



BOARD OF DIRECTORS MEETING

Minutes of May 15, 2013

The regular meeting of the Board of Directors was held in the first floor Conference Rooms 1A, 1B and 1C at 1 Aviation Circle. The Chairman called the meeting to order at 10:00 a.m. Thirteen Directors were present during the meeting;

Michael A. Curto, Chairman
Thomas M. Davis III, Vice Chairman
Earl Adams, Jr.
Richard S. Carter
Lynn Chapman
Anthony H. Griffin
Barbara Lang

Shirley Robinson Hall
Elaine McConnell
William Shaw McDermott
Warner H. Session
Nina Mitchell Wells
Joslyn N. Williams

The Secretary and Executive Management were present:

John E. Potter, President and Chief Executive Officer
Margaret E. McKeough, Executive Vice President and Chief
Operating Officer

The Chairman welcomed everyone to the May meeting of the Metropolitan Washington Airports Authority Board of Directors.

He began by offering heartfelt condolences to the family of Mrs. Victoria Kong, who had been reported missing on May 3 after arriving at Reagan National. After an extensive search, she had been found a few days later. The Chairman said it is a very sad tragedy and our hearts go out to her family during this trying time. He thanked the volunteers, emergency responders, law enforcement personnel and government agencies that helped in the search.

The Chairman reported that the day's agenda included the award of rental car facilities at Dulles International and some updates on personnel matters. An update on the progress of the Dulles Metrorail project

would also be provided, and the Chairman noted that much had occurred since the last meeting.

When the Board last met the Authority's procurement office was preparing to open and read price proposals from the five pre-qualified offerors seeking to build Phase 2. The Chairman reported that the public opening went very well. All five price proposals were below the Authority's initial estimates for that portion of the project. The lowest-price proposal that day had been submitted by Capital Rail Constructors - a team made up of Clark Construction Group, based in Bethesda, and Kiewit Infrastructure South Company. The Chairman said that the bid of \$1.177 billion offers significant potential savings for the project and speaks to the competitive, open process that was developed for the solicitation of this contract.

The Chairman noted that while Phase 2 approaches kick-off, Phase 1 approaches completion, and an update about the progress would be presented later in the meeting. As Phase 1 gets closer to substantial completion and hand-over to the Washington Metropolitan Area Transit Authority (WMATA) for testing and, ultimately, opening, the excitement will continue to build. The Chairman said that he knew the communities that will be served by the opening of Phase 1 of the Silver Line are looking forward to the jobs and economic development - in addition to the new and convenient transportation options that the Metro will bring. The Authority is also looking forward to it.

I. MINUTES OF THE APRIL 17, 2013 BOARD OF DIRECTORS MEETING

The Chairman then called for the approval of the Minutes of the April 17 Board of Directors Meeting, which were adopted.

II. COMMITTEE REPORTS

a. Audit – Legal Committee – Shirley Hall, Co-Chair

The Audit – Legal Committee report had been presented at the April 17 Meeting. Summary minutes from the April 17 Meeting were included in the materials for the day's Meeting.

b. Business Administration Committee – Warner H. Session,
Chairman

Mr. Session reported that the Business Administration Committee had last met on April 17. At that Meeting, staff had presented a recommendation to award contracts for rental car concessions at Dulles International. The Committee had approved the contract award to seven five-year rental car contracts to companies at Dulles International, which would begin on July 1, to Advantage Rent-a-Car; Avis Rent A Car System, LLC; Budget Rent A Car System, Inc.; Dollar Thrifty Automotive Group, Inc.; Enterprise Leasing Company; The Hertz Corporation; and Vanguard Car Rental USA, Inc.

The successful bidders will pay the Authority over \$82 million for the contract period. The Authority will also collect more than \$11 million in facility rent. The contract also included a 10 percent Airport Concession Disadvantaged Business Enterprise goal. The Committee had discussed ways that the Authority may achieve its goals in an industry where adequate resources did not exist. Mr. Session said that he would offer a resolution on staff's recommendation later in the day's meeting.

Staff had also presented pre-solicitation terms for a fixed base operator (FBO) contract at Reagan National. Paul Malandrino, Vice President and Airport Manager, had reviewed the changes that had occurred with general aviation activity since the September 11, 2001 attacks and how the FBO contractor's gross receipts at Reagan National had been affected during that time. The current contract with Signature Flight Support will expire December 8.

