

**DRAFT**

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD  
MINUTES**

**THURSDAY, NOVEMBER 1, 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 9:06 A.M. on Thursday, November 1, 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), Boland, Cox, Desmond, Gleason, Hubbs, Robinson, Smisek, Young

**ABSENT:** Board Members: Panknin, Reyes (Ex Officio)

**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

*Board Member Young arrived during the course of the meeting.*

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

**PRESENTATION:**

**A. FINANCIAL UPDATE FOR THE THREE MONTHS ENDED  
SEPTEMBER 30, 2012:**

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the Unaudited Financial Statements for the Three Months Ended September 30, 2012, which included Operating Revenue, Operating Expenses, Financial Summary, Non-operating Revenue and Expenses, Balance Sheets (Unaudited), Total Portfolio Summary, and Bond Proceeds Summary.

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

***STANDING BOARD COMMITTEES***

• **AUDIT COMMITTEE:**

Board Member Smisek announced that the next meeting of the Audit Committee is November 19, 2012.

- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**  
Board Member Desmond noted that the Committee would convene following the Board Meeting.
- **FINANCE COMMITTEE:** None.
- **TERMINAL DEVELOPMENT PROGRAM COMMITTEE:**  
Board Member Boland reported that the Terminal Development project continues to be on budget and on schedule. He provided an overview of the progress. He also reported that the Committee will be recommending a change to the name and scope of the Terminal Development Committee at the December Board meeting.

### **ADVISORY COMMITTEES**

- **AUTHORITY ADVISORY COMMITTEE:**  
Thella Bowens, President/CEO, reported that the Authority Advisory Committee recently met to discuss the forecast for the Airport Development Plan.
- **ART ADVISORY COMMITTEE:**  
Chair Gleason stated that a revised draft Art Policy is being proposed by the Committee for Board consideration at a future meeting. He noted that Item 7 is on the agenda for Board approval, and reported that the Performance Cube Project public art opportunity was terminated.

### **LIAISONS**

- **AIRPORT LAND USE COMPATIBILITY PLAN FOR SAN DIEGO INTERNATIONAL AIRPORT:**  
Board Member Robinson stated that staff will be providing a report to the Commission during its meeting.
- **CALTRANS:**  
Board Member Berman announced the completion of the Martin Luther King Junior mural at the 94 freeway near Home Avenue. She announced that the Nordahl Road Bridge replacement project was near completion.
- **INTER-GOVERNMENTAL AFFAIRS:**  
Board Member Cox reported that during the month of October, Authority staff met with Senator Christine Kehoe's office, representatives of the U.S. Navy, and Councilman Kevin Faulconer's staff; and Authority staff was scheduled to meet with Congresswoman Susan Davis' staff and Assembly member Toni Atkins. Additionally, he stated that staff is working to coordinate an airport briefing and Green Build tour in December for state legislators.

- **MILITARY AFFAIRS:**  
Board Member Boland noted that construction is underway on Gate 5 at Washington Street.
- **PORT:** None.

***BOARD REPRESENTATIVES (EXTERNAL)***

- **SANDAG TRANSPORTATION COMMITTEE:**  
Board Member Smisek stated that the next meeting of the Committee was scheduled for November 9<sup>th</sup>.
- **WORLD TRADE CENTER:**  
Thella Bowens, President/CEO, reported that recruitment for a new World Trade Center CEO was nearing completion.

**CHAIR'S REPORT:**

Chair Gleason noted a 10:00 a.m. start time for the December 13<sup>th</sup> Board Meeting.

**PRESIDENT/CEO'S REPORT:**

Thella Bowens, President/CEO, reported that Hurricane Sandy caused the cancellation of flights and stated that the Airport utilized its social medial tools to provide flight status outreach to passengers. She reported that the Airport was the recent recipient of the Green Taxi Initiative Award, and an Environmental Excellence Award. She announced that a gate ceremony was scheduled for Spirit Airlines on November 8<sup>th</sup>, to inaugurate services between San Diego and Cabo.

**NON-AGENDA PUBLIC COMMENT:**

FRANCISCO PINEDA, SAN DIEGO, spoke regarding contract negotiations with FlagShip, and requested the Board's support.

**CONSENT AGENDA (See Page 8 for Reconsideration Vote):**

Chair Gleason requested that Item 9 be removed from the Consent Agenda for discussion.

Board Member Boland requested that Item 4 be removed from the Consent Agenda for discussion.

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

1. **APPROVAL OF MINUTES:**  
RECOMMENDATION: Approve the minutes of the September 21, 2012, special meeting, and the October 4, 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 SEPTEMBER 10, 2012 THROUGH OCTOBER 7, 2012 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM SEPTEMBER 10, 2012 THROUGH OCTOBER 7, 2012:**  
RECOMMENDATION: Receive the report.
4. **NOVEMBER 2012 LEGISLATIVE REPORT:**  
ACTION: This item was removed from the Consent Agenda for discussion.

