

**PORT AUTHORITY TRANS-HUDSON CORPORATION**

**MINUTES**

**Thursday, July 20, 2017**

Action on Minutes	32
Report of Nominating Committee	32
Report of Committee on Capital Planning, Execution and Asset Management	32
Election of Officer	33
PATH – Replacement of Substation No. 7 – Project Re-Authorization and Award of Contract	34
PATH – Replacement of Substation No. 9 – Project Re-Authorization and Award of Contract	36

**MINUTES of the Meeting of Port Authority Trans-Hudson Corporation held Thursday, July 20, 2017 at 150 Greenwich Street, City, County and State of New York**

**PRESENT:**

**NEW JERSEY**

Hon. John J. Degnan, Chairman  
 Hon. Kevin J. O'Toole  
 Hon. Raymond M. Pocino  
 Hon. David S. Steiner  
 Hon. Caren Z. Turner

**NEW YORK**

Hon. Jeffrey H. Lynford, Vice Chairman  
 Hon. Leecia R. Eve  
 Hon. Daniel J. Horwitz  
 Hon. Gary LaBarbera  
 Hon. George T. McDonald  
 Hon. Rossana Rosado

Patrick J. Foye, President  
 Michael E. Farbiarz, Counsel

Roseanne Abbato  
 Sima Abrams  
 Sajaa Ahmed  
 Gail Altman  
 Orin Austin  
 Carrol Bennett  
 Joan Bennett  
 Justin E. Bernbach  
 John Bilich  
 Robin Bramwell-Stewart  
 Radomir Bulayev  
 Norman Burns  
 Molly C. Campbell  
 Ana A. Carvajalino  
 Steven J. Coleman  
 Janet D. Cox  
 Nicole Crifo  
 Clarelle D. DeGraffe  
 Gerard A. Del Tufo  
 John C. Denise  
 Marci DiFrancesco  
 Michael Dombrowski  
 Robert J. Donahue  
 Karen E. Eastman  
 Diannae C. Ehler  
 Benjamin S. Engle  
 Jose B. Febrillet  
 Michael A. Fedorko  
 Kevin Frick  
 Robert E. Galvin  
 Ann Georgas

Martha Golar  
Lauren Grodentzik  
Glenn P. Guzi  
Linda C. Handel  
MaryLee Hannell  
Gary Heard  
Howard G. Kadin  
Sherien Khella  
Arnold Kolikoff  
Cristina M. Lado  
Courtney J. Laidlaw  
Annesa Lau  
Huntley A. Lawrence  
Karl Lunan  
John H. Ma  
Stephen Marinko  
Ronald Marsico  
Michael G. Massiah  
Hugh G. McCann  
Elizabeth M. McCarthy  
James E. McCoy  
Sharon McGahee  
David J. McGrath  
Kathleen Miller  
Rachel Moody  
Doreen Moran  
Mark F. Muriello  
Maria Oliveri  
Steven Peabody  
Annie O. Persaud  
Stephen Powell  
Mark Pucci  
Alan Reiss  
Risa Resnick  
Robert Rodrigues  
Veronica Rodriguez  
Elizabeth Rogak  
Richard Smyth  
James A. Starace  
Timothy G. Stickelman  
Minerva John-Stull  
Faith Tabafunda  
Beverly Thorton  
Lillian D. Valenti  
Sheree R. Van Duyne  
Allison Voetsch  
Kathryn Winfree  
William Young  
Anni Zhu

Guests:

Diana Lopez, General Counsel, Gateway Program Development Corporation  
 Mary Maples, Associate Counsel, Authorities Unit, Office of the Governor of New Jersey  
 Carlene V. McIntyre, Port Authority Retiree

Speakers:

Margaret Donovan, The Twin Towers Alliance  
 Hon. Robert Gordon, New Jersey State Senator  
 Christy Guzzetta, President, NYC Cycle Club  
 Rev. Tiffany Henkel, Hell's Kitchen South  
 Coalition  
 Richard Hughes, The Twin Towers Alliance  
 Marcela Jimenez, Unite Here, Local 100  
 Betty Mackintosh, Manhattan Community Board 4  
 Joseph Ovellana, Unite Here, Local 100  
 Michael Prevoe, Unite Here, Local 100  
 Charlene Talarico, Port Authority Employee  
  
