

## BOARD OF DIRECTORS MEETING

Minutes of October 21, 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 10:15 a.m. Fourteen Directors were present during the meeting:

Warner H. Session, Vice Chairman	Barbara Lang
Earl Adams, Jr.	William Shaw McDermott
C. Charles Caputo	Caren Merrick
Bruce A. Gates	A. Bradley Mims
Anthony H. Griffin	Thorn Pozen
Katherine K. Hanley	Nina Mitchell Wells
Richard A. Kennedy	Joslyn N. Williams

The Interim Secretary and Executive Management were present:

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

### I. MINUTES OF THE SEPTEMBER 16, 2015 BOARD OF DIRECTORS MEETING

The Vice Chairman called for the approval of the Minutes of the September 16, 2015 Board of Directors Meeting, which were unanimously adopted.

## II. COMMITTEE REPORTS

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

Mr. McDermott reported that since the Business Administration Committee had just ended its meeting, he would report only on the recommendations that the Committee had just approved since he would offer resolutions later in the day's meeting – 1) to provide the unarmed security guard services and 2) to modify the current natural gas contract.

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

Mr. Griffin reported that the Dulles Corridor Committee had last met September 16. Staff had presented the Dulles Corridor Metrorail Project Monthly Cost and Schedule Update for Phase 2 and the Quarterly Dulles Corridor Metrorail Project Monthly Cost and Schedule Update for Phase 1. Will Thompson of Hensel Phelps had presented the Quarterly Update on Phase 2 – Package B - Washington Metropolitan Area Transit Authority Rail Yard and Maintenance Facility.

### c. Human Resources Committee – Bruce A. Gates, Co-Chair

Mr. Gates reported that the Human Resources Committee had met that morning and on September 16. At the day's meeting, staff had presented a recommendation to approve Restated Plan Documents for the Authority's Retirement Savings and Supplemental Savings Plans. Mr. Gates stated that the Committee had approved the recommendation, and a resolution would be offered later in the day's meeting.

Mr. Gates also reported that staff had presented pre-solicitation terms for employee group life and long-term disability insurance benefit plans at the September Meeting. The Committee had concurred with the pending procurement.

### d. Joint Dulles Corridor and Finance Committees – Tony Griffin, Co-Chair

Mr. Griffin reported that the Dulles Corridor and Finance Committees had held a special meeting September 16. Staff had presented a recommendation to enter into an agreement with Fairfax County to support the County in connection with a grant it is receiving from the

Northern Virginia Transportation Authority to fund certain costs of the Dulles Corridor Metrorail Project, which the Committee and Board had approved.

e. Nominations Committee – Nina Mitchell Wells, Co-Chair

Ms. Wells reported that the Nominations Committee had held its first meeting September 16. The Committee had elected Mr. Curto as its Chairman and had discussed the process and proposed schedule to determine candidates for officers for the elections at the November 18 Annual Meeting.

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

Ms. Wells reported that the Risk Management Committee had last met September 16. Staff had presented two recommendations – 1) the selection of independent audit firms and 2) the selection of Vice President for Audit. The Committee and Board had approved the selections on September 16.

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

Ms. Lang reported that the Strategic Development Committee had last met September 16. Staff had presented two requests for easements, which the Committee had approved. Ms. Lang stated that she would offer resolutions to approve both requests later in the day's meeting.

### III. INFORMATION ITEMS

a. President's Report

Mr. Potter reported that the Authority continues to open new stores and restaurants in both Airports, giving its customers more and better choices for shopping and dining to help enhance their travel experience.

Additionally, the Authority is moving forward to implement its newly-approved regulations to allow transportation network companies, such as Uber and Lyft, to operate at both Airports, offering passengers more transportation choices.

Mr. Potter reported that the Authority is seeing impressive increases in the number of passengers using its new website, which had been unveiled at the September Meeting. He stated that the website is getting great reviews from passengers who are also taking advantage of all the new opportunities to give the Authority feedback on their Airport experience.

