1. Mr. Davis provided an update on the status of the Woods Hole terminal building design. Specifically, Mr. Davis reported that:

- The Authority has investigated whether the temporary terminal building can be used for one or more additional years, which would allow for the postponement of construction of the new permanent terminal building, thereby relieving some pressure on the capital budget and providing the Authority with the opportunity to review the new traffic patterns at the terminal that result from the three new ferry slips’ positions. But Mr. Davis reported that delaying the construction of the new terminal building would create some additional complications for the project, and that the Authority also would need to discuss this with the State Building Inspector, who has stated that he will not support an application to extend the variances received in order to build the temporary terminal building.

- The Authority’s architects, BIA.studio, have designed a more permanent structure to replace the tents that were erected by the ferry slips a few months ago because those tents are deemed “temporary” structures under the State Building Code and, as a result, they cannot be used for more than 180 days. The permanent tent design will cover roughly the same footprint as the two temporary structures now in place, which each measure 20 feet by 40 feet, although instead of two tents it would be one structure. The proposed tent is in an “L” shape with a pitched roof, covered in waterproof fabric and framed with galvanized steel to withstand the elements.

- Chris Iwerks and Lian Davis of BIA.studio provided an update on the terminal building design, including the expansion of the pergola to cover three of the building’s four sides, covering the pergola with glass to provide more shelter and
designing four 16-foot-by-16-foot umbrellas that can be placed in the plaza to provide more shelter during warm weather.

- As construction will be resuming after Labor Day weekend, the weekly community emails with updates on the project will resume August 31. The Authority has sent 23 such emails to date to members of the community and other interested parties.

2. In May 2018, the Board voted to have a consulting firm undertake a comprehensive review of the Authority’s operations, including vessel operations, fleet maintenance, public communications and information technology systems. In June, the Board awarded the consulting contract to HMS Consulting and Technical (HMS). HMS Consulting, Rigor Analytics and Glosten Associates were on site at the Authority during the week of July 23rd and, earlier this month, Mr. Davis traveled to Seattle to meet with HMS Consulting. Rigor Analytics returned to the Authority this past Friday, August 17th, to continue their questioning relative to the communications and information technology pieces of the review.

Currently, the consultants are working on their draft of a “root cause analysis.” HMS has requested that certain members of the staff and other SSA employees who have the most knowledge of these incidents to be available early next month for a video conference to have an opportunity to correct or clarify any findings that may have been arrived at through inaccurate information. The conversations are expected to be mostly technical in nature and input from the staff will be limited to correcting any material inaccuracies. From there HMS will assemble their findings and recommendations, although a secondary conference call maybe required for the Rigor Analytics “root cause analysis” as well.

3. Mr. Davis presented the staff’s proposal to reinstate the 10-ride Ferry Pass cards. At the February 20, 2018 meeting, the Board supported the Staff’s request to limit the usage of the coupons from each RFID card to one individual per trip for the 10-ride Ferry Pass Cards. This change was requested following discussions with the Massachusetts Department of Revenue regarding the Passenger Embarkation Fee Statute that requires the Authority to collect and embarkation fee of $.50 for each passenger.

When the original Passenger Embarkation Fee Statute was passed in 2003, commuter excursion fares – which are fare paid for through the purchase of a book of multiple tickets or through the Authority's Islands Preferred Excursion Program – were exempt from the embarkation fee. In 2003, the Legislature did not restrict the number of tickets that exempt passengers could use at one time because none of the ferry operators, including the Authority, were then allowing customers to use more than one ticket from a ticket book per trip. In 2007, changes were made to the Authority’s 10-ride coupon book policy that allowed customers to use multiple coupons per trip from the same ticket book for travel on the Authority’s traditional ferries.

Then at the March 20th meeting, the Members approved changes to the sale of the multiride ticket books or RFID cards for travel on the Authority’s traditional ferries. The
changes included reducing the minimum number of tickets sold in books/RFID cards, now called Lifeline Cards, to 5.

To address concerns from our customers, Staff recommended reinstating the original 10-ride Ferry Pass Cards that allowed customers to use multiple coupons per trip from the same card for travel on the Authority’s traditional ferries at their previous prices plus the corresponding $5.00 embarkation fee ($0.50 per ticket). Staff also recommended only selling the 10-ride RFID cards at the Nantucket, Oak Bluffs and Vineyard Haven terminals to reduce the incidences of the books being purchased by one-off travelers instead of more frequent travelers to the Vineyard or Nantucket. Once purchased, the 10-ride cards would be able to be reloaded in person at any of the ticket offices or online.

Following discussion, the Board voted to table the matter for one month to allow staff to bring more information to them, including the ticket prices at various discounted rates, and to consider if the tickets should be sold at all of the Authority’s terminals.

4. Mr. Davis presented the Members a report on the vehicle occupancy percentage rate for both routes on a monthly basis. The report was in response to a request from Ms. Gladfelter at the June 12, 2018 Board meeting, at which staff presented the 2017 Analysis of Rates versus Cost of Service study. During the discussion portion of that presentation, Ms. Gladfelter asked if the staff could provide the Members with more detail than a year-round average.

