

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, MAY 3, 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 9:02 A.M. on Thursday, May 3, 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: Boland, Cox, Desmond, Gleason, Hubbs, Richie (Ex Officio), Robinson, Smisek

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

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

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

NON-AGENDA PUBLIC COMMENT: None

PRESENTATIONS:

A. SEA LEVEL RISE ADAPTATION STRATEGY FOR SAN DIEGO BAY (EDUCATIONAL ITEM):

Brian Holland, AICP – Director of Climate Programs, International Council for Local Environmental Initiatives (ICLEI), provided a presentation on Sea Level Rise Adaptation Strategy for San Diego Bay that included Evidence of Sea Level Rise in San Diego Bay; Adaptation Strategy for San Diego Bay; Vulnerabilities of San Diego International Airport; Comprehensive Strategies for Regional Implementation; and Comprehensive Strategies for Local Implementation.

Board Member Boland suggested that in the future, focus should also be placed on the estuary storm drains shared by the airport with the Marine Corps Recruit Depot (MCRD). He stated that there is a great deal of silting which impacts the proper operation of the outfalls in the area, and dredging the area should be considered.

- B. CONCESSION DEVELOPMENT PROGRAM – TRANSITION PLAN:**
Nyle Marmion, Manager, Concession Development Program, provided an overview of the Concession Development Program – Transition Plan that included Implementation Efforts to Date; Public Outreach Strategies; and Concession Development Program Milestones Target Dates.
- C. FINANCIAL UPDATE FOR THE NINE MONTHS ENDED MARCH 31, 2012:**
Vernon Evans, Vice President, Finance/Treasurer, provided a financial update which included Operating Revenues for the Nine Months Ended March 31, 2012 (Unaudited); Operating Expenses for the Nine Months Ended March 31, 2012 (Unaudited); Financial Summary for the Nine Months Ended March 31, 2012 (Unaudited); Non-Operating Revenues and Expenses for the Nine Months Ended March 31, 2012 (Unaudited); 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 reported that the next meeting of the Committee will be on May 7, 2012.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
Board Member Desmond reported that the next meeting of the Committee will be on May 16, 2012, and that the Chief Auditor, General Counsel, and President/CEO will be providing their goals and objectives for FY2012-13. He also stated that in June the Committee will be evaluating this year's goals for them, and that the information will be provided to the Board in July.
- **FINANCE COMMITTEE:** None
- **TERMINAL DEVELOPMENT PROGRAM COMMITTEE:**
Board Member Boland provided an update on the Green Build which included reporting that the roofing installation, HVAC duct work, and the installation of the steel trusses for the Sunset Cove curtain wall are approximately 95 percent complete. He reported that the installation of the in-line explosion detection system equipment for TSA has been completed, and that the new USO building is nearly complete. He encouraged Board Members to partake in one of the three construction area tours being held in May.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:** Thella F. Bowens, President/CEO, reported that the newly organized Authority Advisory Committee held its first meeting in April, and that most members were in attendance. She reported that this Committee will be the "steering group" for the work that is being done by the Airport Development team. She also reported that Airport 101 sessions were offered to Committee members, and several attended.
- **ART ADVISORY COMMITTEE:** Chair Gleason reported that the next meeting of the Committee will be in June. He also reported that the RFP is out for the last piece of the Green Build project, and that the "Artist in Residence" program began this week.

LIAISONS

- **AIRPORT LAND USE COMPATIBILITY PLAN FOR SAN DIEGO INTERNATIONAL AIRPORT:**
Board Member Robinson reported that Land Use staff met with the City of San Diego staff on April 13th. He also reported that staff hosted a Steering Committee meeting on May 1st to solicit input regarding the density and intensity limits for the 3 Southeast Safety Zone at San Diego International Airport (SDIA).
- **CALTRANS:** None
- **INTER-GOVERNMENTAL AFFAIRS:**
Board Member Cox reported that on April 19th Authority staff joined SANDAG and Port District representatives on the San Diego Women in Transportation Seminar Legislative Panel. He stated that Inter-Governmental staff continues to work with Board Members to coordinate airport updates to appointing jurisdictions. He reported that Board Member Panknin presented to the Santee City Council on April 25th and the Lemon Grove City Council on May 1st. He reported that he is also scheduled to update the El Cajon City Council on May 8, 2012.
- **MILITARY AFFAIRS:**
Board Member Boland reported that Admiral Dixon Smith, Navy Region Commander, indicated an interest in learning about the Land Use Planning process at the airport, and will be briefed by staff this week. He stated that he and Board Member Smisek would be joining staff. He extended an invitation to other members of the Board to attend, if interested.
- **PORT:**
Chair Gleason reported that he and Board Member Cox would be meeting with Port Chairman Smith and Commissioner Malcolm this month to discuss ongoing coordination and other issues.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:**
Board Member Smisek reported that the Committee would be meeting this week.
- **WORLD TRADE CENTER:** None

