

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, DECEMBER 6, 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 9:04 a.m. on Thursday, December 6, 2018, 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 Desmond led the Pledge of Allegiance.

ROLL CALL:

PRESENT: Board Members: Binns (Ex Officio), Boling, Desmond, Kersey, Robinson, Schumacher

ABSENT: Board Members: Cox, Dockery (Ex Officio), Lloyd, Schiavoni, West, Wong-Hernandez (Ex Officio)

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

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

- **AUDIT COMMITTEE:** Board Member Robinson reported that at the November meeting, the Authority's external audit firm KBD provided a training on best practices for audit committee members.
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:** None.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:** None.
- **FINANCE COMMITTEE:** Chairman Boling reported that the latest Finance reports are being presented at today's meeting.

AD HOC COMMITTEES

- **GROUND TRANSPORTATION AD HOC:** Angela Shafer Payne, Vice President & Chief Operating Officer, reported that the first meeting of the committee was on November 29th and that the three assigned Board Members, and the majority of the assigned committee members were present. She reported that the meeting

focused on providing attendees with background information to allow everyone to begin with the same knowledge, and to have a clear understanding of how the current ground transportation system operates at SDIA. She also reported that the group looked at future agendas and the work planned in the next five months. She reported that the next meeting is scheduled for December 20th at 11:00 a.m.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:** None.
- **ART ADVISORY COMMITTEE:** Chris Chalupsky, Senior Manager, Art and Community Partnership, reported that 15 local artists, curators and arts organizations have been selected for the 2019 Temporary Exhibition, *Forces of Nature*; with installations due to begin in February and March 2019. He reported that ongoing weekly live concerts are planned during December, and a special Third Thursday concert featuring the San Diego Women's Chorus is being provided. He also reported that roaming musical performances will be taking place during the peak travel period of Friday, December 21st, featuring the Motown Carolers, Holiday Hipsters, and Sweethearts of Swing groups.

LIAISONS

- **CALTRANS:** Board Member Binns reported that SANDAG submitted a grant application for an airport access study, aimed at evaluating airport connectivity from the core areas of Old Town, Downtown, and I-5. He also reported that there would be a recommendation made at the next SANDAG board meeting to create a committee to look at airport access, and that Caltrans would have oversight of the group. He reported that starting January 7, 2019, a closure of I-8W, near Morena Blvd., for a period of 15 days to two months, is planned for needed repairs.
- **INTER-GOVERNMENTAL AFFAIRS:** None.
- **MILITARY AFFAIRS:** None.
- **PORT:** None.
- **WORLD TRADE CENTER:** None.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:** None.

CHAIR'S REPORT: Chairman Boling reported that on November 19, San Diego Mayor Falconer convened a meeting of the Authority, City of San Diego, Port District, MTS and SANDAG to discuss regional transportation impacts and projects; with the intent to reach long term solutions. She reported that SANDAG will soon be creating a regional stakeholders committee, and that the Authority's Harbor Drive Mobility Committee Policy Group will fold into this new committee. She also reported that, in respect to the draft Environmental Impact Report (EIR), staff submitted an updated travel forecast scenario to the FAA for approval, based on 2018 statistics and feedback received from stakeholder responses. She also reported that the Authority has committed to revisiting the parking requirements in the Draft EIR, and has approached the FAA regarding possible financial participation in off-roadway and transit improvements. She reported that the President/CEO sent a letter to over one thousand community leaders, businesses, individuals and agencies, which included providing a status and progress update on the replacement of Terminal 1 and the rest of the Airport Development Plan. She provided a report on the San Diego Trade Mission to Tokyo, Japan and stated that it was led by U.S. Congressman Peters and the World Trade Center of San Diego, Inc. She reported that in addition to the meetings scheduled to promote key San Diego industries, and establish and develop business relationships, she and staff met with Japan Airlines' officials and leadership. She reported that they are very pleased with the status of the current route, and that they will be improving the travel experience from San Diego in March 2019 by providing some different aircrafts. She stated that on December 12, there will be a holiday appreciation event for Airport Ambassadors, and she encouraged Board members to attend. She also recognized Rose Parnsoonthorn, System Support Analyst II, Information & Technology Services, as the 2018 Authority's Employee of the Year.

PRESIDENT/CEO'S REPORT: Kimberly Becker, President/CEO, reported that in addition to the Employee of the Year, other recognition awards were presented. She reported that the 2018 Team of the Year was bestowed on the Federal Inspection Station (FIS) Project Team; the 2018 Innovator of the Year recognition was presented to the Innovation Lab, and the 2018 Sustainability Champion of the Year award was presented to Cogan Semler, Manager, Energy & Water Management, Facilities Maintenance Department. She reported that December is anticipated to be a very busy travel month, and stated that Friday, December 28 is expected to be the busiest with currently over 44K outbound seats, and on average, over 65K passengers a week are expected to come in and out of SDIA during the weeks of December 21st through 28th. She reported that the greatest growth in passengers has been with Southwest, Alaska and United airlines. She reported that during the trip to Tokyo, Japan, Authority staff had the opportunity to also meet with British Airways (BA) officials and get an update on the SAN-Heathrow route. She reported that the meeting was very positive and BA officials were very pleased with the route's performance overall.

