

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES

Thursday, October 26, 2017

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**MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday,
October 26, 2017 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. Raymond M. Pocino
Hon. Caren Z. Turner

Richard Cotton, Executive Director
Michael E. Farbiarz, General Counsel
Karen E. Eastman, Secretary

Julia Basile, Deputy Director, Human Resources
Carrol Bennett, Assistant Director, Capital Planning
Justin E. Bernbach, Director, Government and Community Affairs, New York
John Bilich, Chief Security Officer
Vincent Borst, Assistant Director, Real Estate Services
Clint Bransky, Staff Services Engineer, Engineering
Molly C. Campbell, Director, Port
Steven J. Coleman, Deputy Director, Media Relations
Gerard A. Del Tufo, Assistant Director, Development and Operations, Real Estate Services
John C. Denise, Audio Visual Supervisor, Marketing
Michael Dombrowski, Audio Visual Specialist, Marketing
Diannae C. Ehler, Director, Tunnels, Bridges and Terminals
Jose B. Febrillet, Director, Project Management
Michael A. Fedorko, Director, Public Safety/Superintendent of Police
Amy Fisher, First Deputy General Counsel
Kevin Frick, Esq., Law
Robert E. Galvin, Chief Technology Officer
Emilio Gonzalez, Police Captain
Jacqueline Grossgold, Business Development Executive, Office of Business Diversity and
Civil Rights
Morys Guzman, Assistant Manager, Airport Maintenance, LaGuardia Airport, Aviation
Linda C. Handel, Deputy Secretary, Office of the Secretary
MaryLee Hannell, Chief, Human Capital
Sean Holland, Emergency Operations Center Administrator, Office of Emergency
Management
Howard Kadin, Esq., Law
Albert Kosakowski, Chief Maintenance Supervisor, Newark International Airport, Aviation
Cristina M. Lado, Director, Government and Community Affairs, New Jersey
Eaon Lawrence, Car Inspector, Rail Transit
Huntley A. Lawrence, Director, Aviation
John Lynch, Jr., Stockroom Supervisor, Procurement

NEW YORK

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

John H. Ma, Chief of Staff to the Executive Director
 Stephen Marinko, Assistant General Counsel
 Michael P. Marino, Director, Rail Transit
 Ronald Marsico, Director, Media Relations
 Michael G. Massiah, Chief, Capital Planning, Execution and Asset Management
 Joseph Mastriano, Police Officer
 Anthony Meyer, Police Officer
 Hugh G. McCann, Director, World Trade Center Operations
 Daniel G. McCarron, Comptroller
 Elizabeth M. McCarthy, Chief Financial Officer
 Gerard McCarty, Director, Office of Emergency Management
 James E. McCoy, General Manager, Board Unit, Office of the Secretary
 Robert McCroken, Manager, Priority Procurement, Procurement
 Linton Morrison, Car Inspector, Rail Transit
 Richard Munnely, Police Lieutenant
 Jamie Oliva, Police Officer
 Maria Oliveri, Associate Board Management and Support Specialist, Office of the Secretary
 Steven Pawlak, Manager, Emergency Readiness, Office of Emergency Management
 Ida Perich, General Manager, Office of Business Diversity and Civil Rights
 Shalima Perry, Secretary to the Executive Director
 Steven P. Plate, Chief, Major Capital Projects
 Suchetha Premchan, Principal Board Management and Support Specialist, Office of the Secretary
 Alan L. Reiss, Director, World Trade Center Construction
 Sam Ruda, Deputy Director, Port
 Sergeant Oscar Ruiz, Police Officer
 Andy Saporito, Deputy Director, Port
 John Selden, Deputy General Manager, John F. Kennedy International Airport, Aviation
 Aaron Sherburne, General Manager, New Jersey Marine Terminals
 Joseph Simenic, Program Director, Storm Mitigation and Resilience
 Peter Simon, Chief of Staff to the Chairman
 Stewart Sloan, Assistant Chief Structural Engineer
 James A. Starace, Chief Engineer/Director of Engineering
 Kenneth Tripaldi, Senior Resident Engineer, Engineering
 Lillian D. Valenti, Chief Procurement and Contracting Officer
 Sheree R. Van Duyne, Manager, Policies and Protocol, Office of the Secretary

