



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 19, 2016

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 19, 2016, in the Carriage House on the Quissett Campus of the Woods Hole Oceanographic Institution, located at 360 Woods Hole Road, Falmouth, Massachusetts. All five Board Members were in attendance: Chairman Elizabeth H. Gladfelter (Falmouth); Vice Chairman Moira E. Tierney (New Bedford); Secretary Robert F. Ranney (Nantucket); Robert L. O'Brien (Barnstable); and Marc N. Hanover (Martha's Vineyard) (who participated remotely by telephone conference call);

1. SSA General Manager Wayne C. Lamson reported that a few weeks ago the Governor of Louisiana declared a state of emergency due to the imminent threat of flooding along the Mississippi River and other state bodies of water, including the Atchafalaya River where Conrad's Morgan City shipyard is located and the *M/V Woods Hole* was being constructed. The National Weather Service also was forecasting that Morgan City was going to have a six-foot flood stage this month, and that the flood waters would crest close to 9-½ feet. (At a flood stage near nine feet, Conrad's Morgan City shipyard will be underwater.) Accordingly, in order to minimize any delay and to keep things moving along, two weeks ago Conrad towed the vessel to another one of its shipyards in Amelia, Louisiana, and similarly moved all of the SSA's equipment there.

At this point, the SSA cannot predict what impact this will have on Conrad's construction schedule for the vessel, although due to the early move, the vessel's pilot house and exhaust stacks are already in the process of being installed. However, Conrad has notified the SSA that it considers the Governor's declaration of a state of emergency to be a Force Majeure event under the contract and has estimated that, due to that event, the vessel's delivery date will be delayed by another ten days. As a result, Conrad is now estimating that the vessel will be delivered on June 6, 2016. (Its previous updated construction schedule that the SSA received last month had shown a projected delivery date of May 27, 2016.) But the SSA is continuing to work with the shipyard to see how the vessel's projected delivery date can get back closer to the original delivery date of April 29, 2016.

2. Mr. Lamson also reported that the Falmouth Conservation Commission will hopefully have its second day of hearing soon on the SSA's Notice of Intent (NOI) for the Woods Hole Terminal Reconstruction Project. At their first day of hearing on the NOI on November 18, 2015, the Commission decided to engage the services of a consultant to review the plans, and the SSA since has submitted some supplemental information based upon comments received at that hearing. The SSA will also soon be filing its application with the Massachusetts Department of Environmental Protection for a combined Chapter 91 license and Water Quality Certification for the project, and will similarly be applying for a permit from the United States Army Corps of Engineers as it moves forward with the final design and contract specifications.

3. The Board discussed the Schematic Design Report for the SSA's new General Offices that will be located at its Palmer Avenue parking lot. Based upon the current schematic design and a very detailed cost estimate, the estimated cost of the building is \$10,820,000, the estimated site work cost is another \$1,370,000, and both cost estimates include a projected price escalation factor of 7.63% and a design contingency of 7%. A lot of the building's cost is being driven by the SSA's information technology (IT) needs, especially given how the SSA's reliance on technology has increased substantially over the past ten to twenty years. Mr. Lamson reported that there are basically two ways to reduce the projected cost of the building:
 - Reducing the size of the building, which could possibly save around \$680,000 if the building were shortened by 20 feet; and
 - Changing the interior design to a more open office plan instead of having individual offices, which could save perhaps \$1,000,000 by eliminating almost all of interior partitions and doors and changing the HVAC system from a "chilled beam" system to a less expensive (but less efficient) VAV (variable air volume) system.

The Board agreed with the staff and the Port Council that the building is of an appropriate size and that reducing the building's size to save money now may cost the SSA more in the long term. But the staff was asked to consider having a somewhat more open office layout that fits the employees' present and anticipated future needs without changing to a less efficient HVAC system. The Board also agreed with the staff that the SSA should not undertake the expense of getting the building LEED certified; rather, the SSA will be using LEED as a design tool in a manner that will allow it to make individual cost/benefit decisions with respect to each LEED measure. In this way, the SSA will be able to reap many of the benefits of LEED without incurring the significant additional costs associated with getting the building LEED certified.

4. SSA Director of Information Technologies Mary Claffey reported that the SSA is still in the midst of completing the open items and final testing of all of the changes that were made by the SSA's consultant, Aquitas, to the automated fix that the SSA received from IBM for the upgrades to its Maximo computerized maintenance management information system. The SSA expects to get through those open items so that it can proceed with

planning the dates these changes will be migrated to the live Maximo system and the SSA can proceed with additional user training.

5. Mr. Lamson reported that the staff is continuing to investigate the problem the SSA is experiencing with stormwater runoff at its Thomas B. Landers Road parking facility and that some of the recent work has included infiltration testing, soil sampling and geoprobe testing. However, the SSA still doesn't have a report on the engineers' investigation and findings, but some of the potential solutions being considered include the installation of subsurface infiltration structures, the installation of interceptor trenches, increasing the size of the easterly catch basins and possibly creating a small retention pond at the east end of the lot, which would eliminate 25 to 30 parking spaces. The staff has have another meeting scheduled for tomorrow with both the engineers and the contractor to see if the parties can reach agreement on potential actions to resolve the problems out there.
6. Mr. Lamson also reported that the SSA recently had received some complaints from its neighbors in Woods Hole that trucks have been idling their engines while waiting for ferries at the Woods Hole terminal. In response, the SSA has posted additional "no-idling" signs so that there are now eight such signs posted around the terminal advising customers of the Massachusetts "no-idling" law. The SSA also has received complaints about excessive noise from trucks idling and backing up (with their back-up alarms) onto the first freight boat trip at 5:30 in the morning. Although the first freight boat trip is now not scheduled to depart until 6:15 a.m. during the winter operating schedule, it is scheduled to resume leaving at 5:30 a.m. at the beginning of the early spring operating schedule on March 16, 2016. Therefore, the SSA is investigating what can be done to lessen the impact of its early morning operations on its Woods Hole neighbors, particularly with respect to this first freight trip, until mid-May, when the *M/V Governor* returns to service and, as a result, trucks will no longer have to back up when being loaded onto the vessel for the first freight trip in the morning. One possible way to reduce the noise in the early morning would be to change the time of the first freight trip from 5:30 a.m. to 6:15 a.m., but the staff has concluded that it is too late to make this change due to the volume of truck reservations that have already been confirmed and the SSA's inability to reprocess all of its customers' previous requests based upon a potentially revised schedule. But the staff has sent a revised letter to the SSA's regular shippers reminding them of the "no-idling" law and telling them not to arrive before the terminal opens. The staff also has asked the SSA's regular freight shippers to consider installing back-up alarms on their trucks that can moderate their volume based upon sensing ambient noise levels. The SSA will continue to take its neighbors' concerns about excessive noise into account in the future.
7. Mr. Lamson also reported that the staff is continuing to work through the issues regarding the possibility of providing freight service between New Bedford and Martha's Vineyard, that SSA Treasurer/Comptroller Robert Davis has updated the analysis that had been prepared a few years ago of what the cost would be if the SSA were to provide such a service, and that the staff has had preliminary discussions with a private carrier about what it might take in terms of a financial commitment for it to provide the service. In addition, the staff wants to reach out and see what facilities either the SSA or a private freight carrier

might be able to use in New Bedford as well as on the island. The staff hopes to work their way through all of these issues and have their feasibility study and list of potential options completed within the next two or three months.

8. Mr. Lamson reported that, in accordance with the authorization that the Board gave him in November, he had awarded Contract #27-15 – “Dry-Dock and Overhaul Services for the *M/V Eagle*,” to Thames Shipyard and Repair Company, Inc. of New London, Connecticut, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$759,300.

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 16, 2016. The meeting is currently scheduled to take place at the Falmouth Art Center, located at 137 Gifford Street in Falmouth, Massachusetts. However, the location, time and date of the meeting are all subject to change; so please look for the formal notice for the meeting that will appear on this website next month. Thank you.



Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

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

February 16, 2016

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 16, 2016, in the Falmouth Art Center, located at 137 Gifford Street, Falmouth, Massachusetts. All five Board Members were in attendance: Chairman Elizabeth H. Gladfelter (Falmouth); Vice Chairman Moira E. Tierney (New Bedford); Secretary Robert F. Ranney (Nantucket) (who participated remotely by telephone conference call); Robert L. O'Brien (Barnstable); and Marc N. Hanover (Martha's Vineyard).

1. SSA General Manager Wayne C. Lamson reported that the last progress schedule the SSA has received from Conrad Shipyard with respect to the construction of the *M/V Woods Hole* continues to show a projected vessel delivery date of June 6, 2016 at the SSA's Fairhaven Vessel Maintenance Facility, but that the staff is continuing to work with Conrad to see how close the delivery date can get back to its original contractual delivery date of April 29, 2016. For example:
 - The revised progress schedule provides twelve calendar days for the vessel's dock trials with the United States Coast Guard, but such dock trials usually take only two to three days. In addition, under the revised schedule, the vessel's sea trials don't begin until four days after the completion of its dock trials, when they ordinarily would begin immediately thereafter. Therefore, while Conrad's schedule shows a total of 19 days for dock and sea trials, the staff thinks they will take only around four to five days.
 - But the biggest item is Conrad's provision of six weeks for the receipt from the Coast Guard of the vessel's stability letter and Certificate of Inspection after submission of the results of the vessel's incline test. The staff feels that the time can be substantially reduced by providing the Coast Guard with a preliminary trim and stability analysis in advance. After Conrad provides the actual data from the incline test, the Coast Guard can compare those results with the preliminary analysis and, if they are reasonably similar, no further review should be necessary.

This would result in the review process taking no longer than two weeks, which is four weeks earlier than what Conrad is projecting in its current schedule.

Mr. Lamson stated that he remains optimistic that, if progress continues at the current pace, Conrad will be able to deliver the vessel much closer to the contractual delivery date of April 29th than its current projected delivery date of June 6th. Importantly, the vessel is already in dry-dock two weeks ahead of schedule, and the staff continues to be very pleased with the workmanship of Conrad's employees, who continue to do everything they can to move the project along. The staff also doesn't expect any major surprises at this point, and change orders to date have totaled less than \$500,000, which is around one-half of what the SSA's allowance was for contingencies.

2. Mr. Lamson also reported that the Falmouth Conservation Commission is continuing its hearing tomorrow night on the Notice of Intent (NOI) the SSA filed last year for the Woods Hole Terminal Reconstruction Project. The first day of the hearing was on November 18, 2015 and, in order to address some questions that were raised about the SSA's plans at that time, in December 2015 the SSA provided the Commission with supplemental information. The Commission also engaged the services of a consultant to review the SSA's plans, who has issued his report. Meanwhile, the SSA also has filed its application for a Chapter 91 License and a Water Quality Certificate from the Massachusetts Department of Environmental Protection, as well as its application for a permit from the United States Army Corps of Engineers. After the SSA receives those approvals, it will be able to proceed with the project's final design.
3. As a follow-up to some of the Board's comments at last month's meeting, Mr. Lamson reported that the staff revisited the interior layout plans for the SSA's new General Offices building at Palmer Avenue and eliminated some individual offices, in particular those which had been designated for computer technicians in the SSA's Information Technologies Department. In other areas, the staff concluded either there already is a significant amount of open space (such as in the Accounting Department) or that it would more efficient for the employees working in the area to have individual offices for confidentiality purposes and to reduce the surrounding noise.
4. Although SSA Director of Information Technologies Mary T.H. Claffey was unable to be at today's meeting, Mr. Lamson passed along her report that she and her staff are reducing the list of open items with respect to the upgrade to the SSA's Maximo computerized maintenance management information system. Accordingly, the staff will be scheduling training classes to take place next month for employees who use the system (including Senior Captains, Senior Chief Engineers and Terminal Managers) so that the SSA can take advantage of the upgraded system and have the benefits of its better reporting features.
5. Mr. Lamson also passed along how some of the SSA's other technology improvements have become quite popular among its customers. For example, a few months ago the SSA implemented a change to its waitlist system that now allows customers to choose to have

their waitlist requests continue to be processed up to 12:00 noon the day before their scheduled sailings, instead of only up to 48 hours before their scheduled sailings. More than half of the SSA's customers on the waitlist have since chosen this option. In addition, the SSA now has more than 27,500 customers who have signed up to receive text messages immediately when they receive matches for their wait list requests.

6. Mr. Lamson reported that the staff is continuing to work with the lead engineer and contractor for the SSA's Thomas B. Landers Road parking lot to find potential solutions to correct the stormwater runoff problems it is having there, and that it appears the parties have arrived at a preferred option that the engineer feels will resolve the current lack of infiltration flow through the subsurface layers of the lot. The preferred option consists of installing:
 - a 11,000 square-foot sand infiltration basin to a depth of five feet below the porous pavement and pea gravel layers between the northern and southern limits of the ring road about two-thirds of the way towards the lower east end of the lot; and
 - four 12-inch lateral drains, about 170 feet long, below the pea gravel layer in the lower third of the lot to redirect subsurface stormwater flow from the southern areas of the lot back to the middle of the lot where there is more capacity to handle a peak rain event.
 - a provisional deep sump structure in the lower end of the lot, with associated subsurface piping, to pump any unexpected remaining runoff back up the area above the new sand infiltration basin.

The estimated cost of this preferred option is \$390,000, and the parties are trying to agree upon who will pay for these recommended improvements, which the SSA wants to complete before the lot reopens later this year.

7. Mr. Lamson also reported that the staff is continuing to work through the issues regarding the possibility of providing freight service between New Bedford and Martha's Vineyard, and that his goal is to have the study completed in time for the Board to be able to discuss it at their April 2016 meeting.
8. The Board approved SSA Treasurer/Comptroller Robert Davis' recommendation to reauthorize the SSA's Debt Issuance and Debt Management Policy, which formally establishes the framework regarding the SSA's debt administration and 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 2014, with minor revisions to update the SSA's scheduled debt service payments and reflect the most recent increase in its bond limit.

9. The Board awarded Contract #01-16 for dry-dock and overhaul services for the *M/V Iyanough* to Fairhaven Shipyard of Fairhaven, Massachusetts, the lowest eligible and responsible bidder for the contract, for the Total Contract Price of \$275,969. The *M/V Iyanough* is scheduled to be in the shipyard from March 10th through April 5th to undergo a required United States Coast Guard hull examination, hull plate replacement and repairs, superstructure painting, water jet overhaul, exhaust blanket/lagging renewal and main engine sea water cooling modifications.
10. The Board authorized Mr. Lamson to award Contract #02-2016 for a new automated vehicle identification system for the Woods Hole and Palmer Avenue parking lots to the lowest eligible and responsible bidder for the contract after bids are opened tomorrow. The new system will allow permit holders, employees and shuttle buses to enter and exit those parking lots without having to use a gate card. Instead, permit holders will be issued a transmitter decal that will be affixed to the permitted vehicle. The new system should be installed by the end of April and is expected to cost around \$135,000.
11. The Board approved the purchase of five Taylor-Dunn Tiger Tow Tractors (also called tow motors) for \$223,669.95 from Northland Industrial Truck Co., Inc. of Wilmington, Massachusetts, in accordance with Massachusetts State Contract MC15-G02. These new tow motors will be used to tow luggage carts and trailers on and off the ferries, and are the same model as the tow motors that the SSA purchased in 2014 and are being used at the Hyannis and Nantucket terminals.
12. The Board authorized Mr. Lamson to award Contract #03-16 for the purchase of spare parts for two EMD 8-645-F7 diesel propulsion engines for the *M/V Katama*, two EMD 12-645-E diesel propulsion engines for the *M/V Nantucket*, two EMD 12-567-BC diesel propulsion engines for the *M/V Sankaty*, and two EMD 12-710-G7B turbochargers for the *M/V Island Home* to the lowest eligible and responsible bidder for the contract after bids are opened on February 24, 2016. The spare parts are expected to cost around \$750,000.

