



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 25, 2011

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority ("SSA") held their regular monthly meeting at 9:30 a.m. on December 28, 2010, in the second floor conference room of the SSA's Woods Hole terminal, located at the Foot of Railroad Avenue, Woods Hole, Massachusetts. Four Board Members were in attendance: Chairman Robert S. Marshall (Falmouth); Vice Chairman John A. Tierney (New Bedford); Secretary H. Flint Ranney (Nantucket); and Marc N. Hanover (Martha's Vineyard). Robert L. O'Brien (Barnstable) was not present.

1. The meeting started with a moment of silence in memory and honor of Woods Hole Dock Worker Robert Schley, who passed away last week at the age of 51 after a courageous battle with cancer for more than ten years. "Brothers" Schley will be sorely missed, and our thoughts and prayers go out to his family and friends.
2. The Board approved management's recommendation to renew the SSA's agreement with the Town of Tisbury and the Martha's Vineyard Regional Transit Authority (VTA) to continue providing the shuttle service between the Tisbury Park 'n Ride parking lot and the SSA's Vineyard Haven terminal during the 2011 calendar year. The VTA shuttle van leaves the parking lot 15 minutes before each vessel's scheduled departure and meets each vessel's scheduled arrival, and the SSA reimburses the VTA for 50% of the direct labor and fuel costs attributable to the service plus \$200 per month to cover maintenance, insurance and other indirect costs. For the twelve months ending November 30, 2010, the SSA's contribution totaled \$66,947 and 111,032 passengers used the Park 'n Ride shuttle service.
3. The Board also approved management's recommendation to allow SeaStreak Martha's Vineyard (former New England Fast Ferry Co. of Massachusetts) to suspend its high-speed passenger service between New Bedford and Martha's Vineyard for the 2010-2011

winter season (from December 1, 2010 through March 31, 2011). The New Bedford Harbor Development Commission already has voted to authorize this suspension of SeaStreak's service given the low ridership and economic stress on the ferry service during these months.

4. The Board also approved management's recommendation to renew certain marketing initiatives for the Nantucket route that the SSA initiated last year on a trial basis.
 - (a) Nantucket Super Saver Auto Rate – The SSA will continue to designate 10 spaces on certain trips where the vehicle deck is consistently underutilized that will be able to be booked at the “Nantucket Super Saver Auto Rate.” Except for certain blackout periods during vacation, holiday and other high-traffic periods, the underutilized trips generally consist of the last trip in each direction on Saturdays during the off-season and the last trip in each direction on Mondays, Tuesdays and Wednesdays during the summer season. This year, the one-way auto fare will be \$109 during the summer season and \$79 during the off-season, and will continue to be limited to passenger vehicles and small trucks less than 20 feet in length. Rental cars are not eligible for this Super Saver fare. The SSA has also clarified that vehicles traveling on the Super Saver rate can be transported on an earlier trip than the one booked only if the earlier trip is on the same day and all standbys and other revenue-generating vehicles have been loaded.
 - (b) 1-to-3 Day High/Slow-Speed Passenger Combo Ticket – During the *Iyanough's* operating season, the SSA will continue to offer combination round-trip tickets for passenger trips originating from Nantucket that will allow them to travel in one direction on the SSA's high-speed ferry and the other direction on one of the SSA's traditional ferries, provided that they complete their round trip within three calendar days. (For example, on this combo ticket they can leave Nantucket on the *Iyanough* and return on the *Eagle* or they can leave Nantucket on the *Eagle* and return on the *Iyanough*.) The discounted round-trip fare will be \$36.50 for adults, \$27.50 for eligible senior citizens and \$18.50 for children. (Town-imposed \$1 round-trip embarkation fees will also need to be collected in addition to those fares.)
 - (c) Upgraded Fast Ferry Excursion Passenger Tickets – During the *Iyanough's* operating season, the SSA will continue to allow Nantucket residents who take their vehicles off-island on excursion fares to travel on the *Iyanough* instead of accompanying their vehicles on the car ferry. All they have to do is pay the difference between the passenger fare for the SSA's traditional ferries and the *Iyanough's* passenger fare, and the only restriction is that they must travel on the *Iyanough* within seven days before or after the day that their vehicle travels on the car ferry. The SSA will also continue to allow Nantucket excursion customers to upgrade their passenger ticket to the fast ferry during the winter season when the *Iyanough* is not in service. However, because the *Iyanough* will not be in service at the time they upgrade their excursion passenger tickets, these customers will

once again be able to use their upgraded tickets anytime during the *Iyanough's* operating season this year.

Once again, the SSA will be promoting all three of these marketing initiatives this year on its website and through newspaper advertisements, local television stations, “crawls” on the bottom of the video monitors at the SSA’s terminals and – last but not least – its email alerts.

5. Director of Engineering and Maintenance Carl Walker gave a presentation on the *M/V Eagle* mid-life refurbishment project, updating the Board on the project’s currently proposed scope of work. Mr. Walker noted that some the improvements are being completed during the vessel’s current dry-docking at Colonna’s Shipyard in Norfolk, Virginia, while the remaining items will be completed next winter. Those items include installing two lift decks on the freight deck, expanding and improving the interior passenger compartment on the 02 deck, installing new benches and seating, improving the snack bar area, restrooms and crew quarters, upgrading to a new marine evacuation slide system, relocating the rescue boat, and installing new “clam shell” design bow and stern doors.
6. The Board awarded Contract #13-10 for dry-dock and overhaul services for the *M/V Katama* to the lowest eligible and responsible bidder for the contract, Thames Shipyard and Repair Company of New London, Connecticut, for a Total Contract Price of \$136,996. The *M/V Katama* is scheduled to be in the shipyard from late February 2011 until late March 2011 to undergo a required United States Coast Guard hull examination, machinery inspections and underwater hull cleaning and painting.
7. General Manager Wayne Lamson advised the Board that the re-design of the SSA’s website is still on track to have the new website up and running by the end of April 2011. However, he also reported that management had rejected all three proposals that had been received to develop a new Advance Reservation and point-of-sale Ticketing System (“ARTS”) because none of them were able to meet the SSA’s hardware, software and system functionality requirements. (For example, none of the proposed systems currently have a “wait list” capability.) Therefore, management concluded that it is in the SSA’s best interest to continue with its current automated reservation system for the foreseeable future. However, management will now be looking into the feasibility of separately upgrading the SSA’s point-of-sale ticketing and fare collection management system in order to integrate modern technology, including the installation of readers and other devices to accept smart cards and other cards (such as the MBTA Charlie Card).
8. The Board awarded Contract #25-10 for the Supply and Delivery of Two MTU 12V4000M53R Diesel Engines and Two ZF7510 Reverse Reduction Gears to the lowest eligible and responsible bidder for the contract, New England Detroit Diesel – Allison, of Wakefield, Massachusetts, for a Total Contract Price of \$918,089. These engines and gears are the ones that will be used to re-power the *M/V Governor*, and are required to be

delivered by the end of March 2011 to Thames Shipyard and Repair Company, the shipyard that will be doing the work (see #9 below).

9. Mr. Lamson informed the Board that, in accordance with the authorization they had given him at their last meeting, he had awarded Contract #28-10 to Re-Power and Provide Associated Services for the *M/V Governor* to Thames Shipyard and Repair Company of New London, Connecticut, the lowest eligible and responsible bidder for the contract when bids were opened on January 18, 2011, for a Total Contract Price of \$648,535. Thames is now responsible to re-power the *M/V Governor* and complete all work by no later than April 15, 2011, at which time the vessel must be delivered back to the SSA.
10. The Board authorized Mr. Lamson to award Contract #03-11 to furnish, deliver and apply structural fire protection materials and finishes onboard the *M/V Eagle* to the lowest eligible and responsible bidder for the contract when bids are opened on February 8, 2011. During a recent United States Coast Guard annual inspection, it was determined that the freight deck on the *M/V Eagle* is a Category 7 space in which no passengers are allowed while the vessel is underway. However, the USCG approved a plan of action that management submitted to upgrade the freight deck from a Category 7 space to a Category 11 space in which passengers are allowed while the vessel is underway. This plan of action includes the work under this contract to upgrade the structural fire protection materials in-way-of the freight deck.
11. Finally, Mr. Lamson reported that last Tuesday (January 18, 2011) the SSA began processing vehicle reservation requests on the Internet for the upcoming summer season. On the first day, the SSA handled over 8,000 transactions and collected over \$1,764,000 in deposits, a significant increase from last year's opening-day figures of a little over 7,000 transactions that resulted in over \$1,437,000 in deposits. Similarly, over the first six days of Internet bookings this year (through this past Sunday, January 23, 2011), the SSA processed almost 12,000 transactions totaling over \$2,413,000, compared to 10,600 transactions totaling \$2,054,000 that the SSA processed during the first six days of Internet bookings last year. Let's hope that these initial positive figures for the SSA's summer vehicle reservations are an indicator of an economic rebound for the Cape and Islands 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 9:45 a.m. on Tuesday, March 8, 2011, in Woods Hole, Massachusetts. 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 8, 2011

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority ("SSA") held their regular monthly meeting at 9:45 a.m. on March 8, 2011, in the second floor conference room of the SSA's Woods Hole terminal, located at the Foot of Railroad Avenue, Woods Hole, Massachusetts. Four Board Members were in attendance: Vice Chairman John A. Tierney (New Bedford); Secretary H. Flint Ranney (Nantucket); Robert L. O'Brien (Barnstable) and Marc N. Hanover (Martha's Vineyard). Chairman Robert S. Marshall (Falmouth) was not present.

1. Director of Engineering and Maintenance Carl Walker provided updated status reports on the SSA's current capital projects:
 - (a) M/V Governor Re-powering Project. Mr. Walker reported that this project is going well, and that work is proceeding ahead of schedule, with the gears having been delivered the first week of February, the engines having been delivered March 1, 2011, and the propellers due to be delivered on time on April 1, 2011. Mr. Walker stated that the vessel will be dry-docked upon the delivery of the propellers, and that he expected all tests and the contract to be completed by April 15, 2011, which is well before the vessel is scheduled to go back into service in late May 2011.
 - (b) M/V Eagle Mid-life Refurbishment Project. Mr. Walker reported that the *M/V Eagle's* dry-dock at Colonna's Shipyard in Virginia had gone well and that including the dry-dock in the first phase of the mid-life refurbishment project had eliminated the need to have the vessel dry-docked during the project's second phase, which will allow more shipyards to bid on the second phase. The invitation for bids for the second phase of the project has been sent to 24 different shipyards and vendors, and the deadline for submitting bids for the contract is April 12, 2011.

