

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

The Meeting in Public Session

May 26, 2022

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met on May 26, 2022, beginning at 3:01 p.m. in the first-floor conference room of the Authority's administrative offices, 228 Palmer Avenue, Falmouth, Massachusetts. All five (5) Members were present and participated via Zoom videoconferencing: Chair Moira E. Tierney of New Bedford; Vice Chair Robert F. Ranney of Nantucket; Secretary Robert R. Jones of Barnstable; James M. Malkin of Dukes County; and Peter J. Jeffrey of Falmouth.

Port Council Chairman John F. Cahill of Tisbury and member Joseph E. Sollitto Jr. of Oak Bluffs were present and participated via Zoom. The following members of management were present: General Manager Robert B. Davis; General Counsel Terence G. Kenneally; Treasurer/Comptroller Mark K. Rozum; Communications Director Sean F. Driscoll; Director of Marine Operations Mark H. Amundsen; Executive Assistant Monika N. Andrade; Reservations and Customer Relations Manager Angela C. Campbell; Director of Shoreside Operations Alison A. Fletcher; and Health, Safety, Quality and Environmental Manager Angela M. Sampson (who participated via Zoom videoconferencing).

Video and Audio Recording of Today's Meeting:

Ms. Tierney announced Steve Baty of All Media Productions was making a video and audio recording of today's meeting in public session on behalf of Martha's Vineyard Community Television, also known as MVTV. Mr. Driscoll was also making an audio and video recording of the meeting; Louisa Hufstader (representing the *Vineyard Gazette*) and Rich Saltzberg (representing the *Martha's Vineyard Times*) indicated they were making audio recordings of the meeting.

Remote Access to the Meeting:

Ms. Tierney announced, 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 members of the public were participating remotely in the meeting via the Zoom videoconferencing app as an adequate, alternative means of public access occurring in real time.

Minutes:

IT WAS VOTED – upon a motion by Mr. Malkin, seconded by Mr. Jones – to approve the minutes of the Board’s April 19, 2022, meeting in public session.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Malkin	35 %	
Mr. Jeffrey	10 %	_____
TOTAL	100 %	0 %

IT WAS VOTED – upon a motion by Mr. Malkin, seconded by Mr. Jones – to approve the minutes of the Board’s April 29, 2022, meeting in public session.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Malkin	35 %	
Mr. Jeffrey	10 %	_____
TOTAL	100 %	0 %

Port Council Report:

Mr. Cahill then reviewed the Port Council’s May 3, 2022, meeting. Specifically, Mr. Cahill noted the presentation by ADK Group on the progress of the website design and development project, and he highlighted his personal concern that the Authority was not devoting enough in-house resources to manage the project’s thousands of hours of development. Additionally, he noted a further review of the Fleet Useful Life survey that showed the Authority was

aware of the condition of its vessels based on the results of past surveys. The Port Council also voted to recommend approval of the 2023 Winter and Spring Operating Schedules and the 2023 budget policy statement.

Operational Updates:

Mr. Davis provided additional information on the Fleet Useful Life and Functional Obsolescence Survey that was initially presented at the April 19, 2022, Board Meeting, which showed that the “useful life” of the Authority’s vessels has not corresponded to actual use, based on earlier surveys performed in 2012 and 2018, and in some cases the vessels have far surpassed those estimates thanks to the Authority’s rigorous maintenance programs.

Some of the factors that play into the “useful life” of a vessel include equipment obsolescence, he said, and the question of whether or not to replace such equipment is factored into the overall age and condition of each vessel.

Mr. Davis said he wished to stress that the results of this survey and previous surveys have been used to demonstrate that the measures the Authority has been taking regarding its maintenance program have helped prolong the useful life of the vessels.

Mr. Malkin said it was important to note that the Authority now has surveys going back ten (10) years and that a lot of work goes on to maintain the vessels that the general public does not see or understand. He said when the initial survey was presented, there was a lot of concern on the Vineyard, but he said it was important to let people know that this survey is part of the regular evaluation of the Authority’s vessels and to help decide when it’s time to transition to other vessels.

Mr. Jeffrey said he agreed with Mr. Malkin and noted that the Authority needed to have plans in place when future vessels were acquired as to when that vessel may need to be replaced to assist with its long-term planning.

Mr. Jones said all vessels have a useful life and that this work has been going on continually, although it has not always been apparent to the public. He said the results of the survey were “pretty predictable.”