CHAIR'S REPORT:

Chair Gleason reported that he, Board Member Panknin and Ms. Bowens attended the ACI-NA Commissioners' Conference in Pasadena. He reported that they had focused discussions related to policy and Board level issues facing airports and the aviation industry. He stated that a report will be provided to the Board. He requested that anyone interested in attending either the ACI Conference in Calgary, or the San Diego Chamber of Commerce Delegation trip to Washington, D.C., to please inform the Board Administrator. He confirmed that both events were during the same timeframe in September.

PRESIDENT/CEO'S REPORT:

Thella F. Bowens, President/CEO, reported that she participated in the Economic Development Corporation's Chairman Competitiveness Council meeting held on April 26th. She stated that it was a well attended event that allowed her and representatives of the Unified Port District and the World Trade Center, to present to the Council the role that these agencies have in assisting with the development of economic activities, supporting job growth and the local economy. She also reported that a follow up meeting to the event will be held on May 16.

NON-AGENDA PUBLIC COMMENT:

CARELYN REYNOLDS, SAN DIEGO, Airport Shuttle Association, expressed appreciation for the ongoing progress in the area of Ground Transportation, and stated that their group is looking forward to continued dialogue with the Authority.

BRENDA BRABANT, LEMON GROVE, San Diego Taxi Association, stated that their group has been working hard to meet the ground transportation guidelines set by the Authority.

Chair Gleason reported that staff will be providing a full briefing on the implementation of the Ground Transportation Program at the June Board meeting.

CONSENT AGENDA (Items 1-12):

ACTION: Moved by Board Member Smisek and seconded by Board Member Cox to approve the Consent Agenda. 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 April 12, 2012 special 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 MARCH 12, 2012 THROUGH APRIL 8, 2012 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM MARCH 12, 2012 THROUGH APRIL 8, 2012:**
RECOMMENDATION: Receive the report.
4. **MAY 2012 LEGISLATIVE REPORT:**
RECOMMENDATION: Adopt Resolution No. 2012-0046, approving the May 2012 Legislative Report.

CLAIMS

5. **AUTHORIZE THE REJECTION OF THE CLAIM OF JOSEFA CRUZ:**
RECOMMENDATION: Adopt Resolution No. 2012-0047, authorizing the rejection of the claim of Josefa Cruz.

COMMITTEE RECOMMENDATIONS

6. **ACCEPT THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2012:**
RECOMMENDATION: The Finance Committee recommends that the Board accept the report.

7. ACCEPT THE AUTHORITY'S INVESTMENT REPORT AS OF MARCH 31, 2012:

RECOMMENDATION: The Finance Committee recommends that the Board accept the report.

CONTRACTS AND AGREEMENTS

8. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FIRST AMENDMENT TO THE AGREEMENT WITH ACE PARKING MANAGEMENT, INC. FOR SHUTTLE MANAGEMENT SERVICES:

RECOMMENDATION: Adopt Resolution No. 2012-0048, approving and authorizing the President/CEO to Execute a First Amendment to the Agreement with Ace Parking Management, Inc. for Shuttle Management Services.

9. AWARD A CONTRACT TO S&L SPECIALTY CONTRACTING INC., FOR QUIETER HOME PROGRAM PHASE 6, GROUP 6 (15 WEST SIDE AND 31 EAST SIDE, NON-HISTORIC, SINGLE FAMILY HOMES AND 2 HOMEOWNER ASSOCIATIONS ON 22 RESIDENTIAL PROPERTIES):

RECOMMENDATION: Adopt Resolution No. 2012-0049, awarding a contract to S&L Specialty Contracting, Inc., in the amount of \$789,000, for Phase 6, Group 6, Project No. 380606, of the San Diego County Regional Airport Authority's Quieter Home Program.

