7 BY CHAIRWOMAN SHOWALTER:

8 Q. I have a question regarding your bicycle  
9 use.

10 A. Yes.

11 Q. At the moment, do you keep the bicycle in  
12 your car and then take that bicycle from the park and  
13 ride to the ferry and then off the ferry and into  
14 Seattle?

15 A. The bike -- in the evening, the bike is on  
16 the car, and then I leave the car at the park and  
17 ride that's at the bridge and ride the bike and then  
18 park the bike in my office in Seattle. With the  
19 proposed service, I will simply ride my bike a  
20 roughly a three-minute ride to downtown Kingston. So  
21 I actually, with the new service, won't use any  
22 transit other than bicycle at all.

23 Q. And then will you take the bicycle onto the  
24 ferry and use it in Seattle?

25 A. That's a good question, and the answer is



0417

1 probably not. I might if I could, but the pier is  
2 going to be at the Argosy pier, which is straight  
3 downhill from my office, and it's really just a  
4 five-block walk uphill, so I probably wouldn't bring  
5 the bike over.

6 Q. So would you be using one of the bicycle  
7 lockers that may be provided --

8 A. Yeah.

9 Q. -- in this?

10 A. Yeah, I'd either use a bicycle locker. I  
11 think there's some outside parking at the terminal,  
12 too, but something like that, yeah.

13 CHAIRWOMAN SHOWALTER: Thank you.

14 JUDGE RENDAHL: Are there any questions from  
15 you, Mr. Trotter, or any other member of the Bench?  
16 Thank you very much.

17 THE WITNESS: Thank you. Thank you.

18 JUDGE RENDAHL: Mr. Wiley, do you have your  
19 next witness here?

20 MR. WILEY: Am I told that he's here, Mr.  
21 Atkinson?

22 MR. ATKINSON: Yeah.

23 MR. WILEY: Yes, thank you.

24 JUDGE RENDAHL: If you'd come up and sit  
25 here next to the court reporter, that would be

0418

1 address for the record.

2 MR. ATKINSON: David Atkinson. Can you hear  
3 me?

4 JUDGE RENDAHL: I can.

5 MR. ATKINSON: David Atkinson, 26325 Ohio  
6 Avenue Northeast, in Kingston.

7 JUDGE RENDAHL: Okay. And would you raise  
8 your right hand, please?

9 Whereupon,

10 DAVID ATKINSON,  
11 having been first duly sworn, was called as a witness  
12 herein and was examined and testified as follows:

13 JUDGE RENDAHL: Please go ahead, Mr. Wiley.

14 MR. WILEY: Thank you.

15

16 D I R E C T E X A M I N A T I O N

17 BY MR. WILEY:

18 Q. Good afternoon, Mr. Atkinson.

19 A. Hi.

20 Q. Could you please state your employer for the  
21 record and describe what you do?

22 A. Actually, I'm self-employed as a realtor for  
23 John L. Scott in Kingston.

24 Q. Is that in residential real estate?

25 A. Yes.

0419

1 Q. Or commercial?

2 A. Yes, residential.

3 Q. Are you here today in your individual  
4 capacity or in your capacity as a residential realtor  
5 or both?

6 A. Probably both.

7 Q. How long have you been a realtor in this  
8 area?

9 A. About two and a third years.

10 Q. And in that time, have you seen any  
11 relationship to the transportation mode currently  
12 offered and residential house sales, for instance?  
13 Do people ask you if there is a direct ferry service  
14 to Seattle, to Edmonds? Is that an issue that comes  
15 up?

16 A. Yes.

17 Q. And in what capacity does it come up,  
18 please?

19 A. Just people coming in that are aware that --  
20 several people that have come in looking for housing  
21 or whatever, they're aware that there's an instance  
22 where we're trying to get passenger-only service.  
23 We've been trying to get it in this area for years.  
24 And they just want to know what's going on, if they  
25 think there's a good chance it's going to come in.

0420

1 It's something that most people want, from what I can  
2 tell.

3 Q. And have you personally commuted to the  
4 Seattle area from Kingston?

5 A. Yes.

6 Q. And were you here for Mr. Bruce's testimony  
7 with respect to the time increments that he --

8 A. No, I missed that.

9 Q. What kind of time increment do you have in  
10 terms of getting to Seattle, typically?

11 A. Well, we don't commute anymore, but when we  
12 first moved here, about six and a half years ago, we  
13 both worked for the phone company in downtown  
14 Seattle, and it was just an all-day event, basically.  
15 We, you know, our day began at 3:30 in the morning.  
16 We'd get up and walk down to the ferry, catch the  
17 5:00 ferry, get on the other side, wait a half hour  
18 for the bus, take the scenic route into Seattle,  
19 because there was no direct service.

20 We tried to work four 10 shifts to save one  
21 day of commuting, so that meant that the ferry got  
22 back at about 6:30, and we went home and ate dinner  
23 and went to bed. So it was a very grueling schedule  
24 and, you know, it seems, when you first move over  
25 here, it's not too bad, but the longer you do it, the

0421

1 more grueling it gets, and it gets old pretty quick.

2 Q. Do you deal with customers from the eastern  
3 portion of Puget Sound who are moving over to the  
4 Kingston area?

5 A. Yeah.

6 Q. And what do you, as a realtor, perceive to  
7 be the benefit of a direct passenger-only ferry  
8 between Kingston and Seattle?

9 A. Well, I just think every extra leg of  
10 transportation is a plus. I mean, just simple  
11 things, like if you want to go down and see a ball  
12 game or -- well, I was talking to my wife this  
13 morning. One of the realtors in our office passed  
14 away a few months ago, Kathleen Sutton, and she died  
15 of cancer. And she repeatedly, like probably a lot  
16 of people that have to have extensive medical care,  
17 they go to downtown Seattle, they go up to Pill Hill.  
18 That's where the major hospitals are. And a lot of  
19 us in our office would team up to take her over there  
20 on the Edmonds ferry, and then fight the traffic to  
21 get her into the hospital and bring her back. And it  
22 was just -- it made for a long day for everyone,  
23 especially for her.

24 And I just think to have a direct service  
25 that would drop you off in Seattle, where you could

0422

1 take a shuttle or a cab right from the waterfront up  
2 to the hospitals would be a major plus. That's just  
3 one thing that comes to mind.

4 Q. In the real estate area, do you see a direct  
5 linkage between Kingston and Seattle causing an  
6 increased demand for housing in the North Kitsap  
7 area?

8 A. Oh, I don't know. I'd hate to -- you know,  
9 don't hold me up as the real estate god, because I've  
10 been in this business long enough, like a lot of  
11 people have. We've had some pretty good -- we've had  
12 some good sales as of late, but I think all around  
13 Puget Sound, the sales have been pretty good as of  
14 late, mainly because of the interest rates. So I  
15 haven't seen a whole tide of people just flock over  
16 here thinking there's going to be passenger-only  
17 service.

18 Q. We've heard some testimony about  
19 representations in the past. I imagine there's a  
20 little skepticism amongst your customers at present  
21 on that subject. Can you tell us why you're here  
22 today in support of this application, please?

23 A. Well, I think it's going to be a good  
24 service. I think it's a good service. First of all,  
25 I would just -- I don't want to see Kingston paved

0423

1 over and become another Issaquah, which is where I  
2 came from. And I'll tell you right now, my wife and  
3 I were born and raised in Puget Sound, so we're here  
4 the whole time, but when we moved to Issaquah, it was  
5 just a small little area, just one stoplight, they  
6 were parachute jumping right next to I-90. We build  
7 our house up on the land. You go over there now and  
8 you don't even recognize it.

9           And I don't see that happening, even putting  
10 a ferry service in here. I mean, it's not like we're  
11 going to put a bridge across to Seattle, but I think  
12 it's going to help a little bit more just to kind of  
13 get this little community up on the plane, so to  
14 speak, and make it a more interesting community. I  
15 think it will be better for the people that live  
16 here. I think it will be easier, just as a citizen,  
17 to -- if I want to go see a Mariner game or  
18 something, I can just go directly from here over  
19 there, if I want to go shopping, whatever I want to  
20 do in Seattle, it's not going to take all day to do  
21 it.

22           And that's -- so I've again, Sonny Woodward  
23 in our office, he's been a proponent of this, and the  
24 two of us have talked all the time and we all seem to  
25 see the newspaper articles at the same time, and I

0424

1 just think it's a better quality of life if the ferry  
2 service is here.

3 MR. WILEY: Thank you. No further  
4 questions.

5 JUDGE RENDAHL: Any questions, Mr. Trotter?

6 MR. TROTTER: No.

7 JUDGE RENDAHL: And from the Bench? Thank  
8 you very much, Mr. Atkinson.

9 MR. WILEY: I'm checking on my next witness,  
10 Your Honor.

11 JUDGE RENDAHL: Would that be Mr. Screen?

12 MR. WILEY: Yes, that would be Mr. Screen.

13 JUDGE RENDAHL: Is Mr. Screen here in the  
14 audience?

15 MR. WILEY: We are trying to accelerate  
16 everybody, but I don't know that we've succeeded.  
17 I'm told he's not yet here, so if we want to take our  
18 break now for the afternoon, maybe I can get  
19 everybody condensed more.

20 JUDGE RENDAHL: Okay. We'll be off the  
21 record now until 10 to 3:00, take our afternoon break  
22 at this time, and be back on the record at 10 to  
23 3:00. Thank you very much.

