

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, JUNE 7, 2012
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM**

CALL TO ORDER: Chair Gleason called the meeting of the San Diego County Regional Airport Authority Board to order at 9:04 A.M. on Thursday, June 7, 2012, 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: Berman (Ex Officio), Cox, Desmond, Gleason, Hubbs, Panknin, Smisek, Young

ABSENT: Board Members: Boland, Reyes (Ex Officio), Richie (Ex Officio), Robinson

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

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

NON-AGENDA PUBLIC COMMENT: None

PRESENTATIONS:

- A. UPDATE ON THE SAN DIEGO INTERNATIONAL AIRPORT AIRCRAFT RESCUE AND FIRE FIGHTING (ARFF) SERVICES:**
George Condon, Director, Aviation Operations and Public Safety, provided a presentation on the San Diego International Airport Aircraft Rescue and Firefighting Services, which included Federal Aviation Administration (FAA) Established ARFF Requirements, City of San Diego Fire Fighters, SDIA ARFF Station, and ARFF Vehicles, ARFF Responsibilities, and the ARFF Contract.

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

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:**
Board Member Smisek reported that the Committee met in May, and conducted the semi-annual review of the Chief Auditor.

- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
Board Member Desmond reported that the Committee met on May 16 and discussed the goals and objectives for the President/CEO and General Counsel, and that the next meeting of the Committee will be on June 29, 2012.
- **FINANCE COMMITTEE:** None
- **TERMINAL DEVELOPMENT PROGRAM COMMITTEE:**
Thella F. Bowens, President/CEO, noted the successful installation of the pedestrian bridges.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:** None
- **ART ADVISORY COMMITTEE:** None

LIAISONS

- **AIRPORT LAND USE COMPATIBILITY PLAN FOR SAN DIEGO INTERNATIONAL AIRPORT:** None
- **CALTRANS:**
Board Member Berman reported that Malcolm Dougherty has been appointed as the permanent Director.
- **INTER-GOVERNMENTAL AFFAIRS:**
Board Member Cox reported that on May 8, Vice Chair Panknin provided an update to the El Cajon City Council. He reported that on May 29, Authority staff provided an Airport Land Use Compatibility Plan update to Senator Barbara Boxer's office. He also reported that on June 4, Authority staff provided a briefing and airport tour to Congressman Duncan Hunter's Chief of Staff and Deputy Chief of Staff.
- **MILITARY AFFAIRS:** None
- **PORT:** None

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:**
Board Member Smisek reported that the last meeting's discussions centered around the Bus Rapid Transit routing within the City of San Diego and a location of a rest stop.

- **WORLD TRADE CENTER:**

Board Member Panknin reported that the International Business Mixer would be held today at 5:00 p.m. and he encouraged all Board Members to attend.

CHAIR'S REPORT:

Chair Gleason reported that there would be no August Board meeting.

PRESIDENT/CEO'S REPORT:

Thella F. Bowens, President/CEO, reported that Alaska Airlines held a large media event to unveil their new Aztec 1 Q400 turboprop plane in San Diego State University colors, in conjunction with the beginning of new air service to Fresno/Yosemite, Monterey and Santa Rosa/Sonoma. She also reported that the Authority is the recipient of a number of awards: from Airports Council International North America (ACI-NA) - first place for the public relations campaign for the Green Build, first place for promotional items for the airport mural at Junior Achievement at Biztown, and second place for aviation and tours for the YMCA Camps. She also reported that the Authority received the 2012 Gold Saber award for marketing and outreach for the Green Build; as well as a 2012 design-build award for the Green Build contract from the Design-Build Institute of America.

NON-AGENDA PUBLIC COMMENT:

CHUCK STIPANCIC, DULLES, VIRGINIA, developer for the Central Receiving and Distribution Center, provided an update on the project.

CONSENT AGENDA (Items 1-12):

In response to Chair Gleason regarding Items 10 and 11, Thella F. Bowens, President/CEO, noted that the on-call agreements are for very specific types of services and that there is no overlap. She stated that staff would provide a memo to the Board regarding the use of these types of agreements.