As a result of the merger, American Airlines (American) and U.S. Airways had begun operations under the American name, effective the prior week. Mr. Potter reported that the operations staff at Reagan National had worked with partners at American to remove all the old U.S. Airways signs and logos inside the Airport and replace them with the new American brand name. Additionally, a number of flights, including the American shuttle to New York, had moved to new gates. Mr. Potter noted that the Authority's Communications staff had been working with its American counterparts to ensure that passengers and the public are aware of the changes. Additionally, employees in the Airport are working to help customers find new gates and other facilities under the configuration. Mr. Potter stated that Ms. McKeough would provide more information about the transition in the Executive Vice President's Report. He thanked Authority staff for going the extra mile to help assure a smooth process.

As a follow-up to the Dulles Matters event, Mr. Potter reported that a number of community leaders, business partners, local Chamber of Commerce and Economic Development representatives, travel industry experts, journalists and others had visited Dulles International the prior week to get a personal look at the improvements occurring at the Airport. The participants had been impressed as they toured the new shops and sampled some of the wonderful food from restaurants at Dulles International. Mr. Potter stated that the event had received immediate positive reviews on social media and in travel publications. He noted that one blogger had opined that "it's a shame you need a plane ticket to come shopping here at Dulles Airport." Mr. Potter thanked the Authority's Concessions team, including its partners at Marketplace Development; the Authority's Communications and Community Relations teams; as well as the Committee for Dulles; the Washington Airports Task Force; Northern Virginia Transportation Alliance; Dulles South Alliance; and the Dulles Corridor Rail Association for their help to continue the Authority's public outreach under the "Dulles Matters" program.

Mr. Potter reported that the Authority would host University Day on October 29 for a group of college and university career counselors from the District of Columbia, Virginia and other nearby jurisdictions. The important outreach event would provide an opportunity to make area colleges more aware of the opportunities for employment at the Authority. Mr. Potter noted that informing graduates and their advisers in the National Capital Region about jobs and careers with the Authority would help to assure the Authority's high-quality work force in the years ahead. He recognized Tony Vegliante, Vice President for Human Resources and Administrative Systems, and the Human Resources team for organizing the important University Day outreach event.

Mr. Potter also reported that the Department of Supplier Diversity would host a seminar for small and minority-owned businesses in the District of Columbia to help increase awareness of opportunities under the Authority's Disadvantaged Business Enterprise (DBE) and Local DBE programs. At the October 23 seminar, Authority staff would provide an overview of upcoming opportunities, explain the process for getting a business certified under these programs and answer questions from prospective contractors about the Authority's procurement process. Mr. Potter thanked the Department of Supplier Diversity Team, including Richard Gordon and Terry Woodson, for taking the lead in this effort. He stated that these outreach events represented an effort to help raise public awareness of all the improvements occurring at both Airports, as well as the Authority's business opportunities, and to demonstrate the commitment to serving its customers and the public. Mr. Potter noted that Mr. Davis would provide additional information on how the Authority uses information collected from its customers' surveys and other feedback channels to improve the Airports and the services provided, as well as how advances in technology are being used.

Mr. Potter reported that the Authority is providing assistance to neighboring communities with regard to airplane noise. He explained that the focus at each Airport was slightly different. Because developers at Dulles International wanted to build housing in areas close to the runways, noise is likely to be a major problem for anyone who lives in those homes. Mr. Potter stated that the Authority is working with the Loudoun County government to assure that current zoning standards around the Airport, which were designed to help shield residents from noise, remain intact. At Reagan National, the Authority is experiencing an increase in complaints from District of Columbia and Virginia residents that live along the Potomac River. One reason for the increased

complaints is the government's ongoing effort to shift Air Traffic Control to satellite-based navigation technology under the NextGen program. Mr. Potter reported that the new technology, which replaces the old system that uses ground-based radar, is making the flight paths along the river narrower than before so airlines are flying closer to the river. To help address these concerns, the Authority is sponsoring an advisory committee made up of citizens living in communities along the Potomac in D.C. and Virginia to work with representatives of the Federal Aviation Administration (FAA) and the airlines to identify potential ways to mitigate noise. In an effort to bring a greater understanding of aircraft noise, representatives had been chosen to serve on the Reagan National Airport Community Working Group (Community Working Group). The Community Working Group will spend about a year considering technical solutions before recommending those potential solutions to the FAA for consideration. Mr. Potter commended Ms. McKeough for being the executive sponsor of this effort, in conjunction with the Noise Information Office and Government Affairs team. Mr. Potter reported that staff would keep the Board informed of the Community Working Group's progress.

