



Michael J. Landguth, A.A.E.
President & CEO

1000 Trade Drive • P.O. Box 80001 • RDU Airport, NC 27623
tel: (919) 840-7700 • fax: (919) 840-0175 • www.rdu.com

RALEIGH-DURHAM AIRPORT AUTHORITY BOARD MEETING MINUTES NOVEMBER 16, 2023

Chair Hankins presided. Present: Hall-Roberts, Hannah, Morgan, Kushner, Polanco-Galdamez, and Thompson.¹ Staff present included: President and CEO Landguth, Executive Vice President and CDO Sandifer, Executive Vice President and CISA McFall, Senior Vice President and CRO Freedman, Senior Vice President and COO Connell, Vice President and CHRO Armstrong, Vice President Feldman, SVP and General Counsel Locklear, Executive Assistant Rosales, and other staff members and guests.²

I. APPROVAL OF AGENDA

Chair Hankins noted the added item d. Consideration to Replace Thirty (30) License Plate Reader (LPR) Cameras with SKIDATA, Inc. in NEW BUSINESS on the Consent Agenda.

Motion by Thompson for approval of the Agenda as amended; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

II. APPROVAL OF MINUTES

Vice Chair Hall-Roberts³ noted her review of the minutes of the regular meetings of the Board, the Board committees, and the consent actions of the Board, held on October 19, 2023, and asked if any edits were needed.

Motion by Thompson for approval of these minutes; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

III. CHAIR COMMENTS

1. Chair Hankins welcomed everyone. New team members were introduced and welcomed. Christopher Rosette was congratulated on his promotion to Assistant General Counsel and VP of Legal Affairs.
2. Chair Emeritus Hannah was recognized, and appreciation expressed for his leadership as Board Chair, during which term he helped guide the Authority through the pandemic's challenges. Under his leadership the Authority charted its current Strategic Plan and adopted

¹ Kushner and Treasurer Polanco-Galdamez participated remotely via Teams.

² The meeting was live streamed at <https://youtube.com/live/w3cl3xqWtJY?feature=share>.

³ Acted at Chair Hankins' request in the absence of Secretary Szlosberg-Landis.

Raleigh-Durham Airport Authority Board Members

WAKE COUNTY
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- innovative initiatives, as well as expanded air service. Mr. Hannah was presented with a plaque memorializing moments of travel through RDU by his family.
3. Vice Chair Hall-Roberts was recognized for receiving the Champion of Diversity Award from the NC MWBE Coordinators Network.
 4. Chair Hankins reminded everyone of the annual Thanksgiving food drive, and the upcoming December drive, both to benefit the Food Bank of Central and Eastern North Carolina.
 5. Chief Witherspoon and the Law Enforcement team were recognized for the online and in-person training conducted to assist the U.S. Bureau of Diplomatic Security in its mission to provide a safe and secure environment of officials traveling through RDU.

IV. OLD BUSINESS

1. Land and Development Committee – Thompson reported Committee members met during the Committee work session on November 16, 2023, and discussed the following:

- a. Closed Session

Committee met in closed work session in order to consult with an attorney in order to preserve the attorney-client privilege between the attorney and the public body pursuant to NCGS §143-318.11(a)(3).

- b. Reimbursable Agreement with Duke Energy to Relocate Power Lines for Phase 1A (Permanent) and Phase 1A/1B (Temporary) in connection with the Runway 5L-23R and Taxiway B Replacement, RDU 080879

Request for approval of a Reimbursable Agreement with Duke Energy to relocate power lines for Phase 1A (Permanent) and Phase 1A & Phase 1B (Temporary) in the amount of \$1,974,293, for the Replacement Runway 5L-23R, RDU Project 080879; and authorization for the President and CEO to execute the Agreement.

- c. Consideration of a Reimbursable Agreement with the Federal Aviation Administration for Equipment and Related Services Necessary for the Replacement of Runway 5L-23R, Capital Project 080879

Request for approval of the FAA's Reimbursable Agreement in the amount of \$5,473,419.18 and authorization for the President & CEO to execute the Agreement.

- d. Contract with Kear Civil Corporation for Fuel Facility Improvements, Project ID 441000

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Subject to approval of the associated Capital Project Ordinance Amendment, request for award of a construction contract to Kear Civil Corp in the amount of \$9,373,940.88 for the Fuel Facility Improvements and authorization for the President and CEO to execute the contract.

- e. Task Order 3 for Construction Administration Services with Pond & Company for Fuel Facility Improvements, Project ID 441000

Subject to approval of the associated Capital Project Ordinance Amendment, request for approval of Task Order 3 for Construction Administration Services with Pond & Company at a cost of \$247,016 and authorization for the President and CEO to execute the agreement.

Motion by Thompson for approval of above items b. through e.; Second by Hannah

ADOPTED BY UNANIMOUS VOTE

2. Operations Committee – Morgan reported Board members met during the Committee work session on November 16, 2023, and discussed the following:

- a. Consideration of Minimum Standards for Commercial Aeronautical Activities

Motion by Morgan for approval of the Minimum Standards for Commercial Aeronautical Activities and authorization for the President and CEO to execute Agreements with commercial aeronautical service providers following the process prescribed within the Minimum Standards; Second by Hall-Roberts

ADOPTED BY UNANIMOUS VOTE

3. Law and Personnel Committee – Polanco-Galdamez reported Board members met during the Committee work session on November 16, 2023, and discussed the following:

- a. Consideration of Appointments to RDU Fire-Rescue Firefighters' Relief Fund Board

Polanco-Galdamez expressed appreciation to Chief Stanley for his work as Fire Chief and for his commitment to the firefighters. She asked if anyone else was interested in being considered for the two open seats on the Relief Fund Board and hearing none, she nominated Ron Kapocius, the Authority's CFO, and Authority Board member David Morgan.

