

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Board Members

C. April Boling
Chairman

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

Ex-Officio Board Members

Tim Gubbins
Jacqueline Wong-Hernandez
Col. Jason Woodworth

President / CEO

Kimberly J. Becker

DRAFT ACTION MINUTES

BOARD AGENDA

Thursday, May 3, 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 9:00 a.m.

PLEDGE OF ALLEGIANCE: Chairman Boling led the Pledge of Allegiance.

ROLL CALL: Board Member's Cox, Kersey, Wong-Hernandez (Ex-Officio), and Woodworth (Ex-Officio) were ABSENT.

PRESENTATIONS:

- A. SMALL BUSINESS DEVELOPMENT UPDATE:**
Presented by Regina Brown, Small Business Development Program Manager, Vera Howell, Turner Construction and Chris Murphy, Swinerton Builders
- B. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2018:**
Presented by Kathy Kiefer, Senior Director, 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: Gubbins
- **INTER-GOVERNMENTAL AFFAIRS:**
Liaison: Cox
- **MILITARY AFFAIRS:**
Liaison: Woodworth
- **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: 2 Speakers

CONSENT AGENDA (Items 1-13):

[ACTION: 7-0-2 to approve the Consent Agenda, noting Board Member's Cox and Kersey as ABSENT.]

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the March 9 and 10, 2018 special meeting, March 20, 2018 special meeting, and April 5, 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 MARCH 12, 2018 THROUGH APRIL 8, 2018 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM MARCH 12, 2018 THROUGH APRIL 8, 2018:

RECOMMENDATION: Receive the report.

4. MAY 2018 LEGISLATIVE REPORT:

RECOMMENDATION: Adopt Resolution No. 2018-0038, approving the May 2018 Legislative Report.

5. AMENDMENT TO AUTHORITY POLICY 1.21 AND APPOINTMENT OF AUTHORITY ADVISORY COMMITTEE MEMBERS:

RECOMMENDATION: Adopt Resolution No. 2018-0039, amending Authority Policy 1.21 and approving appointments to the Authority Advisory Committee.

CLAIMS

COMMITTEE RECOMMENDATIONS

6. ACCEPTANCE OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2018:

RECOMMENDATION: The Finance Committee recommends that the Board accept the report.

7. ACCEPTANCE OF THE AUTHORITY'S INVESTMENT REPORT AS OF MARCH 31, 2018:

RECOMMENDATION: The Finance Committee recommends that the Board accept the report.

CONTRACTS AND AGREEMENTS

- 8. AUTHORIZATION OF AN AMENDMENT TO THE EXISTING RBC \$100,000,000 REVOLVING DRAWDOWN BONDS:**
RECOMMENDATION: Adopt Resolution No. 2018-0040, approving a first amendment to fourth supplemental subordinate trust indenture and certain other documents and matters related to the revolving drawdown bonds.
- 9. AWARD A CONTRACT TO S&L SPECIALTY CONSTRUCTION, INC. FOR QUIETER HOME PROGRAM PHASE 9, GROUP 5, PROJECT NO. 380905 SIXTEEN (16) HISTORIC MULTI-FAMILY AND SINGLE-FAMILY UNITS ON SEVEN (7) RESIDENTIAL PROPERTIES LOCATED EAST AND WEST OF THE AIRPORT:**
RECOMMENDATION: Adopt Resolution No. 2018-0041, awarding a contract to S&L Specialty Construction, Inc. in the amount of \$ 925,000 for Phase 9, Group 5, Project No. 380905, of the San Diego County Regional Airport Authority's Quieter Home Program.
- 10. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A SECOND AMENDMENT TO THE AGREEMENT WITH ANDERSON & KREIGER LLP:**
RECOMMENDATION: Adopt Resolution No. 2018-0044, approving and authorizing the President/CEO to execute a Second Amendment to the Agreement with Anderson & Kreiger LLP for Professional Legal Services increasing the term by one year and the compensation amount by \$200,000 for a total not-to-exceed amount of \$400,000.
- 11. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FIRST AMENDMENT TO THE AGREEMENT WITH DEVANEY PATE MORRIS AND CAMERON LLP:**
RECOMMENDATION: Adopt Resolution No. 2018-0045, approving and authorizing the President/CEO to execute a First Amendment to the Agreement with Devaney Pate Morris and Cameron LLP for Professional Legal Services extending the term for one year and increasing the not-to-exceed compensation amount by \$200,000 for a total not-to-exceed amount of \$500,000.

