

## BOARD OF DIRECTORS MEETING

Minutes of May 16, 2018

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 10:00 a.m. Fourteen Directors were present during the meeting:

Warner H. Session, Chairman  
Earl Adams, Jr., Vice Chairman  
Anthony H. Griffin  
Katherine K. Hanley  
Barbara Lang  
Robert W. Lazaro, Jr.  
Caren Merrick

A. Bradley Mims  
Thorn Pozen  
William E. Sudow  
J. Walter Tejada  
Mark E. Uncapher  
Nina Mitchell Wells  
Joslyn N. Williams

The Secretary and Executive Management were present:

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

### I. MINUTES OF THE APRIL 18, 2018 BOARD OF DIRECTORS MEETING

The Chairman called for the approval of the Minutes of the April 18, 2018 Board of Directors Meeting, which were unanimously approved.



## II. COMMITTEE REPORTS

### a. Business Administration Committee – Robert W. Lazaro, Jr., Co-Chair

Mr. Lazaro reported that the Business Administration Committee had last met April 18. The Committee had approved the recommendation to award a contract for Electronic Security Systems Maintenance, Support, and Network Administration at both Airports. Mr. Lazaro stated that he would offer a resolution later in the day's meeting. He reported that staff had presented an informational report on the Information Technology Network Modernization Strategy. The Committee had concurred with the pre-solicitation terms for two pending procurements – Information Technology Network Equipment and Information Technology Network Cabling Installation Services.

### b. Dulles Corridor Committee – Katherine K. Hanley, Co-Chair

Ms. Hanley reported that the Dulles Corridor Committee had last met April 18. Staff had presented the Dulles Corridor Metrorail Project's Monthly Cost and Schedule Update for Phase 2. Staff had also presented an Information Report for the New Enhanced Toll Collection System at the Dulles Toll Road (DTR).

### c. Finance Committee – A. Bradley Mims, Co-Chair

Mr. Mims reported that the Finance Committee had met that morning and also on April 18. At the day's meeting, the Committee had approved the Recommendation to Approve the Proposed Resolution Authorizing the Issuance of Airport System Revenue and Refunding Bonds, Series 2018A. Mr. Mims stated that he would offer a resolution later in the day's meeting. He advised that a complete report from the day's meeting would be presented at the June 20 Board Meeting.

Mr. Mims also reported that the Financial Advisors' Report for both enterprises had been presented in April. Staff had presented the 2017 Comprehensive Annual Financial Report. Mr. Mims advised that due to time constraints, the Committee had agreed to accept the submitted written March 2018 Financial Reports for both enterprises.

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

Mr. Uncapher reported that the Risk Management Committee had last met April 18. The Committee had approved a Recommendation to Approve the Risk Management Committee and Office of Audit Charter Updates. He stated that he would offer a motion later in the day's meeting for the Board to approve the charter updates. Staff had presented the Recently-Completed Audit Reports (Reports). Due to time constraints, the executive session to discuss the Reports was deferred until the day's meeting. Mr. Uncapher reported that Cherry Bekaert, LLP (the Airports Authority's external auditor), had presented its results of the External Financial Statement Audit in regular and executive sessions. He advised that pursuant to Article IX, Section 3(g) of the Airports Authority Bylaws the Board and its Committees are permitted to move into executive session for matters that the professional standards applicable to the financial statement auditors, when conducting a financial statement audit, require to be discussed in executive session, and for matters that involve proprietary or confidential information of vendors or of the Airports Authority.

e. Strategic Development Committee – Caren Merrick, Co-Chair

Ms. Merrick reported that the Strategic Development Committee had last met April 18. Staff had presented an update on Project Journey. Turner Construction had also presented its quarterly update on Project Journey.

### III. INFORMATION ITEMS

a. President's Report

Mr. Potter expressed the management team's official thanks and best wishes to Ms. Wells, who was attending her last Board Meeting due to her expiring term. He stated that Ms. Wells had brought great expertise, leadership and wisdom to the Board, and that the entire organization had benefitted from her contributions, especially as Chair of the Ethics Review Committee, as Co-Chair of the Strategic Development Committee, and as a Member of the Human Resources, Business Administration, Dulles Corridor and Finance Committees. Mr. Potter reported that staff is particularly grateful for Ms. Wells' insights and leadership during her work last year on the Airport Workers' Wage Policy, as well as her guidance and expertise in the real estate areas as the Airports Authority pursued the best ways to optimize Dulles Western Lands and other

holdings. He further reported that Ms. Wells' good counsel, sound and competent judgement, and deep knowledge of the corporate and government worlds had been instrumental in helping the Airports Authority to make solid business decisions that have moved the organization forward. Mr. Potter stated that the executive team would miss Ms. Wells as a leader and a colleague. He extended best wishes to Ms. Wells in her future endeavors. On behalf of himself, Ms. McKeough and Mr. Davis, Mr. Potter presented a photo of Ronald Reagan Washington National Airport (Reagan National), with a message of thanks from Airports Authority colleagues. Ms. Wells received a round of applause.

Ms. Wells stated that many are not aware that she is originally from Washington, DC. She advised that she left the area in 1968 to attend college, and the opportunity to return and serve on the prestigious Airports Authority Board of Directors had been an experience of a lifetime. Ms. Wells extended thanks to the Board Office staff for their diligent, thorough support. She also thanked her fellow Board Members, noting that she had served on approximately 25 Boards during her lifetime. Ms. Wells stated that she had never met Board Members who are more passionate, dedicated, smarter, and as hardworking as those who serve on the Airports Authority's Board. She also extended thanks to Mr. Potter and the entire management team, noting that she continuously bragged about the Airports Authority staff in New Jersey. Ms. Wells extended an invitation to the Airports Authority to host staff when they visited to meet with underwriters or rating agencies. She characterized her tenure on the Board as an honor and a privilege. Ms. Wells received a standing ovation.

