

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD  
MINUTES  
THURSDAY, SEPTEMBER 15, 2016  
SAN DIEGO INTERNATIONAL AIRPORT  
BOARD ROOM**

**CALL TO ORDER:** Chairman Boling called the regular meeting of the San Diego County Regional Airport Authority to order at 9:04 a.m. on Thursday, September 15, 2016, in the Board Room at the San Diego International Airport, Administration Building, 3225 North Harbor Drive, San Diego, CA 92101.

**PLEDGE OF ALLEGIANCE:** Col. Woodworth led the Pledge of Allegiance.

**ROLL CALL:**

PRESENT: Board Members: Berman (Ex Officio), Boling, Desmond, Gleason, Hubbs, Janney, Kersey, Robinson, Col. Woodworth (Ex Officio)

ABSENT: Board Members: Cox, Ortega (Ex Officio), Sessom

ALSO PRESENT: Thella F. Bowens, President/CEO; Amy Gonzalez, General Counsel; Tony R. Russell, Director, Corporate and Information Governance/Authority Clerk; Dawn D'Acquisto, Assistant Authority Clerk I

**PRESENTATIONS:**

**A. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2016:**

Kathy Kiefer, Senior Director, Finance and Asset Management, provided a presentation on the Unaudited Financial Statements for the Year Ended June 30, 2016, which included Key Performance Indicators, Operating Revenues, Operating Expenses, Non-Operating Revenue and Expenses, Financial Summary, Statement of Net Positions, Authority Assets, Authority Liability, and Change in Authority Net Position.

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

***STANDING BOARD COMMITTEES***

- **AUDIT COMMITTEE:** None.
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:** None.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:** None.

- **FINANCE COMMITTEE:** None.

### **ADVISORY COMMITTEES**

- **AUTHORITY ADVISORY COMMITTEE:** None.
- **ART ADVISORY COMMITTEE:** Board Member Gleason reported that the installation of the 2017 exhibitions will begin in mid-November. He reported that the Performing Art Residency Program, Fern Street Circus, is performing September 15<sup>th</sup> from 4:00 p.m. to 6:00 p.m. in Terminal 2. He also reported that a call for 2017 Performing Art Residency Program applicants will be posted on September 26<sup>th</sup> and finalist interviews will be held on November 9<sup>th</sup>. He reported that the Palm Street Park artist is at 90% completion of design, with construction documents scheduled to be completed by late September.

### **LIAISONS**

- **AIRPORT LAND USE COMPATIBILITY PLAN:** None.
- **CALTRANS:** Board Member Berman reported that the ground breaking for the I-15 North costal project will take place in October.
- **INTER-GOVERNMENTAL AFFAIRS:** Mike Kulis, Director, Inter-Governmental Relations, reported that on August 15<sup>th</sup>, Airport Authority staff provided airport updates to staff from Congressman Scott Peters' Office and Senator Barbara Boxer's Office. He reported that the State Legislature completed its 2015-2016 regular legislative session on August 31<sup>st</sup> and that the Governor has until September 30<sup>th</sup> to finish signing or vetoing bills passed this year by the Legislature. He also reported that, although Congress is expected to recess again in late September or early October, they will first need to approve legislation to continue funding the federal government into the 2017 Fiscal Year that begins on October 1<sup>st</sup>.
- **MILITARY AFFAIRS:** None.
- **PORT:** None.
- **WORLD TRADE CENTER:** None.

### **BOARD REPRESENTATIVES (EXTERNAL)**

- **SANDAG TRANSPORTATION COMMITTEE:** None.

**CHAIR'S REPORT:** Chairman Boling reported that staff met with MTS regarding the Middle Town trolley stop renaming, and that MTS has offered to update Google by providing information regarding the airport at that trolley stop. She reported that the groundbreaking of the Terminal 2 Parking Plaza went well with over 70 people in attendance. She also reported that there is a website that visitors can go to called [upgradeyourparking.com](http://upgradeyourparking.com) to reserve a parking place and get updates on the new parking plaza. She reported that the FAA released the Metroplex Plan on September 2<sup>nd</sup>, and based on initial review the FAA has addressed the concerns regarding the environmental assessment which included a proposal regarding the Loma Way Point. She reported that a soft opening was held for the Global Entry Office and encouraged travelers to register. She also reported that Thella F. Bowens, President/CEO will be presented the Person of the Year award for 2016 by the Construction Management Association of America.