- (c) Passenger Ramps and Platforms. Mr. Walker reported that the contractor responsible for installing the SSA's new passenger ramps and platforms at the Woods Hole, Oak Bluffs, Nantucket and Vineyard Haven terminals was currently installing the Woods Hole ramps and platforms, which will be finished by the end of the month. The Oak Bluffs ramps and platforms will then be finished by the end of April. Mr. Walker also reported that the work of the contractor responsible for fabricating all of the new ramps and platforms has been of high quality and on schedule.
2. General Manager Wayne Lamson reported that the SSA's website re-design project had run into some integration problems with the reservations system and other content management features. As a result, the earliest completion date for the new website slipped to mid-July, and he decided that it will be better to wait until the end of the summer season to launch it. However, iMarc's functional requirements document is very thorough and everyone associated with the project is now comfortable with what needs to be done. One issue was that iMarc had planned that the website would be hosted on one single server; but the SSA has decided to have three dedicated servers for the website (as exist now) to ensure that the website is not down for any extended time. Although it will cost an additional \$30,000 to have the redundant servers set up and on line, Mr. Lamson stated that he believes the entire project is going to end up being a very good one.
 3. The Board approved management's recommendation to utilize the services of the State Designer Selection Board to select a designer for the Woods Hole Terminal Reconstruction Project and to select up to four pre-approved designers for the SSA's reasonably anticipated projects for the repair or renovation of its buildings for the next several years. The State Board already has expressed an interest in helping the SSA select a designer for the reconstruction of the Woods Hole terminal, and management believes that the project can greatly benefit from the State Board's expertise in this area. In addition, the State Board has instituted what it calls "house doctor" procedures pursuant to which it will pre-approve three or four designers for what the State Board considers to be small repair and renovation projects. Once these "house doctors" are approved, they can remain "on call" indefinitely, as long as the SSA doesn't exceed the not-to-exceed aggregate fee amount per designer and adhere to the other conditions of their appointment.
 4. The Board also approved management's recommendation to reauthorize the SSA's Investment Policy that formally establishes the types of permitted investments that can be made with SSA funds, and to adopt a new Debt Issuance and Debt Management Policy that formally establishes the framework regarding the administration and management of the SSA's debt. The Commonwealth's Executive Office of Administration and Finance now requires the SSA to update these policies every two years.

5. The Board awarded Contract #02-11 for the supply and delivery of two electric winches to the lowest eligible and responsible bidder for the contract, Coastal Equipment Corporation of Portland, Maine, for a Total Contract Price of \$25,559. These are spare electric winches that are used to operate the vertical movement of all of the SSA's transfer bridges.
6. Mr. Lamson informed the Board that, in accordance with the authorization they had given him at their last meeting, he had awarded Contract #03-11 to furnish, deliver and apply structural fire protection materials and finishes onboard the *M/V Eagle* to the lowest eligible and responsible bidder for the contract, Anchor Insulation Company of East Lyme, Connecticut, for a Total Contract Price of \$389,550. The materials are being applied on the overhead, bulkheads, structural members, penetrating items, plenums and supply and exhaust air ducts fans in the vessel's engine room, auxiliary machinery space and bow thruster space in order to upgrade the freight deck from a Category 7 space to a Category 11 space in which passengers are allowed while the vessel is underway.
7. The Board awarded Contract #04-11 for dry-dock and overhaul services for the *M/V Nantucket* to Derektor Shipyard of Bridgeport, Connecticut, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$213,468. Under the contract, the vessel will undergo a required United States Coast Guard hull examination, machinery inspections and underwater hull cleaning and painting.
8. Finally, Mr. Lamson reported that, as of the end of February 2011, the SSA had 5.3% more vehicle reservations for the upcoming summer season than it had the same time the previous year, and that those reservations reflected a 6.4% increase in revenue from the previous year as well. Let's hope that these continued positive figures for our summer vehicle reservations are an indicator of an economic rebound for the Cape and Islands 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, April 19, 2011, in New Bedford, Massachusetts. 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, 2011

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority ("SSA") held their regular monthly meeting at 2:00 p.m. on April 19, 2011, in the south lounge on the first floor of the Wamsutta Club of New Bedford, located at 427 County Street, New Bedford, Massachusetts. Four Board Members were in attendance: Chairman Robert S. Marshall (Falmouth); Vice Chairman John A. Tierney (New Bedford); Secretary H. Flint Ranney (Nantucket); and Marc N. Hanover (Martha's Vineyard). Robert L. O'Brien (Barnstable) was not present.

1. Director of Engineering and Maintenance Carl Walker provided updated status reports on the SSA's current capital projects:
 - (a) M/V Governor Re-powering Project. Mr. Walker reported that this project is going well, that the engines are aligned and set, that engine #1 will be started by the end of the week, and that engine #2 will be started by the beginning of next week. Mr. Walker also reported that the vessel's sea trials will take place on April 28-29 and that it will then return to Fairhaven around the end of April.
 - (b) M/V Eagle Mid-life Refurbishment Project. Mr. Walker reported that at least three shipyards should be submitting bids for the *M/V Eagle's* mid-life refurbishment contract, and that the deadline for submitting bids had been extended to May 10, 2011 so that the contract can be awarded at the May 2011 SSA meeting.
 - (c) Passenger Ramps and Platforms. Mr. Walker reported that the contractor responsible for installing the SSA's new passenger ramps and platforms will be finished with the Woods Hole passenger ramps and platforms by the end of next week, after making some modifications to their elevations. Mr. Walker also reported that the ramps and platforms for the Oak Bluffs terminal were delivered

yesterday, and that their installation will take around three weeks so that they are completed well before the terminal opens for the 2011 summer season.

(d) Fairhaven Dolphins. Mr. Walker reported that the Massachusetts Department of Transportation is reviewing the engineering for the dolphins that the SSA will be installing at the Fairhaven Maintenance Facility. The invitation for bids for the contract should be issued next month, with a bid opening date in June 2011 so that the construction work can be completed before Labor Day.

2. General Manager Wayne Lamson reported that the SSA is making good progress towards being able to pump out the sewage from all of the SSA's vessels into each port community's sewage system within the next few years instead of treating the sewage and then discharging it at sea. The SSA already has received permission from Nantucket and Barnstable to pump out its vessel sewage into their sewer systems, and the voters at Tisbury's town meeting have just unanimously approved an allocation to the SSA of 5,000 gallons a day into their sewer system. The SSA also has had several meetings with Falmouth officials where they have discussed concerns about the condition of the Town's main pipe running down Luscombe Avenue in Woods Hole. Accordingly, today the SSA's Board voted to offer to pay one-half of the cost of repairing that pipe (up to \$23,000) in order to maintain the SSA's progress. Assuming that an agreement is worked out with the Town of Falmouth, an invitation for bids will then be issued this fall to construct the pump-out facilities at all of the SSA's shoreside facilities so that they are completed by the spring of 2012. However, due to the dry-dock schedules of the SSA's vessels, it will still take several years to retrofit all of them so that they will be able to pump out their sewage while at shore.
3. Mr. Lamson also reported that, although the SSA's new website is not going to be launched until after Columbus Day, iMarc has confirmed that it will be able to develop a dedicated mobile application for the SSA's current website that will be available to the public before Memorial Day. This application will allow customers to receive travel alerts, check the current status of (and obtain directions to) the SSA's various parking lots, view the SSA's schedules, and see contact information; but customers will not be able to use it to make reservations. (After the new website is completed, the application will allow customers to make reservations as well.) Mr. Lamson also reported that iMarc has finalized the functionality document for the SSA's new website and is now going to start the "construction" phase of the project.
4. In response to a request that was made at last month's SSA meeting by David Faus, Headmaster of Falmouth Academy, the Board approved management's recommendation to establish a reduced price of \$100 for the SSA's 46-ride monthly commuter books (whose current price is \$138) when they are used by secondary school students. The books' coupons will continue to be valid for transportation during the same calendar month, and the SSA will sell the books to Falmouth Academy (and any other secondary

school who wishes to buy them), who will then be responsible for providing them to individual students. The reduced commuter rate for secondary school students will not apply to faculty members or college students.

5. The Board also approved the concept of a potential exchange of property with the Town of Falmouth. The Town is interested in acquiring a parcel of undeveloped property the SSA owns on Research Road in West Falmouth that abuts the Town's wastewater treatment facility for the potential expansion of that facility, and has suggested giving the SSA in exchange for that property another parcel of undeveloped property that it owns which is located on the other side of Research Road just south of other property the SSA owns in the area. The Board authorized management to draft a memorandum of agreement for the exchange of properties with Town representatives, which will then be subject to both the Board's approval and the Town's approval at a Town Meeting in the fall.
6. Treasurer/Comptroller Robert Davis reviewed charts he prepared showing how much the SSA has spent on its fuel hedging program compared with how much the program has protected the SSA against spikes in vessel fuel prices to date, as well as how much it is expected to protect the SSA for the remainder of 2011. Essentially, the SSA will have spent \$1,512,000 in premiums to hedge its fuel prices for the three years beginning January 2009 and ending December 2011. Assuming fuel prices remain at current levels through the end of 2011, the program's effective cap on the SSA's fuel prices will in turn save the SSA around \$1,900,000 during this same three-year period. Even if fuel prices drop and the SSA does not see this anticipated financial savings, the program still provides the SSA with insurance against dramatic price increases and gives the SSA more certainty to the budgeting process. However, because the SSA's budgeted fuel expense is lower than its capped prices, if oil remains at its current price through the end of the year, the SSA will still spend around \$800,000 more for fuel this year than what is projected in the SSA's 2011 Operating Budget.
7. The Board awarded Contract #07-11 for the replacement of the boiler at the Fairhaven Maintenance Facility to the lowest eligible and responsible bidder for the contract, Glennon Plumbing & Heating, Inc. of New Bedford, Massachusetts, for a Total Contract Price of \$18,500. Recent energy audits have shown that the current oil-fired furnace at the Fairhaven shop building operates at 80% efficiency compared to newer natural gas-fired furnaces that operate at over 93% efficiency. The SSA is eligible for a \$5,000 rebate from MassSave with the installation of this high-efficiency heating equipment. As a result, the SSA should get back the amount of its investment in approximately seven years through efficiency savings.

