



## BOARD OF DIRECTORS ANNUAL MEETING

Minutes of November 13, 2013

The twenty-seventh annual 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 10:00 a.m. Eleven Directors were present during the meeting:

Michael A. Curto, Chairman  
Richard S. Carter  
Lynn Chapman  
Frank M. Conner III  
Anthony H. Griffin  
Shirley Robinson Hall

Barbara Lang  
William Shaw McDermott  
Caren Merrick  
Warner H. Session  
Nina Mitchell Wells

The Secretary and Executive Management were present:

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

Chairman Curto welcomed everyone to the November meeting of the Metropolitan Washington Airports Authority Board of Directors.

Chairman Curto congratulated Terry McAuliffe on his election as Governor of the Commonwealth of Virginia and to all the other leaders who had won recent elections.

He also noted the recent news of an agreement between US Airways and American Airlines to settle litigation related to their proposed merger. The merger will affect slots at Reagan National, and the staff will continue monitoring the merger process and its effect on the Authority's operations and passengers.

Chairman Curto reported that the day's agenda included matters related to the financing for the Rail Project and Toll Road, an update on the progress in closing out Phase 1 of the Project and the Authority's 2014 Budget. Mr. Potter would also present an update on the Authority's progress in responding to the Department of Transportation Inspector General's (DOT/IG) audit report issued last November.

With the holiday season approaching and with the Thanksgiving weekend being one of the busiest times of year for air travel, Chairman Curto thanked Authority employees for their hard work and dedication and wished everyone a Happy Thanksgiving.

#### I. ELECTION OF CHAIRMAN, VICE CHAIRMAN AND SECRETARY

Ms. Hall reported that the Nominations Committee had met that morning and she had offered the slate of candidates to be advanced: Frank M. Conner III, Chairman; Warner H. Session, Vice Chairman; and Quince T. Brinkley, Jr., Secretary.

Ms. Hall then submitted the slate of officers for election. The nominations were closed, and the officers were unanimously elected.

Chairman Curto congratulated the officers.

Ms. Hall offered congratulations to the officers who had been elected and in the Secretary's case, he had been re-elected.

Mr. Carter congratulated and thanked Chairman Curto. He said he wanted to personally acknowledge his appreciation for the Chairman's leadership.

Chairman Curto stated that although some Directors had not been present at the day's meeting, the slate of candidates nominated through the formal process had been unanimous. He said that the Board is very fortunate to have the elected leadership for 2014, which should promote a strong and prosperous year.

Chairman-elect Conner stated that Chairman Curto had done a remarkable job in leading the Board through a very difficult and challenging time and that he had reestablished the credibility of the organization. He had also helped to facilitate a certain degree of collegiality. While there would not be a great deal of changes going forward, Chairman-elect Conner said that he would look for ways to improve the Board while continu-

ing to improve transparency, collegiality, engagement of the Board and continued emphasis to ensure that all constituencies' interests are furthered. He also said that the Authority is a significant economic engine for the region that needed to become a center of innovation for all jurisdictions. Substantial progress had occurred and Chairman-elect Conner said he knew that it would continue.

## II. MINUTES OF THE OCTOBER 16, 2013 BOARD OF DIRECTORS MEETING

The Chairman then called for the approval of the Minutes of the October 16 Board of Directors Meeting, which were unanimously adopted.

## III. COMMITTEE REPORTS

### a. Audit – Legal Committee – Shirley Robinson Hall, Co-Chair

Ms. Hall reported that the Audit – Legal Committee had last met on October 16. The Committee had begun and ended its meeting in executive session. Mr. McDermott had read a declaration regarding his participation.

In regular session, the Committee had approved a motion to add the settlement of a lawsuit, consistent with the terms presented by the General Counsel, as discussed that day in executive session. The Committee had approved the settlement.

Also in regular session, Valerie Holt, Vice President for Audit, had reviewed the objectives, background, conclusions and recommendations for several audit reports, including: Toll Road Collections, Shared Ride Van Service, Shuttle Bus Maintenance, Public Parking Contract, Employee Travel, Indirect Cost Audits for Metrorail Contractors and Subcontractors, Cashier Monitoring Parking Operations and Foreign Currency Exchange.

