

REVISED 5/31/11

DRAFT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, MAY 5, 2011
BOARD ROOM

CALL TO ORDER: Chair Gleason called the meeting of the San Diego County Regional Airport Authority Board to order at 9:56 a.m. on Thursday, May 5, 2011 in the Board Room at the San Diego International Airport, Commuter Terminal, 3225 North Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE:

ROLL CALL:

PRESENT: Board Members: Boland, Desmond, Gleason, Hubbs, Panknin, Richie (Ex-Officio), Robinson, Smisek

ABSENT: Board Members: Berman (Ex-Officio), Cox, Reyes (Ex-Officio), Young

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

PRESENTATIONS:

A. QUARTERLY FINANCIAL UPDATE FOR THE NINE MONTHS ENDED MARCH 31, 2011:

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the Authority's financial update for the nine months ended March 31, 2011, which included revenues and expenses, operating and non-operating revenue and expenses, a financial summary, balance sheets with assets, liabilities and net assets, and Authority's investments.

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 will be held on May 9.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
Board Member Desmond announced the next committee meeting is scheduled for May 24.
- **FINANCE COMMITTEE:** None.
- **TERMINAL DEVELOPMENT PROGRAM COMMITTEE:**
Board Member Boland reported that the project is ahead of schedule and on budget. He stated that a topping-out event is scheduled for June 8. He also reported that the airport apron for temporary parking was opened April 18. He invited Board Members to tour the project site.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:**
Board Member Panknin reported that he and Board Member Desmond have been working with Angela Shafer-Payne, Vice President, Planning and Matt Harris, Senior Director, regarding the structure and purpose of the Advisory Committee.
- **PUBLIC ART ADVISORY COMMITTEE:** None.

LIAISONS

- **AIRPORT LAND USE COMPATIBILITY PLAN FOR SAN DIEGO INTERNATIONAL AIRPORT:** None.
- **CALTRANS:** None.

000002

- **INTER-GOVERNMENTAL AFFAIRS:**
Michael Kulis, Director, Inter-Governmental Relations, reported that on April 7, the Senate passed H.R. 658 (FAA Reauthorization Bill); last month Authority staff met with staff from the offices of State Senator Anderson, Assembly Member Hueso, Senator Feinstein, Senator Boxer, and with San Diego Council Member Alvarez and his staff for a briefing and airfield tour on April 28. He stated that Assembly Member Atkins is scheduled to visit the Airport on May 6 for an update and an airfield tour; and that Authority representatives will participate in the assembly select committee on San Diego trade, tourism, and job creation scheduled for May 6.
- **MILITARY AFFAIRS:** None.
- **PORT:**
Chair Gleason reported that a meeting with representatives from the Port Commission, including Commissioners Peters, Smith, and Nelson, was held April 11 on common issues, such as shared boundaries, shared projects, people and vehicles in and around Harbor Drive and Pacific Highway. He stated that longer-range planning efforts and ways to continue working better together were also discussed.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:**
Board Member Smisek reported that the SANDAG Board approved the regional bike path for 2050.
- **WORLD TRADE CENTER:**
Board Member Panknin reported that the World Trade Center is considering running an Americas desk for Mexico, Central and South America; and they are looking for feedback. He also announced that the Authority will host a green supply chain symposium on May 6 at Sheraton Mission Valley.

CHAIR'S REPORT:

Chair Gleason reported that the June 2 Board meeting will begin at 8 a.m. so Board Members may attend the British Airways Luncheon, celebrating the inaugural flight that arrives the night before. He commended staff on the electronic annual report and for placing it on the Authority's website.

PRESIDENT/CEO'S REPORT:

Thella F. Bowens, President/CEO, provided an update on the strategic engagement process. She stated that she would send a monthly written report to the Board regarding the strategic engagement activities. She reported that the British Airways inaugural flight is June 1 and details regarding event activities scheduled for June 1 and June 2 are forthcoming. She also reported that Airports Council International - North America (ACI-NA) will hold a conference at the San Diego Marriott in October, and that Board Members are encouraged to participate. She reported that she will be appointed Chair of ACI for 2012 during the conference. She stated that she received a report from the Future of Aviation Advisory Committee, which she will distribute to the Board.

NON-AGENDA PUBLIC COMMENT:

DANIEL ROTTENSTREICH, SAN DIEGO, UNITE HERE!, expressed concern regarding the recent concessions RFP and the lack of competition with regard to food and beverage. He suggested that the cap for food and beverage be raised to 36 percent.

Chair Gleason reported that the Board reviewed his correspondence and that staff will be responding to his concerns.

CONSENT AGENDA (Items 1-14):

Chair Gleason requested that Item 4 be removed from the agenda.

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

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve minutes of the March 11, March 12, and April 2 Special meetings, and the April 7, 2011 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.

