

BOARD OF DIRECTORS ANNUAL MEETING

Minutes of December 16, 2020

The Meeting of the Board of Directors was held virtually using Zoom. The Chairperson called the meeting to order at 9:00 a.m. Thirteen Directors were present during the meeting:

Earl Adams, Jr., Chairperson	A. Bradley Mims
William E. Sudow, Vice Chairperson	Thorn Pozen
Judith N. Batty	Warner H. Session
John A. Braun	J. Walter Tejada
Albert J. Dwoskin	Mark E. Uncapher
Katherine K. Hanley	Joslyn N. Williams
Robert W. Lazaro, Jr.	

The Secretary and Executive Management were also present:

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

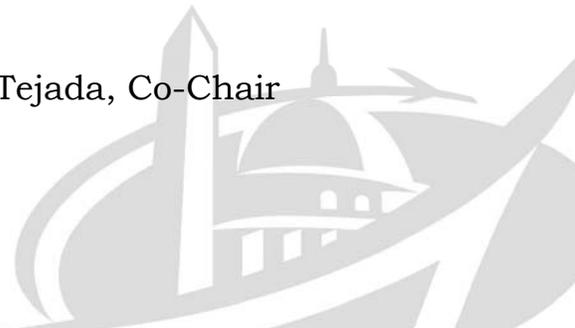
Chairperson Adams welcomed the Directors, Airports Authority staff and others to the December 16 Board of Directors Meeting, which he stated was being held virtually in light of the COVID-19 pandemic, pursuant to Executive Orders issued by Virginia Governor Northam. Mr. Adams advised that information for the day's meeting had been posted to the Airports Authority's website for the public's attendance.

I. MINUTES OF THE NOVEMBER 18, 2020 BOARD OF DIRECTORS MEETING

The Chairperson called for the approval of the Minutes of the November 18, 2020 Board of Directors Meeting, Tab 1, which were unanimously approved.

II. COMMITTEE REPORTS

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



Mr. Tejada reported that the Dulles Corridor Committee last met on November 18, when it approved the Summary Minutes of the September 16, 2020 meeting. Staff presented the Dulles Corridor Metrorail Monthly Cost and Schedule Update for Phase 2.

b. Executive and Governance Committee – Judith N. Batty,
Co-Chair

Ms. Batty reported that the Executive and Governance Committee last met on November 18. In regular session, staff presented the results of the Annual Audit of Travel and Business Expenses, as required by the Airports Authority's Travel Policy. In executive session, staff discussed personnel matters, pursuant to Article IX, Section 3(a) of the Airports Authority Bylaws which permit the Board and its Committees to move into executive session for personnel matters such as employment, appointment, assignment, promotion, demotion, performance appraisal, discipline, resignation, salaries and benefits, and interview of Directors, officers, and employees of the Airports Authority, and applicants for the same.

Chairperson Adams confirmed and stated for the record that a quorum of all Directors was present for the day's Meetings.

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

Mr. Mims reported that the Finance Committee had last met November 18. In addition to approving the Recommended 2021 Budget and the Selection of Financial Advisory Firms, as reported last month, the Committee had approved the Summary Minutes of the October 21 meeting. The Board subsequently approved the Selection of Financial Advisory Firms at its November 18 Annual Meeting, and the Board will consider the 2021 Budget later in the day's meeting. Due to time constraints, the Finance Committee accepted the following Informational Reports, as submitted: Financial Reports for the Aviation and Dulles Corridor Enterprises (Enterprises); the Financial Advisors' Reports for both Enterprises; and the Quarterly Report of the Investment Program for the Quarter ended September 30, 2020.

