



BOARD OF DIRECTORS MEETING

Minutes of August 8, 2007

The regular monthly meeting was held in the Board Conference Room at 1 Aviation Circle, and was called to order by the Chairman at 10:00 a.m. Ten Directors were present during the meeting:

Mame Reiley, Chairman	Mamadi Diané
H.R. Crawford, Vice Chairman	Michael David Epstein
James L. Banks, Jr.	Leonard Manning
Robert Clarke Brown	Michael L. O'Reilly
William W. Cobey Jr.	Charles D. Snelling

The "Acting" Secretary and the following Officers were present:

James E. Bennett, President and Chief Executive Officer
Margaret E. McKeough, Executive Vice President and Chief Operating Officer
Edward S. Faggen, Vice President and General Counsel

I. MINUTES OF THE JULY 11, 2007 MEETING

The Chairman called for approval of the minutes of the July 11, 2007, meeting, which were unanimously approved.

II. REVISED MINUTES OF THE JUNE 6, 2007 MEETING

Mr. Brown moved that the Board's approval, given at its July 11 meeting, of the minutes of the Board's June 6, 2007, meeting be rescinded, and that the Board approve the revised minutes of the June 6 meeting. The motion was seconded by Mr. Snelling, and was adopted unanimously.

III. COMMITTEE REPORTS

a. Planning and Construction Committee

Mr. Snelling reported on the Committee's regularly scheduled monthly meeting on July 25, which was held at Dulles.

Mr. Snelling reported the following highlights of Frank Holly's presentation on the CCP cost report:

- No significant changes in CCP costs were reported by Mr. Holly;
- Mr. Holly reported that only one project remains a significant source of budget overruns at Dulles: the Automated People Mover (APM) system at the Main Terminal. According to Mr. Holly, this project was now on pace to meet construction and cost milestones; and
- Mr. Holly did offer, however, one word of caution. This related to the mezzanine section between the Main Terminal and the APM station where the Transportation Security Administration (TSA) had yet to finalize the area's requirements. The lack of final TSA requirements remained a potential source of further cost escalation

Mr. Snelling reported that the Committee discussed briefly the format of the monthly cost report, and that staff agreed to look into color coding the "monthly status report" which typically follows the "monthly cost summary of projects" in a way that would highlight certain information of interest to the Committee.

Mr. Snelling next reported on a pre-solicitation paper presented by Mr. Holly for work at Reagan National. Staff sought the Committee's concurrence in the issuance of an RFP for professional engineering and design services to define the scope of rehabilitation work to be undertaken on Reagan National's three main runways (1-19, 15-33 and 4-22) and associated taxiways and aprons. Staff and the Committee discussed the history of maintenance work on these facilities, how construction would take place without disrupting service, and other issues. Staff reported that the cost of the services being sought would be about \$3.9 million, stated that the contract would include a 25 percent DBE goal, and identified the criteria that would be used in evaluating offeror firms. After a good discussion, Mr. Snelling stated, the Committee concurred in the issuance of the proposed RFP.

Next, Mr. Snelling reported on the quarterly CCP update that was presented by Bruce Swanson of Parsons Management Consultants. Mr. Swanson gave a 30-minute power point presentation on the status of ongoing CCP projects at both Airports. It was a thorough presentation, substantially aided by an increased number

of photos and a revised format for presenting project information, as had been previously requested by the Committee.

Following this presentation, Mr. Snelling reported, the Committee adjourned and proceeded, along with other Board members, to take a two-hour tour of the major construction activities underway at Dulles. The Committee found this very instructive, Mr. Snelling noted, and plans to conduct a similar tour at Dulles on an annual basis.

b. Business Administration Committee

Mr. Crawford reported that the Committee did not meet in July but did conduct a special meeting earlier on August 8 before the Board meeting.

At this special meeting, he reported, the Committee had received a report from Steve Baker on the Authority's contracts in the past three calendar years (2004 through 2006). The report discussed the total dollar amount of the contracts, the location of businesses receiving the contracts (Virginia, District of Columbia, Maryland, Other) and the dollar amount of the contracts going to businesses in each of these four areas.