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Motion by Thompson for approval of the appointments of David Morgan and Ron Kapocius to the RDU Fire-Rescue Firefighters' Relief Fund Board, to serve at the pleasure of the Authority Board; Second by Hall-Roberts

ADOPTED BY UNANIMOUS VOTE

4. Finance Committee – Chair Hannah reported Board members met during the Committee work session on November 16, 2023, and discussed the following:

- a. FY23-24 Q2 TYD Finance Performance Update

Presentation to Board in committee work session for informative purposes only. No Board action requested.

V. NEW BUSINESS

1. Consent Agenda

- a. Consideration of Grove Bay Crawford JV, LLC Terminal Support Space Lease Agreement
- b. Consideration of MERA RD2, LLC Terminal Support Space Lease Agreement
- c. Consideration of Capital Project Ordinance Amendment #5
- d. Consideration to Replace Thirty (30) License Plate Reader (LPR) Cameras with SKIDATA, Inc.⁴

Motion by Thompson to approve and adopt the Consent Agenda items a.-d.; Second by Morgan

ADOPTED BY UNANIMOUS VOTE

VI. GENERAL COUNSEL'S REPORT

No items were reported.

VII. MEMBER COMMENTS

New hires were welcomed, and Christopher Rosette was congratulated on his promotion. Appreciation and gratitude were expressed to Hannah for his leadership as Board Chair, and for his continued service on the Board. Hannah expressed his thanks for the recognition and named and thanked previous Board Chairs for their guidance and leadership. RDU personnel were thanked for their continued service, especially during the busy holiday travel season. Thompson noted the recent settlement reached regarding Wake Stone's Triangle Quarry mining permit, and

⁴ Item moved from Operations Committee to Consent Agenda

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the potential for use of local quarried stone for upcoming projects at RDU. Everyone was wished a great Thanksgiving.

VIII. PRESIDENT AND CEO'S REPORT

Welcome

Good afternoon Board members, Team RDU, business partners, and guests who are joining us today.

Passenger Traffic

RDU continues to observe a record pace of passenger traffic. 1,366,603 travelers flew into or out of RDU in October. That is 19.5% higher than October 2022, and 7.1% higher than October 2019. We continue to see a highly diverse airline market share:

- Delta led all airlines, with 27.4%;
- then American, with 26.6%;
- then Southwest, with 14.2%; and,
- finally, United, with 12.3%.

Air Service

RDU continues to attract new airlines and international destinations, with Aeroméxico as the latest entry into the Raleigh-Durham market. Aeroméxico will begin nonstop daily service to Mexico City in July, becoming RDU's 17th airline and the first to serve Mexico's capital city. We are excited to welcome them to North Carolina and provide travelers with direct access to Mexico City and an extensive network of flights through Aeroméxico and its partner airline, Delta. The Aeroméxico service launches July 1, and will fly out of Terminal 2 on a two-cabin, 99-seat Embraer E-190. We look forward to finally connecting the region's Hispanic community and travel enthusiasts alike nonstop to Mexico City, one of our most in-demand previously unserved destinations.

Mexico City is not the only new international destination on its way to RDU. Lufthansa announced in September it would begin direct flights to Frankfurt, Germany in June. When Aeroméxico and Lufthansa arrive next summer, they will bring RDU's number of international flag carriers to six. Five of those will have launched in just the past couple years — a remarkable accomplishment for our international community.

We welcomed another new international airline to the Triangle region in October when the inaugural Air France flight from Paris arrived at RDU. We are also looking forward to welcoming a new nonstop flight from Breeze Airways, when the airline's inaugural service to Fort Myers, Fla. launches tomorrow.

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Travel Tips

RDU expects a busy Thanksgiving weekend as travelers visit family and friends or welcome them to the Triangle for the long weekend. A few simple tips can make your holiday travel more convenient:

- Travelers can book parking at parkrdu.com for guaranteed entry into the deck or lot of their choice. Reservations must be made at least 24 hours in advance.
- For the first time since 2019, all RDU parking facilities will be open. ParkRDU Express reopened in October, adding 1,000 more parking spaces on campus.
- The convenient trunk-to-terminal service offers airport guests assistance with their luggage and a direct shuttle to the terminals. The Express lot is located on International Drive near Park Economy 4.
- Increased passenger traffic makes it even more important for travelers to allow plenty of time to park, check in and go through security. We recommend arriving at least two hours early for domestic flights and three hours in advance for international flights.
- If you're picking someone up from the airport, use our free Cell Lot to make curbside pickup a breeze. That's the parking lot for this building.
- You can wait here for a call or text letting you know your loved one has arrived. Be sure to give them 30 minutes after their arrival time to pick up their bags and meet you on the curb. In order to ease congestion on the curb, travelers at Terminal 2 can be picked up at either departures or arrivals.
- Guests will see some favorite annual traditions during the holidays, including live music. We're looking forward to being part of our guests' holiday season as they welcome loved ones to the Triangle or visit family and friends.

