

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, NOVEMBER 7, 2019
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM**

CALL TO ORDER: Chairman Boling called the regular meeting of the San Diego County Regional Airport Authority Board to order at 9:01 a.m. on Thursday, November 7, 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 Robinson led the Pledge of Allegiance.

ROLL CALL:

PRESENT: Board Members: Boling, Dockery (ExOfficio), Kersey, Lloyd, McNamara, Robinson, Schiavoni, Schumacher

ABSENT: Commissioners: Cox, Dallarda (Ex-Officio), Miller (Ex-Officio), West

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

PRESENTATIONS:

A. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019:

Kathy Kiefer, Senior Director, Finance, Accounting and Airline Relations, provided a presentation on the Review of the Unaudited Financial Statements for the Three Months Ended September 30, 2019 that included Operating Revenues, Operating Expenses, Non-Operating Revenue & Expenses, Financial Summary, and Statements of Net Position.

Chairman Boling announced that Item 18 would be heard next.

NEW BUSINESS:

18. ADOPT A RESOLUTION OF SUPPORT FOR THE “FOR A BETTER SAN DIEGO” CITIZEN INITIATIVE MEASURE:

Matt Harris, Director, Government Relations, provided an overview of the staff report.

VICTOR TORRES, SAN DIEGO, Vice President of the San Diego and Imperial County Labor Council, and elected leader of Teamsters Local 481, spoke in support of staff's recommendation.

JOE TERZI, President/CEO, San Diego Tourism Authority, spoke about the importance of expanding the San Diego Convention Center and in support of staff's recommendation.

JAYME BRADFORD, SAN DIEGO, Executive Vice President/COO, San Diego Chamber of Commerce, spoke in support of staff's recommendation.

RYAN KARLSGODT, representing Unite Here, Local 30, spoke in support of staff's recommendation.

RECOMMENDATION: Adopt Resolution No. 2019-0105, supporting the "For a Better San Diego" Citizen Initiative Measure.

ACTION: Moved by Board Member Kersey and seconded by Board Member Robinson to approve staff's recommendation. Motion carried by the following votes: YES – Boling, Kersey, Lloyd, McNamara, Robinson, Schiavoni, Schumacher; NO – None; ABSENT – Cox, West (Weighted Vote Points: YES – 80; NO – 0; ABSENT – 20)

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

- **AUDIT COMMITTEE:** Board Member Robinson reported that the Audit Committee met on November 4th, and that the External Auditor's Fiscal Year Ended June 30, 2019 reports and the Comprehensive Annual Financial Report (CAFR) are on today's Board agenda for approval. He also reported that the Committee received two activity reports from the Office of the Chief Auditor and that a recommendation is being made to include term limits on public members serving on the Committee, and that this will be forwarded to the Board on the December agenda. He reported that the recruitment is still ongoing for a public member to serve on the Audit Committee. He also reported that the recruitment period would be extended to December 6th.
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:** Board Member Kersey reported that the Committee met on October 17 and received an update on the ADP and other Capital projects.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:** None.
- **FINANCE COMMITTEE:** Board Member Schiavoni reported that the Committee met on October 28 and reviewed the financial statements for the three months ended September 30, 2019, also on today's agenda. She reported that the Investment Report for September 30, 2019 was reviewed along with a summary of outstanding obligations. She reported that the Committee received a presentation on the New Business Bond issuance item on today's agenda.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:** None.
- **ARTS ADVISORY COMMITTEE:** Chris Chalupsky, Sr. Manager, Art & Community Partnership, reported that for the Temporary Exhibition Program, a call for submissions for the airport's 2020 program with the theme "Make Yourself at Home" closed on October 20th and that seventy-two submissions were received. He reported that the selection panel reviewed them on October 31st and selected the seventeen artists and organizations for next year's exhibitions. He reported that in regard to Performing Arts, the call for submissions for the airport's 2020 Residency Program closed on September 9th and that twenty-one submissions were received. He further reported that after review an electronic music artist and a performing arts duo were selected by the expert panel for next year's residency. He reported that a call for submissions for the Admiral Boland Way mural project will be released later this month. He also reported that the third year of the Arts Program Design Ahead Initiative is underway.