Mr. Potter stated that later that day the Board would be asked to authorize the issuance of a Series 2018 Airport System Revenue and Refunding Bonds. If approved, the bond pricing is scheduled for May 31. Based on current market conditions, the Airports Authority could potentially save up to \$52 million on a net present value basis by issuing refunding bonds of about \$412 million. Mr. Potter advised that the bond transaction would also include approximately \$200 million in bonds for Project Journey construction at Reagan National. He stated that the Series 2018 bond issuance is associated with the Aviation Enterprise. Mr. Potter reported that the preparation for a bond issuance is complex and time-consuming, including meetings with three credit-rating agencies. He advised that he, along with members of the Airports Authority's team, including Ms. McKeough; Andy Rountree, Vice

President for Finance and Chief Financial Officer; Debt Managers Valerie O'Hara and Giedre Ball; Financial Advisor Ken Cushine; and Airport Consultant Jason Gasser, met the prior week in New York for meetings with Moody's Investors Service (Moody's) and Standard and Poor's (S&P). The team updated the rating agencies on the Airports Authority's passenger activity, financial metrics, accomplishments, and ongoing initiatives. Mr. Potter advised that the third rating agency, Fitch Ratings (Fitch), visited Reagan National for a first-hand look at the Airports Authority's operations, including a tour and briefing on Project Journey, led by Steve Smith, Deputy Vice President of Engineering, and Paul Malandrino, Vice President and Airport Manager. He reported that positive discussions occurred with all three agencies. Mr. Potter stated that staff was especially pleased to report the Airports Authority's progress in growing enplanements at Washington Dulles International Airport (Dulles International) and in lowering the Cost per Enplanement (CPE) at that Airport. He advised that the new 2018 Report of the Airport Consultant, which includes a five-year forecast, predicts the CPE at Dulles International will be under \$20 for each of those years. Mr. Potter stated that he believed it had been more than 20 years since CPE predictions at Dulles International were that low, and it is a tribute to everyone across the Airports Authority who has been working to hold down expenses, grow passengers, and increase revenue. He advised that the Airports Authority expects to receive refreshed bond ratings as early as the end of the week, and he extended best wishes to the Finance Team for the bond pricing. Mr. Potter stated that everyone looked forward to hearing about the results at the June meeting.

Mr. Potter reported that the Department of Transportation's Office of Inspector General had informed the Airports Authority about the pending closeout of all outstanding findings and issues from its 2015 review of the Airport Authority's audit process. He stated that the closeout would bring final resolution to that audit. Mr. Potter congratulated Lee Wyckoff, Vice President for Audit, and his team for their good work in bringing this issue to closure.

With regard to operational events, Mr. Potter reported that several hundred people, including Airport Authority staff, first responders from across the region, and volunteers from the community, gathered at Dulles International on May 5 for the Airports Authority triennial emergency exercise, at which time the response to a major accident on the airfield was practiced. He stated that it was an impressive event in which the Airports Authority tested its processes and procedures and

learned valuable lessons to help assure the organization's readiness in the event of an actual emergency situation. Mr. Potter further stated that Ms. McKeough would provide more details on the emergency exercise in her upcoming report. He thanked the many people who helped plan and carry out the very large exercise, especially the Dulles Airport Operations staff, the Emergency Preparedness and Public Safety teams, and first responders from jurisdictions across the area. Mr. Potter also thanked Mr. Williams, who attended the May 5 event and observed the mock drill.

Mr. Potter also reported that the Federal Aviation Administration (FAA) Reauthorization Bill passed the House of Representatives with no amendments altering the slot and perimeter rules at Reagan National. As noted last month, he advised that there were a number of proposed amendments that would have weakened the rule or created more exceptions to it. However, those amendments were strongly opposed by members of the congressional delegations from Virginia, Maryland, the District of Columbia, and West Virginia. Mr. Potter noted that several of the local chambers, business groups and airline partners also joined that opposition. As a result, the amendments were withdrawn for lack of support. Mr. Potter thanked everyone who helped to achieve the positive outcome, and he stated that the Airports Authority looked forward to similar support in the weeks ahead when the FAA Reauthorization Bill would be considered by the Senate.

Mr. Potter reported that the Department of Supplier Diversity, which is part of the Office of Supply Chain Management, is responsible for administering the Local Disadvantaged Business Enterprise (LDBE) Program and similar efforts for small and disadvantaged businesses to help expand their opportunities with the Airports Authority. He stated that a few weeks ago, the Supplier Diversity team was recognized by the regional chapter of the Women's Business Enterprise National Council for outstanding outreach and commitment to the success of women's business enterprises in the D.C. region. Mr. Potter explained that activities in this area included speaking engagements, events to match businesses with Airports Authority representatives for contracting opportunities, and educational sessions for business owners on the Airports Authority's procurement processes.

Mr. Potter also reported that the Supply Chain Management and Human Resources Offices are partnering with the District of Columbia's Departments of Employment Services and Small and Local Business

Development and the Airport Minority Advisory Council to host an event on May 18 aimed at boosting opportunities for District-based businesses and job seekers. He advised that it would be his honor to join Chairman Session and DC Deputy Mayor Courtney Snowden for opening remarks at the May 18 event.

