

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, APRIL 2, 2009
BOARD ROOM**

CALL TO ORDER:

Chairperson Bersin called the regular meeting of the San Diego County Regional Airport Authority Board to order at 9:04 a.m. Thursday, April 2, 2009, in the Board Room at the San Diego International Airport, Commuter Terminal, 3225 North Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE: Breton Lobner, General Counsel, led the pledge of allegiance.

ROLL CALL:

PRESENT: Board Members: Bersin, Boland, Finnila, Panknin, Smisek, Watkins, Young, Zettel

ABSENT: Board Members: Desmond, O'Connor (Ex-Officio), Orso-Delgado (Ex-Officio), Sheehy (Ex-Officio)

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

PUBLIC COMMENT:

TOM DELAHNTY, SAN DIEGO, spoke in opposition of the Destination Lindbergh expansion plan.

JARVIS ROSS, SAN DIEGO, spoke regarding the public notice for the recently established Terminal Development Program Committee, and spoke in opposition of the Destination Lindbergh expansion plan.

CYNTHIA CONGER, SAN DIEGO, spoke regarding the public notice of the Terminal Development Program Committee meeting held on Friday, March 27, 2009, and spoke in opposition of the Destination Lindbergh expansion plan.

PRESENTATIONS:

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 Financial Update Overview; Current Financial Events; Enplanements; Gross Landing Weight Units; Airport Parking Transactions; Car Rental License Fees; Revenues and Expenses (Unaudited) for the eight months ended February 28, 2009; Authority's Investments; Authority's Debt; and Financing Strategy.

In response to Board Member Zettel regarding why the fluctuation of 42 percent in the Nonoperating Revenue (Expense) figure indicated for the Quieter Home Program, Mr. Evans stated that this was due primarily to the timing between the collection of funds and expenditures. He stated that typically the Authority breaks even in this area because of discretionary grant funds received from the Federal Aviation Association (FAA), and utilization of Passenger Facility Charges (PFC).

CONSENT AGENDA:

Board Member Panknin requested that Item 9 be pulled from the Consent Agenda for discussion.

Chairperson Bersin requested that Item 5 be pulled from the agenda so that staff can provide an overview of the recommendation. He also reported that Item 12 was pulled from the agenda.

ACTION: Moved by Board Member Finnila and seconded by Board Member Zettel to approve the Consent Agenda as AMENDED. Motion carried by the following vote: YES – Bersin, Boland, Finnila, Panknin, Smisek, Watkins, Young, Zettel; NO – None; ABSENT – Desmond. (Weighted Vote Points: YES – 88; NO – 0; ABSENT - 12)

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the March 5, 2009 regular meeting.

2. ACCEPTANCE OF BOARD 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 attendance at other meetings not covered by the current resolution.

3. **AMEND AUTHORITY POLICY 1.50 GOVERNANCE:**
RECOMMENDATION: Adopt Resolution No. 2009-0038, amending Authority Policy 1.50 – Governance, eliminating Section 8 (iv) to allow Board Members to serve on both the Finance and Audit Committees simultaneously.

CLAIMS

4. **RESOLUTION AUTHORIZING THE REJECTION OF THE CLAIM OF ELIZABETH BORSBOOM:**
RECOMMENDATION: Adopt Resolution No. 2009-0039, authorizing the rejection of the claim of Elizabeth Borsboom.

COMMITTEE RECOMMENDATIONS

5. **AUTHORIZE THE PRESIDENT/CEO TO EXECUTE, DELIVER, AND PERFORM A LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT WITH UNION BANK, NA:**
ACTION: This item was pulled from the Consent Agenda for staff to provide an overview of the recommendation.