Mr. Potter reported that the Dulles Day event had been a great success. The plane pull competition, which featured two jetliners, and the races on the runway had raised nearly \$345,000 for charity, most of which would be donated to Special Olympics in Virginia. He noted that approximately 12,000 visitors were present, along with nearly 300 volunteers from the Authority and 21 corporate sponsors and embassies. In addition to providing great fun for families, the event had raised awareness about Dulles International and all the services and destinations it offers and raised money for a good cause. Mr. Potter thanked and congratulated all those who helped to make the event successful.

Mr. Adams inquired whether FAA would determine whether to accept the recommendations made by the Community Working Group, to which Mr. Potter responded affirmatively. He stated that FAA is an active participant on the Committee, and noted that representatives from the District of Columbia, as well as Arlington and Alexandria, Virginia, had been appointed. Mr. Potter reported that FAA and the airlines are willing to assist the Authority to mitigate noise issues with the communities.

Mr. Caputo inquired whether all of the money raised at the Dulles Day event had been donated to the Special Olympics in Virginia. Mr. Potter

responded that it had received more than \$300,000 in donations, and stated that he would provide a list of the other charitable organizations that would receive donations.

Ms. Merrick requested additional details about the recent event to promote the Airports' concessions. Mr. Potter reported that the Dulles Matters follow-up event had served as an opportunity to interface with some of the thought leaders to ensure that they were aware of the activities underway at Dulles International. The follow-up event had received a great deal of positive reaction. Mr. Potter stated that similar events would be held on a regular basis when the Authority had something it wanted to showcase.

Ms. Lang stated that the Strategic Development Committee had been involved with the noise issues. She noted that Congresswoman Eleanor Holmes Norton had hosted a meeting in the Palisades community. Ms. Lang wanted to ensure that someone from Congresswoman Norton's staff would serve on the Community Working Group, to which Mr. Potter responded affirmatively.

Ms. Hanley stated that she wanted to ensure that the Community Working Group would include representation from Fairfax County. Mr. Potter responded that three representatives from Fairfax County would serve on the Community Working Group.

Mr. Mims inquired whether any Maryland residents were on the Community Working Group. Mr. Potter responded that staff would reach out to Montgomery County. Ms. Hanley and Mr. Adams suggested that the Community Working Group also include a Prince George's County representative.

Mr. Griffin suggested that one of the Community Working Group meetings be held at Dulles International. He noted that while the complaints about Dulles International aircraft noise were likely substantially less than Reagan National, he thought it would be useful that the Community Working Group also witness the noise at that Airport. Mr. Potter thanked Mr. Griffin for his suggestion, which would be taken under consideration.

b. Executive Vice Presidents' Reports

Ms. McKeough invited the Directors to attend the first Community Working Group meeting that would be held on Tuesday, October 27, at 4:00 p.m. at the Corporate Office Building. Staff would continue to keep the Board informed.

Mr. Session recalled that as part of the enabling statute, an Advisory Committee (Committee) had been formed, with representation from Maryland, the District of Columbia and Virginia. He stated that [years ago] the Committee had met on an ongoing basis to discuss issues such as noise and customer satisfaction. Mr. Session noted that the Authority may consider reviving the Committee.

