

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, FEBRUARY 4, 2010
BOARD ROOM**

CALL TO ORDER: Chairperson Gleason called the meeting of the San Diego County Regional Airport Authority Board to order at 9:00 a.m. on Thursday, February 4, 2010 in the Board Room at the San Diego International Airport, Commuter Terminal, 3225 North Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE: Board Member Cox led the pledge of allegiance.

ROLL CALL:

PRESENT: Board Members: Berman (Ex-Officio), Boland, Cox, Davies, Desmond, Finnila, Gleason, Panknin, Col. Richie (Ex-Officio), Smisek, Young

ABSENT: Board Members: None

ALSO PRESENT: Thella F. Bowens, President/CEO; Breton K. Lobner, General Counsel; Tony R. Russell, Director, Corporate Services/Authority Clerk; Sara Real, Assistant Authority Clerk I

Board Member Young arrived during the course of the meeting.

BOARD BUSINESS:

- **ADMINISTER OATH OR AFFIRMATION AND INSTALLATION OF A BOARD MEMBER:**
Tony R. Russell, Director, Corporate Services/Authority Clerk, administered the Oath of Office to Board Members Cox, Panknin and Young.
- **ELECTION OF THE VICE CHAIR OF THE BOARD AND APPOINTMENT OF AN EXECUTIVE COMMITTEE MEMBER:**
Board Members Desmond, Finnila and Panknin, members of the sub-regional city jurisdictions, concurred that Board Member Smisek be appointed to the Executive Committee.

ACTION: Moved by Board Member Finnila and seconded by Board Member Desmond to appoint Board Member Smisek as Vice Chair of the Board. Motion carried by the following vote: YES – Boland, Cox, Davies, Desmond, Finnila, Gleason, Panknin; NO – None; ABSENT – Young; ABSTAIN – Smisek. (Weighted Vote Points: YES – 76; NO – 0; ABSENT – 13; ABSTAIN - 11)

REPORT FROM CITIZEN COMMITTEE:

• **AIRPORT ADVISORY COMMITTEE:**

Rick Beach, First Vice Chair, Airport Advisory Committee, provided a report on the recent meeting of the Airport Advisory Committee, which included a presentation on the Ground Transportation Management Plan as it relates to concessions for taxis and vehicles for hire. He reported that two Ad Hoc Subcommittees were convened to review the plan, and three areas were identified as the requirements for a concession agreement: Customer service requirements, economic issues, and environmental issues. He further reported that the Regional Aviation Strategic Plan was reviewed.

PRESENTATIONS:

B. STATUS REPORT ON THE FIRST SIX MONTHS OF THE LIFE CYCLE MANAGEMENT PROGRAM:

Wayne Harvey, Director, Facilities Management, provided a presentation on the First Six Months of the Life Cycle Management Program, which included Water Savings, Electrical Savings, Commissioning, LEED Certification, and Financial Impact.

Board Member Panknin urged staff to go beyond LEED Certification and to work towards having a net zero facility.

A. REPORT ON THE AUTHORITY'S FINANCIAL CONDITION:

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the Authority's Financial Condition, which included Enplanements, Airport Parking Transactions, Car Rental License Fees, Liabilities and Net Assets, Revenues and Expenses, Operating Revenues, Operating Expenses, and Total Portfolio Summary.

PUBLIC COMMENT (18 MINUTES):

KAMRAN HAMIDI, SAN DIEGO, spoke in opposition to the Ground Transportation "trip tax".

ALEX GHEBRESELASSIE, SAN DIEGO, spoke in support of the Ground Transportation Management Plan.

CONSENT AGENDA:

ACTION: Moved by Board Member Smisek and seconded by Board Member Boland to approve the Consent Agenda. Motion carried by the following vote: YES – Boland, Cox, Davies, Desmond, Finnila, Gleason, Panknin, Smisek; NO – None; ABSENT – Young. (Weighted Vote Points: YES – 87; NO – 0; ABSENT - 13)

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the December 22, 2009 Special meeting, and the January 7, 2010 regular Board meeting.