Mr. Mims advised that Mr. Speck, Co-Chair of the Finance Committee, was not in attendance at the day's meetings due to the recent loss of a family member. He expressed condolences and sent thoughts and prayers to Mr. Speck and his family. Chairperson Adams thanked Mr. Mims for his remarks and stated that on behalf of the Board, best regards were sent to Mr. Speck and his entire family during their time of loss.

d. Risk Management Committee – John Braun, Co-Chair

Mr. Braun reported that the Risk Management Committee last met on November 18, when the committee approved the Summary Minutes of the October 21 meeting. The committee received the results of the recently completed audit of the Jacobs Program Management Support Services Contract Payments for the Dulles Corridor Metrorail Project. The Committee also met in executive session to further discuss the results of the audit, pursuant to Article IX, Section 3(c) of the Airports Authority's Bylaws, which permit the Board and its Committees to move into executive session to discuss existing or prospective contracts, business or legal relationships in order to protect proprietary or confidential information of the Airports Authority, any person or company, the financial interest of the Airports Authority; or the negotiating position of the Airports Authority.

e. Strategic Development Committee – Mark Uncapher, Co-Chair

Mr. Uncapher reported that the Strategic Development Committee last met on November 18, when the Committee approved the Summary Minutes of the September 16 meeting. The committee concurred with the pre-solicitation terms for the architecture and engineering design services for the rehabilitation of airfield pavement onto Reagan National Airport. Staff presented an update on Project Journey.

f. Nominations Committee – A. Bradley Mims, Co-Chair

Ms. Hargrove, Secretary, read the report and stated that the Nominations Committee last met November 18. The Committee approved the Summary Minutes of the September 16 meeting and advanced the candidates for election at the Annual Board of

Directors Meeting. As you know, those candidates were subsequently elected: Earl Adams, Jr., as Chairperson, William E. Sudow as Vice Chairperson, and Monica R. Hargrove as Secretary.

II. INFORMATION ITEMS

a. President's Report

Mr. Potter extended greetings and commented on how fortunate the meeting attendees were to be meeting remotely via Zoom given the weather forecast for possible snow. He stated that the Airports Authority's snow crews at its airports were ready for whatever happened, and he thanked the hundreds of dedicated workers whose hard work and many hours of preparation and practice keep the runways clear and airport terminals open when the weather turns bad.

Mr. Potter congratulated Thorn Pozen for being officially appointed to another term on the Board of the Airports Authority. He stated that he was delighted at the news and looked forward to continuing to work with Mr. Pozen in the months and years ahead.

Mr. Potter also extended his condolences to Mr. Speck in the loss of his mother-in-law and stated that he and his family are in our hearts and prayers.

Mr. Potter stated that as we close out a very difficult year and continue to navigate the COVID pandemic, the Airports Authority team is seeing some hopeful signs for 2021, as the team works together toward the recovery of the commercial aviation sector.

First, Mr. Potter noted the recently reported success by Boeing and the Federal Aviation Administration on making safety improvements to the 737-Max aircraft and getting it re-certified to fly. He stated that even before the pandemic hit, the issues with that new jetliner were a major concern for the air travel industry. Thousands of people were involved in the technical investigations of the problems and in designing and implementing a fix to return that plane to airworthy status.

Mr. Potter extended congratulations to everyone involved in the effort to re-certify the aircraft and stated that the Airports Authority looks

forward to seeing the 737-Max at our Airports in the weeks and months ahead.

Mr. Potter reported good news on the Airports Authority's ongoing efforts to protect the perimeter rule at Ronald Reagan Washington National Airport (Reagan National). He stated that the airport perimeter was put in place in the 1960s to limit long-distance flights from Reagan National for a number of reasons, including airfield capacity and noise.

Mr. Potter stated that the perimeter rule is essential to successfully running the Airports Authority's two-airport system, in which international and long-distance domestic flights go to Dulles International Airport with the smaller flights using Reagan National serving as a regional airport. He stated that, through the years, members of Congress from areas outside the perimeter have worked to relax the rule, or seek exceptions to it. He reported that some Congressional members have even called for elimination of the perimeter rule.

Mr. Potter stated that several months ago, a few members of Congress asked the Government Accountability Office (GAO) to examine the perimeter rule to evaluate whether it still effectively serves its purpose and whether it should be modified. A team at the Airports Authority, along with representatives of airlines, the FAA, business and community groups, and other stakeholders provided information and viewpoints to the GAO, which issued its report on the perimeter rule several days prior to the day's Board Meeting.

