

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, JANUARY 3, 2019
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 9:03 a.m. on Thursday, January 3, 2019, 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 Robinson led the Pledge of Allegiance.

ROLL CALL:

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

ABSENT: Board Members: Desmond and 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 the Chair's Report would be heard first.

CHAIR'S REPORT: Chairman Boling reported that starting January 3, she will be representing the Airport Authority on the SANDAG's Airport Transit Subcommittee; and that the subcommittee's focus will be enhancing public transit options to access the airport. She also reported that the Authority's Innovation Lab is accepting applications through January 11 for innovators with ideas or solutions to enhance the passenger experience, improve operational efficiency, identify non-airline revenue sources and decrease cost for the Authority. Chairman Boling reported that on December 12, the Authority hosted the Annual Volunteer Holiday Event and she recognized Sue Hunt as the 2018 Airport Ambassador Volunteer of the Year.

PRESENTATIONS:

A. NAVY'S PLANS FOR NAVAL BASE POINT LOMA OLD TOWN CAMPUS REDEVELOPMENT:

Gregory Geisen, SPAWAR Facilities Plans & Revitalization, provided a presentation with the Navy's Plans for Naval Base Point Loma Old Town Campus Redevelopment.

B. OVERVIEW OF PASSENGER FACILITY CHARGES:

Presented by Scott Brickner, Vice President, Treasurer/Chief Financial Officer

This item was postponed to a future meeting.

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:** None.

AD HOC COMMITTEES

- **GROUND TRANSPORTATION AD HOC:** Board Member West reported that the Ad Hoc Committee met on December 12 and that the focus was on the environmental impacts of Ground Transportation, what the Authority is doing, and policies moving forward. He reported that the next meeting is January 17.

In regards to Chairman Boling's question if the Committee is on track, Board Member West stated that the Ad Hoc Committee members will have to discuss whether more meetings will be needed and get back to the Board.

Chairman Boling suggested that more meetings be added, if needed, rather than extending the deadline.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:** None.
- **ART ADVISORY COMMITTEE:** Chris Chalupsky, Senior Manager, Art and Community Partnership, reported that the San Diego Dance Theatre begins their Performing Arts Residency this month and that the weekly concert series continues in Sunset Cove on Fridays with a special third Thursday concert. He also reported that the final draft Arts Master Plan will be presented to the Board for review and approval at the February meeting.

LIAISONS

- **CALTRANS:** Board Member Binns reported that he will be participating in SANDAG's Airport Transit Subcommittee.

- **INTER-GOVERNMENTAL AFFAIRS:** Board Member Cox reported that on December 21 a partial government shutdown began which affects the funding for a number of federal agencies including Department of Transportation and Department of Homeland Security. He reported that Air Traffic Controllers and a majority of Transportation Security Administration and Customs and Border Protection employees are considered essential employees that are exempt from the furloughs and required to report to duty without pay. He reported that the State Legislature will reconvene on January 7 for the 2019 - 2020 legislative session with a deadline of February 22 to introduce their bills.
- **MILITARY AFFAIRS:** None.
- **PORT:** None.
- **WORLD TRADE CENTER:** Hampton Brown, Senior Director, Marketing and Air Service Development, reported that the WTC Board of Directors met on December 17. He reported that Erik Caldwell replaced David Graham as the City of San Diego representative and that the Board appointed Mr. Caldwell as the Board Secretary. He reported that a presentation was received with the status of the 2018 Work Plan and Annual Report; and that the 2019 Work Plan was also discussed.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:** Chairman Boling reported that at their last meeting, the Committee received a report on a study to make the railroad corridor at the north end of the airport into a quiet zone so that train horns are not routinely sounded. She reported that the study found that various improvements would be necessary to facilitate the transition to a quiet zone and ensure safety.
- **SANDAG BOARD OF DIRECTORS:** Chairman Boling reported that next week will be the first SANDAG Board of Directors meeting in which she will represent the Authority as an advisory member.
- **SCAG AVIATION TASK FORCE:** None.

PRESIDENT/CEO'S REPORT: Kimberly Becker, President/CEO, reported that on December 26, the Economy Lot closed to the public and is being converted to employee parking due to construction of a new stormwater infiltration system. She reported that to minimize the impact, the Authority is encouraging travelers to book discounted parking rates for the airport's other lots and the Terminal 2 Parking Plaza; and that the Authority is also providing information on public transit. She reported that the stormwater capture system built into the Terminal 2 Parking Plaza went online in October and has captured more than 300,000 gallons of stormwater; and that the system diverts the captured water to the Central Utility Plant, where it is used in place of potable water to help manage the air temperature in the terminals. She also reported that the Airport Authority

has signed a 10-year contract with Clear Channel Airports for in-terminal advertising displays.

NON-AGENDA PUBLIC COMMENT: None.

CONSENT AGENDA (Items 1-12):

ACTION: Moved by Board Member Cox and seconded by Board Member Kersey to approve the Consent Agenda. Motion carried by the following votes: YES – Boling, Cox, Kersey, Lloyd, Robinson, Schiavoni, Schumacher, West; NO – None; ABSENT – Desmond; (Weighted Vote Points: YES – 88; NO – 0; ABSENT – 12).

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the December 6, 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 NOVEMBER 12, 2018 THROUGH DECEMBER 9, 2018 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM NOVEMBER 12, 2018 THROUGH DECEMBER 9, 2018:

RECOMMENDATION: Receive the report.

4. JANUARY 2019 LEGISLATIVE REPORT:

RECOMMENDATION: Adopt Resolution No. 2019-0001, approving the January 2019 Legislative Report.