Sheetz Reopens

The new Sheetz convenience store and gas station at Aviation Parkway and National Guard Drive will reopen tomorrow - Friday, November 17 at 9 a.m. The Sheetz closed in January to allow the store to be demolished and rebuilt. Sheetz now has enhanced kitchen facilities, expanded indoor and outdoor seating and a food and beverage drive-through. It also has more pump stations for fuel, making it a convenient place to gas up and get a snack on the airport campus.

Federal Runway Funding

I want to conclude my remarks with a sincere thank you to one of our community partners for sending a letter to USDOT and FAA leadership in Washington, D.C. Earlier this month, The Umstead Coalition sent a letter to Secretary Buttigieg and FAA officials to request that RDU receive a Letter of Intent for a federal grant to help pay for RDU's replacement runway. Securing our fair share of federal funding for the airport's most important capital project is our top priority, and we truly appreciate the coalition vocalizing its support of that effort.

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IX. ADJOURNMENT

Motion by Morgan to adjourn; Second by Hall-Roberts

ADOPTED BY UNANIMOUS VOTE

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RALEIGH-DURHAM AIRPORT AUTHORITY ACTIONS BY CONSENT NOVEMBER 16, 2023

The Board approved the following items on the Consent Agenda:

a) Consideration of Grove Bay Crawford JV, LLC Terminal Support Space Lease Agreement

Memorandum by Kimberly Stewart, Vice President of Concessions – Staff requests consideration of Terminal Support Space Lease Agreement between the Authority and Grove Bay Crawford JV, LLC (“Grove Bay”). Grove Bay will manage and operate five (5) new concepts under their Airport Food and Beverage Program Operator Agreement, executed on June 24, 2023.

Support Space Room 1145A comprised of 180.57 square feet provides storage space to support the temporary Cantina unit. The annual rental to the Authority is \$9,624.38.

The Terminal Support Space Lease Agreement will continue on a month-to-month basis and run concurrent with the Airport Food and Beverage Program Operator Agreement which carries a 10-year term. The support space supports Cantina as a temporary until but will transition to support for the permanent, long-term unit, Adios which is anticipated to open late 2024.

Staff requests approval of the Terminal Support Space Lease Agreement with Grove Bay Crawford JV, LLC and authorization for the President and CEO to execute the agreement.

b) Consideration of MERA RD2, LLC Terminal Support Space Lease Agreement

Memorandum by Kimberly Stewart, Vice President of Concessions – MERA RD2, LLC (MERA RD2) entered into an Airport Food and Beverage Program Operator Agreement on May 30, 2023. MERA RD2 will manage and operate five (5) new concepts in Terminal 1 and Terminal 2.

Staff requests consideration of Terminal Support Space Lease Agreement to lease storage space in Terminal 2, Room 1250C, representing 192.93 s.f. to support the temporary Lonerider unit and will support the future permanent Lonerider concept.

The Terminal Support Space Lease Agreement requires MERA RD2 to pay the Authority annual rent of \$10,283.17 with monthly installments of \$856.93 for the support space. Fixed rents are subject to annual adjustment based on the rental rates established by the operating budget.

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The Terminal Support Space Lease Agreement runs concurrently with MERA RD2, Airport Food and Beverage Program Operator Agreement which carries a 10-year term.

Staff requests approval of the Terminal Support Space Lease Agreement with MERA RD2, LLC and authorization for the President and CEO to execute the agreement.

c) Consideration of Capital Project Ordinance Amendment #5

Memorandum by Sharyar Ahmed, Director of Financial Planning & Analysis – This item is to provide a staff recommendation to approve the Capital Project Ordinance Amendment #5 increase of \$1,914,000 for the following existing project:

- Capital Project 441000 “Fuel Farm Facility Improvement Plan” was created with an overall budget of \$9,186,000. The purpose of the project is to improve the Fuel Facility which includes building, site, and fuel storage/hydrant pumping system and glycol storage/dispensing system improvements. The Authority finally received the construction bids which has put the project cost over budget. The estimated cost of construction, construction administration services, and inspection services is \$11,100,000, which includes a 10% contingency. The Authority requires additional funding of \$1,914,000. The new project total will be \$11,100,000.

Staff anticipates no additional cash spend is needed at the time for the 2023-2024 Budget Ordinance for these capital projects.

Staff requests approval of Amendment #5 to increase the Capital Project Ordinance by \$1,914,000.

[Amendment #5 to Capital Project Ordinance appears on following pages]

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RALEIGH-DURHAM AIRPORT AUTHORITY
2023-2024 CAPITAL PROJECT ORDINANCE AMENDMENT #5

BE IT ORDAINED by the Raleigh-Durham Airport Authority, that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following capital project ordinance is hereby adopted:

Section 1. The following amount is appropriated for the projects:

\$ 727,769,881

Section 2. The following funds are anticipated to be available for the projects; total project amount will be funded through net revenues or appropriate financing:

Transfer Cash from Operating \$ 686,726,201

Total Grant Funds \$ 41,043,680

Section 3. The projects authorized are as follows and funded by Raleigh-Durham Airport Authority funds on hand in operations:

New 23/24 Projects		Original ¹	Change ¹ 05/18/2023	Change ² 6/15/2023	Change ³ 7/20/2023	Change ⁴ 10/19/2023	Change ⁵ 11/16/2023	Amended
211230	Runway 5R-23L Pavement Repairs	\$ 5,100,000						\$ 5,100,000
331070	Terminal 2 Concessions Development Program Phase 2	4,500,000	18,252,000					\$ 22,752,000
677003	T1 Expansion Program - Planning Strategy and PDD	1,600,000		2,200,000				\$ 3,800,000
331060	PC Air Units Replacement for T1 & T2	3,100,000						\$ 3,100,000
881450	Rental Car Road, Trade Drive & Admin Parking Lot Rehabilitation	500,000						\$ 500,000
331071	CBP Biometrics	750,000						\$ 750,000
454001	(AOC) Air Cooled Chiller Replacement	250,000						\$ 250,000
321004	Building Management System upgrade	500,000						\$ 500,000
341001	CEP Boiler Burner and Expansion Tank Replacement	200,000						\$ 200,000
331080	T2 Landside Bathroom Refresh	-	250,000					\$ 250,000
621030	Parking garage Replacement and Ground Transportation Center					10,000,000		\$ 10,000,000
		\$ 16,500,000	\$ 18,502,000	\$ 2,200,000	\$ -	\$ 10,000,000	\$ -	\$ 47,202,000
Amended Projects		Original ¹	Change ¹ 05/18/2023	Change ² 6/15/2023	Change ³ 7/20/2023	Change ⁴ 10/19/2023	Change ⁵ 11/16/2023	Amended
211140	Enhanced Security Perimeter Gates (TSA)	\$ 3,800,000						\$ 3,800,000
211170	North Cargo Apron Reconstruction	39,000,000						\$ 39,000,000
211200	Taxiway E Rehabilitation - Design	15,000,000						\$ 15,000,000
321001	Modular Unit Furniture building	850,000						\$ 850,000
321002	AOC 1st/4th Floor Work	200,000						\$ 200,000
321003	Terminal 2 Conference Room	300,000						\$ 300,000
331000	T2 Landside Expansion Program - preliminary design	25,000,000				15,000,000		\$ 40,000,000
489000	New Vehicles and Equipment - FY24	11,057,881						\$ 11,057,881
		\$ 95,207,881	\$ -	\$ -	\$ -	\$ 15,000,000	\$ -	\$ 110,207,881

(continued)

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Ongoing Projects		Original ¹	Change ¹ 05/18/2023	Change ² 6/15/2023	Change ³ 7/20/2023	Change ⁴ 10/19/2023	Change ⁵ 11/16/2023	Amended
080879	Runway 5L/23R and Taxiway B Replacement Program	\$ 372,300,000						372,300,000
211220	Runway 5L/23R & Taxiway B Preservation Program	15,000,000						15,000,000
211110	West RON Apron Rehabilitation	38,000,000						38,000,000
211120	Taxiway B Rehabilitation (North of TW D)	36,000,000						36,000,000
331030	Terminal 2 Concessions Development Program Phase 1	5,900,000	3,600,000					9,500,000
331040	T2 Bathroom Refresh and Pet Relief Area - Planning	175,000						175,000
331050	Ramp Information Display System - Planning	4,600,000						4,600,000
321010	T1 Generator Replacement	345,000						345,000
321000	Terminal 1 Flooring Replacement	1,000,000						1,000,000
321020	T1 Chiller Replacement	515,000						515,000
080799	Expanded Park Economy 3	44,000,000						44,000,000
621020	Parking Guidance System	7,000,000						7,000,000
621040	Parking Garage Rehabilitation - Phase 3	4,000,000						4,000,000
881430	Aviation Parkway/National Guard Drive Interchange - Planning	2,300,000						2,300,000
881440	John Brantley Blvd Extension (CONRAC)	2,500,000				7,500,000		10,000,000
881260	Maintenance Facility HVAC Replacement	525,000						525,000
881180	Consolidated Trash Facility Concrete Dumpster Slabs	300,000						300,000
453000	Maintenance Building Parking Lot Rehabilitation	5,200,000						5,200,000
441000	Fuel Farm Facility Improvement Plan	9,186,000					1,914,000	11,100,000
881380	AOC 5th Floor Buildout	3,000,000						3,000,000
456000	New AOC/EOC/ARFF	500,000			500,000			1,000,000
381000	GA Area Pavement Rehabilitation	4,500,000						4,500,000
		\$ 556,846,000	\$ 3,600,000	\$ -	\$ 500,000	\$ 7,500,000	\$ 1,914,000	\$ 570,360,000
		\$ 668,553,881	\$ 22,102,000	\$ 2,200,000	\$ 500,000	\$ 32,500,000	\$ 1,914,000	\$ 727,769,881

Section 4. This Capital Project Ordinance includes all amended, new and ongoing projects and replaces all previous capital project ordinances.

Section 5. Subject to approval and acceptance of bids by the Raleigh-Durham Airport Authority, the appropriate officers of the Raleigh-Durham Airport Authority are hereby authorized and empowered to enter into contracts and to carry out the necessary work for the completion of the above listed projects within the funds appropriated herein.

Section 6. The Finance Officer is hereby directed to report quarterly on the financial status of the aforesaid projects. The Finance Officer shall also keep the Authority informed at each regular meeting of any unusual occurrences.

This Capital Project Ordinance shall be entered in the minutes of the Raleigh-Durham Airport Authority and within five (5) days after its adoption, copies shall be filed with the Finance Officer, The Budget Officer and the Secretary of the Raleigh-Durham Airport Authority, who, for the purposes of this ordinance, is designated as the Clerk to the Raleigh-Durham Airport Authority as described in G.S. 159-13.2.