Mr. Potter stated that the GAO report concluded that the perimeter rule is indeed doing its job, and that none of the stakeholders who took part in the GAO review called for eliminating the Reagan National Airport perimeter. Mr. Potter stated that while the report examined the pros and cons of modifying the rule somewhat, it did not make any recommendations for changing it. Mr. Potter stated that he considered this to be an excellent outcome.

Mr. Potter expressed thanks to the Airports Authority's airline partners and business groups as well as to the Airports Authority team for spending many long hours of work to achieve this great result from the GAO. Particular thanks was extended by Mr. Potter to those who led the effort at the Airports Authority – including the

offices of Finance, Engineering, General Counsel, Operations Support, Airline Business Development, Airport Management and Operations, and the Government Affairs team.

Mr. Potter stated that our Government Affairs group is also working in pursuit of additional federal assistance to help assure that the Airports Authority can cover its debt-service obligations and other essential business expenses during this period of unprecedented business challenges and record-low revenues.

Mr. Potter reminded everyone that under the CARES Act, passed by Congress in 2020, the Airports Authority's Airports received about \$ 229-million dollars to help make up for lost revenue. He stated that while that much-needed assistance was critical to maintaining sound financial footing for the Airports Authority, it provided only a fraction of the revenue the Airports would normally receive through passenger traffic.

Mr. Potter stated that the Airports Authority is using the CARES Act funds to meet its debt-service obligations, including about \$ 74-million dollars in 2020. He stated that the Airports Authority has budgeted the remainder of those funds--about \$155-million--to cover the 2021 debt-service obligations, which is a substantial part of the cost structure of the Airports Authority. Mr. Potter thanked the Airports Authority's team for the continuing work in that important area. Mr. Potter stated that we are hopeful and supportive of the additional federal relief for airports being considered by Congress.

Mr. Potter stated that this very challenging financial situation was also the key driver behind the Airports Authority's 2021 budget, which the Board was being asked to approve at the day's Board meeting. Mr. Potter stated that as was noted at the November Board Meeting, the 2021 recommended budget aggressively cuts costs to reflect the current revenue realities of the Airports Authority, with the goal of maintaining reasonable costs to airlines and strong bond ratings, providing quality facilities and services for the traveling public, and ensuring the safety of Airport passengers and workers, which is always the Airports Authority's top priority.

Mr. Potter stated that the recommended budget is based on estimated business activity levels of 55 percent of the Airports

Authority's pre-COVID levels, which forecasts non-airline revenue to be down by 40 percent from prior-year (2019) levels. He stated that was also noted in November, the recommended budget envisions no layoffs or furloughs of Airports Authority employees in 2021, as was the case in 2020.

Mr. Potter stated that the proposed budget was very well received by the airlines in a meeting held in December and he expressed appreciation to airline representatives for their cooperation as they work together with the Airports Authority to rebuild our business.

Mr. Potter stated that in that regard it is imperative that the Airports Authority stay focused on the critical job of rebuilding passenger traffic and revenue to ensure the 55 percent activity level envisioned in the budget. He stated that the Airports Authority is making good progress so far. Mr. Potter stated that airlines are beginning to return to Dulles International and routes that had been suspended by airlines are coming back. He noted, in addition, that some new destinations are even being added.

Mr. Potter expressed a "hats off" thanks to everyone who is working to restore public confidence in flying, which he emphasized is the key to recovery by the Airports Authority.

Mr. Potter stated that other examples of progress during the pandemic include the Airports Authority's ongoing project to convert the Dulles Toll Road to all-cashless payments, which he stated is on track to happen in 2021. He stated that the vast majority of toll road drivers already use electronic payment. He also reminded those in attendance that in April of 2020, the Airports Authority joined other Virginia toll roads in removing toll-booth attendants from the cash lanes because of COVID concerns.

Mr. Potter stated that the Airports Authority had planned to make the cashless payments change around the first of January but is still working through some technical and administrative issues and wants to ensure that drivers have plenty of notice to adapt to the new system. He stated that as the date for implementing the change gets closer, the Airports Authority will ensure that drivers are well-informed through signage, media coverage, social media, and bi-lingual flyers being distributed to motorists.