Ms. Tierney asked if the survey should be updated biannually or at least more frequently so the public could have a greater understanding of the condition of the vessels; Mr. Davis said there may be elements of the report that

could be repeated when the vessels entered dry-dock, and that he would have a discussion with the surveyor regarding that point.

Regarding recent vessel mechanical issues, Mr. Davis said staff have reviewed the individual incidents and has not found a commonality among them. Through May 21, 2022, trip cancellations were slightly behind the pace set in 2021, and he said it was unfortunate that a spate of them happened within one (1) week.

Website Update/Redesign Status:

Mr. Driscoll provided the following updates on the website redesign and mobile app development project:

- The ADK Group design team continued with user dashboard and profile management designs and began work on the fares and discounts site, as well as creating profile and logging in prototypes. User testing was run in parallel for these features to gain feedback to integrate into those designs.
- The ADK tech team worked on API documentation, tested the ability to create a user and check the gift card balance through the API, and continued to develop the booking bar flow and list of reservations in a user's dashboard.
- The Authority hosted an ADK Group on-site visit May 11-12, when nine (9) members of the design and development team visited the Authority's facilities in Woods Hole, Vineyard Haven, Hyannis, Nantucket and Mashpee to get a ground-level view of the operations, meet with key personnel, and get a flavor of the Authority's operations, including parking, terminal functions, vessel loading, concessions, reservations, IT, and reservations.
- The team described the experience as "invaluable" to continued development of the site and mobile app, and smaller on-site visits are likely to continue.
- Public engagement has been ongoing via the bi-weekly eNews and website updates at www.steamshipauthority.com/webproject.

Mr. Malkin asked Mr. Driscoll to respond to the earlier concern expressed by Mr. Cahill about the Authority's ability to effectively manage the project. Mr. Driscoll said he felt confident the project was being well-managed given the support he had from the web project team, as well as David Jensen, president of Regan Digital Studio, who was acting as the Authority's owner representative on the project and was on most, if not all, of the project meetings.

Oak Bluffs Dock Repair Status:

Mr. Amundsen provided an update on the pier repairs at the Oak Bluffs Terminal, which include wrapping 236 piles and installing six (6) new piles. The project was completed April 29, 2022, at a cost of \$1,419,524.

Mr. Malkin asked if Mr. Amundsen could speak to the issue of diversions from Oak Bluffs given the concern of the business community, which is hugely dependent on the traffic from the Authority's vessels. Mr. Amundsen said the biggest issue is directional wind, and that if the sea is causing waves to the stern of the boat, it can lift the vessel and cause a dangerous situation if people or vehicles are embarking or disembarking the ship. The Authority's captains look at the situation very closely when deciding to divert, and he said he was sure that individuals were looking at the weather and wondering why trips were diverted to Vineyard Haven, but captains were looking at different factors. Mr. Davis added that captains were in constant communication with the terminal personnel when decisions were made to divert trips.

SQMS Update:

Ms. Sampson presented an update on the Safety Quality Management System (SQMS), including an April 14, 2022, management review to discuss and review the status of the SQMS implementation, and the first monthly safety meeting held on April 21, 2022. Subsequent safety meetings will be held the third Thursday of the month. John Hess from SMS LLC also conducted Terminal and Facilities Operation Manual (TFOM) training with maintenance foremen and managers at the Administration Office on May 3, 2022.

Proposed 2023 Winter and Spring Operating Schedule:

Mr. Davis presented the proposed 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 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 routes. Neither route would see any changes to trip times, quantity of trips or vessel crewing during these schedules.

Regarding the Vineyard route Winter Schedule:

- The *M/V Martha's Vineyard*, *M/V Island Home* and *M/V Katama* will be assigned to this schedule.
- The *M/V Nantucket* will replace the *M/V Island Home* during repair from January 9, 2023, to February 22, 2023.
- Each boat would be triple-crewed and could operate up to seven (7) round trips per day.

Regarding the Vineyard route Spring Schedule:

- The schedule will be the same, as will crewing and assigned vessels, as it was in 2022.
- One minor change is that, during the scheduled spruce-up for the *M/V Martha's Vineyard*, the *M/V Nantucket* will run in its place from May 15, 2023, to May 17, 2023.