Guests:

Mary Maples, Associate Counsel, Authorities Unit, Office of the Governor of New Jersey
 Michael Wojnar, Assistant Secretary for Transportation, Office of the Governor of New York

Speakers:

Yvonne Garrett Moore, MVP Public Relations
 Henry Pacheco, Unite Here, Local 100
 Arthur Piccolo, Bowling Green Association
 Beverly Thompson, Unite Here, Local 100
 Hon. Loretta Weinberg, Majority Leader, New Jersey State Senate
 Neil Weissman, Complete George

Topic:

Newark Airport City/Aerotropolis
 Airport Worker Compensation
 WTC Transit Hub
 Airport Worker Compensation
 Port Authority Issues
 GWB Walkway

The public meeting was called to order by Chairman O’Toole at 12:28 p.m. and ended at 1:42 p.m. The Board also met in executive session prior to the public session.

Report of Joint Meeting of the Committees on Finance and Operations

The Committees on Finance and Operations reported, for information, on matters discussed in executive session at their joint meeting on October 26, 2017, which included discussion of matters involving ongoing negotiations or reviews of contracts or proposals, and the report was received.

Report of Committee on Governance and Ethics

The Committee on Governance and Ethics reported, for information, on matters discussed in executive session at its meeting on October 26, 2017, which included discussion of matters involving ongoing negotiations or reviews of contracts or proposals, and matters related to personnel and personnel procedures, and the report was received.

Report of Committee on Finance

The Committee on Finance reported, for information, on matters discussed in public session at its meeting on October 26, 2017, which included a review of financial performance results for the third quarter of 2017, and the report was received.

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 October 26, 2017, which included a review of capital performance results for the third quarter of 2017, and the report was received.

Report on Prior Months’ Minutes

Copies of the Minutes of the meeting of July 20, 2017 were delivered to the Governors of New York (in electronic form) and New Jersey (in paper form) on July 21, 2017. The time for action by the Governors of New York and New Jersey had expired at midnight on August 4, 2017. The Minutes of July 20, 2017 contained a spelling error on page 86, which has been corrected to accurately reflect the meeting attendance.

Copies of the Minutes of the meeting of August 3, 2017 were delivered to the Governors of New York (in electronic form) and New Jersey (in paper form) on August 4, 2017. The Governors of New York and New Jersey had approved the actions taken by the Commissioners of New York on August 7, 2017, and the Governor of New Jersey returned the Minutes without veto on August 4, 2017.

CODE OF ETHICS FOR PORT AUTHORITY COMMISSIONERS

The Compact of 1921 is the Port Authority’s basic charter, and it speaks of integrity from its first sentence --- of the stewardship of the Port District as a “high trust for the benefit of the nation,” and of a “pledge” of “faithful” action. Today, we act to reaffirm that foundational pledge, by adopting a rigorous Code of Ethics for Port Authority Commissioners.

The Code is attached. It has been prepared by the Executive Director, following an extensive study of best-in-class ethics codes, and in close consultation with the Governance and Ethics Committee of the Board. The Code establishes clear standards with respect to resolving conflicts of interest, safeguarding confidential information, and interacting with people who hope to do business with the Port Authority. It imposes on Commissioners a duty to report wrongdoing, and it creates appropriate enforcement mechanisms for violations of the Code. And the Code spells out the Board’s fiduciary obligations, requiring Commissioners to “apply independent judgment in the best interest of the Port Authority, its mission, and the public[.]”

Whereupon, the following resolution was adopted, with Commissioners Bagger, Eve, Horwitz, LaBarbera, Lynford, McDonald, O’Toole, Pocino, Rosado and Turner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the Code of Ethics for Port Authority Commissioners (“Code”), attached hereto, is adopted; and it is further

RESOLVED, that because the Code displaces prior efforts to regulate Commissioners’ conduct, the resolutions of the Board adopted on (1) February 19, 2009, entitled “Board of Commissioners – Code of Ethics,” and (2) September 24, 2015, entitled “Proposed Recusal Policy,” are rescinded; and it is further

RESOLVED, that the Executive Director shall promptly publish the Code on the public website of the Port Authority.