Ms. McKeough reported that August air traffic statistics had been provided for the day's meeting. With the conclusion of the summer travel season, August had marked the fourth consecutive month where positive growth had occurred at both Airports. Ms. McKeough noted that the combined Airport system had operated at an approximate growth rate of five percent. While 11 percent of the growth had occurred at Reagan National, Ms. McKeough reported that the passenger activity at Dulles International had been relatively consistent with the prior year. She stated that Authority staff had worked diligently to sustain the domestic passenger activity at Dulles International, and Ms. McKeough noted that positive growth in domestic travel had occurred at the Airport. She thanked the Airports' staff and operational teams for servicing the passengers as they traveled through the Airports.

As Mr. Potter had reported, the transition of all US Airways operations at both Airports to the American brand had occurred the prior week. Ms. McKeough noted that the significant overnight transition involved both Airports working closely with American to remove legacy signs referencing US Airways and ensuring the correct signage and directional information was displayed for customers when they arrived October 17. She acknowledged Paul Malandrino, Vice President and Airport Manager, and his team for their extraordinary significant efforts. Ms. McKeough stated that the Authority's Communication team had also done an outstanding job.

Ms. McKeough reported that a number of recent media stories had addressed passenger service issues at Reagan National and Dulles International Airports, including what had appeared to be an

unfortunate occurrence with regard to nursing rooms at Dulles International. In an effort to address the desire for nursing moms to have more private facilities to use at airports across the United States, Ms. McKeough reported that both Airport Managers had developed plans to implement those facilities at the Airports. At Reagan National, the first nursing room facility had opened approximately six weeks ago in Terminal A near the security checkpoint, and the Authority planned to open two additional facilities in National Hall before the holiday season. Ms. McKeough reported that several different concourse facilities needed to be addressed at the larger Dulles International campus and that Chris Browne, Vice President and Airport Manager, and his team had developed a plan to build the facilities to accommodate the need. She stated that, at a minimum, the nursing rooms in the Main Terminal should be open by the holiday season.

Ms. McKeough also reported on the technology issues that the U.S. Customs and Border Protection (CBP) had recently experienced, which had impacted service in the International Arrivals Facility at major ports throughout the country, including Dulles International. The biggest impact to the passengers at Dulles International had been the loss of service of the Global Entry kiosks and the Authority's Passport Express self-service kiosks. Ms. McKeough noted that the nationwide technology issue had occurred during a less busy time at Dulles International and that passengers had been required to use a more manual process with the interaction of CBP officials.

Ms. McKeough reported that the Transportation Security Administration (TSA) had chosen to modify some of its screening procedures at checkpoints across the country resulting in longer wait times. She noted that passengers at Dulles International were being impacted considerably more than at Reagan National and that TSA is working on an effort to enroll more passengers in its Pre-Check Program, which would hopefully be completed prior to the holidays.

Ms. McKeough reported that the Authority's launch for the new ground transportation operations for Transportation Network Companies, such as Uber and Lyft, and limousines on November 1 is underway. She stated that she was not aware of any conflicting issues and that a smooth launch is expected. Ms. McKeough reported that staff would keep the Board informed.

Mr. Adams inquired whether the Authority is able to recover costs associated with the American transition, to which Ms. McKeough responded affirmatively. She stated that the Authority will recover costs for labor and sign manufacturing through the airline's Rates and Charges.

Ms. Wells inquired about the percentage of passengers at each Airport that are certified to participate in the TSA Pre-Check Program. Ms. McKeough responded that approximately 40 percent of passengers using Reagan National were eligible to use Pre-Check lanes. Mr. Browne stated that while the number of passengers at Dulles International was quite high, it was less than 40 percent. He noted that TSA is adding lanes for its Pre-Check Program at Dulles International to minimize passengers' waits to no more than five minutes. Mr. Browne stated that some airlines offer their passengers Pre-Check Program eligibility depending on their frequent flyer status. Ms. McKeough reported that TSA has a broader effort underway to streamline the process for the Pre-Check Program and to potentially lower the fees and make it easier for passengers to enroll in the Program. Mr. Potter reported that Reagan National and Dulles International had a fairly high participation rate in both Global Entry and Pre-Check Programs. He noted that TSA has offices at Reagan National and Dulles International so that passengers could enroll in the Global Entry or Pre-Check Programs at the Airports. He noted that staff would communicate the information to the public to make them aware of the options to enroll in these Programs at both Airports.

