



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 27, 2022

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority Board held its monthly meeting on Tuesday, September 27, 2022, in the first-floor meeting room of the Nantucket Public Safety Facility, 4 Fairgrounds Road, Nantucket. Four (4) Board Members were present: Vice Chair Robert F. Ranney (Nantucket); Secretary Robert R. Jones (Barnstable); James M. Malkin (Dukes County); and Peter J. Jeffrey (Falmouth). Messrs. Malkin and Jeffrey participated via Zoom videoconferencing. Chair Moira E. Tierney (New Bedford) was absent.

1. Communications Director Sean F. Driscoll provided updates on the website redesign and mobile app development project as follows:
 - The ADK design team is largely done with their work and is transitioning into supporting the technology team as they work to bring the designs into development.
 - Content strategists created a plan for blog releases, continued with content for the discount detail pages, and began blog post content for standby and waitlist. The team also reviewed photo/video input from recent photo and video shoots on the islands by contracted vendors.
 - The ADK tech team worked on completing development efforts and provided an in-person demonstration to the Steamship Authority team, which was similar to the demonstration given to the Board in July.
 - While the bulk of the site's work will be done by early November, launch has been officially delayed until March 2023 to account for delays in securing a content management system and switching the Authority's credit card processing company. This will allow the internet general openings to occur before launch.
 - Public engagement has been ongoing via the biweekly eNews and website updates at www.steamshipauthority.com/webproject.
2. General Manager Robert B. Davis provided an update on the Woods Hole Terminal Reconstruction Project, which began its landside work this week. Phase 5 consists of enabling work in preparation for construction of the new terminal building and utility

building. The project will be broken up into six subphases to allow operations to be maintained during construction. The first subphase involves activity around the traffic booth at the base of Cowdry Road and is expected to take five weeks.

3. Director of Marine Operations Mark H. Amundsen provided an update on the dry dock of the *M/V Katama* at Thames Shipyard & Repair Co. of New London, Connecticut. Highlights of the project include structural steel renewal, installation of a new fuel oil purifier, and a new fire detection system. Total contract price, including credits and change orders, stands at \$1,378,705.
4. Mr. Davis provided an update on the Authority's purchase of two (2) used offshore supply vessels (OSVs) from Hornbeck Offshore Services LLC. On August 25, 2022, the *M/V HOS Shooting Star* was towed from Houma, Louisiana, to Conrad Shipyard in Morgan City, Louisiana. The vessel was placed in a drydock to permit Steamship Authority personnel, along with a naval architect, to inspect the hull. In addition, electronics and equipment vendors inspected systems onboard to determine their conditions. Following the multiday inspection, the vessel condition was found acceptable.

On August 26, 2022, the *M/V HOS Lode Star* was towed to Conrad Shipyard. Following the undocking of the *M/V HOS Shooting Star*, the *M/V HOS Lode Star* was likewise placed in drydock to permit inspection of the hull. Following the multiday inspection, the vessel condition was found acceptable.

On September 22, 2022, the closing of the purchase was finalized. Wire transfers totaling \$10,147,500 were sent for the balance of the vessel purchase price plus brokerage fees. An additional wire totaling \$302,658.60 was transmitted to HOS for the cost of towing, labor, surveying, dry docking and on-board vessel fuel, as per the purchase and sale agreement.

5. The Members voted to name the new vessels the *M/V Aquinnah* and the *M/V Monomoy*. This came after a review of past practice, in which the Authority has named its vessels after familiar locations from both islands and the mainland. To encourage public participation, the Authority held a naming contest, with two (2) prizes of \$250 SSA gift cards each available to entrants. More than 8,200 entries were received, comprising more than 9,200 name suggestions.
6. The Members voted to approve the 2023 Summer and Fall Operating Schedules for the Martha's Vineyard route, and to approve the Report Issued under Section 15A of the Authority's Enabling Act on the Proposed 2023 Summer Operating Schedules of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority.

The 2023 operating schedules from May 18, 2023, to June 16, 2023, will start one (1) day later and end five (5) days earlier than in 2022. The 2023 operating schedules from June 17, 2023, to September 5, 2023, will start five (5) days earlier and end two (2) days earlier than in 2022 for both routes. The 2023 operating schedules from September 6, 2023, to October 23, 2023, will start two (2) days earlier and end four (4) days later than in 2022. The 2023 operating schedules from October 24, 2023, to January 3, 2024, will start four

(4) days later and will end one (1) day later than 2022. The Vineyard route will not see any changes to trip times, quantity of trips or vessel crewing during these schedules.

7. Treasurer/Comptroller Mark K. Rozum and Assistant Treasurer Courtney M. Oliveira presented the preliminary draft of the 2023 Operating Budget, the highlights of which are below:

- Operating Revenues: \$129,661,107
- Operating Expenses: \$132,673,963
- Other Income: \$8,700,818
- Other Expenses: \$4,602,928
- Net Income From Operations: \$1,085,034

Ms. Olivera stated the largest operating expense changes were tied to increased fuel costs; the largest increases were forecast to come in the operation of vessels, maintenance expense, depreciation, general expense, and operation of the terminals. Five dry docks are budgeted for 2023 totaling \$4,842,000, with an additional \$4,093,000 budgeted for terminal, dolphin, and dock repairs, up 44.8% versus the 2022 budget.

