



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 21, 2014

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 21, 2014, 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 L. O'Brien (Barnstable); Vice Chairman Marc N. Hanover (Martha's Vineyard); Catherine N. Norton (Falmouth); John A. Tierney (New Bedford); and Robert F. Ranney (Nantucket).

1. The Board began the meeting by welcoming their newest Member, Catherine Norton, to her first meeting as the Town of Falmouth's SSA Member. Ms. Norton was appointed to her position by the Falmouth Board of Selectmen at their meeting last week to fill the vacancy that was created when Robert Marshall resigned as Falmouth's SSA Member in November 2013 after eleven years of dedicated service. Later in the meeting, the Board also elected Ms. Norton to serve as the SSA's Secretary for the 2014 calendar year.
2. SSA General Manager Wayne Lamson reported that work is continuing as scheduled on Phase 2 of the Palmer Avenue parking lot improvements project and that the project is still expected to be completed before Memorial Day weekend. Recently the contractor uncovered a couple of underground oil tanks on the property that were not shown on any of the Town of Falmouth's records. Although there does not appear to be any contamination in the soil beneath the tanks, the SSA is having the soil analyzed by an independent laboratory to determine whether there is any contaminated soil there that would then have to be removed.
3. Mr. Lamson reported that the SSA management staff is continuing to meet with the working group from the Woods Hole community to consider some additional alternatives to the design concepts for the reconstruction of the Woods Hole terminal that the SSA's architects, Bertaux + Iwerks Architects LLP, presented to the public in November. In particular, the staff is looking at other possible locations on the site for the terminal building and having it be one story instead of two stories. The staff also is continuing to

refine the program elements for the terminal building so that they are more along the lines of the SSA's Hyannis and Vineyard Haven terminals, which could allow the SSA to reduce the size of the building. It will take around four weeks for Bertaux + Iwerks to develop these alternatives and, after they are completed, the staff will meet with the community working group again at the beginning of March to review them. Mr. Lamson stated that his goal is to come up with a preferred alternative that represents a consensus among the staff and the community as to how the new terminal can meet the SSA's operational needs while also addressing the community's legitimate concerns as best as the SSA can.

4. Mr. Lamson also reported that the staff has had a kick-off meeting with Green Seal Environmental, Inc. to start the final design and engineering process for the SSA's new parking lot off of Thomas B. Landers Road. Green Seal is exploring a possible change to the parking lot's preliminary design that would result in a "one tier" lot instead of the current plan to construct the lot in three tiers. This would allow the lot to have 250 more parking spaces than its current design capacity of 1,550, although there would still be fewer spaces there than the 1,900 potential spaces that were the basis for the SSA's environmental impact statements. On the other hand, this "one tier" lot would increase the construction cost of the lot by more than \$1,000,000. Mr. Lamson stated that, whichever way the lot is constructed, the staff's goal remains to issue an invitation for bids in June for the construction of the parking lot, to award a contract in July to construct the parking lot, to commence construction in October at the latest, and to have the parking lot ready for use by the beginning of the 2015 summer season.
5. Mr. Lamson reported that the staff also has had a kick-off meeting with Elliott Bay Design Group for the design of the SSA's new vehicle/passenger ferry, where the staff reviewed the project schedule and developed a proposed Statement of Owner's Requirements for the new ferry. One open issue is whether the vessel's passenger capacity should be 384 or 512, and today the Board authorized Elliott Bay to study what additional requirements and costs would be incurred if the SSA were to decide to have the vessel's passenger capacity be 512 instead of 384. Otherwise, the Board approved the proposed Statement of Owner's Requirements for the new vessel, which will now serve as the basis for its preliminary design. The staff's goal is to have the preliminary design completed by mid-March, to have the final contract design and specifications approved by the United States Coast Guard in order to issue an invitation for bids in October for the construction of the new vessel, to award the construction contract in January 2015, and to have the vessel in service by May 2016.
6. On Tuesday, January 14th, the SSA started accepting online vehicle reservations from the general public for the 2014 summer season and, over the last six days, the SSA has processed more than 15,000 transactions, representing a 3% increase from the first six days the SSA accepted online vehicle reservations from the general public in January 2013. Moreover, the SSA's Headstart customers made approximately 85% of their online reservations on the SSA's new website without any significant problems, which will allow the SSA to discontinue using its old website later this month.

7. The Board awarded Contract #26-13 for dry-dock and overhaul services for the *M/V Governor* to the lowest eligible and responsible bidder for the contract, Thames Shipyard and Repair Company of New London, Connecticut, for the Total Contract Price of \$671,634. The *M/V Governor* will go into the shipyard in February 2014 to undergo a United States Coast Guard hull exam, machinery inspections, underwater hull cleaning and painting, superstructure painting, sewage holding tank and associated piping modifications, and modifications to the vessel's fuel tank.
8. The Board also awarded Contract #29-13 for dry-dock and overhaul services for the *M/V Iyanough* to the lowest eligible and responsible bidder for the contract, Senesco Marine LLC of North Kingstown, Rhode Island, for a Total Contract Price of \$874,917. The *M/V Iyanough* will be in the shipyard in the spring of 2014 to undergo a United States Coast Guard hull exam, machinery inspections, underwater hull cleaning, underwater hull painting, superstructure painting, deck covering replacement, water jet overhauls, ride control system upgrade, installation of a new 750-gallon sanitary flushing tank and associated piping, and installation of two new 1,000-gallon sewage holding tanks and associated piping.
9. Finally, all of the SSA Members on the Board expressed how sorry they were to hear that, last week, S. Eric Asendorf resigned his position as the Town of Falmouth's representative on the SSA's Port Council, and they thanked him for his 18 years of dedicated service. From 1995 through 2002, Mr. Asendorf was elected to serve as Falmouth's representative on the SSA's former Finance Advisory Board and then, beginning in 2002, he has been appointed by the Falmouth Board of Selectmen to continue serving as the Town's representative on the SSA's Port Council.

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, February 18, 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.



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 18, 2014

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 18, 2014, 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 L. O'Brien (Barnstable); Vice Chairman Marc N. Hanover (Martha's Vineyard) (who participated remotely through Skype); Catherine N. Norton (Falmouth); John A. Tierney (New Bedford); and Robert F. Ranney (Nantucket).

1. SSA General Manager Wayne Lamson reported that Phase 2 of the Palmer Avenue parking lot improvements project is continuing to proceed as scheduled, and that it should still be completed by mid-May 2014. Last month the contractor uncovered a couple of underground oil tanks on the property that were not shown on any of the Town of Falmouth's records, but the soil beneath the tanks has been analyzed and it was not contaminated. (Indeed, there was still oil in the tanks when they were discovered, which indicated that they were not leaking.) The SSA also has started to work on a landscaping plan for the property to provide buffer and screening, but ultimately the plan will be driven by the situation in the field.
2. Mr. Lamson also reported that, at the request of the Woods Hole community working group, the SSA is having Bertaux + Iwerks Architects evaluate several possible variations of two of the three alternative design concepts, including relocating the terminal building and having it be one story instead of two stories in order to open the view as much as possible, and that the SSA is also continuing to refine the program elements for the terminal building so that they are more along the lines of the SSA's Hyannis and Vineyard Haven terminals. After those variations are prepared, SSA management will discuss them with the working group at a meeting on March 4.

3. Green Seal Environmental, Inc. (“Green Seal”) has prepared a 25% preliminary design for the SSA’s new parking lot off of Thomas B. Landers Road that calls for a “one tier” lot instead of the previous plan to construct the lot in three tiers. Although the one tier lot is estimated to cost an additional \$1,500,000 to construct, it will result in more parking spaces at the site. There is a 55-foot difference in elevation between the property’s western and eastern boundaries and, if the parking lot’s slope were created to match those elevations, the SSA would have to remove 200,000 cubic yards of fill. Because the cost to remove the fill could be as much as \$2,000,000 (at \$10 per cubic yard), the SSA is exploring whether to decrease the slope down from the western boundary so that more fill can remain on site, even though that would mean that the eastern end of the lot will be at a higher elevation and will not extend as close to the eastern boundary of the property as originally planned. As a result of the “one tier” design and also reducing the width of the parking spaces to 8-½ feet (which is still wider than the 8-foot-wide spaces at the SSA’s Palmer Avenue parking lot), the new lot should end up with somewhere between 1,850 and 1,900 parking spaces. The project remains on schedule and the SSA should be able to award a contract for the construction of the lot during the summer so that construction can start in October. Green Seal has estimated that construction should take approximately five months, so the parking lot should be ready for use by the beginning of the 2015 summer season.
4. The Board authorized Mr. Lamson to execute an amendment to the SSA’s lease with the Falmouth Youth Hockey League, Inc. (“FYHL”) reducing the number of spaces at the new Ice Arena which the FYHL leases to the SSA for overflow parking during peak summer weekends. FYHL needs to eliminate approximately 10% of the leased parking spaces so that it can enlarge the building to accommodate an indoor running turf.
5. The Board approved a Charitable Giving Policy that will continue the SSA’s practice of not giving cash donations to any charities, but rather only passenger tickets that usually are used by the charities as raffle items to raise money for those charities in exchange for promotional exposure for the SSA. The Board also approved a Trade Sponsorship Marketing Policy that will continue the SSA’s practice of sponsoring events that take place in Barnstable, Fairhaven, Falmouth, Martha’s Vineyard, Nantucket and New Bedford by donating transportation services in the form of passenger tickets, vehicle/truck reservations, coupons, discounts, gift cards and/or merchandise from the SSA’s online store in exchange for promotional exposure of approximately the same value. Finally, the Board approved a Reciprocal Trade Policy that will continue the SSA’s practice of providing complimentary passenger ferry tickets to the SSA’s marketing and business partners. The partners include businesses and lodging properties that display the SSA’s brochures, local Chambers of Commerce, and the Massachusetts Office of Travel & Tourism, as well as travel agents and tour operators.
6. The design of the SSA’s new vehicle/ passenger ferry is still on schedule and the SSA has provided Elliott Bay Design Group (“Elliott Bay”) with its Statement of Owner’s Requirements for the new vessel that will serve as the basis for its preliminary design. Elliott Bay also has provided the SSA with its preliminary estimate of the additional costs

that would be incurred if the vessel were built to carry 512 persons instead of 384 and, although the SSA is still waiting for Elliott Bay's full report, it appears that a vessel with the larger passenger capacity would cost \$1,900,000 more to build and \$200,000 a year more to operate. Accordingly, the Board accepted management's recommendation today that the vessel have a capacity of only 384 passengers. SSA management feels that this capacity will be adequate over the vessel's expected life. During 2013, the SSA's large passenger vessels carried fewer than 300 passengers on 84% of their trips on the Martha's Vineyard route and on almost 98% of their trips on the Nantucket route. The vessel's design should be completed and reviewed by the United States Coast Guard by October 2014 so that the SSA can issue an invitation for bids and then award a construction contract for the vessel in January 2015 and have the vessel begin service in May 2016.

