

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, NOVEMBER 1, 2018
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM**

CALL TO ORDER: Chairman Boling called the regular meeting of the San Diego County Regional Airport Authority Board to order at 9:00 a.m. on Thursday, November 1, 2018, in the Board Room at the San Diego International Airport, Administration Building, 3225 North Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE: Chairman Boling led the Pledge of Allegiance.

ROLL CALL:

PRESENT: Board Members: Binns (Ex Officio), Boling, Cox, Desmond, Dockery (Ex Officio), Kersey, Robinson, Schiavoni, Schumacher, West

ABSENT: Board Members: Lloyd, Wong-Hernandez (Ex Officio)

ALSO PRESENT: Kimberly J. Becker, President/CEO; Amy Gonzalez, General Counsel; Tony R. Russell, Director, Board Services/Authority Clerk; Martha Morales, Assistant Authority Clerk I

Chairman Boling announced that Item A would be heard closer to the end of the agenda.

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

- **AUDIT COMMITTEE:** None.
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:** None.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:** None.
- **FINANCE COMMITTEE:** Chairman Boling reported that there was no quorum of the Finance Committee at their last meeting, therefore the full presentation would be given today.

AD HOC COMMITTEES

- **GROUND TRANSPORTATION AD HOC:** Board Member West reported that applications are being reviewed for the 8 public representatives on the Committee with appointments expected to be finalized next week; and that the first meeting will be scheduled the last week of November.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:** None.
- **ART ADVISORY COMMITTEE:** Chris Chalupsky, Senior Manager, Art and Community Partnership, reported that on October 28 the Arts Program completed the call for artist submissions for the Airport's 2019 Temporary Exhibition, *Forces of Nature*; and that submissions will be reviewed on November 13 with installations expected to begin in March 2019. He reported that Blindspot Theatre and San Diego Dance Theatre were selected for the 2019 Performing Arts Residency Program; and that roaming musical performances will take place throughout the terminals to kick off the holiday travel season. He reported that Mark Reigelman's Parking Plaza Public Art Project, *Formation*, received an Orchid Award from the San Diego Architectural Foundation at the October 4 Orchids and Onions ceremony; and that the Airport Art Advisory Committee reviewed the draft Arts Master Plan at its October 26 meeting and voted to forward to the Board early in 2019.

LIAISONS

- **CALTRANS:** Board Member Binns reported that on November 2, there will be a ground-breaking event at the Carlsbad Civic Center for the I5 North Coast Corridor project.
- **MILITARY AFFAIRS:** Board Member Dockery reported that November 10 is the Marine Corps birthday.
- **PORT:** Chairman Boling reported that the group met and discussed ways to work together on successfully executing the Airport Development Plan.
- **WORLD TRADE CENTER:** None.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:** Chairman Boling reported that the committee approved funding recommendations for Cycle 4 TransNet Smart Growth Incentive Program Capital Grants; and that updates were received on the Mid-Coast Corridor Transit project. She reported that the committee also discussed three distinct network concepts for inclusion in the 2019-2050 Regional Plan; and received an update on the Regional Transit Fare Study.

LIAISONS (CONTINUED)

- **INTER-GOVERNMENTAL AFFAIRS:** Board Member Cox reported that on October 5, President Trump signed into law H.R. 302, reauthorizing the Federal Aviation Administration (FAA) programs, taxes, and fees for five years and reauthorizing the Transportation Security Administration (TSA) for three years. He reported that the FAA section of the bill maintains the current level of funding for the Airport Improvement Program at \$3.35 billion per year through FY 2023,

and did not raise the \$4.50 cap on Passenger Facility Charges. He reported that the TSA section of the bill added a number of aviation security provisions, authorizes \$55 million annually for the TSA Law Enforcement Officer reimbursement program, and authorizes \$77 million annually for TSA to staff exit lanes at airports.

Board Member Robinson acknowledged the passing of Anne Warren, former Board Liaison, and asked for a moment of silence in her honor.