The new contract awarded will be for ten years with one five-year option, and include Local Disadvantaged Business Enterprise participation requirements applicable to the design and construction of capital improvements and for goods and services. The contractor winning the award will pay the Authority the greater of the Minimum Annual Guarantee or a percentage of receipts paid to the FBO. The Committee had concurred with the terms for the pending procurement.

c. Dulles Corridor Committee – Tom Davis, Chairman

Mr. Davis reported that the Dulles Corridor Committee had last met on April 17. Pat Nowakowski, Executive Director of the Metrorail Project, had presented the Dulles Corridor Metrorail Project Monthly Cost Summary and Project Update. He had reported that \$40.3 million had been spent on Phase 1 in February and that the total project budget remained at \$2.905 billion. Mr. Nowakowski had noted that contingency use through January had been \$385.7 million and contingency used/obligated in February had been \$6 million. He had reported that the forecasted substantial completion date is presently September.

Mr. Nowakowski had also reported that the total Phase 1 Project is 96 percent complete. The delivery of the rail cars remained on schedule. The pilot cars would be delivered in February 2014 and the production cars would be delivered in August 2014 through 2015. WMATA will use the existing rail car fleet for initial service on the Silver Line.

Mr. Nowakowski had also reviewed the status of the Phase 2 package A procurement. The Request for Qualifications Information had been issued to all interested teams in July 2012; the five short-listed firms had been selected in October 2012; and the price proposals were expected to be received by April 19. As all were aware, Mr. Davis reported that the low proposal that day had been submitted by Capital Rail Constructors, a team made up of Clark Construction Group and Kiewit Infrastructure South Co.

The Committee had approved recommending to the Board the award of a contract for the Dulles Corridor Metrorail Project – Phase 2 Program Management Support Services to Jacobs Engineering Group (Jacobs). Mr. Davis said that he would offer a resolution later in the day's meeting.

Larry Melton, Project Executive Director of Dulles Transit Partners (DTP), had reported that there had been no environmental issues and safety statistics and recordable incident rates had been much better than those throughout the industry. The substantial completion date had been adjusted to September 6. Clearance cars had been running along the line to check the clearance and dynamic testing had begun. Mr. Melton had also reviewed project milestones – all pedestrian bridges are in place and

installation of cables and terminations are almost complete. The target date for completion of the stations is the middle of June. The third rail had been energized and the ETS/remote monitoring testing had been completed.

Frank Holly, Vice President for Engineering, and Mr. Nowakowski had spoken about the successful professional relationship that they had enjoyed with DTP.

Mark Adams, Deputy Chief Financial Officer, had reported that Toll Road revenues year-to-date (as of March) had been \$29.7 million, an increase of 18.6 percent. Toll transactions had decreased 5.4 percent and electronic payments had increased 4.6 percent, compared to the prior year. Toll Road expenditures of \$6.5 million year-to-date had increased 3 percent from the year before.

d. Finance Committee – Frank M. Conner, Chairman

In Mr. Conner's absence, Chairman Curto reported that the Finance Committee had met earlier that morning and on April 17. In executive session that morning, the Committee had considered changes to the Authority's Retirement Plan. In regular session, the Committee had publicly approved the changes to the Plan. Mr. Curto said that he would offer a resolution later in the day's meeting. Information on the remaining agenda items discussed at the day's Committee Meeting would be provided at the June Board Meeting.

At the April 17 Committee Meeting, the Financial Advisors for the Aviation Enterprise had reported on the upcoming financing. The Committee and Board will consider bond documents on June 19.

The Financial Advisors had also provided an update on the status of the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan process. Since that meeting, the Authority had wired the \$100,000 non-refundable credit processing deposit to the United States Department of Transportation (DOT) to cover the costs for its financial and legal advisors.

Andy Rountree, Vice President and Chief Financial Officer, had reviewed the March 2013 Financial Report for the Aviation Enterprise.

e. Strategic Planning and Development Committee – Lynn Chapman, Chairman

The Strategic Planning and Development Committee report had been presented at the April 17 Meeting. Summary minutes of the April 17 Meeting were included in the materials for the day's Meeting.

III. INFORMATION ITEMS

a. President's Report

Mr. Potter echoed the sentiments of Chairman Curto about Mrs. Victoria Kong. He said that the Authority family is deeply saddened by this tragedy and that everyone's thoughts and prayers are with Mrs. Kong's family as they grieve the loss of their beloved mother and grandmother. Ms. McKeough would provide additional information in the Executive Vice President's report.

