

**PORT AUTHORITY TRANS-HUDSON CORPORATION**

**MINUTES**

**Thursday, October 21, 2021**

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**MINUTES of the Meeting of Port Authority Trans-Hudson Corporation held Thursday, October 21, 2021 at 150 Greenwich Street, New York City, New York and via teleconference.**

**PRESENT:**

**NEW JERSEY**

Hon. Kevin J. O'Toole, Chairman  
 Hon. Dana M. Martinotti  
 Hon. Kevin P. McCabe  
 Hon. Robert J. Menendez  
 Hon. Michelle E. Richardson

**NEW YORK**

Hon. Jeffrey H. Lynford, Vice Chairman\*  
 Hon. Steven M. Cohen\*  
 Hon. Leecia R. Eve  
 Hon. Gary LaBarbera\*  
 Hon. Rossana Rosado\*

Richard Cotton, President  
 Michael E. Farbiarz, Counsel

James K. Allen Jr.  
 Carrol Bennett\*  
 John Bilich  
 Benjamin M. Branham  
 Alana Calmi  
 Ana Carvajalino\*  
 Rebecca L. Cassidy  
 Edward T. Cetnar  
 Janet D. Cox\*  
 Gideon Davidson\*  
 Jennifer S. Davis\*  
 Clarelle D. DeGraffe\*  
 Diannae C. Ehler\*  
 Benjamin Feldman  
 Amy H. Fisher  
 Robert E. Galvin  
 John Gay\*  
 Robert Gibbon\*  
 Amber Greene  
 Milena Kosc-Garcia  
 Cristina M. Lado\*  
 Huntley A. Lawrence  
 Elizabeth M. McCarthy  
 James E. McCoy  
 Jessica Ortiz\*  
 Hersh K. Parekh\*  
 Alan L. Reiss\*  
 Sam Ruda

\* Remote participants via teleconference.

Jessica Russ\*  
Peter D. Simon  
James A. Starace  
Debra M. Torres  
Derek H. Utter  
Lillian D. Valenti  
Cheryl A. Yetka\*

Guests:

Noreen M. Giblin, Deputy Chief Counsel, Authorities Unit, Office of the Governor of New Jersey\*

Lauren LaRusso, Senior Counsel, Authorities Unit, Office of the Governor of New Jersey\*

Public Commenter (Written Statement):

Charlene Talarico

Topic:

Port Authority Personnel Matters/  
Lincoln Tunnel Incident

The public meeting was called to order by Chairman O’Toole at 12:12 p.m. and ended at 12:46 p.m. The Board also met in executive session prior to the public session. Director Horwitz was present for the executive session, participating via teleconference. Food and beverages were not offered in executive session. Mask rules were uniformly observed, and social distancing was maintained throughout the meetings.

### **Report on Prior Meeting’s Minutes**

Copies of the Minutes of the meeting of August 5, 2021 were delivered in electronic form to the Governors of New York and New Jersey on August 6, 2021. The time for action by the Governors of New York and New Jersey expired at midnight on August 23, 2021.

### **Chairman’s Report**

The Chairman advised that in light of the ongoing COVID-19 public health crisis, in-person attendance at the meetings will be limited to Directors, Port Authority staff required to conduct the meetings, and credentialed members of the press, subject to space limitations due to safety protocols.

The Chairman also advised that as part of the Port Authority’s public speakers’ program, one written statement was received. The written statement was provided to the Directors and other relevant staff prior to today’s Board Meeting and will be filed with the transcripts of today’s meetings on the Port Authority’s website.

**PATH – REPLACEMENT OF SUBSTATION NO. 7 - PROJECT REAUTHORIZATION  
AND INCREASE IN CONTRACT PAT-024.031**

It was recommended that the Board: (1) reauthorize 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 \$84.3 million, an increase of \$6.1 million over the previously authorized amount, of which 90 percent is anticipated to be funded by existing Federal Transit Administration (FTA) grants; and (2) authorize the President of PATH to increase, by approximately \$1 million (which is included in the \$6.1 million project increase), the amount of Contract PAT-024.031 with Mass. Electric Construction Company (Mass Electric) to construct the new Substation No.7.

Substation No. 7, located in Jersey City, New Jersey, is a critical component of the PATH rail system operations. It provides traction power to support rail operations between Journal Square Transportation Center and the Hackensack River Bridge. The substation is over 45 years old and beyond its useful life. It also sustained extensive damage during Superstorm Sandy and its associated storm surge.

