

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD  
MINUTES  
THURSDAY, DECEMBER 4, 2008  
BOARD ROOM**

**CALL TO ORDER:**

Chairperson Bersin called the regular meeting of the San Diego County Regional Airport Authority Board to order at 9:00 a.m. Thursday, December 4, 2008, at the San Diego International Airport, Board Room, Commuter Terminal, 3225 North Harbor Drive, San Diego, CA 92101.

**PLEDGE OF ALLEGIANCE:** Board Member Boland led the pledge of allegiance.

**ROLL CALL:**

PRESENT: Board Members: Bersin, Boland, Finnila, Miller, Orso-Delgado (Ex-Officio), O'Connor (Ex-Officio), Panknin, Watkins, Young, Zettel

ABSENT: Board Members: Desmond, 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

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

**PUBLIC COMMENT:** None

**CONSENT AGENDA:**

Board Member Finnila stated that she would ABSTAIN from voting on Item 1 because she was not present at the November 13, 2008 Special Board meeting.

In response to Chairperson Bersin regarding whether Board Members who did not attend a meeting can vote on the approval of minutes, Breton Lobner, General Counsel, stated that Board Members have the capacity to vote on the minutes without having attended the meeting.

Chairperson Bersin stated that he was absent for the November 13 meeting, but had read the minutes and would be voting to approve them.

Chairperson Bersin requested that Items 14 and 15 be pulled from the consent agenda for discussion following the Airport Residential Sound Insulation Program Update.

**ACTION: Moved by Board Member Boland and seconded by Board Member Watkins to approve the Consent Agenda as amended noting Board Member Finnila's ABSTENTION on Item 1. Motion carried by the following vote: YES – Bersin, Boland, Finnila, Miller, Panknin, Watkins, Zettel; NO – None; ABSENT – Desmond, Young. (Weighted Vote Points: YES – 75; NO – 0; ABSENT – 25)**

1. **APPROVAL OF MINUTES:**  
RECOMMENDATION: Approve the minutes of the November 13, 2008 special meeting.
2. **DECEMBER 2008 LEGISLATIVE REPORT:**  
RECOMMENDATION: Adopt Resolution No. 2008-0147, approving the December 2008 Legislative report.
3. **ACCEPTANCE OF BOARD MEMBERS' WRITTEN REPORTS ON THEIR ATTENDANCE AT APPROVED MEETINGS:**  
RECOMMENDATION: Accept the reports.
4. **2009 MASTER CALENDAR OF BOARD AND COMMITTEE MEETINGS:**  
RECOMMENDATION: Accept the Calendar.

#### ***CLAIMS***

5. **RESOLUTION AUTHORIZING THE REJECTION OF THE CLAIM OF R. LESLEY CHOI:**  
RECOMMENDATION: Adopt Resolution No. 2008-0148, authorizing the rejection of the claim of R. Lesley Choi.
6. **RESOLUTION AUTHORIZING THE REJECTION OF THE CLAIM OF NORMA KERCHNER:**  
RECOMMENDATION: Adopt Resolution No. 2008-0149, authorizing the rejection of the claim of Norma Kerchner.
7. **RESOLUTION AUTHORIZING THE REJECTION OF THE CLAIM OF MARK KOZCIK:**  
RECOMMENDATION: Adopt Resolution No. 2008-0150, authorizing the rejection of the claim of Mark Kozcik.

#### ***COMMITTEE RECOMMENDATIONS***

8. **REVISION TO THE FISCAL YEAR 2009 AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:**  
RECOMMENDATION: The Audit Committee recommends that the Board receive the information.

9. **QUARTERLY AUDIT ACTIVITIES REPORT – FISCAL YEAR 2009 FIRST QUARTER, AND REPORT ON AUDIT RECOMMENDATIONS ISSUED BY THE OFFICE OF THE CHIEF AUDITOR:**  
RECOMMENDATION: The Audit Committee recommends that the Board receive the report.
10. **REVIEW OF THE QUARTERLY INVESTMENT REPORT AS OF SEPTEMBER 30, 2008:**  
RECOMMENDATION: The Finance Committee recommends that the Board receive the information.

