

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Board Members

C. April Boling
Chairman

Greg Cox
Jim Desmond
Robert H. Gleason
Jim Janney
Mark Kersey
Paul Robinson
Michael Schumacher
Mary Sessom

Ex-Officio Board Members

Laurie Berman
Eraina Ortega
Col. Jason Woodworth

President / CEO

Thella F. Bowens

DRAFT ACTION MINUTES

BOARD AGENDA

Thursday, February 2, 2017
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 9:04 a.m.

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

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

PRESENTATIONS:

**A. OTHER POST RETIREMENT EMPLOYEE BENEFITS (OPEB) AND
EMPLOYEE PENSION ACTUARIAL VALUATIONS AND FUNDING
REQUIREMENTS:**

Presented by Bradley Au, Human Resource and Employee Benefits Advisor, AON Hewitt; Mark Hovey, Chief Executive Officer, SDCERS; and Marcelle Rossman, Chief Benefits Officer, SDCERS

B. COMMERCIAL SPACE AT RENTAL CAR CENTER:

Presented by Eric R. Podnieks, Program Manager, Real Property and Concessions

**C. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX
MONTHS ENDED DECEMBER 31, 2016:**

Presented by Kathy Kiefer, Senior Director, Finance and Asset Management

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

STANDING BOARD COMMITTEES

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

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: 1 Speaker

Board Member Sessom left the meeting at 1:00 p.m.

Board Member Desmond left the meeting at 2:40 p.m.

CONSENT AGENDA (Items 1- 10):

[ACTION: 7-0-2 to approve the Consent Agenda, noting Board Members Kersey and Schumacher's ABSTENTION on Item 1, and Board Members Desmond and Sessom as ABSENT.]

1. **APPROVAL OF MINUTES:**
RECOMMENDATION: Approve the minutes of the January 5, 2017 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 12 , 2016 THROUGH JANUARY 8 , 2017 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM DECEMBER 12 , 2016 THROUGH JANUARY 8, 2017:**
RECOMMENDATION: Receive the report.
4. **FEBRUARY 2017 LEGISLATIVE REPORT:**
RECOMMENDATION: Adopt Resolution No. 2017-0007, approving the February 2017 Legislative Report.

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. 2017-0008, accepting the Board member weighted vote point allocation as required by Section 170014 of the California Public Utilities Code.

6. APPOINTMENTS TO BOARD COMMITTEES, LIAISON POSITIONS, OTHER REPRESENTATIVE AND ALTERNATE POSITIONS:

RECOMMENDATION: Adopt Resolution No. 2017-0014, making appointments to Board committees, liaison positions, the SANDAG Transportation Committee, and the World Trade Center Board.

CLAIMS

7. REJECT THE CLAIM OF K.S.A.N. LLC.:

RECOMMENDATION: Adopt Resolution No. 2017-0009, rejecting the claim of K.S.A.N. LLC.

COMMITTEE RECOMMENDATIONS

CONTRACTS AND AGREEMENTS

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

8. AWARD A CONTRACT TO KRAUSE A.C.T., DBA AIR CLEANING TECHNOLOGY, FOR RESTAURANT HOOD CLEANING AND MAINTENANCE SERVICES AT SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2017-0010, awarding a contract to Krause A.C.T., dba Air Cleaning Technology for Restaurant Hood Cleaning and Maintenance Services at the San Diego International Airport, in an amount not-to-exceed two million five hundred thousand dollars (\$2,500,000) for a 3 year term with an option for 2 one year extensions.

9. AWARD A CONTRACT TO VASQUEZ CONSTRUCTION COMPANY TO REPLACE TERMINAL SEATING IN TERMINAL 1 AND TERMINAL 2 AT SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2017-0011, awarding a contract to Vasquez Construction Company in the amount of \$3,401,830.27 for Project No. 104204, to replace terminal seating in Terminal 1 and Terminal 2 at San Diego International Airport.

10. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO ISSUE A PURCHASE ORDER TO OSHKOSH CORPORATION UTILIZING THE HOUSTON-GALVESTON AREA COUNCIL (HGAC) COOPERATIVE CONTRACT TO REPLACE TWO AIRCRAFT RESCUE FIREFIGHTING VEHICLES AT SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2017-0012, approving and authorizing the President/CEO to issue a Purchase Order to Oshkosh Corporation utilizing the Houston-Galveston Area Council (HGAC) cooperative contract for an amount not-to-exceed \$2,287,618.32 for Project No. 104214, to replace two Aircraft Rescue and Firefighting (ARFF) Vehicles at San Diego International Airport.

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

11. PRESENTATION AND APPROVAL OF THE AMENDED PREFERRED AIRPORT DEVELOPMENT PLAN CONCEPT:

RECOMMENDATION: Adopt Resolution No. 2017-0013, refining the preferred Airport Development Plan Concept Alternative Five and directing staff to continue ADP programmatic planning and environmental analysis, based on the amended preferred alternative identified in the presentation and the staff report.

[ACTION: The Board concurred to continue this Item to the March Board meeting.]

12. TAXI AND VEHICLE-FOR-HIRE OPERATING STRATEGY REPORT:

RECOMMENDATION: Receive the report and possible action.

[ACTION: 9-0 to receive the report and maintain the current system.]

CLOSED SESSION: The Board recessed into closed session at 2:00 p.m. to discuss Items 24 and 25.

13. 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

14. 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

- 15. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**
(Cal. Gov. Code §54956.9(a))
GGTW LLC v San Diego County Regional Airport Authority, et al.
San Diego Superior Court Case No. 37-2016-00032646-CU-BC-CTL
- 16. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**
(Cal. Gov. Code §54956.9(a))
San Diego County Regional Airport Authority v. American Car Rental, Inc.
San Diego Superior Court Case No. 37-2016-00024056-CL-BC-CTL
- 17. 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-EINC
- 18. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to Cal. Gov. Code §§ 54956.9(d)(2))
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
- 19. CONFERENCE WITH REAL PROPERTY NEGOTIATORS AND WITH LEGAL COUNSEL –ANTICIPATED LITIGATION:**
(Gov. Code §§54956.9(d)(e)(1) and 54954.5(b))
Property: Concession leases (food & beverage) with Host, High Flying Foods and SSP
Agency Negotiator: Scott Brickner, Kathy Kiefer and Eric Podnieks
Negotiating Parties: Host, High Flying Foods San Diego Partnership, SSP America, Inc. and Stellar Partners, Inc.
Under negotiation: rent (price and terms of payment), closure/conversion of locations, new concession buildout, ACDBE participation, lease compliance issues, claim by Host and close outs/permits.
- 20. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to cal. Gov. Code §54956.9(e)(3))
The Receipt of a Government Claim from VIP Taxi Inc.
- 21. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to Cal. Gov. Code section 54956.9(e)(3))
The Receipt of a Government Claim from K.S.A.N. L.L.C.
- 22. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to Cal. Gov. Code §§ 54956.9(d)(2))
Re: Navy Boat Channel
Number of potential cases: 1

23. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION:

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9

Number of potential cases: 1

24. CONFERENCE WITH LEGAL COUNSEL –ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: 1 case

In re Seaport Airlines, Inc.

U.S. Bankruptcy Court Case No. 16-30406-rld7

25. PUBLIC EMPLOYEE APPOINTMENT:

Cal. Gov. Code §54957

Title: President/Chief Executive Officer

REPORT ON CLOSED SESSION: The Board reconvened into Open Session at 2:30 p.m. There was no reportable action.

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 3:06 p.m.