As noted by Chairman Curto, Mr. Potter stated that there had been quite a bit of activity regarding rail. He reported that Phase 1 construction is more than 90 percent complete and it remains on schedule for substantial completion later this summer. Phase 2 is progressing as planned. As Mr. Davis has reported, later in the day's meeting, the Board would consider making a contract award for the support services contract for Phase 2 to Jacobs. As previously reported, staff had opened and read price proposals on April 19 from the five qualified teams competing to construct the package A portion of the second phase of the Silver Line. Capital Rail Constructors, a team comprised of Clark Construction Group and Kiewit Infrastructure South Co., had submitted the lowest price proposal – at \$1.177 billion – resulting in a price 20 percent below estimates.

After a thorough review of the Capital Rail Constructors' proposal and receipt of additional documents from the firm, Mr. Potter said he was pleased to announce that the Authority had formally signed and awarded the contract to Capital Rail Constructors on May 15. He believed that

the contract results speak to the thorough and open process that was developed for selection of the Phase 2 construction team. The successful competition brought proposals from some of the most qualified construction teams in the world and has resulted in a favorable construction cost. In addition to the specific design-build contract, there are still cost items for other components of Phase 2 that need to be finalized.

The Authority will continue to pursue financial assistance. On May 13, Governor McDonnell had signed into law the Virginia transportation bill, which includes \$300 million to help keep future tolls down. Mr. Potter said that the Authority continues to work with its partners and with DOT on the TIFIA request. Once all the numbers are confirmed, Authority staff will consider the total impact and would present final cost projections, as well as a prognosis about future toll increases.

Mr. Potter announced that the next Dulles Corridor Advisory Committee meeting would be held on June 20 at 3:00 p.m. at the Fairfax County Government Center.

Mr. Potter stated that the Authority had launched a new radio advertising campaign highlighting the multitude of destinations served nonstop from Dulles International. These 15-second ads – with the tag-line “Dulles International... we’ll take you everywhere” – will highlight the extensive options and opportunities Dulles International offers to the traveling public at Dulles International. Mr. Potter noted that as part of the kick-off campaign, extra focus would be dedicated to the extensive international service that only Dulles International provides to travelers in the region. In 2012, 92.3 percent of international passengers arriving in and out of the metropolitan region had traveled through Dulles International. By comparison, Reagan National had served just 5 percent of the region’s international travel, consisting primarily of moving passengers to and from Canada, followed by Baltimore Washington International, which had served only 2.6 percent. Mr. Potter reported that the Authority planned to promote the numerous domestic destinations Dulles International offers to the regional traveler. The Authority is hopeful that these ads will have positive results.

Mr. Potter reported that the Transportation Security Administration (TSA) wait times at Reagan National continue to grow. Authority staff is

encouraging passengers to allow themselves extra time for arrival at the Airports. An “average wait time” chart had been added to the Reagan webpage to give customers a sense of what they can expect.

At Dulles International, TSA wait times are beginning to increase, particularly during peak travel days on Thursdays and Fridays. Authority staff had also added a similar “average wait time” chart to the Dulles webpage; staff is continuing to monitor the situation closely in an effort to provide accurate feedback to its customers.

The U.S. Customs and Border Protection is also being impacted as a result of staffing effects from sequestration; wait times are also increasing for inbound international passengers as they proceed through the custom screening. Mr. Potter reported that a limited impact had occurred from the Federal Aviation Administration (FAA) furloughs. Most of the impact had resulted from delays at other airports and the ripple effect it had at Reagan National and Dulles International. Broader, industry-wide impacts are also beginning to occur as indicated by some news reports, where many airlines, including some that service Reagan National and Dulles International, had experienced a drop in per-seat revenue in April because of the full fares that provide many government workers the ability to exchange tickets. The reports had indicated that part of the decline is attributable to the sequester, in particular to the effects of the brief FAA furloughs and to the reduction in government travel as federal departments tighten their budgets. Mr. Potter noted that the reduction in government travel is the biggest concern for airport finances, especially at Reagan National and Dulles International where 20 percent of the passengers are either federal employees or contractors working for the federal government.

