



Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

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

January 15, 2013

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 15, 2013, in the second floor conference room of the SSA's Woods Hole terminal, located at the Foot of Railroad Avenue, Woods Hole, Massachusetts. All five Board Members were in attendance: Chairman Robert F. Ranney (Nantucket); Vice Chairman Robert L. O'Brien (Barnstable); Secretary Marc N. Hanover (Martha's Vineyard); Robert S. Marshall (Falmouth) (who participated by telephone conference); and John A. Tierney (New Bedford).

1. The Board began the meeting with a moment of silence for their friend and colleague, H. Flint Ranney, who served the SSA over the past eleven years in various capacities – first, on the Finance Advisory Board; then, on the Port Council; and, for the last eight years, as Nantucket's SSA Member. All of us here at the SSA appreciate Flint's dedicated service and his many contributions, including his suggestion in 2006 to install the *S/S Nobska's* whistle on the *M/V Eagle*, and his persistent push for customer service improvements.
2. SSA management provided the Board with an update on the SSA's website redesign project. The new website is expected to be launched within the next six weeks, although the exact launch date will depend on how the final testing goes over the next two weeks and how quickly the SSA can resolve any remaining issues. The SSA's objectives in developing the new website have been to improve the website's overall appearance, to make the website more user-friendly for both island residents and visitors, to enhance the SSA's marketing capabilities, and to provide information that can be filtered by island or targeted to certain groups such island residents or visitors.
3. The Board approved management's recommendation to participate in the Massachusetts Ferry Transportation Compact among various water transportation stakeholders through-

out the coastal communities of Massachusetts. The Compact is expected to include representatives from the Massachusetts Department of Transportation, the Legislature's Joint Committee on Transportation, the Seaport Advisory Council, Massport, the MBTA, the cities of Boston, Lynn, New Bedford and Salem, and the Towns of Hull, Winthrop and Provincetown, in addition to other water transportation stakeholders. The purpose of the Compact will be to examine the opportunities to provide additional transportation mobility options for the Commonwealth's residents and visitors, to reduce traffic congestion, improve air quality and economic development, and to make investment recommendations in connection with available grants for water transportation services and infrastructure improvements.

4. The Board authorized SSA General Manager Wayne C. Lamson to award Contract No. 01-13 for dry-dock and overhaul services for the *M/V Island Home* to the lowest eligible and responsible bidder for the contract following the opening of bids therefor, which is currently scheduled for January 31st. The vessel is scheduled to be in the shipyard from around March 8, 2013 to around April 9, 2013 to undergo a required United States Coast Guard hull exam, machinery inspections and repairs, underwater hull cleaning and painting, and installation of sewage holding tanks and evacuation piping.
5. The Board also authorized Mr. Lamson to award Contract No. 02-13 for the supply and delivery of steel pipe piles and steel pipe caps to the lowest eligible and responsible bidder for the contract following the opening of bids therefor, which is currently scheduled for January 17th. The main pier section of the Oak Bluffs terminal's pier was damaged by high seas generated by Hurricane Sandy, with damage to piles, pile caps, stringers, decking, railings, lighting, electrical conduits and wiring. In an effort to minimize damage to the pier during future severe weather events, repair work for the pier has been redesigned with steel piles and pile caps in place of the failed pier that was constructed of wooden members. In addition, the pier is being designed to have the decking be the weak link in the design, allowing the deck planking to give way when extreme sea water pressure is exerted from underneath the pier.
6. The Board also authorized Mr. Lamson to award Contract No. 03-13 for the replacement of the fender for Slip #1 at the Nantucket terminal to the lowest eligible and responsible bidder for the contract following the opening of bids therefor, which is currently scheduled for January 31st. The existing berthing fenders and fender frames have been in use since the terminal was reconstructed in 1984. As Slip #1 is the Nantucket terminal's primary passenger/vehicle slip, the fenders on that slip have received much more wear and tear than the fenders on Slip #2. The contract requires the contractor to replace the slip's nine existing fenders and fender frames and to complete all of the work by no later than April 12, 2013.

7. The Board also authorized Mr. Lamson to award Contract No. 04-13 for repairs to the Oak Bluffs terminal pier to the lowest eligible and responsible bidder for the contract following the opening of bids therefor, which is currently scheduled for February 5th. Under the contract, the contractor will be required to remove the damaged electrical equipment, lighting, pier decking, stringers, pile caps and wooden piles, and dispose of all debris; then to replace the wooden piles and pile caps with Owner Furnished steel piles and caps (see ¶ 5 above), install new wooden stringers, re-deck the pier and make repairs to electrical and lighting systems. In addition, the contractor will be required to replace the rubber fenders on a damaged dolphin, and complete all of the work within 90 calendar days from the award of the contract so that the terminal is ready to open by the beginning of the 2013 Summer Schedule on May 16, 2013.

8. Mr. Lamson reported that, in accordance with the authorization the Board gave him last month, after bids were opened on December 20, 2012 for Contract No. 07-12 for the demolition of the old Falmouth ice rink, he awarded the contract to the lowest eligible and responsible bidder, J.R. Vinagro Corporation of Johnston, Rhode Island, for a Total Contract Price of \$141,654.25. The SSA purchased the ice rink property from the Falmouth Youth Hockey League in 2011 and is demolishing the building in order to create additional parking at the SSA's Palmer Avenue parking lot. The demolition is scheduled to begin next week.

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.

The next regular monthly meeting of the SSA's Board is currently scheduled for 9:30 a.m. on Tuesday, February 12, 2013. The meeting is currently scheduled to take place in the second floor conference room of the SSA's Woods Hole terminal, but 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

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

February 12, 2013

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 February 12, 2013, in the second floor conference room of the SSA's Woods Hole terminal, located at the Foot of Railroad Avenue, Woods Hole, Massachusetts. All five Board Members were in attendance: Chairman Robert F. Ranney (Nantucket); Vice Chairman Robert L. O'Brien (Barnstable); Secretary Marc N. Hanover (Martha's Vineyard); Robert S. Marshall (Falmouth) (who participated by telephone conference); and John A. Tierney (New Bedford) (who also participated by telephone conference).

1. At last month's Board meeting, SSA General Manager Wayne C. Lamson reported that the SSA's new website was expected to be launched within the following six weeks, although the exact launch date depended on how the SSA's final testing went and how quickly the SSA's management could resolve any remaining issues. Today Mr. Lamson reported that, although management has not moved as quickly as he had hoped, the SSA was nevertheless making substantial progress on resolving those issues due to the hard work of everyone involved in this project and that, as a result, it now appears the SSA will be able to launch the website within the next three weeks.
2. The Board approved management's recommendation to establish an inter-island automobile excursion rate, just as the SSA has an inter-island motorcycle excursion rate, so that residents of one island can visit the other island without having to pay a regular round-trip ticket to the other island. As with all of the SSA's excursion fares, all travel (all four segments) must be completed within 31 days from the date of the original departure. The rate will be equal to the combination of the two islands' automobile excursion rates and will include the automobile and up to two adults and two children. Customers will need to call the Mashpee Reservation Office during regular business hours to make reservations and obtain tickets for travel under this rate.

3. Mr. Lamson also asked the Board to consider adopting a policy at their next meeting establishing a minimum age at which children are allowed to travel on the ferries without being accompanied by an adult. Currently the SSA requires only that children under five years of age must be accompanied by an adult who is responsible for their care and conduct during the passage, and many other ferry operators and transportation providers have policies that require all children under the age of 12 or 13 to be accompanied by an adult. Although management feels that the SSA should establish a similar minimum age, the Board agreed to first solicit feedback from customers who would be negatively impacted by the proposed change before deciding whether to establish management's proposed policy or some other policy the Board believes is more suitable.
4. Mr. Lamson informed the Board that, in accordance with the authorization they gave him at their last meeting, he had awarded Contract No. 01-13 for dry-dock and overhaul services for the *M/V Island Home* to the lowest eligible and responsible bidder for the contract, GMD Shipyard Corporation of Brooklyn, New York, for a total contract price of \$763,213. The vessel is scheduled to be in the shipyard from around March 8, 2013 to around April 9, 2013 to undergo a required United States Coast Guard hull exam, machinery inspections and repairs, underwater hull cleaning and painting, and installation of sewage holding tanks and evacuation piping.
5. Mr. Lamson also informed the Board that, in accordance with the authorization they gave him at their last meeting, he had awarded Contract No. 02-13 for the supply and delivery of steel pipe piles and steel pipe caps to the lowest eligible and responsible bidder for the contract, P.I.T. Pipe, Incorporated of Wentzville, Missouri, for a total contract price of \$306,013. The contractor is required to supply 46 fabricated steel piles (16 inches in diameter and 60 feet long) with spin fins welded to the bottom of each pile, stringer tabs welded to the top of each pile and then coated with coal tar epoxy, as well as eight steel pile caps (14 inches by 14 inches), coated with a coal tar epoxy.
6. Mr. Lamson also informed the Board that, in accordance with the authorization they gave him at their last meeting, he had awarded Contract No. 03-13 for the replacement of the fender for Slip #1 at the Nantucket terminal to the lowest eligible and responsible bidder for the contract, Linberg Marine, Inc. of Fairhaven, Massachusetts, for a total contract price of \$186,000. Repairs had been scheduled to begin upon award of the contract. However, due to extremely long lead times on the fender components, the repairs are now scheduled for mid-October through mid-November 2013.
7. At last month's meeting, the Board also authorized Mr. Lamson to award Contract No. 04-13 for repairs to the Oak Bluffs terminal pier to the lowest eligible and responsible bidder for the contract following the opening of bids therefor, which took place yesterday. Under the contract, the contractor will be required to complete all of the repair work within 90 calendar days from the award of the contract so that the terminal is ready to open by the beginning of the 2013 Summer Schedule on May 16, 2013. Mr. Lamson reported that, at the moment, the lowest bidder for the contract is MIG Corporation Inc.

of Acton, Massachusetts, who submitted a bid with a proposed total contract price of \$1,573,357, but that management was still conducting its due diligence to ensure that MIG Corporation Inc. is an eligible and responsible bidder before the contract can be awarded.