CONTRACTS AND AGREEMENTS

6. **AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM FEBRUARY 2, 2009 THROUGH MARCH 1, 2009 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM FEBRUARY 2, 2009 THROUGH MARCH 1, 2009:**
RECOMMENDATION: Receive the report.
7. **ADOPT A NEGATIVE DECLARATION TO CONSTRUCT A 60-INCH STORM DRAIN AND ASSOCIATED OUTFALL AT SAN DIEGO INTERNATIONAL AIRPORT:**
RECOMMENDATION: Adopt Resolution No. 2009-0041, adopting a Negative Declaration prepared in accordance with the California Environmental Quality Act (CEQA) to construct a 60-inch storm drain and associated outfall at San Diego International Airport.
8. **AWARD A CONSTRUCTION CONTRACT TO MARCOTTE & HEARNE BUILDERS, INC. FOR IMPROVE BAGGAGE SCREENING CAPACITY – TERMINAL BUILDING MODIFICATIONS:**
RECOMMENDATION: Adopt Resolution No. 2009-0042, awarding a construction contract to Marcotte & Hearne Builders, Inc., in the amount of \$267,504.00, for Project No. 103096O, Improve Baggage Screening Capacity – Terminal Building Modifications, at San Diego International Airport (“SDIA”).

9. **AUTHORIZE THE PRESIDENT/CEO TO: (1) EXTEND THE CURRENT TERM OF THE AGREEMENT WITH PORTER NOVELLI FOR PUBLIC OUTREACH SERVICES TWO MONTHS TO JUNE 30, 2009 AND (2) EXERCISE THE FIRST OPTION TO EXTEND THE TERM OF THE CONTRACT FOR ONE YEAR TO JUNE 30, 2010, AND (3) RETAIN THE CONTRACT'S CURRENT MAXIMUM AMOUNT PAYABLE AT \$1,500,000:**
ACTION: This item was pulled from the Consent Agenda for discussion.

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

10. **AUTHORIZATION TO AWARD ON-CALL AIRPORT PAVEMENT REPAIR SERVICES CONTRACT TO HAZARD CONSTRUCTION COMPANY:**
RECOMMENDATION: Adopt Resolution No. 2009-0044, awarding a service contract to Hazard Construction Company ("Hazard") with a three-year term and a not to exceed amount of \$8,808,705 for provision of On-Call Airport Pavement Repairs at the San Diego International Airport ("SDIA").
11. **AWARD A CONSTRUCTION CONTRACT TO S&L SPECIALTY CONTRACTING, INC., FOR QUIETER HOME PROGRAM PHASE 4, GROUP 10 (16 EAST SIDE UNITS; 34 WEST SIDE UNITS; 1 HISTORIC AND 49 NON-HISTORIC):**
RECOMMENDATION: Adopt Resolution No. 2009-0045, awarding a construction contract to S&L Specialty Contracting, Inc., in the amount of \$1,618,550.00, for Phase 4, Group 10, Project No. 380410, of the San Diego County Regional Airport Authority's ("Authority's") Quieter Home Program ("Program").
12. **AUTHORIZE THE PRESIDENT/CEO TO AWARD A CONTRACT TO CHARLES KING COMPANY TO CONSTRUCT 96-INCH SEWER PIPE LINER AT SAN DIEGO INTERNATIONAL AIRPORT:**
ACTION: This item was pulled from the agenda.
13. **AUTHORIZE THE PRESIDENT / CEO TO AWARD TWO ON-CALL AIRSIDE / LANDSIDE ENGINEERING AND ARCHITECT CONSULTANT SERVICE AGREEMENTS:**
RECOMMENDATION: Adopt Resolution No. 2009-0047, authorizing the President/CEO to award two On-Call Airside / Landside Engineering and Architect Consultant Service Agreements, one with Kimley-Horn and Associates, Inc., and one with CH2M Hill, each for a three-year term, and a not-to-exceed value of \$5,000,000.00, in support of the Capital Improvement and Major Maintenance Programs at San Diego International Airport ("SDIA").

ITEMS PULLED FROM THE CONSENT AGENDA FOR DISCUSSION

5. AUTHORIZE THE PRESIDENT/CEO TO EXECUTE, DELIVER, AND PERFORM A LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT WITH UNION BANK, NA:

Bob Silvas, Director, Small Business Development, provided an overview of staff's recommendation. He also provided clarification of the terms of the reimbursement agreement, and the Authority's potential financial exposure.

