CALL TO ORDER: Chairman Boling called the meeting to order at 9:02 a.m.

ROLL CALL: Board Members Dallarda (Ex-Officio), Dockery (Ex-Officio), and Miller (Ex-Officio) were ABSENT.

PRESIDENT/CEO REPORT:

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

- **AUDIT COMMITTEE:**
  Committee Members: Blakespear, Kersey (Chair), McNamara, Tartre, Vann, Van Sambeek, West

- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**
  Committee Members: Cox, Kersey, Lloyd, Robinson, West (Chair)

- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
  Committee Members: Boling, Cox, Robinson, Schiavoni (Chair)

- **FINANCE COMMITTEE:**
  Committee Members: Blakespear, Kersey (Chair), McNamara, Schiavoni

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:**
  Liaison: Robinson (Primary), Schiavoni

- **ARTS ADVISORY COMMITTEE:**
  Committee Member: Robert H. Gleason
LIAISONS

- CALTRANS:
  Liaison: Binns

- INTER-GOVERNMENTAL AFFAIRS:
  Liaison: Cox

- MILITARY AFFAIRS:
  Liaison: Dockery

- PORT:
  Liaisons: Boling (Primary), Cox, Robinson

- WORLD TRADE CENTER:
  Representatives: Robert H. Gleason

BOARD REPRESENTATIVES (EXTERNAL)

- SANDAG BOARD OF DIRECTORS:
  Representative: Boling (Primary), Robinson

- SANDAG TRANSPORTATION COMMITTEE:
  Representatives: Schiavoni (Primary), West

NON-AGENDA PUBLIC COMMENT: 8 Public Comments were read into record by the Authority Clerk

CONSENT AGENDA (Items 1-16):

[ACTION: 9-0-0 to approve the Consent Agenda]

1. APPROVAL OF MINUTES:
   RECOMMENDATION: Approve the minutes of the April 16, 2020 special and May 7, 2020 regular 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 APRIL 8, 2020 THROUGH MAY 10, 2020 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM APRIL 8, 2020 THROUGH MAY 10, 2020:**
   RECOMMENDATION: Receive the report.

4. **JUNE 2020 LEGISLATIVE REPORT:**
   RECOMMENDATION: Adopt Resolution No. 2020-0058, approving the June 2020 Legislative Report.

5. **GRANT A EASEMENT FOR WATER SERVICE TO THE CITY OF SAN DIEGO:**
   RECOMMENDATION: Adopt Resolution No. 2020-0059, authorizing the President/CEO to negotiate and execute an easement for water service with the City of San Diego in support of the Airline Support Building.

6. **APPROVE REAPPOINTMENTS TO THE ARTS ADVISORY COMMITTEE:**
   RECOMMENDATION: Adopt Resolution No. 2020-0060, approving the reappointment of Jennifer Easton and Cris Scorza to the Arts Advisory Committee.

7. **CONTINUE THE DECLARATION OF THE EXISTANCE OF A LOCAL EMERGENCY IN RESPONSE TO THE SERIOUS AND IMMINENT THREAT OF THE NOVEL CORONAVIRUS (COVID-19):**
   RECOMMENDATION: Adopt Resolution No. 2020-0061, confirming the need to continue the Declaration of a Local Emergency in response to COVID-19.

**CLAIMS**

8. **REJECT THE CLAIM OF SHIRLEY HORTON:**
   RECOMMENDATION: Adopt Resolution No. 2020-0062, rejecting the claim of Shirley Horton.

9. **REJECT THE CLAIM OF PRISCILLA ALLEN:**
   RECOMMENDATION: Adopt Resolution No. 2020-0063, rejecting the claim of Priscilla Allen.

10. **REJECT THE CLAIM OF GIUSEPPE TERRANOVA:**
    RECOMMENDATION: Adopt Resolution No. 2020-0064, rejecting the claim of Giuseppe Terranova.

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COMMITTEE RECOMMENDATIONS

11. **FISCAL YEAR 2020 THIRD QUARTER REPORT FROM THE OFFICE OF THE CHIEF AUDITOR:**
   RECOMMENDATION: The Audit Committee recommends that the Board accept the report.

12. **REVISION TO THE FISCAL YEAR 2020 AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:**
   RECOMMENDATION: The Audit Committee recommends that the Board Adopt Resolution No. 2020-0065, approving the revision to the Fiscal Year 2020 Audit Plan of the Office of the Chief Auditor.

13. **FISCAL YEAR 2021 RISK ASSESSMENT AND PROPOSED AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:**
   RECOMMENDATION: The Audit Committee recommends that the Board Adopt Resolution No. 2020-0066, approving the Fiscal Year 2021 proposed Audit Plan of the Office of the Chief Auditor.

14. **ANNUAL REVIEW OF AUTHORITY POLICY 4.40 – DEBT ISSUANCE AND MANAGEMENT:**
   RECOMMENDATION: The Finance Committee recommends that the Board Adopt Resolution No. 2020-0067, approving amendments to Authority Policy 4.40 - Guidelines for Debt Issuance and Management Policy.