7. Last year the SSA gave Hyannis Harbor Cruises, Inc. ("Hy-Line") permission to provide additional high-speed passenger service with the *M/V Lady Martha* between Hyannis and Nantucket over certain peak weekends, but it was unclear whether the permission was granted just for the peak weekends in 2013 or was intended to extend through the end of Hy-Line's current license agreement. Accordingly, today the Board confirmed that Hy-Line can provide that additional service this year as well.
8. The Board authorized Mr. Lamson to award Contract No. 01-14 for the Oak Bluffs Terminal Fender Repairs to the lowest eligible and responsible bidder when bids for the contract are opened on February 20, 2014. The fender system at the Oak Bluffs pier is in need of repair, and the head dolphin fenders will now have greater resistance to minimize vertical movement of vessels during moderate swells. Tension chains will also be added to the remainder of the dolphins to control fender deflection during vessel docking.
9. Finally, Mr. Lamson reported that the SSA has sent out a letter to all of the freight shippers who travel with the SSA on the Martha's Vineyard route reminding them to obey the posted speed limits when traveling to and from the SSA's terminals, to not use their Jake Brakes on Woods Hole Road and to not arrive at the Woods Hole terminal prior to 5:00 a.m. In addition, the SSA asked the freight shippers to share the road and respect the right of way of bicyclists, to not idle their vehicles after they arrive at the terminals, and to refrain from using any inappropriate language.

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 18, 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.



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 18, 2014

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority ("SSA") held their regular monthly meeting at 9:30 a.m. on March 18, 2014, 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 L. O'Brien (Barnstable); Vice Chairman Marc N. Hanover (Martha's Vineyard) (who participated remotely through Skype); Catherine N. Norton (Falmouth); John A. Tierney (New Bedford); and Robert F. Ranney (Nantucket).

1. SSA General Manager Wayne Lamson reported that Phase 2 of the Palmer Avenue parking lot improvements project is continuing to proceed as scheduled, and that it should still be completed by mid-May 2014. SSA management is currently working on the landscaping plan for the buffer between the parking lot and the bike path as well as for the bike path connector to Palmer Avenue, and paving will also take place after the contractor's asphalt plant reopens in April.
2. At the request of the Woods Hole community working group, SSA management has had Bertaux + Iwerks Architects evaluate several possible variations of the "Single Level" (Concept A) and "Split Level" (Concept B) alternative design concepts that they had presented last November for the reconstructed Woods Hole ferry terminal. The variations include relocating the terminal building and having it be one story or two stories to see which version opens the view as much as possible. Also at the request of the Woods Hole community working group, Bertaux + Iwerks developed an additional design concept (Concept D) relocating the terminal building to where the SSA's freight shed is currently located.

At this point, SSA management believes that either of Bertaux + Iwerks' variations on Concept B would be an acceptable alternative. However, at the request of the Woods Hole community working group, the SSA has asked Bertaux + Iwerks to see whether one

of those variations (with a two-story terminal building) can be further refined by moving the terminal building farther to the south and pivoting it 90 degrees to open up the view of the water even more while maintaining the minimum operational program elements needed for the terminal. Work on those refinements should be finished within the next three weeks, at which time they will be presented to the working group for their review. Hopefully SSA management will then be in a position to present a preferred (and, ideally, a consensus) design concept at next month's SSA meeting.

3. The design of the SSA's new vehicle/ passenger ferry is still on schedule. Based on the SSA's stated requirements, Elliott Bay Design Group ("Elliott Bay") has developed and documented a preliminary design for the new vessel, although the final decision on the selection of its main engines is still pending. Electro-Motive Diesel (EMD) has informed the SSA that it cannot make a commitment to deliver engines for the vessel by the end of 2015 which will be compliant with the then-applicable EPA emission standards, so SSA management is in the process of investigating whether the SSA should instead install MTU model engines (with a controllable pitch propeller). Meanwhile, Elliott Bay is preparing to have its preliminary hull design optimized and validated by Force Technology in Denmark through a model test program that measures performance characteristics such as hull resistance, wake wash, maneuverability and seakeeping capabilities under various sea conditions. The vessel's design is still expected to be completed and reviewed by the United States Coast Guard by October 2014 so that the SSA can issue an invitation for bids and then award a construction contract for the vessel in January 2015 and have the vessel begin service in May 2016. Preliminary construction cost estimates are now ranging from \$41,200,000 to \$47,116,000.
4. The Board approved SSA management's proposed changes to the SSA's Towing/Pushing Services Policy. As a result of those changes, the policy will expressly inform the SSA's customers that the SSA will not accept for towing or pushing onto or off of its vessels any trailer that weighs more than 7,500 pounds (including its load), or is more than 30 feet in overall length, or is more than 8 feet, 6 inches wide. The policy will also inform the SSA's customers that they should arrange for any towing/pushing services before dropping off at an SSA terminal any vehicle or trailer that needs to be towed or pushed, and that during the summer schedule customers generally will not be allowed to drop off vehicles or trailers on Fridays through Sundays to be towed at a later time.
5. The Board authorized Mr. Lamson to execute and deliver a deed conveying the SSA's property located at the southwest corner of Thomas B. Landers Road and Research Road in Falmouth to the Town of Falmouth in exchange for property owned by the Town that is located directly to the east of the SSA's property across Research Road. The Town plans to use the SSA's property to expand its wastewater treatment facility, which abuts the property to the south. The closing will take place shortly after the Town completes the environmental review process for its project, which may be as early as within the next few weeks.

6. Mr. Lamson also reported that the SSA is now scheduled to buy the property located at 60 School Street in Hyannis by the end of the month. Once the SSA owns the property, it will demolish the building that is currently on the site and construct a driveway through the property between School Street and the SSA's Lewis Bay Road parking lot that will then be used by the SSA's shuttle buses for direct access down School Street between the parking lot and the SSA's Hyannis terminal.
7. The Board approved the recommendation by SSA Treasurer/Comptroller Bob Davis to reauthorize the SSA's Debt Issuance and Debt Management Policy, which formally establishes the framework regarding the SSA's administration and debt management. State regulations require that the Board formally adopt the policy every two years. The policy approved by the Board today is substantively the same as what was approved by the Board in March 2012.
8. Mr. Lamson reported that, in accordance with the authorization the Board gave him last month, he awarded Contract No. 01-14 for the Oak Bluffs Terminal Fender Repairs to the lowest eligible and responsible bidder for the contract, AGM Marine Contractors, Inc. of Mashpee, Massachusetts, for a Total Contract Price of \$255,800, after bids for the contract were opened on February 20, 2014. The repairs should begin this week and are scheduled to be completed by the end of April.

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

The next regular monthly meeting of the SSA's Board is currently scheduled for 9:30 a.m. on Tuesday, April 22, 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.



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 22, 2014

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 22, 2014, 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 L. O'Brien (Barnstable); Vice Chairman Marc N. Hanover (Martha's Vineyard); Catherine N. Norton (Falmouth); John A. Tierney (New Bedford); and Robert F. Ranney (Nantucket).

1. SSA General Manager Wayne Lamson reported that Phase 2 of the Palmer Avenue parking lot improvements project is still expected to be completed before the Memorial Day weekend as scheduled. The base asphalt is almost complete and the top coat will be applied over the next few weeks along with the landscaping, which will be supplemented with more native plantings.
2. The SSA management staff presented a further revised design concept for the reconstruction of the Woods Hole terminal (Concept B3.1) that the staff is recommending be approved as the preferred alternative for the purpose of the new terminal's feasibility study. Last Wednesday, the staff also presented this concept as their choice to the Woods Hole community at a meeting at the Woods Hole Community Hall and explained how they feel it best addresses the principal objections that the Woods Hole Community Working Group had to the three original design concepts which were presented in November 2013 while still addressing the SSA's operational needs. As depicted in Concept B3.1:
 - The proposed terminal building has been moved to the south, its size has been reduced to be more in line with the terminal building in Vineyard Haven, and it will be two stories to further reduce its footprint and open up additional water views from the top of Water Street;

- A plaza area has been added between Railroad Avenue and the terminal building for luggage handling, passenger queuing and some additional landscaping;
- The elevation of the terminal building and shuttle bus staging area has been lowered from 17 feet to 13.5 feet above sea level;
- The two previously proposed elevated passenger walkways between the terminal building and the ferry slips have been eliminated;
- The truck staging area has been redesigned to eliminate the need for trucks to back up on the property in order to be staged prior to being loaded onto the ferries; and
- The bike path has been extended down the side of Railroad Avenue to the corner of Luscombe Avenue, and bicycle parking racks will be located in front of the park area on Luscombe Avenue.

At today's meeting, several members of the Woods Hole community asked a number of questions about the project and the staff agreed to answer all of those questions before asking the Board to consider their recommendation at the Board's next meeting.

3. This past month, Port Engineer Stephen Clifford and Captain Sean O'Connor traveled to the West Coast to look at several vessels with the Hundested gearbox and controllable pitch propellers that Elliott Bay Design Group ("Elliott Bay") was recommending be used in the SSA's new vehicle/passenger ferry. Based upon their favorable reports, the staff has instructed Elliott Bay to proceed with the design of the new ferry using this Hundested controllable pitch propeller system along with MTU Tier 3 engines.

Meanwhile, Elliott Bay is continuing to refine the ferry's structural design, and has managed to reduce the structural weight by approximately 340 tons while still complying with the ABS Rules for Steel Vessels less than 90 Meters, which will not only reduce the vessel's construction cost, but may also allow the SSA to have an all-steel deckhouse instead of an aluminum one. Elliott Bay is also in the process of having its preliminary hull design optimized and validated by Force Technology in Denmark (both numerically and through model testing), measuring such performance characteristics as hull resistance, wake wash, maneuverability and seakeeping capabilities under various sea state conditions. The tank test report should be completed by mid-May. The SSA also has contracted with Directions in Design, Inc. to assist the SSA with the vessel's interior design.

4. Hy-Line Cruises has requested permission from the SSA to build a new high-speed ferry for service between Hyannis and Nantucket that will replace its traditional mono-hull ferry on that route, the *Great Point*. Today the Board approved the procedures the SSA will follow when considering Hy-Line's request. Essentially, the SSA will publish notices of the request later this week (and will also post it on the SSA's website) and ask for public comment by May 9th. The Port Council members will then discuss the request at their next meeting on May 7th, and the Board will consider the request at their next meeting on May 13th.

