

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, NOVEMBER 7, 2013
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM**

CALL TO ORDER: Chair Gleason called the regular meeting of the San Diego County Regional Airport Authority Board to order at 9:05 a.m. on Thursday, November 7, 2013, in the Board Room at the San Diego International Airport, Commuter Terminal, 3225 North Harbor Drive, San Diego, CA 92101.

ROLL CALL:

PRESENT: Board Members: Cox, Desmond, Farnam (Ex-Officio), Gleason, Hubbs, Sessom, Smisek

ABSENT: Board Members: Alvarez, Boland, Berman (Ex-Officio), Ortega (Ex-Officio), Robinson

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

PLEDGE OF ALLEGIANCE: Board Member Farnam led the Pledge of Allegiance.

PRESENTATION:

A. LIFECYCLE COST MANAGEMENT - A STRATEGIC APPROACH TO MANAGING OUR ENERGY AND WATER RESOURCES:

Iraj Ghaemi, Director, Facilities Development and Paul Manasjan, Director, Environmental provided a presentation on the Lifecycle Cost Management, which included, SDCRAA Sustainability Policy, Total Cost of Ownership, Problem: Escalating Costs, Solution: Lifecycle Cost Management, Lifecycle Cost Strategies, Strategic Energy Master Plan – Current Condition (1), Existing Power Distribution Systems, Current Condition (2), SDG&E 12kV Substations, Current Condition (3), SDG&E Cost Increases, Actions, and Recommendations.

Board Member Hubbs requested that staff provide a presentation to the Board at a future meeting, regarding the Management of Existing Facilities.

B. FINANCIAL UPDATE OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2013 AND 2012:

Vernon Evans, Vice President, Finance/Treasurer provided a presentation on the financial Update Of The Unaudited Financial Statements For The Three Months Ended September 30, 2013 and 2012, which included, Operating Revenue, Operating Expenses, Nonoperating Revenue and Expenses, Financial Summary, Statement of Net Position (Unaudited) as of September 30, 2013 .

Chair Gleason requested that staff provide an update of the Authority's Bond Covenants in future quarterly reports to the Board.

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

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:** None.
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:** Board Member Hubbs reported that staff provided an update to the Airport Noise Advisory Committee on the Rental Car Center way finding signage for the Rental Car Center and (RCC) Project and other Northside projects. He also reported that the test pile process has begun for the Rental Car Center, and that staff continues to work on the Guaranteed Maximum Price.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:** None.
- **FINANCE COMMITTEE:** None.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:** Board Member Smisek reported that the Advisory Committee met on October 30, 2013 regarding the plan for the Rental Car Center, way finding signage for the Rental Car Center, and other Northside projects.
- **ART ADVISORY COMMITTEE:** Chair Gleason noted Item 9 is on the Agenda for Board Approval. He reported that the pedestrian bridge sculptures are scheduled for installation by mid-December, and the Commuter Terminal east wall art installation is scheduled for the end of December. He reported that the ceiling project in Terminal 2 East was scheduled for installation in December. He also reported that temporary exhibits are scheduled for installation at the Commuter Terminal traffic island.

LIAISONS

- **AIRPORT LAND USE COMPATIBILITY PLAN FOR SAN DIEGO INTERNATIONAL AIRPORT:** None.
- **CALTRANS:** None.
- **INTER-GOVERNMENTAL AFFAIRS:**
Board Member Cox reported that on October 21st, staff met with and provided a briefing for staff members from Senator Hueso's Sacramento and San Diego offices. He reported that on October 28th, Chair Gleason, Thella F. Bowens, President/CEO, and Authority Staff provided an airport briefing and airfield tour for the Commanding General of the Marine Corps Recruit Depot, Brigadier General James Bierman and members of his staff. He also reported that Chair Gleason, Vice Chair Robinson, Thella F. Bowens, President/CEO, and Authority Staff provided County Supervisor Dianne Jacob and her staff a tour of Terminal 2. He also reported that Authority representatives are scheduled to provide a briefing and tour for Rear Admiral Patrick Lorge, Commander, Navy Region Southwest, and his staff on November 18th.
- **MILITARY AFFAIRS:** None.
- **PORT:**
Chair Gleason reported that he recently met with Port Chair, Ann Moore, Vice Chair Bob Nelson, and Dan Malcolm, Secretary, together with Vice Chair Robinson, and Board Member Cox, to discuss issues of mutual interest.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:**
Board Member Smisek reported that the Committee met on October 4, 2013 regarding evaluation criteria for future transportation projects. Board Member Hubbs reported that the Committee also met on October 18, 2013, regarding the commencement of the Environmental Impact Report for high occupancy vehicle lanes on State Route 94.
- **WORLD TRADE CENTER:**
Chair Gleason reported that the annual World Trade Center breakfast meeting is scheduled on December 6, 2013. He also reported that discussions are ongoing with the World Trade Center regarding the use of the building once the lease ends.

