



# Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

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## SUMMARY OF THE MEETING OF THE WOODS HOLE, MARTHA'S VINEYARD AND NANTUCKET STEAMSHIP AUTHORITY

January 20, 2015

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The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority ("SSA") held their regular monthly meeting at 9:30 a.m. on January 20, 2015, in Rooms 104 and 105 of the Marine Biological Laboratory's Candle House, located at 127 Water Street, Woods Hole, Massachusetts. All four Board Members were in attendance: Chairman Marc N. Hanover (Martha's Vineyard); Secretary John A. Tierney (New Bedford) (who participated remotely by telephone conference call); Robert F. Ranney (Nantucket); and Robert L. O'Brien (Barnstable).

1. The Board observed a moment of silence in memory and honor of Falmouth Board Member Catherine N. ("Cathy") Norton, who passed away last month. Although Cathy was Falmouth's representative on the Board for less than a year, she made tremendous contributions to the SSA and to its port community of Woods Hole. Among other things, she guided the SSA through the final stages of its feasibility study for the reconstruction of the Woods Hole terminal, making certain that the SSA's consensus design concept considered and addressed the concerns of Woods Hole residents as much as possible, and she made certain that the SSA will complete the landscaping it promised for the Palmer Avenue parking lot. Cathy already has been, and will continue to be, sorely missed.
2. Dukes County Board Member and Chairman Marc N. Hanover asked for permission to take the MoveOn.org petition out of order on the agenda so that all present at today's meeting would have ample opportunity to speak.

The staff presented its response to the recent online petition to repeal or suspend the most recent rate increases. The rate increases were intended to raise an additional \$1,900,000 of revenue for the SSA this year (\$1,400,000 from the Martha's Vineyard route and \$500,000 from the Nantucket route). The petition, which has been signed by approximately 3,000 people (including island residents, other Massachusetts residents and people from out of state), is based upon the fact that, since those rate increases were approved last October, the cost of oil has fallen from around \$83 per barrel to \$49 per barrel.

However, SSA management recommended to the Board that no changes be made to the rate increases due to the continuing uncertainty over what oil prices will be for the upcoming year. In addition, since the 2015 Operating Budget was approved, the SSA has incurred substantial expenses this year that were not included in this year's budget.

SSA management realizes that, if the average price of oil turns out to be \$65 per barrel this year, the SSA will spend around \$2,600,000 less on vessel fuel than budgeted (with 39%, or a little more than \$1,000,000, of that savings allocated to the Martha's Vineyard route and 61%, or almost \$1,600,000, of that savings allocated to the Nantucket route). But current forecasts are that the price of oil will rise to \$70 to \$75 per barrel by spring, and the price could rise even higher by summer, which is when the SSA begins to incur most of its vessel fuel expense.

The contract to replace the two dolphins at the Vineyard Haven terminal is costing \$495,000 more than budgeted; the contract to repair the Oak Bluffs dock is costing \$390,000 more than budgeted; and the contract to dry-dock the *M/V Island Home* this upcoming spring is costing \$450,000 more than budgeted. Some of these unexpected expenses in 2015 are attributable to timing differences between the end of one fiscal year and the beginning of the next. Thus, those three contracts alone already have offset \$1,335,000 of any savings the SSA may realize this year from the recent and unexpected decline in oil prices.

In any event, if the SSA does finish the 2015 calendar year with a higher surplus than projected, the additional monies will be transferred to the SSA's Replacement Fund to reduce the need to issue bonds for future capital improvements. Over the last five years, the SSA has transferred an average of \$8,900,000 per year to the Replacement Fund. By contrast, under the 2015 Operating Budget that was approved last fall (before the recent drop in oil prices), the SSA's budget estimate was that less than \$6,000,000 will be transferred to the Replacement Fund in 2015. In addition, over the last five years, the SSA's rates, as a percentage of its total operating revenues, increased at an average annual rate of 1.58% (and, over the last seven years, at an average annual rate of 1.13%).

Several individuals from the public spoke about the need for greater transparency with more information as to how the SSA works and on future capital projects that could lead to additional fare increases. Other individuals raised concerns about traffic in Falmouth and the need to divert boat-related vehicular traffic through New Bedford while some people questioned the need to make certain improvements at the Woods Hole terminal at this time. The SSA is planning to schedule a public hearing on Martha's Vineyard in March and looks forward to receiving more public input and discussion about its operations and future plans.

3. Last week SSA Director of Engineering and Maintenance Carl Walker, Port Engineer Stephen Clifford and Captain Edward Jackson of Marine Systems Corporation travelled to Conrad Shipyard, L.L.C. ("Conrad") for their first meeting with Conrad regarding the construction of the SSA's new passenger/ vehicle ferry, the *M/V Woods Hole*. At the meeting, they reviewed and approved Conrad's proposed construction schedule for the

vessel. If the vessel's construction proceeds according to that schedule, the *M/V Woods Hole* will be delivered to the SSA's Fairhaven Vessel Maintenance Facility by the end of April 2016.

4. A few weeks ago, the newly poured foundation for the new modular building at the SSA's Palmer Avenue parking lot cracked during the backfilling process and the contractor will now have to replace the entire foundation at its own expense. Nevertheless, despite this setback, the building – which will have an office, break room and lockers for the SSA's parking lot employees and shuttle bus drives, restrooms for employees and the public, a small customer waiting area and a counter area for a rental car company – is still expected to be completed before the beginning of the 2015 summer season
5. Work is also progressing for the SSA's new consolidated parking lot on Thomas B. Landers Road. To date, Lawrence-Lynch Corp. has encountered approximately 3,500 cubic yards of boulders at the site and, as a result, the SSA will be incurring extra costs of around \$64,000 (although those extra costs ultimately might be as high as \$75,000). But again, despite this hindrance, the work is still progressing on or ahead of schedule
6. The foundation for the new modular building at the SSA's Fairhaven Vessel Maintenance Facility has been finished and, fortunately, has not cracked. The contractor is now simply waiting for the utilities to be furnished so that it can continue with the installation of the building.
7. SSA General Manager Wayne Lamson reported that the SSA management staff is continuing to work with Bertaux + Iwerks Architects, LLC ("B+I") to prepare B+I's design contract for the reconstruction of the Woods Hole terminal and relocation of the SSA's General Offices, which will include a fixed fee for B+I's basic services during the design and permitting phases. The staff hopes to have that contract finalized by early February so that it can then be presented to the Port Council and the SSA's Board for their consideration
8. SSA Treasurer/Comptroller Bob Davis reported that there will be delay in the competitive sale of Steamship Bonds that were authorized at last month's Board meeting. The Commonwealth of Massachusetts is required to provide a certificate when the SSA issues bonds. With the change of administrations in the State House, Mr. Davis was informed that the Commonwealth will not be prepared to provide the certification until late February or early March as opposed to the SSA's original scheduled sale date of January 26, 2015.
9. The Board also approved Mr. Davis' recommendation to reauthorize the SSA's Investment Policy, which formally establishes the types of permitted investments that can be made with SSA funds. The policy, which is essentially the same as what was

approved by the Board in March 2013, establishes the framework for the SSA's investments (fiscally conservative), identifies the types of permitted investments (government securities), and identifies risk avoidance. In accordance with state regulations, the Investment Policy is required to be formally adopted every two years.

10. Mr. Lamson informed the Board that, in accordance with the authorization they gave him at their December meeting, earlier this month he awarded Contract No. 01-2015 for a parking access and revenue control system for the SSA's new consolidated parking lot at Thomas B. Landers Road to the lowest eligible and responsible bidder for the contract, Amano McGann, Inc. of Charlestown, Massachusetts, for a total contract price of \$201,325. The new system will have entrance and exit gates, loop counters, ticket dispensers, and card access, cashier stations and/or automated exit stations, all of which will be fully integrated into the same network as all of the SSA's other parking lot systems.
11. The Board authorized Mr. Lamson to award Contract No. 04-2015 for two 36-passenger heavy-duty transit buses with wheelchair lifts to the lowest responsible and eligible bidder when bids for the contract are opened this Friday, January 23, 2015. The buses will be used to transport customers between the Woods Hole terminal and the SSA's off-site parking lots in Falmouth. The estimated cost for each bus is \$159,000, which means the budget estimate for the contract for two buses is \$318,000. The contract will also provide the SSA with the option to purchase ten additional buses over the next five years at the successful bidder's bid price adjusted for any increase in the Producer Price Index for Total Manufacturing Industries (as well as for any increases due to changes in federal and state emission/environmental requirements).

At the conclusion of the meeting, the Board voted to go into executive session to discuss various matters appropriate for discussion in executive session, and they announced that they would not reconvene in public.

The next regular monthly meeting of the SSA's Board is currently scheduled for 9:30 a.m. on Tuesday, March 10, 2015. The meeting is currently scheduled to again take place in Rooms 104 and 105 of the Marine Biological Laboratory's Candle House, located at 127 Water Street, Woods Hole, Massachusetts. However, the location, time and date of the meeting are all subject to change, so please look for the formal notice for the meeting that will appear on this website next month. Thank you.



# Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

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## SUMMARY OF THE MEETING OF THE WOODS HOLE, MARTHA'S VINEYARD AND NANTUCKET STEAMSHIP AUTHORITY

March 17, 2015

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The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority ("SSA") held their regular monthly meeting at 9:30 a.m. on March 17, 2015, in Rooms 104 and 105 of the Marine Biological Laboratory's Candle House, located at 127 Water Street, Woods Hole, Massachusetts. All five Board Members were in attendance: Chairman Marc N. Hanover (Martha's Vineyard); Secretary John A. Tierney (New Bedford) (who participated remotely by telephone conference call); Elizabeth H. Gladfelter (Falmouth); Robert F. Ranney (Nantucket); and Robert L. O'Brien (Barnstable).

1. The Board began the meeting with a moment of silence in memory of SSA Hyannis Terminal Agent Thomas Lee, who passed away earlier this year. Mr. Lee joined the SSA in 1981 after careers with the Massachusetts State Police and the United States Secret Service during the Nixon administration, and had served as the SSA's Hyannis Terminal Manager for a time. He was a well-respected employee who will be remembered as a nice quiet guy and a hard worker. Everyone's thoughts and prayers are with his family and friends.
2. The Board then elected the SSA's new Falmouth Board Member, Elizabeth ("Betsy") Gladfelter, to be the SSA's Vice Chairman. On March 2nd, the Falmouth Board of Selectmen appointed Ms. Gladfelter to be Falmouth's representative on the SSA's Board and, in accordance with the SSA's enabling act, next year she will serve as the SSA's Chairman.
3. SSA General Manager Wayne Lamson reported that, at the beginning of this month, Conrad Shipyard began welding plates for the freight deck of the *M/V Woods Hole* and that all of the items needed for the vessel with long lead times already have been purchased. In addition, Captain Edward Jackson, the SSA's representative at the shipyard for this project, is already in residence near Morgan City, Louisiana, and the vessel's construction is going well and is on schedule.

4. Mr. Lamson also reported that the biggest problems the SSA is encountering during the construction of its new consolidated parking lot on Thomas B. Landers Road are the harsh weather conditions this winter. While Lawrence-Lynch Corp. is doing everything in its power to keep the project on schedule, due to the weather it has asked for a 22-day extension within which to complete the project, although the SSA still hopes that the facility will be ready by the Memorial Day weekend.
5. Last week the SSA held a public information meeting on Martha's Vineyard to present its plans regarding the Woods Hole terminal reconstruction project and the relocation of its General Offices, described in the feasibility study report that the SSA's Board approved in December 2014. Meanwhile, the SSA's design contract with Bertaux + Iwerks Architects, LLC ("B+I"), is still being finalized and, in order to keep this project moving, the Board approved the management staff's request to approve a change order to B+I's feasibility study contract for a subsurface exploration program (consisting of borings taken in the vicinity of the proposed new ferry slips and land structures, at a cost of \$337,745) that will begin next month so that it can be completed before the start of the summer schedule. Mr. Lamson further reported that he was also approving another change order to B+I's contract to begin preparing an expanded Environmental Notification Form for the project so that the SSA can start the project's permitting phase within the next few months.
6. Mr. Lamson reported that that Cape Building Systems, Inc., the SSA's contractor for its new modular building at its Fairhaven Vessel Maintenance Facility, has begun erecting that building, which will be finished sometime during the summer, and that Vanguard Modular Building Systems, the SSA's contractor for its new modular building at its Palmer Avenue parking lot, has similarly begun erecting that building, which will be finished before the Memorial Day weekend.
7. The Board approved the management staff's recommendation to partially fund another year's operation of the Nantucket Regional Transit Authority's "Ferry Connector" Park and Ride Shuttle Bus Service from May 21st through October 12th of this year. Because the cost of last year's service was less than expected, the SSA was asked to contribute only \$36,421.89 towards this year's service instead of the \$50,000 it contributed last year. In addition, Hy-Line and other downtown businesses are also contributing towards this year's service in similar proportions to what they had contributed last year.
8. The Board also approved the management staff's recommendation to contribute \$10,000 to help fund the first-year operation of a pilot Park and Ride Program for the Town of Oak Bluffs that will provide shuttle bus service between Ocean Park and a new municipal parking lot off of School Street from June 20th to September 1st of this year. The shuttle bus service, which is anticipated to cost more than \$39,000, will be provided by the Martha's Vineyard Regional Transit Authority, which expects to receive state funding for 70% of that cost.

9. The Board also adopted a new Parental Leave Policy for the SSA's employees to replace its current Maternity/Paternity Leave Policy, effective April 7, 2015. The SSA needed to replace its current policy to comply with the requirements of a statute that was enacted earlier this year, entitled "An Act Relative to Parental Leave." The SSA's new policy will continue to provide more parental leave than required by law (12 weeks of unpaid leave instead of eight weeks) and the SSA will also continue to provide employees with their medical coverage during their leave (subject to their obligation to pay 20% of the cost of the coverage) even though the law does not require the SSA to do so.
10. SSA Treasurer/Comptroller Robert Davis reviewed the SSA's results for the year ended December 31, 2014. Although the SSA's independent accountants won't be finishing their audit until later this month, it appears that the SSA will end 2014 with a net operating income of around \$7,733,000, which was \$4,641,000 higher than projected in the SSA's 2014 operating budget. This difference was primarily due to higher revenues than expected (\$3,793,000) as a result of increases in traffic levels from 2013 (1.2% for automobiles, 1.7% for passengers and 2.7% for trucks). The SSA also received \$475,000 more in license fees than budgeted and \$226,000 more in miscellaneous income. Further, while the SSA's maintenance expenses in 2014 were \$2,008,000 higher than budgeted, those increased expenses were offset by decreases in other expenses, including its vessel operating expenses (*e.g.*, vessel fuel expense was \$1,239,000 lower than budgeted) and lower insurance costs (\$203,000 less than budgeted).
11. The Board also approved Mr. Davis' request to extend the time within which the SSA can issue up to \$38,250,000 of Steamship Bonds to fund the construction of the *M/V Woods Hole*. The original bond resolution, adopted by the Board in December 2014, provided for the bonds to be issued by January 26, 2015. However, because the Commonwealth of Massachusetts has still not provided a certificate that the SSA needs to issue bonds, the Board extended the time within which the SSA can issue the bonds to June 30, 2015.
12. The Board authorized Mr. Lamson to award Contract No. 08-2015 to complete certain traffic improvements at the SSA's Vineyard Haven terminal that had been requested by the Tisbury Traffic Planning Committee after bids for the contract are opened on March 27, 2015. The improvements will include the addition of a second check-in booth, which will be manned during high traffic times to increase the number of vehicles that can be processed and reduce traffic backups on Water Street from vehicles waiting to enter the terminal, the addition of a second drive-through lane between the pick-up and drop-off parking spaces on the Water Street side of the terminal, and the removal of the passenger canopy there. Work on the improvements will begin in early April so that they can be completed by the Memorial Day Weekend.
13. The Board also awarded a contract to purchase one compressed natural gas (CNG) powered Aero Elite 290 shuttle bus from Alliance Bus Group of Hudson, New Hampshire, for a total price of \$120,419, in accordance with a state contract. The bus, which will have 15 seats and two wheel chair spaces, will be used for transporting

customers between the Hyannis terminal and the SSA's three Hyannis off-site parking lots.