#### **CLAIMS**

#### **COMMITTEE RECOMMENDATIONS**

5. **REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2012:**  
RECOMMENDATION: The Finance Committee recommends that the Board accept the report.
6. **REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF SEPTEMBER 30, 2012:**  
RECOMMENDATION: The Finance Committee recommends that the Board accept the report.

7. **AUTHORIZE CONTRACTS WITH RECOMMENDED ARTISTS TO DESIGN INTEGRATED ARTWORK FOR THE RENTAL CAR CENTER:**  
**RECOMMENDATION:** The Art Advisory Committee recommends that the Board adopt Resolution No. 2012-0117, authorizing contracts with recommended artists to design integrated artwork for the Rental Car Center.
8. **NUMBER NOT USED.**

***CONTRACTS AND AGREEMENTS***

9. **AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AMENDMENTS TO CONCESSION LEASES FOR MODIFICATIONS TO LEASED PREMISES:**  
**ACTION:** This item was removed from the Consent Agenda for discussion.

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

10. **SECOND AMENDMENT TO THE OWNER CONTROLLED INSURANCE PROGRAM (OCIP) INSURANCE BROKER SERVICES CONSULTING AGREEMENT WITH MARSH RISK AND INSURANCE SERVICES:**  
**RECOMMENDATION:** Adopt Resolution No 2012-0120, approving the second amendment to the OCIP Insurance Broker Services Consulting Agreement with Marsh Risk and Insurance Services to amend the scope of services to include insurance broker services associated with the Rental Car Center project, and to increase the amount payable under the agreement by \$138,888.00, for a new total not-to-exceed amount of \$1,341,397.93.
11. **AWARD A CONTRACT TO S&L SPECIALTY CONTRACTING, INC. FOR QUIETER HOME PROGRAM PHASE 6, GROUP 9 (28 WEST SIDE, NON-HISTORIC, CONDOMINIUM UNITS):**  
**RECOMMENDATION:** Adopt Resolution No. 2012-0121, awarding a contract to S&L Specialty Contracting, Inc. in the amount of \$1,024,550, for Project No. 380609, for Phase 6, Group 9 (28 West Side, Non-Historic Condominium Units) of the San Diego County Regional Airport Authority's Quieter Home Program.

**12. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE TWO ON-CALL AIRPORT TERMINAL AND BUILDING ARCHITECTURAL AND ENGINEERING CONSULTING SERVICES AGREEMENTS:**

**RECOMMENDATION:**

Adopt Resolution No. 2012-0122, approving and authorizing the President/CEO to execute an On-Call Airport Terminal and Building Architectural and Engineering Consultant Services Agreement with Westgroup Designs, Inc., in an amount not-to-exceed \$5,000,000 for a term of three years, with the option for two one-year extensions at the sole discretion of the President/CEO, in support of the Capital Improvement and Major Maintenance Programs at the San Diego International Airport.

Adopt Resolution No. 2012-0123, approving and authorizing the President/CEO to execute an On-Call Airport Terminal and Building Architectural and Engineering Consultant Services Agreement with RJC Architects, Inc. in an amount not-to-exceed \$5,000,000 for a term of three years, with the option for two one-year extensions at the sole discretion of the President/CEO, in support of the Capital Improvement and Major Maintenance Programs at the San Diego International Airport.

**12. AWARD A CONTRACT TO SOLPAC CONSTRUCTION, INC. D.B.A. SOLTEK PACIFIC CONSTRUCTION COMPANY, TO UPGRADE TERMINAL 2 EAST: GATE 25-GATE 27 HOLDROOMS AT SAN DIEGO INTERNATIONAL AIRPORT:**

**RECOMMENDATION:** Adopt Resolution No. 2012-0124, awarding a contract to Solpac Construction, Inc., d.b.a. Soltek Pacific Construction Company, in the amount of \$11,941,000 for Project No. 104056 to upgrade Terminal 2 East Facility: Gate 25-Gate 27 Holdrooms at the San Diego International Airport.

**ITEM PULLED FROM THE CONSENT AGENDA:**

**4. NOVEMBER 2012 LEGISLATIVE REPORT:**

Board Member Boland spoke in support of H.R. 6328 (Hochul) - Clothe a Homeless Hero Act, which, if passed, would provide unclaimed clothing recovered at airport security checkpoints, to local veterans organizations and other local charitable organizations. He also spoke in support of H.R. 2179 (Miller) – Transportation Security Administration (TSA) Transfer of Unclaimed Funds Act, which, if passed, would transfer unclaimed money recovered by airport security checkpoints to local United Service Organizations.