24 (Recess taken.)

25 JUDGE RENDAHL: We'll be back on the record



0425

1 after our afternoon break, continuing with the  
2 hearing of -- concerning Aqua Express, LLP's  
3 application, and you are Mr. Effendahl?

4 MR. ELFENDAHL: Elfendahl, yes.

5 MR. WILEY: I apologize. That was my  
6 mistake on the spelling.

7 JUDGE RENDAHL: Okay. Mr. Elfendahl, please  
8 state your name and address for the record.

9 MR. ELFENDAHL: Lawrence Elfendahl, 26240  
10 Montero Loop Northeast, Kingston, Washington, 98346.

11 JUDGE RENDAHL: Thank you. Would you please  
12 raise your right hand?

13 Whereupon,

14 LAWRENCE ELFENDAHL,  
15 having been first duly sworn, was called as a witness  
16 herein and was examined and testified as follows:

17 JUDGE RENDAHL: Please go ahead, Mr. Wiley.

18 MR. WILEY: Thank you, Your Honor.

19

20 D I R E C T E X A M I N A T I O N

21 BY MR. WILEY:

22 Q. Good afternoon, Mr. Elfendahl, and I  
23 apologize again for misspelling your name.

24 A. That's all right.

25 Q. By whom are you employed?

0426

1 Q. And are you here in your capacity as a  
2 Washington Federal Savings employee, as well as a  
3 private citizen?

4 A. I'm here as a capacity as a private citizen  
5 who's been active in the community and who's also  
6 been a commuter and who understands economic  
7 development.

8 Q. And in your -- what is your position at  
9 Washington Federal?

10 A. I'm a vice president of Washington Federal,  
11 managing the Poulsbo office. And we're -- my primary  
12 responsibility is helping builders get construction  
13 loans, doing acquisition, basically real estate  
14 development.

15 Q. And in that capacity, do you tend to  
16 evaluate economic trends and economic conditions in  
17 the locale in which you lend the money?

18 A. That's a mouthful of a question, but yes, I  
19 do. My experience in the community, if I could just  
20 comment, I was appointed by Chris Endresen to the  
21 Urban Growth Advisory Committee for Kingston, one of  
22 15, and we sat for a year and talked about the urban  
23 growth boundaries of the community and studied what  
24 was going to happen. I also was on a  
25 county-appointed committee for the design standards

0427

1 in downtown Kingston, which is irrelevant, but that  
2 was a two and a half-year process that ended up in  
3 law, but I do understand something about the growth  
4 in the community, yes.

5 Q. And could you provide for the record  
6 knowledge that you have about residential development  
7 growth in this area that's planned, please?

8 A. Correct. One of the first things I wanted  
9 to say is welcome to Kingston, to the Commissioners,  
10 and appreciate the fact that you're here. The second  
11 thing I wanted to say was the community needs an  
12 opportunity to -- you've already heard testimony with  
13 regards to quality of life. I still commute  
14 downtown, oh, one day a week, one day every two  
15 weeks. I'm not a heavy commuter. I did commute for  
16 about four to five years. And everything I --  
17 previous testimony I've heard from the attorney in  
18 downtown Seattle is true. I've been at George's  
19 Corner where -- this isn't growth, but where the bus,  
20 Number 91, picks people up and takes them down to  
21 Bainbridge for the shuttle across. You end up  
22 putting an extra hour and a half a day in, and yeah,  
23 when you get home, you're tired. This quality of  
24 life issue will help a lot of people.

25 As far as growth in the area, you're going

0428

1 to hear from Mr. Screen, who has a development called  
2 Whitehorse, which has 224 lots coming online. I  
3 think he's going to be -- he'll testify where he's at  
4 on that, but I think the end of the year, beginning  
5 of '05, he'll be selling lots.

6 We also have two other major developments in  
7 north county. One is approved by the Commissioners,  
8 it still has maybe two to three years to go, it's 752  
9 houses in a plot called Arborwood, which is owned by  
10 Olympic Resources, and another 104-unit plat up at  
11 Apple Tree Point.

12 What I'm trying to get across is when we  
13 were on our urban growth advisory committee, one of  
14 the goals was to keep the area rural and comply with  
15 the Urban Growth Act. These aren't incompatible with  
16 each other, in my opinion. Growth is going to come.  
17 The users of the fast passenger-only ferry are going  
18 to only increase. I look at the ferry as the first  
19 rung on the ladder. I would love to see something  
20 like the Mosquito Fleet back in the twenties, but  
21 this is just the first step. San Francisco is way  
22 ahead of us in this area.

23 We need it. Every time we've done a  
24 demonstration ride, they've been sold out tickets  
25 before date, pre-sales. So the community is going to

0429

1 grow, there is going to be an increased need, and I  
2 think there's a need right now, just talking with  
3 neighbors and friends.

4 Q. Do you, in your daily work, see the economic  
5 development that's going on in terms of responding to  
6 growth and responding to development in the  
7 community?

8 A. I see --

9 Q. By lending, by -- yeah.

10 A. Oh, our office is -- the last three months,  
11 obviously low interest rates spurred -- generate  
12 mortgage and loan activity. Our company is not  
13 really big on refinance loans. We mainly do  
14 construction loans. I have two plats totaling about  
15 70 lots, and with two builders. Both of those lots,  
16 every foundation that's poured is sold out. I mean,  
17 you can say this in Issaquah, and you can see this in  
18 Kent maybe, also, but over here, real estate  
19 sometimes has been bust or boom.

20 And what I see when I interview people for  
21 their permanent loan on these houses is they're tired  
22 of the congestion and transportation challenges on  
23 the other side of the pond, as I say, on the east  
24 side of the water. Back up -- well, yes. I mean, we  
25 don't have transportation -- we have a little bit of

0430

1 a problem in the morning sometime, but we really  
2 don't compared to -- I refuse to go to Bellevue  
3 anymore, excuse me. But, yes, people are coming here  
4 for quality of life, ease of transportation.

5 One thing the ferry is going to do, it's  
6 going to generate jobs. With more people, you have  
7 more jobs, and we'll get better wages over here. So  
8 that's a positive, also.

9 Q. Finally, can you summarize why you  
10 personally are here today in support of this  
11 application?

12 A. I have a lot of friends and neighbors and I  
13 live in a plat -- well, right across from Gordon  
14 Elementary, there's 66 lots there. There's a good 20  
15 of them -- well, probably more than that, but there's  
16 20 that I know that do the Seattle shuffle, and they  
17 come home tired and bedraggled. I used to come home  
18 tired. I guess, until you do it and beat your head  
19 against the wall, you just don't realize that two and  
20 a half hours a day commuting is a lot, I know people  
21 in California drive to downtown Los Angeles,  
22 whatever, but we still have a nice quality of life up  
23 here, and I'd like to see the community and those  
24 people have the opportunity to have more times with  
25 their families.

0431

1 Q. Thank you very much, Mr. Elfendahl.

2 A. The only other thing -- I'm sorry.

3 Q. That's okay.

4 A. I'll stop, if I can't.

5 JUDGE RENDAHL: Thank you. Generally, the  
6 format is for you to wait for the attorney to ask you  
7 a question.

8 THE WITNESS: Sorry. Go ahead, ask the  
9 question.

10 JUDGE RENDAHL: Anyway, are there any  
11 questions from Counsel or from the Bench?

12 THE WITNESS: With that, I'll thank you.

13 JUDGE RENDAHL: Thank you, you're done.  
14 Thanks for your time.

15 THE WITNESS: You bet.

16 JUDGE RENDAHL: And Mr. Wiley, your next  
17 witness.

18 MR. WILEY: Yes, Your Honor. I would call  
19 Mr. Screen to the stand, please.

20 JUDGE RENDAHL: Hello, Mr. Screen.

21 MR. SCREEN: Hello.

22 JUDGE RENDAHL: If you'd state your name and  
23 address for the court reporter, please?

24 MR. SCREEN: Bob Screen, just like window  
25 screen, 9105 Fox Cove Lane, Bainbridge Island,

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1 Washington.

2 JUDGE RENDAHL: Thank you. Could you raise  
3 your right hand, please, if you remember which one  
4 that is.

5 MR. SCREEN: I was just checking.

6 Whereupon,

7 BOB SCREEN,  
8 having been first duly sworn, was called as a witness  
9 herein and was examined and testified as follows:

10 JUDGE RENDAHL: Thank you. Go ahead, Mr.  
11 Wiley.

12

13 D I R E C T E X A M I N A T I O N

14 BY MR. WILEY:

15 Q. Good afternoon, Mr. Screen. What is the  
16 company with whom -- by whom you are employed,  
17 please?

18 A. I'm the manager of the Whitehorse  
19 Development Company.

20 Q. And would you describe for the record what  
21 Whitehorse Development Company does?

22 A. It was created to develop 456 acres of  
23 property three miles south of the Kingston ferry dock  
24 into a 224-lot planned development and a par 72,  
25 7,000-yard championship golf course.



0433

1 Q. And what is the status of that development  
2 at present, please?

3 A. We expect to be selling the first phase of  
4 65 lots in October, and the golf course is under  
5 construction and will be open sometime next year.

6 Q. And in your capacity as Whitehorse  
7 Development, why is a passenger-only ferry something  
8 of interest and relevance to your business, please,  
9 between Kingston and Seattle?