14. Mr. Lamson reported that, pursuant to the authorization the Board gave him in January 2015, he had awarded Contract No. 04-2015 for two 36-passenger heavy-duty transit buses with wheelchair lifts to the lowest responsible and eligible bidder for the contract, Dattco, Inc. of New Britain, Connecticut, for a total contract price of \$247,830. The buses will be used to transport customers between the Woods Hole terminal and the SSA's off-site parking lots in Falmouth. The contract also provides the SSA with the option to purchase ten additional buses over the next five years at the contract's per-bus price adjusted for any increase in the Producer Price Index for Total Manufacturing Industries (as well as for any increases due to changes in federal and state emission/environmental requirements).
  
15. Last month, the Town of Tisbury asked the SSA to undertake a study to investigate the potential of relocating all or a portion of the SSA's Vineyard Haven terminal outside of downtown Vineyard Haven to improve operations and mitigate operational impacts. At today's meeting, the Board authorized Mr. Lamson to meet with the appropriate Town officials to review previous studies that have been conducted and to discuss whether it would be useful to study any potential alternative sites that the Town may want the SSA to consider.

At the conclusion of the meeting, the Board voted to go into executive session to discuss various matters appropriate for discussion in executive session, and they announced that they would not reconvene in public.

The next regular monthly meeting of the SSA's Board is currently scheduled for 9:30 a.m. on Tuesday, April 21, 2015. The meeting is currently scheduled to again take place in New Bedford, Massachusetts. However, the location, time and date of the meeting are all subject to change, so please look for the formal notice for the meeting that will appear on this website next month. Thank you.





# Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

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## SUMMARY OF THE MEETING OF THE WOODS HOLE, MARTHA'S VINEYARD AND NANTUCKET STEAMSHIP AUTHORITY

April 21, 2015

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The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority ("SSA") held their regular monthly meeting at 9:30 a.m. on April 21, 2015, in Room 2 of the Education Building at the Buttonwood Park Zoo, located at 425 Hawthorn Street, New Bedford, Massachusetts. Four Board Members were in attendance: Chairman Marc N. Hanover (Martha's Vineyard); Vice Chairman Elizabeth H. Gladfelter (Falmouth); Robert F. Ranney (Nantucket) (who participated remotely by telephone conference call); and Robert L. O'Brien (Barnstable). Secretary John A. Tierney (New Bedford) was not present.

1. The Board began their meeting with a moment of silence in memory of Vineyard Haven Terminal employee Brianna Combra, who died a week ago Sunday as a result of injuries sustained in a car accident as she was driving to work. Ms. Combra was only 24 years old and had worked at the SSA's Vineyard Haven and Oak Bluffs terminals for the past five years. She will always be remembered as being friendly and well-liked. The thoughts and prayers of everyone at the SSA go out to her family and friends.
2. SSA Director of Engineering and Maintenance Carl Walker reported that the construction of the *M/V Woods Hole* is going very well and that Conrad Shipyard is using a module layout of construction for the vessel, building it in sections. Mr. Walker also reported that the freight deck already has been constructed and has been taken out of the shop, and that other modules (including the pilot house) will be built in the shop but left off of the vessel until it is barged down river to Conrad's other shipyard.
3. Mr. Walker reported that the site of the SSA's new consolidated parking lot on Thomas B. Landers Road is almost all level. Mr. Walker also reported that Lawrence-Lynch is beginning to build up the porous asphalt system by putting down the choker course, and that tomorrow it will do a test patch of the porous asphalt itself.

4. Mr. Walker also reported that the erection of the new modular building at the SSA's Fairhaven Vessel Maintenance Facility is going well, that all of the steel framing is up, that the siding and the roofing have been put on, and that the floor was poured out yesterday. Mr. Walker also stated that everything is on schedule and that the contractor is now waiting for the utilities to be hooked up.
5. Mr. Walker reported that the new modular office building at the SSA's Palmer Avenue parking lot has been erected, and that the building will be completed by mid-May.
6. The Board approved the SSA's management staff's request for authorization to enter into a design contract with Bertaux + Iwerks Architects, LLC ("BIA") for the reconstruction of the Woods Hole terminal and relocation of the SSA's General Offices. Under the contract, BIA will be required to:
  - perform all work necessary to enable the SSA to obtain the permits for the project;
  - prepare a "schematic design" for the project based upon the consensus solution set forth in the feasibility study for the project that was approved by the Board last year (as it may reasonably be modified and refined in response to comments, issues and concerns raised during the permitting and design process);
  - develop that schematic design;
  - prepare construction documents (including all construction drawings and specifications) based upon the developed design; and
  - provide construction administration services for Phase I of the project (which includes the temporary terminal building) and the construction of the new General Offices building.

BIA's basic fee for its services is \$5,041,000 and it is subject to an equitable adjustment only if there is a substantial change in the scope of its services provided under the contract that is not BIA's fault or if there is a significant increase in the duration of the project that is not BIA's fault. Hopefully the permitting for the project will be completed by the summer of 2016, which will then allow the project to be constructed in phases so that the new terminal building can open by the summer of 2021.

7. The Board also approved the staff's request to make certain changes to the SSA's policies regarding the cancellation of reservations for vehicles 20 feet or more in length and the transferability of bulk freight reservations. Previously, the SSA's policy required freight shippers to cancel their reservations at least 24 hours in advance of their scheduled departure in order to avoid a cancellation penalty, but the Reservations Department historically had allowed freight shippers to cancel their reservations without penalty up to noon the day before. Under the revised policy, freight shippers instead will be required to cancel their reservations by 6:00 a.m. the day before their scheduled departure in order to avoid a cancellation penalty so that more reservations will be made available to the rest of the traveling public by the time the remainder of the preferred spaces for the next day go on sale later that morning.

The only exception to this policy will be that, if a shipper who has one segment of a requested round-trip reservation is still hoping to receive its wait list request for the other segment of its trip, that shipper will not have to cancel its reserved segment until 12:00 noon the day before its scheduled departure. This will give the shipper an additional six hours to make a possible wait list match while the SSA's computer system continues to process its wait list requests.

In 2014, 25% of all freight reservation cancellations were not made until the day before their scheduled departures, and this delay in cancelling reservations has contributed to the complaints the SSA receives about no reservations being available even though the boats continue to leave with empty spaces. By choosing a 6:00 a.m. deadline, the SSA is attempting to reach a balance between the freight shippers' need to have reservations they might not use and other members of the public who are still looking for reservations the day before they want or need to travel.

The Board also approved the staff's request to change the policy that restricts shippers from transferring their bulk freight reservations only to other shippers who are carrying like loads (*e.g.*, hazardous materials). Under the revised policy, a freight shipper will be able to transfer its reservation to another shipper regardless of the load the other shipper was carrying (*e.g.*, hazardous materials to food or general commodities), provided that there are no other customers on the wait list for that trip at the time the reservation is transferred (or, if the reservation is transferred after 12:00 noon the day before the scheduled departure, which is when the SSA stops processing the wait list for that trip, there were no other customers on the wait list at the time the SSA stopped processing the wait list).

8. The Board also approved a dockage agreement for the use of the SSA's Nantucket dock by Seastreak LLC in connection with its proposed pilot program for high-speed passenger ferry service from New York on the weekends of June 5-7 and 12-14, 2015. SeaStreak plans to use those two weekends in June to try out the new service, which is a continuation of its existing summer service between New York and Oak Bluffs. SeaStreak's trip is scheduled to take five hours from New York to Oak Bluffs and then another one hour and ten minutes to Nantucket. No passengers will be carried between Oak Bluffs and Nantucket other than the passengers already traveling to and from New York, and the vessel will continue to dock at the New Bedford State Pier over the weekend (although it will arrive there later on Friday nights).
9. The Board also approved the staff's request to renew the SSA's parking permits when they expire on May 14, 2015 only through the end of the 2015 calendar year instead of for another twelve-month period (through May 14, 2016), and also to sell all new parking permits with the same December 31, 2015 expiration date. The SSA cannot sell any Woods Hole parking permits with an expiration date beyond December 31, 2015 because that is when its current lease with the Town of Falmouth for the Woods Hole back parking lot expires, and the parties have not yet renewed that lease. The SSA will accordingly take this opportunity to convert all of its parking permits to run on a calendar

year basis, and the prices for renewed permits reflect a pro-rated adjustment to their current annual prices based upon the number of days remaining in 2015 (although there will be increases in the prices for new permits).

10. SSA Treasurer/Comptroller Robert Davis reported that the Commonwealth of Massachusetts has updated and issued its information statement that the SSA needs to include with its disclosure documents when it issues Steamship Bonds. Accordingly, the SSA is now in a position to receive bids on Monday, April 27, 2015 for the purchase of up to \$38,250,000 of Steamship Bonds to fund the construction of the *M/V Woods Hole*, and the closing on that bond issue can then take place on Friday, May 8, 2015.
11. The Board authorized SSA General Manager Wayne Lamson to award Contract No. 05-2015, the Palmer Avenue Parking Lot Rental Car Services Agreement, to Avis Budget Car Rental of Parsippany, New Jersey. The agreement allows Avis to maintain a car rental office/counter space and 20 parking spaces at the Palmer Avenue parking lot beginning May 15, 2015 through May 14, 2016. As rent for the space, Avis will pay the SSA \$45,000 or 10% of its gross rental revenues generated at that location, whichever is greater. Avis might also locate Zipcars at that location, which will allow people (who pay annual or monthly membership fees) to rent cars there on an hourly or daily basis.
12. Mr. Lamson reported that, pursuant to the authorization the Board gave him last month, he awarded Contract No. 08-2015 to complete certain traffic improvements at the SSA's Vineyard Haven terminal that had been requested by the Tisbury Traffic Planning Committee to the lowest eligible and responsible bidder for that contract, Lawrence-Lynch Corporation of Falmouth, Massachusetts, for a total contract price of \$244,000. The improvements will include the addition of a second check-in booth, which will be manned during high traffic times to increase the number of vehicles that can be processed and reduce traffic backups on Water Street from vehicles waiting to enter the terminal, the addition of a second drive-through lane between the pick-up and drop-off parking spaces on the Water Street side of the terminal, and the removal of the passenger canopy there. Work on the improvements should be completed by the Memorial Day Weekend.

At the conclusion of the meeting, the Board voted to go into executive session to discuss various matters appropriate for discussion in executive session, and they announced that they would not reconvene in public.

The next regular monthly meeting of the SSA's Board is currently scheduled for 9:30 a.m. on Thursday, May 14, 2015. The meeting is currently scheduled to again take place in Hyannis, Massachusetts. However, the location, time and date of the meeting are all subject to change, so please look for the formal notice for the meeting that will appear on this website next month. Thank you.



# Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

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## SUMMARY OF THE MEETING OF THE WOODS HOLE, MARTHA'S VINEYARD AND NANTUCKET STEAMSHIP AUTHORITY

May 14, 2015

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The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority ("SSA") held their regular monthly meeting at 9:30 a.m. on May 14, 2015, in the second floor meeting room of the SSA's Hyannis terminal, located at 141 School Street, Hyannis, Massachusetts. All five Board Members were in attendance: Chairman Marc N. Hanover (Martha's Vineyard); Vice Chairman Elizabeth H. Gladfelter (Falmouth); Secretary John A. Tierney (New Bedford) (who participated remotely by telephone conference call); Robert F. Ranney (Nantucket); and Robert L. O'Brien (Barnstable).

1. SSA Director of Engineering and Maintenance Carl Walker reported that the construction of the *M/V Woods Hole* is progressing well and that it is on schedule and on budget. Although Conrad Shipyard has submitted 15 to 20 change orders, only one of them raises a cost issue and that one is still being negotiated. As mentioned at prior meetings, the vessel is being built in modules and Module A (the freight deck) is complete, having passed a United States Coast Guard inspection this past Monday. Module B should be completed by the end of June, when work on Module C (the shell plating) will start. Other modules will be constructed in another building and installed on the vessel after it is launched this September.
2. Mr. Walker also reported that the construction of the SSA's new consolidated parking lot on Thomas B. Landers Road is progressing well, that the traffic "ring" road has been paved, and that the permeable base has been completed over the entire lot. Lawrence-Lynch Corp. will start placing the top coat of the porous pavement tomorrow and install the traffic control booths next week. The utilities are expected to be completed by the end of May 2015 and the office building by mid- to late June, leaving the SSA on target to open the facility by June 25th.

3. Mr. Walker also reported that the erection of the new modular building at the SSA's Fairhaven Vessel Maintenance Facility is on schedule, that the building is completely closed in, that the concrete floor has been poured, and that the installation of utilities will begin next week. Accordingly, the building will be completed by late July and the stock room will be fully operational before the beginning of the SSA's next vessel overhaul season.
4. Mr. Walker also reported that the new modular office building at the Palmer Avenue parking lot is expected to be operational by May 30th, and that the power should be installed next week.
5. Mr. Walker also reported that the traffic improvements at the Vineyard Haven terminal are progressing well. The slabs for the two traffic control booths have been poured and the booths have been delivered. The top coat of asphalt will be put on tomorrow. The booths will then be installed on Saturday, and wiring will begin on Sunday so that everything will be operational as soon as possible.
6. SSA General Manager Wayne Lamson reported that Bertaux + Iwerks Architects, LLC ("BIA") is beginning the permitting process for the reconstruction of the Woods Hole terminal and relocation of the SSA's General Offices, and that the first step of that process will be the filing of an Environmental Notification Form with the Massachusetts Executive Office of Energy and Environmental Affairs. BIA has been taking boring samples of soils (both landside and under the water) where the new ferry slips and terminal building will be located, and it also has conducted a walk-through of the property with all of the design team's various engineering firms to familiarize them with the site.
7. SSA Director of Information Technologies Mary Claffey reported on the SSA's efforts to improve the connectivity of its free WiFi service in response to several complaints it had received about it. Ms. Claffey stated that, after the SSA made significant upgrades and transitioned to a leading edge technology, it has seen dramatic increases in the WiFi's usage and much better throughput. However, many of the problems encountered by the SSA's customers are due to the fact that they are using cellphones with all of their websites bookmarked instead of using a browser to get to them. Ms. Claffey stated that, as a result, they do not see the initial page where customers have to click on the "I agree" button to the SSA's terms and conditions of usage in order to use the WiFi. However, the SSA is working on a solution that will cause that page to appear automatically on everyone's different devices. Other customers' problems are due to the fact that they are sometimes using corporate equipment that does not allow them to be connected to unknown outside networks, or they are trying to connect to the WiFi when they are on a vessel's freight deck (where there is no WiFi service). The SSA is attempting to better inform customers of these issues and, in turn, customers are telling the SSA that they are experiencing significant improvements in the service.

8. Ms. Claffey also reported on the SSA's upgrade of its maintenance management information system (Maximo), which the SSA has been working on since September 2014. Because Maximo is an IBM product, the SSA has partnered with IBM representatives to accomplish the upgrade, but the IBM representatives recommended a number of features that turned out to be not compatible with the new software. In this regard, one of the key goals of the upgrade is to integrate Maximo with computer tablets so that the SSA's employees can access and enter information into the system directly on those tablets, and this was one of the features that were not compatible with the new software. Fortunately, the mistakes have been resolved and, earlier this month, the SSA finally has been able to get back to a test platform and confirm the accuracy of the transition of the old system's data to the new one.
9. Mr. Lamson also reported on several other improvements the SSA is making to its online reservations system. For example, freight shippers now have the ability to cancel their truck reservations online, and the SSA is pretty close to being able to automatically send them a text message when they receive their wait list requests. In addition, the general public will soon be given the option of allowing their wait list requests to be filled up to 12:00 noon the day before their scheduled departure. Currently, the SSA stops processing its customers' wait list requests 48 hours in advance of their scheduled departure. Finally, the SSA is working towards processing wait list requests on a real-time basis, instead of processing them once a day in the late evening. As a result, customers will be informed more quickly when the SSA is able to provide them with their wait list requests.
10. At last month's Board meeting, a customer complained about SSA employees smoking at the Woods Hole and Vineyard Haven terminals while collecting tickets. A review of the SSA's policies confirmed that SSA employees are prohibited from smoking while performing their duties, including loading vehicles and collecting passenger tickets, and that customers are also prohibited from smoking on any terminal ramps (as well as on any vessel or in any SSA building, van or bus). But no policy specifically prohibited customers from smoking when they are in line to board a ferry. Therefore, the Board approved the management staff's recommendation to revise the SSA's policies by adding passenger queuing lines to the list of locations where smoking is prohibited on SSA property. The SSA will be enforcing this policy by, among other things, posting signs and asking customers not to smoke out of courtesy to their fellow passengers.
11. SSA Treasurer/Comptroller Robert Davis reported that, after the Commonwealth of Massachusetts issued its information statement at the end of March 2015, the SSA was able to distribute an official notice of sale of its most recent bond issue and received bids for them on April 27, 2015. Mr. Davis stated that ten bids were received and that the bonds were awarded to Janney Montgomery Scott, LLC, of Philadelphia, Pennsylvania, based upon their offer to purchase all of the bonds at the lowest true interest cost of 2.47718%. The principal amount of the bonds (which mature in the years 2021 through 2029) will have coupon rates ranging from 5% down to 3%, resulting in an average coupon rate of 4.33146%; and, because the successful bid included over \$5,600,000 in

premium, the total amount of the bonds that were issued was “resized” from \$38,250,000 to \$32,950,000. As a result, the SSA will be using less of its bonding capacity than previously anticipated.