2. ACCEPTANCE OF BOARD MEMBER'S 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 attendance at other meetings, trainings and events not covered by the current resolution.

3. FEBRUARY 2010 LEGISLATIVE REPORT:

RECOMMENDATION: Adopt Resolution No. 2010-0007, approving the February 2010 Legislative Report.

4. AMENDMENT TO AUTHORITY POLICY 1.50 (5) – GOVERNANCE AND COMMITTEES ESTABLISHING A BOARD COMMITTEE:

RECOMMENDATION: Adopt Resolution No. 2010-0008, amending Authority Policy 1.50(5), Governance and Committees to establish the Regional Aviation Strategic Plan (RASP) Committee.

CLAIMS

COMMITTEE RECOMMENDATIONS

5. ACCOUNTING AND USE OF CUSTOMER FACILITY CHARGES FOR CONSOLIDATED RENTAL CAR FACILITY:

RECOMMENDATION: The Finance Committee recommends that the Board adopt Resolution No. 2010-0019, clarifying the use of Customer Facility Charges related to the Consolidated Rental Car Facility.

CONTRACTS AND AGREEMENTS

6. AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM DECEMBER 8, 2009 THROUGH JANUARY 10, 2010 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM DECEMBER 8, 2009 THROUGH JANUARY 10, 2010:

RECOMMENDATION: Receive the report.

7. THIRD AMENDMENT TO THE INSURANCE BROKER SERVICES CONSULTING AGREEMENT WITH ALLIANT INSURANCE SERVICES, INC.:

RECOMMENDATION: Adopt Resolution No 2010-0009, approving the third amendment to the agreement with Alliant Insurance Services, Inc., 201007OS, increasing the maximum amount payable by \$38,000 for a not-to-exceed amount of \$190,000 over the entire term of the Agreement.

8. SECOND AMENDMENT TO THE INSURANCE BROKER SERVICES CONSULTING AGREEMENT WITH AON RISK SERVICES, INC.:

RECOMMENDATION: Adopt Resolution No 2010-0010, approving the second amendment to the agreement with Aon Risk Services, Inc., 201004OS, increasing the maximum amount payable by \$62,000 for a new maximum amount payable of \$310,000 over the entire term of the Agreement.

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

PUBLIC HEARINGS: None

OLD BUSINESS:

NEW BUSINESS:

9. AUTHORIZE CONTRACTS WITH RECOMMENDED ARTISTS TO DESIGN INTEGRATED ARTWORK FOR TERMINAL DEVELOPMENT PROGRAM:

Constance White, Art Program Manager, provided a presentation on the recommended artists to design integrated artwork for the Terminal Development Program.

Board Member Boland commented that no local artists were selected for these projects. He further stated that the Terminal Development Program Committee's preference is to use local firms as much as possible.

In response to Board Member Davies regarding preference being given to local artists, Ms. White stated that the terms of some of the RFP's limited the bidding to California artists only, and there was one that was limited to San Diego artists only for a project in Terminal 1. However, she stated that she was not at a point to bring the Terminal 1 project forward today.

RECOMMENDATION: The Art Advisory Committee recommends that the Board:

Adopt Resolution No. 2010-0012, awarding Camille Utterback the commission for the Terminal Development Program's Chill Zone Public Art Opportunity in an amount not to exceed \$300,000.

Adopt Resolution No. 2010-0013, awarding Norie Sato, principle artist of Sato Service LLC, the commission for the Terminal Development Program's Reflection Room Public Art Opportunity in an amount not to exceed \$216,000.

Adopt Resolution No. 2010-0014, awarding Mags Harries & Lajos Héder Collaborative the commission for the Terminal Development Program's Performance Venue Public Art Opportunity in an amount not to exceed \$306,000.

Adopt Resolution No. 2010-0015, awarding Roy McMakin the commission for the Terminal Development Program's Terminal 2 Pedestrian Bridges Public Art Opportunity in an amount not to exceed \$596,000.