10 A. There's two things that are of interest to  
11 us. One is the convenience of commuting to downtown  
12 Seattle from the 224 homes that will be on the site.  
13 We're encouraging people to commute to work without a  
14 car. We're providing a commuter bus that will take  
15 people from Whitehorse to the ferry dock, and also  
16 pick up golfers that are coming over from the east  
17 side and bring them back to play golf.

18 And the second reason is we've had informal  
19 conversations with several of the larger convention  
20 downtown hotels about adding a opportunity for golf  
21 tournaments and golf experiences for their guests  
22 that come for conventions, and we expect to have  
23 somewhere between 15 and 20,000 golfers a year visit  
24 the course through that marketing effort of the  
25 downtown Seattle hotels.

0434

1 Q. I'm particularly interested in your  
2 testimony about the east to west movement. We  
3 haven't had a whole lot of people who are originating  
4 on the east side going to the west. What are you  
5 doing to develop that marketplace in terms of the  
6 passenger-only ferry? You're talking to hotels, I  
7 understand. How are you promoting the golf course  
8 and the transportation aspects?

9 A. Well, hotels is only one aspect of that  
10 marketing effort. With the hotels, we're saying to  
11 them, we can add a value to your -- value to your  
12 customers by providing an experience where they would  
13 come over on the passenger ferry or charter boat, if  
14 necessary, play golf, have a nice meal experience,  
15 and go back to their hotel.

16 And there's four or five major golf courses  
17 over here in Kitsap County and the adjoining  
18 counties. Port Ludlow, McCormick Woods, Trophy Lake  
19 and the Cascade Olympic Course, and we've been in  
20 conversations with those courses for over 10 years,  
21 as we've been working to get our project approved,  
22 and you'll hear estimates that 40 to 60 percent of  
23 their golfers come from the Seattle side. McCormick  
24 Woods is served by the Bremerton ferry, Trophy Lake  
25 by the Bremerton ferry, and the Cascade Olympic

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1 Course at Gold Mountain, the Bremerton ferry. We'll  
2 be closer than any of those in terms of time, and  
3 more oriented to the North Seattle, north community,  
4 and we expect, from the people that have contacted us  
5 and visited our Web site, that we will have a  
6 substantial amount of traffic coming this way from  
7 Seattle if that option is available.

8 Q. And by that option, you mean the Kingston to  
9 -- the Seattle-Kingston passenger-only ferry?

10 A. Yes, sir.

11 Q. And you indicated that your development was  
12 about three miles from the terminal in Kingston; is  
13 that correct?

14 A. Three miles south.

15 Q. And how long would it take to get to the  
16 terminal from your development in normal --

17 A. Approximately five minutes.

18 Q. And are you marketing your golf course in  
19 association with other Kitsap County golf courses you  
20 mentioned, or is this a separate promotion targeting  
21 North Kitsap County and Seattle?

22 A. Once we are up and running and have an  
23 opening date, we'll be able to integrate more closely  
24 with the other golf courses and we'll be doing our  
25 own marketing, as well.

0436

1 Q. Mr. Screen, how important to your  
2 development is the inauguration of the passenger-only  
3 ferry service between Seattle and Kingston?

4 A. One of the major downtown banks is  
5 participating in the development of our golf course  
6 in lending, and a critical factor in their decision  
7 to support us was the fact that there would be a  
8 passenger ferry between Seattle and Kingston.

9 Q. And do you envision a good portion of your  
10 customers from the Seattle area embarking on the  
11 passenger-only ferry to get to Whitehorse, as far as  
12 the golfing is concerned?

13 A. Yes.

14 Q. And as far as the residential development,  
15 that would be for commuting, I assume?

16 A. Primarily.

17 Q. Do you have any other issues that you wish  
18 to address the Commission on in terms of your support  
19 for this application today?

20 A. The only other thing I would tell you is, to  
21 me, right now, there's a huge interest in the  
22 Kingston area, based on the unsolicited inquiries  
23 we're receiving from people who want to live in this  
24 area and have access to the golf course. We think  
25 that Kingston is about to explode in terms of

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1 population growth, and we now expect that we will  
2 sell the 65 lots in our first phase in less than two  
3 weeks, based on the interest we have.

4 MR. WILEY: Thank you. I have no further  
5 questions, Your Honor.

6 JUDGE RENDAHL: Mr. Trotter, any questions?

7 MR. TROTTER: No.

8 JUDGE RENDAHL: Any questions from the  
9 Bench? Thank you very much, Mr. Screen. You may  
10 step down.

11 THE WITNESS: Thank you.

12 JUDGE RENDAHL: Mr. Wiley.

13 MR. WILEY: I am going to get an update on  
14 scheduling right now, Your Honor.

15 JUDGE RENDAHL: Let's be off the record for  
16 a moment.

17 (Discussion off the record.)

18 JUDGE RENDAHL: Okay. Thanks for waiting.  
19 Let's be back on the record. Back on the record for  
20 the evidentiary portion of the Aqua Express, LLP,  
21 application hearing here in Kingston. And before we  
22 go to the witnesses, there are a few administrative  
23 details we had discussed off the record.

24 We have agreed -- the parties indicated they  
25 were -- that they didn't have any objection to

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1 admitting, as Exhibit 12, the pamphlet from Aqua  
2 Express; is that correct?

3 MR. WILEY: No objection.

4 JUDGE RENDAHL: Okay. So that exhibit will  
5 be admitted. Then I had a question as to whether  
6 Exhibit 22, which was the revision to Exhibit 17,  
7 whether that had been admitted. Did you offer that,  
8 Mr. Wiley?

9 MR. WILEY: I'm offering it now if I didn't  
10 previously, Your Honor.

11 JUDGE RENDAHL: Okay. Any objection to its  
12 admission?

13 MR. TROTTER: No.

14 JUDGE RENDAHL: It will be admitted. And  
15 then I will mark as Exhibit 32 the set of written  
16 comments that the Commission has received prior to  
17 today and also the comments -- any comments that  
18 people may submit in writing today and up to Tuesday  
19 will be included in one what we call the illustrative  
20 exhibit, and that will be marked as Exhibit 32.  
21 We'll address the admission at the closure of this  
22 hearing.

23 With that, I think we're ready to turn to  
24 your next witness, Mr. Wiley. I believe that would  
25 be Mr. Woodside; is that correct?

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1 MR. WILEY: That's correct, Your Honor.

2 CHAIRWOMAN SHOWALTER: And I have a  
3 disclosure to make. I believe that Mr. Woodside may  
4 have owned or been a developer of some property  
5 adjacent to property that my family owns in Shine,  
6 Washington, in Jefferson County. I vaguely recall  
7 Mr. Woodside's name, and I believe the issue involved  
8 a right-of-way to my property that ran over his  
9 property or the property he was developing. This is  
10 a tangential relationship, which I can't remember  
11 very well and I don't believe goes to the merits of  
12 the proceeding before us, but I believe that there is  
13 that connection.

14 MR. WOODSIDE: I think you had the water  
15 line that ran all over the countryside that I hit  
16 about 12 different times.

17 CHAIRWOMAN SHOWALTER: I think we're getting  
18 into the facts here, but no, it was a right-of-way to  
19 our property, but --

20 MR. WOODSIDE: And the water line.

21 JUDGE RENDAHL: So is there any objection to  
22 the Chairwoman's participation listening to this  
23 witness and participating in cross-examination of  
24 this witness at all?

25 MR. WILEY: None, Your Honor.

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1 MR. TROTTER: No.

2 JUDGE RENDAHL: Okay. Thank you. Mr.  
3 Woodside, if you could state your name and address  
4 for the record, please?

5 MR. WOODSIDE: My name is Doug Woodside, and  
6 I'm a resident of Kingston. My address is 26142 Iowa  
7 Avenue Northeast.

8 JUDGE RENDAHL: Thank you. Would you please  
9 raise your right hand?  
10 Whereupon,

11 DOUG WOODSIDE,  
12 having been first duly sworn, was called as a witness  
13 herein and was examined and testified as follows:

14 JUDGE RENDAHL: Thank you. Go ahead, Mr.  
15 Wiley.

16 MR. WILEY: Thank you.

17

18 D I R E C T E X A M I N A T I O N

19 BY MR. WILEY:

20 Q. Good afternoon, Mr. Woodside. With what  
21 company are you associated, please?

22 A. My business is Woodside Construction,  
23 Incorporated. We're a small-volume builder in Kitsap  
24 County. We've been here in Kingston since 1989.

25 Q. And what is your position with that company?



0441

1 Q. Have you also occupied any trade association  
2 positions in Kitsap County in the last few years?

3 A. I was the president of the Homebuilders  
4 Association for the year 2000.

5 Q. In that capacity, as the president of the  
6 Homebuilders Association in Kitsap County, were you  
7 generally familiar with transportation planning  
8 issues impacting building development in this area?

9 A. During that time, in the year 2000 and to  
10 the present, we were in the homebuilding association,  
11 we were involved quite a bit in smart growth, and we  
12 were quite aware of the transportation issues. And  
13 as an association, those always seem to come -- came  
14 forward to our association, looking for support. We,  
15 as an association, felt that transportation was very  
16 important to Kitsap County, and backed pretty much  
17 everything, all the programs, the new bridge, ferries  
18 issues when they came about. I mean, we're very  
19 supportive of all those issues.

20 Q. Does that include the referendum, for  
21 instance, Referendum 51 that's been referred to in  
22 this record, the Kitsap Transit referendum?