12. Mr. Davis then reviewed his analysis of the effectiveness of the SSA’s rate structure to cover each route’s respective cost of service for passengers, automobiles and trucks during the 2014 calendar year, noting that the methodologies used in the analysis were the same as those that have been used for the previous ten years.

With respect to the Martha's Vineyard route, Mr. Davis noted that:

- (a) In 2014, total vessel operating costs increased by \$177,118, or 0.7%; total indirect non-vessel costs decreased by \$280,622, or 1.2%, principally due to decreases in dolphin and dock repairs; and, as a result, the overall cost of service for the Martha's Vineyard route decreased by \$103,504, or 0.2%, from 2013.
- (b) The number of trips operated increased by 63 in 2014, with total capacity for the year increasing by 3,560 car-equivalent unit spaces. The number of spaces occupied increased by 9,673, or 1.6%, from 2013, resulting in an increase of the occupancy rate from 79.9% in 2013 to 80.8% in 2014.
- (c) The estimated cost of a car-equivalent unit space was \$52.32 in 2014, down from \$53.55 in 2013. On average, automobiles covered 91.4% of their allocated cost of service, with standard fare automobiles covering 123.4% and excursion fare automobiles covering 38.1%. By comparison, on average, trucks were covering 108.8% of their allocated cost of service.

With respect to the Nantucket route, Mr. Davis noted that:

- (a) In 2014, total vessel operating costs decreased by \$955,742, or 5.9%, primarily due to a decrease in engine part costs and fuel expense; total indirect non-vessel costs allocated to the Nantucket route decreased by \$179,845, or 1.6%; and, as a result, the overall cost of service for the Nantucket route decreased by \$1,135,587, or 4.2%, from 2013.
- (b) The number of trips operated increased by 63 in 2014, and 3,060 more spaces were provided in 2014 than in 2013. The total number of spaces occupied increased by 6,155, resulting in an increase in the occupancy rate from 80.9% in 2013 to 82.7% in 2014.
- (c) The estimated cost of a car-equivalent unit space was \$117.35 in 2014, down from \$129.36 in 2013. On average, automobiles were covering 128.3% of their allocated cost of service, with standard fare automobiles covering 164.8% and excursion fare automobiles covering 45.8%. By comparison, on average, trucks were covering 98.1% of their allocated cost of service.



12. The Board approved the management staff's recommendation to appoint McGladrey LLP as the SSA's independent auditors for the year ending December 31, 2015 for a fee of \$126,200 (which represents no change from this past year's fee). Three years ago, the SSA had issued a request for proposals for auditing services and McGladrey had submitted the top-ranked proposal for those services. McGladrey's proposed audit plan for 2015 is similar to this past year's scope of services and will include an in-depth review of the SSA's general computer controls and procedures. While the general scope of services remains similar, the complexities of the 2015 audit are expected to expand due to the SSA's need this year to adopt Governmental Accounting Standards Board pronouncements related to pension liabilities.

At the conclusion of the meeting, the Board voted to go into executive session to discuss various matters appropriate for discussion in executive session, and they announced that they would not reconvene in public.

The next regular monthly meeting of the SSA's Board is currently scheduled for 9:30 a.m. on Tuesday, June 16, 2015. The meeting is currently scheduled to again take place on Nantucket, Massachusetts. However, the location, time and date of the meeting are all subject to change, so please look for the formal notice for the meeting that will appear on this website next month. Thank you.



# Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

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## SUMMARY OF THE MEETING OF THE WOODS HOLE, MARTHA'S VINEYARD AND NANTUCKET STEAMSHIP AUTHORITY

June 16, 2015

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The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority ("SSA") held their regular monthly meeting at 9:30 a.m. on June 16, 2015, in the Discovery Room of the Nantucket Whaling Museum, located at 15 Broad Street, Nantucket, Massachusetts. All five Board Members were in attendance: Chairman Marc N. Hanover (Martha's Vineyard) (who participated remotely by telephone conference call); Vice Chairman Elizabeth H. Gladfelter (Falmouth); Moira E. Tierney (New Bedford); Robert F. Ranney (Nantucket); and Robert L. O'Brien (Barnstable).

1. The Board began the meeting by observing a moment of silence in honor of John A. (Jack) Tierney, who passed away last month. Judge Tierney was a tremendous public servant all of his life, including being a Justice on the Massachusetts Superior Court; but we all knew him from the last seven years when he served as the City of New Bedford's representative on the SSA's Board. He was a man of utmost integrity who fulfilled his fiduciary duties to both the SSA and the City of New Bedford with a deep commitment to fairness and compassion for the Islands as well. We have all been the beneficiaries of Judge Tierney's wise counsel, which he consistently dispensed with grace, patience and respect for everyone who came before him. It has been our distinct honor and privilege to have worked with him all of these years, and he will be missed.
2. The Board then welcomed Judge Tierney's daughter, Moira Tierney, as his successor as New Bedford's representative on the SSA's Board. Last month New Bedford Mayor Jon Mitchell appointed her to continue the Tierney family's long tradition of public service. The Board also elected Ms. Tierney to be the SSA's Secretary for the remainder of 2015.
3. SSA Director of Engineering and Maintenance Carl R. Walker reported that the construction of the *M/V Woods Hole* at Conrad Shipyard in Morgan City, Louisiana, is progressing well and on schedule. The fabrication and installation of the Module A (Main Deck) is complete, the erection of Module B (Internal Structural Bulkheads) is 70% complete, and the erection of Module C (Side Shells) is 60% complete. The Owner-

furnished bow thruster already has been delivered to the shipyard and it should be installed later this week.

4. Mr. Walker reported that the construction of the SSA's new consolidated parking lot on Thomas B. Landers Road is also progressing well, that all paving of the lot has been completed, that the pavement has all been striped, that the fencing will be completed the following day, and that the signage will be completed by next Tuesday. The SSA's new variable message sign on Route 28 north of Thomas B. Landers Road is also now operational. Lawrence-Lynch Corp. is expected to complete its work and be offsite by the end of this week, and the entire facility is expected to be operational by June 23rd.
5. Mr. Walker also reported that work on the new modular building at the SSA's Fairhaven Vessel Maintenance Facility is progressing and that the contractor will obtain a temporary occupancy permit for the building by the end of July so that the SSA can move its stockroom into the new building and set up the shops. It will then take another three weeks to finish the conference room and offices, but the entire building will be operational by late August so that the SSA can then demolish the old building.
6. Mr. Walker then reported that the new modular office building at the SSA's Palmer Avenue parking lot has been completed and that the SSA's Parking Lot Operations are in the process of moving in. Avis Budget Car Rental will also start its operations from the building this Friday.
7. Mr. Walker reported that the traffic improvements at the SSA's Vineyard Haven terminal were also operating as planned. The issues with the trees along the eastern edge of the property also have been addressed; wells have been dug around the trees to ensure that their trunks are not buried in soil.
8. SSA General Manager Wayne C. Lamson reported that the SSA and its design team had a preliminary meeting with the Massachusetts Environmental Policy Act (MEPA) unit and the Waterways Division of the Department of Environmental Protection (DEP) last month and that the state officials had told them that any attempt to build the new Woods Hole terminal building at an elevation lower than the Base Flood Elevation of 13 feet above sea level would be going in the opposite direction of what regulatory authorities were approving and would not be looked upon favorably. DEP Waterways also thought there might be eelgrass offshore on the southern side of the property and suggested that the SSA conduct a survey, which is now scheduled to take place in July. The SSA expects to file its Enhanced Environmental Notification Form (ENF) by the end of July.
9. SSA Director of Information Technologies Mary Claffey then reported that the SSA is at a stable point in its efforts to improve the connectivity of the SSA's free WiFi service, after having seen a dramatic improvement in the WiFi's usage. Nevertheless, the SSA will continue to make some adjustments to the service and tweak it so that it works as

seamlessly as possible, and she noted that some customers are still not able to connect to the WiFi because of the age or restrictions of particular devices they are using.

10. Ms. Claffey then reported that the SSA is continuing to work on its punch list items for the upgrade of its maintenance management information system (Maximo) and was getting ready to implement the upgrade soon. The Engineering and Maintenance Department will be the first users of the upgraded system and, after they are comfortable with it, the SSA will expand the system's use to other employees who will use computer tablets to access the system.
11. Ms. Claffey then reported that the SSA is making progress on its efforts to develop a mobile site where customers can purchase fast ferry tickets that can then be scanned on their smart phones. After testing the fast ferry electronic ticketing system, the SSA will expand it to include passenger tickets on its traditional ferries as well.
12. Ms. Claffey reported that the SSA is now able to send text messages when a customer's wait list request is fulfilled to those customers who sign up for this option, but at the moment customers can sign up for that option only with a reservation clerk or a ticket seller, although the SSA is currently in the testing stage for some changes to the website's profile screen so that customers will also soon be able to sign up for the option online. Ms. Claffey stated that the SSA similarly will be offering a text message option soon for customers who want to be notified in that manner whenever the SSA has travel alerts for trip cancellations, as soon as the SSA tests the changes to the website's "Join Email List" screen so that customers can sign up for the option online.
13. Ms. Claffey then observed that, currently, the SSA's wait list system processes wait list requests only once a day, at the end of the SSA's operating day, and then notifies customers if any of their wait list requests have been fulfilled. Ms. Claffey stated that the system will soon process wait list requests and notify customers as soon as each match occurs (namely, whenever another customer cancels or changes a reservation or when the SSA adds more capacity).

Ms. Claffey also observed that, currently, the SSA stops processing the wait list requests of customers traveling with automobiles 48 hours in advance of their scheduled departures, while the SSA continues to process the wait list requests of freight customers until 12:00 noon the day before their scheduled departures. Customers traveling with automobiles will soon also be given the option of having their wait list requests processed until 12:00 noon the day before their scheduled departures, as well as until 24 hours before their scheduled departures, but for those customers who do not choose one of those options, the SSA will continue to stop processing their wait list requests 48 hours before their scheduled departures.

14. SSA Director of Terminal and Parking Operations Mark Rozum recounted how the SSA had supported OLEV Technologies' application for a grant to fund the conversion of three new diesel buses to battery powered electric buses to be recharged via wireless inductive charging, but that support had been based upon OLEV receiving the grant and leasing the buses to the SSA for five years (after which the SSA would have the right to purchase the buses for a nominal amount). However, Mr. Rozum stated that the Massachusetts Department of Energy Resources subsequently has stated that OLEV cannot be the recipient of the grant, and that only end-users of the buses (such as the SSA) can be recipients. If the SSA were to receive the grant itself, it would then be financially responsible for the entire amount of the grant award (\$2,250,000) and for operating the buses for five years even if OLEV were unable to meet its responsibilities. In addition, the SSA would have to depreciate the amount of the grant over ten years, which, compared to buying operating three diesel buses, would increase the cost of service for the Martha's Vineyard route by \$165,000 per year (net of the estimated annual operating cost savings from this project). For these reasons, the SSA is not going forward with this project.
  
15. In April, the Board approved a dockage agreement with SeaStreak LLC for the use of the SSA's Nantucket dock in connection with its proposed pilot program for high-speed passenger ferry service from New York on the weekends of June 5-7 and 12-14, 2015. Based on the amount of interest that was raised after only one weekend of providing the pilot service, SeaStreak asked the SSA whether its dockage agreement can be amended to allow it to continue using the dock on weekends later this summer from the July 4th weekend through Labor Day, and the Board agreed with the staff's recommendation to approve SeaStreak's request. SeaStreak's service is a continuation of its summer service between New York and Oak Bluffs. The trip generally takes five hours from New York to Oak Bluffs and then another one hour and ten minutes to Nantucket. No passengers will be carried between Oak Bluffs and Nantucket other than the passengers already traveling to and from New York, and the vessel will continue to dock at the New Bedford State Pier over the weekend.
  
16. Mr. Lamson then presented the preliminary version of the staff's proposed 2016 Winter, Early Spring and Spring Operating Schedules, noting that the proposed schedules were being presented only for discussion purposes this month and that the staff will not be asking for approval of those schedules until the Board's next meeting on July 21st. The most significant changes being proposed by the staff are on the Nantucket route, where the staff is recommending that the freight boat on that route, which was crewed with two single crews this past Winter Schedule (January 6th through April 14th) be double-crewed from January 4th through March 15th next year (the proposed 2016 Winter Schedule) and then triple-crewed through April 11th (the proposed 2016 Early Spring Schedule). During the Winter Schedule, this would provide for two more scheduled round trips on Saturdays and two additional available round trips on Sundays and, during the Early Spring Schedule, a third weekday round trip and up to three additional round trips on Saturdays and Sundays.

On the Nantucket route this past year from January 6th through March 15th, the SSA provided 10 additional freight trips on weekends (which is when a double crew will be available next year to make the trips), and only six additional weekday freight trips (which is when the SSA will need to bring in an additional crew next year), and during the 30 days from March 16th to April 14th this year, the SSA provided 14 additional weekday freight trips and four additional weekend freight trips, which will all be covered next year by the triple crew assigned to the boat.

By having scheduled freight trips on Saturdays during the Winter and Early Spring Schedules, the staff expects that some freight customers will make reservations for those Saturday trips, which will open up more space for other customers on weekdays. However, the double crews' 12-hour work day will limit the SSA's flexibility in determining when those trips sail during the day, which may mean that the freight boat might only be able to make one trip on a day after a winter storm due to the need for the crew to spend time shoveling snow from the boat before it can be loaded. The SSA will also no longer be able to hold the freight boat before it departs Nantucket, but given how complicated it is to call in crews to provide additional trips on weekends, the staff believes that we still should try this for a year to see how it works out.

The staff's proposed schedules and the staff summary describing them will be posted to the SSA's website so that they are available for public comment over the next month, after reviewing whatever public comments are received, the staff will present their final version of the proposed schedules next month for consideration and a vote by the Board at their July 21, 2015 meeting.

17. The Board approved the staff's proposed 2016 Budget Policy Statement that sets forth the guidelines they will be using to develop the revenue and expense estimates for the SSA's 2016 Operating Budget. As mentioned by SSA Treasurer/Comptroller Robert B. Davis at the meeting, the Budget Policy Statement requires the staff, among other things:
  - To base the SSA's projected operating revenue primarily on actual traffic statistics for what will then be the most recent 12 months (August 2014 through July 2015), although the staff will include slightly increased revenue projections to the extent appropriate to reflect additional capacity being proposed during the winter and early spring schedules. In addition, slight adjustments to traffic statistics will be made to reflect the increased level of service that the staff will be proposing for later in the year and due to the substitution of the *M/V Woods Hole* for other vessels in the operating schedules.
  - To base the SSA's projected vessel operating expenses in part on the staff's proposed winter/early spring/spring operating schedules plus an operating schedule the staff will be preparing for the latter half of the year.
  - To identify significant terminal repairs and maintenance that will be needed.

- To schedule the vessels that will be dry-docked during 2016 (the *M/V Martha's Vineyard*, *M/V Eagle*, *M/V Sankaty* and the *M/V Iyanough*). In addition the staff will endeavor to coordinate the *M/V Martha's Vineyard* dry-dock into the planned mid-life refurbishment of that vessel in the fall of 2016.
- To assume that existing job vacancies will be filled while staffing requirements for the Information Systems group will be evaluated and adjusted accordingly.
- To reflect efficiencies that the SSA expects to gain with the consolidation of the Falmouth area satellite parking lots to the new parking facility off of Thomas B. Landers Road.
- To take into account the SSA's expected training expenses due to the continuation of STCW basic training, Marine Evacuation Slide (MES) training and other programs.

