

BOARD OF DIRECTORS MEETING

Minutes of May 20, 2015

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 9:57 a.m. Fourteen Directors were present during the meeting:

Frank M. Conner III, Chairman	Katherine K. Hanley
Warner H. Session, Vice Chairman	Richard A. Kennedy
Earl Adams, Jr.	Barbara Lang
C. Charles Caputo	William Shaw McDermott
Lynn Chapman	Caren Merrick
Michael A. Curto	A. Bradley Mims
Anthony H. Griffin	Nina Mitchell Wells

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

At 9:58 a.m., the Board recessed its Meeting to allow the Risk Management Committee to complete its business that would be considered by the Board that day.

Mr. Conner reconvened the Meeting at 10:07 a.m. with the same Directors in attendance.

Mr. Conner congratulated Ms. Hanley on being named as this year's At-Large Lady Fairfax. He joined others in expressing his sorrow that Ginger Evans, Vice President for Engineering, would be leaving the Authority. Mr. Conner stated that when an organization hires good

talent, others will want that talent. While people always have a concern when a senior employee leaves an organization, Mr. Conner stated that he feels good about the position the Authority is in because of the legacy Ms. Evans will leave. He noted that Mr. Potter would report on the personnel changes that would be made as a result of Ms. Evans' departure. Mr. Conner stated that Ms. Evans had done a wonderful job and he wished her the best in pursuing the great opportunity.

I. MINUTES OF THE APRIL 15, 2015 BOARD OF DIRECTORS MEETING

The Chairman called for the approval of the Minutes of the April 15, 2015 Board of Directors Meeting, which were unanimously adopted.

II. COMMITTEE REPORTS

a. Business Administration Committee – William Shaw McDermott, Co-Chair

Mr. McDermott reported that the Business Administration Committee had met that morning and on April 15. In April, staff had presented two recommendations, which the Committee had approved, to amend the current sole source contract to purchase electricity from Dominion Virginia Power for Reagan National, Dulles International and the Dulles Toll Road and to award a sole source contract for the natural gas delivery service from Washington Gas Light for Reagan National. Mr. McDermott stated that he would offer a resolution later in the day's Board Meeting on the Dominion Virginia Power amendment. He noted that the Board had approved the Washington Gas Light award at its April 15 Meeting. Staff had also presented the pre-solicitation terms for the unarmed security guard services contract at Reagan National, and the Committee had concurred with the pending procurement. Additionally, staff had presented the Year-end 2014 Small Business Contracting Summary.

At the day's Meeting, the Committee had approved the revisions to the Contracting Manual. Mr. McDermott stated that he would offer a resolution later in the day's Board Meeting. He noted that a complete report from the day's Meeting would be presented at the June Board Meeting.

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

Mr. Griffin reported that the Dulles Corridor Committee had last met on April 15. Staff had presented the Dulles Corridor Metrorail Project Monthly Cost and Schedule Update for Phases 1 and 2. Additionally, Capital Rail Constructors had presented its Phase 2 Quarterly Update on the Dulles Corridor Metrorail Project.

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

Mr. Curto reported that the Finance Committee had last met on April 15. The Committee and Board had approved the recommendation regarding the selection of Bookrunning Senior Manager, Co-Senior Manager and Co-Managers for the Airport System Revenue and Refunding Bonds. Staff had presented the Financial Advisors' Report and the March 2015 Financial Reports for both Enterprises, as well as the 2014 Comprehensive Annual Financial Report.

d. Risk Management Committee – Nina Mitchell Wells, Co-Chair

Ms. Wells reported that the Risk Management Committee had met that morning and on April 15. In April, staff had presented the audit of the airport concessions manager contract for the calendar year ended December 31, 2013. PricewaterhouseCoopers and Bert Smith & Company had presented the results of the financial statement audit in regular session. The Committee had also discussed confidential, proprietary information regarding the financial statement audit in executive session, as permitted in the Authority Bylaws.

