

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, DECEMBER 17, 2015
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM**

CALL TO ORDER: Chair Gleason called the regular meeting of the San Diego County Regional Airport Authority Board to order at 9:02 a.m. on Thursday, December 17, 2015, in the Board Room at the San Diego International Airport, Administration Building (formerly the Commuter Terminal), 3225 North Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE: Board Member Sessom led the Pledge of Allegiance.

ROLL CALL:

PRESENT: Board Members: Alvarez, Boling, Cox, Desmond, Gleason, Hubbs, Janney, Robinson, Sessom, Woodworth (Ex Officio)

ABSENT: Board Members: Berman (Ex Officio), Ortega (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

PRESENTATIONS:

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

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:**
Board Member Robinson reported that the Audit Committee held a Special Meeting on December 7th, and that there are items on today's consent agenda for action.
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**
Board Member Hubbs announced that the next Committee meeting is scheduled on January 28, 2016.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
Board Member Desmond announced that the next Committee meeting is scheduled on January 19, 2016.

- **FINANCE COMMITTEE:**
Board Member Boling reported that the Committee met on December 7 and some of the items were forwarded to the Board.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:**
None.
- **ART ADVISORY COMMITTEE:**
Chair Gleason reported that there are 14 art installations related to the Point of Entry theme, and that two have been completed. He also reported that there are several holiday performances scheduled in the terminals.

LIAISONS

- **AIRPORT LAND USE COMPATIBILITY PLAN:**
None.
- **CALTRANS:**
None.
- **INTER-GOVERNMENTAL AFFAIRS:**
Board Member Cox reported that Congressional leaders announced agreement on an Omnibus spending bill to fund the federal government through the end of Fiscal Year 2016. He reported that this agreement will fund the Airport Improvement Program at \$3.35 billion and will provide \$13 billion for Customs and Border Protection operations. He stated that the bill also includes provisions to strengthen the Visa Waiver Program. He reported that Authority staff recently provided airport updates and airfield tours to Vista Councilman Cody Campbell, State Assemblyman Brian Jones, and Rear Admiral Markham Rich (Navy Mayor) and his staff. He also reported that Authority staff provided an airport update to Senator Barbara Boxer's office. He announced that San Diego Mayor Kevin Faulconer is scheduled to present his annual State of the City Address on January 14.
- **MILITARY AFFAIRS:**
None.
- **PORT:**
Chair Gleason reported that the Port will be installing new officers on January 7.
- **WORLD TRADE CENTER:**
Chair Gleason reported that the official re-launch of the World Trade Center for San Diego, under the management of the San Diego Regional Economic Development Corporation, has been completed.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:**
None.

CHAIR'S REPORT: None.

PRESIDENT/CEO'S REPORT:

Thella F. Bowens, President/CEO, reported that over 65,000 passengers daily are expected to travel through San Diego International Airport during the holiday peak travel time. She reported that the Authority is working with various entities to monitor drone activity. She stated that the Federal Aviation Administration has announced recently that it will require a pre-registration process to be implemented for drones to assist in identifying ownership of drones that cause issues. She reported that the Rental Car Center is on track to open as scheduled in January, and that staff continues to work on the Parking Plaza, and that staff will provide a report to the Board.

NON-AGENDA PUBLIC COMMENT: None.

CONSENT AGENDA (Items 1-12):

In response to Board Member Desmond's inquiry regarding Item 5, and how subcontractor items are handled, Breton Lobner, General Counsel, stated that in this case, Lindbergh Field Solar was doing work through a subcontractor, Borrego Solar, and that they were responsible for erecting the fence noted in the claim; therefore, the claim and any further possible grievance is being tendered to them.

In response to Board Member Alvarez' inquiry regarding needing clarification on the contract amount for Item 12, Keith Wilschetz, Director, Airport Planning & Noise Mitigation, stated that the original contract value was \$6.2 Million, with \$1.8 Million remaining. He stated that due to the anticipated need for an Environmental Impact Statement, rather than an Environmental Assessment, the costs are expected to increase and this action will ensure that adequate funds are available.

In response to Board Member Alvarez regarding how often an update will be provided on the status of the alternatives, Thella F. Bowens, President/CEO, stated that, unless there is a need for greater frequency, an update is planned to the Board every six months.