23 A. Yes, definitely.

24 Q. If your view, is a private passenger-only  
25 service -- ferry service important to Kitsap County?

0442

1           A.    It's very important to Kitsap County.  In my  
2 view, any quality transportation is very important.  
3 One of the things that, with the Growth Management  
4 Act, we created these new UGAs, and Kingston is a  
5 Urban Growth Area, UGA.  In order to make these  
6 things, in my view, successful and prosperous and  
7 whether they will even develop is to have adequate  
8 transportation.

9                   And from Kingston to downtown Seattle, if  
10 there was that connection of quality transportation,  
11 then we would take this Urban Growth Area that we now  
12 have with Kingston, and the areas that are closer to  
13 the ferry, which are designated as higher density  
14 areas, would actually turn into that.  We'd be able  
15 to, as builders, small developers, to actually take  
16 these properties and create the density and not have  
17 the sprawl that we have outside the UGA that's  
18 continuing to be the more desirable place for people  
19 to live in Kitsap County and will continue to be  
20 until we offer them some sort of alternative.

21           Q.    Putting on your builder hat, do you see any  
22 particular direct benefit posed by passenger-only  
23 ferry service linking Kingston and Seattle?

24           A.    Putting on my builder hat?

25           Q.    Builder hat.

0443

1 A. Do I see any benefit to it?

2 Q. Yes.

3 A. I mean, I definitely --

4 Q. In other words, do you see any impact on  
5 your customer growth by passenger-only ferry service?

6 A. Oh, definitely, you know, I most definitely  
7 do. It's hard to put it into exact numbers, but I'm  
8 sure, with that connection, we're definitely going to  
9 have growth within my industry. My industry already  
10 is experiencing some wonderful growth in Kitsap  
11 County, but, you know, there are some people that we  
12 do -- you know, they look at, Oh, this commuting  
13 thing is difficult, so --

14 Q. Could you summarize why you're here today in  
15 support of Aqua Express's application, please?

16 A. Why am I here today in support of the  
17 application. I just think it's a need, I always felt  
18 there was a need. When I came to Kitsap County in  
19 1990, I looked at this place, you know, having grown  
20 up in Seattle, in the Wallingford area. As a kid,  
21 you saw -- you know, there wasn't a lot of people  
22 there. I remember the signs in 1968, Will the last  
23 one to leave please turn out the lights, as a kid.

24 You know, you come over here kind of as a  
25 visionary and you look at all the opportunity that we

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1 have here now to take advantage of at probably a much  
2 more significant cost than what could ever be  
3 imaginable, you know. Everything that they're doing  
4 in Seattle in these large urban areas now, at  
5 tremendous expenses, are subjects that I remember as  
6 a kid that people were promoting then. And I was  
7 actually, as a kid, 10, 11, 12 years old, my neighbor  
8 was paying me a penny apiece to put fliers on cars at  
9 the University of Washington during football games,  
10 and at that time they were promoting the monorail,  
11 the electric buses and those kind of connections.  
12 And look how far ahead we'd be if we'd done that back  
13 then.

14 Now we have this opportunity in a county  
15 such as Kitsap, where all of our right of ways are  
16 fairly clear, it's an opportunity to make connections  
17 with the buses, you know, whatever could be. There's  
18 talk of rail systems. But we need these quality  
19 connections. If there's the foot ferry from Kingston  
20 to Seattle, it's just one more high-quality form of  
21 high occupancy transportation.

22 MR. WILEY: Thank you. No further  
23 questions.

24 JUDGE RENDAHL: Mr. Trotter, any questions?

25 MR. TROTTER: No.

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1 Bench? Thank you very much, Mr. Woodside. Mr.  
2 Wiley, your next witness.

3 MR. WILEY: I would call Mr. Rose, who was  
4 going to be at the public hearing, but now is here to  
5 testify at this phase.

6 MR. ROSE: Good afternoon.

7 JUDGE RENDAHL: Good afternoon. If you  
8 could state your name and address for the court  
9 reporter, please?

10 MR. ROSE: My name is John Rose, R-o-s-e.  
11 My work address is 19245 Tenth Avenue Northeast,  
12 Poulsbo, Washington.

13 JUDGE RENDAHL: And if you would raise your  
14 right hand, please?

15 Whereupon,

16 JOHN ROSE,  
17 having been first duly sworn, was called as a witness  
18 herein and was examined and testified as follows:

19 JUDGE RENDAHL: Please go ahead, Mr. Wiley.

20 MR. WILEY: Thank you.

21

22 D I R E C T E X A M I N A T I O N

23 BY MR. WILEY:

24 Q. Good afternoon, Mr. Rose. Could you please  
25 state for the record who your employer is?

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1           A.    I am employed by Olympic Property Group.  
2 Olympic Property Group is the real estate development  
3 subsidiary of Pope Resources.  Pope Resources is a  
4 150-year old company that has both a timber side and  
5 a real estate development side.  Inside Kitsap  
6 County, our company owns approximately 20,000 acres.  
7 We're the largest private landowner in Kitsap County.

8           Q.    And what position do you have with Olympic  
9 Property Group, please?

10          A.    I'm the president of Olympic Property  
11 Group.

12          Q.    And in that capacity, what are your job  
13 functions?

14          A.    Our group oversees the development of our  
15 real estate portfolio.  The development means taking  
16 properties that are no longer timber land and  
17 developing them into some other higher and better  
18 use.  Specifically in the Kingston area, we have two  
19 projects that are our more important projects in the  
20 north end of Kitsap County.  One of them is called  
21 Arborwood, and it's just north of the project  
22 Whitehorse, and I believe you had some testimony  
23 earlier today about Whitehorse.  We have a 700-unit  
24 project there.

25                   And then, very nearby, we have a National

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1 Historic District property called Port Gamble, just  
2 on the east side of the Hood Canal bridge. It's a  
3 historic logging town. It's the last company-owned  
4 mill town in the Puget Sound.

5 Q. Is the Arborwood development a residential  
6 single-family development, or what kind of  
7 development is it?

8 A. It will be largely residential, but it will  
9 be a mix of different residential types. There will  
10 be attached units, townhomes, condominiums and  
11 detached single-family units. There will be a small  
12 neighborhood center and there will also be  
13 approximately 20 acres of business park. We're  
14 trying to find a place for job growth in Kitsap  
15 County, and that's close to the Kingston urban core.

16 Q. How far is Arborwood from the Kingston  
17 terminal?

18 A. It's approximately one mile.

19 Q. And that would be covered in under five  
20 minutes by car; is that correct?

21 A. That's correct.

22 Q. Would you expect that prospective residents  
23 of Arborwood would use the passenger-only ferry, and  
24 if so, to what degree, based on your market studies?

25 A. I recommend -- I would evaluate that a high

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1 percentage of the folks that will end up being  
2 customers of ours inside the project will be  
3 utilizing the ferry either to reach employment  
4 opportunities or other quality of life benefits to be  
5 received downtown. The ferry isn't just about  
6 allowing commuters to get from a bedroom community to  
7 downtown. What we like especially about the Kingston  
8 to Seattle run is the fact that this area gets the  
9 tremendous benefit of the critical mass that's  
10 downtown. we can live out in an area like this and,  
11 within 35 minutes, witness the best theater, no  
12 longer the best baseball team, but that's only  
13 temporary, but an amazing quality of life without  
14 having to get in the car and drive to it.

15 Q. And how about your Port Gamble development?  
16 Is that already completely built out or are you  
17 referring to additional development there?

18 A. We're referring to additional development.  
19 The Port Gamble property is a National Historic  
20 Landmark District. It was voted into the Park  
21 Service, the national registry in 1966. The reason  
22 it's an important project is it is the last  
23 company-owned mill town in Puget Sound. Our company  
24 actually owns it, we own all the homes, we own the  
25 general store, we own the post office, and the



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1 property is what I would call an endangered property.  
2 It has been for some time, since the mill closed down  
3 in 1995.

4           When the mill closed down, that employment  
5 base went away and the economics of the town went  
6 upside down. After that time, our company worked  
7 with the legislature in Olympia to change the Growth  
8 Management Act to allow Port Gamble to redevelop,  
9 because -- and one of our biggest proponents was the  
10 Park Service. They've seen too many signature  
11 historic properties go under the plow because they  
12 can't maintain themselves as museums and museum  
13 pieces. So the path to Port Gamble's future lies  
14 solely with economic development.

15           The property is approximately 120 acres. It  
16 will have lodging, it will have conference business,  
17 it will have recreational boating. And we see an  
18 incredible opportunity to link the private passenger  
19 service that's being talked about today with the idea  
20 of being -- bringing conferencees to Port Gamble, and  
21 at the same time, further supporting the business in  
22 Port Gamble and further providing support for the  
23 ferry service that's being initiated here.

24           Q. Are you planning any residential development  
25 in addition to what's already in Port Gamble, or is

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1 this just the lodging conference and commercial  
2 project?

3 A. No, there will be arts galleries, there will  
4 be approximately two to 300 homes, there will be  
5 second-story condominium units. It will be a very  
6 intense, very dense, urban-like mixed use  
7 development.

8 Q. There's a map in the hearing room that's  
9 against the podium, and I'm wondering if you would  
10 describe where Port Gamble is on the map, so that we  
11 could juxtapose it next to the Kingston terminal,  
12 we'd appreciate it.

13 JUDGE RENDAHL: And maybe you could use the  
14 mike there. Oh, it's not there. It's been moved.  
15 Sorry.

16 THE WITNESS: That's okay. We're mikeless  
17 in Seattle. This is Port Gamble, which is at the  
18 head of Port Gamble Bay.

