



SPECIAL MEETING OF THE
CONNECTICUT PORT AUTHORITY
BOARD OF DIRECTORS

**Tuesday, May 24, 2022
12:00 p.m.**

In response to concerns regarding the spread of coronavirus disease (COVID-19), and in the interest of the safety and well-being of participants, this meeting was held remotely by conference call.*

**Please Note: In addition to the minutes below, an audio recording of this meeting can be found on the Authority's website at <https://ctportauthority.com/governance/>*

Board Attendance

Chair David Kooris; Mark Rolfe (joined after roll call, but before Item #2); Brian Thompson; Paul Hinsch; Don Frost; Tom Gill; John Johnson; Tom Patton; Felix Reyes; Dave Pohorylo; Grant Westerson; Parker Wise

Absent: Mayor Justin Elicker; Alexandra Daum; John Flores; Judi Sheiffele;

CPA Staff/Other: Ulysses Hammond; Andrew Lavigne; Marlin Peterson (AECOM)

MINUTES

1. Call to Order

Chair Kooris called the meeting to order at 12:01pm.

2. Public Comment

3. State Pier Infrastructure Improvements Project Update

(Begins at 0:07:00 of the recording) Chair Kooris recapped several recent tours of the facility by the Southeastern Connecticut Council of Governments and, separately, a visit by US Energy Secretary Granholm, organized by Congressman Courtney, which was attended by senior leaders from Orsted and Eversource, New London Mayor Passero, Department of Energy and Environmental Protection Commissioner Dykes, Governor Lamont, Senator Blumenthal, Senator Murphy and other state and local officials.

(Begins at 0:09:56) Marlin Peterson from AECOM, the Authority's Construction Administrator for the project, provided updates on the construction activities at the project's four major work fronts: the uplands; the northeast bulkhead/combi-wall; the central wharf and south wall; and the State Pier tow wall and heavy-lift platform.

4. Consideration and approval of a resolution authorizing the Executive Director to negotiate and enter into a Sixth Amendment to that certain Construction Manager-at-Risk Agreement with Kiewit Infrastructure Co.

(Begins at 0:15:30) Chair Kooris gave an overview of “project cost” and “project budget,” to differentiate between those terms. He noted that there has been some reporting since the state budget was adopted earlier in the month and now that the Bond Commission agenda was released late-last week about an “increased project cost.” The legislature in their budget adopted this spring allocated an additional \$20 million for State Pier. The Bond Commission at its meeting this week will take up for consideration the allocation of those funds. Some people have added that to previously discussed project costs and assumed that is the new number. Chair Kooris explained why the number today is completely consistent with the numbers discussed over the last several months.

Including today’s \$8.4 million amendment and change orders will bring the project’s Guaranteed Maximum Price (GMP) with Kiewit to just over \$185 million. At the Authority’s next meeting on 21 June, the Board will execute the final notice to proceed for dredge work that has already been bid and has a locked in price of \$32 million. That will bring the project to a GMP of approximately \$217 million. Compared to the target GMP of \$204 million, this total is over by approximately \$13 million – which is the combined total of the costs associated with delay and acceleration. None of this has anything to do with inflation, nor rising costs of material or labor. This is the cost of keeping the Authority’s contractor working for longer than anticipated because permits were delayed, partially and largely due to challenges, and the additional cost for work hours to make up for the delay to achieve substantial completion by February 2023 for Orsted and Eversource to use the facility to deliver their South Fork Wind project.

To give a complete picture, that \$217 million GMP needs to be added to the project’s soft costs. The project currently has encumbered soft costs totaling \$27 million, which brings the project cost to \$244 million. There are anticipated soft costs of approximately \$6 million, which when added to the prior total, brings it to approximately \$250 million – which is completely consistent with everything we have been saying for the last couple of months.

With the legislative authorization for an additional \$20 million and the anticipated Bond Commission action later this week, it will bring available project funds to \$255 million. That gives additional resources for an owner’s contingency. That contingency is in addition to the \$11 million contingency built into the contract with Kiewit – of which approximately \$4 million has been expended.

The \$255 million is the total fund availability, but the total project cost today remains at \$250 million.

(Begins at 0:28:15) Ulysses Hammond provided additional detail of the amendment and change orders. Hammond noted that implementing acceleration to no later than February 28 will enable the Authority to achieve the seminal milestone of commencing terminal operations immediately thereafter in March 2023. Following substantial completion of construction and terminal operations, offshore wind components are scheduled to begin arrival at State Pier in April 2023, with subsequent staging and pre-assembly services occurring in May 2023 and the initial handling and transport of components for offshore wind turbine generator installation in June 2023. Moreover, based on this schedule, State Pier will be the staging port for the next three utility scale offshore wind farms in the United States, including South Fork Wind, Revolution Wind, and Sunrise Wind, which collectively will generate, according to publicly available data, enough wind power and clean energy to power more than 1 million homes.

(Begins at 0:35:06) Marlin Peterson provided additional background and technical detail on the amendment and change orders.

(Begins at 0:40:43) Questions and discussion.

RESOLVED, that the Executive Director be and hereby is authorized, empowered and directed, for and on behalf of the Connecticut Port Authority (the “Authority”), to negotiate, execute and enter into a Sixth Amendment to that certain Construction Manager-at-Risk Early Work Guaranteed Maximum Price Agreement with Kiewit Infrastructure Co., in connection with

construction activities at the State Pier, for the services and amounts as substantially described in the Exhibits to Agenda Item #4, and to take such reasonable and necessary actions, that the Executive Director deems to be in the best interests of the Authority, to execute and deliver any and all other reasonable and necessary documents in furtherance thereof. The total value of this amendment is \$8,401,662, which brings total contracted amount with Kiewit for all amendments and change orders to-date to \$185,350,425.76.

Motion by John Johnson, seconded by Grant Westerson. So VOTED.

5. Consideration and approval of a resolution authorizing the Executive Director to enter into a Third Amendment to that certain Harbor Development Agreement by and among North East Offshore LLC, Gateway New London LLC and the Connecticut Port Authority.

(Begins at 0:54:30) Chair Kooris described the two changes that the amendment will have to the Harbor Development Agreement (HDA) and why the changes are being made concurrent to the previous item. The amendment adjusts the milestone schedule, changing the execution of the final GMP to occur no later than July 15th – we expect to have that approved at our June 21st meeting – and it moves the substantial completion date to February 28th to enable a final acceptance on June 1st. The other change is adding in a series of sections referring to the requirements and statutes relating to the State Contracting Standards Board's oversight of the Authority.

RESOLVED, that the Executive Director be and hereby is authorized, empowered and directed, for and on behalf of the Connecticut Port Authority (the "Authority"), to negotiate and enter into a Third Amendment to the Harbor Development Agreement by and among the Authority, Gateway New London LLC, and North East Offshore LLC in substantially the form attached hereto as the Exhibit to Agenda Item #5, and to take such reasonable and necessary actions and negotiate, execute and deliver any and all other reasonable and necessary documents in furtherance thereof.

Motion by Parker Wise, seconded by Tom Gill. So VOTED.

6. Old Business

Felix Reyes asked about board preference for conference call versus Zoom.

7. Adjournment

Motion to adjourn made by John Johnson, seconded by Mark Rolfe. Meeting adjourned at 1:02pm.