### b. Dulles Corridor Committee – Tom Davis, Chairman

In Mr. Davis's absence, Mr. Conner reported that the Dulles Corridor Committee had last met on October 16. The Committee had received the Dulles Corridor Metrorail Project Phase 1 Monthly Cost Summary. The total projected forecasted cost had remained the same at \$2.905 billion.

Approximately \$414.3 million in contingency funds had been used through August 2013.

The Committee had concurred with staff presentations on two pending procurements relative to Phase 2 of the Dulles Corridor Metrorail Project for the environmental and building code plan review services and Design-Build Package "B" (Rail Yard & Maintenance Facility).

The Committee had also received the routine monthly financial report.

c. Finance Committee – Frank M. Conner, Chairman

Mr. Conner reported that the Finance Committee had met on October 16 and again that morning. He stated that he had recused himself from a portion of the October 16 Meeting, and most of the day's Committee meeting. At the October 16 Meeting, the Committee had received the routine Financial Advisors' reports, as well as a pre-solicitation report on three components of financing for the Metrorail Project and the preliminary 2014 Budget.

At the day's meeting, the Committee had furthered its discussion on the three components of the financing and the recommendation on a liquidity facility. Mr. Conner reported that since he had not participated in those discussions, Ms. Merrick would present the relative resolutions later in the day's Meeting. He also reported that the Committee had also authorized the submission of a PFC application and that he would offer a resolution later in the Meeting.

d. Business Administration Committee – Warner H. Session, Chairman

Mr. Session reported that the Business Administration Committee had last met on October 16. Paul Malandrino, Vice President and Airport Manager, had presented the pre-solicitation terms for custodial services at Reagan National. He noted that the current contract with Motir will expire June 30, 2014. Mr. Malandrino reported that the proposed terms included a two-year base period with three one-year options; a living wage rate of \$13.54 per hour; and 100 percent Local Disadvantaged Business Enterprise participation requirement. The Committee had concurred with the pending procurement.

Anthony Vegliante, Vice President for Human Resources, had presented the recommendation on 2014 medical and dental insurance programs

and proposed premium rates, as well as the 2014 Authority healthcare plan changes to comply with the Healthcare Reform Act and the enhanced wellness program strategies. Mr. Session reported that the Committee had approved the recommendation and that he would offer a resolution later in the day's Meeting.

Steve Baker, Vice President for Business Administration, had presented an information paper on the Annual Operational Insurance Policy, which had included an overview of the process for renewing the Authority's property/casualty operational insurance policies for both enterprises. Mike Natale, Manager, Risk Management, had summarized each premium renewal, as well as the premiums for new coverage.

- e. Executive and Governance Committee – Michael A. Curto, Chairman

Chairman Curto noted that he had provided a report of the recent meeting at the October 16 Board Meeting. He reminded everyone that all summary minutes are posted on the Authority's website.

- f. Nominations Committee – Shirley Robinson Hall, Chairman

Ms. Hall had presented this report earlier in conjunction with the election.

#### IV. INFORMATION ITEMS

- a. President's Report

Mr. Potter offered congratulations to the officers who had been elected earlier and thanked Chairman Curto for his leadership during a difficult time. He also congratulated Terry McAuliffe on his election as Governor of the Commonwealth of Virginia and stated that the Authority looked forward to working with him, his Administration and the next Virginia General Assembly on all the issues related to the services the Authority provides to the traveling public.

With respect to the tragic event that occurred several days prior at the Los Angeles International airport, Mr. Potter said that thoughts go out to the victims' families and to everyone affected by the incident. He reported that the Authority had joined the Transportation Security Administration (TSA) and other airports across the country in observance of a mo-

ment of silence to honor the memory of the slain officer. Mr. Potter noted that the Authority's Police Department offers special "active shooter" training for anyone working at the Airports, which makes everyone better equipped to deal with protecting themselves and others around them in such situations. Over the past several months, approximately 500 people at both Airports had taken the training.