19 JUDGE RENDAHL: So if you were to cross over  
20 Hood Canal bridge and take a left on -- is that Route  
21 104?

22 THE WITNESS: Mm-hmm.

23 JUDGE RENDAHL: You would get to the point  
24 of land that's on that map, that is, Port Gamble?

25 THE WITNESS: Correct. Port Gamble to

0451

1 Kingston is approximately a 10-minute drive.

2 Q. How many miles is it, Mr. Rose, if you know?

3 A. My recollection, it's about eight or 10  
4 miles.

5 Q. Would you envision both developments at  
6 Arborwood and Port Gamble as being served by the  
7 proposed passenger-only ferry service?

8 A. Absolutely.

9 Q. Could you tell us today why Olympic Property  
10 Group and yourself are here in support of the  
11 application?

12 A. I'm here as somebody testifying on behalf of  
13 our business. I'm also here as a resident. Our  
14 expertise and my personal expertise in my profession  
15 is land planning, community planning. We plan master  
16 plan developments. Port Ludlow is one of our  
17 projects, if folks know that. As a land planner,  
18 community planner, we start from the highest altitude  
19 of land planning, and this is a regional subject.  
20 This ferry service is absolutely providing a regional  
21 benefit.

22 Over in King County, Snohomish County, those  
23 areas, those executives look at Kitsap County as a  
24 place to take the growth that is still coming to our  
25 region, but there's no place to put them on the

0452

1 highways and byways over on the east side, there's no  
2 room left on I-5. Folks like Ron Sims look over to  
3 Kitsap County and say this population growth is a  
4 regional issue. And there has to be other ways to  
5 solve that regional growth issue besides building  
6 more asphalt. So starting at the very highest  
7 levels, we believe this is part of a regional  
8 solution.

9 I've been involved in the Kingston master  
10 planning effort for years. Kitsap County has its own  
11 population challenges, where to put growth, and the  
12 Growth Management Act mandates that urban growth or  
13 growth happen in urban areas that are served by urban  
14 services. Providing a destination or providing a  
15 ferry service from Kingston, which is our growing  
16 urban growth area in North Kitsap, to a source of  
17 jobs downtown is a very compact and efficient way to  
18 serve the region and our location's growth needs. We  
19 have to find a place for -- we have to serve growth  
20 that comes to our region whether we like growth or  
21 not. If we can do that without building highways, so  
22 much the better.

23 Q. Before we conclude, I wanted to ask you  
24 about the east to west movement on the ferry with  
25 respect to the lodging and conference business you're

0453

1 developing at Port Gamble. Do you see that ferry  
2 going from Seattle to the Kingston area as a benefit  
3 and convenience to the development of that aspect of  
4 your business?

5 A. Getting boat service will be critical,  
6 because people are not going to come to conferences  
7 in buses and cars. And the biggest source of  
8 conference business is going to be the businesses  
9 that are located in downtown Seattle. Yes, Kitsap  
10 County will provide a portion of the conference  
11 business, but it will only probably provide a  
12 fraction of that business.

13 I'm also a member of the Kitsap County  
14 Regional Economic Development Council. I'll leave  
15 the official statements from that council to David  
16 Porter, who is here, but I've also been involved with  
17 Kitsap County's more regional economic development  
18 base, I've been on the board for approximately three  
19 years, and this has been something that group, and  
20 politically up and down the food chain, has been a  
21 concept that has full support and seems to be  
22 politically neutral. It's something everybody can  
23 agree. More connections without building roads is  
24 something that's very, very good.

25 I'm also a resident on Bainbridge Island,

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1 and although I wouldn't feel this way, I know certain  
2 of my neighbors wouldn't mind if there was less  
3 traffic from commuters coming from Kingston to the  
4 Bainbridge Island ferry boats, that there's no reason  
5 to drive an extra 20 miles to get to downtown if you  
6 can drive just one mile to accomplish the same thing.

7 MR. WILEY: Thank you very much for your  
8 testimony, Mr. Rose. No further questions.

9 JUDGE RENDAHL: Mr. Trotter, any questions?

10 MR. TROTTER: No.

11 JUDGE RENDAHL: Any questions from the  
12 Commissioners? I have a couple quick questions.

13

14 E X A M I N A T I O N

15 BY JUDGE RENDAHL:

16 Q. The Arborwood development, are units already  
17 on the market or when will units become available?

18 A. No, that project probably is going to go  
19 through its urban growth planning effort this year.

20 Q. So --

21 A. And product will come onto the market  
22 probably in three to five years.

23 Q. And again, for the Port Gamble facility, at  
24 what stage are you in that process?

25 A. It's in its existing conditions. There's

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1 commercial buildings, two museums.

2 Q. But the development that you suggested of  
3 the lodging and the conference facilities and two to  
4 300 homes and dense urban mixed use, what's the  
5 status of that project?

6 A. That will be probably five years, because we  
7 have to go through an entitlement effort.

8 Q. An entitlement effort?

9 A. Oh, that's going through an EIS, go through  
10 the permits, go through all the land use approval  
11 process. So the really big development of that  
12 probably breaks ground in five years.

13 The conference center, though, part of that  
14 is something that we're promoting now, because we  
15 already have a number of conference facilities. We  
16 also have the ability right now to build a hotel. We  
17 have approximately 40,000 square feet of conference  
18 facility that will be available. So we'll be  
19 marketing that facility and that business opportunity  
20 to operators in the conference business at the end of  
21 next year or beginning -- or the end of this year or  
22 beginning of next year. That's an immediate  
23 opportunity.

24 JUDGE RENDAHL: Okay. Thank you. That's  
25 all I have.

0456

1 THE WITNESS: Thank you.

2 JUDGE RENDAHL: Thank you very much. Mr.  
3 Wiley, your next witness.

4 MR. WILEY: Mr. Porter.

5 JUDGE RENDAHL: Good afternoon.

6 MR. PORTER: Good afternoon.

7 JUDGE RENDAHL: If you could state your name  
8 and address for the record, please?

9 MR. PORTER: Yes, my name is David Porter,  
10 and my business address is 4312 Kitsap Way, Suite  
11 103, in Bremerton.

12 JUDGE RENDAHL: Thank you. And if you'd  
13 raise your right hand, please?

14 Whereupon,

15 DAVID PORTER,  
16 having been first duly sworn, was called as a witness  
17 herein and was examined and testified as follows:

18 JUDGE RENDAHL: Thank you. Please go ahead,  
19 Mr. Wiley.

20 MR. WILEY: Thank you.

21

22 D I R E C T E X A M I N A T I O N

23 BY MR. WILEY:

24 Q. Mr. Porter, welcome. Could you provide your  
25 employer and business address, if you didn't provide



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1 your business address before?

2 A. Yes, I will. I'm the Executive Director of  
3 the Kitsap Regional Economic Development Council, and  
4 the business address is 4312 Kitsap Way in Bremerton.

5 Q. And how long have you been in your current  
6 position, please?

7 A. I have been in this position since September  
8 of last year.

9 Q. Okay. And in your position, do you deal  
10 with regional transportation planning issues?

11 A. Yes, we do.

12 Q. Okay. And could you please explain for the  
13 record what involvement you have in planning regional  
14 transportation issues?

15 A. Our interest in regional transportation  
16 issues is obviously one that has to do with the  
17 movement of people and goods. And central to any  
18 successful economic development initiatives are the  
19 movement of people and goods, and so we're very  
20 interested in that, both from highways, highway  
21 development --

22 JUDGE RENDAHL: Can you speak directly into  
23 the microphone? It will pick up much more.

24 THE WITNESS: Yes. Is that better?

25 JUDGE RENDAHL: Much better. Thank you.

0458

1           THE WITNESS: Responding to the question  
2 about our interest in regional transportation, as an  
3 organization, we are very interested in a broad range  
4 of regional transportation issues because, central to  
5 effective economic development, to both planning and  
6 implementation, is the movement of goods and the  
7 movement of people within the county and in and  
8 around the county. So it's always a concern to us  
9 when we have ferries working properly, as it were, or  
10 roads working properly.

11         Q. I think the Commissioners probably  
12 understand better than I what Kitsap Regional  
13 Economic Development Council does, but could you  
14 describe for the record how it's comprised and what  
15 it is?

16         A. It's a private -- it's a public-private  
17 partnership. We are a non-profit organization. Our  
18 mission, as it were, is to attract and retain jobs  
19 and investment in the community of Kitsap County.

20         Q. In your transportation planning capacity,  
21 have you witnessed any changes in planning and the  
22 role of passenger-only ferry service in Kitsap County  
23 since 2002, 2003?

24         A. I would say that I'm a bit disadvantaged  
25 only -- having not been here -- only since September.

0459

1 So I don't -- I don't have a sense of what was  
2 happening before. I do -- I was present for what was  
3 the -- we had some -- we had some passenger-only  
4 ferry service and it was terminated during the period  
5 of time I was here.

6 Q. You're referring to the State service, are  
7 you?

8 A. Yes.

9 Q. Okay.

10 A. And something between -- and I was intrigued  
11 at the perception of that in the market. Of course,  
12 one of the things you want to do, as an economic  
13 development organization, is position your community  
14 so that it's an attractive place to both bring  
15 businesses, as well as grow the ones that are here.  
16 And there is -- there are always questions about how  
17 people get to and from the island, if you're coming  
18 from the other side, begging the question of  
19 businesses that are already here.