**PRESIDENT/CEO'S REPORT:** Thella F. Bowens, President/CEO reported that the 13<sup>th</sup> Annual Employee Appreciation BBQ was on held September 9, 2016 and acknowledged the employees awarded the Employee of the Year, Team of the Year, Innovator of the Year, and the Sustainability Champion of the Year. She reported that the mobile application Away-you-go beta version was released to the public in mid-August, which includes flight tracking information, indoor mapping, travel time to the airport, luggage wait times, taxi wait times, and also syncs with the Go Tag which tell passengers when their checked baggage is available at baggage claim. She stated the official release is expected to take place in November.

**NON-AGENDA PUBLIC COMMENT:**

KAMRAN HAMIDI, SAN DIEGO, expressed concerns with ground transportation trip fees and provided the Authority Clerk with a Claim against the Authority and a letter to the Board.

MICHAEL WINN, SAN DIEGO, stated that the airport provides a social service and spoke regarding the transportation needs of the community.

DR. LILA SCHMIDT, SAN DIEGO, expressed concern about airport noise in her Point Loma neighborhood.

**CONSENT AGENDA (Items 1-16):**

Board Member Desmond requested an update on Item 4 on FAA House Resolution 3965 - FAA Community Accountability Act.

Mike Kullis, Director, Inter-Governmental Relations stated that no action has been taken and that it will probably be addressed next year.

**ACTION: Moved by Board Member Janney and seconded by Board Member Kersey to approve the Consent Agenda. Motion carried by the following vote: YES – Boling, Desmond, Gleason, Hubbs, Janney, Kersey, Robinson; NO – None; ABSENT – Cox, Sessom. (Weighted Vote Points: Yes – 84; NO – 0; ABSENT – 16)**

**1. APPROVAL OF MINUTES:**

RECOMMENDATION: Approve the minutes of the July 11, 2016 Special meeting and July 21, 2016 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 JUNE 27, 2016 THROUGH AUGUST 21, 2016 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM JUNE 27, 2016 THROUGH AUGUST 21, 2016:**

RECOMMENDATION: Receive the report.

**4. SEPTEMBER 2016 LEGISLATIVE REPORT:**

RECOMMENDATION: Adopt Resolution No. 2016-0070, approving the September 2016 Legislative Report.

**5. APPOINTMENT OF AUTHORITY ADVISORY COMMITTEE MEMBERS:**

RECOMMENDATION: Adopt Resolution No. 2016-0071, approving appointments to the Authority Advisory Committee.

**6. BIENNIAL REVIEW AND AMENDMENT OF AUTHORITY CODE SECTION 2.30 – CONFLICT OF INTEREST CODE:**

RECOMMENDATION: Adopt Resolution No. 2016-0072, amending Authority Code Section 2.30 – Conflict of Interest Code.

**7. REVIEW AND AMENDMENT OF THE AIRPORT AUTHORITY'S RECORDS AND INFORMATION MANAGEMENT PROGRAM AND RECORDS RETENTION SCHEDULES:**

RECOMMENDATION: Adopt Resolution No. 2016-0061, approving amendments to the Authority's Records and Information Management Program and Records Retention Schedules.

**CLAIMS**

### **COMMITTEE RECOMMENDATIONS**

- 8. FISCAL YEAR 2016 ANNUAL REPORT FROM THE AUDIT COMMITTEE:**  
RECOMMENDATION: The Audit Committee recommends that the Board accept the report.
- 9. FISCAL YEAR 2016 ANNUAL AUDIT ACTIVITIES REPORT FROM THE OFFICE OF THE CHIEF AUDITOR:**  
RECOMMENDATION: The Audit Committee recommends that the Board accept the report.
- 10. REVISION TO THE FISCAL YEAR 2017 AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:**  
RECOMMENDATION: Adopt Resolution No. 2016-0073, approving the revision to the Fiscal Year 2017 Audit Plan.

### **CONTRACTS AND AGREEMENTS**

- 11. AWARD OF CONTRACT TO MARCON ENGINEERING, INC. FOR DEMOLITION OF WORLD TRADE CENTER AT SAN DIEGO INTERNATIONAL AIRPORT:**  
RECOMMENDATION: Adopt Resolution No. 2016-0074, (1) relieving the apparent low bidder, Whillock Contracting, Inc., of its bid; and (2) awarding a contract to MarCon Engineering, Inc., in the amount of \$684,320 for Project No.104215, Demolition of World Trade Center at San Diego International Airport.
- 12. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A THIRD AMENDMENT TO THE AGREEMENT WITH GATZKE DILLON & BALANCE:**  
RECOMMENDATION: Adopt Resolution No. 2016-0075, approving and authorizing the President/CEO to execute a Third Amendment to the Agreement with Gatzke Dillon & Balance LLP for Professional Legal Services extending the term for one year.