Regarding the Nantucket route Winter Schedule:

- The *M/V Eagle* and *M/V Gay Head* will be assigned to this schedule, with the exception of January 3, 2023, to January 8, 2023, when the *M/V Nantucket* will operate in place of the *M/V Eagle* and the *M/V Woods Hole* will operate in place of the *M/V Gay Head*.
- Each boat would be triple-crewed and could operate up to three (3) round trips per day. The *M/V Gay Head* will be scheduled to run three (3) round trips Monday through Saturday and will have the ability of running three (3) round trips on Sunday.

Regarding the Nantucket route Spring Schedule:

- The schedule will be the same, as will crewing and assigned vessels, as it was in 2022.

Mr. Davis said the Authority placed newspaper advertisements of its proposed 2023 Winter and Spring Operating Schedules for both its Martha's Vineyard and Nantucket routes for the period from January 3, 2023, through May 17, 2023, in March 2022. Notices of the proposed schedules were also published for public comment on the Authority's website; no comments were received. He further noted that, at its May 3, 2022, meeting, the Port Council voted to recommend approval of the schedules as proposed.

IT WAS VOTED – upon a motion by Mr. Jones, seconded by Mr. Malkin – to approve the 2023 Winter and Spring Operating Schedules as recommended in Staff Summary No. SO-2022-04, dated May 17, 2022.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Malkin	35 %	
Mr. Jeffrey	10 %	_____
TOTAL	100 %	0 %

License Amendment for Cape and Islands Transport (M/V Water Taxi):

Mr. Davis said, on May 10, 2022, counsel for Cape & Islands Transport delivered a letter that details Cape & Islands Transport’s request to operate the *M/V Water Taxi* as a substitute for the *M/V Pied Piper* or the *M/V Sandpiper* at Cape & Islands Transport’s discretion. Under its current license, Cape & Islands Transport may only operate the *M/V Pied Piper* or the *M/V Sandpiper* between Falmouth and Edgartown, he said.

Within its recent request, Cape & Islands Transport seeks to add the *M/V Water Taxi* as an available vessel, which will allow Cape & Islands Transport to enhance its “operational efficiency with respect to fuel and labor costs,” Mr. Davis said. Cape & Islands Transport is not seeking any other changes to its operating model or the license by adding the *M/V Water Taxi* as an available vessel.

Mr. Jeffrey asked if the Authority foresaw any effect on weather cancellations given the fact that the *M/V Water Taxi* was a smaller vessel and if the substitution would present a diminishment of transportation options to the Vineyard. Mr. Davis said he understood that, if a weather situation existed where the *M/V Water Taxi* was not able to sail, Cape & Islands Transport would use one of its other vessels before deciding if a trip should be canceled.

Mr. Ranney asked, and Mr. Davis confirmed, that the *M/V Water Taxi* would be an additional option, not an additional vessel running.

Mr. Malkin said he shared in Mr. Jeffrey’s comment, and he wanted to do everything possible to encourage licensees to take passenger traffic from other mainland ports to the Vineyard.

Mr. Kenneally clarified that this request was to provide Cape & Islands Transport with operational flexibility and would not diminish capacity. Mr. Jeffrey said he was in favor of that flexibility and said his concern about weather conditions may be moot, but he did not want capacity to be diminished.

IT WAS VOTED – upon a motion by Mr. Jones, seconded by Mr. Jeffrey – to authorize the General Manager to execute a license agreement amendment with Cape & Islands Transport Inc. (CIT) that would allow it to add the *M/V Water Taxi* as a substitute vessel for the *M/V Sandpiper* or *M/V Pied Piper* conducting licensed service between Falmouth Harbor and Edgartown provided that CIT includes all passengers carried aboard the *M/V Water Taxi* in the number of passengers for which CIT is required to pay a license fee, and to authorize the General Manager to take all necessary and appropriate actions to carry out the license agreement amendments and fulfill the Authority’s obligations thereunder, as recommended in Staff Summary No. L-528, dated May 18, 2022.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Malkin	35 %	
Mr. Jeffrey	<u>10 %</u>	<u> </u>
TOTAL	100 %	0 %

Release of Executive Session Minutes:

Mr. Davis said the Open Meeting Law provides that the minutes of any meeting in executive session may remain secret “as long as publication may defeat the lawful purposes of the executive session, but no longer.” In order to comply with this mandate and to minimize the administrative burden of reviewing executive session minutes to determine whether they should remain secret despite requests for them, many years ago the Members voted to “delegate to the (g)eneral (m)anager the Members’ responsibility to approve appropriate portions of the minutes of the Members’ meetings in executive session for release to the public when the publication of such portions will no longer defeat the lawful purposes of the executive session.”