Adopt Resolution No. 2010-0016, awarding Franka Diehnelt and Claudia Reisenberger, principle artists of Merge Conceptual Design, the commission for the Terminal Development Program's Departures/Arrivals Curbside Plazas Public Art Opportunity in an amount not to exceed \$510,000.

Adopt Resolution No. 2010-0017, awarding Mathew and Maria Salenger, principle artists of COLAB Studio LLC, the commission for the Terminal Development Program's United Service Organization Park and Gateway Public Art Opportunity in an amount not to exceed \$420,000.

ACTION: Moved by Board Member Boland and seconded by Board Member Panknin to approve staff's recommendation. Motion carried by the following vote: YES – Boland, Cox, Davies, Desmond, Finnila, Gleason, Panknin, Smisek; NO – None; ABSENT – Young. (Weighted Vote Points: YES – 87; NO – 0; ABSENT - 13)

10. PROVIDE DIRECTION TO STAFF ON IMPLEMENTATION OF VEHICLE CONVERSION INCENTIVE-BASED PROGRAM PURSUANT TO MEMORANDUM OF UNDERSTANDING WITH THE CALIFORNIA ATTORNEY GENERAL:

Angela Shafer-Payne, Vice President, Planning & Operations, provided a presentation on the Air Quality Management Plan Incentive-Based Program, which included Time Extension Granted by Attorney General(AG), Greenhouse Gas (GHG) Inventory, Annual Ground-Based GHG Emissions, Two Options in AG MOU, Mandatory Shuttle Conversion, Incentive-Based Program Option, Standardized Vehicle Age Replacement Policy, Consolidated Incentive for Courtesy Shuttles, and "Clean Air Vehicle" Option.

Board Member Cox disclosed ex parte communications with Jack Monger and Richard Abdala, San Diego Off Airport Association, to hear their concerns regarding the trip charge.

In response to Board Member Cox regarding how other airports address this issue, Paul Manasjan, Director, Environmental, stated that examples of mandatory incentive programs at other airports were reviewed. He further stated that the Authority's fees are in line with what is being charged at other airports.

Board Member Cox requested to see how the proposed program compares with other airports.

Board Member Desmond suggested that an incentive be provided for vehicles under seven years old to encourage a younger fleet.

Board Member Young arrived at 10:37 a.m.

In response to Board Member Panknin regarding what direction will be given to the Attorney General, Breton Lobner, General Counsel, stated that there is no approval provision outlined in the Memorandum of Understanding (MOU). He stated that the MOU states that the Attorney General would like to see meaningful development towards alternative fuel vehicles.

Board Member Finnila disclosed ex parte communications with Adrian Kwiatkowski.

ADRIAN KWIATKOWSKI, SAN DIEGO, San Diego Off Airport Parking Association, spoke regarding the business impact of the proposed program.

Board Member Cox stated that stakeholders should be allowed to give more direct input regarding the proposed program. He suggested that the Board consider the seven year vehicle replacement requirement, maybe lower the age limit and consider the type of car that is acceptable and the location of fueling stations.

Board Member Panknin suggested that the vehicles be referred to as "Alternative Clean Fuel Vehicles". He also suggested that taxis be taken out of the program and included in the proposed concession.

Board Member Finnila stated that the Authority needs to get the word out that San Diego is deficient in alternative fueling stations. She also suggested that the Board send it to the Advisory Committee for input prior to the March Board Meeting.

Board Member Desmond suggested that staff ensure that the Authority is adequately insured from liability, and that it be included in the next report.

RECOMMENDATION: Provide direction to staff.

