

BOARD OF DIRECTORS MEETING

Minutes of February 27, 2019

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 8:15 a.m. Fourteen Directors were present during the meeting:

Warner H. Session, Chairman
Earl Adams, Jr.
Judith N. Batty
John A. Braun
Albert J. Dwoskin
Katherine K. Hanley
Robert W. Lazaro, Jr.

A. Bradley Mims
Thorn Pozen
David G. Speck
William E. Sudow
J. Walter Tejada
Mark E. Uncapher
Joslyn N. Williams

The Secretary and Executive Management were present:

John E. Potter, President and Chief Executive Officer
Jerome L. Davis, Executive Vice President and Chief Revenue Officer

Chairman Session noted that the day's meeting was a rescheduled meeting from February 20 as a result of a snow event.

I. MINUTES OF THE JANUARY 16, 2019 BOARD OF DIRECTORS MEETING

The Chairman called for the approval of the Minutes of the January 16, 2019 Board of Directors Meeting, which were unanimously approved.

II. COMMITTEE REPORTS

a. Dulles Corridor Committee – J. Walter Tejada, Co-Chair

Mr. Tejada reported that the Dulles Corridor Committee had last met on January 16. Staff had presented the Dulles Corridor Metrorail Project's monthly cost and schedule update for Phase 2.

b. Finance Committee – A. Bradley Mims, Co-Chair

Mr. Mims reported that the Finance Committee had met that morning and had approved the recommendation regarding the selection of the Underwriting Syndicates for the Airport System Revenue and Refunding Bonds, Series 2019 and the Dulles Toll Road Revenue Refunding Bonds, Series 2019. He stated that he would offer a resolution later in the day's Board Meeting.

c. Risk Management Committee – Mark E. Uncapher, Co-Chair

Mr. Uncapher reported that the Risk Management Committee had last met on January 16. In executive session, the Committee had reviewed the 2019 Audit Plan and recently-completed consultant report. Pursuant to Article IX, Section 3(c) of the Airports Authority Bylaws, the Board and its Committees are permitted to move into executive session to discuss existing or prospective contracts, business or legal relationships in order to protect proprietary or confidential information of the Airports Authority; any person or company; the financial interest of the Airports Authority; or the negotiating position of the Airports Authority. Mr. Uncapher reported that the Committee had also met in executive session to receive a briefing on the impacts of the federal government shutdown. Pursuant to Article IX, Section 3(f) of the Airports Authority Bylaws, the Board and its Committees are permitted to move into executive session for discussion of security plans and other law enforcement measures for the protection of the public from terrorism and aircraft hijacking.

d. Strategic Development Committee – Mark E. Uncapher, Co-Chair

Mr. Uncapher reported that the Strategic Development Committee had last met on January 16. Staff had presented an update on Project Journey. Turner Construction had presented its quarterly update on Project Journey.

III. INFORMATION ITEMS

a. President's Report

Mr. Potter shared that Paul Purcell, a firefighter technician, who served nearly 35 years with the Airports Authority before retiring in 2016 had passed away earlier in the month. Mr. Purcell was one of the Airports Authority's original employees and very popular among his colleagues. Mr. Purcell was a member of the team that responded to the Pentagon attack on September 11, 2001. Since Mr. Purcell had died from an illness that was linked to conditions faced by firefighters at the Pentagon on that tragic day, his passing at age 59 is considered a line of duty death. A moment of silence was observed in Mr. Purcell's honor.

Mr. Potter presented a video tribute to all of the federal partners, including the Transportation Security Administration (TSA), U.S. Customs and Border Protection (CBP), and the Federal Aviation Administration (FAA) air traffic controllers, who worked faithfully during the recent government shutdown. He stated that their efforts allowed passengers at Ronald Reagan Washington National Airport (Reagan National) and Washington Dulles International Airport (Dulles International) to experience only minor inconveniences and no problems with security and passport screening. Mr. Potter noted that numerous news outlets reported major delays, sickouts and various issues at other airports around the country. Despite the lack of paychecks and other personal challenges, the ongoing commitment to providing safe, efficient and convenient service to the traveling public was indicative of the collaborative working relationships that both Airports have with their colleagues at CBP, TSA and FAA. Mr. Potter reported that the Airports Authority was encouraged by the generous support from the airlines, concessionaires and other business partners, along with employees, who joined together to donate to food banks, provide restaurant discounts and offer other support for federal colleagues during that time.

Mr. Potter shared that the Airports Authority had received outpouring support and positive feedback from passengers via social media and customers in TSA lines at Dulles International and Reagan National who personally offered expressions of praise and thanks. The federal colleagues who rose to the occasion and continued to pursue the mutual mission of public service despite difficulties received a round of applause.

Mr. Potter reported that another complication during the federal government shutdown period was a major snow storm. He advised that more than 10 inches of snow at Reagan National and 11 inches at Dulles International far surpassed the weather forecast's original estimates. Mr. Potter stated that there were a number of weather-related flight cancellations and fewer customers passing through the Airports during this time, which caused some financial impact in January. He noted that the preliminary numbers indicate that the impacts of January were minimal and were mostly attributable to snow. Mr. Potter reported that the monthly financial report would be presented at the March Board Meeting.

