

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, MAY 30, 2019
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM**

CALL TO ORDER: Chairman Boling called the special meeting of the San Diego County Regional Airport Authority Board to order at 9:05 a.m. on Thursday, May 30, 2019, 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 West led the Pledge of Allegiance.

ROLL CALL:

PRESENT: Board Members: Boling, Cox, Desmond, Dockery (Ex-Officio), Lloyd, Robinson, Schiavoni, West

ABSENT: Board Members: Binns (Ex-Officio), Kersey, Schumacher, Wong-Hernandez (Ex-Officio)

ALSO PRESENT: Kimberly J. Becker, President/CEO; Amy Gonzalez, General Counsel; Tony R. Russell, Director, Board Services/Authority Clerk; Deborah Harrington, Assistant Authority Clerk II

PRESENTATIONS: None.

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

- **AUDIT COMMITTEE:** Board Member Robinson reported that the Audit Committee met on May 13, 2019 and received the required Communication to the Financial and Compliance Audit for the Fiscal Year 2019, Results from the Quality Assessment Review of the Office of the Chief Auditor and the FY2020 Risk Assessment and Proposed Audit Plan of the Office of the Chief Auditor.
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:** Board Member Robinson reported that the Committee met on May 9, 2019 and received presentations on the Proposed Capital Program Budget for Fiscal Years 2020-2024 and Airport Development Plan/Environmental Impact Report Update.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:** Chairman Boling reported that the Committee will be meeting following the Special Board meeting to hear a presentation on Compensation Structure Methodologies and participate in the annual Performance Evaluation meetings with the President/CEO, General Counsel and Chief Auditor.

- **FINANCE COMMITTEE:** Board Member Cox reported that the Committee met and reviewed the financial reports through April 30, 2019.

AD HOC COMMITTEES

- **GROUND TRANSPORTATION AD HOC:** Board Member West reported that there has been participation from all groups involved and a report will be presented to the Board on July 1, 2019.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:** None.
- **ART ADVISORY COMMITTEE:** Chris Chalupsky, Senior Manager, Art & Community Partnership, reported on the temporary exhibitions, "Forces of Nature," Performing Arts Residency Group, ongoing concert series, the RFQ for the Airline Support Building Public Art Opportunity which closed on May 22nd and that 79 submittals were received.

LIAISONS

- **CALTRANS:** None.
- **INTER-GOVERNMENTAL AFFAIRS:** Board Member Cox reported that May 31st is the last day for bills to be passed out of their House of origin in the State Legislature and that Committee meetings are set to resume June 3rd; the House Appropriations Committee released a Fiscal Year 2020 spending bill that proposes an extra \$500 million for airport infrastructure project in addition to the \$3.35 billion in "regular" Airport Improvement Program funding. He noted that a meeting between the President and Democratic leaders to discuss funding for a potential infrastructure packet was cut short postponing any further action.
- **MILITARY AFFAIRS:** Board Member Dockery reported that Miramar will be preparing for the Wild Fire Firefighting season with controlled burns and a Community Leader Forum Open House will be held on June 6, 2019.
- **PORT:** None.
- **WORLD TRADE CENTER:** Kim Becker, President/CEO reported that the Board of Directors of the World Trade Center San Diego met on May 29, 2019, reelected officers noting Robert Gleason will continue to serve, and a status report was provided on the 2019 World Trade Center Workplan.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG BOARD OF DIRECTORS:** Chairman Boling reported that the SANDAG Board of Directors held two meetings where the Board approved the Interstate 5 Auxiliary Lane Improvement Project with a planned opening in the Summer 2021 and adopted a resolution to work collaboratively with other agencies on the development and implementation of a joint regional incentive program for electric vehicle charging stations through the California Electric Vehicle Infrastructure Project. She reported that the SANDAG Board's Airport Connectivity Subcommittee met and received an update from Kim Becker, President/CEO and Randa Coniglio, Port CEO, on the proposed MOU with various jurisdictions and regional planning agencies. She noted that the Subcommittee reviewed the Airport Connectivity Concepts and Evaluation Criteria of four concepts that will be modeled.
- **SANDAG TRANSPORTATION COMMITTEE:** Board Member Schiavoni reported that the Committee met twice and recommended that the SANDAG Board approve moving forward with the Interstate 5/Genesee Avenue Auxiliary Lane Project, adopt the 2015 Ozone National Ambient Air Quality Standard Conformity Demonstration for the Regional Transportation Plan and Regional Transportation Improvement Program and address requirements of the Federal Clean Air Act with future planning efforts. The Committee received a report on the 2019 Commuter Behavior Survey, recommended the Board establish a framework and agreement for the joint electric vehicle charging incentive program and received an update on the North Coast Corridor Program.
- **SCAG AVIATION TASK FORCE:** None.