With respect to the Authority’s progress in addressing the audit by the Department of Transportation’s Inspector General (IG), as previously reported, staff had closed out 10 of the IG’s 12 recommendations. The IG had formally concurred on four of those items and had recognized that they are closed out. Mr. Potter stated that staff would continue to work with the IG to get concurrence on the additional items and that the Authority is on track to close out the final two IG recommendations later this summer, well ahead of its November deadline.

Mr. Potter announced that the 2012 Annual Report, which presents the Authority's accomplishments for 2012, had been provided to Directors at the day's Meeting. The Report will also be available on the Authority's website.

As reported at the day's Finance Committee Meeting, the Authority's external auditor, PriceWaterhouseCoopers, had completed the 2012 audit and had issued an unqualified or "clean" audit opinion on the financial statements for the 2012 calendar year. Mr. Potter thanked the hard work of the finance department and others who worked on these reports, as well as the guidance from the Audit Committee throughout the process. He noted that the designation of a "clean" audit is an accomplishment to be celebrated. Mr. Potter said that he greatly appreciated the time and hard work that had led to the results.

Ms. Hall inquired whether the Authority can limit airlines' charges for the various services to passengers, such as carry-on luggage checked before arrival or after arriving at the airport, as well as fees for refreshments, and other incidental items. Mr. Potter responded that the Authority did not regulate the fees; the traveling public is responsible for its choices about specific airlines and associated services for fees. Ultimately, it would be the responsibility of the Congress and others that regulate the industry to intervene.

In light of the recent award of the Phase 2 construction contract for the above ground station, Ms. Hall reflected on the Board's extensive discussions about the Phase 2 design for the underground versus above ground station at Dulles International. Once the bids had been received, she said she had compared the costs of the two different options. Ms. Hall noted that the winning bid of \$1.178 billion, compared to the original projected cost of \$3.8 billion for the underground station, had later been decreased to \$2.7 billion. She noted that the difference between the original underground station and the recent contract award totaled approximately \$1.5 billion. Ms. Hall stated that she had revisited the cost discussions in light of the savings as a result of the recent contract award, the Authority could have approved a more attractive and convenient alternative for travelers using the Dulles station.

Mr. Potter explained that the earlier estimate of the total cost of the Phase 2 project had been \$3.8 billion. Frank Holly, Vice President for Engineering, had led an engineering effort that had reduced the project cost to \$3.5 billion. In an effort to further reduce costs, the design had changed from below ground to above ground, which had resulted in an additional savings of approximately \$300 million. The revised cost of the total project was then estimated at \$3.2 billion. Mr. Potter stated that because the costs had still been too high, the counties had assumed the costs of the garages and the Route 28 station. With those reductions, totaling \$400 million, the remaining cost to complete Phase 2 had been estimated at \$2.8 billion. Mr. Potter explained that the recent contract award represented only “package A”, which is a construction contract for the stations and the rail line from Wiehle Avenue to Route 772; its estimated cost had been \$1.14 billion. He noted that there are separate contracts for Jacobs to provide program support services, the train yard, railcars and additional management costs that are included as part of the overall project cost. The competed and awarded contract to Capital Rail Constructors had yielded a differential of approximately \$250 million. Mr. Potter said that despite the savings, there is still a huge burden placed on the tax districts and the counties that will pay for the project. The Authority will be responsible for 4.1 percent of the project, and the lowered project cost will result in a positive impact for the Dulles Toll Road payers. Staff would continue to focus on alternatives to drive down costs for the funding partners and toll payers by identifying additional financing. The new legislation recently signed by Governor McDonnell would help substantially, and the Authority will continue to work with DOT to maximize potential TIFIA funds at a favorable loan rate for the project to further minimize costs to all.

Mr. Davis stated that the Authority’s funding partners had strong views regarding the location of the station. He noted that the Commonwealth’s additional \$450 million funding would likely had not occurred if a decision had been made to retain an underground station. Mr. Davis recalled the Secretary of Transportation’s intervention regarding the decision about the station location, which was conditioned on TIFIA funding.

