

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, OCTOBER 3, 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, October 3, 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 Dockery (Ex-Officio) led the Pledge of Allegiance.

ROLL CALL:

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

ABSENT: Board Members: Binns (Ex-Officio), Desmond, 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

PRESENTATIONS:

A. FAR PART 150 NOISE COMPATIBILITY STUDY UPDATE:

Sjohnna Knack, Program Manager, Quieter Home Program & Noise Mitigation, provided an update on the FAR Part 150 Noise Compatibility Study that included the Background, Community and Stakeholder Involvement, Flight Procedure Analysis, Purpose of the Part 150 Study Update, Project Schedule, Current Efforts, and Next Steps.

B. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE TWO MONTHS ENDED AUGUST 31, 2019:

Kathy Kiefer, Senior Director, Finance, Accounting and Airline Relations, provided a presentation on the Review of the Unaudited Financial Statements for the Two Months ended August 31, 2019 that included Enplanements, Gross Landing Weight Units, Operating Revenue, Operating Expenses, Net Operating Income, Nonoperating Revenues and Expenses, and Statements of Net Position.

C. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF AUGUST 31, 2019:

Geoff Bryant, Airport Finance Manager, Business and Financial Management, provided a presentation on the Authority's Investment Report as of August 31, 2019 that included Portfolio Characteristics, Sector Distribution, Quality and Maturity Distribution, Investment Performance, and Bond Proceeds.

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

- **AUDIT COMMITTEE:** Board Member Robinson reported that the September Audit Committee meeting was cancelled due to a lack of a quorum and that the items for that meeting will be moved to the November 4 agenda. He also reported that Public Member, Andrew Hollingworth, submitted his resignation and that the Authority has begun the process on filling the vacancy.
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:** None.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:** None.
- **FINANCE COMMITTEE:** None.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:** Board Member Robinson reported that at the October 2 meeting the Committee received briefings on what the Authority is doing on Climate Change, the Capital Improvement Program, and the Airport Development Plan (ADP).
- **ART ADVISORY COMMITTEE:** Chris Chalupsky, Senior Manager, Art & Community Partnership, reported that a new mural by artist “WERC” Alvarez has been installed on the south side of the Administration Building and will remain on display through 2022. He reported that the call for submissions for the airport’s 2020 Temporary Exhibition, which is themed “Make Yourself At Home”, is now on the street until October 20. He also reported that the Arts Program recently led airport tours for representatives of the SD Opera, Comic Con museum, and University Club; and that the Arts Advisory Committee will meet on October 8 to approve the selected artists for the airport’s 2020 Performing Arts Residency.

LIAISONS

- **CALTRANS:** None.
- **INTER-GOVERNMENTAL AFFAIRS:** Board Member Cox reported that he, along with Board Members Paul Robinson, Mark West, Mark Kersey, and Authority staff, participated in the San Diego Regional Chamber of Commerce’s delegation to Washington D.C. last week where they met with officials from the Federal Aviation Administration, Office of the Secretary of Transportation, and Customs and Border Protection, as well as transportation staff from the Office of Senator John Thune. He reported that Chairman Boling and Authority staff provided an ADP update to several agencies; and that Authority staff provided the San Diego Old Town Lodging Association with an update on the electric shuttle service between the Airport and the Old Town Transit Center, which the Authority will begin operating in 2020.

- **MILITARY AFFAIRS:** Board Member Dockery thanked everyone that attended the Miramar Air Show.
- **PORT:** Board Member Robinson reported that he and Board Member Cox met with the Members of the Port Authority Board regarding the ADP and Environmental Impact Report (EIR); and that he requested contact information for the ability to lease space on Harbor Island for the laydown of the development of the new Terminal 1.
- **WORLD TRADE CENTER:** None.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG BOARD OF DIRECTORS:** Chairman Boling reported that the SANDAG Board of Directors had extended discussions about an FY2020 Program Budget Amendment that was adopted September 27; and that \$40 million was allocated to further study alternatives analysis, preliminary engineering, and environmental analysis of airport connectivity projects. She reported that the funds will study the four concepts that were forwarded from the Airport Connectivity Subcommittee, that included a Regional Mobility Hub at the NAVWAR site with an underground people mover to the airport; a Regional Mobility Hub at the NAVWAR site with an at-grade people mover to the airport; a Regional Mobility Hub at the Intermodal Transportation Center site that is currently in the Regional Transportation Plan; and a connection to the existing trolley system via either Laurel Street or Grape Street. She also reported that at the Airport Connectivity Subcommittee meeting, they received an update on the status of the multi-agency Memorandum of Understanding that had been in the works earlier this year.
- **SANDAG TRANSPORTATION COMMITTEE:** Board Member Schiavoni reported that the Committee approved two budget amendments to accept state grant funding for \$2.534 million of State of California Natural Resource Agency General Funds for the Del Mar Bluffs IV project; and \$1 million of Coordinate Border Infrastructure Program funds for a Northbound Border Wait Time Data Collection System, which would be able to collect and display wait time data beginning in Summer 2020. She reported that the Committee also approved an amendment to the Regional Transportation Improvement Program that adds \$1.8 million to mitigate the risk of project delays after the current 2015 Regional Transportation Plan enters what is known as the “conformity grace period” in December 2019. She reported that the Committee also received a status update on the North Coast Corridor Program. She reported that she attended the press conference between the Navy and SANDAG announcing the MOU for the NAVWAR site.
- **SCAG AVIATION TASK FORCE:** Chairman Boling requested that this Committee be removed from the agenda until further notice.