CHAIR'S REPORT: None.

PRESIDENT/CEO'S REPORT: Kimberly Becker, President/CEO, reported that the TSA has been seeking volunteers to send to the border to help support border security efforts. She stated that we are not seeing any impacts at the airport with security wait times but will continue to monitor to ensure we have adequate TSA staff to support the airport.

NON-AGENDA PUBLIC COMMENT:

GULAB MUHAMMADI, SAN DIEGO, provided a presentation in support of opening the airport to all taxi drivers.

ABEBE ANTALLO, SAN DIEGO, spoke in support of opening the airport to all taxi drivers.

ALEM ZEBIB, spoke in support of opening the airport to all taxi drivers.

YONAS MEHARI, spoke in support of opening the airport to all taxi drivers.

KIFLAI TELLAI DIRAR, SAN DIEGO, spoke in support of opening the airport to all taxi drivers.

TESHALE A, SAN DIEGO, spoke in support of opening the airport to all taxi drivers.

FEKADU HITAHA, SAN DIEGO, spoke in support of opening the airport to all taxi drivers.

ALFRED BANKS, SAN DIEGO, spoke in opposition to opening the airport to all taxi drivers.

CARELYN REYNOLDS, spoke in support of the Ad Hoc Committee and to bringing environmental issues and technology together to make a healthier industry.

HENRY AGOTT, spoke in support of opening the airport to all taxi drivers.

ABEL SEITU, SAN DIEGO, spoke regarding the Ground Transportation Ad Hoc Committee and requested that the Board make a rational decision.

CONSENT AGENDA (Items 1-18):

Board Member Schiavoni requested that Item 8 be removed from the Consent Agenda for discussion.

Tony Russell, Director, Board Services/Authority Clerk, reported that Item 2 was revised to add a report and that the resolution for Item 10 was revised.

ACTION: Moved by Board Member Robinson and seconded by Board Member Desmond, to approve the Consent Agenda as amended. Motion carried by the following votes: YES – Boling, Cox, Desmond, Lloyd, Robinson, Schiavoni, West; NO – None; ABSENT –Kersey, Schumacher (Weighted Vote Points: YES – 75; NO – 0; ABSENT – 25).

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the May 2, 2019 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 APRIL 8, 2019 THROUGH MAY 12, 2019 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM APRIL 8, 2019 THROUGH MAY 12, 2019:

RECOMMENDATION: Receive the report.

4. **JUNE 2019 LEGISLATIVE REPORT:**
RECOMMENDATION: Adopt Resolution No. 2019-0046, approving the June 2019 Legislative Report.
5. **APPOINTMENT OF AUTHORITY ADVISORY COMMITTEE MEMBER:**
RECOMMENDATION: Adopt Resolution No. 2019-0047, appointing Damon Blythe to the Authority Advisory Committee.
6. **APPOINTMENT OF PUBLIC MEMBER TO THE AUDIT COMMITTEE:**
RECOMMENDATION: Adopt Resolution No. 2019-0048, appointing Andrew Hollingworth to a new term as a public member to the Audit Committee.
7. **APPROVE APPOINTMENTS TO THE ART ADVISORY COMMITTEE:**
RECOMMENDATION: Adopt Resolution No. 2019-0049, approving the appointments of Larry Baza and Carmen Vann to the Arts Advisory Committee.
8. **AMEND AUTHORITY POLICY 5.12 - PREFERENCE TO SMALL, VETERAN OWNED, AND LOCAL BUSINESS:**
ACTION: This item was removed from the Consent Calendar for discussion.
9. **AMEND AUTHORITY POLICY 6.30 - FEES, RATES, LICENSES AND CHARGES:**
RECOMMENDATION: Adopt Resolution No. 2019-0051, amending Authority Policy 6.30 - Fees, Rates, Licenses and Charges.