Mr. Crawford also reported that the Committee had voted to recommend that the Board adopt a resolution establishing tolls for the Dulles Toll Road. The resolution, he noted, would not become effective until the Commonwealth completed the transfer of operational responsibility for the Toll Road to the Authority.

Mr. Crawford further reported that, though the item was not on its agenda, the Committee had discussed the award of Dulles taxicab concession contracts which the Board was scheduled to consider later in the meeting. At its June 20 meeting, the Committee had recommended that the Board approve the staff recommendations and award contracts to three firms recommended by staff. At its meeting earlier in the day, it was proposed that the Committee reconsider that earlier recommendation, but there were an insufficient number of votes for it to do so.

Mr. Crawford went on to say that he had noted during the meeting that the Chair and two other members of the District of Columbia Council had expressed a concern that the taxi companies recommended for the Dulles concession contracts did not include any D.C.-based companies. Mr. Crawford also stated that he and Mr. Manning had expressed two desires at the meeting: first, that staff work to ensure that Authority contracts are fairly distributed throughout the Washington, D.C., metropolitan area, including the District of Columbia; and, second, that, whenever appropriate, staff include among the criteria to be used in the evaluation of firms bidding for Authority contracts characteristics that would likely be possessed by District of Columbia

businesses and would add genuine value to the goods or services the Authority is seeking to procure.

c. Finance Committee

Mr. Speck, who was participating in the meeting by phone, reported on the Finance Committee's regular monthly meeting on July 11.

He reported that the Committee reviewed a proposed Dulles Corridor Enterprise Budget to operate the Dulles Toll Road for the period from September 1 to December 31, 2007. He noted that, in addition to authorizing Operating and Maintenance expenditures for the Dulles Toll Road and establishing reserves, the proposed budget authorized \$2.7 billion for the Dulles Corridor Capital Improvement Program (Phase I of the Metrorail extension project) and provided for \$171.5 million in expenditures, in 2007, on related projects.

Mr. Speck reported that the Committee decided to postpone action on the Dulles Corridor Enterprise Budget until August 8 in order to provide additional opportunity for members to understand the budget requirements. He further reported that, during a special meeting earlier in the day, the Committee recommended that the Board approve the Dulles Corridor Enterprise Budget and adopt a proposed resolution providing this approval.

d. Strategic Development Committee

Mr. Brown reported on the Committee's regular monthly meeting that was held on July 25 at Dulles.

Mr. Brown reviewed a number of air service developments that had been reported by Mark Treadaway. First, he reported that DOT had awarded slots vacated by Sprint at Reagan National in January to Air Tran for a fifth flight to Atlanta. Second, he reported that DOT had authorized Virgin Air to begin service as a U.S. domestic carrier, and that, in the fall, Virgin Air will start two daily round trips from Dulles to San Francisco and two daily round trips from Dulles to Los Angeles International Airport. Third, he reported that United Airlines will soon begin a new service from Dulles to Little Rock and, in January 2008, will increase its service to Kuwait City from three to seven days a week.

Mr. Brown reported that Mr. Treadaway had informed the Committee that the Authority had recently become a member of the Aviation Industry Consortium, an aviation "think tank" that is housed at MIT. The Authority is one of the first airports to be invited to join this group, which up to now has largely consisted of airlines, government agencies and aircraft manufacturers. Membership includes participation

in an annual “state of industry” conference presented by MIT faculty. This year, Mr. Treadaway attended as the Authority representative, and reported that the conference was extremely useful.

Mr. Brown next reported that the Committee had received a staff presentation on the results of the passenger research survey that had been conducted at both Airports. He stated that the survey results were interesting and valuable, and urged Board members to review the staff’s power point presentation. One survey finding, he noted, was that 17 percent of surveyed Reagan National passengers arrived by Metro, which is the highest utilization of mass transit at any U.S. airport.

Mr. Brown also noted that staff had prepared and conducted a new international passenger survey, and that the Committee had deferred its consideration of this survey to a future meeting.

e. Audit Committee

Mr. Cobey reported that proposals in response to the RFP for a financial statement auditor had been received, and would be distributed to Committee members later in the week. He also noted that the evaluation panel would meet on the afternoon of September 4 and, among other things, discuss the proposals.

