

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD  
MINUTES  
THURSDAY, JULY 11, 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 10:02 a.m. on Thursday, July 11, 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 Lloyd led the Pledge of Allegiance.

**ROLL CALL:**

**PRESENT:** Board Members: Binns (Ex-Officio), Boling, Desmond, Dockery (Ex-Officio), Kersey, Lloyd, Robinson, Schiavoni, Schumacher, West

**ABSENT:** Board Members: Cox, Miller (Ex-Officio)

**ALSO PRESENT:** Kimberly J. Becker, President/CEO; Amy Gonzalez, General Counsel; Tony R. Russell, Director, Board Services/Authority Clerk; Martha Morales, Assistant Authority Clerk I

Chairman Boling announced that the Consent Agenda would be heard first followed by Closed Session.

**CONSENT AGENDA (Items 1-10):**

**ACTION:** Moved by Board Member Desmond and seconded by Board Member West, to approve the Consent Agenda. Motion carried by the following votes: YES – Boling, Desmond, Kersey, Lloyd, Robinson, Schiavoni, Schumacher, West; NO – None; ABSENT – Cox (Weighted Vote Points: YES – 92; NO – 0; ABSENT – 8).

**1. APPROVAL OF MINUTES:**

**RECOMMENDATION:** Approve the minutes of the May 16, 2019 and May 30, 2019 special meetings.

**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 MAY 13, 2019 THROUGH JUNE 16, 2019 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM MAY 13, 2019 THROUGH JUNE 16, 2019:**  
RECOMMENDATION: Receive the report.
4. **JULY 2019 LEGISLATIVE REPORT:**  
RECOMMENDATION: Adopt Resolution No. 2019-0061, approving the July 2019 Legislative Report.

### **CLAIMS**

### **COMMITTEE RECOMMENDATIONS**

5. **AWARD AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A CONTRACT WITH NOVA JIANG TO DESIGN, FABRICATE, TRANSPORT, DELIVER AND CONSULT DURING THE INSTALLATION OF AN INTEGRATED ARTWORK FOR THE AIRLINE SUPPORT BUILDING:**  
RECOMMENDATION: The Art Advisory Committee recommends that the Board Adopt Resolution No. 2019-0062, awarding and authorizing the President/CEO to execute a contract with Nova Jiang to Design, Fabricate, Transport, Deliver and Consult during the installation of an Integrated Artwork for the Airline Support Building in an amount not-to-exceed \$300,000.

### **CONTRACTS AND AGREEMENTS**

6. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE THE THIRD AMENDMENT TO THE AGREEMENT WITH GENERAL NETWORKS CORPORATION TO CONFIGURE AND PROVIDE TECHNICAL SUPPORT FOR ENTERPRISE CONTENT MANAGEMENT SYSTEM (ECMS) SOFTWARE:**  
RECOMMENDATION: Adopt Resolution No. 2019-0063, approving and authorizing the President/CEO to execute the Third Amendment to the agreement with General Networks Corporation extending the term by sixty (60) days to expire on September 27, 2019 for ECMS software support during the procurement of a new ECMS software support services contract.

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

7. **AWARD A CONTRACT TO S&L SPECIALTY CONSTRUCTION, INC. FOR QUIETER HOME PROGRAM PHASE 10, GROUP 2, PROJECT NO. 381002 SIXTY-THREE (63) NON-HISTORIC SINGLE-FAMILY AND MULTI-FAMILY UNITS ON THIRTY-THREE (33) RESIDENTIAL PROPERTIES LOCATED WEST OF THE AIRPORT:**  
RECOMMENDATION: Adopt Resolution No. 2019-0064, awarding a contract to S&L Specialty Construction, Inc. in the amount of \$1,622,771 for Phase 10, Group 2, Project No. 381002, of the San Diego County Regional Airport Authority's Quieter Home Program.

**8. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE AN ON-CALL ENVIRONMENTAL CONSULTING SERVICES AGREEMENT TO PROVIDE TECHNICAL SERVICES ASSOCIATED WITH THE AIRPORT AUTHORITY'S ENVIRONMENTAL SUSTAINABILITY PROJECTS AT SAN DIEGO INTERNATIONAL AIRPORT:**

RECOMMENDATION: Adopt Resolution No. 2019-0065, approving and authorizing the President/CEO to negotiate and execute an On-Call Environmental Consulting Services Agreement with C&S Engineers, Inc. for a term of three years, with the option for two one-year extensions, for a maximum amount not to exceed \$2,900,000 to provide technical services associated with the airport authority's environmental and sustainability projects at San Diego International Airport.