The revised report was prepared using monthly data by route as opposed to the earlier version, which was prepared using data by vessel. On the Martha’s Vineyard route, vehicle deck occupancy for both directions combined in 2017 averaged 81.2% overall, with a low of 72.6% occupancy in January and a high of 88.5% in July. On the Nantucket route, vehicle deck occupancy for both directions combined in 2017 averaged 85.6% overall, with a low of 81.3% occupancy in April and a high of 90.5% in August.

5. As the Authority previously reported back in the spring, the staff had a meeting with State Senator deMacedo and members of the Southeastern Massachusetts Regional Transportation (SMART) group, at which staff discussed some of the challenges of starting a freight ferry service between New Bedford and Martha’s Vineyard. Staff also reviewed the recent report issued by the New Bedford Port Authority that indicates that it would prefer to have any freight ferry facility located at the city’s North Terminal, which is north of the New Bedford-Fairhaven Bridge that has been deemed to be functionally obsolete and needs to be repaired at an estimated cost of $40,000,000 or replaced at an estimated cost of $100,000,000. Nevertheless, staff assured Senator deMacedo that the Steamship Authority is willing to continue to explore the feasibility of such a freight service that makes sense for both New Bedford and the islands and will listen to all interested parties on this matter.

The Authority also understands that the City of New Bedford would like the State Pier to be used for other purposes, and the development of the North Terminal could be years
away. The staff also had met with a representative from MassDevelopment, which has taken over management of the New Bedford State Pier and is still evaluating its current and potential uses. Staff believes that MassDevelopment understands that the Steamship Authority is interested in exploring options for a freight ferry service by a private carrier from the State Pier, but MassDevelopment first has to determine the pier’s best uses.

Earlier this month, Governor Baker signed State Senator Mark C. Montigny’s State Pier language into law as part of the most recent economic development bill. The amendment, filed by Sen. Montigny (who represents New Bedford), authorizes the Commonwealth to lease State Pier to MassDevelopment for up to 35 years for public purposes that include mixed-use development permitting an array of projects, including cargo, commercial fishing, marine educational facilities, fresh produce and fish markets, and capital improvements related to tourism and public recreation.

Senator Montigny and Mayor Mitchell have been tireless advocates of restoring and redeveloping State Pier into a multiuse facility for cargo, fishing, and marine transportation. These improvements within the port of New Bedford will further tourism, public recreation and other economic development, and the Steamship Authority wants to be respectful of these efforts.

6. Treasurer/Comptroller Gerard J. Murphy presented an update on the Authority’s price hedging program. Following the volatility in the energy markets in 2008, the Authority instituted a Commodity Price Hedging Program intended to manage the risk of a significant segment of the Authority’s operational costs. The hedging program does not attempt to eliminate all risk; rather, it attempts to transform unacceptable risk into an acceptable form, much like an insurance policy.

7. The Board also authorized Mr. Davis to execute several contracts, specifically:

- Contract 07-2018 for Dry-Dock and Overhaul Services for the M/V Eagle to Thames Shipyards and Repair Company of New London, Connecticut, for $1,637,917. The M/V Eagle is scheduled to enter shipyard availability from October 23, 2018, to December 6, 2018, to undergo a required U.S. Coast Guard hull exam; rudder, propeller and shaft maintenance; sewage tank rehabilitation; steer gear upgrade; installation of a new rescue boat davit; hull and freight deck steel replacement; and blasting and painting of the ship’s exterior surfaces.

- Contract 08-2018 for Sewage Pump-Out Modifications – Woods Hole and Vineyard Haven to Robert B. Our Co. Inc. of Harwich, Massachusetts, for $1,263,000. The existing pump-out system in Vineyard Haven was flooded in the early March storms and all the mechanical and electrical equipment was damaged beyond repair. The modifications leave the sewage holding tanks in below-ground concrete chambers but all the mechanical and electrical equipment will be replaced and installed in an above-ground pump house that is less likely to get flooded. In Woods Hole, existing sewage tanks will be moved and equipment in the concrete chambers will be moved to new chambers above the flood plain elevation in the employee parking lot. The
sewage discharge pipe will also be rerouted from a gravity sewage manhole at the bottom of Railroad Avenue to the town’s forced main sewage line that runs across our property.

- Contract 09-2018 for the Woods Hole Terminal Temporary/Permanent Canopy Structure to PAQCON of Sagamore Beach, Massachusetts, for $186,000. As Mr. Davis previously discussed, this will provide protection for our passengers during the winter months and in inclement weather with a permanent canopy structure with a permanent foundation that will meet the state building code requirements. The canopy will be used until the new Slip 2 (middle slip) is completed.

The board also authorized Mr. Davis to execute a change order to Contract #13-2017R, Vineyard Haven Seawall Repairs, for additional quantities of unit-priced items in the amount of $142,602. While performing repairs to the seawall and expansion joints at the Vineyard Haven Terminal, additional quantities of unit-priced items were found to be required outside the original contract. Extensive subsurface spalling was found while cutting and excavating for the expansion joint system that was unforeseen during the engineering phase of the project. Additionally, cracking had occurred to the existing seawall between the design phase and project mobilization.

At the conclusion of the meeting, the SSA’s 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 meeting of the SSA’s Board is currently scheduled for 9:30 a.m. on Tuesday, September 25, 2018, in the Discovery Room of the Nantucket Whaling Museum, 15 Broad Street, Nantucket, Massachusetts. The time, date and place of the meeting are all subject to change, so please look for the formal notice for the meeting that will appear on this website. Thank you.