With regard to passenger traffic, Mr. Potter reported that the Airports Authority had completed another strong year, with a total of approximately 47.5 million passengers traveling through both Airports. He stated that 2018 marks the fifth consecutive year of growth at Dulles International and an increase of more than 24 million passengers compared to 2017. Mr. Potter noted that for the first time since 2015 the passenger count at Dulles International exceeded Reagan National by more than 500,000. He indicated that a pattern over the past several years of increasing passenger traffic at Dulles International is reflective of the Airports Authority's strategic efforts on many fronts to build business at Dulles International, which has always been the plan for the growth Airport of the two-Airport system.

Mr. Potter stated that efforts continue to further enhance the passenger experience, including the current celebration of Black History Month. He further stated that the Black History Month programs will be featured on the Airports Authority website, social media accounts, as well as banners and videos throughout the Airports' terminals and Corporate Offices. Mr. Potter reported that the Airports Authority will continue to host performances by a number of musicians and other artists, as well as running advertisements and publications to highlight these programs at both Airports. He advised that many of the advertisements will also feature information and online links to the Airports Authority's Human Resources and Supplier Diversity offices for those interested in pursuing careers or business opportunities. In addition to advertising in the *Washington Post* and *Washington Informer* newspapers, there will be advertisements with information on the Airports Authority's minority business opportunities in *American DBE Magazine*. Mr. Potter reported that the *American DBE Magazine* is considered the premier publication

for stakeholders in the U.S. Department of Transportation's Disadvantaged Business Enterprise program.

Mr. Potter thanked Chairman Session, Mr. Pozen, Mr. Williams and Ms. Batty for their support at this year's annual performance oversight hearing before the D.C. Council's Committee of the Whole. He also thanked the business partners who appeared to testify and submitted testimony about their relationships with the Airports Authority. Mr. Potter advised that the positive discussion with Council Chairman Phil Mendelson included the work of the Supplier Diversity programs and updates on Project Journey and the Silver Line. Additionally, the discussion covered Amazon's plans for National Landing and the Airports Authority's efforts to work with the communities and the FAA on the subject of aircraft noise. Mr. Potter noted that the updates and testimonies were well received, and the Airports Authority looks forward to working with the District of Columbia and other government partners in the months ahead.

Chairman Session thanked Mr. Potter for the positive report and his review of the Oversight Hearing discussions. He also thanked the Directors appointed by the Mayor of the District of Columbia who attended the hearings. Chairman Session asked Mr. Potter to share details about the upcoming inaugural flight from Dulles International. Mr. Potter stated that the inaugural flight to Tel Aviv is scheduled in May. He advised that on February 21, United Airlines, the Airports Authority, and the Israel Task Force held a gala event at the Hyatt Regency in Tysons Corner that was well attended by approximately 200 people from the community. Mr. Potter noted that Mr. Davis would provide additional details about the Tel Aviv inaugural flight at the March Board Meeting.

Chairman Session extended special thanks to Yil Surehan, Vice President for Airline Business Development, for the positive results that he was helping to produce thus far since joining the Airports Authority less than one year ago.

IV. NEW BUSINESS

Chairman Session stated that Mr. Pozen had recused himself from participating in the upcoming agenda items and that he had stepped away from the table.

a. Recommendation to Award a Contract for Refuse and Recycling Removal Services at Washington Dulles International Airport, Ronald Reagan Washington National Airport, and the Dulles Toll Road

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

WHEREAS, In June 2017, the Business Administration Committee concurred with staff's recommendation to issue a solicitation for refuse and recycling removal services at Washington Dulles International Airport (Dulles International), Ronald Reagan Washington National Airport (Reagan National) and the Dulles Toll Road, using the Lowest Price Technically Acceptable Method;

WHEREAS, The refuse and recycling removal service requirements include providing, servicing and maintaining refuse and recycling containers for use by the Airports Authority, airlines, concessionaires and other tenants;

WHEREAS, A Request for Proposals (RFP) was issued on September 18, 2017, and two proposals were received on November 17, 2017;

WHEREAS, The Technical Evaluation Committee determined only one offeror was deemed technically acceptable to perform the requirements stated in the solicitation;

WHEREAS, Prior to obtaining Board approval to enter into a contract, the acceptable offeror subsequently notified the Airports Authority that it would not honor the final negotiated contract amount, and the RFP was canceled on March 19, 2018;

WHEREAS, A second RFP was issued on July 30, 2018, and three proposals were received on October 17, 2018;

WHEREAS, The Technical Evaluation Committee evaluated the non-price factors of the proposals and determined that only Bates Trucking Company, Inc. was deemed technically acceptable to perform the requirements as stated in the RFP;

WHEREAS, The Contracting Officer performed a price analysis of the Bates Trucking Company, Inc. offer and determined that it was fair and reasonable;

