

**LOUISVILLE REGIONAL AIRPORT AUTHORITY
SPECIAL BOARD MEETING
JANUARY 20, 2021**

A special meeting of the Board of the Louisville Regional Airport Authority was held on January 20, 2021. Chairman Dale Boden convened the meeting at 3:00 p.m. via Zoom video conferencing software.

Board members present on the videoconference were: Mr. Cleo Battle, Mr. Dale Boden, Ms. Toni Clem, Ms. Mary Rose Evans, Mayor Greg Fischer, Ms. Nikki R. Lanier, Mr. Pat MacDonald, Ms. Lesa Seibert, and Mr. Jim Welch. Not in attendance: Mr. Mitchel Denham and Mr. John A. Moore. Mr. Tom Halbleib attended as counsel to the Board.

Staff Members present on the video conference were: Ms. Brenda Allen, Ms. Pat Apone, Mr. Josh Ball, Ms. Natalie Chaudoin, Ms. Dodie Caulk, Mr. Dwight Clayton, Mr. Bill DeGraw, Mr. Anthony Gilmer, Ms. Noel Jolly, Mr. Dan Mann, Mr. Curtis Monroe, Mr. Jeff Nall, Mr. Cameron Sidor, Mr. Brian Sinnwell, Ms. Megan Thoben, Mr. Adam Thomas, and Mr. Darrell Watson.

Also present on the video conference were: unidentified persons calling from phone numbers 502-472-6002 and 859-979-2412; persons identified with the screen names Justin and KMayle; Mr. Joe Allen, Ms. Kristie VanAuken, Ms. Sarah Barker, Mr. Bobby Campbell, Mr. Phil Clark, Mr. Cody Crawford, Mr. Patrick Dominik, Ms. Rebecca Fleischaker, Mr. Kevin Fuhr, Mr. Todd Huss, Mr. Dave Mayer, Mr. Joe Mudd, Mr. Bruse Payton, Mr. Robert Rush, Mr. Todd Tabor, Ms. Julie Taylor, and Mr. Ben Tobin.

CONSIDERATION OF MINUTES

The minutes of the special Board meeting held October 21, 2020 were reviewed and, upon motion duly made and seconded, unanimously approved. Mr. Cleo Battle and Ms. Nikki R. Lanier were not present for the approval of the minutes.

FINANCE REPORT

Mr. Mann presented the finance report. Enplanements are down about 60% but revenue exceeds budget by 3% and expenses are down 11% from the budget. Cargo operations are sustaining the Authority, and 2020 was the best cargo year on record. The Authority began the year with \$148 million in cash and ended 2020 with \$118 million in cash. During 2020, the Authority completed \$91 million in capital improvement utilizing 42 different contractors and over 500 employees, helping sustain employment in our community during the pandemic. For context, the Authority's average capital improvement expenditures over the previous five years is \$21 million.

CONSTRUCTION REPORT

Mr. Brian Sinnwell gave the construction report. At Louisville Muhammad Ali International Airport, a project to replace concrete slabs on the west side of the airport was advertised for bid on January 17, 2021. Construction on a project to replace the airfield lighting control and monitoring system will begin next month.

A design/build project is underway to construct a storage facility that meets all environmental standards to hold 200 tons of solid deicing product, liquid deicing product and diesel fuel in a centrally located, easy to access area near the ARFF building. Design is 98% complete and the project will be advertised for bid in February.

Wehr Constructors is working on permit approvals to build a new 19,000 sf snow removal equipment storage building for the Authority's multi-function snow removal equipment. This facility will be constructed near the existing maintenance facility on Park Boulevard and will include room to store 12 units and a wash bay.

Design of a project to build a taxiway connecting the proposed northwest development area is complete and ready for bid. This taxiway will serve UPS and their future development and will interface with UPS's concrete apron.