One of the SSA's more significant operating expenses is vessel fuel oil. As for the past few years, the 2016 Operating Budget will base the budgeted cost of vessel fuel oil on next year's cap prices or the then-current forecasts for oil prices during 2016 (plus the premium cost of the hedging program), whichever is lower. Currently, the barrel price of crude oil is trading in the \$55 - \$65 range while a year ago at this same time crude oil was trading in the \$100 - \$105 range. The SSA's hedge program for expected vessel fuel consumption for 2016 has been executed with an average cap price of \$2.72 per gallon. By comparison, this year's average budgeted cost for vessel fuel is \$3.41 per gallon.

The staff will be making all efforts to avoid the need for any additional rate increases. After they prepare a preliminary budget using these guidelines, they will present it to the Board for discussion in September, and ask that the final version of the budget be approved in October.

At the conclusion of the meeting, the Board voted to go into executive session to discuss various matters appropriate for discussion in executive session, and they announced that they would reconvene in public. After reconvening in public session, the Board took the following actions:

18. The Board voted to approve the staff's proposed 2015 salary program for the SSA's unrepresented employees. As a result, this year's salary program will provide for an aggregate 3% increase in the total budget for all unrepresented employees' salaries, including a 2.1% increase in the salary structure (the range of salaries within each salary grade).
19. The Board voted to increase Mr. Lamson's salary by 4% effective July 1, 2015.

The next regular monthly meeting of the SSA's Board is currently scheduled for 9:30 a.m. on Tuesday, July 21, 2015. The meeting is currently scheduled to again take place on Martha's Vineyard, Massachusetts. However, the location, time and date of the meeting are all subject to change, so please look for the formal notice for the meeting that will appear on this website next month. Thank you.





# Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

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## SUMMARY OF THE MEETING OF THE WOODS HOLE, MARTHA'S VINEYARD AND NANTUCKET STEAMSHIP AUTHORITY

July 21, 2015

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The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority ("SSA") held their regular monthly meeting at 9:30 a.m. on July 21, 2015, in the Katharine Cornell Theatre of the Tisbury Town Hall, located at 51 Spring Street, Vineyard Haven, Massachusetts. All five Board Members were in attendance: Chairman Marc N. Hanover (Martha's Vineyard); Vice Chairman Elizabeth H. Gladfelter (Falmouth); Moira E. Tierney (New Bedford); Robert F. Ranney (Nantucket); and Robert L. O'Brien (Barnstable).

1. SSA Director of Engineering and Maintenance Carl R. Walker reported on the status of the SSA's various ongoing capital projects, as follows:
  - (a) The construction of the *M/V Woods Hole* is progressing well and on schedule. The bow thruster was installed a few weeks ago, and Conrad Shipyard is planning to float the hull on a barge and flip it at the end of September. The Becker rudders and propulsion equipment are due to arrive in October, so Conrad might install the underwater equipment in the dry-dock at its downriver shipyard in Amelia, Louisiana, around February of next year or later this year, in which event Conrad would then tow the vessel back to its Morgan City shipyard for the erection of the final modules except for the pilothouse, crew space, antennae and stacks. However, the bulbous bow is not in place and the company fabricating it is behind schedule. While this has not affected the vessel's construction schedule and everything is progressing as planned, it is one of the areas of concern and Mr. Walker will be traveling to meet with that company next Tuesday in Mobile, Alabama.
  - (b) The SSA's new consolidated parking lot on Thomas B. Landers Road has been operational since June 25th, and the SSA has received an occupancy permit for the building there. As several Port Council members personally witnessed earlier this month during a heavy rainstorm, the porous asphalt that was used as pavement for the parking spaces works very well as a stormwater management

system. (The water simply disappears into the porous asphalt.) However, the SSA has had some problems with the impervious pavement that was used for the ring road that its customers and shuttle buses use to travel around the lot. Accordingly, the SSA is looking to mitigate that runoff by installing catch basins and drywells.

- (c) The new modular building at the SSA's Fairhaven Vessel Maintenance Facility will be substantially completed by the end of July to allow the SSA to set up its shops inside the building and move its stockroom there from Woods Hole during the first two weeks in August. The building will be fully completed by the third week of August so that the SSA can then move into the office there.
  - (d) The new modular office building at the SSA's Palmer Avenue parking lot has been completed. Avis/Budget has been operating out of the building since July 3, and the SSA is moving its parking lot operations there from their old office.
2. SSA General Manager Wayne C. Lamson reported that the traffic circulation improvements at the SSA's Vineyard Haven terminal also have been completed and that they generally have been well received.
  3. Mr. Lamson also reported that the SSA has received the geotechnical report with respect to the borings that were taken earlier this year in the areas of the proposed offshore structures for the new ferry slips and the landside terminal building at the SSA's Woods Hole terminal. Because the offshore borings have shown that there are a number of boulders underground under the water, the SSA will be using ground penetrating radar later this year to determine more accurately the size and location of those boulders. The onshore borings also have shown that there is a five-foot layer of peat around 20 feet below ground where the terminal building is going to be located. Therefore, the SSA will need more borings in that location later this year in order to appropriately design the building's foundation.

Mr. Lamson further reported that the SSA has selected a tentative location at its Palmer Avenue parking lot for its new administrative office building. Bertaux + Iwerks Architects have prepared a concept rendering placing the building just to the south of the parking lot's old entrance and exit, beginning where the barn currently is located and extending west away from Palmer Avenue. The barn is in pretty bad condition, and the SSA will probably have to replicate it with a new building of similar proportions, and then connect it to the rest of the building, which would be 2-1/2 stories, so that the larger part of the building is farther away from Palmer Avenue. There would be employee and visitor parking around the building, which could then be used by the SSA's customers during the weekends.

4. SSA Director of Information Technologies Mary T. H. Claffey reported on various improvements the SSA is making to its information technology systems, as follows:
  - (a) WiFi – The SSA is continuing to make upgrades to its free WiFi service and, as a result, is seeing increased usage of the service. When the SSA hears from customers who are still having difficulty connecting to the WiFi, the SSA works with them to try to solve whatever issues they are encountering.
  - (b) Maximo Upgrade – The SSA finished the upgrade process for its Maximo maintenance management information system last month and a group of Engineering and Maintenance Department employees have been using the upgraded system since then. After they became comfortable with its performance, the SSA opened the system up to the remaining employees who are going to be using it. The SSA is now focused on putting the computer tablets to good use, and the SSA will start training classes for its employees who will be using the tablets around the end of August.
  - (c) Electronic Ticketing – The SSA has made its way through several of the issues it encountered while scanning customers’ high-speed ferry tickets. (For example, the SSA had difficulty scanning tickets on certain smart phones with screens that were less bright.) iMarc is also resolving issues with respect to the changes it has made to the SSA’s mobile website so that people can purchase high-speed passenger ferry tickets on their smartphones.
  - (d) The SSA’s customers are now able to sign up to receive text messages when the SSA fulfills a customer’s wait list request or sends out a trip alert.
  - (e) The SSA’s wait list system has been changed so that it now processes wait list requests and notifies customers as soon as each match occurs (namely, whenever another customer cancels or changes a reservation or when the SSA adds more capacity), instead of waiting to notify those customers the following morning. The SSA is also working on changes to the wait list system that will allow customers the option of having their wait list requests processed until 12:00 noon the day before their scheduled departures, as well as until 24 hours before their scheduled departures, instead of only 48 hours before their scheduled departures.
5. The SSA’s Board approved the final version of the management staff’s proposed 2016 Winter, Early Spring and Spring Operating Schedules, which essentially were the same schedules that had been tentatively proposed last month. The only changes from this past year’s schedules are during the Winter schedules:
  - This past winter, the freight boat on the Nantucket route was crewed with two single crews (January 6th through April 14th). Next year it will be double-crewed from January 4th through March 15th (the 2016 Winter Schedule) and then triple-crewed through April 11th (the 2016 Early Spring Schedule). During the Winter Schedule, this will provide for two more scheduled round trips on Saturdays and two additional

available round trips on Sundays and, during the Early Spring Schedule, a third weekday round trip and up to three additional round trips on Saturdays and Sundays.

- This past winter, the freight boat on the Martha's Vineyard route was single-crewed (January 6th through April 14th). Next year it will be triple-crewed beginning March 16th through April 11th, thereby providing for up to three additional round trips with the freight boat each weekday and up to seven round trips on weekends during that period without the need to pay any overtime or call in additional crews.
6. The Board also approved certain changes to the SSA's "Blue Line" policies. Last month, the SSA sent out an e-newsletter informing customers about the "Blue Line," which is the vehicle standby line at the Woods Hole terminal and the Vineyard Haven terminal during "reservation only" days for customers who are eligible for preferred reservations, and the e-newsletter noted, in accordance with SSA policy, that only fifteen vehicles per day are allowed into the "Blue Line." However, a customer alerted the SSA to the fact that often the terminal agents allow more than fifteen vehicles per day to use the "Blue Line" and, as a result, the staff felt the SSA's policy should be revised to reflect its actual practice. But Mr. Lamson cautioned that the availability of the "Blue Line" may still be suspended or halted at any time during the day at the discretion of the agent on duty, and that customers who use the "Blue Line" are not guaranteed to travel that day and, if they do not travel by the end of the day, are required to leave the property when the terminal closes for the night and not given any priority for boarding the following day. Finally, customers who wish to use the "Blue Line" must not have a confirmed reservation (or, if they do have a confirmed reservation, must be willing to forego it), and vehicles used for commercial purposes are not eligible for the "Blue Line."
  7. At their April 21st meeting, the Board approved changing the SSA's annual parking permits, which historically have been valid from May 15th each year through May 14th of the following year, so that they are now valid on a calendar year basis. However, the staff had not asked the Board for approval to change the seasonal parking permits which are valid beginning September 15th so that they similarly expire on December 31st. The SSA corrected that oversight at today's meeting and the Board approved the necessary changes.
  8. At the June 16th Board meeting, New Bedford Board Member Moira Tierney asked whether SeaStreak, LLC (which provides high-speed passenger ferry service between New Bedford and Martha's Vineyard on a summer seasonal basis) might be interested in also providing service between New Bedford and Nantucket, and Mr. Lamson said that he would ask. It turns out that SeaStreak is interested in providing this additional service and has proposed running two round trips between New Bedford and Nantucket (by way of Oak Bluffs) on a daily basis next year from May 27, 2016 through September 6, 2016, and three trips on the Saturdays and Mondays of the three holiday weekends (Memorial Day, Independence Day and Labor Day). By making stops at Oak Bluffs, this additional service will also allow people on Martha's Vineyard to take a day trip to Nantucket (with more than seven hours there) and people on Nantucket to take a day trip to Martha's Vineyard (with 4-1/2 hours there).

Hy-Line has been providing inter-island passenger ferry service since 1989. Until 2006, it operated three daily round trips between the islands, which also allowed people on each island to make a day trip to the other island, but it then reduced its level of service between the two islands to only one daily high-speed round trip on the *M/V Lady Martha*. Today Hy-Line informed the SSA that it intends to submit a request for an increase in its inter-island service for the remaining two years of its license agreement (2016 and 2017).

The Board agreed with the staff that the SSA should consider both requests in accordance with the policy the SSA adopted in 1994 pertaining to the licensing of private vessel transportation services between the mainland and the islands of Nantucket and Martha's Vineyard (and between the islands). Pursuant to that policy, the staff will now:

- Schedule public hearings on the proposed additional service in Nantucket, New Bedford and Oak Bluffs.
- Publish notice of the hearings in the local newspapers, and send copies of the notice directly to each ferry operator providing seasonal service to the islands, to local public officials (including the local planning agencies) of the ports served by the proposed service, and to other interested persons.
- After the hearings and receiving public comment, provide the Board with their analysis as to whether, in their opinion based upon the information received, SeaStreak and/or Hy-Line has sustained the burden of demonstrating that: (a) the requested service is required by public convenience and necessity; and (b) SeaStreak and/or Hy-Line has the fitness and ability to provide the proposed service.

The Board will then be asked to consider the requests at a public meeting. However, the Board will not be bound by the staff's recommendation or analysis; rather, they shall be free to approve or deny either or both of the requests for reasons which they believe to be in the public interest and upon such terms and conditions which they feel are necessary and appropriate to protect the public interest.

9. Mr. Lamson advised the Board that, next month, the staff will be giving them the preliminary versions of their proposed 2016 Summer and Fall Operating Schedules that will include their recommendation as to when the *M/V Woods Hole* should operate on the Martha's Vineyard route or the Nantucket route during those two seasons. Mr. Lamson and the Board then discussed many of the factors that need to be considered in making those decisions, but the advantages and disadvantages of having the *M/V Woods Hole* operate on each of the two routes during the summer can be summarized as follows:

- (a) Assigning the *M/V Woods Hole* to the Martha's Vineyard route during the 2016 Summer Season.

If the *M/V Woods Hole* were assigned to the Martha's Vineyard route during the 2016 Summer Season, the staff would recommend that it replace the *M/V Sankaty* on its current schedule (which begins and ends each day going to Vineyard Haven and goes to Oak Bluffs during the middle of the day), that the *M/V Sankaty*

replace the *M/V Governor* on its current schedule, and that the *M/V Governor* be retired.

1. This would increase the route's vehicle capacity by 70 "car equivalent" spaces per day in each direction (*M/V Woods Hole* compared to the *M/V Governor*).
2. This would increase the route's passenger capacity by 125 passengers for each trip of the *M/V Woods Hole* (compared to the *M/V Governor*).
3. There would be better passenger amenities on the *M/V Woods Hole* compared to the *M/V Governor*.
4. More trucks could be carried to and from Oak Bluffs during the day (diverting them from Five Corners in Vineyard Haven) and the trucks would not need to turn around and back up on the Oak Bluffs dock.
5. The *M/V Woods Hole* ideally would be berthed overnight in Woods Hole to handle any outstanding punch list items with the new vessel.

On the other hand, the Nantucket route would not benefit in any way from the addition of the *M/V Woods Hole* to the fleet, and it would continue to lack needed truck spaces on vessels leaving Hyannis early in the morning (due to height restrictions and the lack of center truck spaces on the *M/V Nantucket*). The availability of center truck spaces is not as critical on the Martha's Vineyard route because of the frequency of trips and shorter travel time on that route. (By comparison, six trips arrive on Martha's Vineyard by 9:00 o'clock each morning, while only two trips arrive on Nantucket by that time.)

(b) Assigning the *M/V Woods Hole* to the Nantucket route during the 2016 Summer Season.

If the *M/V Woods Hole* were assigned to the Nantucket route during the 2016 Summer Season, the staff would recommend that it replace the *M/V Nantucket* on its current schedule, that the *M/V Nantucket* provide service on the Martha's Vineyard route in place of the *M/V Sankaty* (which begins and ends each day going to Vineyard Haven and goes to Oak Bluffs during the middle of the day), that the *M/V Sankaty* replace the *M/V Governor* on its current schedule, and that the *M/V Governor* be retired.

1. This would increase the available truck spaces on vessels leaving Hyannis early in the morning (because the *M/V Woods Hole* can carry more trucks than the *M/V Nantucket*), thereby creating a more favorable schedule for freight shippers on the Nantucket route and opening up more spaces on that route for automobiles later in the day. Having more trucks arrive on

Nantucket earlier in the morning would also mitigate traffic congestion in downtown Nantucket during the afternoon.

2. Operating the *M/V Nantucket* on the Martha's Vineyard route and retiring the *M/V Governor* would increase that route's vehicle capacity by 70 "car equivalent" spaces per day in each direction.
3. This would also increase the passenger capacity on the Martha's Vineyard route by 500 passengers for each trip of the *M/V Nantucket* (compared to the *M/V Governor*).
4. Because of the *M/V Nantucket's* large passenger capacity, its trips could be included on the SSA's published schedules for the Martha's Vineyard route, which would spread out the passengers traveling on that route among more trips, thereby decreasing the peak loads of passengers on the *M/V Island Home* and the *M/V Martha's Vineyard*. This would also result in spreading out the passengers waiting for shuttle buses in Woods Hole, thereby allowing the SSA to make more efficient use of its shuttle buses and decreasing the customers' waiting time for them.