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, Panknin, Smisek, Young; NO – None; ABSENT – Boland, Robinson. (Weighted Vote Points: YES – 79; NO – 0; ABSENT – 21)

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the May 3, 2012, 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 APRIL 9, 2012, THROUGH MAY 13, 2012, AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM APRIL 9, 2012, THROUGH MAY 13, 2012:**
RECOMMENDATION: Receive the report.
4. **JUNE 2012 LEGISLATIVE REPORT:**
RECOMMENDATION: Adopt Resolution No. 2012-0058, approving the June 2012 Legislative Report.

CLAIMS

COMMITTEE RECOMMENDATIONS

5. **REQUIRED COMMUNICATIONS FROM THE EXTERNAL AUDITOR TO THE AUDIT COMMITTEE ON THE FISCAL YEAR ENDED JUNE 30, 2012, FINANCIAL AND COMPLIANCE AUDIT:**
RECOMMENDATION: The Audit Committee recommends that the Board accept the information.
6. **FISCAL YEAR 2012 THIRD QUARTER AUDIT ACTIVITIES REPORT, AND REPORT ON AUDIT RECOMMENDATIONS ISSUED BY THE OFFICE OF THE CHIEF AUDITOR:**
RECOMMENDATION: The Audit Committee recommends that the Board accept the report.
7. **FISCAL YEAR 2013 PROPOSED AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:**
RECOMMENDATION: The Audit Committee recommends that the Board approve the plan.
8. **REVIEW AND APPROVAL OF AMENDMENTS TO AUTHORITY POLICY 4.20 - GUIDELINES FOR PRUDENT INVESTMENTS, AND DELEGATION OF AUTHORITY TO INVEST AND MANAGE AUTHORITY FUNDS TO THE VICE PRESIDENT, FINANCE/TREASURER:**
RECOMMENDATION: The Finance Committee recommends that the Board adopt Resolution No. 2012-0059, approving amendments to Authority Policy 4.20 – Guidelines for Prudent Investments, and delegation of authority to invest and manage Authority funds to the Vice President, Finance/Treasurer.

**9. REVIEW AND APPROVAL OF AMENDMENTS TO AUTHORITY POLICY
4.40 – DEBT ISSUANCE AND MANAGEMENT:**

RECOMMENDATION: The Finance Committee recommends that the Board adopt Resolution No. 2012-0060, approving amendments to Authority Policy 4.40 – Debt Issuance and Management.

CONTRACTS AND AGREEMENTS

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

**10. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE TWO
ON-CALL AIRSIDE/LANDSIDE ARCHITECT AND ENGINEERING
CONSULTING SERVICES AGREEMENTS:**

RECOMMENDATION: Adopt Resolution No. 2012-0061, approving and authorizing the President/CEO to execute an On-Call Airside/Landside Architect and Engineering Consultant Services Agreement with Hatch Mott MacDonald, LLC, for a term of three years, with the option for two one-year extensions, in an amount not-to-exceed \$5,000,000, in support of the Capital Improvement and Major Maintenance Programs, at San Diego International Airport.

Adopt Resolution No. 2012-0062, approving and authorizing the President/CEO to execute an On-Call Airside/Landside Architect and Engineering Consultant Services Agreement with VA Consulting, Inc., for a term of three years, with the option for two one-year extensions, in an amount-not-to exceed \$5,000,000, in support of the Capital Improvement and Major Maintenance Programs, at San Diego International Airport.

**11. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE
THREE ON-CALL MATERIAL TESTING, SPECIAL INSPECTION, AND
GEOTECHNICAL SERVICE AGREEMENTS:**

RECOMMENDATION: Adopt Resolution No. 2012-0063, approving and authorizing the President/CEO to execute an On-Call Material Testing, Special Inspection, and Geotechnical Service Agreement with AMEC Environmental and Infrastructure, Inc., for a term of three years, with the option for a one-year extension, in an amount not-to-exceed \$3,500,000, to support the Capital Improvement and Major Maintenance Programs.