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 Thursday, May 12, 2011, in the second floor meeting room of the SSA's Hyannis terminal, located at 141 School Street, Hyannis, Massachusetts. 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 12, 2011

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 12, 2011, in the second floor meeting room of the Authority's Hyannis terminal, located at 141 School Street, Hyannis, Massachusetts. All five Board Members were in attendance: Chairman Robert S. Marshall (Falmouth); Vice Chairman John A. Tierney (New Bedford); Secretary H. Flint Ranney (Nantucket); Robert L. O'Brien (Barnstable); and Marc N. Hanover (Martha's Vineyard).

1. Director of Engineering and Maintenance Carl Walker provided updated status reports on the SSA's current capital projects:
 - (a) M/V Governor Re-powering Project. Mr. Walker reported that this project had gone very well, and he thanked everyone involved. He also reported that the new propulsion is working perfectly, and that the vessel is able to operate at more than 13 knots, which is more speed than necessary to maintain its schedule on the Martha's Vineyard route.
 - (b) Passenger Ramps and Platforms. Mr. Walker reported that the contractor responsible for installing our new passenger ramps and platforms will be finished at Woods Hole this week, after making some more modifications to the ramps. He also reported that the installation of the ramps and platforms at the Oak Bluffs terminal has already been completed.
 - (d) Fairhaven Dolphins. Mr. Walker reported that the Massachusetts Department of Transportation is still reviewing the engineering for the dolphins that the SSA will be installing at the Fairhaven Maintenance Facility. The invitation for bids for the contract should be issued over the summer so that the construction work can be

completed by the beginning of October. This project is being funded in part with a \$500,000 grant the SSA received under the U.S. Department of Transportation's Ferry Boat Discretionary Program.

2. General Manager Wayne C. Lamson reported that the SSA is still hoping to have a dedicated mobile web application for its current website available to the public before Memorial Day, which will allow customers to check the current status of operations, obtain directions to the SSA's various parking lots, and view the SSA's schedules. Customers will not need to download the application. Instead, whenever someone connects to the website, the website will detect the type of browser being used by the customer and will then default to the streamlined mobile version of the webpage for customers using smart phones and other mobile devices (although those customers will still be able to click on a button to bring up the website's full homepage). When the dedicated mobile web application is available, the SSA will distribute a flyer and send notices out so that its customers will know about it.
3. Treasurer/Comptroller Robert B. Davis reviewed his analysis of the SSA's rates to cover the respective cost of service for passengers, automobiles and trucks on each route during 2010. In the event the need arises for a rate increase, one of the purposes of this analysis is to see which categories of customers are effectively being subsidized by other categories of customers and, therefore, in the interest of fairness might be called upon to pick up a little more of the cost of service.

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

- (a) Total vessel operating costs had increased by 2.0% in 2010, with increased fuel costs accounting for the bulk of that increase. Indirect non-vessel costs had increased by 6.0% as the allocation of maintenance and administration expenses fell more on the Martha's Vineyard route that year. Overall the cost of service on the Martha's Vineyard route had increased by 3.8% from 2009.
- (b) While the number of trips had decreased by 78 in 2010, total capacity for the year increased by 210 car-equivalent unit spaces due to the particular mix of vessels that made those trips. The number of spaces occupied also increased by 6,646, or 1.2%, from 2009, although the occupancy rate of 78.8% for the year was essentially the same as it was in 2009 (which was 77.9%).
- (c) On average, automobiles covered 92.0% of their allocated cost of service, with standard fare automobiles covering 125.4% and excursion fare automobiles covering 37.7%. By comparison, on average, trucks were covering 106.1% of their allocated cost of service.

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

- (a) Total vessel operating costs had remained relatively flat (a decrease of only \$6,000) from 2009, primarily due to the fact that the decreases in vessel repairs had been offset by the increase in vessel fuel expense; and the amount of indirect non-vessel costs allocated to the Nantucket route had increased by only 1.3%. As a result, the overall cost of service for the Nantucket route had increased by 1.3% from 2009.
 - (b) While the number of trips had decreased by 132 in 2010 (resulting in 6,150 fewer spaces), the total number of occupied spaces did not fall as much (by only 1,350 spaces), resulting in an increase in the occupancy rate from 76.2% to 77.9%.
 - (c) On average, automobiles were covering 114.1% of their allocated cost of service, with standard fare automobiles covering 152.8% and excursion fare automobiles covering 38.7%. By comparison, on average, trucks were covering 84.5% of their allocated cost of service.
4. Mr. Lamson then reported that the SSA had received two bids this past Tuesday for the *M/V Eagle* Mid-Life Refurbishment Contract, one from Colonna's Shipyard of Norfolk, Virginia, in the amount of \$13,477,142 and another one from Eastern Shipbuilding of Panama City, Florida, in the amount of \$14,340,759. Because the project was estimated to cost a little over \$9,000,000, the SSA's management will be reviewing the bids over the next month to determine why they came in at such high prices and what alternatives are now available to the SSA. It appears that the proposed lift decks for the *M/V Eagle* are the biggest cost item in the bids, perhaps accounting for as much as \$3,600,000. Therefore, the SSA will have to re-evaluate whether it still makes sense to install the lift decks at such an increased cost, or whether it should issue a new invitation for bids without that item (and perhaps without other items as well) and go forward with a reduced scope of work that can still be completed over this upcoming off-season.

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, 2011, on Nantucket, Massachusetts. 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, 2011

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, 2011, in the Discovery Room of the Nantucket Whaling Museum, located at 15 Broad Street, Nantucket, Massachusetts. Four Board Members were in attendance: Chairman Robert S. Marshall (Falmouth); Vice Chairman John A. Tierney (New Bedford); Secretary H. Flint Ranney (Nantucket); and Robert L. O'Brien (Barnstable). Marc N. Hanover (Martha's Vineyard) was not present.

1. SSA General Manager Wayne C. Lamson reported that the SSA has rejected the two bids it received last month for the *M/V Eagle* Mid-Life Refurbishment Project, which were in the amounts of \$13,477,142 and \$14,340,759, because they exceeded the SSA's contract budget estimate of \$8,973,991, and the Board approved management's recommendation to reduce the scope of the project to get to a budget estimate of \$8,000,000. As a result, the following items are being removed or reduced in scope from the original contract specifications: pilot house modifications (removed), snack bar modifications (refurbish instead of replace), water blasting and recoating void spaces as necessary (removed), HVAC upgrades (reduced in scope), replacement of the bow and stern doors (removed), and installation of vehicle lift decks (removed). However, the revised scope of work will still include complete sandblasting and recoating of all exterior surfaces, installation of a new Marine Evacuation Slide system, replacement of all exterior windows, complete replacement of the 02 deck joiner work, decking and seating, installation of new sewage and potable water tanks, modifications to the main fuel tanks, and steel replacement as required. A revised invitation for bids for this reduced scope of work will be issued on July 1st, with a bid opening date of August 2nd so that the contract can be awarded at the August 16th Board meeting.

2. Mr. Lamson then reported that the dedicated mobile web application for the SSA's website had been activated the Friday before Memorial Day, and that customers using smart phones and other mobile devices are now automatically being directed to the website's streamlined mobile version. Mr. Lamson stated that, by all accounts, it has been a great success: An average of 5,000 people a day have been connecting to the website's mobile version since it was launched, and around 11,000 people connected to it per day over the Memorial Day weekend.
3. The SSA's management presented the preliminary draft of its proposed 2012 Winter and Spring Vessel Operating Schedules for discussion purposes only, as the Board does not have to approve these schedules until their meeting next month. Management's proposed schedules are pretty much the same as the ones the SSA operated this past year, except that the winter schedule starts one day later and runs three days longer than in 2011 (and, as a result, the spring schedule starts three days later than in 2011). Management also is proposing to change the 7:30 p.m. departure for the *M/V Martha's Vineyard* to 7:15 p.m. to be consistent with the rest of the year, and to continue to berth the *M/V Island Home* overnight on Fridays and Saturdays during this period (eliminating the 6:00 a.m. trip from Woods Hole on Saturdays and Sundays and the 9:30 p.m. trip from Vineyard Haven on Fridays and Saturdays). Finally, management is proposing to start the SSA's high-speed Hyannis-Nantucket service with the *M/V Iyanough* on April 24, 2012, nine days later than in 2011.
4. Mr. Lamson reported that the SSA has been notified by the new owners of the building at the Martha's Vineyard Airport where the SSA leases space for its Martha's Vineyard Reservation Office that they do not plan to extend the lease with the SSA for that space beyond January 31, 2012. As a result, the SSA now has to evaluate the benefits versus the costs of continuing to have a Reservation Office at another location on the island in light of the trend of fewer reservation transactions being handled in person each year. (In 2010, the office handled a total of 17,910 reservation transactions over the counter, compared to 30,166 such transactions in 2006 and 47,333 such transactions in 2001.) This reduction in the number of counter transactions, as well as in the number of telephone calls, is attributable to more reservations being made, changed or canceled through the SSA's website. If the SSA eventually decides to relocate the Reservation Office on Martha's Vineyard, it would probably issue a request for proposals from persons interested in leasing the SSA office space within the next few months. On the other hand, if the SSA decides not to relocate the office, management and the Board will need to discuss how the services currently being performed by the Martha's Vineyard reservation clerks can best be transferred to others, and see whether this will affect the time at which 7-day and 1-day preferred spaces go on sale each day. (They currently go on sale each day at 8:00 a.m.)
5. Last year the SSA started the Nantucket SuperSaver program to encourage customers on the Hyannis-Nantucket route to travel with their vehicles on trips where the SSA has excess vehicle capacity. Today the Board approved a similar program for commercial vehicles that are two spaces (20 feet or more) in length or longer traveling from

Nantucket to Hyannis. Under this program, the SSA will waive those vehicles' drive-on/drive-off service fees (which are \$50 for each drive-on or drive-off service provided) if they travel Mondays through Thursdays during the summer (June 23 to September 8, 2011, subject to certain blackout dates) on the last trip leaving Nantucket at 9:00 p.m., provided they pick up their trucks at the Hyannis terminal by 7:30 a.m. the next day.

