

PORT AUTHORITY TRANS-HUDSON CORPORATION

MINUTES

Thursday, February 21, 2008

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**MINUTES of the Meeting of Port Authority Trans-Hudson Corporation held Thursday, February 21, 2008,
at 225 Park Avenue South, City, County and State of New York.**

PRESENT:

NEW JERSEY

Hon. Anthony R. Coscia, Chairman
 Hon. Virginia S. Bauer
 Hon. Raymond M. Pocino
 Hon. Anthony J. Sartor
 Hon. David S. Steiner

NEW YORK

Hon. Henry R. Silverman, Vice-Chairman
 Hon. Bruce A. Blakeman
 Hon. Michael J. Chasanoff
 Hon. Christine A. Ferer
 Hon. David S. Mack

Anthony E. Shorris, President
 Ernesto L. Butcher, Vice-President and General Manager
 Darrell B. Buchbinder, Counsel

Matthew A. Baratz
 Diana E. Beecher
 A. Paul Blanco
 Jennifer Coady
 Steven J. Coleman
 William R. DeCota
 John C. Denise
 Michael P. DePallo
 Pasquale DiFulco
 Michael P. Dombrowski
 John J. Drobny
 Karen E. Eastman
 Michael G. Fabiano
 Ziomara Y. Foster
 Michael B. Francois
 William H. Goldstein
 Linda C. Handel
 Mary Lee Hannell
 Alan H. Hicks
 Lawrence S. Hofrichter
 Howard G. Kadin
 Victoria C. Kelly
 Kevin J. Kirchman
 Louis J. LaCapra
 Richard M. Larrabee
 Marc LaVorgna
 Chi Mei Lee
 Susan Bass Levin
 Andrew Levine
 Francis J. Lombardi
 Stephen Marinko
 Catherine M. Massab
 James E. McCoy

Sanjay Mody
Anne Marie C. Mulligan
Tony F. Oliver
Andrew M. Rachlin
Richard R. Roper
Stephen H. Sigmund
Ralph Tragale
Lillian D. Valenti
Sheree R. Van Duyne

Guest:

Sonia Frontera

Public Speaker:

Almeta Walker

The public session was called to order by Chairman Coscia at 1:31 p.m. and ended at 1:56 p.m. The Board met in executive session prior to the public session.

Action on Minutes

The Vice-President submitted for approval Minutes of the meeting of January 4, 2008. He reported that copies of these Minutes were sent to all of the Directors and to the Governors of New York and New Jersey. He reported further that the time for action by the Governors of New York and New Jersey has expired.

Whereupon, the Board of Directors unanimously approved the Minutes.

Report of Committee on Operations

The Committee on Operations reported, for information, on matters discussed in public and executive session at its meeting on February 21, 2008, which included discussion of an item that authorizes a Memorandum of Understanding with the City of Jersey City in connection the Washington Street Powerhouse, and discussion of matters related to collective bargaining or negotiations, and the report was received.

Report of Committee on Construction

The Committee on Construction reported, for information, on matters discussed in public session at its meeting on February 21, 2008, which included discussion of a project for the replacement and upgrade of the PATH Christopher Street Substation in New York, and the report was received.

Staff Reports

Presentations were made by staff on:

- 1) Pilot Program for Regional Test of Contactless Bankcards for Fare Payment; and
- 2) Airport Delay Policy.

PATH – REPLACEMENT AND UPGRADE OF THE CHRISTOPHER STREET SUBSTATION – PROJECT AUTHORIZATION AND AWARD OF CONTRACT PAT-624.154

It was recommended that the Board authorize: (1) a project for the replacement and upgrade of the Christopher Street substation of the Port Authority Trans-Hudson Corporation (PATH) rail system, at an estimated total project cost of \$60 million; and (2) the President of PATH to award Contract PAT-624.154 for construction of the project to the lowest bidder, at an estimated construction cost of \$38.9 million, subject to final review of the Committee on Construction prior to award.

The Christopher Street substation, located in New York City, provides electrical power to the uptown PATH rail system. The substation equipment is presently 40 years old, and nearing the end of its useful service life. Replacement parts are no longer available to keep the equipment operational. Previous studies have recommended the replacement and upgrade of the substation with larger capacity, more reliable, energy efficient equipment with energy regeneration capability. The larger capacity equipment would meet the increased future demand for electrical power as a result of the growing service needs and operational requirements of PATH's new railcar fleet.

The scope of work for Contract PAT-624.154 includes replacement and upgrade of substation equipment and provision of an energy storage system and dual voltage equipment. Bids for Contract PAT-624.154 would be solicited from pre-qualified firms identified through a publicly advertised Request for Qualifications.