Mr. Potter stated that through a deal with Capital Bikeshare and collaboration with Arlington County, the Airports Authority has opened a bicycle rental station at Reagan National Airport – the first airport in our region to offer this service. He stated that bicycles are now available for rent near the B/C Terminal Garage, very close to the popular Mount Vernon bike and pedestrian trail which runs through part of the airport campus. He stated that the bike station is already receiving positive reviews and that it helps fulfill part of the Airports Authority’s sustainability plan, which calls for increasing convenient alternative transportation methods.

Mr. Potter stated that despite these accomplishments that he had mentioned and reasons for optimism, the pandemic is still very much with us. He stated that the current spike in new cases continues to negatively impact passenger levels and even with holiday traffic, the next few months would likely be slow for travel until vaccines are fully in place.

Mr. Potter stated that the Airports Authority continues working diligently with all of its partners in government and industry to address all the health and safety-related requirements and concerns. He also stated that the Airports Authority is working aggressively to ensure that its employees have access to the approved vaccines as early as possible.

Mr. Potter stated that having vaccines available to Airports Authority workers who interact with the public will be important in the efforts of the Airports Authority to restore confidence in air travel. Mr. Potter stated that vaccine availability for the Airports Authority’s employees would be a key priority for staff in the days ahead.

Mr. Potter congratulates the graduates of the Airports Authority’s third annual Small Business University class. He stated that the 2020 commencement ceremony, which was held virtually, was very well received by the 21 representatives of companies that took part in the Airports Authority’s Local Disadvantaged Business Enterprise program. Mr. Potter stated that the Small Business University is a partnership with local business schools such as George Mason University, which was the main partner in 2020.

Mr. Potter stated that the educational effort is aimed at helping the Airports Authority’s LDBE companies and those in similar programs

become better prepared to compete for Airports Authority contracts and to make their overall businesses more successful. Mr. Potter extended a special thanks to Chairperson Adams for his remarks at the graduation ceremony, and to Director Warner Session, who took part in a panel discussion as part of the graduation event.

Mr. Potter also extended thanks to Airports Authority Vice President of Supply Chain Management, Julia Hodge and Wande Leintu, Deputy Vice President for Supplier Diversity, who created the program and continues to improve it each year.

Mr. Potter stated that the Airports Authority is making great progress at Reagan National on Project Journey despite the logistical challenges of COVID. He stated that during the past 18 months, the construction team documented progress on the project using time-lapse cameras around the work site. Mr. Potter then shared a video compilation of some of the action captured outside the new 14-gate concourse.

Mr. Potter stated that despite the challenging times, the Airports Authority and its highly dedicated team are moving its business forward and advancing its mission of service to the traveling public as it supports our regional economy and helps make the National Capital Region a great place to live and work.

Mr. Potter ended his remarks by thanking the Airports Authority's Board, government and business partners, employees, and the people that they serve, for working so well with the Airports Authority during these difficult times. Mr. Potter also wished everyone a safe and happy holiday season.

b. Executive Vice President's Report

Mr. Davis provided his report. He greeted the Directors and stated that as we move through the holiday travel season in this very unusual year, the Airports Authority's Revenue team and colleagues across the Airports Authority are intensifying their efforts to rebuild revenue and continue giving the customers of the Airports Authority a great airport experience.

Mr. Davis referred to a new air service slide and stated that while passenger traffic is still far below normal levels, the airlines serving

the Airports Authority's Airports are beginning to bring back service and are even adding new destinations.

Mr. Davis stated, for example, that at Reagan National, Southwest Airlines had announced plans to add flights to the Florida cities of Palm Beach, Jacksonville and Fort Myers between December and March. Mr. Davis stated that those Florida flights reflect the current trend of leisure markets recovering faster than traditional business travel.

Mr. Davis stated that at Dulles, Southwest is planning to add flights to Orlando, Florida and Chicago Midway. He stated that those flights are in addition to the new United Airlines destinations from Dulles, which begin tomorrow including: Akron, Ohio; Pensacola, Florida; the Pennsylvania cities of Erie and Allentown; and Santo Domingo in the Dominican Republic. Mr. Davis stated that Dulles added 12 new destinations in 2020, which was a very good development in such a difficult year.

