

## BOARD OF DIRECTORS MEETING

Minutes of July 17, 2019

The regular meeting of the Board of Directors was held in the Fifth Floor Conference Rooms at Two Potomac Yard, 2733 Crystal Drive, Arlington, VA. The Chairman called the meeting to order at 9:00 a.m. Thirteen Directors were present during the meeting:

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

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

The Secretary and Executive Management were present:

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

Chairman Session welcomed everyone to the day's meeting. He reported that the Metropolitan Washington Airports Authority (Airports Authority) is fortunate and honored as The Honorable Muriel Bowser, the Mayor of the District of Columbia, would arrive shortly and make a few remarks. To accommodate Mayor Bowser's busy schedule, Chairman Session advised that he will briefly recess the day's meeting once she arrived. He acknowledged and welcomed Mayor Bowser's Chief of Staff John Falcicchio, who was in attendance, and noted that he is also serving as the District of Columbia's Interim Deputy Mayor for Planning and Economic Development.



## I. MINUTES OF THE JUNE 19, 2019 BOARD OF DIRECTORS MEETING

The Chairman called for the approval of the Minutes of the June 19, 2019 Board of Directors Meeting, which were unanimously approved.

## II. COMMITTEE REPORTS

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

Ms. Hanley reported that the Dulles Corridor Committee had last met June 19. Staff had presented the Quarterly Dulles Corridor Metrorail Project Cost and Schedule Update for Phase 1 and the Monthly Cost and Schedule Update for Phase 2. Ms. Hanley reported that Hensel Phelps presented its Quarterly Update on Phase 2, Package B (Washington Metropolitan Area Transit Authority (WMATA) Rail Yard and Maintenance Facility).

### b. Finance Committee – David G. Speck, Co-Chair

Mr. Speck reported that the Finance Committee had last met June 19. The Committee had received a Report on the Sale of Airport Revenue and Refunding Bonds and Dulles Toll Road Refunding Bonds. Mr. Speck reported that the Financial Advisors had presented the monthly reports for the Aviation and Dulles Corridor Enterprises. The Committee had accepted the May 2019 Financial Reports for both enterprises.

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

Mr. Uncapher reported that the Risk Management Committee had last met June 19. The Committee had received the results of two external audits -- the Schedule of Expenditures of Federal Awards, Passenger Facility Charges, and Agreed-Upon Procedures - Airport Use Agreement and Premises Lease; and the Airports Authority's Retirement Plans. Mr. Uncapher advised that in executive session the Committee was given the opportunity to ask questions about the results of the audits. He stated 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 required to be discussed in executive session, and for matters that

involve proprietary or confidential information of the vendors of the Airports Authority, as well as Article IX, Section 3(c), to discuss existing or prospective contracts, business or legal relationships in order to protect proprietary or confidential information of the Airports Authority; any person or company; the financial interest of the Airports Authority; or the negotiating position of the Airports Authority.

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

Mr. Uncapher also reported that the Strategic Development Committee had last met June 19. Staff had presented an update on Project Journey. Mr. Uncapher advised that he and Mr. Sudow, the other Co-Chair of the Committee, had held a number of meetings to discuss the charge of the Strategic Development Committee [to assist in developing a long-term strategic plan for the Airports Authority], which resulted from the Board Retreat held in May. He stated that Airports Authority staff had provided input, which had helped the Co-Chairs to develop a path forward for the Strategic Development Committee. Mr. Uncapher reported that a series of meetings, each with an individual theme, will be held beginning in September 2019, with full participation from all of the Committee Members.

### III. INFORMATION ITEMS

a. President's Report

Mr. Potter thanked Mayor Bowser [in advance] for the day's visit. He stated that everyone is looking forward to her remarks.

Mr. Potter noted the relatively nice summer weather for the day, stating that although the temperature is high, it is preferred over the conditions experienced on July 8 when sudden torrential rains caused widespread flooding across the region, including the areas in and around Ronald Reagan Washington National (Reagan National) and Washington Dulles International (Dulles International) Airports. He reported that almost a month's worth of rain, more than three inches, fell in one hour, which is equivalent to 30 inches of snow according to weather experts. Mr. Potter shared a slide of how the intense rainfall in such a short period of time caused widespread problems across the region, with impacts to both Airports and nearby roadways.