CODE OF ETHICS FOR PORT AUTHORITY COMMISSIONERS**PART I: DUTIES****A. Fiduciary Duty**

Each Commissioner should act in a fiduciary capacity, adhering to a duty of loyalty and care owed to the Port Authority.

Each Commissioner should perform his or her duties to the best of that Commissioner's abilities, in good faith and with the proper diligence and care which an ordinarily prudent person in like position would use under similar circumstances.

Each Commissioner should give thoughtful and reasoned consideration to all Board matters. Each Commissioner should keep properly informed about matters pertaining to the Board's responsibilities, and should make appropriate use of all information reasonably available to him or her.

Commissioners may take into consideration the views and policies of any elected officials or governmental bodies. Ultimately, Commissioners should apply independent judgment in the best interest of the Port Authority, its mission, and the public --- consistent with the Port Authority Compact of 1921, the By-Laws of the Port Authority, and the applicable laws of both states.

B. Duty to Report

Each Commissioner should follow all applicable federal, state, and local laws. If a Commissioner believes that another Commissioner has violated the law, or this Code of Ethics, the Commissioner should promptly report, as appropriate, to the Chairman, the Vice-Chairman, and/or the Inspector General.

If a Commissioner believes that a Port Authority employee has violated the law, or the Code of Ethics and Financial Disclosure that applies to employees, the Commissioner should promptly report, as appropriate, to the Executive Director and/or the Inspector General.

C. Duty to Participate in Training

Each Commissioner should regularly participate in training approved by the Chief Ethics and Compliance Officer. The focus of this training should be the Commissioners' legal, fiduciary, and ethical responsibilities.

D. Duty of Confidentiality

"Confidential information" is material non-public information related to Port Authority affairs that has been entrusted to a Commissioner by the Port Authority and that the Commissioner knows, or should know, is intended by the Port Authority to be kept confidential.

A Commissioner should not use confidential information for his or her personal benefit, or improperly disclose it in breach of his or her fiduciary duties.

E. Duty to Complete Financial Disclosure

Each Commissioner should provide the General Counsel with a completed copy of any financial disclosure form that he or she is required by law to complete by virtue of his or her service as a Commissioner.

In the absence of any law requiring such financial disclosure, the Commissioners should annually complete a financial disclosure form, as prepared by the General Counsel. That form should call for sufficient information to allow appropriate conflicts of interest determinations to be made.

F. Duty to Disclose Ownership Changes as to Port Authority Securities

Each Commissioner should report any changes in his or her ownership or beneficial ownership of Port Authority securities. No report should be made with respect to Port Authority securities managed by an independent investment manager who has investment discretion.

The referenced report should be made to the Board, within five business days of the purchase, sale, or transfer in question and on a form prepared by the General Counsel. The form should be analogous to the United States Securities and

Exchange Commission's Form 4, "Statement of Changes in Beneficial Ownership."

G. Duty of Good Faith Compliance

Each Commissioner should comply with this Code in good faith, and should endeavor to pursue a course of conduct that will not raise suspicion among the public that the Commissioner is engaging in acts that are in violation of his or her trust.

PART II: CONFLICTS OF INTEREST

A. Recusal in General

Each Commissioner should make his or her own determination as to whether a conflict of interest exists, or whether there is the appearance of such a conflict of interest.

In determining what constitutes a conflict of interest or the appearance of one, a Commissioner may consult with the General Counsel or with the Special Counsel to the Governance and Ethics Committee.

If a Commissioner has determined to recuse as to a particular matter, the Commissioner should promptly notify the Secretary of the Port Authority, and should not participate in any discussion or vote concerning that matter.

B. Close Family Members

1. Definition

A "close family member" is a Commissioner's spouse, domestic partner, parent, sibling, child, or grandchild.

2. Personnel Decisions

A Commissioner should recuse from a Port Authority personnel decision that directly impacts a close family member.