Amended this 16 day of November 2023

Notes:

¹ Original- budget ordinance adopted March 16, 2023

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- d) Consideration to Replace Thirty (30) License Plate Reader (LPR) Cameras with SKIDATA, Inc.¹
Memorandum by Jeffrey A. Slayton, PMP, Director of Parking Operations – The current INEX IZA300 License Plate Recognition (LPR) cameras were originally installed with the Parking and Revenue Control System (PRCS) in 2016 and can no longer be upgraded to meet the Authority’s IT security standards without removing vital capabilities. Over the past year, Parking has replaced two (2) of the original cameras due to component failures and the inability to affect repairs due to the age of the cameras.

Parking and RDU-IT security have collaborated and determined that the appropriate course of action is to replace the cameras allowing them to be compliant with RDU security standards as required without removing capabilities and functionality.

Staff recommends replacing thirty (30) INEX IZA300 LPR cameras with INEX IZA500G LPR cameras in the following locations:

- Main Entry Plaza – Nine (9) cameras
- Main Exit Plaza – Thirteen (13) cameras
- Express Entry/Exit – Four (4) cameras
- Economy 4 Entry/Exit – Four (4) cameras

Funds for this project are included in Parking’s FY23/24 operating budget.

Staff requests that the Authority approve the purchase and installation of thirty (30) license plate recognition cameras with SKIDATA, Inc. for a total of \$194,884. Staff requests authorization for the President and CEO to execute the purchase agreement.

¹ Item moved from Operations Committee Work Session Agenda to Consent Agenda

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RALEIGH- DURHAM AIRPORT AUTHORITY LAND AND DEVELOPMENT COMMITTEE WORK SESSION MINUTES NOVEMBER 16, 2023

Thompson presided. Present: Hall-Roberts, Hankins, Hannah, Kushner, Morgan, Polanco-Galdamez and Szlosberg-Landis.¹ Staff present included: President and CEO Landguth, Executive Vice President and CDO Sandifer, Executive Vice President and CISA McFall, Senior Vice President and CRO Freedman, Senior Vice President and COO Connell, Vice President and CHRO Armstrong, Vice President Feldman, SVP and General Counsel Locklear, Executive Assistant Rosales, and other staff members and guests.²

Motion by Morgan to enter into a closed session in order to consult with an attorney in order to preserve the attorney-client privilege between the attorney and the public body pursuant to NCGS §143-318.11(a)(3); Second by Hall-Roberts

ADOPTED BY UNANIMOUS VOTE

CLOSED SESSION

Closed session from 11:05 a.m. until 11:15 a.m.

The Committee discussed the following items:

1. Reimbursable Agreement with Duke Energy to Relocate Power Lines for Phase 1A (Permanent) and Phase 1A/1B (Temporary) in connection with the Runway 5L-23R and Taxiway B Replacement, RDU 080879

Presented by Jim Novak, Director Airside Engineering – Authority staff collaborated with Duke Energy (Duke) representatives to develop a plan to relocate certain electrical facilities prior to commencement of earth moving activities for the Runway 5L-23R Replacement project. Duke assets will be relocated in three primary phases including temporary relocation. The permanent relocation is called Phase 1A and will entail moving existing overhead permanent lines westward to a new utility corridor located outside the limits of disturbance for the relocated runway. There will be two follow-on permanent installations called Phases 2 and 3 that will occur at a later time which is dependent on the final sequencing of the runway construction. Phase 1A (Temporary) needs to be installed to maintain power to

¹ Chair Emeritus Hannah joined at 11:25 a.m. Kushner, Secretary Szlosberg-Landis, and Treasurer Polanco-Galdamez participated remotely via Teams.

² The meeting was live streamed at <https://youtube.com/live/w3c13xqWtJY?feature=share>.

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critical navigational aids along existing Runway 5L-23R. Phase 1B (Temporary) is needed to maintain power from the south electrical feeder.

This Agreement with Duke Energy includes design, material procurement, installation, and inspection for Permanent Phase 1A and Temporary Phases 1A/1B work activities. Installation primarily includes 7,500 feet of overhead power line, 37 poles, and 5,200 feet of underground conduit, cable, connections, and switchgear. Compensation to Duke for this work will be paid at cost based on initial estimates in the amount of \$1,974,293. Fifty percent of the contract amount will be paid in advance with the remaining balance paid at project completion.

Staff answered questions about aboveground versus underground placement of power lines, noting terrain considerations, including choice to avoid streams and minimize disturbance to environment, Duke's need for access to the lines, and that for clear approaches, the lines had to be underground at the runway ends. Board members expressed preference for underground utilities as much as possible and, for future installations, information as to the cost differential for underground versus aboveground utilities.

Staff requests approval of a Reimbursable Agreement with Duke Energy to relocate power lines for Phase 1A (Permanent) and Phase 1A & Phase 1B (Temporary) in the amount of \$1,974,293, for the Replacement Runway 5L-23R, RDU Project 080879; and Authorization for the President and CEO to execute the Agreement.

2. Consideration of a Reimbursable Agreement with the Federal Aviation Administration for Equipment and Related Services Necessary for the Replacement of Runway 5L-23R, Capital Project 080879

Presented by Ronald Jewett, Vice President Facilities Asset Management – With the Environmental Assessment complete and the runway design above the 60% design level, staff members are prepared to engage the FAA for services and procurement of select navigational aid equipment required for the new runway.

