

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, FEBRUARY 18, 2016
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM**

CALL TO ORDER: Vice-Chair Robinson called the regular meeting of the San Diego County Regional Airport Authority Board to order at 9:02 a.m. on Thursday, February 18, 2016, 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 Boling led the Pledge of Allegiance.

ROLL CALL:

PRESENT: Board Members: Alvarez, Boling, Desmond, Hubbs, Janney, Robinson, Sessom

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

ALSO PRESENT: Thella F. Bowens, President/CEO; Breton K. Lobner, General Counsel; Tony R. Russell, Director, Corporate and Information Governance/Authority Clerk; Linda Gehlken, Assistant Authority Clerk I

Board Members Desmond and Sessom arrived during the course of the meeting.

PRESENTATION:

A. QUARTERLY FINANCIAL UPDATE/BUDGET CALENDAR:

Scott Brickner, Vice President/Treasurer, Finance & Asset Management, provided an update on the Quarterly Financials and Budget Calendar which included Operating Revenues Six Months Ended December 31, 2015 (Unaudited), Operating Expenses Six Months Ended December 31, 2015 (Unaudited), Financial Summary Six Months Ended December 31, 2015 (Unaudited), Statement of Net Position as of December 31, 2015 (Unaudited) Assets, Statement of Net Position as of December 31, 2015 (Unaudited) Liabilities, and Budget – Timeline of Key Dates.

Board Members Desmond and Sessom arrived at 9:08 a.m.

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

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:**
Board Member Robinson reported that the Committee met on February 1, and that there are items on today's Consent Agenda for action.
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**
Board Member Alvarez reported that the Committee met on January 28 and that staff provided in depth updates on the Water Stewardship Plan, Northside Development Program, Rental Car Center, Photovoltaic Implementation, Terminal 2 Parking Plaza, and budget financials. He reported that the next meeting will be on April 28 and will include the Capital Budget Workshop.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
None
- **FINANCE COMMITTEE:**
None

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:**
None
- **ART ADVISORY COMMITTEE:**
Diana Lucero, Director, Vision, Voice & Engagement, reported that on Wednesday, February 17, a media event was held for the *Point of Entry* exhibition. She also reported that to test functionality of the communication system, a small number of test panels will be installed next week on Pacific Highway for the Rental Car Center, and that they will be up for six to eight weeks.

LIAISONS

- **AIRPORT LAND USE COMPATIBILITY PLAN:**
None
- **CALTRANS:**
None

- **INTER-GOVERNMENTAL AFFAIRS:**

Mike Kulis, Director, Inter-Governmental Relations, reported that Authority staff provided Airport Land Use Compatibility Plan updates to the following elected officials and their staff: Senator Marty Block, Offices of Senator Dianne Feinstein and Assembly Member Tony Atkins, Office of Senator Barbara Boxer, Office of Congressman Scott Peters and Office of Senator Ben Hueso. He reported that on February 11 the House Transportation and Infrastructure Committee considered and "marked-up" H.R. 4441, the Aviation Innovation, Reform and Authorization Act of 2016. He stated that this bill would authorize funding for the Federal Aviation Administration (FAA) and federal aviation programs for the next six years, including annual increases in the Airport Improvement Program to a level of just under \$4 Billion in Fiscal Year 2022. Mr. Kulis stated that a major provision in this bill would transfer air traffic control functions from the FAA to a newly created independent Air Traffic Control Corporation. He reported that although four of the Corporation's eleven-member board of directors would be airline representatives, the bill does not provide for an airport representative on the board. He also reported that H.R. 4441 would not increase the current \$4.50 Passenger Facility Charge limit, and in addition, the bill does not alter the current 1,250 mile limit for nonstop flights in and out of Ronald Reagan Washington National Airport. He stated that because this bill does very little to assist airports, and because of the six-year length, this bill would essentially lock the Authority in the aforementioned areas until 2023. Mr. Kulis reported that staff is recommending that the Board adopt an Oppose Unless Amended position on H.R. 4441.

- **MILITARY AFFAIRS:**

None

- **PORT:**

None

- **WORLD TRADE CENTER:**

None

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:**

None

CHAIR'S REPORT:

None

PRESIDENT/CEO'S REPORT:

Thella F. Bowens, President/CEO, reported that the budget process is underway. She reported that approximately 170 people attended an outreach Parking Plaza event sponsored by Swinerton Builders on February 4. She also reported that Rental Car Center operations are being fine-tuned, and that the El Nino Preparation Team continues to prepare to handle any storm related issues that may arise. She reported that there has been great concern among airport leaders about the contents of the FAA's Aviation Innovation, Reform and Authorization Act of 2016, H.R. 4441 bill.

NON-AGENDA PUBLIC COMMENT:

JULIE BRODERICK, LAGUNA NIGUEL, representing Signature Flight Support and BBA Aviation, spoke in support of Item 16 of the Consent Agenda.

CONSENT AGENDA (Items 1-17):

Board Member Boling requested that Item 4 be pulled from the Consent Agenda for discussion.

Tony R. Russell, Director of Corporate and Information Governance/Authority Clerk, notified the Board that staff requested that Item 6 be pulled from the agenda.