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

- 12. AWARD A CONTRACT TO SOLPAC CONSTRUCTION, INC., DBA SOLTEK PACIFIC CONSTRUCTION COMPANY, FOR AIRLINE RELOCATIONS AT TERMINAL 1 WEST (T1W) AND TERMINAL 2 EAST (T2E), AND T1W COMMON USE PASSENGER PROCESSING SYSTEM (CUPPS) AT SAN DIEGO INTERNATIONAL AIRPORT:**

RECOMMENDATION: Adopt Resolution No. 2018-0042, awarding a contract to SOLPAC Construction, Inc., dba Soltek Pacific Construction Company, in the amount of \$12,601,000.58 for Project No. 104237, Airline Relocations at Terminal 1 West (T1W) and Terminal 2 East (T2E), and Project No. 104241, T1W Common Use Passenger Processing System (CUPPS) at San Diego International Airport.

- 13. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A HEATING, VENTILATION, AND AIR CONDITIONING MAINTENANCE AND REPAIR SERVICE AGREEMENT:**

RECOMMENDATION: Adopt Resolution No. 2018-0046, approving and authorizing the President/CEO to execute an Agreement for Heating, Ventilation and Air Conditioning (“HVAC”) Maintenance and Repair Service with Pacific Rim Mechanical Contractors 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 \$11,748,444, to provide HVAC maintenance and repair services at San Diego International Airport (“SDIA”).

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

- 14. AUTHORIZE THE PRESIDENT / CEO TO EXECUTE A PROGRESSIVE DESIGN-BUILD AGREEMENT WITH SUNDT CONSTRUCTION, INC. FOR DESIGN AND CONSTRUCTION; AND TO NEGOTIATE AND EXECUTE WORK AUTHORIZATIONS FOR VALIDATION PHASE SERVICES, INITIAL DESIGN WORK, PROCUREMENT OF LONG LEAD ITEMS, AND EARLY CONSTRUCTION WORK OF THE AIRPORT SUPPORT FACILITIES:**

RECOMMENDATION: Adopt Resolution No. 2018-0047, authorizing the President/CEO to (1) execute a Progressive Design-Build Agreement with Sundt Construction, Inc.; and (2) negotiate and execute Work Authorizations for validation phase services, initial design work, procurement of long lead items, and early construction work with Sundt Construction, Inc., within an amount not-to-exceed \$9,000,000 for project No. 104245, Airport Support Facilities Design-Build at San Diego International Airport.

[ACTION: 7-0-2 to approve staff's recommendation, noting Board Member's Cox and Kersey as ABSENT.]

The Board recessed at 10:37 a.m. and reconvened at 10:40 a.m.

CLOSED SESSION: The Board recessed into Closed Session at 10:41 a.m. to discuss Items 17, 23, 24, and 25.

- 15. 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
- 16. 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
- 17. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: Juanita Robledo v. San Diego International Airport, et al. San Diego Superior Court Case No. 37-2017-00008485-CU-PO-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 – ANTICIPATED LITIGATION:**
(Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Cal. Gov. Code §54956.9)
Number of cases: 1
- 20. 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
- 21. 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
- 22. 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
- 23. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
The Receipt of a Government Claim from Robert Bobbett and Request For Defense and Indemnity from the San Diego Unified Port District regarding the claim
- 24. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
The Receipt of a Government Claim from Donna Kashani and Request For Defense and Indemnity from the San Diego Unified Port District regarding the claim
- 25. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Property: Airline Operating and Lease Agreement - San Diego International Airport
Agency Negotiator: Kim Becker, Scott Brickner, Amy Gonzalez
Negotiating Parties: Alaska Airlines, Allegiant Airlines, American Airlines, British Airways, Delta Airlines, FedEx, JetBlue Airlines, Southwest Airlines
Under Negotiation: price and terms of payment

REPORT ON CLOSED SESSION: The Board adjourned out of Closed Session at 11:45 a.m. Lee Kaminetz, Director, Counsel Services, reported that in regards to Item 17, the Board authorized General Counsel to enter into a settlement agreement with Juanita Robledo for \$25,000.00 which was approved 6-0-3 with Board Member's Boling, Desmond, Lloyd, Robinson, Schumacher, and Schiavoni voting YES, noting Board Member's Cox, Kersey and West as ABSENT. In regards to Items 23 and 24, the Board authorized General Counsel to approve the Tender of Defense from the San Diego Unified Port District in the Robert Bobbett and Donna Kashani litigation which was approved 6-0-3 with Board Member's Boling, Desmond, Lloyd, Robinson, Schumacher, and Schiavoni voting YES, noting Board Member's Cox, Kersey and West as ABSENT.

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 11:46 a.m.