

Chris Christie, Governor
Kim Guadagno, Lieutenant Governor
Richard T. Hammer, Commissioner
Steven H. Santoro, Executive Director

NJ TRANSIT
One Penn Plaza East
Newark, NJ 07105-2246
973-491-7000

September 11, 2017

Dear Governor Christie:

Pursuant to Chapter 150, Laws of 1979, I herein transmit the minutes of actions taken at the open session of the regularly scheduled meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc., Board of Directors held on Thursday, September 7, 2017.

Sincerely,

Original Signed By

Joyce J. Zuczek
Board Secretary

Enclosures

Honorable Chris Christie
Governor, State of New Jersey
State House
Trenton, NJ 08625

Minutes of the actions taken at the Open Session of the regularly scheduled Board of Directors' meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. held at NJ TRANSIT Headquarters, One Penn Plaza East, Newark, New Jersey on Thursday, September 7, 2017.

Board Members Present

Richard T. Hammer, Chairman
Mary K. Maples, Governor's Representative
Shannon McManus, Treasurer's Representative
James C. Finkle Jr., Board Member
Flora M. Castillo, Board Member (By Telephone)
Raymond W. Greaves, Board Member (Non-Voting) (By Telephone)

Staff Present

Steven H. Santoro, Executive Director
Amy B. Herbold, Deputy Executive Director
Michael P. Kilcoyne, Vice President & General Manager, Bus Operations
Robert Lavell, Vice President & General Manager, Rail Operations
Neal A. Fitzsimmons, Acting Chief, Light Rail & Contract Services
Christopher Trucillo, Chief of Police
Warren A. Hersh, Auditor General
Christine C. Baker, Chief Compliance Officer
Jaibala Patel, Acting Chief Financial Officer & Treasurer
Michael K. Slack, Chief Information Officer
Penelope L. Bassett, Assistant Executive Director, Communications & Customer Service
Eric R. Daleo, Assistant Executive Director, Capital Planning & Programs
Gardner C. Tabon, Chief, Office of System Safety
Joseph E. Snow, Deputy Attorney General
Joyce J. Zuczek, Board Secretary

Chairman Hammer convened the Open Session at 9:02 a.m. in accordance with the Open Public Meetings Act. Taisha Ellington-Johnson, Office of System Safety, provided a Public Safety Announcement. The Pledge of Allegiance to the Flag was conducted. Board Secretary Zuczek conducted a Roll Call and noted Board Members Castillo and Greaves were participating by telephone.

Board Secretary Zuczek announced that adequate notice of the regularly scheduled meetings of the Board of Directors of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations Inc., NJ TRANSIT Bus Operations, Inc. NJ TRANSIT Mercer, Inc. and NJ TRANSIT Morris, Inc. was provided in accordance with the Open Public Meetings Act, Chapter 231, P.L 1975, and the meetings were occurring concurrently. Notices were filed on August 31, 2017 with the Secretary of State. These notices were mailed to newspapers of general distribution, posted in the main entrance of NJ TRANSIT

headquarters, and sent to each individual, agency, and organization that requested such notice. Board Secretary Zuczek announced that the Board meetings were being video recorded.

Chairman Hammer asked for a motion to approve the minutes of the August 9, 2017 Board meetings. A motion was made by Board Member James C. Finkle Jr., seconded by Board Member Shannon McManus, and unanimously adopted.

Public Comments on Agenda Action Items

There were four speakers on agenda action items. Board Secretary Zuczek announced public comments would be limited to five minutes.

Stephen Thorpe speaking on behalf of the Lackawanna Coalition wanted to address concerns about Item #1709-42 County Yard Improvements Delco Lead Project. Mr. Thorpe noted it was previously stated that the County Yard Delco Lead Project would not increase capacity into New York Penn Station, which they all understand is vital.

Mr. Thorpe hopes they will not be impacted by the three major hurricanes currently in the south and said the NJ TRANSIT Resiliency Program and NJ TRANSITGRID were created to minimize the effects of storms and give them redundancy and resilience. He commended NJ TRANSIT on these types of projects which he thinks are excellent. However, Mr. Thorpe said the Delco Lead Project and spending money in the amount of \$125 million does not give them anymore train capacity into New York Penn Station.

Mr. Thorpe believes if one of the tunnels goes it would be catastrophic for NJ TRANSIT. He said Amtrak can get by with one tunnel but NJ TRANSIT cannot. He believes focusing on the tunnels and increasing capacity is a much better way to spend the money than on the County Yard Delco Lead Project and he urged the Board to vote no on Item #1709-42.

Murray Bodin said looking at Board Items #1709-41, 42, and 43, he was wondering how it was decided where NJ TRANSIT would spend their money. With regards to Item #1709-43, Mr. Bodin asked who owns the new Mason Substation now and in the future.

Mr. Bodin expressed concerns about NJ TRANSIT spending money in outdated ways like Positive Train Control (PTC). He believes it is a big drain that does not work. He discussed technology that allows cars to automatically stop by itself. Mr. Bodin said NJ TRANSIT's priorities need to be changed and they need something that stops the trains automatically to save the lives of his grandchildren and others' children.

Orrin Getz, Vice Chairman of Metro North's Rail Commuter Council, distributed an article that shows that NJ TRANSIT is way behind on the installation of Positive Train Control (PTC). Mr. Getz believes that instead of blaming the contractors, it is NJ TRANSIT's obligation to see to it that the contractors are on schedule with the installation of PTC. He complained that information about PTC was not included in the Executive Director's

Report and believes that the Members of the Board were blind-sided to what was going on. Mr. Getz believes this is an important issue that needs to be reflected in the Executive Director's Report every month so they have a clear picture of what is going on with this project to ensure they meet the federal December 2018 deadline. He believes the Board should see the progress that is being made every month at each meeting.

Mr. Getz said he observed NJ TRANSIT train crew shortages. He believes personnel should look into hiring more staff because they need to know there are an adequate number of people running the trains. Mr. Getz wants to also be able to see what is being done to hire operating and management staff in the Executive Director's Report every month. He said Metro North does this and NJ TRANSIT is losing employees to Metro North because they pay a little more.

Mr. Getz supports Item #1709-43 because he believes it is important to have all their substations working. He said this is critical since NJ TRANSIT is in the process of building the Grid back-up system, in the event the commercial power fails.

Joseph Clift complained about a lack of information and maps for the board items. He said it makes it impossible for Board members to make informed votes. Mr. Clift wants NJ TRANSIT staff to explain why NJ TRANSIT has no need for the MMC parcel to be sold to Conrail and to provide drawings showing the property dimensions and key facilities. He did not think Item #1709-41 was time critical and asked the Board to defer the vote to the next month.

Mr. Clift asked the Board not to approve the Delco Lead/County Yard land acquisitions in Item #1709-42. He said this project was not needed for the claimed purpose of safe haven storage of rolling stock for a Hurricane Sandy II. Instead, Mr. Clift wants NJ TRANSIT staff to develop a plan for safe haven storage of rolling stock on existing NJ TRANSIT and Amtrak property. He believes mismanagement was the reason NJ TRANSIT trains were flooded during Hurricane Sandy. Mr. Clift said there were plenty of track locations where NJ TRANSIT management could have, but failed to safely park its rolling stock before Sandy.

Mr. Clift wants NJ TRANSIT to shift the funding for the County Yard/Delco Lead and Mid-Line Loop projects to what he believes is the highest priority rail project in the region, an additional tunnel under the Hudson River. He believes storing trains in County Yard is a luxury and not a necessity.

Mr. Clift said much of the Delco Lead/County Yard is currently in a federal flood plain and will require the addition of 270,000 cubic yards, 22,000 truckloads, of fill to bring it up to a mere 1.5 feet above base flood elevation. He questioned how this location could be a place to build safe haven for train storage.

Mr. Clift believes NJ TRANSIT's hidden purpose for this project is connecting a future North Brunswick station to NJ TRANSIT's mid-zone (Jersey Avenue to Metropark) rush hour service on the Northeast Corridor (NEC). He said the proposed station's location, a

mere two miles south of the existing Jersey Avenue Station on the NEC, requires both the Delco Lead tracks and the Mid-zone Loop Project, already under design but unfunded, to tie it in operationally to Northeast Corridor mid-zone service.

Mr. Clift asked the Board not to spend close to half a billion dollars of the taxpayer's money to bring rail service to a developer's project, even though it is claimed to be a transit-oriented development. He urged them to instead spend the scarce dollars on the highest priority rail project in the region, one additional single track tunnel under the Hudson River. Mr. Clift believes the developer should pay the cost for the track infrastructure necessary to serve his station, instead of the taxpayers.

Advisory Committee Report

Suzanne Mack said the Advisory Committees were still on hiatus and both the North and South Jersey Committees were meeting on October 5, 2017. Ms. Mack stated both the committees were concerned about the amount of press NJ TRANSIT has been receiving lately. She was gratified that Executive Director Santoro reached out to both the North and South Jersey Committees to provide updates despite all the challenges lately. Ms. Mack said in these challenging times, with all of the weather problems and the Amtrak summer schedule challenges, the transit systems must still operate every day for the citizens of New Jersey and the Tri-State region, as they go to work and home to their families.

Ms. Mack said the North and South Jersey Committees will refocus through Board Member Finkle this fall. They will look into issues and get feedback and input from riders and stakeholder groups. Ms. Mack stated in the upcoming October meeting, strategic planning will be the focus, as it should with all transit systems. They want to assist with plans for the next five to ten years and how to continue to run the transit system and meet challenges.

Board Customer Service Committee Report

Board Member Finkle presented the report for the Customer Service Committee. The Customer Service Committee received a Customer Service update and report on the Social Media Dashboard. The Committee also received a report on the results for the Fiscal Year 2017 Fourth Quarter Customer Satisfaction Survey, as well as the Summer Rail Travel and Communications Surveys.

Board Capital Planning, Policy, and Privatization Committee Report

Chairman Hammer presented the report for the Capital Planning, Policy, and Privatization Committee. The Capital Planning, Policy and Privatization Committee discussed the board items for the: Sale of Land to Conrail; Purchase of the Delco Industrial Lead Property; and Construction of the Mason Substation.

Executive Director Santoro thanked Chairman Hammer and the Board for their support of the efforts of the NJ TRANSIT employees. When he was appointed Executive Director 10 months ago, he was already familiar with the professionalism of the men and women at NJ TRANSIT. They are a corporation of more than 11,000 dedicated and diverse employees who serve NJ TRANSIT's customers each and every day. They move nearly one million customer trips each weekday and more the 270 million trips per year, an incredible undertaking in one of the most densely populated regions of the nation.

Each and every employee is counted on in some way, from frontline employees who work directly with customers to those that serve an important behind-the-scenes role to support the organization and the services. Many employees have been working both missions in the past two months, balancing their time between ambassador assignments during the Amtrak outage while still completing their regular work requirements. Executive Director Santoro said for that he is extremely thankful and proud.

Like any organization, there are always ways that they can improve. But there is also already so much for them to be proud of. This is a company that, by the very public nature of its 24-7 business, cannot and should not hide from its imperfections. Executive Director Santoro said they have accomplished much towards the mission of providing NJ TRANSIT's customers with safe, reliable service every day.

Executive Director Santoro assured the Board that employees are working to ensure NJ TRANSIT's long-term success, giving NJ TRANSIT the greatest opportunity for lasting stability. Improvements to the way they operate do not occur overnight and he has been open about the work that needs to be done. He assured the Board and everyone that the men and women remain dedicated to delivering a safe and reliable transportation experience for all who use NJ TRANSIT's system.

That dedication is demonstrated by numerous accomplishments and progress in initiatives and projects small and large. Everything from the procurement of new seats for Access Link vehicles to a fleet of new cruiser buses, from scheduling and deploying customer service ambassadors during service disruptions and special schedules, to adjusting a bus route in one small community to give customers better access to jobs and health services.

Most of these efforts never make the news. They are not flashy. But even the smallest are integral to providing customers the best bus, rail, light rail and Access Link paratransit service NJ TRANSIT can, every day, across the state. So Executive Director Santoro took a few minutes to provide an update on some of the many achievements of the men and women at NJ TRANSIT in the past year; achievements that all, in one way or another, support and enhance the customer experience.

Executive Director Santoro started with communications. Customers have told NJ TRANSIT that getting clear, up-to-the minute information is crucial for them. NJ TRANSIT has stepped up to that challenge, greatly increasing and enhancing

communications, using both traditional, social, and other new media, and of course, good old face-to-face interaction.

Nowhere were those efforts clearer than this summer, during Amtrak's Penn Station repair work. The summer initiative included the development of: an internet microsite; expanded use of Facebook, Twitter, Instagram and YouTube; service alerts and advisories sent over every possible channel, including cell phones, mobile devices and personal computers; customer notices at stations; announcements at stations and onboard trains; press releases; customer information sessions with senior staff; and an extensive ambassador program that trained and deployed nearly 630 ambassadors to assist customers traveling through stations and terminals.

Despite all the advances in technology, one-on-one communication remains vital. That was especially true this summer. NJ TRANSIT customer ambassadors and Emergency Response Team members helped customers find the best transit alternatives for their trips. And it is true all year round, during special events and service disruptions. Since July 2016, 130 special events were supported by ambassadors, including a major professional golf tournament near Summit Station, concerts at MetLife Stadium, scheduled track outages and more. Another 21 incidents required the support of NJ TRANSIT's Emergency Response Team, including Winter Storm Stella and derailments in New York Penn Station.

They also understand that communication works both ways. They rely on customer feedback, received through emails, phone calls, and face-to-face to make informed decisions on service adjustments and improvements. For example, in response to Scorecard surveys from customers, NJ TRANSIT installed additional seat cushioning and support springs to help smooth the ride in Access Link minibuses. Seems like a minor thing, but it is quite important to NJ TRANSIT's paratransit customers.

More and more, people are using apps to make their lives easier. NJ TRANSIT's mobile app was upgraded in the last 12 months with a redesigned homepage, more ticketing options for bus customers and an alerts feature to advise customers of major service updates. They will continue pursuing ways to use the mobile app to offer new options for customers in the coming year.

Also on the electronic front, Access Link paratransit customers are now enjoying trip planning and other online support at their fingertips. NJ TRANSIT launched Access Link Online in January of this year, a designated njtransit.com web page that allows Access Link customers to obtain estimated pick-up times, view or cancel reservations, provide feedback, and handle common transactions which previously required a phone call. And NJ TRANSIT's technology department is advancing a long sought solution to a cashless fare option for Access Link customers, to eliminate the need to come up with exact change.