Additionally, the Department of Supplier Diversity is partnering with Project 500, which is a District-based nonprofit that supports the development of small businesses in the region. The collaboration is known as the Airports Authority Small Business University, and it will provide programs to help small businesses build financial and technical capacity. Mr. Potter explained the three parts of the initiative. A small business education workshop series would be held from June to December to provide training in entrepreneurial basics and business practices, to which all of the Airports Authority's certified LDBE, Disadvantaged Business Enterprise, and Airport Concessions Disadvantaged Business Enterprise firms had been invited. The Airports Authority will also host a Jurisdictional Workshop Series to provide trade-specific events in the District, Maryland, and Virginia. Mr. Potter reported that an Executive Certificate Program through Georgetown University, which is a seven-week course starting in June, would be offered to provide training and assistance for LDBE subcontractors seeking to become prime contractors. He advised that more than 100 applications had already been submitted during the Airports Authority sign-up period, which had just begun.

Mr. Potter stated that the Airports Authority had been recognized the prior week as the Best Public Transportation Authority for Minority-Owned Businesses by the Maryland-Washington Minority Companies' Association. He advised that more than 1,500 attendees were present, and the May 11 event honored the work of regional corporations to provide opportunities for minority and women-owned businesses. Mr. Potter reported that a number of Airports Authority team members, including Julia Hodge, Vice President for Supply Chain Management, and Wande Leintu, Deputy Vice President for Supplier Diversity, along with Mr. Uncapher, attended the event. He expressed that it had been a highlight for the Airports Authority to receive the award from Maryland Governor Lawrence J. Hogan, Jr., who sometimes favors the Baltimore Washington International Thurgood Marshall Airport at the Airports Authority's expense. Mr. Potter noted that he hoped Governor Hogan enjoyed the opportunity to applaud the Airports Authority's accomplishments in this important area. He recognized the following

employees who were instrumental in helping the Airports Authority achieve the award: Ms. Hodge, Ms. Leintu and members of the Supplier Diversity team – Julian Senter, Crystal Canja, Ramon Ceballos, Darnita Smith, and Delan Johnson. Mr. Potter congratulated the staff for the great work they are doing on behalf of the Airports Authority. The staff received a round of applause.

Chairman Session stated that he had had the opportunity to work very closely with Ms. Hodge and Ms. Leintu and they worked hard to complete each challenging task. He further stated that the Department of Supplier Diversity is continuing to evolve and the results of staff's hard work are becoming more apparent. Chairman Session thanked Ms. Hodge, Ms. Leintu and other staff recognized earlier by Mr. Potter. He also thanked his colleagues who attend Airports Authority events to support staff and acknowledge their efforts, and he encouraged Board Members to continue to show a presence.

Mr. Tejada also extended his congratulations to the staff. He shared that he recently accepted an invitation from the Greater Washington Hispanic Chamber of Commerce (Chamber) to make a presentation on the Airports Authority's procurement opportunities. Mr. Tejada stated that he suggested that the invitation be extended to the staff. He further stated that he sought staff's help with composing a PowerPoint. Additionally, after a meeting with Ms. Leintu, he was well informed and prepared for the presentation. Mr. Tejada reported that his presentation was well received by the Chamber. He credited Ms. Leintu and other members of her team for helping to provide the necessary information about the Airports Authority's procurement opportunities, as well as the requirements to be able to participate. Mr. Tejada thanked the staff and congratulated them on a terrific job.

#### b. Executive Vice Presidents' Reports

Ms. McKeough presented updates regarding recent activities from the Public Safety Team. She reported that the Airports Authority's public safety programs support Reagan National and Dulles International, as well as the DTR. The Airports Authority relies upon the dedication of the many men and women of its Public Safety team and a robust and coordinated mutual aid program in the greater Washington region. Ms. McKeough advised that depending on the level of activity that the Public Safety team may need to respond to an incident, the Airports Authority may ask some of its Public Safety partners to come onsite to one of the



Airports or the DTR to provide support. Additionally, the Airports Authority sometimes reciprocates the same support to its Public Safety partners when they are in need of assistance when responding to different public safety calls within a particular region. Ms. McKeough reported that the Airports Authority received a rather significant request from its Fairfax County partner on May 2 to provide assistance with a three-alarm fire at a senior citizen apartment building in Centreville. She noted that that week had been particularly challenging in Fairfax County with several very large-scale fires occurring within a short period of time of each other. Ms. McKeough shared a photo of the Airports Authority's Fire Department, represented by 11 members, responding on the scene, with the following equipment: two fire trucks, two ambulances, and one ladder truck. She thanked each of the members who participated on May 2 under the leadership of Deputy Fire Chief Scott Legore who was on the scene serving as the Airports Authority's incident commander for the fire personnel and resources. Fairfax County and all of its mutual aid partners in the region that responded were able to successfully evacuate and care for over 150 senior citizens who were involved in the May 2 event.