***CONTRACTS AND AGREEMENTS AND AMENDMENTS TO CONTRACTS AND AGREEMENTS***

11. **AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM OCTOBER 6, 2008 THROUGH NOVEMBER 2, 2008 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM OCTOBER 6, 2008 THROUGH NOVEMBER 2, 2008:**  
RECOMMENDATION: Receive the report.
12. **SECOND AMENDMENT TO THE INSURANCE BROKER SERVICES CONSULTING AGREEMENT WITH ALLIANT INSURANCE SERVICES, INC.:**  
RECOMMENDATION: Adopt Resolution No 2008-0151, authorizing a Second Amendment to the insurance broker services Agreement with Alliant Insurance Services, Inc., which: (1) extends the agreement term by one year with an expiration date of March 1, 2010; and, (2) authorizes a second one-year renewal option, at the sole discretion of the President/CEO, with an expiration date of March 1, 2011. The first one-year extension period increases the maximum amount payable by \$38,000, for a new total amount payable of \$152,000 over the entire term of the Agreement.
13. **FIRST AMENDMENT TO THE INSURANCE BROKER SERVICES CONSULTING AGREEMENT WITH AON RISK SERVICES, INC.:**  
RECOMMENDATION: Adopt Resolution No 2008-0152, authorizing a First Amendment to the insurance broker services Agreement with Aon Risk Services, Inc., which: (1) extends the agreement term by one year with an expiration date of March 1, 2010; and, (2) authorizes a second one-year renewal option, at the sole discretion of the President/CEO, with an expiration date of March 1, 2011. The first one-year extension period increases the maximum amount payable by \$62,000, for a new total amount payable of \$248,000 over the entire term of the Agreement.

- 14. AWARD A CONSTRUCTION CONTRACT TO TRON CONSTRUCTION, INC., FOR QUIETER HOME PROGRAM PHASE 4, GROUP 5, PROJECT NO. 380405:**  
**ACTION:** This item was pulled from the Consent Agenda for discussion.
- 15. AWARD A CONSTRUCTION CONTRACT TO S&L SPECIALTY CONTRACTING, INC., FOR QUIETER HOME PROGRAM PHASE 4, GROUP 6, PROJECT NO. 380406:**  
**ACTION:** This item was pulled from the Consent Agenda for discussion.
- 16. AWARD A TASK ORDER TO ABC CONSTRUCTION COMPANY, INC., TO REHABILITATE AIR TRANSPORT INTERNATIONAL AIRCRAFT PARKING AREA AT SAN DIEGO INTERNATIONAL AIRPORT:**  
**RECOMMENDATION:** Adopt Resolution No. 2008-0155 awarding a Task Order to ABC Construction Company, Inc., in the amount of \$204,624.00, for Project No. 104103, Rehabilitate Air Transport International ("ATI") Aircraft Parking Area at San Diego International Airport.
- 17. AWARD A TASK ORDER TO CENTENNIAL CONTRACTORS ENTERPRISES, INC. FOR PROJECT 104062, WEST WING STANDBY GENERATOR, AT SAN DIEGO INTERNATIONAL AIRPORT:**  
**RECOMMENDATION:** Adopt Resolution No. 2008-0156, awarding a Task Order to Centennial Contractors Enterprises, Inc., in the amount of \$236,953.00, for Project No. 104062, West Wing Standby Generator, at San Diego International Airport.
- 18. AUTHORIZATION FOR THE PRESIDENT/CEO TO NEGOTIATE WITH AND AWARD A CONTRACT TO PROJECT TEAM SOLUTIONS, INC., FOR MANAGED HOST SERVICES ASSOCIATED WITH THE ELECTRONIC PROGRAM MANAGEMENT SYSTEM FOR SAN DIEGO INTERNATIONAL AIRPORT, PROJECT NO. 104042:**  
**RECOMMENDATION:** Adopt Resolution No. 2008-0157, awarding a Managed Host Service Contract to Project Team Solutions, Inc., for an initial term of three years, with two one-year options not-to-exceed \$1,127,000.00, to support Project No. 104042, Implement Electronic Program Management ("ePM") System at San Diego International Airport.

