



## BOARD OF DIRECTORS ANNUAL MEETING

Minutes of November 12, 2014

The twenty-eighth annual 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:

Frank M. Conner III, Chairman  
Warner H. Session, Vice Chairman  
Earl Adams, Jr.  
Richard S. Carter  
Lynn Chapman  
Michael A. Curto  
Anthony H. Griffin

Shirley Robinson Hall  
Richard A. Kennedy  
Barbara Lang  
William Shaw McDermott  
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

### I. ELECTION OF CHAIRMAN, VICE CHAIRMAN AND SECRETARY

Ms. Hall opened the day's Meeting by announcing that the Nominations Committee had met that morning. At that Meeting, she had offered the slate of candidates to be advanced: Frank M. Conner III, Chairman; Warner H. Session, Vice Chairman; and Quince T. Brinkley, Jr., Secretary. On behalf of the Nominations Committee, Ms. Hall submitted the slate of officers for election. Ms. Hall then called for the election of the candidates. The Board unanimously voted to elect the slate of candidates. Ms. Hall congratulated the officers.

Mr. Conner stated that in addition to the recent resignation of The Honorable Tom Davis, more changes would occur with the Virginia delegation but he was unaware of the details at that time. He reported that terms for Directors Carter and Hall would expire November 30, 2014

and January 1, 2015, respectively. Mr. Conner recognized them as extraordinary members of the Board who had contributed significantly, not only with life perspective but also with a certain level of intelligence and a great deal of integrity and conscience in everything they did. He acknowledged that while it is the Authority's loss that they had decided not to stand for reappointment, he is very grateful for the contributions that Directors Carter and Hall had given, particularly the grace and dignity that they had displayed to ensure the Board performed in the manner it should. Mr. Conner noted that they would both be missed greatly and that he would be forever thankful for their contributions.

In response to Mr. Conner's statements, Mr. Carter stated that his tenure on the Board has been an incredible experience. He said that he had been quite impressed with the new Members and the Board's continuity. Mr. Carter wished everyone the very best on all of the important issues that the Board had dealt with, as well as those ongoing issues. He stated that it had been a pleasure and a privilege to serve on the Board.

Ms. Hall noted that it was ironic that she and Mr. Carter would leave the Board at the same time as they had become such friends sitting next to each other at the monthly meetings. She stated that it had been a joy to work with the Board Office staff and commended Mr. Brinkley and his team on their efforts to accommodate the Directors' needs and to keep them informed and make them feel like a part of the organization. Ms. Hall reported that it had also been enjoyable working with Valerie Holt, Vice President for Audit, as it had been revealing to learn so much about the Authority's activities. The audit arena had been an interesting one, and Ms. Hall noted that the Authority had been able to make some accomplishments, noting that she had worked with Andy Rountree, Vice President and Chief Financial Officer, on some of the ongoing financial issues which had been resolved. She also acknowledged Phil Sunderland, Vice President and General Counsel, for his contributions. Ms. Hall noted that while she had singled out those staff with which she had worked closely, all staff interactions had been pleasurable. Directors Carter and Hall received a standing ovation.

Mr. Conner stated that the Board would invite Directors Carter and Hall back for the January 2015 Board Meeting to present appropriate mementos.

## II. MINUTES OF THE OCTOBER 15, 2014 BOARD OF DIRECTORS MEETING

The Chairman called for the approval of the Minutes of the October 15, 2014 Board of Directors Meeting, which were unanimously adopted.

### III. COMMITTEE REPORTS

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

Mr. Session reported that the Business Administration Committee had last met October 15.

At that meeting, staff had presented information on the annual operational insurance policy renewals, as well as the pre-solicitation terms for a fixed base operator contract at Dulles International. The Committee had concurred with the pending procurement. Mr. Session reported that the Committee had also received a concessions update on the Redevelopment Program.

#### b. Dulles Corridor Committee – Tony Griffin, Co-Chair

Mr. Griffin reported that the Dulles Corridor Committee had last met October 15. In executive session, staff had presented information on issues in negotiation for Phases 1 and 2 of the Dulles Corridor Metrorail Project (Project). Staff had also presented the Project's Monthly Cost and Schedule Update for Phases 1 and 2 and the Phase 2 Quarterly Update for the Project.

#### c. Finance Committee – Michael A. Curto, Co-Chair

Mr. Curto reported that the Finance Committee had met that morning and October 15.

At the October 15 Meeting, staff had presented pre-solicitation terms for financial advisory services. The Committee had concurred with the pending procurement.

Staff had also presented the Draft 2015 Operation and Maintenance Budget. At the day's Meeting, staff had presented management's

recommended 2015 Budget, which the Board would consider next month.