This proposed Reimbursable Agreement will authorize the FAA to perform the following:

Procurement of select equipment (RW 23R DME, ILS, ALSPF-2, Generator)

Provision of reference drawings for existing and new equipment

Provision of design standards

Participation in design meetings and related consulting

Reviews of the Design Engineers' work product

Coordination with local FAA staff regarding existing equipment and the delivery of new

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Assistance with sequencing construction to minimize equipment downtime
Assistance with scheduling in terms of equipment procurement, installation, and testing
Assistance with installation certification

The proposed Agreement cost to the Authority is \$5,473,419.18. The FAA requires payment upon execution of the agreement with expenses reported quarterly to the Authority as work progresses. The cost of the Agreement is covered in Capital Project 080879. The term of the Agreement is up to 5 years, beginning upon Agreement execution. It is expected this Agreement will be amended at a later date to include the FAA's Construction Phase services.

There was discussion regarding the potential impact to air traffic due to equipment installation. Staff answered questions on equipment covered by this agreement with the FAA and other navigational equipment that would be procured separately by the Authority. Bill Sandifer answered questions about runway approach clearances and visibility requirements. He noted that upcoming projects are detailed in the monthly report sent to Board members.

Staff requests approval of the FAA's Reimbursable Agreement in the amount of \$5,473,419.18 and authorization for the President & CEO to execute the Agreement.

3. Contract with Kear Civil Corporation for Fuel Facility Improvements, Project ID 441000

Presented by John Connell, Senior Vice President and Chief Operating Officer and Alex Romel, Fuel Systems Manager – The purpose of this memorandum is to provide a staff recommendation on the award of a construction contract to Kear Civil Corp for the Fuel Facility Improvements project.

The purpose of this project is to complete the construction of the recommendations identified in the assessment report and subsequent design documents provided by Pond & Company. This included improvements and updates to the following systems/locations: RDU Fuel Facility, Glycol Facility, T2 Hydrant System, T1 Truck Load Racks, Maintenance Fleet Fuel Facility, and the associated Cathodic Protection system.

This project was advertised for bid on August 1, 2023. A pre-bid meeting, Minority and Woman-owned Small Business Enterprise (MWSB) workshop, and site visit was conducted on August 15, 2023. The first bid opening was scheduled on September 19, 2023. Only two bids were received, so the closed bids were returned, and the project was readvertised for a second bid opening on September 28, 2023. Again, only two contractors submitted a bid at

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the second opening on September 28, 2023, at which time the bids were opened and publicly read.

The apparent low bidder was found to be non-responsive because the bidder did not provide a Bid Security as required by N.C. General Statute. There were also other irregularities with their bid. The next lowest and only remaining bid received from Kear Civil Corp, in the amount of \$10,989,175. This was over the overall programmed capital budget amount of \$9,186,000, so the remaining bid was over budget.

Having only one interested responsible and responsive contractor, staff began negotiations with the successful bidder on October 17, 2023, to evaluate options to lower the cost of work. The successful bidder submitted a cost reduction Negotiation Summary and Revised Bid Proposal on October 27, 2023 that included the following: 1) revised contract time, 2) potential scope deletion items, and 3) additional value engineering items. The Authority reviewed the selected options and made other scope adjustments on October 30, 2023. The successful bidder confirmed a revised proposal of \$9,373,940.88.

This \$9,373,940.88 still exceeds the overall project budget but a detailed cost analysis conducted supports the appropriateness of this pricing. Additionally, staff does not recommend removing any additional scope due to the critical nature of this work and need to ensure long-term reliability and performance of these systems to support daily airline flight operations.

The Minority and Woman-owned Small Business (MWSB) Goals for this project was set at 6% Minority owned Businesses (MB) and 6% Women-owned Business (WB). Within the current negotiated price, the contractor proposes MWSB participation in the amount of 0.5 % MB and 0.2% WB. Due to the specialized nature of this work and the work being largely self-performed, there was limited opportunity for MWSB participation. The Authority's Director of Small Business Programs concurs with this commitment.

Funds for the project in the amount of \$9,186,000 are in the Capital Budget but are insufficient to cover the anticipated full expenditures for the project. Therefore, staff has coordinated with Finance to reflect in a proposed budget Ordinance Amendment to cover the construction, construction administration, inspection services and contingency necessary to complete the project.

Subject to approval of the associated Capital Project Ordinance Amendment, staff recommends award of a construction contract to Kear Civil Corp in the amount of

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\$9,373,940.88 for the Fuel Facility Improvements and authorization for the President and CEO to execute the contract.

4. Task Order 3 for Construction Administration Services with Pond & Company for Fuel Facility Improvements, Project ID 441000

Presented by John Connell, Senior Vice President and Chief Operating Officer – The purpose of this memorandum is to provide a staff recommendation on the award of Task Order 3 for Construction Administration with Pond & Company for the Fuel Facility Improvements.

The purpose of this project is to execute on the construction of the recommendations identified in the assessment report and subsequent design provided by Pond & Company. This included improvements and updates to the following systems/locations: Fuel Facility, Glycol Facility, T2 Hydrant System, T1 Truck Load Racks, Maintenance Fleet Fuel Facility, and associated Cathodic Protection systems.

The scope of services of this Task Order includes: Pre-construction Conference, Construction Meetings, Periodic Construction Site Visits, Testing and Inspections, Shop Drawing/Submittal Review, Clarifications/RFI Review, Change Order Review, Contractor Pay Request Review, Substantial/Final Completion Inspections and Punch List, and completion of Record Drawings.