8. The Board also authorized Mr. Lamson to award Contract No. 05-13 for Phase 1 of the Palmer Avenue parking lot improvements to the lowest eligible and responsible bidder for the contract, Lawrence-Lynch Corp. of Falmouth, Massachusetts, for a total contract price of \$698,983.
9. The Board also authorized Mr. Lamson to award Contract No. 06-13 for repairs to the head dolphin in Slip #1 of the Woods Hole terminal to the lowest eligible and responsible bidder for the contract, Atlantic Support Installations, Inc. of Hopedale, Massachusetts, for a total contract price of \$58,500.

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 19, 2013. The meeting is currently scheduled to take place in the second floor conference room of the SSA's Woods Hole terminal, but 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

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

March 19, 2013

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority ("SSA") held their regular monthly meeting at 9:45 a.m. on March 19, 2013, in the second floor conference room of the SSA's Woods Hole terminal, located at the Foot of Railroad Avenue, Woods Hole, Massachusetts. All five Board Members were in attendance: Chairman Robert F. Ranney (Nantucket); Vice Chairman Robert L. O'Brien (Barnstable); Secretary Marc N. Hanover (Martha's Vineyard); Robert S. Marshall (Falmouth); and John A. Tierney (New Bedford).

1. SSA General Manager Wayne Lamson reported that the SSA is still in the process of wrapping up all of the issues that remain with respect to the SSA's new website. Once those are resolved, one of the final steps the SSA has to take is what is called the "load test." Assuming the SSA successfully completes that test, it should be launching the new website around the beginning of April.
2. Mr. Lamson also reported that, last month, the SSA had a productive meeting with the Army Corps of Engineers and other stakeholders to discuss both short-term and long-term dredging needs in Hyannis Inner Harbor and Lewis Bay. The Corps is in the process of arranging for a survey of the channel depths, which should identify where the worst spots are. Then, within the next four months, the Corps is expected to dredge those high areas before coming back next year to work on bringing the entire channel back to its charted depth of 11 feet below mean low water. Meanwhile, the SSA has had to restrict the draft of its vessels transiting the channel around low tide, and this is expected to continue until late June or early July.

3. The Board approved SSA management's recommendation to require children under the age of 13 to be accompanied by an adult (a person 13 years of age or older), who is responsible for their care and custody during the passage. This represents a change of the SSA's previous policy that required only children under five years of age to be accompanied by an adult. After SSA management proposed this change at last month's meeting, the SSA received a substantial amount of feedback from the public, as well as the SSA's insurance carrier, supporting the change.

4. The Board also approved SSA management's recommendation to grant a request from Hy-Line Cruises to provide additional high-speed service with the *M/V Lady Martha* between Hyannis and Nantucket this upcoming year over the weekends of the Nantucket Daffodil Festival, the Nantucket Wine Festival, Memorial Day, Labor Day, Columbus Day, and Christmas Stroll. In its request, Hy-Line pointed out that the additional trips by the *M/V Lady Martha* would benefit the traveling public by providing additional travel options and mitigating any service interruptions suffered by either the *M/V Grey Lady* or the *M/V Lady Martha*, and it would also potentially increase both Hy-Line's revenues and the SSA's license fees (which are based on the overall number of passengers carried by Hy-Line during the year when the *M/V Iyanough* is operating). All of the other terms and provisions of Hy-Line's license agreement will remain the same.

5. Mr. Lamson also reported to the Board that SSA management intended to allow the SSA's license agreement with SeaStreak Martha's Vineyard, LLC (formerly New England Fast Ferry of Massachusetts, LLC) to renew automatically this year so that SeaStreak will continue to provide high-speed passenger ferry service between New Bedford and Martha's Vineyard through at least September 30, 2014. Last year the SSA allowed SeaStreak's license agreement to renew automatically through September 30, 2013, based upon all of the information the SSA had about SeaStreak's service, including its level of ridership and the projected cost of having the SSA provide the service itself. Since that time, there have not been any material changes in circumstances to warrant a reconsideration of the SSA's conclusion that it simply would not be financially prudent for the SSA to take over the service. In addition, the Board authorized management:
 - (a) to defer to whatever decision may be made by the New Bedford Harbor Development Commission regarding whether SeaStreak should be allowed to suspend its service during the 2013-2014 winter season;
 - (b) to extend SeaStreak's current license agreement through at least Columbus Day of 2014 or, if SeaStreak prefers, the end of October 2014; and
 - (c) to consider the potential renewal of SeaStreak's license agreement in the same manner as the SSA will be considering the potential renewal of all of the other private ferry operators' license agreements in 2014.

6. The Board also authorized SSA management to enter into a letter of agreement with the Falmouth Public Schools for the rental of the high school parking lot on busy summer weekends this year. The SSA typically uses the high school parking lot on Memorial Day Weekend and then five or six weekends (with the exception of the Road Race Weekend) during the summer months.
7. The Board also authorized SSA management to offer a 20% discount on the price of electronic 10-ride passenger ticket books for the high-speed ferry during the period from April 1 through April 10, 2013 (when the *M/V Iyanough* is scheduled to resume service this year). As a result, during this 10-day period, the price of an adult 10-ride ticket book will drop from \$275 to \$220, the price of a senior 10-ride ticket book (with restrictions) will drop from \$185 to \$148, and the price of a child 10-ride ticket book will drop from \$165 to \$132.
8. The Board also approved SSA Treasurer/Comptroller Robert 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 the same as what was approved by the Board in March 2011, 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.
9. SSA management was prepared to seek authorization from the Board today to enter into a contract for a feasibility study for the Woods Hole terminal reconstruction project with Bertaux + Iwerks Architects LLC of Boston, Massachusetts, based upon the standard form for a feasibility study contract used by the Massachusetts Department of Capital Asset Management and Maintenance ("DCAM") with a designer's basic fee in the amount of \$300,000. On March 6, 2013, after interviewing two finalists for the contract, the State Designer Selection Board selected Bertaux + Iwerks as the first ranked finalist for the contract. However, SSA General Counsel Steven Sayers reported that, last Thursday, the second ranked finalist submitted a bid protest with the Attorney General's office regarding the State Designer Selection Board's process, and that Attorney General's office has asked the SSA to refrain from awarding the contract pending a decision on the protest.
10. The Board approved SSA management's recommendation to declare the building (a single-family house) at 123 School Street, Hyannis, as surplus property and to authorize Mr. Lamson to solicit proposals for the removal of the building as well as the foundation, including any groundwork to bring the site back to its natural grade.

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.

11. After reconvening in public session after discussing the subject in executive session, the Board ratified the SSA's tentative new collective bargaining agreement with SEIU Local 888 governing the terms and conditions of employment for the SSA's reservation clerks and other Customer Service Department employees.

The next regular monthly meeting of the SSA's Board is currently scheduled for 9:30 a.m. on Tuesday, April 16, 2013. The meeting is currently scheduled to take place at a location to be determined in New Bedford, but 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

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

April 16, 2013

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 16, 2013, at the Rotch-Jones-Duff House & Garden Museum, located at 396 County Street, New Bedford, Massachusetts. All five Board Members were in attendance: Chairman Robert F. Ranney (Nantucket); Vice Chairman Robert L. O'Brien (Barnstable); Secretary Marc N. Hanover (Martha's Vineyard); Robert S. Marshall (Falmouth); and John A. Tierney (New Bedford).

1. SSA General Manager Wayne C. Lamson reported that most, if not all, of the front-end development of the SSA's new website has been completed by iMarc, the website development firm which the SSA is working with on this project. The SSA is now down to finalizing configuration issues that need to be successfully resolved before the website can be launched. One of the final steps is running load tests to ensure that the website can handle the volume of customers who are expected to visit it. In addition, the SSA needs to complete tests to make certain that there are no issues with processing credit card charges over the new website. While this has taken much more time than SSA management anticipated, the SSA is continuing to make progress towards the website's eventual launch date.
2. SSA Director of Engineering and Maintenance Carl R. Walker reported that the Oak Bluffs pier repairs are progressing well. The contractor is driving the last of the wooden piles today, and all of the steel pipe piles already have been driven. Last week the contractor also received a delivery of wood for the decking, and 60% of the decking for the old section of the pier has been completed. Decking the new section of the pier can begin after the stringers for the decking are installed. As long as the contractor continues to receive deliveries of wood for the decking, the work should remain on track for the terminal to open as scheduled on May 16, 2013.

3. Mr. Lamson reported that the US Army Corps of Engineers is moving very quickly in response to the SSA's request for emergency maintenance dredging of Hyannis Harbor due to the impacts of Hurricane Sandy. The Corps has issued a public notice of the dredging and is accepting public comment regarding the project through May 1, 2013. The notice identifies the areas of the channel which are going to be dredged, and notes that the proposed work will result in the removal of approximately 90,000 to 100,000 cubic yards of clean sand. Because the dredging will not commence until late June 2013, the SSA is continuing to monitor extreme tide conditions in the channel to ensure that there is sufficient water under the SSA's vessels and that they do not touch bottom. As a result, the arrival and departure of certain trips will continue to be delayed and sometimes heavier trucks will be left at the dock for a later trip.
4. Mr. Walker then reported that the first phase of the Palmer Avenue Parking Lot Improvements Project is moving along very well. The contractor has finished the retaining wall between the area of the former ice rink and the adjacent wetland, and is doing the final grading so that the utility lines can be installed. Everything is on schedule to be completed in time for the Memorial Day weekend.
5. The Board approved SSA management's recommendation to award the contract for a feasibility study for the Woods Hole Terminal Reconstruction Project to Bertaux + Iwerks Architects LLC of Boston, Massachusetts, based upon the standard form for a Feasibility Study Contract used by the Massachusetts Division of Capital Asset Management and Maintenance ("DCAM") with a designer's basic fee in the amount of \$300,000. The State Designer Selection Board, at their meeting on March 6, 2013, selected the design team led by Bertaux + Iwerks as the first-ranked finalist for the contract by a vote of 9 to 1.