A "personnel decision" is a decision that concerns a single employee or a small group of employees, and that relates to hiring, compensation, discipline, rank, or the scope of an employee's responsibilities.

C. Substantial Interests and Recusals

1. Substantial Interest

A Commissioner has a substantial interest in his or her employer, and in the employer of his or her spouse or domestic partner.

A Commissioner has a substantial interest in any entity as to which he or she, or his or her spouse or domestic partner, serves as a director.

A Commissioner has a substantial interest in an entity if his or her interest in that entity is valued at (a) \$100,000 or more, or (b) 1% or more of the Commissioner's portfolio --- provided that the interest in question is not managed by an independent investment manager who has investment discretion.

No substantial interest is created by a merely passive interest in an entity. Examples of such passive interests include checking accounts, savings accounts, money market accounts, brokerage accounts, discretionary managed pension or trust accounts, mutual funds, mortgages, or lines of credit with fixed terms for fixed periods of time. However, a substantial interest can be created if the terms of the passive interest are (a) subject to near-term (i.e., within one year) negotiation or renegotiation, and (b) such negotiation or renegotiation could impact the Commissioner's net worth or income by more than 1%.

2. Recusal

If a Commissioner has a substantial interest in an entity that has a matter before the Board for a vote, the Commissioner should recuse from that matter.

If a Commissioner learns that a close family member has a substantial interest in an entity that has a matter before the Board for a vote, the Commissioner should recuse from that matter.

D. Professional Services Firms and Recusals

With respect to a professional services firm ("Firm"), such as a law firm, consulting firm, or engineering firm, the

conflicts of interests rules set out in Part II.C apply. Additional rules also apply, which are set out in this Part II.D, provided that the Firm is privately held and has 100 or fewer full-time employees.

1. Major Interest

A person has a "major interest" in a Firm if he or she (a) is an employee of the Firm, (b) has an ownership stake in the Firm, and (c) participates in the governance of the Firm.

2. Recusal

If a Firm in which a Commissioner has a major interest represents an entity as to a matter before the Board for a vote, the Commissioner should recuse.

If an entity has a matter before the Board for a vote, but the Firm does not represent the entity on that matter, the Commissioner should recuse if the entity accounts for a large proportion of the annual gross revenues of the Firm. For these purposes, "large proportion" means either (a) \$1 million or more, or (b) 2% or more.

3. Agreements

Absent special circumstances, as determined by the General Counsel, the Board should not authorize the Port Authority to enter into a contract, retainer, or other agreement with a Firm in which a Commissioner has a major interest.

E. Third-Party Entities

As noted above, if a Commissioner has a substantial interest in an entity that has a matter before the Board for a vote, the Commissioner should recuse.

A Board vote may also have an impact on an entity ("Third-Party Entity") that does not itself have a matter before the Board.

In such a case, a Commissioner should recuse from a Board vote if (a) the Commissioner knows, or should know, that the vote is likely to have a material and particularized impact on the Third-Party Entity, and (b) the Commissioner has a substantial interest in the Third-Party Entity. Thus, for

example, a Commissioner should recuse from a Board vote to obtain railcars if the Commissioner has a substantial interest in the supplier of the key component part of the railcars.

A Commissioner generally does not need to recuse solely because a Board vote may have a non-financial impact on a Third-Party Entity in which the Commissioner has a substantial interest. In addition, a Commissioner generally does not need to recuse solely because a Board vote may have a general, across-the-board financial impact on various Third-Party Entities, including a Third-Party Entity in which the Commissioner has a substantial interest.

In doubtful cases related to the impact of a Board vote on a Third-Party Entity, a Commissioner should consult with the General Counsel or the Special Counsel to the Governance and Ethics Committee.

F. Prior Work

If, before he or she became a Commissioner, a Commissioner participated in a matter now before the Board for a vote, the Commissioner should recuse.

For these purposes, "participation" in a matter means substantial and direct involvement in the matter, which the Commissioner undertook as part of his or her employment.