Mr. Davis said, specifically, whenever the general manager has reviewed executive session minutes to determine what portions should be released to the public, he has approved for release all of the minutes of the Members' meetings in executive session except for the portions of the minutes reflecting the Members' discussions and actions about the following matters:

1. Pending or anticipated litigation matters;
2. Pending or anticipated collective bargaining negotiations;
3. Pending or anticipated negotiations for the purchase, exchange, lease or value of real estate;
4. Pending or anticipated contract negotiations with non-union personnel;
5. Pending or anticipated investigations of charges of criminal misconduct or considerations of the filing of criminal complaints;
6. Information protected from disclosure under the Massachusetts Public Records Law, Mass. G.L. c. 4, § 7, cl. 26th, and now explicitly under the Massachusetts Administrative Procedures Act, Mass. G.L. c. 30A, § 22(e) as well;
7. Discussions protected by the attorney-client privilege; and
8. Security matters.

The Open Meeting Law requires the Authority to determine "at reasonable intervals" which portions of the executive session minutes should continue not to be released to the public and to announce that determination at the Authority's next meeting (and to include the announcement in the minutes of that meeting). In 2019, as the Members' designee for the purpose of determining which portions of the executive session minutes should be released to the public, Mr. Davis approved for release to the public all portions of such minutes through the end of 2018 except those that fell within the eight-numbered categories previously noted. Reviews of the executive session minutes for 2020 and 2021 have been delayed to date by staff's focus on managing the effects of the COVID-19 virus pandemic on the Authority's operations.

Mr. Davis said he was announcing that he has approved for release to the public all portions of such minutes through the end of 2021 and a portion of the previously unpublished 2018 and 2019 minutes, except those that fall within the eight-numbered categories previously mentioned. The portions of the executive session minutes now being released to the public include those pertaining to:

- a) The Authority's potential acquisition or lease of property owned by Santander Bank located at 75 Main Street, Tisbury, Massachusetts;
- b) Authority's potential lease of office space and additional square

- footage at the Authority's vehicle maintenance facility from the A & G Business Trust for property located at 485 Thomas B. Landers Road, Falmouth, Massachusetts; and
- c) The Authority's strategy sessions in preparation for negotiations with unions of all of the Authority's represented employees concerning the implementation of protocols in response to the COVID-19 pandemic.
 - d) The Authority's strategy sessions in preparation for potential litigation with Senesco Marine LLC in 2020;
 - e) The Authority's potential acquisition or lease of property owned by Cleary Land Nominee Trust located at 530 Thomas B. Landers Road, Falmouth, Massachusetts;
 - f) The Authority's discussion concerning potential litigation with Diesel Direct in 2021; and
 - g) The Authority's strategy sessions in preparation for executing new collective bargaining agreements with its licensed deck officers, its unlicensed vessel employees and its agency and terminal employees in 2021.

Results of Operations:

Mr. Rozum reviewed the results of the March 2022 business summary via a PowerPoint presentation, which showed the Authority carried more passengers (up 6.7%), more vehicles less than 20 feet (up 0.5%) and more freight trucks (up 5.4%) than in the same month in 2021. Year-to-date, the Authority has carried more passengers (up 8.5%), more vehicles less than 20 feet (up 0.4%) and more freight trucks (up 2.5%) than the same period in 2021.

In March, the Authority's operating revenue was approximately \$6,072,000, and its operating expenses were approximately \$10,641,000, for a net operating loss of \$3,726,000, approximately \$352,000 lower than budget, he said.

During the month of March 2022, the Authority's vessels were scheduled to make a combined 1,616 trips, of which eight (8) were canceled for mechanical reasons on the Martha's Vineyard route and zero (0) on the Nantucket route, he said.

Preliminary traffic data for April 2022 shows that the Authority carried more passengers on the Vineyard route (up 7.8%) and the Nantucket route (up 22.3%) than the same month last year. For vehicles, the Authority carried fewer to the Vineyard (down 3.4%) and to Nantucket (down 0.5%), he said.

Hybrid Propulsion Study Report:

Mr. Davis then introduced Matt Nani, Orin Kierczynski, John Waterhouse and Lydia Bengler, all representatives from Elliott Bay Design Group (EBDG) and Andy Bennett, of KPFF Inc., to present the results of a feasibility study for alternative vessel propulsion as part of the Authority's vessel replacement program. EBDG has worked with a number of ferry operators on the feasibility of electric propulsion, including for new vessels that are under design or existing vessels due for repowering.

