

PORT AUTHORITY TRANS-HUDSON CORPORATION

MINUTES

Thursday, December 13, 2018

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MINUTES of the Meeting of Port Authority Trans-Hudson Corporation held Thursday, December 13, 2018 at 2 Montgomery Street, City of Jersey City, County of Hudson, State of New Jersey

PRESENT:

NEW JERSEY

Hon. Kevin J. O'Toole, Chairman
 Hon. Richard H. Bagger
 Hon. Kevin P. McCabe
 Hon. Raymond M. Pocino

Richard Cotton, President
 Michael E. Farbiarz, Counsel

Cheryl Albiez
 Arnaz Ali
 James K. Allen Jr.
 Adam L. Barsky
 Justin E. Bernbach
 John Bilich
 Benjamin M. Branham
 Rebecca Cassidy
 Edward T. Cetnar
 Steven J. Coleman
 Janet Cox
 Natasha Jean Philipp-Cumberbatch
 Jennifer Davis
 Clarelle D. DeGraffe
 John C. Denise
 Michael P. Dombrowski
 Diannae C. Ehler
 Amy H. Fisher
 Kevin Frick
 Robert E. Galvin
 Linda C. Handel
 Mary Lee Hannell
 Mercedes Guzman
 Milena Kosc
 Scott Ladd
 Cristina M. Lado
 Annesa Lau
 Huntley A. Lawrence

NEW YORK

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

Stephen Marinko
 Michael P. Marino
 Ronald Marsico
 Michael G. Massiah
 Hugh G. McCann
 Daniel G. McCarron
 Elizabeth M. McCarthy
 James E. McCoy
 Mary K. Murphy
 Maria Oliveri
 Annie O. Persaud
 Steven P. Plate
 Alan L. Reiss
 Sam Ruda
 John Shaughnessy
 Peter D. Simon
 Mark Spector
 James A. Starace
 Debra M. Torres
 Derek H. Utter
 Lillian D. Valenti
 Michael Vozza

Guest:

Edmund Caulfield, Associate Counsel, Authorities Unit, Office of the Governor of New Jersey

Speakers:

Murray Bodin, Member of the Public
 Andre Bou, Supervisor, PATH
 Michael Brady, Chief Electrical Supervisor, PATH
 James Cashman, Supervisor, PATH
 Frank Donadio Chief Mechanical Supervisor, PATH
 Margaret Donovan, The Twin Towers Alliance
 Tim Harrington, Train Master, PATH
 Brian Hodgkinson, Chief Signal Supervisor, PATH
 Richard Hughes, The Twin Towers Alliance
 Glen Smiley, Chief Power Distribution Supervisor, PATH
 Charlene Talarico

Neile Weissman, Complete George
 Cory Windelspecht, Member of the Public

Topic:

Transportation Issues
 Navigant Recommendations
 Navigant Recommendations
 Navigant Recommendations
 Navigant Recommendations
 Transparency
 Navigant Recommendations
 Navigant Recommendations
 Transparency
 Navigant Recommendations
 Human Resources Policies and
 Procedures
 Widening Paths on GWB
 Holiday Decorations at HT
 Entrance

The public meeting was called to order by Chairman O’Toole at 12:17 p.m. and ended at 1:47 p.m. The Board also met in executive session prior to the public session.

Report on Prior Meeting’s Minutes

Copies of the Minutes of the meeting of September 27, 2018 were delivered to the Governors of New York (in electronic form) and New Jersey (in paper form) on September 28, 2018. The time for action by the Governors of New York and New Jersey had expired at midnight on October 15, 2018.

PATH – REPLACEMENT OF SUBSTATION NO. 2 IN JERSEY CITY, NEW JERSEY – PROJECT AUTHORIZATION

It was recommended that the Board authorize: (1) a project for the final design and construction of a substation for the replacement of Port Authority Trans-Hudson Corporation (PATH) Substation No. 2, at an estimated total project cost of \$216.2 million, including costs and expenses associated with real property acquisition; and (2) the President of PATH to retain architectural and engineering services to perform final design and post-award construction services to support the delivery of the project, at an estimated cost of \$7 million, which is included within the total project cost of \$216.2 million.

