

BOARD OF DIRECTORS MEETING

Minutes of October 18, 2017

The regular meeting of the Board of Directors was held in the Fifth Floor Conference Rooms at Two Potomac Yard, 2733 Crystal Drive, Arlington, VA. The Chairman called the meeting to order at 9:45 a.m. Sixteen Directors were present during the meeting:

William Shaw McDermott, Chairman	A. Bradley Mims
Warner H. Session, Vice Chairman	Thorn Pozen
Earl Adams, Jr.	David G. Speck
Anthony H. Griffin	William E. Sudow
Katherine A. Hanley	J. Walter Tejada
Barbara B. Lang	Mark E. Uncapher
Robert W. Lazaro, Jr.	Nina Mitchell Wells
Caren Merrick	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
Jerome L. Davis, Executive Vice President and Chief Revenue
Officer

I. MINUTES OF THE SEPTEMBER 20, 2017 BOARD OF DIRECTORS MEETING

The Chairman called for the approval of the Minutes of the September 20, 2017 Board of Directors Meeting, which were unanimously approved.

II. COMMITTEE REPORTS

a. Business Administration Committee – Warner H. Session, Co-Chair

Mr. Session reported that the Business Administration Committee had met that morning. The Committee had endorsed the recommendation and approved an agreement for the Airports Authority to reimburse United Airlines (United) for the refurbishment of three bag claim carousels in the Midfield Concourse C Federal Inspections Services Facility at Washington Dulles International Airport (Dulles International). Mr. Session stated that he would offer a resolution later in the meeting. The Committee had concurred with the pre-solicitation terms for ground transportation curbside management services at Ronald Reagan Washington National Airport (Reagan National) and Dulles International.

b. Dulles Corridor Committee – Katherine K. Hanley, Co-Chair

Ms. Hanley reported that the Dulles Corridor Committee had met that morning and received two reports [on Phase 2] – the Dulles Corridor Metrorail Project (Project) monthly cost and schedule update and the Capital Rail Constructors' quarterly update on Package A.

c. Nominations Committee – Caren Merrick, Chair

Ms. Merrick reported that the Nominations Committee had held its first meeting of 2017 on September 20, and Members of the Committee had elected her to serve as its Chair. The Committee had reviewed the schedule that it will follow for reporting nominations of one or more candidates for Chairman, Vice Chairman and Secretary at the November 15 Annual Board Meeting.

d. Strategic Development Committee – Barbara Lang, Co-Chair

Ms. Lang reported that the Strategic Development Committee had met that morning. The Committee had endorsed the recommendation to award a contract for an architectural/engineering/ planning consultant for airport planning tasks services for the Airports Authority. Ms. Lang stated that she would offer a resolution later in the meeting. Staff had also presented an update on Project Journey.

III. INFORMATION ITEMS

a. President's Report

Mr. Potter stated that the day's report would focus on recognition. As many were aware, 2017 marks the 30th anniversary of the Airports Authority and its mission of service to the communities of the region and to the traveling public. Mr. Potter stated that Ms. McKeough was recognized in this month's *Washingtonian* magazine and featured on the annual list of the most powerful women in Washington. He further stated that more than a hundred of the area's most influential women in government, business, law, education, media, non-profit organizations, and the arts were featured. Other women recognized by *Washingtonian* magazine included District of Columbia Mayor Muriel Bowser, Congresswoman Barbara Comstock of Virginia, and Eleanor Holmes Norton of the District (and Fairfax County Board of Supervisors Chair Sharon Bulova). Mr. Potter stated that it is quite gratifying to know that Ms. McKeough's leadership, which everyone at the Airports Authority is familiar with, is being acknowledged by a major magazine. He congratulated Ms. McKeough on the well-deserved honor, and she received a round of applause.