ACTION: Moved by Board Member Janney and seconded by Board Member Robinson to approve the Consent Agenda. Motion carried by the following vote: YES – Alvarez, Boling, Cox, Desmond, Gleason, Hubbs, Janney, Robinson, Sessom; NO – None; ABSENT – None. (Weighted Vote Points: YES – 100; NO – 0; ABSENT – 0)

1. **APPROVAL OF MINUTES:**
RECOMMENDATION: Approve the minutes of the November 19, 2015, 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 26, 2015 THROUGH NOVEMBER 22, 2015, AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM OCTOBER 26, 2015, THROUGH NOVEMBER 22, 2015:**
RECOMMENDATION: Receive the report.
4. **DISPOSITION OF SURPLUS PROPERTY:**
RECOMMENDATION: Adopt Resolution No. 2015-0126, authorizing the disposition of surplus property (materials and/or equipment) by: 1) donating electronic surplus to San Diego Futures Foundation (SDFF), 2) sale to the highest bidder, and 3) recycling and disposing of unwanted items as scrap.

CLAIMS

5. **REJECT THE CLAIM OF MALCOM DAVIDSON:**
RECOMMENDATION: Adopt Resolution No. 2015-0127, rejecting the claim of Malcom Davidson.
6. **REJECT THE CLAIM OF ELIZABETH DELGADO:**
RECOMMENDATION: Adopt Resolution No. 2015-0128, rejecting the claim of Elizabeth Delgado.

COMMITTEE RECOMMENDATIONS

7. **EXTERNAL AUDITOR'S FISCAL YEAR ENDED JUNE 30, 2015, REPORTS: A) AUDITED FINANCIAL STATEMENTS, B) COMPLIANCE (SINGLE AUDIT) REPORT, C) PASSENGER FACILITY CHARGE COMPLIANCE REPORT, D) CUSTOMER FACILITY CHARGE COMPLIANCE REPORT, AND E) REPORT TO THE AUDIT COMMITTEE:**
RECOMMENDATION: The Audit Committee recommends that Board accept the reports.

8. **REVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR THE FISCAL YEAR ENDED JUNE 30, 2015:**
RECOMMENDATION: The Audit Committee recommends that the Board accept the information.
9. **FISCAL YEAR 2016 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 information.

CONTRACTS AND AGREEMENTS

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

10. **AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE A LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT WITH US BANK, NA TO CONTINUE THE AUTHORITY'S BONDING AND CONTRACT FINANCING ASSISTANCE PROGRAM:**
RECOMMENDATION: Adopt Resolution No. 2015-0129, approving and authorizing the President/CEO to negotiate and execute a Letter of Credit and Reimbursement Agreement in an amount not to exceed \$4,000,000 with US Bank, NA in order to continue the Authority's Bonding and Contract Financing Assistance Program.
11. **AWARD OF CONTRACT TO HAZARD CONSTRUCTION COMPANY FOR REHABILITATE CROSS TAXIWAY B8 AND TERMINAL APRONS AT SAN DIEGO INTERNATIONAL AIRPORT:**
RECOMMENDATION: Adopt Resolution No. 2015-0130, awarding a contract to Hazard Construction Company in the amount of \$4,766,600 for Project No. 104177, Rehabilitate Cross Taxiway B8 and Terminal Aprons at San Diego International Airport.
12. **APPROVE AND AUTHORIZE AMENDMENT 4 TO THE CONTRACT WITH LEIGH FISHER INCREASING THE CONTRACT DURATION AND NOT-TO-EXCEED AMOUNT FOR THE AIRPORT DEVELOPMENT PLAN (ADP) ENVIRONMENTAL ANALYSES:**
RECOMMENDATION: Adopt Resolution No. 2015-0131, approving and authorizing Amendment 4 to the Leigh Fisher contract increasing the term by four (4) years to expire on February 21, 2020 and increasing the amount by \$2,570,000 for a new total not-to-exceed amount of \$8,692,145 for the Airport Development Plan (ADP) Environmental Analyses.

PUBLIC HEARINGS: None

OLD BUSINESS: None

NEW BUSINESS:

13. DECEMBER 2015 LEGISLATIVE REPORT AND 2016 LEGISLATIVE AGENDA:

Michael Kulis, Director, Inter-Governmental Relations; Richard Harris, Senior Policy Advisor, Nossaman; and Sam Whitehorn, Managing Director, McBee Strategic, provided a presentation on the 2016 Legislative Agenda that included an overview of 2015 State Legislative Review, 2016 Major State Issues, 2016 Aviation/Airport Issues, 2016 Leadership/Representation, Transportation and Infrastructure Committee, and 2015-2016 Major Federal Issues.