15. **ANNUAL REVIEW OF AUTHORITY POLICY 4.20 – GUIDELINES FOR PRUDENT INVESTMENTS, AND DELEGATION OF AUTHORITY TO INVEST AND MANAGE AUTHORITY FUNDS TO THE VICE PRESIDENT, CHIEF FINANCIAL OFFICER:**
   RECOMMENDATION: The Finance Committee recommends that the Board Adopt Resolution No. 2020-0068, accepting the review of Authority Policy 4.20 - Guidelines for Prudent Investments, and delegating authority to invest and manage Authority funds to the Vice President, Chief Financial Officer.

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CONTRACTS AND AGREEMENTS

16. RESCIND RESOLUTION NO. 2020-0056, AND APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH WORLDPAY, LLC FOR MERCHANT CREDIT CARD SERVICES:

RECOMMENDATION: Rescind Resolution No. 2020-0056, which approved and authorized the President/CEO to negotiate and execute an agreement with MUFG Union Bank National Association (“Union Bank”) for merchant credit card services.

Adopt Resolution No. 2020-0069 approving and authorizing the President/CEO to negotiate and execute an agreement with Worldpay, LLC for merchant credit card services for a term of five years with five one-year options and a maximum amount payable not-to-exceed $16,000,000.

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

PUBLIC HEARINGS:

OLD BUSINESS:

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

17. APPROVAL AND ADOPTION OF THE OPERATING BUDGET FOR FISCAL YEAR 2021, THE CAPITAL PROGRAM FOR FISCAL YEARS 2021-2025, AND CONCEPTUAL APPROVAL OF THE OPERATING BUDGET FOR FISCAL YEAR 2022:

RECOMMENDATION: Adopt Resolution No. 2020-0070, approving and adopting the Authority’s Annual Operating Budget for Fiscal Year 2021, the Capital Program for Fiscal Years 2021-2025, and conceptually approving the Operating Budget for Fiscal Year 2022.

[ACTION: 9-0-0 to approve staff’s recommendation.]

The Board recessed at 10:00 a.m. and reconvened at 10:14 a.m.
CLOSED SESSION: The Board recessed into Closed Session at 10:15 a.m. to discuss Items 23, 24 and 33.

18. 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

19. 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

20. 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

21. 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

22. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: Quiet Skies San Diego v. San Diego County Regional Airport Authority
San Diego Superior Court Case No. 37-2020-00007998-CU-TT-CTL

23. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:
(Paragraph (1) of subdivision (d) of Section 54956.9)
Name of case: In re Hertz Global Holdings, Inc., Case No. 20-11219-MFW

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

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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

29. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:  
Property: Approximately 7.5 acres of land located on the north side of the San Diego International Airport property, north-east of Taxiway C  
Agency Negotiators: Scott Brickner, John Dillon, Hampton Brown, Eric Podnieks  
Negotiating Parties: AFCO, Chuck Stipancic  
Under Negotiation: price and terms of payment

30. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:  
Property: Airline Operating and Lease Agreement-San Diego International Airport  
Agency Negotiators: Kim Becker, Scott Brickner, John Dillon, Kathy Kiefer, Amy Gonzalez  
Under Negotiation: Price and Terms of Payment

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31. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Property: Food & Beverage and Retail Concession Leases - San Diego International Airport
Agency Negotiators: Kim Becker, Scott Brickner, Hampton Brown, Jim DeCock
Under Negotiation: Price and Terms of Payment

32. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Property: 3355 ADMIRAL BOLAND WAY, SAN DIEGO CA 92101
Agency Negotiators: Kim Becker, Scott Brickner, Hampton Brown, Lisa Poitras
Negotiating Parties: Avis Budget Rental Car LLC; Enterprise Rent-A-Car Company of Los Angeles, LLC; The Hertz Corporation, Fox Rent-A-Car, Inc.; Nevada Lease and Rentals, Inc. dba Payless Car Rental System; Sixt Rent A Car LLC; Advantage Opco, LLC dba Advantage Rent A Car
Under Negotiation: Price and Terms of Payment

33. **CONFERENCE WITH LABOR NEGOTIATORS:**
(Cal. Gov. Code section 54957.6)
Agency designated representatives: Angela Shafer-Payne, Lola Barnes, Greg Halsey, Rod Betts
Employee organization: California Teamsters Local 911

34. **THREAT TO PUBLIC SERVICES OR FACILITIES:**
Consultation with: General Counsel and President/CEO

**REPORT ON CLOSED SESSION:** The Board adjourned out of Closed Session at 12:02 p.m. Amy Gonzalez, General Counsel, reported that the Board met in Closed Session on May 21st to discuss the price and terms of payment for the Airline Operating and Lease Agreement. The Board voted to amend the Airline Operating and Lease Agreement to allow $10 million of the major maintenance funds for the FY 2020 and $30 million for FY 2021 to be deferred. She reported that the vote was unanimous, with all Board Members present.

**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:** None

**BOARD COMMENT:** None

**ADJOURNMENT:** The meeting adjourned at 12:02 p.m.