

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Board Members

C. April Boling
Chairman

Greg Cox
Jim Desmond
Robert H. Gleason
Jim Janney
Mark Kersey
Paul Robinson
Michael Schumacher
Mary Sessom

Ex-Officio Board Members

Laurie Berman
Eraina Ortega
Col. Jason Woodworth

President / CEO

Kimberly J. Becker

DRAFT ACTION MINUTES

BOARD AGENDA

Thursday, July 6, 2017
9:00 A.M.

San Diego International Airport
SDCRAA Administration Building – Third Floor
Board Room
3225 N. Harbor Drive
San Diego, California 92101

***Live webcasts of Authority Board meetings can be accessed at
<http://www.san.org/Airport-Authority/Meetings-Agendas/Authority-Board>***

CALL TO ORDER: Chairman Boling called the meeting to order at 9:03 a.m.

PLEDGE OF ALLEGIANCE: Board Member Woodworth (Ex Officio) led the Pledge of Allegiance.

ROLL CALL: Board Members Berman (Ex Officio), Desmond, Ortega (Ex Officio), and Sessom were ABSENT.

PRESENTATIONS:

A. PORT MASTER PLAN UPDATE:

Presented by the Rafael Castellanos, Vice Chairman - Board of Commissioners, Port of San Diego; and Lesley Nishihira, Principal - Planning & Green Port, Port of San Diego

REPORTS FROM BOARD COMMITTEES, AD HOC COMMITTEES, AND CITIZEN COMMITTEES AND LIAISONS:

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:**
Committee Members: Gleason, Hollingworth, Robinson (Chair), Schumacher, Sessom, Tartre, Van Sambeek
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**
Committee Members: Gleason, Janney(Chair), Kersey, Robinson

*For reference only. This document is not the official actions of the meeting and should not be maintained once the final minutes are adopted.

- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
Committee Members: Boling, Cox, Desmond (Chair), Kersey, Schumacher
- **FINANCE COMMITTEE:**
Committee Members: Boling (Chair), Cox, Janney, Sessom

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:**
Liaison: Robinson (Primary), Boling
- **ART ADVISORY COMMITTEE:**
Committee Member: Gleason

LIAISONS

- **AIRPORT LAND USE COMPATIBILITY PLAN:**
Liaison: Janney
- **CALTRANS:**
Liaison: Berman
- **INTER-GOVERNMENTAL AFFAIRS:**
Liaison: Cox
- **MILITARY AFFAIRS:**
Liaison: Woodworth
- **PORT:**
Liaisons: Boling, Cox, Gleason (Primary), Robinson
- **WORLD TRADE CENTER:**
Representatives: Gleason (Primary)

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:**
Representatives: Boling (Alternate), Janney (Primary)

CHAIR'S REPORT:

PRESIDENT/CEO'S REPORT:

NON-AGENDA PUBLIC COMMENT: There were 3 public speakers.

CONSENT AGENDA (Items 1-13):

[ACTION: 7-0-2 to approve the Consent Agenda, noting Board Members Desmond and Sessom as ABSENT.]

1. **APPROVAL OF MINUTES:**
RECOMMENDATION: Approve the minutes of the April 24, 2017, special meeting; May 18, 2017, special meeting; and June 1, 2017, regular meeting.
2. **ACCEPTANCE OF BOARD AND COMMITTEE MEMBERS WRITTEN REPORTS ON THEIR ATTENDANCE AT APPROVED MEETINGS AND PRE-APPROVAL OF ATTENDANCE AT OTHER MEETINGS NOT COVERED BY THE CURRENT RESOLUTION:**
RECOMMENDATION: Accept the reports and pre-approve Board member attendance at other meetings, trainings and events not covered by the current resolution.
3. **AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM MAY 8, 2017 THROUGH JUNE 11, 2017 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM MAY 8, 2017 THROUGH JUNE 11, 2017:**
RECOMMENDATION: Receive the report.
4. **JULY 2017 LEGISLATIVE REPORT:**
RECOMMENDATION: Adopt Resolution No. 2017-0054, approving the July 2017 Legislative Report.
5. **APPROVE APPOINTMENTS TO THE ART ADVISORY COMMITTEE:**
RECOMMENDATION: Adopt Resolution No. 2017-0055, approving the appointment of Jennifer Easton and Cris Scorza to the Art Advisory Committee.
6. **GRANT AN EASEMENT TO SAN DIEGO GAS & ELECTRIC:**
RECOMMENDATION: Adopt Resolution No. 2017-0056, authorizing the President/CEO to negotiate and execute an easement for utility purposes with San Diego Gas & Electric.

CLAIMS

7. **REJECT THE CLAIM OF FUTURE DB INTERNATIONAL, INC.:**
RECOMMENDATION: Adopt Resolution No. 2017-0057, rejecting the claim of Future DB International, Inc.