Bertaux + Iwerks is undertaking the feasibility study in association with the marine engineering firm of Moffatt & Nichol, which will be not only the marine engineer for the project, but also the project's civil engineer and traffic engineer (specifically, Ted Bell, who is the former Director of Terminal Engineering for Washington State Ferries). Moffatt & Nichol will have primary responsibility for marine planning and traffic planning, as well as marine engineering and civil engineering, while Bertaux + Iwerks will have primary responsibility for architectural design and overall project management, and both the marine engineering firm and the architects will collaborate on the remaining aspects of the project, such as the public meetings and presentations, terminal planning, site planning and customer experience planning.

The objective of the feasibility study is to determine how all of the Woods Hole terminal's current and future operational needs can best be accomplished either on the terminal property itself or at one or more other locations. Most important is determining how the terminal can accommodate three operational ferry slips, all of which will need to

be reconstructed with longer transfer bridges and may also need to be realigned. The feasibility study will follow a seven-step process, as follows:

1. Developing a Study Work Plan.
2. Collecting and analyzing data of the site and the SSA's operations.
3. Conducting interviews and meetings with SSA representatives and the community to prioritize outcomes and develop programs for both the terminal building and the site.
4. Developing three alternative approaches for achieving the desired objectives, and soliciting SSA and community input on those alternatives.
5. Developing a consensus solution in light of feedback from both the SSA and the community.
6. Submitting a draft report based on the approved consensus solution.
7. Finalizing the report based upon comments received.

The study is expected to take up to nine months to complete and, if the SSA ultimately is satisfied with Bertaux + Iwerks' work, the SSA can then ask the same design team to develop the final detailed program and design for the reconstructed Woods Hole terminal.

6. Mr. Lamson reported that the SSA had received no proposals in response to its request for the removal of the building (a single-family house) at 123 School Street, Hyannis. Mr. Lamson therefore recommended that the SSA now issue an invitation for bids to have the building demolished, and the Board agreed with his recommendation.

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, May 14, 2013. 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. 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

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

May 14, 2013

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, 2013, in the second floor meeting room of the SSA's Hyannis terminal, which is located at 141 School Street, Hyannis, Massachusetts. All five Board Members were in attendance: Chairman Robert F. Ranney (Nantucket); Vice Chairman Robert L. O'Brien (Barnstable); Secretary Marc N. Hanover (Martha's Vineyard); Robert S. Marshall (Falmouth); and John A. Tierney (New Bedford).

1. For the past several months, SSA General Manager Wayne C. Lamson has been reporting that the SSA expected to be in a position to launch its new website as soon as the website successfully passes a few remaining tests. However, Mr. Lamson reported today that the SSA has continued to encounter problems with the so-called "load tests" it has been running to ensure that the website can handle the volume of customers who are expected to visit it. The results from these load tests have been unsatisfactory and, ironically, iMarc's efforts to improve the website's overall efficiency in an attempt to have it pass those tests have created even more problems. The bottom line is that, so far, iMarc has been unable to deliver a website that is capable of meeting the SSA's basic requirements and the SSA is assessing all of its possible options. Further, regardless of how the SSA proceeds, the new website will not be able to be launched until next fall at the earliest.
2. SSA Director of Engineering and Maintenance Carl R. Walker reported that the Oak Bluffs dock repairs were complete except for a few punch list items that will be completed after the terminal reopens this Thursday. These items include the installation of some sections of railing that were not delivered on time, and a light pole that has been special ordered from Germany. The Engineering and Maintenance Department is also making some adjustments to the transfer bridge.

3. The US Army Corps of Engineers still needs to receive approvals from several state agencies (including the Department of Environmental Protection, the Division of Marine Fisheries, and Coastal Zone Management) in order to be able to dredge Hyannis Harbor, and certain federal agencies also need to comment on the project. But management is still hopeful that the Army Corps will have received all of the necessary approvals and comments in order to proceed with the dredging on or about June 21, 2013.
4. Mr. Walker also reported that the vessel sewage pump-out project is proceeding fairly well and that all four terminals (Woods Hole, Nantucket, Hyannis and Vineyard Haven) are operational, although certain adjustments and upgrades are still being made to the equipment. In addition, the necessary modifications have been made to the *M/V Island Home*, the *M/V Eagle*, the *M/V Sankaty* and the *M/V Katama* for their sewage to be pumped out now, and the remainder of the SSA's fleet will be modified so that their sewage can also be pumped out beginning next year.
5. Mr. Walker reported that everything with the Palmer Avenue Parking Lot improvements is going very well, and that phase 1 of the project should be completed on or a little ahead of schedule before the Memorial Day weekend. The drainage is being finalized, later this week the top coat for the asphalt will be done for the entrance and exit lanes, as well as for the parking area where the ice rink previously was located, the concrete is being poured today for the traffic islands where the entrance and exit booths will be located, and the booths themselves will be installed tomorrow.
6. Mr. Lamson reported that the SSA began the feasibility study for the Woods Hole terminal reconstruction project with a kick-off meeting at the Woods Hole terminal last week. The study will involve the development of alternative design solutions and eventually a consensus solution for the terminal's reconstruction, including a possible reconfiguration of the terminal's three ferry slips, a new terminal building, traffic flow improvements for both pedestrians and vehicles, and the possible relocation of the SSA's administrative offices away from the property. The feasibility study is expected to take nine to twelve months to complete, including the time that it will take to complete any special studies that may be needed prior to developing the alternative design solutions and concepts. As the process moves along, there will also be plenty of opportunity for public comment and discussion.
7. Mr. Lamson also reported on the status of the SSA's vessel replacement study. In addition to compiling information about the characteristics of each vessel in the SSA's current fleet, the SSA has obtained a survey by Marine Safety Consultants, Inc. on each vessel's useful life and functional obsolescence. SSA management also has identified four potential vessel replacement alternatives and has reviewed the various pros and cons of each one. Those alternatives consist of:
 - (a) purchasing and modifying an existing offshore supply vessel;

- (b) constructing a new “super” freight vessel that can also carry 300 to 400 passengers;
- (c) constructing a new *M/V Martha’s Vineyard*-class vessel that can carry 800 passengers; and
- (d) constructing a new *M/V Island Home*-class vessel that can carry 1,200 passengers.

Because the first boat the SSA needs to replace is the *M/V Governor*, the new vessel probably will not result in a significant increase in the SSA’s capacity during the summer; but, unlike the *M/V Governor*, the new vessel will be able to operate year-round and on both routes, which will give the SSA more versatility during the remainder of the year.

8. SSA Treasurer/Comptroller Robert B. Davis presented 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 2012 calendar year, noting that the methodologies used in the analysis were the same as those that have been used for the previous eight years.

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

- (a) Total vessel operating costs decreased by \$5,000, or 0.0%, in 2012, with lower payroll and maintenance costs offset by increases in the cost of fuel and benefits. Indirect non-vessel costs increased by \$748,000, or 3.7%, due to the allocation of maintenance and administration expenses and, overall, the cost of service on the Martha's Vineyard route increased by \$743,000, or 1.7%, from 2011.
- (b) The number of trips operated increased by 193 in 2012, with total capacity for the year increasing by 9,260 car-equivalent unit spaces. The number of spaces occupied increased by 6,404, or 1.1%, from 2011, resulting in a decrease of the occupancy rate from 78.3% in 2011 to 78.2% in 2012.
- (c) The estimated cost of a car-equivalent unit space was \$49.20 in 2012, up from \$49.05 in 2011. On average, automobiles covered 95.0% of their allocated cost of service, with standard fare automobiles covering 128.9% and excursion fare automobiles covering 38.6%. By comparison, on average, trucks were covering 109.1% of their allocated cost of service.

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

- (a) Total vessel operating costs increased by \$1,086,000, or 7.8%, in 2012, primarily due to increases in fuel expense, benefits, maintenance and depreciation. The amount of indirect non-vessel costs allocated to the Nantucket route increased by \$231,000, or 2.2%, primarily due to the allocation of maintenance expenses. As a result, the overall cost of service for the Nantucket route increased by \$1,317,000, or 5.4%, from 2011.

- (b) The number of trips operated decreased by 6 in 2012, although 20 more spaces were provided in 2012 than in 2011. The total number of spaces occupied increased by 3,346, resulting in an increase in the occupancy rate from 76.5% in 2011 to 78.1% in 2012.
- (c) The estimated cost of a car-equivalent unit space was \$125.89 in 2012, up from \$119.67 in 2011. On average, automobiles were covering 116.9% of their allocated cost of service, with standard fare automobiles covering 153.1% and excursion fare automobiles covering 38.9%. By comparison, on average, trucks were covering 85.1% of their allocated cost of service.

Mr. Davis also observed that among the purposes of this analysis is not only to see how effective the SSA's rate structure was for 2012, but also to see whether each route's financial position improved or deteriorated from 2011. In this regard, although the figures fluctuate slightly from year to year, they all have remained relatively constant over the past five years.

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 18, 2013. The meeting is currently scheduled to take place on Nantucket. 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

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

June 18, 2013

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 18, 2013, in the Discovery Room of the Nantucket Whaling Museum, located at 15 Broad Street, Nantucket, Massachusetts. All five Board Members were in attendance: Chairman Robert F. Ranney (Nantucket); Vice Chairman Robert L. O'Brien (Barnstable); Secretary Marc N. Hanover (Martha's Vineyard); Robert S. Marshall (Falmouth); and John A. Tierney (New Bedford).