On the other hand, replacing the *M/V Nantucket* with the *M/V Woods Hole* on the Nantucket route would decrease the passenger capacity on that route, as the *M/V Woods Hole's* passenger capacity is 384 less than the *M/V Nantucket's* passenger capacity. Although the SSA currently has more than sufficient passenger capacity on the Nantucket route during the summer, next year Hy-Line is retiring the *M/V Great Point* and the SSA may not have sufficient passenger capacity with the *M/V Woods Hole* (instead of the *M/V Nantucket*) if the number of passengers traveling on the SSA's conventional ferries substantially increases due to Hy-Line's retirement of the *M/V Great Point*.

Mr. Lamson observed that the SSA will not know whether the *M/V Woods Hole* will provide enough passenger capacity on the Nantucket route until the summer of 2016 after the *M/V Great Point* is retired and passengers who otherwise would have travelled on that vessel choose to travel on one of the SSA's two conventional ferries or on the *M/V Iyanough* or on one of Hy-Line's two high-speed passenger ferries. As a result, for this and the other reasons discussed, the staff is leaning towards assigning the *M/V Woods Hole* to the Martha's Vineyard route during its initial summer season, as that would give the SSA the opportunity to see what effect the retirement of the *M/V Great Point* has on the passenger demands on the Nantucket route. If the number of passengers carried on the SSA's conventional vessels substantially increases next summer as a result of the *M/V Great Point's* retirement, the *M/V Woods Hole* might not have enough passenger capacity to meet that demand.

10. The Board awarded Contract No. 12-15 for dry-dock and overhaul services for the *M/V Nantucket* to Senesco Marine of North Kingstown, Rhode Island, the lowest eligible and responsible bidder for the contract, for a total contract price of \$1,047,228. The *M/V Nantucket* is scheduled to go into the shipyard from September 9th through October 8th to undergo a required United States Coast Guard hull examination; machinery inspections; underwater hull cleaning and painting; removal, repair and reinstallation of sea valves, shafts, bearing, rudders, seals, couplings and propellers; hull plate replacements; painting above the rub rail guard; replacement of steering gear controls and hydraulics; freight deck surface preservation; main engine and generator exhaust repairs; starboard reduction gear inspection and service; boiler burner replacements; relocation of fuel shut-off valve; fan room louver installation; and bridge deck pipe cap replacement.

At the conclusion of the meeting, the Board voted to go into executive session to discuss various matters appropriate for discussion in executive session, and they announced that they would not reconvene in public.

The next regular monthly meeting of the SSA's Board is currently scheduled for 9:30 a.m. on Tuesday, August 18, 2015. The meeting is currently scheduled to take place in the second floor meeting room of the SSA's Hyannis terminal, located at 141 School Street, Hyannis, Massachusetts. However, the location, time and date of the meeting are all subject to change, so please look for the formal notice for the meeting that will appear on this website next month. Thank you.





# Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

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## SUMMARY OF THE MEETING OF THE WOODS HOLE, MARTHA'S VINEYARD AND NANTUCKET STEAMSHIP AUTHORITY

August 18, 2015

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The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority ("SSA") held their regular monthly meeting at 9:30 a.m. on August 18, 2015, in the second floor meeting room of the SSA's Hyannis terminal, located at 141 School Street, Hyannis, Massachusetts. All five Board Members were in attendance: Chairman Marc N. Hanover (Martha's Vineyard); Vice Chairman Elizabeth H. Gladfelter (Falmouth); Moira E. Tierney (New Bedford); Robert F. Ranney (Nantucket); and Robert L. O'Brien (Barnstable).

1. SSA Director of Engineering and Maintenance Carl R. Walker reported on the status of the SSA's various ongoing capital projects, as follows:
  - (a) The construction of the *M/V Woods Hole* continues to be on schedule. Although the vessel's bulbous bow was delivered to Conrad's shipyard in Morgan City, Louisiana, almost a month late last Friday, its late delivery has not affected the vessel's construction schedule and it was placed onto the vessel yesterday. The vessel's hull is also welded out from the stern to the bowthruster void and should be entirely welded out by mid-September. The hull will then be flipped on September 29th and then towed back to the shipyard where Conrad will start the erection of the freight deck modules. In mid-October, the vessel will be towed to Conrad's other shipyard in Amelia, Louisiana, so that it can be dry-docked for the installation of the controllable pitch propeller system, main engines, and rudders. After that machinery is installed, the vessel will be brought back to Conrad's Morgan City shipyard for the completion of the superstructure to the 03 deck. Then, in late February or early March, it will be moved for the last time to Conrad's Amelia shipyard for its final fit-out (including the pilot house, crew areas, antennae and stacks) before being delivered to the SSA's Fairhaven Vessel Maintenance Facility on April 29, 2016.
  - (b) While the SSA's new consolidated parking lot on Thomas B. Landers Road is open and operational, there continues to be an issue with controlling stormwater along the ring road that the SSA's customers and shuttle buses use to travel

around the lot, especially at the southeast corner of the property. Because the stormwater management system was not designed properly, water during heavy rainstorms has overflowed onto the Town of Falmouth's adjacent waste management facility. Lawrence-Lynch Corp. has built a larger berm on that corner and has dug trench drains to the existing catch basins, but the catch basins cannot hold all of the water during these events. Accordingly, later during today's meeting (see ¶ 7, at p. 5), the SSA's Board authorized SSA General Manager Wayne C. Lamson to enter into a change order with Lawrence-Lynch Corp. to install seven more drainage basins on the site.

- (c) The new modular building at the SSA's Fairhaven Vessel Maintenance Facility is now on track to be completed by the end of August. The SSA will be finished installing a new stockroom shelving system in the building by the end of this week, and the stockroom will be moved from Woods Hole to Fairhaven next Monday, August 25th. Once that move is complete, the SSA will move the vessel maintenance office from the so-called "Lobster Building," and that move should be finished before Labor Day. The Lobster Building will then be demolished later in September.
2. SSA General Counsel Steven M. Sayers reported that, on August 10th, the SSA had given a presentation on the Woods Hole Terminal Reconstruction Project to the Falmouth Board of Selectmen, and that yesterday it had filed its Environmental Notification Form (ENF) for the project with the Massachusetts Environmental Policy Act (MEPA) Office of the Executive Office of Energy and Environmental Affairs. Notices of the filing of the ENF will be published in the *Falmouth Enterprise* and the *Cape Cod Times* this Friday, and the public will have until late September in order to submit their comments.
3. SSA Director of Information Technologies Mary T. H. Claffey reported on various improvements the SSA is making to its information technology systems, as follows:
- (a) The SSA continues to be very proactive in monitoring its free WiFi service onboard the vessels and, if the SSA learns that someone is having trouble connecting with the WiFi, the SSA contacts and works with the customer to resolve the problem.
  - (b) The SSA has had difficulty resolving all of the issues on the punch list for the upgrade of its Maximo maintenance management system, and the SSA needs to resolve those issues before it can train the Senior Captains and Senior Chief Engineers on the upgraded system.
  - (c) The SSA has received the equipment that enables it to scan electronic tickets on customers' smartphones by placing the phones face down on stationary devices instead of scanning them with a handheld scanner, As soon as the SSA completes its testing of the mobile ticketing system, it will make the changes on its mobile site so that the SSA's high-speed ferry passengers can buy their tickets on their smart phones without having to print out a paper copy.

- (d) Last month the SSA implemented a new program that allows its customers, if they so choose, to receive notices of their wait list matches and trip cancellations by text, and around 9,000 customers already have signed up for this text message notification option. The SSA's waitlist system is also now updating wait list matches continually throughout the day and notifying customers as each match is made. The SSA's other wait list improvements (*e.g.*, allowing non-commercial customers to elect to have their wait list requests processed until 12:00 noon the day before their scheduled departures instead of until 48 hours before their scheduled departures) should be finalized within the next week or so.
4. Last month, SeaStreak, LLC, submitted a proposal to the SSA to operate a second high-speed passenger ferry on a summer seasonal basis beginning next year that will provide two daily round trips between New Bedford and Nantucket with stops each way at Oak Bluffs. The SSA's Licensing Policy calls for the staff to hold hearings on the proposal in New Bedford, Oak Bluffs, and Nantucket, but because Hy-Line subsequently stated that it too will be submitting a proposal to increase its ferry service between the islands of Martha's Vineyard and Nantucket, the SSA was waiting to receive that proposal so that both proposals could be the subject of the same hearings. However, Hy-Line advised the SSA today that it might not submit its proposal until mid-September and, in any event, that it believes it will not be necessary for the SSA to hold any hearings on its anticipated request to increase its number of inter-island trips. The SSA will now contact SeaStreak to see whether it would like the SSA to proceed with the hearings on its proposal alone or whether it would like the SSA to wait. If the SSA decides to proceed with SeaStreak's proposal, the hearings will probably be held in mid-September.
5. The SSA's Board agreed with the management staff's recommendation to keep the *M/V Governor*, at least for the short term, for use as a freight vessel on the Martha's Vineyard route during the summer season. Keeping the *M/V Governor* will allow one of the SSA's other freight boats to be taken out of the system for its annual overhaul (including to be dry-docked when necessary) during the summer, which effectively will lengthen the time the SSA has to overhaul all of its freight boats from mid-June through the following mid-April while still having a spare vessel available during both the summer and for most of the rest of the year. In order to do so, however, the SSA will need to dry-dock the vessel before next summer and the cost of that dry-dock is estimated to be around \$1,000,000. Therefore, the SSA will issue an invitation of bids for the work as soon as possible in an attempt to have the dry-docking completed before the end of the year (so that its cost does not have to be included in the SSA's cost of service for 2016).
6. SSA General Manager Wayne C. Lamson reviewed with the Board the preliminary version of the staff's proposed 2016 summer and fall operating schedules that include the continued use of the *M/V Governor* during the summer season. (They were presented this month for discussion purposes only and will not be voted on until the SSA's next meeting on September 22nd.)

The staff's proposed changes from this year's summer schedule on the Martha's Vineyard route are as follows:

- The *M/V Woods Hole* would replace the *M/V Sankaty* and would also berth overnight in Vineyard Haven instead of Woods Hole. As a result, its first trip from the island would depart at 5:30 a.m., its last trip off-island at 9:45 p.m. would be eliminated, and the last trip off-island would be the *M/V Island Home's* departure at 9:30 p.m. The staff feels that there is tremendous demand on the part of island residents to leave early in the morning and that, by providing this earlier trip, more space would open up on other early morning trips as well. By contrast, currently the *M/V Sankaty's* last trip of the day at 9:45 p.m. carries relatively few vehicles.
- From May 18th through June 16th, the *M/V Woods Hole*, in addition to the *M/V Governor*, would be triple-crewed, allowing the *M/V Woods Hole* to make up to three additional round trips per day.
- From June 17th through September 8th, the *M/V Woods Hole's* 8:30 a.m. trip would go to Oak Bluffs instead of to Vineyard Haven, which would also result in the 9:45 a.m. return trip from Oak Bluffs being designated as a hazardous trip.
- From September 9th through October 11th, the *M/V Katama* would replace the *M/V Woods Hole* on this route.

With respect to the Nantucket route's summer schedule, the staff is proposing:

- The *M/V Sankaty* would provide service on this route, in addition to the *M/V Eagle* and the *M/V Gay Head*, from May 18th through May 23rd, and then again from June 2nd through June 16th. The *M/V Nantucket* would replace the *M/V Sankaty* over the Memorial Day weekend (May 24th through June 1st) and then again beginning on June 17th through September 8th.
- The *M/V Woods Hole* would be assigned to this route beginning on September 9th, to replace the *M/V Gay Head's* schedule (with a triple crew), which would in turn replace the *M/V Sankaty's* schedule (with a single crew). The *M/V Gay Head* would be scheduled to provide two round trips per day Mondays through Fridays from September 9th through September 20th, and then only one round trip per day Mondays through Fridays from September 21st through October 11th (although it would still be available to provide a second round trip on those days).

During the 2016 Fall Schedule (October 12, 2016 through January 3, 2017), the *M/V Woods Hole* would once again be assigned to the Martha's Vineyard route, this time in place of the *M/V Katama* as the sole freight boat on that route, and it would be double-crewed to provide four trips a day, seven days a week. The other vessels on the Martha's Vineyard route during the fall would be the *M/V Island Home* and the *M/V Nantucket*.

The two vessels assigned to the Nantucket route during the fall would be the *M/V Eagle* and the *M/V Gay Head*.

7. The Board authorized Mr. Lamson to approve a change order to the SSA's contract with Lawrence-Lynch Corp. for the construction of the Thomas B. Landers Road parking lot for the installation of seven additional drainage basins to collect stormwater on the property, at a cost of \$112,145.77. The seven additional drainage basins will provide additional stormwater storage capacity at the southeast and northwest corners of the lot, augmenting the existing drainage basins and porous asphalt.
8. The Board also authorized Mr. Lamson to award Contract #17-2015 for "Nantucket Terminal Pier Work – Slip 1 and Slip 2" to the lowest eligible and responsible bidder for the contract when bids for the contract are opened on or after September 9, 2015. The contract's scope of work includes the replacement of three offshore existing approach dolphins in Slip #1 of the Nantucket terminal with new pipe pile supported dolphins, consisting of new concrete masses and new fender systems (rubber reaction cones and fender frames), and the replacement of thirteen fender systems along the bulkhead in Slip #2 (the high-speed ferry slip) and the face of the pier (the barge unloading area). The estimated cost of the work is \$2,000,000.

At the conclusion of the meeting, the Board voted to go into executive session to discuss various matters appropriate for discussion in executive session, and they announced that they would not reconvene in public.

The next regular monthly meeting of the SSA's Board is currently scheduled for 9:30 a.m. on Tuesday, September 22, 2015. The meeting is currently scheduled to take place in the Discovery Room of the Nantucket Whaling Museum, located at 15 Broad Street, Nantucket, Massachusetts. However, the location, time and date of the meeting are all subject to change, so please look for the formal notice for the meeting that will appear on this website next month. Thank you.



# Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

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## SUMMARY OF THE MEETING OF THE WOODS HOLE, MARTHA'S VINEYARD AND NANTUCKET STEAMSHIP AUTHORITY

September 22, 2015

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The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority ("SSA") held their regular monthly meeting at 9:30 a.m. on September 22, 2015, in the Discovery Room of the Nantucket Whaling Museum, located at 15 Broad Street, Nantucket, Massachusetts. All five Board Members were in attendance: Chairman Marc N. Hanover (Martha's Vineyard); Vice Chairman Elizabeth H. Gladfelter (Falmouth); Moira E. Tierney (New Bedford); Robert F. Ranney (Nantucket); and Robert L. O'Brien (Barnstable).

1. SSA Director of Engineering and Maintenance Carl R. Walker reported on the status of the SSA's various ongoing capital projects, as follows:
  - (a) The construction of the *M/V Woods Hole* continues to go well. The U.S. Coast Guard approved the hull's weld-out after witnessing an air pressure test to make sure that there were no leaks, and then this past week the hull, while still upside down, was barged up river and flipped in the water. (Yes, thankfully, it floated.) Conrad Shipyard will be erecting the vessel's other modules (except the stacks, pilot house and crew's quarters) onto the hull so they will all be in place by the end of November.
  - (b) The new modular building at the SSA's Fairhaven Vessel Maintenance Facility is substantially complete with only a very small punch list of items remaining (including certification of the elevator, which should take place later this week). Everything should be moved into the new building by the end of next week and the "Lobster" Building will then be demolished the first week of October.
2. SSA General Counsel Steven M. Sayers reported that public comments are due this Friday on the Environmental Notification Form (ENF) the SSA filed with the Massachusetts Environmental Policy Act (MEPA) Office of the Executive Office of Energy and Environmental Affairs for the SSA's Woods Hole terminal reconstruction project, and that the SSA expects to file its Notice of Intent with the Falmouth

Conservation Commission next month for a hearing in November or December. Meanwhile, the SSA has been informed that the new State Building Code will require the new terminal building to be two feet higher than the area's flood elevation, which means that the first floor of the building will have to be 15 feet above the water instead of 13 feet (unless the SSA can get a variance).