5. The Board also approved 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.
6. The Board also approved the management staff's proposed changes to the types of Hyannis parking permits the SSA issues so that the SSA can keep its Yarmouth Road parking lot open year round instead of its Lewis Bay Road parking lot, which the SSA kept open year round this past year. The SSA operates only one of those lots from late December through mid-April, and the management staff concluded that it makes more sense to keep the Yarmouth Road lot open because that parking lot is bigger and also has an indoor waiting area and bathroom facilities, which the Lewis Bay Road lot does not have. As a result, all of the SSA's Hyannis permit holders will be required to park in the Yarmouth Road lot during the off-season (October 14th through May 15th) except for those who are on the Nantucket Street List and elect to pay more money to be able to park at the Hyannis terminal during that time period.
7. The Board authorized Mr. Lamson, on such terms and conditions as he concludes to be acceptable, to make a one-time contribution of \$50,000 toward the cost of operating a proposed Park and Ride pilot program by the Town of Nantucket and the Nantucket Regional Transit Authority from May 22nd through October 13th of this year. Under the program, buses will run every 20 minutes between downtown Nantucket and an off-site parking lot located on Fairgrounds Road (close to the airport) from 7:00 a.m. through 8:00 p.m. The purpose of the service, which is estimated to cost \$250,000, is to connect all of the island's gateway hubs (the SSA, Hy-Line and the airport) and alleviate some of Nantucket's serious downtown traffic problems. ReMain Nantucket also has agreed to contribute \$75,000 towards the cost of this service, and the Town itself is contributing \$25,000, but the service will not commence until the remaining \$100,000 needed to operate it is raised.
8. The Board awarded Contract No. 08-14 for the demolition of two buildings at the SSA's Fairhaven Vessel Maintenance Facility to the lowest eligible and responsible bidder for the contract, Francesco Demolition, Inc. of Duxbury, Massachusetts, for a total contract price of \$78,000. The contractor will first demolish the "Be Careful" building, which will be replaced with a new modular building. Then, after the SSA moves into the new modular building, the contractor will return to demolish the current office building.
9. The Board authorized Mr. Lamson to award Contract No. 10-14 for the demolition of the two buildings that are currently situated at 60 School Street and 123 School Street in Hyannis, as well as for related site work (including lighting improvements, fencing, landscaping and a paved driveway on the 60 School Street property to connect the SSA's Lewis Bay Road parking lot to School Street), to the lowest eligible and responsible bidder for the contract after bids therefor are opened on April 25, 2014. Demolition of the buildings is to begin May 1st.

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 13, 2014. The meeting is currently scheduled to take place in the Fort Taber ~ Fort Rodman Military Museum, which is located in Fort Tabor Park, New Bedford, Massachusetts 02744. 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 13, 2014

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 13, 2014, in the Fort Taber ~ Fort Rodman Military Museum, located in Fort Tabor Park, New Bedford, Massachusetts. All five Board Members were in attendance: Chairman Robert L. O'Brien (Barnstable); Vice Chairman Marc N. Hanover (Martha's Vineyard); Catherine N. Norton (Falmouth); John A. Tierney (New Bedford); and Robert F. Ranney (Nantucket).

1. SSA General Manager Wayne C. Lamson reported that Phase 2 of the SSA's Palmer Avenue Parking Lot Improvements Project is continuing and that the lot should be fully operational for the Memorial Day weekend. The final paving is being completed this week, and some of the trees and shrubs for screening along the bike path also have been planted. However, some of the fencing and some additional landscaping will not be completed until after the parking lot is open.
2. The SSA Board approved Bertaux + Iwerks Architects' Concept B3.1 as the "preferred alternative" design concept for the purposes of the Woods Hole terminal reconstruction feasibility study, provided that the site's accessibility is improved for individuals with disabilities between the ferry slips and the proposed customer drop-off and pick-up area. At last month's meeting, the Board expressed concern about the distance between these two locations, observing that it might be difficult for some people to walk that distance. The Board's vote ensures that this important issue will continue to be a focus of the SSA management staff's attention during the design process.

Now that the "preferred alternative" has been approved, Bertaux + Iwerks will, among other things, update the project phasing parameters and the conceptual cost estimate, and develop a draft report that will recount the process the SSA has completed, describe how the "preferred alternative" was selected, and contain concept drawings for the "preferred

alternative” (e.g., site plan, floor plans, three-dimensional massing/character studies, and phasing diagrams).

3. Mr. Lamson also reported that the design of the new vehicle/passenger ferry continues to go well, that the tank testing of the hull is being completed in Denmark, and that a report of the test results will be available within the next two weeks. The design team from Elliott Bay Design Group will be meeting with the SSA management staff again tomorrow in Woods Hole, and they will also attend the staff’sur meeting tomorrow afternoon with the Vineyard Haven Harbor Management Committee to discuss what impacts the new ferry will have on the harbor.

The Board also agreed with the Port Council that a sub-committee of Board Members and Port Council members should present the Board with a list of possible names for the new boat. The sub-committee consists of Falmouth Board Member Cathy Norton, Nantucket Board Member Rob Ranney, Fairhaven Port Council Member Frank Rezendes, Tisbury Port Council Member George Balco and Falmouth Port Council Member Robert Munier. They hope to be able to meet and complete the process quickly, as having a name for the new vessel will facilitate the SSA’s submissions to the United States Coast Guard.

4. The Board approved Hy-Line Cruises’ request for permission to build a new high-speed ferry for service between Hyannis and Nantucket that will replace its traditional mono-hull ferry on that route, the *Great Point*, and the staff will present a new three-year license agreement for Hy-Line to the Board for approval at their meeting next month. The new license agreement will include, among the other standard provisions:
 - (a) The use of Hy-Line’s alternative license fee formula for the first two years of the agreement (2015 and 2016) and then the use of the SSA management staff’s proposed revised license fee formula for the last year (2017).
 - (b) A requirement that no departure of either of Hy-Line’s high-speed ferries on the Nantucket route be within 30 minutes prior to, or 15 minutes after, any scheduled departure of the SSA’s high-speed ferry.
 - (c) A provision prohibiting Hy-Line, as soon as feasible after the Town of Barnstable constructs the new sewage pump-out facilities beside Hy-Line’s Hyannis ferry terminal (which is expected to be completed by the end of 2014), from pumping its vessels’ sewage into Nantucket Sound, and instead requiring Hy-Line to use those new pump-out facilities.
5. SSA Treasurer/Comptroller Robert B. Davis reviewed his analysis of the effectiveness of the SSA’s rate structure to cover each route’s respective cost of service for passengers, automobiles and trucks during the 2013 calendar year, noting that the methodologies used in the analysis were the same as those that have been used for the previous nine years.

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

- (a) In 2013, total vessel operating costs increased by \$1,173,000, or 5.1%; total indirect non-vessel costs increased by \$2,343,000, or 11.1%, principally due to the repairs of the Oak Bluffs terminal's dock; and, as a result the overall cost of service for the Martha's Vineyard route increased by \$3,516,000, or 8.0%, from 2012.
- (b) The number of trips operated increased by 215 in 2013, with total capacity for the year increasing by 4,190 car-equivalent unit spaces. The number of spaces occupied increased by 16,211, or 2.8%, from 2012, resulting in an increase of the occupancy rate from 78.2% in 2012 to 79.9% in 2013.
- (c) The estimated cost of a car-equivalent unit space was \$53.55 in 2013, up from \$49.20 in 2012. On average, automobiles covered 89.3% of their allocated cost of service, with standard fare automobiles covering 120.4% and excursion fare automobiles covering 37.2%. By comparison, on average, trucks were covering 102.2% of their allocated cost of service.

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

- (a) In 2013, total vessel operating costs increased by \$1,256,000, or 8.4%, in 2013; total indirect non-vessel costs allocated to the Nantucket route increased by \$184,000, or 1.7%; and, as a result, the overall cost of service for the Nantucket route increased by \$1,439,000, or 5.6%, from 2012.
 - (b) The number of trips operated increased by 55 in 2013, and 1,460 more spaces were provided in 2013 than in 2012. The total number of spaces occupied increased by 6,812, resulting in an increase in the occupancy rate from 78.1% in 2012 to 80.9% in 2013.
 - (c) The estimated cost of a car-equivalent unit space was \$129.36 in 2013, up from \$125.89 in 2012. On average, automobiles were covering 116.0% of their allocated cost of service, with standard fare automobiles covering 149.1% and excursion fare automobiles covering 41.5%. By comparison, on average, trucks were covering 88.9% of their allocated cost of service.
6. Mr. Lamson then reported that, in accordance with the authorization the Board gave him last month, he had awarded Contract No. 10-14 for the demolition of the two buildings located at 60 School Street and 123 School Street in Hyannis, as well as for related site work, to C.C. Construction, Inc. of South Dennis, Massachusetts, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$190,000. The SSA is still waiting for NSTAR to disconnect the utilities at those locations before it can start the demolition work.

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 17, 2014. The meeting is currently scheduled to take place on the island of 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

May 17, 2014

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 17, 2014, 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 L. O'Brien (Barnstable); Vice Chairman Marc N. Hanover (Martha's Vineyard); Catherine N. Norton (Falmouth); John A. Tierney (New Bedford) (who participated remotely by telephone conference); and Robert F. Ranney (Nantucket).

1. SSA General Manager Wayne C. Lamson reported that Phase 2 of the SSA's Palmer Avenue Parking Lot Improvements Project is basically complete. The only thing left is to finish some additional plantings and landscaping to provide additional screening along the bike path and improve the view from Palmer Avenue, and this should be finished by the end of this week.
2. The Board substituted Bertaux + Iwerks Architects' Concept E for its previous Concept B3.1 as the "preferred alternative" design concept for the purposes of the Woods Hole terminal reconstruction feasibility study. At last month's meeting, the Board expressed concern about the distance that individuals with disabilities would have to walk between the ferry slips and the customer drop-off and pick-up area where they were proposed to be located in Concept B3.1. To address this concern, this past month Betaux + Iwerks developed Concept E that now has the terminal building and customer drop-off and pick-up area closer to the slips and relocates the automobile staging area to the eastern side of the property (essentially where it is today). As a result of these changes, the elevation of most of the property can remain at around 8 or 9 feet above sea level, except for the terminal building (13 feet) and surrounding plaza (10-1/2 feet). SSA management presented this new Concept E to the Woods Hole community at a public meeting last week, and they responded much more favorably to it than the SSA's previous concepts

because, among other things, it will both open up more view of the water from the top of Railroad Avenue and keep much of the terminal's operations at a lower elevation.

3. Mr. Lamson also reported that the design of the new vehicle/passenger ferry continues to go well, that the model testing of the hull has confirmed the vessel's powering and seakeeping characteristics, and that the design team from Elliott Bay Design Group has already submitted certain safety-related drawings (deck and lifesaving equipment arrangements, and emergency evacuation and fire zone plans) to the U.S. Coast Guard's Marine Safety Center. SSA management will have their initial design review meeting with the Coast Guard next month and also expect to have an updated estimate of the vessel's construction cost by that time. The final plans for the vessel are then scheduled to be submitted to the Coast Guard in September, with an invitation for bids issued to interested shipyards the following month.

4. Tisbury Port Council member George Balco presented the Board with a list of possible names for the new vessel suggested by the vessel naming committee that was formed last month (comprised of Falmouth Board Member Catherine Norton, Nantucket Board Member Rob Ranney, Fairhaven Port Council member Frank Rezendes, Falmouth Port Council member Rob Munier, and Mr. Balco). The four suggested names are:

ISLAND SPIRIT

QUISSETT

VINEYARD SOUND

WOODS HOLE

The Board is expected to name the vessel at their next meeting on Martha's Vineyard, which is currently scheduled for July 15, 2014.