At the day's Meeting, Ms. Wells reported that the Committee had approved the recommendation of Derric A. Gregory, Sr. as the Vice President for Audit. She noted that she would offer a motion later in the day's Board Meeting. Additionally, the Committee had concurred with the pre-solicitation terms for financial statement audit service and OMB Circular A-133 Audit Services.

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

Ms. Lang reported that the Strategic Development Committee had met that morning and on April 15. At the April Meeting, staff had presented the Air Service Development Information Report and a briefing on the Capital Construction Program for Reagan National and Dulles

International. Staff had also presented the pre-solicitation terms for multiple task order contracts for Aviation Construction, Contract Administration and Project Controls Support Services for the Authority. The Committee had concurred with the pending procurement.

At the day's Meeting, the Committee had approved staff's recommendation to award a contract to AIR Alliance (Joint Venture with AECOM and PGAL) for task order architect/engineering services for the Terminal B/C redevelopment and associated capital projects at Reagan National. Ms. Lang stated that she would offer a resolution later in the day's Board Meeting.

III. INFORMATION ITEMS

a. President's Report

Mr. Potter also congratulated Ms. Hanley on being named as this year's At-Large Lady Fairfax. He noted that Fairfax County Chairman Sharon Bulova had announced this honor in recognition of Ms. Hanley's work on behalf of education and human services in addition to her work on transportation. Mr. Potter reported that everyone who knows Ms. Hanley is certainly aware of her tireless efforts to help make the region a better place to live and it was good to see her recognized.

Mr. Potter also noted the recent news about Ms. Evans who would leave the Authority at the end of the month to assume her new position as Aviation Commissioner for the City of Chicago. He reported that Ms. Evans had made an enormous contribution to moving Phase 1 of the Metrorail Project toward completion, getting Phase 2 underway and dealing with all the changes and upgrades involved in the very complex project. Additionally, Ms. Evans had been instrumental in developing the Authority's plans for upgrading the terminal facilities at Reagan National, including the relocation of security checkpoints and building a new concourse and gate area for commuter flights, which now board outside. Mr. Potter officially thanked Ms. Evans for her leadership and for all of her excellent work to move the Authority forward. He congratulated her on her new assignment and offered best wishes. She received a standing ovation. In response to Ms. Evans' departure, Mr. Potter announced that Charles Stark, Executive Director of the Metrorail Project, would continue leading the Metrorail Project and would report directly to him. Roger Natsuhara, Deputy Vice President for Engineering, would also report to Mr. Potter in the capacity as acting Vice President for Engineering [for aviation].

With regard to other personnel-related matters, Mr. Potter reported that Derric Gregory, the candidate for Vice President for Audit, had been approved by the Risk Management Committee earlier that day. The Board would consider the recommendation later in the day's Meeting. Mr. Potter stated that Mr. Gregory has an extensive background in the auditing field. He noted that he had participated in the interview process and that he believed that Mr. Gregory's qualifications and experience would be an asset to the Authority as the organization moved forward. In anticipation of the Board's approval of Mr. Gregory, Mr. Potter publicly recognized and thanked Julia Hodge, Deputy Vice President for Corporate Risk and Strategy, for serving as Acting Vice President for Audit. He stated that she had been very active in helping to resolve some areas that had been identified in the recent Office of Inspector General audit. Mr. Potter thanked Ms. Hodge for the role she had played. He stated that he looked forward to her returning to her role in Corporate Risk and Strategy. Ms. Hodge received a round of applause.