As Mr. Potter previously reported, Ms. McKeough stated that the Airports Authority was in need of assistance from its mutual aid partners at the May 5 triennial emergency exercise. As part of the FAA requirements, the Airports Authority simulated an aircraft incident on the east side of the airfield at Dulles International that involved over 100 casualties. Ms. McKeough reported that approximately 250 people from various mutual aid agencies around the region participated in the mock drill. She thanked the following partners who participated: Fairfax, Loudoun, Arlington, Stafford, and Charles Counties; City of Fairfax; Leesburg, Arcola, and Sterling; several hospitals, including Reston, Inova Fair Oaks, Inova Loudoun; Inova Fairfax, and Stone Springs Hospital Center. Additionally, there was representation from the Fairfax and Loudoun Counties' community emergency response teams, as well as the Amateur Radio Emergency Service Group. Ms. McKeough stated that the support the Airports Authority received from the American Red Cross was important and significant. She reported that the Airports Authority could not have held the drill without the participation of its airline partners, including British Airways, Lufthansa, All Nippon Airways, and United Airlines (United), all of which had their staff onsite to ensure that they could also account for their simulation of impacted passengers and practice their emergency exercise procedures.

Ms. McKeough stated that great leadership is an important part of the Airports Authority's emergency response team. Bryan Norwood, Vice President for Public Safety, introduced a new Assistant Fire Chief, Craig Buckley, who brings 35 years of experience to the Airports Authority from Fairfax County, Virginia Department of Emergency Management, Federal Emergency Management Agency, and Department of Homeland Security, with a vast amount of experience dealing with hazardous materials. Assistant Chief Buckley stated that he was truly humbled and honored to be a part of the Airports Authority family, noting that he had worked previously for Mr. Griffin and Ms. Hanley for 35 years. He reported that the May 2 fire, which was in his neighborhood, occurred on his second day as an Airports Authority employee. Assistant Chief Buckley stated that he went to the fire and witnessed some of the great efforts by the Airports Authority's men and women, and the collaboration and regional partnership that occurs on a regular basis on all types of events, such as hazardous materials, fire, and advanced life support. He further stated that he understood and valued the Airports Authority's core values, that he looked forward to working with the men and women side by side in the Airports Authority's Fire and Rescue Department, and expressed assurance about his integrity in representing the organization both on and off the job. Assistant Chief Buckley received a round of applause.

Ms. McKeough observed that Police Week was being celebrated across the nation and that she would be remiss if she did not share some words about the Airports Authority's Police Department. She acknowledged the hard work of Mr. Norwood. Ms. McKeough recalled that during most of 2017, he had served as the Vice President for Public Safety and also as Acting Police Chief. She reported that under Mr. Norwood's leadership, the Airports Authority succeeded in recruiting a number of new great leaders to join the Police Department. Ms. McKeough advised that Mr. Norwood also led an effort for the Airports Authority's Police Department to receive accreditation for its professionalism under the Virginia Professional Law Enforcement Standards Commission. She explained that the Airports Authority's Police Department was reviewed by colleagues from around the state who visited the Airports Authority facilities to assess the Department's practices, personnel, and procedures against best practices in areas of law enforcement and police management. Ms. McKeough thanked Mr. Norwood and acknowledged his great leadership in helping to establish the Airports Authority as having a very professional Police Department worthy of such a high-level

accreditation that is awarded only to some police departments within the Commonwealth of Virginia. Mr. Norwood received a round of applause.

Ms. McKeough acknowledged the services that Mr. Norwood and other men and women of law enforcement provide. During Police Week, which is celebrated annually throughout the nation, survivors and family members of fallen law enforcement officials gather together in Washington, DC, to honor those who have lost their lives while serving in the law enforcement profession. She noted that many of the Police Week participants arrive at either Reagan National or Dulles International. Ms. McKeough advised that each year the men and women of the Airports Authority's Police Department establish and coordinate leadership from all law enforcement agencies around the country to appropriately welcome the family members as they deplane the aircraft at both Airports and to help transport them in motorcades to the various events that the families participate in, most of which are held on the National Mall. Thus far, 32 motorcade escorts had been provided to family members. Ms. McKeough reported that Police Week attracts approximately 60,000 participants each year. She shared a photo of the families being met as they arrived in Washington, D.C. Ms. McKeough thanked Mr. Norwood and his team for the great coordination efforts provided to ensure survivors and other family members of those who have died in the line of duty are appropriately welcomed. Mr. Norwood received a round of applause.

With the completion of the first quarter of the year, Ms. McKeough stated that everyone has been quickly reminded that summer storms can be as equally challenging to the United States transportation system as snow storms when it comes to air service. She advised that thunderstorms had recently caused cancellations and delays, and the Operations Teams at both Airports had performed in an outstanding manner. She reported that Dulles International had already exceeded its activity forecast for the year. By the end of March, passenger traffic at that Airport had increased by more than 5 percent. Ms. McKeough stated that air traffic statistics had been provided for the day's meeting. She advised that passenger traffic for the first quarter at Reagan National was flat, noting that it was the result of winter weather in the northeast. Ms. McKeough further advised that an early look at the air traffic statistics for April indicated activity was more aligned with the forecast. With the beginning of the summer and the upcoming peak travel season, Ms. McKeough assured the Board that employees are working hard to manage traffic at

Reagan National with the Project Journey impacts, as well as at Dulles International.

Ms. McKeough advised that the Airports Authority is working diligently with its U.S. Customs and Border Protection partners to ensure they can keep up with the growth that is occurring in international traffic so that customers who arrive into the International Arrivals Building at Dulles International can be processed as timely as they expect. While it is great to experience passenger growth, growth can also bring challenges.

