RTAA Annual Sustainability Report 2016
Contents

Contents .......................................................................................................................... 1
Sustainability Message from the President/CEO .......................................... 2
Sustainability Approach (EONS) ........................................................................ 3
Sustainability Initiatives ....................................................................................... 4
Sustainability Indicators ....................................................................................... 21
Sustainability Message from the President/CEO

Reno-Tahoe Airport Authority (RTAA) owns and operates both Reno-Tahoe International Airport (RNO) and the Reno-Stead Airport (RTS). Our airports provide vital aviation services and facilities that do more than just transport people and goods to and from the region. Together, our airports generate more than $2 billion per year in economic impact to help sustain the viability of the region.

Utilizing sustainable approaches to planning and operating the airports will position us to best serve the customers of today and tomorrow. It will solidify our position in the ever-changing aviation industry. Our sustainability approach is to ensure the economic viability, operational efficiency, natural resource conservation, and social responsibility of our two airports.

Even if the most sustainable solution is not attained, sustainability encourages creative thinking about other options. Through this process, perspectives are enlightened, new opportunities are identified, and credibility for local sustainability efforts is achieved.

This 2016 RTAA Annual Sustainability Report provides a summary of select sustainability initiatives, and I would like to thank our dedicated RTAA staff on their efforts to integrate sustainability principles and practices into all aspects of airport management and operations.

Sincerely,

Marily M. Mora, A.A.E.
President/CEO

Sustainability is a state of existing that can be sustained at a specific level, indefinitely.

It all boils down to living within our limits in order to ensure that there is enough to live on in the future.
Sustainability Approach (EONS)

Employing the Airport Council International’s EONS approach to help guide our sustainability policies and practices, the RTAA focuses our sustainability program on four connected areas: Economic Viability, Operational Efficiency, Natural Resource Conservation, and Social Responsibility (EONS). These focus areas act as buckets, gathering up their associated initiatives (i.e. programs or actions). Some sustainability initiatives fall into more than one bucket – the best, into all four.

**Economic Viability**

A balanced checkbook (i.e. the revenues and expenditures of the RTAA) ensures the future operations and continued viability of our two airports. The RTAA’s economic viability is the fundamental operational requirement underlying all aspects of sustainability. We strive to enhance economic viability by increasing revenue generation, decreasing costs, and investing in long-term projects with a return on capital investment.

**Operational Efficiency**

Operational efficiency, in its simplest terms, is doing more with less as a result of effective management. The RTAA operates under the traditional expectation that well-run facilities cost less to operate and maintain. Less, in this case, refers to any number of items, from staff hours to vehicle fuel to heating and cooling costs.

**Natural Resource Conservation**

Conserving and protecting our natural resources is the most easily identifiable sustainability focus area. The RTAA has long been committed to promoting environmental policies that endeavor to use less of our natural resources, to protect our resources from contamination, to reuse whenever possible, and to recycle.

**Social Responsibility**

Airports function in a social setting. Our customers include passengers, pilots, tenants, and employees, in addition to the residents and businesses in the surrounding community. Our social responsibility lies in enhancing the customer experience, while fostering understanding of the value that airports provide to the community.
Sustainability Initiatives

The RTAA’s sustainability initiatives include many beneficial programs, actions, and technologies that have been incorporated into our business practices. Each initiative has a lasting impact to one or more of the sustainability focus areas. The following pages highlight some of our 2016 sustainability initiatives.

**Initiative:** Include more locally sourced foods and products at terminal concessions.

- **Target:** Introduce locally sourced food at RNO.

- **Achievement:** Mountain House Diner, Timber Ridge and Tap & Pour restaurants incorporate locally sourced ingredients and locally produced items into their menus.

**In Practice:** Airport Economic Development partners with concessionaires to identify and introduce locally sourced food and products into terminal restaurants and stores, helping to market and promote the Reno-Tahoe region.
**Initiative:** Decrease the volume of recyclables disposed of in the landfill with a terminal wide recycling program.

**Target:** Minimum 10% diversion rate.

**Achievement:** Reached 13.8% diversion rate.

*Saved >$5,000 in disposal costs*

*Aligns with community recycling efforts*

*Diverted 95 tons of recyclables from area landfills in FY 2016*

**Saved >$5,000 in disposal costs**

**Aligns with community recycling efforts**

**Diverted 95 tons of recyclables from area landfills in FY 2016**

**In Practice:** Facilities & Maintenance manages the collection of recyclables inside and outside the terminal. Expanded recycling efforts include scrap metal, batteries, and tires.