CLAIMS

5. REJECT THE CLAIM OF ALBERTA GONZALEZ ADAME:

RECOMMENDATION: Adopt Resolution No. 2019-0002, rejecting the claim of Alberta Gonzalez Adame.

COMMITTEE RECOMMENDATIONS

6. **AMEND AUTHORITY POLICY 3.30 – BUSINESS EXPENSE REIMBURSEMENT POLICY TO INCLUDE TRAVEL EXPENSES, AND REPEAL AUTHORITY POLICY 3.40 – TRAVEL AND LODGING EXPENSE REIMBURSEMENT POLICY:**
RECOMMENDATION: The Executive Committee recommends that the Board Adopt Resolution No. 2019-0003, amending Policy 3.30 to include Travel Expenses, and repealing Policy 3.40.

7. **ADOPTION OF AMENDMENTS TO AUTHORITY POLICIES:**
RECOMMENDATION: The Executive Committee recommends that the Board Adopt Resolution No. 2019-0004, approving amendments to Authority Policies 5.04, 5.11, 8.21, 8.24, 8.31, 8.40, 8.60, 8.61, 8.63, 9.30 and repealing Policy 5.03.

CONTRACTS AND AGREEMENTS

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

8. **AWARD A CONTRACT TO G&G SPECIALTY CONTRACTORS, INC. FOR QUIETER HOME PROGRAM PHASE 9, GROUP 9, PROJECT NO. 380909 ONE HUNDRED TWENTY FIVE (125) NON-HISTORIC SINGLE-FAMILY UNITS ON SEVEN (7) RESIDENTIAL PROPERTIES LOCATED EAST AND WEST OF THE AIRPORT:**
RECOMMENDATION: Adopt Resolution No. 2019-0005, awarding a contract to G&G Specialty Contractors, Inc. in the amount of \$1,364,652 for Phase 9, Group 9, Project No. 380909, of the San Diego County Regional Airport Authority's ("Authority's") Quieter Home Program.
9. **AWARD A CONTRACT TO S&L SPECIALTY CONSTRUCTION, INC. FOR QUIETER HOME PROGRAM PHASE 9, GROUP 10, PROJECT NO. 380910 FORTY FOUR (44) NON-HISTORIC SINGLE-FAMILY AND MULTI-FAMILY UNITS ON THIRTY SIX (36) RESIDENTIAL PROPERTIES LOCATED EAST AND WEST OF THE AIRPORT:**
RECOMMENDATION: Adopt Resolution No. 2019-0006, awarding a contract to S&L Specialty Construction, Inc. in the amount of \$1,547,901 for Phase 9, Group 10, Project No. 380910, of the San Diego County Regional Airport Authority's ("Authority's") Quieter Home Program.
10. **AWARD A CONTRACT TO UNIVERSITY MECHANICAL & ENGINEERING CONTRACTORS, INC. FOR HVAC SYSTEM MODERNIZATION – TERMINALS T2E & T2W AT SAN DIEGO INTERNATIONAL AIRPORT:**
RECOMMENDATION: Adopt Resolution No. 2019-0007, awarding a contract to University Mechanical & Engineering Contractors, Inc. in the amount of \$5,306,850 for Project No. 104229, HVAC System Modernization – Terminals T2E & T2W at San Diego International Airport.

- 11. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE AN ENERGY SERVICES AGREEMENT WITH ENGIE SERVICES U.S. INC., AND APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN ASSIGNMENT OF THE AGREEMENT FROM ENGIE SERVICES U.S. INC., TO ENGIE STORAGE SERVICES NA LLC.:**

RECOMMENDATION: Adopt Resolution No. 2019-0008, approving and authorizing the President/CEO to negotiate and execute an Energy Services Agreement with Engie Services U.S. Inc. to design, install, operate, and maintain a Battery Energy Storage System ("BESS"), via a fixed lease payment model for an amount not to exceed \$3,300,000, and a lease term limit of 10 years at San Diego International Airport.

Adopt Resolution No. 2019-0009, approving and authorizing the President/CEO to execute an assignment of the agreement from Engie Services U.S. Inc. to Engie Storage Services NA LLC.

- 12. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE THE NINTH AMENDMENT TO THE AGREEMENT WITH LEIGH FISHER TO CONTINUE PLANNING AND ENVIRONMENTAL REVIEW FOR THE AIRPORT DEVELOPMENT PLAN:**

RECOMMENDATION: Adopt Resolution No. 2019-0010, approving and authorizing the President/CEO to execute the Ninth Amendment to the agreement with Leigh Fisher increasing the compensation amount by \$2,280,780 for a new total not-to-exceed amount of \$11,648,655 and extending the term by one (1) year to expire on February 21, 2021 for the Airport Development Plan to support additional master planning and environmental review.

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

The Board recessed at 9:46 a.m. and reconvened at 9:49 a.m.

CLOSED SESSION: The Board recessed into Closed Session at 9:49 a.m. to discuss Items 19, 22 and 23.

- 13. 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
- 14. 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

- 15. 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
- 16. 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
- 17. 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
- 18. 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
- 19. 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
- 20. 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
- 21. 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
- 22. 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

23. 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 adjourned out of Closed Session at 11:30 a.m. There was no reportable action.

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 11:30 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 7TH DAY OF FEBRUARY, 2019.

ATTEST:



TONY R. RUSSELL
DIRECTOR, BOARD SERVICES /
AUTHORITY CLERK

APPROVED AS TO FORM:



AMY GONZALEZ
GENERAL COUNSEL