**RECOMMENDATION:** Adopt Resolution No. 2012-0116, approving the November 2012 Legislative Report.

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

**9. AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AMENDMENTS TO CONCESSION LEASES FOR MODIFICATIONS TO LEASED PREMISES:**

Chair Gleason suggested adding language in the resolution that defines minor changes in the leased premises, to include, changes to the agreements that are limited to increases or decreases in spaces that do not materially change the financial or structural terms and conditions of the lease, and to add temporary modifications as well.

**RECOMMENDATION:** Adopt Resolution No. 2012-0119, authorizing the President/CEO to execute amendments to concession leases for modifications to leased premises, allowing minor modifications to leased premises to be made by the President/CEO without additional Board action.

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

**PUBLIC HEARINGS:**

**OLD BUSINESS:**

**NEW BUSINESS:**

**14. PRESENTATION ON GREEN BUILD RAMP CONTROL FACILITY (RCF):**

George Condon, Director, Aviation Operations and Public Safety, provided a presentation on the Green Build Ramp Control Facility, which included Key Operational Activity Locations, Obstructed ATCT View, ATCT View From Terminal 2, FAA Decision and Alternatives, Design Considerations, Operational Analysis, Current Aircraft Ground Movements Overview, Taxiway B Aircraft Movement Congestion, Taxiway B Congestion Impacting Runway Operations, Green Build Infrastructure, Operations with Green Build Infrastructure and RCF, Current Runway 9 Operations, Runway 9 Operations with RCF, RCF Operations and Staff, 2013/2014 Cost Estimate, and Future RCF Responsibilities.

*Board Member Young arrived at 9:51 a.m.*

Board Member Desmond expressed concern regarding liability, particularly with respect to operating procedures. George Condon, Director, Aviation Operations and Public Safety stated that third party contractors will be managing operations of the facility and no Authority personnel will be involved.

Board Member Desmond requested a six-month and annual update after commencement of operations of the Facility.

RECOMMENDATION: Receive the presentation and take possible action.

**ACTION: No action taken.**

**CONSENT AGENDA (Reconsideration):**

Chair Gleason informed the Board of a request to reconsider the approval of the Consent Agenda to add Board Member Robinson's compensation report to Item 2 for approval.

**ACTION: Moved by Board Member Boland and seconded by Board Member Cox to reconsider approval of the Consent Agenda to add an additional compensation report to Item 2. Motion carried by the following vote: YES – Boland, Cox, Desmond, Gleason, Hubbs, Robinson, Smisek, Young; NO – None; ABSENT – Panknin. (Weighted Vote Points: YES – 92; NO – 0; ABSENT - 8).**

**ACTION: Moved by Board Member Desmond and seconded by Board Member Smisek to approve the Consent Agenda as amended to include the compensation report for Board Member Robinson, to Item 2. Motion carried by the following vote: YES – Boland, Cox, Desmond, Gleason, Hubbs, Robinson, Smisek, Young; NO – None; ABSENT – Panknin. (Weighted Vote Points: YES – 92; NO – 0; ABSENT - 8).**

*The Board recessed at 10:12 a.m. and reconvened at 11:50 a.m.*

**CLOSED SESSION:** The Board recessed into Closed Session at 11:51 a.m. to discuss Items 19 and 21.



- 15. 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
- 16. 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
- 17. 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
- 18. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**  
Legal Authority: Real property negotiations pursuant to Cal. Gov. Code  
§54954.5(b) and §54956.8.  
Property: 3312 Goldsmith Street, San Diego, CA 92106 (Assessor's  
parcel #450-142-13-00)  
Agency Negotiators: Vernon Evans, Vice President, Finance/Treasurer  
and Troy Ann Leech, Director, Real Estate  
Under Negotiation: Sale of property – terms and conditions
- 19. 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
- 20. 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

21. **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
22. **CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION**  
(Cal.Gov.Code §54956.9(a))  
Tawnee Knight v. San Diego County Regional Airport Authority, et al.  
LASC No. 37-2012-00102053-CL-PO-CTL
23. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**  
Initiation of litigation pursuant to subdivision (c) of §54956.9: (1 case)
24. **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]
25. **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
26. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**  
Initiation of litigation pursuant to subdivision (c) of Section 54956.9: (1 case)
27. **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 12:24 p.m. Chair Gleason noted that there was no reportable action.

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

**GENERAL COUNSEL REPORT:** None.

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**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 Board adjourned at 12:26 p.m.

APPROVED BY A MOTION OF THE San Diego COUNTY REGIONAL AIRPORT  
AUTHORITY BOARD THIS 13<sup>th</sup> DAY OF DECEMBER, 2012.

\_\_\_\_\_  
TONY R. RUSSELL  
DIRECTOR, CORPORATE SERVICES/  
AUTHORITY CLERK

APPROVED AS TO FORM:

\_\_\_\_\_  
BRETON K. LOBNER  
GENERAL COUNSEL

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