**Recyclables (Tons) Collected Calendar Year 2016**

- 38 tons (40%)
- 11.3 tons (12%)
- 45.3 tons (47%)
- 0.6 tons (1%)

*Includes paper, cardboard, plastic, and aluminum cans*
**Initiative:** Implement a work order system for employee requests for technological assistance.

**Target:** Implement work order system.

**Achievement:** Implemented the IT Help Desk.

Reduces staff time and allows for better issue tracking and monitoring

Assisted in resolving over 1,000 electronic hardware, software, computer and media issues in first five months of operation

Directs each question to the right person or resource, allowing for quicker response times

**In Practice:** Technology & Information Services provides vital troubleshooting, upgrades, and maintenance of nearly all RTAA technology from business cellphones to desktop workstations.
Initiative: Increase use of thermoplastic airfield pavement markings.

Target: Decrease usage of airfield marking paint.

Achievement: Reduced marking paint usage by 146 gallons over 10-year lifespan of thermoplastic markings.

Decreases application costs and reduces amount of specialized equipment needed
Provides opportunity for employees to learn new skill and technology
More environmentally friendly than traditional paint and reflective glass beads and lasts longer
Increases safety, awareness, and visibility, while reducing staff time and effort

In Practice: Airfield Maintenance converted their pavement marking program from traditional paint & glass beads to thermoplastic markings. The thermoplastic markings have an approximate 10-year lifespan, negating the need to repaint every year. In 2016, the program expanded to include landside pavement markings in the terminal loop road.
**Initiative:** Improve experience for traveling public.

- Gives passengers a reason to choose our airport besides cost or convenience
- Increases customer and employee interactions, creating a warm and welcoming experience for our passengers
- Helps identify potential concerns and drives social media vs. regular media

**Target:** Improve customer service and provide positive passenger experience.

**Achievement:** Random, as well as weekly and monthly scheduled events, resulted in a surveyed Passenger Customer Service Rating of 6.38 out of 7.00.

**In Practice:** Marketing & Public Affairs lead a band of cheerful volunteers, known as the Kindness Takes Flight (KTF) team, who regularly swoop in on the traveling public, offering passenger assistance, handing out water and snacks, welcoming flights, and spreading random acts of kindness linked to national days of recognition. KTF events occur at least monthly.
Initiative: Improve vehicle and pedestrian safety.

- Adds safety and security convenience, while preserving parking revenue
- Enhances customer service and experience
- Increases public safety and security by getting stalled or inoperable cars out of the parking lots and off the loop road

Target: Establish baseline.

Achievement: 100+ assists provided in 2016.

In Practice: Landside Operations responds to vehicle assist calls from passengers and employees, providing jumper-cable service for dead batteries, changing or inflating tires, and opening locked car doors at no cost to the customer.
Initiative: Refresh the company culture.

Target: Extend THRIVE values throughout organization to promote employee loyalty and longevity.

Achievement: Received ACI-NA Excellence in Human Resources Award, and in 2016 each employee was THRIVE’d (e.g. recognized or acknowledged by a peer or supervisor) at least once.

In Practice: Human Resources facilitated an employee-led movement to identify core values and characteristics which each employee can build upon in the workplace. THRIVE stands for:

- Teamwork for Results
- Honesty and Integrity
- Respect and Recognition
- Inspire and Innovate
- Versatility
- Enthusiasm for Excellence
**Initiative:** Maintain strong and stable financial condition.

**Target:** Maintain Credit Rating of “A.”

**Achievement:** Rated “A” by Fitch.

**Reasonable cost per enplaned passenger** is considered by airlines in air service decisions.

**Sufficient cash and liquidity cushions** against periods of volatility.

**Low debt and sustained infrastructure** = low and historically stable operating cost.

**In Practice:** Finance & Accounting strives to maintain RNO & RTS as cost competitive airports, while ensuring adequate and flexible funding to retain and expand air service, invest in capital improvements, and cover the day-to-day operational expenses.
**Initiative:** Address community noise concerns and issues.