LIAISONS

- **CALTRANS:** None
- **INTER-GOVERNMENTAL AFFAIRS:** Matt Harris, Director, Government Relations, reported that Authority staff continued Airport Development Plan outreach, providing updates to Assembly Member Tasha Boerner Horvath; San Diego City Councilmembers Chris Cate, Chris Ward, Jen Campbell, Barbara Bry, Scott Sherman, and staff from Councilmember Monica Montgomery's office; Carlsbad Mayor Pro-Tem Priya Bhat-Patel; Oceanside Mayor Peter Weiss; National City Mayor Alejandra Sotelo-Solis; and El Cajon Mayor Bill Wells; and the Lemon Grove City Council. He reported that staff also provided an Airport Development Plan update to the Midway-Pacific Highway Community Planning Group; Mission Beach Community Precise Planning Board; the North County Economic Development Council; the San Diego City Planning Department; and the Caltrans Small Business Program. He also reported that Government Relations staff provided airport tours for staff from the offices of San Diego City Councilmember Vivian Moreno, Congressman Scott Peters and San Diego County Supervisor (and former Airport Authority Board Member) Jim Desmond.
- **MILITARY AFFAIRS:** Board Member Dockery reported that the first F35's are due to arrive at Miramar by mid-January. He also reported that a review of the Draft copy of the updated AICUZ section was completed.
- **PORT:** Board Member Robinson reported that the next meeting is scheduled in December.

- **WORLD TRADE CENTER:** Hampton Brown, Interim-Vice President, Revenue Management & Innovation, reported that a meeting is scheduled for November 14th at the Port Offices.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG BOARD OF DIRECTORS:** Chairman Boling reported that one meeting was held and that the SANDAG Board approved the 2019 Federal Regional Transportation Plan and that this update is necessary to comply with new Federal requirements as SANDAG works on the longer-term RTP over the next two years. She also reported that the Board discussed a proposed strategy to advance refund and issue tax-exempt bonds for the TransNet Regional Bikeway Early Action Program.
- **SANDAG TRANSPORTATION COMMITTEE:** Board Member Schiavoni reported that the Committee met once since the last Board meeting, and held a public hearing on the 2019 Federal Regional Transportation Plan, which is a necessary update to comply with new Federal requirements. She reported that the Committee also heard updates on the 2020 Census Complete Count, Regional Bikeway Program and Mid-Coast Corridor Transit Project, which continues to be on schedule for opening in late 2021.

CHAIR'S REPORT: Chairman Boling welcomed new Board Member McNamara and provided an overview of his background. She reported that his term is through January 31, 2021. She also reported that the Airport Ambassadors Holiday Event will be held on December 10 and encouraged the Board to attend, noting that the event includes recognition of Airport Ambassador of the Year. She reported that on October 2, the Authority hosted the annual Employee Appreciation event, during which awards of excellence were presented to those whose work in the past year was exceptional and recognized Adriana Kennedy, SAN's Employee of the Year for 2019.

PRESIDENT/CEO'S REPORT: Kim Becker, President/CEO, reported that additional recognition during the Employee Appreciation event were presented to the Airline Relocation Team as Team of the Year, Shared Tenant Services Team for Innovator of the Year, Camille Bueno for Volunteer of the Year, and to the Power Your Drive Team as Sustainability Champions of the Year. She also reported that the 45-day comment period for the recirculated Draft Airport Development Plan (ADP) ended and that staff is working on responding to the comments received. She reported that staff anticipates coming to the Board in January for certification of the Environmental Impact Report (EIR). She also reported that she attended a World Trade Center "Mission to Germany" trip, along with Board Member Schiavoni and twenty other delegates. She reported that the focus of this trade mission was on mobility, transportation and Smart Cities. She reported that during this mission the opportunity to hear about technology, best practice, strategic partnerships and mobility, and the Internet of Things were explored among others. She also reported that delegates had the opportunity to visit the House of Logistics Mobility in Frankfurt.

Board Member Schiavoni reported that the trip was valuable and that the feedback so far is that there was great energy and engagement with the contacts made. She reported that the innovation information shared will likely benefit the Frankfurt, Munich, and SAN regions.

Board Member McNamara left the dais at 9:43 a.m.

NON-AGENDA PUBLIC COMMENT: None.

CONSENT AGENDA (Items 1-15):

In response to Board Member Kersey's question on Item 13 regarding whether the Rental Car Concession Agreement with Europcar Participations SAS was due to a take-over from a previous tenant or new space being developed, Lisa Poitras, Program Manager, Parking & Passenger Services, stated that the current tenant, Fox Rent-a-Car, is its own entity and retaining its own space, with no change visible at the Rental Car Center. She stated that the action is requested to allow Europcar's inclusion in the agreement.

ACTION: Moved by Board Member Kersey and seconded by Board Member Robinson to approve the Consent Agenda. Motion carried by the following votes: YES – Boling, Kersey, Lloyd, Robinson, Schiavoni, Schumacher; NO – None; ABSENT – Cox, McNamara, West; (Weighted Vote Points: YES – 68; NO – 0; ABSENT – 32)

CONSENT AGENDA (Items 1-15):

1. **APPROVAL OF MINUTES:**
RECOMMENDATION: Approve the minutes of the October 3, 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 SEPTEMBER 9, 2019 THROUGH OCTOBER 13, 2019 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM SEPTEMBER 9, 2019 THROUGH OCTOBER 13, 2019:**
RECOMMENDATION: Receive the report.