1. Once again, The SSA Board started the meeting with the Website Redesign Project, and SSA General Manager Wayne C. Lamson reported that SSA management was continuing to assess all of the SSA's available options. At this point, the SSA is working towards launching the new website as soon as possible side by side with its current website so that website visitors can use either site through the rest of the summer season. During this transitional period, all of the SSA's customers' reservations and other information will be maintained on both websites so that, if they want, customers can go back and forth between the two websites to compare their features. This will give the SSA a chance to obtain more feedback on the new website and make it even better.

Meanwhile, since the last Board meeting, the project has overcome a lot of issues. The load tests have worked out, and the website has passed all of the security tests required by the credit card processing companies. However, the SSA has encountered a few new problems, such as making certain that customers can change a wait list request and book a preferred space reservation on the new website, and SSA management is in the process of correcting those. But it is anticipated that these issues will be quickly resolved.

2. SSA Director of Engineering and Maintenance Carl R. Walker reported that the first phase of the Palmer Avenue Parking Lot Improvements has been substantially completed except for a few punch list items, and that yesterday Lawrence Lynch had completed widening one of the exit lanes to accommodate larger vehicles such as campers, buses

and emergency vehicles. The final work for this phase – modifying the old entrance to the parking lot that will still be used by the SSA’s shuttle buses to enter and exit the lot – should be completed by the end of this week.

3. Mr. Lamson reported that the data collection and analysis phase of the feasibility study for the Woods Hole terminal reconstruction project is underway, and that Bertaux + Iwerks Architects have completed a number of interviews with individual staff members and members of the community, including the Woods Hole Community Association, the Woods Hole Business Association, the Falmouth Town Planner and the Falmouth Town Engineer. Bertaux + Iwerks also have started to gather information on the current and future space requirements for the terminal’s waterside and landside activities, as well as various components of any buildings that would remain on the site under different design alternatives. The feasibility study is expected to take nine to twelve months to complete.
4. Mr. Lamson also reported that the U.S. Army Corps of Engineers has received all of the necessary federal and state environmental approvals for the maintenance dredging of the Hyannis Harbor channel and that, as a result, the dredging is on schedule to begin on June 21st and last through July 3rd. It was truly amazing to see all of the various federal and state agencies working together to get this project permitted and scheduled as quickly as they did, and the SSA is particularly thankful not only to the Army Corps, but also to U.S. Representative William Keating, State Representative Tim Madden, and both the Towns of Barnstable and Nantucket.
5. SSA management presented the preliminary draft of their proposed 2014 Winter and Spring Vessel Operating Schedules for discussion purposes only, as the Board does not have to approve these schedules until their meeting next month.

The proposed 2014 Winter Schedule is virtually the same as the one the SSA operated this past year, except that the winter schedule would start one day later and end four days later than in 2013 (beginning on January 2, 2014 and ending on April 13, 2014). As a result, the spring schedule similarly would start four days later than in 2013. SSA management also is proposing to end the spring schedule two days earlier than in 2013 (beginning on April 14, 2014 and ending on May 13, 2014), which means that the 2014 Summer Schedule also would start two days earlier than in 2013.

The proposed 2014 Spring Schedule also would provide the same service the SSA provided this past year, plus additional freight vessel service on Fridays and Sundays on the Martha’s Vineyard route and on Tuesdays, Wednesdays and Thursdays on the Nantucket route in order to meet the increasing demand for vehicle space. This additional freight service would be provided by the *M/V Sankaty*, which would switch back and forth between Woods Hole and Hyannis during the week in order to meet the respective service needs on both routes. These additional trips would be entered into the reservation system for customers to book in advance either online or through the reservation office.

6. The Board approved the 2014 Budget Policy Statement proposed by SSA management that sets forth the guidelines the SSA will be using in the preparation of its 2014 Operating Budget. As mentioned by SSA Treasurer/Comptroller Robert B. Davis at the meeting, the Budget Policy Statement requires the SSA, among other things:

- to identify significant terminal repairs and maintenance that will need to be accomplished;
- to schedule the vessels that will be dry-docked (the *M/V Martha's Vineyard*, the *M/V Eagle*, the *M/V Governor*, the *M/V Sankaty* and the *M/V Iyanough*);
- 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; and
- to factor in health care and insurance costs.

As usual, the most difficult expense to estimate for next year will be the cost of fuel oil. Currently, the barrel price for crude oil is trading in the \$90-\$100 range, while a year ago it was trading in the \$80-\$90 range (and last month it was trading in the \$85-\$95 range). The SSA's hedge program for vessel fuel for 2013 is at an average cost of \$3.65 per gallon, and the program is currently extended through the first half of 2014 at slightly lower averages than the SSA's 2013 position. The budgeted cost of vessel fuel oil in 2014 will be based on the price forecast plus the cost of the hedging program. In addition, the SSA will continue to make fuel and energy conservation a priority in both land and sea operations. Towards that end, schedule modifications and trip consolidations will continue to be made when practical.

After SSA management prepares 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.

7. The Board approved the purchase of replacement hardware that is used in connection with the SSA's reservation system which will have seven times the amount of processing capacity as the SSA's current hardware. The total cost of the new hardware, software and installation (net of the trade-in value of the old hardware) is \$182,785, plus \$78,293 for a five-year hardware and software maintenance agreement, for a net overall cost of \$261,078. The replacement and upgrade of the computer hardware for the reservation system already had been included in the SSA's five-year Capital Plan with a budget amount of \$725,000 projected for 2014.

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.

The next regular monthly meeting of the SSA's Board is currently scheduled for 9:30 a.m. on Tuesday, July 23, 2013. 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

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

July 23, 2013

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 23, 2013, 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 Robert F. Ranney (Nantucket) (who arrived late for the meeting); Vice Chairman Robert L. O'Brien (Barnstable); Secretary Marc N. Hanover (Martha's Vineyard); Robert S. Marshall (Falmouth); and John A. Tierney (New Bedford) (who participated remotely by telephone conference call).

1. Once again, the Board started the meeting with the Website Redesign Project and SSA General Manager Wayne Lamson reported that, toward the end of last month, the SSA finally launched its new redesigned website, which is now running in tandem with its old website. Customers using the SSA's web address, www.SteamshipAuthority.com, are still being directed to the SSA's old site where they can choose whether they would like to be redirected to the new redesigned site. Website users will be allowed to use either of the SSA's fully functional sites until after the summer season, when all website traffic will be directed to the redesigned website.
2. Mr. Lamson reported that the data collection and analysis phase of the feasibility study for the Woods Hole terminal reconstruction project is nearly complete. The staff continues to work with Bertaux and Iwerks Architects on the site and building analysis programs for the feasibility study. These programs identify the space requirements for all aspects of the SSA's operations that are currently located in Woods Hole, and then create different scenarios depending on whether the SSA's administrative offices and some of its maintenance shops remain at the terminal. Over the next few months, Bertaux & Iwerks will be developing concept drawings showing how the site would accommodate the space requirements of those aspects of the SSA's operations that remain in Woods Hole under each different scenario. A public meeting is expected to be scheduled about two-thirds of the way through this so-called Alternative Solutions Phase.

3. Mr. Lamson also reported that the U.S. Army Corps of Engineers, as had been hoped, completed its initial dredging of the Hyannis Harbor Channel as scheduled in late June and early July. The SSA is now trying to coordinate a meeting with all of the interested parties to see if the Army Corps' dredge can come back in the fall this year to complete the rest of the areas that need more work.
4. The Board approved SSA management's proposal to provide additional service on the Martha's Vineyard route during the upcoming Thanksgiving weekend. The *M/V Katama* will run extra trips on Tuesday and Saturday of Thanksgiving week, and the *M/V Nantucket* will provide extra trips on Wednesday, Friday and Sunday. (The *M/V Nantucket* is not available to provide any extra trips on that Saturday because it will be providing service between Martha's Vineyard and Nantucket for the Inter-Island football game.)

Mr. Lamson reported that SSA management also had reviewed last year's traffic statistics to see whether additional service is needed on the Nantucket route during Thanksgiving weekend, but concluded that no additional service on that route is warranted. Traffic on that route had not reached its 270-vehicle daily one-way capacity on any of the days during the 2012 Thanksgiving weekend and, even on the Wednesday night before Thanksgiving, neither the *M/V Iyanough* nor Hy-Line's *M/V Grey Lady* had operated at capacity. However, the SSA will again be adding an extra trip with the *M/V Iyanough* on the Friday night before Christmas Stroll Weekend.

5. The Board approved SSA management's proposed 2014 Winter and Spring Vessel Operating Schedules. The 2014 Winter Schedule is virtually the same as the one the SSA operated this past year, except that the winter schedule will start one day later and end four days later than in 2013 (beginning on January 2, 2014 and ending on April 13, 2014). As a result, the spring schedule similarly will start four days later than in 2013. The SSA is also ending the spring schedule two days earlier than in 2013 (beginning on April 14, 2014 and ending on May 13, 2014), which means that the 2014 Summer Schedule also will start two days earlier than in 2013.

The 2014 Spring Schedule also will provide the same service that the SSA provided this past year, plus additional freight vessel service on Fridays and Sundays on the Martha's Vineyard route and on Tuesdays, Wednesdays and Thursdays on the Nantucket route in order to meet the increasing demand for vehicle space. This additional freight service will be provided by the *M/V Sankaty*, which will switch back and forth between Woods Hole and Hyannis during the week in order to meet the respective service needs on both routes. These additional trips will be entered into the reservation system for customers to book in advance either online or through the reservation office.