6. The Board approved management's proposed 2012 Budget Policy Statement that sets forth the guidelines management will be using in the preparation of the SSA's 2012 Operating Budget. As mentioned by Treasurer/Comptroller Robert B. Davis at the meeting, the Budget Policy Statement requires management, among other things, to identify significant terminal repairs and maintenance that will need to be accomplished, to schedule the vessels that will be dry-docked (the *M/V Island Home* and the *M/V Iyanough*), to take into account our expected training expenses due to the continuation of STCW basic training, Marine Evacuation Slide (MES) training and other programs, and to factor in health care and insurance costs. Of course, the most difficult expense to estimate for next year will be the cost of fuel oil. Currently, the barrel price for crude oil is trading in the \$90-\$100 range, while a year ago it was trading in the \$70-\$80 range. The SSA's hedge program for vessel fuel is currently partially extended to June 2012, with a cap at an average cost of \$4.00 per gallon. The budgeted cost of vessel fuel oil in 2012 will be based on the price forecast plus the cost of the hedging program. In addition, management will continue to make fuel and energy conservation a priority in both land and sea operations. Towards that end, schedule modifications and trip consolidations will continue to be made when practical. After management prepares a preliminary budget using these guidelines, they will present it to the Board for discussion in September, and ask that the final version of the budget be approved in October.
7. The Board reappointed Deloitte & Touche LLP as the SSA's independent auditors to provide a comprehensive financial audit and related services for the fiscal year ending December 31, 2011. The fee for Deloitte & Touche's services this year will be \$120,000, which represents a \$5,000 increase from the fee they have charged the SSA for the last three years. Because the SSA also will be expending more than \$500,000 this year of federal grant money, it will again have to have an additional audit focused on those federally funded projects. Deloitte & Touche's supplementary fee for this additional audit will be \$26,000, a \$1,000 increase from what it was last year.
8. The Board authorized Mr. Lamson to award Contract #06-11 for the Fairhaven Transfer Bridge Slip Improvements to the lowest eligible and responsible bidder after bids for the contract are opened. (The opening of bids is currently scheduled for June 30, 2011.) Under the contract, the contractor will be required to construct a transfer bridge foundation, install our refurbished transfer bridge (which previously was used in Hyannis) and head dolphins in the north slip of the Fairhaven Vessel Maintenance Facility, and install head dolphins in the south slip of the facility. The budget estimate for this project is \$700,000, of which \$500,000 will be paid for by a grant through the ferry boat discretionary program of the U.S. Department of Transportation.

9. The Board also authorized Mr. Lamson to award Contract #10-11 for grading and drainage maintenance of the SSA's Cataumet parking lot to the lowest eligible and responsible bidder after bids for the contract are opened. (The opening of bids is currently scheduled for June 24, 2011.) Under the contract, the contractor will be required to furnish all labor, equipment, materials, transportation and bonds to complete this project as soon as possible. The estimate for the grading and drainage maintenance of the parking lot is \$30,000.

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 10:30 a.m. on Tuesday, July 19, 2011, at the Oak Bluffs Public Library in Oak Bluffs, Massachusetts. The location, time and date of the meeting are all subject to change, so please look for the formal notice for the meeting that will appear on this website next month. Thank you.



Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

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

July 19, 2011

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority ("SSA") held their regular monthly meeting at 9:30 a.m. on July 19, 2011, in the Katharine Cornell Theatre of the Tisbury Town Hall, located at 51 Spring Street, Vineyard Haven, Massachusetts. All five Board Members were in attendance: Chairman Robert S. Marshall (Falmouth); Vice Chairman John A. Tierney (New Bedford); Secretary H. Flint Ranney (Nantucket); Robert L. O'Brien (Barnstable); and Marc N. Hanover (Martha's Vineyard).

1. SSA General Manager Wayne C. Lamson reported that the SSA issued a revised invitation for bids the day before for the *M/V Eagle* Mid-Life Refurbishment Project with the bid opening date scheduled for August 2nd. Although the bid opening might end up being postponed a week, the SSA should still be in a position to award the contract at the Board's next meeting on August 16th. Meanwhile, the SSA will be issuing separate invitations for bids for two items it will be furnishing to the shipyard itself. One invitation for bids will be for the marine evacuation slide that will be installed on the vessel, and the other one will be for all of the new passenger seats, benches and tables.
2. The Board approved management's proposed 2012 Winter and Spring Vessel Operating Schedules, which are pretty much the same as the ones the SSA operated this past year, except that the winter schedule starts one day later and runs three days longer than in 2011 (and, as a result, the spring schedule starts three days later than in 2011). On the Martha's Vineyard route, the 7:30 p.m. departure for the *M/V Martha's Vineyard* during the winter schedule will be changed to 7:15 p.m. to be consistent with the rest of the year, and the SSA will also continue to berth the *M/V Island Home* overnight in Vineyard Haven on Fridays and Saturdays during the winter (eliminating the 6:00 a.m. trip from Woods Hole on Saturdays and Sundays and the 9:30 p.m. trip from Vineyard Haven on

Fridays and Saturdays). The 2012 spring schedule will end on Sunday, May 20th, which means that the 2012 summer schedule, with service into Oak Bluffs, will begin on May 21st, the Monday before the 2012 Memorial Day weekend.

3. Mr. Lamson reported that the SSA has issued a request for proposals from property owners on Martha's Vineyard who desire to lease office or counter space to the SSA after its lease for the current Martha's Vineyard Reservation Office expires on January 31, 2012. If the SSA decides to rent only counter space, it could continue to process in-person reservation transactions on the island while handling phone reservations at Mashpee. On the other hand, if the SSA decides to rent office space, it could simply move the Martha's Vineyard Reservation Office to another location. To be assured of consideration by the SSA, proposals should be submitted by August 15th. The SSA also has had discussions with the Martha's Vineyard Airport Manager, who has indicated that the SSA may be able to use counter space at its main passenger terminal (beside the car rental agencies' counter spaces), as well as a separate room that is big enough for four telephone reservation clerk work stations. In any event, management should be in a position to make a recommendation to the Board at their September 20th meeting about whether the SSA should continue to have a reservation office or counter space for in-person reservation transactions on Martha's Vineyard and, if so, where it should be located.
4. The Board approved management's recommendation to authorize the Hyannis terminal agents, at their discretion, to give priority on the standby list for the 6:00 a.m. freight trip from Hyannis to Nantucket to multiple-stop food delivery trucks that have reservations on the 7:15 a.m. trip and also have return reservations for the same day. By allowing these trucks to travel to the island on the earlier trip, they will be better able to make all of their deliveries (before downtown Nantucket gets too congested) and get back to the mainland the same day.
5. The Board also approved management's recommendation to dispose of a large amount of surplus property at the SSA's Falmouth warehouse, vehicle maintenance garage and Fairhaven vessel maintenance facility by using an on-line auction website, www.govdeals.com, that is designed for selling government surplus items over the Internet. The surplus items include used engines, gears, alternators, generators, outboard motors, table saws, mufflers, floor tile, windows, and scrap vehicles. The SSA will be listing all of the various surplus items for sale on www.govdeals.com within the next month or so.
6. Mr. Lamson reported that, consistent with the authorization the Board had given him last month, he awarded Contract #06-11 for the Fairhaven Transfer Bridge Slip Improvements to the lowest eligible and responsible bidder for the contract, T-Ford Company, Inc. of Georgetown, Massachusetts, for a total contract price of \$576,103.50. (The SSA's cost estimate for this work had been \$700,000.) Under the contract, the

contractor will construct a transfer bridge foundation, install a refurbished transfer bridge (which previously was used in Hyannis) and head dolphins in the north slip of the Fairhaven Vessel Maintenance Facility, and install head dolphins in the south slip of the facility. A grant through the Massachusetts Department of Transportation under the Ferry Boat Discretionary Program of the U.S. Department of Transportation will reimburse the SSA for 80% of the cost of this project, or \$500,000, whichever is less.

7. Mr. Lamson also reported that, similarly consistent with the authorization the Board had given him last month, he awarded Contract #10-11 for the maintenance grading and drainage of the Cataumet parking lot to the lowest eligible and responsible bidder for the contract, Millennium Construction Group, Inc. of Cataumet, Massachusetts, for a total contract price of \$18,000. (The SSA's cost estimate for this work had been \$30,000.)

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, August 16, 2011, in the second floor meeting room of the SSA's Hyannis ferry terminal, which is located at 141 School Street, Hyannis, Massachusetts. The location, time and date of the meeting are all subject to change, so please look for the formal notice for the meeting that will appear on this website next month. Thank you.



Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

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

August 16, 2011

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority ("SSA") held their regular monthly meeting at 9:30 a.m. on August 16, 2011, in the second floor meeting room of the SSA's Hyannis terminal, located at 141 School Street, Hyannis, Massachusetts. All five Board Members were in attendance: Chairman Robert S. Marshall (Falmouth); Vice Chairman John A. Tierney (New Bedford); Secretary H. Flint Ranney (Nantucket); Robert L. O'Brien (Barnstable); and Marc N. Hanover (Martha's Vineyard).

1. The Board started the meeting with a moment of silence in honor and memory of Able Seaman Peter Dumont, who passed away earlier this month at age 59. Mr. Dumont was a valued employee for the SSA from the time he began working here in 1995 until his untimely death, and our thoughts and prayers are with his family.
2. SSA General Manager Wayne C. Lamson reported that the date for opening bids for the *M/V Eagle* Mid-Life Refurbishment Project had been postponed from August 2nd to August 23rd in response to requests from shipyards for more time to prepare their bids, and that due to additional shipyard requests for more time, the date may be postponed even further to August 30th. Meanwhile, the SSA has issued separate invitations for bids (with bid openings scheduled for this Friday, August 19th) for the vessel's seating, benches and tables, as well as its marine evacuation slide, which the SSA will provide as owner-furnished equipment to the shipyard that is awarded the contract. The Board also authorized Mr. Lamson to award all of these contracts if their aggregate cost comes in close to the SSA's revised budget estimate of \$8,000,000, which reflects its reduction in the project's scope of work after bids for the project were first submitted earlier this year.

3. Mr. Lamson also reported that the SSA has received three proposals in response to the request for proposals it issued for office or counter space on Martha's Vineyard that could be used to relocate the SSA's Martha's Vineyard Reservation Office. One proposal is for property in Edgartown, and the other two are for properties within the Martha's Vineyard Airport Business Park. Meanwhile, the SSA is continuing discussions with the Martha's Vineyard Airport Manager to see whether the SSA might be able to use counter space and a room at the Martha's Vineyard Airport itself. Mr. Lamson stated that, at the moment, he feels confident that SSA management will be able to recommend to the Board at their September 20th meeting that the SSA continue to have a reservation office or counter space for in-person reservation transactions on Martha's Vineyard after the lease at its current location expires in January 2012.