Adopt Resolution No. 2012-0064, approving and authorizing the President/CEO to execute an On-Call Material Testing, Special Inspection, and Geotechnical Service Agreement with Kleinfelder West, Inc., for a term of three years, with the option for a one-year extension, in an amount not-to-exceed \$3,500,000, to support the Capital Improvement and Major Maintenance Programs.

Adopt Resolution No. 2012-0065, approving and authorizing the President/CEO to execute an On-Call Material Testing, Special Inspection, and Geotechnical Service Agreement with Ninyo & Moore Geotechnical & Environmental Sciences Consultants, for a term of three years, with the option for a one-year extension, in an amount not-to-exceed \$3,500,000, to support the Capital Improvement and Major Maintenance Programs.

12. AWARD A CONTRACT TO FLATIRON WEST, INC., TO CONSTRUCT WASHINGTON STREET ACCESS IMPROVEMENTS, AT SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2012-0066, awarding a contract to Flatiron West, Inc., in the amount of \$2,873,776.00, for Project No. 104124, Washington Street Access Improvements at San Diego International Airport.

PUBLIC HEARINGS: None

OLD BUSINESS: None

NEW BUSINESS:

13. ADOPTION OF THE OPERATING BUDGET FOR FISCAL YEAR 2013 AND THE CAPITAL PROGRAM FOR FISCAL YEARS 2013-2017 AND CONCEPTUAL APPROVAL OF THE OPERATING BUDGET FOR FISCAL YEAR 2014:

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the FY 2013 Proposed Budget and FY 2014 Proposed Conceptual Budget, which included the Revenue Budget Overview, the Expense Budget Overview, the Capital Budget Summary, Proposed FY 2013-2017 Capital Projects, and the Plan of Finance.

CARELYN REYNOLDS, SAN DIEGO, San Diego County Airport Shuttle Association, requested that the Board issue a moratorium on all items in the budget that relate to ground transportation fees and fee collection. She stated that the annual reassessment is needed.

JEFF MARSTON, SAN DIEGO, San Diego County Airport Shuttle Association, requested that the Board issue a moratorium on all ground transportation billings and fees. He stated that a workshop is needed with all stakeholders, Board members and staff.

LISA MCGHEE, SAN DIEGO, spoke regarding ground transportation fees and requested to meet with staff.

Board Member Young left the dais at 9:55 a.m.

Chair Gleason clarified that the ground transportation item moved to July is regarding the update on the Memorandums of Understanding and is separate from the discussion of the trip fees. He stated that it was never his intention to review the calculations and methodology again.

Board Member Desmond requested that the item regarding the operation of the ramp tower on the September agenda be an agenda item rather than a presentation so that the Board can have a discussion and seek advice.

RECOMMENDATION: Adopt Resolution No. 2012-0067, approving the Authority's Annual Operating Budget for Fiscal Year 2013 and the Capital Program for Fiscal Years 2013-2017, and conceptually approving the operating budget for Fiscal Year 2014.

ACTION: Moved by Board Member Desmond and seconded by Board Member Panknin to approve staff's recommendation. Motion carried by the following vote: YES – Cox, Desmond, Gleason, Hubbs, Panknin, Smisek; NO – None; ABSENT – Boland, Robinson, Young. (Weighted Vote Points: YES – 66; NO – 0; ABSENT – 34)

14. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN ARCHITECT AND ENGINEERING CONSULTANT SERVICES AGREEMENT SUPPORTING THE CONRAC DEVELOPMENT PROJECT:** Iraj Ghaemi, Director, Facilities Development, provided a report on the contract award supporting the CONRAC development project.

RECOMMENDATION: Adopt Resolution No. 2012-0068, approving and authorizing the President/CEO to execute a Consolidated Rental Car Facility ("ConRAC") Development Architect and Engineering Consultant Services Agreement with Demattei Wong Architecture, Inc., for a term of four years, with the option for a one-year extension, in an amount not-to-exceed \$10,000,000, in support of the ConRAC Development Project, at San Diego International Airport.