Staff had also presented the following informational reports - Financial Advisors' Reports and September 2014 Financial Reports for both enterprises.

Mr. Curto noted that a complete report from the day's Meeting would be provided in December.

d. Nominations Committee – Shirley Robinson Hall, Chairman

Mr. Conner reported that Ms. Hall had presented the report in conjunction with the election.

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

Ms. Lang reported that the Strategic Development Committee had last met that morning. Staff had presented the recommendation to approve the new Airport Use Agreement and Premises Lease for Reagan National and Dulles International. The Committee had approved the recommendation, and Ms. Lang stated that she would offer a motion for the Board to approve the new Use Agreement and Premises Lease later in the meeting. Staff had also presented the recommendation to award a contract for Task Architectural/Engineering/Planning Services at both Airports to Ricondo & Associates. The Committee had approved the recommendation, and Ms. Lang stated that she would offer a motion for the Board to approve the contract award later in the meeting.

f. Human Resources Committee – Joslyn Williams, Co-Chair

Mr. Williams reported that the Human Resources Committee had held a Special Meeting that morning to consider the proposed amendments to the Authority's Statement of Functions. The Committee had approved the amendments, and Mr. Williams stated that he would offer a motion later in the day's Board Meeting.

#### IV. INFORMATION ITEMS

##### a. President's Report

Mr. Potter congratulated Directors Conner and Session on their election and stated that he looked forward to working with them to achieve the Authority's goals. He also expressed his gratitude to Directors Carter and Hall for their service on the Board. He stated that the leadership, energy and insight that they had brought to the Board during their terms had been instrumental in helping move the Authority forward in its mission to serve the traveling public. From a personal standpoint, Mr. Potter thanked each of them for their guidance, wisdom, and support. He noted that the Authority is fortunate to have people of their caliber who put in long hours for no pay. Mr. Potter stated that he spoke for everyone at the Authority when he wished each of them all the best and thanked them for their service and dedication to the organization.

Mr. Potter also congratulated the newly-elected Governor of Maryland, Larry Hogan; the new Mayor in the District, Muriel Bowser; and new members of Congress, including Don Beyer and Barbara Comstock in Virginia. He stated that the Authority looked forward to working with these new leaders. Mr. Potter also congratulated officials in the region who had been re-elected, and noted that the Authority also looked forward to continue to work with them.

Mr. Potter reported that the details of the new Use and Lease Agreement (Agreement), which governs the business relationship between the Authority and the airlines at both Reagan National and Dulles International, had been discussed at the day's Strategic Development Committee Meeting. He thanked and congratulated the team led by Margaret McKeough for the excellent work. Mr. Potter noted that he was particularly pleased that the new Agreement provides very important financial support for Dulles International, which will come from Reagan National. It will also support the Authority's billion-dollar capital program at Reagan National over the next several years, including continued modifications and upgrades to Terminal A; the relocation of security checkpoints to make the Airport a more efficient place for passengers; much-needed improvements in the commuter-flight gate facilities; additional parking structures; and the relocation of the corporate office building. Mr. Potter noted that the capital improvements were needed mostly as a result of the growing number of passengers using Reagan National. The Airport had reached a record high of 20

million passengers and another 2 million passengers are expected during 2015 as a result of regulatory changes and business developments with the airlines, including the creation of the new American. Mr. Potter thanked the air carriers for their cooperation, support and spirit of partnership throughout the new Agreement process. He stated that he believed the new Agreement is an excellent arrangement for the Authority, the airlines and the customers we work together to serve.

Mr. Potter reported that the finance staff had also presented a review of the 2015 Budget at the day's Finance Committee Meeting. He noted that the budget had been built largely around the Authority's vision of growth in terms of revenue and quality of service for the customers. Mr. Potter thanked the finance team for its great work and also acknowledged everyone at the Authority whose work throughout the current year is helping to come in under budget for 2014. He noted that one of the Authority's key corporate goals for the year had been controlling costs and that he is pleased that such good progress was being made in this area.

Mr. Potter reported that another key corporate goal for the year is to enhance revenue, which includes bringing new and expanded air service to Dulles International. He noted that Aer Lingus had announced its plans to begin serving Dulles International with flights between Washington and Dublin with 15 connections to 17 other destinations in Europe on May 1, 2015. Mr. Potter thanked Mark Treadaway, Vice President of Air Service Planning and Development (ASPD), and the ASPD team for their continued great work.