4. The Board approved SSA management's proposed changes to the waitlist policy to accommodate trucks carrying food to Nantucket that need to make multiple stops on the island before returning the same day. As a result:
 - (a) Waitlist requests from trucks carrying hazardous cargo or trash will be given priority over all other waitlist requests regardless of the size of the vehicle and regardless of the order in which the trucks carrying other commodities were placed on the waitlist, due to the limited number of hazardous and open-freight-deck trips available for trucks carrying hazardous cargo or trash;
 - (b) For travel originating in Hyannis on the Nantucket route *only*, waitlist requests from food trucks making multiple stops on Nantucket will then be given priority over all remaining waitlist requests regardless of the size of the vehicle and regardless of the order in which trucks carrying other commodities were placed on the waitlist; and
 - (c) Waitlist requests from all other trucks will then be fulfilled based upon the size of the vehicle in the order in which the trucks were placed on the waitlist without regard to the commodity the truck is carrying. Thus, if a 4-space opening occurs, a 4-space truck would be given that reservation (in the order it was placed on the waitlist) before that opening is made available for any remaining 3-space trucks.

This change in waitlist priority is not needed for the Martha's Vineyard route because food trucks traveling to Martha's Vineyard are not experiencing the same problems as food trucks traveling to Nantucket due to the frequency of service on the Martha's Vineyard route and the shorter distance. Unlike Nantucket, there are several trips that arrive on Martha's Vineyard before 8:00 a.m. that allow food trucks to make their deliveries on the island and return the same day.

5. The Board also approved SSA management's proposal, in order to encourage more round trip travel on the SSA's high-speed ferry, to establish a new same-day high-speed round-trip passenger fares for travel originating on Nantucket in the amount of \$50 for adults,

\$25 for children and \$40 for senior citizens. These reduced fares will be in effect for the remainder of the *M/V Iyanough's* current operating season (that ends January 3, 2012) before the SSA decides whether it should continue to offer them next year.

6. The Board awarded Contract #14-11 for in-water survey and diver services for the *M/V Island Home* to the lowest eligible and responsible bidder for the contract, Northeast Diving Services, Inc. of Newport, Rhode Island, for a total contract price of \$24,600. (The contract was estimated to cost \$50,000.) When the *M/V Island Home* was constructed, the SSA entered the vessel into the United States Coast Guard's Underwater Hull Inspection in Lieu of Dry-docking (UWILD) program. Under this contract, the diver will first perform a required pre-inspection dive survey in preparation for the USCG-attended UWILD survey. The diver shall then conduct a video-enhanced UWILD survey for presentation to the USCG, and will also conduct required non-destructive testing at the direction of the attending USCG Marine Inspector. The dive will take place at the SSA's Fairhaven vessel maintenance facility in November 2011. If the USCG then approves the in-water survey, the vessel's next hull examination, which otherwise would have to take place no later than January 29, 2012 and is estimated to cost around \$250,000, can be deferred until the vessel's next dry-docking period in November 2014.

7. The Board also awarded Contract #15-11 for dry-dock and overhaul services for the *M/V Martha's Vineyard* to the lowest eligible and responsible bidder for the contract, Colonna's Shipyard, Inc. of Norfolk, Virginia, for a total contract price of \$899,076. Colonna's was the only shipyard that submitted a bid for this contract because none of the other shipyards who normally bid on SSA work had any availability next month when the *M/V Martha's Vineyard* is required to be dry-docked. In addition to the usual dry-dock and overhaul services, the work includes upgrading the freight deck's sprinkler system at a cost of \$95,000, and the installation of an HVAC system for the mezzanine deck and main 02 passenger deck at a cost of \$460,000.

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, September 20, 2011, in the Discovery Room of the Nantucket Whaling Museum, which is located at 15 Broad Street, Nantucket, Massachusetts. The location, time and date of the meeting are all subject to change, so please look for the formal notice for the meeting that will appear on this website next month. Thank you.



Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

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

September 20, 2011

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority ("SSA") held their regular monthly meeting at 9:30 a.m. on September 20, 2011, in the Discovery Room of the Nantucket Whaling Museum, located at 15 Broad Street, Nantucket, Massachusetts. All five Board Members were in attendance: Chairman Robert S. Marshall (Falmouth); Vice Chairman John A. Tierney (New Bedford); Secretary H. Flint Ranney (Nantucket); Robert L. O'Brien (Barnstable); and Marc N. Hanover (Martha's Vineyard).

1. SSA General Manager Wayne C. Lamson provided the Board with an update on the proposed relocation of the SSA's Martha's Vineyard Reservation Office. Last month the SSA received three responses to its request for proposals for counter space or office space on Martha's Vineyard for use as the SSA's Reservations Office there. One proposal was for property at Mariner's Landing in the Triangle Area of Edgartown that would cost almost \$3,500 per month to rent; a second proposal was for office space in a yet-to-be constructed mixed-use industrial/services building near the Mobil station in the Martha's Vineyard Airport Business Park; and the third proposal was for office space in the same area of the Business Park with a rent of \$2,100 per month.

Meanwhile, the SSA has been continuing to investigate the feasibility of relocating the Reservation Office into the Airport Terminal building. A counter space that is available beside other counters for the rental car agencies would be sufficient for two clerks to conduct in-person reservation transactions, and there is also available a small room at the other end of the terminal that could be used by at least three telephone clerks and a supervisor. Although the amount of the lease payment still has to be approved by the Airport Commission, Mr. Lamson expects it that it will be less than \$2,000 per month,

including utilities, over a five-year term. (The SSA is currently paying more than \$2,200 per month, plus utilities.)

Ultimately, the Board authorized Mr. Lamson to negotiate a five-year lease with the Martha's Vineyard Airport Commission for the counter and office space that is available at the Martha's Vineyard Airport Terminal, which will allow the SSA to continue to offer all of the services it is currently providing the public at the SSA's present Martha's Vineyard Reservation Office. Since the SSA's current landlord announced that it would be terminating the lease for the present Martha's Vineyard Reservation Office in January 2012, the SSA has received many letters urging it to maintain this important walk-in service for island residents rather than consolidating these functions at the Vineyard Haven and/or Oak Bluffs terminals.

2. Mr. Lamson presented the Board management's preliminary drafts of the 2012 Summer and Fall Operating Schedules for the period from May 21, 2012 through December 31, 2012 for discussion purposes only. The Board will not be asked to approve the final versions of these schedules until their meeting next month. The proposed schedules would provide basically the same level of service that the SSA has been providing in 2011 (with the early summer schedule going from May 21, 2012 through June 19, 2012, the height of the summer schedule going from June 20, 2012 through September 5, 2012, the late summer schedule going from September 6, 2012 through October 14, 2012, and the fall schedule going from October 15, 2012 through December 31, 2012), except for the following changes:

Martha's Vineyard Route:

- (a) The *M/V Governor's* first trip from Woods Hole would be at 5:45 a.m. instead of 7:00 a.m., which would also provide an early freight trip from Vineyard Haven at 6:45 a.m. This would necessarily result in the elimination of the *M/V Governor's* 9:50 p.m. trip from Woods Hole and its 10:50 p.m. return trip from Vineyard Haven.
- (b) During the height of the summer schedule (June 20, 2012 through September 5, 2012), the *M/V Governor* would operate the schedule that was operated by the *M/V Sankaty* this year, and the *M/V Sankaty* would operate the schedule that was operated by the *M/V Katama* this year (with the *M/V Katama* being berthed in Fairhaven as the back-up vessel). The *M/V Governor* would berth overnight in Woods Hole and its first trip would continue to leave at 5:45 a.m. instead of 7:00 a.m. (which would mean that the first freight trip from Vineyard Haven would leave at 6:45 a.m. instead of 6:15 a.m.).

Nantucket Route:

- (a) The proposed start of the *M/V Iyanough's* high-speed passenger service is Tuesday, April 24, 2012, the week prior to Daffodil Weekend. (This past year the SSA started service with the *M/V Iyanough* on April 15, 2011.)
 - (b) Management is considering two alternative daily operating schedules for the *M/V Iyanough* during the summer season. The first option is the same daily schedule the *M/V Iyanough* has been operating for the last several years, with its first trip leaving Hyannis at 8:00 a.m. The second option is to add a new early morning trip that would leave Hyannis at 5:45 a.m. and then leave Nantucket at 6:50 a.m., which would result in moving the vessel's current 8:00 a.m. departure from Hyannis to 8:15 a.m. (with the rest of the vessel's daily trips remaining the same). This earlier trip would provide an additional travel option for island commuters, visitors and residents, and would help the SSA increase ridership on the high-speed ferry.
3. The Board authorized Mr. Lamson to negotiate a second royalty sharing agreement with Elliott Bay Design Group, LLC ("EBDG") pursuant to which EBDG will pay the SSA royalties for every vessel it designs that is based upon the design for the *M/V Island Home*. In 2008, the SSA and EBDG entered into its first royalty sharing agreement pursuant to which EBDG already has paid the SSA royalties for three vessels it has designed for Washington State Ferries. EBDG would now like to provide other customers with a similar opportunity to base the design of their new ferries on the *M/V Island Home's* design (for which the SSA would receive a royalty) as an alternative to having their new ferries designed from scratch or being based on other designs.
 4. SSA Treasurer/Comptroller Robert B. Davis presented the Board with the preliminary draft of management's proposed 2012 Operating Budget, which has been developed based upon the approved operating schedules through May 20, 2012 and operating schedules similar to this year's schedules for the balance of the year. The Board will not be asked to approve the final version of the 2012 Operating Budget until their meeting next month.

The SSA's operating expenses are expected to increase next year by \$3,400,000, or 4.5% over the most current estimate for 2011, to \$79,900,000. Expense items which account for the bulk of the increase in expenses are:

- (a) Vessel maintenance expense, which is expected to increase by \$669,000 because the SSA has three vessels scheduled for dry-docks in 2012 (the *M/V Governor*, the *M/V Sankaty* and the *M/V Iyanough*, which is also scheduled for an engine overhaul).

- (b) Depreciation, which is expected to increase by \$411,000.
- (c) Health care costs, which are expected to increase by \$718,000 even after the SSA's employees begin to pay a larger percentage of the cost of their health care coverage.
- (d) Vessel fuel oil, which is expected to increase by \$1,540,000. Currently, crude oil is trading around \$85 to \$90 per barrel, and in the proposed 2012 Operating Budget management has assumed that it will be trading next year between \$90 and \$95 per barrel.