20 JUDGE RENDAHL: Can you slow down just a bit  
21 for the court reporter, please?

22 THE WITNESS: You bet.

23 JUDGE RENDAHL: Thank you.

24 THE WITNESS: Must be my East Coast  
25 background. So it is not only the fact of

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1 transportation of movement of people and goods, but  
2 the perception of it. And the -- as service was cut  
3 back, there were people who were saying, Gee, I'm not  
4 so sure it's a good idea to locate here, because we  
5 won't be able to get workers back and forth or we  
6 won't be able to get goods back and forth. So it's  
7 an interesting challenge about how people perceive  
8 our ferry system, particularly, as part of the  
9 transportation mix.

10 Q. You've been there since fall of 2003; is  
11 that your testimony?

12 A. That is correct.

13 Q. Since that time, there have been changes in  
14 how the State treats private passenger-only ferry  
15 service, to your knowledge, are there not?

16 A. That is correct, yeah.

17 Q. And what does -- what is the current  
18 position of your agency, your development council,  
19 with respect to assisting privately-owned  
20 passenger-only ferry service?

21 A. We are in support of that initiative. We  
22 are interested in almost any initiative to get  
23 passenger-only ferry service. However it would be  
24 done, we are in support of it.

25 Q. And if private-operated passenger-only ferry

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1 is the only alternative at present, would you tell us  
2 why you support that service, please?

3 A. We support it because we are very interested  
4 in having more opportunities for people to go back  
5 and forth between this community, the community of  
6 Kitsap County, and the Seattle communities.  
7 Obviously, we're talking about going between here,  
8 Kingston and Seattle. But Kitsap has long been seen  
9 -- not long been, but it's certainly been my  
10 impression, as a new person, people have said, Gee,  
11 we're not part of the region, so I think this is --  
12 the ability to have passenger-only ferry service, to  
13 move more people back and forth between this  
14 community and the rest of Puget Sound is going to  
15 have an enormous difference in how people view us as  
16 a regional player.

17 Q. With respect to the north part of Kitsap  
18 County and the Kingston area that we're here today  
19 on, you say you have a perception of Kitsap County  
20 not being a part of the region or people have  
21 mentioned that to you. Do you think this would have  
22 any beneficial impact on removing the isolation that  
23 is being experienced by some of those people that  
24 you're referring to?

25 A. Correct.

0462

1 Q. And could you please summarize why you're  
2 here today in support of the application for the  
3 Commissioners?

4 A. I'm here today to support it because I  
5 believe it will be a positive impact on economic  
6 development and increase our chances to attract  
7 quality businesses to the community and it will help  
8 businesses that are here to have more interaction,  
9 more commerce available to them, both people and  
10 goods.

11 MR. WILEY: Thank you. No further  
12 questions.

13 JUDGE RENDAHL: Mr. Trotter, any questions?

14 MR. TROTTER: No questions.

15 JUDGE RENDAHL: Any questions from the  
16 Bench?

17

18 E X A M I N A T I O N

19 BY JUDGE RENDAHL:

20 Q. I just have one, Mr. Porter.

21 A. Yes.

22 Q. And that is, you mentioned that the State  
23 had discontinued passenger-only ferry service, and I  
24 just want to clarify, were you speaking of the  
25 Bremerton to Seattle?

0463

1           A.    That was the Bremerton, yeah.  That's  
2 correct.

3           JUDGE RENDAHL:  Thank you very much.  That's  
4 all I have for you.  Thank you for coming today.

5           THE WITNESS:  You bet.

6           JUDGE RENDAHL:  You may step down.  Mr.  
7 Wiley, do you have another witness?

8           MR. WILEY:  Yes, I'm informed that there are  
9 two other witnesses here, both commuter witnesses,  
10 Your Honor.  The first one, Mr. Fenton, is not yet  
11 here, but I would call Mr. Hartman to the stand.

12          JUDGE RENDAHL:  Hello, Mr. Hartman.

13          MR. HARTMAN:  Hello.

14          JUDGE RENDAHL:  If you could state your name  
15 and address for the court reporter, please?

16          MR. HARTMAN:  My name is Robert Hartman.  
17 I'm at 34925 Hansville Road.

18          JUDGE RENDAHL:  I'll repeat what I said to  
19 Mr. Porter, which is if you could slow down a bit for  
20 the court reporter.

21          MR. HARTMAN:  Sure.

22          JUDGE RENDAHL:  Sometimes it's  
23 nerve-wracking to sit behind the mike in front of all  
24 of us, but if you could slow down a bit, since we are  
25 taking it down, that would be great.  Raise your

0464

1 right hand, please.

2 Whereupon,

3 BOB HARTMAN,

4 having been first duly sworn, was called as a witness

5 herein and was examined and testified as follows:

6 JUDGE RENDAHL: Thank you. Go ahead, Mr.

7 Wiley.

8

9 DIRECT EXAMINATION

10 BY MR. WILEY:

11 Q. Thank you, Mr. Hartman. I appreciate you

12 being here a little early from your assigned time.

13 Thank you. Could you please tell us who you're

14 employed by?

15 A. Employed by the United States Environmental

16 Protection Agency.

17 JUDGE RENDAHL: If you could speak into the

18 mike and slow down a bit, that would be -- slow down.

19 Q. What is your occupation, please?

20 A. I work as an attorney for them.

21 Q. And you're here today in your private

22 citizen capacity; is that correct?

23 A. That's correct.

24 Q. And would you tell us how far you live from

25 the address you provided from the Kingston ferry



0465

1 terminal?

2 A. Just about seven miles, I think.

3 Q. And could you tell us how you travel now  
4 between your home, which is seven miles from the  
5 terminal, and the EPA offices, which are --

6 A. 1200 Sixth Avenue, so it's on -- about eight  
7 blocks up from the ferry, Seattle ferry.

8 JUDGE RENDAHL: In Seattle?

9 THE WITNESS: Right, that's correct.

10 Q. Thank you. Could you tell us how your daily  
11 commute transpires, please?

12 A. I usually -- I try to get the 6:20, so I  
13 drive to the Albertson's park and ride and I catch  
14 the 5:30 express bus, which goes to Bainbridge, and  
15 the ferry leaves at 6:20 and arrives in Seattle just  
16 before 7:00.

17 Q. What time do you have to wake up to get to  
18 that 5:30 a.m. bus?

19 A. Probably about a quarter to 5:00, and I  
20 leave the house about 5:15, 5:20.

21 Q. And when you get to the park and ride, when  
22 you mentioned the park and ride, where is that and  
23 where do you get the bus?

24 A. It's right behind the Albertson's at Four  
25 Corners, which is Hansel Road and 104.

0466

1 Q. Is that in Kingston or is that in Suquamish  
2 or where --

3 A. That's in Kingston.

4 Q. And the return trip, your return commute?

5 A. Basically, the opposite. When I get off the  
6 Bainbridge ferry, the buses are waiting, and I take  
7 the express bus to the Albertson's park and ride  
8 again.

9 Q. And what times are involved in that?

10 A. Usually, I take the 5:30 leaving Seattle,  
11 and it arrives here at 6:00, 6:05, and I usually  
12 don't get home, usually don't get to the park and  
13 ride until quarter to 7:00, sometimes a little  
14 earlier.

15 Q. And at the park and ride, how long does it  
16 take you to get home?

17 A. About five minutes, maybe.

18 Q. So you arrive home at approximately 7:00  
19 p.m.?

20 A. Probably just a little bit before, but  
21 pretty close to that.

22 Q. And what time do you leave your office for  
23 the 5:30 boat?

24 A. Takes me about 15 minutes, so probably 5:15.

25 Q. So that's approximately an hour and 45

0467

1 commute coming home; correct?

2 A. Right, and it can be longer because 305 in  
3 Bainbridge is getting busier.

4 Q. And you leave your house -- is the commute  
5 about an hour and 45 to an hour and a half in the  
6 morning?

7 A. That's correct.

8 Q. So we're talking about a three-hour round  
9 trip, approximately, daily?

10 A. (Nodding.)

11 Q. And --

12 JUDGE RENDAHL: Let's let the witness  
13 answer.

14 Q. Excuse me.

15 A. Yes, that's correct. It's about 15 hours.  
16 I've done the math. I could almost have another job  
17 doing non-commute.

18 JUDGE RENDAHL: So it's a three-hour round  
19 trip, essentially?

20 THE WITNESS: Right, essentially.

21 Q. And again, if this passenger ferry service  
22 is operable from Kingston to Seattle, it will take  
23 you how long to get to the terminal?

24 A. It would -- I could leave about exactly the  
25 same time I do now, because I leave about 15 minutes,

0468

1 5:15, and still -- it was a 5:30 ferry, and I could  
2 still get to the Kingston terminal at 5:30, and I  
3 would be getting to my office before 6:30 in the  
4 morning, instead of seven-something.

5 Q. So it would shave approximately 50 percent  
6 or thereabouts?

7 A. I was figuring out 50 -- or 45 minutes in  
8 the morning. It would be 90 minutes for the round  
9 trip.

10 Q. What is your present daily, weekly and  
11 monthly commute cost?

12 A. Right now, since I work for the federal  
13 government, I have a subsidy, so I don't pay.

14 Q. And do you know if the subsidies pertain to  
15 privately-operated public transit or not?

16 A. I think maybe it's -- used that before, you  
17 use part of your subsidy, but that would be up to --  
18 since Kitsap Transit is involved, they may decide to  
19 -- that's -- I don't know.

