

**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**

**MINUTES**

**Thursday, July 30, 2020**

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**MINUTES of the Meeting of The Port Authority of New York and New Jersey held  
Thursday, July 30, 2020 via teleconference.**

**PRESENT:**

**NEW JERSEY**

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

Richard Cotton, Executive Director  
Michael E. Farbiarz, General Counsel  
James E. McCoy, Secretary

James K. Allen, Chief of Staff to the Vice Chairman  
Alan G. Benedetto, Manager, Technical Services, Technology  
John Bilich, Chief Security Officer  
Benjamin M. Branham, Chief Communications Officer  
Ana Carvajalino, Director, Financial Planning  
Brian Caraveo, Cinematographer, Marketing  
Rebecca L. Cassidy, General Manager, Board Unit, Office of the Secretary  
Jennifer S. Davis, Chief Intergovernmental Affairs Officer  
Clarelle D. DeGraffe, Director, Rail Transit  
Michael P. Dombrowski, Audio Visual Specialist, Marketing  
Diannae C. Ehler, Director, Tunnels, Bridges and Terminals  
Benjamin Feldman, Senior Advisor to the Chairman  
Amy H. Fisher, First Deputy General Counsel and Director of Legal Affairs  
Robert E. Galvin, Chief Technology Officer  
Jaime Garcia, IT System Support Specialist, Technology  
Erik H. George, Executive Advisor, Chief Financial Officer  
Robert Gibbon, Special Counselor to the Executive Director  
Mary Lee Hannell, Chief, Human Capital  
Natasha G. Jean Philipp-Cumberbatch, Manager, Corporate Transparency, Office of  
the Secretary  
Cristina M. Lado, Director, Government and Community Affairs, New Jersey  
Huntley A. Lawrence, Director, Aviation  
Michael G. Massiah, Chief, Diversity and Inclusion  
Elizabeth M. McCarthy, Chief Financial Officer  
Tobi Mettle, Chief of Staff for Agency Initiatives, Office of the Executive Director  
Alec Nadeau, Manager, Executive Initiatives and Policy  
Hersh K. Parekh, Director, Government and Community Relations for Aviation  
Redevelopment in New York  
Steven Plate, Chief, Major Capital Projects  
Alan L. Reiss, Director, World Trade Center Construction and Interim Director  
of World Trade Center Operations

**NEW YORK**

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

Bethann Rooney, Deputy Director, Port  
 Peter D. Simon, Chief of Staff to the Chairman  
 James A. Starace, Chief Engineer/Director of Engineering  
 Debra M. Torres, Chief Ethics and Compliance Officer  
 Derek H. Utter, Chief Development Office  
 Lillian D. Valenti, Chief Procurement and Contracting Officer  
 Cheryl A. Yetka, Treasurer

Guests:

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

Public Commenters:

Rageeb Ashekin  
 Alfredo Chamorro  
 Garrett Crain  
 Nicholas Garland  
 Ramin Kazempour  
 Colin Kershaw  
 Jonathan Rivera  
 Christopher Stephens  
 Charlene Talarico  
 Brian Tran  
 Neile Weissman, Complete George

Topic:

COVID-19 Testing at PA Airports  
 COVID-19 Testing at PA Airports  
 COVID-19 Testing at PA Airports  
 COVID-19 Testing at PA Airports  
 COVID-19 Testing at PA Airports  
 COVID-19 Testing at PA Airports  
 COVID-19 Testing at PA Airports  
 COVID-19 Testing at PA Airports  
 Port Authority  
 COVID-19 Testing at PA Airports  
 GWB Bicycle Paths

The public meeting was called to order by Chairman O’Toole at 12:27 p.m. and ended at 12:53 pm. The Board also met in executive session prior to the public session.

### **Report on Prior Meeting’s Minutes**

Copies of the Minutes of the meeting of June 25, 2020 were delivered to the Governors of New York (in electronic form) and New Jersey (in paper form) on June 26, 2020. The time for action by the Governors of New York and New Jersey expired at midnight on July 13, 2020.

### **Chairman’s Report**

The Chairman advised that due to the ongoing public health crisis posed by COVID-19, and in light of the recommendation from the Centers for Disease Control and Prevention and the States of New York and New Jersey, today’s meeting is being held via teleconference, with audio of the proceedings simultaneously webcast on the Port Authority’s website.

The Chairman also advised that in lieu of the Port Authority’s public speakers’ program, eleven written statements were received and provided to the Commissioners and other relevant staff prior to today’s Board Meeting. The written statements will also be filed with the transcripts of today’s meetings on the Port Authority’s website. The Chairman noted that none of the written comments received related to action items before the Board for approval.