**9. AWARD A CONTRACT TO GRANITE CONSTRUCTION COMPANY FOR REHABILITATE CROSS TAXIWAYS C1, C2, C5 AND D AT SAN DIEGO INTERNATIONAL AIRPORT:**

RECOMMENDATION: Adopt Resolution No. 2019-0066, awarding a contract to Granite Construction Company in the amount of \$6,461,407 for Project No. 104255, Rehabilitate Cross Taxiways C1, C2, C5 and D at San Diego International Airport.

**10. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH KATZ & ASSOCIATES, INC. FOR PUBLIC OUTREACH SERVICES IN SUPPORT OF AUTHORITY PROGRAMS AND INITIATIVES OF SAN DIEGO INTERNATIONAL AIRPORT:**

RECOMMENDATION: Adopt Resolution No. 2019-0067, approving and authorizing the President/CEO to execute an agreement with Katz & Associates, Inc. for public outreach services for a three-year term with four one-year options exercisable at the sole discretion of the President/CEO for a total amount not-to-exceed \$3,850,000 should all option years be exercised.

**CLOSED SESSION:** The Board recessed into Closed Session at 10:05 a.m. to discuss Items 19, 22, 23 and 24.

**12. 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

**13. 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

**14. 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

- 15. 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
- 16. 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
- 17. 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
- 18. 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
- 19. 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
- 20. 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
- 21. 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
- 22. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:**  
Cal. Gov. Code §54957  
Title: President/Chief Executive Officer

**23. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:**

Cal. Gov. Code §54957  
Title: General Counsel

**24. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:**

Cal. Gov. Code §54957  
Title: Chief Auditor

The Board reconvened into Open Session at 11:31 a.m. Chairman Boling announced that they would continue with the agenda, but would go back into Closed Session to finish the items.

*Board Member West left the meeting and Ex-Officio Board Member's Binns and Dockery arrived to the meeting at 11:35 a.m.*

**PRESENTATIONS:**

**A. SAN DIEGO FORWARD: THE 2021 REGIONAL PLAN – A BOLD NEW VISION IN 5 BIG MOVES:**

Hasan Ikhata, Executive Director, SANDAG; Coleen Clementson, Director of Special Projects, SANDAG; and Ray Major, Chief Economist, SANDAG; provided a presentation on a Bold New Transportation Vision in 5 Big Moves that included Emerging Technologies, Worsening Congestion, The Law of the Land, A Bold New Vision, Where People Live and Work, Foundation for Bold New Vision, Transit Leap, Mobility Hubs, Flexible Fleets, Next OS, Downtown Employment Center, Travel Time from Downtown Employment Center, Kearny Mesa Employment Center, and What's Next.

Board Member Desmond stated that the SANDAG Board had not weighed in on any of the information in this presentation, but would be receiving the presentation tomorrow morning where they planned on shaping a strategy to move the plan forward.

Board Member Kersey recommended providing real-life examples of similar systems to help the public better understand the plan.

Board Member Desmond stated that since this plan aims to take only 10% of drivers off the road, a balanced plan that includes road money is needed to accommodate the 90% of travelers still on the highway system.

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

- **AUDIT COMMITTEE:** None.
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:** None.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:** None.
- **FINANCE COMMITTEE:** Board Member Schiavoni reported that on July 1 the Committee met and reviewed the eleven months ended Unaudited Financial Statements and the Investment Report as of May 31, 2019.

## **ADVISORY COMMITTEES**

- **AUTHORITY ADVISORY COMMITTEE:** None.
- **ART ADVISORY COMMITTEE:** Lauren Lockhart, Manager, Arts Program, reported that on June 25 the Committee met and heard updates on the Arts Master Plan, Temporary Exhibition and Performing Arts Program, and the Airline Support Building Public Art Opportunity. She stated that in celebration of Comic-Con, the Arts Program has scheduled eight unique concerts in both terminals between Tuesday and Friday of next week to welcome travelers.