A contract has been awarded to Foth for a project to replace taxiway lighting, cables, signs and associated airfield regulators on Taxiway E. This contract also includes a complete analysis of the airfield lighting system to identify priority projects necessary over the next 5 years.

A contract has been awarded to Buckeye Construction to repair leaking skylight panels in the terminal and work will be completed as weather permits.

For the Terminal renovation project, the two new moving walkways in the terminal connector are now installed. Work is underway to replace the first of six escalators in the terminal, and modernization of the main elevator near the information booth is complete. Work is underway to replace six passenger elevators in the parking garage and four elevators in the terminal. Work is also underway to replace 15 passenger boarding bridges over the next three years.

At Bowman Field, rehabilitation work on Runway 15-33 is complete and runway markings will be repainted in the Spring. At the Bowman Field Administration Building, a project to improve parking lot lighting is complete.

Design work is underway for a project to rehabilitate and repair the west T-Hangar buildings. These repairs will include replacement of door seals, and structural and roof repairs. Final design and review is underway for a project to replace the airfield electrical vault and install precision approach path indicator systems (PAPIs) on both runways. The project will be advertised for bid in February.

Design of a project to construct a new equipment storage facility at Bowman Field is complete and the project is ready to bid when funding is available. This project will provide covered, secure storage for snow removal equipment and other maintenance vehicles. The approximately 11,000 sf building will store at least 4 pieces of snow removal equipment and will include 3 additional truck bays. Currently equipment is stored outside, in T-Hangars and at other vacant spaces around Bowman Field.

Work has begun on the Bowman Field Preservation Program. This project will analyze Bowman Field and create a master plan for how the Authority can best utilize Bowman Field, determine areas

for future development and how the Authority can best use existing structures. This program will develop a comprehensive list of future projects needed to maintain the utility of the airport in the years ahead.

For the Airport Master Plan, the draft final report and Airport Layout Plan have been provided and staff are reviewing the documents. These documents will be presented to the Board prior to submission to the FAA in March or April 2021.

For the residential sound insulation program to insulate within the DNL 65 contour according to the 2021 Noise Exposure Map a contract for the Phase 1 work for 32 families has been awarded and work will begin in April or May.

For the University of Louisville – Noise Mitigation project, construction is complete for first group of 3 building on the University of Louisville Campus (Life Science, Paul B. Lutz Hall and Overseers Honors House). Work has begun on the second group of 3 buildings (Ernst Hall, Interfaith Center and Baptist Student Union).

AIR SERVICE REPORT

Mr. Anthony Gilmer gave the air service report. Mr. Gilmer provided the Board the TSA Passenger Throughput figures for March 2020 through January 2021. The upward day of week spikes outside the weekly trend have mostly been holiday travel. The downward day of week spikes outside the weekly trend have been related to COVID scares. Passengers are slowly, steadily returning to flying as traveler confidence increases and travelers learn how to fly more safely. Airlines are also learning to better adapt their networks to take passengers to the places they want to fly. On a per airline basis, capacity continues to be lower than the same period last year. Allegiant, whose traffic base is primarily leisure, is flying 95% of February 2020 seat capacity. Meanwhile, network carriers who rely on business travelers are operating in 40 to 60% of February 2020 capacity. Airlines like Frontier and Spirit, who fly leisure travel to non-traditional leisure markets, are also recovering more slowly. Mr. Gilmer looked at airline capacity by city. The cities that are gateways for travelers to the outdoors, fortress hubs or airlines that have strong service in a destination are the cities that have the highest percentage of their capacity back. The northeast and international gateways to Europe and Asia continue to lag in capacity recovery.

Mr. Gilmer advised the Board that SDF's traffic recovery continues to outpace the national average. For example, during the Christmas weeks SDF was up 9 points over the national average. SDF has maintained capacity or has grown capacity to the destinations travelers currently want to travel.