10. AWARD A CONTRACT TO ATLAS DEVELOPMENT, TO REFURBISH CONCESSIONS SUPPORT INFRASTRUCTURE, PHASE A, COMMUTER TERMINAL AND TERMINAL ONE, AT SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2012-0050, awarding a contract to Atlas Development, in the amount of \$715,503.54, for Project No. 104122A, Refurbish Concessions Support Infrastructure, Phase A, Commuter Terminal and Terminal One at San Diego International Airport.

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

11. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A SECOND AMENDMENT TO THE ON-CALL TERMINAL AND BUILDING ARCHITECT AND ENGINEERING CONSULTANT SERVICES AGREEMENT WITH HELLMUTH, OBATA + KASSEBAUM, INC.:

RECOMMENDATION: Adopt Resolution No. 2012-0054, approving and authorizing the President/CEO to execute a Second Amendment to the agreement with Hellmuth, Obata + Kassebaum, Inc., extending the term of the agreement by one year to expire on August 31, 2013, to provide on-call professional terminal and building architect and engineering consultant services for Capital Improvement and Major Maintenance projects.

- 12. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FIRST AMENDMENT TO THE ON-CALL TERMINAL AND BUILDING ARCHITECT AND ENGINEERING CONSULTANT SERVICES AGREEMENT WITH WILLIAM NICHOLAS BOUDOVA + ASSOCIATES:**
RECOMMENDATION: Adopt Resolution No. 2012-0055, approving and authorizing the President/CEO to execute a First Amendment to the agreement with William Nicholas Boudova + Associates, extending the term of the agreement by one year to expire on September 30, 2013, to provide on-call professional terminal and building architect and engineering consultant services for Capital Improvement and Major Maintenance projects.

PUBLIC HEARINGS: None

OLD BUSINESS: None

NEW BUSINESS:

- 13. APPROVE ALTERNATE SOLUTION IN LIEU OF TAXICAB FRONT-OF-THE-LINE INCENTIVE FOR ALTERNATIVE FUEL VEHICLES:**
Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the alternative solution in lieu of taxicab front-of-the-line incentive for alternative fuel vehicles that included Taxicab Front-of-the-Line Incentive Background; Taxicab Front-of-the-Line Incentive Alternate Solution; and Staff Recommendation.

Board Member Boland disclosed *ex parte* communications with Tony Hueso and Humberto Peraza.

Board Member Robinson disclosed *ex parte* communications with Tony Hueso and Humberto Peraza.

Board Member Hubbs disclosed *ex parte* communications with Tony Hueso and Humberto Peraza.

Board Member Smisek disclosed *ex parte* communications with Tony Hueso and Humberto Peraza.

Chair Gleason disclosed *ex parte* communications with Lisa McGhee, Humberto Peraza, and Steven Levin.

LISA MCGHEE, SAN DIEGO, provided a hand out to the Board and spoke in support of staff's recommendation. She expressed concerns regarding the discriminatory impact of the incentives program for other operators who don't have the same opportunity.

TONY HUESO, SAN DIEGO, spoke in support of staff's recommendation.

AKBAR MAJID, SAN DIEGO, spoke in support of staff's recommendation.

RECOMMENDATION: Adopt Resolution No. 2012-0056, approving the implementation of an alternate solution in lieu of the taxicab front-of-the-line incentive for alternative fuel vehicles.

ACTION: Moved by Board Member Cox and seconded by Board Member Desmond 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)

14. APPROVE MODIFICATIONS TO VEHICLE CONVERSION INCENTIVE-BASED PROGRAM RELATED TO TAXICAB ALTERNATIVE FUEL VEHICLE INCENTIVES:

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation of the approved modifications to vehicle conversion incentive-based program related to taxicab alternative fuel vehicle incentives which included Incentive Program Background; Trip Fee Issues; Incentive Program Modifications; Proposed Taxicab Incentive Program; Incentive Program Fiscal Impact; and Staff Recommendation.

In response to Board Member Hubbs regarding how the Authority will collect monies from the individuals that do not convert to alternative fuel vehicles, Mr. Evans stated that there will be additional permit and trip fees applied.

In response to Board Member Hubbs regarding the status on having the trip fees placed onto the meters, Mr. Evans stated that this action has been approved, and will be effective July 1, 2012.

