



BOARD OF DIRECTORS MEETING

Minutes of October 15, 2014

The regular meeting of the Board of Directors was held in Conference Rooms A and B at Washington Dulles International Airport. The Chairman called the meeting to order at 9:37 a.m. Fifteen Directors were present during the meeting:

Frank M. Conner III, Chairman	Anthony H. Griffin
Warner H. Session, Vice Chairman	Shirley Robinson Hall
Earl Adams, Jr.	Richard A. Kennedy
Richard S. Carter	Barbara Lang
Lynn Chapman	William Shaw McDermott
Michael A. Curto	Caren Merrick
Thomas M. Davis III	Nina Mitchell Wells
Bruce A. Gates	

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

Mr. Conner opened the day's meeting by announcing that it would be the last Board Meeting for The Honorable Tom Davis. He expressed appreciation for Mr. Davis' contributions to the Authority and the region. Mr. Conner stated that Mr. Davis had recently joined the George Mason University's Board of Visitors. He noted that Mr. Davis had been a great addition to the Board and his credibility had helped the Authority through difficult times.

Mr. Davis received a standing ovation. He thanked Mr. Conner for his kind words and stated that although the Board had encountered some difficult times, particularly with respect to the Dulles Metrorail Project (Project), it had come together. While it had not been easy, Mr. Davis stated that the Project had ended in the right place and he believed that the Project is in good hands.

I. MINUTES OF THE SEPTEMBER 17, 2014 BOARD OF DIRECTORS MEETING

The Chairman called for the approval of the Minutes of the September 17, 2014 Board of Directors Meeting, which were unanimously adopted.

II. COMMITTEE REPORTS

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

Mr. Session reported that the Business Administration Committee had last met September 17. Staff had presented a recommendation for custodial services at Reagan National, which the Committee and Board of Directors had approved that day. Staff had also presented the following informational reports: Small Business Contracting Summary (for the second quarter of 2014); Quarterly Acquisition; and Implementation of the Office of Technology Strategic Plan.

The Committee had approved the staff recommendation to award a contract for the purchase and delivery of unleaded gasoline to Petroleum Traders, Inc. for both Airports. Mr. Session reported that the Board would consider the recommendation later that day.

b. Dulles Corridor Committee – Tom Davis, Co-Chair

Mr. Davis reported that the Dulles Corridor Committee had met September 17 and that morning. Staff had presented the Dulles Corridor Metrorail Project Monthly Cost and Schedule Update for Phases 1 and 2.

Mr. Davis noted that information from the day's Meeting would be provided next month.

c. Finance Committee – Caren Merrick, Co-Chair

Ms. Merrick reported that the Finance Committee had last met September 17. Staff had presented a recommendation to approve the proposed resolution authorizing the direct purchase of bonds for the Airport System Revenue Variable Rate Bonds, Series 2010D and the Airport System Revenue and Refunding Variable Rate Bonds, Series 2011B. The Committee and Board had approved the recommendation that day. Staff had also presented the following informational reports:

Financial Advisors' Reports for both Enterprises; August 2014 Financial Reports for both Enterprises; Budget Reprogrammings for the Second Quarter of 2014; and Quarterly Report on Investment Programs for the Second Quarter of 2014.

d. Human Resources Committee – Bruce Gates, Co-Chair

Mr. Gates reported that the Human Resources Committee had last met September 17. Staff had presented the Authority's Workforce Planning and Development strategy.

e. Risk Management Committee – Earl Adams, Jr., Co-Chair

Mr. Adams reported that the Risk Management Committee had last met September 17. In executive session staff had presented a report of pending and recently closed litigation involving the Authority; no action had been taken. In regular session staff had presented a recommendation to approve the Office of Audit Charter, which the Committee and Board had approved that day. Staff had also presented the results of audits on four rental car contracts at both Airports and on shuttle bus maintenance.

f. Strategic Development Committee – Lynn Chapman, Co-Chair

Mr. Chapman reported that the Strategic Development Committee had last met September 17. As he had reported last month, the Committee had received a confidential update on the Use and Lease Agreement in executive session. In regular session the Committee had approved an amendment that would extend the expiration date of the current Use and Lease Agreement through December 31, 2014. The Board of Directors had also approved the extension that day.