CHAIR'S REPORT:

Chair Gleason reported that the proposed 2014 Board and Committee schedule of meetings Calendar will be presented to the Board at its December Meeting. He also reported on the recent groundbreaking events for the Rental Car Center and Landmark Aviation Fixed Base Operator facility.

PRESIDENT/CEO'S REPORT:

Thella F. Bowens, President/CEO, reported that the Authority will be working with the World Trade Center on some of its missions, to coincide with the Authority's route development work. She reported that the Authority continues to receive accolades for the Green Build project, and that the Authority was the recipient of several awards for the Green Build project, including the Orchid Award, 2013 Design Build Award, and the World Routes Award for Air Service Development. She announced that the Concession Development Program opened its 56th store this month, Banker's Hill.

NON-AGENDA PUBLIC COMMENT: None.

CONSENT AGENDA (Items 1-13):

ACTION: Moved by Board Member Desmond and seconded by Board Member Smisek to approve the Consent Agenda. Motion carried by the following vote: YES – Cox, Desmond, Gleason, Hubbs, Sessom, Smisek; NO – None; ABSENT – Alvarez, Boland, Robinson (Weighted Vote Points: YES – 66; NO – 0; ABSENT – 34).

1. **APPROVAL OF MINUTES:**
RECOMMENDATION: Approve the minutes of the October 3, 2013 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 SEPTEMBER 9, 2013 THROUGH OCTOBER 13, 2013 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM SEPTEMBER 9, 2013 THROUGH OCTOBER 13, 2013:**
RECOMMENDATION: Receive the report.

4. **NOVEMBER 2013 LEGISLATIVE REPORT:**
RECOMMENDATION: Adopt Resolution No. 2013-0121, approving the November 2013 Legislative Report.

5. **APPROVE THE REVISED DISADVANTAGED BUSINESS ENTERPRISE PROGRAM PLAN, TO INCLUDE THE SMALL BUSINESS ELEMENT; AND REVISED AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE PROGRAM PLAN:**
RECOMMENDATION: Adopt Resolution No. 2013-0122, approving the revised Disadvantaged Business Enterprise Program Plan; and

Adopt Resolution No. 2013-0123, approving the revised Airport Concession Disadvantaged Business Enterprise Program Plan.

CLAIMS

6. **REJECT THE CLAIM OF AHMED OVAIS:**
RECOMMENDATION: Adopt Resolution No. 2013-0124, rejecting the claim of Ahmed Ovais.

COMMITTEE RECOMMENDATIONS

7. **ACCEPT THE UNAUDITED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2013:**
RECOMMENDATION: The Finance Committee recommends that the Board accept the report.

8. **ACCEPT THE AUTHORITY'S INVESTMENT REPORT AS OF SEPTEMBER 30, 2013:**
RECOMMENDATION: The Finance Committee recommends that the Board accept the report.

CONTRACTS AND AGREEMENTS

9. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A THIRD AMENDMENT TO THE PUBLIC ART AGREEMENT WITH WHITE LIGHT, INC. FOR THE TERMINAL 2 GREEN BUILD PUBLIC ART PROJECT JOURNEY:**
RECOMMENDATION: Adopt Resolution No. 2013-0125, approving and authorizing the President/CEO to execute a Third Amendment to the Public Art Agreement with White Light, Inc. to extend the term for an additional six months resulting in a termination date of January 10, 2014.