At both Reagan National and Dulles International, maintenance crews worked tirelessly to ensure that flooded areas, including Reagan National loading docks, the Terminal B/C bag rooms and the Terminal A tunnel, leading to the parking garage, were cleaned up quickly. Mr. Potter advised that flight operations at Reagan National were affected, with 24 diversions and about 40 flight delays. Although the flight impacts were less at Dulles International, the Dulles Toll Road Operations' staff and maintenance crews worked hard to keep things running smoothly, despite the fact that the tunnel under the toll plaza had flooded. Mr. Potter advised that motorists along the Dulles Toll Road had to slow their speeds during the heaviest rain but were able to navigate without issue, largely because of recent work that the Dulles Toll Road staff had undertaken to improve storm drains and sweep the roadways in preparation for a large rain event exactly like the one that occurred. He extended exemplary remarks to the Toll Road team for the great preventive maintenance.

Mr. Potter shared a slide of motorists on the George Washington Memorial Parkway (Parkway) near Reagan National who encountered big problems during the height of the storm, which was also the peak of the morning rush hour. Many drivers along that stretch of road were caught unexpectedly in rapidly rising water, and a large number of people were stuck in their cars during traffic gridlock as flooding overwhelmed the areas; they found themselves in extremely dangerous situations, needing to be rescued as the rising water poured into their vehicles. Members of the Airports Authority's Public Safety team worked together with other nearby first responders and rescued 32 individuals from 16 flooded and stranded vehicles along the Parkway near Reagan National. The rescued individuals were able to shelter in place in two Airport shuttle buses before arriving at Signature Aviation, where they waited out the worst of the storm. Once the floods receded, drivers returned to retrieve their vehicles. Some were able to drive their vehicles and other vehicles that did not start had to be towed with assistance from the Airports Authority's Police Department and the National Park Service Police. Mr. Potter extended thanks to the following members of the Police and Fire Departments who acted quickly and heroically on July 8 to provide assistance to drivers during a difficult emergency situation: Battalion Chief Gary Hubble; Captains Dave Howey, Michael Osborne, Eric Patterson, and Joe Scarpone; Fire Medics David Wielgosz and Stephen Wilson; Technicians Scott Bowling, Darren Carrington, and Jonathan Day; Firefighters Bryan Cheezum and Elijah McCarthy-Hopkins; River Rescue Manager Gary McQuaide; Major Tim Moore; Lieutenant Dave

Yeager; Corporal Christopher Pearce; and Officers Jeffrey Fabbri, Darrell Washington, and Douglas Zuniga. Mr. Potter stated that some of the individuals recognized were in attendance at the day's meeting, and they received a round of applause.

Mr. Potter reported that the most recent incident clearly illustrates the importance of the Airports Authority's region-wide mutual aid system and emergency response drills held at both Airports. Mr. Potter advised that the Airports Authority has witnessed examples of this very beneficial arrangement through the years, including the fire department's response to the Pentagon on September 11, 2001 and a couple of years ago when an active shooter attacked a practice session of the congressional baseball team in a nearby neighborhood. In both incidents, Airports Authority crews were among the first on the scene. Mr. Potter reported that Board Members are invited to witness the Airports Authority's mutual aid system in action when fire and rescue units across the region participate in the triennial airport emergency drills at Reagan National and Dulles International. He stated that it is good to be part of such an efficient and effective system that helps the entire region with unexpected situations.

Mr. Potter announced that he was pleased to report that the Airports Authority has initiated a Line of Duty Program (Program), which provides death and disability benefits to police and firefighters and their eligible family members in the case of death or disability in performing their official duties. He stated that the Program took effect on July 1 and covers all Airports Authority police and firefighters who participate in the Airports Authority's public safety retirement plans. The Program includes a \$100,000 death benefit for those who die in the line of duty, a \$25,000 benefit for a duty-related death up to five years after ending employment with the Airports Authority, and lifelong healthcare benefits for eligible dependents. Mr. Potter reported that the Airports Authority is very pleased to offer these benefits to the police and firefighters who work to keep its facilities, employees, customers, and the public safe and secure.