IV. INFORMATION REPORTS

a. President’s Report

Mr. Bennett reported on a number of items.

Air delays and cancellations. Mr. Bennett reported that air delays and cancellations in 2007 were likely to be the worst in U.S. aviation history. This is largely attributable to the very heavy passenger loads that planes are carrying on a regular basis and to the frequent disruptions caused by weather. He noted that this summer both Reagan National and Dulles have frequently activated their passenger assistance programs, providing blankets and ensuring that concessions have remained open. Unfortunately, he noted, this situation is not likely to improve until the end of the summer.

Concessions program. Mr. Bennett reported on the success of the Authority’s “re-concessioneering” efforts over the past two to three years. Food and beverage sales at Reagan National in June were 16 percent higher than in June 2006, and for the first half of 2007 were 12 percent higher than in 2006. Retail sales at Reagan National, both in June and in the January-through-June period, were relatively consistent with sales in 2006.

Food and beverage sales at Dulles in June were 30 percent over June 2006, and in the first six months of the year were 36 percent higher than 2006. Retail sales at Dulles also showed an increase, up 19 percent in June over June 2006 and up 14 percent in the first half of the year over the same period in 2006.

Air traffic control tower at Dulles. Mr. Bennett next reported that the new traffic tower at Dulles had become fully operational in July, and that both FAA and the air traffic controllers who use it every day appear very pleased with its functionality, space and working environment. Mr. Bennett noted that options for re-use of the now-closed tower at Dulles will be discussed at the Planning and Construction Committee.

Dulles Metrorail project. Mr. Bennett reported that the Federal Transportation Administration risk assessment process was still ongoing and would likely continue through August, although, he noted, the FTA had not provided an updated timeline for the process. He referred to the DOT Inspector General's report of July 27, and indicated that the five areas of major project risk it identified have, in fact, been known to the FTA and the project partners for some time and are being appropriately addressed through the various agreements and project documents.

b. Executive Vice President's Report

Ms. McKeough reported on passenger volumes and growth at both Airports.

She reported that, in June 2007, over 1.7 million passengers had utilized Reagan National, an increase of approximately 11,000 (1 percent) over June 2006. During the first six months of 2007, she reported, 9 million passengers had passed through Reagan National, which was consistent with the Airport's experience during the first half of 2006.

At Dulles, Ms. McKeough reported that 2.2 million passengers had been served in June 2007 by the Airport, an increase of 209,000 (almost 10 percent) over June 2006. This increase reflected both domestic and international passengers, with the growth in domestic passengers approaching 10 percent and in international passengers almost 11 percent. During the first half of 2007, Dulles served over 12.3 million passengers, an increase of 11.4 percent over the first half of 2006. On the cargo front, Dulles experienced in June a 4 percent growth over June 2006.

V. NEW BUSINESS

- a. Selection of Three Firms to Operate Taxicab Concessions at Washington Dulles International Airport

Mr. Snelling moved the following proposed resolution, which was seconded by Mr. O'Reilly:

WHEREAS, the Business Administration Committee on September 20, 2006, concurred in the restructuring of the provision of taxicab services at Washington Dulles International Airport;

WHEREAS, as a result of that restructuring, the Authority in January 2007 solicited for several taxicab operators to provide dedicated taxicab services at Dulles; and

WHEREAS, the Business Administration Committee is satisfied with the results of the competitive evaluation of firms to provide taxicab services, as presented at its June 20, 2007, meeting;

NOW, THEREFORE, IT IS RESOLVED

1. That Dulles Airport Taxi, Inc., Yellow Cab Company (d.b.a. Checker Airport Taxi) and Dulles Taxi Systems, Inc. are hereby selected to operate taxicab concessions at Dulles; and
2. That the President and Chief Executive Officer is authorized to negotiate and enter into contracts with the three firms, consistent with the terms presented to the Business Administration Committee on June 20, 2007.