**PRESENTATION:**

- A. AIRPORT RESIDENTIAL SOUND INSULATION PROGRAM UPDATE:**  
Sjohnna Knack, Manager, Quieter Home Program, provided an update presentation on the Airport Residential Sound Insulation Program, which included Quieter Home Program History; Clarification of What is Sound Insulation; Program Boundary; East and West Side Boundary Expansions; Project Statistics; and Program Highlights.

In response to Board Member Finnila regarding whether avigation easements are clearly explained to home owners so that there is no misinterpretation, Ms. Knack stated that a thorough review of the process is provided from the beginning, and that there is extra effort put forth to ensure that all participants understand the program.

In response to Board Member Zettel regarding whether small business builders are encouraged to participate, Ms. Knack stated that due to the variance in size of the contracts all types of builders participate.

In response to Chairperson Bersin regarding whether it is anticipated that some of the funds from the U.S. government's "stimulus package" for airports may be earmarked in support of the Airport Residential Sound Insulation Program, in light of the fact that San Diego has the largest program of this kind in the nation, Thella F. Bowens, President/CEO, stated that currently the details are unknown. She stated that it will depend on whether any funds are designated for the Airport Improvement Program (AIP) Funds. She stated that the FAA has been very supportive in the past of grant funds allocated to SDIA because of the fast turn around in using the funds.

**ITEMS PULLED FROM THE CONSENT AGENDA FOR DISCUSSION:**

- 14. AWARD A CONSTRUCTION CONTRACT TO TRON CONSTRUCTION, INC., FOR QUIETER HOME PROGRAM PHASE 4, GROUP 5, PROJECT NO. 380405:**  
RECOMMENDATION: Adopt Resolution No. 2008-0153, awarding a construction contract to Tron Construction, Inc., in the amount of \$888,100.00, for Phase 4, Group 5, Project No. 380405, of the San Diego County Regional Airport Authority's Quieter Home Program.
- 15. AWARD A CONSTRUCTION CONTRACT TO S&L SPECIALTY CONTRACTING, INC., FOR QUIETER HOME PROGRAM PHASE 4, GROUP 6, PROJECT NO. 380406:**  
RECOMMENDATION: Adopt Resolution No. 2008-0154, awarding a construction contract to S&L Specialty Contracting, Inc., in the amount of \$987,550.00, for Phase 4, Group 6, Project No. 380406, of the San Diego County Regional Airport Authority's Quieter Home Program.

**ACTION: Moved by Board Member Finnila and seconded by Board Member Watkins to approve staff's recommendation for Items 14 and 15. Motion carried by the following vote: YES – Bersin, Boland, Finnila, Miller, Panknin, Watkins, Zettel; NO – None; ABSENT – Desmond, Young. (Weighted Vote Points: YES – 75; NO – 0; ABSENT – 25)**

**PUBLIC HEARINGS:** None

**OLD BUSINESS:** None

**NEW BUSINESS:**

*Board Member Young arrived at 9:30 a.m.*

ADRIAN KWIATKOWSKI, SAN DIEGO, expressed his support for the postponement of a decision by the Board regarding the Automated Vehicle Identification (AVI) fee. He stated that his organization, San Diego Off Parking Association, looks forward to working with the Authority on this important issue.

**19. REPORT ON THE AUTHORITY'S FINANCIAL CONDITION:**

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation which included Financial Impacts; Operating and Nonoperating Revenues and Expenses As of October 31, 2008 (Unaudited); Operating and Nonoperating Revenues and Expenses Four Months Ended October 31, 2008 (Unaudited); Financial Summary as of October 31, 2008 (Unaudited); Financial Summary Four Months Ended October 31, 2008 (Unaudited); and the Authority's Strategy, which included Reforecast Fiscal Year 2009 Operating and Nonoperating Revenues and Expenses.

In response to Board Member Finnila's concern that routine maintenance projects deferred for too long may lead the Authority to incur greater repair costs at a later date, Bryan Enarson, Vice President, Development, stated that staff is taking a close look at all projects.