Mr. Potter also reported that the Airports Authority recently received a very high honor when Reagan National and Dulles International received a 2019 Airport Innovation Award from the American Association of Airport Executives. He explained that the recognition was based on the development of the veriScan biometric system, which was praised as an industry leading innovation. The veriScan system is now used by 37

airlines across multiple airports, including Dallas/Fort Worth and Seattle-Tacoma International Airports. Mr. Potter advised that veriScan has successfully processed nearly 340,000 passengers, boarding more than 2,000 flights, with a success rate of better than 98 percent. He stated that the Airports Authority is delighted by yet another recognition of this product and pleased to see the growing coverage of veriScan in the news media and the growing interest in the system among airports and airlines. Mr. Potter extended congratulations to Goutam Kundu, Chief Information Officer and Vice President for Technology, and his team on the achievement.

Mr. Potter shared a brief story about how small tasks performed by members of the Airports Authority team can make a very big difference for passengers and their travel experience. He reported that he had recently received a letter from a grateful Reagan National passenger who had lost her laptop in the Airport. The passenger had written a letter to express her profound appreciation to the staff at Reagan National after a very honest employee turned her missing laptop into the Airport's Lost and Found Department. The letter also spoke favorably about Karen Dart, Supply Technician, who had provided amazing customer service and was pleasant, effective and thorough in her efforts to ensure the passenger had her laptop within 24 hours. The passenger expressed her appreciation and requested that Ms. Dart receive her word of congratulations. Mr. Potter advised that the passenger letter is a great example of the spirit of customer service that members of Airport teams display daily in their efforts to provide a world-class travel experience for passengers at Reagan National and Dulles International. He stated that customer service is a big part of the reason why both Airports have such an increasingly great reputation. Ms. Dart was in attendance at the day's meeting, and she received the customer's word of congratulations and a round of applause as she was introduced and recognized.

Chairman Session echoed the gratitude that Mr. Potter expressed to the Airports Authority first responders and thanked them for the tremendous job that they perform. He stated that the Board of Directors is very encouraged by Mr. Potter's remarks related to the Program that the Airports Authority now offers [to police and firefighters who are covered by public safety retirement plans].

b. Executive Vice President's Report

Mr. Davis reported that as the summer travel season progressed, passenger traffic remains strong. During May more than 4 million passengers traveled through both Reagan National and Dulles International, which was an increase of nearly 5 percent from the prior month. At Dulles International, the increase was driven largely by United Airlines' (United) commitment to strengthening its hub operation with 395 more scheduled flights, and 53,000 more seats than this time the prior year. International passenger traffic at Dulles International grew by nearly 9.5 percent in May 2019 compared to May 2018, including growth from international carriers Qatar Airways, Avianca Airlines, and Brussels Airlines. Mr. Davis reported that year-to-date passenger traffic is up 4.5 percent, an increase of 4.6 and 4.3 percent for domestic and international traffic, respectively. At Reagan National, growth in passenger traffic in May was driven primarily by aircraft upgauging, which resulted in the largest carrier, American Airlines, offering 16,000 more seats than in the prior year. Mr. Davis stated that as the number of passengers using Reagan National and Dulles International continues to grow, the Airports Authority's efforts to provide a pleasant, convenient and memorable travel experience also grows. He advised that a recent and very important example of this increased effort is the Airports Authority's renewed and expanded Airport Arts and Exhibits Program, which has afforded the opportunity to offer the first of many major exhibits from the area's world-class museums to help educate, inform and entertain the Airports' customers. These exhibits result from agreements that a team is establishing with the Smithsonian Institution, the Newseum and other museums, along with agencies such as the National Aeronautics and Space Administration (NASA). Mr. Davis advised that since the 50th anniversary of America's historic landing on the moon happens this month, the first two exhibits relate to that important event. In both Airports the Newseum features displays of the front pages of newspapers from around the world from the day Neil Armstrong became the first human to set foot on another world. Mr. Davis shared slides of the display at each Airport. At Reagan National, the display is installed in the Historic Lobby of Terminal A, and at Dulles International, the exhibit is installed in the area between the Transportation Security Administration (TSA) security checkpoints and the AeroTrain station. Mr. Davis reported that an exhibit marking the 60th anniversary of NASA is also installed in the Dulles passageway between the AeroTrain station and the C/D Concourse that chronicles the space agency's history from its early days of satellite competition with