Pursuant to the foregoing report, the following resolution was adopted with Directors Bauer, Blakeman, Chasanoff, Coscia, Ferer, Mack, Pocino, Sartor, Silverman and Steiner voting in favor; none against:

RESOLVED, that a project for the replacement and upgrade of the Christopher Street substation of the Port Authority Trans-Hudson Corporation (PATH) rail system, at an estimated project cost of \$60 million (the Project), including payments to contractors, allowances for extra work (if necessary) and net cost work, engineering, administrative and financial expenses, and a contingency (if necessary), be and it hereby is authorized; and it is further

RESOLVED, that the President be and hereby is authorized, for and on behalf of PATH, to award Contract PAT-624.154 – Replacement and Upgrade of the Christopher Street Substation Rehabilitation, to the lowest bidder, at a total construction cost estimated at \$38.9 million, subject to final review of the Committee on Construction prior to award; 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 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 Project shall be subject to the approval of General Counsel or his authorized representative.

PATH – WASHINGTON STREET POWERHOUSE – MEMORANDUM OF UNDERSTANDING AMONG THE PORT AUTHORITY, PATH, THE CITY OF JERSEY CITY AND THE JERSEY CITY REDEVELOPMENT AGENCY

It was recommended that the Board authorize the Executive Director and the President of Port Authority Trans-Hudson Corporation (PATH) to enter into a Memorandum of Understanding (MOU) among the Port Authority, PATH, the City of Jersey City and the Jersey City Redevelopment Agency (the last two, collectively, the City) in connection with a proposed transfer of PATH's interest in the Washington Street Powerhouse (Powerhouse) to the City and the proposed transfer to PATH of a suitable parcel of land to be occupied by a new PATH substation. The Powerhouse parcel is approximately 1.5 acres, of which PATH owns approximately 55 percent and the City of Jersey City owns the remaining 45 percent. The MOU would: (1) provide for environmental, engineering and architectural analysis of a minimum of two parcels of land to determine their suitability for the location of the new PATH substation; (2) provide for the environmental testing and review of the Powerhouse to identify any environmental contamination and estimate the cost of any required remediation; (3) permit the City to enter the portion of the Powerhouse owned by PATH to perform basic work needed to preserve the structure of the Powerhouse; and (4) permit the City to use for such analysis, testing, review and preservation activities, revenues resulting from the development of an industrial park on the portion of the Greenville Yards transferred to the City by the Port Authority pursuant to an agreement dated August 19, 1988, among the City of Jersey City, the Port Authority and the Jersey City Economic Development Corporation. Such revenues otherwise would be payable to the Port Authority under that agreement.

Upon execution of the MOU, and provided that the City can provide PATH with access to the privately owned parcels, PATH would undertake environmental, engineering and architectural analysis of two or more parcels with the potential to house a new PATH substation. Should the alternative sites identified by the City be deemed unacceptable to PATH, the MOU would expire, with no further responsibility on the part of any party to the others. The MOU would contain the express statement that it does not constitute a Contract of Sale covering PATH's interest in the Powerhouse site, and that PATH's obligation to convey the site to the City is subject to subsequent Board authorization.

It should be noted that, whether or not PATH's interest in the Powerhouse is conveyed to the City, contamination discovered in the course of the environmental testing and review of the Powerhouse site may trigger the requirement to notify federal and state environmental agencies of the findings, the obligation to perform additional investigations at the site and the obligation to perform remediation of PATH's portion of the Powerhouse site by PATH. Any necessary agreements for the performance of such remediation work would be subject to further authorization by the Board. The environmental, engineering and architectural analysis of the alternative parcels may result in similar obligations for the owners of those parcels.

Additionally, concurrent with the investigation of the alternative sites, the City would perform certain basic Powerhouse structural preservation work.

Pursuant to the foregoing report, the following resolution was adopted with Directors Bauer, Blakeman, Chasanoff, Coscia, Ferer, Mack, Pocino, Sartor, Silverman and Steiner voting in favor; none against:

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, and the President, Port Authority Trans-Hudson Corporation (PATH), be and he hereby is authorized, for and on behalf of PATH, to enter into a Memorandum of Understanding among the Port Authority, PATH, the City of Jersey City and the Jersey City Redevelopment Agency (the last two, collectively, the City) providing for environmental, engineering and architectural analysis in connection with a proposed transfer of PATH's interest in the Washington Street Powerhouse to the City and the proposed transfer to PATH of a suitable parcel of land to be occupied by a new PATH substation, substantially in accordance with the terms outlined to the Board; and it is further

RESOLVED, that the form of the foregoing Memorandum of Understanding shall be subject to the approval of Counsel or his authorized representative.

Whereupon, the meeting was adjourned.

Vice-President and General Manager