Mr. Gilmer informed the Board that Allegiant has announced nonstop service to Charleston, SC on May 28, 2021. This service was originally supposed to start in May 2020. Mr. Gilmer advised the Board that the Southwest service to Atlanta which began in November is performing well and has lowered our fares to Atlanta. The Southwest holiday peak flights to Ft. Meyers performed well and Southwest has announced daily, spring seasonal service to Ft. Meyers beginning March 11, 2021.

Mr. Gilmer advised the Board that the only two routes on our route map that we do not have return dates for are New York-La Guardia and Newark. The Authority has been advised that the Los Angeles route will not return.

CONSENT ITEMS (committee reviewed)

1. Approval Right of Entry Agreement for High Speed Cable — Seventh Amendment — Approval

The Authority and Insight Kentucky Partners II, L.P. (“Insight”) are parties to a Right of Entry Agreement dated March 3, 2010. Insight constructed, installed and maintains underground internet cable to service existing and future tenants of certain tenants at Bowman Field and Louisville Muhammad Ali International Airport. The Board previously approved the First Amendment which provided service to 2720 Gast Boulevard (Louisville Executive Aviation), the Second Amendment which provided service to 2900 Moran Avenue (Hangar 12), the Third Amendment which provided service to 2800 Moran Avenue (Hangar 5) and 1151 Standiford Lane (Atlantic Aviation), the Fourth Amendment which provided service to 3325 Roger E. Schupp Street (Hangar 34), the Fifth Amendment which provided service to 5101 Crittenden Dr. (Trans States Airlines) and the Sixth Amendment which provided service to 600 Terminal Drive (Louisville Muhammad Ali International Airport Terminal Building). Insight further requests to provide service to 1180 Standiford Court, which was not included in the Right of Entry Agreement or First, Second, Third, Fourth, Fifth or Sixth Amendments.

Mr. Mann recommended the Board approve the Seventh Amendment to the Right of Entry Agreement between the Louisville Regional Airport Authority and Insight Kentucky Partners II, L.P. which adjusts the right of entry areas specifically at Louisville Muhammad Ali International Airport as described above; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann’s recommendation.

2. Foth Task Order 19 — Louisville Muhammad Ali International Airport — Approval

On November 20, 2019, the Board approved the award of a Planning, Engineering & Architectural Professional Services contract with Foth for a three-year period with an option for an additional two-year term. Task Order 19 authorizes Foth to assess the condition of the airfield electrical infrastructure at Louisville Muhammad Ali International Airport. The Authority will utilize the assessment to program future repairs, rehabilitations, and replacements of the system components. Services provided will include project management and coordination, electrical infrastructure assessment, CAD updates, an electrical infrastructure report, and capital and maintenance program development. Task Order 19 will be performed for a lump sum fee of \$629,572 and funded under a current FAA grant.

Therefore, Mr. Mann recommended the Board approve Task Order 19 to the contract with Foth for a lump sum fee of \$629,572; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann’s recommendation.

3. HNTB Task Orders 17, 18, and 19 — Louisville Muhammad Ali International Airport — Approval

On January 16, 2019, the Board approved the award of a Supplemental Airfield Consultant Services contract with HNTB for a three-year period with an option for an additional two-year term. The contract requires Board approval for each Task Order. Task Orders 17 and 18 authorize HNTB to provide design services for the 2021-B and the 2021-C Airfield Pavement Rehabilitation projects, respectively, at the Louisville Muhammad Ali International Airport in the ongoing effort to maintain the critical integrity of the airfield pavement for safety and capacity concerns. These projects will be bid as two different projects to minimize impact to the airfield. One project primarily focuses on the east side of the airfield and the other project primarily focuses on the west side of the airfield and, therefore, cannot be constructed simultaneously. However, the bids are required in-hand to secure federal funding prior to construction. The design efforts for this task will be 90 percent funded by an FAA grant. Task Orders 17 and 18 will be time and material not-to-exceed contracts in the amount of \$124,252 and \$117,828, respectively. Task Order 19 authorizes HNTB to provide design services for the southern extension of Taxiway B on the west side of the airfield at Louisville Muhammad Ali International Airport. This extension will further improve the safety and capacity of the airfield. Task Order 19 will be a time and material not-to-exceed contract in the amount of \$210,460. These projects will be funded through a future FAA grant.