In response to Board Member Boland regarding whether there is funding available now to meet the required unfunded mandate by the State of California related to Senate Bill 10 to produce a Regional Aviation Strategic Program (RASP) by 2011, Angela Shafer-Payne, Vice President, Planning and Operations, stated that there is a small amount of funds in this year's budget designated for the RASP, and that the bulk of the funds are anticipated from a Federal Aviation Administration (FAA) grant. She stated that if the grant is not received, staff will be seeking additional operating funds in next year's budget for this purpose.

Chairperson Bersin stated that there are so many uncertainties, and that the Authority should clarify that the reforecast of revenue is our best assessment at this time.

Thella F. Bowens, President/CEO, stated that staff is working on identify ways to improve the Authority's bottom line, and that she has been meeting with Authority staff to ensure that staff is aware of the current economic situation, and how it impacts the Authority and the aviation industry overall. She stated that staff is constantly monitoring the budget, and will make adjustments as needed.

Chairperson Bersin requested that staff provide the Board with an update on carriers operating at SDIA who may not be able to cope with the economic changes.

In response to Board Member Boland's request that the Gross Landing Weights reflected on Slide 18 of the Presentation be more clearly defined, Mr. Evans stated that staff would research the data further, and provide the requested information to Board Members.

Board Member Young questioned if the Authority has to continue with the Quieter Home construction.

Ms. Bowens stated that reducing the construction costs associated with the Quieter Home Program wouldn't help the operating budget because they are paid for with Passenger Facility Charge (PFC) funds, and grants from the FAA.

RECOMMENDATION: Receive the report.

**ACTION: No action taken.**

### **CONSENT AGENDA ACTION RELATED TO ITEM 3**

Tony R. Russell, Director, Corporate Services/Authority Clerk, reported that it was requested that Board Member Young's Event/Meeting Report Summary for November, 2008 be accepted as part of Item 3.

**Moved by Board Member Finnila and seconded by Board Member Zettel to accept Board Member Young's Board Member Event/Meeting/Training Report Summary for November 2008. Motion carried by the following vote: YES – Bersin, Boland, Finnila, Miller, Panknin, Watkins, Young, Zettel; NO – None; ABSENT – Desmond. (Weighted Vote Points: YES – 88; NO – 0; ABSENT – 12)**

**CLOSED SESSION:** The Board recessed into Closed Session at 10:25 a.m. to discuss Items 22, 23,24,25,29 and 30.

- 20. 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
- 21. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:**  
Significant exposure to litigation pursuant to 54956.9(b)(A),(B) and (E):  
Memorandum of Agreement with SANDAG and the City of San Diego  
Number of potential cases: 1
- 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. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:**  
(Government Code Section 54957):  
Title: General Counsel
- 24. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:**  
(Government Code Section 54957):  
Title: Chief Auditor
- 25. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:**  
(Government Code Section 54957):  
Title: President/CEO
- 26. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:**  
Initiation of litigation pursuant to Cal. Gov. Code §54956.9(c).  
Number of potential cases: 1 (Nazbest-Pacific).
- 27. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:**  
Initiation of litigation pursuant to Cal. Gov. Code §54956.9(c).  
Number of potential cases: 1 (Galaxy).
- 28. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:**  
Initiation of litigation pursuant to Cal. Gov. Code §54956.9(b) and (c).  
Number of potential cases: 1 (Contract matter – Soltec Pacific).



**29. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**

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

Property: 1470 Bay Boulevard, Chula Vista, CA 91911

Agency Negotiators: Vernon D. Evans, Vice President, Finance/Treasurer  
Negotiating Parties: GGTW, LLC

Under Negotiation: Lease – terms of payment and conditions.

**30. CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION:**

Government Code section 54956.9(a)

Ray Sterling and California Teamsters, Public, Professional & Medical  
Employees Union, Local 911 v. San Diego County Regional Airport  
Authority

[Before Arbitrator David B. Hart]

**REPORT ON CLOSED SESSION:** The Board reconvened into open session at 3:10 p.m. Breton Lobner, General Counsel, reported that in regards to Item 30 it was moved by Board Member Young and seconded by Board Member Watkins to accept an offer in the amount of \$101,298. Motion carried by the following vote: YES – Bersin, Finnila, Miller, Panknin, Watkins, Young, Zettel; NO – Boland; ABSENT – Desmond. (Weighted Vote Points: YES – 75; NO – 13; ABSENT – 12) He reported that Items 23, 24 and 25 were forwarded to the Executive Personnel and Compensation Committee at its December 16, 2008 meeting.