Mr. Davis stated, in addition, that the international airlines that suspended service are starting to return to service, with the latest being Royal Air Maroc, which re-instated its flights to Casablanca the Friday prior to the Board Meeting. Mr. Davis stated that with that addition, 26 of the 37 airlines that were serving Dulles prior to COVID were back in operation at the airport. He stated that more additions are expected in the year ahead as vaccines become available and travel restrictions begin to ease.

Mr. Davis emphasized that it is important to recognize that we are still in a highly uncertain situation with the virus and that the Airports Authority's Airline Business Development team is constantly adjusting its strategies to the latest ever-changing business environment.

Mr. Davis stated that as customers return, the Airports Authority is working to enhance the airport experience in a number of ways, including the Arts and Exhibits program.

Mr. Davis referred to a Veterans art slide that featured part of the Airports Authority's new exhibit showcasing the artwork of U.S. military veterans which opened during the first week of December at Dulles. Mr. Davis stated that the exhibit is the first display in the

Airports Authority's new four-year agreement with the non-profit organization "Uniting Us." Mr. Davis stated that "Uniting Us" promotes art as a way of building wellness for veterans and their families. In 2021, Uniting Us will begin rotating artwork in various locations at both of our Airports.

Mr. Davis then referred to a slide depicting the Tuskegee Airmen exhibit, which is another new exhibit just unveiled at Dulles, and it celebrates the famous Tuskegee Airmen, the first Black U.S. military pilots. The exhibit features a large back-lit mural with photos from the Smithsonian Institution's National Museum of African American History and Culture depicting the lives and times of these American heroes of World War Two.

Mr. Davis stated that the Airports Authority also has a new multimedia display under a 10-year agreement with NASA's Space Telescope Science Institute, which he described as a Smithsonian Institution photo exhibit on the civil rights movement. He also described a Newseum exhibit celebrating 100 years of the women's suffrage that was also on display.

Mr. Davis stated that in January of 2021, the Airports Authority would be installing another Newseum exhibit featuring athletes and the First Amendment. Mr. Davis stated that six of the seven newest airport exhibits came at no cost to the Airports Authority. He stated that the other exhibit was paid for before the pandemic hit. Mr. Davis extended congratulations to the Airports Authority's Manager of Corporate Relations, Michael Cabbage, who manages the Art and Exhibits program. He acknowledged his great work in bringing the customers of the Airports Authority such great exhibits while simultaneously controlling costs.

Mr. Davis then referred to a slide depicting social media at the Airports and stated that while the Airports Authority had fewer passengers over the Thanksgiving travel period, it experienced a record number of news reporters. The intense media interest in holiday travel during the pandemic brought local, national and international media outlets to Reagan National and Dulles International, including reporters and TV crews from as far away as Taiwan, Finland and the Czech Republic.

Mr. Davis stated that nationally, ABC, NBC and CBS broadcast live for their morning shows and evening news programs to share the travel experience with viewers. He stated that the Airports Authority expected a similar level of media interest as holiday travel continued.

Mr. Davis extended a “hats off” congratulations to the Communications team of the Airports Authority, including: Vice President of Communications and Government Affairs, David Mould; Corporate Communications Manager, Christina Saull; Media Manager Rob Yingling, and Media Relations Specialist, Micah Lillard.

Mr. Davis then referred to a digital messaging slide to depict the ways in which the Airports Authority amplifies all of its messages on health and safety, as well as holiday travel information, new flights and concessions openings, and other activities at the Airports, such as parking promotions. The Digital Strategy team is undertaking a broad campaign using a number of electronic communications channels.

Mr. Davis stated that the Airports Authority is using social media – such as Twitter, Facebook and Instagram-- for holiday travel tips, parking promotions, new and re-instated flights, and holiday offers and promotions from our pouring rights partner, Pepsi, as well as health and safety information. He stated that all of the messages also are being featured on the Airports’ websites, with messages in both English and Spanish.

Mr. Davis stated that the Airports Authority is receiving good feedback on this campaign from passengers and expressed appreciation for a great job on this effort to the Airports Authority Digital Strategy Manager, Brian McCoy, and Marketing Manager Kim Barnes.