10. **AUTHORIZE THE PRESIDENT/CEO TO INCREASE THE CONTRACT TIME FOR TERMINAL DEVELOPMENT PROGRAM CONTRACT 1: TERMINAL 2 WEST BUILDING AND AIRSIDE EXPANSION:**
RECOMMENDATION: Adopt Resolution No. 2013-0126, authorizing the President/CEO to increase the contract time, from 946 days to 1247 days, for Project No. 201301, Terminal Development Program Contract 1: Terminal 2 West Building and Airside Expansion, at San Diego International Airport.
11. **GRANT A GAS LINE EASEMENT TO SAN DIEGO GAS & ELECTRIC:**
RECOMMENDATION: Adopt Resolution No. 2013-0127, authorizing the President/CEO to negotiate and execute a gas line easement with San Diego Gas & Electric in support of the Rental Car Center, Fixed Base Operation and other north side developments.
12. **GRANT EASEMENTS FOR ELECTRICAL AND PUBLIC ACCESS TO THE CITY OF SAN DIEGO:**
RECOMMENDATION: Adopt Resolution No. 2013-0128, authorizing the President/CEO to negotiate and execute two easements with the City of San Diego for an electrical traffic loop and a public access in support of the North Side Interior Road & Utilities project.

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

13. **AWARD A CONTRACT TO S&L SPECIALTY CONTRACTING INC., FOR QUIETER HOME PROGRAM PHASE 7, GROUP 6 (34 EAST SIDE, HISTORIC AND NON-HISTORIC UNITS AND 7 WEST SIDE, SINGLE FAMILY RESIDENCES ON 11 PROPERTIES):**
RECOMMENDATION: Adopt Resolution No. 2013-0129, awarding a contract to S&L Specialty Contracting Inc., in the amount of \$1,329,950, for Phase 7, Group 6, Project No. 380706, of the San Diego County Regional Airport Authority's Quieter Home Program.

The Board recessed at 10:10 a.m. and reconvened at 10:13 a.m.

PUBLIC HEARINGS: None.

OLD BUSINESS: None.

NEW BUSINESS: None.

CLOSED SESSION: The Board recessed into Closed Session at 10:14 a.m. to discuss Items 14, 15, 16, 18 and 21.

- 14. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Real property negotiations pursuant to Cal. Gov. Code §54954.5(b) and §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 REAL PROPERTY NEGOTIATORS:**
Real property negotiations pursuant to Cal. Gov. Code §§ 54954.5(b) and 54956.8.
Property: Landmark Aviation.
Agency negotiator: Vernon D. Evans, Eric Podnieks and Troy Leech.
Negotiating parties: Landmark Aviation (current tenant).
Under negotiation: Amendment of terms of Lease regarding site development.
- 16. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**
(Cal. Gov. Code Section 54956.9(A))
Diego Concession Group, Inc. v. San Diego County Regional Airport Authority S.D.S.C Case No. 37-2012-00088083-CU-BT-CTL
- 17. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**
(Cal. Gov. Code §54956.9(A))
Melvin R. McFarlin v. San Diego County Regional Airport Authority, et al., San Diego Superior Court Case No. 37-2013-00066152-CU-OE-CTL
- 18. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
Initiation of litigation pursuant to subdivision (c) of §54956.9: (2 cases)
- 19. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
Significant exposure to litigation pursuant to Cal. Gov. Code §54956.9(b):
Kelly Lancaster, David Boenitz, Mary Erickson and Richard Gilb, et al v. SDCERS, San Diego Sup. Court Case No. 37-2011-G0096238-CU-PO-CT
Number of cases: 1

- 20. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
Significant exposure to litigation (Cal. Gov. Code §§ 54956.9 (b) and 54954.5)
Number of potential cases: 1
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
- 21. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION:**
Significant exposure to litigation (Cal.Gov.Code §54956.9(d))
Number of Cases: 1
Individual Members Adan Topete, Derrick Phillips, Manuel Aguilar, Jose Topete, Alexander Weir, Candido Bautista, Francisco Arrendondo, Juan Murillo and Laborers' International Union of North America Local Union No. 89, Applicants – Application to Stay Implementation of the September 5, 2013 FONSI/ROD for San Diego International Airport Master Plan Northside Improvements Project- Application to the United States Department of Transportation, Federal Aviation Administration

REPORT ON CLOSED SESSION: The Board reconvened into Open Session at 10:49 a.m. Chair Gleason reported that in regard to Item 14, the Board voted to approve the sale of the property for \$1.375 million to SDG&E or its assignee upon the terms and conditions in the term sheet negotiated by the parties. No further action was taken.

NON-AGENDA PUBLIC COMMENT: None.

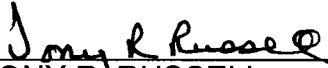
GENERAL COUNSEL REPORT: None.

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 10:50 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL
AIRPORT AUTHORITY BOARD THIS 12th DAY OF DECEMBER, 2013.



TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:



BRETON K. LOBNER
GENERAL COUNSEL