Mr. Williams stated that he has served on the Airports Authority Board for almost six years. He observed that the May 5 triennial emergency exercise was one of the most rewarding experiences that he has had as an Airports Authority Board Member. Mr. Williams stated that one cannot get the full sense of appreciation by viewing pictures or videos. As a result of attending the May 5 event, Mr. Williams further stated that he greatly appreciates the work of the Airports Authority. He noted that the individuals who participated in the emergency exercise were people that Board Members would not normally come into contact with or know about unless Mr. Potter recognized them at monthly meetings. Mr. Williams stated that he believed that Board Members should also have both knowledge and experience of the organization for which they have been charged to provide oversight functions. He thanked Mr. Potter for the opportunity. Mr. Williams also asked Mr. Potter, Ms. McKeough and Mr. Davis to convey his gratitude to the individuals who participated in the May 5 event. While he learned quite a bit, Mr. Williams stated that the event also provided him with an opportunity to interface with people whom he did not know and would likely not see again for quite a while. Mr. Williams recalled the enthusiasm that Mr. Davis displays during his monthly Executive Vice President's Report when he speaks about the magnificent ideas regarding the development of the Western Lands at Dulles International. He stated that he has a greater sense of appreciation for not only the development ideas, but the land itself, now that he has seen it. Mr. Williams expects that he will be more engaged in discussions about the Western Land because he can now relate to the information presented by Mr. Davis and the consultants. He stated that he believes that Board Members should be required to somehow engage in the actual operational side of the organization to learn more about issues before the Board is expected to make decisions on recommendations that will impact the Airports Authority.

Mr. Davis shared an appreciation for Mr. Williams' observations, noting that Reagan National and Dulles International are comprised of approximately 1,000 acres and 12,000 acres, respectively.

Mr. Davis reported that the Airline Business Development team is working around the world, and sometimes around the clock, to recruit new airlines and new destinations, and employ new ways to help the Airports Authority's airline partners increase passenger counts and make their businesses successful at Reagan National and Dulles International. He advised that the latest airline business development milestone would happen later that night at 11:30 when the inaugural flight of Volaris Costa Rica (Volaris) from San Salvador, El Salvador, would arrive at Dulles International. The return flight would depart around 2 a.m. the following day for San Salvador and San Jose, Costa Rica. Mr. Davis explained that the new flight is important for several reasons as it would mark the addition of a carrier serving the growing markets of Latin America, and it would be the first low-cost airline serving the Central American region from Dulles International. Additionally, it would be the first-ever international low-cost carrier to begin serving Dulles International. Mr. Davis stated that having a strong presence in the low-cost international market is a major goal for the Airports Authority because of growing passenger trends around the world.

Mr. Davis reported that Volaris would not be the only low-cost carrier at Dulles International. As previously announced, low-cost carrier Primera Air would begin providing low-fare flights from Dulles International to London in August.

Mr. Davis advised that an event would be held at Dulles International the following day to celebrate the arrival of Volaris. Virginia Lieutenant Governor Justin Fairfax, Karima Woods from the Office of the D.C. Deputy Mayor for Planning and Economic Development, and the Ambassadors from El Salvador and Costa Rica would participate in the celebration. He stated that Volaris officials and members of the news media from the local area, as well as media from the Central American areas served by the Volaris flights, would also join the celebration. Mr. Davis advised that Scott Cooper, Airline Business Development Director, and Christian Dorn, Marketing Specialist, would provide additional details about the celebratory event later that day at the Strategic Development Committee Meeting. He noted that Mr. Cooper and Ms. Dorn have led an Airports Authority-wide effort to reinvent how inaugural flights are launched, and the Volaris inaugural flight event

would be new and different. Mr. Davis extended special thanks to Mr. Tejada who was an instrumental part of the Volaris effort. He advised that Mr. Tejada worked with the Airline Business Development, Marketing, and Communications teams to help with outreach efforts to Spanish-speaking media, and to local communities served by Volaris, whose business model targets entrepreneurs and those visiting relatives and friends in the Costa Rican and Salvadoran markets.

Mr. Davis reported that earlier that week United announced three additional domestic destinations from Dulles International, effective in October. He advised that the twice-a-day flights from Dulles International would service Chattanooga, Tennessee; Ithaca, New York; and Scranton, Pennsylvania. Mr. Davis further advised that United is moving these flights to Dulles International from its hub in Newark. He reported that the Airports Authority welcomed this new service, and Mr. Davis congratulated Yil Surehan, Vice President for Airline Business Development, and his team for their work with United, as part of the Airports Authority's continuing effort to support the airline in strengthening its Dulles International hub. He reported that Mr. Surehan would present additional information about the Airline Business Development Program, including updates on new air service, and the many meetings, events, and sales missions around the world as part of the team's effort to bring new carriers, destinations, and cargo business to Reagan National and Dulles International, at the day's Strategic Development Committee Meeting.

With regard to the Concessions Program, Mr. Davis reported that the Airports Authority continues to get several reviews on its new and upgraded shopping and dining experiences at Reagan National and Dulles International. Mr. Davis referenced a recent article in the *Tampa Bay Times* on the best airports around the country for food and drink. Along with such airports as San Francisco, Minneapolis, and Los Angeles, Dulles International is listed as the top place to eat while traveling, with accolades for Bar Symon, Chef Geoff's, Bistro Atelier, and Vino Volo. Mr. Davis congratulated Devin Judd, Director, Customer and Concessions Development, and the concessions team for their work to bring such good notoriety and great customer service options to both Airports.