Another way NJ TRANSIT enhances the customer experience is by making strategic and targeted service adjustments. For bus customers, this past year NJ TRANSIT began

serving new markets to expand service options. Three bus routes have been extended beyond 30th Street Station in Philadelphia, now serving employment sites west of City Hall in Center City Philadelphia. Meanwhile, NJ TRANSIT worked with Brookdale Community College in Monmouth County to upgrade bus service to the college with increased frequencies and route extensions for students and faculty on weekdays and Saturdays.

At the Port Authority Bus Terminal in New York, a new agreement enabled NJ TRANSIT to begin using five basement-level Greyhound bus gates during the evening rush hour to help expedite boardings and departures at the Port Authority Bus Terminal, cutting lines and congestion. Bus Operations also implemented lane assignment changes at Hoboken Terminal to better match customer loading and queuing. Bus terminals in Camden, Atlantic City and Lakewood got upgrades such as better lighting and security.

Executive Director Santoro said their progress includes not just bus facilities, but the buses themselves. Production of more than 1,100 new 45-foot cruiser buses began in fiscal year 2017, replacing older buses that have reached the end of their useful lives. One-hundred-eighty-seven buses ordered for the first-year of production have been delivered to the private bus companies who help NJ TRANSIT provide commuter service in New Jersey. The second year of production of the buses is now underway. These units will begin to arrive in late 2017 and operate on NJ TRANSIT commuter routes.

Just as the bus fleet is being upgraded, so is the light rail fleet. NJ TRANSIT is nearing completion on an innovative, cost-effective project to modify 35 light rail vehicles on Hudson-Bergen Light Rail (HBLR) and Newark Light Rail (NLR), increasing seating capacity by 50 percent, from 68 seats to 102. This provides more capacity without requiring the larger investment which would have been needed for new rail cars. In tandem with the expanded light rail vehicle project, NJ TRANSIT began extending the platform at Exchange Place Station on Hudson-Bergen Light Rail (HBLR) this past spring.

Equipment upgrades and work continue in the railroad, too. In addition to overhauling a number of aging electric and diesel locomotives, they will increase capacity on the rails by acquiring additional multi-level rail cars and power cars. NJ TRANSIT will advertise for the acquisition of those new multi-levels before the end of this year.

Over the past year, they have taken steps to advance major projects throughout the system including their top priority of Positive Train Control (PTC). With Board approval they allocated additional resources for their prime contractor, Parsons Transportation Group. And, NJ TRANSIT added key positions in project management and rail operations to continue to push PTC forward.

NJ TRANSIT has also been progressing the \$2.4-billion Resilience Program, which included the award of key construction contracts for a host of projects, from a new substation to outfitting Hoboken Terminal with a resilient new boiler system.

During the year, they also held public hearings on the Draft Environmental Impact Statement for the Hudson Tunnel Project and the Northern Branch expansion of the Hudson-Bergen Light Rail System.

On the cyber front, NJ TRANSIT is proactively protecting their technology assets against hacking and unauthorized use with an established centralized security program. In fact, they created a dedicated cyber security team that implemented state-of-the-art procedures and technology to protect their information assets, and protect customer credit card information.

Also, on the technology front, NJ TRANSIT is in the process of replacing their procurement, inventory, and accounts payable system, which is beyond its useful life, with a new system that will make transactions with companies who do business with NJ TRANSIT more efficient.

Security and safety is the top priority for the NJ TRANSIT Police Department. The NJ TRANSIT Police Department worked with a number of federal, state, and local law enforcement agencies and emergency responders in this past year, providing emergency response training for 750 first responders, and rail safety training for an additional 550 first responders.

During the past six years, more than 1,350 NJ TRANSIT Police personnel and those from police partner agencies have received Transit Terrorist Tools and Tactics Training, a Department of Homeland Security-approved course designed to protect transit systems from terrorist attacks. And by the end of June 2017, more than 10,300 NJ TRANSIT employees had received PATRIOT/SAVE Training, an in-depth program that gives participants the techniques and ability to identify potential suspicious activity around the system and instructions on how to report it.

Also this past summer NJ TRANSIT completed and opened the new Emergency Operations Center (EOC) in Maplewood. Managed by the NJ TRANSIT Police Department Office of Emergency Management (OEM), the EOC is the focal point for monitoring and responding to both planned and unplanned incidents and events.

NJ TRANSIT, like many others, increasingly uses cameras to enhance safety and security. As of July, 74 percent of rail locomotives and cab cars were equipped with forward-facing cameras, 66 percent of the rail fleet was equipped with inward-facing cameras, and installation on the rest of the fleet continues. The cameras assist with post-incident investigations and help identify root causes of incidents, including vehicular and pedestrian trespasser incidents. On the bus side, NJ TRANSIT will be equipping approximately 2,500 new and existing buses with a 360-degree camera system on the exterior of each bus to help eliminate blind spots and enhance pedestrian safety.

NJ TRANSIT works hard to develop non-farebox revenue sources to help pay for projects and advances. This ongoing effort includes advertising on bus, rail, and light rail equipment, and at stations and terminals. This provided more than \$13 million in fiscal

year 2017. It also includes new retail concession and right-of-way agreements, including leases for the installation and operation of ATMs that provide a convenient amenity for customers. This \$9 million per year in revenue helps keep NJ TRANSIT fares stable.

NJ TRANSIT generated nearly \$675,000 in revenue during the fiscal year through partnerships with external organizations and website and mobile app advertising sales. During fiscal year 2017, nearly \$1 million was generated through special permit fees for filmmakers, producers, production companies, photographers, and others who use NJ TRANSIT's historic and architecturally rich facilities for commercial purposes.

Another way to "make" money is by saving it. As one small part of the push for savings, NJ TRANSIT is continuing a program to install LED and other more efficient lighting at stations, other buildings, and along rail and light rail lines. More LED and advanced fluorescent lighting will be installed system-wide in the coming year.

Energy efficiency is good for the pocket book. It is also one aspect of ensuring a good quality of life in New Jersey. NJ TRANSIT works to support New Jersey's quality of life by collaborating with the Department of Transportation, other agencies, and with private business, to encourage and facilitate development near rail stations and other transit facilities. Transit Oriented Development has been a growing real estate trend in recent years, and NJ TRANSIT is happy to do their part, from working with New Jersey Department of Transportation to help communities receive the Transit Village designation, to assisting advancement of a number of projects, such as construction of 190 new residences adjacent to the Hamilton Avenue Station on the River LINE in Trenton, and working with a developer to ensure a safe and convenient connection between a new 500-residence community in Woodbridge and the Avenel Station on the North Jersey Coast Line.

Not everyone can live next to a rail station or bus terminal. As part of the mission, NJ TRANSIT coordinates \$44 million in federal, state and NJ TRANSIT funding for local community transportation services operated by counties, municipalities, and non-profit organizations throughout the state. Some of these community transportation services provide direct connections to NJ TRANSIT rail and bus services to help meet the needs of senior citizens, people with disabilities, and rural and economically disadvantaged residents. This includes delivering new minibuses, minivans, and medium transit-style vehicles to community transportation providers across the state.

Executive Director Santoro said this has been a long list and he could have gone on much longer. He closed stressing that as they continue to adapt the transportation system to meet the needs of New Jersey, the one constant in all of the changes and all that they do is the effort and commitment of the hard working men and women of NJ TRANSIT. Without their dedication, none of this would be possible. It is what keeps New Jersey moving now and well into the future, and he applauded them for what they do each and every day.

Speaking of dedicated employees, Executive Director Santoro said they were saying goodbye to one of their most dedicated employees, Penelope Bassett, the Assistant Executive Director of Communications and Customer Service. For the past 28 years, Penny has been one of the faces and voices for this company, first in the press office as a spokesperson and then rising into her position as a key member of the executive management team.

Whether it was noon or midnight, Penny was always at the ready to provide critical information to the news media and to the public. They are all grateful for her contributions which have helped shape NJ TRANSIT as the company it is today. As a token of their appreciation, Executive Director Santoro presented an Expression of Appreciation. He read the inscription which said:

WHEREAS, Penelope L. Bassett began her career at NJ TRANSIT in 1989 as a staff writer and has demonstrated the highest degree of skill, ability and professionalism while working in a number of key roles to become the Assistant Executive Director of Communications and Customer Service; and

WHEREAS, Penelope L. Bassett's enthusiastic advocacy for NJ TRANSIT customers was the driving force behind improvements to service and communications with customers throughout her tenure; and

WHEREAS, Penelope L. Bassett has been instrumental in the formation of NJ TRANSIT's most innovative communication and technology measures to increase customer satisfaction and support NJ TRANSIT's mission to provide safe, reliable and cost effective service to the residents of New Jersey and surrounding metropolitan area; and

WHEREAS, with vision and skill, she has developed multimedia communication plans for some of NJ TRANSIT's largest initiatives such as the Montclair Connection, Hudson-Bergen Light Rail and River LINE light rail service, and showing that same resolve during some of NJ TRANSIT's most challenging times, including 9/11, Hurricane Sandy and the Northeast Blackout; and

WHEREAS, NJ TRANSIT has benefited from Penelope L. Bassett's expertise and astute business acumen while overseeing the multi-faceted Communication and Customer Service Department, which includes the Press Office, Creative Services, Marketing and Business Development, Passenger Communications, Media Events, Communication Services and Social Media; and

WHEREAS, Penelope L. Bassett's commitment to excellence has made her one of the State's most valued transportation professionals;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors, Executive Director Steven H. Santoro and the employees of NJ TRANSIT express deep appreciation to Penelope L. Bassett for her outstanding achievements and personal dedication to NJ TRANSIT and wish her continued health and happiness in the future.

Executive Session Authorization

At approximately 9:42 a.m., Chairman Hammer requested a motion to enter Executive Session to discuss personnel matters, contract and collective bargaining negotiations, acquisition of real property with public funds, the status of pending and anticipated litigation and matters falling within the attorney-client privilege.

Board Member James C. Finkle Jr. moved the resolution, Board Member Mary K. Maples seconded it, and it was unanimously adopted.

Board Secretary Zuczek conducted a Roll Call as Board Members returned to Open Session. All Board Members, except Board Member Greaves, returned to open session at approximately 12:06 p.m.

Board Member Castillo spoke about Penelope Bassett's departure. She said it has been a great privilege to work with Ms. Bassett since Board Member Castillo joined NJ TRANSIT in April 1999. Board Member Castillo said Ms. Bassett has been a consistent face at NJ TRANSIT and an incredible team member. She noted Ms. Bassett's impeccable commitment to do the best she can to represent NJ TRANSIT through many transitions. Board Member Castillo noted Ms. Bassett has demonstrated her impeccable word and follow through. She has always done her best to execute all that was asked of her in her various roles.

Board Member Castillo said it was personally a sad day to see Ms. Bassett move on to the next stage of her life. She expressed her appreciation for all Ms. Bassett has done and said she was a tremendous loss to the NJ TRANSIT family. Board Member Castillo personally thanked Ms. Bassett for all the wonderful work she has done and all the ways she has supported NJ TRANSIT, and especially Board Member Castillo, in her many years there. Board Member Castillo wished Ms. Bassett nothing but the best in her next chapter.

Action Items

1709-40: PROPOSED LABOR AGREEMENT: NJ TRANSIT BUS OPERATIONS, INC. AND UTILITY WORKERS' UNION OF AMERICA, DIVISION NO. 601

Executive Director Santoro introduced Michael Kilcoyne, Vice President & General Manager, Bus Operations, who presented Action Item #1709-40 for approval.

Michael Kilcoyne recommended approval of Item #1709-40, Proposed Labor Agreement: NJ TRANSIT Bus Operations, Inc. And Utility Workers' Union of America, Division No. 601. Approval was requested to approve the economic terms and other proposed conditions set forth in the Memorandum of Agreement negotiated by NJ TRANSIT Bus Operations and the Utility Workers' Union of America, Division No.

601 and authorization is requested for the Executive Director, or his designee, to take all necessary steps to finalize and implement same, as discussed in executive session.

Board Member Flora M. Castillo moved the resolution, Board Member James C. Finkle Jr. seconded it, and it was unanimously adopted.

Roll Call Vote:

Hammer	Maples	McManus	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Yes	Absent (Non-Voting Member)

1709-41: MEADOWS MAINTENANCE COMPLEX: SALE OF A PARCEL OF LAND TO CONRAIL

Executive Director Santoro introduced Eric Daleo, Assistant Executive Director, Capital Planning and Programs, who presented Action Item #1709-41 for approval.

Eric Daleo recommended approval of Item #1709-41, Meadows Maintenance Complex: Sale of a Parcel of Land to Conrail. Approval was requested to take any and all actions necessary to sell to Conrail a 1.861-acre parcel in fee located along the boundary line of the Meadows Maintenance Complex facility, in Block 284, Lots 21A and 21.01 in the Township of Kearny, Hudson County, in the amount as discussed in Executive Session.

Board Member Mary K. Maples moved the resolution, Board Member James C. Finkle Jr. seconded it, and it was unanimously adopted.

Roll Call Vote:

Hammer	Maples	McManus	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Yes	Absent (Non-Voting Member)

1709-42: COUNTY YARD IMPROVEMENTS PROJECT: PURCHASE OF THE DELCO INDUSTRIAL LEAD PROPERTY

Executive Director Santoro introduced Eric Daleo, Assistant Executive Director, Capital Planning and Programs, who presented Action Item #1709-42 for approval.

Eric Daleo recommended approval of Item #1709-42, County Yard Improvements Project: Purchase of the Delco Industrial Lead Property. Approval was requested to take any and all actions to negotiate and execute an Agreement with Conrail to purchase the Delco Industrial Lead Property located adjacent to the Northeast Corridor and County Yard and the Mengel Industrial Lead located adjacent to County Yard in the amount as discussed in Executive Session to support the County Yard Improvements Project, subject to the availability of funds.

Board Member James C. Finkle Jr. moved the resolution, Board Member Mary K. Maples seconded it, and it was unanimously adopted.

Roll Call Vote:

Hammer	Maples	McManus	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Yes	Absent (Non-Voting Member)

1709-43: NJ TRANSIT RESILIENCE PROGRAM: NEW JERSEY BOARD OF PUBLIC UTILITIES PROCEEDING – IN THE MATTER OF THE PETITION OF PSE&G FOR APPROVAL OF THE CONSTRUCTION OF THE MASON SUBSTATION DAMAGED DURING SUPERSTORM SANDY

Executive Director Santoro introduced Eric Daleo, Assistant Executive Director, Capital Planning and Programs, who presented Action Item #1709-43 for approval.