Pursuant to prior Board actions from April 2007 through July 2017, this project was initiated to replace Substation No. 7, at an estimated total project cost of \$69.8 million, including the award of Contract PAT-024.031 to Mass Electric to construct the new Substation No. 7. In February 2020, the PATH Board reauthorized the project, at an estimated total project cost of to \$78.2 million, and authorized an increase, of approximately \$4 million, in the amount of the contract with Mass Electric, to address underground obstructions encountered subsequent to commencement of construction.

The project is now 88 percent complete and has experienced delays due to the procurement of key electrical equipment, which has extended the project schedule and increased project costs. The originally specified equipment manufacturers were unable to meet both the Buy America and the design requirements for the equipment. This resulted in delays in the procurement of the equipment by an acceptable manufacturer.

The delays in the project have resulted in additional staff costs, financial expense, and agency allocations associated with schedule extensions.

It is anticipated that up to 90 percent of the eligible costs (exclusive of planning costs incurred prior to Superstorm Sandy and the property acquisition costs) of the project would be recoverable through a grant from the FTA. Eligibility for federal reimbursements and grants will continue to require that contracts be awarded in compliance with federal procurement guidelines.

Pursuant to the foregoing report, the following resolution was adopted, with Directors Cohen, Eve, LaBarbera, Lynford, Martinotti, McCabe, Menendez, O'Toole, Richardson and Rosado 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 the 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 \$84.3 million, an increase of \$6.1 million over the previously authorized amount, be and it hereby is reauthorized; and it is further

**RESOLVED**, that the President be and he hereby is authorized, for and on behalf of PATH, to increase, by approximately \$1 million, the amount of Contract PAT-024.031 with Mass Electric Construction Company for the construction of the new Substation No. 7, resulting in an estimated total contract amount of approximately \$53.2 million, inclusive of allowances for extra work 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, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; 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 REAUTHORIZATION AND INCREASE IN CONTRACT PAT-084.001**

It was recommended that the Board: (1) reauthorize 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 \$77.1 million, an increase of \$12.4 million over the previously authorized amount, of which 90 percent is anticipated to be funded by existing Federal Transit Administration (FTA) grants; and (2) authorize the President of PATH to increase, by approximately \$4.2 million (which is included in the \$12.4 million project increase), the amount of Contract PAT-084.001 with the joint venture of Halmar International LLC/LB Electric Co., LLC (Halmar/LBE).

Substation No. 9, located in Harrison, New Jersey, is a critical component of the PATH rail system operations. It provides traction power to support rail operations between PATH's Journal Square Transportation Center and Newark Penn Station. The substation is over 45 years old and beyond its useful life. It also sustained extensive damage during Superstorm Sandy and its associated storm surge.

Pursuant to prior Board actions from April 2007 through June 2014, this project was initiated to replace Substation No. 9, at an estimated total project cost of \$59.5 million. The total project cost was later increased to \$64.7 million through a subsequent Board action in July 2017, which also granted authorization to award Contract PAT-084.001 to the lowest bidder, Halmar/LBE. That project increase was necessitated in large part due to market conditions that resulted in a higher than anticipated low bid to construct the project.

This project is now 79 percent complete and has experienced delays due to the procurement of certain key electrical equipment, which have extended the project schedule and increased project costs. The originally specified equipment manufacturers were unable to meet both the Buy America and the design requirements for the equipment. This resulted in delays in the procurement of the equipment by an acceptable manufacturer.

The delays in the project have resulted in additional staff costs, financial expense, and agency allocations associated with schedule extensions.

It is anticipated that up to 90 percent of the eligible costs (exclusive of planning costs incurred prior to Superstorm Sandy and the property acquisition costs) of the project would be recoverable through a grant from the FTA. Eligibility for federal reimbursements and grants would continue to necessitate that contracts be awarded in compliance with federal procurement guidelines.

Pursuant to the foregoing report, the following resolution was adopted, with Directors Cohen, Eve, Lynford, LaBarbera, Martinotti, McCabe, Menendez, O'Toole, Richardson and Rosado 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 the 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 \$77.1 million, an increase of \$12.4 million over the previously authorized amount, be and it hereby is reauthorized; and it is further

**RESOLVED**, that the President be and he hereby is authorized, for and on behalf of PATH, to increase, by approximately \$4.2 million, the amount of Contract PAT-084.001 with Halmar International LLC/LB Electric Co., LLC for the construction of the new Substation No. 9, resulting in an estimated a total contract amount of approximately \$41.5 million, inclusive of allowances for extra work 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, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; 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.

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Counsel