Mr. Potter invited Phil Sunderland, Vice President and General Counsel, to make a key personnel announcement. Mr. Sunderland introduced Monica Hargrove, Deputy General Counsel, and commented on her former experience. He said he believed that Ms. Hargrove is a huge positive addition to the Office of General Counsel and to the Authority. Ms. Hargrove thanked everyone and said that she looked forward to working with everyone.

Mr. Potter noted that Ms. Hargrove's arrival had been timely as the Authority had learned the prior day about the litigation settlement related to the proposed merger between American Airlines and US Airways, which would divest 52 slot pairs at Reagan National and operate 44 fewer daily departures. He noted that the entire process would be a lengthy one and that staff would continue to monitor the progress and work with all parties on any issues affecting Reagan National and Dulles International.

Mr. Potter recalled the recent federal government shutdown, which had been underway during the October Board and Committee meetings. He noted that it had had some negative financial impact on the Airports' concessions and other revenue sources, including the collection of tolls on the Dulles Toll Road.

With respect to Phase 1 of the Dulles Metrorail Project, Mr. Potter stated that substantial completion would likely occur or be declared by Dulles Transit Partners, LLC (DTP) later in the month. He noted that Pat Nowakowski, Executive Director for the Dulles Metrorail Project, and Larry Melton of DTP would provide updates later that day in the Dulles Corridor Committee Meeting.

Turning to Airport operations, Mr. Potter reported that preparations are underway at both Airports for one of the busiest times for air travel. Additionally, renovation work continues in Terminal A at Reagan National, which is bringing upgraded features and a new look to the oldest part of the facility. Also at Reagan National, approximately 25 percent of pas-

sengers are currently using the TSA Pre-Check system now operational at the Center Pier checkpoint; it will also be available in Terminal A when that new checkpoint opened next year.

Mr. Potter reported on the Authority's increased use of social media as a continuous way to communicate with passengers. He noted that approximately 25 passengers who regularly followed the Authority on Twitter had been treated to breakfast with Mr. Malandrino, which included a behind the scenes tour of the Airport and a ride around the airfield. News of the successful event had reached about 25,000 other people on the social networks.

At Dulles International, a new feature called Dulles Flex-Park, which is a pay-by-the-month system, to allow passengers' access to parking spaces in the airport garages, including reserved spaces, and the close-in terminal lot. An updated valet parking option, which featured amenities like dry cleaning and car detailing services while passengers traveled, is now available at Dulles International. The option will also allow passengers to text the parking office from their cell phones when they get off the airplane so their cars will be waiting for them. The new United Airlines maintenance hangar, which will be a great addition to its operations, is nearly complete at Dulles International. The 125,000-square foot structure can accommodate two large aircraft and serves as a direct taxiway connection to the Airport's center runway complex.

With respect to administrative matters, Mr. Potter reported that later that day in the Business Administration Committee Meeting staff would present a proposal aimed at assuring the quality and value of the Authority's employee health benefits in 2015 and beyond. He noted that the current "open season" for health benefits, which would soon begin, would allow employees to choose from the same plans from the same companies from past years with the same 80 percent employer contribution on premiums.

Mr. Potter noted that November 2013 marked the one-year anniversary of the final report from the audit by DOT/IG. At the November 2012 Board Meeting, staff had outlined the steps it was taking and planning to take to address all the recommendations in that report. As a result of the IG's interim report that had been issued in May 2012, initiatives that were already underway had also been discussed in November 2012. On a monthly basis since that time, Mr. Potter stated that he had provided updates on the Authority's progress in implementing those initiatives.

Last November, the Authority had set a goal to address all of the IG recommendations within one year. Mr. Potter said that the Authority had reached its goal and noted that the final item, which is the completion of a workforce assessment in the Procurement Department, is now being evaluated and acted upon. He noted that the Authority is working closely with the IG's Office to get its concurrence to ensure that it agrees with staff's assessment that all of the recommendations had been closed out. Mr. Potter thanked Chairman Curto and the Board, as well as the employees and public officials who had assisted the Authority with this effort throughout the year.