Eric Daleo recommended approval of Item #1709-43, NJ TRANSIT Resilience Program: New Jersey Board of Public Utilities Proceeding – In the Matter of the Petition of PSE&G for Approval of the Construction of the Mason Substation Damaged During Superstorm Sandy. Approval was requested to take all necessary steps to agree to the form of and to cause entry of a final stipulation of settlement order to settle the regulatory proceeding before the NJBPU, in an amount as discussed in Executive Session, exclusive of other liabilities, and to take other actions consistent with settlement, including the entry into separate implementing agreements with PSE&G and the transfer of interest in real property to effectuate the stipulation of settlement and separate implementing agreements. The Attorney General will approve the proposed settlement, subject to the availability of funds.

Board Member James C. Finkle Jr. moved the resolution, Board Member Mary K. Maples seconded it, and it was unanimously adopted.

Roll Call Vote:

Hammer	Maples	McManus	Castillo	Finkle	Greaves
Yes	Yes	Yes	Yes	Yes	Absent (Non-Voting Member)

Public Comments on Other Matters

There were five speakers on other matters. Board Secretary Zuczek announced public comments would be limited to five minutes.

Randy Glucksman, Chair of the Metro-North Rail Commuter Council, thanked NJ TRANSIT for keeping Port Jervis and the Pascack Valley Line in tact during Amtrak Summer Repairs Project. However, Mr. Glucksman was concerned about the number of recent trains that were cancelled and combining of trains.

Mr. Glucksman said that he and his colleague Orrin Getz have concerns that NJ TRANSIT should revisit the Pascack Valley Line siding project and determine what needs to be done to bring this project back to life. Specifically, he questioned whether there needs to be a new environmental impact statement or memorandum of understanding. Mr. Glucksman said construction of the Vale and Golf siding would offer more flexibility in operating Pascack Valley Line service.

Lastly, Mr. Glucksman said in his new appointment as a member of the Metropolitan Transportation Authority Board, he will work with his fellow Board Members to request that Metro-North staff work with NJ TRANSIT staff to determine what needs to be done to move this project and overall funding. He does not think this is a huge capital expenditure.

Stephen Thorpe complimented everyone at NJ TRANSIT for how they executed the Amtrak Summer Repairs Project. Mr. Thorpe said this was not NJ TRANSIT's project and it was forced upon them, but NJ TRANSIT handled it excellently. He said often times the good work they do goes unnoticed and he was taught to praise loudly and blame softly.

Mr. Thorpe said that the only ask he had was that the Lackawanna Coalition be brought in ahead of time to weigh in for all future repairs to take place, if possible. The Lackawanna Coalition was not pleased with the fact that they were not brought in for discussions on the Amtrak Summer Repairs Project.

Mr. Thorpe noted there were comments at the last Lackawanna Coalition meeting about train announcements needing to be made as soon as possible so the riders know what is going on and when to get off. He understands there were crew issues and hopes those are resolved now that they are back to the normal schedule. Mr. Thorpe noted he has heard conductor announcements so thinks the situation discussed may have been a crew misstep.

Mr. Thorpe said he would like to see NJ TRANSIT encourage ferry riding by offering lower fares to Hoboken. He said a lot of people loved the ride on the ferry during the Amtrak Summer Repairs Project. If NJ TRANSIT can provide a lower fare incentive to Hoboken rather than going into New York Penn Station, he thinks this would be great.

Mr. Thorpe discussed how NJ TRANSIT Comet and Arrow trains have been rebuilt and refurbished by Amtrak. He questioned if they were so bad, why NJ TRANSIT would sell them in the first place versus use them. Mr. Thorpe noted new equipment costs a lot and that it was common practice for rail cars to be continually rebuilt and operated with much more miles on them than cars. He suggested NJ TRANSIT value older equipment before purchasing new equipment.

Joseph Clift stated the NJ TRANSIT Ambassadors were a great help to everyone and they directed and got everyone where they needed to go. However, he said the next time Amtrak has renovations to be done he would like NJ TRANSIT to take a look at what the Long Island Railroad did. He said Long Island Railroad only moved peak trains out of New York Penn Station. Mr. Clift said the rest of the day during off peak/midday, Long Island Railroad service continued into New York Penn Station. He complained that all of NJ TRANSIT service on the Morris & Essex Line went to Hoboken. Mr. Clift hopes next time only peak service is diverted.

Mr. Clift again noted his opposition to the Delco Lead/County Yard Project focusing on the flood elevation. He also discussed the Portal Bridge capacity noting it should have three or four tracks instead of only replacing a two track bridge with a two track bridge, which will not add capacity. Mr. Clift also reiterated his interest in NJ TRANSIT starting design work to extend the platforms at New York Penn Station so there could be access to Moynihan.

Kin Gee provided an update to JCP&L's proposal to build a 230,000-volt transmission line from Aberdeen to Red Bank in Monmouth County using NJ TRANSIT's right-of-way. He previously reported that RAGE's electrical expert presented a viable alternative, backed by detailed analysis, at an estimated cost of around \$30 to \$35 million. This is 70 percent less expensive and without the invasive and detrimental effects of constructing a new third redundant transmission line.

Mr. Gee said JCP&L filed a rebuttal report that essentially agrees that the RAGE alternative proposal does work, but tried to discredit it by claiming it would cost more than \$150 million. On Thursday of last week, the Judge issued a ruling that most of the JCP&L rebuttal report would not be admitted into evidence stating that the testimony should be considered hearsay and not opinion. Furthermore, the Judge considered JCP&L's expert testimony "to border on bad faith." As a result of the ruling last Thursday, August 31, 2017, the deadline for the legal briefs for the hearing would be delayed. They now expect the Judge will issue her decision in December or possibly later, making it likely that Board of Public Utilities will not consider the JCP&L's petition until after the inauguration of the new Governor in January 2018.

Mr. Gee said the two major candidates in New Jersey's gubernatorial race are Lieutenant Governor Kim Guadagno and Ambassador Phil Murphy. He said the Lieutenant Governor has been advised that she cannot discuss matters that are in litigation, including OAL and BPU proceedings. However, several weeks ago, on August 3, 2017, she met with Mr. Gee and other RAGE representatives and spent an hour listening to them regarding the many concerns that thousands of Monmouth County residents have regarding this transmission project.

Mr. Gee said after the meeting, Lieutenant Governor Guadagno released the following statement: "Happy to meet with Freeholder Serena DiMaso and members of RAGE about the JCPL power lines. JCPL, like all utilities, must demonstrate the need for the project to the BPU. If they are successful in demonstrating the need, then we need to talk about the solution."

Mr. Gee said two weeks ago, on August 21, 2017, they met with Ambassador Murphy's Policy Directors Matt Platkin and Stephanie Lagos to provide an update on the hearing. Ambassador Murphy could not join them for that meeting but did make an appearance and shook hands with them. Mr. Gee said it was not typical for a state-wide candidate to take a position on what they considered to be local issues. Despite this and after meeting with both JCP&L and RAGE, Ambassador Murphy issued the following statement back on January 17, 2017: "this project is not only dubious in the impact it would have on our communities and environment, but questionable in its efficacy and claims of resiliency. As has been noted before, a new single power line would leave Monmouth County no more secure than the energy infrastructure currently in place."

Mr. Gee said if the project is approved, the two years of night construction using heavy machinery and helicopter will almost guarantee delays for NJ TRANSIT's North Jersey Coast Line. Once they are installed, the monopoles will severely limit NJ TRANSIT's future operational and expansion plans and will introduce new risks to NJ TRANSIT, NJ TRANSIT employees, and NJ TRANSIT riders.

Mr. Gee said JCP&L's proposal to build a new transmission line is not core to NJ TRANSIT's mission of providing transportation service and is not in the public interest. He urged NJ TRANSIT again to say no to JCP&L and not allow them the use of NJ TRANSIT's right-of-way.

Russell Graddy said he has attended meetings for many months because NJ TRANSIT broke a promise. He said they refused to live up to a promise and it was very damaging to his family and employees. Mr. Graddy said he won the Request for Proposal for the Atlantic City Bus Station, but NJ TRANSIT did not want him there. He believes NJ TRANSIT wanted to keep an African American out of operating in the bus station.

Mr. Graddy said their attorneys negotiated a settlement agreement to provide \$1.8 million to move him from his location to the new location. He said he paid his rent and employees while he was not in the location and NJ TRANSIT kept sending invoices trying to get him to default on his rent. Mr. Graddy questioned why the Attorney General's Office did not agree with their settlement agreement. He said because of the promise to relocate him to the new bus station, he turned over his keys.

Mr. Graddy said he put over \$1 million into the property and was supposed to be given 20 years to recoup his investment and it was very damaging that he did not have the 20 years. Mr. Graddy said when he realized they would not let him relocate, he went to court. He said they agreed to obtain an arbitrator and both he and NJ TRANSIT paid for it. Mr. Graddy said the arbitrator told them \$1.3 million should go to Mr. Graddy, but NJ TRANSIT rejected it.

Mr. Graddy thinks NJ TRANSIT's settlement offer of \$183,000 is ridiculous because he owes EDA \$200,000. He said he was on record thinking he was agreeing to one thing, but then found out another thing was being offered so he refused the stipulation agreement.

Mr. Graddy asked to be reimbursed for the money he spent on the property and the damages caused.

Adjournment

Since there were no further comments or business, Chairman Hammer called for adjournment and a motion to adjourn was made by Board Member James C. Finkle Jr., seconded by Board Member Mary K. Maples, and unanimously adopted. The meeting was adjourned at approximately 12:36 p.m.

NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS, INC.
NJ TRANSIT RAIL OPERATIONS, INC.
NJ TRANSIT MERCER, INC.
NJ TRANSIT MORRIS, INC.
REGULARLY SCHEDULED BOARD OF DIRECTORS' MEETINGS

SEPTEMBER 7, 2017

MINUTES

- **CALL TO ORDER** -
- **SAFETY ANNOUNCEMENT** -
- **PLEDGE OF ALLEGIANCE TO THE FLAG** -
- **APPROVAL OF MINUTES OF PREVIOUS MEETINGS** 51303
- **PUBLIC COMMENTS ON AGENDA ACTION ITEMS ONLY** -
- **ADVISORY COMMITTEE REPORT** -
- **SENIOR CITIZEN AND DISABLED RESIDENT TRANSPORTATION ADVISORY COMMITTEE REPORT (NEXT SCHEDULED REPORT DECEMBER 2017)** -
- **BOARD COMMITTEE REPORTS** -
 - *Customer Service Committee
 - *Capital Planning, Policy and Privatization Committee
- **EXECUTIVE DIRECTOR'S MONTHLY REPORT** 51304

EXECUTIVE SESSION AUTHORIZATION: Discuss personnel matters, contract and collective bargaining negotiations, acquisition of real property with public funds, the status of pending and anticipated litigation and matters falling within the attorney-client privilege. 51325

ACTION ITEMS

- 1709-40 PROPOSED LABOR AGREEMENT: NJ TRANSIT BUS OPERATIONS, INC. AND UTILITY WORKERS' UNION OF AMERICA, DIVISION NO. 601** 51327

Authorization for approval of the economic terms and other proposed conditions set forth in the Memorandum of Agreement negotiated by NJ TRANSIT Bus Operations, Inc., and the Utility Workers' Union of America, Division No. 601, and staff seeks authorization for the Executive Director, or his designee, to take all necessary steps to finalize and implement same, as discussed in executive session.

NEW JERSEY TRANSIT CORPORATION
NJ TRANSIT BUS OPERATIONS, INC.
NJ TRANSIT RAIL OPERATIONS, INC.
NJ TRANSIT MERCER, INC.
NJ TRANSIT MORRIS, INC.
REGULARLY SCHEDULED BOARD OF DIRECTORS' MEETINGS
SEPTEMBER 7, 2017
FINAL AGENDA
PAGE 2

1709-41 MEADOWS MAINTENANCE COMPLEX: SALE OF A PARCEL OF LAND TO CONRAIL 51329

Authorization to take any and all actions necessary to sell to Conrail a 1.861-acre parcel in fee located along the boundary line of the Meadows Maintenance Complex facility, in Block 284, Lots 21A and 21.01 in the Township of Kearny, Hudson County, in the amount discussed in Executive Session.

1709-42 COUNTY YARD IMPROVEMENTS PROJECT: PURCHASE OF THE DELCO INDUSTRIAL LEAD PROPERTY 51332

Authorization to take any and all actions to negotiate and execute an Agreement with Conrail to purchase the Delco Industrial Lead Property located adjacent to the Northeast Corridor and County Yard and the Mengel Industrial Lead located adjacent to County Yard in the amount discussed in Executive Session to support the County Yard Improvements Project, subject to the availability of funds.

1709-43 NJ TRANSIT RESILIENCE PROGRAM: NEW JERSEY BOARD OF PUBLIC UTILITIES PROCEEDING – IN THE MATTER OF THE PETITION OF PSE&G FOR APPROVAL OF THE CONSTRUCTION OF THE MASON SUBSTATION DAMAGED DURING SUPERSTORM SANDY 51337

Authorization to take all necessary steps to agree to the form of and to cause entry of a final stipulation of settlement order to settle the regulatory proceeding before the NJBPU, in an amount to be discussed in Executive Session, exclusive of other liabilities, and to take other actions consistent with settlement, including the entry into separate implementing agreements with PSE&G and the transfer of interest in real property to effectuate the stipulation of settlement and separate implementing agreements. The Attorney General will approve the proposed settlement, subject to the availability of funds.

➤ **PUBLIC COMMENTS ON OTHER MATTERS**

➤ **ADJOURNMENT**

APPROVAL OF MINUTES

WHEREAS, the By-Laws provide that the minutes of actions taken at meetings of the New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. Board of Directors be approved by the Board; and

WHEREAS, pursuant to Section 4(f) of the New Jersey Public Transportation Act of 1979, the minutes of actions taken at the August 9, 2017 Board Meetings of the New Jersey Transit Corporation, NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. were forwarded to the Governor on August 15, 2017;

NOW, THEREFORE, BE IT RESOLVED that the minutes of actions taken at the August 9, 2017 New Jersey Transit Corporation, NJ TRANSIT Rail Operations, Inc., NJ TRANSIT Bus Operations, Inc., NJ TRANSIT Mercer, Inc., and NJ TRANSIT Morris, Inc. Board of Directors' meetings are hereby approved.

