

## BOARD OF DIRECTORS MEETING

Minutes of February 17, 2016

The regular meeting of the Board of Directors was held in the first floor Conference Rooms 1A, 1B and 1C at 1 Aviation Circle. The Chairman called the meeting to order at 9:45 a.m. Fifteen Directors were present during the meeting:

William Shaw McDermott, Chairman	Katherine K. Hanley
Warner H. Session, Vice Chairman	Richard A. Kennedy
Earl Adams, Jr.	Caren Merrick
C. Charles Caputo	A. Bradley Mims
Lynn Chapman	Thorn Pozen
Frank M. Conner III	Nina Mitchell Wells
Michael A. Curto	Joslyn N. Williams
Anthony H. Griffin	

The Interim Secretary and Executive Management were present:

John E. Potter, President and Chief Executive Officer  
Margaret E. McKeough, Executive Vice President and Chief  
Operating Officer

The Chairman recessed the Board of Directors Meeting at 9:46 a.m. to allow the Risk Management Committee to reconvene.

The Chairman reconvened the Board of Directors Meeting at 10:10 a.m. with the same Directors present.

### I. MINUTES OF THE JANUARY 20, 2016 BOARD OF DIRECTORS MEETING

The Chairman called for the approval of the Minutes of the January 20, 2016 Board of Directors Meeting, which were unanimously adopted.



## II. COMMITTEE REPORTS

### a. Business Administration Committee – Caren Merrick, Co-Chair

The Chairman reported that the Committee Report for the Business Administration Committee had been presented at the January 20 Board Meeting.

### b. Dulles Corridor Committee – A. Bradley Mims, Co-Chair

Mr. Mims reported that the Dulles Corridor Committee had last met January 20, 2016. Staff had presented the Dulles Corridor Metrorail Project Monthly Cost and Schedule Update for Phase 2. Capital Rail Constructors had presented the Quarterly Update on Package A.

### c. Finance Committee – Earl Adams, Jr. , Co-Chair

As noted in the day's Committee Meeting, Mr. Adams reported that he would offer a resolution to select the Underwriting Syndicate for the Airport System Revenue and Refunding Bonds, Series 2016 later in the Board Meeting.

### d. Human Resources Committee – Joslyn N. Williams, Co-Chair

Mr. Williams reported that the Human Resources Committee had last met January 20. Staff had presented a Strategic Workforce Planning and Development Update.

### e. Risk Management Committee – Thorn Pozen, Co-Chair

Mr. Pozen reported that the Risk Management Committee had held a special meeting that morning and on January 20. In executive session at the day's meeting, the Committee had discussed a Report of Pending and Recently Closed Litigation Involving the Metropolitan Washington Airports Authority, which had been deferred from the January 20 meeting. The Committee had also discussed the Office of Audit 2016 Audit Work Plan (Plan) in executive session. In regular session, the Committee had approved the Plan. Mr. Pozen stated that he would offer a motion later in this meeting for the Board to approve the Plan.

f. Strategic Development Committee – Richard A. Kennedy, Co-Chair

Mr. Kennedy reported that the Strategic Development Committee had met that morning and on January 20, 2016. The Committee had approved recommendations to award contracts for Project Controls Task Services for the Metropolitan Washington Airports Authority and Architect/Engineering Design Services for Airfield Pavement Rehabilitation and Geometric Improvements at Ronald Reagan Washington National Airport. Mr. Kennedy stated that he would offer resolutions later in the Board Meeting. The Committee had also concurred with the pre-solicitation terms for an architectural/engineering consultant for design services for road improvements and repairs for the Authority. In January, staff had presented an Airline Business Development Information Report. In executive session, the Committee had received a report on Airline Business Development 2016 Strategies.

III. INFORMATION ITEMS

a. President's Report

Mr. Potter reported that it had been another busy, cold, and snowy month for the Authority. As a result of the planning and heroic efforts of the Authority snow team, Mr. Potter stated that the Authority had fared well through the great blizzard of January 2016. While Ms. McKeough would provide additional information on the winter weather activities in the Executive Vice President's Report, Mr. Potter took the opportunity to salute all of the members of the snow team and thanked them for a job well done under difficult circumstances.