**Target:** Work with community to provide better understanding of airport noise.

**Achievement:** Handled 1,551 noise complaints in 2016.

- **Allows air service development and growth**
- **Provided sound insulation improvements to 3 schools and 5,000+ residences, with investment cost of $68 million**
- **NextGen procedures reduce noise and aircraft emissions**

**In Practice:** Planning & Environmental Services is the community sounding board for noise issues and works to educate residents about aircraft operations and flight tracks. The Airport Noise & Operations Monitoring System, which is available to the public on the airport’s website, is their primary educational tool.
**Initiative:** Conduct regular emergency training exercises.

Practice improves ability to restore airport to normal operations quickly and efficiently and saves lives.

Mutual aid agreements promote communication, collaboration, and support among local agencies.

Faster response time decreases damage to natural resources.

Practice, practice, practice in order to be prepared for the unexpected.

**Target:** Enhance and expand training program.

**Achievement:** Conducted 67 training exercises and inspections, and introduced new Active Shooter drills into regular training exercises.

**In Practice:** Operations & Public Safety coordinates multiple emergency response drills and training exercises, applying real-life situational approaches to the mitigation, preparedness, response, and recovery after airport-related incidents and accidents.
**Initiative:** Improve energy conservation and efficiency.

- Reduces energy costs and improves resiliency against rising energy costs
- Endorses environmental awareness and sustainability
- Reduces consumption of natural resources and reduces greenhouse gas emissions
- Manages energy usage more efficiently

**Target:** Annually reduce or limit energy demand.

**Achievement:** Despite exceeding 2016 growth projections, energy demand decreased from 10.2 kWhs (FY 14/15) to 10.1 kWhs (FY 15/16) per passenger.

**In Practice:** Facilities & Maintenance continually demonstrates its commitment to promote energy conservation and to invest in energy efficiency, not only to reduce energy costs, but also to endorse environmental awareness and sustainability.
Initiative: Expand UAS operations & development.

Fosters UAS industry-based economic development and expands potential revenue stream

Promotes public and private partnerships for UAS industry development

Leverages Reno-Stead Airport’s approved FAA UAS Test Range status

Target: Establish UAS tenant and customer base.

Achievement: Formalized NASA partnership and constructed NUANCE Lab.

In Practice: Reno-Stead Airport and Airport Economic Development position, market, and develop the general aviation airport as a prime location for Unmanned Aircraft Systems (UAS) research, testing, manufacturing, and development.
**Initiative:** Evaluate one-third of the airport pavements.

- Provides quantitative and qualitative data to guide decisions about pavement maintenance, rehabilitation, and reconstruction
- Maximizes operational safety and lifespan of the pavement

**Target:** Identify prospective annual pavement projects.

**Achievement:** Inspected 5.2 million sq. ft. of pavement in 2016 and identified 2017 pavement projects.

**In Practice:** Engineering & Construction manages the FAA-required pavement management program which collects, analyzes, and reports landside and airside pavement data.
**Initiative:** Safely accommodate larger, heavier aircraft at Reno-Stead Airport.

- **Improves customer service and expands heavy aircraft parking capacity**
- **Reduces operational maintenance and repair**

**Target:** Pending federal funding, complete aircraft parking pad project.

**Achievement:** Completed design of aircraft parking pads (~60,000 sq. ft.).

**In Practice:** Engineering & Construction and Reno-Stead Airport are utilizing federal grant funding to install concrete pads in the asphalt apron which will move larger, heavier aircraft parking off the softer asphalt.
**Initiative:** Improve bidding process for airport projects and procurements.

- Provides a more cost effective procurement process
- Fosters transparent and competitive business practices
- Significantly reduces the amount of paper usage
- Electronically automates and increases procurement efficiency

**Target:** Implement new single platform for procurement.

**Achievement:** Ion Wave Technology software application was fully implemented in January 2016 and is now the new standard for airport procurement.

**In Practice:** Finance and Purchasing instituted a procurement program that utilizes on-demand bid management and online registrations from vendors desiring to compete for airport business. The Ion Wave Technology software provides a single platform for managing all procurement sourcing activities and information, helping minimize costs and time delays associated with creating, packaging, and distributing documents.
Initiative: Improve passenger WiFi services.

Target: Expand and improve terminal wide WiFi access for RNO customers.

Achievement: Completed WiFi upgrades in 2016.

In Practice: Technology and Information Services manages the free WiFi services at RNO, which is a necessary and expected tool to keep travelers informed and connected.
**Initiative:** Establish succession planning with an initial focus on difficult to fill skillsets and positions.