## **LIAISONS**

- **CALTRANS:** Board Member Binns reported that there is a new CALTRANS Secretary, David Kim, and new interim-Director, Bob Franzoia.
- **INTER-GOVERNMENTAL AFFAIRS:** Matt Harris, Director, Government Relations, reported that in June, Authority staff provided airport tours to the Authority Board's new ex-officio member, Gayle Miller, who is now serving as the Chief Deputy Director for Policy at the California Department of Finance as well as a briefing and tour to staff from the office of Representative Juan Vargas. He reported that Authority staff provided Airport Development Plan updates to staff from the offices of Assemblymembers Lorena Gonzalez, Todd Gloria, and Shirley Weber, as well as staff from the office of Representative Susan Davis. He also stated that Authority staff provided Councilmember Jen Campbell's staff with a briefing on the Authority's Quieter Home Program. He reported that on June 27, the California Air Resources Board voted to require the State's largest airports to convert their fixed-route shuttle buses to zero-emission vehicles by 2035. He stated that the Airport Authority has already taken the first steps to transition its fleet to zero-emission vehicles with the anticipated arrival of 26 electric shuttles within the next 12 months.
- **MILITARY AFFAIRS:** Board Member Dockery reported that the Miramar Airshow is ten weeks away and that the Marine Corps has a new Commandant, General David Berger.
- **PORT:** Chairman Boling reported that the Committee met on June 24 where the discussion centered on keeping good quality communication open between the Port and Airport leadership.
- **WORLD TRADE CENTER:** None.

## **BOARD REPRESENTATIVES (EXTERNAL)**

- **SANDAG BOARD OF DIRECTORS:** Chairman Boling reported that at the last meeting, the Board adopted SANDAG's FY 2020 Program Budget and received the annual report from the Independent Taxpayer Oversight Committee. She reported that she and Ms. Becker attended a press conference at SANDAG's offices where San Diego Mayor Kevin Faulconer, SANDAG Chair Steve Vaus, and a representative of the U.S. Navy announced the signing of a Memorandum of Understanding between the

Navy and SANDAG allowing continued discussions on the development of the NAVWAR site.

- **SANDAG TRANSPORTATION COMMITTEE:** Board Member Schiavoni reported that the Committee received an update on the Plug-in San Diego program, which develops resources and tools and identify ongoing barriers to electric vehicle adoption and EV charging infrastructure deployment, including future funding opportunities for regional programs. She reported that the program will assist SANDAG in crafting the vision for the 2021 Regional Plan. She also reported that the Committee reviewed and approved the proposed FY 2020 operating budgets for the Metropolitan Transit System and North County Transit District. She reported that the Committee also received the required triennial performance audits of the region's transit operators in which the auditors found that all operators were in full or partial compliance with PUC requirements for transit operators. She also reported that the Committee received an informational presentation regarding autonomous vehicles and other fast evolving transportation modes.

Board Member Desmond recommended and Chairman Boling agreed to schedule the autonomous vehicle presentation for a future Board meeting.

- **SCAG AVIATION TASK FORCE:** None.

**CHAIR'S REPORT:** Chairman Boling reported that on July 2, the Authority held a press conference and luncheon to announce the new Airport Operating Lease Agreement (AOLA). She reported that the AOLA is a huge step forward as work continues with our regional partners on potential transportation and transit connection improvements to the airport. She also reported that on June 10-12, she attended the 2019 ACI-NA Business of Airports Conference along with Board Member's Schumacher and West as well as President/CEO, Kimberly J. Becker. She reported that the conference focused on helping airports and stakeholders better understand the evolving airport business model, with sessions covering various topics: concessions management, financial management, workforce planning, and new trends in aeronautical and non-aeronautical revenue. She also reported that during the close of the Conference, the Authority's Chief Financial Officer, Scott Brickner, was named ACI-NA's 2019 Finance Professional of the Year for Large Airports.

**PRESIDENT/CEO'S REPORT:** Kimberly J. Becker, President/CEO, reported that beginning October 4, Swoop Airlines, announced seasonal service between San Diego and Edmonton, Alberta (Canada) and San Diego to Abbotsford, British Columbia (Canada). She reported that they will operate three times weekly on Tuesdays, Fridays and Sundays through April 24, 2020. She also reported that to provide more options for travelers since the addition of Alaska Airlines and increased passenger traffic, SSP America has opened three new temporary food and beverage concessions in Terminal 2 East, Dunkin Express, Ballast Point bar and Jet Box (grab-n-go kiosk). She reported that permanent concessions are under way and expected to open in 2020. She also reported that our external auditors, BKD, were on site last week to conduct preliminary audit work for the June 30 fiscal year end. She reported that they will return to complete the audit in late August through early September with the audited financial reports anticipated to be presented to the Audit Committee on November 4 and to the Board on December 5. She also reported that Einstein Bros. Bagels, operated by Mission Yogurt Inc., was named an Ocean Friendly Restaurant (OFR) by the Surfrider Foundation.