With regard to financial matters, Mr. Potter reported that staff had reduced the Authority's debt service and the Operations and Maintenance Budget for the Airports by approximately 2.9 percent, as represented in the 2014 Budget. He noted that the recommended 2014 Budget, when approved, would help the Authority to achieve a decrease in the average cost per enplanement. Mr. Potter thanked all of the Vice Presidents for their work to ensure that the budgets are appropriately sized for 2014. He gave special recognition to Ms. Alston, Ms. Arnold and other Finance staff for their work in producing the budget. Mr. Potter also reported that the Authority's financial team had been named to receive the Government Finance Officers Association's Distinguished Budget Presentation Award for its work on the 2013 Budget.

Mr. Potter reported that work has been underway for several weeks to improve the pavement and striping in key areas of the Dulles Toll Road (DTR) and Airport Access Highway. He noted that some of this work is being done in conjunction with the Silver Line construction while other work is routine re-surfacing and maintenance. It is anticipated that the work will be completed before the winter weather arrived. Also, new signs would soon be displayed on the DTR to advise drivers that tolls will increase up to \$.75 at the main toll plaza on January 1, 2014. Mr. Potter recalled that financial assistance from the Commonwealth of Virginia, adding \$300 million in 2013 to the \$150 million pledged earlier, had been instrumental in keeping the DTR toll increases lower than they might otherwise had been. He reported that the 2014 rates should remain in place for a while as an increase for 2015 is not anticipated. Mr. Potter thanked the Governor, his Administration, members of the Virginia General Assembly and other state and local officials for their leadership in providing important financial support.



Mr. Potter also reported that the Authority's law enforcement team, along with Virginia State Police, was busy in the Dulles Corridor looking for drivers known as backtrackers who use the Airport Access Highway to avoid paying tolls. He noted that violators would get tickets with fines starting at \$92, plus three drivers' license points for the moving violation. The purpose for the increased vigilance is to encourage compliance with the rules – not to write tickets.

Mr. Potter reported that the Authority had held several special events in an effort to raise money for the United Way Campaign now underway. He announced the winners of those events and stated that the Authority's contributions and pledges had totaled nearly \$50,000 at that time.

He also reported that *USA Today* had published a story recently about healthier airport food, which stated that Reagan National had the biggest gain in that category over the past year.

Mr. Potter wished everyone a Happy Thanksgiving.

Chairman Curto stated that the Board would be watching as the settlement of the airlines' merger is resolved. He inquired about the amount of time anticipated to complete the process. Mr. Potter explained the process, noting that decisions regarding the divested slots would likely not be finalized until next summer. He noted that one of the key decisions would be the assignment of gates, which could result in significant changes for the traveling public. These changes would be communicated as soon as possible to the airlines, as well as to passengers. Chairman Curto inquired whether there would be a related effect on passengers at Dulles International. Mr. Potter stated that the passenger activity at Reagan National would likely increase as a result of the divested slots, consistent with the results of the slot swaps involving Delta Airlines and US Airways. He forecasted that the divested slots would impact operations at Dulles International and Baltimore Washington International.

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

Ms. McKeough reported on the passenger activity levels at both Airports during September 2013. She noted that as a whole the U.S. aviation passenger activity levels for September had increased less than 1 percent over September 2012, contributed mostly to an increase in international traffic. The Authority's two airport system had served more than 3.4 million passengers in September, which represented a decline of approxi-

mately 1.7 percent over the prior year. Ms. McKeough reported a decline in domestic activity at both Airports in September; however, international traffic had increased approximately 1 percent. In September, domestic passenger levels at Reagan National and Dulles International had declined by 1 and 2 percent, respectively. Ms. McKeough reported international passenger levels at Dulles International had increased approximately 2 percent in September.

Ms. McKeough reported that the Airports' system as a whole was experiencing a year-to-date increase of slightly less than 1 percent, attributed to a 5 percent increase in domestic activity at Reagan National and a robust growth in international activity at Dulles International offset by a slight decline in domestic activity at Dulles International.

Ms. McKeough reported that overall there had been an 8 percent decrease in cargo activity at Dulles International in September. Domestic cargo activity had declined 18 percent while international cargo volume had remained comparable to September 2012.