The existing PATH Substation No. 2 is located at the Washington Street Powerhouse (Powerhouse) site in Jersey City, New Jersey. The Powerhouse was constructed between 1906 and 1908, and provided power to the Hudson and Manhattan Railroad (now part of the PATH rail system) until 1929. The existing Substation No. 2 supports the underground portions of the PATH rail system by providing power to the other substations and the emergency tunnel ventilation system, and traction power required to operate trains. The substation also provides compressed air that is used to operate train signal system equipment and sump pumps in the PATH system tunnels.

The Powerhouse is more than 110 years old, and would require major capital investment to renovate and refurbish. The existing substation power and compressor plant equipment at the site is more than 50 years old and requires replacement in order to maintain a state of good repair. In addition, the building in which the existing substation is located does not meet the current Federal Emergency Management Agency (FEMA) flood elevation guidelines.

Investigations and studies recommended that it would be more cost-efficient to construct a new PATH substation at an alternate location than to upgrade the existing substation and rebuild the existing Powerhouse. PATH staff identified a parcel of land, called the Triangle Parcel, adjacent to the existing substation building, that provided the best option and location for the construction and operation of a new PATH Substation No. 2.

On September 22, 2011, the PATH Board authorized planning and initial design work for the construction of a new PATH substation on the Triangle Parcel, in an estimated amount of \$10.5 million. In 2014, the planning study was completed and provided conceptual design for the building and systems to replace Substation No. 2.

On March 22, 2018, the Board of Commissioners of the Port Authority authorized, among other things, the transfer of real property interests with the City of Jersey City in connection with the replacement of Substation No. 2, pursuant to which the Port Authority would give up certain rights to the Powerhouse and make a payment to Jersey City in return for the Triangle Parcel property.

The implementation of the project would provide for the final design for the furnishing, installing and commissioning of traction power transformers, rectifiers and switchgear, new utility duct banks, associated auxiliary systems, and equipment. All equipment would be installed indoors, in a new two-story steel-framed building to be constructed at elevations above FEMA Base Flood Elevation Guidelines, in compliance with the Port Authority's Design Guidelines for Climate Resilience.

Construction of a new substation would ensure the continued safe and reliable operation of the PATH system.

Pursuant to the foregoing report, the following resolution was adopted, with Directors Bagger, Horwitz, LaBarbera, Lynford, McCabe, McDonald, O'Toole, Pocino and Rosado 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 for the final design and construction of a substation for the replacement of the Port Authority Trans-Hudson Corporation (PATH) Substation No. 2, at an estimated total project cost of \$216.2 million, including costs and expenses associated with real property acquisition, 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 perform final design and post-award construction services to support the delivery of the foregoing project, at an estimated cost of \$7 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 other construction contracts, other 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 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 – SOUTH STREET COMPRESSED AIR SYSTEM UPGRADE - PROJECT REAUTHORIZATION AND AWARD OF CONTRACT

It was recommended that the Board: (1) reauthorize a project for the design, construction and installation of a compressed air system to serve Port Authority Trans-Hudson Corporation (PATH) track and signaling operations between Kearny and Newark, New Jersey, at an estimated total project cost of \$7.4 million, an increase of \$3.7 million from the previously authorized amount of \$3.7 million; and (2) authorize the President of PATH to award Contract PAT-630, for the construction and installation of the compressed air system, to Daidone Electric, Inc., the lowest-priced responsive bidder, at an estimated cost of \$2.9 million, inclusive of allowances for field-ordered work and extra work.

At its October 20, 2011 meeting, the PATH Board authorized a project for the design, construction and installation of a compressed air system to serve PATH track and signaling operations between the Dock Bridge and the track terminus at South Street Yard in Newark, New Jersey, at an estimated total project cost of \$3.7 million. In addition, the Board authorized the President of PATH to enter into related agreements with Amtrak, to permit PATH to perform work above Amtrak tracks and property, and to provide reimbursement to Amtrak for services necessary to support the project.

The project was suspended in 2012, prior to Superstorm Sandy, due to protracted negotiations with Amtrak concerning easements, and was restarted in 2016 as a federally funded storm resiliency project.

