

**PORT AUTHORITY TRANS-HUDSON CORPORATION**

**MINUTES**

**Wednesday, May 28, 2014**

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**MINUTES of the Meeting of Port Authority Trans-Hudson Corporation held Wednesday, May 28, 2014 at 225 Park Avenue South, City, County and State of New York**

**PRESENT:**

**NEW JERSEY**

Hon. Richard H. Bagger  
 Hon. Raymond M. Pocino  
 Hon. William P. Schuber  
 Hon. David S. Steiner

**NEW YORK**

Hon. Scott H. Rechler, Vice-Chairman  
 Hon. Kenneth Lipper  
 Hon. Jeffrey H. Lynford  
 Hon. Jeffrey A. Moerdler  
 Hon. Rossana Rosado

Patrick J. Foye, President  
 Deborah L. Gramiccioni, Vice-President and Secretary  
 Darrell B. Buchbinder, Counsel

Thomas E. Belfiore  
 Thomas L. Bosco  
 Steven J. Coleman  
 Nicole Crifo  
 Stephanie E. Dawson  
 John C. Denise  
 Karen E. Eastman  
 Michael A. Fedorko  
 Michael B. Francois  
 Cedrick T. Fulton  
 Robert Galvin  
 David P. Garten  
 Lash L. Green  
 Glenn P. Guzi  
 Linda C. Handel  
 Mary Lee Hannell  
 Anthony Hayes  
 Howard G. Kadin  
 Cristina M. Lado  
 Richard M. Larrabee  
 John H. Ma  
 Stephen Marinko  
 Ronald Marsico  
 Daniel G. McCarron  
 Elizabeth M. McCarthy  
 James E. McCoy  
 Jared Pilosio  
 Steven P. Plate  
 Alan L. Reiss  
 Emily R. Shelton  
 Brian W. Simon  
 K. Ocean Stokes

Timothy G. Stickelman  
Ralph Tragale  
I. Midori Valdivia  
Christopher M. Valens  
Lillian D. Valenti  
Sheree R. Van Duyne  
Cheryl A. Yetka  
Peter J. Zipf

Guest:

Kerstin Sundstrom

Speakers:

Murray Bodin  
Luz Caraballo  
Mike Carey  
Scherly Charles  
Michael DePasquale  
Margaret Donovan  
Antwain Harvey  
Richard Hughes  
Charles Komanoff  
Yvonne Garrett-Moore  
Brittney Smith  
Dave Stanke  
Neile Weissman

The public meeting was called to order by Vice-Chairman Rechler at 1:36 p.m. and ended at 2:41 p.m. The Board met in executive session prior to the public session.

### **Action on Minutes**

Counsel submitted for approval Minutes of the meeting of February 19, 2014. 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 February 20, 2014. He reported further that the time for action by the Governors of New York and New Jersey expired at midnight on March 6, 2014.

Whereupon, the Board of Directors unanimously approved the Minutes of the meeting of February 19, 2014.

### **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 May 28, 2014, which included discussion of a project to upgrade, replace and expand fire alarm system infrastructure throughout the PATH rail system in order to maintain a safe operating environment, and the report was received.

**PATH – FIRE ALARM SYSTEM UPGRADE – PROJECT AUTHORIZATION**

It was recommended that the Board authorize: (1) a project for the upgrade, replacement and expansion of the fire alarm system infrastructure at approximately 100 locations throughout the Port Authority Trans-Hudson Corporation (PATH) rail system in New York and New Jersey in order to maintain a safe environment for patrons and employees, at an estimated total project cost of \$65.7 million; and (2) the President of PATH to: (a) award Contract PAT-924.802 to support the project, at an estimated total construction cost of \$30.9 million; and (b) enter into any and all other contracts and agreements with appropriate entities, including an agreement or agreements for the procurement of engineering services, as may be necessary to effectuate the project.