5. The Board also authorized Mr. Lamson to contract with Marine Systems Corporation for project management services during the remaining design phase for the new vehicle/passenger ferry, as well as during the bidding and construction phases for the ferry. The services will be provided by Marine Systems' employee, Captain Edward Jackson, who retired from the SSA several years ago after a long and distinguished career as one of the SSA's most respected Captains. He also served as Project Manager for the construction of the *M/V Island Home*, the mid-life upgrade of the *M/V Nantucket*, and many other vessel construction projects.

6. Mr. Lamson reported that the SSA is awaiting approval from the Massachusetts Department of Transportation (MassDOT) and the Federal Highway Administration of the SSA's request for proposals for a new modular building at its Vessel Maintenance Facility in Fairhaven, which will replace two existing buildings there. The estimated cost

of the project is \$1,750,000, of which \$1,133,792 is being paid from the U.S. Department of Transportation's Ferry Boat Program. The Board also ratified the SSA's oversight agreement with MassDOT regarding the project.

7. Mr. Lamson reported that Green Seal Environmental, Inc. is finalizing the plans and specifications for the SSA's proposed new parking facility at 590 Thomas B. Landers Road in West Falmouth, and that SSA management expects to issue an invitation for bids for the construction contract next month so that the contract can be awarded in August and work can begin as soon as the SSA purchases the property in October. Construction of the new parking lot is expected to be completed by mid-May 2015.
8. At last month's meeting, the Board approved Hy-Line Cruises' request for permission to build a new high-speed ferry for service between Hyannis and Nantucket that will replace its traditional mono-hull ferry on that route, the *Great Point*. Today the Board approved the actual new three-year license agreement with Hy-Line that includes all of the conditions of the license that the Board voted on last month.
9. SSA management presented the preliminary draft of their proposed 2015 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. Management's proposed schedules are virtually the same as the ones the SSA operated this past year, except that the winter schedule would start four days later and end one day later than in 2014 (beginning on January 6, 2015 and ending on April 14, 2015) and the spring schedule would end one day later than in 2014 (beginning on April 15, 2015 and ending on May 14, 2015), which means that the 2015 Summer Schedule also would start one day later than in 2014.

On the Nantucket route, SSA management is proposing to change the departure times for the freight boat to reflect the times that it is actually departs (which are also the same departure times as those for the 2014 Summer and Fall Schedules) and, during the winter schedule, make the third daily freight boat trip on Tuesdays and Thursdays available to be booked beginning on April 1, 2015, with that trip on Mondays, Wednesdays and Fridays continuing to be available to operate if necessary but not included on the published schedule.

SSA management's proposed 2015 Spring Schedule also would provide the same service the SSA provided this past year, including 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 demand for vehicle space. This additional freight service would again 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.

10. The Board approved SSA management's proposed 2015 Budget Policy Statement that sets forth the guidelines management will be using to develop the revenue and expense estimates for the SSA's 2015 Operating Budget. As mentioned by Treasurer/Comptroller Robert B. Davis at the meeting, the Budget Policy Statement requires management, among other things:

- to base the budget on the proposed 2015 Winter and Spring Schedules plus operating schedules for the summer and fall that are similar to this year's operating schedules;
- to identify significant terminal repairs and maintenance that will need to be accomplished;
- to schedule the vessels that will be dry-docked during 2015 (the *M/V Nantucket*, the *M/V Island Home*, the *M/V Katama* and the *M/V Gay Head*);
- to reflect efficiencies that the SSA expects to gain with the consolidation of the Falmouth area satellite parking lots to the new parking facility off of Thomas B. Landers Road;
- to take into account the SSA's expected training expenses due to the continuation of STCW basic training, Marine Evacuation Slide (MES) training and other programs; and
- to factor in health care and insurance costs.

One of the SSA's more significant operating expenses is vessel fuel oil. As for the past few years, the 2015 Operating Budget will base the budgeted cost of vessel fuel oil on the forecasted price of oil plus the cost of the SSA's hedge program for vessel fuel. Currently, the barrel price for crude oil is trading in the \$100-\$110 range, while a year ago it was trading in the \$90-\$100 range.

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.

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 15, 2014. The meeting is currently scheduled to take place on the island of Martha's Vineyard, Massachusetts. However, the location, time and date of the meeting are all subject to change, so please look for the formal notice for the meeting that will appear on this website next month. Thank you.



Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

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

July 15, 2014

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 15, 2014, in the Katharine Cornell Theatre, located at 51 Spring Street, Vineyard Haven, Massachusetts. All five Board Members were in attendance: Chairman Robert L. O'Brien (Barnstable); Vice Chairman Marc N. Hanover (Martha's Vineyard); Catherine N. Norton (Falmouth) (who participated remotely by telephone conference); John A. Tierney (New Bedford) (who also participated remotely by telephone conference); and Robert F. Ranney (Nantucket).

1. SSA General Manager Wayne C. Lamson reported that the design and engineering for the SSA's new passenger/vehicle ferry is approximately 95% complete, with all of the major decisions having been made and Elliott Bay Design Group, LLC, now simply fine tuning the design. It will take around one more month to finish the design before Elliott Bay submits the full design package to the United States Coast Guard at the end of August 2014. The SSA will then issue an invitation for bids for the construction of the vessel around September 15th, with an initial deadline for the submission of bids sometime in November so that the Board can award a contract at its meeting on December 16th. The anticipated date for the new vessel is in April 2016. Elliott Bay's construction cost estimate for the new vessel at this stage of development is \$43,000,000, including a \$4,000,000 allowance for contingencies.
2. The Board then unanimously named the new vessel the **Woods Hole**. All of the Board members agreed with the sentiments that were expressed by the Port Council members at their meeting last week, namely, that it will be nice to finally have a vessel named after the port that the SSA calls home.
3. Mr. Lamson also reported that the SSA's request for proposals for the new modular building at the SSA's Fairhaven Vessel Maintenance Facility has been approved by the Massachusetts Department of Transportation (MassDOT) but is still being reviewed by

the Federal Highway Administration. Once that review is completed, MassDOT will issue the SSA a notice to proceed so that the contract can be advertised in the Central Register and local newspapers.

4. Mr. Lamson then reported that Green Seal Environmental, Inc. has finalized the plans and specifications for the SSA's new consolidated parking lot off of Thomas B. Landers Road and that the SSA will be issuing an invitation for bids later this week for the construction of the lot so that the construction contract can be awarded by the Board at their August 19th meeting. Two separate contracts will be awarded, one for the demolition of the buildings that are currently on the site, and another one for the construction of the new parking lot, which is expected to be completed by June 15, 2015. Green Seal's latest construction cost estimate (at 100% design and with a 10% allowance for contingencies) is in the range of \$5,800,000 to \$6,800,000, not including the cost of the modular office building that will be located there, as well as the automated parking lot equipment, security cameras and the demolition of the existing buildings. The cost of those additional items will probably bring the overall cost of the project to around \$7,000,000. The capacity of the new parking lot, which has been designed with a porous pavement surface, is expected to be nearly 1,900 parking spaces, approximately the same number of spaces as are in the Gifford Street parking lot, the Sun parking lot, and the Cataumet parking lot combined.
5. The Board approved SSA management's proposed 2015 Winter and Spring Operating Schedules, which are the same as the preliminary versions that were presented last month. The schedules also are virtually the same as the ones the SSA operated this past year, except that the winter schedule will start four days day later and end one day later than in 2014 (beginning on January 6, 2015 and ending on April 14, 2015) and the spring schedule will end one day later than in 2014 (beginning on April 15, 2015 and ending on May 14, 2015), which means that the 2015 Summer Schedule also will start one day later than in 2014.

On the Nantucket route, the SSA has changed the departure times for the freight boat to reflect the times that it is actually departs (which are also the same departure times as those for the 2014 Summer and Fall Schedules) and, during the winter schedule, the SSA will make the third daily freight boat trip on Tuesdays and Thursdays available to be booked beginning on April 1, 2015, with that trip on Mondays, Wednesdays and Fridays continuing to be available to operate if necessary but not included on the published schedule.

The 2015 Spring Schedule also will provide the same service the SSA provided this past year, including 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 demand for vehicle space. This additional freight service will again 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.

6. Mr. Lamson noted that, at next month's Port Council and Board meetings, SSA management will be presenting their recommendation as to whether the SSA's license agreements with Freedom Cruise Line, Inc. and Cape and Islands Transport, Inc. should be renewed for additional three-year terms. Freedom Cruise Line operates the *M/V Freedom* between Harwichport and Nantucket, and Cape and Islands Transport operates the *M/V Pied Piper* between Falmouth and Edgartown. The agreements will automatically renew for another three years unless one of the parties otherwise notifies the other by August 31, 2014. At the same meeting, SSA management will present their recommendation as to whether the SSA's license agreement with SeaStreak Martha's Vineyard, LLC, which operates two vessels between New Bedford and Martha's Vineyard, similarly should be renewed for another three-year term.

7. The Board awarded Contract #12-14 for dry-dock and overhaul services for the *M/V Sankaty* 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 \$452,760. The *M/V Sankaty* is scheduled to be in the shipyard from September 17 through October 22, 2014 to undergo a required United States Coast Guard hull exam; machinery inspections; underwater hull cleaning and painting; replacement of anodes; commercial blasting and sand sweeping; removal of sea valves; shafts, bearings, seals, couplings and propeller repair and reinstallation; hull plate replacement; painting above the rub rail guard; repair to engine room aft bulkhead; anchor chain renewal and chain locker maintenance; removal of fiberglass tank (V2); and port main engine exhaust repair.

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

The next regular monthly meeting of the SSA's Board is currently scheduled for 9:30 a.m. on Tuesday, August 19, 2014. The meeting is currently scheduled to take place in the second floor meeting room of the SSA's Hyannis terminal, located at 141 School Street, Hyannis, Massachusetts. However, the location, time and date of the meeting are all subject to change, so please look for the formal notice for the meeting that will appear on this website next month. Thank you.



Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

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

August 19, 2014

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 19, 2014, 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 L. O'Brien (Barnstable); Vice Chairman Marc N. Hanover (Martha's Vineyard); Catherine N. Norton (Falmouth) (who participated remotely by telephone conference); John A. Tierney (New Bedford) (who also participated remotely by telephone conference); and Robert F. Ranney (Nantucket).

1. SSA General Manager Wayne C. Lamson reported that Elliott Bay Design Group has substantially completed the design and engineering for the SSA's new passenger/vehicle ferry, the *M/V Woods Hole*, and that the management staff is currently reviewing the final drawings and specifications so that Elliott Bay can submit the full design package to the United States Coast Guard' Marine Safety Center by the end of this month. Mr. Lamson stated that the SSA will then issue an invitation for bids for the construction of the vessel in mid-September with an initial deadline for the submission of bids sometime in mid-November so that the Board can award a contract at their meeting on December 16th. The estimated construction period is about 15 months, so the new vessel is expected to be delivered to Fairhaven in April 2016. Elliott Bay's construction cost estimate for the vessel at this stage of development is \$41,000,000, including a \$2,500,000 allowance for contingencies.
2. Mr. Lamson also reported that, earlier this month, the Massachusetts Department of Transportation authorized the SSA to issue its request for proposals ("RFP") for the new modular building at the SSA's Fairhaven Vessel Maintenance Facility. The SSA already has advertised the RFP in the Central Register and local newspapers and, as a result, the deadline for submitting proposals in response to the RFP is September 15, 2014. The

staff will then review the proposals so that the Board will hopefully be in a position to award the contract at their following meeting on September 23, 2014.