**ITEM 22 - CONFERENCE WITH LABOR NEGOTIATOR:**

Board Member Watkins stated that the Executive Personnel and Compensation Committee met on several occasions regarding this item and determined, given all the economic concerns nationally and locally, that the negotiated agreement is not in the best interest of the Authority.

**ACTION:** Moved by Board Member Watkins and seconded by Board Member Zettel to adopt Resolution No. 2008-0159, rejecting the tentative Labor Agreement with California Teamsters Local 911. Motion carried by the following vote: YES – Bersin, Boland, Finnila, Miller Panknin Watkins, Zettel; NO – None; ABSENT – Desmond, Young. (Weighted Vote Points: YES – 75; NO – 0; ABSENT – 25)

**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  
City/SANDAG/Port Collaboration

Thella F. Bowens, President/CEO, reported that the United Way campaign succeeded in meeting its goal of \$100,000 this year, despite the current difficult economic times. She stated that Destination Lindbergh held a workshop on Saturday, November 8, 2008 and that the program is anticipated to be completed by February 28, 2009.

In regard to the Regional Aviation Strategic Plan (RASP), Ms. Bowens stated that the negotiations with the vendor for this contract are continuing, and are anticipated to be completed in the next few weeks. She stated that the contract on the Terminal Development Program is also being negotiated, and that it should be ready for the Board's approval in January.

Ms. Bowens reported that Air Service declined for the month of November in terms of seats. She stated that the number of passengers has not been determined, but the information will be provided to the Board as soon as known.

Ms. Bowens stated that the San Diego Port District is in the process of negotiating with the Walt Disney Corporation to home port a Disney Cruise ship in San Diego. She stated that she will be working with the Airlines, the Port, and other agencies to strategize, and facilitate this project.

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

***STANDING BOARD COMMITTEES***

- **AUDIT COMMITTEE:** None
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:** None
- **FINANCE COMMITTEE:** None

## **LIAISONS**

- **AIRPORT MULTI-MODAL ACCESSIBILITY PLAN:** None
- **MILITARY AFFAIRS LIAISONS:**  
Board Member Boland reported that the Secretary of the U.S. Navy sent a letter to Thella F. Bowens, President/CEO, regarding Destination Lindbergh to formally state that land for Taxiway Charlie is not available from the U.S. Marines at this time.
- **RASP LIAISONS:** None
- **TERMINAL DEVELOPMENT PROGRAM:** None
- **AVIATION TECHNOLOGICAL ADVANCES:** None

## **BOARD REPRESENTATIVES**

- **AD HOC AIRPORT REGIONAL POLICY COMMITTEE:** None
- **SANDAG TRANSPORTATION COMMITTEE REPRESENTATIVE:** None
- **SCAG AVIATION TASK FORCE:**  
Board Member Boland stated that he and Angela Shafer-Payne, Vice President, Planning and Operations, visited Ms. Gallagher in Los Angeles to discuss air traffic. He reported that the High Speed Rail project was discussed, and that Ms. Gallagher would be sending a report in this regard to the Governor's Office.
- **CALTRANS:** None

**PUBLIC COMMENT:** None

**GENERAL COUNSEL REPORT:** None

**BOARD MEMBER REPORTS ON MEETINGS ATTENDED AT THE EXPENSE OF THE AUTHORITY:** None

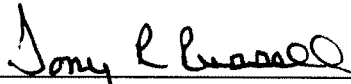
**BOARD COMMENT:** Board Member Orso-Delgado reported that the second Otay Port of Entry has been approved, and that the permit should be received by Monday, December 8, 2008.

Chairperson Bersin reported that Board Members were sent a copy of the Authority's Legislative Policy that will be discussed at the January 9, 2009 Board meeting.

**ADJOURNMENT:**


The meeting was adjourned at 3:24 p.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL  
AIRPORT AUTHORITY BOARD THIS 9TH DAY OF JANUARY, 2009.



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

APPROVED AS TO FORM:



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BRETON K. LOBNER  
GENERAL COUNSEL