The existing fire alarm system infrastructure for the PATH system was installed from 12 to 27 years ago and has exceeded its useful life. The system-wide locations at which the infrastructure is located include train stations, power substations, lift bridges, compressor stations, maintenance shops, tunnel ventilation buildings, general office spaces, electrical signal bungalows and signal rooms.

At its meeting of May 31, 2012, the Board authorized planning work for the replacement, upgrade and expansion of fire alarm system infrastructure at locations throughout the PATH rail system in New York and New Jersey, in order to provide system-wide uniformity and conformity with the latest building and national fire safety code requirements, at an estimated cost of \$4 million.

The proposed project would provide for the installation of a new state-of-the-art integrated fire alarm system for the PATH rail system that would achieve the following objectives: upgrade to required Federal and State building and fire codes and standards that were not in place when the existing systems were implemented; upgrade and/or replacement of fire alarm systems, including control panels, detection devices, signaling devices, and pull stations; provide for an addressable intelligent network interface and voice enunciator capabilities; provide for expanded alarm monitoring 24 hours per day, 365 days per year; provide for centralized communications and monitoring at PATH's existing two command control centers and at PATH's Police Desk and certain PATH offices; interface with existing code compliant systems; and upgrade the existing PATH fiber-optic interface network for fire alarm communications at approximately 100 locations throughout the PATH rail system, including equipment and maintenance rooms at these facilities.

Pursuant to the foregoing report, the Board adopted the following resolution, with Directors Bagger, Lipper, Lynford, Moerdler, Pocino, Rosado, Schuber and Steiner voting in favor; Director Rechler 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 for the upgrade, replacement and expansion of the fire alarm system infrastructure at approximately 100 locations throughout the Port Authority Trans-Hudson Corporation (PATH) rail system in New York and New Jersey, at an estimated total project cost of \$65.7 million, be and it hereby is 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-924.802 to support the project, at an estimated total construction cost of \$30.9 million; 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 construction contracts, contracts for engineering services and other 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 documents and agreements in connection with the foregoing project shall be subject to the approval of Counsel or his authorized representative.

**PATH – REPAIRS TO ADDRESS LATENT HURRICANE SANDY DAMAGE IN TUNNELS  
– PHASE 1 – PROJECT – REALLOCATION OF PREVIOUSLY AUTHORIZED  
FUNDS**

At its meeting of October 16, 2013, the Board authorized a project to address latent damage in portions of Port Authority Trans-Hudson Corporation (PATH) rail system Tunnels A, B, E and F resulting from Hurricane Sandy and its associated storm surge, and procurement of replacement equipment compromised by salt residue. In connection with that authorization, it was recommended that the Board authorize: (1) the reallocation of \$16.9 million in previously authorized construction funds for the first phase of the project, to provide for: (a) planning work through Stage 3 design for eight critical projects that are part of the PATH latent damage infrastructure replacement program, based on a reallocation of \$6.9 million from previously authorized construction costs; (b) the purchase of critical rail equipment and related materials for PATH system construction, based on a reallocation of \$7 million from previously authorized construction costs; and (c) a project contingency, based on a reallocation of \$3 million from previously authorized construction costs; and (2) the President of PATH to retain architectural and engineering services to support project development through Stage 3 design for each of the eight projects, as well as to incur costs associated with staff allocations, administrative allocations and financial expense, at an estimated total cost of \$10.4 million.

On October 29, 2012, Hurricane Sandy and its associated storm surge resulted in unprecedented flooding of PATH's tunnels and associated infrastructure. For a period of approximately one week, PATH's four tunnels located under the Hudson River were filled with millions of gallons of saltwater. Despite extensive restoration efforts, which included extensive power-washing of the PATH tunnels and related infrastructure, portions of Tunnels A, B, E and F and their infrastructure exhibit signs of latent salt residue and salty solution (brine). Residue salt deposits are known to cause significant and ongoing corrosion to critical mechanical, structural and electrical infrastructure components and their subsystems. Since that time, efforts have advanced to restore the PATH facilities to full functionality, repair latent damage to infrastructure, mitigate the potential of future storm damage and make facilities more resilient.