**NON-AGENDA PUBLIC COMMENT:** None.

**PUBLIC HEARINGS:** None.

**OLD BUSINESS:** None.

**NEW BUSINESS:**

**11. PUBLIC EMPLOYEE COMPENSATION: DISCUSSION AND POSSIBLE ACTION CONCERNING THE COMPENSATION OF THE PRESIDENT/CEO:**

Kurt Gering, Director, Talent, Culture, and Capability, provided a handout with the June 2019 Executive Compensation Benchmarking results provided by Marsh & McLennan Companies. He stated that the Authority engaged Marsh & McLennan Companies to conduct a compensation benchmark survey in association with the update to the Authority's Compensation Philosophy. He stated that the survey shows that the current salary for Kimberly J. Becker, President/CEO is out of alignment with the market benchmark and the Authority's Compensation Philosophy. He stated that to focus on internal equity and maintain market parity, there may be an opportunity to adjust the base salary of the President/CEO.

**RECOMMENDATION:** The Board will be discussing and possibly taking action to amend the compensation of the President/Chief Executive Officer.

**ACTION:** Moved by Board Member Kersey and seconded by Board Member Schiavoni to authorize the Board Chair to execute an amendment to the employment contract of the President/CEO effecting a one-time base wage adjustment to the median of the market of \$344,500 effective July 1, 2019. Motion carried by the following votes: YES – Boling, Desmond, Kersey, Lloyd, Robinson, Schiavoni, Schumacher; NO – None; ABSENT – Cox, West (Weighted Vote Points: YES – 80; NO – 0; ABSENT – 20).

**REPORT ON CLOSED SESSION:** The Board reconvened into Open Session at 11:31 a.m. In regards to items 22, 23, and 24, Board Member Desmond reported that on May 30, 2019 the Executive Personnel and Compensation Committee and today the Board met with the President/CEO, General Counsel, and Chief Auditor to evaluate performance and productivity for FY 2019 and discuss goals for FY 2020.

In regards to item 22, Board Member Desmond reported that it was determined that Kimberly J. Becker, President/CEO, has delivered results exceeding the performance goals on behalf of the organization.

**ACTION:** Moved by Board Member Desmond and seconded by Board Member Schiavoni to award the President/CEO a 8% one-time stipend. Motion carried by the following votes: YES – Boling, Desmond, Kersey, Lloyd, Robinson, Schiavoni, Schumacher; NO – None; ABSENT – Cox, West; (Weighted Vote Points: YES – 80; NO – 0; ABSENT – 20).

In regards to item 23, Board Member Desmond reported that it was determined that Amy Gonzalez, General Counsel, has delivered results exceeding the performance goals on behalf of the organization.

**ACTION: Moved by Board Member Desmond and seconded by Board Member Schiavoni to approve a 7% increase to the General Counsel's base wage and a 3% one-time stipend. Motion carried by the following votes: YES – Boling, Desmond, Kersey, Lloyd, Robinson, Schiavoni, Schumacher; NO – None; ABSENT – Cox, West; (Weighted Vote Points: YES – 80; NO – 0; ABSENT – 20).**

In regards to item 33, Board Member Desmond reported that it was determined that Lee Parravano, Chief Auditor, has delivered results exceeding the performance goals on behalf of the organization.

**ACTION: Moved by Board Member Desmond and seconded by Board Member Schiavoni to approve a 4% increase to the Chief Auditor's base wage and a 4% one-time stipend. Motion carried by the following votes: YES – Boling, Desmond, Kersey, Lloyd, Robinson, Schiavoni, Schumacher; NO – None; ABSENT – Cox, West; (Weighted Vote Points: YES – 80; NO – 0; ABSENT – 20).**

*The Board recessed at 12:26 p.m. and reconvened at 12:29 p.m.*

**CLOSED SESSION (CONTINUED):** The Board recessed into Closed Session at 12:30 p.m. to discuss Item 19.

**REPORT ON CLOSED SESSION (CONTINUED):** The Board adjourned out of Closed Session at 1:18 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.

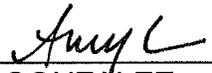
**ADJOURNMENT:** The meeting adjourned at 1:18 p.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT  
AUTHORITY BOARD THIS 5<sup>TH</sup> DAY OF SEPTEMBER, 2019.

ATTEST:

  
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TONY R. RUSSELL  
DIRECTOR, BOARD SERVICES /  
AUTHORITY CLERK

APPROVED AS TO FORM:

  
\_\_\_\_\_  
AMY GONZALEZ  
GENERAL COUNSEL