As staff had presented at the day's Business Administration Committee Meeting, Mr. Potter reported that the Authority is proposing revisions in its Ground Transportation Regulations at both Airports to accommodate the changing business landscape involving limousines and Transportation Network Companies (TNCs) such as Uber and Lyft. He stated that these new companies are quickly increasing their presence in the ground transportation market and the Authority's regulations needed to be revised to accommodate this rapidly changing business landscape. Mr. Potter reported that Ms. McKeough, Mr. Davis and Phil Sunderland, Vice President and General Counsel, are doing a great job in leading this important cross-functional effort. He stated that it was important to note that staff had presented a proposal and that the Authority would be looking for input from everyone as this process moves forward. Staff will consider all the input the Authority receives, as well as best practices from across the airport industry and elsewhere, and present its recommendation to the Board at a later time.

Mr. Potter reported that the April 16 Dulles Matters event, which had served as an essential part of the Authority's outreach effort to raise awareness among political and business leaders, as well as to the general public, on the challenges facing Dulles International and the Authority's progress in addressing them, had been a great success. The event had featured remarks by Governor McAuliffe, Senators Kaine and Warner, Congresswoman Comstock and other leaders from business and government. Authority staff had also reported on its progress in the

effort to strengthen Dulles International's competitive position. Mr. Potter stated that the Authority was grateful to hear the renewed commitment of the Senators and the Congresswoman to oppose any further changes to the slot and perimeter rules at Reagan National, which had been key factors in the recent shifts of passengers to Reagan National from Dulles International. He noted that the Authority had also been happy to hear the reaffirmation of the economic impact of Dulles International and how the Airport's success is linked to the growth and success of the Northern Virginia economy and the economic health of the National Capital Region. Authority staff had also been able to engage with many people in the real estate development community on land opportunities around Dulles International. Mr. Potter stated that the Authority is grateful to the Governor for his energy and commitment and looked forward to working with all of these leaders on important issues. He thanked everyone who had attended the Dulles Matters event and stated that staff will keep the Board informed about its continuing outreach efforts on the activities at Dulles International.

Mr. Potter also reported that the Authority had announced the results of its global settlement negotiations with the Phase 1 contractor for the Silver Line Project on April 27. As staff had reported earlier that day, Mr. Potter stated that those negotiations had given the Authority clarity about the final cost of Phase 1, which is progressing well toward final close-out. As a result of the negotiations, staff would ask the Board later in the day's Meeting to approve an additional \$76 million for the Phase 1 budget, which is less than 3 percent of the original Phase 1 cost estimate and still within the federally-approved budget for the Project. He noted that most of the additional costs, as well as much of the additional construction time needed for Phase 1, could be attributed to more than 100 design changes. Mr. Potter reported that many of those changes had occurred in the later stages of the Project and had helped enhance the safety and reliability of the rail line, which, of course, has always been the Authority's top priority. Additionally, many of the Phase 1 changes had translated into modifications that must also be made for Phase 2 to make both phases compatible with each other and with the rest of the Metrorail system. Mr. Potter noted that the April 27 announcement also included a 13-month extension of the construction schedule for Phase 2. While everyone wanted the Metrorail Project to be completed as soon as possible, especially in terms of bringing Metrorail service to Dulles International, Mr. Potter stated that he believed everyone agreed that the far more important goal is to deliver a safe and reliable system. He noted that keeping toll rates flat on the Dulles Toll Road (DTR) through 2018

and maintaining the long-term toll rate schedule into the future is another very important goal that is being achieved. Mr. Potter emphasized that tolls will not increase beyond the current schedule and explained that the Authority is able to meet this objective because some of the additional design and construction costs had been offset as a result of savings achieved with the financing of the Project, assisted by low interest rates on the federal Transportation Infrastructure Finance and Innovation Act loan and financial assistance from the Commonwealth. He thanked the finance team for an excellent job in this area.