 Hon. Loretta Weinberg, Majority Leader, New  
 Jersey State Senate  
 Neile Weissman, Complete George

Topic:

Transparency  
 Port Authority Issues  
 GWB Sidewalk Improvements  
 Air Quality Concerns/PABT  
  
 Port Authority Practices  
 Airport Workers Protection  
 Replacement of PABT  
 Airport Workers Protection  
 Airport Workers Protection  
 Human Resources Policies and  
 Procedures  
 Port Authority Issues  
  
 GWB Bicycle/Pedestrian Paths

The public meeting was called to order by Chairman Degnan at 2.21 p.m. and ended at 3:34 p.m. The Board also met in executive session prior to the public session. Director Steiner was present for the executive session and a portion of the public session.

### **Action on Minutes**

Counsel submitted for approval Minutes of the meeting of June 15, 2017. He reported that copies of these Minutes were delivered to the Governors of New York (in electronic form) and New Jersey (in paper form) on June 16, 2017. Counsel reported further that the time for action by the Governors of New York and New Jersey had expired at midnight on June 30, 2017.

Whereupon, the Board unanimously approved the Minutes of the meeting of June 15, 2017.

### **Report of Nominating Committee**

During the course of the meeting, the Nominating Committee submitted its report, and the report was received and is included with these minutes.

### **Report of Committee on Operations**

The Committee on Operations reported, for information, on matters discussed in public session at its meeting on July 20, 2017, which included the receipt of a report from the Special Panel Implementation Office's PATH team, and the report was received.

### **Report of Committee on Capital Planning, Execution and Asset Management**

The Committee on Capital Planning, Execution and Asset Management reported, for information, on matters discussed in public session at its meeting on July 20, 2017, which included re-authorization of projects to upgrade and replace two electrical substations that serve the Port Authority Trans-Hudson rail system, and the report was received.

## **ELECTION OF OFFICER**

Chairman Degnan announced that, in accordance with the provisions of the By-Laws, the election of Vice Chairman was in order.

Director Pocino, as Chair of the Nominating Committee, submitted the following report:

“On behalf of the Nominating Committee, I desire to report that at its meeting held earlier today, in accordance with the provisions of Article VII of the By-Laws, the Committee, by unanimous action, submits the nomination for election to the office of Vice Chairman of Port Authority Trans-Hudson Corporation of Director Jeffrey H. Lynford.”

Pursuant to the foregoing report, with Directors Degnan, Eve, Horwitz, LaBarbera, Lynford, McDonald, O'Toole, Pocino, Rosado, Steiner and Turner voting in favor, Director Jeffrey H. Lynford was unanimously elected as Vice Chairman of Port Authority Trans-Hudson Corporation. Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**PATH – REPLACEMENT OF SUBSTATION NO. 7 - PROJECT RE-AUTHORIZATION AND AWARD OF CONTRACT PAT-024.031**

It was recommended that the Board: (1) re-authorize a project to replace and upgrade Substation No. 7 of the Port Authority Trans-Hudson Corporation (PATH) rail system, at an estimated total project cost of \$69.8 million, an increase of \$22.2 million over the previously authorized amount; and (2) authorize the President of PATH to award Contract PAT-024.031 to Mass. Electric Construction Company for the construction of a new substation, at an estimated construction cost of \$45,709,480, inclusive of allowances for extra work (if necessary) and field-ordered work.

A critical component of the operation of the PATH rail system is the traction power required to move trains. The existing PATH Substation No. 7, located in Jersey City, New Jersey, provides traction power to support a portion of the PATH rail operations between Journal Square Station and Newark Station. The substation is over 45 years old, and replacement is necessary in order to ensure continued reliable traction power to support PATH rail operations. In addition, the substation sustained extensive damage as a result of Superstorm Sandy and its associated storm surge.