In addition to the winter weather, much of staff's activity over the past month had been focused on legislative matters at the federal, state, and local levels. At the federal level, the Government Affairs team is actively following the progress of the long-awaited reauthorization bill for the Federal Aviation Administration (FAA). As previously discussed, Mr. Potter reported that the FAA bill, which is renewed and debated every few years, always contains a number of provisions of significant interest to the Authority, its partners at the airlines, airline customers, and, of course, the FAA. As Directors were aware, Mr. Potter reported that in past years the FAA reauthorization bill had been used as a means for Congress to add slots beyond perimeter flights at Reagan National. He

stated that the House Transportation Infrastructure Committee markup session for the bill the prior week indicated that this year is no exception. A congressman from Texas had introduced an amendment to expand the perimeter from its current 1,250 miles to 1,450 miles so it could include the cities of Corpus Christi and San Antonio. The same Texas congressman had introduced another amendment to eliminate the Reagan National perimeter rule entirely. Mr. Potter reported that one of the drivers of these amendments is an effort under way by city officials in San Antonio to gain a direct flight to Reagan National, even though San Antonio already has two flights daily to Dulles International. As previously discussed with the Board and elected officials numerous times, such congressional action would potentially cause more passengers to shift from Dulles International to Reagan National, thereby exacerbating the problems that the Authority is working diligently to rectify at both Airports.

Mr. Potter stated that the Authority was thankful that Representatives Barbara Comstock of Virginia and Eleanor Holmes Norton of the District had mounted a very effective bipartisan opposition to the amendments and had clearly explained the negative impact the amendments would have on both Airports. Subsequently, the amendments were withdrawn. Mr. Potter thanked Congresswoman Comstock and Congresswoman Norton for their efforts. Despite that victory, Mr. Potter stated that there will be a number of additional opportunities for more amendments as the FAA reauthorization bill continues its progression through the House approval process before progressing to the Senate. Therefore, there may be further attempts to modify the perimeter rule before the bill is finished. While the House amendments were under debate the prior week, Virginia's two Senators, Tim Kaine and Mark Warner, had issued a statement in strong opposition to altering the slot and perimeter rules at Reagan National. Mr. Potter reported that the Authority also appreciated their support. He stated that the Government Affairs team will stay close to the process, and staff will keep the Board apprised.

Mr. Potter reported that the Authority's efforts continued at the state level in the Virginia General Assembly to assure that the \$50 million of assistance that Governor McAuliffe included in the Commonwealth's budget for Dulles International remains in that budget during its consideration in both the Virginia House and Senate. The Authority's Government Affairs team in Richmond continues to meet with lawmakers and their staffs on this issue, explaining the plan for using the \$25 million in each of the next two years to help lower the Authority's cost

per enplanement at Dulles International, to help strengthen the Airport's competitive position, and to assure the Airport continued its contribution to the state and regional economy.

Mr. Potter reported that staff would brief the District of Columbia's Council Committee of the Whole at the March 8 annual oversight hearing, at which time information on the important economic contributions that Reagan National and Dulles International make to the city will be discussed. Staff will also outline a number of initiatives and partnerships, which are designed to strengthen the existing economic contribution, and advance the organization's goals of optimizing opportunities for businesses in the District to participate in the Authority's contracts and services. Mr. Potter reported that some of the initiatives involve efforts by the Authority's new Vice President for Business Outreach, Mark Treadaway, who is working with economic development agencies and organizations like Destination DC to help boost business and tourism in the city. He stated that a key focus of the Authority's work this year will be preparing for the global travel industry's annual convention in 2017, which will bring thousands of people and millions of dollars into the city and the region, as well as showcase D.C. as a prime tourist destination for travelers from around the world.

Mr. Potter also reported that the Authority will inform the Council about its advances through the Department of Supplier Diversity, which is streamlining the process for companies to qualify for programs such as the Disadvantaged Business Enterprise (DBE) and the Local DBE. Mr. Potter reported that under the leadership of Mr. Davis and the Department's newly-named Acting Deputy Vice President for Supplier Diversity, Robin Wade, the Authority is also enhancing its outreach efforts in the District and in other areas to make these programs more effective for companies to conduct business with the Authority. He also reported that a major effort in that regard will occur on March 22 in the District when the Authority would partner with the Airport Minority Advisory Council (AMAC) to host the 22nd Annual Airports Economic Opportunity and Policy Forum. Mr. Potter stated that this day-long forum will provide an opportunity for professional development, business networking, and opportunities to develop strategic partnerships between airports in the Mid-Atlantic region and airlines, government agencies, contractors, and companies that serve the airport industry. He noted that AMAC is the nation's primary advocacy organization for minority, disadvantaged, and small business inclusion in the airport industry. Mr.

Potter stated that he believed that hosting this conference will provide a tremendous opportunity for District businesses and others that are interested in working with the Authority.