the Soviet Union, through the Mercury, Gemini and Apollo programs that put a man on the moon through the days of the Space Shuttle and International Space Station and many scientific probes of the solar system to the current goal of going to Mars. Mr. Davis reported that the exhibits are already receiving great reviews from passengers. He advised that these exhibits are just the beginning of an extensive program, and David Mould, Vice President for Communications, and Michael Cabbage, Corporate Relations Program Manager, will provide more details at the September Board of Directors Meeting.

Mr. Davis shared a slide that demonstrated how the Airports Authority connects with the Hispanic community. He reported that a recent review of census data from the American Community Survey revealed that 13 percent of the households in the Maryland, District of Columbia and Virginia region speak Spanish at home. Since the Airports Authority's goal is to connect with all the members of its community, it has incorporated Spanish language advertising into marketing campaigns, including bus shelter signage and radio advertising. Mr. Davis shared an example of the current campaign. He advised that the Airports Authority started the campaign several months ago with another ad approach. Since it was very effective, it is being used again; positive results are expected.

Mr. Davis reported that the Airports Authority is continuing its outreach beyond the Airports. He stated that the latest effort is the partnership with the Smithsonian Institution (Smithsonian) for its annual Folklife Festival (Festival) on the National Mall held close to the Fourth of July holiday. Mr. Davis advised that the Festival is the largest annual cultural event in the nation's capital and receives considerable publicity, reaching as many as 40 million readers and viewers through print and digital media. The theme for this year was "The Social Power of Music." Mr. Davis reported that through its partnership with the Smithsonian for the Festival, the Airports Authority's branding had prominent placement throughout the Festival site and at Metrorail stations. He also reported that the Airports Authority's brand was featured in frequent announcements promoting Dulles International and its destinations and other promotional activities seen by the thousands of visitors on the Mall and in local and National news coverage throughout the festival period.

Mr. Davis reported that the Airports Authority is formally releasing its Economic Impact Study (Study). He stated that an outside research firm conducted the Study that illustrates the benefits that the Airports



Authority and its businesses bring to the regional economy. Mr. Davis explained that the firm looked at the jobs and local tax revenue resulting from the Airports Authority business, as well as other important things such as spending by tourists that show the important role the organization plays in the National Capital Region's economic growth. He stated that he was joined by Mr. Mould and Daniel Hoff, Federal Government Affairs Program Manager, to provide additional perspective.

Mr. Mould reported that the Airports Authority engaged a leading international firm to commission a study using the latest available complete set of data from 2017 to determine the impact of its business activities on the local and regional economy. He advised that management had shared a preview of the Study in past weeks, and the Study has now been completed. Mr. Mould stated that the Airports Authority would make the Study public this month. It is anticipated that it will be a very useful tool in talking with elected officials and others about the Airports Authority's importance to the local and regional economies in terms of jobs, labor, income, visitor spending, and other areas. Mr. Mould reported that Mr. Hoff worked with the Department of Supply Chain Management to identify the most qualified firm to commission the Study, and he served as the Airports Authority liaison and manager of the contract throughout the process.

Prior to Mr. Hoff beginning his presentation, Chairman Session announced that Mayor Bowser had arrived. At 9:22 a.m. he offered a motion to recess the Board Meeting, which was unanimously approved.

Chairman Session reconvened the Board Meeting at 9:34 a.m. A quorum was present.

