

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, MARCH 17, 2016
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 9:04 a.m. on Thursday, March 17, 2016, in the Board Room at the San Diego International Airport, Administration Building, 3225 North Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE: Lieutenant Colonel Presto led the pledge of allegiance.

ROLL CALL:

PRESENT: Board Members: Alvarez, Boling, Cox, Desmond, Gleason, Hubbs, Janney, Robinson, Sessom

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

ALSO PRESENT: Thella F. Bowens, President/CEO; Breton K. Lobner, General Counsel; Tony R. Russell, Director, Corporate and Information Governance/Authority Clerk; Dawn D'Acquisto, Assistant Authority Clerk I

Board Member Alvarez arrived during the course of the meeting.

PRESENTATIONS: None

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

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:**
None
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**
None
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
Board Member Desmond reported that the next Committee meeting is scheduled on May 9th immediately following the Executive/Finance Committee meeting.
- **FINANCE COMMITTEE:**
Board Member Boling reported that the Committee met on March 7th and reviewed and accepted the financial reports of the Authority.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:**
None
- **ART ADVISORY COMMITTEE:**
Chair Gleason reported that on March 10th the Authority hosted a tour and reception for the artists and organizations that are featured in the Point of Entry temporary exhibits. He also reported that on April 28th there will be a dedication of the public art at the Rental Car Center.

Board Member Sessom arrived at 9:06 a.m.

Board Member Hubbs arrived at 9:07 a.m.

LIAISONS

- **AIRPORT LAND USE COMPATIBILITY PLAN:**
None
- **CALTRANS:**
None
- **INTER-GOVERNMENTAL AFFAIRS:**
Board Member Cox reported that Authority staff provided Airport Land Use Compatibility Plan updates to Coronado Councilmembers Bill Sandke, Richard Bailey, Mike Woiwode, Carrie Downey, and San Diego Councilmember Lorie Zapf. He also stated that Authority staff provided an airport briefing and airfield tour to staff from the Office of Congresswoman Susan Davis. He reported that Authority staff provided airport updates to the Washington, D.C. staff from the offices of Senators Dianne Feinstein and Barbara Boxer. He also reported that Board Members Boling and Janney represented the Authority at the annual SANDAG retreat and that Board Members Sessom and Desmond were also in attendance representing the Cities of La Mesa and San Marcos respectively. He reported that Authority staff met on March 16th with Elizabeth Ray and Shirley Miller of the FAA's Air Traffic Organization in Washington, D.C. and updated the FAA on the ongoing community concerns related to the proposed Metroplex changes. He reiterated the Authority's strong support for maintaining the LOMA waypoint. He reported that FAA staff anticipates completing their responses to the public comments and questions on this issue in June or July.
- **MILITARY AFFAIRS:**
None
- **PORT:**
None

- **WORLD TRADE CENTER:**

Chair Gleason reported that the Committee held its first meeting on March 4th and moved forward with a management agreement with the Economic Development Council (EDC). He stated that the Committee will be meeting quarterly.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:**

None

CHAIR'S REPORT:

Chair Gleason informed the Board that Board Member Alvarez will represent the Board at the San Diego Chamber event to Mexico City. He asked that any Board Members who would like to attend the San Diego Chamber trip to Sacramento let him know.

PRESIDENT/CEO'S REPORT:

Thella F. Bowens, President/CEO stated that it is forecasted that there will be 1.5 million additional travelers during the spring break period. She reported that British Airlines has upgauged its service starting March 27, 2016 to the Boeing 747-400, increasing seat capacity by an additional 70 seats. She also reported that the Authority won the Envision Platinum Award for the Green Build project and landside improvement and that Envision is a sustainable infrastructure rating system that provides a holistic framework for evaluating the community and economic benefits of projects such as roads and lighting. She stated that the San Diego International Airport is one of the first airports to receive the Platinum Certification for our landscaping and external products. She reported that two directors received awards; Jana Vargas, Director of Procurement, received the Woman Breaking Barriers Award, and Paul Manasjan, Director of Environmental Affairs, was honored with the Peer Recognition for Outstanding Individual Contribution and Leadership Award from Airport Council International – North America (ACI-NA).

