

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, JULY 10, 2008
BOARD ROOM**

CALL TO ORDER:

Vice-Chair Finnila called the special meeting of the San Diego County Regional Airport Authority Board to order at 9:00 a.m. Thursday, July 10, 2008, at the San Diego International Airport, Commuter Terminal, 3225 North Harbor Drive, San Diego, CA 92101.

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

ROLL CALL:

PRESENT: Board Members: Boland, Desmond, Finnila, Lt. Col. Jeffrey Koffel (Ex-Officio in place of O'Connor) Miller, Panknin, Watkins, Young

ABSENT: Board Members: Bersin, Sheehan (Ex-Officio), Zettel

ALSO PRESENT: Thella F. Bowens, President/CEO; Breton K. Lobner, General Counsel; Tony R. Russell, Director, Corporate Service/Authority Clerk; Maritza C. Steele, Assistant Authority Clerk II.

Board Member Young arrived at 9:12 a.m.

PUBLIC COMMENT:

JARVIS ROSS, SAN DIEGO, spoke regarding fiduciary responsibilities of all boards, questioned whether air travel would go back to the 2004 Airport Master Plan projections, and questioned the status of the master plan expansion as changes occur in air travel.

CONSENT AGENDA:

ACTION: Moved by Board Member Desmond and seconded by Board Member Panknin to approve the Consent Agenda. Motion carried by the following vote: YES – Boland, Desmond, Finnila, Miller, Panknin, Watkins; NO – None; ABSENT – Bersin Young and Zettel. (Weighted Vote Points: YES – 65; NO – 0; ABSENT – 35)

1. **APPROVAL OF MINUTES:**
RECOMMENDATION: Approve the minutes of the June 5, 2008 regular meeting and the June 6, 2008 special meeting.
2. **APPOINTMENT TO THE AIRPORT ADVISORY COMMITTEE:**
RECOMMENDATION: Adopt Resolution No. 2008-0087, approving the appointment of Suhail Khalil as a member of the Airport Advisory Committee.
3. **AMENDMENT TO AUTHORITY POLICY 1.41 REGARDING POWERS AND FUNCTIONS OF THE GENERAL COUNSEL:**
RECOMMENDATION: Adopt Resolution No. 2008-0088, amending Authority Policy 1.41 to authorize the General Counsel to negotiate and settle or compromise any claims, causes of actions, suits, liens, costs, damages or liabilities ("Claims") against the Authority where: (1) the General Counsel believes settlement and/or compromise of the Claim is in the best interest of the Authority; (2) the amount of the Authority's obligation to settle/compromise the Claim is Ten Thousand Dollars (\$10,000) or less; and (3) the President/CEO approves, in writing, the General Counsel's recommendation to settle or compromise the Claim.
4. **RESOLUTION AUTHORIZING THE GRANTING OF THREE EASEMENTS TO SAN DIEGO GAS AND ELECTRIC COMPANY FOR GAS TRANSMISSION AND ELECTRICAL SERVICE TO SAN DIEGO INTERNATIONAL AIRPORT AND THE VACATION OF EASEMENTS BY SAN DIEGO GAS AND ELECTRIC COMPANY:**
RECOMMENDATION: Adopt Resolution No. 2008-0089, authorizing the granting of: 1) an easement to San Diego Gas and Electric Company (SDG&E) for gas transmission ("Gas Easement"); 2) an easement to SDG&E for electrical service ("Electrical Easement 1"); 3) an easement to SDG&E for electrical service ("Electrical Easement 2") to San Diego International Airport (collectively the "Easements"); and the vacation of SDG&E easements (collectively the "Vacated Easements").
5. **ACCEPTANCE OF BOARD MEMBERS' WRITTEN REPORTS ON THEIR ATTENDANCE AT APPROVED MEETINGS:**
RECOMMENDATION: Accept the report.
6. **PROPOSED POLICY AMENDMENT REGARDING LIMITATION OF MEMBERS WHO CAN SERVE ON THE AIRPORT ADVISORY COMMITTEE:**
RECOMMENDATION: Adopt Resolution No. 2008-0090, approving the amendment of Authority Policy 1.21 – Authority Advisory Committee.