In response to Board Member Hubbs' inquiry regarding how the trip fees would be handled by the Metropolitan Transit System (MTS), Breton Lobner, General Counsel, stated that MTS approved placing the fees on the meter, and that they will become effective in July. He stated that no further action would be needed from MTS for future increases.

Board Member Boland requested an update on the audit process that will be used for the collection of fees.

RECOMMENDATION: Adopt Resolution No. 2012-0057, approving modifications to the Vehicle Conversion Incentive-Based Program related to taxicab alternative fuel vehicle incentives.

ACTION: Moved by Board Member Desmond and seconded by Board Member Smisek 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)

The Board recessed at 10:20 a.m. and reconvened at 10:30 a.m.

15. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE THREE ON-CALL PROGRAM MANAGEMENT AND SUPPORT SERVICES AGREEMENTS:

Iraj Ghaemi, Director, Facilities Development, and Jana Vargas, Director, Procurement, provided a presentation on Program Management/Construction Management (PM/CM) consultants selection and funding authorization for the Capital Improvement Program that included Authority Program Management History; Concept of Program Management; Staff Augmentation Examples; Forecasted Program Budgets FY2013-2017; Projected Program Management Requirements; PM/CM Percent of Program; Program Management Selection Process; RFQ – Evaluation Criteria; RFQ – Evaluation Questions; RFQ – Evaluation Panel; and Staff Recommendations.

Mr. Ghaemi informed the Board that staff would like to revise the recommendations to remove the two one-year options to extend the agreements.

Bryan Enarson, Vice President, Development, stated that due to fluctuation in staffing needs, an analysis is being planned to ensure staffing is being maximized. He stated that these assessments are ongoing to ensure business is being conducted in the smartest and most efficient way possible.

RECOMMENDATION: Adopt Resolution No. 2012-0051, approving and authorizing the President/CEO to execute an On-Call Program Management and Support Services Agreement with Kimley-Horn and Associates Inc., in an amount not-to-exceed \$18,000,000 for the first three years with the option for two, one-year extensions, in support of the Capital Improvement and Major Maintenance Programs, at San Diego International Airport.

Adopt Resolution No. 2012-0052, approving and authorizing the President/CEO to execute an On-Call Program Management and Support Services Agreement with Abadjis Systems, Ltd., in an amount not-to-exceed \$18,000,000 for the first three years with the option for two, one-year extensions, in support of the Capital Improvement and Major Maintenance Programs, at San Diego International Airport.

Adopt Resolution No. 2012-0053, approving and authorizing the President/CEO to execute an On-Call Program Management and Support Services Agreement with Jacobs Project Management Co., in an amount not-to-exceed \$18,000,000 for the first three years with the option for two, one-year extensions, in support of the Capital Improvement and Major Maintenance Programs, at San Diego International Airport.

ACTION: Moved by Board Member Smisek and seconded by Board Member Boland to approve staff's recommendation as revised, excluding the two one-year options to extend the agreement. 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)

CLOSED SESSION: The Board did not recess into Closed Session.

- 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 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)
- 19. 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

20. **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
21. **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
22. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
Initiation of litigation pursuant to subdivision (c) of §54956.9: (1 case)
23. **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]
24. **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
25. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
Initiation of litigation pursuant to subdivision (c) of Section 54956.9: (1 case)

REPORT ON CLOSED SESSION: None

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:

Board Member Cox expressed concern with the lack of progress on the Fire Services Contract and recommended that an update be placed on the next Board agenda for discussion.

Chair Gleason requested that staff provide a memo to the Board on the status of the contract.

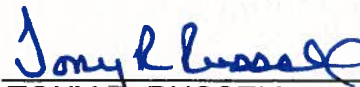
GENERAL COUNSEL REPORT:

Breton Lobner, General Counsel, reported that the Authority received a *Draft Investigative Order* prepared by the Regional Quality Board which names the Authority as one of four parties, along with General Dynamics, Teledyne Ryan, and Solar Turbine. He stated that at this time there is no indication as to whether the Order will be issued. He reported that the Authority is in negotiation with the Regional Quality Board, and a conference call is being scheduled soon.

In response to Board Member Robinson's request that a briefing be provided to the Board on this item, Mr. Lobner stated that the item will be added to the June Closed Session agenda.


ADJOURNMENT: The Board adjourned at 10:52 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 7th DAY OF JUNE, 2012.



TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:



BRETON K. LOBNER
GENERAL COUNSEL