

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, SEPTEMBER 7, 2017
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM**

CALL TO ORDER: Chairman Boling called the regular meeting of the San Diego County Regional Airport Authority to order at 9:03 a.m. on Thursday, September 7, 2017, in the Board Room at the San Diego International Airport, Administration Building, 3225 North Harbor Drive, San Diego, CA 92101.

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

ROLL CALL:

PRESENT: Board Members: Boling (Chairman), Desmond, Janney, Kersey, Robinson, Schumacher, Sessom, Woodworth (Ex-Officio)

ABSENT: Board Members: Berman (Ex-Officio), Cox, Gleason, Ortega (Ex Officio)

ALSO PRESENT: Kimberly J. Becker, CEO/President; Amy Gonzalez, General Counsel; Tony R. Russell, Director, Corporate and Information Governance/Authority Clerk; Stephanie Heying, Assistant Authority Clerk II

Chairman Boling announced that the Board would hear Items 11 and 12 followed by the presentation for Item A.

NEW BUSINESS:

11. ACCEPTANCE OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDED JUNE 30, 2017:

Kathy Keifer, Senior Director, Finance and Asset Management provided a presentation on the Unaudited Financial Statements for the Twelve Months Ended June 30, 2017, which included the Gross Landing Weight Units; Enplanements; Car Rental License Fees; Food and Beverage Concessions Revenue; Retail Concessions Revenue; Total Terminal Concessions; Parking Revenue; Operating Revenues; Financial Summary; Nonoperating Revenues and Expenses; and Statements of Net Position.

RECOMMENDATION: Accept the report.

ACTION: Motion by Board Member Janney and seconded by Board Member Kersey to accept the report. Motion carried by the following votes: YES – Boling, Desmond, Janney, Kersey, Robinson, Schumacher, Sessom; NO – None; ABSENT – Cox, Gleason; (Weighted Vote Points: YES – 78; NO – 0; ABSENT – 22).

Board Member Sessom left the dais.

12. ACCEPTANCE OF THE AUTHORITY'S INVESTMENT REPORT FOR THE TWELVE MONTHS ENDED JUNE 30, 2017:

Geoff Bryant, Manager, Airport Finance; and John Dillon, Director, Financial Management and Planning provided a presentation on the Authority's Investment Report for the Twelve Months Ended June 30, 2017, which included the Total Portfolio Summary; Portfolio Composition by Security Type; Portfolio Composition by Credit Rating; Portfolio Composition by Maturity; Benchmark Comparison; Detail of Security Holdings; Portfolio Investment Transactions; Bond Proceeds Summary; Bond Proceeds Investment Transactions; Portfolio Strategy Update; Characteristics of PFM Managed Portfolio; Change to Duration Target; and Change to Duration Target Yield and Liquidity.

RECOMMENDATION: Accept the report.

ACTION: Motion by Board Member Schumacher and seconded by Board Member Kersey to accept the report. Motion carried by the following votes; YES – Boling, Desmond, Janney, Kersey, Robinson, Schumacher; NO – None; ABSENT – Cox, Gleason, Sessom; (Weighted Vote Points: YES – 70; NO – 0; ABSENT – 30).

Board Member Sessom returned to the dais.

PRESENTATIONS:

A. SERIES 2017 BOND SALE BRIEFING:

Scott Brickner, Vice President, Finance & Asset Management/Treasurer provided a presentation on the Series 2017 Bond Sale, which included the Authority Bond Financing Requirements; 2017 Bonds Financing Team; Preparation of Bond Documents, Feasibility Report and Preliminary Official Statement (POS); Rating Agency Presentations & Credit Ratings; Marketing and Investor Outreach; Pricing; and Results.

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

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:** None.
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:** Board Member Janney reported that CIPOC met on July 31, 2017, and received updates on the Parking Plaza, the Federal Inspection Station (FIS), Small Business; Finance; and the Harbor Drive Mobility Committee.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:** Board Member Desmond reported that the Committee met on August 28, 2017, to review the recommendation for the renewal of the health and welfare benefits program for 2018. He reported that the Committee met in closed session with the President/CEO regarding her performance and the Committee met with the Teamsters Local 911, regarding contracts that are set to expire on October 1, 2017.
- **FINANCE COMMITTEE:** Chairman Boling reported that the Committee met on August 28, 2017, but did not have a quorum.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:** None.

