

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, SEPTEMBER 5, 2019
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM**

CALL TO ORDER: Vice Chair Robinson called the meeting of the San Diego County Regional Airport Authority Board to order at 9:12 a.m. on Thursday, September 5, 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 Kersey led the Pledge of Allegiance.

ROLL CALL:

PRESENT: Board Members: Cox, Dockery (Ex-Officio), Kersey, Robinson, Schumacher, West

ABSENT: Board Members: Binns (Ex-Officio), Boling, Desmond, Lloyd, Miller (Ex-Officio), Schiavoni

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

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

- **AUDIT COMMITTEE:** None
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:** Board Member Kersey reported that the Committee met on August 26, 2019 and received an update on the ADP in addition to other items.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:** Board Member Kersey reported that the Committee met on August 29, 2019 and reviewed an update to the Airport Authority's Compensation Philosophy and Structure for unrepresented employees; that the Committee also evaluated the negotiated renewal for the calendar year 2020 employee Health and Welfare Benefits Program and that they were forwarded to the Board with a recommendation to approve and that the next meeting of the Committee would tentatively be January 23, 2020.
- **FINANCE COMMITTEE:** None

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:** Dennis Probst, Vice President, Development reported that the next meeting of the Advisory Committee is October 2.
- **ART ADVISORY COMMITTEE:** Chris Chalupsky, Senior Manager, Art & Community Partnership reported that this fall's Performing Arts Residency group, Blind Spot Collective, presented theatre performances on Thursday and Friday, August 29th and 30th in T2W Sunset Cove and that in addition to being well received by the traveling public, the performances received positive media coverage. He also reported that the Arts Program is piloting pop-up performances at new locations throughout the terminals, in addition to the regular weekly Thursday and Friday concerts and that the Arts Advisory Committee met on August 27 and approved the selection panelist for the 2020 Performing Arts Residences and Temporary Exhibition programs as well as hearing updates on the Arts Master Plan and other ongoing program components.

LIAISONS

- **CALTRANS:** None
- **INTER-GOVERNMENTAL AFFAIRS:** Matt Harris, Director, Government Relations, reported that Authority staff continued Airport Development Plan outreach, providing updates to numerous elected officials and their staff, as well as planning groups including the Ocean Beach Planning Board and Uptown Planners. He reported that Authority staff also provided an Airport Development Plan and Airport Land Use Compatibility update to the Coronado City Council; that staff provided Congressman Scott Peters' staff with a briefing on the Authority's Quieter Home Program and related grant funding and in July, Representatives Earl Blumenauer (D-OR) and Thomas Massie (R-KY) introduced bipartisan legislation to eliminate the federal cap on local Passenger Facility Charges (PFC). He also reported that In July, the Senate confirmed Steve Dickson as the new Administrator of the Federal Aviation Administration (FAA) and that on August 12, state legislators returned to Sacramento to finish out the final weeks of the 2019 legislative session and the last day to send bills to the Governor's desk is September 13, and Governor Newsom has until October 13 to sign or veto the bills.
- **MILITARY AFFAIRS:** Board Member Dockery reported that the 2019 AirShow is September 27 – 29, 2019 and that in October they will be testing autonomous shuttles and invited Authority staff to participate.
- **PORT:** None
- **WORLD TRADE CENTER:** None

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG BOARD OF DIRECTORS:** Vice Chair Robinson reported that the SANDAG Board of Directors met twice since our last meeting and that at the first meeting, the Board had a robust discussion about the proposed “5 Big Moves,” which are strategies to identify transportation solutions for critical connections throughout the region as part of the 2021 Regional Transportation Plan. He reported that ultimately, the Board agreed to continue public outreach and develop a Regional Plan with the following priorities: conformance to all applicable federal and state laws, including state greenhouse gas targets, provides realistic and transparent revenue assumptions; utilizes the 5 Big Moves and complete corridor model, including highway and transit improvements; and prioritize corridors previously scheduled for investment such as State Routes 78, 52, 67 and 94/125. He reported that at the second meeting, the Board received various reports, including an update on the Transnet Major Corridors Program.
- **SANDAG TRANSPORTATION COMMITTEE:** Board Member Schumacher reported that the Committee met once since the last Board Meeting and received updates on the regional bikeway program and the mid-coast corridor transit project which is expected to be completed within budget. He also reported that Board Member Schiavoni participated in a tour of the mid-coast transit project.
- **SCAG AVIATION TASK FORCE:** None