3. Mr. Lamson then reported that the site improvements to the SSA's property at 60 School Street in Hyannis are almost complete. The paving of the driveway through the property from School Street to the SSA's Lewis Bay Road parking lot has been finished, and the gate and fencing have been installed. However, the SSA is waiting until next month to finish the property's landscaping (including hydroseeding and planting shrubs and trees) that was agreed upon with the Town of Barnstable.
4. Mr. Lamson reported that the staff had discovered an error in their proposed 2015 Spring Operating Schedule for the Martha's Vineyard route which the Board approved last month. The last round trip of the *M/V Martha's Vineyard* (leaving Vineyard Haven at 8:30 p.m. and then returning from Woods Hole at 9:45 p.m. with a final arrival at Vineyard Haven at 10:30 p.m.) had been shown as operating seven days a week during that schedule (April 15, 2015 through May 14, 2015), when it should have been shown as operating only on Fridays, Saturdays, Sundays and holidays during that period. Therefore, at Mr. Lamson's request the Board corrected the error.
5. Mr. Lamson then presented the staff's preliminary draft of the proposed 2015 Summer and Fall Operating Schedules for discussion purposes only. These schedules, with whatever revisions might be made to them, do not need to be approved by the Board until their next meeting on September 23, 2014. The schedules as currently proposed for the Martha's Vineyard route do not differ from this year's schedules. However, there are some proposed changes to the schedules for the Nantucket route, including changing the departure times for the *M/V Gay Head* so that it leaves 15 minutes earlier throughout the day from May 15 through September 17, 2015, resulting in its first daily departure from Hyannis being at 5:30 a.m. This change is being proposed to relieve congestion both in the Nantucket channel and at the Hyannis terminal. The staff is also proposing to again keep a second freight boat on the Nantucket route for another week or so after Labor Day, through September 17, 2015.
6. Mr. Lamson advised the Board that the SSA's license agreement with Freedom Cruise Line, Inc., which operates the *M/V Freedom* between Harwichport and Nantucket, as well as the SSA's license agreement with Cape and Islands Transport, Inc., which operates the *M/V Pied Piper* between Falmouth and Edgartown, will automatically renew for another three-year term unless one of the parties to the agreement notifies the other by August 31, 2014 of its desire to terminate or change the agreement. Mr. Lamson stated that the staff is not aware of any issues with respect to either ferry service that would cause the SSA to want to terminate or change either of the agreements. Accordingly, the Board accepted Mr. Lamson's recommendation and took no action with respect to either agreement, thereby allowing them to renew automatically.

7. The Board approved Contract No. 09-14 for the construction of the Thomas B. Landers Road Parking Facility to Lawrence-Lynch Corp. of Falmouth, Massachusetts, the lowest eligible and responsible bidder for the contract, for the total contract price of \$5,175,175. Last week Mr. Lamson also awarded another contract for the demolition of the buildings that are currently on that site to Jay-Mor Enterprises, Inc. of Pelham, New Hampshire, the lowest eligible and responsible bidder for that contract, for the total contract price of \$23,800. Work under both contracts is scheduled to begin immediately after the SSA completes its purchase of the property on October 2, 2014, and the construction of the new parking lot is expected to be completed by June 15, 2015. Over the next few months the SSA will be awarding additional contracts for the modular office building that will be located there, the automated parking lot equipment, and security cameras. The capacity of the new parking lot, which has been designed with a porous pavement surface, is expected to be nearly 1,900 parking spaces, approximately the same number of spaces as are in the Gifford Street parking lot, the Sun parking lot, and the Cataumet parking lot combined.

8. Mr. Lamson advised the Board that, earlier this month, the SSA received a letter from the Tisbury Selectmen in which they expressed their strong opposition to the single-ended design of the SSA's new passenger/vehicle ferry, the *M/V Woods Hole*, they asked the SSA to reconsider and pursue a double-ended design for the new vessel, and they requested an opportunity to meet with the SSA to discuss their position. Mr. Lamson also informed the Board that he would respond to the Selectmen's letter assuring them that the SSA has carefully considered the impacts of new ferry on Vineyard Haven Harbor, and that the *M/V Woods Hole* has been designed to minimize those impacts as much as possible when balanced with the SSA's need to provide efficient, economical, reliable and convenient service to the islands of Martha's Vineyard and Nantucket.

Beginning several years ago, the SSA's management staff studied whether the SSA should replace the *M/V Governor* with an *M/V Martha's Vineyard*-class single-ended passenger/vehicle ferry, an *M/V Island Home*-class double-ended ferry, or an improved single-ended freight boat. After many months, the staff concluded that what the SSA needs at this time is an improved single-ended freight boat that can be used as a utility vessel on both the Martha's Vineyard route and the Nantucket route, and can carry more trucks and more passengers than the SSA's other freight boats. This decision was approved by the Board at their August 20, 2013 meeting and was also widely publicized in all of the area newspapers.

The SSA made this decision for many reasons. Single-ended vessels are much more reliable in the types of sea conditions that often exist during the 26-mile journey between Hyannis and Nantucket, and they are less expensive to both build and operate. Further, this particular vessel, because it has to operate in the Hyannis Harbor channel, cannot have a draft that is greater than 10 feet, 6 inches, when fully loaded, and its length cannot exceed 235 feet. The *M/V Woods Hole* was designed within these and other parameters to carry a load of approximately 500 long tons (which might be as many as 10 freight trucks). By comparison, the double-ended *M/V Island Home*, which is 255 feet long and has a draft of 10 feet, 10 inches, has a carrying capacity of only 371 long tons and, if its

length were shortened to 235 feet, it would have a carrying capacity of only around 135 long tons, less than one-third the carrying capacity of the single-ended *M/V Woods Hole*.

The *M/V Woods Hole* also has been designed with new features (at least for the SSA) to increase the vessel's efficiency and to reduce its wake wash and water turbidity. Based upon Elliott Bay Design Group's recommendations, its hull line has been optimized with a bulbous bow, and it will have MTU engines coupled with controllable pitch propellers manufactured by Hundested Propeller A/S of Denmark. All of these features will mitigate its impacts not only in Vineyard Haven Harbor, but in all of the other harbors in which it will be operating during all times of the 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 reconvene in public. After the executive session, the Board reconvened in public session and voted to ratify the tentative agreement for a new collective bargaining agreement with Teamsters Union Local No. 59 governing the terms and conditions of employment for the SSA's unlicensed vessel employees, which the employees in the bargaining unit already had ratified last week.

The next regular monthly meeting of the SSA's Board is currently scheduled for 9:30 a.m. on Tuesday, September 23, 2014. 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 23, 2014

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 23, 2014, 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 L. O'Brien (Barnstable); Vice Chairman Marc N. Hanover (Martha's Vineyard); Catherine N. Norton (Falmouth) (who participated remotely by Skype); John A. Tierney (New Bedford) (who also participated remotely by telephone conference); and Robert F. Ranney (Nantucket).

1. SSA General Manager Wayne C. Lamson reported, earlier this month, Bertaux + Iwerks Architects submitted a draft report for the Woods Hole terminal reconstruction feasibility study and that the SSA since has provided a copy of that report to the Woods Hole Community Working Group for their comments. The management staff's hope is to be able to modify the draft report to respond to issues and concerns raised by the Working Group, as well as by the Port Council and the Board, before the staff asks the Board to approve it. Mr. Lamson stated that the staff also realizes that the first step of the reconstruction project will be to relocate the SSA's administrative offices, so the SSA will have to decide on where the new offices will be located before the project's next phase can begin. One option may be to move the offices to another area at the Woods Hole terminal, and the staff will be working with Bertaux + Iwerks to see if that can be done without interfering with the terminal operations as they have been shown on the previously approved "preferred alternative" design concept. The staff's goal is to narrow down the options for the new location of the SSA's administrative offices by next month and to select a site at the Board's meeting on November 18, 2014.
2. Mr. Lamson reported that the SSA has developed an action plan with the landscaping contractor for Phase 2 of the Palmer Avenue Parking Lot Improvement Project to rectify and finish all of the intended landscaping work at the parking lot by November 1, 2014. This includes removing the weeds from the slopes of the bioretention areas, hydroseeding

the unstabilized areas, replacing the dead plantings, and planting additional trees, shrubs, perennials and grasses. Last week Mr. Lamson also awarded the contract to demolish the former bus garage on the property to the lowest eligible and responsible bidder for the contract, Jay-Mor Enterprises, Inc. of Pelham, New Hampshire, for a Total Contract Price of \$23,800. The garage will be replaced with a new modular office building for the SSA's parking and shuttle bus operations and will probably also include a small amount of space for a rental car company.

3. Mr. Lamson also reported that, last week, the SSA issued the invitation for bids for the construction of its new passenger/freight vessel, the *M/V Woods Hole*, with an initial deadline of November 18, 2014 for the submission of bids, and that a number of shipyards already have asked for copies of the bid package. On August 29, 2014, Elliott Bay Design Group submitted a complete set of the plans and drawings for the vessel to the United States Coast Guard for their review and approval. In the event the Coast Guard has any comments on those plans and drawings, the SSA should have more than sufficient time to address them in an addendum to the invitation for bids next month.
4. This afternoon the SSA is having the kick-off meeting for the construction of its new consolidated parking facility on Thomas B. Landers Road. Work on the demolition of the buildings that are currently on the site will begin as soon as the SSA completes its purchase of the property, which could take place as early as this Friday, September 26, 2014. At that time, Lawrence-Lynch Corp. will also begin work on the construction of the facility, which is expected to be completed by June 15, 2015.
5. The Board approved the staff's proposed 2015 Summer and Fall Operating Schedules, which are the same proposed schedules the staff presented to the Board last month. The schedules for the Martha's Vineyard route do not differ from this year's schedules (except for a few days' difference in their starting and ending dates). However, there are some changes to the schedules for the Nantucket route, including changing the departure times for the *M/V Gay Head* so that it leaves 15 minutes earlier throughout the day from May 15 through September 17, 2015, resulting in its first daily departure from Hyannis being at 5:30 a.m. This change should relieve congestion both in the Nantucket channel and at the Hyannis terminal. In addition, the 6:30 a.m. trip from Hyannis to Nantucket during the periods from May 15, 2015 through May 20, 2015, from May 27, 2015 through June 16, 2015, and from September 9, 2015 through September 17, 2015 will be designated as a hazardous trip in the reservation system to allow more multi-stop food suppliers to book their truck reservations on the earlier trip at 5:30 a.m. since the shippers carrying hazardous cargo will still have sufficient turnaround time on the island by going on the second trip before returning on the 1:30 p.m. trip. Finally, the SSA will again keep a second freight boat on the Nantucket route for another week or so after Labor Day, through September 17, 2015.