NON-AGENDA PUBLIC COMMENT:

NAJI BARKZAI, SAN DIEGO, spoke in opposition to opening the airport to all taxis.

NORVAL SANTOS, SAN DIEGO, spoke in opposition to opening the airport to all taxis.

ALAN BEKER, LA MESA, spoke in opposition to opening the airport to all taxis.

ABEL SEIFU, SAN DIEGO, provided a petition and requested that more current airport taxi drivers be appointed to the Ground Transportation Ad Hoc Committee. He spoke in opposition to opening the airport to all taxi drivers.

MUSTFA, SAN DIEGO, spoke in opposition to opening the airport to all taxis and requested to have an equal voice on the Ground Transportation Ad Hoc Committee.

RAY SALEHI, SAN DIEGO, spoke in opposition to opening the airport to all taxis.

KAMRAN HAMIDI, SAN DIEGO, provided a handout and spoke in support of opening the airport to all taxis, and noted that the December 2020 date referenced in the MOA's can be modified.

ALEM ZABIB, SAN DIEGO, spoke regarding opening the airport to all taxi drivers.

CONSENT AGENDA (Items 1-14):

ACTION: Moved by Board Member Desmond and seconded by Board Member Robinson to approve the Consent Agenda. Motion carried by the following votes: YES – Boling, Desmond, Kersey, Robinson, Schumacher; NO – None; ABSENT – Cox, Lloyd, Schiavoni, West; (Weighted Vote Points: YES – 59; NO – 0; ABSENT – 41).

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the November 1, 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 OCTOBER 8, 2018 THROUGH NOVEMBER 11, 2018 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM OCTOBER 8, 2018 THROUGH NOVEMBER 11, 2018:

RECOMMENDATION: Receive the report.

4. **APPROVE AN AMENDMENT TO THE 401(A) DEFERRED COMPENSATION PLAN WITH MASSACHUSETTS MUTUAL LIFE INSURANCE COMPANY:**
RECOMMENDATION: Adopt Resolution No. 2018-0129, approving and authorizing the President/CEO to execute the first amendment to the 401(a) Deferred Compensation Plan with Massachusetts Mutual Life Insurance Company.

CLAIMS

5. **REJECT THE CLAIM OF VASQUEZ CONSTRUCTION:**
RECOMMENDATION: Adopt Resolution No. 2018-0130, rejecting the claim of Vasquez Construction.
6. **REJECT THE CLAIM OF ERIC ANTONIUS:**
RECOMMENDATION: Adopt Resolution No. 2018-0131, rejecting the claim of Eric Antonius.

COMMITTEE RECOMMENDATIONS

7. **APPROVE ESTABLISHING THE DATE AND TIME OF BOARD AND ALUC MEETINGS FOR 2019, AS INDICATED IN THE PROPOSED 2019 MASTER CALENDAR OF BOARD AND COMMITTEE MEETINGS:**
RECOMMENDATION: The Executive Committee recommends the Board Adopt Resolution No. 2018-0132, establishing the date and time of Board and ALUC meetings for 2019 as indicated on the proposed 2019 Master Calendar of Board and Committee Meetings.
8. **ADOPTION OF AMENDMENTS TO AUTHORITY POLICIES:**
RECOMMENDATION: The Executive Committee recommends that the Board Adopt Resolution No. 2018-0133, approving amendments to Authority Policies 1.10, 1.33, 1.40, 1.41, 1.60, 3.01, 3.02, 3.03, 3.31, 4.10, 4.20, 4.21, 4.30 and 4.40 and repealing Policy 4.02.
9. **AMEND AUTHORITY POLICY 5.12 - PREFERENCE TO SMALL BUSINESSES TO INCLUDE LOCAL AND VETERAN OWNED SMALL BUSINESS PREFERENCES AND APPEAL POLICY 5.13 - LOCAL BUSINESS OPPORTUNITIES, AND POLICY 5.14 - SMALL BUSINESS, LOCAL BUSINESS AND SERVICE-DISABLED VETERAN OWNED SMALL BUSINESS GOAL AND PREFERENCE PROGRAM:**
RECOMMENDATION: The Executive Committee recommends that the Board Adopt Resolution No. 2018-0134, amending Policy 5.12 to include local and veteran owned business preferences and repealing Policy 5.13 and 5.14.