- Minimizes the time and financial resources associated with outside recruitments
- Foster employee engagement through internal promotion
- Minimizes the risk of losing valuable personnel, experienced leadership, and institutional knowledge

**Target:** Identify and develop future RTAA leadership.

**Achievement:** Identified aspirants for leadership and/or difficult to fill positions, established succession planning program, and introduced new progression related training.

**In Practice:** Human Resources initiated a process for identifying and developing internal staff resources with the potential to fill key leadership positions in the organization.

**Engagement:**
- The employee’s emotional and rational commitment, discretionary effort, and intent to stay

**Aspiration:**
- The desire for the responsibilities, challenges, and rewards entailed by more senior roles

**Ability**
- Combination of innate characteristics and learned skills
Sustainability Indicators
## Economic Viability

<table>
<thead>
<tr>
<th>FINANCIAL</th>
<th>UNIT</th>
<th>COMMENT</th>
<th>FY 13/14</th>
<th>FY 14/15</th>
<th>FY 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Airline</td>
<td>Dollar</td>
<td></td>
<td>$13,485,761</td>
<td>$13,777,587</td>
<td>$13,677,518</td>
</tr>
<tr>
<td>Non-Airline</td>
<td>Dollar</td>
<td></td>
<td>$29,188,679</td>
<td>$30,210,936</td>
<td>$31,836,397</td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Services</td>
<td>Dollar</td>
<td></td>
<td>$24,301,598</td>
<td>$24,638,525</td>
<td>$25,007,616</td>
</tr>
<tr>
<td>Utilities and Communications</td>
<td>Dollar</td>
<td></td>
<td>$2,774,328</td>
<td>$2,757,835</td>
<td>$2,540,504</td>
</tr>
<tr>
<td>Purchased Services</td>
<td>Dollar</td>
<td></td>
<td>$4,770,478</td>
<td>$4,763,544</td>
<td>$4,803,679</td>
</tr>
<tr>
<td>Materials and Supplies</td>
<td>Dollar</td>
<td></td>
<td>$1,749,084</td>
<td>$1,582,278</td>
<td>$1,821,369</td>
</tr>
<tr>
<td>Administrative Expenses</td>
<td>Dollar</td>
<td></td>
<td>$2,563,199</td>
<td>$2,113,887</td>
<td>$2,443,771</td>
</tr>
<tr>
<td><strong>Financial Benchmarks</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enplaned Passengers</td>
<td>Number</td>
<td></td>
<td>1,658,187</td>
<td>1,656,293</td>
<td>1,778,611</td>
</tr>
<tr>
<td>Airline Cost Per Enplaned Passenger</td>
<td>Dollar</td>
<td></td>
<td>$7.31</td>
<td>$7.21</td>
<td>$6.56</td>
</tr>
<tr>
<td>Operating Ratio</td>
<td>Percent</td>
<td></td>
<td>84.7%</td>
<td>81.5%</td>
<td>81.2%</td>
</tr>
<tr>
<td>Debt Service Coverage Ratio</td>
<td>Number</td>
<td></td>
<td>1.61</td>
<td>2.19</td>
<td>2.61</td>
</tr>
<tr>
<td>Days Cash on Hand</td>
<td>Days</td>
<td></td>
<td>408.2</td>
<td>381.2</td>
<td>449.4</td>
</tr>
</tbody>
</table>
## Operational Efficiency

<table>
<thead>
<tr>
<th>Operations and Public Safety Training</th>
<th>FY 13/14</th>
<th>FY 14/15</th>
<th>FY 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exercises and Inspections Number</td>
<td>-</td>
<td>53</td>
<td>67</td>
</tr>
<tr>
<td>FAA Part 139 Deficiencies Number</td>
<td>0</td>
<td>0</td>
<td>2(^2)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ground Transportation</th>
<th>FY 13/14</th>
<th>FY 14/15</th>
<th>FY 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto Parking Transactions Number</td>
<td>452,272</td>
<td>462,439</td>
<td>488,121</td>
</tr>
<tr>
<td>ARFF/Police Responses Number</td>
<td>-</td>
<td>358</td>
<td>341</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Annual Work Orders</th>
<th>FY 13/14</th>
<th>FY 14/15</th>
<th>FY 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preventative Maintenance Number</td>
<td>13,530</td>
<td>15,591</td>
<td>14,875</td>
</tr>
<tr>
<td>Corrective Maintenance Number</td>
<td>2,369</td>
<td>2,708</td>
<td>2,578</td>
</tr>
<tr>
<td>PM Costs Compared To Total Maintenance Costs Percent</td>
<td>67.18</td>
<td>64.00</td>
<td>62.73</td>
</tr>
</tbody>
</table>

\(^1\) Annual Aircraft Operations provided are calendar year totals (January 1 through December 31).