Ms. Merrick inquired whether the decline in passenger traffic at both Airports had been caused primarily by the federal government shutdown. While it is difficult to confirm a direct correlation, Ms. McKeough stated that the impact of the shutdown would be reflected in traffic stats for October. She noted that September is often viewed as the transition month with the completion of summer travel and prior to holiday travel; it is routinely the least active month for passenger activity.

## V. NEW BUSINESS

### a. Recommendation to Approve 2014 Medical and Dental Insurance Programs and Proposed Premiums

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

WHEREAS, The Medical and Dental insurance coverage funded jointly by the Airports Authority and its employees requires annual renewal;

WHEREAS, For 2014, Management has proposed to renew existing coverage with a minor change to comply with the federal Healthcare Reform Act, which allows annual out-of-pocket limits to include co-pays and deductibles;

WHEREAS, Premiums for the Aetna Medical Plans will increase 8.6 percent; for the Kaiser Medical Plan 14.2 percent; and for the MetLife Dental Plan 5.2 percent; and

WHEREAS, The Business Administration Committee has recommended that the Board of Directors approve the modified program, at an authorized cost of \$26.7 million;

WHEREAS, The Business Administration Committee has recommended that the Board of Directors approve the components of the Wellness Program; now, therefore, be it

RESOLVED, That the modified Medical and Dental insurance program for 2014 is hereby approved and the \$26.7 million expenditure hereby authorized, as presented to the Business Administration Committee at its October 16 meeting; and

2. That the President and Chief Executive Officer is authorized and directed to enter into renewed contracts for 2014 with Aetna Insurance Company and CVS/Caremark to administer the Airports Authority's self-insured health and prescription drug services, respectively; with Kaiser Permanente for fully-insured health care and prescription drug services; and with Metropolitan Life Insurance Company for the administration of self-insured dental programs.

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

b. Recommendation to Approve the Proposed Resolution Authorizing the Dulles Toll Road Subordinated Lien Revenue Notes, Series 2013

Consistent with Mr. Conner's prior recusal, Ms. Merrick moved the adoption of the following resolution, which was unanimously approved by all 10 Directors present (Mr. Conner was not present at that time):

WHEREAS, Pursuant to Resolution No. 13-25 adopted by the Board of Directors of the Metropolitan Washington Airports Authority (the "Airports Authority") on September 18, 2013, the Board authorized the Finance Staff and Financial Advisors to proceed with negotiations of an interim (short-

term) loan to provide sufficient construction liquidity for the Dulles Corridor Metrorail Project with a short list of the most qualified firms previously identified: Bank of America/Merrill Lynch; JPMorgan Chase Bank, National Association; and Royal Bank of Canada;

WHEREAS, The Airports Authority received three competitive and responsive proposals from the short-listed firms and, in October, the Finance Committee of the Board was informed that the Finance Staff and Financial Advisors would begin final negotiations for up to \$400 million of floating rate notes with JPMorgan Chase Bank, National Association (the "Bank"), the firm which met the required evaluation criteria and provided the best pricing option;

WHEREAS, The negotiations with the Bank have concluded and the Airports Authority desires to authorize the sale of notes to the Bank from time to time in subseries in an aggregate principal amount not to exceed \$400,000,000 to pay or provide for (i) a portion of the costs of the design and construction of the Dulles Corridor Metrorail Project and (ii) costs of issuance of the notes;

WHEREAS, The notes, designated as Dulles Toll Road Subordinate Lien Notes, Series 2013 (the "Series 2013 Notes"), constitute a series of subordinate lien bonds under the Master Indenture of Trust, dated as of August 1, 2009 (the "Master Indenture"), as supplemented by the Eighth Supplemental Indenture of Trust, dated as of November 1, 2013 (the "Eighth Supplemental Indenture"), each by and between the Airports Authority and Manufacturers and Traders Trust Company, as trustee (the "Trustee");

WHEREAS, The Series 2013 Notes will be sold to the Bank pursuant to a Note Purchase Contract, to be dated on or about November 20, 2013 (the "Note Purchase Contract"), by and between the Airports Authority and the Bank;

