

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. A-41, SUB 21

VILLAGE OF BALD HEAD ISLAND,)
Complainant,)

v.)

BALD HEAD ISLAND TRANSPORTATION,)
INC., BALD HEAD ISLAND LIMITED, LLC,)
and SHARPVUE CAPITAL, LLC,)

Respondents.)

DIRECT TESTIMONY OF
DAVID COX
ON BEHALF OF
VILLAGE OF BALD HEAD
ISLAND

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

DOCKET NO. A-41, SUB 21

Direct Testimony of David Cox

On Behalf of the Village of Bald Head Island

August 9, 2022

OFFICIAL COPY

Aug 09 2022

1 **Q. PLEASE STATE YOUR NAME, OCCUPATION, AND BUSINESS ADDRESS.**

2 A. My name is David Cox, and I am the Director of Technology for the Village of Bald Head
3 Island (the “Village”). I have served in this role since July of 2007. As the Village’s
4 technology officer, I am responsible for managing all of the Village’s hardware, software,
5 and telecommunications assets and need; I oversee the full spectrum of software and
6 hardware needed to operate a local government. I also am responsible for the Village’s
7 Island Package Center, which serves as the distribution hub for U.S. Mail, Federal Express
8 and UPS packages coming to and from the island. My business address is 106 Lighthouse
9 Wynd, Bald Head Island, NC 28461.

10

11 **Q. ON WHOSE BEHALF ARE YOU SUBMITTING THIS DIRECT TESTIMONY?**

12 A. I am submitting this Direct Testimony on behalf of the Village.

13

14 **Q. PLEASE DESCRIBE YOUR WORK EXPERIENCE ON THE ISLAND.**

15 A. I started working for the Village in May of 1999 as a law enforcement officer. As an officer,
16 I was responsible for enforcing the Village’s local ordinances and North Carolina’s laws,

1 as well as maintaining the peace and safety of the island. In 2007, I started my current
2 position as the Director of Technology.

3
4 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL**
5 **EXPERIENCE.**

6 A. I received a liberal arts degree from UNC Wilmington. After graduation, I started as a law
7 enforcement officer for the Village. I have since received a municipal management
8 certification and a chief information officer certification from UNC Chapel Hill.

9
10 **Q. PLEASE PROVIDE A BRIEF OVERVIEW OF BALD HEAD ISLAND AND ITS**
11 **SIGNIFICANCE TO THE CITIZENS OF NORTH CAROLINA.**

12 A. Bald Head Island is a barrier island, located three miles off the mainland of the southern
13 coast of North Carolina. The island is only accessible by boat. The island is fueled by a
14 tourism economy. Tourists come to the island to enjoy its 10,000 acres of wildlife preserves
15 and beaches and, for many, to stay at one of the island's private residences.

16
17 **Q. HOW DOES THE PUBLIC REACH BALD HEAD ISLAND?**

18 A. The ferry is the only way the public can reach the island.

19
20 **Q. WHAT MEMBERS OF THE PUBLIC RELY ON THE FERRY TO REACH THE**
21 **ISLAND?**

22 A. The first category of passengers that comes to mind would be the island's full-time
23 residents This is a small group of between approximately 300 people, although they are

1 frequent users of the service.

2 A larger and daily group of passengers would be the employees who support the
3 island; this would be employees of the Village, the Bald Head Island Club, the Bald Head
4 Island Conservancy, or one of the commercial establishments on the island. These sorkder,
5 such as myself, rely on the ferry every workday to get on and off the island.

6 Another large group of passengers would be the construction contractors who come
7 to the island to work on residential and commercial construction projects. This includes
8 plumbers, electricians, carpenters, and various other tradesman. There always is
9 construction on the island, whether it is in new homes, new commercial establishments, or
10 repairs and renovations to existing structures.

11 There are also the daily visitors—we call them “day trippers.” These are tourists
12 who visit the island for a day to tour Old Baldy Lighthouse or the Conservancy, shop and
13 dine on the island, or maybe visit one of the island’s beaches or maritime forest.

14 Last, there are the vacationers. These are the members of the public who stay at a
15 house, condo or inn on the island, most often during the summer months. The vacationers
16 could either be renting or staying at their own or a friend’s vacation home. The island’s
17 economy is centered on the tourism industry, which makes these vacationers the engine for
18 our economy.

19

20 **Q. HAVE YOU EVER USED THE PARKING FACILITIES AT THE DEEP POINT**
21 **MARINA?**

22 A. Yes. Although I have worked on the island for over two decades, I have never lived on the
23 island. Therefore, I have had to drive to the ferry terminal every workday for the past

1 twenty plus years. At first, I was parking at the Indigo Plantation marina when the ferry
2 left from there, but years ago the ferry moved to the current Deep Point terminal facility.

3
4 **Q. PLEASE DESCRIBE YOUR USE OF THE PARKING FACILITIES AT THE DEEP
5 POINT MARINA.**

6 A. Because I am in charge of the Village's technology, I try to arrive earlier than other staff
7 to make sure the servers are booted and the systems are running by the time everybody else
8 arrives. I typically arrive at the parking facilities at 5:00 a.m. and ride on the 5:30 a.m.
9 contractors ferry, which is the first ferry of the day. The contractors ferry is a discount ferry
10 for workers on the island that primarily serves contractors and other workers on the island.