7. **JULY 2008 LEGISLATIVE REPORT:**
RECOMMENDATION: Adopt Resolution No. 2008-0091, approving the July 2008 Legislative Report.

CLAIMS

COMMITTEE RECOMMENDATIONS

CONTRACTS AND AGREEMENTS

8. **AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM APRIL 28, 2008 THROUGH JUNE 1, 2008 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM APRIL 28, 2008 THROUGH JUNE 1, 2008:**
RECOMMENDATION: Receive the report.
9. **THIRD AMENDMENT TO THE AGREEMENT BETWEEN THE AUTHORITY AND PAUL PLEVIN SULLIVAN & CONNAUGHTON LLP:**
RECOMMENDATION: Adopt Resolution No. 2008-0092, approving the Third Amendment to the Agreement between the Authority and Paul Plevin Sullivan & Connaughton LLP, exercising the second of two one-year options to extend the initial term of the Agreement to September 07, 2009.
10. **AWARD A CONSTRUCTION CONTRACT TO S & L SPECIALTY CONTRACTING, INC., FOR QUIETER HOME PROGRAM PHASE 4, GROUP 4, PROJECT NO. 380404:**
RECOMMENDATION: Adopt Resolution No. 2008-0095, awarding a construction contract to S & L Specialty Contracting, Inc., in the amount of \$865,550.00, for Phase 4, Group 4, Project No. 380404, of the San Diego County Regional Airport Authority's Quieter Home Program.
11. **AWARD A CONSTRUCTION CONTRACT TO U.S. WINDOW & DOOR CONSTRUCTION CO., INC., dba USWD, FOR QUIETER HOME PROGRAM PHASE 3, GROUP 7, PROJECT NO. 300307:**
RECOMMENDATION: Adopt Resolution No. 2008-0099, awarding a construction contract to U.S. Window & Door Construction Co., Inc., dba USWD, in the amount of \$2,089,466.00, for Phase 3, Group 7, Project No. 300307, of the San Diego County Regional Airport Authority's Quieter Home Program.

- 12. AWARD A CONSTRUCTION CONTRACT TO S & L SPECIALTY CONTRACTING, INC., FOR QUIETER HOME PROGRAM PHASE 4, GROUP 1, PROJECT NO. 380401:**
RECOMMENDATION: Adopt Resolution No. 2008-0100, awarding a construction contract to S & L Specialty Contracting, Inc., in the amount of \$1,877,850.00, for Phase 4, Group 1, Project No. 380401, of the San Diego County Regional Airport Authority's Quieter Home Program.
(Facilities Development: Iraj Ghaemi, Director)

AMENDMENTS TO CONTRACTS AND AGREEMENTS EXCEEDING \$1 MILLION

- 13. ELEVENTH AMENDMENT TO CONTRACT NO. 2004-0184 BETWEEN THE AUTHORITY AND WESTON BENSHOOF ROCHEFORT RUBALCAVA & MacCUISH, LLP:**
RECOMMENDATION: Adopt Resolution No. 2008-0096, approving the eleventh amendment to Contract No. 2004-0184 between the Authority and Weston Benshoof Rochefort Rubalcava & MacCuish LLP, increasing the amount of the contract by \$300,000, for a total not to exceed \$2,150,000 and extending the term by one year to expire no later than November 21, 2009.
- 14. SIXTH AMENDMENT TO THE AGREEMENT BETWEEN THE AUTHORITY AND GATZKE DILLON & BALLANCE, LLP:**
RECOMMENDATION: Adopt Resolution No. 2008-0097, approving the Sixth Amendment to the Agreement between the Authority and Gatzke Dillon & Ballance, LLP, to increase the amount of the contract by \$300,000 for a total not to exceed \$1,800,000.