Mr. Davis reported that there have been additional expressions of happiness at Dulles International near the gate areas for flights to Tampa, Florida. In the spirit of friendly competition, the Airports

Authority's Communications Office has been engaged in a good-natured Twitter battle with the Tampa Airport, as the Washington Caps and Tampa Bay Lightning hockey teams face each other in the Stanley Cup playoffs. Mr. Davis advised that the Airports Authority's Twitter activities had received a great deal of attention from the hockey world, along with great media coverage, including local television and radio stations in Washington and Tampa, and even some interest by Sports Illustrated. He congratulated Christina Saull, Corporate Communications Manager, and her team, for bringing new "team spirit" to Reagan National and Dulles International. Mr. Davis shared a photo of enthusiastic Washington Caps' fans flying to Tampa for the first game of the Stanley Cup playoffs, noting that the Media Relations group had distributed special Washington Caps rally towels to passengers on the departing flight.

Mr. Davis extended thanks to Ms. Wells for her participation and work, particularly with regard to the real estate at Dulles International. As an integral part of that process, he asked that she return to the Airports Authority in the not so distant future to join management and the Board to thank those involved for their diligent efforts to overcome challenges and make decisions associated with the results of the Western Lands. Mr. Davis expressed appreciation and thanks to Ms. Wells for her complete transparency, unwavering leadership, and incredible ability to seek clarity. Ms. Wells thanked Mr. Davis and stated that she would gladly accept a future invitation to visit the Airports Authority.

#### IV. NEW BUSINESS

Ms. Lang stated that she had consulted the Ethics Officer and that they had determined that she has an apparent conflict of interests with one of the proponents (regarding the Recommendation to Award Contracts for Electronic Security Systems Maintenance, Support, and Network Administration at Dulles International) because of a personal interest. Accordingly, she had recused herself from participating in the consideration of the Recommendation to Award Contracts for Electronic Security Systems Maintenance, Support, and Network Administration at Dulles International. Ms. Lang advised that she is stepping back from the Board table while the matter is considered.

a. Recommendation to Award Contracts for Electronic Security Systems Maintenance, Support, and Network Administration at Washington Dulles International Airport

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

WHEREAS, Transportation Security Administration (TSA) regulations and directives require airport operators to control access and to prevent and detect unauthorized entry, presence and movement within the secure areas of the airport;

WHEREAS, Washington Dulles International Airport (Dulles International) and Ronald Reagan Washington National Airport (Reagan National) each have a complex electronic security system to assist in achieving a safe and secure airport and compliance with TSA regulations and directives;

WHEREAS, In May 2017, the Business Administration Committee concurred in the pre-solicitation report for the provision of maintenance, support, and network administration for the Electronic Security Systems at Dulles International and Reagan National;

WHEREAS, A 20 percent Local Disadvantaged Business Enterprise participation requirement was established for this full and open solicitation;

WHEREAS, The Evaluation Committee reviewed and evaluated the proposals submitted in response to the solicitation; and

WHEREAS, The Business Administration Committee received the results of the Evaluation Committee's evaluation of the submitted proposals and a staff recommendation, and recommended that the Board of Directors approve the selection of M.C. Dean Inc. of Tysons, Virginia; now, therefore, be it

RESOLVED, That the selection of M.C. Dean Inc. to provide maintenance, support, and network administration for the



Electronic Security Systems at Dulles International and Reagan National for two contracts, each with a two-year base term with two one-year option periods, at a combined value estimated not to exceed \$30,692,672, is approved; and

2. That the President and Chief Executive Officer is authorized and directed to enter into contracts with M.C. Dean Inc., consistent with the terms presented to the Business Administration Committee at its April 18, 2018 meeting.

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

Ms. Lang returned to the table.

b. Recommendation to Approve Risk Management Committee and Office of Audit Charter Updates

Mr. Uncapher offered a motion to approve the Risk Management Committee and Office of Audit Charter Updates. The recommendation was unanimously approved.

Once the Updated Charters are signed by the appropriate officials, copies will be filed in the Board of Directors Office.

Chairman Session announced that Ms. Wells had recused herself from participating in the Recommendation to Approve the Proposed Resolution Authorizing Issuance of Airport System Revenue and Refunding Bonds, Series 2018A and she had stepped away from the Board table while the item was considered.

c. Recommendation to Approve the Proposed Resolution Authorizing Issuance of Airport System Revenue and Refunding Bonds, Series 2018A

Mr. Mims moved the adoption of the following resolution, which was unanimously approved by 13 Directors present (excluding Nina Wells):

WHEREAS, The Metropolitan Washington Airports Authority (“Airports Authority”) desires to authorize the issuance of Airport System Revenue and Refunding Bonds, Series 2018A

(the "Series 2018A Bonds"), which may be issued in one or more series or subseries in an aggregate principal amount not to exceed \$750,000,000, to finance and refinance a portion of the costs of certain capital improvements (the "Projects") at Ronald Reagan Washington National Airport and Washington Dulles International Airport (together, the "Airports") and for other purposes identified below;

WHEREAS, A public hearing has been held relating to the Projects and the plan of financing to the extent required by Section 147 of the Internal Revenue Code of 1986, as amended (the "Code");

WHEREAS, Prior to the issuance of the Series 2018A Bonds, the Governor of Virginia and the Mayor of the District of Columbia will have approved the plan of financing, including the issuance of the Series 2018A Bonds, to the extent that such bonds are subject to Section 147 of the Code;

WHEREAS, The Airports Authority has selected a syndicate of investment banking firms to serve as underwriters for the program of financing and refinancing costs of certain capital improvements at the Airports and has appointed from the syndicate of investment banking firms Barclays Capital Inc., to serve as senior bookrunning manager (the "Managing Underwriter") for the Series 2018A Bonds;