G. Subsequent Work

A Commissioner whose term of service has ended is generally no longer subject to the jurisdiction of the Port Authority. New Jersey law and New York law may govern what Commissioners may do after their service has ended. Those laws must be followed, and current Commissioners should anticipate doing so.

H. Other Circumstances

This Article II is not exhaustive. There may be other circumstances in which it is appropriate for a Commissioner to recuse, to avoid either a conflict of interest or the appearance of a conflict of interest. In those circumstances, a Commissioner should determine whether to recuse and, in doing so, is free to consult with the General Counsel or with the Special Counsel to the Governance and Ethics Committee.

PART III: GENERAL PROVISIONS

A. Port Authority Property

A Commissioner should use Port Authority property, including Port Authority vehicles and letterhead stationery, only in connection with the Commissioner's Port Authority duties. Port Authority property should not be used for personal purposes.

B. Port Authority Computing Resources

Port Authority employees are required to follow a rigorous policy with respect to the appropriate use of computing resources. Commissioners should follow the same policy.

Accordingly, each Commissioner is subject to the limitations on employee conduct set out in the Cybersecurity and Computing Resources Policy, Administrative Instruction 15-4.03 (December 2, 2016).

C. Port Authority Email

When a Commissioner uses email to conduct Port Authority business, the Commissioner should generally use a Port Authority-issued email account.

If a Commissioner uses a non-Port Authority email account to conduct Port Authority business, the Commissioner should promptly forward the emails in question to his or her Port Authority email account.

D. Fundraising

1. Port Authority Affiliation

A "fundraising solicitation" is a written solicitation or invitation that seeks financial support for a political or charitable cause and that includes a Commissioner's name.

To avoid blurring the line between a Commissioner's Port Authority work and his or her other activities, a fundraising solicitation should not unduly draw attention to the Commissioner's Port Authority role.

Thus, while a fundraising solicitation may contain a biographical statement that describes a Commissioner's professional background, including his or her Port Authority service, a fundraising solicitation should not, outside of the context of a biographical statement, use the terms "Port Authority" or "Commissioner."

A fundraising solicitation may always refer to a Commissioner as "the Honorable."

2. Port Authority Business

A Commissioner should not solicit or accept funds for a political or charitable cause from an entity that the Commissioner knows or should know: (a) has a pending matter to be voted on by the Board, (b) had a matter that was voted on by the Board during the preceding year, or (c) is likely to have a matter that will be voted on by the Board during the coming year.

A Commissioner who has accepted funds from an entity for a political or charitable cause should not, for one year, vote on any matter that entity has before the Board.

For these purposes, an "entity" includes those people who the Commissioner knows or should know are the entity's directors, officers, or senior employees.

E. Unwarranted Privileges

A Commissioner should not use his or her official position to secure unwarranted privileges, exemptions, or advantages, whether for him or herself or for others.

F. Gifts or Favors

Port Authority employees are subject to a "zero-tolerance" policy with respect to giving, receiving, or soliciting gifts or favors. Commissioners should be subject to the same policy.

Accordingly, each Commissioner is subject to the limitations on employee conduct set out in Administrative Instruction 20-1.06 (March 11, 2014).

G. Engagement with Staff

A Commissioner should not ask or encourage a Port Authority employee to make a political or charitable contribution.

A Commissioner should not ask or encourage a Port Authority employee to indicate his or her voting history or political party affiliation, or to describe any political or charitable contributions the employee has made.

A Commissioner should not ask or encourage a Port Authority employee to provide services that are unrelated to the Commissioner's official role, and a Commissioner should not accept such services.

A Commissioner should not engage in a financial transaction with a Port Authority employee, including providing a loan or financial assistance to an employee or receiving a loan or financial assistance from an employee.

H. Anti-Discrimination

In the exercise of his or her official duties, a Commissioner should not discriminate based on race, color, religion, sex, national origin, age, disability, sexual orientation, or gender identification.

I. Refreshments

Unless supplied by the Port Authority or by another public agency, a Commissioner should not accept free refreshments in the course of conducting Port Authority business, unless: (a) the refreshments are nominal (non-alcoholic beverages, snacks, or a modest meal), and (b) there is no indication that the refreshments are offered to influence the Commissioner with respect to his or her Port Authority duties.