The motion was passed, with seven aye and three nay votes (Mr. Crawford, Mr. Manning and Mr. Diané), and the proposed resolution was adopted as Resolution No. 07-22.

- b. Selection of a Firm to Dispatch Taxicabs and Manage the Commercial Vehicle Curb at Washington Dulles International Airport

Mr. Crawford moved the following proposed resolution, which was seconded by Mr. O'Reilly:

WHEREAS, the Business Administration Committee on September 20, 2006 concurred in the restructuring of the provision of taxicab services at Washington Dulles International Airport;

WHEREAS, a major element of that restructuring was the separation of responsibilities between taxicab providers and taxicab dispatch services; and

WHEREAS, the Business Administration Committee is satisfied with the results of the competitive evaluation of firms to provide taxicab dispatch and commercial vehicle curb management at Dulles, as presented at its June 20, 2007 meeting;

NOW, THEREFORE, IT IS RESOLVED

1. That Technical and Professional Services, Inc., is hereby selected to provide these services; and
2. That the President and Chief Executive Officer is authorized to negotiate and enter into a contract with Technical and Professional Services, Inc., consistent with the terms presented to the Business Administration Committee on June 20, 2007.

The motion was passed unanimously, and the proposed resolution was adopted as Resolution No. 07-21.

c. Extension of Dulles Taxicab Concession Contract

Mr. Crawford moved the following proposed resolution, which was seconded by Mr. Snelling:

WHEREAS, the current Dulles Taxicab Concession Contract, originally scheduled to terminate on July 31, 2005, was extended on a month-to-month basis to May 31, 2006, was by Resolution No. 06-8 extended to May 31, 2007; and was by Resolution No. 07-9 further extended to October 31, 2007;

WHEREAS, the procurement process that began with an April 1, 2005, Request for Proposals was cancelled;

WHEREAS, to implement a new structure for Dulles taxicab services, two new Requests for Proposals were issued on January 12, 2007;

WHEREAS, best and final offers with respect to these Requests for Proposals were received on May 25, 2007, and evaluations of these offers have been completed and recommendations made to the Board of Directors;

WHEREAS, it is necessary and appropriate to extend the existing taxicab concession contract to ensure continuity of service pending action by the Board and during a period of transition that will follow Board action;

NOW, THEREFORE, IT IS RESOLVED

1. That the President and Chief Executive Officer is hereby authorized to extend the Dulles Taxicab Concession Contract with Dulles Taxi Systems, Inc. through November 30, 2007;
2. That this resolution shall be effective upon adoption.

The motion was passed unanimously, with all 10 Members present voting, and the proposed resolution was adopted as Resolution No. 07-23.

- d. Amendment to MWA 2007 Budget - 2007 Budget for Dulles Corridor Enterprise Fund

Mr. Snelling moved the following proposed resolution, which was seconded by Mr. O'Reilly:

WHEREAS, the Authority has entered agreements with the Commonwealth of Virginia and other parties pursuant to which the Commonwealth will transfer to the Authority responsibility for the operation and maintenance of the Dulles Toll Road and the Authority will undertake construction of an extension of Metrorail from West Falls Church to and beyond Dulles International Airport ("Dulles Corridor Metrorail Project");

WHEREAS, the Authority anticipates that it will be transferred responsibility for the operation and maintenance of the Dulles Toll Road later in 2007 and, thereafter in 2007, will make expenditures related to the Toll Road, and that it will engage in activities, and make corresponding expenditures, related to the Dulles Corridor Metrorail Project in 2007;

WHEREAS, in Resolution 07-16, the Authority has established a Dulles Corridor Enterprise Fund in order to account for the performance of activities in 2007 related to the operation and maintenance of the Dulles Toll Road and the construction of the Dulles Corridor Metrorail Project; and

WHEREAS, the Finance Committee has been presented, and has approved, a 2007 Budget for the Dulles Corridor Enterprise Fund;