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

The next regular monthly meeting of the SSA's Board is currently scheduled for 9:30 a.m. on Tuesday, March 15, 2016. The meeting is currently scheduled to take place in Falmouth, Massachusetts. However, the location, time and date of the meeting are all subject to change; so please look for the formal notice for the meeting that will appear on this website next month. Thank you.



Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

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

March 22, 2016

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 22, 2016, in the Falmouth Art Center, located at 137 Gifford Street, Falmouth, Massachusetts. All five Board Members were in attendance: Chairman Elizabeth H. Gladfelter (Falmouth); Vice Chairman Moira E. Tierney (New Bedford); Secretary Robert F. Ranney (Nantucket); Robert L. O'Brien (Barnstable); and Marc N. Hanover (Martha's Vineyard).

1. SSA General Manager Wayne Lamson reported that the latest project schedule the SSA has received from Conrad Shipyard for the construction of the *M/V Woods Hole* continues to show an expected vessel delivery date of June 6, 2016 and that, when SSA Director of Engineering Carl Walker and he were at the shipyard two weeks ago, although the work above the freight deck was coming along, there still seemed to be a lot of work left to do in the machinery areas below. However, from the SSA's perspective, Conrad's production crew continues to do everything they can to move the project along, and change orders to date have been around \$525,000, a little more than half of the total allowance for contingencies that was included in the project's budget.

Mr. Walker also reported that, after the vessel is delivered to the SSA's Fairhaven Vessel Maintenance Facility on June 6th, the SSA will spend the next ten days training its crews so that they are familiar with the vessel. The SSA will also have a commissioning ceremony and take trips with the vessel to both islands before it begins providing scheduled service on the Martha's Vineyard route on June 17, 2016.

2. Mr. Lamson then reported that the Falmouth Conservation Commission is continuing its hearing tomorrow night on the Notice of Intent (NOI) the SSA filed last year for the Woods Hole Terminal Reconstruction Project. The first day of the hearing was on November 18, 2015 and, in order to address some questions that were raised about the SSA's plans at that time, the SSA provided the Commission with supplemental information in December. Last month the Commission voted to continue the hearing again in order to obtain an opinion from Falmouth Town Counsel as to whether he believes that the SSA is subject to the Town

of Falmouth's Wetlands Protection Bylaw. The SSA also took this opportunity to provide more information to the Commission about the lack of potential impacts that the proposed grading at the site will have on adjacent properties during flooding events.

Meanwhile, the Massachusetts Department of Environmental Protection has scheduled a hearing on the SSA's application for a Chapter 91 License and a Water Quality Certificate for 7:00 p.m. on Thursday, April 14th, at the Falmouth Public Library, and the SSA also has filed its application for a permit from the United States Army Corps of Engineers.

3. SSA Director of Information Technologies Mary Claffey reported that, earlier this month, the SSA postponed the training classes that had been scheduled for its Senior Captains and Senior Chief Engineers on the upgrade to its Maximo computerized maintenance management information system because the upgrade had not been ready to go live. But the SSA then asked its consultant, Aquitas, for immediate assistance to resolve all of the outstanding issues, and the critical changes were completed shortly afterwards. As a result, last week the SSA was able to conduct three days of training classes for its Senior Captains and Senior Chief Engineers, and they have been able to go back to work and see the changes in the live system. The SSA's next critical objective for this project is to have the system work on computer tablets as well as on laptops so that users can enter information when they are working on the boats even though they might not have any connectivity to the system at that time, and the information will then be automatically recorded in the system when they subsequently connect to it.
4. Mr. Lamson reported that the staff has gone back to see if there is anything the SSA can do with this coming fall's operating schedule, in addition to the steps the SSA has already taken, to reduce the early morning truck noise at the Woods Hole terminal. For the past four summers, the SSA has operated a 5:30 a.m. trip from Woods Hole with a drive-through vessel that does not require trucks to back onto the vessel. Also for the past three years, the SSA has operated a 5:30 a.m. trip in the spring with a freight boat that does require trucks to back onto the vessel. For the first time last year, a 5:30 a.m. trip was added in the fall to address the shortage of automobile spaces coming off-island in the morning for Vineyard residents and, because of the freight boat used, trucks similarly were required to back onto the vessel this fall.

Based upon complaints the SSA started to receive last fall about early morning truck noise from excessive idling and back-up alarms coming from the terminal, the SSA has taken a number of steps to address the neighbors' complaints:

- The SSA reminded freight shippers about the State's anti-idling law, and it posted additional signs about the law at the terminal.
- The SSA changed the opening time of the terminal so that it now does not open until one-half hour before the first vessel departure.
- The SSA sent a letter to all of its regular freight shippers asking them to be courteous to the neighbors by obeying speed limits and to refrain from using engine brakes ("Jake brakes") on Woods Hole Road.

- The changed the way trucks are staged on the property prior to loading for the first few trips in order to minimize the need for back-up alarms as much as possible.

Ultimately, the SSA concluded that it should not change the operating schedule that has already been approved for this coming fall which, as the spring and summer schedules, has the first freight trip leaving Woods Hole at 5:30 a.m. While the staff looked at various other possibilities, including triple-crewing and berthing the vessel overnight on Martha’s Vineyard and changing the schedule later in the season, there has been little demand for an additional crew to run trips in the late afternoon and early evening that time of year except on Fridays and Sundays and, by contrast, the demand for early morning off-island travel remained pretty steady during the entire 2015 fall season. Also, the principal complaints about noise from the terminal during the early morning have been about the back-up alarms of trucks while they were being loaded on the vessel, and this complaint should be addressed this coming fall by having the *M/V Woods Hole* on the route, which will allow trucks to be driven straight onto the boat. However, Mr. Lamson stressed that the SSA will continue its efforts to mitigate whatever noise is generated at the terminal during the early morning hours.

5. The Board authorized Mr. Lamson to execute amendments to the SSA’s Lease and Easement Agreement with the Falmouth Youth Hockey League (“FYHL”) altering the SSA’s leased parking area and the path of its easement across the FYHL’s property at 9 Technology Park Drive so that the FYHL can construct a small one-story addition to the Ice Arena to provide additional indoor running/training space and an additional locker room. The SSA leases around 200 parking spaces at the Ice Arena for use as overflow parking during the summer season, and the Ice Arena’s new addition will reduce the amount of that parking by around 21 spaces. The path of the SSA’s easement across the FYHL’s property from Technology Park Drive to the SSA’s undeveloped parcel on Research Road will also be altered so that the SSA will have a sufficient area for vehicular and pedestrian access around the new addition.
6. The Board approved the staff’s recommendation that the SSA once again promote ridership on the *M/V Iyanough* this year when it returns to service on April 12th by offering a 20% discount on the sale of the SSA’s high-speed passenger ticket books from Friday, April 1st, through Friday, April 15th. The discount will apply to all of the SSA’s high-speed passenger 10-ride ticket books (adults, seniors and children). As a result, the prices for the electronic high-speed ferry ticket books will be as follows during this 15-day period:

	<u>Regular Price</u>	<u>With 20% Discount</u>
Adult	\$ 275	\$ 220
Seniors*	\$ 185	\$ 148
Children (ages 5-12)	\$ 170	\$ 136