000004

3. **AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM MARCH 14, 2011 THROUGH APRIL 10, 2011 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM MARCH 14, 2011 THROUGH APRIL 10, 2011:**
RECOMMENDATION: Receive the report.
4. **APPOINTMENTS TO BOARD COMMITTEES, AND REPRESENTATIVES AND ALTERNATES TO THE SAN DIEGO ASSOCIATION OF GOVERNMENTS (SANDAG) TRANSPORTATION COMMITTEE AND THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG) AVIATION TASK FORCE:**
ACTION: This item was removed from the agenda.
5. **AMEND AUTHORITY POLICY 1.50 (5)(c)(vi) – GOVERNANCE AND COMMITTEES:**
RECOMMENDATION: Adopt Resolution No. 2011-0052, amending Authority Policy 1.50 (5)(c)(vi) – Governance and Committees, disbanding the Regional Aviation Strategic Plan Committee.
6. **MAY 2011 LEGISLATIVE REPORT:**
RECOMMENDATION: Adopt Resolution No. 2011-0053, approving the May 2011 Legislative report.
7. **AMEND PREVIOUS BOARD ACTIONS REGARDING EMPLOYEES' PURCHASE OF SERVICE CREDIT FROM THE SAN DIEGO CITY EMPLOYEES' RETIREMENT SYSTEM:**
RECOMMENDATION: Adopt Resolution No. 2011-0059, amending and modifying Resolution No. 2011-0024 to change direction to staff from employ a consultant to reimburse affected employees a maximum of \$375.00 each for the services of a qualified consultant; and amending and modifying Resolution No. 2011-0025 to change direction to staff to allow the two affected DROP employees to amend or rescind their DROP contracts.

CLAIMS

8. **AUTHORIZE THE REJECTION OF THE CLAIM OF JOY OBIDIKE:**
RECOMMENDATION: Adopt Resolution No. 2011-0054, authorizing the rejection of the claim of Joy Obidike.

COMMITTEE RECOMMENDATIONS

9. **RECEIVE THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2011:**
RECOMMENDATION: The Finance Committee recommends that the Board receive the report.
10. **RECEIVE THE AUTHORITY’S INVESTMENT REPORT AS OF MARCH 31, 2011:**
RECOMMENDATION: The Finance Committee recommends that the Board receive the report.

CONTRACTS AND AGREEMENTS

11. **AWARD A CONTRACT TO WIER CONSTRUCTION CORP., TO CONSTRUCT A REPLACEMENT 30” STORM DRAIN AND SEWER LIFT STATION ON THE TELEDYNE RYAN SITE AT SAN DIEGO INTERNATIONAL AIRPORT:**
RECOMMENDATION: Adopt Resolution No. 2011-0055, awarding a contract to Wier Construction Corp., in the amount of \$706,933.60, for Project No. 104066, Teledyne Site Demolition - 30” Storm Drain and Sewer Lift Station, at San Diego International Airport.
12. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT FOR BOND COUNSEL LEGAL SERVICES TO KUTAK ROCK LLP:**
RECOMMENDATION: Adopt Resolution No. 2011-0057, approving and authorizing the President/CEO to execute an agreement for Bond Counsel legal services with Kutak Rock LLP for a term of three (3) years with two (2) additional one-year options to extend the term with a maximum amount payable not to exceed \$300,000.
13. **ADOPT AUTHORITY POLICY 5.05 – SIGNATURE AUTHORITY FOR NON-MONETARY MEMORANDUMS OF AGREEMENT, MEMORANDUMS OF UNDERSTANDING AND LETTERS OF AGREEMENT WITH OTHER AGENCIES:**
RECOMMENDATION: Adopt Resolution No. 2011-0058, approving Policy 5.05– Signature Authority for Non-Monetary Memorandums of Agreement, Memorandums of Understanding and Letters of Agreement with other agencies.

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

- 14. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH PORTER NOVELLI FOR PUBLIC OUTREACH SERVICES IN SUPPORT OF THE GREEN BUILD TERMINAL DEVELOPMENT PROGRAM, AIRPORT DEVELOPMENT PLAN, REGIONAL AVIATION STRATEGIC PLAN AND OTHER AIRPORT AUTHORITY INITIATIVES:**

RECOMMENDATION: Adopt Resolution No. 2011-0056, authorizing the President/CEO to execute an agreement with Porter Novelli, for public outreach services for a one-year term with two one-year options exercisable at the sole discretion of the President/CEO in an amount not to exceed \$775,000 for the first year and \$775,000 for each option year, for a total not-to-exceed amount of \$2,325,000 should both option years be exercised.

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

CLOSED SESSION: The Board did not meet in Closed Session.

- 15. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
Initiation of litigation pursuant to subdivision (c) of Section 54956.9: (1 case)
- 16. 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).
- 17. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Real property negotiations pursuant to Cal. Gov. Code Sections 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.

000007

18. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:

Real property negotiations pursuant to Cal Gov. Code Sections 54954.5(b) and 54956.8:

Property: 3.76 acre easement across MCRD and San Diego Unified Port District 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 Ann Leech, Director, Real Estate Management.

Under Negotiation: Consideration of MCRD's request for exclusive use of portion of the easement; possible realignment of access and rights; acquisition of easement or right of way from the San Diego Unified Port District.

19. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

(Cal. Gov. Code Section 54956.9(a)):

City of San Diego, Historical Resources Board: In re: Western Salt Company Salt Works, Report No. HRB-08-005

20. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

(Cal. Gov. Code Section 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

REPORT ON CLOSED SESSION: None.

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.

000008.

ADJOURNMENT: The meeting was adjourned at 10:25 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY BOARD THIS 2nd DAY OF JUNE, 2011.

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

000009