WHEREAS, There have been presented at this meeting the forms of the following documents that the Airports Authority proposes to execute in connection with the issuance of the

Series 2013 Notes, copies of which documents shall be filed with the records of the Airports Authority:

- (a) the Eighth Supplemental Indenture;
- (b) the Series 2013 Notes, the form of which is attached as Exhibit B to the Eighth Supplemental Indenture; and
- (c) the Note Purchase Contract; and

WHEREAS, All capitalized terms used but not defined in this Resolution shall have the meaning given them in the Eighth Supplemental Indenture; now, therefore, be it

RESOLVED, That the Series 2013 Notes shall be issued from time to time pursuant to the Eighth Supplemental Indenture in subseries in an aggregate principal amount not to exceed \$400,000,000, as needed to pay (i) the cost of design and construction of the Dulles Corridor Metrorail Project and (ii) the costs of issuance of the Series 2013 Notes, and shall be repaid from Net Revenues as defined in the Eighth Supplemental Indenture;

2. That the Series 2013 Notes shall bear interest as provided in the form of the Series 2013 Notes attached as Exhibit B to the Eighth Supplemental Indenture and shall mature on November 19, 2014;

3. That the Bank is hereby selected as the purchaser of the Series 2013 Notes;

4. That the Series 2013 Notes shall be issued in book-entry form as Subordinate Lien Bonds pursuant to the Master Indenture and the Eighth Supplemental Indenture and purchased by the Bank in subseries from time to time pursuant to the Note Purchase Contract;

5. That, when executed, the Eighth Supplemental Indenture, the Series 2013 Notes and the Note Purchase Contract shall be in substantially the forms submitted to the Board of Directors at this meeting, which forms are approved,

with such completions, omissions, insertions and changes as are necessary or desirable and as otherwise may be approved by the persons executing them, their execution to constitute conclusive evidence of the approval by the Board of Directors of any such completions, omissions, insertions and changes;

6. That the Chairman or the Vice Chairman is authorized and directed to execute the Eighth Supplemental Indenture, the Series 2013 Notes and the Note Purchase Contract, and the Secretary or Assistant Secretary is authorized and directed to affix the Seal of the Airports Authority on any or all of such documents as required and to attest to the same;

7. That each of the Chairman and the Vice Chairman of the Board of Directors, the President and Chief Executive Officer, the Executive Vice President and Chief Operating Officer, the Vice President and General Counsel, the Vice President for Finance and Chief Financial Officer and the Manager of Treasury is hereby appointed as an "Airports Authority Representative" under the Master Indenture and the Eighth Supplemental Indenture and each is authorized to take the following actions in the name of and for the benefit of the Airports Authority that are necessary or desirable to accomplish the issuance and sale of the Series 2013 Notes:

- a. to determine the date of issuance and principal amount of any Series 2013 Note issued hereunder and under the Master Indenture and the Eighth Supplemental Indenture, all within the parameters and limitations set forth herein and in the Master Indenture and the Eighth Supplemental Indenture;
- b. to execute and deliver from time to time the Request to Purchase Notes and Certificate of the Authority annexed to the Note Purchase Agreement as Exhibit D thereto;
- c. to determine the provisions for redemption of the Series 2013 Notes prior to maturity;

- d. to approve the issuance and award the sale of the Series 2013 Notes to the Bank pursuant to the Note Purchase Contract, provided that the Series 2013 Notes shall be sold at a purchase price equal to 100% of the principal amount thereof; and
- e. to execute and deliver such closing certificates, including a tax certificate and Internal Revenue Service Form 8038 or 8038-G returns, any letter of representations with The Depository Trust Company with respect to the Series 2013 Notes, and any continuing disclosure agreement, and take such actions as shall be necessary or desirable in connection with the closing or issuance of the Series 2013 Notes in subseries from time to time.