CLAIMS

10. **REJECT THE CLAIM OF AIR CANADA:**
RECOMMENDATION: Adopt Resolution No. 2019-0052, rejecting the claim of Air Canada.

COMMITTEE RECOMMENDATIONS

11. **REQUIRED COMMUNICATION TO THE AUDIT COMMITTEE ON THE FINANCIAL AND COMPLIANCE AUDIT FOR THE FISCAL YEAR ENDED JUNE 30, 2019:**
RECOMMENDATION: The Audit Committee recommends that the Board accept the information.
12. **RESULTS FROM THE QUALITY ASSESSMENT REVIEW OF THE OFFICE OF THE CHIEF AUDITOR:**
RECOMMENDATION: The Audit Committee recommends that the Board accept the information.
13. **FISCAL YEAR 2019 THIRD QUARTER ACTIVITY REPORT:**
RECOMMENDATION: The Audit Committee recommends that the Board accept the report.

- 14. REVISION TO THE FISCAL YEAR 2019 AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:**
RECOMMENDATION: The Audit Committee recommends that the Board adopt Resolution No. 2019-0053, approving the revision to the Fiscal Year 2019 Audit Plan of the Office of the Chief Auditor.
- 15. FISCAL YEAR 2020 RISK ASSESSMENT AND PROPOSED AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:**
RECOMMENDATION: The Audit Committee recommends that the Board Adopt Resolution No. 2019-0054, approving the Fiscal Year 2020 Proposed Audit Plan of the Office of the Chief Auditor.
- 16. ANNUAL REVIEW OF AUTHORITY POLICY 4.20 - GUIDELINES FOR PRUDENT INVESTMENTS, DELEGATION OF AUTHORITY TO INVEST AND MANAGE AUTHORITY FUNDS TO THE VICE PRESIDENT/ CFO:**
RECOMMENDATION: The Finance Committee recommends that the Board Adopt Resolution No. 2019-0055, delegating authority to invest and manage Authority funds to the Vice President/Chief Financial Officer.
- 17. APPROVAL OF AMENDMENTS TO AUTHORITY POLICY 4.40 – DEBT ISSUANCE AND MANAGEMENT:**
RECOMMENDATION: The Finance Committee recommends that the Board Adopt Resolution No. 2019-0056, approving amendments to Authority Policy 4.40 - Guidelines for Debt Issuance and Management.

CONTRACTS AND AGREEMENTS

- 18. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH WILLIS TOWERS WATSON TO PROVIDE CONSTRUCTION INSURANCE BROKER SERVICES FOR SAN DIEGO INTERNATIONAL AIRPORT:**
RECOMMENDATION: Adopt Resolution No. 2019-0057, approving and authorizing the President/CEO to negotiate and execute an Agreement with Willis Towers Watson for a term of three years, with the option for two, one-year extensions, in an amount not-to-exceed \$1,800,000, to provide construction insurance broker services for San Diego International Airport.

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

ITEM REMOVED FROM THE CONSENT AGENDA

- 8. AMEND AUTHORITY POLICY 5.12 - PREFERENCE TO SMALL, VETERAN OWNED, AND LOCAL BUSINESS:**
Board Member Schiavoni expressed concern that the preference points were reduced in the recent policy amendment from the 2009 version and requested clarification regarding what changes were made in the new version.