Mr. Potter also recognized the Airports Authority team for two recent major community events. The annual Dulles Day and Plane Pull, held on September 23 which marked the 25th anniversary of the event, attracted almost 12,000 attendees. Mr. Potter reported that the day's event, filled with 5K and 10K runs on the runway, family fun, great food and music, raised more than \$375,000 for the Special Olympics of Virginia and other good causes. He thanked the partners who worked together to stage the event, including United and FedEx for the airplanes, the Committee of Dulles and Washington Airports Task Force (Task Force), along with hundreds of volunteers from the Airports Authority and other organizations. Mr. Potter extended a special thanks to Brian Leuck, Acting Vice President and Airport Manager at Dulles International; Bryan Norwood, Vice President for Public Safety; and their entire teams. Dulles International had also served as the key sponsor of the annual Loudoun County Charity Golf Classic, which supports the United Way of the National Capital Area and the Loudoun Regional Council. In addition to sponsoring the [September 28] event, a number of Airports Authority employees volunteered and several employees also played in the golf tournament. Mr. Potter thanked Director Tony Griffin, who also played in the tournament. He also thanked Mr. Leuck and his team for their

efforts in the Loudoun County Charity Golf Classic, which raised more than \$46,000 to help make the community a better place through the United Way.

Mr. Potter reported that the Airports Authority would be recognized the following day when the Task Force would award its Williams Trophy named for Carrington Williams, the group's founding Chairman, to the organization. Other recipients of the Williams Trophy include former Virginia Governor Linwood Holton; former U.S. Transportation Secretary Elizabeth Dole, Norman Mineta, and Ray LaHood; the Chief Executive Officers of Southwest and Jet Blue Airlines; Jim Wilding, the Airports Authority's first President; and astronaut and Senator John Glenn. Mr. Potter stated that the Task Force is citing the Airports Authority's progress made in recent years with improvements to its facilities and the efforts on making Dulles International more competitive and the overall strengthening of its public image. He thanked and congratulated all of the Airports Authority employees for embracing the recommendations contained in the 2012 Inspector General's report and rebuilding the Airports Authority's corporate reputation.

Mr. Potter officially declared the day as a celebration of the Airports Authority's 30th anniversary and dedicated the remainder of the meeting and other corporate events that the Airports Authority would host throughout the year to honoring an amazing team. He stated that more than 50 employees have been with the Airports Authority from its very beginning in 1987. Mr. Potter noted that several employees were even employed by the Federal Aviation Administration, which ran Reagan National and Dulles International until they were transferred to the Airports Authority. He introduced those employees and asked them to stand if they were in attendance. A complete list of the employees is attached (Attachment A). The employees received a round of applause. Mr. Potter thanked and congratulated the employees for their amazing level of dedication and service, as well as their countless contributions and achievements throughout the years. He stated that visionary leaders created the Airports Authority and managed its organization and growth. Individuals such as Mrs. Dole, Mr. Wilding, and the Directors who served on the Board when the organization was newly created shared their vision with the first group of employees, which contributed to the Airports Authority's success. Mr. Potter stated that the results of their dedication, talents, and spirit of teamwork and service are reflected in the facilities at both Airports and in the level of service that customers receive daily. He shared a short video, featuring several of the Airports

Authority's longer-serving colleagues, who spoke about the growth and changes they had witnessed at both Airports, their reactions to the September 11, 2001 tragic event, and their fondness of and dedication to the Airports Authority. The video was well received by the audience. For the link to review the video presented during the Board Meeting, click <https://adobe.ly/2gq5fLO>.

Mr. Potter thanked all of the stars of the videos. He also extended thanks to Ashley Luke, the Airports Authority's videographer, as well as Pam Alme, Marketing Manager, and Andrew Trull of the Media Relations group. Mr. Potter stated that the day's meeting would close with a few additional words from two members of the 30-year team who were not featured in the video, Valerie O'Hara from the Office of Finance and Dominic DePaolis from the Office of Public Safety, and one of the stars from the video, Alvin Owens, Reagan National's locksmith. Ms. O'Hara shared memories from her 1987 interview that were filled with excitement and promise, as well as some of the Airports Authority's successful financial accomplishments during her 30-year career. Deputy Fire Chief DePaolis spoke about the growth of Dulles International and how proud he is to be a part of the Airports Authority. Mr. Owens thanked and praised the Directors representing the District of Columbia, where he resided. He also thanked the Board for appointing Mr. Wilding, former CEO Jim Bennett, and Mr. Potter. The three employees who offered remarks, as well as the other employees recognized, received another round of applause.

Chairman McDermott characterized the video and employees' remarks as exhilarating. He thanked them for their spirit of innovation, longevity, and outstanding work.