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

c. Selection of Senior Manager(s) and Co-Manager(s) for the Dulles Toll Road Revenue Bonds, Series 2014

Ms. Merrick moved the adoption of the following resolution, which was unanimously approved by 10 Directors (Mr. Conner was not present at that time):

WHEREAS, The Metropolitan Washington Airports Authority (the "Airports Authority") is preparing for the issuance of its Dulles Toll Road Revenue Bonds, Series 2014 (the "Series 2014 Bonds"), which may be issued in one or more series or subseries;

WHEREAS, In Resolution No. 12-10, the Airports Authority selected a syndicate of investment banking firms to serve as underwriters in connection with financing the costs of certain capital improvements related to the Dulles Toll Road and the costs of designing and constructing the Dulles Corridor Metrorail Project;

WHEREAS, To facilitate the issuance of the Series 2014 Bonds, among other things, the Airports Authority issued a Request for Proposals (RFP) in July 2013;

WHEREAS, The RFP was distributed to the 11 investment banking firms that the Board of Directors had selected in April 2012 to the Dulles Corridor Enterprise (DCE) Underwriting Syndicate;

WHEREAS, The RFP requested that interested firms respond to a series of questions relating to the financing of the Dulles Corridor Metrorail Project, including questions asking for the firms' views and recommendations regarding the issuance of long-term fixed rate bonds;

WHEREAS, Ten of the 11 DCE Underwriting Syndicate firms responded to the RFP;

WHEREAS, A staff evaluation committee, assisted by non-voting members, reviewed the RFP responses submitted by these firms and, using criteria in the RFP, evaluated the firms based on their responses to the questions that the RFP posed;

WHEREAS, The results of the staff evaluation committee's review of the RFP responses that addressed the subject of long-term fixed rate bonds were presented to the Finance Committee at its November 2013 meeting, following which the Committee made recommendations to the Board of Directors;

WHEREAS, The Board of Directors has reviewed and accepted these recommendations of the Finance Committee; and

WHEREAS, The Airports Authority desires to select certain firms from this syndicate of investment banking firms to serve as a bookrunning senior manager, a co-senior manager and co-managers for the Series 2014 Bonds; now, therefore, be it

RESOLVED, That J.P. Morgan Securities LLC is selected as bookrunning senior manager; Loop Capital Markets LLC is selected as co-senior manager; and Bank of America Merrill Lynch, RBC Capital Markets, LLC, Morgan Stanley & Co. LLC, Goldman Sachs & Co., Piper Jaffray & Co., Janney Montgomery Scott LLC, Fidelity Capital Markets, and Siebert Brandford Shank & Co., LLC are selected as co-managers for the Series 2014 Bonds



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

d. Selection of Firm(s) for Negotiation of Potential Transportation Infrastructure Finance and Innovation Act Anticipation Notes

Ms. Merrick moved the adoption of the following resolution, which was unanimously approved by 10 Directors (Mr. Conner was not present at that time):

WHEREAS, The plan of finance for the Dulles Corridor Metro-rail Project (Rail Project) anticipates the Airports Authority's receipt in 2014 of a loan made by the U.S. Department of Transportation under the Transportation Infrastructure Finance and Innovation Act (TIFIA Loan) for use by the Airports Authority in funding construction of the Rail Project;

WHEREAS, In connection with the anticipated TIFIA Loan, the plan of finance calls for the Airports Authority, in the event that market conditions and other considerations warrant, to issue notes in anticipation of receipt of the proceeds from the TIFIA Loan (TIFIA Anticipation Notes), which notes will be secured in whole or part by the TIFIA Loan and will provide funds to the Authority for use in support of the Rail Project prior to the Airports Authority's draw or receipt of TIFIA Loan proceeds;

WHEREAS, To facilitate the issuance of these TIFIA Anticipation Notes, among other things, the Airports Authority issued a Request for Proposals (RFP) in July 2013;

WHEREAS, The RFP was distributed to the 11 investment banking firms that the Board of Directors had selected in April 2012 to the Dulles Corridor Enterprise (DCE) Underwriting Syndicate;

WHEREAS, The RFP requested that interested firms respond to a series of questions relating to the financing of the Dulles Corridor Metrorail Project, including questions asking for the firms' views and recommendations regarding the issuance of notes in anticipation of the Authority's receipt of the TIFIA Loan;