* Eligibility Restrictions Apply

7. Mr. Lamson reported that, in accordance with the authorization the Board gave him last month, he awarded Contract #02-2016 for a new automated vehicle identification system for the Woods Hole and Palmer Avenue parking lots to Amano McGann Inc. of Charlestown, Massachusetts, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$104,890. The new system will allow permit holders, employees and shuttle buses to enter and exit those parking lots without having to use a gate card. Instead, permit holders will be issued a transmitter decal that will be affixed to the permitted vehicle. The new system should be installed by the end of April.
8. Similarly, Mr. Lamson reported that, in accordance with the authorization the Board gave him last month, he awarded Contract #03-16 for the purchase of spare parts for two EMD 8-645-F7 diesel propulsion engines for the *M/V Katama*, two EMD 12-645-E diesel propulsion engines for the *M/V Nantucket*, two EMD 12-567-BC diesel propulsion engines for the *M/V Sankaty*, and two EMD 12-710-G7B turbochargers for the *M/V Island Home* to Marine Systems, Inc. of Cheapeake, Virginia, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$705,923.79.
9. The Board awarded Contract #04-2016 for Phase III of the site work at the SSA's Fairhaven Vessel Maintenance Facility to Robert B. Our Co. Inc. of Harwich, Massachusetts, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$124,939. After the "Lobster" building on the property is demolished this month, the contractor will finish the remaining site improvements for the property as part of the project that replaced the "Be Careful" and "Lobster" buildings with the new modular building. The work includes furnishing and installing a new stormwater system, pavement structures, bituminous pavement sealcoat and concrete pads, as well as extending the seawall. The work is planned to begin on April 4th and is expected to be completed in four to six weeks.
10. The Board awarded Contract #06-2016 for Rental Car Services at both the SSA's Palmer Avenue parking lot and its Hyannis terminal to Avis Budget Car Rental ("Avis") of Parsippany, New Jersey, whose proposal was ranked as the highest among three proposals submitted by Avis, Enterprise Holdings and Hertz Rent a Car. The agreement will allow Avis to maintain office/counter space at both locations and have the use of 20 parking spaces at the Palmer Avenue parking lot and 10 parking spaces at the Hyannis terminal for \$65,000 or 10% of its gross rental revenues (net time and mileage), whichever is higher, per year. The term of the agreement is three years (May 15, 2016 through May 14, 2019), and the SSA has the option, at its sole discretion, to extend it for up to two one-year extensions after that. Avis has been operating out of the SSA's Hyannis terminal since November 2011 and at its Palmer Avenue parking lot since July 2015. Avis also plans to locate some Zipcars at those locations.
11. The Board awarded Contract #07-2016 for Hyannis terminal concrete repairs to Chapman Waterproofing Co. of Boston, Massachusetts, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$143,070. The contractor will begin work on April 1st by removing and disposing the deteriorating concrete on the passenger stairs that

access the terminal's Slip #1, as well as all of the corroded reinforcing steel and other materials encountered during the course of the work. The contractor will then place new concrete repair mortar on the stairs, walls, landings and deck, as well as new aluminum stair nosing and surface mounted aluminum railings. The work is scheduled to be completed by April 30th.

12. The Board authorized Mr. Lamson to award Contract #09-16 for the service and testing of marine evacuation slides (MES) and inflatable buoyant apparatuses (IBA) to the lowest eligible and responsible bidder when bids for the contract are opened on Thursday, March 24th. The work under the three-year contract (which the SSA can further extend at its option for two additional one-year periods) will also include hydrostatic testing of CO₂ bottles, replacement of CO₂ bottles, pick-up and delivery charges, and labor to install and remove the systems.
13. The Board ratified Mr. Lamson's approval of a change order to the SSA's design contract with Bertaux + Iwerks Architects for the Woods Hole terminal reconstruction project to conduct a probing program to attempt to identify obstructions at the proposed monopile locations for the terminal's three new slips, in the amount of \$232,968. The current schematic design drawings for the slips provide for 39 new monopile dolphins with an outer diameter of 8 feet. (By comparison, the project calls for the removal of around 370 regular piles that currently support the existing slips and dolphins.) The use of monopiles instead of regular piles will speed up the construction of the dolphins and reduce their footprints over the ocean floor, but because of their larger size it is expensive and more difficult to relocate them if an obstruction is encountered while they are being driven during construction. The probes will be driven in the locations of the 28 proposed dolphin locations that are currently accessible by water. Because one of the ferry slips will need to be closed while the probing takes place, it is important to complete the probing program prior to the commencement of the 2016 Spring Operating Schedule on April 12th. Therefore, it will begin this week and should be completed around April 1st.
14. The Board approved a change order to the SSA's contract with Lawrence-Lynch Corp. for the construction of the SSA's Thomas B. Landers Road parking facility to construct additional stormwater management improvements at the site. Since last summer, the SSA has been experiencing problems with stormwater runoff in the southeast corner of the parking lot during heavy rain events. The engineers (Green Seal Environmental Inc.) and contractor (Lawrence-Lynch Corp.) have been working with the SSA to address the contributing issues and formulate the most cost-effective solution so that the lot can handle a 10-year theoretical storm of 4.97 inches of rainfall over a 24-hour period before infiltration while maintaining the current number of parking spaces. The proposed solution includes the following elements:
 - a 14,000 square-foot sand infiltration basin five to seven feet deep beneath the entire north-to-south length of the parking lot that will be capable of capturing all of the stormwater runoff from the upper two-thirds of the lot;

- a 2,400 square-foot, eight-foot deep underground rain storage tank system in the southeast corner of the lot; and
- an underground pump chamber in the southeast corner of the lot to pump excess stormwater from the storage tank, via a 732-foot force main pipe, back up into a 36-inch distribution pipe in the middle of the sand infiltration basin.

The total estimated cost of these improvements is \$490,000, and the Lawrence-Lynch has indicated that all of the construction and restoration work can be completed by mid-May.

15. Last week during a routine inspection, the SSA found the *M/V Katama's* port reduction gear to have a significant crack in a gear tooth of the bull gear and lesser damage to the gear teeth of the pinion gears, which made the gear inoperable. Accordingly, Mr. Lamson reported that, last week, he authorized an emergency procurement of new gears from Reintjes GmbH of Hamelin, Germany, the original manufacturer of the gears, in the amount of \$113,747. In addition to the gears, the repair of the port gearbox will require additional parts, including bearings, seals and clutch plates, as well as a technical representative's on-site labor and expenses. Today the Board authorized a second emergency procurement for these additional parts from Karl Senner, Inc., of Kenner, Louisiana, in the amount of \$108,485.

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 19, 2016. The meeting is currently scheduled to take place in New Bedford, Massachusetts. However, the location, time and date of the meeting are all subject to change; so please look for the formal notice for the meeting that will appear on this website next month. Thank you.



Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

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

April 19, 2016

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 19, 2016, in the New Bedford Art Museum, located at 608 Pleasant Street, New Bedford, Massachusetts. All five Board Members were in attendance: Chairman Elizabeth H. Gladfelter (Falmouth); Vice Chairman Moira E. Tierney (New Bedford); Secretary Robert F. Ranney (Nantucket); Robert L. O'Brien (Barnstable); and Marc N. Hanover (Martha's Vineyard).

1. SSA General Manager Wayne C. Lamson reported that the latest progress meeting on the construction of the *M/V Woods Hole* took place at Conrad Shipyard last week and that Conrad's latest progress schedule still shows an expected delivery date of June 6, 2016 for the vessel at the SSA's Fairhaven Vessel Maintenance Facility. Although the SSA is continuing to try to have that date moved up, Conrad is not willing to commit to anything as of now in case something unexpected comes up over the next few weeks. From the SSA's perspective, Conrad's production crew continues to do everything they can to move the project along, despite some challenges they have faced with the delay in the delivery of certain equipment the SSA specified in the contract with certain specific vendors. There are now progress meetings on the vessel's construction every two weeks, and the next meeting is scheduled for Wednesday, April 27th.
2. SSA Director of Engineering and Maintenance Carl R. Walker reported that Lawrence-Lynch Corp. is working on the improvements to fix the stormwater runoff problems at the SSA's Thomas B. Landers Road parking facility, and that the SSA expects those improvements to be completed by mid-May.
3. Mr. Lamson then reported that the SSA has received the schematic design report for the waterside and landside portions of the Woods Hole terminal reconstruction project, as well as for the temporary terminal building (but not including the permanent new terminal building, its surrounding plaza or the new equipment storage building). The report contains

a very detailed cost estimate of \$59,500,000 for those portions of the project, and the estimate includes an escalation factor to the mid-point of construction of 4% per year for the landside construction and 3% per year for the waterside construction, as well as a 15% design (estimating) contingency for the landside work and a 10% design contingency for the waterside work. However, the estimate does not include any contingency for unforeseen events that may be encountered during construction. The staff has projected how the SSA will be able to fund the project through transfers to its replacement fund and occasionally issuing bonds for it, and everything looks doable through 2023. Those projections also include funds for the *M/V Martha's Vineyard* mid-life refurbishment and another vessel replacement within the next five or six years.

