



SOUTH JERSEY PORT CORPORATION
OFFICIAL BOARD OF DIRECTORS MEETING MINUTES
BROADWAY TERMINAL
CAMDEN, NEW JERSEY
August 26, 2014
12:30 p.m.

Directors Present:	Craig Remington	Acting Chairman
	Christopher Chianese	State Treas. Designee
	Chad Bruner	Director
	Robert DeAngelo	Director
	Jonathan Gershen	Director
	Joseph Maressa, Jr.	Director ☎
	Eric Martins	Director
	Sheila Roberts	Director
	Carl Styles	Director
Directors Absent:	Richard Alaimo	Chairman
In Attendance:	Christopher Howard	Governor's Authorities Unit
	Raymond Zane, Esq.	Gen. Counsel – Zane & Lozuke
	Kevin Castagnola	Executive Director & CEO
	Jay Jones	Dep. Exec. Dir. / Board Secretary
	Bruno Cellucci	Treasurer
	Hank D'Andrea	Facilities Engineer
	Dennis Culnan	Marketing Consultant – PS&AC
	Neil Grossman	Financial Advisor
	Marlin Peterson	Gloucester County I.A.
	Darryl Eng	AECOM
	Phil Giradano	AECOM
	Ray Heinzelmann	Gahagan & Bryant
	Lisa Kline	Holt Logistics

☎- indicates teleconference
*An attached sign-in list may list
other attendees.*

The Acting Chairman opened the meeting at 12:30 p.m. with the following statement.

Pursuant to the provisions of the Open Public Meetings Act, Chapter 231, Public laws of 1975, adequate notice of this meeting has been provided. On January 9, 2013 the Secretary of the Corporation sent a legal notice with a schedule of Regular Meetings to be held by the South Jersey Port Corporation's Board of Directors, during the calendar year 2014, indicating the time and place to the following newspapers:

- ❑ **Courier-Post**
- ❑ **Gloucester County Times**
- ❑ **Burlington County Times**

In addition, the meeting was posted at the Port Corporation's designated the Bulletin Board at its main entrance of the Broadway Terminal, its official place for posting and maintaining a schedule of the monthly Board of Director's Meetings for 2014. The meeting schedule was also placed of the Port Corporation's website at www.southjerseyport.com.

Roll call was taken and recorded. [PLEDGE OF ALLEGIANCE RECITED.](#)

PRESENTATION OF REGULAR MEETING MINUTES - July 29, 2014

The minutes for the South Jersey Port Corporation Board of Directors regular session meeting held on July 29, 2014 were presented for approval.

A motion was made to approve the July 29, 2014 Board of Directors Regular Meeting Minutes as presented.

Moved by:	R. DeAngelo
Seconded by:	C. Chianese
Voting for motion:	All
Voting against motion:	None
Abstaining:	J. Gershen
	E. Martins
	C. Styles

PRESENTATION OF CLOSED MEETING MINUTES – July 29, 2014

The minutes for the South Jersey Port Corporation Board of Directors closed meeting session held on July 29, 2014 were presented for approval.

A motion was made to approve the July 29, 2014 Board of Directors Closed meeting minutes as presented with the condition that any matters contained in the closed session minutes may be withheld and not disclosed to the public until the need for the closed session has passed.

Moved by:	C. Chianese
Seconded by:	R. DeAngelo
Voting for motion:	All
Voting against motion:	None

Abstaining: J. Gershen
E. Martins
C. Styles

OPERATING BILLS

The Operating Unpaid Bill list for the period 7/17/2014 to 8/13/14 was presented for approval.

A motion was made to adopt Resolution 2014-8-0070 for the approval of the Operating Unpaid Bill list for the period 7/17/14 to 8/13/14.

Moved by: J. Maressa, Jr.
Seconded by: J. Gershen

Voting for motion: All
Voting against motion: None

ADVANCE PAYMENT LIST

The Advance Payment Bill List for the period 7/17/2014 to 8/13/14 was presented for approval. Audit Committee Chairman Gershen advised that the Audit Committee reviewed the AMEX statement.

A motion was made to adopt Resolution 2014-8-0071 for the approval of the Advance Payment Bills for the period 7/17/14 to 8/13/14 as presented.