In addition to the media, Mr. Davis stated that all of the work is getting noticed by Airport passengers. Mr. Davis stated that the Airports Authority’s Customer Satisfaction Surveys during November gave both Airports very high marks. He stated that despite all of the challenges of COVID, Reagan National Airport’s satisfaction numbers increased from November 2019 to 4.2 out of 5, putting DCA in the “very good” category. Mr. Davis stated, in addition, that both Airports ended the year with a commendable 3.9 rating. Mr. Davis stated that the Airports Authority also received some excellent

comments from customers, who appreciate all of the Airports Authority's health and safety precautions, as well as the efforts of the Airport teams to give them a great travel experience. Mr. Davis thanked everyone who works at the Airports for maintaining great customer focus.

Mr. Davis extended additional thanks to the teams at Reagan National and Dulles International Airports for amazing efforts to delight the Airports' passengers by decking the halls – or, in our case, the concourses – with holiday cheer. Mr. Davis stated that while the decoration might look easy, a lot of work and planning goes into decorating the Airports for the holidays.

Mr. Davis stated that between the two Airports, crews spent about 80 hours setting up more than 50 trees, hanging over 100 wreaths, stringing 12-hundred feet of garland, and installing thousands of lights. In addition to the traditional decorations, each Airport had its own distinctive holiday look, such as the red and green lights on the parking deck towers at Reagan National and the festive sleighs on baggage belts, and inflatable holiday characters atop the Aero-Train stations at Dulles International.

Mr. Davis thanked the dozens of people who took part in the Aero-Train holiday tradition, led by Reagan National's Engineering and Maintenance Department manager, Zach Coleman, and Dulles International's Structural and Maintenance Supervisor, Chris McCauley. Mr. Davis recognized these as great examples of holiday spirit, as well as the dedication to customer service that the teams of the Airports Authority exhibit all year round.

Mr. Davis concluded his report by wishing everyone a very safe and happy holiday.

Chairperson Adams thanked Mr. Davis and the Office of Revenue team for their efforts, especially with respect to the photos and visuals used to highlight featured parts of the oral summary and the effective use of social media to convey airport messages and respond to Airport passengers. Mr. Adams also commended the maintenance staff for their assistance with the holiday decorations and overall maintenance of the Airports during the holiday season.

III. NEW BUSINESS

Chairperson Adams called for New Business, at Tab 4.1 of the meeting materials, and advised that a recorded vote would be needed to act on the Recommendation to Approve the 2021 Budget.

a. Recommendation to Approve the 2021 Budget

Mr. Mims moved the adoption of the following resolution, which was unanimously approved by all 13 Directors present:

WHEREAS, The Finance Committee has provided direction to staff regarding major challenges that the 2021 Budget needs to address;

WHEREAS, The Finance Committee received the summary level draft 2021 Budget, prepared by staff, in October 2020;

WHEREAS, The Finance Committee considered the recommended 2021 Budget, prepared by staff, at its November 2020 meeting and recommended its approval to the Board of Directors;

WHEREAS, The recommended budget has been developed in accordance with the terms and conditions contained within the Airport Use Agreement and Premises Lease that became effective January 1, 2015, as amended by the First and Second Universal Amendments;

WHEREAS, In order to mitigate the financial impact of the COVID-19 pandemic, the Metropolitan Washington Airports Authority (Airports Authority) plans to apply any remaining balance available of the Coronavirus Aid, Relief, and Economic Security (CARES) Act funding as of December 31, 2020 (estimated at \$154,732,000) in 2021;

WHEREAS, In order to assist the airlines serving Ronald Reagan Washington National Airport (Reagan National) and Washington Dulles International Airport (Dulles International) by reducing the level of debt service included in the 2021 airline rates and charges, the recommended 2021 Budget provides (a) for the use of \$9,854,000 of Passenger Facility Charge revenues to pay debt service related to capital projects at Reagan National; (b) for

the use of \$26,263,000 of Passenger Facility Charge revenues to pay debt service attributable to the AeroTrain at Dulles International; and (c) for a transfer to Dulles International of \$2,327,000 from the Airports Authority's share of the 2020 Net Remaining Revenue generated at Reagan National;