20 Q. And the proposed fare of 10.50 round trip,  
21 with a five percent commuter discount for this  
22 service, would be something that you would willingly  
23 pay; is that correct?

24 A. Yes, I would.

25 Q. And could you tell us why you're here today

0469

1 in support of this application?

2 A. I was trying to think of the things that I  
3 wanted to bring home here today, and the first thing,  
4 the selfish part would be my quality of life. It  
5 would allow me to get up maybe just a little bit  
6 later, or even at the same time, but I could put in  
7 the same amount of hours, but return home probably  
8 closer to 5:00, or 4:30, maybe, and be involved in  
9 soccer, be part of the community more.

10 I've been in meetings before on the urban  
11 planning and things like that, which now I have to  
12 leave the office early or -- if anything happens.  
13 But if I could get home early, I could be part of the  
14 community, maybe coach soccer, things like that,  
15 which right now I have to take away time from work  
16 and make it up someplace else, so it's difficult.

17 The other thing, I've been doing this  
18 commute for eight years, since probably about '93,  
19 I've lived in Kingston and done this commute. I've  
20 seen a drastic change over that time in just the  
21 amount of people. I think it's also become a safety  
22 issue in terms of driving, even on a bus, sometimes  
23 when you drive on 305, because that road isn't  
24 getting any wider and the traffic is certainly  
25 getting -- it's increased. I can -- I mean, it used

0470

1 to, when we'd get off the ferry, you could pretty  
2 much just go straight off the ferry at Bainbridge and  
3 get to Kingston pretty fast. Now it's -- sometimes  
4 it could be just a half an hour getting off  
5 Bainbridge, depending on the weather, depending on  
6 traffic. So I guess that's the two things. Safety  
7 is really a concern, because people are starting to  
8 -- I think it's going to get worse.

9 I think -- well, I know the building has  
10 continued. I used to live, like eight years ago, I  
11 used to live where I could walk to the ferry. They  
12 talked about then the foot ferry's going to come in.  
13 Of course, that's been a long time, but the building  
14 hasn't ceased and there's just more people and I  
15 think, as people think about this, they should  
16 consider the safety issue, too, just besides my  
17 quality of life, which I think would improve  
18 drastically.

19 MR. WILEY: Thank you. No further  
20 questions.

21 JUDGE RENDAHL: Mr. Trotter, anything from  
22 the Bench? I have no questions, so thank you very  
23 much for appearing today, Mr. Hartman.

24 THE WITNESS: Thank you.

25 JUDGE RENDAHL: And you can step down.

0471

1 THE WITNESS: Thank you.

2 MR. WILEY: I do have another witness, and  
3 good news, he's our 4:45 witness, the last witness.  
4 So we have two others scheduled in between now, but  
5 I'd like to bring him on now, if we can.

6 JUDGE RENDAHL: Let's go ahead. Is that Mr.  
7 Clark?

8 MR. WILEY: It is.

9 JUDGE RENDAHL: Mr. Clark?

10 MR. CLARK: Yes.

11 JUDGE RENDAHL: Good afternoon. If you  
12 could state your name and address for the court  
13 reporter, please?

14 MR. CLARK: My name is Dennis Clark. I live  
15 at 20759 Indianola Road, in Indianola, Washington.

16 JUDGE RENDAHL: Thank you. And if you can  
17 speak a little closer to the mike, maybe you can pull  
18 it in towards you. If you could raise your right  
19 hand?

20 Whereupon,

21 DENNIS CLARK,  
22 having been first duly sworn, was called as a witness  
23 herein and was examined and testified as follows:

24 JUDGE RENDAHL: Thank you. Please go ahead,  
25 Mr. Wiley.

0472

1 MR. WILEY: Thank you.

2

3 DIRECT EXAMINATION

4 BY MR. WILEY:

5 Q. Good afternoon, Mr. Clark. I appreciate you  
6 being here promptly, early, as a matter of fact. By  
7 whom are you employed?

8 A. I work for the City of Seattle, Department  
9 of Transportation, the traffic signal shop.

10 Q. And what do you do for the Department of  
11 Transportation?

12 A. I'm an electrician, and I basically build  
13 intersections for the City of Seattle and maintain  
14 and repair traffic signals and intersections.

15 Q. And are you here in your private citizen  
16 capacity?

17 A. Yes, I am.

18 Q. How far -- you mentioned you live in  
19 Indianola. How far is Indianola from the Kingston  
20 ferry terminal?

21 A. Five miles.

22 Q. That would take normally how long to get to  
23 from your house?

24 A. If I was driving a car, about seven to 10  
25 minutes.



0473

1 Q. And how do you get to your job every day, if  
2 you would tell us?

3 A. Well, there's various ways right now.  
4 Because of the -- I used to ride a motorcycle. Now I  
5 drive, because of this accident. But four years ago,  
6 I was riding the bicycle to work, but not all the  
7 way. I would put the bicycle in my truck, drive to  
8 the park and ride at Sportsmen Club Road in  
9 Bainbridge Island, it's about two miles away from the  
10 ferry terminal on Bainbridge, and then ride my  
11 bicycle to the terminal. And my job site, or my  
12 office on the other side is three and a half miles  
13 from the ferry terminal on the other side. So I did  
14 that for four years.

15 Q. And now what do you do presently?

16 A. Well, I used to ride a motorcycle, which I  
17 quit after this accident, and now I just drive, and  
18 so I drive to the Kingston terminal, catch the 5:50,  
19 and it gets me to work about 10 minutes before 7:00.

20 Q. So you're one of the few people we have  
21 who's regularly commuting from Kingston to Edmonds,  
22 is that -- or are you commuting on that route?

23 A. Just recently, because I've been having to  
24 drive. Before, I would have to take the 5:20 at  
25 Bainbridge.

0474

1 Q. The Kingston to Edmonds route at 5:50 gets  
2 you to work, you testified, at 6:50?

3 A. Yes.

4 Q. What is the -- is the traffic at that time  
5 of the day on I-5 south from Edmonds -- sounds like  
6 it's bearable if you can get to work in an hour.  
7 Could you describe the traffic on I-5 from Edmonds to  
8 Seattle?

9 A. I try and stay off of I-5. I take 99. So I  
10 -- it's starting to get wound up by then. There's  
11 quite a bit of traffic, it's starting to get wound  
12 up, so --

13 Q. If you were to commute at more civilized  
14 hours, at least for some of us non-morning people,  
15 would the length of passage take longer from Edmonds  
16 to Seattle, for instance, if you took a 7:00 ferry  
17 out of Kingston, if there was one, and got to Edmonds  
18 at 7:30, would the traffic be worse, based on your  
19 knowledge and experience?

20 A. Yes, it would be.

21 Q. And what time, currently, do you leave work,  
22 and when do you get home and how do you get there, if  
23 you would?

24 A. I leave work at 3:30. If I get lucky, I'll  
25 catch the 3:45 Bainbridge, Seattle to Bainbridge. If

0475

1 not, which a lot of times I miss because they're  
2 already overloaded, I'll catch the 4:40, and that  
3 usually gets me home about 6:00 or so.

4 Q. And that's after starting out at 5:50 a.m.  
5 on the ferry to Edmonds?

6 A. Yes, that's getting up at 4:30 in the  
7 morning.

8 Q. You mentioned that oftentimes the lot is  
9 overflowing in Seattle to Bainbridge. Between 3:45  
10 and 4:40, do you just have to sit idle in the lot?

11 A. Yes.

12 Q. Do you see any particular benefit and  
13 convenience to your life and your lifestyle of the  
14 proposed passenger-only ferry service between Seattle  
15 and Kingston?

16 A. Yes, I was thinking about that, and I would  
17 appreciate a run like that, because, for me, when I  
18 get healthy and get out of these things, I could ride  
19 my bicycle. It only takes me 20, 25 minutes to get  
20 from my home to Kingston, and it only takes me like  
21 15 minutes on the other side once I get to Seattle to  
22 work. That would shave a lot of time off of me  
23 sitting around in a car or waiting for overloads and  
24 stuff.

25 Q. So if this application were granted, you

0476

1 would propose to commute by bicycle between the  
2 terminals and either your office or your home; is  
3 that correct?

4 A. Yes.

5 Q. And would this service accommodate that, as  
6 you understand it?

7 A. Yes, it would.

8 Q. And can you tell us today why you went out  
9 of your way to come here to support this application?

10 A. Well, I'm in support of it, and I think,  
11 like the gentleman before me said, it's kind of a  
12 selfish reason, but I would appreciate another mode  
13 of transportation, a ferry service between Kingston  
14 and Seattle. That would cut down my time, that would  
15 cut down my driving time, I wouldn't have to take my  
16 car out of the parking lot; I could just ride my  
17 bicycle. I'm trying to live a healthy life, so I can  
18 ride my bicycle a lot more, so I'd appreciate it.

19 Q. Thank you. You referred, just so the record  
20 is clear, you referred to these things. So that the  
21 record knows what you're referring to, you have casts  
22 on your arms?

23 A. Yes, I have casts and I have pins in my  
24 thumbs from a recent accident.

25 Q. So you should stay off motorcycles for a

0477

1 while, huh?