Mr. Davis noted that, since EBDG designed the Authority's most recent vessel, the *M/V Woods Hole*, the study was conducted using that vessel's characteristics as the baseline for the study.

The scope of EBDG's objective under the project included:

- Gather data on the daily energy profiles for both the Martha's Vineyard and Nantucket routes.
- Energy profiles to include hotel loads for both summer and winter service.
- Identifying propulsion loads for various weather conditions.
- Gather data on existing electric grid and utility rate structures.
- Establish evaluation criteria within three (3) defined categories (vessel emission reductions; operating costs; and capital costs).
- Examine five (5) different scenarios including the baseline:
 - 1) Geared diesel propulsion with diesel generators (current)
 - 2) Diesel-Electric plant with small battery bank to allow all-electric operation when in the berth (no shore charging)
 - 3) Diesel-Electric plant with battery bank sized for brief increases in power demand should a generator fail (no shore charging)
 - 4) Diesel-Electric with large battery bank sized to handle 50% of operational time as all-electric
 - 5) All-Electric operation with rapid charging on both sides of route (only applies to Martha's Vineyard route)
- Identify, for each scenario, the size of battery bank and associated electrical generation and calculate the associated operating costs, fuel savings and emission reductions.
- Estimate the capital costs for each scenario compared to baseline, including modifications to terminals and utility supply lines.

The report's conclusions were as follows:

Of the five options considered, Option 1 (diesel mechanical) produced the most emissions and was the cheapest propulsion configuration. Option 5 was the closest to zero emission (wake-side) configuration and was also the most expensive to procure. The diesel hybrid options (Options 2-4) produced emissions similar to, but less than the diesel mechanical option with CO2 emission reductions ranging from 7% - 8% depending on the load conditions of the propulsion generators.

Capital costs for the propulsion systems were higher the more emissions were reduced. The increase in cost amongst the hybrid and all electric options was largely related to the quantity of batteries needed in each powering scenario.

Future studies and analyses could be performed to better define a vessel optimized for an all-electric or hybrid option. There is likely a sweet-spot design that would work well on both routes. An all-electric configuration for the Hyannis – Nantucket route was not considered in this study, and the quantity of batteries for that application would likely be prohibitive. An evaluation of the existing M/V Woods Hole hold space for fit of a diesel hybrid propulsion configuration is recommended.

This study did not consider any alternate fuels such as methanol, hydrogen, or ammonia as potential vehicles for emissions reduction relative to diesel. To do so would require an in-depth analysis of the supply chain of such fuels.

The EBDG representatives and Mr. Bennett then reviewed the results of the survey in greater detail via a presentation.

Mr. Malkin asked, for communities where this electrification has been done, what the impact has been on energy use, potential fire hazards, etc. He specifically asked about Washington State Ferries, but Mr. Bennett noted that nothing had been built there yet and, in fact, that area was asking the same questions. In the Nordic countries, most of the operations tend to be more remote, using smaller vessels in a more developed port, so the experience is different than the Authority.

Mr. Malkin asked for clarification that Washington State Ferries is not using electric vessels yet; Mr. Bennett said they were not, and that it was commonly misunderstood that the system was using electric ferries when they were, in fact, still in the planning process, although further along than the Authority.

Mr. Waterhouse noted that one (1) route from Oslo, Norway, to Hamburg, Germany, was using a hybrid vessel with the stipulation that the last five (5) to ten (10) miles of the journey be on electric power to lessen the effects of exhaust and noise on the port communities. Similar provisions were in place in BC Ferries, which uses electric power to lessen underwater noise for marine mammals.

Regarding the battery stations at the terminals, Ms. Bengner said those would require close coordination with the local fire chiefs as to their location and access. Mr. Ranney asked about the vessel batteries and how a vessel would handle a fire while it was under way; Ms. Bengner said the current guidance is to install a water mist system because that has been shown to be most effective at cooling the batteries while removing oxygen from the fire. Mr. Ranney noted that carrying batteries would require significant modifications to an existing vessel; Mr. Waterhouse said a “battery room” would need to be created in line with the comprehensive set of requirements issued by various regulatory bodies. Mr. Ranney asked what the backup would be if the batteries had to be shut down; Ms. Berger said the vessels would be equipped with a diesel generator.