WHEREAS, The Airports Authority desires to authorize the refunding, as applicable, of all or a portion of (i) its outstanding Airport System Revenue Bonds, Series 2008A (the "Series 2008A Bonds"; all or the portions of the Series 2008A Bonds to be refunded are the "Series 2008A Refunded Bonds"), (ii) its outstanding Airport System Revenue Bonds, Series 2009C (the "Series 2009C Bonds"; all or the portions of the Series 2009C Bonds to be refunded are the "Series 2009C Refunded Bonds") and (iii) such other of its outstanding Bonds as shall be cost-effective and in the best interests of the Airports Authority, as may be determined in accordance with Section 3 hereof (such other Bonds and the Series 2008A Refunded Bonds and the Series 2009C Refunded Bonds are the "Refunded Bonds");

WHEREAS, The Airports Authority desires that proceeds of the Series 2018A Bonds be used to (1) pay a portion of the cost of the Projects, (2) pay capitalized interest on the Series 2018A Bonds and certain of the Airport Authority's outstanding bonds, (3) refund the Refunded Bonds, (4) pay costs related to the termination of any interest rate swaps with respect to certain of the Refunded Bonds, (5) fund a deposit, if necessary, to a reserve account, and (6) pay costs of issuance of the Series 2018A Bonds;

WHEREAS, The Airports Authority desires to set forth guidelines for determining the interest rate or rates, maturities, and other terms of the Series 2018A Bonds; and

WHEREAS, There has been presented to the Airports Authority the form of the following documents for execution in connection with the issuance of the Series 2018A Bonds, copies of which documents shall be filed in the records of the Airports Authority:

(a) the form of the Fiftieth Supplemental Indenture of Trust (the "Fiftieth Supplemental Indenture"), between the Airports Authority and Manufacturers and Traders Trust Company, as trustee (the "Trustee"), relating to the issuance of the Series 2018A Bonds, which supplements the Amended and Restated Master Indenture of Trust, dated as of September 1, 2001, as amended (the "Master Indenture"), which form will be modified after pricing to reflect the pricing details and final terms of the Series 2018A Bonds and the Refunded Bonds (as determined in accordance with Section 3 below);

(b) the form of the Series 2018A Bonds, attached as Exhibit A to the Fiftieth Supplemental Indenture;

(c) the form of the Bond Purchase Agreement relating to the Series 2018A Bonds (the "Purchase Contract"), between the Airports Authority and the Managing Underwriter and the other underwriting firms named therein (collectively, the "Underwriters");

(d) the Preliminary Official Statement relating to the public offering of the Series 2018A Bonds (the "Preliminary Official Statement"; the final Official Statement, in substantially the form of the Preliminary Official Statement and including the final terms of the Series 2018A Bonds, is the "Official Statement"); and

(e) the form of Refunding Agreements between the Airports Authority and the Trustee relating to the refunding of the Refunded Bonds, which form will be modified as necessary with respect to agreements for additional outstanding Bonds that will be refunded (collectively, the "Refunding Agreement"); now, therefore, be it

RESOLVED, that the Underwriters are authorized to distribute the Preliminary Official Statement to prospective purchasers of the Series 2018A Bonds and the Official Statement to purchasers of the Series 2018A Bonds;

2. That the Series 2018A Bonds shall be issued in book-entry form, pursuant to the Master Indenture and the Fiftieth Supplemental Indenture and sold to the Underwriters pursuant to the Purchase Contract, all upon the terms and conditions specified therein;

3. That the Chairman or Vice Chairman, and at least one of the Co-Chairs of the Finance Committee, are authorized until December 31, 2018, and directed to jointly determine, after the Series 2018A Bonds have been priced in the market, the following:

(a) the exact principal amount, series, and subseries designation of the Series 2018A Bonds, including whether issued as AMT, Non-AMT or Taxable, provided that the aggregate principal amount of the Series 2018A Bonds shall not exceed \$750,000,000;

(b) the interest rate or rates of each series or subseries of the Series 2018A Bonds;

(c) the maturity or maturities of each series or subseries of the Series 2018A Bonds, including the amount and date of any mandatory sinking fund redemption for a maturity;

(d) the provisions for redemption of each series or subseries of the Series 2018A Bonds prior to maturity;

(e) the amount and extent of any credit facility for the Series 2018A Bonds and the provider thereof;

(f) the amount of the debt service reserve requirement, if any, and the provider of any debt service reserve fund surety bond, if any, for each series or subseries of the Series 2018A Bonds;

(g) the amount of the purchase price for each series or subseries of Series 2018A Bonds;

(h) the investment, if any, of the defeasance escrows under the Refunding Agreement; and

(i) the par amount and series of the Refunded Bonds, if any, to be refunded;

all in a manner to achieve the most favorable net effective interest rate while balancing the Airports Authority's exposure to interest rate and market risks on the entire long-term debt portfolio within the Airports Authority's Aviation Enterprise Fund, including the Series 2018A Bonds; provided, that the determinations made pursuant to this paragraph 3 shall comply with the following requirements: (i) the maximum term of the Series 2018A Bonds shall not exceed 35 years; (ii) no Series 2018A Bonds shall be subject to redemption at a redemption premium exceeding three percent of the principal amount thereof; (iii) the underwriters' discount relating to the Series 2018A Bonds shall not exceed two percent of the principal amount thereof; (iv) the true interest cost of the Series 2018A Bonds shall not exceed six percent per annum; and (v) the Series 2018A Bonds shall be offered to the public at a price of not less than 95 percent and not more than 130 percent of the principal amount thereof, plus accrued interest, if any;