6. Mr. Lamson then reviewed with the Board SSA management's analysis of the costs the SSA would incur to replace the *M/V Governor* depending upon the type of replacement vessel that the SSA acquires. SSA management has narrowed the alternatives down to three different vessel types:

- (i) a partially-covered "super-size" freight boat that would have a vehicle deck roughly the size of the *M/V Martha's Vineyard* and a truck and vehicle capacity slightly larger than the *M/V Governor*. The proposed vessel would not have passenger mezzanine decks, which would give the SSA the flexibility to carry additional trucks or cars year round on either route based on service demands;
- (ii) a new passenger vehicle ferry with a capacity of 50 vehicle spaces and 800 passengers (a "*M/V Martha's Vineyard Class*" vessel); and
- (iii) a new passenger vehicle ferry with a capacity of 60 vehicles spaces (plus 16 lift deck vehicle spaces) and 1,200 passengers (a "*M/V Island Home Class*" vessel).

(SSA management is no longer considering replacing the *M/V Governor* with a freight vessel similar to the *M/V Katama*, the *M/V Gay Head* or the *M/V Sankaty*.)

Mr. Lamson reviewed with the Board different scheduling scenarios SSA management has developed with the most optimal assignment of each of the SSA's vessels, including the *M/V Governor* replacement vessel, on each route throughout the year. SSA management also developed a possible summer schedule with three large vessels and one freight vessel assigned to the Martha's Vineyard route. Under two of the three alternatives, there would be a large vessel leaving Woods Hole about every 30-45 minutes in the summer with each departure from Woods Hole alternating between Vineyard Haven and Oak Bluffs.

Mr. Lamson also presented calculations prepared by SSA Treasurer/Comptroller Robert Davis showing what the estimated incremental revenue and cost of service would be under each of the three alternatives. Even after taking into account the additional revenues the SSA would receive from carrying more passengers, cars and trucks, each alternative would still result in a net incremental cost to the SSA's operations, ranging from \$2,300,000 to \$4,000,000 per year, or from 2.7% to 4.7% of total 2012 operating revenues.

Finally, Mr. Lamson reviewed SSA management's evaluation of each alternative type of vessel, as well as what its principal respective benefits and detriments would be. Mr. Lamson stated that SSA management will be finalizing its analysis over the next few weeks and hope to make a final recommendation to the Board at their meeting next month.

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.

The next regular monthly meeting of the SSA's Board is currently scheduled for 9:30 a.m. on Tuesday, August 20, 2013. The meeting is currently scheduled to take place in the second floor meeting room of the SSA's Hyannis terminal, located at 151 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

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

August 20, 2013

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 20, 2013, 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 Robert F. Ranney (Nantucket); Vice Chairman Robert L. O'Brien (Barnstable); Secretary Marc N. Hanover (Martha's Vineyard); Robert S. Marshall (Falmouth); and John A. Tierney (New Bedford).

1. SSA General Manager Wayne C. Lamson reported that the SSA will be meeting the next day with regional officials of the U.S. Army Corps of Engineers and the U.S. Coast Guard, as well as state and local officials, to discuss the resumption of the emergency dredging work in the Hyannis Harbor channel that was not completed this past July and also to discuss the longer-term need to program regular maintenance dredging for the channel. As has been reported, the *M/V Eagle* had a soft grounding on July 25th while she was passing the *M/V Iyanough* in the area of red buoy #6. The SSA ended up losing a trip as a result of having to conduct a USCG-required dive survey for possible damage. While there was no damage, this incident shows that the SSA has an immediate need for additional channel dredging.
2. Mr. Lamson reported that the invitation for bids for Phase 2 of the Palmer Avenue Improvements Project has been advertised and that bids for the construction contract will be opened within the next few weeks so that the Board can award the contract at their September 17th meeting. The work will be accomplished in two phases beginning right after Columbus Day and ending before the 2014 Memorial Day weekend and will result in big improvements to the site. As part of the project, the SSA also will be constructing a bike path connector between the Shining Sea bike path and Palmer Avenue across from Katharine Lee Bates Road. Because the bike path connector will partly be located on property owned by the Massachusetts Department of Transportation (MassDOT), the SSA will be entering into a license agreement with MassDOT for the use of that property. In addition, because the bike path connector will be maintained by the Town of Falmouth after the SSA constructs it, the SSA will be entering into an indemnification agreement

with the Town with respect to the Town's maintenance of the bike path connector and its use by the public.

3. Mr. Lamson reported that the data collection and analysis phase of the feasibility study for the Woods Hole Terminal Reconstruction Project has been completed. Over the next few months, Bertaux & Iwerks Architects will be working to develop three alternative design scenarios for the terminal (one with only terminal functions on the site, another one that will show how maintenance shops could also be situated there, and a third that will show how the SSA's administrative offices could remain on the property as well), and the goal will then be to reach consensus on a preferred alternative. This phase of the feasibility study is expected to continue into the month of November.
4. Mr. Lamson also reviewed SSA management's preliminary draft of the proposed 2014 Summer and Fall Operating Schedules. The proposed schedules for the Martha's Vineyard route do not differ from this year's schedules (except for a few days' differences in their starting and ending dates), but there are some proposed changes to the schedules for the Nantucket route, including changing the departure times for the *M/V Nantucket* (and the second freight boat is operating in place of the *M/V Nantucket*) during the summer schedule so that its first trip leaves Hyannis at 6:30 a.m. instead of 7:15 a.m. and also changing the departure times for the *M/V Gay Head* to accommodate the *M/V Nantucket* so that its first trip leaves Hyannis at 5:45 a.m. instead of 6:00 a.m. (SSA management is also proposing to tweak the *M/V Iyanough's* operating schedule so that it begins and ends the day fifteen minutes later.)

As a result of these departure time changes, which SSA management is proposing to implement year round, the SSA's freight customers (and others traveling on the *M/V Nantucket*) would be able to get to the island earlier in the day and, during the summer, the *M/V Nantucket* would operate opposite the *M/V Eagle*, with one boat leaving Hyannis at the same time the other boat is leaving Nantucket. In addition, the SSA would be able to close its terminals earlier at night. (The proposed schedules for the Nantucket route again include additional freight boat service for a few weeks after Labor Day, which the SSA is providing later this year as well.)

Mr. Lamson did not ask for approval of the proposed operating schedules this month. Instead, SSA management will publish the proposed schedules in various community newspapers prior to asking the Board to approve them at their meeting next month. Also, due to the number of proposed changes to the sailing times on the Nantucket route, SSA management will be meeting next week with Nantucket freight shippers to discuss the proposed new schedules.

5. Mr. Lamson summarized the final chapter of SSA management's vessel replacement study, which has resulted in their recommendation to replace the *M/V Governor* with a new 235-foot vessel that can operate year round on either route with a vehicle capacity of up to 17 trucks or 50 car equivalent units and a passenger capacity of at least 384 passengers, including inside seating for at least 250 passengers. The proposed

replacement vessel would be similar in size to the *M/V Martha's Vineyard* with the ability to carry a lot more trucks on certain trips (without the 01 mezzanine passenger decks) and the flexibility to carry automobiles and an adequate number of passengers on other trips. This also could be a prototype replacement vessel for the SSA's other freight vessels in the future.

The Board agreed with SSA management's recommendation to replace the *M/V Governor* with a vessel that the SSA can use comfortably on both routes. However, they asked Mr. Lamson to come back to them next month with an analysis of the costs and benefits that would result if the SSA were to increase the interior passenger capacity of the proposed replacement vessel to more than 500 passengers and were to include more passenger amenities on board, such as a food concession area and larger restrooms. Meanwhile, the Board authorized Mr. Lamson to proceed with a request for pre-qualification documentation from naval architectural firms who would like to enter into a competitive process for the design and engineering of such a new vessel.

6. The Board approved SSA management's request to adopt an amendment to the SSA's Section 125 Cafeteria Benefits Plan so that the SSA's temporary/part-time employees can continue to pay for their medical coverage after December 31, 2013 through payroll deductions on a pre-tax basis. The SSA currently has a Commonwealth Choice cafeteria plan that enables these employees to obtain medical coverage through the Health Connector and have their premiums deducted from their paychecks on a pretax basis. However, the SSA recently received a notice from Commonwealth Choice stating that, due to a provision of the federal Affordable Care Act, beginning January 1, 2014, the Health Connector will be unable to accept premiums for employees' medical coverage from their employers. Therefore, the SSA needed to amend its Section 125 Cafeteria Benefits Plan to enable those employees, beginning January 1, 2014, to enroll in the SSA's self-funded medical plan if they pay the entire enrollment cost through payroll deductions (on a pre-tax basis).
7. Mr. Lamson informed the Board that, in accordance with the authorization they had given him last month, he awarded Contract #14-13 for dry-dock and overhaul services for the *M/V Nantucket* to Thames Shipyard and Repair Company of New London, Connecticut, the lowest eligible and responsible bidder for the contract, for the total contract price of \$635,844. The vessel is scheduled to go into the shipyard after Labor Day for a U.S. Coast Guard hull exam, machinery inspections, underwater hull cleaning and painting, boat deck sandblasting and painting, freight deck steel replacement and sewage holding tank and piping modifications.
8. The Board also authorized Mr. Lamson to dispose of a large amount of surplus property through www.GovDeals.com, an on-line auction website that is used to sell surplus equipment to the general public. At this time, the SSA plans to conduct the on-line auction in mid- to late September 2013. The surplus property which the SSA will be selling includes several old bike buses, shuttle buses and other vehicles, 15 aluminum ramps, diesel electric drives, controls and spare parts associated with the *M/V Governor's*

former diesel electric drive system, other diesel engine parts, two Omnipure marine sanitation device units, a table saw and a lathe.

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.

The next regular monthly meeting of the SSA's Board is currently scheduled for 9:30 a.m. on Tuesday, September 17, 2013. 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

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

September 17, 2013

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 17, 2013, in the Discovery Room of the Nantucket Whaling Museum, located at 15 Broad Street, Nantucket, Massachusetts. All five Board Members were in attendance: Chairman Robert F. Ranney (Nantucket); Vice Chairman Robert L. O'Brien (Barnstable); Secretary Marc N. Hanover (Martha's Vineyard); Robert S. Marshall (Falmouth); and John A. Tierney (New Bedford) (who participated remotely by telephone conference call).