10. **FISCAL YEAR 2019 FIRST 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.
11. **EXTERNAL AUDITOR'S FISCAL YEAR ENDED JUNE 30, 2018, REPORTS: A) AUDITED FINANCIAL STATEMENTS, B) SINGLE AUDIT REPORTS, C) PASSENGER FACILITY CHARGE COMPLIANCE REPORT, D) CUSTOMER FACILITY CHARGE COMPLIANCE REPORT, AND E) LETTER TO THE BOARD:**
RECOMMENDATION: The Audit Committee recommends that the Board accept the report.
12. **REVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR THE FISCAL YEAR ENDED JUNE 30, 2018:**
RECOMMENDATION: The Audit Committee recommends that the Board accept the report.

CONTRACTS AND AGREEMENTS

13. **AWARD A CONTRACT TO ACE ELECTRIC, INC. FOR APRON LIGHTING LED UPGRADE AT SAN DIEGO INTERNATIONAL AIRPORT:**
RECOMMENDATION: Adopt Resolution No. 2018-0135, awarding a contract to Ace Electric, Inc., in the amount of \$681,429 for Project No. 601055, Apron Lighting LED Upgrade at San Diego International Airport.
14. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FOURTH AMENDMENT TO THE PUBLIC ART AGREEMENT WITH BALL-NOGUES STUDIO FOR PARKING PLAZA PUBLIC ART PROJECT:**
RECOMMENDATION: Adopt Resolution No. 2018-0136, approving and authorizing the President/CEO to execute a Fourth Amendment to the Public Art Agreement with Ball-Nogues Design Studio, LLC to extend the term for an additional 2 months resulting in a termination date of March 1, 2019.

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

15. **APPROVE THE DECEMBER 2018 LEGISLATIVE REPORT AND 2019 LEGISLATIVE AGENDA:**
Richard Harris, Nossaman LLC and Sam Whitehorn, Signal Group, provided a presentation on the December 2018 Legislative Report and 2019 Legislative Agenda, which included Legislative Advocacy Program, 2018 State Highlights,

2019 State Legislative Proposals, 2018 Federal Highlights, State of Play: Trump Administration, State of Play: Congress, Key Aviation Issues, Infrastructure, and 2019 Federal Legislative Proposals.

Board Member Desmond requested that at a future meeting of the Board, staff provide a presentation regarding the importance of Passenger Facilities Charges, how they are spent and what they cannot be spent on.

Chairman Boling requested that staff provide the Board with a listing of all Federal/State grant applications the Authority has submitted and what actions our Federal delegation has taken on each.

RECOMMENDATION: Adopt Resolution No. 2018-0137, approving the December 2018 Legislative Report and 2019 Legislative Agenda.

ACTION: Moved by Board Member Desmond and seconded by Board Member Kersey to approve staff's recommendation. Motion carried by the following votes: YES – Boling, Desmond, Kersey, Robinson, Schumacher; NO – None; ABSENT – Cox, Lloyd, Schiavoni, West; (Weighted Vote Points: YES – 59; NO – 0; ABSENT – 41).

16. AWARD A CONTRACT TO GRANITE CONSTRUCTION COMPANY FOR HYDRANT FUELING INFRASTRUCTURE AT SAN DIEGO INTERNATIONAL AIRPORT:

Dennis Probst, Vice President & Chief Development Officer, Development, provided a presentation on the awarding of a contract to Granite Construction Company for hydrant fueling infrastructure at San Diego International Airport, which included Project Benefits, Project Scope, and Construction Alignment.

RECOMMENDATION: Adopt Resolution No. 2018-0138, awarding a contract to Granite Construction Company in the amount of \$40,988,313, for Project No.104249 Hydrant Fueling Infrastructure at San Diego International Airport.

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, Desmond, Kersey, Robinson, Schumacher; NO – None; ABSENT – Cox, Lloyd, Schiavoni, West; (Weighted Vote Points: YES – 59; NO – 0; ABSENT – 41).

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

17. 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

- 18. 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
- 19. 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
- 20. 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
- 21. 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
- 22. 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
- 23. 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
- 24. 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

25. **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
26. **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
27. **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: None.

GENERAL COUNSEL REPORT: None.

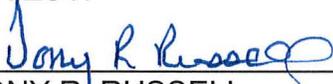
BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REPORTS FOR BOARD MEMBERS, PRESIDENT/CEO, CHIEF AUDITOR AND GENERAL COUNSEL WHEN ATTENDING CONFERENCES, MEETINGS, AND TRAINING AT THE EXPENSE OF THE AUTHORITY:

BOARD COMMENT: None.

ADJOURNMENT: The meeting adjourned at 10:35 a.m.

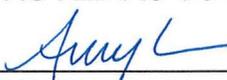
APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 3RD DAY OF JANUARY, 2019.

ATTEST:



TONY R. RUSSELL
DIRECTOR, BOARD SERVICES /
AUTHORITY CLERK

APPROVED AS TO FORM:



AMY GONZALEZ
GENERAL COUNSEL