NOW, THEREFORE, IT IS RESOLVED

1. That the 2007 Budget for the Dulles Corridor Enterprise Fund ("2007 Dulles Corridor Budget"), presented to the Finance Committee on July 11, 2007, as an Amendment to the MWAA 2007 Budget, is hereby adopted;
2. That the following sums are hereby made available for expenditure in 2007 from the Dulles Corridor Enterprise Fund:
 - (a) \$9,334,762 for the Dulles Corridor Operation and Maintenance Program, including \$8,134,762 for the operation of the Dulles Toll Road and \$1,200,000 in debt service;
 - (b) \$1,810,500 for the Dulles Corridor Renewal and Replacement Program; and
 - (c) \$1,000,000 for the Corridor Capital Improvement Program;
3. That the President and Chief Executive Officer is authorized to modify or adjust expenditures in a manner consistent with the 2007 Dulles Corridor Budget within the levels approved for each of the above three programs.
4. That the transfer proposed by the 2007 Dulles Corridor Budget of \$13,408,437 to reserve accounts within the Dulles Corridor Enterprise Fund is hereby authorized.
5. That the Dulles Corridor Capital Improvement Program, which covers Phase I of the Dulles Corridor Metrorail Project for \$2,712,485,997, is hereby authorized;
6. That the expenditure of \$171,529,248 in 2007 for capital projects identified in the Dulles Corridor Capital Improvement Program, as proposed in the 2007 Dulles Corridor Budget, is hereby approved; provided, that this approval is contingent upon the availability of funds, as described in the August 2007 Report to the Board of Directors on "Proposed Amendment to the 2007 MWAA Budget to Establish the Dulles Corridor Enterprise Fund Budget"; and
7. That paragraphs 1 through 4 of this resolution shall become effective on the date on which responsibility for the operation and maintenance of the

Dulles Toll Road is transferred by the Commonwealth of Virginia to the Authority; paragraphs 5 and 6 shall become effective upon adoption of the resolution.

The motion was passed unanimously, with all 10 Members present voting, and the proposed resolution was adopted as Resolution No. 07-25.

- e. Amendment to the Metropolitan Washington Airports Regulations to Establish User Tolls Applicable to the Dulles Toll Road

Mr. Crawford moved the following proposed resolution, which was seconded by Mr. Snelling:

WHEREAS, the Commonwealth of Virginia and the Authority have agreed to the transfer of responsibility for the operation and maintenance of the Dulles Toll Road ("Transfer") from the Commonwealth to the Authority;

WHEREAS, the Transfer will occur through the issuance of a permit by the Commonwealth to the Authority which authorizes the Authority to operate and maintain the Dulles Toll Road in accordance with the terms of the permit;

WHEREAS, the Transfer is expected to occur in 2007;

WHEREAS, the Transfer is part of a larger arrangement between the Commonwealth and the Authority, pursuant to which the Authority will undertake construction of a Metrorail line along the Dulles corridor from West Falls Church to and beyond Washington Dulles International Airport;

WHEREAS, in anticipation of the Transfer, the Authority has proposed adoption of a new Metropolitan Washington Airports regulation that would establish tolls on the Dulles Toll Road equal to those now in effect, said regulation becoming effective upon the Transfer;

WHEREAS, the Authority caused notice of this proposed regulation and of two public hearings on the proposal to be published in *The Washington Post* on July 13, 2007;

WHEREAS, the two duly advertised public hearings were held, one on July 25, 2007, and the second on July 26, 2007; and

WHEREAS, having considered comments offered by the public, the Authority has determined that adoption of the proposed regulation is in public interest;

NOW, THEREFORE, BE IT IS RESOLVED

1. That the Metropolitan Washington Airports Regulations are hereby amended, with the force and effect of law, by adding a new Part 10, consisting of a Section 10.1, to read as follows:

Part 10 – Dulles Toll Road

§ 10.1 Tolls for Use of the Dulles Toll Road

Except for those permitted free use of toll facilities under Virginia Code § 33.1-252, it shall be unlawful for any person operating a vehicle to use the Dulles Toll Road (also known as the Omer L. Hirst-Adelard L. Brault Expressway), or any portion thereof, without payment of the applicable tolls as set forth in the following schedule:

<u>Vehicle Class</u>	<u>Tolls</u>	
	<u>Main Line Plaza</u>	<u>Ramps</u>
2-axle	\$0.75	\$0.50
3-axle	\$1.00	\$0.75
4-axle	\$1.25	\$1.00
5-axle	\$1.50	\$1.25
6 or more axles	\$1.75	\$1.50

2. That the amendment made by paragraph 1 of this resolution shall be effective upon the date on which responsibility for the operation and maintenance of the Dulles Toll Road is transferred by the Commonwealth of Virginia to the Metropolitan Washington Airports Authority.