In response to Chairperson Bersin, regarding the maximum guarantee authorized by the Authority for loss on this program, Ingrid Merriwether, President/CEO, Merriwether & Williams, stated that it would never exceed 40 percent; however, she emphasized that the average guarantee, when you look at the history of the program, is approximately 14 percent.

RECOMMENDATION: The Finance Committee recommends that the Board adopt Resolution No. 2009-0040, authorizing the President/CEO, on behalf of the Authority, to take all actions necessary to execute, deliver, and perform a Letter of Credit and Reimbursement Agreement ("Reimbursement Agreement") with Union Bank, NA in order to implement the Authority's Bonding and Contract Financing Assistance Program.

ACTION: Moved by Board Member Young and seconded by Board Member Zettel to approve staff's recommendation. Motion carried by the following vote: YES – Bersin, Boland, Finnilla, Panknin, Smisek, Watkins, Young, Zettel; NO – None; ABSENT – Desmond. (Weighted Vote Points: YES – 88; NO – 0; ABSENT - 12)

9. AUTHORIZE THE PRESIDENT/CEO TO: (1) EXTEND THE CURRENT TERM OF THE AGREEMENT WITH PORTER NOVELLI FOR PUBLIC OUTREACH SERVICES TWO MONTHS TO JUNE 30, 2009 AND (2) EXERCISE THE FIRST OPTION TO EXTEND THE TERM OF THE CONTRACT FOR ONE YEAR TO JUNE 30, 2010, AND (3) RETAIN THE CONTRACT'S CURRENT MAXIMUM AMOUNT PAYABLE AT \$1,500,000:

Board Member Panknin suggested that the Authority fine tune its message in regards to Destination Lindbergh so that the public understand what the Authority is doing. He encouraged continued outreach to the Peninsula.

Thella F. Bowens, President/CEO, stated that Porter Novelli and staff developed a program which included active dialogue and public outreach; however, participants of the Ad Hoc Airport Regional Policy Committee requested that no concentrated outreach be made in regard to Destination Lindbergh. She also stated that any public outreach regarding Destination

Lindbergh would have to be approved by the City of San Diego, SANDAG, and the Authority through the Committee.

Board Member Panknin suggested that from this point on, that the Authority take the initiative to implement effective communication with stakeholders and the public.

Board Member Young suggested that the Board maximize public input in this regard by welcoming and encouraging ongoing communication.

JARVIS ROSS, SAN DIEGO, expressed concern regarding the amount of money being paid to Porter Novelli. He stated that they have not done a good job with the public.

RECOMMENDATION: Adopt Resolution No. 2009-0043, authorizing the President/CEO to extend the term of the agreement with Porter Novelli for public outreach services by two (2) months and to exercise the first option to extend the term of the contract for one year to June 30, 2010 and to retain the contract's current maximum amount payable at \$1,500,000.00.

ACTION: Moved by Board Member Panknin and seconded by Board Member Watkins to approve staff's recommendation. Motion carried by the following vote: YES – Bersin, Boland, Finnila, Panknin, Smisek, Watkins, Young, Zettel; NO – None; ABSENT – Desmond. (Weighted Vote Points: YES – 88; NO – 0; ABSENT - 12)

PUBLIC COMMENT (CONTINUED):

DOLORES SANCHEZ, IMPERIAL BEACH, spoke regarding the negotiations of the janitorial contract for the airport, and urged the Board to help with the approval of the contract.

FRANCISCO PINEDA, SAN DIEGO, urged the Board to assist airport janitorial workers with negotiating a new contract. He distributed petitions signed by janitorial workers.

Chairperson Bersin stated that the labor dispute being referred to is between the contractor for the airlines, Flagship Inc., and SEIU Local 1877. He stated that the Authority is not a party to the labor negotiations, and is required, as both a matter of law and as sound public policy, to remain completely neutral in this matter.

ROSA LOPEZ, SAN DIEGO, spoke regarding the janitorial contract negotiations and in support of the SEIU Local 1877.