The Board concurred to provide the following direction to staff:

1. Establish an incentive program target date of FY 2017 to achieve conversion of ground transportation provider vehicles to alternative fuel with the understanding that the feasibility will be re-assessed annually.
2. Standardize Vehicle Age Policy of 7 years by including hotel/motel courtesy and off-airport parking shuttles as vehicles subject to this requirement and clarify that the age of the vehicle is determined by the model year and provide incentive for a younger fleet.
3. Provide reduced user fees for hotel/motel courtesy fleets that consolidate into a single, dedicated operation.
4. Direct staff to include taxicabs in the definition of ground transportation providers in development of incentive plan.
5. Implement an incentive-based program for ground transportation vehicles that provides:
 - i. reduced user fees as annual flat rate and/or trip fees for alternative fuel vehicles (AFVs) and increased user fees as annual flat rates and/or trip fees for non-alternative fuel vehicles (NAFVs) at the following percentage rates per fiscal year:

Proposed Incentive Program Percentages¹

Fiscal Year	FY20 11	FY20 12	FY20 13	FY20 14	FY20 15	FY20 16	FY20 17	FY20 18
% Reduced user fees for AFVs	100%	100%	75%	50%	25%	10%	0%	0%
% Increased user fees for NAFVs	0%	0%	25%	50%	75%	100%	150%	200%

Additionally, the following direction was given:

- To include clean air vehicles under the California statutory definition.
- That the March report to the Board include information about specific stakeholder outreach and meetings to each affected stakeholder group.
- That the March report to the Board include other airport statistics, specifically regarding cost and other incentives.
- That the March report to the Board include, based on what the Authority is currently planning to implement in terms of the permit fees for FY 2011, a chart listing the actual dollars.

The Board recessed at 11:09 a.m. and reconvened at 11:17 a.m.

11. PRESENTATION ON THE REGIONAL AVIATION STRATEGIC PLAN – PROGRESS TO DATE:

Ted Anasis, Manager, Airport Planning, and Holland Young, Jacobs Consultancy, provided a presentation on the Regional Aviation Strategic Plan – Progress to Date, which included Projects Overview, Project Study Area, Strategic Assessment and Regional Demand Findings, Forecast and Demand, History Region-Wide Aviation Demand, and Base Case and Four Families of Preliminary Alternatives.

Board Member Finnilla stated that double tracking high speed rail has recently received stimulus money, and should be looked into. She requested to see the eight transit categories that were covered during the presentation. She further stated that the RASP is an advisory plan that provides findings, not recommendations.

Board Member Panknin stated that the RASP will provide a tool to the Authority to give an overall strategic vision for the airport network in San Diego County.

Board Member Smisek suggested that the smaller airlines be moved to the regional airports.

M.C. TUSSEY, SAN DIEGO, spoke regarding the deficiencies of the targets in the RASP and the need to have them be more well-defined.

RECOMMENDATION: Receive a presentation on the Regional Aviation Strategic Plan, describing progress to date.

The Board recessed at 12:07 p.m. and reconvened at 12:38 p.m.

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

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:** None
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:** None
- **FINANCE COMMITTEE:** None
- **TERMINAL DEVELOPMENT PROGRAM COMMITTEE:** None

AD HOC COMMITTEE

- **PORT DISTRICT AD HOC COMMITTEE:** None

LIAISONS

- **MILITARY AFFAIRS LIAISONS:** None
- **CALTRANS:** None

BOARD REPRESENTATIVES

- **SANDAG TRANSPORTATION COMMITTEE REPRESENTATIVE:**
Board Member Desmond stated that the Committee had a Board Retreat, and a presentation regarding high speed rail was provided.
- **SCAG AVIATION TASK FORCE:** None
- **WORLD TRADE CENTER:** None

CLOSED SESSION: The Board recessed into Closed Session at 12:43 P.M. to discuss Items 13, 14, 15, 16,17, 20, 21 and 22.

12. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION (Government Code Section 54956.9 (a)):

San Diego Unified Port District v. TDY Industries, Inc., et al., and related cross-actions. U.S. District Court, Southern District Case No. 03 CV 1146-B (POR).