4. **NOVEMBER 2019 LEGISLATIVE REPORT:**
RECOMMENDATION: Adopt Resolution No. 2019-0094, approving the November 2019 Legislative Report.

CLAIMS

5. **REJECT THE CLAIM OF WESLEY SMITH:**
RECOMMENDATION: Adopt Resolution No. 2019-0095, rejecting the claim of Wesley Smith.
6. **REJECT THE CLAIM OF CHRISTINE RANDAZZO:**
RECOMMENDATION: Adopt Resolution No. 2019-0096, rejecting the claim of Christine Randazzo.
7. **REJECT THE CLAIM OF EDUARDO REYNA-BOLANOS:**
RECOMMENDATION: Adopt Resolution No. 2019-0097, rejecting the claim of Eduardo Reyna-Bolanos.

COMMITTEE RECOMMENDATIONS

8. **ACCEPT THE UNAUDITED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019:**
RECOMMENDATION: The Finance Committee recommends that the Board accept the information.
9. **ACCEPT THE AUTHORITY'S INVESTMENT REPORT AS OF SEPTEMBER 30, 2019:**
RECOMMENDATION: The Finance Committee recommends that the board accept the report.
10. **ACCEPT THE EXTERNAL AUDITOR'S FISCAL YEAR ENDED JUNE 30, 2019 REPORT: A) AUDITED FINANCIAL STATEMENTS, B) SINGLE AUDIT REPORTS, C) PASSENGER FACILITY CHARGE COMPLIANCE REPORT, D) CUSTOMER FACILITY CHARGES COMPLIANCE REPORT, AND E) LETTER TO THE BOARD:**
RECOMMENDATION: The Audit Committee recommends that the Board accept the reports.
11. **ACCEPT THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR) FOR THE FISCAL YEAR ENDED JUNE 30, 2019:**
RECOMMENDATION: The Audit Committee recommends that the Board accept the report.

CONTRACTS AND AGREEMENTS

12. APPROVE AND AUTHORIZE AN INCREASE IN THE PRESIDENT/CEO'S CHANGE ORDER AUTHORITY FOR AIRLINES RELOCATIONS AND CUPPS PROJECT AT TERMINAL 1 WEST AND TERMINAL 2 EAST, SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2019-0098, approving and authorizing an increase in the President/CEO's change order authority from \$504,040.02 to an amount not-to-exceed \$870,318.40, for Project No. 104237, Airline Relocations at Terminal 1 West (T1W) and Terminal 2 East (T2E) and T1W Common Use Passenger Processing Systems (CUPPS) project at San Diego International Airport.

13. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A CONSENT TO ASSIGNMENT AGREEMENT WITH EUROPCAR PARTICIPATIONS SAS:

RECOMMENDATION: Adopt Resolution No. 2019-0099, approving and authorizing the President/CEO to execute a Consent to Assignment Agreement of the Non-Exclusive On-Airport Rental Car Concession Agreement with Europcar Participations SAS.

Adopt Resolution No. 2019-0100, approving and authorizing the President/CEO to execute a Consent to Assignment Agreement of the Rental Car Facility Lease Agreement with Europcar Participations SAS.

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

14. AWARD A CONTRACT TO S&L SPECIALTY CONSTRUCTION, INC. FOR QUIETER HOME PROGRAM PHASE 10, GROUP 4, PROJECT NO. 381004 FIFTY-SEVEN (57) NON-HISTORIC SINGLE-FAMILY AND MULTI-FAMILY UNITS ON FORTY-THREE (43) RESIDENTIAL PROPERTIES LOCATED WEST OF THE SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2019-0101, awarding a contract to S&L Specialty Construction, Inc. in the amount of \$1,511,187.54 for Phase 10, Group 4, Project No. 381004, of the San Diego County Regional Airport Authority's Quieter Home Program.

15. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN ON-CALL SURVEY CONSULTING SERVICES AGREEMENT AT SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2019-0102, approving and authorizing the President/CEO to execute an on-call survey consulting services agreement, with NV5, Inc, for a term of three years, with the option for two one-year extensions, in an amount not-to-exceed \$2,000,000 in support of the Airport Development and Capital Improvement Programs at San Diego International Airport.

PUBLIC HEARINGS: None.

OLD BUSINESS: None.