- **ART ADVISORY COMMITTEE:** Diana Lucero, Director, Vision, Voice and Engagement reported that the review panel for the 2018 Temporary Exhibition, *Figure of Speech*, met on August 31 to review 55 submissions, and staff are in the process of determining the exhibition locations for the selected finalist. She reported that the weekly small ensemble concerts continue in Sunset Cover on Fridays and transcenDANCE will perform post-security in Terminal 2 on September 14. She reported that the airport will host a private reception on behalf of transcenDANCE on October 18; the event theme is Creative Youth Development, which will focus on the emerging national approach of using arts as a vehicle to empower youth to break barriers and be models for positive change in their communities. She reported that Uberall International, *Dazzle*, is running 15+ unique animations in sequence and that a Dazzle dedication event is scheduled for September 13. She reported that the ad hoc artist selection panel's recommendations that painter Eva Struble and photographer Adriene Hughes, both San Diego-based, receive commissions, was approved by the Art Advisory Committee on August 24. She reported that the Arts Master Plan consultant team was onsite from August 23 to August 25 to facilitate interviews with external stakeholders, including cultural arts departments throughout the region as well as focused art groups from NTC Liberty Station and that the consultants and Arts Program staff presented an update on the Master Plan project at the August 24 Committee meeting and facilitated an August 25 ADP stakeholder workshop.

LIAISONS

- **AIRPORT LAND USE COMPATIBILITY PLAN:** None.
- **CALTRANS:** None.
- **INTER-GOVERNMENTAL AFFAIRS:** Mike Kulis, Director, Inter-Governmental Relations reported that Authority Staff provided the California Legislature's Aviation Caucus a presentation on the Federal Aviation Administration (FAA) Reauthorization legislation being considered by Congress and the Authority Board and staff representatives provided San Diego City Councilmember Loire Zapf and Congressman Scott Peters an update on San Diego International Airport issues. He reported that Authority staff participated in a Chamber of Commerce meeting with U.S. Senator Dianne Feinstein, expressing appreciation for the Senator's support of the Passenger Facility Charge increase included in the Senate's FY 2018 Transportation Appropriations Bill. He reported that the State Legislature reconvened on August 21st, and has until September 15th to pass legislation this session; and Congress reconvened on September 5th, following its summer recess.
- **MILITARY AFFAIRS:** Board Member Woodworth (Ex Officio) referenced a July news article whereby Admiral Lindsey's reported an increase in military personnel in the region from roughly 110,000 to 125,000 by 2025.

- **PORT:** Chairman Boling reported that she, Board Members Gleason and Robinson met with members of the Port Leadership and discussed the Harbor Drive Mobility Plan and joint staffing.
- **WORLD TRADE CENTER:** None.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:** None.

CHAIR'S REPORT: Chairman Boling reported that the Harbor Drive Mobility Committee is moving forward and includes a Policy Committee and Working Group Committee; its purpose is to ensure that the cumulative impacts of all future developments affecting Harbor Drive are considered openly and in close coordination with all of the agencies. She reported that the Working Group met twice and provided information to the Policy Committee; and the Port has agreed to commission and fund a mobility study to identify potential traffic impacts from planned projects on Port tidelands over the next 10+ years. She reported that JetBlue launched its Mint Service August 14; the service, which includes lie-flat seats, will be available on JetBlue's flight between San Diego and New York (JFK). She reported that the Airport Noise Advisory Committee (ANAC) met on August 16 where she addressed the Committee regarding concerns about some of their constituents' interaction with airport staff. She reported that airport staff is being subjected to threats and profanity, and the purpose of her discussion with ANAC was to let them know if they are involved in email chains or they hear or see things, as ANAC members it is incumbent upon them to speak up to ask that this does not continue, and to try and stop some of the behavior. She reported that the Airport has commissioned a noise study and has received some preliminary information, and that two more locations were added to ensure the information is correct before issuing a statement regarding the results. She reported that the study will be complete for the October 25 ANAC meeting.