As previously noted, Mr. Mould stated that Mr. Hoff, who manages the Airports Authority's relationships with Capitol Hill and all of the federal agencies, would provide details on how the Study was conducted and review some of the results. Mr. Hoff reviewed the project goals. He stated that it was important to highlight and quantify the Airports Authority as a regional economic engine. Another goal was to create a product that was usable by the entire Airports Authority and its third-party advocates, in terms of cross-functional utilization. It was also important to establish a narrative demonstrating that the Airports Authority is a single, integrated business.

Mr. Hoff reported that IHS Markit was selected as the primary contractor, noting that it is an internationally-recognized market leader in business information and analytics. He advised that IHS Markit's research team, consisting of a core group of five to eight people, has expertise in micro data analysis. Additionally, the resources and data of an international firm of the size of IHS Markit could help with any problems or methodological issues that the Airports Authority may encounter in completing the Study.

Mr. Hoff reviewed three general layers of economic contributions -- economic, indirect and induced -- and how they are generally assessed. He reported that direct economic contributions are the initial sales, taxes, profits, and employees that might be paid as part of that process. The indirect contributions are the supplier effects, such as when a contract is awarded, and the selected supplier needs to procure something or hire people to complete the task order. Induced economic contributions occur when employees spend their wages on different products and services. Mr. Hoff stated that he would also provide details about the Airports Authority's economic output and Gross Domestic Product (GDP). He advised that economic output is the total sum of the transaction as part of the economic process, and GDP is the value added.

Mr. Hoff reported that the Airports Authority's economic impacts are consolidated into three specific areas -- visitor spending, travel services and local spending. As previously noted, Mr. Hoff stated that he would provide details on the total economic contributions in each area. With regard to visitor spending, the Airports Authority welcomed 8.4 million visitors from around the world that spent approximately \$9 billion in the region, supporting or stimulating \$13 billion in economic output and creating or supporting 131,000 jobs. Mr. Hoff reported that Reagan National and Dulles International serve as gateways to the region to facilitate commerce, help create jobs, and stimulate the entire economy. The Airports also deliver travel services and act as business centers. Mr. Hoff explained that people and businesses come to Reagan National and Dulles International to buy goods and services (such as airline-related passenger and cargo transportation, Airport concessions, rental cars, ground transportation, and parking) on Airport property. He reported that over 300 businesses operated at Reagan National or Dulles International in 2017, supporting \$7.4 billion in economic output and 44,000 jobs. Lastly, the Airports Authority also serves as a regional participant in terms of spending dollars to facilitate its operations and capital. Mr. Hoff reported that in 2017, the Airports Authority spent over

\$950 million of which \$768 million, or 80 percent, was expended to businesses in Washington, DC, Virginia, and Maryland. The local spending, combined with \$144 million in wages paid to 1,800 employees, resulted in the contribution or infused amount of \$912 million into the regional economy, which supported \$2.3 billion in economic output and 11,000 jobs. Mr. Hoff reported that the combined activity for travel services, visitor spending, and regional spending equates to \$23.6 billion in local economic output, helps stimulate \$1.1 billion in state and local taxes, supports 187,000 jobs, and equates to \$14.4 billion in regional GDP. For example, if the local economic output of \$23.6 billion was consolidated into one publicly-traded company, the Airports Authority would be number 123 on the Fortune 500 list for 2017; \$1.1 billion in state and local taxes equates to \$3 million a day, which could educate 87,000 students across the region for one year; individuals filling 187,000 jobs would be equivalent to the number of residents in the sixth largest city in Virginia; and \$14.4 billion in regional GDP is a contribution of nearly \$40 million a day.

In summary, Mr. Hoff reported that the results of the Study determined that the Airports Authority helps to create jobs, stimulate the local economy, and, ultimately, facilitate passengers through its gateways to operate businesses on the Airports' properties and to stimulate local economies through regional spending.

Mr. Lazaro asked about the Study's results that will be shared with Senate and House districts in Virginia. Mr. Hoff stated that data regarding the economic impact of the Airports Authority employment and wages will be shared throughout the state's congressional and legislative districts.

