

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, MAY 4, 2017
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM**

CALL TO ORDER: Vice Chair Robinson called the regular meeting of the San Diego County Regional Airport Authority to order at 9:05 a.m. on Thursday, May 4, 2017, in the Board Room at the San Diego International Airport, Administration Building, 3225 North Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE: Board Member Woodworth (Ex Officio) led the Pledge of Allegiance.

ROLL CALL:

PRESENT: Board Members: Cox, Desmond, Gleason, Robinson,
Schumacher, Sessom, Woodworth (Ex
Officio)

ABSENT: Board Members: Berman (Ex Officio), Boling, Janney,
Kersey, Ortega (Ex Officio)

ALSO PRESENT: Kimberly J. Becker, President/CEO; Amy Gonzalez, General
Counsel; Tony R. Russell, Director, Corporate and Information
Governance/Authority Clerk; Martha Morales, Assistant Authority
Clerk I

Board Member Cox arrived at 9:10 a.m.

PRESENTATIONS:

**A. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE
MONTHS ENDED MARCH 31, 2017:**

Kathy Kiefer, Senior Director, Finance and Asset Management provided a review of the Unaudited Financial Statements for Nine Months Ended March 31, 2017 which included Operating Revenues, Operating Expenses, Non-operating Revenue and Expenses, Financial Summary, Statement of Net Position – Assets, and Statement of Net Position – Liabilities and Net Positions.

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

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:** None.

- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**
Jeffrey Woodson, Vice President, Development reported that on April 20, 2017 the Committee received a presentation on the proposed FY 2018 - 2022 Capital Improvement Program (CIP) budget. He also reported that the recommended CIP budget will be presented to the airlines for their input.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
Board Member Desmond reported that on April 13, 2017 the Committee met in closed session to discuss the opening of labor negotiations with the California Teamsters Local 911. He also reported that during the next meeting on May 11, 2017, the Committee will meet with the General Counsel and Chief Auditor to review their performance for fiscal year 2017 and discuss goals for the upcoming fiscal year as well as meet with the President/CEO to discuss potential goals for her first year.
- **FINANCE COMMITTEE:** None.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:**
Board Member Robinson reported that on May 3, 2017 the Committee received an update on the FIS project including milestones and next steps; and an update on the ADP.
- **ART ADVISORY COMMITTEE:**
Board Member Gleason reported that the ongoing concert series at Sunset Cove is continuing every Friday from 11:30 a.m. to 1:30 p.m.; and that on May 5, 2017, Ballet Folklorico will perform at Terminal Two West baggage claim area in celebration of Cinco de Mayo. He reported that the Performing Arts Residency, transceDance, premiered last week with a performance in the Terminal Two baggage claim area and they will be performing again on May 30, 2017. He reported that the Rental Car Center's Dazzle installation is ongoing; and that a statement of qualification call for two dimensional media will be made for installation along Admiral Boland Way. He also reported that the FIS Atrium Suspended Artwork is in the Design Proposal Phase and an employee engagement workshop is scheduled on May 19th and 20th as well as a Community Engagement workshop in early June for the Glass Partition Artwork. He reported that the selected Arts Master Plan Consultant, Urban Design, is starting their engagement meetings with staff and stakeholders this month.

LIAISONS

- **AIRPORT LAND USE COMPATIBILITY PLAN:** None.
- **CALTRANS:** None.

- **INTER-GOVERNMENTAL AFFAIRS:**

Board Member Cox reported that on April 28, 2017, President Trump signed a measure in to law to extend funding through May 5, 2017 for federal programs. He reported that Congress is expected to approve a \$1.16 trillion dollar spending plan this week to fund the federal government for the remainder of the fiscal year ending September 30, 2017; and that the plan would fully fund the Airport Improvement Program at \$3.35 billion dollars. He reported that on April 27, 2017 Authority staff provided an airport briefing and airfield tour for the San Diego staff from the office of Senator Kamala Harris. He also reported that on April 28, 2017 Angela Shafer Payne participated as Interim President/CEO in a meeting with staff from the Vice President's Office and other major airports to discuss the President's infrastructure initiative and how an increase in the Passenger Facility Charge can assist the Administration in identifying potential funding sources for their proposal.

- **MILITARY AFFAIRS:**

Board Member Woodworth (Ex-Officio) reported that they are working hard on long term air and noise quality in the region and are ensuring all appropriate Environmental Protection Agency measures are met.

- **PORT:**

Board Member Gleason reported that on May 1, 2017 the Committee met with the Vice Chair and Secretary of the Port of San Diego to further discuss the transportation and mobility policy working group and that the anticipated first meeting of the group will be in June 2017.

- **WORLD TRADE CENTER:**

Board Member Gleason reported that an updated work plan will be sent out after his review.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:** None.