CHAIR’S REPORT: Vice Chair Robinson reported that last month, San Diego International Airport was ranked best U.S. airport in a study conducted by the Points Guy travel website; the study evaluated the nation’s 50 busiest airports, judging them on 34 factors, including flight delays, cancellations, security wait times, parking fees, public transportation, ride-hailing prices, restaurants and lounges; San Diego International Airport boasted high grades for ample amenities (No. 11), a great record of timeliness (No. 16) and the best score for commute time (No. 1), likely for its convenient proximity to the downtown area. He also reported that according to Scott Mayerowitz, executive news director of The Points Guy, “San Diego offers 38 dining options, which is amazing for an airport of this size.” He also announced that the Airport Authority’s very own Kim Becker will receive the 2019 Women in Transportation (WTS), San Diego County Chapter’s Woman of the Year Award and according to WTS-SD, the award honors “a woman who is a leader in transportation and has made an outstanding contribution to the transportation industry.” He reported that as the recipient of the award, Ms. Becker will also represent the San Diego County Chapter at the WTS International level in the award category.

PRESIDENT/CEO’S REPORT: Kimberly J. Becker, President/CEO reported that Authority staff spoke with Alaska Airlines and they are modifying their overall airline strategy shifting their focus towards strengthening their West Coast cities, some of their higher performing cities and we are seeing increase service to some destinations such as Orlando, Boston, San Jose and we do see a reduction in some service; and overall Alaska has reiterated their commitment to the San Diego. She reported that the airline announced the second of two new route additions in a week, both to destinations currently underserved from San Diego and beginning in January 2020, Alaska will offer year-round daily service to Redmond, Oregon and

San Luis Obispo, California. She also reiterated that SAN is one of only 2 airports in the entire North America to reach Airport Carbon Accreditation Level 3+.

She also announced that the Authority's Procurement team earned the 2019 Achievement of Excellence in Procurement Award from the National Procurement Institute for the 10th consecutive year and for the 16th consecutive year, the Airport Authority received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada for the Authority's Comprehensive Annual Financial Report which is the highest form of recognition in the area of governmental accounting and financial reporting. She also reported that the Airport Authority received the San Diego & Imperial Counties Labor Council's 2019 Community Partner Award and there to accept the award were Board Members Robinson, Schiavoni and West and several members of Authority staff and according to the Council, the award was presented to the Airport Authority for the recent hard work to "open lines of communication between union members and airport contractors and to implement worker-friendly policies."

CONSENT AGENDA (Items 1- 18):

ACTION: Moved by Board Member Kersey and seconded by Board Member Schumacher, to approve the Consent Agenda. Motion carried by the following votes: YES – Cox, Kersey, Robinson, Schumacher, West; NO – None; ABSENT – Boling, Desmond, Lloyd, Schiavoni (Weighted Vote Points: YES – 53; NO – 0; ABSENT – 47).

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the July 1, 2019 and July 11, 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 JUNE 17, 2019 THROUGH AUGUST 11, 2019 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM JUNE 17, 2019 THROUGH AUGUST 11, 2019:

RECOMMENDATION: Receive the report.

4. SEPTEMBER 2019 LEGISLATIVE REPORT:

RECOMMENDATION: Adopt Resolution No. 2019-0072, approving the September 2019 Legislative Report.

5. APPOINTMENTS TO BOARD COMMITTEES, LIAISON POSITIONS, OTHER REPRESENTATIVE AND ALTERNATE POSITIONS:

RECOMMENDATION: Adopt Resolution No. 2019-0073, appointing Board Member Paul Robinson as the alternate advisory member to the SANDAG Board of Directors.