1. SSA General Manager Wayne C. Lamson reported that last month the SSA met with regional officials of the U.S. Army Corps of Engineers and the U.S. Coast Guard, as well as state and local officials, to discuss the resumption of the emergency dredging work in the Hyannis Harbor channel that was not completed this past July and also to discuss the longer-term need to program regular maintenance dredging for the channel. The Corps has informed the SSA that it will resume dredging the channel for 14 days in November 2013 to complete the work that was started this summer. With respect to the channel's long-term maintenance dredging needs, the SSA recently provided the Corps with more information about the economic importance of maintaining the authorized depths and width of the channel in order to preserve this vital link and lifeline for the island of Nantucket. U.S. Representative William Keating also has been very supportive of the SSA's ongoing efforts to get the necessary dredging completed, and the SSA is working with his office to secure funding for regular condition surveys of the channel and maintenance dredging every five to ten years.
2. Mr. Lamson also reported that Moffatt & Nichol has developed concept drawings showing three different potential slip alignments for the Woods Hole terminal and that the SSA has provided some initial feedback on those drawings prior to its next meeting with the architects and engineers on October 3, 2013. The principal difference between the drawings is how far the slips extend into the water towards the limit of the federal channel, and one of the issues for discussion will be what benefits the SSA would derive from each alternative. SSA management also realizes that there is a navigational limit as

to how far the slips can be extended into the water and still give the SSA's Captains enough room to safely make their final approach to Woods Hole under local weather and tide conditions.

3. Mr. Lamson reported that the SSA has issued a Request for Qualifications ("RFQ") from design firms with naval architects for the design of the SSA's new vehicle/passenger ferry and that responses to the RFQ are due September 18, 2013. In the RFQ, the SSA has established preliminary design parameters for the vessel, including a passenger capacity of 512 (passengers and crew), in response to concerns raised by the Board at their meeting the prior month. This passenger capacity should be adequate to meet the SSA's demand in almost all cases (and certainly better than the *M/V Governor's* passenger capacity), as the SSA carried 500 or more passengers on fewer than 2.5% of its trips between Woods Hole and Martha's Vineyard in 2012. The RFQ was sent to approximately 40 design firms and SSA management expects that four or five of those firms will be pre-qualified to submit proposals to design the new vehicle/passenger ferry. SSA management also anticipates that those proposals will be submitted in early November so that the Board will be in a position to award a design contract at their December meeting.

4. The Board approved SSA management's proposed 2014 Summer and Fall Operating Schedules, which are the same proposed schedules that were presented to the Board last month. Since then, the SSA had two meetings with Nantucket freight shippers and many of those shippers expressed their support for the schedule changes that will take place on the Nantucket route. (The schedules for the Martha's Vineyard route do not differ from this year's schedules except for a few days' differences in their starting and ending dates.)

The changes to the Nantucket schedules include changing the departure times for the *M/V Nantucket* (and the second freight boat is operating in place of the *M/V Nantucket*) during the summer schedule so that its first trip leaves Hyannis at 6:30 a.m. instead of 7:15 a.m. and also changing the departure times for the *M/V Gay Head* to accommodate the *M/V Nantucket* so that its first trip leaves Hyannis at 5:45 a.m. instead of 6:00 a.m. The *M/V Iyanough's* operating schedule is also being tweaked so that it begins and ends the day fifteen minutes later. As a result of these departure time changes, which will be implemented year round, the SSA's freight customers (and others traveling on the *M/V Nantucket*) will be able to get to the island earlier in the day and, during the summer, the *M/V Nantucket* will operate opposite the *M/V Eagle*, with one boat leaving Hyannis at the same time the other boat is leaving Nantucket. In addition, the SSA will be able to close its terminals earlier at night.

5. The Board also approved SSA management's proposed changes to the Bulk Freight Reservation Program to separate the processing of reservation requests by bulk freight shippers from those shippers who travel on a less frequent basis. As a result, for each operating schedule, the reservation requests by shippers who travel an average of at least one round trip every two weeks will be processed before the reservation requests by

shippers who travel less frequently. Requests by shippers carrying hazardous materials (both frequent and infrequent hazardous cargo shippers) will continue to be processed prior to the requests by shippers carrying food, and in turn those requests by food shippers (again, both frequent and infrequent food shippers) will continue to be processed prior to the requests by shippers carrying other commodities.

6. The Board also approved SSA management's request to create a new position in the Engineering and Maintenance Department to assist the Director of Engineering and Maintenance, Port Engineer, Facilities Engineer, Maintenance Supervisor and Vehicle Maintenance Supervisor with the planning, scheduling and monitoring of vessel, terminal and vehicle maintenance activities utilizing the SSA's MAXIMO computerized maintenance management system. The individual who occupies the position, MAXIMO Maintenance Planner, will also be responsible for training all of the system's authorized users and overseeing the document management and reporting procedures to ensure that practices and standards are reestablished and maintained.
7. SSA Treasurer/Comptroller Bob Davis presented the preliminary draft of the SSA management's proposed 2014 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 15, 2012. The SSA's total operating expenses in 2014 are expected to approach \$85,300,000, which represents a \$497,000 or 0.6% increase in total operating expenses compared to the most recent estimate for 2013 (based on seven months actual expenses and five months budgeted expenses). Mr. Davis noted, however, that the 2013 estimate includes the un-budgeted repairs at the Oak Bluffs terminal due to Hurricane Sandy totaling \$2,078,000.

The most significant increases in projected costs are attributable to the following:

- (a) Vessel fuel expense is expected to be around \$9,987,000 in 2014, or a 4.7% increase over the estimate for 2013, based on the assumption that the price of crude oil will range between \$93 and \$103 per barrel.
- (b) Depreciation expense is expected to increase by 3.9% next year, with the addition of a full year of depreciation for Phase 1 of the Palmer Avenue parking lot improvement project and the sewage pump-out facilities, and a partial year of depreciation for Phase 2 of the Palmer Avenue parking lot improvements project.
- (c) Overall, maintenance expense is expected to decrease by \$1,382,000 or 10.5% in 2014. Vessel dry-dock expenses are expected to increase by \$798,000, as dry-docks are scheduled for the *M/V Martha's Vineyard*, the *M/V Governor*, the *M/V Sankaty*, the *M/V Eagle*, and the *M/V Iyanough* in 2014. By contrast, vessel engine repairs and parts are expected to decrease by \$847,000, and terminal repairs are expected to decrease by \$1,292,000 (as the 2013 estimate includes repairs at the Oak Bluffs terminal due to the damage caused by Hurricane Sandy).

- (d) Health care expense is expected to increase by \$196,000 or 2.8% compared to the current estimate for 2013, even after increased contributions by employees towards the cost of their medical plans. Pension expense is expected to increase by \$285,000 or 5.6%, which includes a 9.2% increase in unemployment taxes.

The SSA's total operating revenues, prior to any rate increases, are projected to be around \$88,990,000 for 2014, representing a 0.9% increase from this year's currently estimated revenues. Accordingly, in order to cover next year's cost of service, the SSA will need an additional \$1,000,000 of revenues from anticipated rate increases in order to arrive at a projected net operating income next year of around \$3,189,000.

- 8. Mr. Davis also presented SSA management's recommendation on which fare increases should be made in order to ensure sufficient income to meet next year's projected cost of service. In order to bring the allocated net income from operations for each route more in line with each island's respective cost of service, SSA management has proposed that all of the additional \$1,000,000 in revenue be derived from adjustments to the Martha's Vineyard rates. Mr. Davis observed that assessing all of the rate increases for 2014 on the Martha's Vineyard route is attributable to the increased cost of service for that route and, after implementation of the proposed rate increases, 57.1% of the SSA's total revenues are projected to be derived from that route while that route's cost of service is projected to account for 57.2% of the SSA's total operating expenses.

Specifically, SSA management is proposing to raise the additional \$1,000,000 in revenue by increasing freight rates for trucks over 20 feet in length by 5.25% (which is projected to raise \$400,000 in additional revenues) and increasing both the daily parking rates in Woods Hole/Falmouth and the annual cost of Woods Hole/Falmouth parking permits (which are projected to raise \$600,000 in additional revenues). SSA management is not proposing any increase in passenger fares, automobile fares, or excursion fares, and this would be the first increase in freight rates for trucks over 20 feet in length on the Martha's Vineyard route since 2007.

- 9. The Board awarded Contract #15-13 for Phase 2 of the Palmer Avenue parking lot improvements project to the lowest eligible and responsible bidder for the contract, Lawrence-Lynch Corp. of Falmouth, Massachusetts, for a Total Contract Price of \$2,798,382. Phase 1 of the project consisted of demolishing the old Falmouth Youth Hockey Ice Arena and replacing it with additional parking spaces, and constructing a new parking lot entrance at Skating Lane. This work was completed in late May 2013. Phase 2 of the project includes tree removal, re-grading the existing parking areas for improved drainage, installing four infiltration chamber recharge systems and seven bio-retention fields to manage runoff, installing fences, retaining walls and a new septic system, constructing a new bike path extension, relocating the three existing bus shelters, resurfacing the entire parking area including berms and curbing, re-striping the entire parking area, and installing lighting, landscaping and irrigation. The work will start by October 21, 2013 and will be completed by May 19, 2014 in two phases to minimize disruption to the SSA's parking operations.

10. The Board also authorized Mr. Lamson to award Contract #18-13 for dry-dock and overhaul services for the *M/V Gay Head* to the lowest eligible and responsible bidder for the contract when bids are opened next week. In November 2013, the *M/V Gay Head* is scheduled to undergo a U.S. Coast Guard hull examination, machinery inspections, underwater hull cleaning and painting, side shell cleaning and painting, freight deck sandblasting and painting, steel replacement and sewage holding tank and piping modifications.