The labor compensation under this Agreement is \$210,480 based on hourly rates outlined in the Master Services Agreement. The compensation for subcontracted Testing and Inspections is \$20,000. The estimated reimbursable expense (actual costs) is \$36,536, for a total maximum not-to-exceed cost of \$247,016.

The overall Minority and Woman-owned Small Business (MWSB) Goals for the existing Master Services Agreement are 1.17% Minority-owned Businesses (MB) and 3.54% Women-owned Businesses (WB). Total commitments for this proposed Task Order 3 are 8.1% MB and 0% WB. The Authority's Director of Small Business Programs concurs with this commitment. Thianè Carter, Director of Small Business Programs, answered questions regarding determination of a project's scope of work, the setting of MWSB goals, and searches conducted for available MB and WB firms.

Subject to approval of the Capital Project Ordinance Amendment, staff requests approval of Task Order 3 for Construction Administration Services with Pond & Company at a cost of \$247,016 and authorization for the President and CEO to execute the agreement.

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RALEIGH- DURHAM AIRPORT AUTHORITY LAW AND PERSONNEL COMMITTEE WORK SESSION MINUTES NOVEMBER 16, 2023

Polanco-Galdamez presided. Present: Hall-Roberts, Hankins, Hannah, Kushner, Morgan, Szlosberg-Landis, and Thompson.¹ Staff present included: President and CEO Landguth, Executive Vice President and CDO Sandifer, Executive Vice President and CISA McFall, Senior Vice President and CRO Freedman, Senior Vice President and COO Connell, Vice President and CHRO Armstrong, Vice President Feldman, SVP and General Counsel Locklear, Executive Assistant Rosales, and other staff members and guests.²

The Committee discussed the following item:

1. Consideration of Appointments to RDU Fire-Rescue Firefighters' Relief Fund Board

Presented by Russell Stanley, A.M.F., Fire Chief – Staff is requesting the Authority Board of Directors appoint two members to the RDU Fire-Rescue Firefighters' Relief Fund Board. This board oversees the funds allocated by the NC Insurance Commissioner

The Firefighters' Relief Fund (FRF) was established in 1907 to financially assist firefighters that are injured while performing their duties, and to ensure that no firefighter would become financially destitute through no fault of their own. The fund is distributed by the Commissioner of Insurance to local firefighter relief funds (LFRF) annually. The amount each department receives is based upon several calculations.

The Local Relief Fund Board (LFRB) consists of five members (GS 58-84-30): two members serving at the pleasure of the fire department elected by the membership who are qualified as beneficiaries of the fund; two of whom shall be elected or appointed by the Mayor, Board of Alderman, or City Council if it is a municipal department, or other local governing body to serve at their pleasure, or, if it is a non-municipal department, two appointed by the County Commissioners to serve at their pleasure; and one appointed by the Commissioner of Insurance. If the local fire chief is not one of the members appointed, they shall serve as ex-officio members of the local Board.

The LFRB board usually meets sometime in November each year to discuss conduct board business but may need to meet at various other times as the need arises. At this time, RDU's

¹ Kushner, Secretary Szlosberg-Landis, and Treasurer Polanco-Galdamez participated remotely via Teams.

² The meeting was live streamed at <https://youtube.com/live/w3c13xqWtJY?feature=share>.

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LRFB has 2 vacancies that need to be filled. The two vacancies in question shall be elected or appointed by the Mayor, Board of Alderman, or City Council if it is a municipal department, or other local governing body to serve at their pleasure, or, if it is a non-municipal department, two appointed by the County Commissioners to serve at their pleasure.

Chief Stanley answered questions regarding the upcoming deadline for appointments to fill the two vacancies, and the meeting schedule of the Authority's LRFB. Chair Hankins noted Robb Teer's and Patrick Hannah's service on the LRFB, and that these two seats are now ready for new appointments by the Authority Board. He offered that Ron Kapocius, the Authority's CFO, would be of benefit to the LRFB with his financial background and Michael Landguth relayed Mr. Kapocius' willingness to serve. Board members discussed the challenges faced by firefighters and the potential long-term impact job-related injuries or illnesses can have. Chief Stanley answered questions regarding annual Local Relief Fund appropriations and the allocation of funds in accordance with the program's strict guidelines. The Board discussed the composition of the LRFB and considered the possibility of an interested citizen being appointed. Recognizing the need to fill the vacancies, the Board determined that nominations would be made and voted on in the Board meeting.

Staff requests the Authority Board appoint two individuals to the RDU Fire-Rescue Firefighters' Relief Fund Board.

Raleigh-Durham Airport Authority Board Members

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RALEIGH- DURHAM AIRPORT AUTHORITY FINANCE COMMITTEE WORK SESSION MINUTES NOVEMBER 16, 2023

Hannah presided. Present: Hall-Roberts, Hankins, Kushner, Morgan, Polanco-Galdamez, Szlosberg-Landis, and Thompson.¹ Staff present included: President and CEO Landguth, Executive Vice President and CDO Sandifer, Executive Vice President and CISA McFall, Senior Vice President and CRO Freedman, Senior Vice President and COO Connell, Vice President and CHRO Armstrong, Vice President Feldman, SVP and General Counsel Locklear, Executive Assistant Rosales, and other staff members and guests.²

The Committee discussed the following item:

1. FY23-24 Q2 TYD Finance Performance Update

Presented by Sharyar Ahmed, Director of Financial Planning and Analysis – Sharyar Ahmed gave an update on the FY23-24 Quarter 2 year-to-date financial performance. He displayed historical enplanement numbers and the FY2024 projection of 7.3M enplanements. Mr. Ahmed detailed the FY23-24 operating results, explaining the actual vs. the budgeted numbers, and detailing the variances for both the revenue and expense budgets. He went over the capital projects annual budget and the year-to-date spend for the major projects.

