

Minutes of the Joint Meeting of the MNAA and MPC Operations, Engineering & Strategic Planning Committees



Date: July 10, 2024

Location: Metropolitan Nashville Airport Authority
Tennessee Boardroom

Time: 9:00 a.m.

Committee Members Present:

Bobby Joslin, Committee Chair; Nancy Sullivan, Committee Vice Chair

Committee Members Absent:

Glenda Glover

Other Board Members Present:

Jimmy Granbery, Andrew Byrd, Joycelyn Stevenson, and Glenn Farner

MNAA Staff & Guests Present:

Doug Kreulen, Neale Bedrock, Lisa Lankford, Trish Saxman Marge Basrai, Daniel B. Brown, John Cooper, Aaron Flake, Adam Floyd, KC Hampton, Traci Holton, Eric Johnson, Carrie Logan, Rachel Moore, Stacey Nickens, Davita Taylor, Ted Morrissey, and Puneet Vedi

I. CALL TO ORDER

Chair Joslin called the Joint Meeting of the MNAA and MPC Operations, Engineering & Strategic Planning (Operations) Committee to order at 9:00 a.m. pursuant to Public Notice dated July 5, 2024.

II. PUBLIC COMMENT

Chair Joslin stated there were no public comment requests received.

III. APPROVAL OF MINUTES

Chair Joslin asked for a motion to approve the minutes from the June 5, 2024 Operations Committee meeting. Vice Chair Sullivan made a motion and Chair Joslin seconded the motion.

Chair Joslin asked Ms. Saxman for a roll call:

Chair Joslin – Yes

Vice Chair Sullivan – Yes

The motion passed with a vote of 2 to 0.

IV. CHAIR'S REPORT

Chair Joslin stated he is glad to be here today and welcomed the newest member of the Board of Commissioners, Glenn Farner.

V. ITEMS FOR APPROVAL

1. Purchase of Airfield Deicing Equipment

President Kreulen introduced Daniel B. Brown, VP, Facility Management, to brief the Committee on the Purchase of Airfield Deicing Equipment. Mr. Brown stated this is for the purchase of one heavy duty 6 X4 Chassis 4,000 gallon tank De-icer with 75 ft. spray boom. It will replace a 34 year old de-icer MNAA currently has in the fleet. MNAA will utilize a cooperative purchase agreement out of the State of Minnesota contract with M-B Companies, Inc. The total purchase cost is \$686,656 and with anticipated receipt date of November 2025 if ordered July 2024.

Commissioner Byrd asked if this was approved in the CIP budget. Mr. Brown responded yes. Vice Chair Sullivan asked how often we use cooperative purchasing agreements. Mr. Brown stated as often as we can, they are approved for that purpose. Ms. Davita Taylor, VP, Procurement and Business Diversity Development, replied MNAA uses cooperative purchasing agreements and we have also used M-B Companies, Inc. in the past. President Kreulen stated MNAA tries to hook onto a State or Metro or some other contract that has already negotiated price. Ms. Taylor stated especially for large equipment like this, if someone else has already secured a contract, we try to do cooperative purchase agreements.

Chair Joslin asked if this equipment is something that will be moved out to John C. Tune (JWN). Mr. Brown replied from an environmental standpoint MNAA is not set up to spray E36 at JWN, so these types of equipment will not go out there. There may be some type of sweeper broom equipment that will be at JWN. President Kreulen stated BNA already has one like this model, and this will be our second. Mr. Brown replied yes, we received our first one in late February or early March that was ordered a year and a half ago. President Kreulen stated the beauty of a 75 ft boom is that our runways are 150 foot wide, and this equipment can run down the center and clear the runway in one pass. Regarding the earlier question about JWN, we have an

environmental permit at BNA that permits discharge of these chemicals here BNA has a way to collect and ensure that it does not get into the streams, but at JWN we do not have that ability.

Mr. Brown requested the Operations Committee recommend to the Board of Commissioners that it accept the proposal by M-B Companies, Inc. for the purchase of 1 new M-B Airfield De-icer and authorize the Chair and President & CEO to execute the purchase for \$686,656.