CHAIR'S REPORT: Chairman Boling encouraged all Board Members to take and distribute the ADP Summary handout at every opportunity. She also reported that Board Member appointments for the Authority's Standing Committees are approaching and that there will be several changes.

PRESIDENT/CEO'S REPORT: Kimberly Becker, President/CEO, reported that she and staff attended World Routes 2019 in New Zealand where they participated in meetings with current and prospective airlines for new and enhanced service. She reported that the recirculated Draft EIR for the ADP has been available for public comment now for two weeks, which closes on November 4. She reported that the Association of Public Treasurers of the U.S. and Canada has awarded the Airport Authority with a Debt Policy Certificate of Excellence and that the Authority will be formally recognized at the Association's 2020 Annual Conference in July. She also reported that the Authority received notification last month that the Federal Aviation Administration awarded additional Airport Improvement Program funding for the Quieter Home Program; and that the airport also received \$1.3 million in grant funding to purchase four zero-emission vehicle (ZEV) electric buses, which will serve the inter-terminal loop route.

NON-AGENDA PUBLIC COMMENT: None.

CONSENT AGENDA (Items 1-9):

ACTION: Moved by Board Member Cox and seconded by Board Member Schumacher to approve the Consent Agenda. Motion carried by the following votes: YES – Boling, Cox, Kersey, Lloyd, Robinson, Schiavoni, Schumacher, West; NO – None; ABSENT – Desmond; (Weighted Vote Points: YES – 88; NO – 0; ABSENT – 12).

1. **APPROVAL OF MINUTES:**
RECOMMENDATION: Approve the minutes of the September 5, 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 AUGUST 12, 2019 THROUGH SEPTEMBER 8, 2019 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM AUGUST 12, 2019 THROUGH SEPTEMBER 8, 2019:**
RECOMMENDATION: Receive the report.

4. **OCTOBER 2019 LEGISLATIVE REPORT:**
RECOMMENDATION: Adopt Resolution No. 2019-0086, approving the October 2019 Legislative Report.
5. **APPOINTMENT OF AUTHORITY ADVISORY COMMITTEE MEMBERS:**
RECOMMENDATION: Adopt Resolution No. 2019-0087, appointing members to the Authority Advisory Committee.

CLAIMS

6. **REJECT THE CLAIM OF YAHYE HUSSEIN:**
RECOMMENDATION: Adopt Resolution No. 2019-0088, rejecting the claim of Yahye Hussein.
7. **REJECT THE CLAIM OF EMILY WRIEDT:**
RECOMMENDATION: Adopt Resolution No. 2019-0089, rejecting the claim of Emily Wriedt.

COMMITTEE RECOMMENDATIONS

CONTRACTS AND AGREEMENTS

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

8. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE THE TENTH AMENDMENT TO THE AGREEMENT WITH LEIGH FISHER TO CONTINUE PLANNING AND ENVIRONMENTAL REVIEW FOR THE AIRPORT DEVELOPMENT PLAN:**
RECOMMENDATION: Adopt Resolution No. 2019-0090, approving and authorizing the President/CEO to execute the Tenth Amendment to the agreement with Leigh Fisher increasing the compensation amount by \$800,000 for a new total not-to-exceed amount of \$12,448,655 for the Airport Development Plan to support additional master planning and environmental review.
9. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN ON-CALL PROFESSIONAL ENVIRONMENTAL ASSESSMENT AND REMEDIATION MANAGEMENT SERVICES AGREEMENT WITH KLEINFELDER, INCORPORATED:**
RECOMMENDATION: Adopt Resolution No. 2019-0091, approving and authorizing the President/CEO to execute an On-Call Professional Environmental Assessment and Remediation Management Services Agreement with Kleinfelder, Incorporated, for a term of three years, with the option for two one-year extensions exercisable at the sole discretion of the President/CEO, in an amount not-to-exceed \$3,000,000.