4. Mr. Lamson also reported that the Falmouth Conservation Commission has issued an Order of Conditions for the Woods Hole terminal reconstruction project. The order includes requirements to monitor eelgrass beds and a beach that are just south of the terminal, as well as to monitor structures in the area during pile driving activities, to have an environmental monitor on site during the construction phases who will provide weekly reports to the Commission, and to provide the Commission with more detailed dewatering plans before starting any excavation or dredging work.

Last Thursday, the Massachusetts Department of Environmental Protection held a hearing at the Falmouth Public Library on the SSA's application for a Chapter 91 license and water quality certificate. The deadline for the submission of public comments on the application is May 4, 2016, and the SSA will then be asked to respond to all of the comments that are received.

5. SSA Director of Information Technologies Mary T.H. Claffey reported that the SSA has made a lot of progress on the upgrade to its Maximo computerized maintenance management information system. All of the changes that the SSA had requested have been applied to the live system and most of the SSA's Senior Captains and Senior Chief Engineers have been trained on the upgraded system. Ms. Claffey also reported that the SSA's consultant, Aquitas, has returned to help configure and deploy computer tablets that employees will use to enter information into Maximo while working on the boats, even though they might not have any connectivity to the system at that time. The information will then be recorded automatically in the system when they subsequently connect to it. The SSA hopes to be able to get those tablets deployed soon, as that is the last critical piece of the upgrade.
6. Ms. Claffey also reported that the SSA is now allowing customers to buy high-speed passenger tickets for the *M/V Iyanough* on their mobile devices and then simply show their mobile devices to the terminal employees who are collecting tickets as they are boarding the vessel. (Customers who have electronic ticket books are able to use this technology as well.) Customers are instructed to activate their tickets on their mobile devices when they are ready to board the vessel, and they then show their devices to the terminal employees who are collecting tickets for a visual inspection. As a result, the SSA will no longer have to scan any customer's mobile device and, once a mobile device is activated to allow a

customer to board, it remains active (and valid) for only a limited period of time. After this technology is used for the *M/V Iyanough*, in a couple of months the SSA will allow passengers on its traditional ferries to use it as well.

7. Ms. Claffey also noted that some of the SSA's other recent technology improvements continue to be quite popular among the SSA's customers. For example, the SSA now has more than 38,000 customers who have signed up to receive text messages immediately when they receive matches for their wait list requests. In addition, a few months ago the SSA implemented a change to its waitlist system that now allows customers to choose to have their waitlist requests continue to be processed up to 12:00 noon the day before their scheduled sailings, instead of only up to 48 hours before their scheduled sailings. More than half of the SSA's customers on the waitlist have since chosen this option.
8. As some of you may already know, the delivery of Hy-Line's new high-speed passenger ferry, the *M/V Grey Lady IV*, has been delayed until the middle of June 2016 and, as a result, Hy-Line has to make certain changes to its schedules until the new vessel is able to begin service. For example, earlier this month Mr. Lamson approved Hy-Line's request to operate the *M/V Lady Martha* as a substitute for the *M/V Grey Lady IV* on the route between Hyannis and Nantucket, provided that the Hy-Line still makes the same number of daily trips on that route with the *M/V Lady Martha* and the *M/V Grey Lady* as set forth in its original schedule.

Today the SSA's Board approved other schedule changes requested by Hy-Line due to the delayed delivery of the *M/V Grey Lady IV*. With respect to the route between Hyannis and Martha's Vineyard, Hy-Line will be reducing the number of daily round trips from four to three from May 27, 2016 through June 24, 2016, as well as changing some of those trips' arrival and departure times. Further, with respect to the inter-island route, Hy-Line will be using the *M/V Vineyard Lady* instead of the *M/V Lady Martha* to operate only one daily round trip from May 27, 2016 through June 24, 2016 instead of the three daily round trips it was licensed to operate around Memorial Day weekend and the two daily round trips thereafter.

The SSA's only concern with respect to Hy-Line's schedule changes is whether the SSA will have enough passenger capacity on its traditional ferries on the route between Hyannis and Nantucket over the Memorial Day weekend, as Hy-Line's *M/V Great Point* is no longer in service. While it looks as if the SSA will have sufficient capacity, on the Monday of that weekend (Memorial Day itself) there may be some passenger cutoffs on some trips, even on the SSA's traditional ferries, and customers may have to travel later in the day than they originally planned.

9. Mr. Lamson reported that the SSA's five-year lease with the Martha's Vineyard Airport Commission for space for the SSA's reservations office at the Martha's Vineyard Airport expires on November 30, 2016, and that the SSA is exploring whether the reservations office instead could operate out of the rooms in the second floor of the Vineyard Haven terminal that are no longer used for crews quarters. This would give the reservation clerks

a better work environment than they now have at the airport and would not result in reducing the number of SSA employees who work on the island. Mr. Lamson also noted that the reservation clerks on the island now process an average of only around 40 counter transactions per day due to more customers making their own reservations on line, and that the staff believes the SSA's ticket sellers can handle those transactions without much more traffic at the Vineyard Haven and Oak Bluffs terminals.

10. Mr. Lamson reported that the staff has issued their preliminary report on the feasibility of providing freight service between New Bedford and Martha's Vineyard. In the preliminary report, the staff is recommending (on a preliminary basis only):
 - A. That the SSA entertain a proposal from Packer Marine (R.M. Packer Co., Inc. / Towing & Transportation Co., Inc.) to provide a barge and tug service for transporting freight vehicles between New Bedford and Martha's Vineyard on a "roll-on/roll-off" basis pursuant to a license agreement with the SSA, potentially without the payment of any license fees.
 - B. that the SSA also engage the services of Craig Johnson of Flagship Management to find out, on the SSA's behalf, whether any private operators might be interested in providing the New Bedford freight service at their own financial risk under a license agreement with the SSA and, if so, under what terms and conditions.
 - C. that the SSA work with the Cape Cod Commission, the Martha's Vineyard Commission, and public officials of all of the municipalities that could be affected by a New Bedford freight service for the purpose of submit-ting a joint request to the appropriate agency or agencies of the Commonwealth of Massachusetts and/or other local or regional governmental entities:
 1. to fund the construction, operation and maintenance of a suitable freight ferry terminal in New Bedford; and
 2. to provide annual funding to the SSA for the New Bedford freight service in a sufficient amount to cover the difference each year between (a) the amount of the SSA's direct and allocated costs of the service, and (b) the amount of fares the SSA derives from the service.
 - D. Once the funding described in (C) above is secured and a schedule is established for the New Bedford freight ferry terminal's completion, unless by that time a private operator has entered into a license agreement with the SSA to provide the New Bedford freight service at its own financial risk, that the SSA negotiate and enter into a time charter for a freight vessel from a private operator to provide freight ferry service between New Bedford and the SSA's Vineyard Haven terminal in accordance with the following parameters (as they might be revised based upon the comments, information and suggestions received in response to the preliminary report):

1. The freight vessel would make two round trips a day on weekdays (excluding holidays) during approximately a 22-week summer season, with the potential to also operate the service, if the SSA chooses, on weekends and holidays.
2. The SSA would provide reservation and ticketing services for the freight service, and will integrate reservations for travel on the New Bedford route into its existing reservations system so that customers traveling to and from Martha's Vineyard can make reservations in one direction by way of New Bedford and in the other direction by way of Woods Hole.
3. The first daily one-way trip from New Bedford to Martha's Vineyard would be designated as a "hazardous cargo" trip and customers traveling between New Bedford and Martha's Vineyard with their vehicles (both trucks and automobiles) would be able to make reservations on that route the same way they are able to make reservations on the SSA's other freight trips.
4. Customers traveling with their automobiles would also be allowed to travel standby on the freight trips between New Bedford and Martha's Vineyard in the same manner that they are able to travel standby on the SSA's other freight trips.
5. Freight shippers would be allowed to ship their trucks between New Bedford and Martha's Vineyard without their drivers if the SSA is assured that each "driverless" truck on the vessel is physically met at the ferry terminal by its driver when the vessel arrives there so that the truck can be immediately driven off the vessel.
6. The New Bedford freight service would be provided on a summer-seasonal basis for an initial three-year period, with the potential to extend the operating season if the SSA so chooses.
7. The SSA would establish the same rates of fare for the New Bedford route as it establishes for the Woods Hole route.