Under the rules set out in the preceding paragraph, a Commissioner may generally accept free nominal refreshments when attending a speech, a conference or seminar, an academic event, or an awards luncheon or dinner, provided that refreshments are made available to other participants.

J. Outside Parties

The Port Authority benefits from the breadth of Commissioners' civic associations and knowledge. And a Commissioner is of course free to gather information from a variety of sources, and to speak with whomever he or she

pleases, subject to the Commissioner's duty of confidentiality.

This said, to avoid any appearance of impropriety, or the suggestion that a single Commissioner can speak for the Board, a Commissioner, unless authorized to do by the Board, should not participate in a substantive discussion with outside parties as to a specific Board matter.

"Outside parties" are people other than appropriate government officials, Port Authority staff, or Commissioners. A "specific Board matter" is a matter that a Commissioner knows or should know is likely to come before the Board for a vote. A "substantive discussion" is a discussion in which a Commissioner, with respect to a specific Board matter, describes: (1) non-public information as to the position, plans, or strategy of the Port Authority, the Board, or any Commissioner; or (2) internal deliberations of the Port Authority or the Board.

If a substantive discussion, as described above, does in fact occur, the Commissioner who participated in the discussion should promptly describe the content and circumstances of the discussion to the Chairman, Vice-Chairman, and Executive Director, as appropriate.

Unless authorized by the Board, a Commissioner should not participate in a negotiation on behalf of the Port Authority, or otherwise represent the Port Authority in connection with either a proposed transaction or a legal, regulatory, or legislative matter.

PART IV: THE CODE

A. Port Authority Subsidiaries

The provisions of this Code apply to the Commissioners in their capacities as Port Authority Commissioners and in their capacities as Directors of the Port Authority's various subsidiaries.

All references in this Code to the Port Authority should be construed to include both the Port Authority and its subsidiaries.

B. Interpretation

In connection with interpretation or application of this Code, any Commissioner may seek advice from the General Counsel.

C. Conflicting Law

If a Commissioner believes that he or she is required to potentially violate this Code in order to comply with the law, the Commissioner should consult with the General Counsel.

D. Enforcement

In connection with potential breaches of this Code, the Governance and Ethics Committee may undertake factual investigations and may recommend to the Board such action, if any, that the Committee deems appropriate. As to these efforts, the Committee should closely consult with the Chairman and Vice-Chairman, as appropriate, and may require the General Counsel and the Inspector General to provide advice and assistance.

PORT AUTHORITY BUS TERMINAL – REHABILITATION OF DRY FIRE SPRINKLER SYSTEM COMPONENTS – PROJECT AUTHORIZATION

It was recommended that the Board authorize: (1) a project to provide for the rehabilitation of the dry fire sprinkler system at the Port Authority Bus Terminal (PABT), including the replacement of certain system components, at an estimated total project cost of \$20 million.

The PABT, which opened in 1950, currently serves approximately 260,000 customers who travel through the facility daily. A dry and a wet fire sprinkler system protect the North Wing and the South Wing of the facility. Many of the components of the existing dry sprinkler system are near the end of their service life. The dry system is composed of approximately 10,000 sprinkler heads, approximately 196,000 linear feet of pipe, and appurtenances, and serves areas of the PABT that are not climate-controlled and may be exposed to freezing temperatures (*i.e.*, bus lanes and the parking levels). The wet sprinkler system serves the enclosed, climate-controlled areas of the facility, and is in better operating condition than the dry system, because the water-filled pipes of the wet sprinkler system experience less corrosion than the pipes of the dry system, which are empty and exposed to air.

In order to maintain a state of good repair, the proposed project would provide for the replacement of certain components of the dry sprinkler system, including the replacement of approximately 10,000 sprinkler heads and approximately 49,000 linear feet of sprinkler pipe in targeted areas of the system, as well as the installation of drum drip drains, in accordance with current building code requirements. The work is expected to extend the useful life of the dry fire sprinkler system by at least 10 years.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, Horwitz, LaBarbera, Lynford, McDonald, O'Toole, Pocino, Rosado and Turner voting in favor. General 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 provide for the rehabilitation of the dry fire sprinkler system at the Port Authority Bus Terminal, including the replacement of certain system components, at an estimated total project cost of \$20 million, be and it hereby is authorized; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, 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 General Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by General Counsel or his authorized representative.

