

MINUTES
OF THE
PORT COUNCIL
OF THE
WOODS HOLE, MARTHA'S VINEYARD
AND NANTUCKET STEAMSHIP AUTHORITY

March 8, 2022

First-Floor Meeting Room (Room 103)
Steamship Authority Administrative Offices
228 Palmer Avenue, Falmouth, Massachusetts

- Port Council Members present: Chairman John F. Cahill of Tisbury; Secretary Nathaniel E. Lowell of Nantucket; Mark H. Rees of Fairhaven; Robert S.C. Munier of Falmouth; and Joseph E. Sollitto Jr. of Oak Bluffs (all of whom participated via Zoom videoconferencing).
- Authority Board Members present: Board Secretary Robert R. Jones of Barnstable and member James M. Malkin of Dukes County (both of whom observed the meeting via Zoom videoconferencing).
- Authority Management present: Treasurer/Comptroller Mark K. Rozum; General Counsel Terence G. Kenneally; Communications Director Sean F. Driscoll; Director of Marine Operations Mark H. Amundsen; Reservations and Customer Relations Manager Angela C. Campbell; Director of Shoreside Operations Alison A. Fletcher; Assistant Woods Hole Reconstruction Project Manager Joseph Levesque; Director of Human Resources Janice L. Kennefick; Health, Safety, Quality and Environmental Manager Angela M. Sampson; and Counsel Steven M. Sayers.

1. Mr. Cahill called the meeting to order at 9:03 a.m.
2. Mr. Cahill announced that, pursuant to Section 20 of Chapter 20 of the Acts of 2021, and in line with social distancing guidelines followed during the COVID-19 pandemic, all of the Port Council members were participating remotely in the day's meeting because their physical attendance would be unreasonably difficult. All the members were participating

via Zoom videoconferencing and were clearly audible to one another. As a result of the members' remote participation, all votes taken were to be by roll call vote.

3. Mr. Cahill announced Mr. Driscoll was making a video and audio recording of today's meeting. At approximately 9:42 a.m., Rich Saltzberg of the *Martha's Vineyard Times* indicated to Mr. Driscoll that he was making an audio recording of the meeting.
4. Upon a motion by Mr. Lowell and a second by Mr. Sollitto, the Port Council **voted** 5-0 to approve the minutes of their meeting on February 1, 2022.
5. After asking that the agenda be taken out of order to accommodate Mr. Munier, who had to depart the meeting early, Mr. Cahill then said the Port Council would consider the Request for Proposals to provide freight transportation service for the island of Martha's Vineyard. Mr. Sayers reviewed the history of the proposed RFP, including the Board's vote in fall 2021 to have it issued. He said the document is consistent with the feasibility study issued in April 2016 by the Authority and said its parameters would present no financial risk to the Authority. The Authority does not have the resources, either financially or physically, to provide service from an off-Cape port, and it does not wish to jeopardize its finances to do so. Therefore, all the financial risk would be on private carriers, although the Authority would assist as much as possible with permitting, seeking grants, etc.

Consistent with the feasibility study, a proponent would be able to use the Authority's Vineyard Haven terminal twice a day, if they wished, subject to the Authority's schedule, and would also be able to use the Authority's reservation system to book trips. The use of the Authority's reservation system to book trips would help ameliorate coordination issues that were problematic for previous efforts, as well as allow freight shippers to use the Authority for one leg of the journey and the off-Cape service for another leg, Mr. Sayers said.

Mr. Sayers said the operator would have to use their own mainland facility for the service, and the Authority wants the service to be primarily, but not exclusively, freight-based, as well as to include hazardous cargo. He said the touchstone word is "flexibility" as, he said, it is anticipated a number of potential carriers will have questions and concerns that will lead to amendments to the RFP. The deadline was set at August 2, 2022, which would give four (4) months to advertise the RFP and have dialogue with potential carriers. The Board would then have two (2) months to evaluate the proposals against a number of criteria set forth in the RFP, during which time staff will be doing its due diligence on them, before voting.

Mr. Sayers noted this was presented to the Long-Range Vineyard Transportation Task Force, which voted to approve it and send it to the Port Council and Board for consideration.

