

PORT AUTHORITY TRANS-HUDSON CORPORATION

MINUTES

Thursday, April 27, 2017

Action on Minutes	11
Report of Committee on Capital Planning, Execution and Asset Management	11
PATH - Replacement of Substation No. 8 – Project Authorization	12
PATH – Signal System Replacement – Project Re-authorization	14
PATH – Extension of PATH Rapid Rail Transit System to Newark Liberty Rail Link Station – Planning Authorization	16
Confidential Item	19
Confidential Item	20

MINUTES of the Meeting of Port Authority Trans-Hudson Corporation held Thursday, April 27, 2017 at 150 Greenwich Street, City, County and State of New York

PRESENT:

NEW JERSEY

Hon. John J. Degnan, Chairman
 Hon. Richard H. Bagger
 Hon. Caren Z. Turner
 Hon. David S. Steiner

NEW YORK

Hon. Michael D. Fascitelli
 Hon. Kenneth Lipper
 Hon. Jeffrey H. Lynford

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

Julia Basile
 Justin E. Bernbach
 John Bilich
 Molly C. Campbell
 Steven J. Coleman
 Janet D. Cox
 Nicole Crifo
 Stephanie E. Dawson
 Clarelle D. DeGraffe
 John C. Denise
 Robert J. Donahue
 Karen E. Eastman
 Benjamin S. Engle
 Jose B. Febrillet
 Michael A. Fedorko
 Cedrick T. Fulton
 Robert E. Galvin
 Glenn P. Guzi
 Linda C. Handel
 MaryLee Hannell
 Patricia A. Hurley
 Cristina M. Lado
 William Laventhal
 Andrew G. Levine
 Huntley A. Lawrence
 John H. Ma
 Stephen Marinko
 Ronald Marsico
 Michael G. Massiah
 Daniel G. McCarron
 Elizabeth M. McCarthy
 James E. McCoy
 David J. McGrath

Mark F. Muriello
 Maria Oliveri
 Steven P. Plate
 Alan L. Reiss
 James A. Starace
 Timothy G. Stickelman
 Lillian D. Valenti
 Sheree R. Van Duyne
 Anni Zhu

Guests:

Mary Maples
 Ali Chaudhry

Speakers:

Richard DeGeneres, Unite Here, Local 100
 Margaret Donovan, The Twin Towers Alliance
 Hon. Robert M. Gordon, New Jersey State Senator
 Richard Hughes, The Twin Towers Alliance
 Trent Lethco
 Jason Anthony Piniero, Independent Transit
 Advocate
 Charlene Talarico, Port Authority Employee
 Carol Waaser, New York Cycle Club
 Neile Weissman, Complete George

Topic:

Airport Worker Wages
 Transparency
 2017-2026 Capital Plan
 Port Authority Practices
 George Washington Bridge Bike Lane
 PATH Extension/AirTrain LGA
 Human Resources Policies and Procedures
 George Washington Bridge Bicycle Access
 Widening of Paths on George Washington
 Bridge

The public meeting was called to order by Chairman Degnan at 1:46 p.m. and ended at 2:56 p.m. The Board also met in executive session prior to the public session.

Action on Minutes

Counsel submitted for approval Minutes of the meeting of February 16, 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 February 17, 2017. Counsel reported further that the time for action by the Governors of New York and New Jersey had expired at midnight on March 6, 2017.

Whereupon, the Board unanimously approved the Minutes of the meeting of February 16, 2017.

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 executive and public sessions at its meeting on April 27, 2017, which included discussion of matters involving ongoing negotiations or reviews of contracts or proposals and matters related to proposed, pending, or current litigation or judicial or administrative proceedings, an item to authorize planning for the extension of the Port Authority Trans-Hudson (PATH) Rapid Rail System to the Newark Liberty Rail Link Station, and an item that re-authorizes a project to replace the PATH signal system, and the report was received.

PATH – REPLACEMENT OF SUBSTATION NO. 8 - PROJECT AUTHORIZATION

It was recommended that the Board authorize: (1) a project to replace and upgrade Substation No. 8 of the Port Authority Trans-Hudson Corporation (PATH) rail system, at an estimated total project cost of \$53.9 million; and (2) the President of PATH to: (a) retain architectural and engineering services to support the design and implementation of the project, at an estimated amount of \$5 million; and (b) enter into agreements to acquire interests in real property necessary to effectuate the construction of the project, including, but not limited to, an agreement with New Jersey Transit Corporation.