At its meeting of October 16, 2013, the Board authorized the first phase of a project for latent damage repairs in the PATH tunnels, including the removal of salt residue in portions of PATH Tunnels A, B, E and F, and for the procurement and replacement of certain infrastructure within the tunnels that was compromised by the salt residue, at an estimated total Phase 1 project cost of \$50 million. At that time, the Board also authorized the President of PATH to enter into contracts and agreements necessary to effectuate the construction required for the project, at an estimated amount of \$30 million, the cost of which was included in the total estimated Phase 1 project amount.

At that time, it was anticipated that the rehabilitation work would be conducted in segments of the tunnels, and although the authorized \$50 million project cost amount covered the full cleaning of infrastructure throughout the tunnels, the balance of the Phase 1 project only anticipated limited architectural and engineering design services and construction of a small portion of the required infrastructure replacement.

As a result of further review of the program to repair the PATH tunnels, informed by preliminary design work, staff recommended a reallocation of the funds authorized for the Phase 1 project, in order to accommodate a revised project implementation plan. The proposed reallocation of funds would cover planning work through Stage 3 design for eight critical projects that are part of

the PATH latent damage infrastructure replacement program, and a project contingency. Future authorization would be sought from the Board to provide for the purchase of various equipment that is necessary to support the restoration of PATH tunnel infrastructure that suffered latent damage as a result of Hurricane Sandy and its associated storm surge. Future authorization also would be sought to provide for the construction of the eight tunnel infrastructure replacement projects, as well as integrity monitoring services.

The architectural and engineering services under this authorization would be provided by one or more firms that have been selected to provide such services on a work-order basis pursuant to an authorization of the Board of Commissioners of the Port Authority at its meeting of December 4, 2013, in connection with a multi-year Storm Mitigation and Resilience Program for all Port Authority and PATH facilities. The award of contracts for the PATH tunnel repair project would be within the \$108 million amount authorized by the Board of the Port Authority at that time for architectural and engineering services. PATH's portion of that authorization amount was \$81 million.

Pursuant to the foregoing report, the Board adopted the following resolution, with Directors Bagger, Lipper, Lynford, Pocino, Rosado, Schuber and Steiner voting in favor; Directors Moerder and Rechler 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, in connection with the action of the Board, at its meeting of October 16, 2013, authorizing a project to address latent damage in portions of Port Authority Trans-Hudson Corporation (PATH) rail system Tunnels A, B, E and F resulting from Hurricane Sandy and its associated storm surge, and procurement of replacement equipment compromised by salt residue, the reallocation of \$16.9 million in previously authorized funds for the first phase of the project, to provide for: (1) planning work through Stage 3 design for eight critical projects that are part of the PATH latent damage infrastructure replacement program, based on a reallocation of \$6.9 million from previously authorized construction costs; (2) the purchase of critical rail equipment and related materials for PATH system construction, based on a reallocation of \$7 million from previously authorized construction costs; and (3) a project contingency, based on a reallocation of \$3 million from previously authorized construction costs, be and it hereby is authorized; and it is further

**RESOLVED**, that the President, be and he hereby is authorized, for and on behalf of PATH, to retain architectural and engineering services to support project development through Stage 3 design for each of the eight aforementioned projects, as well as to incur costs associated with staff allocations, administrative allocations and financial expense, at an estimated total cost of \$10.4 million; and it is further

**RESOLVED**, that the President, be and he hereby is authorized, for and on behalf of PATH, to enter into contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the final design required for 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 agreements, contracts and other documents in connection with the foregoing shall be subject to the approval of Counsel or his authorized representative.

Whereupon, the meeting was adjourned.

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Counsel