6. RESCIND RESOLUTION NO. 2009-0149R AND ADOPT A NEW RESOLUTION FOR THE PRE-APPROVAL OF BOARD MEMBER PARTICIPATION AND REPRESENTATION OF THE AUTHORITY AT MEETINGS, TRAININGS AND EVENTS:

RECOMMENDATION: Rescind Resolution No. 2009-0149R and adopt Resolution No. 2019-0074, pre-approving Board Member participation and representation of the Authority at meetings, trainings and events.

CLAIMS

COMMITTEE RECOMMENDATIONS

7. UPDATE TO THE COMPENSATION PHILOSOPHY AND STRUCTURE:

RECOMMENDATION: The Executive Personnel and Compensation Committee recommends that the Board adopt Resolution No. 2019-0075, approving the updated Compensation Philosophy and Structure.

8. RENEWAL OF THE HEALTH AND WELFARE BENEFITS PROGRAM FOR 2020:

RECOMMENDATION: The Executive Personnel and Compensation Committee recommends that the Board adopt Resolution No. 2019-0076, approving the renewal of the Health and Welfare Benefits Program for 2020.

9. ACCEPT THE UNAUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019:

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

10. ACCEPT THE AUTHORITY'S INVESTMENT REPORT AS OF JULY 31, 2019:

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

CONTRACTS AND AGREEMENTS

11. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXTEND THE CONTRACT TERM FOR QUIETER HOME PROGRAM, PROJECT 9 GROUP 12 (380912) WITH G&G SPECIALTY CONTRACTORS, INC. FROM 252 DAYS TO 384 DAYS:

RECOMMENDATION: Adopt Resolution No. 2019-0077, approving and authorizing the President/CEO to extend the contract term with G&G Specialty Contractors, Inc. from 252 days to 384 days for Quieter Home Program, Project 9 Group 12, at San Diego International Airport.

12. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN ASSIGNMENT AND CONSENT AGREEMENT FROM ENGIE STORAGE SERVICES NA LLC TO GCN STORAGE SOLUTIONS LLC:

RECOMMENDATION: Adopt Resolution No. 2019-0078, approving and authorizing the President/CEO to execute an assignment and consent agreement from ENGIE Storage Services NA LLC to GCN Storage Solutions LLC at San Diego International Airport.

- 13. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FOURTH AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING WITH THE SAN DIEGO COUNTY MUNICIPAL STORMWATER COPERMITTEES:**
RECOMMENDATION: Adopt Resolution No. 2019-0079, approving and authorizing the President/CEO to execute a Fourth Amendment to the Memorandum of Understanding with the San Diego County Municipal Stormwater Copermittees to establish not-to-exceed spending limits and to extend the termination date of the Memorandum of Understanding to at least August 31, 2024.

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 3, PROJECT NO. 381003 TEN (10) HISTORIC SINGLE-FAMILY UNITS ON TEN (10) RESIDENTIAL PROPERTIES LOCATED EAST AND WEST OF THE SAN DIEGO INTERNATIONAL AIRPORT:**
RECOMMENDATION: Adopt Resolution No. 2019-0080, awarding a contract to S&L Specialty Construction, Inc. in the amount of \$1,121,687 for Phase 10, Group 3, Project No. 381003, for the San Diego County Regional Airport Authority's Quieter Home Program.
- 15. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH CIVILIAN, INC. FOR MARKETING, ADVERTISING AND CREATIVE SERVICES:**
RECOMMENDATION: Adopt Resolution No. 2019-0081, approving and authorizing the President/CEO to execute an agreement with Civilian, Inc. for strategic marketing, advertising and creative services for a three-year term with two one-year options exercisable at the sole discretion of the President/CEO for a total amount not to exceed \$1,500,000 should all option years be exercised.
- 16. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE AN EXECUTIVE PROGRAM MANAGER SERVICES AGREEMENT WITH DAVID BRUSH CONSULTING FOR THE AIRPORT DEVELOPMENT PROGRAM AND RELATED PROJECTS AT SAN DIEGO INTERNATIONAL AIRPORT:**
RECOMMENDATION: Adopt Resolution No. 2019-0082, approving and authorizing the President/CEO to negotiate and execute an Executive Program Manager Services Agreement with David Brush Consulting for a term of three (3) years, with the option for four (4), one-year extensions, to be exercised at the sole discretion of the President/CEO, in an amount not-to-exceed \$1,890,000, in support of the Airport Development Program and related projects at San Diego International Airport.
- 17. AWARD A CONTRACT TO SIEMENS LOGISTICS, LLC FOR REPLACE BAGGAGE SCREENING EQUIPMENT – TERMINAL 2 EAST AT SAN DIEGO INTERNATIONAL AIRPORT:**
RECOMMENDATION: Adopt Resolution No. 2019-0083, awarding a contract to Siemens Logistics, LLC in the amount of \$7,360,860 for Project No. 104235, Replace Baggage Screening Equipment – Terminal 2 East at San Diego International Airport.