WHEREAS, In order to assist the airlines serving Dulles International, the Second Universal Amendment to the 2015 Airport Use Agreement and Premises Lease with the airlines at Dulles International provides that any or all Western Lands Accounts Withdrawals, including Interest Earnings (as defined in the amendment) realized on investment assets held in the Western Lands account (established pursuant to the amendment) may only be used to reduce the costs that the Airports Authority would otherwise include in calculating rentals, fees and charges assessed to airlines operating at Dulles International, and the recommended 2021 Budget includes \$4,000,000 in estimated interest earnings and \$35,000,000 from the Western Lands Account to be used in this manner;

WHEREAS, In order to mitigate rates and charges at Dulles International, the recommended 2021 Budget provides for a rate abatement of \$10,000,000 at Dulles International from the Airports Authority's Net Remaining Revenue;

WHEREAS, The recommended 2021 Budget provides for a reasonable level of expenditures to be made or to accrue in 2021 (a) from the Aviation Enterprise Fund, to operate Reagan National and Dulles International Airports, to repair and maintain the facilities at these Airports, and to undertake needed capital improvements at the Airports, and (b) from the Dulles Corridor Enterprise Fund, to operate the Dulles Toll Road, to repair and maintain Toll Road facilities, to undertake capital improvements for the betterment of the Toll Road and otherwise within the Dulles Corridor, and to continue construction of the Dulles Corridor Metrorail Project, and further provides that there will be sufficient revenues in 2021 to cover these expenditures; now, therefore, be it

RESOLVED, That the 2021 Budget, as presented at the December 2020 meeting of the Board of Directors, is hereby adopted;

2. That the following sums, totaling \$1,291,644,000 are hereby authorized to be expended from the Aviation Enterprise Fund in 2021 for the operation, maintenance, care, improvement and protection of Reagan National and Dulles International Airports:

- (a) \$715,880,000 for the Aviation Operation and Maintenance Program, consisting of \$383,813,000 for operating expenses and \$332,067,000 for debt service after the use of \$9,854,000 and \$26,263,000 of Passenger Facility Charge revenues at Reagan National and Dulles International respectively to pay debt service;
- (b) \$110,519,000 for the Aviation Capital, Operating and Maintenance Investment Program (COMIP), including \$9,000,000 of Rate Stabilization at Reagan National; and
- (c) \$465,245,000 for the Aviation Capital Construction Program (CCP);

3. That the following sums, totaling \$508,546,000 are hereby authorized to be expended from the Dulles Corridor Enterprise Fund in 2021 for the operation, maintenance, care, improvement and protection of the Dulles Toll Road and for the planning, design and construction of the Dulles Corridor Metrorail Project:

- (a) \$131,389,000 for the Dulles Corridor Operation and Maintenance Program, consisting of \$26,636,000 for operating expenses and \$104,753,000 for debt service and financing fees after the use of \$42,000,000 of unrestricted reserves to pay debt service;
- (b) \$4,517,000 for the Dulles Corridor Renewal and Replacement (R&R) Program;
- (c) \$351,267,000 for the Dulles Corridor Capital Improvement Program (CIP), consisting of \$11,988,000 for Dulles Corridor Improvements and

\$339,279,000 for the Dulles Corridor Rail Project;
and

- (d) \$21,373,000 to be transferred to reserve accounts within the Dulles Corridor Enterprise Fund, as identified in the 2021 Budget;

4. That any revenue received or accrued by the Dulles Corridor Enterprise in 2021 that, at the conclusion of 2021, exceeds the expenditures, obligations and transfers to a reserve account pursuant to this Resolution or to a reserve fund or account under either the Master Indenture of Trust Securing Dulles Toll Road Revenue Bonds, dated as of August 1, 2009 (Dulles Toll Road Indenture), made in 2021 (collectively, the 2021 Expenditures, Obligations and Transfers), shall be transferred to the Dulles Corridor Reserve and Toll Rate Stabilization Fund (DCE Reserve) which is maintained pursuant to the Dulles Toll Road Indenture; and further that, in the event the revenue received and accrued by the Dulles Corridor Enterprise in 2021 is less than the 2021 Expenditures, Obligations and Transfers, a sum equal to the amount of such revenue shortfall shall, at the conclusion of 2021, be applied to reduce the amount budgeted to the DCE Reserve and/or withdrawn from unrestricted reserves;