Moved by: J. Gershen
Seconded by: C. Chianese

Voting for motion: All
Voting against motion: None

CREDIT LIST

The Credit List containing six (6) credits in the amount of \$6,182.49 for the period ending August 26, 2014 was presented for approval.

A motion was made to adopt Resolution 2014-8-0072 for the approval of the Credit List containing six credits for a total of 6,182.49.

Moved by: S. Roberts
Seconded by: R. DeAngelo

Voting for motion: All
Voting against motion: None

CHANGE ORDERS

Staff presented Change Order No. 1 for McMullen Roofing for the “B” Building Roof Deck Removal Replacement, Repair Project. During the project, a total of 1,498 square feet of roof required the removal, replacement and repair work requiring a total of \$54,887.96 in additional costs for materials and labor. The original contract price is \$174,102. Change Order No. 1 will increase the contract price to \$228,989.96.

A motion was made to adopt Resolution 2014-8-0073 for the approval Change Order No. 1 in the amount of \$54,887.96 for McMullen Roofing Inc. for the “B” Building Roof Removal, Replacement and Repair Project as presented.

Moved by:	C. Bruner
Seconded by:	R. DeAngelo
Voting for motion:	All
Voting against motion:	None

CONSTRUCTION FUND REQUISITIONS

Staff presented four (4) construction fund requisitions for the period ending August 26, 2014 in the amount of \$221,207.74. Invoice #4 is for the Paulsboro Marine Terminal project.

A motion was made to adopt Resolution 2014-8-0074 for the approval of the Construction Fund Requisitions totaling \$221,207.74 as presented.

Moved by:	J. Gershen
Seconded by:	R. DeAngelo
Voting for motion:	All
Voting against motion:	None
Abstaining on #4:	C. Bruner

TREASURER’S REPORT

The Treasurer, Mr. Bruno Cellucci, presented the Treasurer’s Report. For the period ending July 31, 2014, he reported that the net income before interest, depreciation and amortization totaled \$282,736 versus the budgeted amount of \$93,073. For the year-to-date, the net income before interest, depreciation and amortization totaled \$2,622,323. This is a deviation of \$794,678 better than budget. The interest on investments and the accounts receivables reports were also presented. The Board inquired about the A/P list. The Treasurer advised that he is working on an A/R analysis and will develop further recommendations accordingly.

A motion was made to accept the Treasurer’s Report as presented.

Moved by:	J. Gershen
Seconded by:	C. Chianese
Voting for motion:	All
Voting against motion:	None

COUNSEL'S REPORT

Mr. Raymond Zane commented that he would discuss the Holt lease negotiations in Closed Session. The Counsel's Report will be discussed in closed session.

EXECUTIVE DIRECTOR'S REPORT

The Executive Director, Mr. Kevin Castagnola, presented the Executive Director's Report. The report highlighted cargo activity results for July 2014. Tonnage for the month of June increased 41% and 38% for the year-to-date total as compared with 2013. Port activity continues to grow and we are forecasting the year end tonnage total to improve between 30% to 40%. We also anticipate that 2015 cargo activity will continue to increase.

The Executive Director reported that Mr. Jay Jones and he will be attending the 2014 Breakbulk Americas Exhibition and Meeting in Houston, Texas and the end of September. The GAU has approved the travel request. SJPC will participate as an exhibitor. Nearly 4,000 participants and over 380 exhibitors will be attending. Many SJPC customers and port partners will be attending, as well as potential new customers and partners. The conference provides an opportunity to meet with several customers in one location and to promote the SJPC facilities to the industry.

A motion was made to accept the Executive Director's Report as presented.

Moved by:	C. Styles
Seconded by:	J. Maressa, Jr.
Voting for motion:	All
Voting against motion:	None

ACTION ITEMS

The following action items were considered:

RESOLUTION 2014-8-0075: ADOPTION OF THE EMERGENCY OPERATIONS PLAN AND EVACUATION ANNEX

Staff requested Board adoption of the SJPC Emergency Operations Plan and Evacuation Annex. SJPC received three FEMA Technical Assistance Grants through the NJ Office of Homeland Security & Preparedness (OHSP) and FEMA. The Technical Assistance (TA) Program, through the U.S. Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA), National Preparedness Directorate (NPD) and Grant Programs Directorate (GPD), seeks to build and sustain capabilities through specific services and analytical capacities across two primary functional areas: 1) Preparedness TA activities in support of the four homeland security mission areas (prevention, protection, response, and recovery) and 2) Homeland security program management. SJPC received technical assistance to enhance our planning and documentation for the following three areas: 1) Emergency Operations Plan, 2) Continuity of Operations Plan and 3) Evacuation Plan. The NJOHSP approved the applications at the state level and the requests were approved by FEMA.

