

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, NOVEMBER 5, 2009
BOARD ROOM**

CALL TO ORDER: Vice Chair Finnila called the meeting of the San Diego County Regional Airport Authority Board to order at 9:02 a.m. on Thursday, November 5, 2009, in the Board Room at the San Diego International Airport, Commuter Terminal, 3225 North Harbor Drive, San Diego, CA 92101.

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

ROLL CALL:

PRESENT: Board Members: Desmond, Finnila, Gleason, Panknin, Pieplow (Ex-Officio), Col. Richie (Ex-Officio), Smisek, Watkins, Young

ABSENT: Board Members: Boland, 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

REPORT FROM CITIZEN COMMITTEE:

- **AIRPORT ADVISORY COMMITTEE:**
Rick Beach, First Vice Chair, Airport Advisory Committee, provided a report on the October 8, 2009 Airport Advisory Committee meeting.

Board Member Panknin suggested that the Airport Advisory Committee have the opportunity to review the Ground Transportation Plan prior to having it presented for consideration to the Board.

PRESENTATION(S):

- A. REPORT ON THE AUTHORITY'S FINANCIAL CONDITION:**
Vernon Evans, Vice President, Finance/Treasurer, provided an update on the Authority's financial condition, which included an Economic Update; Unaudited Revenues and Expenses For the Three Months Ended September 30, 2009; Financial Summary For the Three Months Ended September 30, 2009; Nonoperating Revenues For the Three Months Ended September 30, 2009; Authority's Investments Strategies; Total Portfolio Summary; and Summary of Outstanding Commercial Paper.

PUBLIC COMMENT:

JAY SHUMAKER, SAN DIEGO, requested that his comments in the October 8, 2009 draft minutes be corrected to clarify that he suggested that the entitlements to develop the 2600 acres of habitat called Fanita Ranch should be transferred to Miramar or East Elliott, much of which is located within Miramar. He requested that the record reflect that neither he nor Greg Finley suggested an airport at Fanita Ranch but rather that the entitlements for Fanita Ranch be transferred to Miramar.

CONSENT AGENDA:

ACTION: Moved by Board Member Finnila and seconded by Board Member Panknin to approve the Consent Agenda clarifying the October 8, 2009 draft minutes as requested above. Motion carried by the following vote: YES – Desmond, Finnila, Gleason, Panknin, Smisek, Watkins, Young; NO – None; ABSENT – Boland. (Weighted Vote Points: YES – 79; NO – 0; ABSENT - 13)

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the October 1, 2009 Board meeting, the October 7 and 8, 2009 Special Board meetings.

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. APPOINTMENTS TO THE AIRPORT ADVISORY COMMITTEE:

RECOMMENDATION: Adopt Resolution No. 2009-0133, approving the appointments of Brian Trotier and JoAnne Golden as members to the Airport Advisory Committee.

4. NOVEMBER 2009 LEGISLATIVE REPORT:

RECOMMENDATION: Adopt Resolution No. 2009-0134, approving the November 2009 Legislative Report.

CLAIMS

5. AUTHORIZE THE REJECTION OF THE CLAIM OF WAWANESA INSURANCE CO.:

RECOMMENDATION: Adopt Resolution No. 2009-0135, authorizing the rejection of the claim of Wawanesa Insurance Co.

6. **AUTHORIZE THE REJECTION OF THE APPLICATION FOR LEAVE TO PRESENT A LATE CLAIM OF SHABANA KHOKHAR:**
RECOMMENDATION: Adopt Resolution No. 2009-0136, authorizing the rejection of the application for leave to present a late claim of Shabana Khokhar.

COMMITTEE RECOMMENDATIONS

7. **ACCEPTANCE OF THE PROPOSED 2010 MASTER CALENDAR OF BOARD AND COMMITTEE MEETINGS:**
RECOMMENDATION: The Executive Committee recommends that this item be forwarded to the Board for consideration and acceptance.

CONTRACTS AND AGREEMENTS

8. **AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM SEPTEMBER 7, 2009 THROUGH OCTOBER 11, 2009 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM SEPTEMBER 7, 2009 THROUGH OCTOBER 11, 2009:**
RECOMMENDATION: Accept the report.
9. **EXTEND THE TERM OF THE CONTRACT AND INCREASE THE NUMBER OF OPTIONS TO EXTEND THE TERM OF THE PROFESSIONAL LEGAL SERVICES CONTRACT WITH DANNING, GILL, DIAMOND & KOLLITZ, LLP:**
RECOMMENDATION: Adopt Resolution No. 2009-0137, authorizing (1) the exercise of the first option to extend the term of Contract No. 206728OS between the Authority and Danning, Gill, Diamond & Kollitz, LLP for professional legal services for one year to expire no later than December 31, 2010; (2) the Amendment of the Contract to increase by two the number of options available to the Authority; and (3) the President/CEO to exercise one or more of the options to extend the term of the contract.
10. **AUTHORIZE THE AMENDMENT TO THE AGREEMENT BETWEEN THE AUTHORITY AND ALSTON & BIRD, LLP:**
RECOMMENDATION: Adopt Resolution No. 2009-0138, authorizing the Twelfth Amendment to the Agreement for Professional Legal Services between the Authority and Alston & Bird, LLP extending the term of the Agreement by one year to expire no later than November 21, 2010, and increasing the amount of compensation by \$100,000 for a not to exceed amount of \$2,250,000.