NEW BUSINESS (Continued):

16. AUTHORIZATION AND APPROVAL OF BOND DOCUMENTS AND SALE OF UP TO \$950 MILLION AIRPORT REVENUE AND REVENUE REFUNDING BONDS, INCLUDING DELEGATION OF PRICING AUTHORITY AND APPROVAL OF RELATED DOCUMENTS, TO REFUND THE AUTHORITY'S OUTSTANDING 2010 REVENUE BONDS AND A PORTION OF THE OUTSTANDING SUBORDINATE REVOLVING OBLIGATIONS AND TO FUND PROJECTS IN THE CAPITAL PROGRAM:

John Dillon, Director, Financial and Risk Management, provided a presentation on Bond Documents and Outstanding 2010 Revenue Bonds and a portion of Outstanding Subordinate Revolving Obligations that included 2019 New Money Bonds, 2010 Bonds Refunding Opportunity, Forward Delivery Bonds, 2010 Bonds Refunding Savings, Debt Profile, Airport Debt per Enplanement, Historic and Projected Aggregate Debt Service Coverage, Principal Documents of the GARB Sale, and Preliminary Timeline.

In response to Board Member Schiavoni regarding the findings after the due diligence conference call on November 6 between Bond and Disclosure Counsel, Authority staff, Underwriters' Counsel, Underwriters and Bond Counsel, Amy Gonzalez, General Counsel, stated that all was in order to move forward with the sale of the Bonds if approved by the Board.

RECOMMENDATION: The Finance Committee recommends that the Board Adopt Resolution No. 2019-0103, (1) authorizing the issuance and sale of not-to-exceed \$950 million in aggregate principal amount of one or more series of San Diego County Regional Airport Authority Subordinate Airport Revenue and Revenue Refunding Bonds; and (2) approving the forms of a Sixth and Seventh Supplemental Subordinate Trust Indenture, Preliminary and Final Official Statements, a Purchase Contract, a Forward Delivery Purchase Contract, Escrow Agreements and Continuing Disclosure Certificates, and certain related matters

ACTION: Moved by Board Member Schiavoni and seconded by Board Member Schumacher to approve staff's recommendation. Motion carried by the following votes: YES – Boling, Kersey, Lloyd, Robinson, Schiavoni, Schumacher; NO – None; ABSENT – Cox, McNamara, West; (Weighted Vote Points: YES – 68; NO – 0; ABSENT – 32)

17. ACCEPT THE ZERO WASTE PLAN AND THE BIODIVERSITY PLAN FOR SAN DIEGO INTERNATIONAL AIRPORT:

Chad Rees, Manager, Environmental Affairs, and KariLyn Merlos, Senior Environmental Specialist, provided a presentation on the Zero Waste Plan and the Biodiversity Plan for San Diego International Airport that included Sustainability Management Planning, Zero Waste, Biodiversity, and Next Steps.

In response to Board Member Schiavoni as to whether there is a strategy to educate the airlines in this regard as well, Mr. Rees stated that staff is working with the airlines to gather information on what their practices are and to work collaboratively aspiring to ultimately have them be in line with the Authority's goals.

Chairman Boling suggested consideration be given to how to work with other airports and unite in approaching all airlines in this regard for impactful results.

RECOMMENDATION: Adopt Resolution No. 2019-0104, accepting the Zero Waste Plan and the Biodiversity Plan prepared for San Diego International Airport.

ACTION: Moved by Board Member Schiavoni and seconded by Board Member Kersey to approve staff's recommendation. Motion carried by the following votes: YES – Boling, Kersey, Lloyd, Robinson, Schiavoni, Schumacher; NO – None; ABSENT – Cox, McNamara, West; (Weighted Vote Points: YES – 68; NO – 0; ABSENT – 32)

The Board recessed at 10:22 a.m. and reconvened at 10:27 a.m.

CLOSED SESSION: The Board recessed into Closed Session at 10:28 a.m. to discuss Items 20 and 23.

19. 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

20. 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

21. 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

22. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:

(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)

Name of Case: M.W. Vasquez Construction Co. Inc. v. San Diego County Regional Airport Authority, et al.

San Diego Superior Court Case No. 37-2019-000215

- 23. 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
- 24. 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
- 25. 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
- 26. 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
- 27. 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

REPORT ON CLOSED SESSION: The Board adjourned out of Closed Session at 12:20 p.m. There was no reportable action.

GENERAL COUNSEL REPORT:

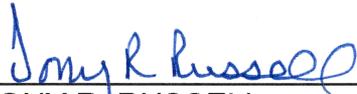
BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REPORTS FOR BOARD MEMBERS, PRESIDENT/CEO, CHIEF AUDITOR AND GENERAL COUNSEL WHEN ATTENDING CONFERENCES, MEETINGS, AND TRAINING AT THE EXPENSE OF THE AUTHORITY:

BOARD COMMENT: None.

ADJOURNMENT: The meeting adjourned at 12:20 p.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 5TH DAY OF DECEMBER, 2019.

ATTEST:



TONY R. RUSSELL
DIRECTOR, BOARD SERVICES /
AUTHORITY CLERK

APPROVED AS TO FORM:



AMY GONZALEZ
GENERAL COUNSEL