At its meeting of April 25, 2007, the Board authorized planning work, at a total estimated cost of \$4.5 million, to replace/upgrade PATH Substations Nos. 7, 8 and 9 and the direct current (DC) switchgears in Switching Stations Nos. 6 and 10. At its meeting on February 19, 2009, the Board authorized a project to replace Substation No. 7 and DC Switchgear in Switching Station No. 6, at an estimated total project cost of \$47.6 million. In 2012, due to delays in acquiring necessary property for the construction of Substation No. 7, the scope of work for the replacement of DC Switchgear in Switching Station No. 6 was separated and advanced as a stand-alone project, which was subsequently awarded in October 2013.

The subject project provides for the furnishing, installation and commissioning of medium-voltage switchgear, traction power transformers, rectifiers and switchgear, associated auxiliary systems and equipment. All equipment will be installed indoors, in a new two-story steel-framed building to be constructed at elevations that will be above Federal Emergency Management Agency Base Flood Elevation in compliance, with the Port Authority Engineering Department's Climate Resilience Guidelines. The requested increase in authorization is due to increases in construction cost based on the actual low bid received, resulting from upward pressure on construction costs brought on by the current competitive market conditions and additional PATH facility forces to support construction.

Replacing and upgrading Substation No. 7 would provide reliable and efficient power to the PATH rail system and enhance customer service. Building the substation at a higher elevation and placing the equipment indoors would enhance reliability and security, and ease maintenance. In addition, it would accommodate future electrical power demand that is anticipated to increase above present level, as a result of anticipated increases in PATH train service.

It is anticipated that up to 90 percent of the eligible costs (exclusive of costs incurred prior to Superstorm Sandy) of the project would be recoverable through a grant from the Federal Transit Administration. All contracts to be awarded to implement the project would be in compliance with federal procurement guidelines, including Contract PAT-024.031, which would be awarded to Mass. Electric Construction Company, the lowest bidder pursuant to a publicly advertised solicitation process. A field-ordered work allowance would provide for contractor compensation for undefined items of work encountered during construction, which would be compensated as lump sum or cost reimbursement with a markup not to exceed a specified fixed dollar amount.

Pursuant to the foregoing report, the following resolution was adopted, with Directors Degan, Eve, LaBarbera, Lynford, McDonald, O'Toole, Pocino, Rosado and Turner voting in favor. Director Horwitz recused and did not participate in the consideration of, or vote on, this item. Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**RESOLVED**, that a project to replace and upgrade Substation No. 7 of the Port Authority Trans-Hudson Corporation (PATH) rail system, at an estimated total project cost of \$69.8 million, an increase of \$22.2 million from the previously authorized amount, be and it hereby is re-authorized; and it is further

**RESOLVED**, that the President be and he hereby is authorized, for and on behalf of PATH, to award Contract PAT-024.031 to Mass. Electric Construction Company, for the construction of a new substation, at an estimated construction cost of \$45,709,480, inclusive of allowances for extra work (if necessary) and field-ordered work; and it is further

**RESOLVED**, that the President be and he hereby is authorized, for and on behalf of PATH, to take action with respect to other construction contracts, contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing project; and it is further

**RESOLVED**, that the form of all contracts, agreements, and other documents in connection with the foregoing project shall be subject to the approval of Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by Counsel or his authorized representative.

**PATH – REPLACEMENT OF SUBSTATION NO. 9 - PROJECT RE-AUTHORIZATION AND AWARD OF CONTRACT PAT-084.001**

It was recommended that the Board: (1) re-authorize a project to replace and upgrade Substation No. 9 of the Port Authority Trans-Hudson Corporation (PATH) rail system, at an estimated total project cost of \$64.7 million, an increase of \$5.2 million over the previously authorized amount; and (2) authorize the President of PATH to award Contract PAT-084.001 to the joint venture of Halmar International LLC/LB Electric Co., LLC to construct the project, at an estimated construction cost of \$37,271,528, inclusive of allowances for extra work (if necessary) and field-ordered work.