Chair Joslin asked for a motion to approve as presented. Vice Chair Sullivan made a motion and Chair Joslin seconded the motion.

Chair Joslin asked Ms. Saxman for a roll call:

Chair Joslin – Yes

Vice Chair Sullivan – Yes

The motion passed with a vote of 2 to 0.

2. Purchase of Airfield Rubber Removal Equipment

Mr. Brown stated that the purchase of one Hog Technologies Stripe Hog SH15 will be used for rubber removal and cleaning painted markings. Hog Technologies is out of Florida and MNAA will purchase utilizing a national cooperative purchasing agreement with Sourcewell. This has a lead time of approximately 6 months. MNAA has been in contact with Hog Technologies over the last year and half trying to determine what the needs are for our airfield with the four runways and associated taxiways. The purchase cost is \$964,293 and will be funded by MNAA Airline Investment Fund. The payback is less than 3.5 years.

Vice Chair Sullivan inquired if the Hog SH15 has a vacuum. Mr. Brown replied yes, it will spray the water in certain patterns and suck up that as well as any debris and rubber. Chair Joslin asked how it is transported from Florida to here. Mr. Brown replied they will truck it here. Pope Striping has one and they drive theirs between Atlanta and here. That is part of the issue that Pope Striping is one of the only contractors that has this type of machine, and we are on their schedule when we need to get work done. Purchase of this equipment will make it possible to schedule

the work when needed. Vice Chair Sullivan asked if it comes with an operator. Mr. Brown replied no, it includes training for one mechanic and three operators.

Mr. Brown requested the Operations Committee recommend to the Board of Commissioners that it accept the proposal by Hog Technologies for the purchase of 1 Stripe Hog SH15 and authorize the Chair and President & CEO to execute purchase for \$964,293.

Chair Joslin asked for a motion to approve as presented. Vice Chair Sullivan made a motion and Chair Joslin seconded the motion.

Chair Joslin asked Ms. Saxman for a roll call:

Chair Joslin - Yes

Vice Chair Sullivan – Yes

The motion passed with a vote of 2 to 0.

3. Replacement of Trench Drains on Terminal Arrival and Departure Levels

President Kreulen introduced Puneet Vedi, VP, Airport Capital Development, to brief the Committee on the Replacement of Trench Drains on Terminal Arrival and Departure Levels. Mr. Vedi stated this project consists of replacement of trench drains on the terminal arrival and departure levels. An Invitation to Bid (“ITB”) was advertised May 6, 2024 and consisted of 3 bid schedules, each schedule adding length of drains: Schedule 1, 640 lf; Schedule 2 895 lf; Schedule 3 1,150 lf. Schedule 1 consists of the areas with the greatest need for trench drain replacement. MNAA received one bid on June 6, 2024 from BC Mason Group, LLC, a local MNAA Certified MBE firm. The FY24 total budget for this project was \$750K which includes design and construction, and the Engineer of Record probable cost was \$748K. BC Mason Group, LLC submitted Scheule 1 bid for \$585,207. The SMWBE goal is 8.67% and 3.56% WBE and BC Mason Group, LLC exceeded those levels with 9.89% MBE and 4% WBE. The anticipated contract start date is September 2024 with a duration of approximately 50 days with anticipated completion in December 2024. The project is 100% funded by MNAA.

Chair Joslin asked how many people bid. Mr. Vedi replied MNAA received only one bid on this project. The work area, proposed schedule and impact to coordinating with operations of the

airport may have factored into bidders' participation levels. Chair Joslin asked if this is the right time to complete this project with all of the construction we have in and out, and if it is possible to delay another year. Mr. Vedi replied no, MNAA has had issues with these drains and Schedule 1 is the most important area to tackle. Staff will assess the remaining balance of Schedules 2 and 3, but Schedule 1 is the most important to address. President Kreulen added that last year MNAA spent \$80K repairing the old drains that tend to crack and pop up and we had some challenges. They are doing a good job of managing the construction and coordinating with operations. Vice Chair Sullivan asked if they are doing the work at night. Mr. Vedi replied the work consists of night work to minimize the impact to operations and that also may have factored into other bidders. Chair Sullivan asked how long the drains been here. Ms. Traci Holton, VP, New Horizon, replied since the terminal building was built. Mr. Brown stated last year MNAA had an issue where a drain popped up and a vehicle hit it and it went through their floorboard.