The motion was passed unanimously, and the proposed resolution was adopted as Resolution No. 07-24.

- f. Amendment to Authority Bylaws to Change the Meeting at Which Officers of the Board of Directors are to be Elected

Ms. Reiley moved the following proposed resolution, which was seconded by Mr. Snelling:

WHEREAS, the current Bylaws of the Authority provide for the election of officers of the Board of Directors to take place at the Board's annual meeting in November, and for the newly elected officers to take office on January 1 of the following year; and

WHEREAS, the Board wishes to change the month of the annual meeting at which its officers are elected from November to September, and to retain the date at which newly elected officers take office;

NOW, THEREFORE, IT IS RESOLVED

1. That Section 4 of Article VII of the Authority Bylaws shall be, and hereby are, amended to read as follows:

Section 3. Annual Meeting and Election of Officers. The regular meeting held in the month of September in each year is the annual meeting for the election of a Chairman, Vice-Chairman, Secretary and Treasurer. If the annual meeting is omitted, or the Board fails for any reason to elect a Chairman after repeated ballots, the election shall be on the agenda of each subsequent regular or special meeting until a Chairman is elected. If a vacancy occurs in any of the four offices, after appropriate notice the Board may at a subsequent meeting elect a successor to complete any unexpired term.

2. That, in other respects, the Authority Bylaws shall remain in force and effect.

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

The motion was passed unanimously, with all 10 Members present voting, and the proposed resolution was adopted as Resolution No. 07-26.

- g. Honoring Gregory Wolfe for His Years of Service as Secretary of the Metropolitan Washington Airports Authority

Mr. Snelling moved the following proposed resolution, which was seconded by Mr. Crawford:

WHEREAS, Gregory Wolfe is retiring in July 2007;

WHEREAS, Gregory Wolfe has served the Metropolitan Washington Airports Authority from its very beginnings and inception to the present day;

WHEREAS, Gregory Wolfe is a consummate and erudite gentleman;

WHEREAS, Gregory Wolfe has all this while discharged his duties and responsibilities with thoughtfulness, with sagacity, with dedication, with diplomacy, and, even more so, with wisdom;

WHEREAS, over the years Gregory Wolfe has advised the Board in small matters as well as large, thoughtfully, based on his long experience, both as a lawyer and as a manager;

WHEREAS, Gregory Wolfe has discharged all the duties of a Corporate Secretary in exemplary fashion; and

WHEREAS, Gregory Wolfe has not only made these exceptional contributions, but has also done so with tact, diplomacy, and patience, and has earned the respect and affection of the Board of Directors of the Metropolitan Washington Airports Authority, its officers and its members.

NOW, THEREFORE, IT IS RESOLVED

1. That the Board of Directors of the Metropolitan Washington Airports Authority celebrates the fruitful efforts of Gregory Wolfe on behalf of the Authority, and wishes to memorialize in this Resolution their deep appreciation of and affection for Gregory Wolfe; and

2. That the Board extends its thanks and appreciation to Gregory Wolfe and extends its best wishes that Gregory Wolfe should enjoy health, wealth and happiness in his future endeavors.

The motion was passed unanimously, and the proposed resolution was adopted as Resolution No. 07-27. The Secretary was instructed to obtain the signatures of all Board Members on the final resolution and present it to Mr. Wolfe.

VI. UNFINISHED BUSINESS

There was not any unfinished business.

VII. OTHER BUSINESS AND ADJOURNMENT

There being no other business, the Chairman adjourned the meeting at 11:15 a.m.

Respectfully submitted,



Philip G. Sunderland
Vice President and Secretary

Approved 9/5/07