6. SSA Treasurer/Comptroller Robert B. Davis presented the preliminary draft of the staff's proposed 2015 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 21, 2014. The SSA's total operating expenses in 2015 are expected to exceed \$89,000,000, which represents a \$3,354,000 or 3.9% increase in total operating expenses compared to the most recent estimate for 2014 (based on seven months of actual expenses and five months of budgeted expenses, including projects that previously were expected to be undertaken in 2015 but have now been accelerated into 2014). The most significant increases in projected expenses are attributable to the following:
- (a) Vessel fuel expense is expected to be around \$9,669,000 in 2015, or a 2.5% increase over the estimate for 2014, based on the assumption that the price of crude oil will range between \$90 and \$95 per barrel.
 - (b) Depreciation expense is expected to increase by 0.9% next year, with the addition of a full year of depreciation for Phase 2 of the Palmer Avenue parking lot improvements project, and a partial year of depreciation for the Thomas Landers Road parking lot and the Fairhaven Vessel Maintenance Facility's new modular shop building.
 - (c) Overall, maintenance expense is expected to increase by \$1,371,000 or 10.4% in 2015. Vessel dry-dock expenses are expected to increase by \$731,000, as dry-docks are scheduled for the *M/V Nantucket*, the *M/V Katama*, the *M/V Gay Head* and the *M/V Island Home* in 2015. Vessel engine repairs and parts are expected to increase by \$194,000, and terminal repairs are expected to increase by \$594,000, as dolphin and dock repairs will increase by \$418,000.
 - (d) Health care expense is expected to increase by \$368,000 or 5.2% compared to the current estimate for 2014, and continues to reflect contributions by employees towards the cost of their medical plans. Pension expense is expected to increase by \$1,182,000 or 27.0%, which reflects, in part, the funding commitments in the recently approved labor contracts covering the licensed deck officers and unlicensed vessel employees.

The SSA's total operating revenues, prior to any rate increases, are projected to be around \$93,087,000 for 2015, representing a 0.3% 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 \$1,900,000 of revenues from anticipated rate increases in order to arrive at a projected net operating income next year of around \$3,619,000.

7. Mr. Davis also presented the staff'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, the staff has proposed that \$1,400,000 of the additional \$1,900,000 in revenue be derived from adjustments to the Martha's Vineyard rates and that an additional \$500,000 be derived from the Nantucket route. After imple-

mentation of the staff's proposed rate increases, 57.6% of the SSA's total revenues are projected to be derived from the Martha's Vineyard route while that route's cost of service is projected to account for 57.1% of the SSA's total operating expenses.

Specifically, with respect to the Martha's Vineyard route, the staff is proposing:

- to raise the adult passenger fare route by fifty cents, from \$7.50 to \$8.00 (and the other passenger fare types by the applicable prorated amount);
- to raise the round trip auto excursion fares year round by \$2.00 (although, at the time of the meeting, it was thought that these fares would need to be raised by \$4.00); and
- to raise the rates at all of the SSA's offsite parking lots in Falmouth to \$15.00 per calendar day from May 15th through September 14th and to \$13.00 per calendar day from April 1st through May 14th and from September 15th through October 31st.

For the Nantucket route, the staff is proposing:

- a \$1.00 increase in the traditional passenger fare, from \$17.00 to \$18.00 (and the other passenger fare types by the applicable prorated amount);
- a \$5.00 increase in the round trip auto excursion fares year round; and
- a \$10.00 increase in the drive-on / drive-off service fee for vehicles under 20 feet, from \$25.00 to \$35.00, during the period May 1st through September 30th.

8. The Board authorized Mr. Lamson to award Contract #06-14 for a new modular/prefabricated building at the SSA's Fairhaven Vessel Maintenance Facility to Cape Building Systems, Inc. ("CBSI") of Mattapoisett, Massachusetts, which submitted the only proposal for the contract with a proposed Total Contract Price of \$1,745,000. Of that amount, \$1,133,792 is being finance by funds provided by the federal government through the 2013 Ferry Boat Program and administered by the Massachusetts Department of Transportation and the Federal Highway Administration. Under the Contract, CBSI is expected to complete a pre-erection site work by the end of March 2015 (including the excavation and construction of the foundation, and the installation of underground utilities) and to substantially complete all work by the end of July 2015.
9. The Board also awarded Contract #14-14 for dry-dock and overhaul services for the *M/V Martha's Vineyard* to Senesco Marine LLC of North Kingstown, Rhode Island, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$888,055. The *M/V Martha's Vineyard* will go into the shipyard in October 2014 for a United States Coast Guard hull exam, machinery inspections, bow thruster maintenance, installation of a water tight door, underwater hull cleaning and painting, superstructure painting, and replacement of the main propulsion control system.

10. The Board also authorized Mr. Lamson to award Contract #17-14 for the replacement of the approach dolphins for Slip #1 of the Vineyard Haven terminal to the lowest eligible and responsible bidder for the contract when bids are opened this afternoon. The new dolphins will be constructed identical to the approach dolphins that were recently constructed for Slip #2. Spin fin piles are required for the soil conditions in the area and the concrete mass will be clad with wooden timbers.
11. The Board also authorized Mr. Lamson to award Contract #21-14 for repairs to the fenders and dolphins for Slip #2 of the Woods Hole terminal to the lowest eligible and responsible bidder for the contract when bids are opened on October 2, 2014. Once the contract is awarded, the work should start in mid-October and be completed by the end of the year.
12. The Board also authorized Mr. Lamson to award Contract #22-14 for repairs to the dock of the Oak Bluffs terminal to the lowest eligible and responsible bidder for the contract when bids are opened on October 2, 2014. The scope of work includes modifying the dolphin fender frames, replacing the failing element fenders with cylindrical fenders, and performing pile replacement and decking repairs to the inshore section of the pier. Once the contract is awarded, the work should start in mid-October and be completed by the end of the year.
13. The Board also authorized Mr. Lamson to purchase all of the components necessary to upgrade the SSA's MAXIMO computerized maintenance system from version 7.1 to version 7.5, at an aggregate cost of just under \$200,000. The upgrade includes new software licenses, hardware (server) upgrades, the replacement and upgrade of 20 laptops, the purchase of android-style tablets, and integration of the SSA's Material Safety Data Sheets to the MAXIMO environment.

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

The next regular monthly meeting of the SSA's Board is currently scheduled for 9:30 a.m. on Tuesday, October 21, 2014. The meeting is currently scheduled to take place on Martha's Vineyard, although the exact location of the meeting has not yet been determined. In addition, even after the location of the next meeting is selected, 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 21, 2014

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 21, 2014, 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 L. O'Brien (Barnstable); Vice Chairman Marc N. Hanover (Martha's Vineyard); Catherine N. Norton (Falmouth); John A. Tierney (New Bedford) (who participated remotely by telephone conference call); and Robert F. Ranney (Nantucket).

1. SSA General Manager Wayne C. Lamson reported that the SSA is continuing to evaluate potential sites for the relocation of its administrative offices, including property the SSA already owns in Falmouth (the Gifford Street parking lot and the two parcels at the intersection of Thomas B. Landers Road and Research Road), and other properties available for sale in both Falmouth and Mashpee. The SSA is also continuing to explore whether it can move at least a portion of its offices to another area at the Woods Hole terminal without interfering with the terminal operations as they have been shown on the previously approved "preferred alternative" design concept.
2. Mr. Lamson reported that the SSA is continuing to work with the landscaping contractor for Phase 2 of the Palmer Avenue Parking Lot Improvement Project to rectify and finish all of the intended landscaping work at the parking lot by November 1, 2014. This includes removing the weeds from the slopes of the bioretention areas, hydroseeding the unstabilized areas, replacing the dead plantings, and planting additional trees, shrubs, perennials and grasses.
3. Mr. Lamson also reported that, last week, the SSA issued its first addendum to the invitation for bids for the construction of the SSA's new passenger/freight vessel, the *M/V Woods Hole*. In that addendum, the SSA clarified a number of minor issues in response to questions that it had received from potential bidders, but the SSA does not believe any of the issues raised and addressed in that addendum will have a material

impact on any bidder's proposed total contract price. The SSA plans to issue a second addendum by the end of this month, and the deadline for the submission of bids is still November 18, 2014.

4. Work has begun for the construction of the SSA's new consolidated parking facility on Thomas B. Landers Road. The SSA completed its purchase of the property on September 26, 2014 and most of the buildings on the site already have been demolished. Lawrence-Lynch Corp. has also begun work on the construction of the facility, which is expected to be completed by June 15, 2015.
5. Mr. Lamson reported that the contractor has begun work on the new modular building at the SSA's Fairhaven Vessel Maintenance Facility. Under the contract, Cape Building Systems, Inc. is expected to complete a pre-erection site work by the end of March 2015 (including the excavation and construction of the foundation, and the installation of underground utilities) and to substantially complete all work by the end of July 2015.
6. The SSA's Board authorized Mr. Lamson to renew the SSA's license agreement with SeaStreak, LLC which will allow it to continue providing seasonal passenger ferry service between New Bedford and Martha's Vineyard for the next three years. The most significant change in SeaStreak's operations is that it will no longer provide service to Vineyard Haven. All of its trips will go in and out of Oak Bluffs except on those occasions when rough seas require its trips to be diverted to Vineyard Haven.
7. The Board also authorized Mr. Lamson to execute another license agreement with Island Commuter Corp. that will allow the *M/V Island Queen* to begin its 2015 summer schedule one week earlier than it otherwise would be allowed under the SSA's enabling act.
8. The Board also approved the management staff's proposed 2015 Operating Budget. As reported by SSA Treasurer/Comptroller Robert B. Davis, the SSA's total operating expenses in 2015 are expected to exceed \$89,000,000, which represents a 3.9% increase in total operating expenses compared to the most recent estimate for 2014. The most significant increases in projected expenses are attributable to the following:
 - (a) Vessel fuel expense is expected to be around \$9,669,000 in 2015, or a 2.5% increase over the estimate for 2014, based on the assumption that the price of crude oil will range between \$90 and \$95 per barrel.
 - (b) Depreciation expense is expected to increase by 0.9% next year, with the addition of a full year of depreciation for Phase 2 of the Palmer Avenue parking lot improvements project, and a partial year of depreciation for the Thomas Landers Road parking lot and the Fairhaven Vessel Maintenance Facility's new modular shop building.