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

- 11. AWARD A CONTRACT TO S&L SPECIALTY CONTRACTING, INC., FOR QUIETER HOME PROGRAM PHASE 5, GROUP 1 (25 HISTORIC EAST SIDE SINGLE-FAMILY AND APARTMENT UNITS AND 28 HISTORIC WEST SIDE SINGLE-FAMILY UNITS):**

RECOMMENDATION: Adopt Resolution No. 2009-0139, awarding a contract to S&L Specialty Contracting, Inc., in the amount of \$2,327,550, for Phase 5, Group 1, Project No. 380501, of the San Diego County Regional Airport Authority's Quieter Home Program.

- 12. AUTHORIZE THE PRESIDENT/CEO TO AWARD AN ON-CALL SURVEYING AND CIVIL ENGINEERING CONSULTANT SERVICE AGREEMENT TO NOLTE ASSOCIATES, INC.:**

RECOMMENDATION: Adopt Resolution No. 2009-0140, authorizing the President/CEO to award an On-Call Surveying and Civil Engineering Consultant Service Agreement to Nolte Associates, Inc., for a three year term and a not-to-exceed amount of \$2,500,000, in support of the Capital Improvement and Major Maintenance Programs at San Diego International Airport, and to support the San Diego County Regional Airport Authority's mapping and surveying needs.

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

- 13. AMENDMENT TO POLICY 5.12, SMALL BUSINESS PREFERENCE:**

Bob Silvas, Director, Small Business Development, provided a presentation on the proposed amendments to Policy 5.12, Small Business Preference, which included: Small Business Development Overview; Program Support; Internal Targets; Registration Activity; Internal Target Calculation; Small Business Size Standards; Small Business Criteria; Small Business Certifications; How Preference Would Work; and a Recommendation Summary.

Board Member Finnilla commented that the total costs to the Authority for providing a program like this is unknown. She stated that the Authority needs to keep track as to how much this will cost the Authority, and requested that under the fiscal impact to state that the cost of the program to the Authority will be monitored.

Board Member Panknin stated that there is nothing in the policy to encourage big businesses on larger contracts to subcontract with small businesses, and requested that staff report back to the Board with provisions that provide maximum credits for large business who subcontract with small businesses that meet the established internal targets.

Board Member Young stated that the Authority should be commended for providing a "model" program for other governmental entities.

RECOMMENDATION: Adopt Resolution No. 2009-0141, amending Policy 5.12 Small Business Preference, to allow for a 5 % small business preference on selected procurement opportunities.

ACTION: Moved by Board Member Finnila and seconded by Board Member Gleason to approve staff's recommendation and directed that under fiscal impact that the cost of the program be monitored and that staff report back to the Board on a quarterly basis regarding the cost of the program. Motion carried by the following vote: YES – Desmond, Finnila, Gleason, Panknin, Smisek, Watkins Young; NO – None; ABSENT – Boland. (Weighted Vote Points: YES – 79; NO – 0; ABSENT - 13)

14. **2ND GENERATION RETIREE HEALTHCARE PLAN STATUS UPDATE:** Jeff Lindeman, Director, Human Resources, and Lisa M. Lehtinen-Park, Southwest Regional Vice President, Genesis Employee Benefits Inc., provided a presentation on the status update of the 2nd Generation Retiree Healthcare Plan which included Activity to Date, and Draft Veba Plan Details.

In response to Board Member Gleason regarding whether the program was portable, and if so, the mechanism used once an employee terminates to participate in the program, Ms. Lehtinen-Park stated that the account is not individually portable, such as a 401K or 457; however it can be portable to another Veba if the whole group moves. She also stated that each participant has a vested interest in the account, and has lifetime access to the funds.

In response to Board Member Finnila regarding who monitors the accounts on a day to day basis, Ms. Lehtinen-Park stated that U.S. Bank manages the funds.

RECOMMENDATION: Accept the report.

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

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:**
Board Member Smisek reported that the Audit Committee rescheduled its quarterly meeting to November 18, 2009.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:** None
- **FINANCE COMMITTEE:** None
- **TERMINAL DEVELOPMENT PROGRAM COMMITTEE:**
Board Member Panknin reported that staff should be commended for the community outreach efforts, in particular the presentation provided to the Grossmont Union High School District's Bond Oversight Committee, in September. He stated that the presentations were well received, and he encouraged staff to continue doing this type of outreach.