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

10. AMEND AUTHORITY POLICY 5.12 - PREFERENCE TO SMALL, VETERAN OWNED, AND LOCAL BUSINESS (CONTINUED FROM THE MAY 30, 2019 BOARD MEETING):

Natasha Collura, Director, Revenue Generation & Partnership Development; and Maria Quiroz, Acting Manager, Small Business Development, provided a presentation on the Small Business Development Report that included Exemptions, 5.12 Points Allocation, Preference to Small Businesses, Clarification provided for Veteran Owned Small Businesses, 5.12 Implementation Update, and Trackable and Verifiable Local Business Definition.

In response to Board Member Schiavoni's inquiry regarding when the next program update would be presented to the Board, Ms. Collura stated that they could come back to the Board in 6 to 8 months with an update on the next phase when there is more data to share.

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: Moved by Board Member Schiavoni and seconded by Board Member Kersey to approve staff's recommendation. Motion carried by the following votes: YES – Boling, Cox, Kersey, Lloyd, Robinson, Schiavoni, Schumacher, West; NO – None; ABSENT – Desmond (Weighted Vote Points: YES – 88; NO – 0; ABSENT – 12).

11. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A PURCHASE ORDER FOR THE PROCUREMENT OF INTER-TERMINAL SHUTTLE ELECTRIC VEHICLE TRANSIT BUSES:

Marc Nichols, Director, Ground Transportation, provided a presentation on the EV Inter-Terminal Shuttle Transit Bus Procurement that included Background, CARB ZEV Requirements and SAN Fleet Status, and Operational and Regulatory Benefits.

In response to Board Member Kersey's inquiry on whether the Authority would be liable for our provider's that do not meet CARB Regulations by the deadlines, Amy Gonzalez stated that she would look into this matter but our contracts currently require them to comply with all laws.

RECOMMENDATION: Adopt Resolution No. 2019-0092, approving and authorizing the President/CEO to execute a purchase order for the procurement of four Electric Vehicle Transit Buses to be used on the Inter-Terminal Shuttle Route as approved per CIP 104273.

ACTION: Moved by Board Member Kersey and seconded by Board Member Schiavoni to approve staff's recommendation. Motion carried by the following votes: YES – Boling, Cox, Kersey, Lloyd, Robinson, Schiavoni, Schumacher, West; NO – None; ABSENT – Desmond (Weighted Vote Points: YES – 88; NO – 0; ABSENT – 12).

The Board recessed at 10:02 a.m. and reconvened at 10:05 a.m.

CLOSED SESSION: The Board recessed into Closed Session at 10:06 a.m. to discuss Items 15 and 16.

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 – ANTICIPATED LITIGATION:**
(Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Cal. Gov. Code §54956.9)
Number of cases: 2
16. **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

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: 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)
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 10:34 a.m. Amy Gonzalez, General Counsel, reported that in regards to Item 15, the Board discussed a claim the Authority has against Zurich and Turner regarding internal costs and expert fees incurred by the Authority to investigate issues with the outfall pipe and drain issues and costs incurred to oversee the repairs performed by Turner, and that the Board authorized the General Counsel to negotiate and execute a settlement and release of claim with Zurich and Turner for payment to the Authority in the amount of \$1,075,000, which was approved 8-0-1 with Board Members Boling, Cox, Kersey, Lloyd, Robinson, Schiavoni, Schumacher, and West voting YES, noting Board Member Desmond as ABSENT. She also reported that in regards to Item 16, the Board provided direction to the General Counsel.

GENERAL COUNSEL REPORT: None.

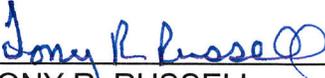
BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REPORTS FOR BOARD MEMBERS, PRESIDENT/CEO, CHIEF AUDITOR AND GENERAL COUNSEL WHEN ATTENDING CONFERENCES, MEETINGS, AND TRAINING AT THE EXPENSE OF THE AUTHORITY:

BOARD COMMENT: None.

ADJOURNMENT: The meeting adjourned at 11:34 a.m.

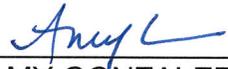
APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY BOARD THIS 7TH DAY OF NOVEMBER, 2019.

ATTEST:



TONY R. RUSSELL
DIRECTOR, BOARD SERVICES /
AUTHORITY CLERK

APPROVED AS TO FORM:



AMY GONZALEZ
GENERAL COUNSEL