Staff had presented information on the implementation of the Office of Engineering Plan and the Air Service Development Report. Staff had also presented the pre-solicitation terms for task architectural and engineering services for the Terminal B/C long-term redevelopment program at Reagan National. The Committee had concurred with the pending procurement.

III. INFORMATION ITEMS

a. President's Report

Mr. Potter stated that he believed it was appropriate that the day's meeting was being held at Dulles International because it is a major focus for the Authority's business in the year ahead. Dulles International had also been in the news frequently - mostly for very good and positive reasons but also for one reason that is a concern to everyone.

Mr. Potter reiterated that Dulles International was the point of entry for the first person in the United States to die from the Ebola virus in the current epidemic. He expressed sympathy for the victim's family members in Texas and in Liberia. He stated that this epidemic is a tragedy for many people in many places, and staff at both Airports is working with the government and the medical community to do its part in helping to prevent the spread of this disease. Mr. Potter noted that the Dulles International team had been hard at work on this issue and that Dulles Airport's Emergency Response Plan has long included provisions for handling communicable diseases with regular training and practice exercises to ensure readiness to address any serious public health issues that might arise. Additionally, he noted that exercises are practiced on a regular basis for aircraft-related emergencies and other major incidents.

Mr. Potter recognized the team efforts of Airport Operations, Public Safety, and Communications to make sure that the public received accurate information about any situation, and a response to it, at the Airports. He introduced Chris Browne, Vice President and Dulles Airport Manager, and Bryan Norwood, Vice President for Public Safety, to provide a more detailed update on this issue, as well as the Authority's ongoing response. Mr. Potter stated that Mr. Norwood and Mr. Browne had been diligent in their efforts and cared greatly about their staff and the traveling public.

Mr. Browne provided background information about the two primary international arrival facilities at Dulles International - the International Arrivals Building (IAB) and the Federal Inspection Station (FIS). Between both the IAB and FIS facilities, Dulles International served approximately 10,000 international passengers daily, which makes it a significant point of entry for international travel. Due to the amount of international activity at Dulles International, the Airport has permanent Centers for

Disease Control and Prevention (CDC) presence. Mr. Browne stated that the U.S. Customs and Border Protection (CBP), CDC, and the Authority are accustomed to responding to an ill passenger and are very familiar with the required responses associated with illnesses. In fact, each organization trains for such activities and had held an exercise five weeks ago to respond to an Ebola-type incident. Mr. Browne stressed that the procedures in place are well rehearsed and used daily.

Mr. Browne provided a description of the process that passengers arriving at Dulles International from the three Ebola-affected countries must undergo. He explained that it is CDC's medical officer's responsibility to determine whether a passenger should be transported to a local hospital or whether he/she can proceed with the planned travel. If a passenger must be transported, CBP will contact the Authority's Fire Department and Emergency Medical Services (EMS). Mr. Browne stressed that with the exception of mobile lounge operators and a few student ambassadors, the vast majority of Authority employees have no reason to be in the international arrival facilities or involved during the process. Nonetheless, employees working in these facilities had received proper training and gloves in accordance with CDC guidelines. Mr. Browne stated that he would continue to work with CDC and CBP to ensure that the Authority's activities are consistent with evolving CDC procedures.

Mr. Norwood stated that his team had been training for some time for such an event. He reported that the personnel in the Fire Department and EMS are also prepared with personal protective gear and consistently meet with mutual aid partners to ensure that everyone is aware of current protocols. Mr. Norwood noted that offices are working closely with local doctors to fully understand information about the spread of this disease and make sure staff is not at risk.

At Mr. Potter's request, Mr. Norwood spoke about tabletop exercises involving the Authority and its mutual aid partners over the last year. Most recently, an exercise had been conducted based upon the outbreak of an Ebola-like disease. Mr. Browne noted that staff had participated in a physical walkthrough exercise the prior day.