At the March oversight hearing, staff will also remind the Council of an event the Authority held in October 2015 when an agreement was signed with Mayor Bowser to launch a partnership between the Authority and the District of Columbia to help increase the number of District-based small businesses that participate in Authority contracting opportunities. Mr. Potter recalled that staff and Directors, including Vice Chairman Warner Session, Thorn Pozen, and Joslyn Williams, had attended the October 2015 event. Mr. Potter stated that staff planned to brief the Council on other initiatives, including the Authority's Concessions Redevelopment Program, which is bringing more D.C. area stores and restaurants, to give both Reagan National and Dulles International a more distinctive national capital flavor. He reported that the Authority had reached a major milestone the prior week in its Concessions Redevelopment Program. Less than two years after opening its first concession under the new initiative, the opening of the Erwin Pearl shop, a fashion jewelry brand located in Concourse A at Dulles International, marked the 100th new concession.

Mr. Potter reported that new stores and restaurants continued to open monthly, and the Authority is receiving very positive reviews from passengers at the Airports. He explained that it is a part of the Authority's ongoing effort to provide an even better experience for passengers, to demonstrate the Authority's commitment to customer service, and to strive for every passenger to be happy about the fact that "their journey begins with us."

#### b. Executive Vice President's Report

Ms. McKeough was joined by Paul Malandrino and Chris Browne, Vice President and Airport Managers, to provide details on the weather event that had significantly impacted flight operations at both Airports. She reported that the January 2016 blizzard resulted in at least 30 inches of snow at Dulles International, and at least 24 inches at Reagan National despite the 17 inches reported by media. Ms. McKeough reported that the recovery efforts continued for five days on a full-time basis and then subsequent days for shorter periods of time. Staff showed a video presentation to share the process of events that occurred during snow operations at the Airports.

Ms. McKeough reported that the all-hands-on-deck event was led by both Airport Managers and supported by members of their teams. She stated that the blizzard was also a significant event for Public Safety personnel who remained at both Airports and along the Dulles Toll Road to assist with traffic, and the Communications team addressed media inquiries. She explained that while a substantial amount of work was performed by Airports Authority employees, contractor services supplemented staff differently at each Airport. Ms. McKeough stated that the weather event had been a collaborative effort with management, Authority employees, and the airlines. With the January 2016 blizzard, airlines had received a great deal of advanced notice, which enabled them to take aggressive preemptive measures to cancel many of their flights. With the aircraft removed from the airfield, the snow teams were able to clear away as much snow as possible in order for airlines to resume air service.

At Dulles International, Mr. Browne reported that the snow teams were prepared as the weather forecasters had been accurate. He provided a timeline of the winter weather and its impact and stated that the final snow accumulation totaled 29.3 inches. Mr. Browne reported that the snow team at Dulles International, comprised of trade employees, contract specialists, and secretaries, consisted of more than 350 Authority employees who had been cross-trained in the operation of various types of equipment. During the snow event, these employees remained at the Airport and worked alternating six-hour shifts. Meals and sleeping accommodations were provided during this very arduous and long process as the snow team pushed, melted, plowed and blew more than 110 million cubic feet of snow at Dulles International.

Mr. Browne noted that the instrument landing systems on the runways that provide glideslope navigational aids to landing aircraft become compromised with a minimum of 18 inches of snow and unusable at a minimum of 24 inches. With the anticipated snowfall, staff had made arrangements with Massanutten Snow Resort to lease one of its snow cat machines to compact the snow which resulted in full instrumentation for all runways when the Airport reopened for business. With regard to the Access Highway and the Dulles Toll Road, Mr. Browne stated that it was the snow team's objective to achieve bare pavement before any of the other area roadways, which was generally achieved.

Mr. Malandrino reported that the blizzard had been the most challenging winter event he had witnessed due to the heavy snowfall rate, gusty winds and white-out periods. Since the airlines at Reagan National had

drawn down their flights, it provided an empty ramp for use during the recovery efforts throughout the snow storm. Mr. Malandrino explained that Reagan National's primary area to dump snow is located at the north end of the Airport, opposite Gravelly Point. Since the area filled so quickly, the only other area to accommodate the amount of snow removed was the Snow Ramp by Signature in front of the hangars. Mr. Malandrino noted that the Authority is responsible for snow removal on the air side of the Airport from the vehicle gate, which runs just outside where the airplanes are parked, but noted that a contractor had been used for the provision of 32 dump trucks and four loaders. The airlines also used a contractor that provided dump trucks and loaders. Mr. Malandrino reported that more than 10.8 million cubic feet of snow had been removed from ramps and the taxiways in front of Terminal A. He stated that the Airport had received one of its recently-purchased snow melter machines and another one had been temporarily acquired from Dulles International.