CHAIR'S REPORT: Chairman Boling reported that on October 24, the Harbor Drive Mobility Committee Policy Group continued discussion about opportunities to improve ground access to the airport and membership to the Committee was expanded to include the County of San Diego, Metropolitan Transit System, North County Transit District, and Marine Corps Recruit Depot. She reported that the committee received an update from the Port of San Diego on Traffic/Mobility Analysis. She reported that on October 26, the SANDAG Board of Directors approved adding an Airport Authority Board representative to the SANDAG Board as an advisory member. Ms. Boling also recognized Amy Gonzalez, General Counsel, for her 15-year anniversary with the Airport Authority.

PRESIDENT/CEO'S REPORT: Kimberly Becker, President/CEO, reported that staff is continuing to meet with public agencies who provided public comment on the Airport Development Plan (ADP) draft Environmental Impact Report (EIR) to address their concerns; and that official responses will be included in the final EIR document. She reported that last week a letter was sent on her behalf, aiming to set the record straight about the Authority's efforts surrounding the ADP and to clarify any misinformation. She reported that on October 17, the Authority held a Meet the Primes event where prime contractors and small businesses had the opportunity to learn about contracting opportunities and everything the Authority does to support small and underrepresented businesses. She reported that last week the Airport Authority hosted its Federal Aviation Regulation Part 139 Emergency Tabletop Exercise where over 70 people attended, including representatives from the airlines, surrounding jurisdictions, law enforcement, emergency response agencies and the Federal Aviation Administration (FAA). She reported that the Authority's Noise Office kicked off a formal Part 150 Study Update which is a voluntary study the airport is conducting to review existing aircraft noise exposure, potential future noise exposure, evaluate noise abatement and mitigation alternatives, and make recommendations on measures to reduce the number of community members affected by aircraft noise. She reported that the Authority will be recognized at AAEE's Airports Going Green (AGG) Conference in November for its sustainability leadership; and that last Friday she attended the California Airports Council (CAC) Board meeting where there was productive conversation about priorities for California airports, as well as a roundtable discussion with staff from the FAA regarding compliance topics. She reported that the Media and Public Relations staff will be sharing travel tips with the public to help travelers quickly and safely navigate through the airport during the holiday season.

NON-AGENDA PUBLIC COMMENT:

KAMRAN HAMIDI, SAN DIEGO, provided a presentation and handout and spoke regarding opening the airport to all taxis

CONSENT AGENDA (Items 1-10):

ACTION: Moved by Board Member Robinson and seconded by Board Member Cox to approve the Consent Agenda. Motion carried by the following votes: YES – Boling, Cox, Desmond, Kersey, Robinson, Schiavoni, Schumacher, West; NO – None; ABSENT – Lloyd; (Weighted Vote Points: YES – 92; NO – 0; ABSENT – 8).

1. **APPROVAL OF MINUTES:**
RECOMMENDATION: Approve the minutes of the October 4, 2018 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 SEPTEMBER 10, 2018 THROUGH OCTOBER 7, 2018 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM SEPTEMBER 10, 2018 THROUGH OCTOBER 7, 2018**
RECOMMENDATION: Receive the report.
4. **NOVEMBER 2018 LEGISLATIVE REPORT:**
RECOMMENDATION: Adopt Resolution No. 2018-0119, approving the November 2018 Legislative Report.
5. **APPOINTMENTS TO BOARD COMMITTEES, LIAISON POSITIONS, OTHER REPRESENTATIVE AND ALTERNATE POSITIONS:**
RECOMMENDATION: Adopt Resolution No. 2018-0123, appointing Board Member Johanna Schiavoni as an alternate to the SANDAG Transportation Committee.

Report was revised, and posted to the Authority's website on October 31, 2018, to include the appointment of Chairman April Boling as an advisory member to the SANDAG Board of Directors.

CLAIMS

6. **REJECT THE CLAIM OF JIAN XU:**
RECOMMENDATION: Adopt Resolution No. 2018-0120, rejecting the claim of Jian Xu.
7. **REJECT THE CLAIM OF STUART HIRSCH:**
RECOMMENDATION: Adopt Resolution No. 2018-0121, rejecting the claim of Stuart Hirsch.
8. **REJECT THE CLAIM OF JULIANN CERVINO:**
RECOMMENDATION: Adopt Resolution No. 2018-0122, rejecting the claim of Juliann Cervino.