By contrast, the SSA's operating revenues are projected to increase by only \$524,000, or 0.6% over the most current estimate for 2011, to \$84,500,000, resulting in an estimated net operating income of approximately \$2,600,000. By comparison, the SSA will need to transfer approximately \$7,400,000 into its Sinking Fund next year in order to make its required bond principal and interest payments.

- 5. Mr. Lamson informed the Board that, pursuant to the authorization they gave him last month, he had awarded Contract No. 12-11 for the Mid-Life Refurbishment of the *M/V Eagle* to the lowest eligible and responsible bidder for the contract, Thames Shipyard of New London, Connecticut, for a total contract price of \$5,214,767. Last month, the Board authorized Mr. Lamson to award this contract as well as other contracts for owner-furnished equipment for this project if their aggregate cost came in close to management's revised budget estimate of \$8,000,000, which reflected the reduction in the project's scope of work after bids for the project were first submitted earlier this year. Based upon the bids that since have been received, management's current estimate for the construction phase of this project, including all associated costs that have been incurred to date and the estimated cost of owner-furnished materials and SSA personnel at the shipyard, is \$7,836,205, including an allowance for contingencies of \$528,681.
- 6. Similarly, Mr. Lamson informed the Board that, pursuant to the authorization they gave him last month, he had awarded Contract No. 16-11 for the supply, delivery and installation of two marine evacuation slides and link rafts to the lowest eligible and responsible bidder for the contract, Liferrafts Systems, Australia of Vancouver, British Columbia, Canada, for a total contract price of \$368,100. The marine evacuation slide and link raft system that will be provided by Liferrafts Systems, Australia, is the same equipment that is currently installed on the *M/V Island Home* and the *M/V Nantucket*.
- 7. Mr. Lamson also informed the Board that, pursuant to the authorization they gave him last month, he had awarded Contract No. 17-11 for the supply and delivery of seating, benches and tables for the *M/V Eagle* to the lowest eligible and responsible bidder for the contract, Beurteaux North America of Swansea, Massachusetts, for a total contract price of \$256,928.75. The seating, benches and tables that will be provided by Beurteaux are

the same seats, benches and tables that are currently installed on the *M/V Island Home*, the *M/V Iyanough*, the *M/V Nantucket* and the *M/V Martha's Vineyard*.

8. The Board then awarded Contract No. 10-11 for the supply and delivery of marine clamp-in style windows for the *M/V Eagle* to the lowest eligible and responsible bidder for the contract, Pacific Coast Marine Industries, Inc. of Everett, Washington, for a total contract price of \$100,409. The windows that will be provided by Pacific Coast Marine Industries will be provided to Thames Shipyard as owner-furnished equipment and installed by the shipyard to replace all of the *M/V Eagle's* exterior windows during its upcoming mid-life refurbishment.
9. The Board also awarded Contract No. 21-11 for the supply and delivery of A60 marine doors for the *M/V Eagle* to the lowest eligible and responsible bidder for the contract, Dean Steel, Inc. of San Antonio, Texas, for a total contract price of \$219,895. The doors that will be provided by Deal Steel will be provided to Thames Shipyard as owner-furnished equipment and installed by the shipyard to replace all of the *M/V Eagle's* interior and exterior joiner doors.
10. Mr. Lamson announced that, earlier this month, the Falmouth Youth Hockey League ("FYHL") sold its properties around Skating Lane in Falmouth, Massachusetts to the SSA in accordance with the purchase and sale agreement the SSA entered into FYHL in February 2010, and that the SSA correspondingly sold its property on Technology Park Drive in Falmouth to FYHL. Last Saturday, FYHL had a groundbreaking for the new ice rink that it will be building on that property, which should be finished by next summer. Meanwhile, the SSA has agreed to allow FYHL to continue its activities in its existing ice rink on Skating Lane until its new rink is completed. At that time, the SSA will also rent parking spaces from FYHL at its new location so that the SSA has overflow parking available for its customers during the peak summer weekends.
11. Mr. Lamson also announced that the Town of Falmouth had successfully completed its percolation tests on the property the SSA owns on Research Road in Falmouth, Massachusetts, to confirm that the SSA's property can be used by the Town's wastewater treatment facility in connection with its comprehensive waste water management plan. As a result, the Town has agreed to acquire the SSA's property in exchange for another parcel of property the Town owns on the other side of Research Road, although the land swap is still subject to Town Meeting approval at a special Town meeting scheduled for November 2011.

12. The Town of Nantucket's Marine and Coastal Resources Department expressed its appreciation to the SSA, and specifically to SSA Port Captain Charles ("Greg") Gifford and Nantucket Board Member H. Flint Ranney, for all of the support the SSA provides the Town of Nantucket on a constant basis. In particular, Nantucket officials recounted how Captain Gifford and Mr. Ranney helped the Town remove the *F/V Miss China* in record time when it became a hazard to navigation last winter, and noted that the help the town received in that instance was just one example of the assistance that Captain Gifford and Mr. Ranney repeatedly provide the Town whenever it is needed.

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

The next regular monthly meeting of the SSA's Board is currently scheduled for 9:30 a.m. on Tuesday, October 18, 2011, on Martha's Vineyard. The location, time and date of the meeting are all subject to change, so please look for the formal notice for the meeting that will appear on this website next month. Thank you.



Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

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

October 18, 2011

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority ("SSA") held their regular monthly meeting at 10:30 a.m. on October, 2011, in the First Floor Meeting Room of the Oak Bluffs Public Library, located at 56R School Street, Oak Bluffs, Massachusetts. All five Board Members were in attendance: Chairman Robert S. Marshall (Falmouth); Vice Chairman John A. Tierney (New Bedford); Secretary H. Flint Ranney (Nantucket); Robert L. O'Brien (Barnstable); and Marc N. Hanover (Martha's Vineyard).

1. SSA General Manager Wayne C. Lamson announced that the Dukes County Commissioners had advised the SSA that they are interested in assuming the lease the SSA has with the Martha's Vineyard Airport Commission for undeveloped land at the Airport Business Park. They hope to be able to use the property for storing town records, for centralizing the storage of backhoes and other construction equipment and for other public uses. Although the Dukes County Commissioners are waiting to discuss the matter later this month with the Martha's Vineyard Airport Commissioners, who also have to approve the transaction, the Board authorized the lease assumption at their meeting today.
2. The Board approved the SSA's proposed 2012 Summer and Fall Operating Schedules for the period from May 21, 2012 through December 31, 2012, which will provide basically the same level of service that the SSA has been providing in 2011, except for the following changes:

Martha's Vineyard Route:

- (a) The *M/V Governor* will operate the entire summer schedule, berthing overnight in Woods Hole, and its first trip from Woods Hole will be at 5:30 a.m. instead of 7:30 a.m. This will also more evenly space out the early morning trips from Vineyard Haven so that they leave at 6:00 a.m., 6:30 a.m. and 7:00 a.m., and will

necessarily eliminate the *M/V Governor's* 9:50 p.m. trip from Woods Hole and its 10:50 p.m. return trip from Vineyard Haven. However, the Board echoed the Port Council's recommendation to allow such early-morning departures only on the condition that the SSA remains sensitive to the amount of noise from its operations in Woods Hole and Vineyard Haven at that time of the morning.

- (b) During the height of the summer schedule (June 20, 2012 through September 5, 2012), the *M/V Sankaty* will operate the schedule that was operated by the *M/V Katama* this year (with the *M/V Katama* being berthed in Fairhaven as the back-up vessel).

Nantucket Route:

- (a) The start of the *M/V Iyanough's* high-speed passenger service will be Tuesday, April 24, 2012, the week prior to Daffodil Weekend. (This past year the SSA started service with the *M/V Iyanough* on April 15, 2011.)
3. Mr. Lamson also informed the Board of the timeline for making vehicle reservations for 2012:

Reservations for the Summer Schedule (05/12/2012 through 10/14/2012)

- Headstart reservations will be accepted (by mail and internet only) from January 10, 2012 through January 15, 2012
- Reservations for the general public will be accepted by mail and over the internet beginning January 17, 2012.
- Telephone reservations for the general public can be made beginning January 24, 2012.

Reservations for the Fall Schedule (10/15/2012 through 12/31/2012)

- Reservations for the general public will be accepted (by mail, internet and telephone) beginning June 18, 2012.

In addition, the "reservation-only" days for vehicles traveling on the Martha's Vineyard route will be every Friday, Saturday, Sunday and Monday from June 22 through September 3, as well as from May 25 through May 29 (around Memorial Day), July 3 and July 5 (around Independence Day) and October 5 and October 8 (around Columbus Day).

4. Mr. Lamson also provided the Board with an update on the proposed relocation of the SSA's Martha's Vineyard Reservation Office to the Martha's Vineyard Airport terminal building. Mr. Lamson stated that, later this month, the Martha's Vineyard Airport Commission were expected to consider the lease that has been tentatively negotiated with

the Martha's Vineyard Airport Manager for the SSA's use of counter space (beside the terminal's rental car counters) for in-person transactions and a room at the other end of the terminal that will be used by the SSA's telephone clerks and a supervisor. Assuming that the Martha's Vineyard Airport Commission approves the lease, the SSA hopes to move its Martha's Vineyard reservation office to the new location by the end of the year so that it can open there before Headstart begins.

5. The Board then approved management's proposed 2012 Operating Budget. Next year the SSA's total operating expenses are expected to increase by almost \$3,400,000 (or 4.4%) to almost \$79,800,000. Expense items which account for the bulk of the increase in expenses are:

- (a) Vessel fuel oil, which is expected to increase by \$1,165,000.
- (b) Health care and pension costs, which are expected to increase by \$1,043,000 even after the SSA's employees begin to pay a larger percentage of the cost of their health care coverage.
- (c) Vessel maintenance expense, which is expected to increase by \$537,000.
- (d) Depreciation, which is expected to increase by \$376,000.
- (e) Advertising, which is expected to increase by \$241,000.

By contrast, the SSA's operating revenues are projected to increase by only \$1,458,000, or 1.8% over the most current estimate for 2011, to \$84,420,000. Because the Board did not approve any rate increases for next year, this results in an estimated net operating income of approximately \$2,800,000, after other income (including license fees of around \$466,000) and interest payments on our bonds.