WHEREAS, Ten of the 11 DCE Underwriting Syndicate firms responded to the RFP;

WHEREAS, A staff evaluation committee, assisted by non-voting members, reviewed the RFP responses submitted by these firms and, using criteria in the RFP, evaluated the firms based on their responses to the questions that the RFP posed;

WHEREAS, The results of the staff evaluation committee's review of the RFP responses that addressed the subject of anticipation notes secured by the TIFIA Loan were presented to the Finance Committee at its November 2013 meeting, following which the Committee made recommendations to the Board of Directors; and

WHEREAS, The Board of Directors has reviewed and accepted these recommendations of the Finance Committee; now, therefore, be it

RESOLVED, That (i) the following firms from the DCE Underwriting Syndicate are selected to engage in negotiations with finance staff, assisted by the Airports Authority's financial advisors, regarding the firms' provision, whether singly or in some combination, of TIFIA Anticipation Notes that will provide funds for use by the Airports Authority in paying the costs of construction of the Rail Project prior to the Airports Authority's draw or receipt of TIFIA Loan proceeds: Bank of America Merrill Lynch, RBC Capital Markets, LLC and Goldman Sachs & Co.; and (ii) finance staff are requested to report on the progress and results of these negotiations to the Finance Committee at a time for approval and recommendation to the Board, prior to the closing on the TIFIA Loan, that staff determine to be appropriate.

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

e. Recommendation to Approve the Submission of the Passenger Facility Charge Application for Reagan National Airport to Fund the Airport Metrorail Station Project at Dulles International Airport and Certain Airfield Projects at Reagan National Airport

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

WHEREAS, The Airports Authority is eligible to receive passenger facility charge (PFC) revenues under federal law and to use such revenues to fund the construction costs of qualified capital projects at Ronald Reagan Washington National and Washington Dulles International Airports;

WHEREAS, The ability of the Airports Authority to impose PFCs at the Airports requires approval by the Federal Aviation Administration (FAA) of a PFC application submitted by the Airports Authority that describes the capital projects to be funded by revenues that the PFCs will produce;

WHEREAS, The Airports Authority now imposes PFCs at Reagan National Airport pursuant to FAA approvals of prior Airports Authority PFC applications, but the ability of the Airports Authority to impose these PFCs at Reagan National Airport expires in 2014;

WHEREAS, Staff have recommended that the Airports Authority submit a new application to the FAA (PFC Application) that seeks the ability to impose PFCs at Reagan National Airport from June 1, 2014, through May 31, 2025, in order to support construction of the Dulles Corridor Metrorail station project at the Dulles International Airport and a number of airfield projects at Reagan National Airport (these projects at the two Airports, collectively, the PFC Projects);

WHEREAS, A proposed PFC Application and a description of the PFC Projects were reviewed by the Finance Committee at its November 2013 meeting;

WHEREAS, At that meeting, after reviewing the proposed PFC Application and the description of the PFC Projects, the Finance Committee approved and recommended that the Board

of Directors approve the submission of the proposed application to the FAA; now, therefore, be it

RESOLVED, That the Chief Financial Officer of the Airports Authority is authorized and directed to submit the PFC Application to the Federal Aviation Administration that seeks authorization to impose Passenger Facility Charges at Reagan National Airport from June 1, 2014, through May 30, 2025, to provide PFC revenues for the Dulles Corridor Metrorail station project at Dulles International Airport and other PFC Projects at Reagan National Airport; and

2. That the Chief Financial Officer, in consultation with the Finance Committee Chairman, is further authorized and directed to take any other actions he deems necessary or desirable to assist the Federal Aviation Administration in its review of the PFC Application or otherwise to obtain FAA approval of the application, including substituting new projects for projects identified in the submitted application.

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

#### VI. UNFINISHED BUSINESS

There was not any unfinished business.

#### VII. OTHER BUSINESS & ADJOURNMENT

The Meeting was thereupon adjourned at 10:47 a.m.

Respectfully submitted:

 *emb*

Quince T. Brinkley, Jr.  
Vice President and Secretary

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