- (c) Overall, maintenance expense is expected to increase by \$1,371,000 or 10.4% in 2015. Vessel dry-dock expenses are expected to increase by \$731,000, as dry-docks are scheduled for the *M/V Nantucket*, the *M/V Katama*, the *M/V Gay Head* and the *M/V Island Home* in 2015. Vessel engine repairs and parts are expected to increase by \$194,000, and terminal repairs are expected to increase by \$594,000, as dolphin and dock repairs will increase by \$418,000.
- (d) Employee compensation, including wages, pension, health and payroll taxes, is expected to increase by \$1,567,000 or 3.4% in 2015. Payroll expense is expected to increase by \$132,000 or 0.4%; health care expense is expected to increase by \$368,000 or 5.2%, and continues to reflect contributions by employees towards the cost of their medical plans; and pension expense is expected to increase by \$1,182,000 or 27.0%, which reflects, in part, the funding commitments in the recently approved contract covering the unlicensed vessel employees.

The SSA's total operating revenues, prior to any rate increases, are projected to be around \$93,087,000 for 2015, representing a 0.3% 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 \$1,900,000 of revenues from anticipated rate increases in order to arrive at a projected net operating income next year of around \$3,619,000.

9. The Board also approved the management staff's recommended fare increases 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, \$1,400,000 of the additional \$1,900,000 in revenue be derived from adjustments to the Martha's Vineyard rates and an additional \$500,000 be derived from the Nantucket route. Mr. Davis observed that, after implementation of the proposed rate increases, 57.6% of the SSA's total revenues are projected to be derived from the Martha's Vineyard route while that route's cost of service is projected to account for 57.1% of the SSA's total operating expenses.

Specifically, with respect to the Martha's Vineyard route, the SSA will:

- raise the adult passenger fare route by fifty cents, from \$7.50 to \$8.00 (and the other passenger fare types by the applicable prorated amount);
- raise the round trip auto excursion fares year round by \$2.00; and
- raise the rates at all of the SSA's offsite parking lots in Falmouth to \$15.00 per calendar day from May 15th through September 14th and to \$13.00 per calendar day from April 1st through May 14th and from September 15th through October 31st.

For the Nantucket route, the SSA will:

- raise the traditional passenger fare by \$1.00, from \$17.00 to \$18.00 (and the other passenger fare types by the applicable prorated amount);

- raise the round trip auto excursion fares by \$5.00 year round; and
 - raise the drive-on/drive-off service fee for vehicles under 20' by \$10.00, from \$25.00 to \$35.00, during the period May 1st through September 30th.
10. The Board adopted a bond resolution authorizing Mr. Davis to issue and sell on a competitive basis up to \$24,000,000 of Steamship Bonds no later than November 3, 2014 at a price not less than par (plus accrued interest). The net proceeds of the Steamship Bonds will be used to refund \$22,765,000 of the SSA's 2004 Series B Steamship Bonds that otherwise would mature during the years 2016 through 2021. Over the next seven years, the refunding will lower the SSA's estimated debt service payments by a total of around \$2,300,000. (This savings already had been factored into the approved 2015 Operating Budget.)
 11. The Board also adopted a resolution authorizing Messrs. Lamson and Davis to establish and maintain one or more accounts with FC Stone LLC for the purpose of purchasing and selling commodities futures contracts, specifically limited to heating oil and Ultra Low Sulfur Diesel (ULSD) commodities. Since 2008, the SSA has had its fuel hedging program account at Prudential Bache Commodities, which was acquired by Jefferies LLC in 2011 (and which in turn was acquired by Leucadia National in 2013). The SSA is now transferring the account to FC Stone so that its consultant, Hedge Solutions, can continue to act on the SSA's behalf in connection with these transactions.
 12. Mr. Lamson reported that, as authorized by the Board at last month's meeting, he had awarded Contract #17-14 for the replacement of the approach dolphins for Slip #1 of the Vineyard Haven terminal to AGM Marine Contractors, Inc. of Mashpee, Massachusetts, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$795,000. The new dolphins will be constructed identical to the approach dolphins that were recently constructed for Slip #2. Spin fin piles are required for the soil conditions in the area and the concrete mass will be clad with wooden timbers.
 13. Mr. Lamson also reported that, as authorized by the Board at last month's meeting, he had awarded Contract #21-14 for repairs to the fenders and dolphins for Slip #2 of the Woods Hole terminal to Atlantic Support Installations, Inc. of Hopedale, Massachusetts, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$275,000. The work is expected to be completed by the end of the year.
 14. The Board authorized Mr. Lamson to award Contract No. 20-14 for two new modular buildings (one to be installed at the Palmer Avenue parking lot and another at the new Thomas B. Landers Road parking facility) to Vanguard Modular Building Systems of Malvern, Pennsylvania, for a Total Contract Price of \$867,699. These single-story buildings will include restrooms, office space, employee break rooms, and full basement concrete foundations.

15. The Board authorized Mr. Lamson to send a letter in support of a request by OLEV Technologies, Inc. to the Massachusetts Department of Energy Resources (“MassDOER”) for a \$2,250,000 grant to replace three of the SSA’s diesel buses with battery powered electric buses to be recharged via wireless inductive charging. If OLEV receives the grant, the terms and conditions of an agreement between the SSA and OLEV regarding this pilot project would still need to be negotiated, but the basic premise is for OLEV to lease the buses to the SSA for five years, after which the SSA would have the right to purchase the buses, all for a nominal amount. In addition, the SSA would be responsible for installing a charging station for the buses, which would be imbedded in the ground at its Palmer Avenue parking lot, at an estimated cost of \$250,000. The three buses would then be used exclusively to provide shuttle service between the Palmer Avenue parking lot and Woods Hole, with each bus being recharged for 15 minutes while waiting to take passengers from the Palmer Avenue parking lot. OLEV’s estimate is that the cost of electricity for the buses will average 27 cents per mile (compared to the 55-cents-per-mile cost for diesel fuel). Thus, if the pilot project is implemented and turns out to be a success, the SSA will save money both in the acquisition of the three buses (which historically have cost \$160,000 each) and their operation. (OLEV will be making a presentation about this technology and the pilot project to the Port Council at their next meeting on November 5, 2014.)

16. Both Martha’s Vineyard Board member Marc Hanover and Nantucket Board member Rob Ranney expressed their concern over the difficulty that island residents are having getting vehicle reservations (or traveling standby) to travel off-island after the SSA reduced its operating schedules this past week, and they suggested that Mr. Lamson consider extending the SSA’s late summer schedule a few more weeks next year. Mr. Hanover also asked Mr. Lamson to look into what measures can be taken now to provide more service, although the SSA’s options are limited when it comes to providing more spaces on trips leaving the islands during the mornings, which is when most island residents want to travel, and the SSA already is using the lift decks on the *M/V Island Home* on a regular basis. The staff will be discussing this problem over the next few weeks and, even though next year’s schedules already have been approved, will present the Board with one or more recommendations for their consideration at their next meeting on November 18, 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 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 18, 2014. The meeting is currently scheduled to take place at the Marine Biological Laboratory’s Candle House, which is located at 127 Water Street 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 18, 2014

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 18, 2014, 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 L. O'Brien (Barnstable); Vice Chairman Marc N. Hanover (Martha's Vineyard); Catherine N. Norton (Falmouth); John A. Tierney (New Bedford) (who participated remotely by telephone conference call); and Robert F. Ranney (Nantucket).

1. SSA General Manager Wayne C. Lamson reported that, last week, he authorized an addendum to the invitation for bids for the construction of the SSA's new passenger/freight vessel, the *M/V Woods Hole*, which extended the deadline for the submission of bids by one week, until next Tuesday, November 25, 2014. That addendum also allows the successful bidder an additional 30 days to deliver the *M/V Woods Hole* to Fairhaven. As a result, assuming that the contract is awarded at the next Board meeting on December 9, 2014, as anticipated, the SSA can expect the vessel to be delivered to Fairhaven by May 7, 2016.
2. Mr. Lamson also reported that he was disappointed in how the landscaping had turned out for Phase 2 of the Palmer Avenue Parking Lot Improvements Project, particularly with respect to the screening that was supposed to be in place along Palmer Avenue. Accordingly, the SSA is now working with its regular landscaper who acquired and planted some additional shrubs on short notice a few weeks ago, and will be making additional landscaping improvements next spring, particularly in the area around the parking lot entrance.
3. Mr. Lamson also reported that all of the buildings on the site of the SSA's new consolidated parking lot on Thomas B. Landers Road have been demolished and that the re-grading of the property has begun. However, the contractor has encountered a large

number of rocks that will need to be buried on the site or trucked off site. The SSA will be responsible for the additional cost of disposing of those rocks because it had provided boring samples to potential bidders which did not show the rocks' presence.

4. Mr. Lamson reported that the contractor has ordered the materials for the SSA's new modular building at the Fairhaven Vessel Maintenance Facility and is looking to complete the pre-erection site work and foundation before winter, but that the SSA will not see any physical progress in the erection of the building until next spring. The building is expected to be completed by the end of July 2015.
5. Mr. Lamson noted that, before approving the feasibility study for the reconstruction of the Woods Hole terminal and moving forward with the design and permitting phases of the project, the SSA still needs to address the relocation of its administrative offices. The SSA is continuing to work on evaluating a list of potential sites for the new offices and hopes to make a final decision by next month.
6. The Board approved SSA management's recommendation to renew the SSA's agreement with the Town of Tisbury and the Martha's Vineyard Regional Transit Authority (VTA) to continue providing the shuttle service between the Tisbury Park 'n Ride parking lot and the SSA's Vineyard Haven terminal through December 31, 2016. The VTA shuttle van leaves the parking lot 15 minutes before each vessel's scheduled departure and meets each vessel's scheduled arrival, and the SSA reimburses the VTA for 50% of the direct labor and fuel costs attributable to the service plus \$200 per month to cover maintenance, insurance and other indirect costs. Currently people are able to park in the lot for free for seven days. However, at the Town of Tisbury's request, under the new agreement, this period will be reduced so that people can park in the lot for free for only four days.
7. In response to concerns that the SSA was providing an insufficient level of service for island residents during the late summer and early fall, the Board approved SSA management's recommendation to provide additional service during those time periods in 2015, as follows:
 - On the Martha's Vineyard route, to operate the *M/V Katama* during the Fall Schedule with earlier departure times during the day (leaving Vineyard Haven at 6:30 a.m., 8:30 a.m. and 11:00 a.m. instead of the previously approved times of 7:15 a.m., 9:45 a.m. and 12:15 p.m.) to accommodate island residents who wish to travel off-island as early in the day as possible.
 - Also on the Martha's Vineyard route, to man the *M/V Governor* for up to the first six days of the Fall Schedule with a single crew, thus making it capable of operating up to 12 hours per day depending upon weather conditions and service demands.

- On the Nantucket route, to man the *M/V Sankaty* with two single crews from September 9 through Friday, September 18, 2015, instead of with only one single crew from September 9 through Thursday, September 17, 2015, thereby making it possible for the vessel to provide up to three trips each of those days if there is a need for additional service.
8. Mr. Lamson reviewed with the Board the SSA's 2015 reservation opening dates when members of the traveling public will be able to make vehicle reservations during the SSA's 2015 summer and fall schedules.