A critical component of the operation of the PATH rail system is the traction power required to move trains. The existing PATH Substation No. 8, located east of the New Jersey Turnpike in Kearny, New Jersey, provides traction power to support 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, which is currently located outdoors, 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 switchgears in Switching Stations Nos. 6 and 10. At its meeting of November 19, 2009, the Board authorized additional planning work, in the amount of \$2 million, for conceptual design, design development and support of property acquisition for the replacement and upgrade of Substation No. 8 at an adjacent location. The authorization of additional planning work was based on: (1) a study of PATH's electrical power systems, conducted as part of the initial planning effort, that recommended a departure from the original concept of demolishing the existing substation and replacing it with a new substation in the same location; and (2) the complexity of construction staging and phasing.

The currently proposed project would include the final design and construction of a two-story steel-framed building, elevated to protect against future flooding events, per updated Federal Emergency Management Agency flood maps and Port Authority Climate Resiliency Guidelines, and the removal of the existing Substation No. 8. The scope of work would include the final design and the furnishing, installation and commissioning of: two 2,000-kilowatt heavy-duty traction power rectifiers, transformers, switchgear, medium-voltage feeder cables, direct current switchgears, auxiliary power distribution, supervisory control and data acquisition, lighting, fire alarm and security/access controls, heating, ventilation/air conditioning, and plumbing/fire protection systems.

At its meeting of December 4, 2013, the Board of Commissioners of the Port Authority authorized preliminary program funding to define projects to be developed, executed, and delivered under a multi-year Storm Mitigation and Resilience Program, and the provision of \$108 million, of which \$81 million was allocated for PATH facilities, excluding the World Trade Center site, to retain architectural and engineering design services and federally required integrity monitoring services to support the program. The amount for Stage I services (i.e., preliminary design and development of a construction cost estimate and schedule) was limited to \$1.5 million per project. PATH would retain architectural and engineering services from the existing list of pre-qualified consultants retained pursuant to the Port Authority Board's December 4, 2013 resolution to support the implementation of the replacement/upgrade of Substation No. 8.

Agreements for the acquisition of property, including but not limited to, an agreement with New Jersey Transit Corporation, are necessary for the construction of the project.

Replacing and upgrading Substation No. 8 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 the 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 planning costs incurred prior to Superstorm Sandy and the property acquisition costs) of the project would be recoverable through a grant from the Federal Transit Administration. Eligibility for federal reimbursements and grants would necessitate that contracts be awarded in compliance with federal procurement guidelines.

Pursuant to the foregoing report, the following resolution was adopted, with Directors Bagger, Degnan, Fascitelli, Lipper, Lynford, Steiner 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. 8 of the Port Authority Trans-Hudson Corporation (PATH) rail system, at an estimated total project cost of \$53.9 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 retain architectural and engineering services to support the design and implementation of the foregoing project, at an estimated amount of \$5 million; and it is further

RESOLVED, that the President be and he hereby is authorized, for and on behalf of PATH, to enter into agreements to acquire interests in real property necessary to effectuate the construction of the foregoing project, including, but not limited to, an agreement with New Jersey Transit Corporation; 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 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 – SIGNAL SYSTEM REPLACEMENT – PROJECT RE-AUTHORIZATION

It was recommended that the Board: (1) re-authorize the project for the replacement of the Port Authority Trans-Hudson Corporation (PATH) signal system (Project), at a total estimated cost of \$752.6 million, an increase of \$172.6 million from the previously authorized amount; and (2) authorize the President to take all actions necessary to effectuate the foregoing, consistent with the terms outlined to the Board.

Pursuant to several prior actions beginning on April 5, 2001, the Board authorized certain expenditures related to the planning for, and implementation of, a replacement signal system for the PATH rail system, culminating in the Board's October 22, 2009 re-authorization of the Project, at a total estimated cost of \$580 million.

The Project scope encompasses the replacement of all signals and associated wayside and track signal field equipment on 43 miles of track, 13 interlockings and 13 stations with new signal cables and equipment, including transponders, track circuits, and wayside communications and radio equipment, which will require, among other things, the installation of over 400 miles of fiber optic cable. The Project also includes the installation of train control equipment at PATH's primary and secondary train control centers, in order to provide the ability to monitor and control all train movements from either location. In addition, as part of the Project, PATH's 230 PA-5 Railcars will be outfitted with carborne signal equipment to accommodate the synchronization of the signal system with railcar movements. Upon completion of the Project, PATH will have the benefit of system-wide automatic train control (ATC), which is composed of the following elements: federally mandated positive train control (PTC) communication-based train control, automatic train supervision from PATH's primary and secondary operation control centers, a secondary train detection system and a data communication system. The Project is being implemented with no system-wide interruptions to PATH's 24-hours-per-day, seven-days-per-week rail service.