With regard to land side, Mr. Malandrino reported that the Authority is responsible for snow removal on all the roadways, sidewalks, and public parking garages, excluding the economy lot and the top of the garages. He stated that the Reagan National snow team consisted of 168 employees, who also worked six-hour alternating shifts and slept in offices and work areas. The snow team kitchen crew prepared and served over 2,000 meals throughout the January 2016 blizzard. Mr. Malandrino reported that the equipment maintenance team had performed in an excellent manner to keep the vehicles running properly. He stated that approximately 57 percent of the 2016 snow budget had been used during the January 2016 winter event. Mr. Malandrino commended the dedication and performance of the Authority's snow team at Reagan National.

The Chairman stated that the video provided a good sense of the impact of the snow at both Airports. He thanked the employees for a fantastic job and stated that he was certain that the entire Board shared his view.

Mr. Caputo inquired if it was permissible to dump snow in the Potomac River. Mr. Malandrino responded negatively. With regard to snow disposal, he explained that approximately 300 storm drain blocks were placed in the areas where the deicing of aircraft occurred at Reagan National. Contractors used specialized trucks to vacuum the deicing fluid so that it could be transported to Dulles International for recycling.



Mr. Malandrino noted that staff is required to provide a report on the amount of glycol recovered.

Mr. Caputo also asked if Airport Managers retained a list of lessons learned from winter weather events. Mr. Browne responded affirmatively. He stated that he, along with the airline carriers that served Dulles International, air traffic controllers, and the Transportation Security Administration had met following the storm to review a list of topics on which improvements could be made. Mr. Browne reported that he would be glad to share the information directly with Mr. Caputo.

Ms. McKeough also acknowledged the Authority's concessionaires and noted that some were in attendance at the day's meeting. She stated that when the airlines resumed their flights after a weather event, it was essential that concessions were fully staffed and open for business. Ms. McKeough credited the Authority's concession team, MarketPlace Development, and individual concessionaires for their efforts.

#### IV. NEW BUSINESS

##### a. Recommendation to Approve the Office of Audit 2016 Audit Work Plan

Mr. Pozen moved the recommendation to approve the Office of Audit 2016 Audit Work Plan. It was unanimously approved. The Board of Directors Office file includes a copy of the Office of Audit 2016 Audit Work Plan.

##### b. Recommendation to Award a Contract for Project Controls Task Services for the Metropolitan Washington Airports Authority

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

WHEREAS, In April 2015, staff presented a pre-solicitation paper to the Strategic Development Committee regarding the procurement of construction project controls support services for the Metropolitan Washington Airports Authority (Airports Authority);

WHEREAS, In July 2015, a Request for Qualifications Information (RFQI) was posted on the Authority's website and was advertised for full and open competition; and

WHEREAS, On February 17, the Strategic Development Committee received the results of the competitive evaluation of the firms that responded to the RFQI, and recommended that the Board of Directors approve the selection of McKissack & McKissack of Washington, D.C.; now, therefore, be it

RESOLVED, That the selection of McKissack & McKissack to provide construction project controls task services to supplement Airports Authority staff, when needed, for a term of five years, with two one-year extension options, at a cost not to exceed \$2 million annually, for a total contract value of \$14 million, is approved; and

2. That the President and Chief Executive Officer is authorized to execute a contract with McKissack & McKissack for the provision of these construction project controls task services, consistent with the contract terms and conditions presented to the Strategic Development Committee on February 17, 2016.

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

c. Recommendation to Award a Task Contract for Architect/Engineering Design Services for Airfield Pavement Rehabilitation and Geometric Improvements at Ronald Reagan Washington National Airport

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

WHEREAS, In June 2015, staff presented a pre-solicitation paper to the Strategic Development Committee regarding the procurement of architect and engineering design services to be performed for Airfield Pavement Rehabilitation and Geometric Improvements at Ronald Reagan Washington National Airport (Reagan National);

WHEREAS, In July 2015, a Request for Qualifications Information (RFQI) was posted on the Authority's website and was advertised for full and open competition; and

WHEREAS, On February 17, the Strategic Development Committee received the results of the competitive evaluation of the firms that responded to the RFQI, and recommended that the Board of Directors approve the selection of CH2M of Herndon, Virginia; now, therefore, be it

RESOLVED, That the selection of CH2M to provide task order architect and engineering design services for Airfield Pavement Rehabilitation and Geometric Improvements at Reagan National for a term of one year, with two two-year extension options, at a cost not to exceed \$5 million is approved; and

2. That the President and Chief Executive Officer is authorized to execute a contract with CH2M for the provision of these task order architect and engineering design services for Airfield Pavement Rehabilitation and Geometric Improvements at Reagan National, consistent with the contract terms and conditions presented to the Strategic Development Committee on February 17, 2016.