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

- 13. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE THREE ON-CALL MATERIALS TESTING, SPECIAL INSPECTION, AND GEOTECHNICAL CONSULTANT SERVICES AGREEMENTS:**  
RECOMMENDATION: Adopt Resolution No. 2016-0076, approving and authorizing the President/CEO to execute an On-Call Materials Testing, Special Inspection, and Geotechnical Consultant Services Agreement with AMEC Foster-Wheeler Environment & Infrastructure, Inc., for a term of three years, with the option for two one-year extensions, in an amount not-to-exceed \$3,500,000, in support of the Capital Improvement Program at San Diego International Airport.

Adopt Resolution No. 2016-0077, approving and authorizing the President/CEO to execute an On-Call Materials Testing, Special Inspection, and Geotechnical Consultant Services Agreement with Group Delta Consultants, Inc., for a term of three years, with the option for two one-year extensions, in an amount not-to-exceed \$3,500,000, in support of the Capital Improvement Program at San Diego International Airport.

Adopt Resolution No. 2016-0078, approving and authorizing the President/CEO to execute an On-Call Materials Testing, Special Inspection, and Geotechnical Consultant Services Agreement with Kleinfelder, Inc., for a term of three years, with the option for two one-year extensions, in an amount not-to-exceed \$3,500,000, in support of the Capital Improvement Program at San Diego International Airport.

**14. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE ON-CALL AIRPORT SIGNAGE FABRICATION AND REPAIR SERVICE AGREEMENTS WITH SIGN AGE IDENTITY SYSTEMS, INC.; FLUORESCO SERVICES LLC; AND RISNER NAUKAM DESIGN GROUP, INC. DBA THE BUBBLE:**

RECOMMENDATION: Adopt Resolution No. 2016-0079, approving and authorizing the President/CEO to execute on-call airport signage fabrication and repair service agreements with Sign Age Identity Systems, Inc.; Fluoresco Services LLC; and Risner Naukam Design Group, Inc. dba The Bubble - each agreement, for a term of three years, with the option for two one-year extensions exercisable at the discretion of the President/CEO, for an aggregate total not-to-exceed amount of \$2,000,000 for all three firms, to provide on-call airport signage fabrication and repair services, at San Diego International Airport ("SDIA").

**15. APPROVE AND AUTHORIZE THE SIXTH AMENDMENT TO THE AGREEMENT WITH LEIGH FISHER TO SUPPORT ADDITIONAL GRANT-FUNDED SUSTAINABILITY MANAGEMENT PLANNING:**

RECOMMENDATION: Adopt Resolution No. 2016-0080, approving and authorizing the Sixth Amendment to the agreement with Leigh Fisher increasing the amount by \$675,730 for a new total not-to-exceed amount of \$9,367,875 for the Airport Development Plan (ADP) to support additional grant-funded sustainability management planning.

**16. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH SITA INFORMATION NETWORKING COMPUTING, INC. FOR TECHNICAL SUPPORT SERVICES:**

RECOMMENDATION: Adopt Resolution No. 2016-0081, approving and authorizing the President/CEO to execute an Agreement with SITA Information Networking Computing, Inc., for a term of three years, with the option for two one-year extensions to be exercised at the discretion of the President/CEO, in an amount not-to-exceed \$5,000,000 to provide Technical Support Services at the Airport.

**PUBLIC HEARINGS:**

*Board Member Berman (Ex Officio) left the dais at 11:18 a.m.*

**NEW BUSINESS:**

**18. PRESENTATION AND POSSIBLE DIRECTION TO COMMENCE A PROCUREMENT PROCESS TO ADDRESS FEDERAL INSPECTION SERVICES (FIS) CAPACITY NEEDS:**

Hampton Brown, Director, Air Service Development, Keith Wilschetz, Director, Planning & Noise Mitigation, and Scott Brickner, Vice President, Finance and Asset Management/Treasurer, provided a presentation on Federal Inspection Services at SAN, which included Overviews of International Air Service/Need for Capacity, Current Facility & Limitations, Overview of Planned Options, Financial Analysis, and Next Steps.