Mr. Vedi requested the Operations Committee recommend to the Board of Commissioners that it authorize the Chair and President & CEO to execute the proposed contract with BC Mason Group, LLC in the amount of \$585,208.

Chair Joslin asked for a motion to approve as presented. Vice Chair Sullivan made a motion and Chair Joslin seconded the motion.

Chair Joslin asked Ms. Saxman for a roll call:

Chair Joslin - Yes

Vice Chair Sullivan – Yes

The motion passed with a vote of 2 to 0.

4. Professional Services Contract for SMWBE Engineering Staff Augmentation

President Kreulen introduced Ms. Traci Holton, VP, New Horizon, to brief the Committee on the Professional Services Contract for SMWBE Engineering Staff Augmentation. Ms. Holton stated this contract is to provide supplemental staffing to the Engineering Department to support the capital improvements programs. Ms. Holton stated back in October 2023, the Board approved 3 of 4 firms as part of an aggregate annual \$8.7M staff augmentation services with three contractors, WSP USA, Inc., Accura Engineering, and Innova Solutions. The solicitation response

received on the project controls SMWBE was not sufficient, so MNAA resolicited a Request for Qualifications (“RFQ”) on February 2, 2024. MNAA received 7 responses, with 2 non-responsive because they were not certified SMWBE firms. The remaining 5 were evaluated based on organization and personnel, project challenges, and SMWBE participation. RohadFox Transportation, Inc. was the highest ranked firm. This will be part of a one year contract with 6 one-year renewal options and aggregate with the 4 contracts not to exceed \$8.7M per year.

Chair Joslin asked if RohadFox is local. Ms. Holton replied yes, they have a local office and are headquartered out of Atlanta. They have done a lot of work for the Atlanta airport as well as for the city of Atlanta and they have been in business for four years. Vice Chair Sullivan asked if they are going to pull from the same pool of work as the other contractors. Ms. Holton replied yes, on the project controls side. Commissioner Byrd asked what staff augmentation means. Ms. Holton replied that is contracting to provide additional staff for the airport, so they serve as staff for the engineering department, but they are not MNAA employees. Commissioner Byrd asked what type of staff. Ms. Holton replied this is all for the engineering department, and for implementation of the BNA Vision and New Horizon capital programs. They bring expertise that we may or may not have like project managers, cost estimators, project coordinators, construction inspectors, and whatever is needed. Commissioner Byrd asked what the rationale is for 6 one-year terms. Ms. Holton replied this is the 2nd round of staff augmentation contracts, so we did it the same as last time so that if a firm is not performing and we need to resolicit then this gives us flexibility to deal with that appropriately. President Kreulen replied when MNAA did BNA Vision from 2017 to 2024 we had staff augmentation, and they all know that they are basically on the hook for one year options. As long as they are providing satisfactory service to us, we will give them another year, instead of permanent staff that we may have to let go after the project. This provides better synergy with a higher talent pool focused on our development. Chair Joslin asked if all of the people will be based at MNAA. Ms. Holton replied yes, all of the trailers at the PMO are currently occupied except one. President Kreulen stated there is room to put more trailers if needed. Chair Joslin stated it has worked well. Commissioner Byrd asked if they would report to Paslay. President Kreulen replied no, they will report to Robert Ramsey the CDO, and each depending on their specialty will report to Ms. Holton or Mr. Vedi. Ms. Holton replied they are completely integrated into MNAA staff. Chair Joslin asked Commissioner Byrd if he has been out to the PMO. Commissioner Byrd replied no, and Chair Joslin suggested he visit.