Mr. Mann recommended the Board approve Task Orders 17, 18 and 19 to the contract with HNTB in the time and material not-to-exceed amounts of \$124,252, \$117,828, and \$210,460 respectively for a total contract increase of \$452,540; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

4. Residential Sound Insulation Project No. 2020-1.2-40 — Louisville Muhammad Ali International Airport — Approval

This project consists of alterations and modifications to 40 residences within the Group 1 area of the residential sound insulation program. Acoustical treatments will be made to each of these homes to achieve an interior reduction of noise from aircraft. The work includes the replacement of existing windows and doors, as well as mechanical and electrical modifications. The project was advertised in *The Courier-Journal* and the *Louisville Defender* and was posted with the Tri-State Minority Supplier Development Council and on the Authority's website. Two bids were received and the lowest, most responsive bidder was S&L Specialty Contracting, Inc. of Syracuse, NY in the lump sum bid amount of \$1,342,000.00. The project will be funded by an existing FAA grant. The Authority established a 9.5% DBE goal for this contract. As bid, S&L Specialty Contracting, Inc. will exceed the DBE goal through its subcontractor, Toni Levy & Associates, Inc. of Louisville, KY. The subcontractor is the materials supplier and will fulfill 11.89% of the contract. Toni Levy & Associates, Inc. is currently certified by the Kentucky Transportation Cabinet as a DBE in the Commonwealth of Kentucky.

Mr. Mann recommended the Board award the contract for Residential Sound Insulation Program Project No. 2020-1.2-40 to S&L Specialty Contracting, Inc. of Syracuse, NY in the contract amount of \$1,342,000.00; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

Wood, PLC On- Call Material Testing, Inspection and Geotechnical Services Contract Amendment No. 1 — Louisville Muhammad Ali International Airport and Bowman Field — Approval

On June 17, 2020, the Authority awarded the "On-Call Material Testing, Inspection, and Geotechnical Services" for Louisville Muhammad Ali International Airport and Bowman Field to Wood, PLC. These services are required by FAA grant assurances and are typically used on all construction projects at both airports. This contract is for a three-year period with the option of a two-year renewal. The Authority approved an initial contract amount of \$200,000 that has been nearly expended. Therefore, staff is recommending a contract amendment in the amount of \$300,000 to continue using Wood, PLC for services required for new and ongoing projects.

Mr. Mann recommended the Board approve Contract Amendment No. 1 for "On-call Material Testing, Inspection and Geotechnical Services" to Wood, PLC. in the amount of \$300,000 for a total contract amount of \$500,000; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

COMMITTEE REVIEWED ACTION ITEMS

1. Finances, Facilities and Operations Committee

Committee Chair Lesa Seibert advised the Board the Committee met on January 12, 2021 and discussed both the consent and the action items presented on the agenda for the Board's consideration.

For item i. Committee Chair Lesa Seibert and Mr. Mann advised the Board that approximately \$800,000 of the requested contract amount of \$1,000,000 would be spent on components needed to complete the upgrades to security and access control systems.

i. Information Technology Hardware, Software and Peripherals — Cooperative Purchasing Agreement — Contract Award

The Authority regularly has the need to purchase computer hardware, software and peripherals to maintain and upgrade the existing information technology inventory needed not only for staff, but for airport related Information Technology (IT) infrastructure. State law, specifically KRS 45A affords the Authority, as a political subdivision of the Commonwealth, the opportunity to participate in cooperative contracts with other public entities under certain circumstances without the need to conduct an additional solicitation. CDW Government, LLC currently has an established cooperative purchase agreement with Louisville Metro Government, (Agreement 380816) that

provides for original manufactured equipment and services from a wide range of major manufacturers and suppliers in the IT field. This agreement has been reviewed by the Authority and has been determined to meet the contracting and purchasing requirements for Kentucky Cooperative Purchasing Agreements. Pricing terms and conditions are based upon the Louisville Metro Government Master Agreement that runs through December 31, 2021 with four additional one-year renewal options with the opportunity for the Authority to supplement with provisions required by the Authority.