The FEMA Team and staff have prepared the draft Emergency Operations Plan and Evacuation Annex. The FEMA Team was onsite for two weeks conducting meetings, compiling data and conducting interviews. A kickoff meeting with SJPC, our tenants and partners was held on Tuesday, May 20, 2014 laying out the planning objectives and assembling the stakeholder team for the Emergency Operations Plan and the Evacuation Plan development. The FEMA team

returned for the week on Monday, June 2, 2014 and an EOP stakeholder meeting was held and various meetings and working sessions with SJPC and our tenants and partners were held in developing the draft EOP. The Evacuation Plan development will began on Monday, June 9, 2014, with a stakeholder group kickoff meeting and then the FEMA team.

The stakeholder team was comprised of SJPC staff, Camden Iron & Metal, Delaware River Stevedores, Camden Waterfront Development/Holt, Joseph Oat Corporation, Camden Yards Steel, Camden International Commodities Terminal, Susquehanna Center, Battleship NJ, City of Camden Office of Emergency Management, Camden County Office of Emergency Management, the City of Camden Fire Department, and NJ Office of Homeland Security and Preparedness.

The South Jersey Port Corporation's Emergency Operations Plan provides a comprehensive framework for emergency management for Balzano and Broadway Marine Terminals. The plan addresses the roles and responsibilities of SJPC employees and tenants and provides a link to local, state, Federal, and private organizations and resources that may be activated to address disasters and emergencies in the South Jersey Port Corporation. The EOP ensures consistency with current policy guidance and describes the interrelationship with other levels of response. The plan will continue to evolve, responding to lessons learned from actual disaster and emergency experiences, ongoing planning efforts, training and exercise activities, and Federal guidance

The Emergency Operations Plan and Evacuation Plan Annex, along with recommendations in support of implementing the plan are presented for adoption. Staff will have General Counsel evaluate revising our standard lease agreement to include a provision for tenants about their responsibility to follow the SJPC EOP/EP. Following adoption, the plan will be distributed to SJPC tenants and partners for implementation, as well as in support of the SJPC Facility Security Plan. The EOP/EP will be evaluated annually for any required updates.

A motion was made to approve Resolution 2014-8-0075 adopt the SJPC Emergency Operations Plan and Evacuation Annex for the Balzano and Broadway Terminals as presented.

Moved by:	C. Chianese
Seconded by:	E. Martins

Voting for motion:	All
Voting against motion:	None

RESOLUTION 2014-8-0076: PAULSBORO MARINE TERMINAL – 3rd AMENDMENT TO PORT ESSEX GROUND LEASE

Staff requested Board approval for the Executive Director and SJPC legal counsel to finalize and execute a 3rd Amendment to the Port Essex Ground Lease between the Borough of Paulsboro and SJPC.

In August 2009, the Borough of Paulsboro and the SJPC executed the original Port Essex Project Site Ground Lease for the 45-acre parcel of real property, which when combined with the 130-acre BP parcel created the Paulsboro Marine Terminal footprint. An approximately 15-acre portion of the Essex Parcel that contains a NJDEP closed landfill was not included within the original terminal footprint.

Subsequent to the Original Port Essex Ground Lease, the Borough and SJPC entered into a First Amendment to Port Essex Project Site Ground Lease in September 2011, wherein the “Swindell” properties were acquired by the Borough in fee title and integrated into the Port Essex Ground Lease. Subsequent to the Original Ground Lease and the First Amendment, the Borough and SJPC entered into a Second Amendment to Port Essex Project Site Ground Lease in August 2013 wherein approximately 1.95 acres of Conrail property were purchased by the Borough from Conrail via an Agreement of Sale and incorporated into the Port Essex Ground Lease.