With regard to the new nursing rooms, Mr. Kennedy inquired whether recommended guidelines would be used and if Authority staff would construct them. Ms. McKeough responded that internal staff would construct the nursing rooms. Additionally, Ms. McKeough noted that the nursing room at Reagan National, which had produced positive feedback, would be used as a model.

Mr. Williams inquired about the number of Directors enrolled in the Global Entry and Pre-Check Programs, to which many responded affirmatively.

Mr. Davis reported that he had shared the strategies that Authority staff has been using in an effort to propel non-airline revenue throughout 2015. He stated that the strategies include negotiating contracts, opening new shops and restaurants, driving new marketing campaigns,

introducing new products and realizing value from the real estate at Dulles International. Additional strategies include the aggressive work of the Air Service Planning and Development team, as well as the support from the Authority's Communications and Government Affairs teams to attract new business and to keep the public and elected officials informed of the organization's progress. Mr. Davis noted that the Authority is also benefitting from outstanding work performed by its display advertising team as it challenged the traditional process to produce additional revenue in this area. He reported that September had been another strong month of revenue growth, reflecting an increase of 9 percent in non-airline revenue when compared to the prior year.

Mr. Davis shared some of the analysis and business intelligence that will help to define the Authority's strategies for 2016 as a result of the data collected. He stated that sustainable growth is built around knowing your customers. Mr. Davis reported that McGinn and Company, known as an expert in positioning and media services, coupled with its strategic relationships with the research firm Repass and the creative firm Auge-Gray, had developed a segmentation of the Authority's customers. He explained the efforts used that will allow the Authority to promote targeted growth strategies and to develop a customer segmentation model. Mr. Davis identified the following five primary customary segments found at Reagan National and Dulles International: 1) convenience seekers; fast and frugal; family vacationers; road warriors; and luxury travel lovers. Additionally, he explained the criteria for segment selection, noting that multiple segment models had been based on data collected. Mr. Davis provided several examples of how the collected data could be used to propel strategy, including varied spending averages; Airport preferences; typical methods of transportation; and methods used for travelers to book their flights. He stated that the information shared during the day's report represented only a snap shot of the data now available which would help the Authority to mold its value propositions, as well as its strategy for 2016. Additionally, Mr. Davis reported that the Authority would launch its new brand strategy within the next four weeks.

#### IV. NEW BUSINESS

- a. Recommendation to Approve Restated Plan Documents for Metropolitan Washington Airports Authority Retirement Savings Plan and Metropolitan Washington Airports Authority Supplemental Savings Plan

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

WHEREAS, The Metropolitan Washington Airports Authority maintains the Metropolitan Washington Airports Authority Retirement Savings Plan under Section 457(b) of the Internal Revenue Code (“Retirement Savings Plan”), and the Metropolitan Washington Airports Authority Supplemental Savings Plan under Section 401(a) of the Internal Revenue Code (“Supplemental Savings Plan” and, together with the Retirement Savings Plan, the “Savings Plans”);

WHEREAS, Under the Retirement Savings Plan, Airports Authority employees are able to make pre-tax contributions toward their future retirement, and these employee contributions are allocated to individual accounts established for the employees where their contributions are held in a trust and administered by a third party entity;

WHEREAS, Under the Supplemental Savings Plan, the Airports Authority matches a portion of the contributions made by employees under the Retirement Savings Plan, and these contributions are allocated to individual accounts established for the employees where the Airports Authority’s contributions are held in a trust and administered by a third party;

WHEREAS, The International City/County Managers Association-Retirement Corporation (“ICMA-RC”) currently serves as the service provider and record keeper for Retirement Savings Plan and the Supplemental Savings Plans;

WHEREAS, As the result of a competitive procurement earlier in 2015, effective November 1, 2015, a new third party,

Lincoln Financial Services, will take over from ICMA-RC as the service provider and record keeper for the Retirement Savings Plan and the Supplemental Savings Plan;