Mr. Munier said it is essential that the Authority attract good competition for this RFP in order for it to be successful; he said many of the things Mr. Sayers has said were

encouraging, but he was wondering if more could be done. He asked what the process would be to amend the RFP after getting feedback from the proponents; Mr. Sayers said staff envisioned issuing the RFP, then until the August 2, 2022, deadline, several addenda could be issued to clarify or update its terms based on what feedback the Authority hears. He added that the RFP would be sent to former proponents, the relevant trade publications, and Craig Johnson, who has served as the Authority’s consultant on this matter.

Mr. Munier said the RFP has a lot of attributes and potentially intimidating restrictions and that the Authority should want the document to feel like it wants to cast a wide net. Mr. Munier further asked if the result of the RFP would be that the Authority would need fewer trips from Woods Hole; Mr. Sayers said it would depend on the particulars of the proposal and the popularity of the service. Regardless, the Authority would have to continue to invest in refurbishments of its vessels, and new vessels, as it would not reduce the number of vessels it needed in its fleet.

Mr. Munier asked if there was room in the RFP for the proponents to offer their own solutions; Mr. Sayers said yes, that was what the Authority wanted to happen. Mr. Munier asked that the RFP be edited to make that more explicit; Mr. Sayers said he would do so and clarify the RFP was meant to be broad enough to give proponents that ability.

Mr. Munier asked if there was any idea when service might start; Mr. Sayers said that was one of the proposed evaluation criteria.

Mr. Munier asked if there was a minimum period of performance; Mr. Sayers said it would be up to each proponent, but that the Authority felt it was better for the island to have a long-term partner in this endeavor.

Regarding the evaluation criteria on emissions, Mr. Munier noted the Authority’s own fleet had a lot of work to do in that regard; Mr. Sayers said anyone with an electric fleet would be rated “highly advantageous” but others would be rated “advantageous.”

Mr. Rees noted that Fairhaven was specifically excluded from running service based on the Enabling Act; Mr. Sayers concurred and said the RFP would specifically reflect that.

Mr. Lowell asked about the Massachusetts Department of Transportation study that recently determined New Bedford service would not represent a net reduction in greenhouse gas emissions; Mr. Sayers said the RFP accounts for that by including its provision for hybrid vessels, and noted that emissions are not the only environmental factors to consider, but noise, traffic, and the length of the operating day must be balanced as well. Mr. Sayers further noted he thought this RFP was better than the 1999 attempt, when the Authority essentially chartered a vessel to provide this service and took a financial loss for the service.

Mr. Lowell reviewed some of the history of the route and said it is a very complicated and confusing situation and that he does not want the Authority’s finances to be negatively impacted by the service. In response to a question from Mr. Cahill, Mr. Lowell summarized

his concerns thusly: the complicated nature of the RFP, how the pricing would be determined, and whether or not hazardous material traffic would be targeted as well.

Mr. Cahill asked who would be marketing this RFP; Mr. Sayers said the Authority would be reaching out to Mr. Johnson and the prior proponents of the service.

Mr. Sayers said Mr. Lowell's concerns are legitimate and that the Authority does not want to make the same mistakes as it did before.

At 9:47 a.m., Mr. Munier ended his participation in the meeting.

Mr. Cahill noted that the Falmouth Transportation Committee had been seeking a containerized solution; Mr. Sayers noted that previous efforts in that regard led to the formation of Cape Cod Express and said he did not know if there was enough space in the available ports for those operations. However, the RFP is broad enough to accept such a proposal.

Mr. Sollitto asked if Ralph Packer had been approached about using his facilities; Mr. Sayers said Mr. Packer would receive the RFP as he had submitted a proposal in 1999.

Then, upon a motion from Mr. Rees and a second from Mr. Sollitto, the Port Council **voted** 4-0 to recommend approval of the RFP to the Board with the additions suggested by Messrs. Munier and Rees.

6. Mr. Rozum reviewed via a PowerPoint presentation the January 2022 business summary, which showed the Authority carried more passengers (up 2.6%) but fewer vehicles of less than 20 feet (down 5.5%) and freight trucks (down 6.5%) than it did in January 2021. Mr. Rozum noted the Authority lost service at several points in the month due to weather.

In January, the Authority had approximately \$4,753,000 in operating income and \$8,685,000 in operating expenses for a net operating loss of \$4,067,000 which was \$566,000 lower than budgeted.

During the month of January, the Authority's vessels had 1,598 trips scheduled, of which zero (0) were canceled for mechanical reasons.