11 I park in the "Contractors Lot," which is where contractors and Village employees
12 park. Overnight parking is prohibited in the Contractors Lot. Therefore, when I arrive for
13 the 5:30 a.m. contractors ferry, the Contractors Lot is pretty empty because all of the
14 vehicles from the day before have left. I am part of the first wave of ferry passengers for
15 the new day. After I park and catch the ferry, the Contractors Lot starts to fill up in the
16 coming hours.

17 I typically return to my car on the 3:00 p.m. contractors ferry, which is the first
18 contractors ferry to leave the island in the afternoon. Because this is the first contractor
19 ferry to carry workers off the island, the Contractors Lot is generally at or near capacity
20 when I arrive back at my car.

21
22 **Q. ARE YOU AWARE OF ANYBODY WHO HAS USED THE PASSENGER FERRY
23 WITHOUT HAVING TO PARK AT THE PARKING FACILITIES?**

1 A. I am not aware of anybody who has taken the ferry and has parked anywhere other than
2 the parking facilities at the terminal. To my knowledge, the parking facilities at Deep Point
3 are the only local parking facility in the general vicinity. I am not aware of any other public
4 parking in the area.

5 I guess one could try to park in a commercial lot somewhere else and walk to the
6 terminal. The closest lot of which I am aware would be the Circle K on Stewart Avenue in
7 Southport, however. I cannot imagine anybody actually parking there to ride the ferry. The
8 Circle K lot is about a mile and a half away from the terminal. Plus, it is not true public
9 parking; there is no guarantee your car would not be towed by the time you returned to the
10 Circle K. It also cannot hold the hundreds of cars that park at the Deep Point terminal every
11 day.

12 I am also not aware of any public bus that travels to the Deep Point terminal. To
13 ride the ferry, you must take a vehicle to the terminal and you must park that vehicle in the
14 terminal's parking facilities. From my perspective, to ride the ferry, you have to pay for a
15 ferry ticket plus you have to pay for parking. There is no other way.

16

17 **Q. HAVE YOU EVER USED THE BARGE AND TUG SERVICE?**

18 A. I have. I first used the barge as a law enforcement officer whenever we would need to
19 remove municipal vehicles from the island to have them serviced on the mainland.

20 As of late, I have had far more interaction with the barge service in my role
21 overseeing the Island Package Center (the "IPC"). The IPC is the delivery hub for packages
22 and mail that come to and from the island. The Village took over the IPC back in 2015;
23 prior to that, it was operated by Bald Head Island Limited, LLC. When the Village took

1 over the IPC, a key part of the responsibility was to manage the tracking and logistics
2 software needed to ensure packages and mail get to their intended recipients. This was
3 another IT project for the Village, which required a lot of involvement by me. I have
4 retained oversight over the IPC ever since. The IPC's operations are dependent on the
5 barge.

6
7 **Q. CAN YOU TELL US ABOUT THE IPC'S OPERATIONS?**

8 A. The IPC is a very busy place. On average, it handles about 7,000 packages a month. Local
9 carriers, such as UPS, FedEx, and DHL, do not deliver packages to the island; rather, they
10 deliver packages to a warehouse on the mainland and then the Village transports the
11 packages to the IPC on the island via the barge. In other words, once the package arrives
12 at the material warehouse, it is "released" from carrier and the carrier considers it
13 "delivered." At that point, the Village takes over.

14
15 **Q. CAN YOU TALK MORE ABOUT THIS PROCESS?**

16 A. At the warehouse, we organize the packages onto pallets that are then placed on warehouse
17 trucks. The trucks are then driven onto the barge to be transported to the island. The Village
18 pays \$95 per pallet of packages that is transported on the barge. Last year, the Village spent
19 about \$107,000 in barge fees for the transportation of pallets.

20 Once on the island, the trucks drive to the IPC loading dock to unload the pallets.
21 After the warehouse truck delivers the package pallets to the IPC, we unload them, manifest
22 the packages, assign owners by address, and then distribute the packages to the island
23 addresses.

1 The IPC also offers islanders point of sale operations for the receipt of packages
2 that islanders wish to send out by a local carrier. Those packages are transported to the
3 mainland via the barge as well. The local carriers pick up the packages at the mainland
4 warehouse.

5
6 **Q. WHAT TYPES OF ITEMS ARE DELIVERED TO THE MAINLAND**
7 **WAREHOUSE TO BE TRANSPORTED ON THE BARGE TO THE IPC?**

8 A. It seems like everything and then some. Certainly a lot of household goods. Short of
9 carrying an item onto the passenger ferry, the only way to get a household good to the
10 island is by barge. This is especially true for large household items. Because there are size
11 constraints on what you can carry on the passenger ferry, all big household items come
12 over on the warehouse truck and barge.

13 I think I have seen everything you could imagine as a household item come through
14 IPC: chairs, lamps, mattresses, book shelves, TVs, kitchen tables, refrigerators, grills—you
15 name it. For those on the island, the barge carries everything plus the kitchen sink. And I
16 mean that literally: I have even seen a kitchen sink arrive at the IPC after having come over
17 on the barge.

18
19 **Q. OTHER THAN THE DELIVERY SERVICE YOU DESCRIBED, HOW ELSE**
20 **MIGHT A PERSON GET HOUSEHOLD GOODS TO THE ISLAND?**

21 A. Assuming we are talking about items that one cannot carry-on to the passenger ferry, the
22 only way would be private boat or the barge. For example, you could transport items in a
23 personal vehicle – or a rented vehicle or trailer – by driving it on the barge. And many

1 people on the island do exactly that.

2

3 **Q. DOES THIS COMPLETE YOUR DIRECT TESTIMONY?**

4 **A. Yes.**