Chris Christie, Governor
Kim Guadagno, Lieutenant Governor
Richard T. Hammer, Commissioner
Steven H. Santoro, Executive Director



One Penn Plaza East
Newark, NJ 07105-2246
973-491-7000

TO: BOARD OF DIRECTORS
FROM: STEVEN H. SANTORO 
DATE: SEPTEMBER 7, 2017
SUBJECT: EXECUTIVE DIRECTOR'S REPORT - SEPTEMBER 2017

When I was appointed to Executive Director 10 months ago, I was already familiar with the professionalism of the men and women at NJ TRANSIT. We are a corporation of more than 11,000 dedicated and diverse employees who serve our customers each and every day. We move nearly one million customers trips each weekday and more the 270 million trips per year, an incredible undertaking in one of the most densely populated regions of the nation.

Each and every NJ TRANSIT employee is counted on in some way, from frontline employees who work directly with customers or those that serve an important behind-the-scenes role to support the organization and our services. Many of our employees have been working both missions in the past two months, balancing their time between ambassador assignments during the Amtrak outage while still completing their regular work requirements, and for that I am extremely thankful and proud. Like any organization, there are always ways that we can improve. But there is also so much for us to be proud of. This is a company that, by the very public nature of its 24-7 business, cannot and should not hide from its imperfections.

We have, however, accomplished much towards the mission of providing our customers with safe, reliable service every day. I can assure you and the Board that employees are working to ensure our long-term success, giving us the greatest opportunity for lasting stability. Improvements to the way we operate don't occur overnight, and I have been open about the work that needs to be done. But, I assure you on behalf of the men and women who dedicate themselves to serve the people of NJ TRANSIT, we have a collective commitment to safety and reliability. We remain dedicated to delivering a quality transportation experience for all who use our system. That dedication is shown by accomplishments and progress that – while not publicly recognized – is integral to the bus, rail, light rail and Access Link paratransit service we provide to customers across the state, every day.

Our customers have told us that getting clear, up-to-the minute information is crucial for them. We have stepped up to that challenge, greatly increasing and enhancing our communications, using traditional media, social and other new media, and of course, good old face-to-face interaction. Nowhere were those efforts clearer than this summer, during Amtrak's Penn Station New York repair work, and our special summer service schedule.

The summer initiative included the development of an Internet microsite, service alerts and advisories, customer notices at stations, onboard and station announcements, press releases, information sessions with senior staff and an extensive ambassador program that trained and deployed nearly 630 ambassadors to assist customers traveling through stations and terminals. As this summer demonstrated, one of NJ TRANSIT's fastest growing customer communications platforms is social media. Facebook, Twitter, Instagram and YouTube are used to provide critical service information and promote NJ TRANSIT services.

NJ TRANSIT also sends service alerts to cell phones, mobile devices and personal computers during service disruptions for customers who sign up for this service, so they can know before they go, and plan accordingly. Alerts also appear on the mobile app marquee or when customers are using the train schedule or trip planning feature within the app.

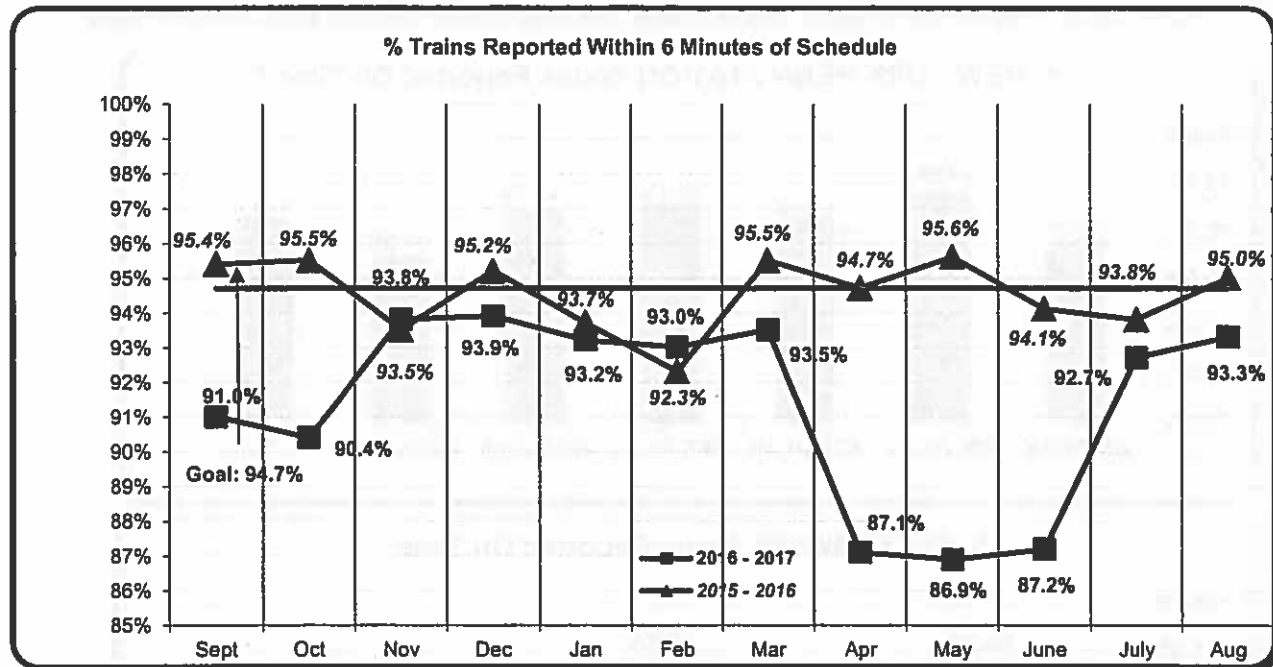
Despite all the advances in technology, personal, one-on-one communication is still vital. That was true for the summer schedule, when we provided additional bus service, as well as partnered with private bus carriers, PATH and NY Waterway to increase trans-Hudson capacity during the project. Additionally, employee ambassadors helped customers find the best transit alternatives for their trips. And it is true all year round, during special events and service disruptions. Delivering a high quality transportation experience for our customers is a coordinated effort that relies heavily upon talent, progress, dedication and partnerships.

EXECUTIVE DIRECTOR'S MONTHLY REPORT SEPTEMBER 2017

- 1. PERFORMANCE MEASURES**
- 2. MEAN DISTANCE BETWEEN FAILURES**
- 3. DBE/MBE PROGRAM**
- 4. EMPLOYEE RECOGNITION**

PERFORMANCE MEASURES

NJ TRANSIT ON-TIME PERFORMANCE RAIL SEPTEMBER 2015 - AUGUST 2017



	2016	2017	# Change
August Comparison	95.0%	93.3%	-1.7%

	2015-2016	2016-2017	# Change
12-Month Average September 2015- August 2017	94.5%	91.3%	-3.2%

Analysis:

Rail On-Time Performance was 93.3% for August 2017. Of the 18,866 trains scheduled to operate, 17,604 were on time, while 1,262 trains (or 6.7%) were delayed. Key causes included:

- NJT and Amtrak weather issues, NJT equipment failure, Amtrak signal failure, crew shortages and Amtrak programmed maintenance work contributed to 72 delays resulting in 88.0% OTP on August 18.
- NJT crew shortage, Amtrak programmed maintenance and Amtrak police activity contributed to 57 delays resulting in 82.6% OTP on August 20.
- NJT equipment failure and crew shortages contributed to 53 delays resulting in 88.3% OTP on August 21.

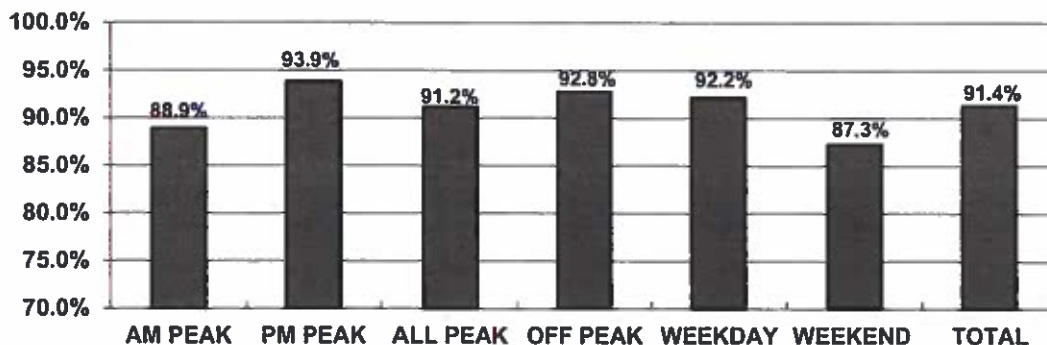
The 12-month average for Rail On-Time Performance September 2016 - August 2017 was 91.3%, which has declined by 3.2%.

ON-TIME PERFORMANCE RAIL

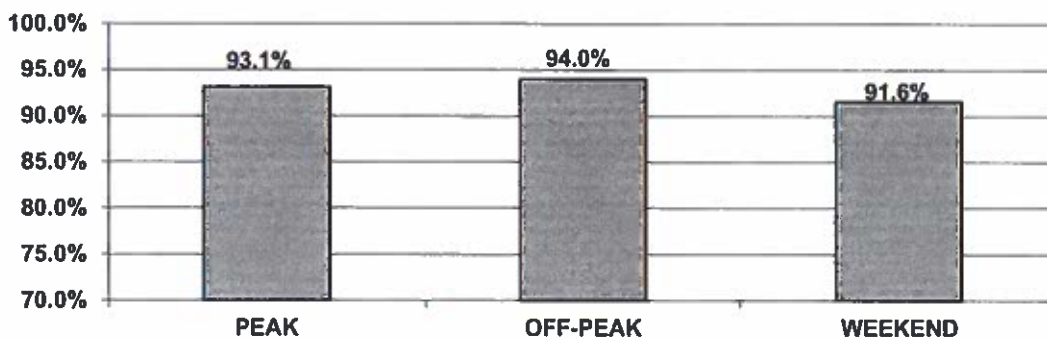
SUMMARY BY TIME PERIOD AUGUST 2017

* NOTE: A train is reported late if it arrives at its final station stop more than 5:59 later than the advertised schedule.

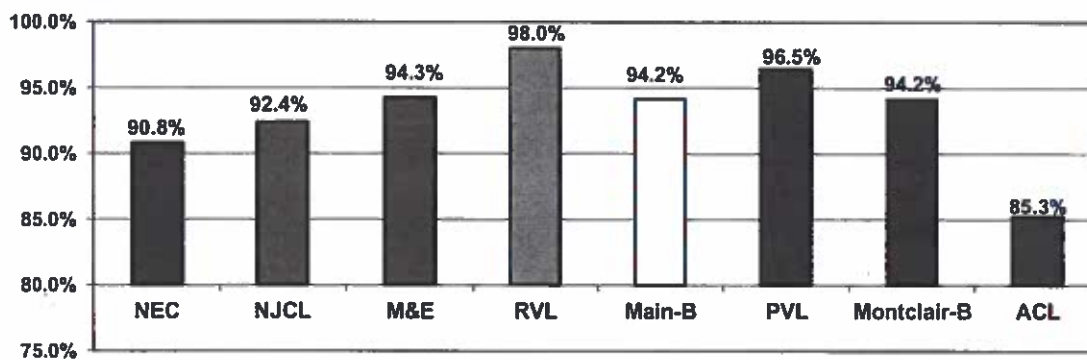
% NEW YORK PENN STATION Trains Reported On Time *



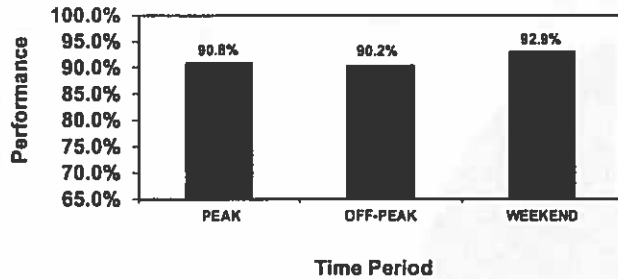
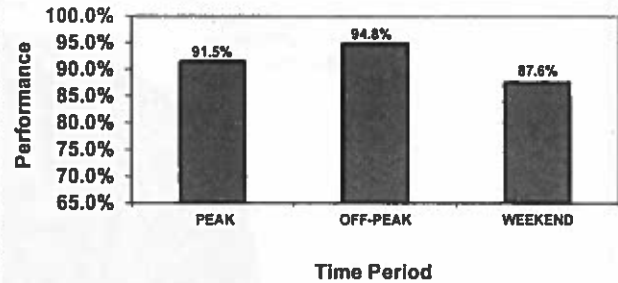
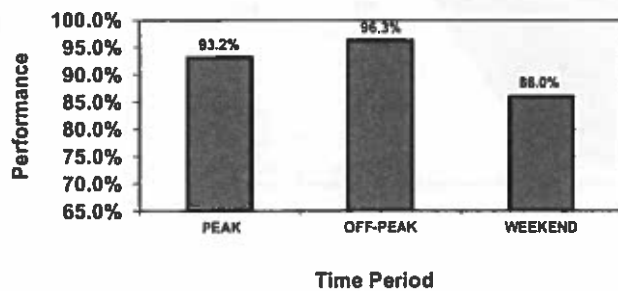
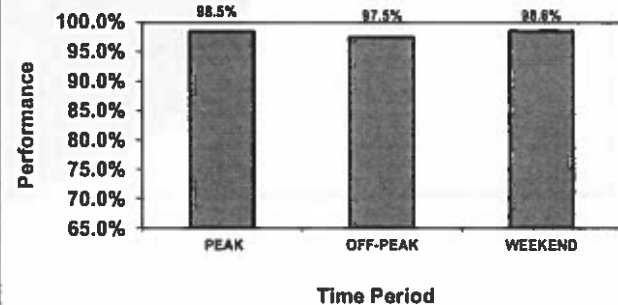
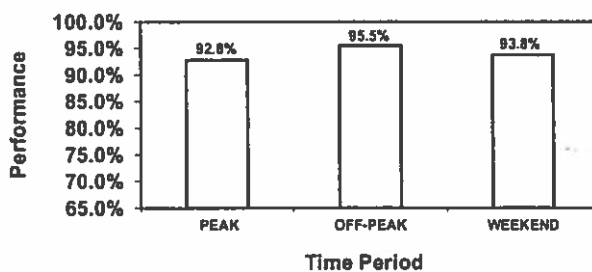
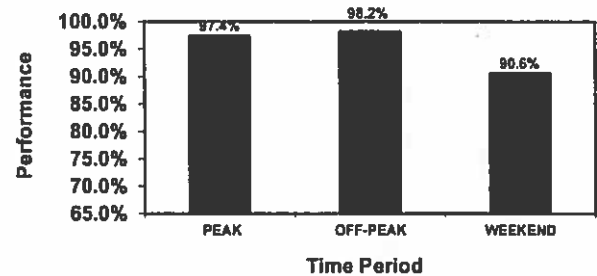
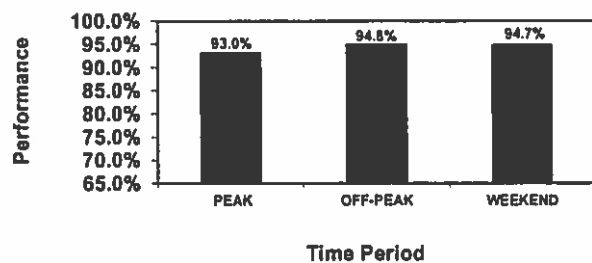
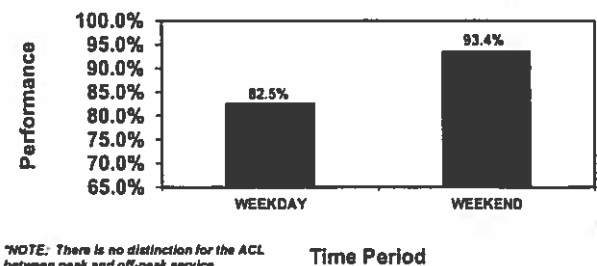
% SYSTEMWIDE Trains Reported On Time