Mr. Jeffrey asked if Washington State Ferries was retrofitting existing ferries or building new vessels; Mr. Bennett said some vessels were being retrofitted, but most of the electric vessels would be built new. Mr. Waterhouse noted that some of the system’s Tacoma-class vessels were being retrofitted, and negotiations were in progress to build a modified Olympic-class vessel that would be a hybrid of diesel and electric. Mr. Jeffrey asked if there had been rough costs associated with the project; Mr. Waterhouse said the study was still under way, but that the costs were likely already out of date.

Mr. Jones said the report was very interesting but said he did not see how conversion would be economically more feasible than new construction.

Ms. Bennett noted that, for the hybrid options discussed, emissions reductions were between seven percent (7%) and ten percent (10%) and that the most dramatic reductions came with the all-electric options. Mr. Malkin noted that the work would be highly dependent on the electric provider to provide sufficient service to Woods Hole and Vineyard Haven; Mr. Jeffrey further noted that the environmental savings would depend on the source of the electricity provided.

The Members thanked EBDG and Mr. Bennett for their report and detailed presentation.

Proposed Draft of the 2023 Budget Policy Statement:

Mr. Rozum presented the 2023 budget policy statement, noting that the proposed 2023 operating schedules to date, along with the current version of the 2022-2027 vessel repair schedule, were used for the basis of estimating next year's cost of service. He said he expected to review the preliminary 2023 Operating Budget with the Port Council and Board at their September meetings.

Mr. Jones asked how far the Authority was hedged in regard to its fuel; Mr. Rozum said about one-third of the way through 2023, although the price to purchase the hedges would likely be much higher next year.

IT WAS VOTED – upon a motion by Mr. Jones, seconded by Mr. Malkin – to approve the 2023 Budget Policy Statement as recommended in Staff Summary No. A-670, dated May 5, 2022.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Malkin	35 %	
Mr. Jeffrey	10 %	_____
TOTAL	100 %	0 %

Analysis of Rates Versus Cost of Service for 2021:

Mr. Rozum then reviewed the 2021 analysis of rates versus cost of service report.

On the Martha's Vineyard route, the cost of vessel operations and of indirect non-vessel costs increased by \$2,797,361 during 2021 versus 2020, a 4.5% increase. Direct vessel operating expenses increased by \$2,536,983 or 8.4%, versus 2020 as this increase is attributed to the increase in the quantity of trips that operated in 2021 compared to 2020 due to the impacts of COVID-19 in 2020. Increases in fuel costs were offset by decreases in vessel dry-dock and repair expenses on this route during 2021. Indirect non-vessel operating costs increased by \$260,378, or 0.8% during 2021 and reflects increased terminal costs associated with the increased operating schedule.

On the Nantucket route, the cost of vessel operations and of indirect non-vessel costs, after the allocation of indirect expenses to the M/V Iyanough, increased by \$1,532,344 during 2021 versus 2020, a 4.2% increase. Direct vessel operating expenses increased by \$500,209 or 2.4%, primarily attributed to increases in the quantity of trips that operated in 2021 compared to the reduced operating schedule in 2020 due to the impacts of COVID-19. Increases in vessel fuel oil expense and increased operating costs associated with the operating schedule returning to normal on this route during 2021 were offset by decreases in vessel repairs and dry-dock costs. Indirect non-vessel operating costs increased by \$1,032,135, or 6.3% during 2021, primarily because of the increased costs associated with operating the Nantucket and Hyannis terminals due to the operating schedules returning to normal levels compared to the prior year due to COVID-19.

Mr. Rozum further illustrated that, on the Martha's Vineyard route, the overall occupancy increased to 82.6% of total available deck space. In addition, autos covered 103.1% of the estimated cost while trucks covered 104.8%. On the Nantucket route, overall occupancy increased to 86.4% of total deck space. In addition, autos covered 124.2% of the estimated cost while trucks covered 90.9%.

Contract 11-2021,
Installation of Electric Bus Charging Stations – Hyannis and Falmouth:

Mr. Davis said the Authority contracted the design and specification for two (2) electric bus charging stations to service the new electric buses when they arrive. The stations will be located at the Palmer Avenue Parking Lot in Falmouth and the Yarmouth Road Parking Lot in Hyannis. Each station will have the ability to charge two (2) buses, with the ability for future expansion depending on the space for parking additional buses.