Mr. Rozum noted that fuel expense in January 2022 was down compared to the budget due to the lower-than-budgeted number of trips made. The Authority is fully hedged for 2022 but has exposure for approximately 164,000 gallons this year, about 56,000 of which are in the months of January and February.

7. Mr. Levesque shared a PowerPoint presentation of recent activity from the Woods Hole Terminal Reconstruction Project, including a cost update showing change orders of \$16,122,346, or thirty-seven percent (37%) of the original contract, for a total cost to date of \$59,265,626, or \$5,575,726 above the original waterside cost estimate.

Mr. Cahill asked how close the project was to being completed; Mr. Levesque said it was expected at the end of the month. Concrete pours for the cofferdam at Monopile No. 24 were expected at the end of the current week and the start of the next week, then the platform could be placed on top. Jay Cashman Inc. was looking to demobilize the site by the end of the month.

Mr. Lowell asked if one of the utility boxes shown in the photographs was heated; Mr. Levesque stated it was.

8. Mr. Driscoll then provided the following updates on the website redesign project:
- ADK Group and the Steamship Authority have concluded the discovery phase of the project, called Revealing Reality.
 - Discovery activities included mapping the current and ideal states of the web platform; investigating the Authority’s technological ecosystem, including users and their journeys, features and functionality, and infrastructure; identifying gaps, opportunities and pain points; and began creating a shared vision for the new experience.
 - The Focused Innovation phase is now under way. Tasks during the phase include creating the foundational design and user experience for the website, with rapid prototyping to follow.
 - A plan for public engagement and beta testing during this phase is to be developed.
 - Two (2) editions of the project eNews have been sent, and updates are available at the landing page now at www.steamshipauthority.com/websiteproject.

Mr. Driscoll said the Port Council had been provided with a monthly sprint report in their materials, and noted he expected ADK Group to have a public presentation updating the progress in April.

9. Mr. Amundsen presented an update on the dry dock of the *M/V Island Home* at Senesco Marine LLC in North Kingstown, Rhode Island. Highlights of the project include bow and stern thruster overhaul, bow and stern door overhauls, Marine Evacuation System door modifications, blasting and coating the hull and overhauling the rudders. The total contract price, including credits and change orders, is \$1,329,649.

Mr. Lowell asked what the Authority was doing to improve the operation of the doors, which open sideways; Mr. Amundsen said the roller bearings that go into guides on the vessel, as well as other components, have been completely overhauled as part of this dry dock. He said he liked this style of door quite a bit and, as long as preventative maintenance is performed on them, they prove to be a successful door.

10. Mr. Amundsen presented an update on the dry dock of the *M/V Iyanough* at Thames Shipyard in New London, Connecticut. Highlights of the project include extensive coating renewal, overhaul of the jet drives, and replacement of the interior carpets. The total contract price, including credits and change orders, is \$655,659.

11. Mr. Amundsen noted the *M/V Nantucket* had just entered dry dock at Thames Shipyard and the Port Council would be getting an update on it at its next meeting.

12. Mr. Rozum then presented the draft 2023 Winter and Spring Operating Schedules for the Martha's Vineyard and Nantucket routes. The proposed 2023 operating schedules from January 3, 2023, to March 27, 2023, would start two (2) days earlier and end two (2) days earlier than in 2022 for both the Martha's Vineyard and Nantucket routes. The proposed 2023 operating schedules from March 28, 2023, to May 17, 2023, would start two (2) days earlier and end one (1) day later than in 2022 for both the Martha's Vineyard and Nantucket routes. Neither route would see any changes to trip times, quantity of trips or vessel crewing during these schedules.

Mr. Rozum said the schedules would be posted on the website and advertised before being brought back to the Port Council and Board for a vote.

Mr. Lowell noted a clerical error on one schedule and noted that opening up the *M/V Gay Head* for cars and not just trucks on late trips back to the island would be an improvement; Mr. Rozum said they would look at that issue.

13. Mr. Kenneally then presented the draft organizational chart that showed the addition of a chief operating officer (COO) and a grants administrator, two (2) new positions being proposed. Mr. Kenneally reviewed the history of the COO position, which was proposed in the 2018 comprehensive review of the Authority's operations performed by HMS Consulting, Glostten Associates and Rigor Analytics. The position was not created immediately following the report's issuance due to the large number of changes being made in the Authority's engineering and maintenance department and the onset of the COVID-19 pandemic; now, the Board has asked staff to return to the matter and present a recommendation.