Board Member Alvarez suggested discussions among leadership regarding finding other revenue streams for airport improvements, including the Airport Development Plan.

Thella F. Bowens, President/CEO, stated that the Aviation Fund Tax has some potential to add additional resources to the Authority.

RECOMMENDATION: Adopt Resolution No. 2015-0132, approving the December 2015 Legislative Report and 2016 Legislative Agenda.

ACTION: Moved by Board Member Boling and seconded by Board Member Cox to approve staff's recommendation. Motion carried by the following vote: YES – Alvarez, Boling, Cox, Desmond, Gleason, Hubbs, Janney, Robinson, Sessom; NO – None; ABSENT – None. (Weighted Vote Points: YES – 100; NO – 0; ABSENT – 0)

Chair Gleason stated that Item 15 would be heard next.

15. ADOPT A RESOLUTION SUPPORTING THE PUBLIC COMMENT LETTER ON THE DRAFT SOCAL METROPLEX ENVIRONMENTAL ASSESSMENT:

Keith Wilschetz, Director, Airport Planning & Noise Mitigation, provided an overview of the staff report.

Board Member Desmond requested that the Board be provided an overlay of the proposed SoCal Metroplex requirements alongside the existing requirements to see the differences between the two.

Board Member Janney stated that it appears that there is a lack of communication with the Federal Aviation Administration (FAA) regarding the "Red Dot" agreement. He questioned if there is a process in place to engage the FAA.

Thella F. Bowens, President/CEO, stated that staff is committed to re-educating the FAA Tower team on the Red Dot requirements.

Board Member Cox reported that the San Diego County Board of Supervisors took action recently to retain the "Red Dot" Agreement and to retain the Loma Waypoints utilization. He stated that several officials from the City of San Diego also met with citizens from the Point Loma area in this regard. He encouraged the Board to consider evaluating a more formal acknowledgement of the "Red Dot" agreement.

JILL MONROE, SAN DIEGO, spoke in support of the item and stated she appreciated that the Board acknowledged the importance of retaining the Loma Waypoint.

CASEY SCHNOOR, SAN DIEGO, stated that as a resident of the Point Loma area, the reaffirmation of the Loma Waypoint and Red Dot Agreements was appreciated and he encouraged the Board to approve the item.

Board Member Cox recommended that a more formal agreement be developed to memorialize the "Red Dot" agreement.

Chair Gleason stated that it would be helpful if more information be provided to the Board to clarify some points that were raised through discussions. He recommended that staff evaluate, assess, and report back to the Board its findings regarding formalizing the "Red Dot" agreement.

Board Member Desmond suggested that Authority staff meet periodically with the community, Authority Tower and Terminal Radar Approach Control (TRACON) regarding the requirements of the "Red Dot" agreement.

RECOMMENDATION: Adopt Resolution No. 2015-0133, supporting the attached September 3, 2015, public comment letter signed by Thella F. Bowens, President/CEO, San Diego County Regional Airport Authority, regarding the draft SoCal Metroplex Environmental Assessment.

ACTION: Moved by Board Member Cox and seconded by Board Member Janney to approve staff's recommendation. Motion carried by the following vote: YES – Alvarez, Boling, Cox, Desmond, Gleason, Hubbs, Janney, Robinson, Sessom; NO – None; ABSENT – None. (Weighted Vote Points: YES – 100; NO – 0; ABSENT – 0)

ACTION: : Moved by Board Member Cox and seconded by Board Member Janney to direct staff to evaluate different approaches to try to more effectively formalize the "Red Dot" agreement, which may include annual meetings with our appropriate Federal partners, and report back to the Board in 90 days. Motion carried by the following vote: YES – Alvarez, Boling, Cox, Desmond, Gleason, Hubbs, Janney, Robinson, Sessom; NO – None; ABSENT – None. (Weighted Vote Points: YES – 100; NO – 0; ABSENT – 0)

The Board recessed at 10:32 a.m. and reconvened at 10:40 a.m.

Board Member Boling left the dais at 10:45 a.m.