WORLD TRADE CENTER (WTC) SITE FLOOD MITIGATION AND RESILIENCY IMPROVEMENTS PROGRAM – BELOW-GRADE WATER INTRUSION PROTECTION SYSTEMS AT THE SOUTH BASEMENT LEVELS OF WTC SITE – AWARD OF CONTRACT

It was recommended that the Board authorize the Executive Director to enter into a construction contract with Paul J. Scariano, Inc. for the fabrication and installation of below-grade Water Intrusion Protection Systems (WIPS) at the south basement levels of the World Trade Center (WTC) site, including the WTC Vehicular Security Center and Tour Bus Parking Facility and the WTC Vehicle Roadway Network and Eastside Tour Bus Parking Facility (collectively, the WTC Vehicular Security Facilities), at an estimated total cost of \$5,659,160, inclusive of clause work and an eight-percent allowance for extra work.

As Superstorm Sandy and its associated storm surge demonstrated, business and transportation assets in low-lying areas of Lower Manhattan are at great risk for storm surge flooding. The high value and critical nature of the Port Authority facilities, particularly the Port Authority Trans-Hudson (PATH) rail system and other transportation facilities at the WTC site, require a comprehensive flood protection plan, including multiple levels of protection to minimize the impact of future storms.

In the fall of 2013, a comprehensive flood hazard mitigation plan was developed for the WTC site. This plan included evaluations of site-wide and project-specific vulnerabilities, flooding mitigation strategies and improvement alternatives. The WTC's flood mitigation plan recommended three "rings of protection" to protect the WTC site effectively against potential coastal flooding levels comparable in magnitude to those experienced during Superstorm Sandy's storm surge. The first ring is a perimeter bollard protection system at the western portion of the WTC site. The second and third rings, known as WIPS at-grade and WIPS below-grade, respectively, include various flood barriers, roll-down doors, louvers, hatches, structural hardening, waterproofing, and similar measures.

The scope of work under the proposed construction contract provides for the fabrication and installation of WIPS equipment at the south basement levels of the WTC site, particularly at interior ramps, roadways, stairwells and shafts in the WTC Vehicular Security Facilities where water otherwise might flow through and threaten all of the WTC site's below-grade areas, including the WTC Transportation Hub and its PATH facilities. All construction activities in this contract would be coordinated with WTC site operating facilities, including the WTC Vehicular Security Facilities, to minimize public impacts.

On April 27, 2017, the Board authorized a project for the design and construction of WTC site Below-Grade Flood Mitigation and Resiliency Improvements, at an estimated total project cost of \$37.1 million. The proposed contract would be the first to be awarded in connection with that project.

In August 2017, the Port Authority and the Federal Transit Administration executed a grant agreement for WTC below-grade flood mitigation and resiliency projects that provides for federal reimbursement of 90 percent of eligible project expenditures, up to a maximum of approximately \$33.4 million.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, Horwitz, LaBarbera, Lynford, McDonald, O'Toole, Pocino, Rosado and Turner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a construction contract with Paul J. Scariano, Inc. for the fabrication and installation of below-grade Water Intrusion Protection Systems at the south basement levels of the World Trade Center (WTC) site, including the WTC Vehicular Security and Tour Bus Parking Facility and the WTC Vehicle Roadway Network and Eastside Tour Bus Parking Facility, at an estimated total cost of \$5,659,160, inclusive of clause work and an eight-percent allowance for extra work; and it is further

RESOLVED, that the form of the foregoing agreement shall be subject to the approval of General Counsel or his authorized representative, and the terms of such agreement shall be subject to review by General Counsel or his authorized representative.