Mr. Potter reported that the Commonwealth is reviewing ways to ease traffic congestion across Northern Virginia. He reviewed one proposal under consideration, which would make changes to I-66 inside the beltway and possibly change the current restrictions for high occupancy vehicles (HOV) from two to three passengers and charging a toll during peak hours for non-HOV vehicles in both directions. Mr. Potter stated that vehicles destined for Dulles International had been exempted from the HOV restrictions on that section of I-66 for many years. He explained that if the proposed changes were implemented, the Authority would be very concerned that non-HOV vehicles carrying passengers to and from Dulles International during peak hours could be assessed a toll for using that portion of I-66. Mr. Potter stated that staff had provided the Directors a copy of a letter the Authority had sent earlier this year to Virginia Transportation Secretary Aubrey Layne outlining its misgivings about this possibility. He explained that the letter expressed the Authority's concern that the proposal could create a significant disincentive for passengers to choose Dulles International. The letter also noted that a decline in the number of passengers at Dulles International had occurred over the past years as some flights had migrated to Reagan National because of federal regulatory decisions and other factors. It also stated that the Authority is undertaking a number of initiatives to reverse this decline and to reestablish Dulles International as the growth airport for the National Capital Region. Staff had expressed its concern that tolling vehicles bound for Dulles International could harm these efforts and perhaps even exacerbate the passenger decline. Therefore, the Authority has asked that the Virginia Department of Transportation (VDOT) consider allowing vehicles traveling to and from Dulles International to continue to be exempt from HOV restrictions and tolls on I-66. Mr. Potter stated that staff believed that technology exists to enable this exemption, and the Authority has offered to work with the Commonwealth on a solution. A copy of

Secretary Layne's response, which affirmed VDOT's willingness to work with the Authority on this matter, had also been distributed to Directors. Mr. Potter stated that the Authority had already begun working with VDOT officials on this critically-important issue in an effort to strengthen Dulles International's competitive position and to help assure its continued contribution to the economy of Northern Virginia and the entire region. He noted that staff would keep the Board apprised of developments as the Authority moved forward.

Ms. Hanley underscored the problems that she believed the I-66 proposal presented. She stated that Northern Virginia residents forget there are two projects involving I-66. Ms. Hanley reported that the I-66 project that needed to be completed as soon as possible is the one outside the beltway. The I-66 project inside the beltway would involve little construction, but it would involve tolling on the existing interstate and change the requirements for HOVs. Ms. Hanley reported that she believed the tolling issue is a challenge and explained it would also impact the DTR. She also expressed concern that the increased tolling would cause diversion off the DTR, and the revenue stream in tolls and the transit source of revenue for the Metrorail Project would be undermined. Ms. Hanley stated that she believed that tolling on I-66 had serious implications and cautioned staff to stay abreast of the issue. Mr. Conner agreed with Ms. Hanley. He stated that he was impressed with the amount of effort and energy that Governor McAuliffe and other Commonwealth officials had devoted to focusing on making Dulles International successful. He stated that they had been great friends to the Authority in the past and he believed that they would continue to show support on this issue in recognition of the serious implications.

Mr. Curto inquired whether the Authority's consultants had explored the underlying rationale for its position with regard to the potential impact that tolling on I-66 may have on Dulles International. Mr. Potter responded that the Authority had recently engaged the consultants to learn of their views on the I-66 issue. In light of Ms. Hanley's comments, he stated that staff would expand the scope. Mr. Potter noted that staff had spent a considerable amount of time to determine a technical alternative for the placement of gantries to allow E-ZPass and license plates to be scanned.