In connection with the First Amendment to the Agreement of Sale, an additional 0.19 acre parcel of property (“Additional Conrail Property”), as shown on the plan attached hereto as Exhibit A, is required from Conrail to accommodate a new switch, which will enable a full loop-track within the Paulsboro Marine Terminal. Through an Amendment to the Agreement of Sale with Conrail and a corresponding Third Amendment to the Port Essex Ground Lease, the additional 0.19 acres will be integrated into the Original Port Essex Ground Lease.

A motion was made to approve Resolution 2014-87-0076 to authorize staff and General Counsel to finalize the 3rd Amendment to the Port Essex Lease for the Paulsboro Marine Terminal between SJPC and the Borough of Paulsboro.

Moved by:	J. Gershen
Seconded by:	R. DeAngelo
Voting for motion:	All
Voting against motion:	None
Abstaining:	C. Bruner

RESOLUTION 2014-8-0077: PAULSBORO MARINE TERMINAL 1st AMENDMENT TO AGREEMENT OF SALE WITH CONRAIL

Staff requested Board approval for the Executive Director and SJPC legal counsel to finalize and execute an Acknowledgement and Agreement page of the First Amendment to the Agreement of Sale, which is by and between Conrail and the Borough of Paulsboro.

An additional 0.19 acre parcel of property (“Additional Conrail Property”), is required from Conrail to accommodate a new switch, which will enable a full loop-track within the Paulsboro Marine Terminal. Through an Amendment to the Agreement of Sale with Conrail and a corresponding Third Amendment to the Port Essex Ground Lease, the additional 0.19 acres will be integrated into the Original Port Essex Ground Lease. The original 1.93 parcel was appraised at \$30,000. Since the additional acreage is approximately 1/10 the size, Conrail and the SJPC agree that an equitable cost for the 0.19 acre parcel is \$3,000.00.

A motion was made to approve Resolution 2014-8-0077 to authorize staff and General Counsel to finalize and execute an Acknowledgement and Agreement for the First Amendment and Agreement of Sale with Conrail for an additional 0.19 acre parcel of property regarding the Paulsboro Marine Terminal project .

Moved by:	R. DeAngelo
Seconded by:	C. Styles
Voting for motion:	All

Voting against motion: None
Abstaining: C. Bruner

RESOLUTION 2014-8-0078: AUTHORIZATION TO RELEASE REQUEST FOR PROPOSALS FOR PROFESSIONAL SERVICES

Staff requested authorization to prepare and advertise a Request for Qualifications/Proposals for seven (7) professional services including General Legal, Maritime Counsel, Bond Counsel, Labor Counsel, Financial Advisor, General Health and Insurance Broker and Marketing Consultant. Staff will have General Counsel review the RFQ/P documents. The legal notices will be posted with a deadline to submit packages in November. The current contracts will expire at the end of February 2015. All contracts carried a term of one year with a one year option at the prerogative of the Board.

The packages received will be provided to the Board Review Committee and recommendations will be provided to the Board at the January 2015 Board meeting for consideration.

A motion was made to approve Resolution 2014-8-0078 authorizing staff to release the Request for Qualifications/Proposals for Professional Services as presented.

Moved by: C. Chianese
Seconded by: J. Gershen

Voting for motion: All
Voting against motion: None

RESOLUTION 2014-8-0079: AUTHORIZATION TO RELEASE REQUEST FOR QUALIFICATIONS FOR ENGINEERING SERVICES

Staff requested authorization to release the Request for Qualifications for Engineering Services for the following categories Civil Engineer, Certified Diver, Construction Management, Geo-technical Services and Marine Engineer.

At the February 2014 meeting, the Board took action to approve the results from a Request for Qualifications for Professional Services for prequalification of engineering firms for a period of three (3) years, with a term of March 1, 2014 through February 28, 2017. Each year, the Board considers additional engineering firms to the prequalified list for the remaining term. This request would be to pre-qualify additional engineers to the current list for a period of two (2) years, aligning all pre-qualified engineering firms to expire in February 2017.

The results of the Request for Qualification will be reviewed by the Board Review Committee and the committee will present a recommendation to the full Board to be considered by the Board prior to the March 1st commencement.

A motion was made to approve Resolution 2014-8-0079 authorizing staff to release the Request for Qualifications for Engineering Services as presented.