**JOHN F. KENNEDY INTERNATIONAL AIRPORT - KENNEDY INTERNATIONAL AIRPORT COGENERATION PARTNERS - AGREEMENTS FOR THE GENERATION, PURCHASE AND SALE OF ELECTRIC POWER AND RELATED ENERGY PRODUCTS**

It was recommended that the Board authorize the Executive Director to enter into agreements to amend and extend existing agreements with Kennedy International Airport Cogeneration Partners (KIAC) for KIAC to continue to provide electricity to John F. Kennedy International Airport (JFK), as well as heating and cooling services to the Central Terminal Area at JFK. The amendment of these agreements would enable KIAC to continue to operate a cogeneration facility, a central heating and refrigeration plant, and a thermal energy distribution system, by extending the term of the agreements for 15 years, through August 31, 2035. The agreements also would include three, three-year extension options, mutually exercisable by the Port Authority and KIAC.

KIAC and the Port Authority are parties to: (1) a Construction and Operations Agreement, dated April 28, 1993, as amended, relating to the construction and operation by KIAC of the cogeneration facility, central heating and refrigeration plant, and thermal energy distribution system at JFK; (2) an Energy Purchase Agreement, dated April 28, 1993, as amended, relating to the sale and purchase of electricity and thermal energy produced by such KIAC facilities; and (3) an Agreement of Lease, dated April 28, 1993, as amended, relating to the leasing to KIAC by the Port Authority of such facilities and related premises at JFK, and the use by KIAC of such facilities and premises. These existing agreements will expire on August 31, 2020.

Under the proposed transaction, the Port Authority and KIAC would enter into: (1) an Operations and Maintenance (O&M) Agreement related to the operation of the cogeneration facility, central heating and refrigeration plant, and thermal energy distribution system at JFK; (2) an Amended and Restated Energy Purchase Agreement; and (3) an Amended and Restated Agreement of Lease.

These proposed agreements contemplate the continued operation of the cogeneration facility, central heating and refrigeration plant, and thermal energy distribution system by KIAC, with responsibilities for funding certain repairs to electrical and thermal distribution infrastructure shifted to the Port Authority. Such repairs would be funded through the establishment by the Port Authority of a reserve fund. The agreements further contemplate that the Port Authority would continue to purchase electrical, heating and cooling load from KIAC at levels consistent with the current contractual requirements. The Port Authority would purchase such electricity and thermal energy at prices consistent with the actual costs incurred by KIAC to operate, maintain, generate and distribute such energy. Further, the parties would share all profits generated by offsite sales of excess energy and capacity by KIAC, with the Port Authority sharing a minimum of 50 percent of such profits.

KIAC's role is to ensure the delivery of electricity and thermal energy to the Port Authority, including bearing the cost of repair or replacement of certain plant equipment and back-up service to maintain continuity during outages associated with equipment failure. The profit-sharing arrangement with KIAC compensates KIAC for financial risks associated with unplanned repairs and outages, as well as KIAC's role in managing the plant's access to the merchant market for the sale of excess electricity generated by the plant. The proposed transaction was subject to a third-

party assessment, which determined the terms to be reasonable and commensurate with industry standards.

The O&M Agreement also would provide for KIAC, at the Port Authority's request, to make capital investments, at an estimated cost of up to \$250 million. Such capital investments would include the replacement of critical electrical infrastructure and certain facility expansions necessary to meet a growing load, as required by the redevelopment of JFK. It is anticipated that the funds required to undertake such capital investments would be borrowed by KIAC. Debt service associated with KIAC's capital investment would be reimbursed by the Port Authority as a special obligation of the Port Authority, payable from funds deposited into the Consolidated Bond Reserve Fund. Under the O&M agreement, KIAC would be required to conduct all manufacturer-recommended maintenance to extend the useful life of the cogeneration plant through the 2035 lease term.

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

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into the following agreements to amend and extend existing agreements with Kennedy International Airport Cogeneration Partners (KIAC) for KIAC to continue to provide electricity to John F. Kennedy International Airport (JFK) and heating and cooling services to the Central Terminal Area at JFK, for a term of 15 years, with three, three-year extension options: (1) an Operations and Maintenance Agreement related to the operation by KIAC of a cogeneration facility, a central heating and refrigeration plant, and a thermal energy distribution system at JFK; (2) an Amended and Restated Energy Purchase Agreement related to the sale and purchase of electricity and thermal energy produced by such KIAC facilities; and (3) an Amended and Restated Agreement of Lease relating to the letting by the Port Authority to KIAC of such facilities and related premises at JFK, and the use by KIAC of such facilities and premises; all substantially in accordance with the terms outlined to the Board; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take action with respect to such other contracts and agreements as may be necessary to effectuate the foregoing; and it is further

**RESOLVED**, that the form of all contracts, agreements and other documents in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by General Counsel or his authorized representative.

Whereupon, the meeting was adjourned.

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Secretary