The SSA's Board asked the staff to make their preliminary report publicly available and to provide copies of it to the public officials of all the SSA's constituent communities. The SSA will then solicit comments, information and suggestions from those public officials and everyone else who may be interested in a possible New Bedford freight service so that the SSA's Board can consider them while it continues to discuss this subject over the next several months.

11. Mr. Lamson informed the SSA's Board of changes in vessel assignments that have made due to the need to replace one of the *M/V Katama's* reduction gears when it was discovered to have a cracked tooth and is therefore inoperable until the repairs are completed. It is now estimated that the *M/V Katama's* repairs will not be completed until May 17th. Until

the *M/V Governor* can be brought back from the shipyard and put into line service, the *M/V Island Home* has been brought out of repair status and is being used on the Martha's Vineyard route in place of the *M/V Nantucket*, and the *M/V Nantucket* is being used in place of the *M/V Katama*. When the *M/V Governor* is able to go into line service, which is expected to be after the first week in May, the *M/V Island Home* will go back into repair.

12. The SSA's Board approved a contribution in the amount of \$36,421.89 towards the cost of operating the Nantucket Regional Transit Authority's Ferry Connector Park 'n Ride shuttle service for a third year, with the understanding that the Town of Nantucket and the NRTA will have to find a more sustainable source of funding (possibly using some or all of the embarkation fees that the SSA and Hy-Line collect from their ferry passengers on behalf of the Town), if the shuttle service is going to continue to operate after this year. Last year the service ran from May 21 through October 12th, but this year it will run only from June 1st through September 5th due to a decrease in the number of organizations who have agreed to contribute toward its funding.
13. Mr. Lamson reported that, in accordance with the authorization the SSA's Board gave him last month, he had awarded Contract #09-16 for the service and testing of marine evacuation slides (MES) and inflatable buoyant apparatuses (IBA) to Life Raft & Survival Equipment of Tiverton, Rhode Island, the only eligible and responsible bidder for the contract, for a total contract price of \$420,940. The work under the three-year contract also includes hydrostatic testing of CO₂ bottles, replacement of CO₂ bottles, pick-up and delivery charges, and labor to install and remove the systems.

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 17, 2016. 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

May 17, 2016

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 17, 2016, in the Nantucket Whaling Museum, located at 15 Broad Street, Nantucket, Massachusetts. Four Board Members were in attendance: Chairman Elizabeth H. Gladfelter (Falmouth); Vice Chairman Moira E. Tierney (New Bedford); Secretary Robert F. Ranney (Nantucket); and Marc N. Hanover (Martha's Vineyard). Robert L. O'Brien (Barnstable) was not present.

1. SSA General Manager Wayne C. Lamson reported that Conrad Shipyard was still on schedule to deliver the *M/V Woods Hole* to the SSA's Fairhaven Vessel Maintenance Facility by June 6, 2016. The vessel's main engines were started last week, and other major systems are being tested this week before the vessel's dock trials. Assuming the dock trials go well, sea trials are scheduled to begin on May 24th, and the vessel could then leave Louisiana by the end of next week. Meanwhile, there will be a christening ceremony for the vessel in Louisiana this Friday. The SSA will have the vessel's commissioning ceremony in Woods Hole next month before it goes into service between Woods Hole and Martha's Vineyard on June 17th.
2. Mr. Lamson also reported that all of the work to fix the stormwater runoff problems at the SSA's Thomas B. Landers Road parking facility has been completed and that the parking lot is ready for the upcoming summer.
3. Mr. Lamson reported that the comment period in response to the SSA's application for a Chapter 91 License and a Water Quality Certificate from the Massachusetts Department of Environmental Protection (DEP) for the Woods Hole terminal reconstruction project ended on May 4, 2016 and that the SSA will be asked to respond to all of the public comments that DEP has received about the application. The DEP will then conduct its technical review of the application and issue a draft license, which will be subject to 21-day waiting period. The SSA will then hopefully have a final license by this summer.

4. SSA Director of Information Technologies Mary T.H. Claffey reported that the SSA is again working with its consultant, Aquitas, to finalize the computer tablets the SSA will be using with its upgraded Maximo computerized maintenance system, and that the changes should be finalized within the next few days. The computer tablets will then be usable with the live system, and the SSA will provide additional training to its employees on how to use them. Last week the SSA also trained almost all of the terminal agents and parking lot supervisors who will be using the upgraded Maximo system, and the employees' usage of the system is continuing to increase.
5. Ms. Claffey also reported that the SSA is now allowing customers to buy high-speed passenger tickets for the *M/V Iyanough* on their mobile devices and then simply show their mobile devices to the terminal employees who are collecting tickets as they are boarding the vessel.
6. Ms. Claffey then reported that the SSA now has over 46,000 customers who have signed up to receive text messages immediately when they receive matches for their wait list requests and that more than half have opted to have their wait list requests continue to be processed up to 12:00 noon the day before their scheduled sailings, instead of only up to 48 hours before their scheduled sailings with the recent technology improvements that have implemented.
7. The Board authorized the staff to proceed with an invitation for bids for the mid-life refurbishment of the *M/V Martha's Vineyard*. The project, which is estimated to cost \$13,500,000, will include, among other items:
 - extending the 02 passenger cabin to enclose the aft stair towers;
 - creating a center island for the Purser's office, restrooms and food concession area;
 - removing and replacing all of the joiner work in the passenger cabins on the 02 and mezzanine decks;
 - HVAC upgrades;
 - an upgrade of the bow door (so that it is similar to the bow doors on the *M/V Woods Hole* and the *M/V Island Home*);
 - installation of a stern roller curtain door;
 - upgrade of crew accommodations;
 - replacement of the ship's switchboard and emergency switchboard;
 - installation of a third ship service generator;
 - installation of an additional elevator on the port side of the mezzanine deck to the 02 passenger deck;
 - replacement of all exterior windows;

- relocation and replacement of the rescue boat and davit;
- complete sandblasting and recoating of all exterior surfaces and the freight deck;
- water blasting and recoating the void spaces as necessary;
- installation of a new Marine Evacuation Slide system (MES);
- upgrade of the steering system controls;
- replacement of steel plating as necessary;
- pilothouse modifications; and
- an increase of interior and exterior passenger seating on the vessel.

The invitation for bids for the mid-life refurbishment contract is scheduled to be issued by June 1, 2016, and the bid opening is scheduled for July 8, 2016 so that the contract can be awarded to the lowest eligible and responsible bidder at the Board meeting which is currently scheduled for July 19, 2016. The vessel will then be delivered to the shipyard in mid-October 2016 and return to Fairhaven around the end of February 2017.

8. The Board also authorized the staff to relocate the SSA's Reservation Office at the Martha's Vineyard Airport to the Vineyard Haven terminal (and the Oak Bluffs terminal during the summer schedule) after the SSA's lease with the Martha's Vineyard Airport Commission expires on November 30, 2016. The crews' quarters on the second floor of Vineyard Haven terminal, which are no longer utilized, will be converted to office space for use as a replacement for the current call center space at the airport.
9. The Board authorized the staff to allow SeaStreak, LLC to operate one additional high-speed ferry trip from Nantucket to New Bedford on the morning of Memorial Day (Monday, May 30, 2016), and the staff will agree upon a departure time for SeaStreak's vessel from Nantucket that does not conflict with the SSA's own operating schedule.
10. The Board also authorized the staff to charter one of SeaStreak's New York-class ferries to provide an additional high-speed ferry trip from Nantucket to the SSA's Hyannis terminal on the morning of Memorial Day (Monday, May 30, 2016). The staff has been concerned that, due to the delayed delivery of Hy-Line's *Grey Lady IV* and its discontinuation of traditional ferry service this year with the *M/V Great Point*, there might be a shortage of passenger capacity on some trips from Nantucket to Hyannis on Memorial Day. Accordingly, the SSA felt it prudent to charter SeaStreak's vessel for a trip leaving Nantucket at 11:30 a.m. that day, which will still give it enough time to return to Nantucket for its regularly scheduled departure to New York at 2:30 p.m. The SSA will add this 11:30 a.m. trip into its reservation system and make it available for reservations.
11. The Board authorized Mr. Lamson to execute the final versions of the amendments to the SSA's Lease and Easement Agreement with the Falmouth Youth Hockey League ("FYHL") altering the SSA's leased parking area and the path of its easement across the

FYHL's property at 9 Technology Park Drive so that the FYHL can construct a small one-story addition to the Ice Arena to provide additional indoor running/training space and an additional locker room.