Mr. Mann recommended the Board approve the establishment of an Agreement with CDW Government LLC for Computer Hardware, Software and Peripherals at a not-to-exceed total of \$1,000,000; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann's recommendations.

ii. Snow Removal Equipment Purchase — Louisville Muhammad Ali International Airport — Approval

The Authority currently owns three multi-task units for snow removal. The units combine plow, broom, and air blast on one vehicle. The use of multi-task equipment reduces the overall quantity of vehicles needed to perform snow removal on the runways. The use of multi-task equipment will eventually reduce the removal time from 40 minutes to 20 minutes. To optimize airfield snow operations, the airport should have nine multi-function units. Due to manufacturing times, staff seeks Board authorization to order two multi-task units now at a not-to-exceed value of \$1,661,637 and fund the purchase in the Fiscal Year 2022 budget. The units will be purchased through a cooperative purchase contract with the Minnesota Department of Transportation. State law affords the Authority, as a political subdivision of the Commonwealth, the opportunity to participate in cooperative contracts to the same extent as other governmental entities in state and out of state without the need to conduct an additional solicitation.

Mr. Mann recommended the Board approve the purchase of two multi-function snow and ice removal equipment units with funds to be included in the Fiscal Year 2022 budget at a not-to-exceed amount of \$1,661,637; and authorize the Executive Director to execute the necessary contracts subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann's recommendations.

iii. Messer Construction Contract Amendment 3 For Construction Manager at Risk Terminal and Garage Renovations/Construction — Louisville Muhammad Ali International Airport — Approval

A contact for Construction Manager at Risk Services (CMAR) with Messer Construction was approved at the May 15, 2019 board meeting. At the July 17, 2019 board meeting, Amendment 1 was approved to establish the following task orders and Guaranteed Maximum Prices (GMP): Task Orders 1 and 2 in the amount of \$16,194,628.67 for Security Upgrades & Construction of Operations & Badging; and Task Order 3 in the amount of \$28,033,047 for Rental Car Improvements and Enabling Projects; for a total contract not-to-exceed amount of \$44,227,676.

At the November 20, 2019 board meeting, contract Amendment 2 was approved to establish the following task order and GMP: Task Order 4 in the amount of \$830,000 for Pre-Construction Services for Projects Under Design; for a new contract not-to-exceed amount of \$45,057,676. Through unanticipated but necessary scope additions and the discovery and remediation of previously unknown conditions (i.e., relocation of underground utilities, facility waterproofing, deteriorating piping replacement), the total cost of Task Order 3 is set to exceed the GMP amount by \$4,774,352.66.

Mr. Mann recommended the Board approve Amendment 3 to the contract for Construction Manager at Risk Services Terminal and Garage Renovations/Construction and related projects with Messer Construction for an amended Task Order 3 GMP of \$32,807,399.66 and new CMAR not-to-exceed agreement total of \$49,832,028.33; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

Committee Chair Lesa Seibert advised the Board that Mr. Mann had advised the Committee that all of the scope changes were necessary, that Task Orders 1 and 2 of the project are currently under budget, and that the total, initially approved contract had not been exceeded. However, while the change orders and scope additions were prudent, Mr. Mann did discuss with the Committee the delay of reporting the cost additions to the Board. Following Ms. Seibert's comments, Mr. Mann advised the Board that future change orders would be report promptly to the Board after staff review.

iv. Amendment to Airfield and Terminal Use and Lease Agreements — Louisville Muhammad Ali International Airport — Approval

In 2005, the Board approved entering into an Airfield Use Agreement (the "Airfield Use Agreement") with a number of airlines that operated at Louisville Muhammad Ali International Airport for a term of 16 years, which expires June 30, 2021.