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

- 14. AUTHORIZE THE PRESIDENT/CEO TO (1) EXECUTE TWO DESIGN BUILD CONTRACTS FOR TERMINAL 2 WEST BUILDING AND AIRSIDE EXPANSION AND LANDSIDE IMPROVEMENTS; (2) EXECUTE TASK AUTHORIZATIONS FOR DESIGN PHASE SERVICES; AND 3) AUTHORIZE FUNDING OF THE WORK:**

Board Member Boland, Terminal Development Program Committee Chair, reported that the compliance work has been completed regarding the California Environmental Quality Act, and the provisions of the Memorandum of Understanding (MOU) between the City of San Diego, the San Diego Association of Governments (SANDAG), and the Authority have been met.

Steve Cornell, Director, Terminal Development Program, provided an introductory presentation on the Terminal Development Program (TDP) which covered the program's Purpose; Preliminary Program Elements; Framing the Design Approach; Past Actions; Programmatic Document – Stakeholder Engagement; and Market Based Flexibility.

In response to Chairperson Bersin regarding providing examples of the contractual "flexibility" component in the TDP, Mr. Cornell stated that the flexibility component includes: 1) define a facility that is designed to support the domestic market at the current time, while taking advantage, as the opportunity arises, for the international market; and 2) be ready to take on international operations, when the market presents itself, by having planned, implemented, and built into the infrastructure what will be required to support international operation facilities, including any future required build out.

Constance White, Art Program Manager, provided a presentation highlighting The Public Art Experience for the TDP.

Chairperson Bersin stated that Authority Policy requires that 2 percent of the construction costs for the TDP budget be allotted for Public Art.

Mr. Cornell clarified that the \$2,180,000.00 is not a total amount for Public Art, but is the total amount for this phase of the project.

Mr. Cornell provided further Terminal Development Program information through a presentation that highlighted TDP Challenges; Opportunities; Solutions; Current and Future Actions; SDIA Key Contract Provisions; San Diego Regional Areas – Business Outreach; a Program Walk-through; Layout Plans; and Program Cost Summary.

Thella F. Bowens, President/CEO, clarified for the Board the flexibility in the TDP contract relating to procurement actions. She stated that staff will not be providing a "mix-and-match" scenario, and clarified that choices for delivery will be either: 1) Open-book Competitive Bid; 2) Guaranteed Maximum Price; or 3) Lump Sum. Ms. Bowens stated that staff will be providing a recommendation to the Board regarding the procurement process.

In response to Board Member Zettel regarding when in the process staff anticipates addressing the concession areas, and when will the Board be given the opportunity to provide input, Ms. Bowens stated that the concession contract is up for renewal in 2012. She stated that this date will coincide with the timing of the opening for the new facility. Ms. Bowens stated that staff anticipates bringing forth a Concession Program to the Board, not only in regard to the TDP, but for all of San Diego International Airport.

Board Member Boland stated that in light of the Board's concerns that there be an auditor dedicated to the program, he reported that an auditor had been assigned to the program, and that he is participating in the process.

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the Financial Plan for the TDP which included: Assumptions; Use of Funds Cash Requirements – Scenario I; Source of Funds – Scenario I; Cumulative Sources of Funds from Inception to 2013; Financial Results – Scenario I and Scenario II; Summary of Scenarios; Summary of Scenarios – Financial Results 2013; and Airport cost per EPAX Projected 2013.

In response to Board Member Finnila regarding her concern that the Bond Interest Rate is high, Mr. Evans stated that the plan is to use Commercial Paper at this time because its cost is more favorable.

Diana Lucero, Director, Public, Community and Customer Relations, provided a presentation on the Public Outreach component for the TDP, which included details on Public Outreach; Media Relations; and Airport Traveler Alerts.

In response to Board Member Young regarding whether there is any collaboration regarding outreach with the Authority, Bob Silvas, Director, Small Business Development, stated that staff has already discussed implementing a plan for the program.

Board Member Young suggested that when the specifics for public outreach are developed, smaller community based publications be used in the outreach efforts.

Board Member Young stated that it is of paramount importance to ensure that the community is informed that this project is also providing the opportunity for jobs, and is supporting businesses in the San Diego area.

Board Member Finnila suggested that signage be placed in the vicinity of SDIA that specifically informs the public of the economic benefits to the area from this project, such as how many jobs are being generated.