12. SSA Treasurer/Comptroller Robert B. Davis presented his analysis of the effectiveness of the SSA's rate structure to cover each route's cost of service for passengers, automobiles and trucks during the 2015 calendar year. With respect to the Martha's Vineyard route, Mr. Davis reported that:

- (a) In 2015, total vessel operating costs increased by \$515,000, or 2.1%; total indirect non-vessel costs increased by \$1,200,000, or 5.2%, principally due to the cost of dry-dock expenses for the *M/V Governor* and the *M/V Island Home*, the cost of traffic circulation improvements at the Vineyard Haven terminal, and higher depreciation expenses in connection with recent improvements to the SSA's offsite parking lots located on Palmer Avenue and on Thomas B. Landers Road in Falmouth; and, as a result, the overall cost of service for the Martha's Vineyard route increased by \$1,715,000, or 3.6%, from 2014.
- (b) The total number of trips operated increased by 189 in 2015, with a total capacity for the year increasing by 6,300 car-equivalent unit spaces. The number of spaces occupied increased by 13,187, 2.2%, from 2014, resulting in an increase of the occupancy rate from 80.8% in 2014 to 81.9% in 2015.
- (c) The estimated cost of a car-equivalent unit space was \$51.35 in 2015, down from \$52.32 in 2014. On average, automobiles covered 94.4% of their allocated cost of service, with the standard fare automobiles covering 125.9% and excursion fare automobiles covering 38.9%. By comparison, on average, trucks covered 111.7% of their allocated cost of service.

With respect to the Nantucket Route, Mr. Davis reported that:

- (a) In 2015, total vessel operating costs decreased by \$174,000, or 1.1%, primarily due to a decrease in dry-dock and fuel expenses; total indirect non-vessel costs increased by \$1,022,000, or 9.5%, principally due to the cost of dock and dolphin repairs at the Nantucket terminal; and, as a result, the overall cost of service for the Nantucket route increased by \$848,000, or 3.3%, from 2014.
- (b) The total number of trips operated increased by 149 in 2015, with a total capacity for the year increasing by 6,150 car-equivalent unit spaces. The number of spaces occupied increased by 8,328, or 4.9%, from 2014, resulting in an increase of the occupancy rate from 82.7% in 2014 to 84.2% in 2015.
- (c) The estimated cost of a car-equivalent unit space was \$113.16 in 2015, down from \$117.35 in 2014. On average, automobiles covered 134.8% of their allocated cost of service, with the standard fare automobiles covering 171.0% and excursion fare

automobiles covering 48.0%. By comparison, on average, trucks covered 102.8% of their allocated cost of service.

Over the past ten years, the allocated revenues and cost of service for the Martha's Vineyard route represented 57.3% and 57.2%, respectively, of the SSA's total operating revenues and cost of service, whereas the allocation of revenues and cost of service on the Nantucket route were 42.7% and 42.8%, respectively, of the SSA's overall operating revenues and cost of service. It would be practically impossible to get much closer than that in terms of the effectiveness of the SSA's rate structure to cover each route's allocated cost of service.

13. The Board approved the appointment of David W. Hammond of Centerplate to be the manager in connection with the SSA's alcoholic beverages license on the *M/V Woods Hole*. The regulations of the Massachusetts Alcoholic Beverages Control Commission requires license holders, including the SSA, to formally approve the appointment of the managers of each license. The SSA currently has alcoholic beverages licenses for the *M/V Martha's Vineyard*, the *M/V Nantucket*, the *M/V Eagle*, the *M/V Island Home*, and the *M/V Iyanough*. Because the *M/V Woods Hole* will also have a food concession area, the SSA will be applying for a license for that boat as well.
14. The Board authorized Mr. Lamson to award a contract to Electrical Wholesalers, Inc., of New Bedford, Massachusetts, a state-authorized vendor, for all of the materials necessary for the installation of an emergency generator at the Fairhaven Vessel Maintenance Facility. These materials include a container-mounted 400KW, 480-volt, 3-phase generator set, a 1200-amp automatic transfer switch, main breaker, associated load breakers, conduit, raceways and associated conductors, for a Total Contract Price of \$231,665. A request for quotes to perform the labor to install the generator, which is estimated to cost \$100,000, will be issued at a later date.
15. The Board also authorized Mr. Lamson to award Contract #12-16 for dry-dock and overhaul services for the *M/V Sankaty* to Thames Shipyard and Repair Company of New London, Connecticut, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$1,550,685. The vessel will go into the shipyard from June 17, 2016 through August 12, 2016 to undergo a required United States Coast Guard hull examination, ballast modifications, modifications to tank locations, commercial blasting and coating, tank cleaning, sea valve, shaft, propeller and rudder inspection, and steel repairs. The work will include removing buoyant foam and fabricating and relocating an aft ballast tank to improve the vessel's maneuverability during light load conditions. The removal of the foam will also reduce the chance of a shipboard fire. The rescue boat and davit will also be replaced to increase accessibility of parts and commonality across the fleet; both the men's and women's restrooms will be refurbished; and a freight deck tie down system (similar to one that will be on the *M/V Woods Hole*) will be installed.
16. The Board also authorized Mr. Lamson to award Contract #13-16R for two USCG-approved rescue boat davits to the lowest eligible and responsible bidder for the contract

after bids are opened on June 8, 2016. One of the rescue boat davits will be installed on the *M/V Sankaty* and the other one will be put on the *M/V Martha's Vineyard* during its mid-life refurbishment. Drawings and specifications for the davits were sent to two marine supply vendors last month, but neither of the vendors submitted a bid for the contract by the original May 11, 2016 deadline. Therefore, another invitation for bids has been issued with the new deadline date.

17. The Board voted to approve the re-appointment of RSM US LLP (formerly known as McGladrey LLP) as the SSA's independent auditors for the years ending December 31, 2016, 2017 and 2018. RSM's proposed fee for this upcoming year's work is \$126,200, the same as this past year's fee, and it includes both the annual audit and a Circular No. A-133 audit, which is required because the SSA anticipates receiving more than \$500,000 in federal grants this year.

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

The next regular monthly meeting of the SSA's Board is currently scheduled for 9:30 a.m. on Tuesday, June 21, 2016. 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

June 21, 2016

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 21, 2016, 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 Elizabeth H. Gladfelter (Falmouth); Vice Chairman Moira E. Tierney (New Bedford); Secretary Robert F. Ranney (Nantucket); Robert L. O'Brien (Barnstable); and Marc N. Hanover (Martha's Vineyard).

1. The Board reviewed how the SSA's operations went over the Memorial Day weekend, observing that, while the SSA carried 4.2% more passengers on the Martha's Vineyard route this year than it did last year, it carried even more passengers on the Nantucket route. Indeed, on that route, the SSA carried 11.6% more passengers on the *M/V Iyanough* and 18.1% more passenger on its traditional ferries than it did over the 2015 Memorial Day weekend. On Memorial Day itself, all of the SSA's high-speed ferry trips leaving Nantucket were essentially sold out, and it had passenger cutoffs on some its traditional ferry trips, so it was a good thing that the SSA had chartered SeaStreak's high-speed ferry to run an extra trip off-island that day.
2. SSA General Manager Wayne Lamson reported that everyone at the SSA had been very busy with the *M/V Woods Hole* this past month. On May 20th, Conrad Shipyard had a christening ceremony for the vessel while it was still in Louisiana, and then delivered it at the SSA's Fairhaven Vessel Maintenance Facility on Monday, June 6th. After the SSA accepted the vessel on June 8th, it had a commissioning ceremony in Woods Hole on June 13th and sailed the boat to Vineyard Haven and Nantucket for open houses that Monday and Tuesday before placing it into regular service on the Martha's Vineyard route on June 17th. All of these achievements, including getting the vessel's Certificate of Inspection from the Coast Guard last week, took an enormous amount of effort on everyone's part, but Mr. Lamson thanked in particular those employees who have worked tirelessly on this project over the past few months, including Director of Engineering and Maintenance Carl Walker, Senior Captain Al Brox, Senior Chief Engineer John Stanton, and Fleet Personnel

Administrator Joe Russas. Mr. Lamson observed that it was truly a team effort, along with Conrad Shipyard and the Coast Guard, that enabled the SSA to reach this final milestone, and that the SSA has a terrific boat that can be used year round on both routes for a long time to come.