The Authority mailed twenty (20) packages to various vendors and seven (7) sealed bids were received on May 3, 2022, he said. The lowest bidder was Coviello Electric & General Contracting Co. of North Reading, Massachusetts, with a lump sum bid of \$366,000. The Authority met with the contractor on May 13, 2022, and determined it was the lowest eligible and responsible bidder.

Mr. Ranney asked what the installation would entail and how it would effect current parking operations. Mr. Davis said there would be some disruption when the units were installed but the overall effects should be minimal.

Mr. Jones asked how long it took the buses to charge; Ms. Fletcher said they would charge overnight and should be able to run a full day as a result.

IT WAS VOTED – upon a motion by Mr. Jeffrey, seconded by Mr. Malkin – to authorize the general manager to award Contract No. 11-2022, Electric Bus Charging Stations – Hyannis & Falmouth, to the lowest eligible and responsible bidder, Coviello Electric & General Contracting Co. of North Reading, Massachusetts, for a total contract price of \$366,000, as recommended in Staff Summary #SO-2022-06, dated May 20, 2022.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Malkin	35 %	
Mr. Jeffrey	10 %	<hr/>
TOTAL	100 %	0 %

Request for Authorization to Purchase Two (2) Shuttle Buses for Hyannis:

Mr. Davis said, in February 2020, the sole local compressed natural gas (CNG) station, located in Yarmouth, was closed permanently. The Authority had four (4) shuttle vans that ran on CNG, which have since been sold to MetroWest Regional Transit Authority in Framingham. The Authority is now looking at replacing these buses.

The price quote from Creative Bus Sales, for the production of two (2) 21-foot shuttle buses, is based upon Creative Bus Sales contract with the State of Arizona Department of Transportation Request for Proposal. Creative Bus Sales proposed price per bus is \$108,662, or a total of \$217,324, for two (2) buses, he said.

Due to supply chain issues, Mr. Davis said Creative Bus Sales is predicting lag time with securing particular parts for the build, as well as for a price increase to happen during the summer. At this time, they are looking at a delivery time of eight (8) to ten (10) months from receipt of order.

Mr. Jeffrey asked what the life span of these buses was; Mr. Davis said they typically go between ten (10) and fourteen (14) years. The Authority used a

similar bus for the back parking lot in Woods Hole, and he noted staff would have to come back soon for that request.

Mr. Jeffrey asked why the CNG buses were being replaced with diesel buses given the Authority's environmental initiative; Mr. Davis said the electric buses that were ordered were too large for the operations in Hyannis.

Mr. Ranney asked how many people the shuttles could seat; Ms. Fletcher said between fifteen (15) and twenty (20) people, plus two (2) wheelchairs.

IT WAS VOTED – upon a motion by Mr. Jones, seconded by Mr. Malkin – to authorize the general manager to purchase two (2) 21-foot shuttle buses the lowest responsive contractor, Creative Bus Sales of Hudson, New Hampshire, for a total price not to exceed \$217,324, as recommended in Staff Summary No. SO-2022-05, dated May 16, 2022.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Malkin	35 %	
Mr. Jeffrey	10 %	<hr/>
TOTAL	100 %	0 %

Old or New Business:

Mr. Ranney asked if the Authority had heard any update on the pending legislation to amend the Enabling Act; Mr. Davis said it was most recently on third reading in committee.

Mr. Davis noted that the 41North (41N) pilot barge program had been authorized to run with a barge called Thing 2, but the company now wished to use Thing 1, an identical vessel. Mr. Davis said he had no issue with the switch unless the Members had any concerns. Mr. Ranney asked if they were being sensitive to the congestion at the Nantucket Terminal; Mr. Davis said they have been in frequent contact with Terminal Manager Elaine Mooney. Mr. Ranney asked if the Authority's employees were driving their vehicles off the barges; Mr. Davis said 41N was supposed to have their own drivers.

Mr. Jones asked if the Authority would fly the POW flag on Memorial Day; Mr. Davis said it would. Mr. Jones then noted he was going to be traveling to England with a group of World War II veterans and Vietnam veterans.

Mr. Jones noted that the Barnstable seat on the Port Council had been filled by Roland “Bud” Breault.

Public Comment:

Mary Longacre expressed her deep appreciation for the alternative propulsion study and said she hoped the media would give the Authority “full credit” for pursuing the topic. She suggested the Authority excerpt the part of the video that contained the presentation for the public to review. She noted that Nantucket was not included in the study and having seen the presentation, she now understood why it is not a candidate for electrification. Mr. Davis further noted that the amount of batteries that would have to be carried on the vessel would increase a vessel’s draft to such a point that it could not operate out of Hyannis Harbor.