Ms. Merrick inquired whether a decision had been made regarding facilities for suspected Ebola-stricken passengers. Mr. Norwood responded that although a decision had not been made that most of the INOVA and Reston hospitals are prepared to accept a patient with Ebola-

like symptoms. Mr. Potter reiterated that CDC is responsible for deciding to transport these passengers to hospitals.

Mr. McDermott asked how the Authority coordinated its response with airline personnel. Mr. Browne responded that the CDC had published detailed procedures for airlines, which are responsible for protecting their crews. Mr. Potter noted that the Federal Aviation Administration (FAA) and CDC are providing direction to the airlines in the event that a passenger on a plane is identified as displaying Ebola-like symptoms.

Mr. Session asked whether the Authority anticipated the need to procure additional equipment or contract additional services with respect to Ebola. Mr. Browne responded negatively and stated that if the CDC changed protocols that required additional resources, the Authority would comply.

Mr. Potter thanked Mr. Norwood and Mr. Browne for their work.

Mr. Potter reported that approximately 15,000 people had attended the recent Dulles Day festival and Plane Pull. The proceeds from the Plane Pull and other charity events, including the 5-K and 10-K runway races, had totaled over \$275,000, which would be donated to Special Olympics Virginia and other worthy charitable causes. Mr. Potter noted that Mr. Browne and the Dulles team had been instrumental again this year in a Loudoun County charity golf tournament that had raised money for the United Way as a part of the Authority's annual effort to contribute to charitable events across the region. He thanked Authority staff, along with its sponsors, for their help in making these events a success.

Mr. Potter reported that Frontier Airlines (Frontier) and other new carriers at Dulles International were doing well as international traffic continued to grow. British Airways had begun serving Dulles International with the Airbus 380 aircraft, the largest jetliner in the world, as the second major carrier along with Air France. Mr. Potter announced that all this new passenger activity would yield new revenue for Dulles International.

With regard to new revenue, Mr. Potter acknowledged the great progress with the ongoing concessions redevelopment. He noted that Steve Baker, Vice President for Business Administration, would provide an update on the latest developments in bringing new food and retail facilities to passengers at both Airports.

Mr. Potter stated that all this new activity at Dulles International is a testament to the work of many Authority staff to assure top-quality service, maintain international growth and help reverse the trend of declining domestic traffic. He reiterated that this is a critical business priority for the Authority, along with working to reduce the cost per enplaned passenger at Dulles International and continue its outreach effort to community leaders and elected officials to keep them informed of pertinent issues.

Mr. Potter reported that staff had recently briefed two sessions of the Metropolitan Washington Council of Governments on issues important to businesses and the region. Additionally, similar sessions are being planned with leaders of Chambers of Commerce and other business leaders in the near future. He explained that the purpose of these outreach efforts to these groups is to help them better understand the Authority's business issues and to enlist their support with respect to the growing imbalance in passenger traffic at Reagan National and Dulles International. Mr. Potter noted that the imbalance is being driven by a shift of flights and passengers to Reagan National from Dulles International due to regulatory changes and other factors resulting in higher costs for airlines at Dulles International. He stated that this imbalance affects the Authority's competitive position by adding significant stress on facilities at Reagan National, which could result in a billion dollar capital investment program to accommodate the larger crowds.

Mr. Potter explained that one major driver of the passenger shift is additional slots and beyond-perimeter flights at Reagan National added by Congress in recent years as part of FAA reauthorization bills. He noted that another FAA reauthorization debate is expected in 2015 so the Authority is emphasizing its opposition to additional slots or beyond-perimeter flights at Reagan National. The FAA reauthorization bill is also an opportunity for the Authority to gain more flexibility in the way airports are financed.

Mr. Potter stated that the Authority is joining other airports in advocating an increase to the Passenger Facility Charge, which had not increased in 14 years. Additionally, the Authority is advocating for increased federal funding for CBP to help process the growing numbers of international passengers, as well as working with local government officials in the Dulles area on zoning issues. Mr. Potter noted that staff had recently taken part in several meetings and public hearings to

assure that land use around Dulles International remained compatible with Airport operations.