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.

The next regular monthly meeting of the SSA's Board is currently scheduled for 9:30 a.m. on Tuesday, October 15, 2013. The meeting is currently scheduled to take place in the Katharine Cornell Theatre, located at 51 Spring Street, Vineyard Haven, 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

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

October 15, 2013

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 15, 2013, 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 Robert F. Ranney (Nantucket); Vice Chairman Robert L. O'Brien (Barnstable); Secretary Marc N. Hanover (Martha's Vineyard); Robert S. Marshall (Falmouth); and John A. Tierney (New Bedford) (who participated remotely by telephone conference call).

1. SSA General Manager Wayne C. Lamson reported that Lawrence-Lynch Corp. has begun work on Phase 2 of the Palmer Avenue parking lot improvements project. All of the work will be completed by May 19, 2014 and is being scheduled so that only one half of the parking lot at a time will be closed during the off-season, although there still may be a need to open the Gifford Street parking lot during certain busy weekends. Over the next seven months, the SSA will be removing trees, re-grading the existing parking areas for improved drainage, installing four infiltration chamber recharge systems and seven bio-retention fields to manage runoff, installing fences, retaining walls and a new septic system, constructing a new bike path connector to Palmer Avenue, relocating the three existing bus shelters, resurfacing the entire parking area including berms and curbing, re-striping the entire parking area, and installing lighting, landscaping and irrigation.
2. Mr. Lamson also reported that Bertaux + Iwerks Architects have prepared concept drawings showing three different potential scenarios for the reconstruction of the Woods Hole terminal, including the possible placement of the terminal building and drop-off and pick-up area on a deck over the terminal's current parking and staging area. After the design scenarios are more fully developed, Bertaux + Iwerks will present them to the Board at their November 12th meeting, which will be held in Woods Hole. The SSA will then discuss the scenarios at subsequent meetings with its Woods Hole neighbors and the rest of the Woods Hole community.

3. Mr. Lamson also reported that three design firms have been pre-qualified to receive the SSA's request for proposals to provide design and engineering services for its new vehicle/passenger ferry (the "RFP"), and that those firms are Gilbert Associates Inc., Elliott Bay Design Group and George C. Sharp, Inc. The SSA issued the RFP at the end of September and responses from the design firms are due on November 8, 2013. SSA management plans to review the proposals with the Port Council at their December 4, 2013 meeting and to ask the Board to award the design contract at their December 17, 2013 meeting. After the design contract is awarded, it will take about a year to finalize the plans and specifications for the new vessel and award a construction contract, and then another fifteen months to construct the vessel, which will result in the vessel being delivered before the beginning of the 2016 summer schedule

4. Unlike the federal government, there will be no SSA shutdown this year, as the Board unanimously approved SSA management's proposed 2014 Operating Budget today. The SSA's total operating expenses in 2014 are expected to be around \$85,332,000, which represents a \$519,000 increase (or 0.6%) in total operating expenses compared to the most recent estimate for 2013 based on seven months actual expenses and five months budgeted expenses. (SSA Treasurer/Comptroller Robert Davis noted, however, that the 2013 estimate includes the un-budgeted repairs at the Oak Bluffs terminal due to Hurricane Sandy totaling \$2,078,000.) The most significant changes in the SSA's projected costs next year are attributable to the following:
 - (a) Vessel fuel costs remain one of the most volatile expenses to project. The SSA is projecting that this expense will be around \$9,987,000 in 2014, or a 4.7% increase over the estimate for 2013, based on the assumption that the price of crude oil will range between \$93 and \$103 per barrel.
 - (b) Depreciation expense is expected to increase by \$384,000, representing a 3.9% increase next year, with the addition of a full year of depreciation for Phase 1 of the Palmer Avenue parking lot improvements project, the sewage pump-out facilities and the vessel sewage tank upgrades, and a partial year of depreciation for Phase 2 of the Palmer Avenue parking lot improvements project.
 - (c) Overall, maintenance expense is expected to decrease by \$1,382,000, or 10.5%, in 2014. Vessel dry-dock expenses are expected to increase by \$798,000, or 56.1%, as dry-docks are scheduled for the *M/V Martha's Vineyard*, the *M/V Governor*, the *M/V Sankaty*, the *M/V Eagle* and the *M/V Iyanough* in 2014. By contrast, the cost of vessel engine repairs and parts is expected to decrease by \$847,000, or 66%, in 2014 and terminal repairs are also expected to decrease by \$1,292,000, or 40.3%, as the expenses the SSA incurred this year include the \$2,078,000 it spent to repair the damage caused to the Oak Bluffs terminal by Hurricane Sandy.
 - (d) Pension, health and welfare costs are expected to increase by \$654,000, or 5.4%, next year.

5. The Board also approved SSA management's proposed rate adjustments for 2014 to adequately meet the projected cost of service and provide sufficient cash transfers to the SSA's special purpose funds. Prior to those rate adjustments, the SSA's total operating revenues in 2014 were projected to be around \$88,990,000 and its other income (not including income from special purpose fund investments) was projected to be around \$1,266,000. In order to cover next year's operating expenses of \$85,332,000 and the SSA's other expenses of \$2,832,000 (including interest payments on Steamship Bonds), the SSA is raising an additional \$1,000,000 of revenues from rate increases in order to arrive at a projected net operating income next year of around \$3,092,000.

Based upon this year's rates of fare, revenues from the Nantucket route are already projected to cover the cost of service on that route. Therefore, all of the rate increases will be implemented on the Martha's Vineyard route so that the projected revenues from that route (57.1% of our total revenues) will similarly cover that route's cost of service (57.2% of our total operating expenses). Specifically, there will be the following rate increases on the Martha's Vineyard route, effective January 1, 2014:

- (a) Fares for trucks over 20 feet in length will increase by approximately 5.25% year-round (this is the first increase in these truck fares since 2007);
- (b) The daily fee parking rates in Woods Hole and Falmouth will increase to \$10 during the off-season and to \$13 during the summer season (these are the first increases in these parking rates since 2008); and
- (c) The rates for parking permits at the Woods Hole and Falmouth offsite lots will increase by \$25.00.

The Board also approved SSA management's request to establish additional "housekeeping" fares for both routes to cover some items that were not currently addressed, namely, three-wheeled motorcycles (which would be charged the same fare as a motorcycle with a side car) and tandem-style bicycles.

Although SSA management did not propose any rate increases for the Nantucket route, Mr. Lamson noted that other actions have been taken the past few years to increase revenues on that route. For example, over the past two years the SSA has required parking permit holders at the Hyannis terminal to park in the Lewis Bay Road parking lot, opening up more spaces at the Hyannis terminal for daily parking customers. As a result, during the first nine months of 2013, the SSA parked 3,000 more cars at the Hyannis terminal than it had parked there during the same period in 2011, generating an additional \$140,000 of revenues. Next year, the SSA will also continue to offer all of its Nantucket marketing initiatives, including the SuperSaver automobile rate and the \$50 same-day round-trip fare for the *M/V Iyanough* (Mondays through Thursdays originating from Hyannis and seven days a week originating from Nantucket).

6. Mr. Lamson reported that, in accordance with the authorization the Board had given him last month, he had awarded Contract #18-13 for dry-dock and overhaul services for the *M/V Gay Head* to Thames Shipyard and Repair Company of New London, Connecticut, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$912,349. The *M/V Gay Head* is scheduled next month to undergo a U.S. Coast Guard hull examination, machinery inspections, underwater hull cleaning and painting, steel replacement, reduction gear overhauls, and sewage holding tank and piping modifications.

7. Below are some traffic statistics through September 30, 2013. For the first nine months of 2013:
 - (a) **Passengers.** The SSA carried 2,298,255 passengers between the mainland and the islands, a 0.4% increase from the number of passengers it carried during the same period in 2012. Of those passengers:
 - (i) 1,823,286 were carried between Woods Hole and Martha's Vineyard (a 0.4% decrease from the same period last year); and
 - (ii) 474,969 were carried between Hyannis and Nantucket (a 3.5% increase from the same period last year), with 241,828 carried on the *M/V Iyanough* (a 11.4% increase) and 233,141 carried on the SSA's traditional ferries (a 3.6% decrease).

 - (b) **Automobiles.** The SSA carried 353,458 automobiles between the mainland and the islands, a 0.7% decrease from the number of automobiles it carried during the same period in 2012. Of those automobiles:
 - (i) 302,558 were carried between Woods Hole and Martha's Vineyard (a 0.4% decrease from the same period last year); and
 - (ii) 50,900 were carried between Hyannis and Nantucket (a 2.4% decrease from the same period last year).

 - (c) **Trucks.** The SSA carried 123,688 trucks between the mainland and the islands, a 4.7% increase from the number of trucks it carried during the same period in 2012. Of those trucks:
 - (i) 90,684 were carried between Woods Hole and Martha's Vineyard (a 4.7% increase from the same period last year); and
 - (ii) 33,004 were carried between Hyannis and Nantucket (a 4.8% increase from the same period last 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, November 12, 2013. The meeting is currently scheduled to take place in 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

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

November 12, 2013

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 12, 2013, 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 Robert F. Ranney (Nantucket); Vice Chairman Robert L. O'Brien (Barnstable); Secretary Marc N. Hanover (Martha's Vineyard); Robert S. Marshall (Falmouth); and John A. Tierney (New Bedford).

