

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

DRAFT ACTION MINUTES

BOARD AGENDA

Thursday, June 23, 2016
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: Chair Gleason called the meeting to order at 9:05 a.m.

PLEDGE OF ALLEGIANCE: Amy Gonzalez, General Counsel led the Pledge of Allegiance.

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

PRESENTATIONS: None

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

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:**
Committee Members: Gleason, Hollingworth, Hubbs, Robinson (Chair), Sessom, Tartre, Van Sambeek
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**
Committee Members: Gleason, Hubbs (Chair), Janney, Robinson
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
Committee Members: Boling, Cox, Desmond (Chair), Hubbs, Sessom
- **FINANCE COMMITTEE:**
Committee Members: Boling (Chair), Cox, Janney, Sessom

Board Members

Robert H. Gleason
Board Chair

C. April Boling
Greg Cox
Jim Desmond
Lloyd B. Hubbs
Jim Janney
Mark Kersey
Paul Robinson
Mary Sessom

Ex-Officio Board

Members

Laurie Berman
Eraina Ortega
Col. Jason G. Woodworth

President / CEO

Thella F. Bowens

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: 6 speakers.

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

CONSENT AGENDA (Items 1-11):

[ACTION: 9-0-0 to approve the Consent Agenda.]

1. **APPROVAL OF MINUTES:**
RECOMMENDATION: Approve the minutes of the April 21, 2016 regular meeting and May 19, 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 APRIL 25, 2016 THROUGH MAY 26, 2016 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM APRIL 25, 2016 THROUGH MAY 26, 2016:**
RECOMMENDATION: Receive the report.
4. **JUNE 2016 LEGISLATIVE REPORT:**
RECOMMENDATION: Adopt Resolution No. 2016-0045, approving the June 2016 Legislative Report.
5. **APPOINTMENT OF PUBLIC MEMBER TO THE AUDIT COMMITTEE:**
RECOMMENDATION: Adopt Resolution No. 2016-0046, appointing Andrew Hollingworth to a new term as a Public Member to the Audit Committee.
6. **APPOINTMENT OF MEMBER TO THE ART ADVISORY COMMITTEE:**
RECOMMENDATION: Adopt Resolution No. 2016-0047, approving the appointment of Indra Gardiner and Michael Soriano to a new term on the Art Advisory Committee.

CLAIMS

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

COMMITTEE RECOMMENDATIONS

7. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2016:

RECOMMENDATION: Accept the report.

8. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF MARCH 31, 2016:

RECOMMENDATION: Accept the report.

CONTRACTS AND AGREEMENTS

9. AWARD A CONTRACT TO UNIVERSAL COATINGS, INC. FOR AIR FREIGHT BUILDING ROOF REPLACEMENT AT SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2016-0048, awarding a contract to Universal Coatings, Inc., in the amount of \$312,700 for Project No. 104191, Air Freight Building Roof Replacement at San Diego International Airport.

10. AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A MEMORANDUM OF UNDERSTANDING FOR THE COLLECTION OF RETIREE HEALTH BENEFITS PREMIUMS WITH THE SAN DIEGO CITY EMPLOYEE RETIREMENT SYSTEM (SDCERS):

RECOMMENDATION: Adopt Resolution 2016-0049, Authorizing the President/CEO to execute the Memorandum of Understanding and perform any and all other actions necessary to establish the collection of retiree health benefits premiums with SDCERS.

11. APPROVE A TASK AUTHORIZATION TO DENOVO VENTURES, LLC, UTILIZING ON-CALL PROFESSIONAL AND TECHNICAL E1 SUPPORT SERVICES AGREEMENT:

RECOMMENDATION: Adopt Resolution No. 2016-0050, approving a Task Authorization to Denovo Ventures, LLC utilizing On-Call Professional & Technical E1 Support Services Agreement for an Amount not-to-exceed \$450,000 for Implementation and Configuration of the JD Edwards EnterpriseOne (E1) Capital Asset Management Services.

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

PUBLIC HEARINGS:

NEW BUSINESS:

12. DISCUSSION AND POSSIBLE ACTION REGARDING THE AIRPORT PARKING MANAGEMENT AND PARKING SHUTTLE AGREEMENTS TO INCLUDE ISSUANCE OF A REQUEST FOR PROPOSAL OR AMENDMENTS TO EXISTING AGREEMENTS:

RECOMMENDATION: Adopt Resolution No. 2016-0055, authorizing the President/CEO to proceed with issuance of Requests for Proposals ("RFP") for provision of Airport Parking Management and Airport Parking Shuttle Services. Selection and implementation of the Airport Parking Management and Airport Parking Shuttle agreements shall coincide with the termination of the existing agreements.