b. Executive Vice Presidents' Reports

Ms. McKeough reported that the March airline statistics for the passenger activity at both Airports had been provided for the day's Meeting. The statistics had provided a good overview of the activity level for the first quarter of 2015. Ms. McKeough reported that the two-airport system for the first quarter of 2015 had continued to show positive growth compared to the first quarter of 2014. Presently, the combined airport system is servicing approximately 2 percent more passengers than it had serviced in the first quarter of 2014. Ms. McKeough reported that the growth had predominantly resulted from Reagan National noting that passenger activity at that Airport for the first quarter had increased 8 percent, which is far more than the industry growth in the United States. She noted that the passenger activity for the first quarter at Dulles International had declined approximately 4 percent, which staff had forecasted in recognition of the trend line occurring with many passengers transitioning from Dulles International to Reagan National. In addition, Ms. McKeough emphasized that the Authority had been aware that many of the airlines servicing Dulles International had planned to make temporary seasonal adjustments in terms of their capacity and flight activity during the first quarter. Although the first quarter had ended with an 8 percent increase at Reagan National and a 4 percent decrease at Dulles International, Ms. McKeough stated that the trend line is expected to reverse itself as the spring began. She noted that an early look at the April passenger traffic statistics had revealed that the 4 percent decline at Dulles International was narrowing to approximately 2 percent. The increase in passenger activity continued at Reagan National in April; a 10 percent increase is expected compared to April 2014.

Ms. McKeough reported that the Authority was pleased that the Ambassador of Ireland had been present for the successful launching of the Aer Lingus service from Dulles International to Dublin on May 1, which would help with the decline and continue to stabilize the passenger levels.

Ms. McKeough also reported that the Authority had held its triennial drill, and she thanked Mr. Caputo and Mr. Chapman, as well as many of the Authority's mutual aid partners from around the region, for their attendance. She stated that the exercises performed during the drill are helpful to the Authority to achieve some lessons learned for inclusion in

future emergency response plans in the event a disaster occurred and they would need to be activated.

Ms. McKeough also reported that the Authority had remained engaged with the community about aircraft noise. She thanked Ms. Lang for attending the May forum that Congresswoman Eleanor Holmes Norton had held with the community. Ms. McKeough noted that Ms. Lang had shared some factual information that had been helpful and engaging. She noted that Federal Aviation Administration (FAA) representatives had also attended the forum and that they had been actively engaged by the community participants who wanted to understand the flight patterns and learn about opportunities to decrease noise exposure. Ms. McKeough stated that the Authority had subsequently followed up with the FAA and that it may further engage the airlines in June when the corporate airline meeting is held. She noted that staff is considering making the Reagan National noise issue a focus of the agenda for that June meeting. As a result of the Congresswoman's recent forum, the Authority had received several invitations from Alexandria and Arlington. Ms. McKeough reported that staff would meet with communities in Arlington in mid-June to discuss Reagan National's operations.

Ms. McKeough reported that the Authority would welcome Congresswoman Norton later that week at Reagan National when it would host the annual D.C. Art Exhibit and reception as part of the Congressional Art Competition exhibition.

Ms. Lang complimented Ms. McKeough and staff on the manner in which they had represented the Authority at Congresswoman Norton's forum. She stated that Congresswoman Norton had been well prepared and very engaged.

Mr. Davis reported that the progress the Authority had made with respect to revenue continued its positive trends, some of which would be reflected in the April financial reports that Andy Rountree, Vice President for Finance and Chief Financial Officer, would present later that day. He noted that staff had updated the Board in recent months on the growth in passengers at both Airports, with particular emphasis on Dulles International. The recent additions of international carriers, such as Air China, Aer Lingus and Frontier Airlines, had contributed to slowing some of the passenger declines at that Airport. In order to make Dulles International more competitive, Mr. Davis noted that staff must continue to impact the cost structure and increase non-airline revenue.

Mr. Davis recalled that staff had also provided updates about the Authority's progress in revamping its concessions program at both Airports, which is also bringing in additional revenue. During the last 15 months, approximately 64 new concessions had been added, which was significant in comparison to other airports.

Mr. Davis reported that the Authority's proposal to revise the Authority's regulations for Ground Transportation, particularly in the area of TNCs, would also be a positive factor in future revenue projections.