In 2005, the Board also approved entering into a Terminal Use and Lease Agreement (the "2005 Terminal Use and Lease Agreement") with a number of airlines for a term of five (5) years. In anticipation of its June 30, 2010 expiration, the Board approved an amendment to the 2005 Terminal Use and Lease Agreement (the "First Amendment") which, among other things, extended the term for five (5) years, through June 30, 2015. In 2015, the Board approved an Amended and Restated Terminal Use and Lease Agreement (the "Amended and Restated Terminal Use and Lease Agreement") which, among other things, established a term of six (6) years, through June 30, 2021.

In anticipation of the upcoming expiration of both agreements, and due to the uncertainty surrounding the industry resulting from the COVID-19 pandemic, staff has had continuing discussions with the Signatory Airlines regarding an amendment that would facilitate a one-year extension of both the Airfield Use Agreement and Amended and Restated Terminal Use and Lease Agreement through June 30, 2022 under the same terms, conditions and rate making methodology that is currently in effect.

Mr. Mann recommended the Board approve the Amendment to the Airfield Use Agreements between the Louisville Regional Airport Authority and Air Wisconsin Airlines, American Airlines, Allegiant Air, Delta Air Lines, FedEx Express, Mesa Airlines, Republic Airways, SkyWest Airlines, Southwest Airlines, United Airlines, and UPS Airlines; approve the Amendment to the Amended and Restated Terminal Use and Lease Agreements between the Louisville Regional Airport Authority and Air Wisconsin Airlines, American Airlines, Allegiant Air, Delta Air Lines, Mesa Airlines, Republic Airways, SkyWest Airlines, Southwest Airlines and United Airlines; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

v. Easement Option Agreement — Grand Communities, LLC — Approval

In 2018, the Authority entered into an Agreement with Fischer Development (Grand Communities, Ltd now Grand Communities, LLC) to purchase 192 lots, (approximately 44.67 acres) at Heritage Creek, the single-family residential development on Cedar Creek Road, south of the Gene Snyder Freeway owned by the Authority as a result of the Federal Aviation Administration-approved Part 150 Noise Mitigation/Voluntary Residential Relocation Program. The purchase price for the 192 lots in Phase 1 and Phase 2 of the property was \$3,475,200.

Grand Communities, LLC now has an option with a third party to purchase approximately 56 acres adjacent to Heritage Creek, which it intends to develop for residential purposes. Grand Communities, LLC has requested that the Authority grant an option to acquire a sanitary sewer easement over a portion of Phase 3 in Heritage Creek, which the Authority still owns. Under the proposed Easement Option Agreement, and upon the exercise of the option, the Authority would grant a 30' sanitary sewer easement. Grand Communities, LLC would provide a bond, escrow, or other security in the amount of \$100,000.00 to secure future installation of the sanitary sewer line. If Grand Communities, LLC does not complete the installation of the sewer line within three (3) years, the security will be released to the Authority.

Construction of the sewer line benefits the Authority by providing Phase 3 with access to sanitary sewer service. If the Authority sells Phase 3 prior to Grand Communities, LLC's construction of the sewer line, and the purchaser desires to construct the sewer line on its own, Grand Communities, LLC agrees to cooperate with the Authority and the purchaser of the Phase 3 property to allow the purchaser to proceed.

Mr. Mann recommended the Board approve the Easement Option Agreement with Grand Communities, LLC; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Mann's recommendation.

Ms. Mary Rose Evans noted that she had spoken with the Mayor of Heritage Creek and they are very happy about the pending installation of the sewer line.

There being no additional business the meeting adjourned at 3:58 p.m.

Dale Boden, Chairman

Dan E. Mann, Assistant Secretary

UNAPPROVED DRAFT