Moved by: R. DeAngelo
Seconded by: E. Martins

Voting for motion: All
Voting against motion: None

RESOLUTION 2014-8-0080: APPROVAL OF NJDOT RAIL FREIGHT ASSISTANCE PROGRAM GRANT

Staff requested Board approval for authorization to enter into a State of New Jersey Department of Transportation Rail Freight Assistance Program Agreement between NJDOT and SJPC subject to the execution of the Holtec for Broadway Terminal and CWD/Holt Logistics for Paulsboro Marine Terminal leases. In compliance with the terms and conditions of the draft grant agreement, staff requests Board approval to expend up to \$1,111,111.11 in local match, which is the equivalent of 10% of the \$10 million NJDOT Rail Freight Assistance grant amount. The revenue source for the \$1,111,111.11 local match will be the PMT 2009 Series P Bond. A corresponding line item is included in the Budget Summary portion of the Paulsboro Monthly Progress Report.

In the summer of 2012, staff began discussions with the NJDOT regarding opportunities to enhance rail service to its marine terminals in southern New Jersey. In November 2012, NJDOT Division of Multimodal Services requested statewide applications in response to its Rail Freight Assistance Program. In December 2012, SJPC submitted an application that requested \$17.875 million for freight rail related infrastructure improvements. In April 2013, NJDOT announced that SJPC was awarded a \$10 million grant for rail improvements of which \$1.5 million is for Camden facilities and \$8.5 million is for the Paulsboro facility. The grant proceeds will be available in four equally funded fiscal year installments. SJPC will receive \$2.5 million per year over 4 years for freight rail infrastructure improvements.

A motion was made to approve Resolution 2014-8-0080 approving the execution of the NJ Department of Transportation Rail Freight Assistance Program Grant Agreement pending the execution of the leases with Holtec Development and Camden Waterfront Development/Holt Logistics.

Moved by: R. DeAngelo
Seconded by: C. Chianese

Voting for motion: All
Voting against motion: None
Abstaining: C. Bruner

INFORMATION ITEMS

MARKETING REPORT - PHOENIX STRATEGIES / ARTLIP COMMUNICATIONS

Mr. Dennis Culnan presented the Marketing Report. He reported they have revised the trade show exhibit graphic, assisted staff with the completion and distribution of the Port-O-Call magazine, began production of the Fall/Winter edition of the Port-O-Call magazine, assisting staff with the completion of the 2013 Annual Report, updated the Paulsboro Marine Terminal tri-fold marketing brochure and assisted in layout of industry print media advertisements.

The report was received and filed.

PORT SECURITY UPDATE

Mr. Jay Jones, Deputy Executive Director/FSO presented the Port Security Update report.

USCG MTSA SPOT INSPECTIONS: The U.S. Coast Guard conducted two, unannounced, Maritime Transportation Security Act spot inspections at the Balzano Terminal and the Broadway terminal on August 11, 2014. No discrepancies were found.

FACILITY SECURITY PLAN – MTSA/33CFR105: Mr. Jones will be submitting an updated Security/Threat Analysis, CG-6025 Forms and Facility Security Plan to the U.S. Coast Guard Sector Delaware Bay for the five year approval.

15th BIENNIAL HARBOR SAFETY AND AREA MARITIME COMMITTEE CONFERENCE: SJPC is sponsoring the 15th Biennial Harbor Safety Committee and Area Maritime Security Committee Conference: Partnering for Safe, Secure, and Resilient Port Operations which will be conveniently held in Philadelphia this year on August 25-27, 2014. The conference will focus on best practices of Harbor Safety Committees (HSCs) and Area Maritime Security Committees (AMSCs) as well as new ideas and technology to address critical safety and security issues.

The report was received and filed.

PAULSBORO MARINE TERMINAL PROJECT UPDATE

The Paulsboro Marine Terminal Project report was presented by Mr. Marlin Peterson with the Gloucester County Improvement Authority. He also provided a PowerPoint Presentation during the meeting.

CHANGE ORDERS: None for presentation at this time although we are processing the following changes.