WORLD TRADE CENTER SITE – AUTHORIZATION OF ADDITIONAL CONTRACT ACTIONS TO SUPPORT ONGOING POST-SUPERSTORM SANDY RECOVERY WORK AND RELATED COSTS

It was recommended that the Board authorize: (1) a reallocation of funds previously authorized for certain contract actions for construction, architectural and engineering design, and construction support services required to effectuate ongoing repair and replacement of facilities and equipment at the World Trade Center (WTC) site that were damaged or destroyed as a result of Superstorm Sandy and its associated storm surge, as well as to provide compensation for costs incurred by construction and consultant services contractors related to associated impact delays and acceleration of work to minimize schedule impact, and to maintain commitments to third-party stakeholders, by: (a) increasing, by approximately \$78.44 million, the amount of certain such contract actions; and (b) offsetting that amount by an equivalent decrease of approximately \$78.44 million in unspent previously authorized funds for certain other such contract actions; and (2) the Executive Director to take all actions necessary to effectuate the foregoing, consistent with the terms outlined to the Board.

During the week of October 28, 2012, Superstorm Sandy and its associated storm surge caused significant flooding and devastating damage in Lower Manhattan and throughout the New York-New Jersey region. The storm resulted in severe flooding throughout the WTC site, particularly affecting the WTC Transportation Hub, WTC Vehicular Security Center and Tour Bus Parking Facility, the National September 11 Memorial and Museum, and One WTC, among other WTC projects in construction.

Through separate actions at its meetings from February 6, 2013 through October 22, 2014, the Board, and the Committee on Operations, acting for and on behalf of the Board pursuant to the By-Laws, ratified and authorized certain actions for construction work and consultant services required for Superstorm Sandy response, recovery and restoration work at the WTC site and mitigation efforts through November 30, 2014, in a total estimated amount of approximately \$644.59 million.

At the beginning of 2017, Port Authority staff reviewed resources, including funds for Superstorm Sandy-related repair and recovery work, allocated to several WTC projects, to ensure that funds and work scope for the projects are allocated efficiently without increasing the overall Superstorm Sandy-related budget or affecting construction schedules. Staff conducted a reassessment of repair, replacement and mitigation work, which took into account actual work completed in 2016, including settlements reached with various contractors and consultants, additional information provided by contractors related to their impact delays and updated forecasts of the work still to be completed, as well as the closeout of remaining construction contracts and consultant agreements. By reallocating unspent, previously authorized funds, staff could close out several contracts and move several WTC site projects forward to completion. The reallocation of such funds would have a net-zero impact on overall project costs. At its meeting of March 24, 2016, the Board authorized a similar reallocation of Superstorm Sandy-related funds, in an amount of approximately \$133.74 million.

As additional information is obtained through ongoing latent damage inspections, further project evaluations and implementation, decisions regarding Superstorm Sandy's impact on the Port Authority's WTC facilities are being made. Any further requests for increases to contracts for actions, or reallocation of previously authorized funds, that will be attributable to Superstorm Sandy work, including oversight of further equipment replacement and installation costs, construction general conditions and potential mitigation costs, would be subject to further Board authorization and requested on an "as needed" basis.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, LaBarbera, Lynford, McDonald, O'Toole, Pocino, Rosado and Turner voting in favor. Commissioner Horwitz recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that a reallocation of funds previously authorized for certain contract actions for construction, architectural and engineering design, and construction support services required to effectuate ongoing repair and replacement of facilities and equipment at the World Trade Center site that were damaged or destroyed as a result of Superstorm Sandy and its associated storm surge, as well as to provide compensation for costs incurred by construction and consultant services contractors related to associated impact delays and acceleration of work to minimize schedule impact, and to maintain commitments to third-party stakeholders, by: (1) increasing, by approximately \$78.44 million, the amount of certain such contract actions; and (2) offsetting that amount by an equivalent decrease of approximately \$78.44 million in unspent previously authorized funds for certain other such contract actions, be and it hereby is authorized, consistent with the terms outlined to the Board; and it is further

RESOLVED, that the Executive Director be and hereby is authorized, for and on behalf of the Port Authority, to take all actions necessary to effectuate the foregoing; 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 General Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by General Counsel or his authorized representative.

Whereupon, the meeting was adjourned.

Secretary