Mr. Sudow offered favorable remarks about the Study and stated that the results will be helpful as the Airports Authority moves forward with its strategic planning effort. He observed that the growth at Dulles International has been positive in terms of increased enplanements and United's decision to move more of its flights to Dulles International. Mr. Sudow inquired about the breakdown between leisure and business travel in United's increased enplanements, as well as the number of passengers who actually stay in the metropolitan area instead of those connecting with a flight for their final destination. Mr. Davis stated that historically the number of origin and destination (O&D) passengers have been very strong, and that the current strength of the Airports' O&D passengers has been very appealing by a multitude of airlines. He

advised that because the volume of connecting passengers is extremely strong, a substantial number of tourist-type customers come through the Airports, which make a big difference. Mr. Davis stated that although a couple of controversial international issues had occurred during the year, tourism throughout the region has increased significantly.

Mr. Hoff advised that he did not have the data on the breakdown between leisure and business travelers coming into the region at both Airports with him at the day's meeting. He stated that he will provide the requested data separately.

Mr. Sudow observed that the Airports Authority has been very focused on leisure travel and tourism, which has been very strong in the District and Virginia. As the business community in the District, Virginia, and Maryland grows, Mr. Sudow stated that he believed that the Airports can provide additional support and help grow the business economy in this region, which contributes to jobs and growth in the economy. Mr. Davis observed that the Airports Authority is fortunate considering the growth of several of the counties in Virginia and Maryland, which are ranked within the top 10 counties across the United States. Airlines inquire about constituents who live in the servicing areas, as well as household incomes, travel frequencies and destinations, and the Airports Authority is able to share this very influential message as part of its marketing efforts to attract new airlines.

Mr. Davis stated that the completed Study resonates well with its targeted audience because the Airports Authority can provide the data on the organization's economic contribution. He advised that the data included in the Study will be updated every two years to keep the Airports Authority "story" current.

Mr. Potter acknowledged that United is building up its hub at Dulles International. He explained that one of the ways United will accomplish expanding and strengthening its hub operation is by offering more direct service flights from airports to Dulles International. Mr. Potter stated that these flights will benefit the region because passengers coming to the nation's capital will likely visit the tourist attractions that all three jurisdictions offer. He also stated that the nation's capital provide tourist options that other hubs around the country may not offer. Therefore, the Airports Authority believes that United's increased flights is advantageous not only to the health of Dulles International, but that they will also make a huge contribution to the local economies with a

substantial number of visitors that would otherwise not have access to direct service.

Mr. Sudow stated that he welcomed Mayor Bowser and her team to offer suggestions on how the Airports Authority can improve airline business development, grow both Airports, and generate the most economic growth in the region.

Mr. Tejada offered favorable remarks about the executive summary provided in advance of the Study. He inquired whether the summary and other details of the Study would be posted on the Airports Authority's website. Mr. Mould advised that copies of the executive summary, which is a top-line description, were distributed at the day's meeting. He stated that more details of the Study, including a large section on the methodology of the entire document, would be posted on the Airports Authority's website under a separate webpage. Additionally, the Airports Authority will be promoting the Study in the weeks ahead throughout the region.

Mr. Tejada referenced the number of jobs created by the Airports Authority and requested an explanation of the two different figures. Mr. Hoff explained that the first figure of 187,000 represented the total number of jobs when the different areas are aggregated, and the second figure of 131,000 is relative only to visitor spending. Mr. Tejada observed that one of the publications compared the provision of 187,000 jobs with filling FedEx Field and United's Audi Field with spectators. He congratulated Mayor Bowser on her contributions and efforts with the opening of the stadiums. Mr. Hoff restated that the top line numbers were broken into three categories, visitor spending, travel services and regional spending.