COMMITTEE RECOMMENDATIONS

CONTRACTS AND AGREEMENTS

8. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A REIMBURSABLE AGREEMENT WITH THE DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION (FAA):**
RECOMMENDATION: Adopt Resolution No. 2017-0058, approving and authorizing the President/CEO to execute a Reimbursable Agreement between the Department of Transportation Federal Aviation Administration (FAA) and the San Diego County Regional Airport Authority, for a reimbursable amount not-to-exceed \$200,000, for Navaid Equipment Relocation and Site Study at San Diego International Airport.
9. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FIRST AMENDMENT TO THE AGREEMENT WITH ANDERSON & KREIGER:**
RECOMMENDATION: Adopt Resolution No. 2017-0059, approving and authorizing the President/CEO to execute a First Amendment to the Agreement with Anderson & Kreiger LLP for Professional Legal Services increasing the compensation amount by \$100,000 for a total not-to-exceed amount of \$200,000.

CONTRACTS AND AGREEMENTS AND/OR AMENDMENTS TO CONTRACTS AND AGREEMENTS EXCEEDING \$1 MILLION

10. **AWARD A CONTRACT TO G&G SPECIALTY CONTRACTORS, INC. FOR QUIETER HOME PROGRAM PHASE 8, GROUP 12, PROJECT NO. 380812 (84 NON-HISTORIC MULTI-FAMILY UNITS ON 7 RESIDENTIAL PROPERTIES LOCATED EAST AND WEST OF THE AIRPORT):**
RECOMMENDATION: Adopt Resolution No. 2017-0060, awarding a contract to G&G Specialty Contractors, Inc., in the amount of \$1,319,742, for Phase 8, Group 12, Project No. 380812, of the San Diego County Regional Airport Authority's Quieter Home Program.
11. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FOURTH AMENDMENT TO THE PEST CONTROL AND REMEDIATION SERVICES AGREEMENT WITH CARTWRIGHT TERMITE & PEST CONTROL, INC.:**
RECOMMENDATION: Adopt Resolution No. 2017-0061, approving and authorizing the President/CEO to execute a Fourth Amendment to the Pest Control and Remediation Services Agreement with Cartwright Termite & Pest Control, Inc., exercising the Authority's option to extend the Agreement term for the second of two (2) one-year extensions to August 31, 2018, and increasing the amount payable by \$800,000 for a total not-to-exceed compensation amount of \$7,157,776.

12. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN EIGHTH AMENDMENT TO THE ON-CALL SERVICES AGREEMENT WITH RICONDO & ASSOCIATES:

RECOMMENDATION: Adopt Resolution No. 2017-0062, approving and authorizing the President/CEO to execute an Eighth Amendment to the Agreement with Ricondo & Associates for On-Call Services increasing the compensation amount by \$1,600,000 for a total not-to-exceed amount of \$4,600,000.

13. AWARD A CONTRACT TO GRANITE CONSTRUCTION COMPANY, FOR CLEAR OBJECT FREE AREA (OFA) TAXIWAY B AT SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2017-0065, awarding a contract to Granite Construction Company, in the amount of \$5,598,909 for Project No. 104129, Clear Object Free Area (OFA) Taxiway B at San Diego International Airport.

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

14. DISCUSSION AND POSSIBLE ACTION REGARDING ARTS PROGRAM POLICY 8.50, SECTION 1(G) GIFTS AND LOANS OF ARTWORK:

RECOMMENDATION: Staff recommends that no amendments be made to Authority Policy 8.50 at this time.

[ACTION: 3-4-2 to amend Authority Policy 8.50, where the CEO/President has exclusive authority, to provide a provision to allow three or more members of the Board to add item(s) to the agenda for further review, noting Board Members Desmond and Sessom as ABSENT.]

15. AWARD A CONTRACT TO GRANITE CONSTRUCTION COMPANY FOR REHABILITATE RUNWAY 9-27 AND REHABILITATE CROSS TAXIWAYS B1, B4-B7, C3, C4 AND C6 AT SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2017-0064, awarding a contract to Granite Construction Company in the amount of \$22,839,002.50 for Project No. 104219, Rehabilitate Runway 9-27 and Project No. 104220, Rehabilitate Cross Taxiways B1, B4-B7, C3, C4 and C6 at San Diego International Airport.

[ACTION: 7-0-2 to approve staff's recommendation, noting Board Members Desmond and Sessom as ABSENT.]

- 16. AUTHORIZATION OF BOND DOCUMENTS AND SALE OF UP TO \$400 MILLION AIRPORT REVENUE BONDS, INCLUDING DELEGATION OF PRICING AUTHORITY, TO REFUND A PORTION OF THE AUTHORITY'S OUTSTANDING SUBORDINATE REVOLVING OBLIGATIONS AND TO FUND THE PARKING PLAZA, FIS AND CAPITAL IMPROVEMENT PROGRAM; AUTHORIZATION OF THE \$10 MILLION IRREVOCABLE COMMITMENT OF PASSENGER FACILITY CHARGES IN FY 2018 TO THE PAYMENT OF DEBT SERVICE AND; AUTHORIZATION OF REIMBURSEMENT AGREEMENT:**
RECOMMENDATION: The Finance Committee recommends that the Board adopt Resolution No. 2017-0066, (1) authorizing the issuance and sale of not-to-exceed \$400 million in aggregate principal amount of one or more series of San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds; and (2) approving the forms of a Fifth Supplemental Subordinate Trust Indenture, Preliminary and Final Official Statements, a Purchase Contract, a Continuing Disclosure Certificate, and certain related matters; and