- 13. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Real Property Negotiations pursuant to Cal. Gov. Code sections 54954.5(b) and section 54956.8.
Property: 1.15 acre parcel located at the northern terminus of 13th Street in Imperial Beach
Agency Negotiators: Vernon D. Evans, Vice President, Finance/Treasurer under
Negotiation: Sale – Terms of Payment and Conditions
- 14. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Real property negotiations pursuant to Cal. Gov. Code sections 54954.5(b) and section 54956.8.
Property: Salt Plant – 17 acre parcel located at 1470 Bay Boulevard, San Diego
Agency Negotiators: Vernon D. Evans, Vice President, Finance/Treasurer
Negotiating Parties: United States Fish and Wildlife Service, GGTW, LLC (current tenant) and/or other interested parties
Under Negotiation: Sale – terms and conditions
- 15. CONFERENCE WITH LABOR NEGOTIATORS:**
Labor negotiations pursuant to Cal. Gov. Code §54957.6.
Authority Designated Negotiators: Thella F. Bowens, President/CEO and Jeffrey Woodson, Vice President, Administration.
Employee Organization: Teamsters 911
- 16. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION**
Pursuant to Government Code section 54956.9(a):
Save Our Heritage Organization v. San Diego Unified Port District, et al., San Diego Superior Court Case No. 37-2009-00097828-CU-TT-CTL
- 17. CONFERENCE WITH LEGAL COUNSEL--EXISTING LITIGATION**
(Cal. Gov. Code Section 54956.9(a)):
San Diego Unified Port District v. Argonaut Insurance Company, et al, L.A.S.C. GIC 874394
- 18. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
Exposure to litigation pursuant to Cal. Gov. Code §54956.9(b). Number of potential cases: 1
- 19. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Real Property Negotiations pursuant to Cal Gov. Code §§ 54954.5(b) 54956.8
Property: 3.76 acre easement across MCRD property located on the Washington Street extension south of Pacific Highway, in the City of San Diego, CA .
Agency negotiators: Vernon Evans, Vice President, Finance/Treasurer and Troy Leech, Director, Real Estate Management.
Under Negotiation: Consideration of MCRD's request for exclusive use of portion of the easement.
- 20. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
Significant Exposure to litigation pursuant to Government Code section 54956.9(b):
1 potential case
Contract No. 300307(Group 3.7) - U.S. Window and Door

21. CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION:

Government Code section 54956.9(a)

Southern California Air Conditioning Supply Co., Inc. v. Raymond Basso, et al., San Diego Superior Court Case No. 37-2009-00100890-CL-CO-CTL

22. CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION:

Government Code section 54956.9(a)

San Diego County Regional Airport Authority v. Galaxy Rent-A-Car, Inc. et al., San Diego Superior Court Case No. 37-2009-00081661-CU-BC-CTL

REPORT ON CLOSED SESSION: The Board reconvened into open session at 1:50 P.M. Breton Lobner, General Counsel reported that, in regards to Items 13, 14, and 16 the Board discussed the items and there was no reportable action; in regards to Item 15, the Board provided direction to management to discuss with the union; in regards to Item 17, it was moved by Board Member Finnila and seconded by Board Member Smisek to authorize a settlement in the amount of \$725,000 to be paid by the insurance carriers, noting that Board Member Davies did not participate in the vote and the remaining Board Members voted in the affirmative; in regards to Items 20 and 21, it was moved by Board Member Cox and seconded by Board Member Boland and voted 9-0 to waive liquidated damages in the amount of \$71,600 with additional conditions; in regards to Item 22, it was moved by Board Member Young and seconded by Board Member Desmond, on a vote of 9-0 to settle the matter for \$650.

PUBLIC COMMENT:

GENERAL COUNSEL REPORT:

PRESIDENT/CEO REPORT:

Thella F. Bowens, President/CEO, stated that while it may appear that the Authority does not need certain resources because the balance sheet is healthy, any excess revenues go directly into funding the Authority's capital program. She stated that staff needs to make an effort to educate the public about the airport and its resources.


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:

Chairperson Gleason stated that he would be making Committee assignments for approval at the March Board meeting.


ADJOURNMENT: The meeting was adjourned at 1:54 P.M.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY BOARD THIS 4TH DAY OF MARCH, 2010.



TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:



BRETON K. LOBNER
GENERAL COUNSEL