ACTION: Moved by Board Member Desmond and seconded by Board Member Boling to approve the Consent Agenda as amended. Motion carried by the following vote: YES – Alvarez, Boling, Desmond, Hubbs, Janney, Robinson, 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 January 21, 2016, 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 DECEMBER 28, 2015 THROUGH JANUARY 24, 2016 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM DECEMBER 28, 2015 THROUGH JANUARY 24, 2016:

RECOMMENDATION: Receive the report.

- 4. FEBRUARY 2016 LEGISLATIVE REPORT:**
ACTION: This item was pulled from the Consent Agenda.

- 5. ANNUAL REVIEW AND NOTIFICATION OF BOARD MEMBER WEIGHTED VOTE POINT ALLOCATION AS REQUIRED BY SECTION 170014 OF THE CALIFORNIA PUBLIC UTILITIES CODE:**
RECOMMENDATION: Adopt Resolution No. 2016-0007, accepting the Board Member Weighted Vote Point Allocation as required by Section 170014 of the California Public Utilities Code.

- 6. APPROVE AN APPOINTMENT TO THE ART ADVISORY COMMITTEE:**
ACTION: This item was removed from the Agenda.

CLAIMS

- 7. REJECT THE CLAIM OF WANDA HERNANDEZ:**
RECOMMENDATION: Adopt Resolution No. 2016-0009, rejecting the claim of Wanda Hernandez.

COMMITTEE RECOMMENDATIONS

- 8. FISCAL YEAR 2016 SECOND QUARTER ACTIVITIES REPORT AND AUDIT RECOMMENDATIONS ISSUED BY THE OFFICE OF THE CHIEF AUDITOR:**
RECOMMENDATION: The Audit Committee recommends that the Board accept the report.

- 9. ACCEPT THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2015:**
RECOMMENDATION: The Finance Committee recommends that the Board accept the report.

- 10. ACCEPT THE AUTHORITY'S INVESTMENT REPORT AS OF DECEMBER 31, 2015:**
RECOMMENDATION: The Finance Committee recommends that the Board accept the report.

CONTRACTS AND AGREEMENTS

- 11. AWARD A CONTRACT TO ATLAS DEVELOPMENT CORPORATION, FOR NOISE MONITORING STATIONS, PROJECT NO. 104164 (REMOVAL AND REPLACEMENT OF 12 EXISTING REMOTE NOISE MONITORING POLES AROUND SAN DIEGO INTERNATIONAL AIRPORT):**
RECOMMENDATION: Adopt Resolution No. 2016-0010, awarding a contract to Atlas Development Corporation, in the amount of \$398,840, for Noise Monitoring Stations, Project No. 104164, of the San Diego County Regional Airport Authority's ("Authority") Quieter Home Program.

12. AWARD A CONTRACT TO HARRY H. JOH CONSTRUCTION, INC., FOR QUIETER HOME PROGRAM PHASE 8, GROUP 12, PROJECT NO. 380812 (31 NON-HISTORIC MULTI-FAMILY UNITS ON ONE RESIDENTIAL PROPERTY LOCATED WEST OF THE AIRPORT):

RECOMMENDATION: Adopt Resolution No. 2016-0011, awarding a contract to Harry H. Joh Construction, Inc., in the amount of \$702,406, for Phase 8, Group 12, Project No. 380812, of the San Diego County Regional Airport Authority's ("Authority's") Quieter Home Program.

13. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FIFTH AMENDMENT TO INCREASE THE DURATION OF THE AUSTIN-SUNDT JOINT VENTURE AGREEMENT, FOR RENTAL CAR CENTER PROJECT:

RECOMMENDATION: Adopt Resolution No. 2016-0012, approving and authorizing the President/CEO to execute a Fifth Amendment to the Austin-Sundt Joint Venture Construction Manager at-Risk Agreement, increasing the agreement duration from 1,288 days to 1,382 days.

14. GRANT AN ELECTRICAL EASEMENT TO THE CITY OF SAN DIEGO:

RECOMMENDATION: Adopt Resolution No. 2016-0013, authorizing the President/CEO to negotiate and execute an electrical easement with the City of San Diego.

15. APPROVE AND AUTHORIZE CONSENT TO A HANGAR SUBLEASE AGREEMENT:

RECOMMENDATION: Adopt Resolution No. 2016-0014, approving and authorizing the President/CEO to negotiate and consent to a Hangar Sublease Agreement between Landmark Aviation GSO-SAN, LLC and MedImpact Aviation Hangar, LLC.

16. APPROVE AND AUTHORIZE A CONSENT TO ASSIGNMENT WITH BBA AVIATION PLC:

RECOMMENDATION: Adopt Resolution No. 2016-0015, approving and authorizing the President/CEO to negotiate and execute a Consent to Assignment with BBA Aviation, PLC.

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

17. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH MERRIWETHER & WILLIAMS INSURANCE SERVICES TO PROVIDE CONSULTING SERVICES FOR THE BOND AND CONTRACT FINANCING SERVICES PROGRAM:

RECOMMENDATION: Adopt Resolution No. 2016-0016, approving and authorizing the President/CEO to execute an agreement with Merriwether & Williams Insurance Services to provide Bond and Contract Finance Consulting Services for a (3) year term with two (2), one-year extension options for a maximum amount payable of \$1,250,000.