Mr. Adams offered congratulations on the Study, noting that he believed that the Airports Authority's impact is consistent with the anticipated results. He inquired how the Airports Authority planned to share the Study's results to ensure that people are aware of the organization's impact. With regard to the three jurisdictions, Mr. Adams also inquired whether the Airports Authority has partnered with economic development offices throughout the region, the U.S. Department of Commerce, and the Centers for Disease Control and Prevention. He asked if the Airports Authority is ensuring that its partners have the data from the Study to ensure that the messages are appropriately aligned with regard to marketing efforts. Mr. Mould responded affirmatively,

noting that the Airports Authority has ongoing relationships with the economic development groups around the region, as well as the tourism divisions, which is one of the reasons that the Study is so significant. He stated that the economic development groups and tourism divisions support fast growing, important segments of the economy and the Airports Authority is making a major contribution. Mr. Adams inquired specifically about the Airports Authority's efforts with those partners, noting that he has a particular interest in the state of Maryland, especially Montgomery and Prince George's Counties. Mr. Davis advised that the Airports Authority expends a great deal of time with its marketing efforts in the District. He stated that staff worked closely with Brian Kenner, former Deputy Mayor for Planning and Economic Development, and Destination DC on efforts involving tourism that are instrumental in terms of airline business development. Mr. Davis reported that the Airports Authority also works with Buddy Rizer, Director for Economics Development in Loudoun County, who continues to be very effective. He stated that Maryland becomes the opportunity jurisdiction for the Airports Authority. The Study will be used as an opportunity to begin communications and foster relationships with economic development groups in Maryland. Mr. Davis stated that the Airports Authority will strive to make a difference in how it works with all three jurisdictions. Mr. Adams stated that all three Board Members who represent Maryland are willing to help facilitate any connections within the counties and state.

Mr. Mims advised that he was returning from the Conference of Minority Transportation Officials, where Ricky Smith, Chief Executive Officer of Baltimore Washington International Thurgood Marshall Airport (BWI), was in attendance. He reported that BWI is moving aggressively in its outreach efforts, and he wanted to be sure that the Airports Authority cultivate the appropriate partnerships as it moves forward to distribute the results of the Study. Mr. Davis thanked Mr. Mims for sharing the information.

Mr. Speck referenced the Aviation Statistics Summary. To ensure that he understood the term upgauging, Mr. Speck sought confirmation of its meaning -- the route and flight remain unchanged, but that a larger aircraft is used. Mr. Davis responded affirmatively. Mr. Speck advised that he had never heard the term associated with airplanes - only with trains.

#### IV. NEW BUSINESS

a. Recommendation to Award Contracts for the Metropolitan Washington Airports Authority's Medical, Prescription Drug, and Dental Benefits Plans

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

WHEREAS, In December 2018, the Business Administration Committee concurred with staff's recommendation to issue a solicitation for medical, dental, and prescription drug benefit plans using the competitively negotiated "Best Value" procurement method;

WHEREAS, In January 2019, a Request for Proposals (RFP) was issued for each of the four solicitations;

WHEREAS, At its July 2019 meeting, the Human Resources Committee received the results of the competitive evaluation of the firms that responded to the RFPs, including the consideration of the technical and price evaluations, as well as pre-award due diligence procedures; and

WHEREAS, The Human Resources Committee recommended that the Board of Directors approve the selection of United Healthcare Services Inc., and its affiliated companies (UnitedHealthcare) for the self-insured Preferred Provider Option; Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., (Kaiser) for the fully-insured Health Maintenance Organization Medical; Express Scripts, Inc. (Express Scripts) for prescription drugs; and United Concordia Insurance Company (United Concordia) for dental insurance contracts for the provision of benefit plans for employees and retirees of the Metropolitan Washington Airports Authority; now, therefore, be it

RESOLVED, That the selection of United Healthcare, Kaiser, Express Scripts, and United Concordia to provide medical, prescription drug, and dental benefits is approved; and

2. That the President and Chief Executive Officer is authorized to execute contracts with United Healthcare and Kaiser for the provision of Medical insurance plans, with Express Scripts for the provision of Prescription Drug coverage, and with United Concordia for the provision of Dental insurance plans, and, each contract having a three-year term with three one-year, unpriced options for a total award amount of \$126,356,211, and being consistent with the terms and conditions presented to the Human Resources Committee at its July 2019 meeting.