2 A. I'm not going to ride a motorcycle again.

3 This is for the record; right?

4 JUDGE RENDAHL: That's for the record.

5 MR. WILEY: Thank you, Mr. Clark. I have no  
6 further questions.

7 JUDGE RENDAHL: Mr. Trotter, anything from  
8 the Bench? Thank you very much for coming today, Mr.  
9 Clark. You may step down.

10 THE WITNESS: Thank you.

11 MR. WILEY: This is Marcia Kelbon, Your  
12 Honor.

13 JUDGE RENDAHL: Thank you. Good afternoon.

14 MS. KELBON: Thank you.

15 JUDGE RENDAHL: If you could state your name  
16 and your address for our court reporter, please?

17 MS. KELBON: Certainly. It's Marcia Kelbon,  
18 9981 Kingston Farm Road, Kingston.

19 JUDGE RENDAHL: And Kelbon is spelled?

20 MS. KELBON: K-e-l-b-o-n.

21 JUDGE RENDAHL: Thank you.

22 MS. KELBON: Marcia is M-a-r-c-i-a.

23 JUDGE RENDAHL: Thank you. If you could  
24 raise your right hand, please?

25 Whereupon,

0478

1                               MARCIA KELBON,  
2   having been first duly sworn, was called as a witness  
3   herein and was examined and testified as follows:  
4                JUDGE RENDAHL:  Thank you.  Go ahead, Mr.  
5   Wiley.

6  
7                       D I R E C T   E X A M I N A T I O N

8   BY MR. WILEY:

9        Q.  Good afternoon, Ms. Kelbon.  Thank you very  
10   much for being here.  By whom are you employed?

11       A.  Omeros Corporation.  It's a small biotech  
12   company in Seattle.

13       Q.  And how long have you held that position?

14       A.  Three years.

15       Q.  And your position specifically is?

16       A.  Vice patent -- I'm sorry, vice president,  
17   patent and general counsel.

18       Q.  So you are another one of those attorney  
19   witnesses; is that correct?

20       A.  Another one of those.

21       Q.  Thank you.  How far from the Kingston  
22   terminal do you live at present?

23       A.  It's, by road, approximately three miles.  
24   As the crow flies, about a mile.

25       Q.  And how far is Omeros from the Seattle

0479

1 terminal at Pier 56?

2 A. It's at Fifth and Union. It's, depending on  
3 how fast I move, a 15 to 20-minute walk.

4 Q. And do you currently travel -- how do you  
5 get to your job between job and home every day, if  
6 you would?

7 A. Currently, I drive to Bainbridge and park at  
8 the lot there and then walk on the Bainbridge boat,  
9 and then continue across and walk up to the office.

10 Q. As I recall, you're an inveterate commuter.  
11 How long have you commuted from Kingston to Seattle?

12 A. With one brief four-year stint, I have made  
13 that commute in a variety of methods since 1981.

14 Q. And currently, could you describe for the  
15 record how long it takes you, round trip, to get from  
16 your house to your job and back to your house?

17 A. Sure. Going in, currently, it would be  
18 about an hour and a half on the button. Coming home,  
19 it's approximately two hours.

20 Q. And could you describe for the record why it  
21 takes a little longer coming home? Is that just  
22 traffic patterns or what is it?

23 A. Highway 305 traffic.

24 Q. And we've had a lot of testimony on this  
25 record about Highway 305. Has that highway, to your

0480

1 experience, become more congested of late?

2 A. Oh, certainly. It's growing every year.

3 The casino certainly helped things out in building  
4 some congestion, but just population patterns and  
5 growth on the runs have added to that.

6 Q. Where do you -- do you park on Bainbridge  
7 Island?

8 A. I park in a Diamond lot off of the terminal.

9 Q. How much does that cost?

10 A. It would be \$160 a month.

11 Q. And have you calculated what your total  
12 commuting cost is at present?

13 A. Oh, that's painful. I actually used to  
14 drive a car. I've done a lot of things over the  
15 years. I most recently would drive a carpool. I  
16 found my hours were a bit erratic for that. So I now  
17 drive a single vehicle, and it's about \$50 a week for  
18 gas, in addition to the parking fees.

19 Q. And there's also a passenger ferry fare on  
20 the State ferries, is there not?

21 A. There certainly is a passenger ferry fare,  
22 yes.

23 Q. How much is that per month currently from  
24 Bainbridge?

25 A. I buy two books most months, which are



0481

1 \$45.60, so approximately \$90 a month. So 250 -- I  
2 guess I'm spending about \$450 a month commuting.

3 Q. I had \$50 of gas a week, 160 for parking,  
4 and approximately 90 ferry fare. That's 300;  
5 correct?

6 A. Yes, thank you. Your math is better than  
7 mine.

8 Q. So in terms of the economics of the service,  
9 you've looked at the proposed ferry schedule and  
10 proposed time schedule. Is there some benefit and  
11 convenience posed to you and your lifestyle by this  
12 service?

13 A. Definitely. It's really a lifestyle  
14 difference and, primarily for me, it relates because  
15 I have a family and there are many days I don't see  
16 my kids. That's not so much the case for the  
17 teenagers anymore, because they stay up so late, but  
18 I leave before anyone else is awake, and many nights  
19 I'm certainly home before my -- after my youngest is  
20 in bed, and before that, the others, as well.

21 Q. Is the proposed fare of \$10.50 daily round  
22 trip, or approximately \$210 monthly something that  
23 you would willingly pay?

24 A. Definitely, it would be a bargain. And you  
25 know, I'm actually going to correct your math.

0482

1 Q. Thank you.

2 A. Fifty dollars a week for gas is 200 a month  
3 for gas.

4 Q. Thank you. I had that as per month, so  
5 you're right.

6 A. It's more like 450 a month.

7 Q. That's today's gas rates, not last year's,  
8 obviously?

9 A. No, those are today's gas rates, yes.

10 Q. If the fare were to increase for this  
11 service, say to the 12 or \$13 round trip area, which  
12 is possible in the future, provided the Commission  
13 approve such a fare increase if it was needed, would  
14 that be something prohibitive for you?

15 A. Not at all. Just on a purely financial  
16 basis, it would still save me money. I am in a  
17 position where, this is sounding familiar, perhaps,  
18 but I could bike to work, and that would be my plan.  
19 I've done the motorcycle thing, I've done the bus,  
20 I've done the carpool. This would allow me to bike  
21 and park the car. But I'm fortunate that dollars are  
22 rather irrelevant. The extra time at home would make  
23 the world of difference to me.

24 Q. Have you noticed anything, observed anything  
25 about the Bremerton Island run and the capacity

0483

1 issues relevant to the Bremerton-Seattle run --  
2 excuse me, the Bainbridge to Seattle run?

3 A. The Bainbridge to Seattle run is near  
4 capacity on all of the peak runs. I typically go on  
5 either the 6:20 or the 7:05. I come home usually on  
6 the 5:00 or the 6:20 -- 5:30 or 6:20 boats, and  
7 you're hard pressed to find a seat unless it's a  
8 vacation weekend. I mean, there are seats there, I  
9 don't want to exaggerate that, but most of them are  
10 full. The booths are now four to six people. You  
11 could shave 10 percent off of that with no  
12 difference. If you add another 10 percent, you'll be  
13 at capacity, I would expect, on those runs.

14 Q. Could you summarize for the record why  
15 you're here today in support of this application,  
16 please?

17 A. I've been a Kingston resident for many years  
18 and doing this commute for many years. There was one  
19 winter where there was a private ferry that ran,  
20 Redhead, somewhere in the early '90s, and I took  
21 that. It made a huge difference in my life. I had  
22 very young children at the time, and it was a  
23 tremendous help. Since then, there have been many,  
24 many false starts, private enterprise, county, state,  
25 and each one has been shot down, typically, for

0484

1 funding reasons. I've long since decided I would be  
2 retired before this happened, and now we have someone  
3 here that's -- you know, it seems to be a winning  
4 situation all the way around. We have someone  
5 willing to fund it, Kitsap Transit partnership to  
6 support people to and from it, the State is in  
7 accord, and it just makes sense to have it happen.

8           And the growth is happening regardless.  
9 There's going to be a lot of people that benefit, and  
10 I think the community will benefit from more  
11 involvement from people in their lives, instead of  
12 just being here on the weekends.

13           MR. WILEY: Thank you, Ms. Kelbon. No  
14 further questions.

15           JUDGE RENDAHL: Mr. Trotter.

16           MR. TROTTER: No questions.

17           JUDGE RENDAHL: Anything from the Bench?  
18 Thank you very much.

19           MR. WILEY: And that is my last witness for  
20 the afternoon.

21           JUDGE RENDAHL: Well, thank you very much,  
22 Mr. Wiley.

23           MR. WILEY: Thank you. Before we conclude  
24 this afternoon's proceeding, is there anything we  
25 need to address on the record besides the

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1 illustrative exhibit?

2 MR. WILEY: Nothing.

3 JUDGE RENDAHL: All right. Well, I will  
4 admit the illustrative exhibit after the hearing  
5 tonight. I will likely not be here. The  
6 Commissioners have chosen to preside without me, for  
7 which I am very grateful, having been a very long  
8 day. Not that I don't want to hear from the  
9 community in Kitsap County, but the Commissioners are  
10 ably capable of doing that.

11 So thank you all very much. We will be  
12 adjourned and we will be back on the record at 6:00  
13 with the public comment period. Thank you very much.  
14 We'll be off the record.

15 MR. WILEY: Thank you.

16 (Evidentiary hearing concluded at 4:29 p.m.)

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