Mr. Davis also reported that staff had discussed its goal of optimizing the revenue potential of the large land and real estate holdings, a key asset at Dulles International. He noted that staff had communicated with Co-Chairs Chapman and Lang to ensure that they are aware of the details of this effort. Mr. Davis reported that the property known as Western Lands represents a great potential to produce future revenue. He stated that the Authority had acquired the 427-acre tract several years ago. Since the land had not yet been used and no aviation plans existed for the foreseeable future, staff had determined that the property is a resource that the Authority can develop. Mr. Davis noted that staff would be exerting a lot of energy toward this effort. In March staff had announced a new process, Policies and Procedures-Unsolicited Proposals for Western Lands, which could be accessed under the Land Development tab on the Authority's website. Mr. Davis explained that the new process allows the Authority to receive and evaluate unsolicited proposals from developers and others on potential uses for the Western Lands. He stated that the Authority had received interesting responses, which staff is looking forward to learning more about over the next several months. A formal unsolicited proposal is expected in July from a local developer for the creation of an industrial business park. Additionally, staff is anticipating an unsolicited proposal by the end of the month for a very large industrial facility. Staff had also discussed exhibition centers and convention hotels with other prospects. Mr. Davis stated that local economic development offices are receiving inquiries about the property and the proposal process, which had also led to very meaningful introductions.

As part of the new process, Mr. Davis reported that staff had also developed a Target Pursuit List to identify and engage strategic contacts in the areas of development, brokerage, commercial operators, utility providers and government entities. He explained that the Target Pursuit List would be used as an opportunity for staff to become educated about

these constituents' real estate needs and to ensure that the Authority's new way of doing work is clear. Thus far, the list included nearly 30 developers, half of which had been contacted by staff. Mr. Davis noted that the list would evolve as staff learned more about the developers' qualifications and intentions. He asked that the Board remain patient with staff as the Authority entered into this new arena. To prepare the Western Lands for whatever development projects the Authority selected, several other processes were also underway, including an archeology study to identify anything of historic significance on the land that might affect development. Mr. Davis stated that staff would also undertake a study under the National Environmental Policy Act (NEPA) during the fall to identify any environmental factors that could affect development. Additionally, staff is working on a site plan to establish the potential layout for significant utilities, roadways and other infrastructure. Mr. Davis reported that staff would provide the Board with an update on its evaluation process and report on potential new uses for the property in future months.

In other real estate areas, Mr. Davis noted that the Authority had issued a Request for Proposals (RFP) on a new fuel retailing facility (a gas station and convenience store) to replace the current facility, located near Dulles International's economy parking lots, which is one of the busiest gas stations and convenience stores in Northern Virginia. He stated that the Authority is aware that there is a demand for a larger complex, and that it needed to move to another location. Mr. Davis reported that the Authority would receive responses to the RFP for the new facility by close of business that day and that staff is confident the new facility will bring a substantial increase in revenue, as well as provide more and better service to the customers. He noted that the new facility is targeted to open in the fall of 2016 and that staff would keep the Board apprised of its progress in this effort.

Mr. Davis reported that the Authority is also in the process of issuing a Request for Information for a hotel at the terminal at Dulles International. He noted that many major international airports across the United States and around the world had a hotel in or near the terminal and many travelers had come to expect that accommodation in a world-class airport. In addition to a new convenience for the Airport's passengers, Mr. Davis stated that staff believed a hotel at the terminal could also be a major source of revenue. Therefore, the idea is being explored with some of the major hotel companies, and a very strong level

of interest had been expressed while staff considered the feasibility of such a project.

Mr. Davis reported that he is pleased thus far with the efforts that the two employees that comprise the Business Development Office, Jim Poff and Bill Lebegern, had dedicated to these initiatives. He stated that three support employees are targeted to be hired in the near future, which will help tremendously.

Mr. Davis stated that staff looked forward to updating the Board in all of these areas at future meetings.