\(^2\) FAA Part 139 Deficiencies were immediately corrected.
# Natural Resource Conservation

<table>
<thead>
<tr>
<th>ENVIRONMENTAL</th>
<th>UNIT</th>
<th>COMMENT</th>
<th>FY 13/14</th>
<th>FY 14/15</th>
<th>FY 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Airport Utilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electric</td>
<td>kWh</td>
<td></td>
<td>17,198,341</td>
<td>16,964,713</td>
<td>17,989,741</td>
</tr>
<tr>
<td>Natural gas</td>
<td>Therms</td>
<td></td>
<td>493,541</td>
<td>436,031</td>
<td>687,859</td>
</tr>
<tr>
<td>Water</td>
<td>Gallons</td>
<td></td>
<td>32,994,000</td>
<td>29,658,000</td>
<td>32,535,000</td>
</tr>
<tr>
<td><strong>De-icing operations</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aircraft De-icing</td>
<td>Gallons</td>
<td></td>
<td>64,926</td>
<td>45,012</td>
<td>146,312</td>
</tr>
<tr>
<td>Aircraft De-Icer Collected/Treated</td>
<td>Gallons</td>
<td></td>
<td>15,235</td>
<td>10,405</td>
<td>10,865</td>
</tr>
<tr>
<td>Aircraft De-Icer Recovered</td>
<td>Percent</td>
<td></td>
<td>22.7</td>
<td>22.1</td>
<td>7.0</td>
</tr>
<tr>
<td><strong>Waste Management</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waste To Landfill</td>
<td>Tons</td>
<td></td>
<td>751</td>
<td>747</td>
<td>730</td>
</tr>
<tr>
<td>Terminal Recycling</td>
<td>Tons</td>
<td></td>
<td>71</td>
<td>63</td>
<td>83</td>
</tr>
<tr>
<td>Diversion Rate</td>
<td>Percent</td>
<td></td>
<td>9.5</td>
<td>8.2</td>
<td>12.0</td>
</tr>
<tr>
<td><strong>Vehicle Fuel Usage</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gasoline</td>
<td>Gallons</td>
<td></td>
<td>25,322</td>
<td>23,155</td>
<td>23,141</td>
</tr>
<tr>
<td>Diesel</td>
<td>Gallons</td>
<td></td>
<td>18,977</td>
<td>16,184</td>
<td>20,276</td>
</tr>
</tbody>
</table>
## Social Responsibility

<table>
<thead>
<tr>
<th>Community</th>
<th>Unit</th>
<th>Comment</th>
<th>FY 13/14</th>
<th>FY 14/15</th>
<th>FY 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Satisfaction</td>
<td>Rating</td>
<td>7 Point Scale</td>
<td>6.38</td>
<td>6.29</td>
<td>6.49</td>
</tr>
<tr>
<td>Average Daily Number of Departures</td>
<td>Number</td>
<td></td>
<td>51</td>
<td>51</td>
<td>51</td>
</tr>
<tr>
<td>Average Number of Non-Stop Destinations</td>
<td>Number</td>
<td></td>
<td>17</td>
<td>17</td>
<td>20</td>
</tr>
<tr>
<td>Average Daily Seats</td>
<td>Number</td>
<td></td>
<td>5,807</td>
<td>5,705</td>
<td>6,072</td>
</tr>
<tr>
<td>Total Annual Seats</td>
<td>Number</td>
<td></td>
<td>2,120</td>
<td>2,082</td>
<td>2,216</td>
</tr>
<tr>
<td>Total Annual Enplaned Passengers</td>
<td>Number</td>
<td></td>
<td>1,658,187</td>
<td>1,656,293</td>
<td>1,778,611</td>
</tr>
<tr>
<td>Total Passengers</td>
<td>Number</td>
<td></td>
<td>3,303,126</td>
<td>3,303,817</td>
<td>3,563,818</td>
</tr>
<tr>
<td>Total Annual Aircraft Noise Complaints</td>
<td>Number</td>
<td></td>
<td>538</td>
<td>702</td>
<td>1,551</td>
</tr>
</tbody>
</table>