Mr. Holton requested the Operations Committee recommend to the Board of Commissioners that it:

- 1) Accept the Statement of Qualification by RohadFox Transportation, Inc. to provide staff augmentation services at Nashville International Airport (BNA); and
- 2) Authorize the Chair and President and CEO to execute the Staff Augmentation Professional Services Contract, together with the previously approved, for an annual not-to-exceed aggregate contract value of \$8.7 million annually; and,
- 3) Authorize the President and CEO to execute any amendments for the Staff Augmentation Professional Services Contracts as long as the total value of the contracts does not exceed the \$8.7 million annual not-to-exceed amount.

Chair Joslin asked for a motion to approve as presented. Vice Chair Sullivan made a motion and Chair Joslin seconded the motion.

Chair Joslin asked Ms. Saxman for a roll call:

Chair Joslin - Yes

Vice Chair Sullivan – Yes

The motion passed with a vote of 2 to 0.

5. Purchase of Environmental Credits for Central Ramp Stream Mitigation

Ms. Holton stated this agreement is to purchase stream and wetland mitigation credits for the Central Ramp Expansion from the first 2 releases from Cedar Forest Mitigation Bank. Ms. Holton stated there is another large depression on the central ramp that we need to fill in that requires stream encapsulation and will require permits all of which include requirements for mitigation of the loss of stream length. Ms. Holton presented a photograph showing the areas on BNA property that have several streams that have to be mitigated and permitted by Tennessee Department of Environment and Conservation (“TDEC”), United States Army Corps of Engineers (“USACE”, “Corps”) and Metro Water System (“MWS”). The way to permit those stream encapsulations to build the ramp is to buy stream credits, which is the preferred method by the Corps and TDEC. We are proposing to purchase credits from Cedar Forest Mitigation Bank which is in the BNA watershed. Metro’s Stormwater Management Commission may or may not accept it, so we may

have more work to do, but historically they have accepted it as stream credits are very hard to find. Ms. Holton recommended committing to purchase the first two credit releases from Cedar Forest Mitigation Bank which they anticipate being up to 1,640 credits and also to give MNAA first right of refusal for any future credits that they anticipate through 2032. Ms. Holton noted this is good because TDEC has first right of refusal on almost everything. As BNA grows and builds more, which impacts more streams, these credits will be needed in the future. Additionally, the excess of credits that we are asking to purchase in the first two years will not go to waste and can be banked to use for future projects.

Chair Joslin asked where the money goes. Ms. Holton replied Headwaters Reserve, LLC gets the money, then they go do a project in the stream. They get it all permitted and do the improvement, we pay them to go do that, and the Corps and TDEC accept that. Chair Joslin asked how they arrived at \$3,500. Ms. Holton stated that is their price to go and do the work. MNAA has paid less but that was several years ago and as we know things cost more today. This is really our only option. Doing our own program is a whole new beast that we do not have the expertise to tackle. Commissioner Granbery stated they have to buy the land and create the credits, so they are well into millions of dollars, and they have to take a risk. Vice Chair Sullivan stated they have to keep it and maintain it forever. Chair Joslin asked if this is all we need. Ms. Holton replied that they are releasing up to 6,000 credits through 2032 and depending on what MNAA's plans are we may need more than that. Commissioner Granbery stated it has to be in the watershed too. Ms. Holton replied yes, that is the first step, they prefer it to be in the watershed.

President Kreulen stated we have improved some of the tributaries that are on some of our properties. One of the streams we just cleaned up or mitigated a couple of years ago, TDEC wrote us up for clover growing in a spot. This is a much cleaner process to be able to buy credits. There are hundreds of feet of streams in areas where we plan to put future employee parking or Terminal II which will require the purchase of additional credits. Commissioner Byrd asked if this area is to fill the big hole, and where de-icing will take place and take care of Southwest concerns. President Kreulen replied yes, and once we get ready to build, we have to buy the credits and get all the environmental plans. Vice Chair Sullivan asked if there is a contingency plan. Ms. Holton replied she believes it is a done deal with them. The Metro Variance Committee may not accept it.