b. Executive Vice President's Report

Ms. McKeough provided additional information on the Authority's search process and assistance provided to the Kong family. She reported that Authority staff had learned of Mrs. Kong's missing status after her arrival at Reagan National on May 3. The Public Safety staff had begun searching the Airport campus and terminal facilities. Airports Authority Police and Operations teams had utilized the vast security camera system to review recorded video, which had revealed that Mrs. Kong had left the Airport and had begun walking north along the Mount Vernon trail adjacent to the George Washington Parkway. Ms. McKeough noted that since the Authority's camera system ends at the perimeter of the Airport's property, Ms. Kong was last viewed as she proceeded north along the George Washington Parkway. The recorded footage from the cameras had indicated that the protocols of the search needed to be expanded so a number of surrounding jurisdictions, including the U.S. National Park Service, had been contacted. During the weekend the search had been expanded to cover a broader geographic area; many local jurisdictions participated, as well as support from special resources for search assistance as far away as Shenandoah Valley and Spotsylvania County. A very collaborative mutual aid support effort had been launched; missing person alerts had also been issued. Ms. McKeough said that all had been deeply saddened with the outcome and expressed sympathy to Mrs. Kong's family.

Ms. McKeough reported that a successful emergency preparedness drill, required by the FAA, had recently been completed at Dulles International. The same exercise would be held at Reagan National in September. Ms. McKeough stated that the Authority had received a great deal of support from its mutual aid partners. More than 100 volunteers had participated in a re-enactment exercise of a potential real situation of an emergency disaster involving a collision of a fuel truck and a taxiing aircraft at the west end of the Airport. An additional mock disaster had occurred simultaneously on the west end when a simulated accident requiring injured passengers to be evacuated from a 767 aircraft. Ms. McKeough noted that responders from Fairfax County had recorded the events from a helicopter so that participants could study the exercise and learn from it. The exercise is extremely helpful, particularly in the event that similar emergencies occurred in the future. Ms. McKeough

thanked all who had participated and helped with the preparation of the exercise.

Ms. McKeough reported on the new customer service enhancements at Dulles International. Travelers who use the valet parking service can also have their vehicles washed and detailed. They can also take advantage of a newly-offered dry cleaning service while traveling. Both Airports are working on plans to implement a parking reservation system should patrons be interested in securing a parking space in advance of travel. More information will be provided in the next couple of months once the details of the plans are finalized.

As a follow up to Mr. Carter's request, Ms. McKeough reported that staff is researching the ability for passengers to make payments at Reagan National and Dulles International using their smartphones. She noted that staff is continuing to study the capabilities of the Authority's existing technology.

Ms. McKeough reported that DOT had approved a new travel option, expected to begin before August, to permit Southwest Airlines to operate direct daily service from Reagan National to Houston Hobby. With this new service, Southwest Airlines, together with Air Tran, will offer 16 daily flights that depart from Reagan National.

Beginning June 17, Brussels Airlines will offer service from Dulles International five times per week. Aeroflot Airlines will increase its frequency to Moscow to three times weekly, beginning June 8. Also on June 8, United Airlines will begin its weekend service to Vancouver, Canada. Later in the summer, United Airlines will offer seasonal flights to Quebec City.

Ms. McKeough reported that the construction activity in Terminal A at Reagan National is progressing well. It is expected to conclude before the holiday season.

Ms. McKeough reported that throughout the U.S. aviation industry, there had been an average increase in passengers of 1 percent in March. The Authority's combined system had resulted in an increase of passengers of almost 2.4 percent. Ms. McKeough noted that the trend line behind

this growth had been largely due to an increase in domestic service at Reagan National and an increase of international service at Dulles International. With the completion of the first quarter of the fiscal year, there had been a 2 percent increase in passenger levels generated by the increased activity at both Airports. Ms. McKeough noted that cargo activity had declined about 10 percent in the first quarter of 2013, which is consistent with the profile of the type of cargo handled at Dulles International.

Mr. Adams inquired about the lessons the Authority had learned from the unfortunate tragedy of Mrs. Kong. Ms. McKeough stated that information on traveler assistance services would be added to the Authority website, as well as distributed to tenants and personnel at the Airports, to ensure that all are aware of the support services available when traveling through the Airports. She noted that the Offices of Public Safety and Operations are preparing their customary post-incident analysis. Mr. Adams stated that he would like to review the results of the report, as appropriate.