Adopt Resolution No. 2017-0067, authorizing an irrevocable commitment of certain Passenger Facility Charges for the payment of debt service on the Authority's Senior and Subordinate Obligations and certain related matters; and

Adopt Resolution 2017-0068, authorizing the establishment of a method for the San Diego County Regional Airport Authority to make declarations of official intent in order to permit the Authority to reimburse itself and other parties for capital expenditures with proceeds of future taxable or tax-exempt borrowings in accordance with Internal Revenue Service reimbursement regulations.

[ACTION: 7-0-2 to approve staff's recommendation, noting Board Members Desmond and Sessom as ABSENT.]

- 17. DISCUSSION AND POSSIBLE ACTION REGARDING STREET PRICING REQUIREMENT CONTAINED IN CONCESSION AGREEMENTS:**
RECOMMENDATION: Provide direction to staff.

[ACTION: 7-0-2 to select Option 1, as outlined in the Staff Report, to leave street pricing language unchanged with the intent to reevaluate in the Fall of 2018 based on actual performance at that time, noting Board Members Desmond and Sessom as ABSENT.]

- 18. AUTHORIZE AN AMENDMENT TO THE FEDERAL INSPECTION SERVICES FACILITY AGREEMENT WITH TURNER-PCL, A JOINT VENTURE, ALLOWING THE CONVERSION OF THE BASIS OF PAYMENT OF COSTS INCURRED FOR SUBCONTRACTORS NOT PROCURED COMPETITIVELY FROM TIME AND MATERIALS TO LUMP SUM:**

RECOMMENDATION: Adopt Resolution No. 2017-0063, authorizing an amendment to the Federal Inspection Services Facility agreement with Turner-PCL, a Joint Venture, allowing subcontractors not procured using a competitive process to be paid on a lump sum basis rather than on a time and materials basis.

[ACTION: 7-0-2 to approve staff's recommendation, noting Board Members Desmond and Sessom as ABSENT.]

- 19. DISCUSSION AND POSSIBLE ACTION REGARDING PUBLIC EMPLOYEE COMPENSATION- GENERAL COUNSEL:**

RECOMMENDATION: Discuss and possibly take action regarding public employee compensation.

[ACTION: 7-0-2 to approve a 1% salary increase to Amy Gonzalez's base salary and a 4% one-time stipend of the base salary, noting Board Members Desmond and Sessom as ABSENT.]

- 20. DISCUSSION AND POSSIBLE ACTION REGARDING PUBLIC EMPLOYEE COMPENSATION- CHIEF AUDITOR:**

RECOMMENDATION: Discuss and possibly take action regarding public employee compensation.

[ACTION: No action taken.]

CLOSED SESSION: The Board recessed into Closed Session at 10:38 a.m. to discuss Items 21, 26, 29 and 30.

- 21. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**

(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)

Name of Case: GGTW LLC v San Diego County Regional Airport Authority, et al., San Diego Superior Court Case No. 37-2016-00032646-CU-BC-CTL

- 22. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**

(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)

Name of Case: San Diego County Regional Airport Authority v. American Car Rental, Inc., San Diego Superior Court Case No. 37-2016-00024056-CL-BC-CTL

- 23. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**

(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)

Dryden Oaks, LLC v. San Diego County Regional Airport Authority, et al., San Diego Superior Court, North County, Case No. 37-2014-00004077-CU-EI-NC

- 24. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
Investigative Order No. R9-2012-0009 by the California Regional Water Quality Control Board pertaining to an investigation of bay sediments at the Downtown Anchorage Area in San Diego.
Number of potential cases: 1
- 25. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
Navy Boat Channel Environmental Remediation
Number of potential cases: 1
- 26. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
Number of potential cases: 2
- 27. CONFERENCE WITH LEGAL COUNSEL –ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
In re Seaport Airlines, Inc., U.S. Bankruptcy Court Case No. 16-30406-rld7
Number of potential cases: 1
- 28. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
(Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Cal. Gov. Code §54956.9)
Number of cases: 1
- 29. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:**
Cal. Gov. Code §54957
Title: General Counsel
- 30. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:**
Cal. Gov. Code §54957
Title: Chief Auditor

REPORT ON CLOSED SESSION: The Board reconvened into Open Session at 11:05 a.m. Amy Gonzalez, General Counsel, reported that there was no reportable action regarding Item 21, and that the Board gave direction regarding Item 26.

GENERAL COUNSEL REPORT: None.

BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REPORTS FOR BOARD MEMBERS, PRESIDENT/CEO, CHIEF AUDITOR AND GENERAL COUNSEL WHEN ATTENDING CONFERENCES, MEETINGS, AND TRAINING AT THE EXPENSE OF THE AUTHORITY:

BOARD COMMENT: None.

ADJOURNMENT: The meeting was adjourned at 12:19 p.m.

DRAFT