% BY LINE Trains Reported On Time



ON-TIME PERFORMANCE BY RAIL LINE & TIME PERIOD AUGUST 2017

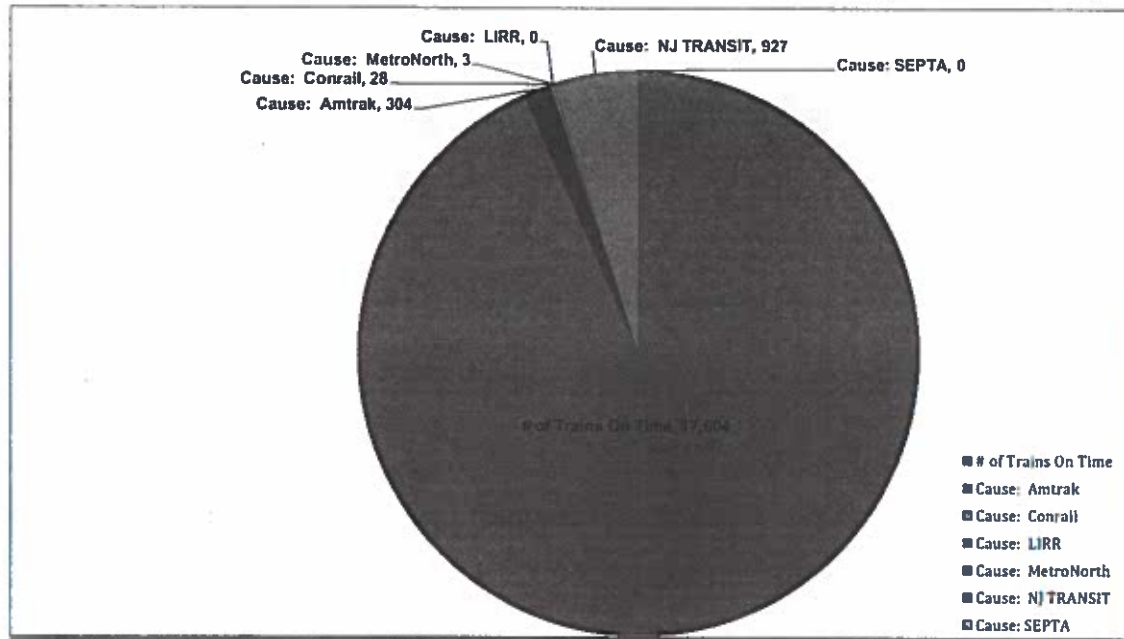
NORTHEAST CORRIDORNORTH JERSEY COAST LINEMORRIS & ESSEXRARITAN VALLEY LINEMAIN-BERGENPASCACK VALLEYMONTCLAIR-BOONTONATLANTIC CITY*

*NOTE: There is no distinction for the ACL between peak and off-peak service.

NJ TRANSIT Performance - August, 2017

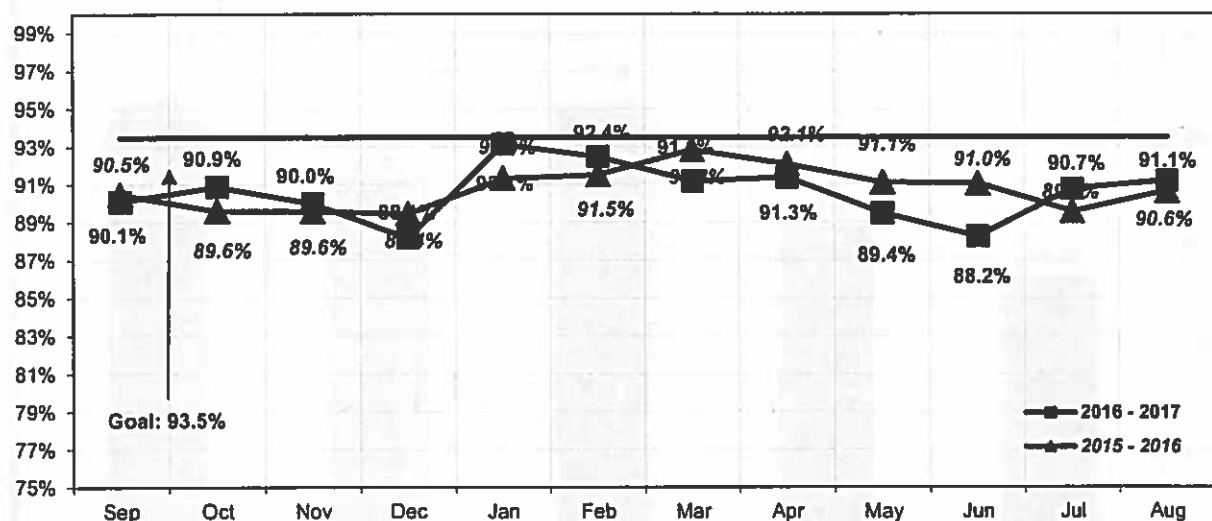
Late NJ TRANSIT Trains

# of Trains On		Cause: Amtrak	Cause: Conrail	Cause: LIRR	Cause: MetroNorth	Cause: NJ TRANSIT	Cause: SEPTA
# of Trains On Time	17,604	304	28	0	3	927	0
# of Late Trains	1,262	1.61%	0.15%	0.00%	0.02%	4.91%	0.00%
Total # of Trains	18,866						
Percentage On Time	93.3%						



NJ TRANSIT ON-TIME PERFORMANCE BUS SEPTEMBER 2015 - AUGUST 2017

% Buses Departing Major Terminals Within 6 Minutes of Schedule



	2015 - 2016	2016 - 2017	% Change
August Comparison	90.6%	91.1%	0.5%

	2015 - 2016	2016 - 2017	% Change
12-Month September 2015 - August 2017	90.7%	90.5%	-0.2%

Analysis:

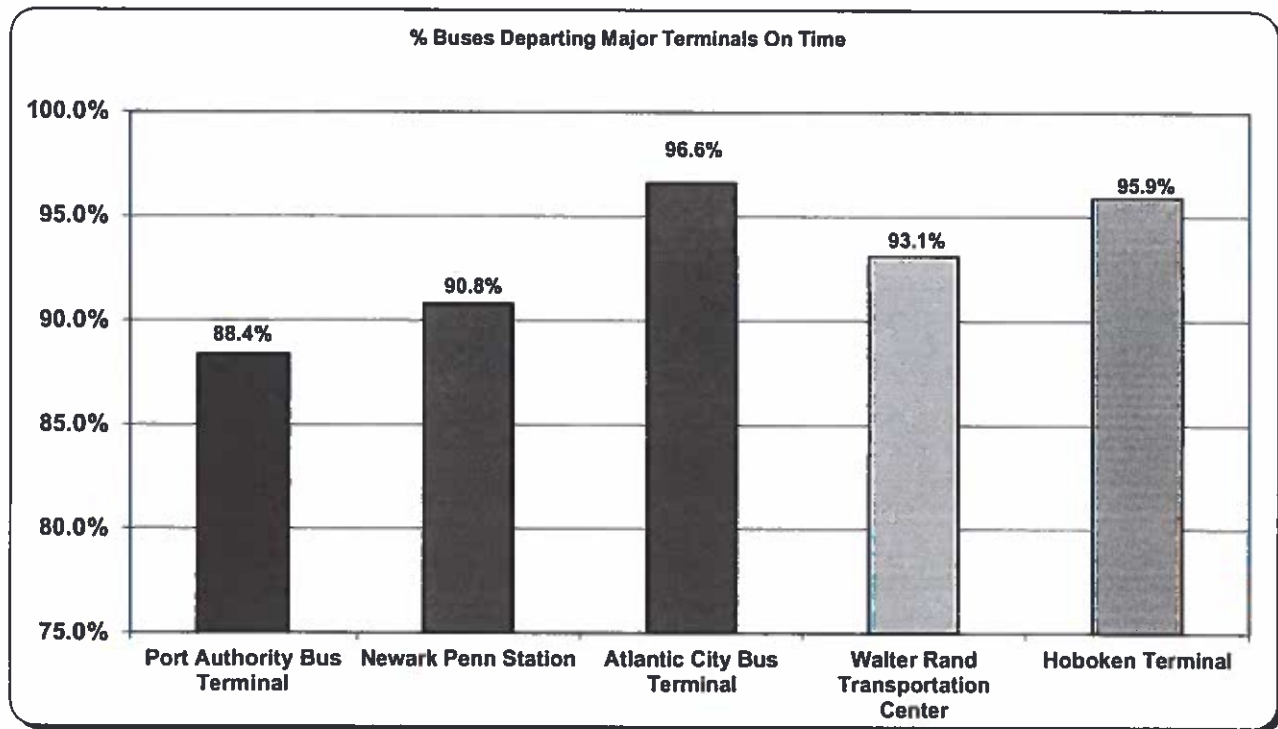
Bus On-Time Performance was 91.1% for August 2017. Of the 49,912 monitored departures 4,420 (or 8.9%) experienced delays. Key causes included:

- At Port Authority Bus Terminal on August 2, disabled vehicles in the tunnel resulted in late arrivals. Heavy Friday traffic resulted in buses arriving late on August 4 and 11. An accident on Route 495 caused delays on August 25 and 29.
- In Newark, police activity, road construction and fire activity caused delays on August 10, 11 and 25.
- Construction on Washington Street, continues to impact performance at Hoboken. The project is scheduled to continue until mid-2018.

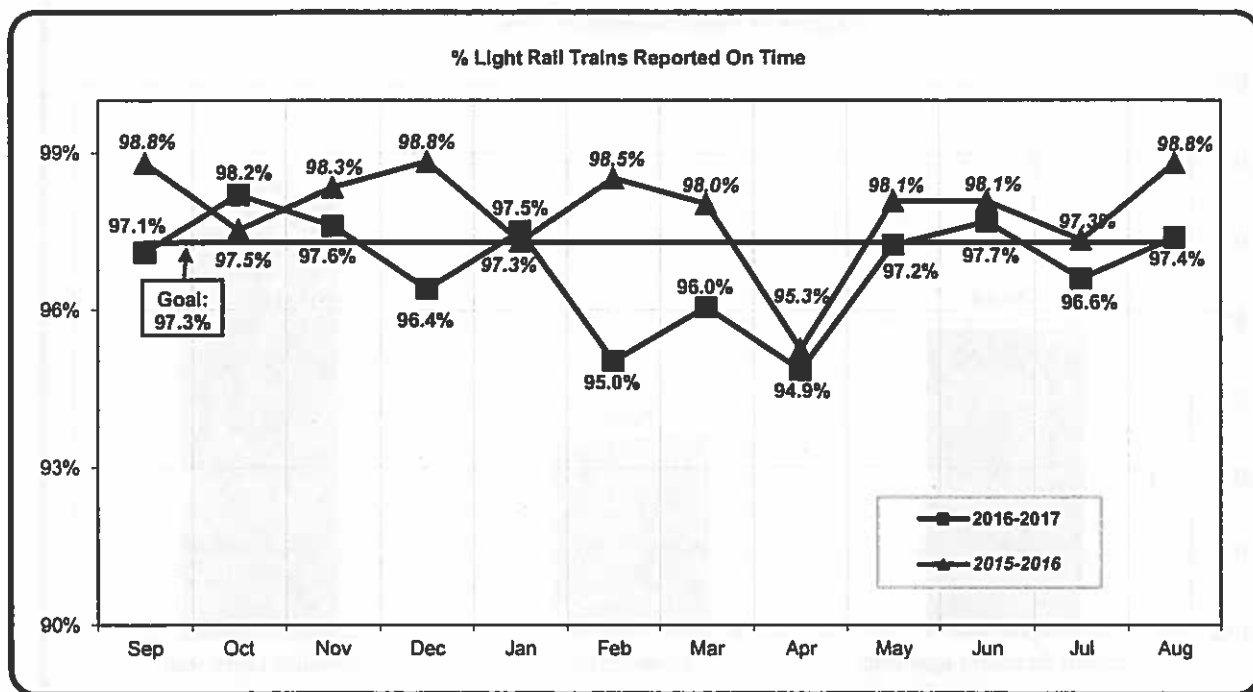
The 12-month average for Bus On-Time Performance for August 2015 - July 2017 was 90.5%, which was down by 0.2% from the previous year.

ON-TIME PERFORMANCE BUS

SUMMARY BY TERMINAL AUGUST 2017



NJ TRANSIT ON-TIME PERFORMANCE LIGHT RAIL SEPTEMBER 2015 - AUGUST 2017



	2016	2017	# Change
August Comparison	98.8%	97.4%	-1.4%

	2016	2017	# Change
12-Month Average Ended Aug 2016 & Aug 2017	97.9%	96.8%	-1.1%

Analysis:

Light Rail On-Time Performance systemwide was 97.4% for the month of August 2017. Of the 28,885 scheduled departures, 756 (or 2.6%) experienced delays.