3. SSA Director of Information Technologies Mary Claffey reported on various improvements the SSA is making to its information technology systems, as follows:
  - (a) The SSA continues to monitor its free WiFi service on its vessels while they are underway. Recently the SSA had to do work on several aspects of its service due to lightning damage, but the SSA expects to have the issues resolved within the next week.
  - (b) The SSA has finally completed the statement of work that will be necessary to resolve the post-upgrade issues the SSA has encountered with its maintenance management information system (Maximo), and it should now take another four to six weeks to complete the work.
  - (c) Last Wednesday the SSA launched its updated mobile website that now allows the SSA's customers to buy their high-speed passenger tickets on their smart phones. Since then, 68 customers have booked high-speed ferry reservations using this new mobile ticketing program, which is the first step towards implementing the process for the SSA's walk-on passengers on all of its traditional ferries as well.
  - (d) In July the SSA implemented its new program that allows its customers, if they so choose, to receive notices of their wait list matches and trip cancellations by text, and around 14,600 customers already have signed up for this text message notification option. The SSA's waitlist system is also now updating wait list matches continually throughout the day and notifying customers as each match is made.
  - (e) The SSA is still working on a few other wait list improvements (*e.g.*, allowing non-commercial customers to elect to have their wait list requests processed until 12:00 noon the day before their scheduled departures instead of until 48 hours before their scheduled departures), and they should be finalized by the Board's next meeting in October.
4. In July, SeaStreak, LLC, submitted a proposal to the SSA to operate a second high-speed passenger ferry on a summer seasonal basis beginning next year that will provide two daily round trips between New Bedford and Nantucket with stops each way at Oak Bluffs. The SSA's Licensing Policy calls for the staff to hold hearings on the proposal in New Bedford, Oak Bluffs, and Nantucket, but because Hy-Line subsequently stated that it too will be submitting a proposal to increase its ferry service between the islands of

Martha's Vineyard and Nantucket, the SSA is waiting to receive that proposal so that both proposals could be the subject of the same hearings. Hy-Line advised the SSA today that it will be submitting its proposal within the next week, so the SSA should be able to schedule the hearings for the first two weeks of October.

5. The Board approved the staff's proposed 2016 summer, late summer and fall operating schedules that include the continued use of the *M/V Governor* during the summer season. As a result, the changes from this year's summer schedule on the Martha's Vineyard route are as follows:
  - The *M/V Woods Hole* will replace the *M/V Sankaty* and will also berth overnight in Vineyard Haven instead of Woods Hole. As a result, its first trip from the island will depart at 5:30 a.m., its last trip off-island at 9:45 p.m. will be eliminated, and the last trip off-island will be the *M/V Island Home's* departure at 9:30 p.m.
  - From May 18th through June 16th, the *M/V Woods Hole*, in addition to the *M/V Governor*, will be triple-crewed, allowing the *M/V Woods Hole* to make up to three additional round trips per day.
  - From June 17th through September 8th, the *M/V Woods Hole's* 8:30 a.m. trip will go to Oak Bluffs instead of to Vineyard Haven, which will also result in the 9:45 a.m. return trip from Oak Bluffs being designated as a hazardous trip.
  - From September 9th through October 11th, the *M/V Katama* will replace the *M/V Woods Hole* on this route.

With respect to the Nantucket route's summer schedule:

- The *M/V Sankaty* would provide service on this route, in addition to the *M/V Eagle* and the *M/V Gay Head*, from May 18th through May 23rd, and then again from June 2nd through June 16th. The *M/V Nantucket* would replace the *M/V Sankaty* over the Memorial Day weekend (May 24th through June 1st) and then again beginning on June 17th through September 8th.
- The *M/V Woods Hole* will be assigned to this route beginning on September 9, 2016 to replace the *M/V Gay Head* on its schedule (with a triple crew), and the *M/V Gay Head* in turn will replace the *M/V Sankaty* on its schedule (with a single crew). The *M/V Gay Head* will be scheduled to provide two round trips per day Mondays through Fridays from September 9th through September 20th, and then only one round trip per day Mondays through Fridays from September 21st through October 11th (although it will still be available to provide a second round trip on those days).



During the 2016 Fall Schedule (October 12, 2016 through January 3, 2017), the *M/V Woods Hole* will once again be assigned to the Martha's Vineyard route, this time in place of the *M/V Katama* as the sole freight boat on that route, and it will be double-crewed to provide four trips a day, seven days a week. The other vessels on the Martha's Vineyard route during the fall will be the *M/V Island Home* and the *M/V Nantucket*. The two vessels assigned to the Nantucket route during the fall will be the *M/V Eagle* and the *M/V Gay Head*.

6. The Board then approved the staff's request to proceed with the engineering phase for the mid-life refurbishment of the *M/V Martha's Vineyard* so that the SSA can get a more accurate estimate of the cost and timeline that will be needed to complete the proposed scope of work and can then issue an invitation for bids for the work. The estimated five-month project, currently scheduled for the fall of 2016, will include but not be limited to the following major refurbishments and improvements:
  - An extension of the 02 deck passenger cabin to include the aft stair towers,
  - a complete passenger cabin and wheelhouse upgrade,
  - the installation of a second elevator from the port mezzanine deck to the 02 deck,
  - an upgrade of the bow and stern doors,
  - the replacement of all exterior windows and weather tight doors,
  - new main and emergency switchboards,
  - the replacement of two existing ship service generators and the addition of a third,
  - an upgrade of the crew quarters,
  - the sandblasting of the superstructure exterior and hull,
  - an upgrade to five-bladed propellers to improve fuel efficiency and reduce vibration,
  - an upgrade of the steering system and electronics on the bridge,
  - the installation of marine evacuation slide systems on the mezzanine decks, and
  - the blasting and painting of the freight deck,
7. SSA General Manager Wayne C. Lamson reported that the SSA has renewed its leases with the Barnstable Municipal Airport Commission for its two parking lots on Brooks Road and Mary Dunn Way in Hyannis. Both lease renewals are for ten years, although each of them can be terminated on twelve months' notice. The SSA uses one of the lots to stage trucks when there is no room for them to stay at the SSA's Hyannis terminal, and the SSA uses the other lot (which is seven acres) for customer parking.
8. SSA Treasurer/Comptroller Robert B. Davis presented the preliminary draft of the staff's proposed 2016 Operating Budget for the Board's review and comments. The final budget will not need to be approved until the Board's next meeting on October 20, 2015. The SSA's total operating expenses in 2016 are expected to be around \$91,000,000, which represents a \$1,800,000 or 2.0% increase in total operating expenses compared to the

most recent estimate for 2015 (based on seven months of actual expenses and five months of budgeted expenses, including projects that previously were expected to be undertaken in 2016 but have now been accelerated into 2015). There are five expense items that account for the bulk of the increases in expenses:

- (a) Payroll expense is expected to increase by \$1,545,000 (or 5.0%) from this year's estimate.
- (b) Health care costs are expected to increase by \$868,000 (or 12.1%).
- (c) Depreciation expense is expected to increase by \$926,000 (or 9.4%).
- (d) Insurance expense is expected to increase by \$358,000 (or 11.4%).
- (e) Vessel fuel expense is expected to increase by \$473,000 (or 7.9%) from the updated estimate for 2015. Crude oil is currently trading around \$45-\$50 per barrel, and the SSA is expecting crude oil prices to range between \$52 and \$62 per barrel in 2016.

Other significant changes include:

- (a) Terminal repairs are expected to decrease by \$2,250,000 as dolphin and dock repairs are expected to go down by \$1,550,000 due to the significant amount of work that will be done at the Nantucket terminal before the end of this year.
- (b) Dry-dock expense is expected to decrease by \$2,448,000, in part due to having the *M/V Governor* dry-docked this fall.

In 2016, the SSA's total operating revenues are projected to be around \$99,330,000, representing a \$747,000 (or 0.8%) increase from this year's currently estimated revenues. As a result, even without any rate increases next year, the SSA is projecting a net operating income next year of around \$6,400,000.

- 9. Mr. Lamson reported that, pursuant to the authorization the Board gave him last month, he awarded Contract #17-2015 for "Nantucket Terminal Pier Work – Slip 1 and Slip 2" to the lowest eligible and responsible bidder for the contract, AGM Marine Contractors, Inc. of Mashpee, Massachusetts, for the Total Contract Price of \$1,846,050. The contract's scope of work includes the demolition and replacement of three offshore existing approach dolphins in Slip #1 of the Nantucket terminal with new pipe pile supported dolphins, consisting of new concrete masses and new fender systems (rubber reaction cones and fender frames), and the removal and replacement of thirteen fender systems along the bulkhead in Slip #2 (the high-speed ferry slip) and the face of the pier (the barge unloading area).

10. The Board awarded Contract #16-2015 for “Dry-dock and Overhaul Services for the *M/V Governor*” to the lowest eligible and responsible bidder for the contract, Thames Shipyard and Repair Company of New London, Connecticut, for the Total Contract Price of \$976,140. The *M/V Governor* is scheduled to go into the shipyard on October 21, 2015 to undergo a United States Coast Guard hull exam, machinery inspections, underwater hull cleaning and painting, superstructure painting, void blasting and painting, piping modifications, shafting repairs, rudder repairs, window replacements, passenger space upgrades, propulsion shaft brake repairs, door replacements and rescue boat davit replacement.

At the conclusion of the meeting, the Board voted to go into executive session to discuss various matters appropriate for discussion in executive session, and they announced that they would not reconvene in public.

The next regular monthly meeting of the SSA’s Board is currently scheduled for 9:30 a.m. on Tuesday, October 20, 2015. The meeting is currently scheduled to take place in the first floor meeting room of the Oak Bluffs Public Library, located at 56R School Street, Oak Bluffs, Massachusetts. However, the location, time and date of the meeting are all subject to change, so please look for the formal notice for the meeting that will appear on this website next month. Thank you.



# Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

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## SUMMARY OF THE MEETING OF THE WOODS HOLE, MARTHA'S VINEYARD AND NANTUCKET STEAMSHIP AUTHORITY

October 20, 2015

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The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority ("SSA") held their regular monthly meeting at 9:30 a.m. on October 20, 2015, in the First Floor Meeting Room of the Oak Bluffs Public Library, located at 56R School Street, Oak Bluffs, Massachusetts. All five Board Members were in attendance: Chairman Marc N. Hanover (Martha's Vineyard); Vice Chairman Elizabeth H. Gladfelter (Falmouth); Moira E. Tierney (New Bedford); Robert F. Ranney (Nantucket); and Robert L. O'Brien (Barnstable).

1. SSA Director of Engineering and Maintenance Carl R. Walker reported that the construction of the *M/V Woods Hole* was continuing to go well even though there have been a few hiccups with some equipment not arriving on time as planned. Last week Conrad Shipyard erected the majority of the vessel's superstructure and anticipates that the full weld out will be complete by the end of October. After that, work will begin on the interior bulkheads. Mr. Walker also reported that two weeks ago he had witnessed the factory tests of the vessel's controllable pitch propellers in Denmark, that most of that equipment already has been shipped to the shipyard, and that the last gearbox will be shipped separately this week.
2. SSA General Manager Wayne C. Lamson reported that the deadline had passed for submitting public comments with the MEPA unit of the Massachusetts Executive Office of Environmental Affairs on the SSA's Environmental Notification Form (ENF) for the Woods Hole Terminal Reconstruction Project, and that the SSA is now awaiting the Secretary's certificate on the ENF. The comment period had been extended to October 13, 2015 because, earlier this month, the SSA submitted more information about the project, including revised plans for the ferry slips locating the new southern dolphins in the same area as the existing dolphins in order to avoid any impact to eelgrass beds.

Mr. Lamson also reported that the SSA had been informed that next year there will be a new edition of the State Building Code which will require an increase in the elevation of the terminal building's first floor from the base flood elevation (BFE) of 13 feet to the

BFE plus 2 feet as measured to the underside of the lowest horizontal structural member. Therefore, assuming that the thickness of the floor will be one foot, the State Building Code will require the elevation of the first floor to be at least 16 feet. In addition, last month, the SSA met with representatives of the Massachusetts Office of Coastal Zone Management (CZM), who stated that the SSA will need to incorporate an additional two feet of flood mitigation measures above the anticipated new building code requirement, which could be accomplished by “dry” floodproofing methods to that elevation (*e.g.*, installing flood panels) or “wet” floodproofing methods (designing the building to allow flood waters to pass through it).

Raising the elevation of the terminal building to meet these new requirements would significantly and adversely affect the terminal’s accessibility for individuals with disabilities, as customers would have to go up several ramps to get into the building and then back down several ramps to get to the ferry slips. As a result, the SSA will be applying to the State Board of Appeal for a variance to allow the terminal building to be as low as possible, although this would probably require the SSA to floodproof the building up to 17 or 18 feet above sea level.

3. Mr. Lamson then reviewed with the SSA’s Board the schematic drawings of the SSA’s new General Office building that will be located in the Palmer Avenue parking lot, as well as the comparison of the amount of space each department has in the current General Office building with how much space it will have in the new building. The principal increases in space are for the Information Technologies Department, which is currently beyond cramped in the existing General Office building. Mr. Lamson also noted that the SSA will try to restore the existing barn at Palmer Avenue and incorporate it into the new administrative office building and, if the barn cannot be restored, it will be replicated in the new design.
4. SSA Director of Information Technologies Mary Claffey reported on the various improvements the SSA is making to its information technology systems, as follows:
  - (a) The SSA has completed the paperwork to proceed with the necessary changes for a further upgrade of its Maximo computerized maintenance management information system. The changes that are needed to resolve the various issues with the system have been reviewed and finalized, and the processing is expected to take four to six weeks to complete.
  - (b) The SSA is in the testing stage of the change that will also allow customers the option of extending the time during which their wait list requests continue to be processed from up to 48 hours in advance of their scheduled sailing to until noon the day before their scheduled sailing. The SSA hopes to resolve the remaining issues quickly so that it can roll out this additional option for its customers very soon.

5. The SSA's Board approved a Memorandum of Agreement with the Wampanoag Tribe of Gay Head (Aquinnah) pursuant to which the Tribe will transfer to the SSA a portion of funds it receives under with the federal government's Tribal Transportation Program (called the TPP), which the SSA will be able to use to maintain, operate and repair the boat line, and the SSA will in turn provide Tribal Members with reduced fares to and from Martha's Vineyard. This arrangement probably represents the most efficient way the Tribe can reduce the cost of transportation for its Tribal members, while providing funds to the SSA to help sustain its operations for everyone's benefit. The Agreement envisions that the Tribe will initially transfer \$200,000 of its TTP funds to the SSA, and that the SSA will provide eligible Tribal Members with a 20% discount on their otherwise applicable non-commercial vehicle fares. The Tribe will provide the SSA with a list of Tribal Members who are eligible for those fares, and the SSA will provide the Tribe with regular reports on how much travel is taken by Tribal members on those fares. When the aggregate value of those discounts gets close to \$200,000, the SSA will then discuss with the Tribe whether they want to continue the discounts or try something different with respect to future TTP funds. But, more importantly, this Agreement will be the first time the SSA has ever entered into any type of a formal arrangement with the Tribe, and both parties hope that it will be only the first step of a long-term cooperative relationship that will serve everyone's needs, not only for the Tribe and individual Tribal members, but also for the SSA and all of its passengers.
  
6. In July, SeaStreak, LLC, submitted a proposal to the SSA to operate a second high-speed passenger ferry on a summer seasonal basis beginning next year that will provide two daily round trips between New Bedford and Nantucket with stops each way at Oak Bluffs. In late September, Hy-Line then submitted a proposal to retire its traditional ferry, the *M/V Brant Point*, which Hy-Line operates on a summer seasonal basis between Hyannis and Oak Bluffs, and to operate a new high-speed passenger ferry (with a capacity of between 300 and 350 passengers) between Hyannis and Oak Bluffs in lieu of its high-speed passenger ferry, the *M/V Lady Martha* (that has a capacity of 149 passengers), for five of the *M/V Lady Martha's* six daily round trips, and to operate the *M/V Lady Martha* between Oak Bluffs and Nantucket, providing three round trips a day in addition to a morning daily trip from Hyannis to Oak Bluffs and an evening daily trip from Oak Bluffs to Hyannis. Then, last week, SeaStreak submitted an alternative proposal to provide direct high-speed ferry service between New Bedford and Nantucket during the summer.