Mr. Potter reported that strong ridership had continued on the Dulles Silver Line Express bus service from the Wiehle Avenue station to the Airport. Since the opening of the Silver Line in July, the service had allowed passengers to get to Dulles International from anywhere on the Metrorail system for less than \$11.

Mr. Potter reported that construction had begun on parts of the aerial guideway, which is the elevated structure that will bring the Phase 2 Metrorail tracks onto the Dulles property. Work was also underway to clear away structures in the path of the Project on the Dulles campus.

Mr. Potter stated that excellent progress had occurred with the airline carriers on a new Use and Lease Agreement. The current agreement had been extended through the end of this year, and a final proposal is being provided to each carrier for submission by December. Key provisions being pursued in the new Use and Lease Agreement include an increase in capital funding for Reagan National and important financial support for Dulles International from Reagan National. Mr. Potter noted that staff would continue to keep the Board informed of the progress in these areas.

Mr. Potter thanked Cyndi Ward and the Dulles Toll Road team for a great promotional program during October in celebration of the 30th Anniversary of the Dulles Toll Road.

Mr. Potter shared a new and interesting aspect of flying into Reagan National. During October a unique form of artwork, which covered six acres along the Potomac River side of the Reflecting Pool, on the ground at the National Mall could be viewed by travelers from the airplane windows as they approached or departed Reagan National. The artwork had been composed by Cuban-American artist Jorge Rodrigues-Gerada who believed that the best place to view it is from the air. Mr. Potter stated that it seemed quite appropriate for passengers flying into the nation's capital via Reagan National to view this artwork.

b. Executive Vice President's Report

Ms. McKeough reported that the two A380 aircraft capable of transporting over 500 passengers per flight, along with the other aircraft types serving international markets every afternoon, is an impressive sight indicative of Dulles International's status as a significant port of entry into the United States and the complex international operation at the Airport. With the success of this continued growth in international passengers at Dulles International, the international clearance facilities were challenged during a rather concentrated period of a few hours every afternoon. In an effort to process all of the arriving international customers through CBP screening in an efficient manner, the installation of 40 new Automated Passport Control kiosks in both of the international arrivals facilities at Dulles International would be completed by the end of the month. Ms. McKeough stated that the self-service kiosks, which can be used by U.S. and Canadian citizens, as well as most non-U.S. citizens from visa waiver countries, will allow passengers to scan a copy of their passport and input necessary travel information needed before approaching a CBP officer for final inspection and clearance. She noted that the technology had been very impressive in reducing wait times for clearing arriving international passengers at other airports.

As a result of the reallocation of slots following the American-US Airways merger, Ms. McKeough reported that new air service would be available at Reagan National during the last quarter of this year. She noted that facility adjustments are underway to accommodate the airlines' changes. Ms. McKeough reported that jetBlue had moved into Terminal B/C in September. On October 28, Sun Country, Frontier and Air Canada will relocate from the Main Lobby of Terminal A into the former jetBlue lobby. She explained that the transition of flight activity and airline locations within the terminals is also impacting the Airport parking program. Changes in customer preferences had occurred and demand for parking at Terminal A had increased. Ms. McKeough stated that interior spaces of the three parking garages are being reconfigured and roadway signage will no longer differentiate garage parking inventory between hourly and daily spaces. She explained that merging the hourly and daily garage spaces will increase customer service by utilizing all parking spaces for short- or long-term parking needs. Additionally, the former valet lot that provides approximately 100 parking spaces is being repurposed to serve customers that prefer short-term, easily accessible hourly parking. This newly-established short-term parking lot will offer easy credit card payment and be a quick walk to all the terminal buildings.

Ms. McKeough reported that new technology to improve parking services at both Airports is in the final testing phase. She noted that these new technological services include the ability to use a computer or mobile phone to guarantee availability of a parking space at the Airport prior to arrival and the use of a mobile phone application called "Quick Pay" that will allow customers to pay for parking on their smartphones will make parking service more convenient to use. Ms. McKeough reported that all technological improvements are expected to be available for passengers to use in early November.