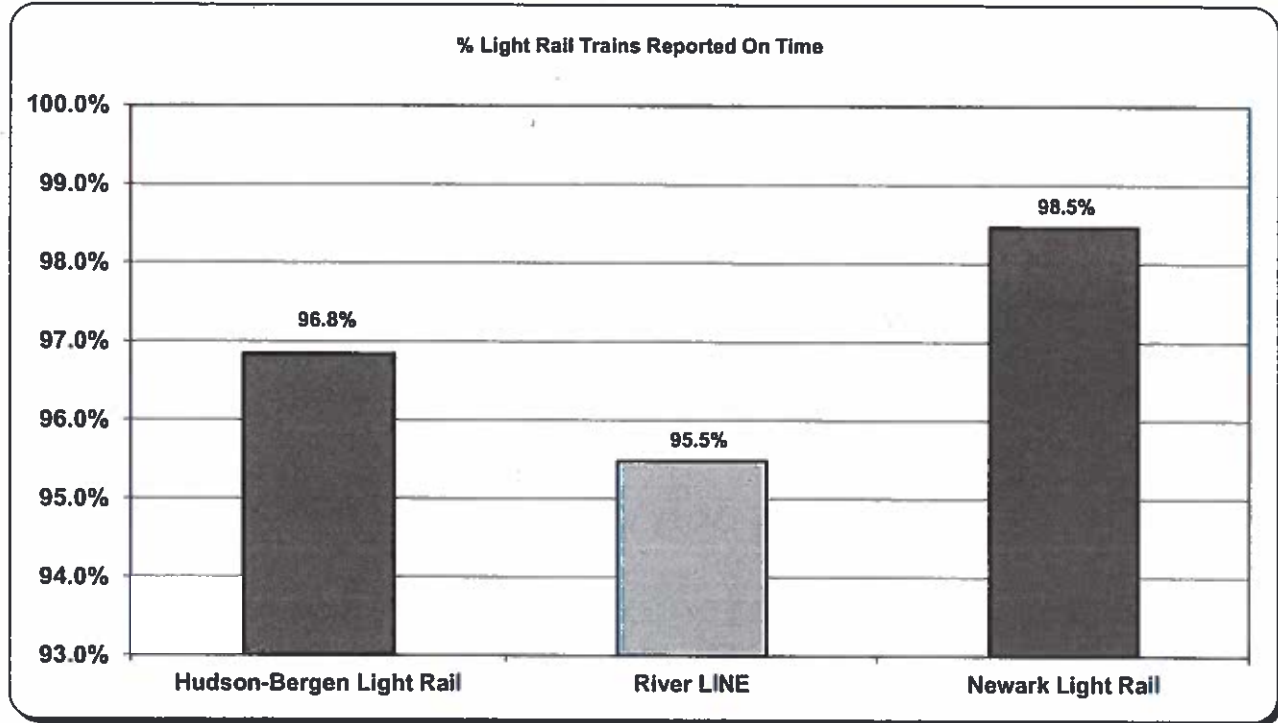
Key causes included:

- Gas leak in downtown Jersey City delayed 70 Hudson-Bergen Light Rail trains on August 31.
- A light rail vehicle generator fault delayed 9 River LINE trains on August 9.
- Switch problem at Branch Brook Park delayed 16 Newark Light Rail trains on August 24.

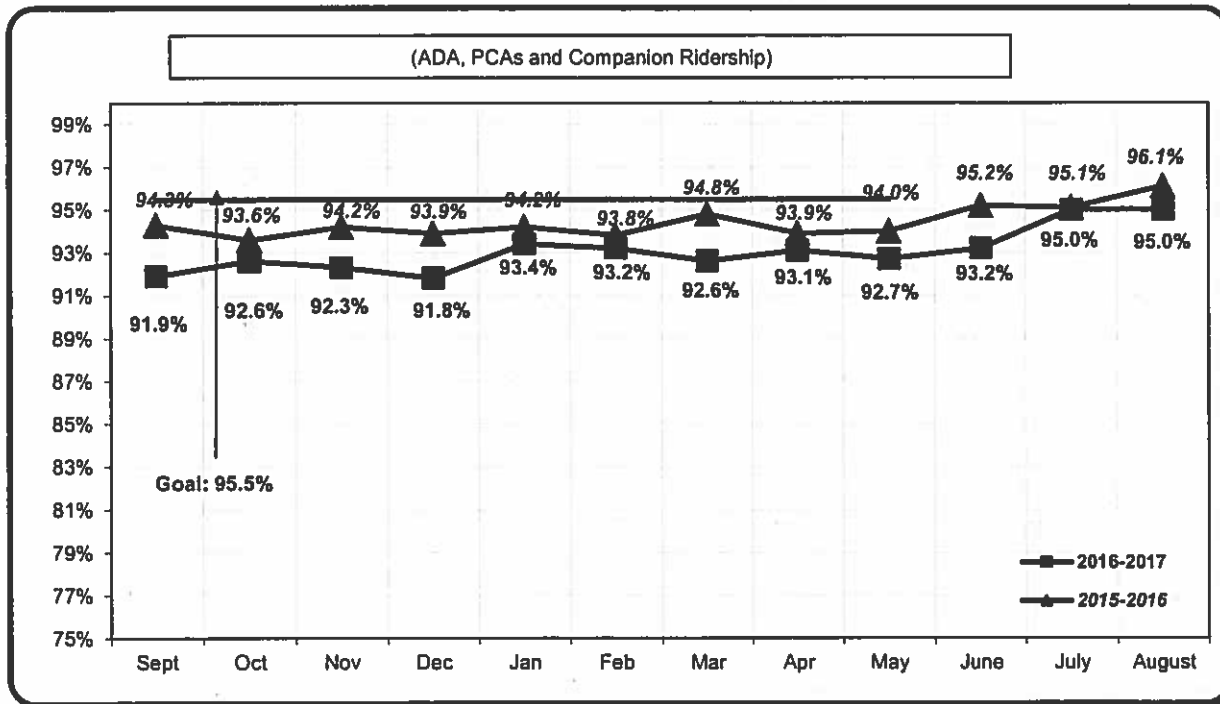
The 12-month average for Light Rail On-Time Performance for July 2016 - June 2017 was 96.9%, which decreased by 1.0% compared to July 2015 to June 2016.

ON-TIME PERFORMANCE LIGHT RAIL

SUMMARY BY LINE AUGUST 2017



NJ TRANSIT ON-TIME PERFORMANCE ACCESS LINK September 2015 - August 2017



	2016	2017	% Change
August Comparison	96.1%	95.0%	-1.1%

	2016	2017	Difference
August Ridership	132,670	137,948	5,278

	2015-2016	2016-2017	% Change
12-Month Average September-August	94.3%	93.7%	-0.6%

Analysis:

Access Link On-Time Performance was 95.0% for August, 2017. In serving 137,948 total riders, for 123,866 ADA customers trips, 6,202 (or 5.0%) experienced delays.

Key causes include:

- * Traffic congestion due to construction
- * Customer cancellation & No-shows
- * Road closure / Summer month events

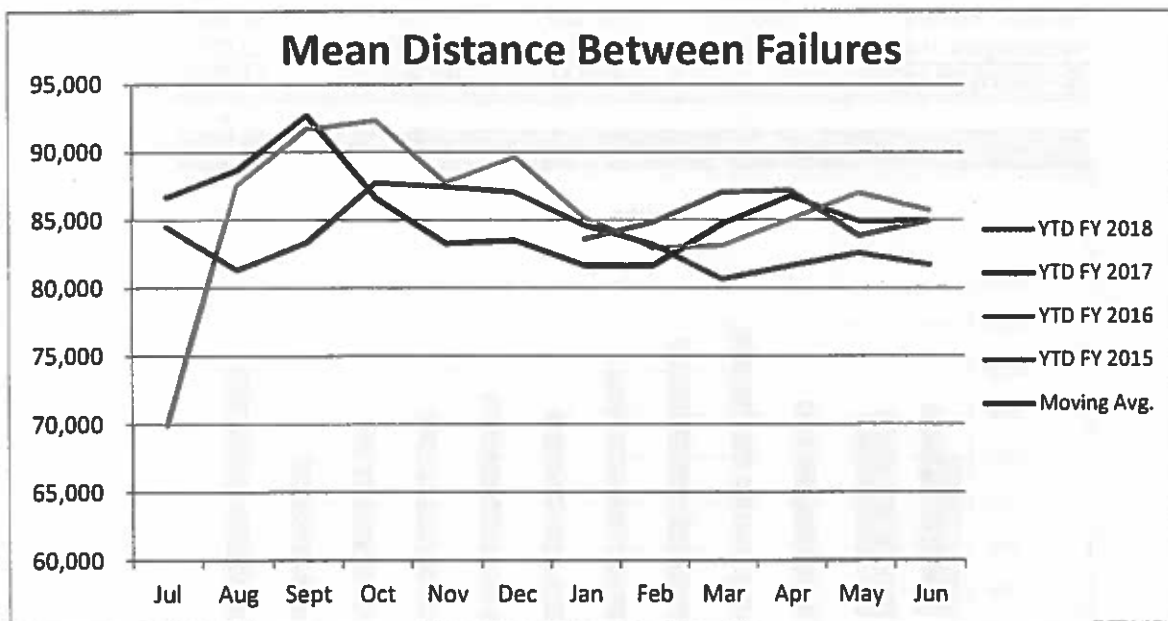
The 12-month average for Access Link On-Time Performance for September 2015 - August 2017 was 93.7%, which decreased by 0.6%.

MEAN DISTANCE BETWEEN FAILURES

July 2017

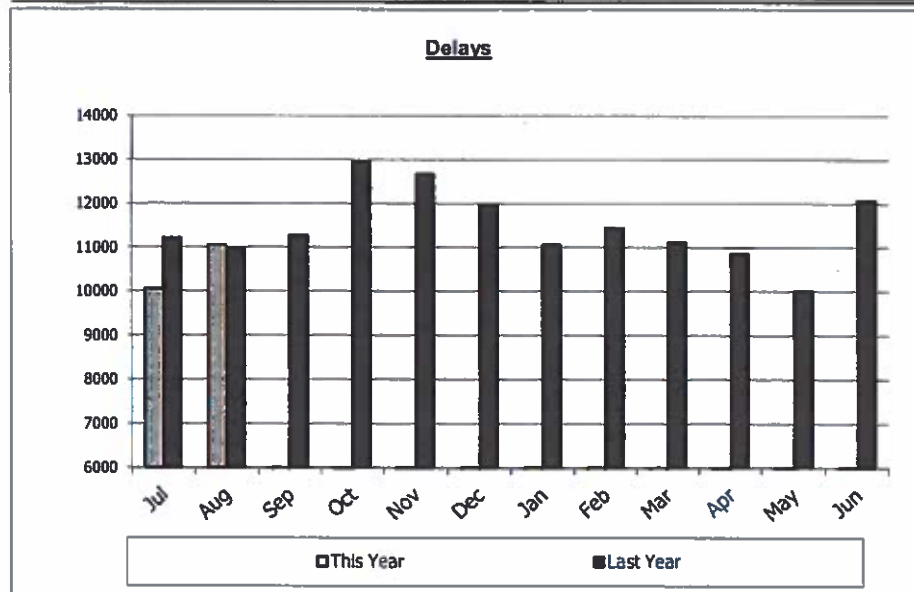
NJ TRANSIT Rail Operations
Mean Distance Between Failures

					12 Month
Month	YTD FY2018	YTD FY2017	YTD FY2016	YTD FY2015	Moving Avg.
Jul	76,674	86,683	69,926	84,508	84,069
Aug	-	88,680	87,565	81,319	-
Sept	-	92,705	91,669	83,368	-
Oct	-	86,626	92,329	87,750	-
Nov	-	83,272	87,756	87,434	-
Dec	-	83,501	89,655	87,042	-
Jan	-	81,633	85,167	84,607	83,609
Feb	-	81,639	82,949	83,179	84,826
Mar	-	84,715	83,112	80,659	87,026
Apr	-	86,771	85,060	81,649	87,172
May	-	84,920	87,022	82,566	83,826
Jun	-	84,936	85,722	81,704	84,936



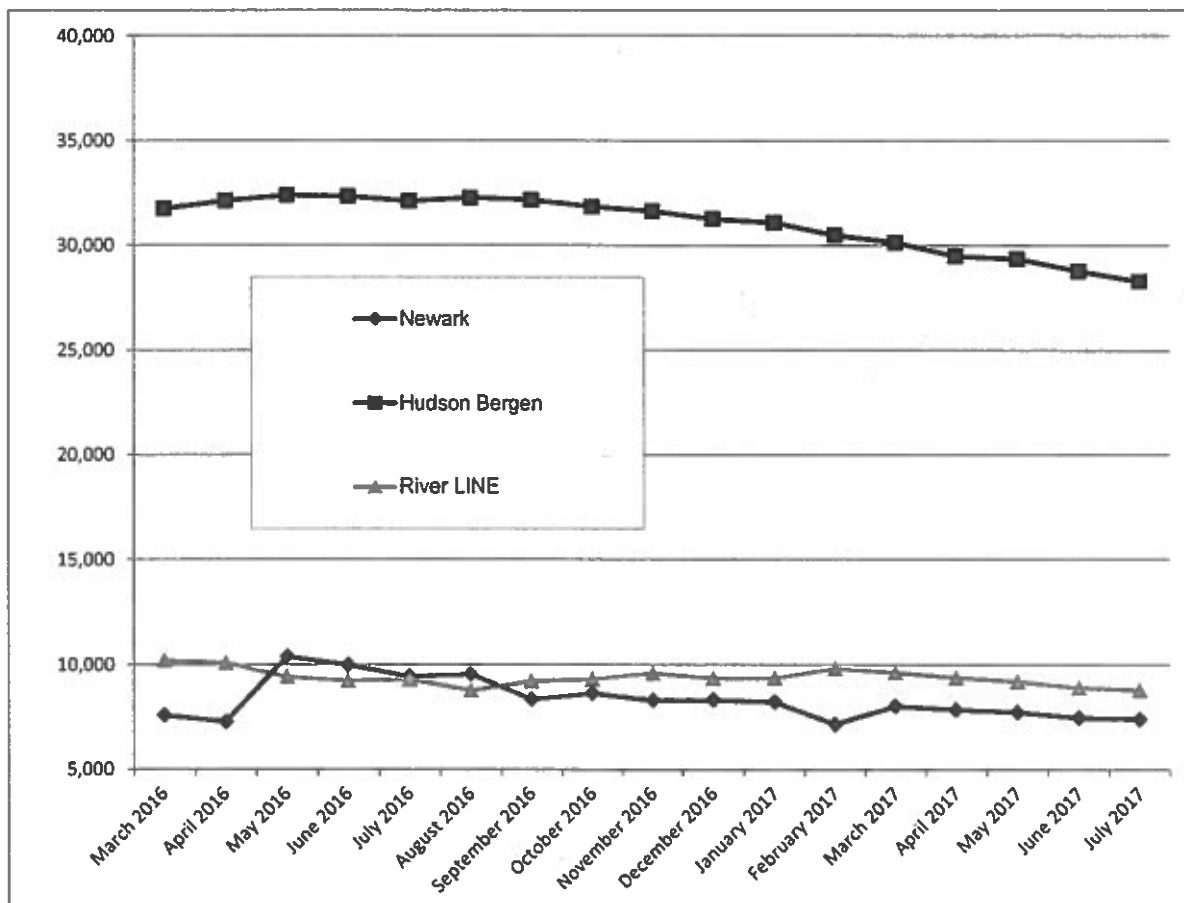
Garage Performance Parameters**August 2017**

Location	Miles Between In-Service Delays			
	FY2018 Goal	This Month	FY2018 YTD	FY2017 YTD
Fairview	7,000	6,992	5,978	6,073
Greenville	9,900	5,762	4,657	5,596
Market Street	9,500	9,312	8,480	9,085
Meadowlands	11,500	6,526	6,623	7,360
Oradell	13,500	10,044	9,098	8,818
Wayne	12,500	11,770	10,976	11,419
Northern Division	-	8,639	7,948	8,402
Big Tree	8,800	6,760	6,892	10,020
Hilton	10,200	8,181	8,575	10,687
Howell	16,750	27,599	31,026	31,045
Ironbound	9,600	11,391	10,759	9,478
Orange	9,250	9,163	8,162	9,421
Morris	10,500	50,574	48,793	48,653
Central Division	-	12,177	11,963	12,875
Egg Harbor	16,500	14,009	15,259	14,731
Hamilton	20,000	17,078	11,960	19,042
Newton Avenue	15,700	18,195	17,100	12,390
Washington Twp.	14,500	11,998	11,982	13,019
Southern Division	-	14,144	13,809	14,018
Bus Operations	-	11,049	10,541	11,095



NJ TRANSIT - LIGHT RAIL, July 2017**Average Miles Between In Service Failures**

NJT LIGHT RAIL	MDBSF * July 2017
Newark Light Rail	7,399
Hudson Bergen	28,268
River LINE	8,806

AVERAGE MILES BETWEEN IN-SERVICE MECHANICAL FAILURES

* Mechanical failure data for 3 LR systems, calculated as a rolling average over multiple months.