4. That each of the Chairman, the Vice Chairman, any Co-Chair of the Finance Committee, the President and Chief Executive Officer, the Executive Vice President and Chief Operating Officer, the Senior Vice President and General Counsel, the Senior Vice President for Finance and Chief Financial Officer and the Manager of Treasury is hereby appointed as an "Authority Representative" under the Master Indenture and the Fiftieth Supplemental Indenture;

5. That the payment or redemption of the Refunded Bonds with a portion of the proceeds of the Series 2018A Bonds, together with any other funds of the Airports Authority, is authorized and directed in the manner set forth in the Refunding Agreement or the Fiftieth Supplemental Indenture, as applicable;

6. That the Chairman or the Vice Chairman is authorized and directed to execute, by manual or facsimile signature, the Fiftieth Supplemental Indenture, the Series 2018A Bonds, the Purchase Contract, the Official Statement and the Refunding Agreement, all of which forms are hereby approved, with such changes, insertions, completions, and omissions as are necessary to reflect the bond principal amounts, the series or subseries designations, and other terms determined pursuant to paragraph 3 of this Resolution, and the execution of these documents by the Chairman or Vice Chairman shall constitute conclusive evidence of their approval by the Airports Authority;

7. That the Secretary or Assistant Secretary is authorized and directed to affix the Seal of the Airports Authority or a facsimile thereof on the Fiftieth Supplemental Indenture, the Series 2018A Bonds and the Refunding Agreement, after their execution by the Chairman or Vice Chairman, to attest the same, by a manual or facsimile signature, and to deliver the Series 2018A Bonds to the Trustee for authentication upon the terms provided in the Master Indenture and the Fiftieth Supplemental Indenture;

8. That each of the Authority Representatives is authorized, with respect to the Series 2018A Bonds, to execute one or more tax compliance certificates on behalf of the Airports

Authority to implement the covenants and agreements set forth in the Fiftieth Supplemental Indenture and to make any election permitted by the Internal Revenue Code of 1986, as amended, that is determined by such officer to be to the advantage of the Airports Authority; and the representations, agreements and elections set forth in the executed tax compliance certificate(s) shall be deemed to be the representations, agreements and elections of the Airports Authority, as if the same were set forth in the Fiftieth Supplemental Indenture;

9. That each of the Authority Representatives is authorized to execute, deliver and file all other certificates and instruments related to the issuance and sale of the Series 2018A Bonds, including the Internal Revenue Service Form 8038, any reimbursement agreement relating to any debt service reserve fund surety bond, any agreements and/or amendments to agreements for the investment of proceeds from the sale of, or other moneys relating to, the Series 2018A Bonds and/or the Refunded Bonds, and any agreements relating to the termination of the interest rate swaps referenced above, and to take any further action as the officer may consider necessary or desirable in connection with the issuance and sale of the Series 2018A Bonds, the refunding and, as applicable, redemption of the Refunded Bonds and the termination of such interest rate swaps, and the other determinations made pursuant to paragraph 3 of this Resolution;

10. That any authorization provided in this Resolution to execute a document shall include authorization to deliver the document to the other parties thereto; and

11. That any other acts of the Authority Representatives or any other officer of the Airports Authority that are in conformity with the purposes, intent and conditions of this Resolution and in furtherance of the execution, delivery and performance by the Airports Authority of the Fiftieth Supplemental Indenture are hereby authorized, and the authorizations granted herein to such officers of the Airports Authority shall apply equally to any person serving in such capacity on an interim or acting basis, except that the

Airports Authority reserves unto itself the authority to appoint or remove any person or entity named, appointed or described in this Resolution or in the form of the Fiftieth Supplemental Indenture presented to the Airports Authority who is to serve as underwriter, trustee, or provider of a credit facility, if any, or in a similar role relating to the Series 2018A Bonds or the Refunded Bonds.

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

On behalf of the entire Board, Chairman Session stated that it had been truly a pleasure to serve with Ms. Wells as her contribution of time and talent had been huge. He further stated that he had personally appreciated all of her efforts throughout her five and a-half-year tenure. Chairman Session recalled when Ms. Wells and former Chairman Shaw McDermott were appointed by President Barack Obama. While Board Members realize it is a sacrifice to serve on the Board, he stated that it had been even more of a personal sacrifice for Ms. Wells as she commuted from New Jersey monthly for the scheduled meetings and oftentimes even more frequently. Chairman Session thanked Ms. Wells for the part of the esprit de corps that she participated in to help the Airports Authority Board become a collegial board, which is essential to how business is conducted. As has been recognized, Ms. Wells had served on virtually all the Committees of the Board. Chairman Session observed that he had had an opportunity to Co-Chair the Risk Management Committee with Ms. Wells, where very important work had occurred. He stated that Ms. Wells' service had been exemplary, and it was much appreciated. Ms. Wells stated that the privilege was hers. Chairman Session recognized that Ms. Wells had other activities occurring in New Jersey including serving on several boards and as former Secretary of State of the state of New Jersey, by which the Airports Authority had greatly benefited. Since Ms. Wells is a DC girl, Chairman Session offered "so long for now" instead of "goodbye."



The Meeting was thereupon adjourned at 10:58 a.m.

Respectfully submitted:

*Monica R. Hargrove*

Monica R. Hargrove  
Vice President and Secretary

*Approved June 20, 2018*