Mr. Potter reported that the Authority's team at Dulles International is also continuing to work with federal and local health and safety officials in responding to concerns related to the Ebola virus. He recalled that staff had talked extensively at the October Board Meeting about this process. Mr. Potter noted that the Authority had received complimentary comments the prior week from the Governor of Virginia when he visited Dulles International with a number of other officials to observe the process. He stated that the Authority continued to take this issue very seriously, and he would keep the Board advised on its progress and any significant developments.

Mr. Potter also reported that work is proceeding at Dulles International to get ready for the arrival of the Silver Line as Phase 2 contractors continue the process of site preparation and other activities in

anticipation of the day when Metro passengers can step off the train at Dulles International.

Mr. Potter reported that since the Authority had moved its Metro-to-Dulles bus service from West Falls Church to the new Wiehle Avenue station when Phase 1 of the Silver Line had opened in July, ridership had increased 60 percent. He stated that the Dulles Silver Line Express bus is a great service and reminded everyone that its passengers can get to Dulles International from anywhere on the Metrorail system for under \$11. Mr. Potter encouraged everyone to try the bus service.

Mr. Potter reported that a story had recently appeared in the news which named Reagan National one of the two best airports in the nation for on-time flights - second only to Salt Lake City. He noted that Reagan National had moved up three spots in the on-time rankings from last year. Additionally, Reagan National had recently been called the best Airport in the country for long layovers because of the unique nearby sightseeing opportunities that are very affordable and convenient to the Airport.

Mr. Adams reported that he had attended the recent Committee for Dulles Gala and that Mr. Potter had done an excellent job in representing the Authority as the keynote speaker.

b. Executive Vice President's Report

Ms. McKeough reported that the September air traffic statistics had been included in the materials provided for the day's Meeting. For September, passenger activity at Reagan National and Dulles International had increased 6 percent and 1.5 percent, respectively. Ms. McKeough reported that cargo activity had also increased by approximately 6 percent at Dulles International in September. She anticipated that September marked the beginning of a "busy end of the year" with the approaching holiday travel season. Since the Authority often serves customers who had not utilized Reagan National or Dulles International in recent months, Ms. McKeough reported that a series of proactive communications and press releases would be distributed to ensure that all customers are aware of the changes at the Airports. She noted that the new parking system, which would allow travelers to reserve parking spaces, had been formally launched at Reagan National in time for the holiday season. Ms. McKeough also reported that the Authority had activated a smartphone mobile application that allows users to pay for

their parking at Reagan National. She mentioned that Mr. Carter had been a proponent of this parking convenience for passengers and that she was pleased that it had been implemented prior to his departure. She noted that once the parking revenue control system is replaced next year at Dulles International, the same convenience would be offered there.

Ms. McKeough reported that new passport express kiosk machines had been installed in both international arrival facilities at Dulles International. She noted that approximately 60 percent of passengers who were eligible to use these kiosks had completed their customs and border patrol processing in 15 minutes or less. While a significant improvement had occurred regarding the wait time, staff looked forward to continuing to improve the passengers' experience.

Ms. McKeough reported that staff is closely monitoring all of the regional changes with regard to regulating the new transportation network companies, such as Uber and Lyft, as well as the different ground transportation applications now in the marketplace. Since the October Board Meeting, the District of Columbia City Council had approved new legislation, which would now be considered by the Mayor and General Counsel. Ms. McKeough reported that the Virginia General Assembly would likely consider legislation regarding the ground transportation regulations by the beginning of 2015. She noted that Authority staff is very engaged in relevant discussions and is working to determine how to best formally incorporate the new mode of ground transportation service into the Authority's ground transportation programs at both Airports. While Uber and Lyft currently operate at both Airports, Ms. McKeough noted that neither company is formally recognized and structured as part of the Authority's ground transportation curb access. Staff is working to structure the best business model for both Airports in an effort to formally incorporate the new mode of transportation, which is in high demand. Ms. McKeough stated that staff anticipated presenting information regarding these ground transportation issues to the Board early next year.

Ms. McKeough recalled that she had reported at the October Board Meeting that a project had begun to replace the "cash only" lanes on the Dulles Toll Road with more E-ZPass lanes. She reported that these lane conversions were about 25 percent complete and that work would continue through the spring. Thus far, the results had been very reassuring. Ms. McKeough reported that the most significant conversion



of one lane of the eastbound main toll plaza from coin only to an E-ZPass lane would be completed before Thanksgiving.

Ms. McKeough reported that many of the Authority staff had had the opportunity on Veteran's Day to attend a jetBlue event in the Reagan National historic lobby. jetBlue had invited its employees who are also veterans, as well as veterans from the greater New York area, to travel to Reagan National on one of its aircraft to attend a luncheon and commemorative service. Ms. McKeough shared a brief slide show and reported that jetBlue had also taken the initiative to repaint one of its aircraft to commemorate the service of the veterans. Ms. McKeough reported that Reagan National had been the first Airport to receive the repainted jetBlue aircraft, which had been permanently added to its fleet.