8. Mr. Rozum then presented the preliminary draft of the 2023 fare adjustments reiterating that the adjustments are necessary to account for a 69% increase in fuel costs, or \$5,600,000. The target net operating revenue is \$9,000,000, which results in a \$4,200,000 adjustment from the Vineyard route and \$3,400,000 adjustment from the Nantucket route.

The Vineyard route adjustments are as follows:

Rate	Proposed Adjustment	Additional Revenue
Standard fare vehicles under 20' in length	\$3.00-\$5.00 one-way \$5.00 peak Fri-Sun	\$1,540,000
Excursion rates	\$1.50 one-way	\$280,000
Vehicles 20' in length and over	8.0 %	\$1,040,000
Passenger fares	\$.50 single ticket \$4.00 10-ride \$9.00 46-ride	\$1,000,000
Parking	\$50.00 and \$1.00/day	\$350,000

The Nantucket route adjustments are as follows:

Rate	Proposed Adjustment	Additional Revenue
Standard fare vehicles under 20' in length	\$9.00-\$12.00 one-way \$15.00 peak Fri-Sun	\$760,000
Excursion rates	\$3.00 one-way	\$90,000
Vehicles 20' in length and over	8.0 %	\$1,320,000
Barge Fees	\$1.00 per ton	\$145,000
Passenger fares	\$1.00 conventional \$3.00 high-speed	\$1,020,000
Parking	\$50.00 and \$1.00/day	\$90,000

9. The Board authorized Mr. Davis to execute two (2) procurement items:

- Contract No. 13-2022, Certification Services to Obtain ISO 9001 Certification and Voluntary Document of Compliance and Voluntary Safety Management Certificates (SMC) for the Steamship Authority Facilities and Fleet, to the lowest eligible and responsible bidder, RINA USA Inc., for a total contract price of \$94,360..
- Professional Services related to the conversation and reactivation of offshore supply vessels for an estimated total of \$250,000, to Kirilloff & Associates Naval Architect.

10 The Members approved Mr. Davis' goals for the 2022-2023 year:

- 1) Complete Phase 5 of the reconstruction of the Woods Hole Terminal (site work) before the start of the 2023 Summer Operating Schedule on May 18, 2023, with cost overruns not exceeding 10% of budget. (31% of all projects meet this industry standard).
- 2) Issue an invitation for bids and the award of a contract for the construction of the Woods Hole Terminal Building and Utility Building by March 31, 2023.
- 3) Complete an evaluation on alternatives for the Authority's potential award of a license to provide a freight transportation service for the island of Martha's Vineyard from an off-cape port by June 30, 2023.
- 4) Oversee the solicitation of proposals and award of a contract for audit certification services from a ship classification society for the Safety Quality Management System (SQMS) by December 31, 2022.
- 5) Oversee the solicitation of proposals and the award of a contract for a qualified solar developer to develop solar array canopies at the Authority's Palmer Avenue Parking Facility to begin in fall 2023.
- 6) Oversee the development of the updated/redesign of the website and the development of a mobile app to transition to by March 31, 2023, with cost overruns not exceeding 10% of budget, with a to-be-determined average website and mobile app feedback score measuring Customer Effort Score.

- 7) Complete an evaluation on alternatives for the Authority's vessel replacement program by December 31, 2022.
 - 8) Issue an invitation for bids and the award of a contract for the development of a Strategic Planning process and initiative in order to bring on board a qualified consultant by December 31, 2022, as recommended in the findings of the independent review conducted by HMS Consulting & Technical, LLC to improve the Authority's operations.
 - 9) Pursue capital grant funding opportunities from the U.S. Department of Transportation's Federal Transit Administration and other federal and state agencies.
 - 10) Strive to improve community relations through regular opportunities for public engagement and effective communications.
 - 11) Oversee the development of the administrative staff, including the hiring of a chief operating officer (COO) and grants administrator.
 - 12) Develop a plan to aid in the eventual hiring of a successor general manager.
 - 13) Oversee significant terminal improvement projects to be undertaken in the next twelve (12) months including, but not limited to: replacement of the Nantucket terminal transfer bridges; Vineyard Haven transfer bridge rehabilitation; Nantucket terminal dredge project; and the signage and communications project, and for each project cost overruns not exceeding 10% of budget.
 - 14) Provide quarterly updates to the Port Council and Board on the progress of the above goals.
11. Mr. Davis presented a draft letter to the National Oceanic and Atmospheric Administration regarding proposed North Atlantic right whale seasonal speed zones, which would result in a significant reduction in the number of trips that the Authority could complete between the mainland and the Islands during the Authority's current 18-hour operating day. The Members suggested some revisions and will consider a revised draft at their next meeting.

The next monthly Board meeting is currently scheduled for 9:30 a.m. October 18, 2022. Please look for the formal notice for the meeting that will appear on this website. Thank you.