WHEREAS, In order for the administration of the Retirement Savings Plan and the Supplemental Savings Plan to properly transfer from ICMA-RC to Lincoln Financial Services new restated retirement plan documents for these Savings Plans need to be approved and executed by the Airports Authority;

WHEREAS, In connection with this transfer of the administration of Retirement Savings Plan and the Supplemental Savings Plan, Lincoln Financial Services has prepared a new restated plan document for each of these Savings Plans – a plan document for the “Metropolitan Washington Airports Authority Retirement Savings Plan” (attached as Exhibit A to this Resolution) and another plan document for the “Metropolitan Washington Airports Authority Supplemental Savings Plan” (attached in two parts, as Exhibits B-1 and B-2);

WHEREAS, These new restated plan documents replace and, except for the addition of provisions expanding the purposes for which employee participant loans may be made and eliminating the requirement of spousal consent for non-spousal beneficiary designations made by employee participants, the new plan documents make no substantive changes to the documents in effect during the period when ICMA-RC served as the service provider and record keeper for the Savings Plans; these new restated plan documents, among other things, continue to define the requirements for employees to be eligible to participate in the Savings plans; to identify the contributions that eligible employees may make to the Retirement Savings Plan, and the matching contributions the Airports Authority is required to make to the Supplemental Retirement Plan on behalf of employees who make contributions to the Retirement Savings Plan; to describe the responsibilities of employees for investing the contributions allocated to their accounts under each of the Savings Plans; to define the distributions to be made by the Savings Plans to employees and/or their beneficiaries upon the occurrence of certain events; to define the administrator

of the Savings Plans (which is the Airports Authority's Retirement Program Committee); and to describe the responsibilities of the administrator;

WHEREAS, The new restated plan documents for the Retirement Savings Plan and the Supplemental Savings Plan have been presented to and reviewed by the Retirement Program Committee at its September 29, 2015, meeting and by the Board's Human Resources Committee at its October 21, 2015, meeting, and both Committees have recommended approval of the new restated plan documents by the Board of Directors; now, therefore, be it

RESOLVED, That the new restated plan document for the "Metropolitan Washington Airports Authority Retirement Savings Plan" (Exhibit A) and the new restated plan document for the "Metropolitan Washington Airports Authority Supplemental Savings Plan" (Exhibits B-1 and B-2) are hereby approved and adopted;

2. That the President and Chief Executive Officer is authorized and directed (i) to execute each of the plan documents identified in the preceding paragraph with such changes, insertions, deletions and completions of a non-substantive nature, if any, that he deems necessary or desirable after consultation with the Co-Chairs of the Human Resources Committee, and (ii) to take any other actions he deems necessary or desirable to provide for the orderly transition of the two Savings Plans from ICMA-RC to Lincoln Financial Services, including without limitation the preparation, execution and delivery, on behalf of the Airports Authority, of other documents, forms or materials related to the transition of the plans; and

3. That the Retirement Program Committee, created by Resolution 89-4, as modified by Resolution 96-6, shall be authorized to act as the Administrator under the Retirement Savings Plan with the duties, powers and responsibilities which the new restated plan document for this plan provides to the Administrator of the plan, and to act as the Plan Administrator under the new Supplemental Savings Plan with the duties, powers and responsibilities which the new restated

plan document for this plan provides to the Plan Administrator.

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

b. Recommendation to Award a Contract for Unarmed Security Guard Services at Ronald Reagan Washington National Airport

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

WHEREAS, The Transportation Security Administration Regulations and Directives require airport operators to control access to certain parts of their facility;

WHEREAS, The contract for unarmed security guard services at Ronald Reagan Washington National Airport (Reagan National), scheduled to expire October 31, 2015, was extended two months to align with the anticipated new contract start date of January 1, 2016;

WHEREAS, The Business Administration Committee concurred in the issuance of a Request for Proposals for these services at its April 15, 2015, meeting;