## V. NEW BUSINESS

### a. Recommendation to Approve a New Airport Use Agreement and Premises Lease for Reagan National and Dulles International

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

WHEREAS, The current Airport Use Agreement and Premises Lease between the Airports Authority and the domestic and international airlines operating at Ronald Reagan Washington National ("Reagan National") and Washington Dulles International ("Dulles International") Airports will expire on December 31, 2014 ("Expiring Use & Lease Agreement");

WHEREAS, The Expiring Use & Lease Agreement sets forth, among other things, the terms and conditions governing the financial and operational relationship between the Airports Authority and the airlines operating at the Airports;

WHEREAS, Over the past 18 months, Airports Authority staff and representatives of the airlines operating at Reagan National and Dulles International have been engaged in negotiations regarding a new Airport Use Agreement and Premises Lease that would become effective upon the December 31, 2014 Expiring Use & Lease Agreement;

WHEREAS, These negotiations have produced agreement on a new Airport Use Agreement and Premises Lease which, after approval by the governing bodies or authorized officers of the parties, would become effective on January 1, 2015 (“2015 Use & Lease Agreement”);

WHEREAS, The proposed 2015 Use & Lease Agreement has been presented to the Strategic Development Committee, and the Committee has approved the proposed agreement and has recommended that the Board of Directors approve the agreement and authorize its execution by the President and Chief Executive Officer; now, therefore, be it

RESOLVED, That the 2015 Use and Lease Agreement, in the form presented to the Board of Directors on November 12, 2014, is approved;

2. That the President and Chief Executive Officer is authorized to execute the 2015 Use & Lease Agreement between the Airports Authority and each of the airlines operating at Reagan National and Dulles International which has executed the agreement, in the form of the agreement as presented to the Board of Directors, but with such changes, insertions, deletions and completions of a non-substantive nature, if any, that he deems necessary or desirable after consultation with the Chairman and the Co-Chairs of the Strategic Development Committee; and

3. That this resolution shall be effective upon its adoption.

The final resolution filed in the Board of Directors Office includes a copy of the staff recommendation paper, as well as the Exhibits to Attachment A.

b. Recommendation to Award a Contract for Task Architectural/Engineering/Planning Services at both Airports

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

WHEREAS, In May 2014, staff presented a pre-solicitation paper to the Strategic Development Committee;

WHEREAS, In June 2014, a Request for Qualifications Information was posted on the Authority's website and was advertised for full and open competition; and

WHEREAS, On November 12, 2014, the Strategic Development Committee received the results of the competitive evaluation of the firms that responded to the RFQI, and recommended that the Board of Directors approve the selection of the incumbent, Ricondo & Associates; now, therefore, be it

RESOLVED, That the selection of Ricondo & Associates to provide task architectural/engineering/planning services at both Airports for a term of one year with two one-year renewal options is approved; and

2. That the President and Chief Executive Officer is authorized to execute a contract with Ricondo & Associates for the provision of these tasks architectural/engineering/planning services, consistent with the contract terms and conditions presented to the Strategic Development Committee on November 12, 2014.

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

c. Recommendation on the Proposed Amendments to the Airports Authority Statement of Functions

Mr. Williams offered a motion to amend the Statement of Functions, consistent with the information presented at the day's Special Human Resources Committee Meeting, which was unanimously approved.

A copy of the staff recommendation paper is on file in the Board of Directors Office.

## VI. UNFINISHED BUSINESS

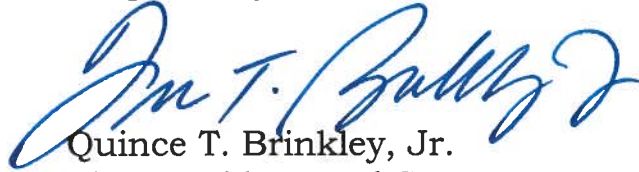
There was not any unfinished business.

VII. OTHER BUSINESS & ADJOURNMENT

Mr. Conner reported that next month's Board and Committee Meetings had been advanced by one week because of the holidays; they would be held on December 10.

The Meeting was thereupon adjourned at 10:30 a.m.

Respectfully submitted:

A handwritten signature in blue ink, appearing to read "Quince T. Brinkley, Jr.", written in a cursive style.

Quince T. Brinkley, Jr.  
Vice President and Secretary

approved 12/10/14