Ms. Holton requested the Operations Committee recommend to the Board of Commissioners that it authorize the Chair and President and CEO to execute the proposed contract with Headwaters Reserve, LLC for up to \$5,740,000 and accept First Right of Refusal for all credits as they are released.

Chair Joslin asked for a motion to approve as presented. Vice Chair Sullivan made a motion and Chair Joslin seconded the motion.

Chair Joslin asked Ms. Saxman for a roll call:

Chair Joslin - Yes

Vice Chair Sullivan – Yes

The motion passed with a vote of 2 to 0.

VI. INFORMATION ITEMS

1. Central Ramp Expansion

Ms. Holton briefed the Committee on the Central Ramp Expansion project which will provide 7 remain overnight (“RON”) positions as well as de-icing positions as needed. MNAA has an RFP on the street as a progressive design build contract and the proposals are due next Wednesday. MNAA plans to return to the Board in August for approval of the selected firm. Ms. Holton provided some fun facts that we learned through the preliminary design. The Central Ramp Expansion is about 1.1M cubic yards of fill, the other large depression we filled in was about 550K cubic yards of fill and Concourse A ramp expansion was about 750K cubic yards of fill, so this will be our biggest fill project to date. For the 1,254 linear feet of the stream mitigation, since we are only building phase 1, we only have to spend the money to encapsulate the part that is under the ramp. It will require about 134K square yards of concrete, and it is estimated to be about \$156M.

Commissioner Granbery asked how much of this is our fill material. Ms. Holton replied we do not have a lot stock piled and the Knights of Columbus got depleted with Concourse A. In the solicitation, MNAA has given them what we have on site as an option, and we will see what the respondents propose. The solicitation states that what MNAA has can be used, and to include in the proposals if our stockpiles will be used, how it will be transported to and from, and how it fits

into the plan. Ms. Holton stated she does not believe we have 1.1M cubic yards fill. Commissioner Granbery asked if this is part of what we plan to loan to Superior. Ms. Holton replied probably. Chair Joslin asked how many of these people are reaching out. Ms. Holton replied that MNAA did some outreach to some of the big firms, like Archer Western, Flatiron, Sundt and Eutaw, and they were all the pre-proposal meeting. She anticipates at least 3, maybe 5 proposals. Commissioner Granbery asked about the depth of the hole. Ms. Holton replied it is about the same at TATE, approximately 50-60 feet. President Kreulen stated the other point is airlines look at this and so they are all in support of this and know they will be paying it back in the rates. Ms. Holton stated we have been given the completion deadline of September 30, 2027 to be open to aircraft. Commissioner Granbery asked if that date will meet with requirements for the settlement monitors. Ms. Holton replied they will tell us how they are going to do all of that, and MNAA has stated it must be open on that date. Ms. Holton stated MNAA has been working on preliminary design and environmental, and the day that it is approved by the Board it will be turned over to them and will then be their responsibility to meet that date. Chair Joslin asked how fast they would start. Ms. Holton stated she hopes once approved, the contract will be signed that day. President Kreulen replied the excellent date that Ms. Holton picked of September 30, 2027 is intentional on our part, before the winter weather snow season where we anticipate having to use it, and also a couple of months before we open Concourse A which is when we jump from 54 gates to 70 gates. Adding those other jets by July 2, 2028, we want assurances that the ramp is open, and we have ability to de-ice and have all that worked out while we are still at 54 gates. President Kreulen stated he applauds Ms. Holton for the hard work that she has done.

Commissioner Byrd asked if this is the entire expansion or if there is a stage 2. Ms. Holton replied if we want to ultimately fill all in and make it a ramp, it would have 4 phases. We also have to work on our retention pond and there are some other things that we have to come into play for us to be able to continue to fill in the future and it would be phased so we can keep de-icing open. President Kreulen stated it is on an as needed basis, we need this to help us with operation tempo for when we get to the 70 gates. It is so much money and we have to look at the priorities. We need this operationally to be ready for Concourse A to open.