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

As noted in the day's Finance Committee Meeting, Ms. Wells and Mr. Pozen had recused themselves from participating in the selection of the underwriting syndicate. The Chairman stated that both Directors had left the Board table prior to Mr. Curto moving the adoption of the resolution.

d. Recommendation Regarding the Selection of the Underwriting Syndicate for the Airport System Revenue and Refunding Bonds, Series 2016

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

WHEREAS, In Resolution No. 01-20, the Board of Directors has reserved to itself the authority to select underwriters and one or more senior managers to lead the underwriting syndicate for each bond sale;

WHEREAS, In December 2015, the Finance Committee, based on results of a competitive procurement process, recommended to the Board and the Board approved selection of 15 investment banking firms to form an Underwriter Pool;

WHEREAS, In December 2015, the Finance Committee also concurred with a staff recommendation that a request for proposals (RFP) be issued to firms within the Underwriter Pool in order to select firms for an Underwriting Syndicate for the Airport System Revenue and Refunding Bonds, Series 2016, and the Committee further concurred with the evaluation criteria to be used in that selection process;

WHEREAS, The RFP was issued to the 15 firms within the newly-selected Underwriter Pool on December 16, 2015, and proposals were received from all firms on January 15, 2016;

WHEREAS, Based on its evaluation of the proposals, a technical evaluation committee (TEC) has recommended the following firms and their assigned roles to the Finance Committee to form the Aviation Enterprise Underwriting Syndicate for the Series 2016 Bonds issuance;

**Recommended 2016 Bonds Underwriting Syndicate Members and Roles**

J.P. Morgan Securities	Bookrunning Senior Manager
Bank of America Merrill Lynch	Co-Manager
Barclays Capital Inc.	Co-Manager
Citigroup Global Markets Inc.	Co-Manager
Goldman Sachs & Co.	Co-Manager
RBC Capital Markets	Co-Manager
Wells Fargo Securities	Co-Manager

WHEREAS, The Finance Committee has approved with the TEC's recommendation and has recommended to the Board of Directors that it select the above listed firms and their

assigned roles to form the Aviation Enterprise Underwriting Syndicate for the Series 2016 Bonds issuance;

WHEREAS, The Board of Directors has reviewed and approved the recommendation of the Finance Committee; now, therefore, be it

RESOLVED, That the investment banking firms identified above in the table in the fifth WHEREAS paragraph are hereby selected to be members, with their assigned roles, to form the Aviation Enterprise Underwriting Syndicate for the Series 2016 Bonds issuance.

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

Pursuant to Article IX of the Authority Bylaws relating to the transaction of business, the Chairman explained that other matters may be acted upon if nine or more Directors voted to waive the notice provision that is associated with the preparation and distribution of the agenda. With regard to the announcement about the Secretary position, the Chairman asked for a waiver of notice, which was moved and seconded. Under Mr. Conner's leadership, the Board had performed a thorough, careful evaluation of the Vice President and Secretary position and set some parameters for items such as compensation and terms of employment. The Chairman stated that he believed an excellent process had been used. Once the position had been posted and evaluated, a committee consisting of five Directors had reviewed 55 resumes and determined a list of candidates to be interviewed. Five distinct Directors had then conducted the interviews and narrowed the competition to two finalists. The Chairman had interviewed the two finalists and was prepared to make a recommendation at the day's meeting. With pleasure, the Chairman stated that his recommendation is someone with a tremendous background, a lifetime of experience in the aviation industry, and who serves as the Authority's Deputy General Counsel. He then recommended Monica Hargrove and stated that her employment would be subject to the terms set out by the Board. The Board approved the appointment of Ms. Hargrove as the Vice President and Secretary. The Chairman extended congratulations to Ms. Hargrove, and she received a round of applause.

The Chairman also took the opportunity to recognize the current Board Office Staff and express how much they are valued. He extended his personal thanks to Lisa Makle-Brooks for the superb manner in which she had performed as Interim Secretary. Ms. Makle-Brooks received a round of applause.

V. UNFINISHED BUSINESS

There was not any unfinished business.

VI. OTHER BUSINESS & ADJOURNMENT

The Meeting was thereupon adjourned at 9:28 a.m.

Respectfully submitted:



Monica R. Hargrove  
Vice President and Secretary

Approved  
3-16-2016