The project will provide for a compressed air system that includes two power air compressors and the necessary equipment conduit and cables to provide compressed air for PATH operations. The equipment will be housed in a new resilient, prefabricated metal building located at PATH's South Street Yard, on PATH's right-of-way. The increased costs to implement the project are due to the following factors: (1) additional construction costs to accommodate actual site conditions caused by Amtrak's signal replacement program and PATH's automatic train control system, construction staging and work-hour restrictions; (2) additional engineering consultant costs, as well as increased staff costs and Amtrak costs to accommodate design changes and coordination of the project with Amtrak; (3) increased internal staff and financial costs; and (4) increased project contingency.

It is anticipated that approximately up to 90 percent of the eligible cost of the project will be covered by a grant from the Federal Transit Administration.

Pursuant to the foregoing report, the following resolution was adopted, with Directors Bagger, Horwitz, LaBarbera, Lynford, McCabe, McDonald, O'Toole, Pocino and Rosado 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 for the design, construction and installation of a compressed air system to serve Port Authority Trans-Hudson Corporation (PATH) track and signaling operations between the Dock Bridge and the track terminus at South Street Yard in Newark, New Jersey, at an estimated total project cost of \$7.4 million, an increase of \$3.7 million from the previously authorized amount of \$3.7 million, 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 award Contract PAT-630 for the construction and installation of the compressed air system in connection with the foregoing project to Daidone Electric, Inc., the lowest-priced responsive bidder, at an estimated cost of \$2.9 million, inclusive of allowances for field-ordered work and extra 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 – GROVE STREET STATION HEAD HOUSE PROTECTION – PROJECT REAUTHORIZATION AND AWARD OF CONTRACT

It was recommended that the Board: (1) reauthorize a project to install permanent flood protection measures at the Port Authority Trans-Hudson Corporation (PATH) rail system Grove Street Station, to protect the station head house entrances, at an estimated total project cost of \$13.2 million, an increase \$2.5 million from the previously authorized amount of \$10.7 million; and (2) authorize the President of PATH to award Contract PAT-774.174 for the construction and installation of the flood protection system at the three station entrances and the replacement of escalators at the station, to VRH Construction Corp., the lowest-priced responsive bidder, at an estimated cost of \$10.8 million, inclusive of allowances for field-ordered work and extra work.

During the week of October 28, 2012, Superstorm Sandy and its associated storm surge caused unprecedented flooding of PATH's stations, four tunnels and associated infrastructure, which resulted in extensive exposure to saltwater and residue. Grove Street Station sustained significant flood damage. Immediately after the storm, temporary resiliency measures were provided, including stop logs, water-filled barriers and sandbags. These measures have remained ready for deployment; however, they do not meet the current Federal Emergency Management Agency (FEMA) Base Flood Guidelines.

At its February 16, 2017 meeting, the PATH Board authorized five projects to improve storm resilience at PATH rail system stations in Jersey City, New Jersey and Hoboken, New Jersey, in an aggregate estimated total project cost of \$63.3 million. The subject Grove Street Station head house protection project is one of these five projects. This project would provide for permanent measures to protect the station head house entrances, including the installation of flood-rated glass, floodwalls, swing gates and a deployable fabric wall system at the three entrances to the station. The increased costs to implement the project result from increased construction costs driven by current market pricing, as well as additional PATH labor costs for construction of the project, and allocations for financial and related expenses.

During a constructability review, it was determined that the contract for construction of the head house protection project should be bid as a single contract with that for a separate state-of-good-repair project to replace the Grove Street Station escalators. The combined estimated total project cost for the two projects, including the reauthorized amount for the head house protection project, would be \$21.9 million.

It is anticipated that up to 75 percent of the eligible cost of the head house protection project, and 90 percent of the eligible cost of the escalator replacement project, would be covered by a grant from the Federal Transit Administration.

Pursuant to the foregoing report, the following resolution was adopted, with Directors Bagger, Horwitz, LaBarbera, Lynford, McCabe, McDonald, O'Toole, Pocino and Rosado 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 for the installation of permanent flood protection measures at the Port Authority Trans-Hudson Corporation (PATH) Grove Street Station, at an estimated total project cost of \$13.2 million, an increase of \$2.5 million from the previously authorized amount of \$10.7 million, 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 award Contract PAT 774.174 for the construction and installation of the flood protection system at the three station entrances and the replacement of two escalators at Grove Street Station, to VRH Construction Corp., the lowest-priced responsive bidder, at an estimated cost of \$10.8 million, inclusive of allowances for field-ordered work and extra 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.

Counsel