NON-AGENDA PUBLIC COMMENT:

BRUCE BAILEY, SAN DIEGO, expressed concerns regarding departure routes over Point Loma.

JULIE CONNOLLY, SAN DIEGO, expressed concerns regarding irregular flights over her neighborhood in Point Loma and requested assistance from the Board to help residents get answers.

CASEY SCHNOOR, SAN DIEGO, expressed concerns regarding missed approaches, early turns, and the Metroplex project. He stated that the Red Dot agreement is not being followed.

HUGO CARMONA, SAN DIEGO, representing Congressman Scott Peters' office, read a letter sent to Chair Gleason from Congressman Peters regarding noise issues in Point Loma.

Board Member Desmond requested that Congressman Peters reach out to the FAA and encourage them to attend ANAC meetings, work with residents and answer questions from the Community.

DEBRA TURNER, SAN DIEGO, expressed concerns regarding new noise in her neighborhood from the Rental Car Center. Ms. Turner requested that another sound study be done.

Chair Gleason requested that staff investigated the matter and provide an update to the Board.

KEITH JONES, SAN DIEGO, representing Ace Parking, provided a handout to the Board titled "Year in Review of Ace's Parking Performance at the San Diego International Airport." He requested that the Board direct staff to hold off on the Parking RFP until the parking plaza is complete.

Board Member Cox stated that there are noise problems in the Point Loma community and that the issues need to be dealt with. He stated that once the plane leaves the ground, the Authority has no control. He suggested that staff review the structure of the ANAC to better address concerns and that the FAA needs to be at the table. He suggested looking at the composition of the committee and frequency of meetings. He stated that there needs to be strict adherence with the Red Dot agreement. He stated that he would like to see the Rental Car Center noise study at the April meeting.

Board Member Desmond requested that staff work with Congressman Peters' office to get TRACON and the FAA tower to attend future ANAC meetings to address these concerns.

Chair Gleason requested that staff review adherence with the Red Dot agreement. He also stated that he is looking forward to getting the 1st quarter noise data.

CONSENT AGENDA (Items 1-9):

Chair Gleason requested that Item 4 be pulled from the consent agenda for staff to provide an update on changes to the Senate version of the Federal Aviation Administrative Reauthorization bill.

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

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the February 8, 2016 special meeting; February 18, 2016 regular meeting; and February 26 and 27, 2016 special 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 JANUARY 25, 2016 THROUGH FEBRUARY 21, 2016 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM JANUARY 25, 2016 THROUGH FEBRUARY 21, 2016:**
RECOMMENDATION: Receive the report.
- 4. MARCH 2016 LEGISLATIVE REPORT:**
ACTION: This item was pulled from the consent agenda for discussion.
- 5. APPROVE AN APPOINTMENT TO THE ART ADVISORY COMMITTEE:**
RECOMMENDATION: Adopt Resolution No. 2016-0008, approving the appointment of Gail Roberts to the Art Advisory Committee.

CLAIMS

- 6. REJECT THE CLAIM OF MAYA SANCHEZ:**
RECOMMENDATION: Adopt Resolution No. 2016-0020, rejecting the claim of Maya Sanchez.

COMMITTEE RECOMMENDATIONS

CONTRACTS AND AGREEMENTS

- 7. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE GENERATING FACILITY INTERCONNECTION AGREEMENTS WITH SAN DIEGO GAS & ELECTRIC COMPANY ASSOCIATED WITH THE NORTHSIDE SOLAR PHOTOVOLTAIC GENERATING SYSTEMS:**
RECOMMENDATION: Adopt Resolution No. 2016-0021, approving and authorizing the President/CEO to negotiate and execute 1) a Generating Facility Interconnection Agreement with SDG&E to permit the Authority to interconnect and operate an electrical generating facility for the Phase 1 generating facility in the Economy parking lot in parallel with SDG&E's distribution system; and 2) Generating facility Interconnection Agreements for future generating facilities up to 5.1 MW in the Economy parking lot in parallel with SDG&E's distribution system, at San Diego International Airport.