WHEREAS, Bates Trucking Company, Inc. is a certified Local Disadvantaged Business Enterprise firm and plans to perform all of the work associated with the contract;

WHEREAS, The Business Administration Committee is satisfied with the results of the competitive procurement process, as presented at its January 16, 2019 meeting and recommended that the Board of Directors approve the selection of Bates Trucking Company, Inc.; now, therefore, be it

RESOLVED, That the selection of Bates Trucking Company, Inc. to provide refuse and recycling removal services for a proposed three-year base contract for a total of \$4,015,389 for Dulles International, \$2,028,942 for Reagan National and \$80,248 for the Dulles Toll Road, with a total value of \$10,370,110 for the five-year contract is approved; and

2. That the President and Chief Executive Officer is authorized and directed to enter into a contract with Bates Trucking Company, Inc., consistent with the terms presented to the Business Administration Committee at its January 16, 2019 meeting.

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

Mr. Lazaro thanked staff for the information they provided to him regarding Bates Trucking Company, Inc. (Bates) and its plans for recycling. He stated that it is his understanding that Bates has a recycling coordinator that will compile monthly recycling reports and provide them to the Airports Authority. Mr. Lazaro further stated that he would appreciate having the opportunity to review the reports when they are available.

b. Recommendation Regarding the Selection of the Underwriting Syndicates for the Airport System Revenue and Refunding Bonds, Series 2019 and Dulles Toll Road Revenue Bonds, Series 2019

Mr. Mims moved the adoption of the following resolution, which was unanimously adopted:

WHEREAS, In Resolution No. 01-20, the Board of Directors has reserved to itself the authority to select underwriters to lead the underwriting syndicate for each bond sale;

WHEREAS, In January 2019, based on the results of a competitive procurement process, the Finance Committee recommended to the Board and the Board approved, the selection of 15 investment banking firms to form an Underwriting Pool for a term of three years, with an extension option for one or more years at the discretion of the Board, during which time the Metropolitan Washington Airports Authority reserves the right to add or remove firms from the pool:

Bank of America Merrill Lynch
Barclays Capital Inc.
Citigroup Global Markets Inc.
Estrada Hinojosa & Company, Inc.
Goldman Sachs & Co.
Jefferies
J.P. Morgan Securities
Loop Capital Markets
Morgan Stanley & Co.
Raymond James
RBC Capital Markets
Samuel A. Ramirez & Co.
Siebert Cisneros Shank & Co.
UBS Financial Services
Wells Fargo Securities

WHEREAS, Following approval of the Underwriting Pool, the firms were interviewed by a Technical Evaluation Committee (TEC) for roles in the 2019 underwriting syndicates;

WHEREAS, The TEC has recommended the following firms and their assigned roles to the Finance Committee to form the Series 2019 Airport System Revenue and Refunding Bonds syndicate:

Recommended Airport System Revenue and Refunding Bonds, Series 2019 Underwriting Syndicate Members and Roles	
Jefferies	Bookrunning Senior Manager
Siebert Cisneros Shank & Co.	Co-Senior Manager
Barclays Capital Inc.	Co-Manager
Citigroup Global Markets Inc.	Co-Manager
Goldman Sachs & Co.	Co-Manager
J.P. Morgan Securities	Co-Manager
Morgan Stanley & Co.	Co-Manager
UBS Financial Services	Co-Manager

WHEREAS, The TEC has also recommended the following firms and their assigned roles to the Finance Committee to form the Series 2019 Dulles Toll Road Revenue Refunding Bonds syndicate:

Recommended Dulles Toll Road Revenue Refunding Bonds, Series 2019 Underwriting Syndicate Members and Roles	
Samuel A. Ramirez & Co.	Bookrunning Senior Manager
Loop Capital Markets	Co-Manager
RBC Capital Markets	Co-Manager
Wells Fargo Securities	Co-Manager

WHEREAS, The Finance Committee has accepted the TEC's recommendation and has recommended to the Board of Directors that it approve the selection of the above listed firms, with their assigned roles, to form the Underwriting Syndicates for the Airport System Revenue and Refunding Bonds, Series 2019, and Dulles Toll Road Revenue Refunding Bonds, Series 2019 issuances;

WHEREAS, The Board of Directors has reviewed and approved the recommendation of the Finance Committee; now, therefore, be it;

RESOLVED, That the investment banking firms identified above in the tables are hereby selected to be members, with their assigned roles, of the Underwriting Syndicates for the Airport System Revenue and Refunding Bonds, Series 2019 and Dulles Toll Road Revenue Refunding Bonds, Series 2019 issuances.

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

As Co-Chairs of the Finance Committee, Mr. Mims stated that he and Mr. Speck expressed sincere thanks to staff and the TEC in recognition of their hard work during the difficult selection process.

Mr. Pozen returned to the table.

V. UNFINISHED BUSINESS

There was not any unfinished business.

VI. OTHER BUSINESS & ADJOURNMENT

The Meeting was thereupon adjourned at 8:30 a.m.

Respectfully submitted:

Monica R. Hargrove
Vice President and Secretary