Board Member Desmond moved that based on the findings that the Public Utilities Code 170040 states that the Authority may contract with any department or agency of the United States, any state or local government agency and with any person upon those terms and conditions the Authority finds are in its best interest; that Authority Policy 5.01 provides that any amendment to the parking or shuttle contract to increase the term by more than 90 days and increase the contract amount in excess of 12% requires Board approval; that the statutory construction allows the Airport Authority great discretion on how it determines how to contract; that the Airport Authority is in the process of building a parking plaza, and Ace Parking is the Authority's current parking and shuttle service provider, and has been for over 4 years; Ace Parking is extremely familiar with the parking and shuttle operations at the airport; during the construction of the parking plaza, the parking lots and roadways will be impacted and disrupted; in order to minimize the disruption of the parking and shuttle service to provide better customer service; that the Board find that it is in the best interest of the traveling public to maintain the current parking and shuttle service provider during the construction of the parking plaza; that the Board finds that minimizing the disruption to airport operations is consistent with the customer service strategy, that the FAA has advised that an action to extend the parking management agreement beyond 5 years under the fact that for the limit construction time period would not constitute noncompliance with federal regulations and that once the construction of the parking plaza is completed, the Authority is to conduct a competitive process for parking and shuttle services; and that the Authority Audit Department completed an audit of Ace Parking for calendar year 2015 and they had no findings and no recommendations; that the Board extend the current parking contract through August 31, 2018 and shuttle contract through May 31, 2018 or at the completion of the construction of the parking plaza and to include in the extension the items in the Staff Report that are in agreement between the Authority and Ace Parking, and that the completion of the project will be determined to be when the Authority receives the Certificate of Occupancy.

[ACTION: 9-0-0 to accept the findings above and approve the extension of the Parking contract with Ace Parking to expire August 31, 2018 and extension of the Shuttle contract with Ace Parking to expire May 31, 2018 or at the completion of the construction of the Parking Plaza.]

13. TRANSPORTATION NETWORK COMPANY (TNC) PILOT PROGRAM UPDATE:

RECOMMENDATION: Adopt Resolution No. 2016-0054, to approve a permanent Transportation Network Company (TNC) Program at San Diego International Airport.

[ACTION: 9-0-0 to extend the pilot program for an additional six months and continue to work with the TNC's on the outstanding issues and the concerns raised by the Board, which includes the ability to identify and report on the use of alternative fuel vehicles for the Authority and how the compliance fees are passed on to passengers of TNC's; the use of the pickup attendant and the trade dress requirements; and to approve the balance of staff recommendations outlined in the Staff Report.]

14. UPDATE ON THE SAN DIEGO INTERNATIONAL AIRPORT TRANSIT PLAN:

RECOMMENDATION: Accept the update.

[ACTION: No action taken.]

15. APPROVAL AND ADOPTION OF THE OPERATING BUDGET FOR FISCAL YEAR 2017, THE CAPITAL PROGRAM FOR FISCAL YEARS 2017-2021, AND CONCEPTUAL APPROVAL OF THE OPERATING BUDGET FOR FISCAL YEAR 2018:

RECOMMENDATION: Adopt Resolution No. 2016-0052, approving and adopting the Authority's Annual Operating Budget for Fiscal Year 2017, the Capital Program for Fiscal Years 2017-2021, and conceptually approving the Operating Budget for Fiscal Year 2018.

[ACTION: 7-1-1 to approve staff's recommendation, noting Board Member Boling's NO vote and Board Member Cox as ABSENT.]

16. GRANT A 5-YEAR CONCESSION LEASE TO SFS BEAUTY CA, LLC TO DESIGN, BUILD AND OPERATE A TOP RANKED PRESTIGE COSMETICS RETAIL MODULAR UNIT WITHIN TERMINAL 2 WEST:

RECOMMENDATION: Adopt Resolution No. 2016-0053, awarding a five-year concession lease to SFS Beauty CA, LLC to Design, Build and Operate a Top Ranked Prestige Cosmetics Retail Modular Unit within Terminal 2 West at San Diego International Airport and authorizing the President/CEO to take all necessary actions to execute the concession lease.

[ACTION: 6-0-3 to approve staff's recommendation, noting Board Members Cox, Desmond, and Janney as ABSENT.]

OLD BUSINESS:

17. UPDATE ON NOISE ISSUES AND AMENDMENT OF AUTHORITY POLICY 9.20 – SAN DIEGO INTERNATIONAL AIRPORT NOISE ADVISORY COMMITTEE:

RECOMMENDATION: Adopt Resolution No. 2016-0051, accepting the update on noise issues and the amendment of Authority Policy 9.20 – San Diego International Airport Noise Advisory Committee.

[ACTION: 9-0-0 to approve staff's recommendation, and directed staff to include in the resolution language stating the current schedule of bi-monthly meetings shall be maintained and that the Board will be notified of any changes to the meeting schedule and amend Subcommittee Section 1 in the policy to state that "A subcommittee will be created..."]

CLOSED SESSION: The Board recessed into Closed Session at 11:55 a.m. to hear items 18 and 24.

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)):

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

21. 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

22. 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)]

- 23. 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
- 24. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Initiation of litigation pursuant to Cal. Government Code § 54956.9(d).)
Number of cases: 2

REPORT ON CLOSED SESSION: The Board reconvened into open session at 12:50 a.m. There was no reportable action.

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:

ADJOURNMENT: The meeting was adjourned at 2:20 p.m.

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