IV. NEW BUSINESS

a. Recommendation to Award Contracts for Rental Car Concessions at Dulles International

Mr. Session moved the adoption of the following resolution, which was unanimously approved:

WHEREAS, an Invitation for Bids (IFB) for the rental car concession at Washington Dulles International Airport was approved by the Business Administration Committee in September 2012;

WHEREAS, the IFB required each rental car concessionaire to bid a minimum annual guarantee for each of the five years of the contract term, with the contract award to be made to up to seven responsive bidders who submitted the highest total minimum annual guarantee bids for the five-year term;

WHEREAS, bids from seven rental car companies were received and all seven companies were responsive to the terms of the IFB;

WHEREAS, the minimum guarantees from the seven rental car companies over the five years of the contract total \$82,356,332;

WHEREAS, all of the companies have committed to pay the greater of the minimum annual guarantee or 10 percent of gross receipts, as well as to pay rent totaling \$11,324,625 for those ready/return and service facilities that have been fully amortized and to which the Authority has title; and

WHEREAS, all of the companies have also committed to the contract's goal that Airport Concession Disadvantaged Business Enterprises (ACDBE) participation equivalent to at least 10 percent of annual gross receipts may be obtained by purchasing goods and services from ACDBE; now, therefore, be it

RESOLVED, That the following seven rental car companies are selected to operate rental car concessions at Washington Dulles International Airport for five-year terms, effective July 1, 2013:

Advantage Rent-a-Car
Avis Rent A Car System, LLC
Budget Rent A Car System, Inc.
Dollar Thrifty Automotive Group, Inc. (Dollar & Thrifty)
Enterprise Leasing Company
The Hertz Corporation
Vanguard Car Rental USA, Inc. (Alamo & National)

2. That the President and Chief Executive Officer is authorized to enter into concession contracts with the seven rental car companies listed above, consistent with the terms presented to the Business Administration Committee at its April 17, 2013 Meeting.

The final resolution filed in the Board of Directors Office includes a copy of the staff recommendation paper.

b. Recommendation to Award a Contract for the Dulles Corridor Metrorail Project – Phase 2 Program Management Support Services

Mr. Davis moved the adoption of the following resolution, which was unanimously approved:

WHEREAS, Phase 2 of the Dulles Corridor Metrorail Project (Project) requires program management support services, similar to those required for Phase 1 of the Project, during all phases of the work, including procurement, engineering and construction;

WHEREAS, The Dulles Corridor Committee in September 2012 concurred in the pre-solicitation report for the procurement of program management support services for Phase 2 of the Project, which provided for the issuance of a Request for Qualifications Information;

WHEREAS, An Evaluation Committee has reviewed the submittals of Qualifications Statements and has recommended the award to Jacobs Engineering Group;

WHEREAS, The Dulles Corridor Committee is satisfied with the results of the competitive procurement process, as presented at its April 17, 2013 meeting; now, therefore, be it

RESOLVED, That the President and Chief Executive Officer is authorized and directed to enter into a five-year contract, with three one-year extension options, with Jacobs Engineering Group, consistent with the terms presented to the Dulles Corridor Committee at its April 17, 2013 meeting.

The final resolution filed in the Board of Directors Office includes a copy of the staff recommendation paper.

c. Recommendation to Approve Changes to the Authority's Retirement Plans

Chairman Curto moved the adoption of the following resolution, which was unanimously approved:

WHEREAS, the Metropolitan Washington Airports Authority maintains a number of retirement plans for its employees: two of these are defined benefit retirement plans – the Metropolitan Washington Airports Authority Retirement Plan and the Metropolitan Washington Airports Authority Retirement Plan for Police Officers and Firefighters (collectively, the “Retirement Plans”); one is a defined contribution plan – the Metropolitan Washington Airports Authority Retirement Savings Plan (the “Retirement Savings Plan”); and another is a supplemental retirement plan for executive employees – the Supplemental Executive Retirement Plan (the “SERP”);

WHEREAS, the Retirement Plans are intended to meet the requirements for qualification under Section 401(a) of the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”);

WHEREAS, the Airports Authority desires to amend and restate the plan documents for the Retirement Plans in order to clarify certain plan provisions and to incorporate changes necessary for the Retirement Plans to retain their qualification under Section 401(a) of the Internal Revenue Code;

WHEREAS, these amended and restated plan documents for the Retirement Plans (“Amended and Restated Plan Documents for Retirement Plans”) have been presented to and reviewed by the staff Retirement Program Committee at its April 2013 meeting and the Board’s Finance Committee at its May 2013 meeting, and both Committees have recommended approval of these plan documents by the Board;

