



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 12, 2010

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 12, 2010 in Rooms 104 and 105 of the Marine Biological Laboratory's Candle House, located at 127 Water Street, Woods Hole, Massachusetts. Four Board Members were in attendance: Chairman Marc N. Hanover (Martha's Vineyard); Vice Chairman Robert S. Marshall (Falmouth); H. Flint Ranney (Nantucket); and Robert L. O'Brien (Barnstable). Secretary John A. Tierney (New Bedford) was not physically present, but participated throughout the meeting by telephone conference.

1. The Board began the meeting with a moment of silence in memory of Ted Tucker, who worked on the SSA's vessels for more than 36 years and passed away unexpectedly last week. Mr. Tucker was a great person and a fine family man, and the thoughts and prayers of everyone at the SSA are with his wife, Paula, their three children, and all of his friends and extended family. Ted will be sorely missed.
2. SSA Director of Engineering Carl R. Walker provided updated status reports on the SSA's current capital projects:
 - (a) Hyannis Slip Modifications Project – Mr. Walker reported that the project is proceeding very well and ahead of schedule. As a result, AGM Marine Contractors is confident that it will be finished with the entire project by April 14, 2010, instead of having to resume work in the fall.
 - (b) Oak Bluffs Terminal Reconstruction Project – Mr. Walker reported that Nauset Construction Corp., the contractor doing the terminal building work, had finished the extra work required due to the cracking of the building's foundation (including building a new foundation), and was back performing actual contract work. However, because of the delays attributable to these events, Nauset is only

guaranteeing that the new building will be finished by May 31, 2010, although the SSA is continuing to discuss with Nauset how the project might be accelerated so that it will be done by the end of April 2010. Meanwhile, Mr. Walker reported that the pier work being performed by CRC Co. is proceeding very well and on schedule, and both the pier and the street work should be finished by the end of April 2010. Mr. Walker also estimated that the change orders attributable to the cracking of the building's foundation (including protecting the foundation, subsequently removing it, and pouring the new foundation) will be around \$500,000.

- (c) Woods Hole Center Dolphin Project – Mr. Walker reported that the monopile will be completed within the next week. Unfortunately, it was driven fourteen inches too deeply because the contractor had been given incorrect elevation information by the engineering firm. Accordingly, Mr. Walker reported that the fenders on the monopile have been repositioned fourteen inches higher and an extension of the pile has been welded at its top.
3. The Board approved management's recommendation to proceed with invitations for bids for the *Eagle* mid-life refurbishment project, which is scheduled to begin in late December 2010 with the vessel then being in a shipyard for three to four months. The project's major items will include the complete renovation of the passenger area with new seating, food concession modifications, restroom upgrades, installation of a Marine Evacuation Slide system, the replacement of all exterior windows, complete sandblasting and recoating of all exterior surfaces, modifications of the main fuel tanks, replacement of the bow and stern doors, and the installation of two vehicle lift decks. One of these lift decks will be installed on the vessel's port side and take the place of the current passenger area on the mezzanine deck, and the other lift deck will be located in the adjacent truck lane on the port side. Each of the lift decks will be capable of carrying six vehicles when in use, and they are currently estimated to cost around \$1,750,000, although this amount may increase by as much as \$400,000 as the SSA gets further along with the final design. The current cost estimate for the entire project is \$7,800,000.
 4. The Board reviewed SSA Treasurer/Comptroller Robert B. Davis's summary, based upon the SSA's 2008 traffic data, of how many passengers, automobiles and trucks travel on standard and discounted fares. On the Martha's Vineyard route, 25% of the SSA's passengers travel at discounted fares (with the most discount attributable to passengers using 46-ride commuter books); 42% of automobiles travel at discounted fares (almost entirely the excursion rates), and 22% of trucks travel at discounted fares (again, principally the excursion rates). On the Nantucket route, 15% of the SSA's passengers travel at discounted fares (with the 10-ride high-speed ticket book being the most popular discounted fare), 37% of automobiles travel at discounted fares (almost entirely the excursion rates), and 22% of trucks travel at discounted fares (again, principally the excursion rates). All together, the discounts provided to the SSA's passengers, automobiles and trucks on both routes represent around 13% of what the SSA's revenues

would have been without any reduced fares, assuming that all of the SSA's customers who traveled at discounted fares still would have traveled with the SSA if they had been charged the standard fares.

5. Mr. Davis also reported that passenger traffic in 2009 was essentially the same as in 2008; that automobile traffic had increased by 1%; but that truck traffic had fallen off by almost 7% (with truck traffic on the Nantucket route falling off by more than 14%).
6. The Board authorized SSA General Manager Wayne C. Lamson to award Contract #01-10, "Vineyard Haven Terminal Dolphin Replacement," to the lowest eligible and responsible bidder for the contract when bids are opened after today's Board meeting. The contract is for the replacement of berthing dolphin #3, which was damaged last month.
7. The Board also approved management's recommendation to change the SSA's policies regarding trucks carrying solid waste and recyclable materials, so that, effective July 1, 2010, all trucks carrying solid waste or recyclable materials off-island at the discounted rate will be charged the full rate on the return segment of their trip, even if they are returning empty. The SSA already has plenty of empty trucks leaving the islands every day and returning with freight, so this change in policy is consistent with the SSA's goal of encouraging trucks to consolidate their trips whenever possible to make the most efficient use of the available space. The SSA is also delaying the implementation of this change in policy so that it can notify the island town administrators before the change goes into effect to allow them time to plan for the potential cost increase or make other arrangements to avoid the additional cost.

At the conclusion of the meeting, the Board Members 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 23, 2010, at a location still to be determined but anticipated to be in Woods Hole, Massachusetts. There is also a possibility that the meeting may be cancelled. Even if the meeting is not cancelled, the date, time and location of the meeting are subject to change. When the decision is made whether to hold the meeting and, if so, where (as well as when) to hold it, this information will be publicized in the notice for the meeting that will appear on this website next month. Thank you.