Mr. Session inquired whether there was a submission deadline that interested parties were required to meet or if the new process for unsolicited proposals would be open-ended. Mr. Davis responded that the new process is open ended and stated that the Authority is exploring other ways to apply the same approach to other parts of its business as part of its marketing effort to encourage people to offer their ideas to the Authority. Mr. Session also asked the timeline in which staff would compile, evaluate and strategize to move forward in regard to the information it received during the new process. Mr. Davis stated that the new process would continue for some time while the archeology study and NEPA process were underway and contacts were being made with interested developers. He explained that staff would begin to engage with customers once a solid assessment is received. If staff learned of an idea or concept that it believed is the appropriate way for the Authority to proceed, Mr. Davis reported that staff will engage with the Board.

IV. NEW BUSINESS

- a. Recommendation to Amend the Current Sole Source Contract to Purchase Electricity from Dominion Virginia Power for Ronald Reagan Washington National Airport, Washington Dulles International Airport and the Dulles Toll Road

Mr. McDermott moved the adoption of the following resolution, which was unanimously approved by all 14 Directors present:

WHEREAS, The Airports Authority is a member of the Virginia Energy Purchasing Governmental Association (VEPGA);

WHEREAS, The Airports Authority currently purchases electricity for all of its facility needs from Dominion Virginia Power using the rate schedule that VEPGA, on behalf of its members, has negotiated with Dominion Virginia Power;

WHEREAS, The Board of Directors approved a one-year sole source contract with Dominion Virginia Power at its May 2014 Meeting, at which time the term and conditions of the current rate agreement between the Virginia Energy Purchasing Governmental Association (VEPGA) and Dominion Virginia Power were still being negotiated;

WHEREAS, The current rate agreement between VEPGA and Dominion Virginia Power, which was finalized in June 2014, expires on June 30, 2018;

WHEREAS, Under its membership with VEPGA, the Airports Authority is required to participate in the VEPGA-Dominion Virginia Power rate agreement until the rate agreement has expired or been terminated;

WHEREAS, The Contracting Manual, in paragraph 1.4.1(3)(d), authorizes the award of sole source contracts “when utility services or supplies are available from only one actual, or practicable, source”;

WHEREAS, The Airports Authority’s contract with Dominion Virginia Power that utilized the VEPGA-Dominion rate schedule saved the Airports Authority approximately \$1.9 million in Fiscal Year 2014; now, therefore, be it

RESOLVED, That the President and Chief Executive Officer is authorized and directed to amend the existing sole source contract with Dominion Virginia Power for an additional three-year period for the purchase of electricity at a cost of \$64.5 million, consistent with the terms presented to the Business Administration Committee at its April 15, 2015 meeting; and

2. That staff will inform the Committee in the event that rates increase significantly.

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

b. Recommendation to Revise the Airports Authority Contract Manual

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

WHEREAS, The Contracting Manual (Manual) was last amended on May 21, 2014 in response to suggested clarifications by the U.S. Department of Transportation, Office of Inspector General;

WHEREAS, The May 21, 2014 amendments to the Manual also reflected changes in the Statement of Functions that consolidated all acquisition procurement functions under the Office of Finance, Procurement and Contracts Department;

WHEREAS, In light of this consolidation of all acquisition procurement functions within the Office of Finance, including the “simplified purchases” function, staff have recommended an increase in the size of acquisitions that may be procured under the “simplified purchases” procedures from \$50,000 to \$150,000, in order to improve the efficiency and operational assignments in the overall procurement operation without impacting the integrity of the process;

WHEREAS, In light of changes that been made in the President and CEO’s delegations of contracting authority within the Airports Authority as a result of the creation of the Office of the Chief Revenue Officer, staff have recommended revisions to the Manual that reflect those revised delegations;

WHEREAS, The Business Administration Committee has approved these staff recommendations and the Manual revisions that implement them, and has recommended to the Board of Directors that it formally approve these revisions and, in addition, approve and adopt the Manual, as amended by these revisions, which will be referred to as the Fourth Edition, Revision 2, of the Contracting Manual; now, therefore, be it

RESOLVED, That the Board of Directors approves the recommended revisions to the Contracting Manual, as presented for its consideration on May 20, 2015, and, in addition, approves and adopts the Fourth Edition, Revision 2, of the Contracting Manual, which reflects and includes these revisions, with an effective date of June 1, 2015.