14. ADOPT AUTHORITY POLICY 8.63 - PRIVACY OF PERSONAL INFORMATION:

Tony Russell, Director, Corporate Information Governance/Authority Clerk, provided an overview presentation on adopting Authority Policy 8.63 - Privacy of Information that included Purpose, Concerns, Existing Processes/Systems Collecting Personal Information, Personal Information Currently Being Collected, Anticipated/Future Impacts, Legal and Regulatory Compliance, Authority Employment Standards, Information Protection and Security, Records and Information Retention, and a Policy Overview.

In response to Board Member Sessom regarding clarifying the language regarding third party collection of personal information, Thella F. Bowens, President/CEO, stated that all third parties collecting personal information on behalf of the Authority will be required to adhere to this Policy.

In response to concerns by Board Member Sessom regarding releasing customer information to possible third parties under section 1(a), Lee Kaminetz, Senior Attorney, General Counsel, stated that the intent of this section is to support specific circumstances such as the need by law enforcement to have the information.

In response to concern expressed by Board Member Sessom regarding the use of Personal Information (PI) through the Customer Loyalty Program, Jon Graves, Senior Manager, Vision, Voice & Engagement, stated that it will be used only as a marketing tool to incentivize people to use airport facilities, such as parking.

In response to Chair Gleason regarding cyber security protection concerns, Rick Belliotti, Director, Information Technology, stated that there are third party companies that the Authority has engaged to detect any possible weak areas. He also stated that there are other tools being implemented to ensure all information is protected as much as possible.

RECOMMENDATION: Adopt Resolution No. 2015-0124, approving the adoption of Authority Policy 8.63 - Privacy of Personal Information.

ACTION: Moved by Board Member Desmond and seconded by Board Member Sessom to approve staff's recommendation. Motion carried by the following vote: YES – Alvarez, Cox, Desmond, Gleason, Hubbs, Janney, Robinson, Sessom; NO – None; ABSENT – Boling. (Weighted Vote Points: YES – 87; NO – 0; ABSENT – 13)

The Board recessed at 10:53 a.m. and reconvened at 11:09 a.m.

PUBLIC HEARINGS: None.

OLD BUSINESS: None.

CLOSED SESSION: The Board recessed into Closed Session at 11:10 a.m. to discuss Items 20 and 24.

- 16. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
(Real property negotiations pursuant to Cal. Gov. Code § 54954.5(b) and § 54956.8.)
Property: Salt Plant – 17 acre parcel located at 1470 Bay Boulevard, San Diego.
Agency Negotiators: Scott Brickner, Finance & Asset Management, Vice President/Treasurer.
Negotiating Parties: San Diego Gas & Electric, United States Fish and Wildlife Service, GGTW, LLC (current tenant) and/or other interested parties.
Under Negotiation: Sale – terms and conditions.
- 17. 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
- 18. 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
- 19. 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)
- 20. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Cal. Gov. Code §54956.9(a) and (d)(1).)
Joan M. Ward v. San Diego County Regional Airport Authority, et al
San Diego Superior Court Case No. 37-2014-00022181-CU-WT-CTL
- 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)(1)):
San Diego County Regional Airport Authority v. The Judicial Council of California, et al
San Diego Superior Court Case No. 37-2015-00035258-CU-WM-CTL
24. **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)]
25. **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
26. **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
27. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Initiation of litigation pursuant to Cal. Government Code § 54956.9(d).)
Number of cases: 2
28. **THREAT TO PUBLIC SERVICES OR FACILITIES:**
Cal. Gov. Code §54957
Consultation with: Transportation Security Administration (TSA)
Federal Security Director and Harbor Police Chief

REPORT ON CLOSED SESSION: The Board reconvened into open session at 11:54 a.m. There was no reportable action.

NON-AGENDA PUBLIC COMMENT: 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:

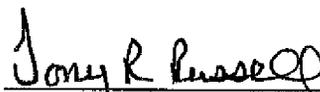
BOARD COMMENT:

Board Member Alvarez requested that staff look into the Authority's ability to levy taxes as indicated in the Authority Act.

Board Member Robinson requested that staff investigate the impact of the Newhall Ranch development case on the Airport Development Plan.

ADJOURNMENT: The meeting was adjourned at 11:55 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 21st DAY OF JANUARY, 2016.



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

APPROVED AS TO FORM:



BRETON K. LOBNER
GENERAL COUNSEL