In accordance with the SSA's Licensing Policy, the SSA will now hold hearings on both SeaStreak's and Hy-Line's proposals. The hearings will take place at:

10/26/2015	4:00 PM	Public Safety Facility, 4 Fairgrounds Rd, Nantucket
10/27/2015	2:00 PM	Oak Bluffs Public Library, 56R School St., Oak Bluffs
10/28/2015	4:30 PM	Waypoint Event Center, 185 MacArthur Dr., New Bedford
10/29/2015	3:00 PM	SSA Ferry Terminal, 141 School St., Hyannis

The staff will then develop recommendations regarding the proposals for consideration by the Port Council at their next meeting on November 4th so that the Board can then consider the proposals at their next meeting on November 17th.

7. The Board approved the staff's proposed changes to the SSA's bulk freight reservation policies. The changes are essentially as follows:

- Reclassifying what a "frequent shipper" is so that a shipper has to make an average of three round trips per week, instead of only one round trip every two weeks, in order to be classified as a "frequent shipper." Bulk freight reservation requests from "frequent shippers" will continue to be processed before other bulk freight reservation requests.
- "Smoothing" a shipper's bulk reservation requests that are only for certain days of the week so that they are spread more evenly throughout the week in order not to disrupt other shippers' regular delivery times.
- Limiting the number of bulk freight reservations that each shipper can request to a maximum of 110% of its prior year's usage during the same seasonal operating schedule in order to increase the number of shippers who are able to obtain reservations. For this past winter and spring schedules, the SSA processed 18,200 bulk freight reservation requests and only 14,100 reservations were used, and for the same schedules next year shippers have submitted approximately 20,350 requests. A shipper's requests for reservations exceeding 110% of its prior year usage will be processed after all other shippers' requests are processed.

8. The Board also approved the staff's proposed 2016 Operating Budget today. Treasurer/Comptroller Robert B. Davis reported that the budget had been developed using the approved operating schedules through December 31, 2016 and that, since the last Board meeting, there had been some minor revisions to the budget, including adjustments to the revenue and expense estimates for 2015 to eight months of actual results and four months of budget projections (including adjustments to those projections for anticipated traffic levels and additional expected expenses due to certain projects being accelerated into the current year).

Mr. Davis noted that the operating expenses for 2016 were projected to exceed \$91,000,000, an increase of 2.1% or \$1,911,000 compared to the most current estimate for 2015. The major cost increases are attributable to higher payroll and health care costs which were expected to increase 5.0% and 16.1%, respectively. In addition, an additional \$891,000 in depreciation expense is expected to be charged against income in 2016 in connection with the Fairhaven maintenance shop building and the parking lot improvement at Thomas B. Landers Road for a full year and the *M/V Woods Hole* for a partial year. The SSA's insurance expense is also expected to increase by \$351,000 due to the need to obtain insurance coverage for the *M/V Woods Hole*.

However, Mr. Davis observed that terminal repairs are expected to decrease next year by more than \$2,000,000, principally due to anticipated dolphin and dock repairs decreasing by \$1,550,000 given that a significant portion of the Nantucket terminal repairs have been accelerated into 2015. Similarly, Mr. Davis stated that vessel dry-dock expenses are expected to decrease next year by \$2,448,000 due to the SSA's decision to dry-dock the *M/V Governor* before the end of this year.

Mr. Davis further stated that, in 2016, vessel fuel oil expenses are expected to increase by \$962,000 compared to the current estimate for 2015. While crude oil is currently trading around \$45 to \$50 per barrel, after reviewing thirty "expert" predictions, the staff anticipates that it will trade between \$52 and \$62 per barrel during 2016.

Mr. Davis also reported that the SSA's operating revenues for 2016 were expected to be around \$99,330,000, representing a \$760,000 (or 0.8%) increase from the estimated revenues for 2015. Automobile revenue is expected to increase by 0.9%; freight revenue is expected to remain essentially level, passenger revenue is expected to increase by 1.2%, and parking revenue is expected to decrease by 0.6%. Based on projected revenues for 2016, Mr. Davis said that the SSA's net operating income next year is expected to be approximately \$6,412,000.

The cash budget also indicates that sufficient cash transfers will be provided to the SSA's special purpose funds during 2016, including the SSA's Sinking Fund requirements of \$1,424,500 on September 1, 2016 and again on March 1, 2017, when the SSA will also be required to make a \$5,805,000 bond principal payment. In addition to that \$8,654,000 which will be transferred to the Sinking Fund, Mr. Davis stated that he anticipated that another \$8,917,000 will be transferred to the Replacement Fund. Finally, Mr. Davis observed that the Martha's Vineyard route was expected to account for 57% of the SSA's cost of service next year (with the Nantucket route accounting for 43%), while it was expected to account for 56% of the SSA's revenues.

9. The Board also approved the staff's recommendation to renew the SSA's transportation agreement with the Martha's Vineyard Regional High School District for school-related approved transportation for the period from July 1, 2016 through June 30, 2017. Every year the SSA enters into the agreement to establish a fixed price for the transportation of student groups, teachers, administrators and game officials on school-approved travel for the District's upcoming fiscal year (beginning July 1st). The fixed price is intended to reflect approximately a 50% discount over applicable tariff rates. For each of the last five years, the agreement established a fixed price of \$60,000, which reflected approximately a 50% discount over applicable tariff rates. The fixed price under the new agreement will also be \$60,000, as the amount of school-approved travel has remained relatively steady over the years.
10. The Board authorized Mr. Lamson to award Contract #22-15 for "Dry-dock and Overhaul Services for the *M/V Gay Head*" to the lowest eligible and responsible bidder for the contract after bids for the contract are opened on October 28, 2015. The *M/V Gay*



*Head* is scheduled to be in the shipyard from November 9, 2015 through December 16, 2015 to undergo a required United States Coast Guard hull exam, machinery inspections, underwater hull cleaning and painting, superstructure painting, grid cooler replacement, rudder and propeller inspections and repairs, preservation of shell plating replacement, and repairs to propulsion shafting.

11. The Board agreed that the staff should investigate how freight ferry service might be provided between New Bedford and Martha's Vineyard on a financially viable basis. The staff will seek input from potential freight ferry operators, the Towns of Oak Bluffs and Tisbury (which already have been investigating the possibility of barging their trash to New Bedford), and other interested parties so that all available resources are considered. One option could be for the SSA to issue a request for proposals from both freight ferry and barge operators, or directly negotiate with such an operator if the staff concludes that no other operators are interested in providing the service, or to see whether the SSA can provide the service itself without increasing rates paid by its other customers. The freight carried between New Bedford and Martha's Vineyard might also be limited to hazardous cargo and trash, or might include other types of freight and even automobiles on non-hazardous trips as well.

At the conclusion of the meeting, the Board voted to go into executive session to discuss various matters appropriate for discussion in executive session, and they announced that they would not reconvene in public.

As noted above, the SSA will be holding four public hearings during the last week of October 2015 on SeaStreak's and Hy-Line's passenger ferry license requests.

The next regular monthly meeting of the SSA's Board is currently scheduled for 9:30 a.m. on Tuesday, November 17, 2015. The meeting is currently scheduled to take place in the Cultural Center of the Falmouth Museums on the Green, located at 55 & 65 Palmer Avenue, Falmouth, Massachusetts. However, the location, time and date of the meeting are all subject to change, so please look for the formal notice for the meeting that will appear on this website next month. Thank you.



# Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

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## SUMMARY OF THE MEETING OF THE WOODS HOLE, MARTHA'S VINEYARD AND NANTUCKET STEAMSHIP AUTHORITY

November 17, 2015

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The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority ("SSA") held their regular monthly meeting at 9:30 a.m. on November 17, 2015, in the Cultural Center of Falmouth Museums on the Green, located at 55 & 65 Palmer Avenue, Falmouth, Massachusetts. All five Board Members were in attendance: Chairman Marc N. Hanover (Martha's Vineyard); Vice Chairman Elizabeth H. Gladfelter (Falmouth); Moira E. Tierney (New Bedford); Robert F. Ranney (Nantucket); and Robert L. O'Brien (Barnstable).

1. SSA Director of Engineering and Maintenance Carl R. Walker reported that the construction of the *M/V Woods Hole* was continuing to go well, but that questions have arisen about the delay in the delivery of some items of equipment. Conrad Shipyard has sent the SSA a letter identifying the delays and requesting a 70-day extension of the vessel's delivery date, and the SSA is still evaluating whether the delays were due to errors or omissions on Conrad's part or attributable to longer lead times for the equipment than anticipated. Once Conrad provides the SSA with more information about the delays, as well as a more detailed revised construction schedule, the SSA will be able to determine what impact those delays might have on the vessel's delivery date.
2. Mr. Walker also reported that the SSA has not yet demolished the so-called "Lobster" building at its Fairhaven Vessel Maintenance Facility because the site work (including the installation of stormwater collection equipment) will not be performed until next year. Instead of demolishing the building now, the SSA decided to leave the building as it is for the winter and perform both the demolition and the site work in the spring.
3. SSA General Manager Wayne C. Lamson reported that the SSA has received the Certificate of the Secretary of Energy and Environmental Affairs on the Environmental Notification Form (ENF) the SSA submitted for its Woods Hole Terminal Reconstruction Project and that, in his Certificate, the Secretary determined that the project does not require an Environmental Impact Report. Therefore, the SSA is continuing to work on the final designs for the project while moving forward with the rest of the permitting

phase, including obtaining an Order of Conditions from the Falmouth Conservation Commission, a Chapter 91 License and a Water Quality Certificate from the Massachusetts Department of Environmental Protection, and a permit from the United States Army Corps of Engineers.

4. SSA Director of Information Technologies Mary T.H. Claffey reported on the improvements that are being made to the SSA's information technology systems, as follows:
  - (a) Since October 20, 2015, the SSA has been making the key changes identified for the upgrades to its Maximo computerized maintenance management information system and, at the moment, all of the automated processing has been completed. The SSA now has to apply some of the customizations to the system that it has requested and then verify that everything works as expected.
  - (b) The SSA's developers have informed the SSA that they have finally ironed out the remaining programming issues so that the SSA can give its customers the option of extending the time during which their wait list requests continue to be processed from up to 48 hours in advance of their scheduled sailing to until noon the day before their scheduled sailing. Once the programming changes have been tested, the SSA will be able to implement the changes in a live environment for its customers.
5. Mr. Lamson reported that the SSA is still experiencing problems with stormwater runoff at its Thomas B. Landers Road parking facility and is continuing to investigate whether the problems are due to a construction issue or an engineering issue. Recently the SSA's engineers had placed temporary berms on the parking lot to try to get water to run from the nonporous ring road to the center of the porous asphalt during a storm event. However, after less than one inch of rain had fallen, the lower portion of the parking lot was saturated where water had percolated up, and there appears to be a problem with water that is flowing under the surface to that lower end of the lot, where there are no catch basins or retaining ponds to catch the overflow. Based upon the SSA's engineers' recommendation, the SSA is conducting additional infiltration testing and soil borings to see whether the material and the compaction are correct. As of now, however, the parking lot is not functioning as designed, which was to be able to handle a five-inch storm.
6. Today the SSA's Board approved management's recommendation to grant Hy-Line's request for an amendment to its current license agreement allowing it:
  - (a) to retire its traditional ferry, the *Brant Point* (with a capacity of 520 passengers), which provides one daily round trip on a summer seasonal basis between Hyannis and Oak Bluffs;

- (b) to provide up to five daily round trips with a new high-speed passenger ferry (with a capacity of between 300 and 350 passengers) on a summer seasonal basis between Hyannis and Oak Bluffs in lieu of its high-speed passenger ferry, the *Lady Martha* (that has a capacity of 149 passengers); and
- (c) to provide up to three daily round trips with the *Lady Martha* on a summer seasonal basis between Oak Bluffs and Nantucket (inter-island service) in addition to providing one morning daily trip from Hyannis to Oak Bluffs and an evening daily trip from Oak Bluffs to Hyannis.

The Board also agreed with management's recommendation not to make any changes to Hy-Line's license fee structure for the two remaining years of its current license agreement and, at management's request, established the following conditions to the approval of Hy-Line's request:

- A. that Hy-Line be required to inform Mr. Lamson of the identity of its proposed new high-speed passenger ferry and the vessel's characteristics so that he can confirm its suitability for Hy-Line's Hyannis-Oak Bluffs service prior to entering into the amended license agreement and can also specify the vessel that Hy-Line is allowed to use to provide that service in the license agreement itself; and
  - B. that, when Hy-Line's current license agreement expires at the end of 2017, the SSA review the status of the services and, in particular, the appropriateness of the license fees being paid by Hy-Line to be able to provide them.
7. The Board similarly approved management's recommendation to grant SeaStreak's request for an amendment to its current license agreement allowing it to use one of its Vineyard 95 vessels (either the *Whaling City Express* or the *Martha's Vineyard Express*), supplemented from time to time with one of its larger vessels based upon demand and availability, to provide two daily round trips on Mondays through Thursdays, and three daily round trips on Fridays through Sundays, on a summer seasonal basis directly between New Bedford and Nantucket. The Board also agreed with management's recommendation that the SSA charge SeaStreak license fees for the proposed new service and to allow SeaStreak to use the SSA's Nantucket terminal for the purpose of unloading and loading passengers in connection with its proposed New Bedford-Nantucket service and the continuation of its weekend ferry service between New York and Nantucket, subject to the payment of appropriate dockage fees.
8. Mr. Lamson reviewed with the Board the SSA's 2016 reservation opening dates when members of the traveling public will be able to make vehicle reservations during the SSA's 2016 summer and fall schedules. The opening dates are on the following page of this summary:

Reservations for the Summer Schedule (05/18/2016 through 10/11/2016)

- Headstart reservations will be accepted (by mail and internet only) from January 5, 2016 through January 10, 2016
- Reservations for the general public will be accepted by mail and over the internet beginning January 12, 2016.
- Telephone reservations for the general public can be made beginning January 19, 2016.

Reservations for the Fall Schedule (10/12/2016 through 01/03/2017)

- Reservations for the general public will be accepted (by mail, internet and telephone) beginning June 20, 2016.

In addition, the “reservation-only” days for vehicles traveling on the Martha's Vineyard route will be every Friday, Saturday, Sunday and Monday from June 17 through September 5, as well as from May 27 through May 31 (around Memorial Day), June 30, July 5, August 23, October 7 and October 10 (around Columbus Day).

9. Today the Board also approved management’s recommendation not to increase the prices of any of the SSA’s parking permits during 2016 except for the Woods Hole parking permits. This past month the SSA was able to renew its lease with the Town of Falmouth for the back parking lot at the SSA’s Woods Hole terminal (along of the former railroad right-of-way to the east of Little Harbor), beginning January 1, 2016. However, under the new lease, 40 of the existing parking spaces in the back lot will now be used by the Town instead of SSA parking permit holders. As a result, the SSA will need to reduce the number of Woods Hole parking permits that its sells to its customers. (During this past year’s permit renewal process, permit holders were informed that they might not be able to renew their permit for 2016 if they did not enter and exit the lot on a routine basis this year.)

In order for revenues from this fewer number of Woods Hole parking permit holders to cover the parking lot’s direct expenses, the SSA needs to increase the price of the annual Woods Hole parking permit by \$200, from \$900 to \$1,100. As a result, the prices of the SSA’s 2016 annual parking permits are:

Woods Hole	\$1,100	Hyannis On-site/Off-site	\$ 950
Palmer Avenue	\$ 650	Lewis Bay Road	\$ 800
		Yarmouth Road	\$ 650

Instead of paying the entire price of the permit in advance, customers have the option of paying one-half of the price by January 1, 2016 (plus \$25), and the other half of the price by May 1, 2016 (plus \$25).