6. Because of the low interest rates that are currently available, the Board approved management's proposed resolution authorizing the sale of \$6,000,000 of Steamship Bonds to fund the *M/V Eagle* Mid-life Refurbishment Project. The SSA currently has \$57,185,000 of outstanding bonds with a maximum bond authorization of \$75,000,000. With the additional bond issue, the SSA's estimated annual debt service payments will be around \$7,500,000 for each of the next nine years.
7. The Board authorized Mr. Lamson to award Contract No. 27-11 for the Nantucket terminal fast ferry passenger ramp modifications to the lowest eligible and responsible bidder for the contract after bids are opened on Thursday, October 27, 2011. The modifications are required to meet code requirements and the contractor will be required to modify the existing ramp and transition plate and construct a concrete transition from the ramp system to the existing pavement by the end of this fall. The cost estimate for the contract is \$12,000.

8. The Board also authorized Mr. Lamson to award Contract No. 26-11 for the replacement of the Slip #2, approach dolphin #2, at the Vineyard Haven terminal to the lowest eligible and responsible bidder for the contract after bids are opened on Wednesday, October 19, 2011. The dolphin has failed and requires complete replacement. The new dolphin, which will be identical to the #3 approach dolphin that was constructed in the spring of 2010, will be completed by the end of this fall. The cost estimate for this contract is \$300,000.
9. The Board then awarded Contract No. 19-11 for the dry-dock and overhaul services for the *M/V Gay Head* to the lowest eligible and responsible bidder for the contract, Thames Shipyard and Repair Company of New London, Connecticut, for a total contract price of \$293,720. The vessel is scheduled to be in the shipyard from mid-November 2011 until mid-December 2011 to undergo a required United States Coast Guard hull examination, machinery inspections, rudder repairs and underwater hull cleaning and painting.
10. The Board authorized Mr. Lamson to award Contract No. 28-11 for the replacement of the Hyannis terminal automatic door to the lowest eligible and responsible bidder for the contract after bids are opened on Thursday, October 27, 2011. The cost estimate for this contract is \$15,000.
11. The Board awarded Contract No. 24-11 for repairs to the Nantucket terminal's Slip #1, berthing dolphin #3, to the lowest eligible and responsible bidder for the contract, Grove Construction, Inc. of Hopedale, Massachusetts, for a total contract price of \$195,000. This dolphin was damaged as a result of the allision with the *M/V Eagle* last year when the vessel's rudder and propeller were covered by a large piece of floating material. The dolphin's concrete mass must be removed and replaced, and the work is scheduled to take place in late October through the first three weeks of November 2011.

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

The next regular monthly meeting of the SSA's Board is currently scheduled for 9:30 a.m. on Tuesday, November 15, 2011, in the second floor conference room of the SSA's Woods Hole terminal, which is located at the Foot of Railroad Avenue, Woods Hole, Massachusetts. The location, time and date of the meeting are all subject to change, so please look for the formal notice for the meeting that will appear on this website next month. Thank you.



Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

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

November 15, 2011

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority ("SSA") held their regular monthly meeting at 9:30 a.m. on November 15, 2011, in the second floor conference room of the SSA's Woods Hole terminal, located at the Foot of Railroad Avenue, Woods Hole, Massachusetts. All five Board Members were in attendance: Chairman Robert S. Marshall (Falmouth); Vice Chairman John A. Tierney (New Bedford); Secretary H. Flint Ranney (Nantucket); Robert L. O'Brien (Barnstable); and Marc N. Hanover (Martha's Vineyard).

1. The Board approved three-year renewals of the SSA's license agreements with Cape & Islands Transport, Inc. ("CIT"), which operates seasonal passenger ferry service between Falmouth Inner Harbor and Edgartown with the *M/V Pied Piper*, Freedom Cruise Line, Inc. ("Freedom"), which operates seasonal passenger ferry service between Harwichport and Nantucket with the *M/V Freedom*, and Hyannis Harbor Tours, Inc. ("Hy-Line") which operates seasonal passenger ferry service between Hyannis and both Nantucket and Martha's Vineyard, seasonal passenger ferry service between Martha's Vineyard and Nantucket, and year-round high-speed passenger ferry service between Hyannis and Nantucket. Changes from their current license agreements include:
 - (a) During CIT's Spring schedule, the *M/V Pied Piper* will operate only on Fridays, Saturdays, Sundays (and Memorial Day) commencing the Friday immediately preceding Memorial Day through the Thursday (or the Wednesday in 2014) immediately preceding Independence Day, and CIT is eliminating its Fall schedule entirely, resulting in the *M/V Pied Piper's* service ending on Labor Day of each year.
 - (b) Freedom's new license agreement has no operational changes, but it includes a provision that, in the event Freedom desires to transfer its business to a new owner (whether the new owner is a purchaser of Freedom's assets or the

purchaser of a controlling interest in the company), the prospective new owner may apply to the SSA for a transfer of the license agreement.

- (c) Hy-Line will now be allowed to change the times of its vessel departures and arrivals to also both reduce the number of daily trips and shorten the seasonal time periods during which any of those trips are operated, unless the proposed changed times of Hy-Line's vessel departures or arrivals conflict with those of the SSA's vessels or cause undue congestion in one of the local harbors, or unless a shortening of the seasonal time period for the schedules result in there being no scheduled daily high-speed passenger ferry service between Hyannis and Nantucket at any time of the year except December 25th.

Also, because this is the third round of license renewals that the SSA has not received any comments from the public or any local officials despite notifying them by newspaper advertisements and emails, the Board approved a provision in each of the new agreements allowing its automatic renewal for another three-year term unless either party notifies the other by August 31, 2014 of its desire to terminate or change any provisions of the agreement.

2. The Board also approved a request from Seastreak Holding Company, LLC ("Seastreak") to suspend its scheduled winter passenger ferry service between New Bedford and Martha's Vineyard from December 1, 2011 through April 30, 2012 because there is not enough demand to warrant providing the service during that time period. Seastreak also has informed the SSA that it similarly has received approval from the New Bedford Harbor Development Commission to suspend service during this time period.
3. The Board authorized SSA General Manager Wayne C. Lamson to enter into a five-year lease with the Martha's Vineyard Airport Commission commencing December 1, 2011 for counter space and office space at the Martha's Vineyard Airport Terminal to be used as the SSA's Martha's Vineyard Reservation Office. (Last week the Martha's Vineyard Airport Commission similarly approved the lease.) The base rent for the counter space and office space will be \$1,757.41 per month, subject to annual Consumer Price Index adjustments in subsequent years, and the Commission will provide utilities and maintenance for all interior and exterior common areas. The new office is expected to be in operation at its new location on January 2, 2012
4. The Board authorized SSA management to proceed with engineering and design services, permitting and an invitation for bids to make improvements to the Hyannis terminal's high-speed ferry luggage and passenger operations. The SSA's plans include extending the high-speed ferry pier along the south side of the vehicle staging area, installing a luggage ramp for the floating pier to the extended luggage pier, and installing a new passenger unloading system from the aft upper deck of the *M/V Iyanough*. The extended luggage pier and ramp will allow the vessel crew and terminal employees to unload

luggage cars straight off the vessel, decreasing passenger waiting time to unload. In addition, the extended luggage pier will provide a needed staging area for passengers to collect their baggage without conflicting with passenger loading and vehicle loading operations.

5. The Board approved the renewal of the Nantucket Super Saver Auto Rate program for 2012. The program, which was initially approved in March 2010, provides discounted auto fares on certain underutilized trips throughout the year on the Nantucket route in order to increase the overall utilization of available deck space by offering a discount on off-peak trips to customers with flexible travel plans. To date, the program appears to have attracted some new customers and to have induced other customers to travel at less popular times, but that it also appears that certain Super Saver customers would have travelled anyway on the trips where the Super Saver spaces were allocated. For example:
 - (a) As of October 26, 2011, 564 Super Saver reservations were used out of the 990 spaces that the SSA had allocated during this period for the Super Saver rate, a utilization rate of 57%.
 - (b) 48% of the Super Saver reservations were used by customers who either never travelled with the SSA before or, when they had travelled with the SSA before, rarely had travelled at this time of the day.
 - (c) 77% of the Super Saver reservations were used by customers who travelled only one time in only one direction at the discounted rate, while another 15% travelled twice at the discounted rate.
 - (d) Only 18% of the Super Saver reservations were used by customers with year-round Nantucket addresses.
 - (e) The occupancy percentages on the designated late night trips did not show any notable increases, and 28% of the Super Saver tickets were used on earlier trips (instead of on the trips for which they were booked) because the SSA had available space.

The terms and conditions of the Super Saver program in 2012 will remain the same as they have been for 2011, and they include:

- (a) The one-way Super Saver Auto Rate will be \$109 during the summer season and \$79 during the off-season. (The regular Nantucket auto rate will continue to be \$200 to \$225 each way during the summer and \$140 to \$160 during the off-season.)
- (b) The number of spaces available at the Super Saver Auto Rate will continue to be limited to ten on designated late-night trips where the deck space is consistently

underutilized, and no spaces will be available during certain vacation, holiday or other high-traffic periods.

- (c) The Super Saver Auto Rate will be limited to passenger vehicles and small trucks under 20 feet in length, and rental cars are not eligible for the rate.
 - (d) The discounted auto ticket can be used on an earlier trip, but only on the same day on a space-available basis after all other revenue-generating vehicles have been loaded.
6. The Board approved management's proposed 2012 Capital Budget, which includes five new capital projects (plus miscellaneous projects costing less than \$50,000 each) with an aggregated estimated cost of \$1,440,000. After the completion of those projects and the SSA's current capital projects that already have been approved, the SSA should still have around \$2,100,000 for any contingencies or potential additional capital projects in its various special purpose funds, not including \$5,000,000 that is also projected to be transferred into those funds during the latter half of 2012. The five new capital projects are:
- (a) Palmer Avenue Parking Lot Improvements (with an estimated cost of \$425,000);
 - (b) Server and Storage Replacements (with an estimated cost of \$234,000);
 - (c) Network Upgrades (with an estimated cost of \$183,000);
 - (d) Web Server Upgrade (with an estimated cost of \$178,000); and
 - (e) Two New Shuttle Buses for the Hyannis Terminal Operations (with an estimated cost of \$220,000).
7. The Board awarded Contract No. 23-11 for the Roof Replacement at the 228 Palmer Avenue Parking Lot Building to KelKor Inc. of New Bedford, Massachusetts, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$14,741. The contractor will be required to remove the roof's existing shingles and install a new roofing system in accordance with the specifications.
8. Mr. Lamson informed the Board that, pursuant to the authorization they had given him last month, he awarded Contract No. 26-11 for the replacement of the Slip #2, approach dolphin #2, at the Vineyard Haven terminal to AGM Marine Contractors, Inc. of Mashpee, Massachusetts, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$323,000. The dolphin has failed and requires complete replacement. The new dolphin, which will be identical to the #3 approach dolphin that was constructed in the spring of 2010, will be completed by the end of this fall.