CHAIR'S REPORT:

Vice Chair Robinson reported that on May 17, 2017 the airport will hold a ground breaking for the Federal Inspection Services (FIS) in Terminal Two East. He reported that as the construction progresses, Airport staff will work closely with stakeholders to mitigate any impact on operations and the traveling public. He also reported that on May 1, 2017, San Diego welcomed the first ever service from Frankfurt Germany on Condor Airlines with several events conducted to welcome Condor Airlines to the region.

PRESIDENT/CEO'S REPORT:

Kimberly J. Becker, President/CEO reported that on May 1, 2017 janitorial staff from Flagship took part in International Workers' Day and that there were no significant operational impacts reported. She reported that the labor union, SEIU, was granted an Express Activities permit and plans to have demonstrations in Terminal 1 on May 9, 11, and 16, 2017. She also reported that the Airport Authority received an ACI-NA 2017 Excellence in Airport Concessions award for The Good Traveler carbon offset program; and that since its launch in September 2015 over 11.5 million air miles have been offset and the program has been expanded to include other U.S. airports. She also reported that next week the American Association of Airport Executives (AAAE) will hold its 89th annual conference and exhibition in Long Beach and that as hosts of the conference in 2018, San Diego will have a presence at this year's event by staffing a booth at the exhibition. She reported that on April 26, 2017 the Airport Noise Advisory Committee (ANAC) held its regularly scheduled meeting in which several members of the community shared their concerns during public comment about perceived aircraft-related noise; and that the Airport Authority continues to work closely with the airlines and FAA to address those concerns. She also reported that on April 18, 2017, the Airport Authority's Small Business department hosted an event for small and local businesses to learn about construction opportunities on the airport's Federal Inspection Station (FIS) project; and that approximately 200 attendees had an opportunity to network with the FIS contractor, Turner|PCL Joint Venture, and register to be notified of future work with the airport.

NON-AGENDA PUBLIC COMMENT: None.

CONSENT AGENDA (Items 1-10):

Tony R. Russell, Director, Corporate & Information Governance/Authority Clerk, reported that the April 6, 2017 Board minutes had been revised.

ACTION: Moved by Board Member Desmond and seconded by Board Member Cox to approve the Consent Agenda as amended. Motion carried by the following Vote: YES – Cox, Desmond, Gleason, Robinson, Schumacher, Sessom; NO – None; ABSENT – Boling, Janney, Kersey (Weighted Vote Points: YES – 62; NO – 0; ABSENT – 38).

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the March 10 and March 11, 2017 special meeting, March 27, 2017 special meeting and April 6, 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 MARCH 13, 2017 THROUGH APRIL 9, 2017 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM MARCH 13, 2017 THROUGH APRIL 9, 2017:**
RECOMMENDATION: Receive the report.
- 4. MAY 2017 LEGISLATIVE REPORT:**
RECOMMENDATION: Adopt Resolution No. 2017-0039, approving the May 2017 Legislative Report.
- 5. APPROVE THE FIVE-YEAR STRATEGIC PLAN:**
RECOMMENDATION: Adopt Resolution No. 2017-0040, approving the Five-Year Strategic Plan.

CLAIMS

COMMITTEE RECOMMENDATIONS

- 6. ACCEPTANCE OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2017:**
RECOMMENDATION: Accept the report.
- 7. ACCEPTANCE OF THE AUTHORITY'S INVESTMENT REPORT FOR THE NINE MONTHS ENDED MARCH 31, 2017:**
RECOMMENDATION: Accept the report.

CONTRACTS AND AGREEMENTS

- 8. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A MEMORANDUM OF AGREEMENT WITH THE DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION:**
RECOMMENDATION: Adopt Resolution No. 2017-0041, approving and authorizing the President/CEO to execute a Memorandum of Agreement between the Department of Transportation Federal Aviation Administration (FAA) and the San Diego County Regional Airport Authority, for a reimbursable amount not-to-exceed \$619,500 to remove and replace the existing prototype Runway Status Lighting (RWSL) system with a new RWSL at San Diego International Airport.

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

9. AWARD A CONTRACT TO PRAVA CONSTRUCTION SERVICES, INC. FOR TERMINAL TWO EAST IMPROVEMENTS AT SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2017-0042, awarding a contract to Prava Construction Services, Inc. in the amount of \$3,699,322.94 for Project No. 104210, Terminal Two East Improvements at San Diego International Airport.

10. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO AWARD PURCHASE ORDERS TO PURCHASE IT EQUIPMENT AND SUPPLIES AS NEEDED FOR REPAIR AND MAINTENANCE:

RECOMMENDATION: Adopt Resolution No. 2017-0043, approving and authorizing the President/CEO to award purchase orders to GovConnection, Insight Public Sector, Cambrian Corporation and Questivity Inc., for a term of three years and an option for one one-year extension period at the sole discretion of the President/CEO, in a combined amount not-to-exceed \$4,800,000 for the purchase of computer equipment, software, software licensing and maintenance, hardware maintenance, peripherals, and related services.

PUBLIC HEARINGS: None.

OLD BUSINESS: None.

NEW BUSINESS:

11. DISCUSSION AND POSSIBLE ACTION REGARDING ASSEMBLY BILL 805 AND ASSEMBLY BILL 1069:

Mike Kulis, Director, Inter-Governmental Relations provided a presentation on AB 805 and AB 1069 which included Background, and Recommended Action.

Board Member Sessom stated that although SANDAG has a different funding stream, what happens with that funding stream does impact the airport in regards to access to public transportation, for instance the trolley stop and the changes the airport would like to make on Harbor Drive. She stated that AB805 is not what is best for the regional transportation system and that the airport is part of the transportation system but the Airport Authority is not currently represented at SANDAG.

Board Member Desmond expressed his disagreement with staff's recommendation on AB 805 since we are part of a regional system that is expected to work together. He stated that AB 805 would have a detrimental effect on the County's overall transportation network.

Board Member Robinson stated that the Authority getting involved with this bill is ill advised.

Board Member Cox stated that the Airport Authority is one of many regional bodies. He stated that the Board of Supervisors has taken a position in opposition to AB805 and SANDAG took the position to oppose unless amended. He stated that if the bill passes, only the City of San Diego and Chula Vista are needed to pass legislation at MTS or SANDAG. He stated that he opposes any situation where you would have domination by any one or two public agencies.

Board Member Gleason stated that the Authority's strength has been the fact that we have regional representation amongst our group and all Board Members take a pledge to represent the Authority in the interest of the community as a whole. He stated that he does not necessarily agree that AB805 does not affect the airport, being that the airport is a big part of the regional transportation network. He stated that he does not believe it is the Authority's role to pass judgement of the leadership of other organizations. He stated that a watch position is a more appropriate response.

Board Member Schumacher stated that the transportation system should be a regional view and that AB805 would further isolate cities. He stated that he understands staff's recommendation but supports the motion to oppose.

RECOMMENDATION: Adopt Resolution No. 2017-0044, adopting a WATCH position on Assembly Bill 805.

ACTION: Moved by Board Member Desmond and seconded by Board Member Cox to adopt an OPPOSE UNLESS AMENDED position on Assembly Bill 805. Motion failed by the following Vote: YES – Cox, Desmond, Schumacher, Sessom; NO – Gleason, Robinson; ABSENT - Boling, Janney, and Kersey (Weighted Vote Points: YES – 40; NO – 22; ABSENT – 38)

Adopt Resolution No. 2017-0045, adopting a SUPPORT IF AMENDED position on Assembly Bill 1069.

ACTION: Moved by Board Member Gleason and seconded by Board Member Cox to approve staff's recommendation. Motion carried by the following Vote: YES – Cox, Desmond, Gleason, Robinson, Schumacher, Sessom; NO – None; ABSENT - Boling, Janney, and Kersey (Weighted Vote Points: YES – 62; NO – 0; ABSENT – 38)

The Board recessed at 9:59 a.m. and reconvened at 10:14 a.m.

CLOSED SESSION: The Board recessed into Closed Session at 10:14 a.m. to discuss Item 20.

- 12. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: GGTW LLC v San Diego County Regional Airport Authority, et al., San Diego Superior Court Case No. 37-2016-00032646-CU-BC-CTL
- 13. 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
- 14. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
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
- 15. 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
- 16. 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 Cal-a-Vie Spa
Number of potential cases: 1
- 17. 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
- 18. 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
- 19. CONFERENCE WITH LEGAL COUNSEL –ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
In re Seaport Airlines, Inc., U.S. Bankruptcy Court Case No. 16-30406-rld7
Number of potential 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)
The Receipt of a Government Claim from Juanita Robledo

21. 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.

REPORT ON CLOSED SESSION: The Board reconvened into Open Session at 10:34 a.m. There was no reportable action.

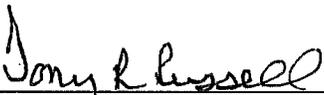
GENERAL COUNSEL REPORT: None.

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.

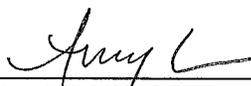
ADJOURNMENT: The meeting adjourned at 10:34 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 1st DAY OF JUNE, 2017.



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

APPROVED AS TO FORM:



AMY GONZALEZ
GENERAL COUNSEL