- CO-04 to GBA - Continued involvement with defense of DSC claim requires additional funding. 80 hrs for M. Snow (Dredging Works Mgr) at current rate = not-to-exceed cost of \$12,000.
- CO-012 to CH2MHILL – Part time Resident Design Liaison (RDL) extension from August 2014 through the end of the PMT-008M Wharf contract, which is forecast to be March 2016. Total not-to-exceed cost is \$200,000.
- PMT-009 / CO-004: Roadway restoration to include additional sidewalk, handicap ramp, curb & existing gas line protection @ intersection leading to Billingsport Park. Lump sum cost to be finalized - approximately +\$30,000.
- PMT-009 / CO-005: Additional fill material to achieve complete sub-grade across the site. 25,000 cyds @ \$20/cyd (15 + 5) = \$500,000.

CONSTRUCTION UPDATE: PMT-003: The project is substantially complete. Work on remaining punch list items and project close-out continues.

PMT-005: The project is substantially complete.

PMT-006: Final survey has been received; project close-out continues.

PMT-007: The project is substantially complete. Two remaining monitoring wells will be lowered to final design height once the existing surcharge stockpile has been relocated as part of the PMT-009 project. This work has commenced and is scheduled through August 2014.

PMT-008TP: The project is substantially complete. Project close-out continues.

PMT-008M: Modified Phase I Wharf Construction: The Phase I Wharf contract was awarded to Weeks Marine and a Notice-To-Proceed was furnished August 6, 2014. Based on the original contract duration, substantial completion is scheduled for February 6, 2016. A kick-off meeting is scheduled for August 18, 2014.

PMT-009 Imported Fill & Select Utilities: Select demolition, storm water pipe, sanitary sewer connections and electrical ductbank installation continue. Monitoring of surcharge indicates that primary settlement has abated. Fill material hauling is approximately 96% complete. Relocation of surcharge fill material hauling resumed in May 2014 and will continue into September 2014. Additional importing of fill material resumed in August 2014, with earthwork to complete in October 2014. Substantial completion is targeted for November 2014.

PMT-015: Woodland Habitat Mitigation: The Woodland Habitat Mitigation contract with Turf Construction has been executed. A kick-off meeting is scheduled for late August 25, 2014. Plantings in PA-1 (Little Mantua Creek location) are targeted for fall 2014 and for PA-2 (Mantua Creek location) in Spring 2014.

PMT-S02: Expanded perimeter landscaping and lawn maintenance, which includes the new linear esplanade areas and along the access road alignment commenced in June 2014 and will continue through years 2014 and 2015.

Traffic Signal Warrant Study

A kick-off meeting for the traffic signal warrant study with Shropshire Associates was held July 17, 2014. Initial findings are scheduled to be available in October 2014.

PROCUREMENT UPDATE: PMT-010: Terminal Civil Works. Based on available funding, completion of import fill to achieve subgrade and NJDEP utility connection approvals, the balance of phase I civil works has been rescheduled such that public advertisement is targeted for 4th quarter 2014. This contract is expected to follow after the completion of the PMT-009 fill material hauling activities.

PMT-013: Stage I (TIGER III) Upland Rail Works. Based upon USDOT's categorical exception (CE) for the rail components of the Paulsboro Marine Terminal, completion of Conrail's review for design compliance and completion of the PMT-009 fill material placement, public advertisement is targeted for late 4th quarter 2014.

PMT-014: Stage II (NJDOT) Upland Rail Works. Following execution of a NJDOT Rail Freight Assistance Grant agreement and completion of the PMT-009 fill material placement, public advertisement is planned for 1st quarter of 2015.

PMT-012: Esplanade and Kayak Launch. Based on available funding and construction schedule, public advertisement is slated for late 1st quarter 2015.

Refer to the enclosed Paulsboro Marine Terminal & Access Road and Bridge July 2014 Monthly Progress Reports, which include an Executive Summary, Critical Issues Identification, Construction Activities Update, OCIP, Project Budget Summary, Project Schedule, Construction Photographs and Submittal Logs for further details.

ACCOUNTING RECONCILIATION: A 1st Quarter 2014 accounting reconciliation meeting between representatives of the GCIA and SJPC was conducted June 13, 2014. Based on the results of this meeting, no outstanding or unresolved accounting issues have been identified. A 2nd quarter 2014 reconciliation meeting is scheduled for the week of August 25th 2014 or September 2nd, 2014.