Mr. Saltzberg asked for additional detail on the recent engine issues with the *M/V Governor* and also asked for insight as to the longevity of the vessel. Mr. Amundsen said that, during recent preventative maintenance, the fuel injectors in the vessel were changed, but the computer software that runs the injectors was not properly updated, which is why the engine stalled. He said experts in the system were brought in to verify their proper functioning to ensure all was in proper order. Regarding the vessel’s long lifespan, he noted that it had been repowered eleven (11) years ago and that the powertrain and electric generation systems are of a much younger and more sophisticated vessel.

Mr. Saltzberg asked for an update on the strategic planning process recommended in the HMS report; Mr. Davis said a draft of an RFP had been issued in early 2020 but was pulled due to the COVID-19 pandemic; once that draft was reviewed for accuracy, the intention was to reissue it with a consultant expected to start work in the fall.

At 5:43 p.m., Ms. Tierney entertained a motion to go into executive session to discuss and approve the minutes of the Authority’s meeting in executive session on April 19, 2022, to discuss real estate and security issues and also review the Authority’s strategy with respect to collective bargaining negotiations because a public discussion of these matters may have a detrimental effect on the Authority’s negotiating and bargaining positions. These matters include:

- The potential sale and development of 31 Easy Street, Nantucket, Massachusetts;
- Deployment of security personnel or devices and related strategies; and
- Anticipated and Ongoing Negotiations with Teamsters Union Local 59; SEIU Local 888; and MEBA’s District No.-1PCD.

Ms. Tierney said the public disclosure of any more information with respect to these matters would compromise the purposes for which the executive session is being called. After the conclusion of the executive session, Ms. Tierney said the Board would not reconvene in public.

IT WAS VOTED – upon a motion by Mr. Malkin, seconded by Mr. Jeffrey – to enter into executive session to discuss and approve the minutes of the Authority’s meeting in executive session on April 19, 2022, to discuss real estate and security issues and also review the Authority’s strategy with respect to collective bargaining negotiations.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Malkin	35 %	
Mr. Jeffrey	10 %	<hr/>
TOTAL	100 %	0 %

ROBERT R. JONES, Board Secretary

**Documents and Exhibits Used at the
May 26, 2022, Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. May 26, 2022, Meeting Agenda, posted May 24, 2022.
2. Video and audio recording announcement.
3. Statement regarding remote access to the meeting.
4. Minutes of the Board's April 19, 2022, meeting in public session (draft).
5. Minutes of the Board's April 29, 2022, meeting in public session (draft).
6. Minutes of the Port Council's May 3, 2022, meeting (draft dated May 23, 2022).
7. Fleet Useful Life, Functional Obsolescence Report, chart comparing 2012, 2018 and 2022 surveys.
8. PowerPoint Presentation, Oak Bluffs Terminal Pier Repairs, undated.
9. Staff Summary #SO-2022-04, Proposed 2023 Winter and Spring Operating Schedule for (the) Martha's Vineyard and Nantucket route, dated May 17, 2022.
10. Staff Summary #GM-773, Hybrid Propulsion Study, dated May 25, 2022.
11. Presentation, New Vehicle Ferry *M/V Woods Hole* Equivalent, Hybrid Propulsion Study, dated May 26, 2022.
12. Staff Summary #L-528, Amendment of License Agreement with Cape & Islands Transport Inc, dated May 18, 2022.
13. Staff Summary #GM-772, Release to the Public of Portions of the Executive Session Minutes, dated May 13, 2022.
14. PowerPoint Presentation, Business Summary – March 2022, dated May 26, 2022.
15. Business Summary for the month of March 2022.
16. Staff Summary #A-670, 2023 Budget Policy Statement, dated May 5, 2022.
17. Staff Summary #A-671, 2021 Analysis of Rates Versus Cost of Service, dated May 5, 2022.
18. Staff Summary #SO-2022-06, Electric Bus Charging Stations – Hyannis and Falmouth, Contract No. 11-2022, dated May 20, 2022.

19. Staff Summary #SO-2022-05, Proposed Plan to Purchase Two (2) Shuttle Vans for Hyannis Terminal, dated May 16, 2022.
20. Statement to be read prior to going into executive session.