Mr. Potter announced that 30th anniversary cupcakes were available and invited attendees to take one as they exited the conference room.

IV. NEW BUSINESS

- a. Recommendation to Approve an Agreement for the Airports Authority to Reimburse United Airlines for Refurbishment of Three Bag Claim Carousels in the Midfield Concourse C Federal Inspections Services Facility at Washington Dulles International Airport

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

WHEREAS, The bag claim carousels in the Federal Inspections Services (FIS) facility _ in Concourse C at Washington Dulles International Airport (Dulles International) serve United Airline's (United) arriving international passengers who are connecting to other United fights;

WHEREAS, The Airports Authority's Capital Construction Program includes a rehabilitation project for the bag claim services;

WHEREAS, Staff has recommended that a reimbursement agreement be entered with United under which the airline will undertake the rehabilitation of three bag claim carousels in the FIS facility using its own employees, and the Airports Authority would reimburse it only for the costs it incurs in purchasing parts and materials, with a not-to-exceed limit of \$600,000;

WHEREAS, United will be required to submit originals of all paid invoices with a detailed accounting of the payments it has made before the Airports Authority will issue any reimbursements;

WHEREAS, United will convey title to the improvements to the Airports Authority upon the Airports Authority's acceptance of the airline's completed work; and

WHEREAS, Reimbursing United for this work on behalf of the Airports Authority is consistent with Section 1.4.1(2) of the Contracting Manual; now, therefore, be it

RESOLVED, That the President and Chief Executive Officer is authorized and directed to enter into an agreement with United pursuant to which the Airports Authority will reimburse United in an amount not to exceed \$600,000 for the costs of the parts and materials the airline purchases for the refurbishment of three bag claim carousels in the FIS facility at Dulles International, consistent with the terms presented to the Business Administration Committee at its October 18, 2017 meeting.

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

b. Recommendation to Exercise an Option Year for the Medical, Dental, and Prescription Drug Benefit Plans for Employees and Retirees

Mr. Griffin moved the adoption of the following resolution, which was unanimously adopted by all 14 Directors present (Adams and Pozen were not seated at the table):

WHEREAS, The Airports Authority competitively bid the Medical, Dental, and Prescription Drug Plans for active employees and retirees in 2014;

WHEREAS, Contracts were awarded, effective January 1, 2015, for a three-year base term, with additional option years exercisable at the Airports Authority's discretion;

WHEREAS, These contracts are with UnitedHealthcare and Kaiser Permanente for the provision of Group Medical insurance plans, with CVS Caremark for the provision of a Prescription Drug coverage plan, and with Metropolitan Life Insurance Company for the provision of Dental insurance plans for Airports Authority employees and retirees (collectively, Contracts);

WHEREAS, Providers in the healthcare marketplace do not generally provide a fixed price for healthcare contracts beyond the contracts' initial base period;

WHEREAS, Consistent with this industry practice, the Contracts that were awarded effective January 1, 2015, do not contain a fixed, or any other, price for its option years;

WHEREAS, The exercise of a contract's unpriced option years are viewed as sole-source procurement actions under the Airports Authority's Contracting Manual and require Board of Directors' approval if the cost of exercising the option exceeds \$200,000; and

WHEREAS, The Airports Authority's estimated cost of exercising a one-year option under all of the Contracts is \$26.4 million, thereby requiring Board approval of extending the Contracts for an additional year; now, therefore, be it

RESOLVED, That the President and Chief Executive Officer is authorized to execute a one-year extension for each of the Contracts, effective January 1, 2018, consistent with the terms and conditions presented to the Human Resources Committee at its October 2017 meeting.