Ms. McKeough explained that the Airport transition and changes in flight operations had generated an increase in aircraft noise complaints from residents living along the flights paths of both Airports, but particularly from those living along the Potomac River in the District of Columbia and Virginia. She noted that most of the complaints had resulted from an increase in the number of flights before 7 a.m. and after 10 p.m. Ms. McKeough stated that staff had met with a number of community groups to learn of their concerns and to address them as practically as possible. She noted that Authority staff would also engage the FAA and airlines to participate in these meetings. Ms. McKeough reported that a meeting had been scheduled with residents of the District of Columbia and surrounding communities to discuss their issues with Authority staff prior to meeting with FAA officials and airline representatives.

Ms. McKeough reported that Reagan National had served as the host Airport for the world's first flying classroom. Barrington Irving, a 30-year old pilot, holds a Guinness World Record for becoming the youngest person to fly solo around the world with support from many sponsoring companies. Mr. Irving had converted a business jet into a flying classroom called Inspiration 3, which he intended to use to fly around the world in the next three school years to teach students about real-life applications of science, technology, engineering and math (STEM) areas of study. Ms. McKeough reported that the Authority was proud to take part in this wonderful event hosted by The Aero Club of Washington and Signature Aviation, which had attracted more than 600 students and teachers from D.C. and Baltimore.

IV. NEW BUSINESS

- a. Recommendation to Award a Contract for the Purchase and Delivery of Unleaded Gasoline to Petroleum Traders, Inc. for both Airports

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

WHEREAS, The Airports Authority requires unleaded gasoline to operate its fleet of operations, maintenance, public parking and public safety vehicles and has utilized the Metropolitan Washington Council of Governments (COG) purchasing program for this commodity in the past;

WHEREAS, Section 1.3.1 of the Contracting Manual permits the Airports Authority to obtain required goods by utilizing a contract previously awarded by a government entity using competitive procedures;

WHEREAS, The COG purchasing program, using Montgomery County, Maryland, as the lead agency for the solicitation of vendors willing to supply unleaded gasoline to participating regional jurisdictions, has produced a contract with Petroleum Traders, Inc., which was awarded using competitive procedures and which jurisdictions participating in the COG program, like the Airports Authority, may utilize;

WHEREAS, The staff has estimated that, under the COG-facilitated contract with Petroleum Traders, Inc., the cost of unleaded gasoline to be consumed by the Airports Authority over a four-year period will be approximately \$5.7 million;

WHEREAS, The staff has concluded that this contract price, due to the higher volume discounts and lower prices it offers, is substantially lower than the contract price the Airports Authority could expect to achieve by soliciting vendors of unleaded gasoline on its own;

WHEREAS, Since this contract for the purchase of unleaded gasoline exceeds \$3 million, Board approval of the contract award is required by the Contracting Manual; and

WHEREAS, The Business Administration Committee has reviewed the terms of this contract as presented by staff, and recommended that the Board approve its award; now, therefore, be it

RESOLVED, That the award of a one-year contract with three one-year options for the purchase and delivery of unleaded gasoline at both Airports to Petroleum Traders, Inc., consistent with the terms presented to the Business Administration Committee at its September 17, 2014, meeting is approved, and the President and Chief Executive Officer is authorized and directed to enter into the contract.

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

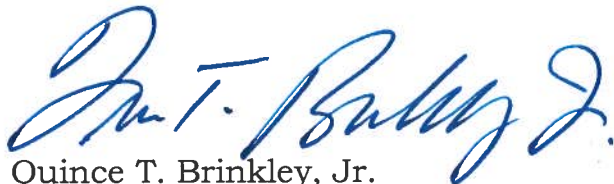
V. UNFINISHED BUSINESS

There was not any unfinished business.

VI. OTHER BUSINESS & ADJOURNMENT

The Meeting was thereupon adjourned at 10:23 a.m.

Respectfully submitted:



Quince T. Brinkley, Jr.
Vice President and Secretary

Approved 11/12/14