ITEM(S) REMOVED FROM THE CONSENT AGENDA

4. FEBRUARY 2016 LEGISLATIVE REPORT:

Board Member Boling expressed concern regarding H.R. 4441, and recommended that a separate resolution be adopted opposing H.R. 4441 (Shuster) – The Aviation Innovation, Reform and Reauthorization Act of 2016. She stated that it should be adopted based on the findings that airports are not represented on the governing board and that the six year term would leave the Authority with little chance, if any, of increasing the PFC limit or achieving a change to the perimeter rule to assist in reestablishing non-stop service to DCA until 2023.

ACTION: Moved by Board Member Boling and seconded by Board Member Alvarez to adopt Resolution No. 2016-0017, memorializing the Authority's opposition to H.R. 4441 (Shuster) – The Aviation Innovation, Reform and Reauthorization Act of 2016 as outlined above, and authorizing the President/CEO to include additional findings. Motion carried by the following vote: YES – Alvarez, Boling, Desmond, Hubbs, Janney, Robinson, Sessom; NO – None; ABSENT – Cox, Gleason. (Weighted Vote Points: YES – 78; NO – 0; ABSENT-22)

RECOMMENDATION: Adopt Resolution No. 2016-0006, approving the February 2016 Legislative Report,

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

PUBLIC HEARINGS: None

OLD BUSINESS: None

NEW BUSINESS: None

CLOSED SESSION: The Board did not meet in Closed Session.

18. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:

(Cal. Gov. Code § 54956.9(a) and (d)(1).)

Diego Concession Group, Inc. v. San Diego County Regional Airport Authority,
San Diego Superior Court Case No. 37-2012-00088083-CU-BT-CTL

19. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:

(Cal. Gov. Code § 54956.9(a) and (d)(1).)

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

- 20. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Cal. Gov. Code § 54956.9(a) and (d)(1).)
Donna Wilson; John Wilson v. San Diego Port Authority; San Diego International Airport; San Diego County Regional Airport Authority
San Diego Superior Court Case No. 37-2014-00015326-CU-PO-CTL (Meyer)
- 21. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Cal. Gov. Code § 54956.9(a)):
Maria Paula Bermudez v. San Diego County Regional Airport Authority, American Airlines, Inc., et al.
San Diego Superior Court Case No. 37-2015-00022911-CU-PO-CTL.
- 22. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Cal. Gov. Code §54956.9(a) and (d)(1))
Stanley Moore v. San Diego County Regional Airport Authority, et al
San Diego Superior Court Case No. 37-2015-00030676-CU-OE-CTL
- 23. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
Cal. Gov. Code § 54956.9(a) and (d).
In the matter of the Petition of San Diego County Regional Airport Authority for Review of Action by the California Regional Water Quality Control Board in Issuing Order No. R9-2013-0001, as amended by Orders Nos. R9-2015-0001 and R9-2015-0100 (NPDES NO. CAS0109266) [Water Code §§ 13320(a) and 13321(a)]
- 24. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION AND EXISTING LITIGATION:**
(Significant exposure to litigation pursuant to Cal. Gov. Code §§ 54956.9(a) and 54956.9(b).)
Jay A. Bass, et al v. San Diego City Employees' Retirement System, et al.,
San Diego Superior Court Case No. 37-2013-00077566-CU-OE-CTL
- 25. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to Cal. Gov. Code §§ 54956.9 (b) and 54954.5.)
Re: Investigative Order No. R9-2012-0009 by the California Regional Water Quality Control Board regarding submission of technical reports pertaining to an investigation of bay sediments at the Downtown Anchorage Area in San Diego.
Number of potential cases: 1
- 26. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Initiation of litigation pursuant to Cal. Government Code § 54956.9(d).)
Number of cases: 2
- 27. PUBLIC EMPLOYEE EMPLOYMENT:**
Cal. Gov. Code §54957
Title: General Counsel

REPORT ON CLOSED SESSION:

NON-AGENDA PUBLIC COMMENT:

GENERAL COUNSEL REPORT:

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:

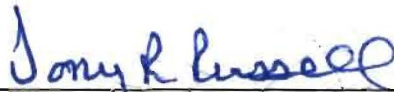
BOARD COMMENT:

Board Member Desmond requested that staff review the options being offered at the upcoming San Diego Association of Governments (SANDAG) Board of Directors' retreat in March regarding the funding options for airport related projects being discussed, and update the Board Members who will be attending the retreat on behalf of the Authority.

The Board concurred that Board Member Janney would attend the SANDAG retreat on behalf of the Authority to address this issue.

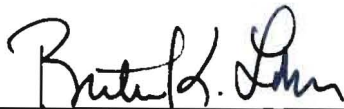
ADJOURNMENT: The meeting adjourned at 9:38 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 17TH DAY OF MARCH, 2016.



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

APPROVED AS TO FORM:



BRETON K. LOBNER
GENERAL COUNSEL