** Newark Light Rail operates much less mileage, with all single-car trains and a 5 mile alignment.

DBE/SBE PROGRAM

NJ TRANSIT –Office of Business Development Additional DBE/SBE Participation for August 2017

State Funded Contracts

During the month of August 2017, NJ TRANSIT awarded **\$0.00** in state funded contracts. Of that total, Small Business Enterprises (SBEs) received **\$0.00** or **0.00%**.

During the State Fiscal Year **2018** (July 1, 2017 through June 30, 2018) NJ TRANSIT awarded **\$0.00** in state funded contracts. Of that total, SBEs received **\$0.00** or **0.00%**.

SBE Goal Attainment from July 1, 2017 through June 30, 2018 (FY 2018)

Category 1 SBEs received	\$0.00	or 0.00%
Category 2 SBEs received	\$0.00	or 0.00%
Category 3 SBEs received	\$0.00	or 0.00%
Category 4 SBEs received	\$0.00	or 0.00%
Category 5 SBEs received	\$0.00	or 0.00%
Category 6 SBEs received	\$0.00	or 0.00%

FTA Funded Contracts (updated Quarterly – next update will occur October 2017)

During the 3rd Quarter (April 1, 2017 – June 30, 2017) of Federal Fiscal Year 2017 (October 1, 2016 through September 30, 2017), the FTA funded share of NJ TRANSIT's federal contracts awarded was **\$0.00**. Of that total, Disadvantaged Business Enterprises (DBEs) received **\$0.00** or **0.00%**.

DBE Goal Attainment from October 1, 2016 (FFY 2016) - September 30, 2017 (FFY 2017) **

Contracts awarded	\$4,154,686.25
DBEs received	\$ 536,795.00 or 12.92%

*****Numbers reflect federal share.***

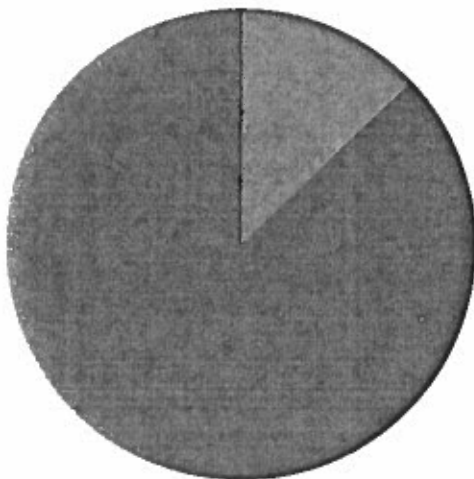
SBE PARTICIPATION
STATE CONTRACTS
STATE FYTD 2017

<i>Category 1 SBEs</i>	\$0.00	#DIV/0!
<i>Category 2 SBEs</i>	\$0.00	#DIV/0!
<i>Category 3 SBEs</i>	\$0.00	#DIV/0!
<i>Category 4 SBEs</i>	\$0.00	#DIV/0!
<i>Category 5 SBEs</i>	\$0.00	#DIV/0!
<i>Category 6 SBEs</i>	\$0.00	#DIV/0!
<i>Non-SBEs</i>	\$0.00	0.00%

■ Category 1 SBEs
■ Category 2 SBEs
■ Category 3 SBEs
■ Category 4 SBEs
■ Category 5 SBEs
■ Category 6 SBEs
■ Non-SBEs

DBE PARTICIPATION
FEDERAL CONTRACTS
TRIENNIAL YEARS 2017-2019

Total Amount DBEs Received	\$536,795.00	12.92%
Total Amount Non-DBEs Received	\$3,617,891.25	87.08%



■ Total Amount DBEs Received
■ Total Amount Non-DBEs Received

EMPLOYEE RECOGNITION

NJ TRANSIT employees bid farewell after outstanding careers

Twenty-four NJ TRANSIT employees retired recently with careers ranging from 9 to 39 years of service:

1. Kathleen Gould, Operator – Washington Township – 9 years
2. David Knox, Operator – Wayne – 22 years
3. Rafael Membrides, Operator – Ironbound – 9 years
4. Eglad Nelms, Operator – Howell – 16 years
5. Errol Rivers, Operator – Oradell – 29 years
6. Joseph Ryan, Operator – Howell – 16 years
7. Jerome Singleton, Repairman A – Big Tree – 12 years
8. Shrenik Upadhyay, Depot Clerk A – Market Street – 15 years
9. Mary Flatley, Senior Input Clerk – GOB – 30 years
10. Joseph Muller, Depot Master – Greenville – 32 years
11. Vincent Plummer, Repairman A – Hilton – 29 years
12. Mansoorul Rana, Operator – Orange – 10 years
13. Lesley Sutton, Depot Master – Big Tree – 23 years
14. Felix Tillman, Operator – Ironbound – 24 years
15. Ramon Turley, Operator – Ironbound – 26 years
16. Raymond Hinkle, Serviceman – Washington Township – 14 years
17. Eddy Lafontant, Operator – Meadowlands – 24 years
18. Gabriel Valderrama, Operator – Meadowlands – 10 years
19. Robert Green, Assistant Director, Shops – Newark Bus – 17 years
20. Rigobert Jean, Principle Accountant – Penn Plaza – 35 years
21. Nicholas Valente, Programmer – Penn Plaza – 26 years
22. Kim Dobson, Senior Accountant – Penn Plaza – 39 years
23. George Hillias, Superintendent Shops, Southern Division – Washington Township – 39 years
24. George Wiseman, Assistant Manager – Morrisville – 29 years

EXECUTIVE SESSION AUTHORIZATION

BE IT HEREBY RESOLVED pursuant to N.J.S.A. 10:4-12 and N.J.S.A. 10:4-13 that the Board of Directors of the New Jersey Transit Corporation hold an executive session to discuss personnel matters, contract and collective bargaining negotiations, acquisition of real property with public funds, the status of pending and anticipated litigation and matters falling within the attorney-client privilege; and

BE IT FURTHER RESOLVED that it is expected that discussions undertaken at this executive session could be made public at the conclusion of these matters as appropriate.

ACTION ITEMS

**ITEM 1709-40: PROPOSED LABOR AGREEMENT: NJ TRANSIT BUS
OPERATIONS, INC. AND UTILITY WORKERS' UNION OF
AMERICA, DIVISION NO. 601**

BENEFITS

The proposed Memorandum of Agreement ("MOA") would settle a labor contract with the Utility Workers' Union of America, Division No. 601 ("UWUA"), which currently represents 17 employees of NJ TRANSIT Bus Operations, Inc. ("NJTBus") who work within the claims department.

ACTION (Scorecard: Financial Performance, Employee Excellence)

Staff seeks approval of the economic terms and other proposed conditions set forth in the Memorandum of Agreement negotiated by NJTBus and the UWUA, and staff seeks authorization for the Executive Director, or his designee, to take all necessary steps to finalize and implement same, as discussed in executive session.

PURPOSE

Authorization of this item will enable NJTBus to settle a labor contract.

FISCAL IMPACTS

Requested Authorization: Staff seeks approval of the economic terms and other proposed conditions set forth in the Memorandum of Agreement negotiated by NJTBus and the UWUA, and staff seeks authorization for the Executive Director, or his designee, to take all necessary steps to finalize and implement same, as discussed in executive session.

Past Authorization: March 15, 2007

Projected Date of Completion: June 30, 2017

Operating Budget Amount: 100%

Anticipated Source of Funds: Operating Budget

RESOLUTION

WHEREAS, NJ TRANSIT Bus Operations, Inc. and the Utility Workers' Union of America, Division No. 601 ("UWUA") which represents certain employees within the claims department have negotiated a labor agreement;

WHEREAS, the terms and conditions of such labor agreement is set forth in a Memorandum of Agreement; and

WHEREAS, on or about August 1, 2017, a majority of employees represented by the UWUA ratified the Memorandum of Agreement by and between NJ TRANSIT Bus Operations, Inc., and the UWUA;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby: (1) approves the economic terms and other proposed conditions set forth in the Memorandum of Agreement negotiated by and between NJ TRANSIT Bus Operations, Inc. and the UWUA; and (2) authorizes the Executive Director of NJ TRANSIT, or his designee, to take all necessary steps to finalize and implement same as discussed in executive session.

ITEM 1709-41: MEADOWS MAINTENANCE COMPLEX: SALE OF A PARCEL OF LAND TO CONRAIL

BENEFITS

Board authorization will allow NJ TRANSIT to convey a parcel of land to Conrail located in the existing Meadows Maintenance Complex (MMC) along the boundary line between the MMC and Conrail's adjacent railyard.

ACTION (Safety and Security, Corporate Accountability, Financial Performance)

Staff seeks authorization to take any and all actions necessary to sell to Conrail a 1.861-acre parcel in fee located along the boundary line of the Meadows Maintenance Complex facility, in Block 284, Lots 21A and 21.01 in the Township of Kearny, Hudson County, in the amount discussed in Executive Session.

PURPOSE

Board authorization will allow NJ TRANSIT to transfer a Property interest to Conrail. The transfer of this property interest will result in a net payment to NJ TRANSIT in the amount approved in Executive Session. Conrail will also reimburse NJ TRANSIT for costs resulting associated with the transaction including relocation of an existing fence, utilities, rail yard equipment and in-kind replacement of a 900-square-foot building.

BACKGROUND

NJ TRANSIT purchased the Property from Conrail in 1984 for the Meadows Maintenance Complex Property Acquisition Project. It was purchased as a portion of a property containing three parcels with a total area of 76.609 acres. NJ TRANSIT purchased the entire Meadows Maintenance Complex property for \$7,500,000.

Parcel Description

The fee parcel to be sold by NJ TRANSIT to Conrail consists of an ~ 1.861-acre parcel varying in width along the boundary line between the MMC Facility and Conrail's adjacent railyard.

This item has been reviewed and recommended by the Board Capital Planning, Policy and Privatization Committee.

FISCAL IMPACTS

Requested Authorization: Authorization to take all actions necessary to complete transfer of the Property Interests to Conrail in consideration of payment by Conrail in an amount to be approved in Executive Session.

Expenditures to Date: NA

Total Project Cost: NA

Projected Date of Completion: Summer 2017

Capital Program Amount: None

Operating Budget Amount: None

Anticipated Source of Funds: NA

PRINTS ID: NA

DBE/SBE Goal: NA

NJ Build Amount: NA

Related/Future Authorizations: NA

Impacts on Subsequent Operating Budgets: Additional amount of revenue for Fiscal Year 2017 operating and capital budget as determined by an independent appraisal. Impacts to subsequent operating budgets are not anticipated.

RESOLUTION

WHEREAS, the New Jersey Public Transportation Act of 1979, P.L. 1979, c. 150 authorizes NJ TRANSIT to lease, purchase and sell or otherwise dispose of, on terms which NJ TRANSIT may prescribe, real and personal property; and

WHEREAS, NJ TRANSIT is the fee owner of a 1.86-acre parcel located proximate to the Meadows Maintenance Complex (MMC) facility, in a part of Block 284, Lots 21A and 21.01 in the Town of Kearny, Hudson County (Property); and

WHEREAS, Conrail's Passaic and Harsimus (P&H) rail line currently runs adjacent to the Property and is separated by a fence; and

WHEREAS, Conrail has requested to purchase the Property from NJ TRANSIT to allow it to build a second main track for its P&H rail line, which is currently a single track in the area; and

WHEREAS, the transfer of this Property interest was reviewed by NJ TRANSIT's relevant departments and determined to be excess and available for sale;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is hereby authorized to take any and all actions necessary to sell to Conrail an ~ 1.861-acre parcel in fee located along the boundary line of the Meadows Maintenance Complex facility, in Block 284, Lots 21A and 21.01 in the Township of Kearny, Hudson County, in the amount discussed in Executive Session.

ITEM 1709-42: COUNTY YARD IMPROVEMENTS PROJECT: PURCHASE OF THE DELCO INDUSTRIAL LEAD PROPERTY

BENEFITS

Strategically located mid-line along the Northeast Corridor (NEC), NJ TRANSIT's County Yard Improvements Project will allow for the safe-haven storage of rail cars and locomotives; provide NJ TRANSIT with an additional facility to maintain its equipment and permit the evacuation of rolling stock from Morrisville Yard when extreme weather threatens service; and support the efficient movement of equipment in and out of County Yard through the purchase of the Delco Industrial Lead Property and the Mengel Industrial Lead from Conrail. In addition, the expansion of the County Yard property and the construction of a new Service and Inspection Facility there under the Delco Lead Storage and Inspection Facility project will facilitate a more rapid resumption of service following a service outage.