Steve Cornell, Director, Terminal Development Program, stated that it is anticipated that, at its peak, over 1,000 workers will be involved on this project.

Board Member Boland stated that he is open to speaking with the Peninsula group regarding the program, and requested that the President/CEO review the Authority's Policies in regard to change orders.

In response to Board Member Watkins regarding whether there are sufficient specialized workers in the San Diego area to sustain this project, Jamie Awford, Turner/PCL/FCI Joint Venture, stated that their agency monitors this information, and with few exceptions, should be able to use local workers.

In response to Board Member Young regarding ensuring that the wishes of the Board, in regards to utilizing the local workforce as much as possible, are clearly communicated, Mike Lowe, Kiewit/Sundt Joint Venture, stated that the message has been heard and that the San Diego area has many skilled and highly specialized workers. He stated that he is confident that the company can comply with the Board's desire to use local companies.

Chairperson Bersin suggested that collaboration with local apprentice programs and other such entities, be considered as additional resources that could provide assistance in areas where skilled labor is not readily available in the general local workforce. He also stated that the President/CEO, General Counsel, and Chief Auditor will hold a seminar on project labor agreements so that everyone is informed.

JARVIS ROSS, SAN DIEGO, stated that the people he has spoken to from the Peninsula are not against the expansion but with the Destination Lindbergh plan. He also requested the dates for the Terminal Development Program Committee meetings and the names of its members.

TOM DELAHNTY, SAN DIEGO, spoke in opposition to Destination Lindbergh.

RECOMMENDATION:

Adopt Resolution No. 2009-0049, authorizing the President/CEO to execute a Design-Build Contract (Contract 1) for the Terminal 2 West Building and Airside Expansion with the Turner/PCL/FCI Joint Venture at San Diego International Airport;

Adopt Resolution No. 2009-0050, authorizing the President/CEO to execute a Design-Build Contract (Contract 2) for the Terminal 2 Landside Improvements with the Kiewit/Sundt Joint Venture, at San Diego International Airport;

Adopt Resolution No. 2009-0051, authorizing the President/CEO to execute Task Authorizations for design phase services under Contract 1 in the total not to exceed amount of \$14,000,000.00, at San Diego International Airport;

Adopt Resolution No. 2009-0052, authorizing the President/CEO to execute Task Authorizations for design phase services under Contract 2 in the total not to exceed amount of \$11,000,000.00, at San Diego International Airport; and

Adopt Resolution No. 2009-0053, authorizing funding for the work covered by this Board Action for Contract 1 in the not to exceed amount of \$14,000,000.00 and Contract 2 in the not to exceed amount of \$11,000,000.00, for a total not to exceed funding amount of \$25,000,000.00, at San Diego International Airport ("SDIA").

ACTION: Moved by Board Member Young and seconded by Board Member Watkins to approve staff's recommendation. Motion carried by the following vote: YES – Bersin, Boland, Finnila, Panknin, Smisek, Watkins, Young, Zettel; NO – None; ABSENT – Desmond. (Weighted Vote Points: YES – 88; NO – 0; ABSENT - 12)

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

RECOMMENDATION:

Adopt Resolution No. 2009-0054, approving the Art Advisory Committee recommendation to award Jim Campbell the commission for the Multisensory Journey Public Art Opportunity in an amount not to exceed \$2,180,000.00.

Adopt Resolution No. 2009-0055, approving the Art Advisory Committee recommendation to award Stuart Keeler the commission for the Terminal Development Program Suspended Artwork Opportunity in an amount not to exceed \$326,000.00.

Adopt Resolution No. 2009-0056, approving the Art Advisory Committee recommendation to award Living Lenses the commission for the Terminal Development Program's Terminal Elevators Public Art Opportunity in an amount not to exceed \$175,000.00.

ACTION: Moved by Board Member Young and seconded by Board Member Finnila to approve staff's recommendation. Motion carried by the following vote: YES – Bersin, Boland, Finnila, Panknin, Smisek, Watkins, Young, Zettel; NO – None; ABSENT – Desmond. (Weighted Vote Points: YES – 88; NO – 0; ABSENT - 12)

Chairperson Bersin and Board Member Young left the dais at 11:26 A.M.