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

c. Recommendation to Amend the 2015 Budget for the Dulles Corridor Metrorail Project

Mr. Curto moved the adoption of the following resolution, which was unanimously approved by all 14 Directors present:

WHEREAS, On December 10, 2014, the Board of Directors, in Resolution No. 14-31, approved the 2015 Budget for the Airports Authority which included, under the Dulles Corridor Enterprise Fund, a budget for Phase 1 of the Dulles Corridor Metrorail Project (Phase 1), including concurrent roadway improvements;

WHEREAS, A recently concluded global settlement with the construction contractor for Phase 1, Dulles Transit Partners (DTP), along with the resolution of other outstanding matters relating to Phase 1, has allowed Airports Authority staff to project a final Phase 1 close-out cost of approximately \$2.982 billion and to move to the final close-out of the Phase 1 project;

WHEREAS, This projected Phase 1 close-out cost of approximately \$2.982 billion represents an increase of \$76 million from the current Phase 1 approved budget authorization of approximately \$2.906 billion;

WHEREAS, This additional Phase 1 cost of \$76 million will be shared in accordance with the 2007 Local Funding Agreement between the Airports Authority, Fairfax County and Loudoun County;

WHEREAS, Staff has recommended that the Airports Authority's Phase 1 budget authorization be amended by increasing it by \$76 million to \$2,981,713,330; and
WHEREAS, The Dulles Corridor and Finance Committees have accepted that staff recommendation, and has recommended that the Board so amend the Phase 1 budget authorization; now, therefore, be it

RESOLVED, That the Airports Authority's 2015 Budget is amended to increase the budget authorization for Phase 1 of the Dulles Corridor Metrorail Project, including concurrent roadway improvements, to \$2,981,713,330.

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

d. Recommendation for the Vice President for Audit

Ms. Wells offered a motion to recommend Derric A. Gregory, Sr. as the Vice President for Audit. She stated that the Authority had been fortunate to have the wisdom of Mr. Caputo, Mr. Griffin and Mr. Mims, as well as Mr. Potter, as part of the interview process. Ms. Wells thanked them all for their participation. Mr. Griffin stated that Mr. Gregory was the best qualified candidate and that he was pleased to support the recommendation. The Committee unanimously approved Mr. Gregory as Vice President for Audit. Mr. Conner reported that both the interview process and the selection of Mr. Gregory had been a turning point for taking the overall Risk Management efforts to a higher level.

e. Recommendation to Award a Contract for Task Order Architect/Engineering Services for the Terminal B/C Redevelopment and Associated Capital Projects at Ronald Reagan Washington National Airport

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

WHEREAS, In September 2014, staff presented a pre-solicitation paper to the Strategic Development Committee regarding the procurement of architect and engineering services to be performed at Ronald Reagan Washington National Airport (Reagan National) in connection with the

Terminal B/C Redevelopment and Associated Capital Projects;

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

WHEREAS, On May 20, 2015, 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 AIR Alliance (Joint Venture with AECOM and PGAL); now, therefore, be it

RESOLVED, That the selection of AIR Alliance (Joint Venture with AECOM and PGAL) to provide task order architect/engineering services for the Terminal B/C Redevelopment and Associated Capital Projects at Reagan National for a term of three years, with two one-year extension options, at a cost not to exceed \$60 million is approved; and

2. That the President and Chief Executive Officer is authorized to execute a contract with AIR Alliance (Joint Venture with AECOM and PGAL) for the provision of these task order architect and engineering services for Terminal B/C Redevelopment and Associated Capital Projects at Reagan National, consistent with the contract terms and conditions presented to the Strategic Development Committee on May 20, 2015.

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 10:50 a.m.

Respectfully submitted:

Quince T. Brinkley, Jr.
Vice President and Secretary