9. Mr. Lamson also informed the Board that, pursuant to the authorization they had given him last month, he awarded Contract No. 27-11 for the Nantucket terminal fast ferry passenger ramp modifications to New England Spec., Inc. of Plymouth, Massachusetts, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$17,420. The modifications are required to meet code requirements and the contractor will be required to modify the existing ramp and transition plate and construct a concrete transition from the ramp system to the existing pavement by the end of this fall.
10. Mr. Lamson also informed the Board that, pursuant to the authorization they had given him last month, he awarded Contract No. 28-11 for the replacement of the Hyannis terminal automatic door to Door Concepts Inc. of Londonderry, New Hampshire, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$13,990.
11. The Board then awarded Contract No. 29-11 for a new Caterpillar C-12 Bow Thruster Engine to C.P. Brodeur of New Bedford, Massachusetts, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$46,640. The *M/V Eagle's* bow thruster is currently powered by a Detroit, 8V71, diesel engine producing approximately 275 horsepower. To improve the vessel's maneuvering ability, this engine will be replaced with the new Caterpillar C12 diesel engine, producing approximately 385 horsepower, during its upcoming mid-life refurbishment.
12. The Board then authorized Mr. Lamson to award Contract No. 30-11 for the Fairhaven Maintenance Facility Pile Replacement to the lowest eligible and responsible bidder for the contract when bids are opened on November 18, 2011. The contractor will be required to replace seven wooden CCA treated piles that have been damaged and need replacement with Greenheart piles. The estimated cost of this contract is \$21,000.

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, December 20, 2011, in the second floor conference room of the SSA's Woods Hole terminal, which is located at the Foot of Railroad Avenue, Woods Hole, Massachusetts. The location, time and date of the meeting are all subject to change, so please look for the formal notice for the meeting that will appear on this website next month. Thank you.



Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

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

December 20, 2011

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority ("SSA") held their regular monthly meeting at 9:30 a.m. on December 20, 2011, in the second floor conference room of the SSA's Woods Hole terminal, located at the Foot of Railroad Avenue, Woods Hole, Massachusetts. All five Board Members were in attendance: Chairman Robert S. Marshall (Falmouth); Vice Chairman John A. Tierney (New Bedford); Secretary H. Flint Ranney (Nantucket); Robert L. O'Brien (Barnstable); and Marc N. Hanover (Martha's Vineyard).

1. The Board approved a number of revisions to the SSA's Procurement Policy, which include the following:
 - (a) Allowing the SSA to award contracts for non-construction supplies and services, as well as vessel construction contracts, estimated to cost less than \$25,000 through the solicitation of three competitive quotations instead of issuing a formal invitation for bids;
 - (b) Incorporating into the SSA's Procurement Policy many other statutory obligations it has with respect to its building and public work construction contracts, such as the requirement for those contractors to pay prevailing wage rates and obtain workers compensation insurance;
 - (c) Authorizing General Manager Wayne C. Lamson to award contracts up to \$100,000 that otherwise would have to wait for the Board's approval at one of their monthly meetings, provided that they are awarded in accordance with the Procurement Policy's provisions. (The Board and the Port Council will still receive monthly reports describing all contracts in the amount of \$25,000 or more that Mr. Lamson has awarded, as well as all contracts previously awarded whose amounts have increased by \$25,000 or more since the date of the last report.)

2. The Board approved a change in the time that Preferred Space reservations for travel on the Nantucket route go on sale each day. Beginning tomorrow they will go on sale beginning at 6:45 a.m. instead of 7:30 a.m. These reservations are sold only at the Nantucket terminal because there is such a limited number of them (6 spaces) available each day, and customers often arrive early at the terminal in order to buy them. This change will reduce the amount of time they have to wait.

The Board decided to obtain more input from the public before changing the time that Preferred Space reservations for travel on the Martha's Vineyard route go on sale each day. Currently they go on sale at 8:00 a.m. and management has proposed changing that time to 7:30 a.m. in order to reduce the congestion at the Vineyard Haven terminal that is created by customers waiting to buy reservations while other customers are trying to buy passenger and vehicle tickets for the ferry leaving there at 8:15 a.m. However, if the SSA were to make this change, the hours for both the Mashpee and Martha's Vineyard Reservation Offices would also have to be changed so that they similarly open for business at 7:30 a.m. instead of 8:00 a.m. (which mean that they would then close each day at 4:00 p.m. instead of 4:30 p.m.).

3. The Board approved management's recommendation to renew the SSA's agreement with the Town of Tisbury and the Martha's Vineyard Regional Transit Authority (VTA) to continue providing the shuttle service between the Tisbury Park 'n Ride parking lot and the SSA's Vineyard Haven terminal during the 2012 calendar year. The VTA shuttle van leaves the parking lot 15 minutes before each vessel's scheduled departure and meets each vessel's scheduled arrival, and the SSA reimburses the VTA for 50% of the direct labor and fuel costs attributable to the service plus \$200 per month to cover maintenance, insurance and other indirect costs.
4. The Board also approved management's recommendation to renew the SSA's transportation agreement with the Martha's Vineyard Regional High School District for school-related approved transportation for the period from July 1, 2012 through June 30, 2013. Every year the SSA enters into the agreement to establish a fixed price for the transportation of student groups, teachers, administrators and game officials on school-approved travel for the District's upcoming fiscal year (beginning July 1st). The fixed price is intended to reflect approximately a 50% discount over applicable tariff rates. Last year's agreement had established a fixed price of \$60,000, which reflected approximately a 50% discount over applicable tariff rates. The fixed price under the new agreement will also be \$60,000, as no passenger fare adjustments were approved for the 2012 calendar year.
5. Treasurer/Comptroller Bob Davis reported that, on November 29, 2011, the SSA received six bids for its sale of \$6,000,000 Steamship Bonds and that the bonds were awarded to

J.P. Morgan Securities LLC of New York based on its offer to purchase all of the bonds at the lowest true interest cost of \$1.734%.

6. Mr. Lamson informed the Board that, pursuant to the authorization they had given him last month, he awarded Contract No. 30-11 for the Fairhaven Maintenance Facility Pile Replacement to Linberg Marine, Inc. of Fairhaven, Massachusetts, who was the lowest eligible and responsible bidder for the contract, for a total contract price of \$23,440. The contractor will be required to replace seven wooden CCA treated piles that have been damaged and need replacement with Greenheart piles.
7. The Board awarded Contract No. 31-11 for the Delivery of Three Marine Doors for the *M/V Eagle* to Pacific Coast Marine, Industries, Inc. of Everett, Washington, the lowest eligible and responsible bidder for the contract, for a total contract price of \$22,100. All of the interior and exterior joiner doors on the *M/V Eagle* will be replaced during its upcoming mid-life refurbishment. The SSA will take delivery of these doors at the shipyard, which will then be responsible for handling and installing the doors.
8. The Board also awarded Contract No. 32-11 for the Delivery of Spare Parts for Two MTU 12V4000M70 Diesel Propulsion Engines to New England Detroit Diesel Allison of Wakefield, Massachusetts, the lowest eligible and responsible bidder for the contract, for a total contract price of \$416,232.26. The four MTU 12V4000M70 diesel propulsion engines aboard the *M/V Iyanough* will have accumulated slightly more than the recommended running hours for major overhaul (21,000 vs. 20,000 hours) at the end of the 2012 operating season. Because the overhaul of these engines involves the removal of the engine room hatch covers, removal of the engines from the vessel, the complete overhaul of each engine in a shop, and re-installation of the engines and hatch covers, it is not feasible to overhaul all four engines in one repair period. Therefore, two engines will be overhauled during the 2012 overhaul period and the other two engines will be overhauled during the 2013 overhaul period. The SSA's own Maintenance staff at the Fairhaven Maintenance Facility will perform this work with the assistance of an MTU certified technician.
9. The Board awarded a two-year contract for the SSA's marine fuel to Dennis K. Burke Inc. of Chelsea, Massachusetts, the lowest eligible and responsible bidder for the contract who submitted a bid to provide the fuel at a mark-up of \$0.051 per gallon. The Board also awarded a two-year contract for the SSA's home heating fuel and bio-diesel fuel for its buses to Canal Fuel of Sagamore, Massachusetts, the lowest eligible and responsible bidder for that contract, who offered to provide both of those fuels at a mark-up of \$0.1485 per gallon.

10. The Board also awarded a five-year contract for the installation, maintenance and servicing of automated teller machines (ATMs) at the SSA's Woods Hole, Hyannis and Nantucket terminals to Cape Cod Five Cents Savings Bank, who will pay \$34,440 a year to have its ATMs at those three locations, and a separate five-year contract for the installation, maintenance and servicing of ATMs at the SSA's Vineyard Haven and Oak Bluffs terminals to Martha's Vineyard Savings Bank, who will pay \$14,300 to have its ATMs at those two locations.

11. Mr. Davis informed the Board that he has issued a request for proposals from qualified financial institutions to provide the SSA with banking services. Proponents will be required to demonstrate the ability to provide the SSA with the full range of banking services and they must meet all of the SSA's minimum criteria. At the moment, proposals are scheduled to be submitted on December 28, 2011, but the SSA has received a request to postpone that deadline.

12. The Board then voted to allow remote participation in SSA meetings by Board Members in accordance with the requirements of regulations recently issued by the Office of the Attorney General. As a result, if a quorum of the Board is physically present at a meeting, a Board Member who is physically absent will be able to participate remotely (for example, by telephone conference call) when the Chairman determines that the Board Member's physical attendance is unreasonably difficult due to personal illness or disability, an emergency, military service or geographic distance. Also, the Board Member who is physically absent will not be deemed absent for purposes of the meeting and will be able to vote remotely as well.

13. Finally, on January 1, 2012, New Bedford Board Member John A. Tierney will become the SSA's Chairman for next year in accordance with the SSA's Enabling Act. Pursuant to their by-laws, the Board also elected Nantucket Board Member H. Flint Ranney to serve as the SSA's Vice Chairman, and Barnstable Board Member Robert L. O'Brien to serve as the SSA's Secretary.

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

The next regular monthly meeting of the SSA's Board is currently scheduled for 9:30 a.m. on Tuesday, January 31, 2012, in the second floor conference room of the SSA's Woods Hole terminal, which is located at the Foot of Railroad Avenue, Woods Hole, Massachusetts. 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.