COMMITTEE RECOMMENDATIONS

CONTRACTS AND AGREEMENTS

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

9. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE ON-CALL CONCRETE, EARTHWORK AND PAVING SERVICE AGREEMENTS WITH ABC CONSTRUCTION CO., HAZARD CONSTRUCTION CO., AND RP GENERAL CONSTRUCTION, INC.:**
RECOMMENDATION: Adopt Resolution No. 2018-0124, approving and authorizing the President/CEO to execute on-call concrete, earthwork and paving service agreements with ABC Construction Co., Hazard Construction Co., and RP General Construction, Inc. – each agreement, for a term of three years, with the option for two one-year extensions to be exercised at the discretion of the President/CEO for an aggregate total not-to-exceed amount of \$3,000,000.
10. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE A SERVICE AND CONSULTING AGREEMENT WITH ALLIED WASTE SYSTEMS, INC. DBA REPUBLIC SERVICES OF SAN DIEGO FOR SOLID MUNICIPAL WASTE, RECYCLE WASTE COLLECTION AND REMOVAL:**
RECOMMENDATION: Adopt Resolution No. 2018-0125, approving and authorizing the President/CEO to negotiate and execute a service and consulting agreement with Allied Waste Systems, Inc. dba Republic Services of San Diego for solid municipal waste, recyclable waste collection and removal, for a term of three years, with the option for two one-year extensions exercisable at the sole discretion of the President/CEO, for an amount not-to-exceed \$3,250,000.

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

11. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE THE VALIDATION AMENDMENT TO THE SUNDT CONSTRUCTION INC. CONTRACT FOR THE FIRST OF TWO PACKAGES OF THE AIRPORT SUPPORT FACILITIES, AND TO NEGOTIATE AND EXECUTE FUTURE WORK AUTHORIZATIONS AND A FUTURE GUARANTEED MAXIMUM PRICE AMENDMENT:

Dennis Probst, Vice President, Development, provided a presentation on the Airport Support Facility (ASF) Validation Amendment to Sundt Construction Inc. Contract, which included ASF Site Plan, Two Packages, Package-1 Budget, and Package-1 Major Milestones.

In response to Board Member Kersey's inquiry regarding whether there were any grants or low interest loan programs available for the Stormwater Capture and Re-Use System, Scott Brickner, Vice President/CFO, stated that an application was submitted for an FAA supplemental funding initiative but the odds of receiving that funding was low.

In response to Board Member Boling's inquiry regarding the difference between the amount estimated in the CIP budget for the ASF versus the current Package-1 total budget, Mr. Brickner stated that staff would send a memo to the Board with an overview of the budget for further clarification.

RECOMMENDATION: Adopt Resolution No. 2018-0126, approving and authorizing the President/CEO to negotiate and execute: (1) the Validation Amendment to the Contract with Sundt Construction, Inc., establishing a Maximum Contract Price of \$107.2 million and a Master Project Schedule for the design and construction of Package 1 of the Airport Support Facilities; and (2) Work Authorizations and a Guaranteed Maximum Price Amendment within the Package 1 Maximum Contract Price after the issuance of the Validation Amendment.

ACTION: Moved by Board Member Kersey and seconded by Board Member Schumacher to approve staff's recommendation. Motion carried by the following votes: YES – Boling, Cox, Desmond, Kersey, Robinson, Schiavoni, Schumacher, West; NO – None; ABSENT – Lloyd; (Weighted Vote Points: YES – 92; NO – 0; ABSENT – 8).

12. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2018:

Scott Brickner, Vice President/CFO, provided a presentation on Enplanements, Gross Landing Weight Units, Total Operating Revenue, Total Operating Expenses, Net Operating Income, Nonoperating Revenues & Expenses, and Statements of Net Position.

Board Member Kersey suggested that staff monitor the new rental car service, Getaround, that could potentially affect the Airport's rental car revenue.

RECOMMENDATION: Accept the report.

13. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF SEPTEMBER 30, 2018:

Scott Brickner, Vice President/CFO, provided an overview of the Authority's Investment Report.

RECOMMENDATION: Accept the report.

The Board recessed at 9:57 a.m. and reconvened at 10:00 a.m.