WHEREAS, A Technical Evaluation Committee reviewed the competing proposals submitted in response to a Request for Proposals, and recommended the selection of New Horizon Security Services, Inc. of Manassas, Virginia, for a three-year contract with one two-year extension option to provide unarmed security guard services at Reagan National at a cost of approximately \$8,702,000 over the maximum five-year term; and

WHEREAS, The Business Administration Committee is satisfied with results of the competitive procurement process, as presented at its October 21, 2015, meeting; now, therefore, be it

RESOLVED, That the President and Chief Executive Officer is authorized and directed to enter into a three-year contract with one two-year extension option with New Horizon Security Services, Inc., for the provision of unarmed security guard services at Reagan National, consistent with the terms presented to the Business Administration Committee at its October 21, 2015 meeting.

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

c. Recommendation to Modify the Current Natural Gas Contract for Ronald Reagan Washington National Airport

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

WHEREAS, The Authority participated in a Metropolitan Washington Council of Governments (COG) Invitation for Bid (IFB) for the purchase and delivery of natural gas which allowed COG members to combine their total usage into one solicitation in order to obtain economies of scale pricing;

WHEREAS, Seven natural gas bids were obtained and COG awarded the contract to the lowest qualified bidder, Washington Gas Energy Services (WGES), in October 2012;

WHEREAS, The contract allowed COG members to select a base term of either one, two or three years, and included two unpriced option years and the Authority chose to enter into a contract with WGES for the maximum base term of three years;

WHEREAS, The Authority did not include the two unpriced option years in the 2012 contract because the financial implications could not be determined at the time of the award;

WHEREAS, Energy Enablement, an energy consultant to COG, checked pricing from other natural gas suppliers, determined the pricing from WGES, which is about 3 percent less than the cost that the Authority is currently paying, is

advantageous and recommended executing the two-year option;

WHEREAS, Staff conducted independent market research and found that a forecast conducted by another energy broker shows that the price of natural gas is currently near the 2012 historically-low price which validates that the pricing through the COG contract is the most advantageous pricing available to the Authority at this time;

WHEREAS, It would be advantageous to the Authority to modify the WGES contract to include the two option years at an estimated cost of \$2.1 million;

WHEREAS, In accordance with the Contracting Manual, the exercise of an unpriced option is considered a sole source procurement action, which requires Board approval;

WHEREAS, The anticipated sole source award was published on the Authority's website for the specific time period as required by the Contracting Manual; now, therefore, be it

RESOLVED, That the President and Chief Executive Officer is authorized and directed to modify the existing three-year contract with WGES for the supply of natural gas for Reagan National to include the two-year option period, consistent with the terms presented to the Business Administration Committee at its October 21, 2015 meeting.

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

d. Recommendation Approve Loudoun County Sanitation Request for Easements across Washington Dulles International Airport Property

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

WHEREAS, The Loudoun County Sanitation Authority is undertaking a project to improve reliability of service for its customers south and west of Washington Dulles International

Airport (Dulles International), which includes installing a new 30-inch water transmission main;

WHEREAS, The proposed water transmission main installation is between Willard Road at Route 50 and the Loudoun County Parkway (Route 606) and crosses a portion of Dulles International;

WHEREAS, In order to complete this installation, Loudoun County Sanitation Authority has requested temporary grading and construction easements across 11.0697 acres of Airports Authority property and a 15-foot wide permanent easement over 3.534 acres;

WHEREAS, Loudoun County Sanitation Authority will waive application review and processing fees for the Airports Authority's connection to the new water main; and

WHEREAS, The Strategic Development Committee has reviewed the proposed easements, as presented by staff at its September 2015 Meeting, and recommended that they should be granted at no cost; now, therefore be it

RESOLVED, That the President and Chief Executive Officer is authorized and directed to execute the easements to the Loudoun County Sanitation Authority as identified in detail in the documents presented to the Board of Directors at its October 2015 Meeting.