7-B. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AMENDMENT NO. 3 TO THE AMENDED AND RESTATED SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY RETIREMENT PLAN AND TRUST OF 2013:

RECOMMENDATION: Adopt Resolution 2016-0024, approving and authorizing the President/CEO to execute Amendment No. 3 to the Amended and Restated San Diego County Regional Airport Authority Retirement Plan and Trust of 2013.

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

8. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A SECOND AMENDMENT TO THE PEST CONTROL AND REMEDIATION SERVICES AGREEMENT WITH CARTWRIGHT TERMITE & PEST CONTROL, INC.:

RECOMMENDATION: Adopt Resolution No. 2016-0022, approving and authorizing the President/CEO to execute a Second Amendment to the Pest Control and Remediation Services Agreement with Cartwright Termite & Pest Control, Inc., increasing the total amount payable by \$1,057,776 for a total not-to-exceed compensation amount of \$6,357,776.

9. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A SECOND AMENDMENT TO THE AIRPORT SIGNAGE SERVICES AGREEMENT WITH SIGN AGE IDENTITY SYSTEMS, INC.:

RECOMMENDATION: Adopt Resolution No. 2016-0023, approving and authorizing the President/CEO to execute a Second Amendment to the Agreement for Airport Signage Services with Sign Age Identity Systems, Inc., increasing the total amount payable by \$265,000 for a total not-to-exceed compensation amount of \$1,565,000.

ITEM(S) REMOVED FROM THE CONSENT AGENDA

4. MARCH 2016 LEGISLATIVE REPORT:

Mike Kulis, Director, Inter-Governmental Relations, provided an update on recent changes to the Senate version of the Federal Aviation Administration (FAA) Reauthorization bill. He stated, unlike the House FAA bill, the Senate bill does not have a provision transferring the air traffic organization functions to the new corporation, and the Senate bill lasts 18 months, ending Fiscal Year (FY) 2017. He stated that the Senate bill provides additional funds for airport improvement, with an increase to \$3.7 billion for FY 2017. He stated that the Senate bill does not include a passenger facility charge increase or assistance to reestablish service to Reagan National Airport, which are two priority issues in the FY 2016 Legislative Agenda. He stated that staff recommends that the Board adopt a position of "Oppose Unless Amended" on Senate bill.

It was moved by Board Member Cox and seconded by Board Member Boling, to approve staff's recommendation.

Board Member Desmond inquired about H.R. 3548 and requested a more detailed report at the next meeting.

RECOMMENDATION: Adopt Resolution No. 2016-0019, approving the March 2016 Legislative Report.

ACTION: Moved by Board Member Cox and seconded by Board Member Boling to approve staff's recommendations, and directed staff to provide an update on H.R. 3584 – Transportation Security Administration Reform and Improvement Act of 2015, at next Board meeting. Motion carried by the following vote: YES – Boling, Cox, Desmond, Gleason, Hubbs, Janney, Robinson, Sessom; NO – None; ABSENT – Alvarez. (Weighted Vote Points: YES – 87; NO – 0; ABSENT – 13)

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

10. ANNUAL GROUND TRANSPORTATION OPERATIONS UPDATE:

David Boenitz, Director, Ground Transportation, provided an update on Ground Transportation Operations, which included Ground Transportation Commercial Vehicle Operations, Contract RFPs, Transportation Network Company (TNC) Operations, Parking Operations, Rental Car Center Bus Operations, MTS/Palm Street Shuttle Service, California TNC Legislation, Federal TNC Legislation, and Office of the Chief Auditor TNC Audits.

Board Member Boling requested clarification on why the Authority is terminating the shuttle contract before the end of the contract instead of requesting an increase in funding.

Angela Shafer-Payne, Vice President, Operations, explained that with less than a year remaining on the contract and recent changes in shuttle operations, staff decided to re-compete the shuttle operation early instead of adding additional funds to the contract, which would allow for changes based on shuttle operation needs and separate the two major ground transportation contracts.

Board Member Desmond suggested continuing the Parking Shuttle contract to the end of the term. He stated that it's not in the best interest of the Authority to switch contractors at this time.