Presentation for informative purposes only. No Board action requested.

¹ Kushner, Secretary Szlosberg-Landis, and Treasurer Polanco-Galdamez participated remotely via Teams.

² The meeting was live streamed at <https://youtube.com/live/w3c13xqWtJY?feature=share>.

Raleigh-Durham Airport Authority Board Members

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RALEIGH- DURHAM AIRPORT AUTHORITY OPERATIONS COMMITTEE WORK SESSION MINUTES¹ NOVEMBER 16, 2023

Morgan presided. Present: Hall-Roberts, Hankins, Hannah, Kushner, Morgan, Polanco-Galdamez, Szlosberg-Landis and Thompson.² Staff present included: President and CEO Landguth, Executive Vice President and CDO Sandifer, Executive Vice President and CISA McFall, Senior Vice President and CRO Freedman, Senior Vice President and COO Connell, Vice President and CHRO Armstrong, Vice President Feldman, SVP and General Counsel Locklear, Executive Assistant Rosales, and other staff members and guests.³

The Committee discussed the following item:

1. Consideration of Minimum Standards for Commercial Aeronautical Activities

Presented by Tyler Maheu, C.M., Sr. Director of Commercial Management and Bryan Elliott, Vice President of Ricondo – Raleigh-Durham International Airport is a public-use aviation facility serving a wide range of aeronautical uses. As a recipient of federal grant funds, the Airport is required to meet certain federal obligations, including treating aeronautical users without unjust discrimination, and operating in as financially self-sufficient manner as possible.

The Airport is home to a variety of commercial aeronautical service providers, including fixed base operators, aircraft cleaners, and aircraft mechanics. Under the Ordinances of the Raleigh-Durham Airport Authority, entities wishing to perform commercial services on Airport are required to enter an agreement with the Authority. Historically, the Authority has considered requests from entities wishing to perform commercial aeronautical services on a case-by-case basis. To provide a more consistent standard of evaluation and process, staff recommends implementing Minimum Standards for Commercial Aeronautical Activities. Minimum Standards are used effectively at airports across the country under the guidance of FAA Advisory Circular 150/5190-7.

By implementing these Minimum Standards for Commercial Aeronautical Activities, the Authority will provide a comprehensive, standardized, consistent process and set of

¹ Work sessions were reordered, and the Operations Committee moved to last to accommodate a proposed closed session, which did not occur.

² Kushner and Treasurer Polanco-Galdamez participated remotely via Teams, along with Secretary Szlosberg-Landis who ended her participation at 1:10 pm.

³ The meeting was live streamed at <https://youtube.com/live/w3c13xqWtJY?feature=share>.

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requirements for commercial aeronautical service providers to apply for, and be granted, the privilege to conduct business at RDU.

The Minimum Standards apply to aircraft charter, aircraft management, pilot training, aircraft rental, sightseeing flights, aerial photography, agricultural applications, aerial advertising, air ambulance services, surveying, aircraft sales and transactional services, sale of aircraft fuel, repair and maintenance of aircraft, sale of aircraft parts, and other aeronautical users.

Under the Minimum Standards, entities wishing to provide aeronautical services at RDU will be required to submit an application, which includes information about the entity and the services they wish to perform, and to provide proof of insurance. Entities approved to provide services will be granted the right to do so under an agreement with the Authority to be approved by the President and CEO. The terms of the agreements will be either one year or co-terminus with an accompanying lease agreement (for example, a company with a ten-year ground or facility lease would be granted an Agreement to provide commercial aeronautical services with a term of ten years). Commercial aeronautical service providers will be required to pay a fee of one percent (1%) of gross sales per year, which may be adjusted at the sole discretion of the Authority as part of the annual Rates & Charges budgetary process. If approved, the Minimum Standards will become effective on April 1, 2024.

Bryan Elliott gave an overview of Airport Minimum Standards, explaining the basis and need for minimum threshold requirements for aeronautical service providers at RDU. He went over the Authority's historical process and documents with such service providers and, at a high level, explained the requirements set out in the draft standards. Mr. Elliott explained the timeline for the standards, and the various reviews conducted by staff, the FAA, and stakeholders. He summarized the feedback themes received from the airport community on these draft standards. Mr. Elliott went over how the fees for commercial operators may be set or amended annually by the Board during the rates and charges process.

James Witherspoon, Vice President of Risk Management, Safety and Insurance and his team were recognized for their extensive review of the insurance requirements for the standards. Staff answered questions regarding insurance requirements based on the types of businesses of the various service providers, with limits based on industry standards.

Chair Hankins thanked staff and consultants for their work during this process and for the quality of the final recommended standards. The Chair noted that standards are important to protect the Authority and airport against liability, as well as for protection of the users of the

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services, and that the process promotes competition while being fair and reasonable for qualified service providers.

Staff requests approval of the Minimum Standards for Commercial Aeronautical Activities and authorization for the President and CEO to execute Agreements with commercial aeronautical service providers following the process prescribed within the Minimum Standards.

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