Board Member West stated that after receiving an explanation from the General Council that a breakdown for minority groups would require a disparity study, he no longer feels there is a need for a further breakdown of the minority groups.

RECOMMENDATION: Adopt Resolution No. 2019-0050, amending Policy 5.12 to clarify when preference points are applied and to broaden the definition of Veteran Owned Small Business to include Service Disabled Veteran Owned Small Businesses.

ACTION: This item was continued to the July 11, 2019 Board Meeting.

PUBLIC HEARINGS: None.

OLD BUSINESS: None.

NEW BUSINESS:

19. ACCEPT THE CLIMATE RESILIENCE PLAN FOR SAN DIEGO INTERNATIONAL AIRPORT:

Brendon Reed, Director, Airport Planning and Environmental Affairs and Ralph Redman, Manager, Airport Planning, provided a presentation on the Climate Resilience Plan that included Sustainability Management Plan, Goals and Metrics, Climate Stressors, Vulnerability Assessments and Initiatives.

In regards to the modeling data provided, Board Member West suggested that there is more up-to-date data regarding the probability of sea level rise. He suggested that this information be reviewed every 2-3 years. He also recommended new buildings be designed to be off the grid.

Board Member Desmond requested that the actual data for the plan be provided.

RECOMMENDATION: Adopt Resolution No. 2019-0059, accepting the Climate Resilience Plan prepared for San Diego International Airport.

ACTION: Moved by Board Member Schiavoni and seconded by Board Member West, to approve staff's recommendation. Motion carried by the following votes: YES – Boling, Cox, Desmond, Lloyd, Robinson, Schiavoni, West; NO – None; ABSENT –Kersey, Schumacher (Weighted Vote Points: YES – 75; NO – 0; ABSENT – 25).

20. APPROVAL AND ADOPTION OF THE OPERATING BUDGET FOR FISCAL YEAR 2020, THE CAPITAL PROGRAM FOR FISCAL YEARS 2020-2024, AND CONCEPTUAL APPROVAL OF THE OPERATING BUDGET FOR FISCAL YEAR 2021:

Scott Brickner, Vice President/CFO and John Dillon, Director, Business and Financial Management, provided a presentation on the FY 2020 Proposed Budget and FY 2021

Proposed Conceptual Budget that included a Budget Overview of Revenue and Expenses, Capital Program Budget, and Plan of Finance.

RECOMMENDATION: Adopt Resolution No. 2019-0058, approving and adopting the Authority's Annual Operating Budget for Fiscal Year 2020, the Capital Program for Fiscal Years 2020-2024, and conceptually approving the Operating Budget for Fiscal Year 2021.

ACTION: Moved by Board Member Schiavoni and seconded by Board Member West, to approve staff's recommendation. Motion carried by the following votes: YES – Boling, Cox, Desmond, Lloyd, Robinson, Schiavoni, West; NO – None; ABSENT –Kersey, Schumacher (Weighted Vote Points: YES – 75; NO – 0; ABSENT – 25).

CLOSED SESSION: The Board did not meet in Closed Session.

21. 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

22. 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

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: Sheila Culbreath v. San Diego County Regional Airport Authority, et al.
San Diego Superior Court Case No. 37-2018-00036327-CU-PA-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: 1
29. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
Order No. WQ 2019-0005-DWQ by the State Water Resources Control Board pertaining to PFAS
Number of potential cases: 1
30. **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
31. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION:**
Cal. Gov. Code §54957
Title: President/Chief Executive Officer
32. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION:**
Cal. Gov. Code §54957
Title: General Counsel

33. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:
Cal. Gov. Code §54957
Title: Chief Auditor

REPORT ON CLOSED SESSION: None.

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 10:12 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 11TH DAY OF JULY, 2019.

ATTEST:



TONY R. RUSSELL
DIRECTOR, BOARD SERVICES /
AUTHORITY CLERK

APPROVED AS TO FORM:



AMY GONZALEZ
GENERAL COUNSEL