5. That the President and Chief Executive Officer is hereby authorized to reprogram expenditures within each of the six Programs identified in this Resolution, so long as the total expenditures within any such Program in 2021 do not exceed the level authorized herein; provided, that any such reprogramming which increases or decreases an expenditure item or project in the COMIP, CCP, R&R, or CIP by more than \$10,000,000 in 2021 shall be submitted to the Finance Committee and the Board of Directors for approval before it may take affect. All other material reprogramming of expenditures within any of the six Programs shall be reported to the Finance Committee on a quarterly basis, no later than two months after the end of each quarter at the May, August, November and February Committee meetings, and shall include year-to-date cumulative material budget reprogramming equal or greater than the following:

- (a) Aviation Operation and Maintenance Program (\$250,000);

- (b) Aviation Capital, Operating and Maintenance Investment Program (\$500,000 or any new project, regardless of dollar amount);
- (c) Aviation Capital Construction Program (\$500,000 or any new project, regardless of dollar amount);
- (d) Dulles Corridor Operation and Maintenance Program (\$250,000);
- (e) Dulles Corridor Renewal and Replacement Program (\$500,000 or any new project, regardless of dollar amount); and
- (f) Dulles Corridor Capital Improvement Program (\$500,000 or any new project, regardless of dollar amount);

6. That no additional capital program authorization is being added in the 2021 Budget to the Aviation Capital, Operating and Maintenance Investment Program, the Aviation Capital Construction Program, the Dulles Corridor Renewal and Replacement Program, and the Dulles Corridor Improvement Program pertaining to the Dulles Toll Road.

Mr. Mims expressed thanks to Andrew Rountree and the Finance team for the great job that they did in presenting the recommended budget during a very difficult environment. Mr. Mims also expressed thanks to Finance Committee Co-Chair, David Speck.

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

IV. UNFINISHED BUSINESS

There was not any unfinished business.

V. OTHER BUSINESS & ADJOURNMENT

Chairperson Adams thanked all members of the Board for their continued support. He stated that he expected the leadership of the committees of the Board to remain the same in 2021, and would make additional announcements about the Board's plans during 2021 during the January Board of Directors Meeting.

Mr. Adams commended Mr. Potter and the Airports Authority's management team for their leadership in 2020 and for a great year, especially during a time period that might be characterized, in words borrowed from Charles Dickens, as the "Best of times and the Worst of times".

Mr. Adams stated that given the current state of the COVID pandemic, he anticipates that Board meetings will continue to be held virtually in 2021. He advised that a virtual Board retreat is being planned during which the Board can organize its primary goals for the year, and review its governance objectives and committee goals. He encouraged the Directors to expect an e-mail soon with possible dates and additional information about the retreat.

Mr. Adams stated that due to the fact the Inauguration Day will occur on January 20, which is the regular date of the January Board Meeting, the January Board meeting will not occur on that date but will be held on Wednesday, January 27, 2021. Mr. Adams stated that information regarding that meeting will be posted to the MWAA website, as is normally done. Mr. Adams reiterated his excitement about the Board's new Sustainability Committee and thanked Mr. Lazaro and Mr. Tejada for their willingness to serve as Co-Chairs. He also announced that he would be creating an Ad Hoc Public Safety Committee co-chaired by Directors John Braun and Brad Mims.

Chairperson Adams congratulated Mr. Pozen on his reappointment to the Airports Authority's Board of Directors by Mayor Muriel Bowser and the District of Columbia City Council, and again expressed appreciation to Virginia Governor Northam for the reappointment of Kate Hanley and David Speck, as well as to Maryland Governor Hogan for the reappointment of Brad Mims.

Chairperson Adams extended to everyone and their families best wishes during the holiday season and stated that he looked forward to working with the Airports Authority team during the 2021 year. The meeting was thereupon adjourned at 9:42 a.m.

Respectfully submitted,

Monica R. Hargrove

Monica R. Hargrove
Vice President and Secretary

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