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

- c. Recommendation to Award a Contract for an Architectural/Engineering/Planning Consultant for Airport Planning Task Services for the Metropolitan Washington Airports Authority

Ms. Lang moved the adoption of the following resolution, which was unanimously adopted:

WHEREAS, In May 2017, staff presented, and the Strategic Development Committee concurred with, pre-solicitation terms for a qualification-based full-and-open-competition procurement for airport planning support services;

WHEREAS, In June 2017, a Request for Qualifications Information (RFQI) was issued; and

WHEREAS, On October 17, the Strategic Development Committee received the results of the evaluation of the firms that responded to the RFQI, and recommended that the

Board of Directors approve the selection of Ricondo and Associates; now, therefore, be it

RESOLVED, That the selection of Ricondo and Associates to provide task architectural/engineering/planning services to supplement the Office of Engineering's planning tasks for a term of three years with one two-year option period at an estimated not-to-exceed annual cost of \$2.5 million, and with a 25 percent Local Disadvantaged Business Enterprise participation requirement, is approved; and

2. That the President and Chief Executive Officer is authorized to execute a contract with Ricondo and Associates for the provision of these task architectural/engineering/planning services, consistent with the contract terms and conditions presented to the Strategic Development Committee on October 18, 2017.

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

VI. OTHER BUSINESS & ADJOURNMENT

The Meeting was thereupon adjourned at 10:20 a.m.

Respectfully submitted:

Monica R. Hargrove
Vice President and Secretary

Attachment A

October 18, 2017 Board of Directors Meeting
Employees Recognized for Years of Service

43 Years

Jackie George – Reagan National – Sign Shop

38 Years

Donna Bayliss – Reagan National – Airport Operations Secretary
Alvin Owens – Reagan National – Locksmith

36 Years

Jennifer Howard – Corporate Offices – Compensation Specialist

35 Years

Ella Pickett – Dulles International – Mobile Lounge Operator
John Zambanini – Dulles International – Ramp Control Dispatcher

34 Years

Gary Howke – Dulles International – Utility Services Manager
Ralph Sellers – Reagan National – Shift Supervisor
Dave Stortzum – Reagan National – Heat and Cooling Plant Operator

33 Years

Randy Coates – Dulles International – Materials Coordinator
Frankie Haynes – Reagan National – Mechanic, Structural Maintenance
Kathy Ruhl – Corporate Offices - Deputy Manager, Aviation Enterprise
Toni Williams – Reagan National – Administrative Technician

32 Years

James Brill – Dulles International – Heavy Equipment Supervisor
Deputy Fire Chief Dominic DePaolis – Dulles International
George Dorsey – Reagan National – Paint Shop Supervisor
Joe Jenkins – Dulles International – Mobile Lounge Operator
Steve Ludtke – Dulles International – Structures Mechanic
Sam Riley – Dulles International – Administrative Technician

31 Years

Dale Ballengee – Dulles International – Heavy Equipment Mechanic
Michael Butler – Reagan National – Operations
Sidney Conway – Reagan National – Warehouse Supervisor
Dale Fitzwater – Dulles International – Structural Maintenance Mechanic
Police Major Brian Kaisler – Dulles International
Jim Needham – Reagan National – Construction Engineer
Bill Ponchock – Dulles International - Mobile Lounge Operator
Ronnie Sandretzky – Dulles International – Locksmith
David Tucker – Corporate Offices – Bonds Accountant

30 Years

Rita Alston – Corporate Offices – Budget Manager
Karl Anzengruber – Dulles International – Mechanic
Jewel Belle – Corporate Offices – Secretary and Receptionist
Kyle Brown – Reagan National – A/C Mechanic
Darrin Cooper – Dulles International – Contracts Service Coordinator
Assistant Chief Mike Defina – Reagan National – Fire
Frank Develin – Reagan National – Maintenance Engineering Manager
Lieutenant Roscoe Evans – Dulles International – Police
Karen Grymes – Corporate Offices – Administrative Assistant
Dave Jones – Dulles International – Heavy Equipment Operator
Tim Lovett – Dulles International – Mechanic
Captain Brian Lowman – Dulles International – Fire
Lisa Makle-Brooks – Corporate Offices – Assistant Secretary
Battalion Chief Bobby Mott – Reagan National – Fire
Rick Myrah – Dulles International – Procurement Contracts Manager
John Ohanian – Dulles International – Electrical Services Manager
Valerie O'Hara – Corporate Offices – Debt Manager
Jim Richards – Dulles International – Plumbing Supervisor
William Robinson – Dulles International – Heavy Equipment Operator
Scott Taylor – Dulles International – Heavy Equipment Mechanic
Richard Turner – Reagan National – Airport Architect
Kathy Willey – Reagan National – Airport Administration Manager