At approximately 10:40 a.m., Mr. Rees' participation in the meeting was interrupted. He rejoined the meeting telephonically; no votes or action were taken during this time.

Mr. Kenneally noted the COO position was at the same pay grade as the general counsel and treasurer/comptroller, which would mean the cost of the additional position would approach or exceed \$200,000 a year. He also reviewed the responsibilities of the position, which would include overseeing both the shoreside and marine operations of the Authority.

Mr. Rozum then reviewed the proposed grants administrator position, the duties of which would include researching and applying for grants and handling the administration and reporting of the grants awarded to the Authority.

Mr. Sollitto said there was no question the grants administrator was needed. Regarding the COO, he said he would leave that question to the Board as they, not the legislature, are best suited to make that decision.

Mr. Lowell thanked Mr. Kenneally for the timeline of the COO position and noted the improvements the Authority had made to its overall operation. He said he would be in favor of the COO position if it was in the best interest of the Authority and did not affect its bottom line too much. He agreed that a grants administrator was needed.

Mr. Rees said he was supportive of both positions and said he hoped the Board's desire to move forward was based on the needs of the Authority, not the proposed legislation that would force the COO position to be created. He noted that the grants administrator may be able to be funded by federal grants themselves.

Mr. Cahill noted he was in favor of both positions and said he believed that the recent legislation was being advanced based on the events of 2018; he then thanked the Authority and its staff for the hard work it had done since then to improve operations.

Then, upon a motion from Mr. Sollitto and a second from Mr. Lowell, the Port Council **voted** 4-0 to recommend approval of the creation of chief operating officer position and grants administrator position to the Board.

14. Mr. Rees stated he recently had a chance to take a tour of the Fairhaven repair facility and take part in one of the sea trials of a vessel; he came away very impressed with the professionalism and dedication of the staff. Mr. Sollitto asked he if and Mr. Cahill could tour the facility as well; Mr. Rozum said that would be arranged.
15. In response to Mr. Cahill's call for public comment, Mr. Saltzberg asked if the anode replacement work at the Vineyard Haven terminal had been completed; Mr. Amundsen said it was close to being done, if not finished already, and that it was a standard maintenance item.

Mr. Saltzberg further asked if the HMS report contemplated the term limits that were also proposed in the recent legislation; Mr. Kenneally said they were not. He noted that, as far as he knew, the staff, Port Council and Board were not consulted prior to the legislation being filed.

Then, at approximately 10:58 a.m., upon a motion from Mr. Sollitto and a second from Mr. Lowell, the Port Council **voted** 4-0 to adjourn its meeting.

A TRUE RECORD

Nathaniel E. Lowell, Secretary

Documents and Exhibits Used at the Port Council’s March 8, 2022, Meeting

1. Agenda for the Port Council’s March 8, 2022, Meeting, posted March 2, 2022.
2. Minutes of the February 1, 2022, meeting (draft dated March 2, 2022).
3. Memorandum from Counsel Steven L. Sayers to General Manager Robert B. Davis, Revised Preliminary Draft of a Request for Proposals to Provide a Freight Transportation Service for the Island of Martha’s Vineyard, dated March 1, 2022.
4. Request for Proposals to Provide a Freight Transportation Service for the Island of Martha’s Vineyard, Contract No. 10-2022 (draft dated 4 p.m. March 1, 2022).
5. PowerPoint presentation, Business Summary – January 2022, dated March 8, 2022.
6. Business Summary, January 2022.
7. PowerPoint presentation, Woods Hole Terminal Reconstruction Project, dated March 8, 2022.
8. Steamship Authority Digital Platform Transformation Combined Monthly Sprint Report – February 2022
9. PowerPoint presentation, *M/V Island Home* Dry Dock at Senesco Shipyard, undated.
10. PowerPoint presentation, *M/V Iyanough* Dry Dock Thames Shipyard & Repair, undated.
11. Staff Summary #SO-2022-02, Preliminary Draft of the 2023 Winter/Spring Operating Schedule, dated March 2, 2022 (draft).
12. PowerPoint presentation, Steamship Authority Current Management Structure and Potential Management Structure, undated.