WHEREAS, the Airports Authority desires to amend the Retirement Savings Plan, which is governed by Section 457(b) of the Internal Revenue Code, and to establish a new supplemental defined contribution retirement plan under Section 401(a) of the Internal Revenue Code (the "Supplemental Savings Plan") in order for the Airports Authority's matching contributions – the contributions it makes to match, fully or partially, the contributions that employees elect to make under the Retirement Savings Plan – no longer to be made under the Retirement Savings Plan, but instead under the new Supplemental Savings Plan;

WHEREAS, this amendment to the Retirement Savings Plan (the "Retirement Savings Plan Amendment") and a plan document establishing this new Supplemental Retirement Savings Plan (the "Plan Document for Supplemental Savings Plan") have been presented to and reviewed by the Finance Committee at its May 2013 meeting, and the Committee has recommended approval of the amendment and plan document by the Board; and

WHEREAS, the Finance Committee has further recommended that the SERP be discontinued and terminated, and that the balances of all SERP accounts be distributed to the plan participants; now, therefore, be it

RESOLVED, that the Amended and Restated Plan Documents for Retirement Plans, the Retirement Savings Plan Amendment, and the Plan Document for Supplemental Savings Plan are approved and adopted;

2. That the President and Chief Executive Officer is authorized and directed (i) to submit the Amended and Restated Plan Documents for Retirement Plans and the Plan Document for Supplemental Savings Plan to the Internal Revenue Service for review and a determination that each plan document, as well as the plan addressed by the document, complies with and is qualified under Section 401(a) of the Internal Revenue Code, and (ii) to take any other

actions that are necessary or desirable to obtain such a determination from the Internal Revenue Service, including without limitation the preparation and submission of other documents, forms or materials pertinent to the Internal Revenue Service's review and determination; and

3. That the SERP is hereby discontinued and terminated, effective as of the date of this Resolution, and that the President and Chief Executive Officer is authorized and directed to take all steps necessary and desirable to terminate the SERP and to cause the balances in each SERP account, existing as of the plan's termination, to be distributed to the corresponding plan participant.

The final resolution filed in the Board of Directors Office includes a copy of the staff recommendation paper.

d. Personnel Matters

Mr. Potter presented the two candidates to fill the Vice President positions – Goutam Kundu, Vice President for Technology, and Anthony Vegliante, Vice President for Human Resources.

Mr. Kundu is a seasoned professional with broad expertise in information technology who has successfully managed large scale IT operations. His work experience includes executive positions at the U.S. Mint, NIIT Technologies, the Washington Suburban Sanitary Commission and Farm Bureau Insurance. Mr. Kundu earned his bachelor's degrees in computer science and technology from the University of Calcutta and his master's degree in business administration from Indiana University Kelley School of Business. He had expressed enthusiasm for enhancing the Authority's IT infrastructure and evolving the digital footprint to match the changing needs and habits of the traveling public.

Mr. Vegliante has directed human resources for more than 600,000 employees and participated in 20 national labor negotiations at the U.S. Postal Service, the second largest employer in the country. In 2010, he was elected a fellow of the National Academy of Human Resources, the first public sector executive to receive the honor. Mr. Vegliante earned

his bachelor's degree from the University of Rhode Island. He is a graduate of the University of Southern California Executive Management Program and has a master's of science in business education from the University of Bridgeport and a master's of science in industrial relations from the University of New Haven. Mr. Vegliante will continue to enhance and empower the Authority's workforce.

Chairman Curto offered a motion to approve the selection of the both candidates. The Board unanimously approved Goutam Kundu as the Vice President for Technology and Anthony Vegliante as the Vice President for Human Resources.

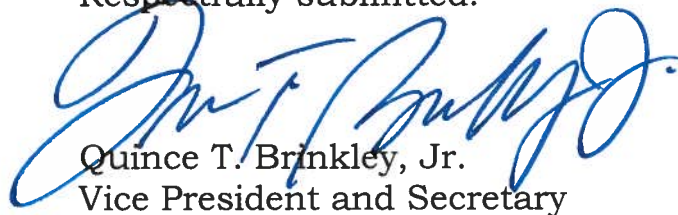
V. UNFINISHED BUSINESS

There was not any unfinished business.

VI. OTHER BUSINESS & ADJOURNMENT

The Meeting was thereupon adjourned at 10:26 a.m.

Respectfully submitted:

A handwritten signature in blue ink, appearing to read "Quince T. Brinkley, Jr.", is written over the printed name and title.

Quince T. Brinkley, Jr.
Vice President and Secretary