#### V. UNFINISHED BUSINESS

There was not any unfinished business.

#### VI. OTHER BUSINESS & ADJOURNMENT

Chairman Session recalled that several staff members presented a comprehensive briefing on Corporate Social Responsibility last month, including some of the details of the Study that Mr. Davis and his team presented that day. He stated that Tony Vegliante, Vice President for Human Resources and Administrative Services, would provide a brief update about information that was included in the June 18 presentation. Chairman Session reminded everyone that the Board and Committees will not meet in August, and the September Meetings will be held on September 18.

Mr. Vegliante stated that as a follow-up to the recent presentation on Corporate Social Responsibility, staff compiled information to serve as a public relations component to help the Airports Authority share its good news story. As evidenced today in Mr. Potter's report, the Public Safety teams play a major role in the Airports' operations, noting that community involvement and mutual aid are integral parts of the Airports Authority's success. Mr. Vegliante reported that Public Safety is now included as one of the Airports Authority's pillars of Corporate Social Responsibility. He stated that the publication [Our Commitment to a Sustainable Future] is being printed and advised the Directors to let staff know if they need copies. Mr. Vegliante acknowledged and thanked summer interns Anna Piasek and Allison Hall for putting together the publication. He spoke favorably about the Airports Authority's Summer Intern Program and the value that the interns contribute. Mr. Vegliante advised that Tanisha Lewis, Human Capital Management Performance



and Business Readiness Manager, had led the Human Resources presentation at the June Workshop on Corporate Social Responsibility.

Ms. Hanley shared favorable comments about the publication. In light of the day's presentation on the Study, she observed that some of the same information has been included in both publications, which Ms. Hanley described as beneficial. She noted that economic sustainability is also important. Mr. Vegliante affirmed her observation. He advised that the publication listed the five pillars of Corporate Social Responsibility, including economic impact, and the Airports Authority will continue to share critical information in each of the five areas. Mr. Vegliante stated that the methods and ability to communicate the information in the five pillars will expand in the future and management will keep the Board updated.

Mr. Lazaro also offered favorable comments on the Corporate Social Responsibility publication. He recalled that staff had previously reported that the 2018 Annual Report would be completed at the end of this year and inquired if that is still the targeted date for completion. Mr. Vegliante responded affirmatively. With regard to the Corporate Social Responsibility publication that he reported on earlier, Mr. Vegliante advised that in addition to printed copies, the information would also be posted on the Airports Authority's website.

Mr. Potter stated that the information included in the publication that Mr. Vegliante shared is used mostly for talking points. He also stated that management had decided to share the abbreviated version of the data collected with the Board and staff and not wait until the complete report was finalized later in the year.

Mr. Lazaro noted that he was aware that the publication would need to include much more information to comply with the format used for airports. He stated that he believed that the publication would be beneficial to everyone.

With regard to the 2018 Annual Report, Mr. Potter confirmed that there were no deviations from the proposed schedule that staff had previously shared.

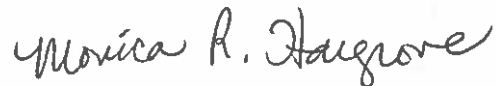
Mr. Tejada advised staff to continue its efforts on the environmental sustainability, which he characterized as exciting for the Airports. He noted that not many airports around the country have a sustainability

plan, and he encouraged staff to refer to the plans of its regional partners for guidance and use, when applicable. Mr. Tejada advised that Arlington County completed its plan more than 10 years ago.

Mr. Vegliante advised that the information for the environmental pillar of Corporate Social Responsibility had been provided by the Office of Engineering, which has numerous partnerships throughout the greater metropolitan area. He acknowledged Mr. Tejada's suggestion and stated that staff would explore it.

The Meeting was thereupon adjourned at 10:13 a.m.

Respectfully submitted:



Monica R. Hargrove  
Vice President and Secretary

Approved September 18, 2019