The prices of the SSA's 2016 seasonal parking permits are:

	<u>01/01/2016 – 05/14/2016</u>	<u>09/15/2016 – 12/31/2016</u>
Palmer Avenue	\$ 250	\$ 200
Yarmouth Road	\$ 275	\$ 225
Yarmouth Road (+ 1 r/t exc.)	\$ 350	\$ 300

10. The Board also approved management's proposed 2016 Capital Budget. SSA Treasurer/ Comptroller Robert B. Davis reported that, as of September 30, 2015, the SSA had \$39,314,000 in funds available for its capital projects (plus \$5,708,00 of additional transfers that are expected to be made to the Replacement Fund and Bond Redemption Account during the remainder of 2015), that \$32,383,000 of those funds are needed to complete current projects which already have been approved, and that the staff was requesting approval of new projects totaling \$3,857,000 (including an allowance of \$250,000 for miscellaneous projects under \$50,000). Those new projects include:

- Shuttle bus replacements for the Woods Hole terminal operations (\$290,000);
- Shuttle bus replacements for the Hyannis terminal operations (\$290,000);
- Tow motor replacements (\$225,000);
- Luggage ramp for the Hyannis terminal's high-speed ferry slip (\$75,000);
- Vehicle identification system for the parking lots (\$135,000);
- Accounting system replacement (\$1,500,000);
- Point-of-sale systems for the food concessions on the vessels (\$100,000);
- Stack-feed ticket readers (\$50,000);
- Two service vans (\$56,000);
- Emergency generator for the Fairhaven Vessel Maintenance Facility (\$235,000);
- Fencing for the Nantucket terminal parking area (\$100,000); and
- Web redundancy project (\$375,000).

Mr. Davis also noted that, at this point, several large anticipated capital projects (the *M/V Martha's Vineyard* refurbishment project, the new administrative office building at the Palmer Avenue parking lot, and the temporary Woods Hole terminal building) are not being included in the 2016 Capital Budget because the SSA is still refining the scope of each of those projects and their corresponding cost estimates. However, after the approval of the 2016 Capital Budget, there will still be approximately \$8,800,000 remaining for those larger projects (plus an additional \$8,900,000 that is projected to be transferred to the Replacement Fund during 2016), as well as for other future projects and contingencies.

11. Mr. Lamson reported that, in accordance with the authorization that the Board had given him last month, he awarded Contract #22-15 for "Dry-dock and Overhaul Services for the *M/V Gay Head*" to the lowest eligible and responsible bidder for the contract, Thames Shipyard and Repair Company of New London, Connecticut, for a Total Contract Price

of \$631,828. The *M/V Gay Head* is scheduled to be in the shipyard from November 9, 2015 through December 16, 2015.

12. The Board also authorized Mr. Lamson to award the following contracts to the lowest eligible and responsible bidder for each contract after the opening of bids later this year:
  - (a) Contract #27-15 – “Dry-dock and Overhaul Services for the *M/V Eagle*” – The opening of bids is scheduled for December 2, 2015, and the vessel is scheduled to be in the shipyard from January 4, 2016 through February 2, 2016. The budget estimate for the work is \$904,591.
  - (b) Contract #29-15 – “Supply and Install Equipment to Modernize Two Passenger Elevators on the *M/V Eagle*” – The opening of bids is scheduled for November 19, 2015, and the elevators will be modernized while the vessel is in the shipyard. The estimated cost of the project is \$165,000.
  - (c) Contract #30-15 – “Supply and Deliver Spare Parts for Four MTU 12V 4000 M70 Marine Propulsion Engines” – The opening of bids is scheduled for November 19, 2015, and spare parts are for the engines on the *M/V Iyanough*. The estimated cost of the spare parts is \$300,000.
  - (d) Contract #31-15 – “Supply and Deliver One Twin Track Inflatable Slide, Four Marine Evacuation System Inflatable Buoyant Apparatuses (IBAs) and Two Double-Link Launching Racks” – The opening of bids is scheduled for December 1, 2015, and the SSA will have this spare set of IBAs so that it can continue to operate its vessels with their USCG-allowed passenger capacity levels while the each vessel’s current set of IBAs is inspected and maintained. The estimated cost of this spare set is \$135,000.
13. The Board awarded a contract for design and engineering services in connection with the *M/V Martha’s Vineyard* Mid-life Refurbishment Project to Gilbert Associates, Inc. (who also performed the design and engineering work for the mid-life refurbishments of the *M/V Nantucket* and the *M/V Eagle*) for an estimated fee of \$377,470. Last month the SSA issued a request for proposals from Gilbert Associates and Elliott Bay Design Group (who performed the design and engineering work for the *M/V Island Home* and the *M/V Woods Hole*). After their proposals were received, management concluded that both firms were equally qualified and responsive. Gilbert Associates proposed performing the work for \$377,000, and Elliott Bay proposed performing the work for \$799,000.
14. The Board also awarded a contract for the purchase of ten Zodiac Milpro SR 1500 rescue boats, pursuant to a General Services Administration (GSA) contract, to Zodiac of North America, Inc. for the Total Contract Price of \$243,000. These rescue boats will be installed on the SSA’s eight conventional ferries, replacing rescue boats that have been in service from as long ago as 1998. The two additional rescue boats will be maintained as

spares (one for the Woods Hole-Martha's Vineyard route, and one for the Hyannis-Nantucket route).

15. The Board exercised the SSA's option under its existing contract with Dattco, Inc. of New Britain, Connecticut, to purchase four shuttle buses with wheelchair lifts for a total price of \$542,890. These buses will be used to transport customers between the Woods Hole terminal and the SSA's Falmouth off-site parking lots, and between the Hyannis terminal and the SSA's Hyannis off-site parking lots. Under the contract, which the Board awarded this past January, the SSA still has the option to purchase six more shuttle buses over the next four years at the original contract price (plus cost-of-living and increased emission cost adjustments).

At the conclusion of the meeting, the Board voted to go into executive session to discuss various matters appropriate for discussion in executive session, and they announced that they would not reconvene in public.

The next regular monthly meeting of the SSA's Board is currently scheduled for 9:30 a.m. on Tuesday, December 15, 2015. The meeting is currently scheduled to take place in the mansion at Highfield Hall and Gardens, located at 56 Highfield Drive, Falmouth, Massachusetts. However, the location, time and date of the meeting are all subject to change, so please look for the formal notice for the meeting that will appear on this website next month. Thank you.





# Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

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## SUMMARY OF THE MEETING OF THE WOODS HOLE, MARTHA'S VINEYARD AND NANTUCKET STEAMSHIP AUTHORITY

December 15, 2015

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The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority ("SSA") held their regular monthly meeting at 9:30 a.m. on December 15, 2015, in Highfield Hall, located at 56 Highfield Drive, Falmouth, Massachusetts. All five Board Members were in attendance: Chairman Marc N. Hanover (Martha's Vineyard); Vice Chairman Elizabeth H. Gladfelter (Falmouth); Moira E. Tierney (New Bedford); Robert F. Ranney (Nantucket); and Robert L. O'Brien (Barnstable).

1. SSA General Manager Wayne C. Lamson reported that the construction of the *M/V Woods Hole* is proceeding at a pretty good clip, but that Conrad Shipyard continues to raise concerns about how delays in the delivery of some items of equipment could affect the vessel's delivery date. Last month SSA Director of Engineering and Maintenance Carl R. Walker reported that Conrad had sent the SSA a letter requesting a 70-day extension of the vessel's delivery date due to these equipment delays, and that the SSA had asked Conrad for a more detailed revised construction schedule showing how those equipment delays have had an impact on the vessel's delivery date. The SSA received Conrad's new construction schedule a little more than a week ago, and it had been revised to show only a 40-day delay in the vessel's delivery date. Then last night, after the SSA met with Conrad last week and asked about certain assumptions being used in that schedule, the SSA received a further revised schedule that now shows the vessel being delivered on May 27, 2016, representing only a four-week delay. The SSA will continue to work with the shipyard to get the vessel's delivery date as close as possible to its original date of April 29, 2016.

Mr. Walker also reported that, meanwhile, Conrad continues to work hard towards meeting the original schedule. For example, in order to work inside the boat even though the windows have not yet arrived, the workers have placed plywood over all of the openings as a temporary workaround while they paint, pull wires and install insulation, ventilation ducts and piping systems throughout the boat.

2. Mr. Lamson also reported that the SSA has filed its Notice of Intent for the Woods Hole Terminal Reconstruction Project with the Falmouth Conservation Commission and that, at a hearing on November 18th, some questions had been raised about the SSA's plans. The Commission therefore decided to engage the services of a consultant to review the plans and it is now in the process of finding that consultant. The Town's Engineering Department also had requested that the SSA provide clarifications of certain aspects of its plans, but had nevertheless recognized that the project will result in an improvement from what is on the site now. In addition to receiving the Conservation Commission's Order of Conditions, the SSA still needs to apply for a Chapter 91 license and a Water Quality Certificate from the Massachusetts Department of Environmental Protection and a permit from the United States Army Corps of Engineers as it moves forward with the final design and contract specifications.
3. SSA Director of Information Technologies Mary T. H. Claffey reported on the improvements the SSA is making to its information technology systems, as follows:
  - (a) Yesterday the SSA reviewed and verified all of the changes that have been made to its Maximo computerized maintenance management information system as a result of its upgrade to that system, and is still waiting for a few outstanding items that its consultant is working with IBM to resolve. Testing will begin internally later this week and, after that is complete, the SSA will plan the date and time when the changes will be loaded onto the live system.
  - (b) Late last week the SSA implemented the changes that now allow its customers the option of extending the time during which their wait list requests continue to be processed from up to 48 hours in advance of their scheduled sailing to up until noon the day before their scheduled sailing. Since these changes were implemented, more than half of the SSA's customers who have chosen to be placed on the waitlist have elected to extend the time that their waitlist choices continue to be processed beyond the 48-hour-in-advance cutoff that the SSA has traditionally offered.
4. Mr. Lamson reported that the SSA is still experiencing problems with stormwater runoff at its Thomas B. Landers Road parking facility. Last week the SSA's engineers arranged for additional soil borings to be taken, but the SSA doesn't yet have a report on their findings or whether additional testing will be required prior to proposing a possible fix to correct the situation. Therefore, the SSA still doesn't know whether the problem is due to a construction or an engineering issue.
5. The SSA's Board authorized Mr. Lamson to execute another license agreement with Island Commuter Corp. that will allow the *M/V Island Queen* to begin its 2016 summer schedule one week earlier than it otherwise would be allowed under the SSA's enabling act. As SSA Chairman Marc Hanover suggested at last month's meeting, the proposed license fees to be paid by Island Commuter Corp. are based upon the SSA's average per-passenger revenue during the month of June 2015 (the same month when the *M/V Island Queen* will provide the additional service next year) instead of during the entire calendar year.

6. Also at last month's meeting, there had been some discussion about whether the SSA should provide a link on its website to its licensed ferry operators, and whether the SSA also should require its licensed ferry operators to reciprocate by providing links on their websites to the SSA. Today, the Board accepted the staff's recommendation that the SSA's website instead have links to the websites of the islands' chambers of commerce, which already provide information about all of the transportation options that visitors have to get to each island.
7. The Board also approved the staff's recommendation to change the SSA's driverless vehicle standby policy during the months of July and August at the Hyannis terminal to prohibit customers from dropping off their cars at the terminal more than two calendar days in advance of their vehicle reservations. (As a result, a customer arriving with his or her car at the Hyannis terminal during those months without a reservation will not be allowed to drop off the vehicle unless the terminal agent determines that it will be able to be shipped to Nantucket within 24 hours.) Such a change is necessary during those months because of all of the driverless vehicles that are shipped back and forth between Hyannis and Nantucket and the lack of room at the Hyannis terminal to stage them all there. However, this policy will only apply to customers traveling on regular fares; customers traveling on excursion fares will still be allowed to drop off their cars at the Hyannis terminal more than two calendar days in advance of their vehicle reservations.
8. Mr. Lamson reviewed with the Board the outline of issues that the staff intends to study regarding potential freight service between New Bedford and Martha's Vineyard. There are many policy questions that will need to be answered by the SSA, such as whether the freight service should be year-round or seasonal, whether it should be self-supporting, whether certain shippers or commodities will be required to use the service, what types of vehicles will be allowed to use the service, and what sources of funding might be available for the service.

Mr. Lamson also noted that additional policy matters will need to be decided if the SSA were to provide the freight service instead of licensing a private operator to do it, such as whether the SSA should decrease the number of truck spaces that are available on trips between Woods Hole and Martha's Vineyard and whether the SSA should use its spare vessel to provide the service. But even if the SSA were to have a private operator provide the service, a number of policy questions will still need to be decided, such as whether the SSA should work with only one operator or issue a request for proposals, whether the SSA should allow the private operator to use the SSA's facilities, whether the SSA should be responsible for the private operator's reservations and tickets, whether the SSA should determine what rates and fares the private operator can charge, and who should assume the financial risk of the service, the SSA or the private operator. In addition, the SSA would need to decide how long the term of the license agreement should be, as a private operator may need twenty years to recover its investment in a new vessel to provide the service.

Ultimately, the Board directed the staff to continue to investigate all of the options vigorously, and also to see if the SSA can take a leadership role in the efforts of the Towns of Tisbury and Oak Bluffs to push ahead with the barging of solid waste to New Bedford as a starting point.

9. The Board authorized Mr. Lamson to award Contract #19-15, “Nantucket Terminal Public Restroom Renovations,” to Casby Bros., Inc. of West Roxbury, Massachusetts, the lowest eligible and responsible bidder for that contract, for a Total Contract Price of \$170,000. The contract requires the contractor to renovate the public restrooms at the Nantucket terminal, including replacing the tile flooring and walls, the bathroom fixtures (*e.g.*, sinks and toilets), and partitions, and installing new lighting.
10. The Board also authorized Mr. Lamson to award Contract #20-15, “Hyannis Terminal Public Restroom Renovations,” to Benn Construction Co., Inc., of Sandwich, Massachusetts, the lowest eligible and responsible bidder for that contract, for a Total Contract Price of \$137,844. The contract requires the contractor to renovate the public restrooms at the Hyannis terminal, including replacing the ceiling tiles, the tile flooring and walls, the bathroom fixtures (*e.g.*, sinks and toilets), and partitions, and installing new lighting.
11. Mr. Lamson reported that, in accordance with the authorization that the Board gave him last month, he awarded the following contracts to the lowest eligible and responsible bidder for each contract after the opening of bids:
  - (a) Contract #29-15 – “Supply and Install Equipment to Modernize Two Passenger Elevators on the *M/V Eagle*” – to BBE Corporation (Buckley Elevator) of Salem, Massachusetts, for a Total Contract Price of \$161,500. The elevators will be modernized while the vessel is in the shipyard.
  - (b) Contract #30-15 – “Supply and Deliver Spare Parts for Four MTU 12V 4000 M70 Marine Propulsion Engines” – to Power Product Systems, LLC (New England Detroit Diesel – Allison) of Wakefield, Massachusetts, for a Total Contract Price of \$517,051.97. The spare parts are for the engines on the *M/V Iyanough*.
  - (c) Contract #31-15 – “Supply and Deliver One Twin Track Inflatable Slide, Four Marine Evacuation System Inflatable Buoyant Apparatuses (IBAs) and Two Double-Link Launching Racks” – to Liferaft Systems Australia of Derwent Park, Tasmania, Australia, for a Total Contract Price of \$158,708.82. The SSA will have this spare set of IBAs so that it can continue to operate its vessels with their USCG-allowed passenger capacity levels while the each vessel’s current set of IBAs is inspected and maintained.

12. The Port Council's current Chairman, Barnstable Port Council member Robert R. Jones, announced that, at their meeting earlier this month, the Port Council had voted to elect the following members to be their officers for the year 2016: Oak Bluffs Port Council member Robert V. Huss as Chairman; Tisbury Port Council member George J. Balco as Vice Chairman; and Falmouth Port Council member Robert S. C. Munier as Secretary.
13. Finally, on January 1, 2016, Falmouth Board Member Elizabeth H. Gladfelter will become the SSA's Chairman for next year in accordance with the SSA's Enabling Act. Pursuant to their by-laws, the Board also elected New Bedford Board Member Moira E. Tierney to serve as the SSA's Vice Chairman and Nantucket Board Member Robert F. Ranney to serve as the SSA's Secretary next year.

At the conclusion of the meeting, the Board voted to go into executive session to discuss various matters appropriate for discussion in executive session, and they announced that they would not reconvene in public.

The next regular monthly meeting of the SSA's Board is currently scheduled for 9:30 a.m. on Tuesday, January 19, 2016. The meeting is currently scheduled to take place in the Town of Falmouth, Massachusetts. However, the exact location for the meeting has not yet been determined and, in any event, the location, time and date of the meeting are all subject to change; so please look for the formal notice for the meeting that will appear on this website next month. Thank you.