3. Mr. Lamson reported that, last week, the SSA submitted its comprehensive responses to all of the public comments that the Massachusetts Department of Environmental Protection (DEP) had received on the SSA's application for a Chapter 91 license and water quality certificate in connection with its Woods Hole terminal reconstruction project. The SSA expects that DEP will complete its technical review of the application and issue a draft license later this summer. Of course, the SSA also needs a U.S. Army Corps of Engineers' permit for the project before any work can begin. Meanwhile, earlier this month the SSA received a variance from the Massachusetts Architectural Access Board that will allow the 24-foot gangways that will be located on the piers for passenger side loading onto the SSA's larger ferries to be steeper than the maximum slope for ramps (1:12) during high-tide conditions. Finally, the SSA also has filed its application for a variance from the State Appeals Board so that the first floor elevation of the temporary terminal building can be lower than the 13-foot base flood elevation for the site. Eventually the SSA will need another variance for the first floor elevation of the new terminal building so that it can be lower than 16 feet above sea level.
4. SSA Director of Information Technologies Mary Claffey reported that, with its consultant, Aquitas Solutions, Inc., the SSA has completed the necessary changes so that its computer tablets can be used by the SSA's Senior Captains and Senior Chief Engineers when they are working with the Maximo computerized maintenance management information system. After the SSA makes certain that it is satisfied with how the tablets are working, it will deploy them to everyone in the fleet who needs to work with them.
5. Ms. Claffey also reported that the new visual boarding system the SSA has implemented for the *M/V Iyanough* (which the SSA is promoting as "Show and Sail") has proven to be a great improvement, and that the SSA also now has over 56,000 customers who have signed up to receive text messages immediately when they receive matches for their wait list requests.
6. Mr. Lamson reported that the SSA's staff have changed their plans for how the SSA is going to proceed with the *M/V Martha's Vineyard* mid-life refurbishment project. Due to the long lead times for certain items of new equipment the SSA needs for the refurbishment, the SSA would have had difficulty finishing the project on time to have the vessel back in line service by next spring, and the SSA also would have had to furnish those items to the shipyard as owner-furnished equipment. Therefore, the staff is now planning to have only the dry-dock work performed this fall, which will include the required hull work, keel cooler replacements, the painting of the exterior of both the hull and superstructure, the overhaul of the bowthruster, the foundation work for the third generator, and the installation of the new rescue boat and davit. Then, in January 2017, the SSA will award a second contract for the remaining work, all of which can be accomplished without dry-

docking the vessel. This should result in more shipyards submitting bids for the contract and will also allow the shipyard that receives the second contract to order all of the equipment itself so that it will be on hand when the vessel is delivered to the shipyard the following fall.

7. Because of the change in plans for the *M/V Martha's Vineyard* mid-life refurbishment project, the SSA will now be able to bring the *M/V Woods Hole* into repair from December 8, 2016 through January 3, 2017. As a result, the Board approved the staff's recommendation to change the 2016 Fall Operating Schedule for the Martha's Vineyard route. Specifically, the SSA will now maintain the previously approved 2016 Fall Operating Schedule for the Martha's Vineyard route only from October 12, 2016 through December 7, 2016, the time period that the *M/V Woods Hole* is assigned as the freight boat on that route. During this time period the *M/V Woods Hole's* first trip from Woods Hole will be at 5:30 a.m. However, after the *M/V Woods Hole* is replaced on that route by the *M/V Sankaty* on December 8, 2016, the *M/V Sankaty's* first trip from Woods Hole will be at 6:15 a.m. instead of at 5:30 a.m., because trucks will have to back up to be loaded onto the *M/V Sankaty*.

8. The Board also approved the staff's proposed 2017 Budget Policy Statement that sets forth the guidelines the staff will be using to develop the revenue and expense estimates for the SSA's 2017 Operating Budget. As presented by SSA Treasurer/Comptroller Robert Davis at the meeting, the Budget Policy Statement requires the staff, among other things:
 - to base the SSA's projected operating revenue primarily on actual traffic statistics for what will then be the most recent 12 months (August 2015 through July 2016), although the staff will include slightly increased revenue projections to reflect additional capacity due to the substitution of the *M/V Woods Hole* for other freight vessels next year and any increased ridership the SSA experiences on its traditional ferries on the Nantucket route this summer now that the SSA is the only provider of traditional service on that route;
 - to base the SSA's projected vessel operating expenses in part on the operating schedules the staff will be proposing over the next few months for 2017;
 - to identify significant terminal repairs and maintenance that will be needed;
 - to schedule the vessels that will be dry-docked during 2017 (the *M/V Martha's Vineyard*, *M/V Katama* and *M/V Gay Head*).
 - to assume that existing job vacancies will be filled while staffing requirements for the Information Systems group will be evaluated and adjusted accordingly.
 - to take into account the SSA's expected training expenses due to the continuation of a number of different training programs, including STCW basic training, Marine Evacuation Slide (MES) training, the Wiper-to-Oiler promotional training program, customer service training, and rescue boat, security and oil spill prevention and response training.

One of the SSA's more significant operating expenses is vessel fuel oil. As for the past few years, the 2017 Operating Budget will base the budgeted cost of vessel fuel oil on next year's cap prices or the then-current forecasts for oil prices during 2017 (plus the premium cost of the hedging program), whichever is lower. Currently, the barrel price of crude oil is trading in the \$40 - \$50 range while a year ago at this same time crude oil was trading in the \$55 - \$65 range. The SSA's hedge program for expected vessel fuel consumption for 2017 has been executed through the first half of the year with an average cap price of \$2.04 per gallon. By comparison, this year's average budgeted cost for vessel fuel is \$2.21 per gallon.

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

9. Mr. Lamson informed the Board that, in accordance with the authorization they gave him last month, last week he awarded Contract #13-16R for two USCG-approved rescue boat davits to Coastal Marine Equipment, Inc. of Gulfport, Mississippi, which was the only eligible and responsible bidder for the contract, for a Total Contract Price of \$163,800. One of the rescue boat davits will be installed on the *M/V Sankaty* and the other one will be put on the *M/V Martha's Vineyard* during its mid-life refurbishment.
10. The Board also approved the SSA's 2016 non-union personnel wage and salary program. As a result, this year's salary program will provide for an aggregate 3% increase in the total budget for all unrepresented employees' salaries, including a 2.1% increase in the salary structure (the range of salaries within each salary grade).
11. The Board also conducted their evaluation of Mr. Lamson's performance over the last twelve months and then established a committee to recommend the procedures and forms that will be used for next year's evaluation of the General Manager's performance. The committee will be comprised of Ms. Gladfelter, Mr. Ranney, and whomever the Port Council votes to appoint as additional members of the committee.

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

12. The Board voted to increase Mr. Lamson's salary by 3.5% effective July 1, 2016.

The next regular monthly meeting of the SSA's Board is currently scheduled for 9:30 a.m. on Tuesday, July 19, 2016. The meeting is currently scheduled to take place in the first floor meeting room of the Oak Bluffs Public Library, located at 56R School Street, Oak Bluffs, Massachusetts. However, the location, time and date of the meeting are all subject to change; so please look for the formal notice for the meeting that will appear on this website next month. Thank you.