1. Bertaux + Iwerks Architects, LLC presented their three preliminary design concept alternatives for the reconstruction of the Woods Hole terminal, although there is still a lot of work left to finalize whatever ends up being the preferred alternative or combination of alternatives for this extraordinarily important project. Members of the public can read a summary of the presentation and see photographs of the models of the three concept alternatives by going to the SSA's new website, www.steamshipauthority.com, clicking on the "About" tab and then clicking on "News." The purpose of the presentation was to obtain the reaction of both the SSA Members and the community to these preliminary alternatives, and there will be more public meetings as the process moves forward. The first of those public meetings will take place this Thursday night at 7:00 p.m. at the Woods Hole Community Hall, located at 68 Water Street in Woods Hole.
2. SSA General Manager Wayne C. Lamson reported that Phase 2 of the Palmer Avenue parking lot improvements project is ahead of schedule and that Lawrence Lynch Corp. would be closing out Phase 2A and starting Phase 2B (the lower half and east side of the parking lot) early next month. Meanwhile, because the SSA doesn't have the use of the full parking lot while the construction is underway, the SSA has been opening up its Gifford Street parking lot every weekend during this period and will undoubtedly have to continue doing so until Phase 2B begins.

3. Mr. Lamson also reported that SSA staff was in the process of evaluating the proposals the SSA received last week from the three naval architect firms that were pre-qualified to receive the SSA's request for proposals to provide design and engineering services for the SSA's new vehicle/passenger ferry (the "RFP"). After the staff completes their evaluations, they will review them with the Port Council at their next meeting on December 4, 2013 before recommending that the Board award the design contract for the new ferry to one of those firms at their December 17, 2013 meeting.
4. Mr. Lamson also reported that the United States Army Corps of Engineers has notified the SSA that it will resume dredging the Hyannis harbor channel by the end of this week and that the dredge will remain on site until around December 5th. The dredge will be operated 12 hours a day for around two weeks, and the SSA is cooperating with the Corps to make certain that the dredge will be able to be tied up at the SSA's Hyannis terminal every night.
5. The Board voted 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, 2014 through June 30, 2015, with no increase in the \$60,000 fixed price for the transportation. For the last few years, the \$60,000 fixed price has been rather consistent in representing approximately 50% of the fares that otherwise would have been charged for that travel. This agreement is just another approach of providing Martha's Vineyard schools with the 50% discount that the SSA provides to the Nantucket public schools.
6. Mr. Lamson reviewed with the Board the SSA's 2014 reservation opening dates when members of the traveling public will be able to make vehicle reservations during the SSA's 2014 summer and fall schedules.

Reservations for the Summer Schedule (05/14/2014 through 10/13/2014)

- Headstart reservations will be accepted (by mail and internet only) from January 7, 2014 through January 12, 2014
- Reservations for the general public will be accepted by mail and over the internet beginning January 14, 2014.
- Telephone reservations for the general public can be made beginning January 21, 2014.

Reservations for the Fall Schedule (10/14/2014 through 01/05/2015)

- Reservations for the general public will be accepted (by mail, internet and telephone) beginning June 17, 2014.

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 20 through September 1, as well as from May 23 through May 27 (around Memorial Day), July 3 (around Independence Day), and October 10 and October 13 (around Columbus Day).

8. The Board approved SSA management’s proposed 2014 Capital Budget, which includes 16 new capital projects and \$250,000 of miscellaneous projects costing less than \$50,000 each, with an aggregated estimated cost of \$9,802,000. After the completion of those projects and the SSA’s current capital projects that already have been approved, the SSA should still have around \$1,667,000 for any contingencies or potential additional capital projects in its various special purpose funds, after an estimated \$3,444,000 of additional net fund transfers are made in 2013 and another \$3,000,000 is deposited into the Capital Improvement Fund from the proceeds of a Bond Anticipation Note in 2014. The new capital projects over \$50,000 are:
 - (a) Replacement of two shuttle buses for the Woods Hole operations.
 - (b) Replacement of two shuttle vans for the Woods Hole operations.
 - (c) Replacement of three tow motors.
 - (d) Installation of a compressed natural gas (CNG) fueling station.
 - (e) Design and engineering for the reconstruction of the Woods Hole terminal.
 - (f) Development of the new consolidated parking lot off of Thomas B. Landers Road.
 - (g) Design and engineering for a new vehicle/passenger ferry.
 - (h) Replacement of two pickup trucks (with snow packages).
 - (i) Construction of a shuttle bus access route between School Street and the SSA’s Lewis Bay Road parking lot in Hyannis.
 - (j) Replacement of 25 point-of-sale stations.
 - (k) An upgrade to the SSA’s wireless boarding network equipment.
 - (l) New server and application monitoring tools.
 - (m) An upgrade to the SSA’s Virtual Private Network (VPN).
 - (n) An upgrade to the MS-SQL and MS-Exchange.
 - (o) Replacement of servers and storage servers.
 - (p) Replacement of handheld equipment.

9. The Board awarded Contract #23-13 for dry-dock and overhaul services for the *M/V Eagle* 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 \$532,355. The *M/V Eagle* will go to the shipyard in January 2014 for a United States Coast Guard hull examination, machinery inspections, underwater hull cleaning and painting,

superstructure painting, and modifications to the vessel's sewage holding tanks and fuel tank.

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.

The next regular monthly meeting of the SSA's Board is currently scheduled for 9:30 a.m. on Tuesday, December 17, 2013. The meeting is currently scheduled to take place in 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

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

December 17, 2013

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 17, 2013, 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 Robert F. Ranney (Nantucket); Vice Chairman Robert L. O'Brien (Barnstable); Secretary Marc N. Hanover (Martha's Vineyard); and John A. Tierney (New Bedford).

1. The Board began the meeting by thanking former Falmouth Board Member Bob Marshall, who resigned last month, for his eleven years of tireless efforts on behalf of both the SSA and the Town of Falmouth, and the Board observed that his commitment to the entire Falmouth community is legendary. New Bedford Board Member Jack Tierney also recounted how, during the five years that Mr. Tierney has been on the Board, he and Mr. Marshall had banded together, with the help of Barnstable Board Member Bob O'Brien, to try to get the SSA to transport trucks to Martha's Vineyard from New Bedford. Although that service never materialized, Mr. Tierney noted that it certainly was not due to any lack of effort on Mr. Marshall's part.
2. SSA General Manager Wayne Lamson reported that, although Phase 2 of the Palmer Avenue parking lot improvements project is proceeding a little ahead of schedule, it is still not expected to be completed until next spring when the final coat of asphalt will be applied.
3. Mr. Lamson also reported that the United States Army Corps of Engineers will be wrapping up their dredging work in the Hyannis harbor channel by the end of this week. The SSA wants to thank the Corps for all of their hard work, for expediting the SSA's request for this emergency dredging after Hurricane Sandy, and for completing it in such a timely fashion.

4. At the Board's November 12, 2013 meeting, Bertaux + Iwerks Architects presented their three preliminary design concept alternatives for the reconstruction of the Woods Hole terminal, and they presented them again at a public meeting for the Woods Hole community on November 14, 2013. Since then, the SSA has received some community feedback and has started to meet with a small group of representatives from the Woods Hole Community Association and the Woods Hole Business Association. SSA management hopes to be able to report back to the Board within the next two months with a consensus solution that will both improve the SSA's operations at the Woods Hole terminal and address the community's concerns as best as the SSA can.
5. The Board awarded a two-year contract for the SSA's marine fuel to Canal Fuel Co., of Sagamore, Massachusetts, the lowest eligible and responsible bidder for the contract who submitted a bid to provide the fuel at a mark-up of \$0.0675 per gallon. Under the contract, which the SSA has the discretion to extend for up to three additional one-year periods, Canal will also provide the SSA's home heating fuel and bio-diesel fuel for its buses at a mark-up of \$0.1585 per gallon. Another bidder had submitted a bid for the marine fuel at a slightly lower mark-up (\$0.0471 per gallon), but withdrew its bid after it determined that it was unable to provide the resources necessary to meet the SSA's vessel fueling requirements.
6. The Board also awarded a contract for the final design and construction phase services for the Thomas B. Landers Parking Facility to the engineering firm that SSA management concluded is most qualified to perform the services, namely, Green Seal Environmental, Incorporated ("Green Seal"), of Sagamore Beach, Massachusetts, for a total fee of \$268,842.30. The new parking facility is going to be built with porous asphalt to manage storm water run-off and Green Seal will perform more site work to confirm what the subsurface conditions are before the asphalt is manufactured, as well as more engineering work to ensure that the manufacturing and installation of the asphalt is appropriate for the site. This process is extremely complicated and Green Seal's engineers have both the experience and education necessary to ensure its success. In addition, by using porous asphalt, the SSA will be able to reduce or eliminate other features of the parking lot that would otherwise be constructed at significant cost, such as bio-retention areas and subsurface storm water management systems.
7. The Board awarded a contract for professional design and engineering services for the construction of the SSA's replacement vehicle/passenger ferry for the *M/V Governor*, to Elliott Bay Design Group, LLC ("Elliott Bay") of Seattle, Washington. Elliott Bay has been selected as a result of a Request for Proposals ("RFP") process which had pre-qualified three design firms to submit proposals for the contract. Ultimately, SSA management rated only Elliott Bay's technical proposal being highly advantageous to the SSA. Elliott Bay initially had proposed a total contract price of \$2,733,669, but the SSA was able to negotiate a reduced scope of work so that its fee for providing the necessary design services for the new ferry, including budgetary figures for its support services during vessel construction, is \$2,049,590. Designing this replacement ferry will be a challenge over the next year, as the boat will need to operate on all of the SSA's routes

with a maximum draft of 10 feet, six inches, fully loaded with 12 86,000-lb trucks, at a desired speed of 16 knots. SSA management also needs to work hard to keep the project on schedule so that the replacement ferry will be in line service by the beginning of the 2016 summer season.

8. Finally, on January 1, 2014, Barnstable Board Member Bob O'Brien 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 Dukes County Board Member Marc Hanover to serve as the SSA's Vice Chairman. However, because by tradition the Falmouth Board Member would serve as the SSA's Secretary next year, the Board decided to defer electing anyone to that position until after the Falmouth Board of Selectmen have an opportunity to appoint Mr. Marshall's successor next month.

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 21, 2014. The meeting is currently scheduled to take place in 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.