ACTION: Moved by Board Member Desmond and seconded by Board Member Cox to approve staff's recommendation. Motion carried by the following vote: YES – Cox, Desmond, Gleason, Hubbs, Panknin, Smisek; NO – None; ABSENT – Boland, Robinson, Young. (Weighted Vote Points: YES – 66; NO – 0; ABSENT – 34)

15. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AMENDMENT NO. 1 TO THE AMENDED AND RESTATED SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY RETIREMENT PLAN AND TRUST OF 2008:

Breton Lobner, General Counsel, provided a report on the amendment to the amended and restated San Diego County Regional Airport Authority Retirement Plan and Trust of 2008.

Board Member Young returned to the dais at 10:10 a.m.

RECOMMENDATION: Adopt Resolution No. 2012-0069, approving and authorizing the President/CEO to execute Amendment No. 1 to the Amended and Restated San Diego County Regional Airport Authority Retirement Plan and Trust of 2008.

ACTION: Moved by Board Member Desmond and seconded by Board Member Smisek to approve staff's recommendation. Motion carried by the following vote: YES – Cox, Desmond, Gleason, Hubbs, Panknin, Smisek, Young; NO – None; ABSENT – Boland, Robinson. (Weighted Vote Points: YES – 79; NO – 0; ABSENT – 21)

The Board recessed at 10:12 a.m. and reconvened at 10:50 a.m.

CLOSED SESSION: The Board recessed into Closed Session at 10:50 a.m. to discuss items 19, 24, 25, 26, 27, 30 and 31.

16. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:

(Government Code 54957):
Title: President/CEO

17. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:

(Government Code 54957):
Title: General Counsel

18. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:

(Government Code Section 54957)
Title: Chief Auditor

19. CONFERENCE WITH LABOR NEGOTIATOR:

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

- 20. 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
- 21. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Legal Authority: Real property negotiations pursuant to Cal. Gov. Code § 54954.5(b) and § 54956.8
Property: 4347 North Harbor Drive, San Diego, CA 92101
Authority Negotiators: Vernon D. Evans, Vice President, Finance/Treasurer and Troy Ann Leech
Negotiating Party: City of San Diego
Under Negotiation: Terms and conditions of purchase
- 22. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Cal. Gov. Code §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)
- 23. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Cal. Gov. Code §54956.9(a)):
City of San Diego, Historical Resources Board: In re: Western Salt Company Salt Works, Report No. HRB-08-005
- 24. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Cal.Gov. Code §54956.9(a)):
West Tech, Inc. v. San Diego County Regional Airport Authority, et al., L.A.S.C 37-2010-00106565-CU-BC-CTL
- 25. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION**
(Cal.Gov.Code §54956.9(a))
Ann Marie Tejcek v. San Diego County Regional Airport Authority, et al. LASC No. 37-2011-00102856-CU-PO-CTL

26. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**
(Cal. Gov. Code § 54956.9(a))
Jacob Mojadam, individually and on behalf of all those similarly situated v. San Diego County Regional Airport Authority, et al
San Diego Superior Court Case No. 37-2012-00098040-CU-MC-CTL
27. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
Initiation of litigation pursuant to subdivision (c) of §54956.9: (1 case)
28. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
Significant exposure to litigation pursuant to Cal. Gov. Code §54956.9(b) [Number of cases: 1] and §54956.9(b)(3)(C) [Liability claim against Authority by Theresa, Warren & Carl Hopkins]
29. **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
30. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
Initiation of litigation pursuant to subdivision (c) of Section 54956.9: (1 case)
31. **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 Bay

REPORT ON CLOSED SESSION: The Board reconvened at 12:59 p.m. There was no reportable action.

NON-AGENDA PUBLIC COMMENT: 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

GENERAL COUNSEL REPORT: None

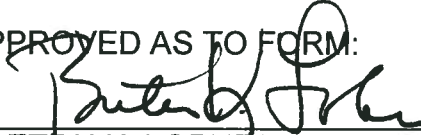
ADJOURNMENT: The Board adjourned at 1:00 p.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY BOARD THIS 12th DAY OF JULY, 2012.



TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:



BRETON K. LOBNER
GENERAL COUNSEL