Mr. Marlin Peterson announced that he will be resigning from the Gloucester County Improvement Authority as the Director of Port Development at the end of September. He will be available through the end of the year to assist with any transitional issues regarding the Paulsboro Marine Terminal. The Board thanked him for his services and wished him well in his new endeavor.

The report was received and filed.

TIGER III GRANT – AMENDMENT TO REAUTHORIZE PROJECT SAVINGS

Staff reported the TIGER III grant between the SJPC, Conrail, Salem County and USDOT totals \$44,139,010, which is comprised of \$23,869,010 of TIGER Discretionary grant funds and \$20,270,000 in non-Federal local funds. This total is derived from the Original Grant plus Amendment No. 1.

Conrail's Delair Bridge Span Replacement is the primary project within the grant. Per Conrail, the Delair project is projected to complete approximately 1 year early. In addition, other Conrail projects contained within Amendment No. 1 were undertaken without federal funding assistance due to delays in receiving NEPA authorization. The net result is that the TIGER grant is likely to have remaining available federal cost-share dollars totaling slightly more than \$8,000,000. Since the Original Grant and its Amendment No. 01 addressed only a portion of the entire program of freight rail improvements proposed for funding within the Southern New Jersey port district, the SJPC and its partners will be requesting that the savings be reallocated to projects described in the initial grant application but were not funded in either the Original Grant or its 1st Amendment. A proposed reallocation of the federal cost-share savings is presented below.

Total Federal Cost-Share Savings		\$8,094,010	
Project	Federal Cost Share	Local Match	Total
Delair Bridge Wire Ropes	\$3,000,000	\$3,000,000	\$6,000,000
Penns Grove Secondary Rail	\$2,100,000	\$2,100,000	\$4,200,000
Salem Running Track	\$1,000,000	\$1,000,000	\$2,000,000
PMT Storage, Loading & Switching Track	\$1,994,010	\$1,994,010	\$3,988,020

The funding for the Local Match portion of the proposed Paulsboro Marine Terminal (PMT) Storage, Loading & Switching Track is provided by 2009 Series P Bond.

ELECTRICAL SUPPLY REVERSE AUCTION

Staff reported that on August 5, 2014 SJPC conducted a reverse auction for electric supply using World Energy Solutions, Inc. online auction services. Jeff Lenetsky of World Energy, Ray Pasteris of Pasteris Energy, Inc. and Hank D'Andrea coordinated and observed the auction in the SJPC offices.

Six (6) auction were conducted seeking fixed electric price contracts of 12, 24 and 36 months with and without 10% green energy with a delivery start in January 2015 when the current contract expires with Direct Energy. The SJPC annual electric consumption is 10.1 Million kWh.

Thirteen (13) different electric suppliers participated in the bidding with greater than 122 bids received during the six auctions conducted. This is considered excellent market participation.

The winning supplier was Constellation with a 24 month fixed price of \$0.08435/kWh with 10% green. In this auction the electric prices for 10% green energy were the same prices as 100% brown energy. Accordingly, no premium will be paid for green energy.

Constellation's price for a 12 month contract with 10% green was \$0.08485/kWh and for a 36 month contract with 10% green was \$0.08508/kWh. Both prices are higher than the 24 month fixed price of \$0.08435/kWh which formed the primary basis for selecting the 24 month contract. The current market price to compare at the time of the auction was \$0.09048/kWh for a 24 month contract so the competitive bidding environment of the online auction resulted in a lower price representing \$62,000 annually.

Per the Board's authorization, a supply contract was executed with Constellation that same day following phone approvals from the Executive Director and Board Chairman.

PUBLIC COMMENTS

The Acting Chairman asked if there were any public comments. Hearing none, he asked for a motion to adjourn the regular session meeting and enter closed session.

A motion was made to adjourn the Regular Open Meeting.

Moved by:	C. Chianese
Seconded by:	C. Styles
Voting for motion:	All
Voting against motion:	None

At 1:14 p.m. the regular open session was adjourned.

I certify that this is a true copy of the Minutes of the South Jersey Port Corporation's Regular Open Session of the Board of Director's Meeting held Tuesday, August 26, 2014.

Jay Jones
Board Secretary