PRESENTATIONS:

A. AIRLINE OPERATING AND LEASE AGREEMENT:

Nora Richardson, Director, Frasca & Associates, provided a presentation on the Airline Operating and Lease Agreements which included Defining the Airport-Airline Business Relationship, Importance of Airline Revenue, Options for Establishing the Airport-Airline Business Relationship, Authority's Selected Option, Airline Rates and Charges Building Blocks, Common Methods Used to Set Airline Rates and Charges, Historical Evolution of Airport-Airline Agreements, Capital Program Control, Facility Control, and Airline Operating and Lease Agreements at SAN.

CLOSED SESSION: The Board recessed into Closed Session at 10:16 a.m. to discuss Items 20, 24 and 25.

15. 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

16. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:

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

Name of Case: Future DB International, Inc. v. San Diego County Regional Airport Authority, et al.

San Diego Superior Court Case No. 37-2018-00001531-CU-CR-CTL

17. CONFERENCE WITH LEGAL COUNSEL EXISTING LITIGATION

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

Name of Case: Robert Bobbett and Donna Kashani v. San Diego Unified Port District, et al.

San Diego Superior Court Case No. 37-2018-00014667-CU-PO-CTL

18. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

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

Name of Case: Enterprise Rent-a-Car Co. Of Los Angeles LLC v. San Diego Unified Port District, San Diego Superior Court Case No. 37-2018-00028276-CU-MC-CTL

- 19. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: Park Assist LLC v. San Diego County Regional Airport Authority, et al.
United States District Court Case No. 18 CV2068 LAB MDD
- 20. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: Sheila Culbreath v. San Diego County Regional Airport Authority, et al.
San Diego Superior Court Case No. 37-2018-00036327-CU-PA-CTL
- 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: 2
- 22. 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
- 23. 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
- 24. 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: 1
- 25. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Property: Airline Operating and Lease Agreement - San Diego International Airport
Agency Negotiator: Kim Becker, Scott Brickner, John Dillon, Kathy Kiefer, Amy Gonzalez
Negotiating Parties: Alaska Airlines, Allegiant Airlines, American Airlines, British Airways, Delta Airlines, FedEx, JetBlue Airlines, Southwest Airlines, United Airlines
Under Negotiation: price and terms of payment

REPORT ON CLOSED SESSION: The Board reconvened into Open Session at 12:00 p.m. Amy Gonzalez, General Counsel, reported that in regards to Item 20, the Board authorized a defense and indemnity of Robert Donais which was approved 8-0-1 with Board Members Boling, Cox, Desmond, Kersey, Robinson, Schiavoni, Schumacher, and West voting YES, noting Board Member Lloyd as ABSENT. In regards to Item 24, there was no reportable action. In regards to Item 25, Ms. Gonzalez reported that negotiations were not yet concluded and that the Board discussed price and terms of payment and provided direction to staff.

NEW BUSINESS: (CONTINUED)

14. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO FINALIZE THE NEGOTIATIONS FOR AND EXECUTE THE AIRLINE OPERATING AND LEASE AGREEMENT:

RECOMMENDATION: Adopt Resolution No. 2018-0127, approving and authorizing the President/CEO to finalize the negotiations for and execute the Airline Operating and Lease Agreement for a ten-year term commencing July 1, 2019.

ACTION: Moved by Board Member West and seconded by Board Member Desmond to approve staff's recommendation. Motion carried by the following votes: YES – Boling, Desmond, Kersey, Robinson, Schiavoni, Schumacher, West; NO – None; ABSENT – Cox, Lloyd; (Weighted Vote Points: YES – 84; NO – 0; ABSENT – 16).

GENERAL COUNSEL REPORT: None.

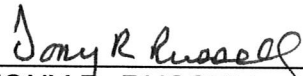
BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REPORTS FOR BOARD MEMBERS, PRESIDENT/CEO, CHIEF AUDITOR AND GENERAL COUNSEL WHEN ATTENDING CONFERENCES, MEETINGS, AND TRAINING AT THE EXPENSE OF THE AUTHORITY:

BOARD COMMENT: None.

ADJOURNMENT: The meeting adjourned at 12:04 p.m.

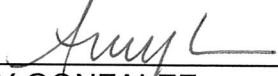
APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 6TH DAY OF DECEMBER, 2018.

ATTEST:



TONY R. RUSSELL
DIRECTOR, BOARD SERVICES /
AUTHORITY CLERK

APPROVED AS TO FORM:



AMY GONZALEZ
GENERAL COUNSEL