- 18. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH VELOCITY TECHNOLOGY SOLUTIONS, INC. FOR ORACLE JD EDWARDS ENTERPRISEONE (JDE-E1) HOSTING AND MANAGEMENT SERVICES:**
RECOMMENDATION: Adopt Resolution No. 2019-0084, approving and authorizing the President/CEO to execute an agreement with Velocity Technology Solutions, Inc., for a three-year term with an option for 2 one-year extensions in an amount not-to-exceed \$2,450,000, to host, manage and provide functional support services for Oracle JD Edwards EnterpriseOne software.

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

- 19. ACCEPT THE CARBON NEUTRALITY PLAN AND CLEAN TRANSPORTATION PLAN FOR SAN DIEGO INTERNATIONAL AIRPORT:**
Chad Reese, Manager, Environmental Affairs provided a presentation on the Carbon Neutrality and Clean Transportation Plans that included Sustainability Management Planning; Carbon Neutrality – Airport GHG Emission Sources, Focus Areas, Example of Potential Strategies; Clean Transportation – Focus Areas, Examples of Potential Strategies; and Next Steps.

RECOMMENDATION: Adopt Resolution No. 2019-0085, accepting the Carbon Neutrality Plan and Clean Transportation Plan prepared for San Diego International Airport.

ACTION: Moved by Board Member West and seconded by Board Member Schumacher to approve staff's recommendation. Motion carried by the following votes: YES – Cox, Kersey, Robinson, Schumacher, West; NO – None; ABSENT – Boling, Desmond, Lloyd, Schiavoni (Weighted Vote Points: YES – 53; NO – 0; ABSENT – 47).

NON-AGENDA PUBLIC COMMENT:

TOMMY HOUGH, SAN DIEGO, suggested ending the use of single use plastic bottles at the Airport.

ADRIAN KWIATKOWSKI, SAN DIEGO, spoke regarding banning the use of disposable plastic bottles at SAN.

PRESENTATIONS:

- A. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019:**
Scott Brickner, Vice President/CFO and Kathy Kiefer, Senior Director, Finance, Accounting and Airline Relations provided a presentation on the Unaudited Financial Statements for the Fiscal Year Ended June 30, 2019 that included Operating Revenues;

Operating Expenses; Non-operating Revenue & Expenses; Financial Summary and Statement of Net Position.

CLOSED SESSION:

- 20. 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
- 21. 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
- 22. 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
- 23. 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
- 24. 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
- 25. 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
- 26. 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
- 27. 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

28. 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:

GENERAL COUNSEL REPORT:

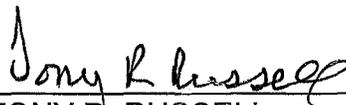
BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REPORTS FOR BOARD MEMBERS, PRESIDENT/CEO, CHIEF AUDITOR AND GENERAL COUNSEL WHEN ATTENDING CONFERENCES, MEETINGS, AND TRAINING AT THE EXPENSE OF THE AUTHORITY:

BOARD COMMENT:

ADJOURNMENT: The meeting was adjourned at 9:25 a.m.

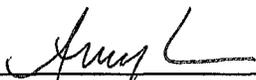
APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 3rd DAY OF OCTOBER, 2019.

ATTEST:



TONY R. RUSSELL
DIRECTOR, BOARD SERVICES /
AUTHORITY CLERK

APPROVED AS TO FORM:



AMY GONZALEZ
GENERAL COUNSEL