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

- e. Recommendation to Approve Virginia Department of Transportation Request for Easements across Washington Dulles International Airport at Route 7

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

WHEREAS, Due to the age and condition of the Route 7 bridge, the Virginia Department of Transportation is undertaking a bridge rehabilitation project, which includes

replacing the deck, raising the structure to increase the vertical clearances over the Dulles Toll Road and the Dulles International Airport Access Highway and widening the bridge and a portion of Route 7 from four lanes to six lanes;

WHEREAS, The project also includes construction of a shared use path on both sides of Route 7 for pedestrian and bicycle use;

WHEREAS, A portion of this project impacts Airports Authority property at Washington Dulles International Airport;

WHEREAS, In order to complete this project, the Virginia Department of Transportation has requested easements across 10.0 acres of Airports Authority property, including 6.5 acres for the shared use path, 1.0 acre for drainage and 2.5 acres for the widening of the bridge;

WHEREAS, The precise boundaries of the easements will be set during final design of the project; and

WHEREAS, The Strategic Development Committee has reviewed the proposed easements, as presented by staff at its September 2015 Meeting, and recommended that they should be granted at no cost; now, therefore, be it

RESOLVED, That the President and Chief Executive Officer is authorized and directed to execute the easements to Virginia Department of Transportation as identified in the documents presented to the Board of Directors at its October 2015 Meeting; and

2. Should the area of the final easements increase by more than 10 percent, an amended easement request will be submitted to the Board for review and approval.

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

f. Recommendation to Approve Selection of the Vice President for Airline Business Development

Mr. Potter thanked Mark Treadaway, the Vice President for Air Service Development, for his service. He stated that Mr. Treadaway had advised he and Mr. Davis of his plan to retire. Because Mr. Treadaway's position is a critical one, Mr. Potter stated that the Authority had moved forward with selecting his replacement and would create a transition period to ensure a transfer of knowledge and to facilitate building relationships. He stated that the Authority had changed the title of the position, conducted a search and held interviews the prior day, which several Directors had attended.

Mr. Davis thanked Mr. Treadaway for an incredible 24 years of service. He stated that Mr. Treadaway would continue his employment during the transition with the selected candidate, Mike Stewart. Mr. Davis reported that he believed that the Authority had conducted the recruitment process in a thoughtful and thorough manner. He stated that consideration had been given to external candidates but that staff knew it would be important that Mr. Treadaway's successor possess the required talents and connections both internally and externally. Mr. Davis noted that Mr. Stewart had worked with several airlines and had been involved with operations and understood the connection with air service. Mr. Treadaway and Mr. Stewart received a round of applause.

Ms. Lang reported that six Directors had met with Mr. Stewart the prior day to conduct the interview. She offered a motion to approve the selection of Michael Stewart as the Vice President for Airline Business Development, which was unanimously approved.

Mr. Adams stated that he supported Mr. Stewart's appointment, but recalled Mr. Treadaway's level of assistance when he had first joined the Board. He also stated that Mr. Treadaway possessed a wealth of information and knowledge. Mr. Williams offered similar comments about Mr. Treadaway. Ms. Lang reminded everyone that Mr. Treadaway would remain with the Authority for at least a year. She stated that she had first met Mr. Treadaway when they both served on the Destination D.C. Board and noted that he had represented the Authority well. Mr. Mims stated that he had known Mr. Treadaway for more than 20 years and that he had a stellar reputation both domestically and around the world. He thanked Mr. Treadaway for his service and noted that it would be important to ensure that what's transferred to Mr. Stewart is

encompassed with the international impact that Mr. Treadaway has made. Lastly, Mr. Session concurred with Mr. Mims' comments and stated that he believed that Mr. Stewart is a terrific choice.

g. Recommendation to Authorize the Chairman to Execute an Employment Contract for the President and Chief Executive Officer

Mr. Session offered a motion to authorize the Chairman to execute an employment contract for Jack Potter, which was unanimously approved.

V. UNFINISHED BUSINESS

There was not any unfinished business.

VI. OTHER BUSINESS & ADJOURNMENT

The Meeting was thereupon adjourned at 11:05 a.m.

Respectfully submitted:

Lisa R. Makle-Brooks  
Interim Vice President and Secretary