16. APRIL 2009 LEGISLATIVE REPORT:

Michael Kulis, Director, Inter-Governmental Relations, provided an overview of the April, 2009 Legislative Report.

In response to Board Member Panknin regarding why the Authority is taking an opposing position on AB709, Thella F. Bowens, President/CEO, stated that if the Authority is being held accountable for driver's background checks, it is critical to maintain control over this process.

RECOMMENDATION: Adopt Resolution No. 2009-0048, approving the April, 2009 Legislative Report.

ACTION: Moved by Board Member Finnila and seconded by Board Member Panknin to approve staff's recommendation. Motion carried by the following vote: YES – Boland, Finnila, Panknin, Smisek, Watkins, Zettel; NO – None; ABSENT – Bersin, Desmond, Young. (Weighted Vote Points: YES – 61; NO – 0; ABSENT - 39)

Chairperson Bersin and Board Member Young returned to the dais at 11:29 A.M.

Board Member Watkins left the dais at 11:29 A.M.

17. DISCUSSION REGARDING THE RE-APPOINTMENT OF JACK VAN SAMBEEK AS A PUBLIC MEMBER TO THE AUDIT COMMITTEE:

Board Member Finnila recommended that Public Audit Committee Member Van Sambeek be re-appointed for a three-year term.

RECOMMENDATION: Provide direction to staff.

ACTION: Moved by Board Member Finnila and seconded by Board Member Panknin to direct staff to prepare a staff report for the May 2009 Board Meeting to appoint Jack Van Sambeek as a Public Member to the Audit Committee for a three (3) year term. Motion carried by the following vote: YES – Bersin, Boland, Finnila, Panknin, Smisek, Young, Zettel; NO – None; ABSENT – Desmond, Watkins. (Weighted Vote Points: YES – 80; NO – 0; ABSENT - 20)

18. ADOPT POLICY 5.12 ALLOWING FOR PREFERENCE TO SMALL BUSINESSES IN THE AWARD OF PUBLIC WORKS CONTRACTS IN FURTHERANCE OF THE BONDING AND CONTRACT FINANCING ASSISTANCE PROGRAM:

RECOMMENDATION: Adopt Resolution No. 2009-0057, approving the adoption of Authority Policy 5.12 to allow for a cost allowance preference to be given to participating small businesses on public works contracts when they are enrolled in the Bonding and Contract Financing Assistance Program to cover administrative costs associated with the Program.
(Administration: Jeffrey Woodson, Vice President)

ACTION: Moved by Board Member Young and seconded by Board Member Finnila to approve staff's recommendation. Motion carried by the following vote: YES – Bersin, Boland, Finnila, Panknin, Smisek, Young, Zettel; NO – None; ABSENT – Desmond, Watkins. (Weighted Vote Points: YES – 80; NO – 0; ABSENT - 20)

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

19. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Government Code Section 54956.9(a)):

Britt v. San Diego County Regional Airport Authority, et al., San Diego Superior Court Case No. 37-2007-00072794-CU-MC-CTL

20. CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION:
Pursuant to Government Code Section 54956.9(b)

Number of cases: 1

Facts and circumstances exist causing significant exposure to litigation in accordance with Section 54956.9(b)(3(B)). These facts are known by potential plaintiff Gameday Media Properties, Inc. ("Gameday") and are as follows: a disagreement exists between the Authority and Gameday regarding the close out audit of the concession agreement.

21. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION:

Pursuant to Government Code Section 54956.9(a):

Kenneth Quilantang v. San Diego County Regional Airport Authority, et al., San Diego Superior Court Case No. 37-2008-00092986-CU-PO-CTL

- 22. 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.
- 23. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:**
Initiation of litigation pursuant to Cal. Gov. Code §54956.9(c).
Number of potential cases: 1 (Nazbest-Pacific).
- 24. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:**
Initiation of litigation pursuant to Cal. Gov. Code §54956.9(c).
Number of potential cases: 1 (Galaxy).
- 25. 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)

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

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:**
Board Member Zettel reported that the Committee will be meeting on Monday, April 6, 2009 to discuss the process and selection of an external auditor.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
Board Member Watkins reported that at the last meeting, staff provided information regarding Workers' Compensation. He commended staff for saving the agency over \$500, 000.00 a year in costs in this area through safe work programs, and other activities. He reported that staff began a program on health risk assessments, and is evaluating ways that health costs may be lowered by providing increased wellness programs for employees. He also reported that during Closed Session performance objectives for the three positions appointed by the Board were discussed and reviewed. He stated that Board Members were provided forms to be used for providing input to the Committee in this area.
- **FINANCE COMMITTEE:**
Chairperson Bersin reported that the Committee has continued meeting in conjunction with the Executive Committee.

- **TERMINAL DEVELOPMENT PROGRAM COMMITTEE:** None

AD HOC COMMITTEE

- **RASP/AMAP AD HOC COMMITTEE:**
Board Member Finnila reported that the Committee met and developed a community outreach plan, a fact sheet, and a "frequently asked" sheet. She reported that members will be visiting the community very soon to explain the purpose of RASP to the public.

LIAISONS

- **MILITARY AFFAIRS LIAISONS:**
Board Member Boland reported that Colonel O'Connor would be officially retiring from the Marines today, and expressed best wishes on behalf of the Authority as he returns to civilian life.
- **AVIATION TECHNOLOGICAL ADVANCES:** None
- **CALTRANS:** None

BOARD REPRESENTATIVES

- **SANDAG TRANSPORTATION COMMITTEE REPRESENTATIVE:**
Board Member Smisek reported that he attended the last meeting along with Board Members Desmond and Young. He reported that the main topic were the cuts being faced by the Metropolitan Transit System (MTS), the re-arranging of funds and timing relating to long range capital projects. He reported that stimulus funds were expected soon, and that this would assist with outstanding projects.
- **SCAG AVIATION TASK FORCE:** None
- **WORLD TRADE CENTER:** None

PRESIDENT/CEO REPORT:

- About the Airport
- Destination Lindbergh: The Ultimate Build Out
- Terminal Development Program
- Regional Aviation Strategic Plan
- Public Outreach and Communication
- International Air Service
- Comprehensive Ground Transportation Plan

Thella F. Bowens, President/CEO reported that Board Member Panknin had submitted an OP-Ed response to the San Diego Union Tribune regarding Destination Lindbergh; however, no response has been received to date. She reported that the new "Western Art Gallery" was opened in Terminal 2 West.

Ms. Bowens reported that staff joined her in a meeting held with Delta Airlines to discuss some key new routes that are being considered for San Diego. She stated that staff continues to explore ways to enhance the travel opportunities at SDIA, and will update the Board as prospects develop.

Ms. Bowens reported that the Disney Corporation chose San Pedro in lieu of San Diego as their "cruise ship" home port destination. She stated that she received several communications thanking the Authority for its participation and efforts put forth in this regard. She stated that although it was disappointing to not have been chosen, this endeavor was beneficial in building a foundation for future opportunities that may arise in this area.

Chairperson Bersin stated that this experience has strengthened relationships, and highlighted some of the shortcomings that will need to be addressed, if San Diego is to succeed in the future in securing similar opportunities.

PUBLIC COMMENT:

GENERAL COUNSEL REPORT:

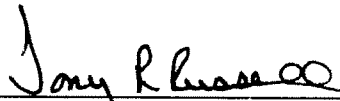
BOARD MEMBER REPORTS ON MEETINGS ATTENDED AT THE EXPENSE OF THE AUTHORITY:

BOARD COMMENT:

ADJOURNMENT:

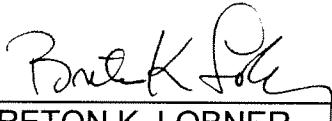
The Meeting was adjourned at 11:50 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL
AIRPORT AUTHORITY BOARD THIS 8th DAY OF MAY, 2009.



TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:



BRETON K. LOBNER
GENERAL COUNSEL