At the time of the prior Project re-authorization, it was anticipated that the Project would be completed by December 31, 2017, with PTC functionality in place by December 31, 2015 (the then federally mandated compliance date for PTC operations, which has been extended to December 31, 2018). However, subsequent to October 2009, a series of events occurred that were not anticipated at the time of that Project re-authorization, which resulted in delays to the implementation of the Project, including: reduced track time availability for the Project, due to the World Trade Center Redevelopment Program and certain PATH security projects being provided with priority access over the Project; impacts due to Superstorm Sandy and its associated storm surge, which required a temporary suspension of the Project in order to restore PATH service and repair critical infrastructure to maintain reliable service; unforeseen field conditions, particularly in the constrained tunnel areas, resulting in a need for modifications to design and installations of equipment; extensive complex coordination required with the contractor furnishing and installing the ATC system to maintain PATH rail operations during signal work; a greater involvement of PATH facility forces in coordinating signal system construction on the rails and within the rail right-of way, in accordance with Federal Railroad Administration safety requirements; and more extensive signal system testing than originally anticipated.

The Project is approximately 58-percent complete, with \$477.2 million having been expended through December 31, 2016. Based on a reassessment of the Project as part of the development of the 2017-2026 Capital Plan, staff has determined that the Project schedule should be extended to December 31, 2022, including the two-year warranty and the close-out period, with full system-wide PTC functionality to be completed on or before the December 31, 2018 federal requirement for PTC compliance. The proposed increase to the total Project cost would accommodate this revised Project schedule.

The completion of the Project is critical to comply with the federal Rail Safety Improvement Act, which requires commuter railroads to achieve PTC compliance by December 31, 2018, as well as to realize the benefits of the new signal system technology for the PATH rail system, including increased frequency of rail service, because ATC will allow for reductions to the minimum required distance between trainsets.

Pursuant to the foregoing report, the following resolution was adopted, with Directors Bagger, Degnan, Fascitelli, Lipper, Lynford, Steiner 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 the project for the replacement of the Port Authority Trans-Hudson Corporation (PATH) signal system (Project), at a total estimated cost of \$752.6 million, an increase of \$172.6 million over 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 take all actions necessary to effectuate the foregoing, including with respect to construction contracts, contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the completion of the Project, consistent with the terms outlined to the Board; and it is further

RESOLVED, that the form of all contracts, agreements and other documents in connection with the foregoing 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 – EXTENSION OF PATH RAPID RAIL TRANSIT SYSTEM TO NEWARK LIBERTY INTERNATIONAL AIRPORT RAIL LINK STATION – PLANNING AUTHORIZATION

It was recommended that the Board: (1) authorize: (a) a planning effort to support a project to extend the Port Authority Trans-Hudson Corporation (PATH) rapid rail transit system to the Newark Liberty International Airport (EWR) Rail Link Station (PATH to Newark Liberty RLS Project), at an estimated total planning cost of approximately \$57 million, inclusive of planning work performed to date; (b) the President of PATH to exercise a three-year renewal option under an existing agreement with HNTB New York Engineering and Infrastructure Solutions (HNTB) for continued expert professional program and project management services, through December 2020, in support of the PATH to Newark Liberty RLS Project, at an estimated cost of \$12 million; (c) the President of PATH to increase, by an estimated \$18 million, the amount of an existing agreement with AKRF, Inc. for additional expert professional environmental and transportation planning services, including preliminary engineering design work, in support of the PATH to Newark Liberty RLS Project; and (d) the President of PATH to enter into such other contracts and agreements as may be necessary in support of planning work for the PATH to Newark Liberty RLS Project; and (2) ratify certain planning work undertaken to date in support of the PATH to Newark Liberty RLS Project.

The proposed authorization would provide for additional funds necessary to move the PATH to Newark Liberty RLS Project through preliminary design, and environmental and other necessary reviews (including submission of a request to the United States Department of Transportation for issuance of a Record of Decision for the project), as well as program and project management services, all of which will be necessary prior to seeking authorization of the project from the Board.

Since the acquisition of the Hudson Tubes transit system by the Port Authority in 1962, the prospect of extending the PATH rail system directly to EWR has been the subject of several studies. At its June 2, 2000 meeting, the Board authorized a study to determine the feasibility of extending the Newark line of the PATH rail system to EWR. At that time, the Board acknowledged that such a PATH service extension would be in addition to the then current project to extend the existing AirTrain Newark monorail system at EWR to the Amtrak/New Jersey Transit (NJT) Northeast Corridor (NEC) rail line.

Pursuant to that resolution, in September 2000 the President of PATH authorized an agreement with the Louis Berger Group, Inc. (Berger) to conduct the feasibility study, in an amount not to exceed \$2.5 million. A preliminary feasibility study was substantially completed in 2001, and concluded that PATH service could be extended from its terminus at Newark Penn Station through its passenger car storage tracks at the South Street Yard, and along the western edge of the NEC to a newly constructed Newark Liberty International Airport Rail Link Station near EWR (RLS) linking AirTrain Newark with NJT rail service on the NEC. In April 2003, the President of PATH authorized an increase of \$2.5 million in the amount of the agreement with Berger to perform conceptual/preliminary design services for a selected alignment alternate, including the identification and evaluation of alternate design concepts, quantification of property acquisition requirements, assessment of environmental requirements, and the conducting of a constructability review.