Reservations for the Summer Schedule (05/15/2015 through 10/14/2015)

- Headstart reservations will be accepted (by mail and internet only) from January 6, 2015 through January 11, 2015
- Reservations for the general public will be accepted by mail and over the internet beginning January 13, 2015.
- Telephone reservations for the general public can be made beginning January 20, 2015.

Reservations for the Fall Schedule (10/15/2015 through 01/03/2016)

- Reservations for the general public will be accepted (by mail, internet and telephone) beginning June 22, 2015.

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 19 through September 7, as well as from May 22 through May 26 (around Memorial Day), and October 9 and October 12 (around Columbus Day).

9. SSA Treasurer/Comptroller Bob Davis reported that, yesterday, the SSA refunded \$22,765,000 of its 2004 Series B Steamship Bonds that otherwise would mature in the following seven years by issuing \$20,105,000 of new Steamship Bonds that mature on the same dates with an average coupon rate of 4.947%. The purchaser of the bonds also paid a premium on the bonds, which resulted in a true interest cost of 1.1878277%, or a net interest savings of around \$2,619,000 over the next seven years.
10. The Board also approved SSA management's recommendation to renew the SSA's transportation agreement with the Martha's Vineyard Regional High School District for school-related approved transportation for the period from July 1, 2015 through June 30, 2016. Every year the SSA enters into the agreement to establish a fixed price for the transportation of student groups, teachers, administrators and game officials on school-approved travel for the District's upcoming fiscal year (beginning July 1st). The fixed price is intended to reflect approximately a 50% discount over applicable tariff rates. For

each of the last four years, the agreement established a fixed price of \$60,000, which reflected approximately a 50% discount over applicable tariff rates. The fixed price under the new agreement will also be \$60,000, as the amount of school-approved travel has remained relatively steady.

11. The Board approved SSA management's proposed 2015 Capital Budget, which includes 18 new capital projects and a \$250,000 allowance for miscellaneous projects costing less than \$50,000 each, with an aggregated estimated cost of \$54,796,000. The SSA plans to issue \$40,000,000 in bonds for the construction of the *M/V Woods Hole* and \$6,000,000 in bond anticipation notes for the construction of the new administrative offices. As a result, after the completion of those projects and the SSA's current capital projects that already have been approved, the SSA should still have around \$435,000 for any contingencies or potential additional capital projects in its various special purpose funds, after an estimated \$4,892,000 of additional net fund transfers are made in 2014 into the Replacement Fund and/or the Bond Redemption Account. The new capital projects include:
 - (a) Replacement of two shuttle buses for the Woods Hole operations.
 - (b) Replacement of one shuttle bus for the Hyannis operations.
 - (c) Replacement of two utility vehicles.
 - (d) Installation of a variable message sign on Route 28 in Falmouth
 - (e) Installation of a compressed natural gas (CNG) fueling station in Hyannis.
 - (f) Replacement of eight rescue boats.
 - (g) Design and engineering for the reconstruction of the Woods Hole terminal.
 - (h) Design and engineering for the construction of the new administrative offices.
 - (i) Installation of an emergency gas generator at the Hyannis terminal.
 - (j) Site improvements for the property at 123 School Street, Hyannis.
 - (k) Acquisition of a horizontal steel shot blaster.
 - (l) Replacement of two pickup trucks.
 - (m) Acquisition of one forklift.
 - (n) Design and engineering for the *M/V Martha's Vineyard* mid-life refurbishment.
 - (o) Router hardware replacements.
 - (p) Web authentication upgrades.
 - (q) Firewall upgrade.
 - (r) Security and SPAM filter upgrades.

12. The Board awarded Contract No. 19-14 for dry-dock and overhaul services for the *M/V Katama* to SENESCO Marine LLC of North Kingstown, Rhode Island, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$953,256. The *M/V Katama* is scheduled to go into the shipyard from early February 2015 to early March 2015 to undergo a required United States Coast Guard hull exam, machinery inspections, underwater hull cleaning, underwater hull painting, exterior painting, hull plate replacement, grid cooler replacements, bow thruster overhaul, HVAC installations in voids #2, #3 and #4, and main deck bulwark modifications.
13. The Board also awarded Contract No. 22-14 for dock repairs at the Oak Bluffs terminal to MIG Corporation, Inc. of Acton, Massachusetts, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$937,357. Under the contract, MIG will modify the dolphin fender frames, replace the failing element fenders with cylindrical fenders and perform pile replacement and decking repairs to the inshore section of the pier.
14. The Board also authorized a change order to the SSA's professional services contract with Green Seal Environmental, Incorporated in the amount of \$141,181.10, pursuant to which Green Seal will provide a resident observer during the construction of the consolidated parking facility at Thomas B. Landers Road, as well as final "as-built" drawings upon completion of the project.

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

The next regular monthly meeting of the SSA's Board is currently scheduled for 9:30 a.m. on Tuesday, December 9, 2014. The meeting is currently scheduled to take place in the second floor meeting room of the SSA's Hyannis terminal, which is located at 141 School Street in Hyannis, Massachusetts. However, the location, time and date of the meeting are all subject to change, so please look for the formal notice for the meeting that will appear on this website next month. Thank you.



Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

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

December 11, 2014

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority ("SSA") held their regular monthly meeting at 10:30 a.m. on December 11, 2014, in the second floor meeting room of the SSA's Hyannis terminal, located at 141 School Street, Hyannis, Massachusetts. Four Board Members were in attendance: Chairman Robert L. O'Brien (Barnstable); Vice Chairman Marc N. Hanover (Martha's Vineyard); John A. Tierney (New Bedford) (who participated remotely by telephone conference call); and Robert F. Ranney (Nantucket). Secretary Catherine N. Norton (Falmouth) was not present.

1. SSA General Manager Wayne C. Lamson reported that the contractor for the SSA's new modular building at the Palmer Avenue Parking Lot has broken ground at the site and has started work on the building's foundation. When the building is completed next year, it will have an office, break room and lockers for the SSA's parking lot employees and shuttle bus drivers, restrooms for employees and the public, a small customer waiting area, and a counter area for a rental car company. The SSA has a rental car counter at the Hyannis terminal and thinks that a similar counter at the Palmer Avenue parking lot will provide another option for Vineyard residents and visitors to pick up and drop off rental cars. The new building is expected to be completed by next spring.
2. Mr. Lamson also reported that the contractor for the SSA's new modular building at the Fairhaven Vessel Maintenance Facility similarly has broken ground at that site and has started work on the building's foundation.
3. Mr. Lamson also reported that work is progressing at the site of the SSA's new consolidated parking lot on Thomas B. Landers Road and that the contractor is on schedule, if not ahead of schedule. The number of rocks encountered by the contractor while grading the property has diminished to the point where it is no longer a significant problem. After two recent heavy rainstorms, the SSA received complaints from the Town Engineer for the Town of Falmouth, which owns the waste management facility next door, about

storm water runoff from the SSA's property, and the SSA's engineers have followed up on those complaints to make certain that the contractor is complying with all of its obligations in that regard.

4. The SSA's Board approved Bertaux + Iwerks Architects, LLC's report for the feasibility study for the reconstruction of the Woods Hole terminal. *A copy of the report has been posted in the News webpage of the SSA's website.* As Mr. Lamson has noted over the past few months, the SSA needed to decide where its administrative offices will be relocated before it can begin the terminal reconstruction project. After evaluating a list of potential properties, the SSA reached a consensus that its Palmer Avenue parking lot appears to be the best location for the offices, assuming that public access to the building can be achieved for visitors' vehicles (ideally without having to go through the parking lot gates). Bertaux + Iwerks will now be asked to provide the SSA with several options as to where the new office building can be located on the property, and the SSA is now in a position to move forward with the design and engineering for the terminal reconstruction project.
5. The Board awarded the contract for the construction of the SSA's new passenger/vehicle ferry, the *M/V Woods Hole*, to Conrad Shipyard, L.L.C., of Morgan City, Louisiana, the lowest eligible and responsible bidder for the contract, for a total contract price of \$36,448,000. On Tuesday, November 25, 2014, the SSA received two bids for the contract, the one from Conrad and a second one from Eastern Shipbuilding Group, Inc. of Panama City, Florida, in the amount of \$40,994,000. SSA Director of Engineering and Maintenance Carl Walker, Captain Edward Jackson of Marine Systems Corp. and Brian King of Elliott Bay Design Group traveled to Conrad's shipyard last week, met with Conrad's representatives and toured the facilities, and left the shipyard with the conclusion that Conrad is very capable of constructing this vessel in accordance with the SSA's contract requirements and has the required experience to do so.

The Board also approved a \$40,236,500 overall budget for the project, including the estimated cost of design and engineering services, owner-furnished equipment, the cost of having SSA representatives at the shipyard during the appropriate stages of vessel construction, and an allowance of 2.5% for unforeseen contingencies. Finally, in order to pay for the vessel, the Board approved a bond resolution authorizing the sale of up to \$38,250,000 Steamship Bonds (with the balance of the project's costs being paid for from the SSA's Replacement Fund).

6. The Board awarded Contract No. 25-14 for dry-dock and overhaul services for the *M/V Island Home* to Thames Shipyard & Repair Company of New London, Connecticut, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$948,893. The *M/V Island Home* is scheduled to go into the shipyard from early March 2015 to early April 2015 to undergo a required United States Coast Guard hull exam, machinery inspections, underwater hull cleaning and painting, superstructure painting, rub rail repairs and installation of anti-swaying equipment for the lift decks.

7. The Board also awarded Contract 27-14 for the supply and delivery of a Tees White Gill Model #40CS Cross Shaft Bow Thruster to Tees Components Limited of Cleveland, United Kingdom, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$274,965. The bow thruster, which is the same model as the bow thruster installed on the *M/V Martha's Vineyard*, is being purchased as owner-furnished equipment to be installed in the *M/V Woods Hole* and is the only major owner-furnished equipment being supplied for the construction of the vessel.
8. The Board also authorized Mr. Lamson to award Contract No. 01-2015 for a parking access and revenue control system for the SSA's new consolidated parking lot at Thomas B. Landers Road to the lowest eligible and responsible bidder after bids for the contract are opened next month. The new system will have entrance and exit gates, loop counters, ticket dispensers, and card access, cashier stations and/or automated exit stations, all of which will be fully integrated into the same network as all of the SSA's other parking lot systems.
9. The Board commended all of the SSA's employees for being proactive when weather forecasts made it clear that there would be significant trip cancellations during the Wednesday before Thanksgiving and the Sunday of Christmas Stroll. It took a lot of effort on everyone's part to move so many boats around, to come in for extra trips and to interact with all of the customers whose travel plans were being affected, and the Board felt that all of the employees were terrific in how they handled all of the issues and inconveniences that were created by the bad weather.
10. Finally, on January 1, 2015, Dukes County Board Member Marc Hanover 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 Falmouth Board Member Catherine Norton to serve as the SSA's Vice Chairman and New Bedford Board Member Jack Tierney to serve as the SSA's Secretary next year.

The next regular monthly meeting of the SSA's Board is currently scheduled for 9:30 a.m. on Tuesday, January 20, 2015. 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.