JOE TERZI, POWAY, spoke in support of staff recommendations and stated that it is important to maintain sufficient capacity for international arrivals.

SEAN BARR, SAN DIEGO, spoke in support of staff's recommendations.

Thella F. Bowens, President/CEO, read a letter from the SAN Airport Airline Affairs Committee into the record regarding the proposed FIS project.

In response to Chairman Boling, Ms. Bowens stated that this information was shared with the airlines and that staff will meet with the airlines on a regular basis starting next month, continuing to work with them on a mutual financial plan and operations of the facility.

Board Member Kersey requested information on an updated projection if the parking structure was to be debt financed.

In response to Board Member Kersey regarding a timeframe for the project to start, Ms. Bowens stated that staff needs to move immediately to start the solicitation process in order to open the facility by 2018.

Board Member Gleason expressed support of staff's recommendation and stated that Option 3 is the lifecycle answer which we know will be there permanently.

Board Member Hubbs expressed support of the long term direction for Option 3, and supports looking into financing the parking structure.

In response to Board Member Desmond regarding the effect on the Airport Development Plan (ADP), Mr. Brickner stated that the project is in the later phase of the ADP, and accelerating the project would possibly save the Authority money.

Board Member Desmond expressed concerns with increasing passenger fees.

Ms. Bowens stated staff feels comfortable with the potential fees and that it is comparable to similar airports.

Board Member Robinson expressed support for Option 3.

Board Member Janney expressed concerns regarding affecting existing international providers and acknowledged that the existing facility needs to be improved. He stated that he supports staff's recommendations and agreed that more details should be brought back to the Board.

In regards to the Board's question regarding when they will see the proposals, Ms. Bowens stated that staff will come back to the Board in January 2017 to present a more definitive project definition, project costs and contractor proposals.

In response to Board Member Gleason regarding the procurement method to be used, Jana Vargas, Director, Procurement, provided an overview of the RFQ procurement process.

Chairman Boling requested that the Board see what the options are before a recommendation is made by staff, and stated that she is in support of moving forward with Option 3 with more information to be presented to the Board in January 2017.

In regards to Board Member Hubbs' concerns regarding providing up front funding for design costs, Ms. Bowens explained that usually in the solicitation process there is some upfront costs and stated that the Board will be provided information on upfront costs during the procurement process.

**RECOMMENDATION:** Receive the presentation and provide direction to staff to continue the preparation of project definition documents and commence a procurement process.

**ACTION: Move by Board Member Gleason and seconded by Board Member Robinson to approve staff's recommendations and directed staff to update the Board on the project in January 2017. Motion carried by the following vote: YES – Boling, Desmond, Gleason, Hubbs, Janney, Kersey, Robinson; NO – None; ABSENT – Cox, Sessom. (Weighted Vote Points: Yes – 84; NO – 0; ABSENT – 16)**

*The Board recessed at 11:27 a.m. and reconvened at 11:40 a.m.*

**OLD BUSINESS:**

**17. AUTOMATED LICENSE PLATE READER (ALPR) – PRIVACY AND PERSONAL INFORMATION SECURITY PROCEDURES AND PRACTICES AND AMENDMENT TO AUTHORITY POLICY 8.63 (CONTINUED FROM THE JULY 11, 2016 SPECIAL BOARD MEETING):**

Marc Nichols, Manager, Ground Transportation, provided a presentation on Automated License Plate Reader – Privacy and Personal Information Security Procedures and Practices and Amendment to Authority Policy 8.63, which included Recommendations and ALPR Civil Codes.

Board Member Gleason expressed concerns regarding the background checks for ACE employees that would have access to the ALPR information.

Mike de Graffenreid, General Manager, ACE Parking Management, stated that all ACE employees that work at the airport receive training on privacy and that they also go through the same background checks as airport employees and are required to sign a privacy statement which goes in their personnel file. He also stated that they have the ability to run reports on the information each employee has accessed.

**RECOMMENDATION:** Adopt Resolution No. 2016-0059, authorizing the use of an Automated License Plate Recognition (ALPR) System in compliance with California Civil Codes §1798.25 – 1798.29 and §1798.90.5 – 1798.90.55 at San Diego International Airport.