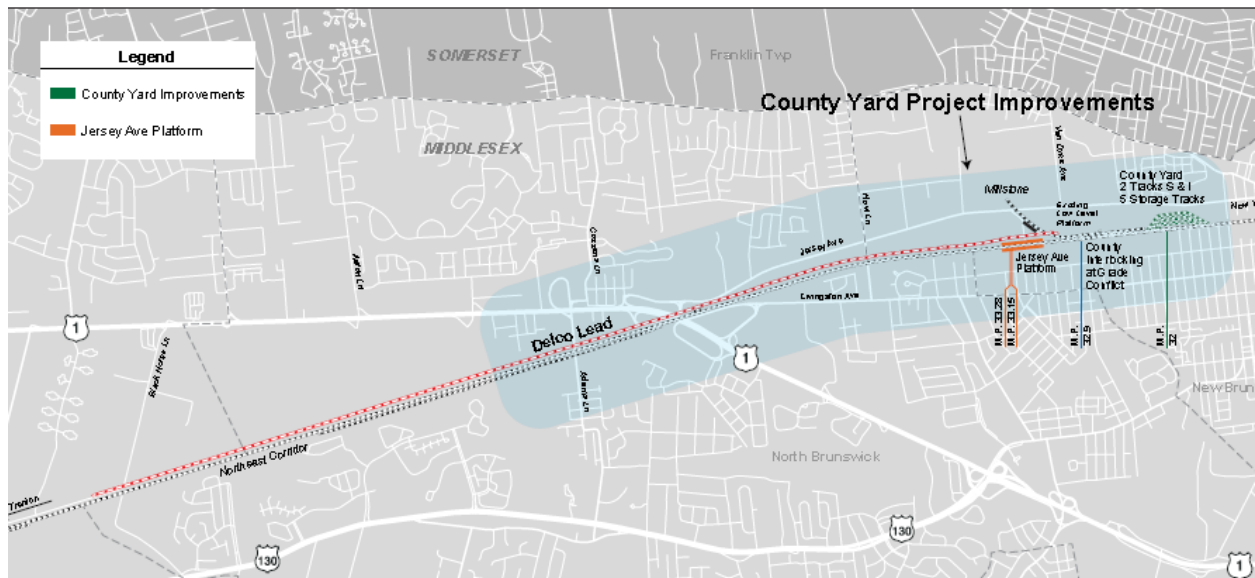
ACTION (Safety and Security, Corporate Accountability, Financial Performance)

Staff seeks authorization to take any and all actions to negotiate and execute an Agreement with Conrail to purchase the Delco Industrial Lead Property located adjacent to the Northeast Corridor and County Yard and the Mengel Industrial Lead located adjacent to County Yard in the amount discussed in Executive Session to support the County Yard Improvements Project, subject to the availability of funds.

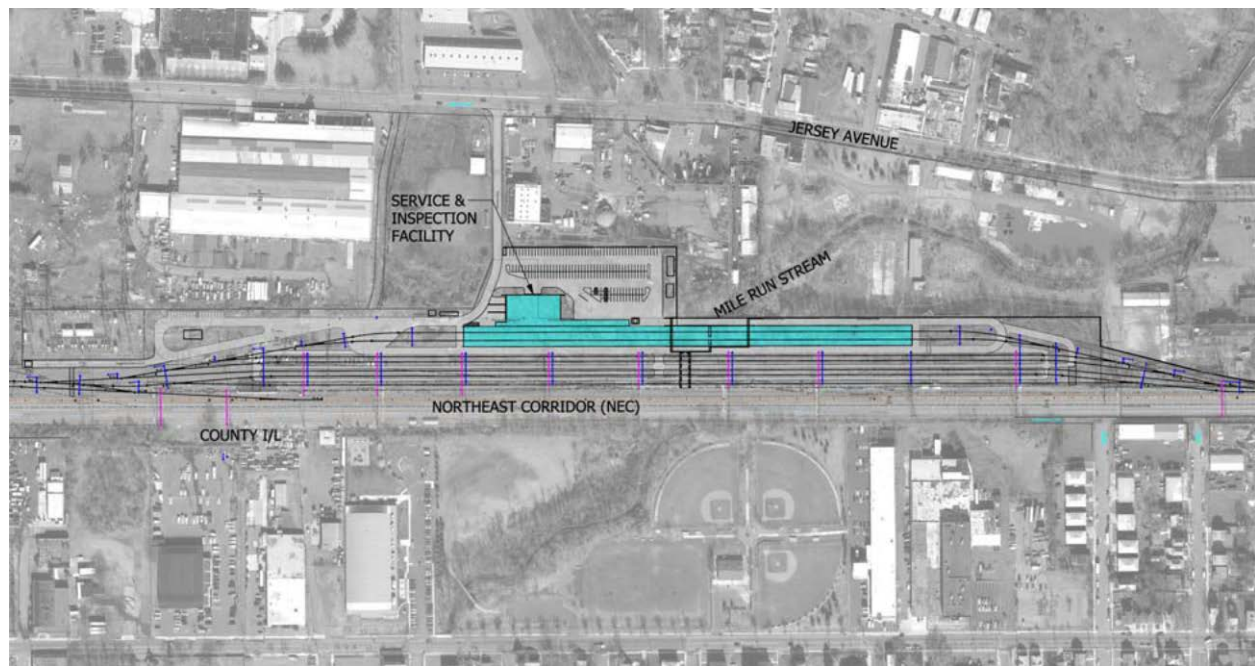
PURPOSE

The purchase of a fee interest from Conrail in the Delco Lead Property from MP 33.0 to MP 36.45 on the NEC, consisting of approximately 25.4 acres in the Township of North Brunswick and the City of New Brunswick, will allow for the construction of two tracks on the Delco Lead Property. The purchase of the Mengel Lead containing .63 acres will allow for additional access to County Yard.

The design and construction of these two tracks will support the efficient movement of equipment in and out of County Yard in a strategically beneficial location along the NEC. Once the future Delco Storage and Inspection Facility project is completed, these tracks also can provide additional storage capacity to County Yard for rail cars and locomotives.



Delco Industrial Lead



County Yard

BACKGROUND

To preserve intercity passenger service, Congress enacted the Rail Passenger Service Act of 1970, which created the National Railroad Passenger Corporation (Amtrak). Amtrak assumed the responsibility for intercity passenger service from private railroads and received access rights to their tracks. The Federal Government formed Conrail in 1976 to consolidate the freight railroad network in the Northeast. Pursuant to the Regional Rail Reorganization Act of 1973, as amended (3 R Act), the Final System Plan of the United States Railway Association (USRA) designated for conveyance by Conrail to Amtrak certain rail operating properties, including County Yard on the NEC. Upon conveying the NEC to Amtrak, Conrail reserved a fee interest in the Delco Lead Industrial Track.

NJ TRANSIT was created by the Public Transportation Act of 1979 to "acquire, operate and contract for transportation service in the public interest." On January 1, 1983, NJ TRANSIT Rail Operations, Inc. was launched to assume Conrail's commuter rail operations in the New Jersey after Congress authorized Conrail to cease its passenger operations. NJ TRANSIT currently operates commuter rail service on 12 rail lines statewide, including operation of commuter rail on the NEC within New Jersey, to New York Penn Station and to its rail yard in Morrisville, Pennsylvania.

NJ TRANSIT has never operated rail service on the Delco Lead or the Mengel Lead. However, they are both adjacent to County Yard which is owned by Amtrak. The Northeast Corridor Services Agreement between NJ TRANSIT and Amtrak dated July 1, 1993 granted NJ TRANSIT a leasehold interest in portions of County Yard. The lease allowed NJ TRANSIT to operate its trains on three tracks within County Yard and afforded NJ TRANSIT partial use of Amtrak's existing crew quarters in the Yard.

This item has been reviewed and recommended by the Capital Planning, Policy and Privatization Committee.

FISCAL IMPACT

Requested Authorization: To take any and all actions necessary to negotiate and execute an Agreement to purchase the Delco Lead Property from Conrail for the amount discussed in Executive Session

Previous Authorizations: None

Expenditures to Date: \$ 6,267,610 (as of 02/28/17)

Total Project Cost: \$ 125,000,000

Projected Date of Completion: Fall 2021

Capital Program Amount: \$ 125,000,000

Operating Budget Amount: None

Anticipated Source of Funds: Transportation Trust Fund

PRINTS ID Number: RNF00249

DBE/SBE Goal: NA

***NJ Build* Amount:** NA

Future Related Authorizations: Construction Support Services
Construction Management Services
Construction
Property Acquisition

**Impact on Future
Operating Budgets:** None

RESOLUTION

WHEREAS, Conrail, a corporation organized under the Rail Passenger Service Act, owns the Delco Lead Industrial Track, located at MP 33.0 to MP 36.45 adjacent to the NEC, in the Township of North Brunswick and the City of New Brunswick; and

WHEREAS, NJ TRANSIT is an instrumentality of the State of New Jersey and is authorized to operate rail passenger service in New Jersey and between points in New Jersey and points in other states pursuant to the New Jersey Public Transportation Act of 1979, as amended; and

WHEREAS, purchase of a fee interest in the Delco Lead Property and the Mengel Lead Industrial Lead will give NJ TRANSIT operational and maintenance control thereby and improved access to County Yard increasing the efficiency of NJ TRANSIT's rail operations;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to take any and all actions to negotiate and execute an Agreement with Conrail to purchase the Delco Industrial Lead Property and the Mengel Industrial Lead both located adjacent to the Northeast Corridor in the amount discussed in Executive Session to support the County Yard Improvements Project, subject to the availability of funds.

ITEM 1709-43: NJ TRANSIT RESILIENCE PROGRAM: NEW JERSEY BOARD OF PUBLIC UTILITIES PROCEEDING – IN THE MATTER OF THE PETITION OF PSE&G FOR APPROVAL OF THE CONSTRUCTION OF THE MASON SUBSTATION DAMAGED DURING SUPERSTORM SANDY

BENEFITS

It is the opinion of NJ TRANSIT, and counsel for NJ TRANSIT, to resolve the pending New Jersey Board of Public Utilities (NJBPU) proceeding, In the Matter of the Petition of Public Service Electric and Gas Company's (PSE&G) for Approval of the Construction of the Mason Substation Damaged During Superstorm Sandy, arising out of PSE&G's filing of a Verified Petition, and NJ TRANSIT's filing of a Motion to Intervene in August 2016 through entry into a Stipulation of Settlement.

On October 29, 2012, Superstorm Sandy's storm surge substantially damaged the existing Mason and Building 9 Substations (collectively, "Mason Substation" or "the Substation"). The initial storm surge, estimated to be as high as seven feet, inundated Mason Substation. The configuration of the existing Substation is unique because of its direct connection to PSE&G's network; the replacement substation will continue to be part of the distribution network that serves the substation, residential, and commercial customers. The Substation is critical to the operations of the NJ TRANSIT rail system. The construction of the replacement Substation will increase the reliability and resilience of electric service provided in PSE&G's service territory, including for NJ TRANSIT. The replacement Substation will be designed to keep all critical infrastructure above the 500-year flood elevation at the site. This design will avoid the multiple-day loss of service experienced during Superstorm Sandy.

ACTION (Scorecard: Financial Performance, Corporate Accountability)

Staff seeks authorization to take all necessary steps to agree to the form of and to cause entry of a final stipulation of settlement order to settle the regulatory proceeding before the NJBPU, in an amount to be discussed in Executive Session, exclusive of other liabilities, and to take other actions consistent with settlement, including the entry into separate implementing agreements with PSE&G and the transfer of interest in real property to effectuate the stipulation of settlement and separate implementing agreements. The Attorney General will approve the proposed settlement, subject to the availability of funds.

PURPOSE

NJ TRANSIT By-Laws require Board approval for settlement of claims and disputes in excess of \$500,000. This proceeding, pending before the NJBPU, initiated from PSE&G's filing of a Verified Petition and NJ TRANSIT's filing of a motion to intervene in August 2016. Authorization to enter into this stipulation of settlement will allow NJ TRANSIT and PSE&G to advance the replacement of Mason Substation.

BACKGROUND

In June 2016, the Board authorized NJ TRANSIT to enter into a Memorandum of Understanding by and between NJ TRANSIT and PSE&G to explore the potential of PSE&G owning, designing, constructing, maintaining and/or operating a replacement of the existing Substation in Kearny, New Jersey. In August 2016, PSE&G filed a Verified Petition at the NJBPU for approval to reconstruct, own, and primarily operate the new Substation. On August 23, 2016, NJBPU issued an Order designating Commissioner Joseph Fiordaliso as the presiding officer in the matter. On December 15, 2016, NJ TRANSIT was granted intervention status in the proceeding. The parties have attended conferences to discuss opportunities for resolution and have reached an agreement to resolve all pending issues.

This item has been reviewed and recommended by the Board Capital Planning, Policy and Privatization Committee.

FISCAL IMPACTS

Requested Authorization: Authorization to settle the pending matter before the New Jersey Board of Public Utilities at an amount discussed in executive session, and to take all actions consistent with settlement.

Authorization to take any and all actions necessary to enter into separate implementing agreements with Public Service Electric and Gas Company.

Authorization to transfer interests in real property as necessary to effectuate the stipulation of settlement and separate implementing agreements.

Projected Date of Completion: FY 2023

Anticipated Source of Funds: Transportation Trust Fund/Insurance Proceeds

DBE/SBE Goal: NA

RESOLUTION

WHEREAS, Article VI, Section 11 of the By-Laws requires Board Authorization for settlement of claims and disputes in excess of \$500,000; and

WHEREAS, it is the opinion of NJ TRANSIT, and counsel for NJ TRANSIT, to settle a pending regulatory proceeding before the New Jersey Board of Public Utilities arising out of PSE&G's filing of a Verified Petition, and NJ TRANSIT's filing of a motion to intervene in August 2016; and

WHEREAS, Staff has reviewed the respective positions of the parties and recommends settling this case through the entry of a stipulation of settlement order;

NOW, THEREFORE, BE IT RESOLVED that the Chairman or Executive Director is authorized to settle the regulatory proceeding before the New Jersey Board of Public Utilities in an amount to be discussed in Executive Session, exclusive of other liabilities, and to take other actions consistent with settlement, including the entry into separate implementing agreements between NJ TRANSIT and PSE&G. The Attorney General will approve the proposed settlement, and transfer of interests in real property as necessary to effectuate the stipulation of settlement and separate implementing agreements, subject to the availability of funds.