AD HOC COMMITTEE

- **RASP/AMAP AD HOC COMMITTEE:**
Board Member Finnila reported that staff is continuing to coordinate with SANDAG on further planning. She stated that a letter offering to provide a presentation by staff was sent to various planning groups, and she reported that several have responded. She also reported that staff provided an overview of the RASP, and the Green Build to the Building Owners and Management Association on October 13, 2009.
- **PORT DISTRICT AD HOC COMMITTEE:**
Chairperson Watkins stated that there will be a meeting scheduled with the President/CEO soon, and that the agenda will then be forwarded to the Port District.

LIAISONS

- **MILITARY AFFAIRS LIAISONS:** None
- **CALTRANS:** None

BOARD REPRESENTATIVES

- **SANDAG TRANSPORTATION COMMITTEE REPRESENTATIVE:**
Board Member Smisek reported that the primary discussions held at the last meeting were in regard to the High Speed Rail System, and the locations of its stops. He reported that at this time the recommendation is to make a total of four stops. He also reported that the integration of the Otay Mesa East Port of Entry area has been discussed at length, and that a financial team of SANDAG and CALTRANS staff was being put together to address the issues in regard to costs.
- **SCAG AVIATION TASK FORCE:** None
- **WORLD TRADE CENTER:**
Board Member Watkins reported that the Executive Committee of the World Trade Center met the previous week. He also reported that the Annual Gala was being held this week to recognize various organizations within the region.

Board Member Desmond suggested having an "alternate" Board Member assigned to the SANDAG Transportation Committee.

PUBLIC COMMENT:

KAMRAN HAMIDI, SAN DIEGO, handed out a presentation to the Board, and spoke in regard to the San Diego International Airport's Ground Transportation Planning efforts.

CLOSED SESSION: The Board recessed into closed session at 10:41 a.m. to discuss Items 19, 21 and 23. Breton Lobner, General Counsel reported that in regards to Item 22, that the matter has been settled in an amount of \$1,000 in accordance with closed session discussion on October 1, 2009.

15. **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
16. **CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:**
Initiation of litigation pursuant to Cal. Gov. Code §54956.9(c).
Number of potential cases: 1 (Nazbest-Pacific).
17. **CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:**
Initiation of litigation pursuant to Cal. Gov. Code §54956.9(c).
Number of potential cases: 1 (Galaxy).

- 18. 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)
- 19. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Real Property Negotiations pursuant to Cal. Gov. Code sections 54954.5(b) and section 54956.8.
Property: 1.15 acre parcel located at the northern terminus of 13th Street in Imperial Beach
Agency Negotiators: Vernon D. Evans, Vice President, Finance/Treasurer
under Negotiation: Sale – Terms of Payment and Conditions
- 20. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Real property negotiations pursuant to Cal. Gov. Code sections 54954.5(b) and section 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
- 21. CONFERENCE WITH LABOR NEGOTIATORS:**
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
- 22. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**
(Government Code 54956.9(a)):
San Diego County Regional Airport Authority v. Gibson/ Kent
San Diego County Superior Court Case No. 37-2009-00004949-SC-SC-CTL
- 23. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION**
Pursuant to Government Code section 54956.9(a):
Borsboom v. San Diego County Regional Airport Authority, San Diego Superior Court Case No. 37-2009-00087627-CU-WT-CTL
- 24. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION**
Pursuant to Government Code section 54956.9(a):
Save Our Heritage Organization v. San Diego Unified Port District, et al., San Diego Superior Court Case No. 37-2009-00097828-CU-TT-CTL

REPORT ON CLOSED SESSION: The Board reconvened into open session at 12:30 p.m. Breton Lobner, General Counsel reported that in regards to Item 19, the Board gave direction to staff; Item 21, there was not reportable action; and Item 23, that the Board voted to give certain authorization and direction to the General Counsel to settle the case.

BOARD COMMENT:

Chairperson Watkins reported that he had received notification from the East County Mayors that Board Member Panknin was re-appointed to the Authority Board for an additional three-year term.

PRESIDENT/CEO REPORT:

Thella F. Bowens, President/CEO, reported that the United Way campaign has achieved a milestone this year by having the most staff pledging for payroll giving. She also encouraged everyone to be vaccinated in anticipation of the flu season this year. She also encouraged everyone to visit the newly installed exhibit in the Art Gallery at Terminal 2 West.

GENERAL COUNSEL REPORT:

Breton Lobner, General Counsel, reported that in regards to the proposed Airport Land Use Compatibility Plans, a request for a formal opinion was sent to the Fair Political Practices Commission (FPPC) regarding whether a Conflict of Interest exists for Board Members with property in the areas, and secondly, whether a public exception applies in this regard. He also reported that he had provided a detailed presentation on revenue diversion to Finance Department staff.

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

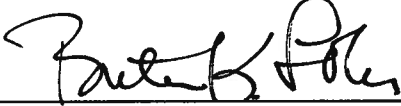
ADJOURNMENT: The meeting was adjourned at 12:40 p.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY BOARD THIS 3RD DAY OF DECEMBER, 2009.



TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:



BRETON K. LOBNER
GENERAL COUNSEL