

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Board Members

C. April Boling
Chairman

Greg Cox
Jim Desmond
Mark Kersey
Robert T. Lloyd
Paul Robinson
Johanna S. Schiavoni
Michael Schumacher
Mark B. West

Ex-Officio Board Members

Cory Binns
Col. Charles B. Dockery
Jacqueline Wong-Hernandez

President / CEO

Kimberly J. Becker

DRAFT ACTION MINUTES

SPECIAL BOARD **AGENDA**

Thursday, September 13, 2018
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: Chairman Boling called the meeting to order at 9:05 a.m.

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

ROLL CALL: Board Members Dockery (Ex Officio), Lloyd, Schiavoni, and Wong-Hernandez (Ex Officio) were ABSENT.

PRESENTATIONS:

- A. SAN DIEGO INTERNATIONAL AIRPORT INNOVATION LAB UPDATE:**
Presented by Rick Belliotti, Director, Innovation and Small Business Development
- B. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDED JUNE 30, 2018:**
Presented by Scott Brickner, Vice President, Finance & Asset Management

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

- **AUDIT COMMITTEE:**
Committee Members: Hollingworth, Lloyd, Robinson (Chair), Schiavoni, Tartre, Van Sambeek, West
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**
Committee Members: Boling, Kersey (Chair), Schumacher, Robinson
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
Committee Members: Boling, Cox, Desmond (Chair), Kersey
- **FINANCE COMMITTEE:**
Committee Members: Cox (Chair), Lloyd, Schiavoni, West

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:**
Liaison: Robinson (Primary), Schiavoni
- **ART ADVISORY COMMITTEE:**
Committee Member: Robert H. Gleason

LIAISONS

- **CALTRANS:**
Liaison: Binns
- **INTER-GOVERNMENTAL AFFAIRS:**
Liaison: Cox
- **MILITARY AFFAIRS:**
Liaison: Dockery
- **PORT:**
Liaisons: Boling, Cox, Robinson
- **WORLD TRADE CENTER:**
Representatives: Robert H. Gleason

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:**
Representatives: Boling (Primary)

CHAIR'S REPORT:

PRESIDENT/CEO'S REPORT:

NON-AGENDA PUBLIC COMMENT: 6 Speakers

CONSENT AGENDA (Items 1-14):

[ACTION: 7-0-2 to approve the Consent Agenda, noting Board Members LLOYD and Schiavoni as ABSENT.]

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the June 7, 2018 and July 12, 2018 regular meetings; and August 3, 2018, August 14, 2018, and August 24, 2018 special meetings.

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 JUNE 11, 2018 THROUGH AUGUST 12, 2018 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM JUNE 11, 2018 THROUGH AUGUST 12, 2018:

RECOMMENDATION: Receive the report.

4. SEPTEMBER 2018 LEGISLATIVE REPORT:

RECOMMENDATION: Adopt Resolution No. 2018-0089, approving the September 2018 Legislative Report.

5. BIENNIAL REVIEW AND AMENDMENT OF AUTHORITY CODE SECTION 2.30 – CONFLICTS OF INTEREST:

RECOMMENDATION: Adopt Resolution No. 2018-0090, amending Authority Code Section 2.30 – Conflict of Interest Code.

CLAIMS

COMMITTEE RECOMMENDATIONS

6. ACCEPT THE UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDED JUNE 30, 2018:

RECOMMENDATION: Accept the report.

7. ACCEPT THE AUTHORITY'S INVESTMENT REPORT AS OF JULY 31, 2018:

RECOMMENDATION: Accept the report.

CONTRACTS AND AGREEMENTS

8. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A MEMORANDUM OF UNDERSTANDING (MOU) WITH THE U.S. DEPARTMENT OF HOMELAND SECURITY - TRANSPORTATION SECURITY ADMINISTRATION (TSA):

RECOMMENDATION: Adopt Resolution No. 2018-0091, approving and authorizing the President/CEO to execute a Memorandum of Understanding (MOU) with the U.S. Department of Homeland Security - Transportation Security Administration (TSA) to support installation of TSA supplied Uninterruptable Power Supply (UPS) equipment for a total cost of \$40,000, in support of power conditioning of existing four (4) Explosion Detection Devices located in Terminal 2 West Checked Baggage Inspections System area at San Diego International Airport.

9. AUTHORIZATION TO EXECUTE TWO LEASE AGREEMENTS WITH FEDERAL AVIATION ADMINISTRATION COVERING THE AIR TRAFFIC CONTROL TOWER (ATCT) AND SELECT NAVIGATIONAL AIDS AT SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2018-0092, authorizing the President/CEO to enter into a Lease Agreement for a term of fifteen years with the Federal Aviation Administration covering the Air Traffic Control Tower and Base Building.

Adopt Resolution No. 2018-0093, authorizing the President/CEO to enter into a Lease Agreement for a term of fifteen years with the Federal Aviation Administration covering certain FAA-owned and operated navigational aids at San Diego International Airport.

Adopt Resolution No. 2018-0094, authorizing the President/CEO to modify the existing Memorandum of Agreement with the Federal Aviation Administration to revise the list of facilities to remove the facilities and assets included in Resolution 2018-0092 and Resolution 2018-0093.

10. AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A NON-BINDING PARTNERSHIP AGREEMENT WITH THE SAN FRANCISCO AIRPORT COMMISSION REGARDING JOINT COLLABORATION ON THE ADVANCEMENT OF SUSTAINABLE AVIATION FUEL:

RECOMMENDATION: Adopt Resolution No. 2018-0095, authorizing the President/CEO to execute a non-binding Partnership Agreement with the City and County of San Francisco (through its Airport Commission) regarding joint collaboration on the advancement of Sustainable Aviation Fuel.

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

11. AWARD A CONTRACT TO NUERA CONTRACTING LP FOR QUIETER HOME PROGRAM PHASE 9, GROUP 7, PROJECT NO. 380907 NINETEEN (19) HISTORIC SINGLE-FAMILY UNITS ON NINETEEN (19) RESIDENTIAL PROPERTIES LOCATED EAST AND WEST OF THE AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2018-0096, awarding a contract to Nuera Contracting LP in the amount of \$1,461,077 for Phase 9, Group 7, Project No. 380907, of the San Diego County Regional Airport Authority's ("Authority's") Quieter Home Program.

- 12. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE AN ON-CALL AIRPORT SIGNAGE FABRICATION AND REPAIR SERVICE AGREEMENT WITH SIGN AGE IDENTITY SYSTEMS, INC.:**
RECOMMENDATION: Adopt Resolution No. 2018-0097, approving and authorizing the President/CEO to negotiate and execute an on-call airport signage fabrication and repair service agreement with Sign Age Identity systems, Inc. for a term of three years, with the option for two one-year extensions exercisable at the sole discretion of the President/CEO, for an amount not-to-exceed \$2,000,000.
- 13. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN ON-CALL PEST MANAGEMENT SERVICES AGREEMENT WITH CARTWRIGHT TERMITE & PEST CONTROL, INCORPORATED:**
RECOMMENDATION: Adopt Resolution No. 2018-0098, approving and authorizing the President/CEO to execute an On-Call Pest Management Services Agreement with Cartwright Termite & Pest Control, Incorporated, for a term of three years, with the option for two one-year extensions exercisable at the sole discretion of the President/CEO, in an amount not-to-exceed \$5,000,000.
- 14. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN ON-CALL ROADWAY PAINTING AND SLURRY SEALING SERVICE AGREEMENT WITH STATEWIDE STRIPES, INC.:**
RECOMMENDATION: Adopt Resolution No. 2018-0099, approving and authorizing the President/CEO to execute an on-call roadway painting and slurry sealing service agreement with Statewide Stripes, Inc., for a term of three years, with the option for two one-year extensions exercisable at the discretion of the President/CEO, for a total not-to-exceed amount of \$5,772,873.

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

- 15. AWARD AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT FOR PARKING MANAGEMENT SERVICES:**
RECOMMENDATION: Adopt Resolution No. 2018-0100, awarding and authorizing the President/CEO to execute an agreement with Ace Parking Management, Inc. for Parking Management Services for a term of three (3) years with an option for two (2) one-year extensions in an amount not to exceed thirty-eight million dollars (\$38,000,000).

[ACTION: 7-0-2 to approve staff's recommendation, noting Board Members Lloyd and Schiavoni as ABSENT.]

16. AWARD AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT FOR AIRPORT SHUTTLE SERVICES:

RECOMMENDATION: Adopt Resolution No. 2018-0101, awarding and authorizing the President/CEO to execute an agreement with Ace Parking Management, Inc. for Airport Shuttle Services for a term of three (3) years with an option for two (2) one-year extensions in an amount not to exceed forty-five million dollars (\$45,000,000).

[ACTION: 7-0-2 to approve staff's recommendation, noting Board Members Lloyd and Schiavoni as ABSENT.]

17. NUMBER NOT USED

18. RENEWAL OF THE HEALTH AND WELFARE BENEFITS PROGRAM FOR 2019:

RECOMMENDATION: Adopt Resolution No. 2018-0103, approving the renewal of the Health and Welfare Benefits Program for 2019.

[ACTION: 7-0-2 to approve staff's recommendation, noting Board Members Lloyd and Schiavoni as ABSENT.]

CLOSED SESSION: The Board recessed into Closed Session at 10:56 a.m. to discuss Items 23, 25, and 28.

19. 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

20. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)

Name of Case: K.S.A.N. L.L.C v. San Diego County Regional Airport Authority, et al. San Diego Superior Court Case No. 37-2017-00024982-CU-NP-CTL

21. 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

22. 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

23. 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

24. 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

25. 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

26. 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

27. 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

28. 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

29. 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

30. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:

Property: Non-Exclusive Concession Lease - San Diego International Airport
Agency Negotiator: Eric Podnieks, Susan Diekman
Negotiating Parties: Lucas Yezik, In-Ter-Space dba Clear Channel

REPORT ON CLOSED SESSION: The Board adjourned out of Closed Session at 1:45 p.m. Amy Gonzalez, General Counsel, reported that in regards to Items 23 and 25, there was no reportable action. In regards to Item 28, the Board provided direction to staff.

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 was adjourned at 1:46 p.m.