A critical component of the operation of the PATH rail system is the traction power required to move trains. The existing PATH Substation No. 9, located in Harrison, New Jersey, provides traction power to support a portion of the PATH rail operations between Journal Square Station and Newark Station. The substation is over 45 years old, and replacement is necessary in order to ensure continued reliable traction power to support PATH rail operations. In addition, the substation sustained extensive damage as a result of Superstorm Sandy and its associated storm surge.

At its meeting of April 25, 2007, the Board authorized planning work, at a total estimated cost of \$4.5 million, for the replacement/upgrade of PATH Substations Nos. 7, 8 and 9 and the direct current switchgears in Switching Stations Nos. 6 and 10. At its meeting on November 19, 2009, the Board authorized an additional \$2 million in planning funds for the replacement/upgrade of those substation and switching stations. The property interests necessary to construct the new Substation No. 9 were acquired pursuant to a resolution adopted by the Committee on Operations, acting for and on behalf of the PATH Board, relating to the replacement and upgrade of the PATH Harrison Station. At its meeting of June 25, 2014, the Board authorized the project to replace Substation No. 9, at an estimated total project cost of \$59.5 million.

The subject project provides for the furnishing, installation and commissioning of medium-voltage switchgear, traction power transformers, rectifiers and switchgear, associated auxiliary systems and equipment. All equipment will be installed indoors in a new two-story steel-framed building to be constructed at elevations that will be above Federal Emergency Management Agency Base Flood Elevation, in compliance with the Port Authority's Climate Resilience Guidelines. The new traction power equipment will incorporate an energy storage system to allow energy recovery from PATH's PA-5 railcars regenerative braking. The requested additional funds are needed due to increases in construction costs based on the actual low bid received, engineering costs due to design changes related to coordination of the project with the upgrade and replacement of the PATH Harrison Station, additional PATH facility forces to support construction and project-related agency allocated costs.

Replacing and upgrading Substation No. 9 would provide reliable and efficient power to the PATH rail system and enhance customer service. Building the substation at a higher elevation and placing the equipment indoors would enhance reliability and security, and ease maintenance. In addition, it would accommodate future electrical power demand that is anticipated to increase above present level, as a result of anticipated increases in PATH train service.

It is anticipated that up to 90 percent of the eligible costs (exclusive of costs incurred prior to Superstorm Sandy) of the project would be recoverable through a grant from the Federal Transit Administration. All contracts to be awarded to implement the project would be in compliance with federal procurement guidelines, including Contract PAT-084.001, which would be awarded to Halmar International LLC/LB Electric Co., LLC, Joint Venture, the lowest bidder pursuant to a publicly advertised solicitation process. A field-ordered work allowance would provide for contractor compensation for undefined items of work encountered during construction, which would be compensated as lump sum or cost reimbursement with a markup not to exceed a specified fixed dollar amount.

Pursuant to the foregoing report, the following resolution was adopted, with Directors Degan, Eve, Horwitz, LaBarbera, Lynford, McDonald, O'Toole, Pocino, Rosado and Turner voting in favor. Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**RESOLVED**, that a project to replace and upgrade Substation No. 9 of the Port Authority Trans-Hudson Corporation (PATH) rail system, at an estimated total project cost of \$64.7 million, an increase of \$5.2 million from the previously authorized amount, be and it hereby is re-authorized; and it is further

**RESOLVED**, that the President be and he hereby is authorized, for and on behalf of PATH, to award Contract PAT-084.001 to Halmar International LLC/LB Electric Co., LLC, Joint Venture, to construct the foregoing project, at an estimated construction cost of \$37,271,528, inclusive of allowances for extra work (if necessary) and field-ordered work; and it is further

**RESOLVED**, that the President be and he hereby is authorized, for and on behalf of PATH, to take action with respect to other construction contracts, contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing project; and it is further

**RESOLVED**, that the form of all contracts, agreements, and other documents in connection with the foregoing project shall be subject to the approval of Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by Counsel or his authorized representative.

Whereupon, the meeting was adjourned.

---

Counsel