At its meetings of November 20, 2003 and August, 4, 2004, as part of its authorization of agreements with the City of New York (City) with respect to amendments to the lease between the City and the Port Authority covering John F. Kennedy International and LaGuardia Airports, the Port Authority Board of Commissioners committed to allocate \$30 million in the 2004-2008 Port Authority Capital Plan for a project to study the feasibility of extending PATH service to EWR. Subsequently, Port Authority staff developed a conceptual design that identified potential options for the location of a PATH station that could connect to EWR.

In 2010, a feasibility study for extending PATH directly to the terminals at EWR concluded that a new station at the RLS would be the best location to capture most of the potential ridership to EWR, while allowing for future extension of PATH service to the EWR Central Terminal Area, as well as to communities in the southern portion of Newark. A subsequent planning effort in 2012 provided data and information on ridership, environmental permitting and potential federal funding sources.

In October 2014, the Port Authority's Chief of Real Estate & Development authorized an agreement with the Regional Plan Association to provide project management services to oversee a study of the Greater Dayton Neighborhood (Dayton) in Newark, in connection with the proposed PATH to Newark Liberty RLS Project. The study, at an estimated cost of \$200,000, analyzed the impact of the PATH to Newark RLS Project on the economy, transportation infrastructure and land use within Dayton, as well as potential ancillary transportation improvements that may subsequently occur.

In December 2014, the President of PATH authorized a three-year agreement with HNTB for expert professional program and project management services in connection with the PATH to Newark Liberty RLS Project, at a total cost of \$6,022,228, inclusive of contingency. That agreement also provides for a three-year renewal option period, subject to further authorization. The currently proposed planning authorization would enable the President of PATH to exercise the renewal option under the agreement with HNTB, and provide for an additional \$12 million for continued program and project management services through December 2020.

In April 2015, the President of PATH authorized a five-year agreement with AKRF, Inc. to provide for expert professional environmental and transportation planning services in connection with the PATH to Newark Liberty RLS Project, at a total cost of \$6,011,390, inclusive of contingency. That agreement also provides for a three-year renewal option period, subject to further authorization. The proposed planning authorization would enable the President of PATH to increase the amount of the existing agreement with AKRF, Inc. by \$18 million, for additional expert environmental and transportation planning services, including preliminary engineering design work.

The aforementioned efforts resulted in a recommended alignment that is consistent with the intent to advance the planning effort for the PATH to Newark Liberty RLS Project. To date, a total of approximately \$16.2 million has been expended in connection with feasibility studies and other planning work.

Pursuant to the foregoing report, the following resolution was adopted, with Directors Bagger, Degnan, Fascitelli, Lipper, Lynford, Steiner 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 planning effort to support a project to extend the Port Authority Trans-Hudson Corporation (PATH) rapid rail transit system to the Newark Liberty International Airport Rail Link Station (PATH to Newark Liberty RLS Project), at an estimated total planning cost of approximately \$57 million, inclusive of planning work performed to date, 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: (1) exercise a three-year renewal option under an existing agreement with HNTB New York Engineering and Infrastructure Solutions (HNTB) for continued program and project management services, through December 2020, in support of the PATH to Newark Liberty RLS Project, at an estimated cost of \$12 million; and (2) increase, by an estimated \$18 million, the amount of an existing agreement with AKRF, Inc. for environmental and transportation planning services, including preliminary engineering design work, in support of the PATH to Newark Liberty RLS Project; and it is further

RESOLVED, that the President be and he hereby is directed, for and on behalf of PATH, to require the consultant to accelerate, expedite, and move forward first the study of passenger usage and projected demand for the PATH to Newark Liberty RLS Project with the results of that study to be delivered, along with other planning items, no later than 60 days before the end of the year; 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 contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing planning effort, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

RESOLVED, that certain planning work performed to date in support of the PATH to Newark Liberty RLS Project, be and it hereby is ratified; and it is further

RESOLVED, that the form of all contracts, agreements and other documents in connection with the foregoing planning effort 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.

CONFIDENTIAL ITEM

The Board approved a claim settlement in executive session, which will remain confidential until the settlement documents are executed and filed with the court.

CONFIDENTIAL ITEM

The Board approved a claim settlement in executive session, which will remain confidential until the settlement documents are executed and filed with the court.

Whereupon, the meeting was adjourned.

Counsel