2. Solicitation of 2nd Fixed Base Operator (FBO) at John C. Tune Airport

President Kreulen introduced Adam Floyd, SVP, Chief Operating Officer, to brief the Commissioners on the Solicitation of 2nd FBO at JWN. Mr. Floyd stated this is to secure a world class FBO and long term agreement. MNA expects to release the RFP on July 17, 2024 with a contract award date goal of October 28, 2024. There is a minimum capital investment of \$35M for a new terminal, new hangars and Part 145 jet maintenance facility. The lease terms are 30 year term with a five year option at the end of the term with 3% annual escalation and every 10 year fair market value reset. President Kreulen stated these lease terms are in line with the template for both BNA and JWN.

Mr. Floyd showed a diagram of the JWN layout with the phases identified. He stated the respondents are required to bid on Phase 1A and 1B, Phase 2A and 2B are optional, but if the respondent bids on 2B it must also bid on 2A. Commissioner Byrd asked Mr. Floyd to lay out the logistics of what is out there now, and if the current FBO is where we walk in today. President Kreulen replied yes, 2A and 2B are where the current FBO operates today. He stated when we did the 10 hangars on the north side, we left the sod near the ATCT as a developable area. If someone comes in and just builds 1A and 1B, they have room today to get in and build their new terminal or first hangar. The current lease for 2A and 2B expires in the 2027 time period. So, we want this up and running before that lease expires. Today, 1A and 1B will get us into the 2nd FBO. Commissioner Byrd asked what is in the 1B space today. President Kreulen replied the reason why you see an alley way is because we have to have a way for the jets to get out, and they would rent that ramp from us. Commissioner Granbery asked about the term on the subleases for Contour to manage that space. President Kreulen stated they are basically month to month leases. Ms. Carrie Logan, VP, Deputy General Counsel, stated they are month to month operating agreements separate from Contour's lease agreement.

President Kreulen replied yes it does the same function, they pay us rent to use this space and eventually we will divide up the square footages so that both FBOs have the same general area. Commissioner Granbery asked if the lease on that area is just one big cost or per square foot. Ms. Logan replied per square foot. Commissioner Byrd asked how big we think the FBO main building might be. Mr. Floyd stated in the RFP we designed it to where they submit their best design, and

we gave them a blank slate and saying here is an area you can build in and show us what you can build.

President Kreulen stated we will evaluate the proposals on how creative the designs are. Commissioner Granbery asked where they will park. Mr. Floyd stated that will be part of their design. Commissioner Granbery asked if the RFP will preclude someone who wanted to do a private restaurant. Mr. Floyd stated it will not preclude it, and it is an available option. Commissioner Byrd asked if the fuel farm will stay in the same location. Mr. Floyd stated that will be up for their design. Commissioner Byrd asked if they would address any security concerns. President Kreulen stated yes, and Mr. Floyd will show the performance standards.

Mr. Floyd stated the performance standards are that they must meet JWN minimum standards such as safe and efficient operations, and monitor and manage airfield access at FBO gate, as well as several other standards; Exhibit E included with the FBO lease will list contract service standards and penalties enforced for non-compliance of service standards. Deficiencies in customer service are \$500 per day that a violation exists; and failure to comply with applicable laws or JWN minimum standards is \$1,000 per day that the violation exists. President Kreulen stated when MNAA put a Request for Information ("RFI") to all of the different firms that are interested in bidding on this project, some said if you make a restaurant mandatory they are out. Commissioner Byrd asked if Contour has its lease currently. President Kreulen stated yes, their lease expires November 2027.

Chair Joslin stated only 2 hangars that are built out of the 10 northside parcels and asked the status of the other 8 parcels. Ms. Logan replied of the 4 hangars, 2 sets are in design, one is a little bit behind, and parcel 10 is Metro. Chair Joslin stated Lawrence is opening next month. President Kreulen replied yes, he was at a Board meeting for Williamson, Inc. and he is doing work with Metro for that hangar.

President Kreulen concluded the presentation of the informational items.

VII. ADJOURN

There being no further business brought before the Operations Committee, Chair Joslin adjourned the meeting at 9:50 a.m.



Andrew W. Byrd, Board Secretary