Adopt Resolution No. 2016-0083, amending Authority Policy 8.63 to reference the Authority's compliance with the California Civil Code relating to the use of its ALPR System.

**ACTION: Move by Board Member Hubbs and seconded by Board Member Janney to approve staff's recommendation. Motion carried by the following vote: YES – Boling, Desmond, Gleason, Hubbs, Janney, Kersey, Robinson; NO – None; ABSENT – Cox, Sessom. (Weighted Vote Points: Yes – 84; NO – 0; ABSENT – 16)**

*The Board recessed at 11:47 a.m. and reconvened at 11:49 a.m.*

*Board Member Boling left the dais at 11:50 a.m.*

**19. RENEWAL OF THE EMPLOYEE HEALTH AND WELFARE BENEFITS PROGRAM FOR 2017:**

Kurt Gering, Director, Talent, Culture & Capability, and Jesus Mendoza, Vice President, Willis Towers Watson, provided a presentation on Renewal of the Employee Health and Welfare Benefits Program for 2017, which included an Executive Summary, Marketing Results, Plan Renewal Rates, Benchmarking, and Renewal Summary.

DAN FRAZEE, CARLSBAD, spoke in support of staff's recommendation.

RECOMMENDATION: Adopt Resolution 2016-0082, approving the renewal of the Employee Health and Welfare Benefits Program for 2017.

**ACTION: Move by Board Member Hubbs and seconded by Board Member Gleason to approve staff's recommendation. Motion carried by the following vote: YES – Desmond, Gleason, Hubbs, Janney, Kersey, Robinson; NO – None; ABSENT – Boling, Cox, Sessom. (Weighted Vote Points: Yes – 71; NO – 0; ABSENT – 29)**

**CLOSED SESSION:** The Board recessed into Closed Session at 12:25 p.m. to discuss Items 25 and 26.

**20. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**

(Cal. Gov. Code § 54956.9(a) and (d)(1).)

Diego Concession Group, Inc. v. San Diego County Regional Airport Authority,  
San Diego Superior Court Case No. 37-2012-00088083-CU-BT-CTL

**21. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**

(Cal. Gov. Code § 54956.9(a) and (d)(1).)

Dryden Oaks, LLC v. San Diego County Regional Airport Authority, et al.,  
San Diego Superior Court, North County, Case No. 37-2014-00004077-CU-EINC

- 22. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**  
(Cal. Gov. Code § 54956.9(a)):  
Maria Paula Bermudez v. San Diego County Regional Airport Authority, American Airlines, Inc., et al.  
San Diego Superior Court Case No. 37-2015-00022911-CU-PO-CTL
- 23. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**  
(Cal. Gov. Code §54956.9(a) and (d)(1))  
Stanley Moore v. San Diego County Regional Airport Authority, et al.,  
San Diego Superior Court Case No. 37-2015-00030676-CU-OE-CTL
- 24. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**  
Cal. Gov. Code § 54956.9(a) and (d).  
In the matter of the Petition of San Diego County Regional Airport Authority for Review of Action by the California Regional Water Quality Control Board in Issuing Order No. R9-2013-0001, as amended by Orders Nos. R9-2015-0001 and R9-2015-0100 (NPDES NO. CAS0109266) [Water Code §§ 13320(a) and 13321(a)]
- 25. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**  
(Significant exposure to litigation pursuant to Cal. Gov. Code §§ 54956.9 (b) and 54954.5.)  
Re: Investigative Order No. R9-2012-0009 by the California Regional Water Quality Control Board regarding submission of technical reports 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:**  
(Initiation of litigation pursuant to Cal. Government Code § 54956.9(d).)  
Number of cases: 2

**REPORT ON CLOSED SESSION:** The Board reconvened into Open Session at 1:08 p.m. There was no reportable action.

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

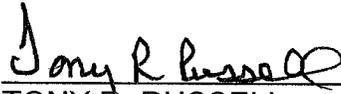
**GENERAL COUNSEL REPORT:** None.

**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 1:09 p.m.

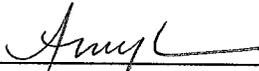
APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT  
AUTHORITY BOARD THIS 20<sup>TH</sup> DAY OF OCTOBER, 2016.



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TONY R. RUSSELL  
DIRECTOR, CORPORATE &  
INFORMATION GOVERNANCE /  
AUTHORITY CLERK

APPROVED AS TO FORM:



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AMY GONZALEZ  
GENERAL COUNSEL