Chair Gleason stated that he would be comfortable with directing staff to bring an item back to the Board to continue with the Parking Shuttle contract through its term and to include an overview of all the impacts.

Board Member Cox and Desmond stated that we should provide a staging area for TNC's if we have the space.

Board Member Hubbs stated that more data is needed to determine the need for a staging area.

Chair Gleason requested to see staff's suggested TNC permit alterations and a range of options for TNC staging areas in the future presentation.

Board Member Robinson requested a copy of the termination language in the shuttle contract.

The Board requested that staff provide information regarding the impacts of continuing with the shuttle contract through December 2016 at the April Board meeting, and at the May Board meeting staff provide a report on the impacts of extending the shuttle and parking management contracts until after the completion of the parking plaza.

ACTION: Moved by Board Member Desmond and seconded by Board Member Cox directing staff to place an item on the April Agenda to continue the shuttle contract through December 2016 term date and an update on the impacts of continuing the contract, and requested that staff provide an update in May on the potential costs and other long-term impacts of extending the parking management and shuttle contracts until after the completion of the parking plaza. Motion carried by the following vote: YES – Boling, Cox, Desmond, Gleason, Hubbs, Janney, Robinson, Sessom; NO – None; ABSENT – Alvarez. (Weighted Vote Points: YES – 87; NO – 0; ABSENT – 13)

Board Member Sessom left the dais at 10:30 a.m.

Board Member Alvarez arrived at the meeting at 11:00 a.m.

ADRIAN KWIATKOWSKI, SAN DIEGO, representing Transportation Alliance Group (TAG), provided a presentation on the progress of vehicle conversions, Transportation Network Company (TNC) operations, TNC and Taxi economic impact, TNC post pilot program concerns, and concerns about the possibility of hold lot impacts if the TNC's were allowed to get their own lot.

MICHAEL AMADEO, SAN DIEGO, representing Uber Technologies, spoke in support of enhanced signage of pick up location for TNCs and closer TNC pick up locations.

XEMA JACOBSON, SPRING VALLEY, representing Super Shuttle, expressed concerns regarding requirements for shuttles that are not required by the TNCs, specifically vehicle inspections.

Board Member Desmond requested more information regarding what is included in the costs for the Intermodal Transit Center in the SANDAG Plan.

Board Member Boling stated that the Authority should be encouraging transit to the airport.

Board Member Hubbs expressed concerns with the lack of interest from transit providers to help utilize the Palm Street trolley stop.

Chair Gleason requested that the Board receive an update on what's being done to level the playing field for all ground transportation providers. He also requested an update on TNC legislation and TNC signage.

Board Member Alvarez suggested contacting the Attorney General to see if the MOU can be amended to include TNCs to reduce greenhouse gases.

RECOMMENDATION: Accept the presentation.

11. DISCUSSION REGARDING THE PARAMETERS FOR THE FISCAL YEAR 2017 AND FISCAL YEAR 2018 OPERATING BUDGETS:

Scott Brickner, Vice President, Finance and Asset Management/Treasurer, provided an update on Parameters for the Fiscal Year 2017 and Fiscal Year 2018 Operating Budget, which included the Economic Update, Moody's Report, Initiatives, Budget Objectives, Authority Financials, and Budget Challenges, Guidelines and Calendar.

RECOMMENDATION: Provide direction to staff.

ACTION: No action was taken on this item.

BOARD COMMENT:

Chair Gleason requested that a discussion item regarding establishing a policy for changing meeting dates be added to the next Executive Committee agenda.

CLOSED SESSION: The Board recessed into Closed Session at 12:24 p.m. to hear item 20.

12. 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

13. 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

14. 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)

15. 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

16. 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

17. 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)]

18. 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

19. 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

20. 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 1:38 p.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:

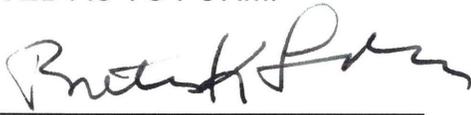
ADJOURNMENT: The meeting adjourned at 1:40 p.m.

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



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

APPROVED AS TO FORM:



BRETON K. LOBNER
GENERAL COUNSEL