PRESIDENT/CEO'S REPORT: Kimberly Becker, President/CEO, reported that the airport's procurement team received the 2017 Achievement of Excellence in Procurement award from the National Procurement Institute; the award is earned by public and non-public organizations for recognition of innovation, professionalism, e-procurement practices, productivity, and leadership in the area of procurement. She reported that the Airport has received this prestigious award for eight consecutive years. She reported that the Airport Authority received an Airport Improvement Program (AIP) grant award for nearly \$16.77 million from the FAA for rehabilitation of the runway. She reported that the project will include the rehabilitation of the airfield asphalt pavement, adjustment of electrical runway lights and fixtures, striping, marking and related work. She reported that the runway project will take place between midnight and 5 a.m. beginning November 2017 and ending October 2018. She reported that the Airport will host its second airport-wide Oktoberfest event from September 16 – October 3, featuring live entertainment, special promotional giveaways, festive décor throughout the terminals and beer gardens in the terminal food courts. She reported that she, along with several members of the Executive Team, toured the Cross Border Xpress (CBX) in Otay Mesa. She reported that the representatives from CBX will also tour our airport and are interested in making a presentation to the Board.

NON-AGENDA PUBLIC COMMENT:

ADRIAN KWIATKOWSKI, SAN DIEGO, spoke in opposition of moving TNCs to the transportation islands.

CARELYN REYNOLDS, SAN DIEGO, spoke in opposition of moving TNCs to the commercial transportation plaza.

TONY HUESO, SAN DIEGO, spoke in opposition of moving TNCs to the transportation islands.

RICHARD ABDALA, SAN DIEGO, spoke in opposition of moving TNCs to the transportation islands.

KAMRAN HAMIDI, SAN DIEGO, provided a hand-out to the Board and a presentation on the Authorized Airport Taxi Stickers and spoke regarding taxi fees.

NAZAR MARAHI, SAN DIEGO, spoke in opposition of moving TNCs to the transportation islands.

EZEQUIEL BARAZA, SAN YSIDRO, requested that additional taxis be allowed to operate at the airport.

Board Member Desmond requested that the President/CEO send a memo to the Board regarding the issuance of taxi permits.

CONSENT AGENDA (Items 1-8):

ACTION; Moved by Board Member Janney and seconded by Board Member Kersey to approve the Consent Agenda. Motion carried by the following votes: YES – Boling, Desmond, Janney, Kersey, Robinson, Schumacher, Sessom; NO – None; ABSENT – Cox, Gleason; (Weighted Vote Points: YES – 78; NO – 0; ABSENT – 22).

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the July 6, 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 JUNE 12, 2017 THROUGH AUGUST 13, 2017 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM JUNE 12, 2017 THROUGH AUGUST 13, 2017:

RECOMMENDATION: Receive the report.

4. **SEPTEMBER 2017 LEGISLATIVE REPORT:**
RECOMMENDATION: Adopt Resolution No. 2017-0070, approving the September 2017 Legislative Report.
5. **APPOINTMENT OF AUTHORITY ADVISORY COMMITTEE MEMBERS**
RECOMMENDATION: Adopt Resolution No. 2017-0071, approving appointments to the Authority Advisory Committee.

CLAIMS

COMMITTEE RECOMMENDATIONS

CONTRACTS AND AGREEMENTS

6. **APPROVE AMENDMENTS TO THE AMENDED AND RESTATED SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY RETIREMENT PLAN AND TRUST OF 2013:**
RECOMMENDATION: Adopt Resolution No. 2017-0072, approving Amendment No. 4 to the Amended and Restated Retirement Plan and Trust of 2013; and

Adopt Resolution No. 2017-0073, approving Amendment No. 5 to the Amended and Restated Retirement Plan and Trust of 2013.

7. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AGREEMENTS FOR OUTSIDE LEGAL COUNSEL SERVICES:**
RECOMMENDATION: Adopt Resolution No. 2017-0074, approving and authorizing the President/CEO to negotiate and execute an Agreement with Best Best & Krieger LLP for legal services for a term of three years with two one-year options to renew for a maximum amount payable of \$500,000; and

Adopt Resolution No. 2017-0075, approving and authorizing the President/CEO to negotiate and execute an Agreement with Gatzke Dillon & Balance LLP for legal services for a term of three years with two one-year options to renew for a maximum amount payable of \$500,000; and

Adopt Resolution No. 2017-0076, approving and authorizing the President/CEO to negotiate and execute an Agreement with Kaplan Kirsch & Rockwell LLP for legal services for a term of three years with two one-year options to renew for a maximum amount payable of \$500,000; and

Adopt Resolution No. 2017-0077, approving and authorizing the President/CEO to negotiate and execute an Agreement with Morrison & Foerster LLP for legal services for a term of three years with two one-year options to renew for a maximum amount payable of \$500,000.

8. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A LICENSING AGREEMENT WITH THE ROCKY MOUNTAIN INSTITUTE FOR THE ADMINISTRATION OF 'THE GOOD TRAVELER' CARBON OFFSET PROGRAM AND THE SUPPLY OF CARBON OFFSETS:

RECOMMENDATION: Adopt Resolution No. 2017-0078, approving and authorizing the President/CEO to execute a licensing agreement with the Rocky Mountain Institute for the administration of 'The Good Traveler' program and the supply of carbon offsets.

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

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS (Continued):

9. RENEWAL OF THE HEALTH AND WELFARE BENEFITS PROGRAM FOR 2018:

Kurt Gering, Director, Talent, Culture & Capability and Heather Hill, Assistant Vice President, Willis Towers Watson provided a presentation on the Renewal of the Health and Welfare Benefits Program for 2018, which included Medical Plan Enrollment; Program Renewal Summary; Authority Paid Program Costs; Medical Renewal Analysis – Active Employees; Medical Marketing Considerations; Medical Renewal Summary; Health Care Reform Fees & Taxes; Medical Cost Share Analysis (Active); Employee Wellness; Disability Renewal Analysis; Medical Renewal Analysis (Medicare Retirees); 5 Year Review % Health Benefit Renewal Increase vs. Trend; Medical Cost Benchmarks – Total Cost per Covered Employee per Year; Renewal Recommendation Summary; Employee & Retiree Benefits Task Forces (June & July); Mandatory Medical Plan Changes; Dental Renewal Analysis; and Medical Renewal Analysis – Pre-Medicare Retirees.

In response to Board Member Sessom regarding why employees who choose not to participate in the wellness plan pay more than those who do participate, for the same coverage, if there is little impact on the short term medical claims cost; Kurt Gering, Director, Talent, Culture & Capability responded that the average employee stays with the Authority for ten years so the purpose of a wellness program is to incentive sustained behavior change, which takes time. He said the goal of the program is to provide incentives today that will impact long term health care and future health care cost.

Board Member Sessom requested to have age categories added to the January update of the employees who are not participating in the wellness program. She also requested that the costs associated with the wellness program be presented in January.

In response to Board Member Desmond regarding how much the Authority saves by having the wellness program in place, Heather Hill, Assistant Vice President, Willis Towers Watson stated there is not a set percentage but the claims experience will have an impact on the renewal costs.

RECOMMENDATION: Adopt Resolution No. 2017-0079, approving the renewal of the Health and Welfare Benefits Program for 2018.

ACTION: Moved by Board Member Desmond and seconded by Board Member Janney to approve the staff's recommendation. Motion carried by the following votes: YES – Boling, Desmond, Janney, Kersey, Robinson, Schumacher; NO – Sessom; ABSENT – Cox, Gleason; (Weighted Vote Points: YES – 70; NO – 8; ABSENT – 22).

10. AUTHORIZE A WAIVER OF SEASONAL AIR SERVICE INCENTIVE PROGRAM REQUIREMENTS FOR EDELWEISS AIR:

Hampton Brown, Senior Director, Air Service Development provided a presentation to Authorize a Waiver of Seasonal Air Service Incentive Program Requirements for Edelweiss Air, which included the Edelweiss Timeline; Edelweiss Air Requested a Waiver of Seasonal International Air Service Incentive Program (SIASIP) Requirements; Plan to Compensate for the Frequency Deficit by Scheduling 58-64 Frequencies in Summer 2018; Maintenance and Fleet Issues Impacted Edelweiss Air's Ability to Schedule the Required Number of Frequencies in the Summer 2017; Edelweiss Service to San Diego Impact – Stimulating San Diego – Zurich and San Diego – Switzerland Market; Resolution of Frequency Deficit; and Recommendation.

In response to Board Member Desmond regarding if the 40 flights a year were based on a calendar year or if it is a seasonal calendar, Hampton Brown, Senior Director, Air Service Development stated it is the seasonal calendar which began June 2017 through the end of September 2017.

In response to Board Member Desmond's concern that this could happen again, Mr. Brown explained that Edelweiss experienced a mechanical issue with one of the four planes that is able to fly from Zurich to San Diego, which is why they did not meet the 40 flights.

Kimberly Becker, President/CEO, added that there are strict requirements for the airline to adhere to and this was an exception due to the extenuating circumstance that warranted a waiver of the Seasonal International Air Service Incentive Program (SIASIP) requirements.

RECOMMENDATION: Adopt Resolution No. 2017-0080, authorizing a waiver of Seasonal Air Service Incentive Program Requirements for Edelweiss Air.

ACTION: Moved by Board Member Desmond and seconded by Board Member Sessom to approve staff's recommendation. Motion carried by the following vote: YES – Boling, Desmond, Janney, Kersey, Robinson, Schumacher, Sessom; NO – None; ABSENT – Cox, Gleason (Weighted Vote Points: Yes – 78; NO – 0; ABSENT – 22).

The Board recessed at 10:57 a.m. and reconvened at 11:08 a.m.

CLOSED SESSION: The Board recessed into Closed Session at 11:09 a.m. to discuss Items 13, 16, 17, 19, 21, and 22.

KAMRAN HAMIDI, SAN DIEGO, provided a hand-out to the Board and spoke on Item 16 regarding his claim and taxi trip fees.

- 13. 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
- 14. 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
- 15. 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
- 16. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION**
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: K.S.A.N. L.L.C v. San Diego County Regional Airport Authority, et al. San Diego Superior Court Case No. 37-2017-00024982-CU-NP-CTL
- 17. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
Administrative Draft Investigative Order No. R9-2017-0079 by the California Regional Water Quality Control Board pertaining to an investigation of sediment pollutants in the Laurel Hawthorne Central Embayment of San Diego Bay, San Diego, California
Number of Cases: 1
- 18. 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

19. **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
20. **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
21. **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
22. **CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
The Receipt of a Government Claim from David Freund and Request for Defense and Indemnity from the San Diego Unified Port District regarding the Claim
23. **CONFERENCE WITH LABOR NEGOTIATOR:**
Labor negotiations pursuant to Cal. Gov. Code §54957.6
Authority Designated Negotiators: Kimberly Becker, President & CEO and Kurt Gering, Director Talent, Culture & Capability
Employee Organization: Teamsters 911
24. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION:**
Cal. Gov. Code §54957
Title: President/Chief Executive Officer

REPORT ON CLOSED SESSION: The Board reconvened into Open Session at 11:59 a.m. Amy Gonzalez, General Counsel, reported that there was no reportable action on Item 13. She reported that in regards to Item 16, the Board rejected the settlement offer, 7-0-2, noting Board Members Cox and Gleason as ABSENT; Item 19 the Board authorized settlement for Midway Rental Car (Midway) under the following terms and conditions: pay the Airport Authority \$150,000; waive any and all rights to any credits or reimbursements related to operations at the Rental Car Center (RCC); Midway shall vacate the RCC between June 30, 2017, and July 15, 2017, and return the premises to the same condition with the exception of common area signage as of the beginning of the occupancy of the RCC, ordinary wear and tear excepted; refrain from a period of time from June 30, 2017, to July 15, 2022, the moratorium period from soliciting, promoting, conducting, or transacting rental car business at the Airport or with any person or persons using the Airport within a 12-hour period immediately prior to such transaction; if Midway violates the previous provision they are required to pay the entire amount of the audit finding less the settlement amount

paid, the audit finding amount is \$435,783; during the moratorium period for all rental car transactions occurring from any Midway rental car location in San Diego County, require all customers to initial the statement indicating they did not utilize San Diego International Airport or its roadways in the past 12 hours; during the moratorium period refrain from licensing its name or brand to any existing or future RCC tenants and/or off-airport rental car operators; submit its June 17, 2017, activity report and pay all associated fees by July 20, 2017; the Authority shall waive its claims to any sums owed by it to Midway pursuant to the audit finding except as otherwise provided in the settlement agreement; and Midway provides an unconditional and complete release to the Airport Authority. She reported that the Board gave direction regarding Item 21; and the Board accepted the San Diego Port District's request for defense and indemnity in a claim filed by David Freund pursuant to the terms of the lease between the Airport Authority and the Port District under Item 22.

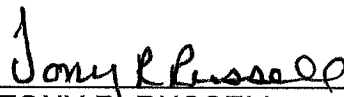
GENERAL COUNSEL REPORT: None.

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 12:02 p.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 5th DAY OF OCTOBER, 2017.



TONY R. RUSSELL
DIRECTOR, CORPORATE &
INFORMATION GOVERNANCE /
AUTHORITY CLERK

APPROVED AS TO FORM:



AMY GONZALEZ
GENERAL COUNSEL