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

Vice Chair Finnila announced that Items 15 and 16 were pulled from the agenda.

- 15. REQUEST FROM THE UNIFIED PORT OF SAN DIEGO THAT THE SAN DIEGO CITY EMPLOYEES RETIREMENT SYSTEM DIVEST OF ANY INVESTMENTS HELD IN ANY FOREIGN OWNED COMPANIES WITH BUSINESS OPERATIONS IN IRAN:**
RECOMMENDATION: Adopt Resolution No. 2008-0098, requesting that the Board of Administration of the San Diego City Employees Retirement System 1) divest of any investments in foreign owned companies with business operations in Iran or Iran's energy, defense or nuclear sectors;

and 2) develop a plan of divestment in any such companies or investments in accordance with the California Public Divest from Iran Act.

ACTION: This item was pulled from the agenda.

16. AUTHORIZE THE PRESIDENT/CEO TO AWARD A CONTRACT TO MODTECH HOLDINGS, INC., TO DESIGN, PURCHASE, AND INSTALL A TWO-STORY MODULAR BUILDING AT SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2008-0101, authorizing the President/CEO to award a Contract to Modtech Holdings, Inc., for an amount not to exceed \$10,000,000.00 for Project No. 104074, to Design, Purchase, and Install a Two-Story Modular Building, at San Diego International Airport.

ACTION: This item was pulled from the agenda.

Board Member Young arrived at 9:12 a.m.

17. AUTHORIZATION TO NEGOTIATE WITH AND EXECUTE A CONTRACT WITH GREENHAUS INC. FOR MARKETING & COMMUNICATIONS SERVICES:

Richard Kwiatkowski, Director, Marketing, provided a presentation regarding the Request for Proposal process to negotiate the contract; the scope of work for the selected firm; comparison of internal jobs versus agency jobs; recent examples of internal jobs such as *The Airport Explorer's Activity Book*, *The Bessie Coleman Book*; examples of Agency jobs such as the Economic Impact Campaign; and the responsibilities of the consultant.

Board Member Panknin stated that he would like the Board to be informed of major campaign issues ahead of time. He expressed concern with the annual report and suggested that agency staff should be more frugal. He stated that the website works very good.

Board Member Desmond questioned the number of companies providing marketing and communications service.

Thella F. Bowens, President/CEO, stated that the Porter Novelli contract is designed to address specific issues such as Destination Lindbergh, the Terminal Development Program, and the Airport Master Plan. She stated that Greenhaus, Inc. will be responsible for marketing and communications to disseminate public information, and to interact and educate the public. She stated that this contract is for a not-to-exceed amount, and that the Authority also has a facilitation contract for the Airport Technical Advisory Group (ATAG).

RECOMMENDATION: Adopt Resolution No. 2008-0102, authorizing the President/CEO to negotiate with and execute a contract with Greenhaus Inc. for Marketing & Communications services for three (3) years in an amount not-to-exceed \$2,500,000.00 in support of the San Diego County Regional Airport Authority's and San Diego International Airport's marketing and public relations initiatives; authorizing a not-to-exceed expenditure of \$650,000 the first year and \$925,000 each consecutive year thereafter.

ACTION: Moved by Board Member Boland and seconded by Board Member Watkins to approve staff's recommendation. Motion carried by the following vote: YES - Boland, Desmond, Finnila, Miller, Panknin, Watkins, Young; NO – None; ABSENT – Bersin, Zettel. (Weighted Vote Points: YES – 78; NO – 0; ABSENT – 22)

18. AUTHORIZE THE EXECUTION OF AIRLINE OPERATING AND LEASE AGREEMENTS WITH SIGNATORY AIRLINES FOR FIVE YEAR TERM TO PROVIDE AIR SERVICE TO SAN DIEGO INTERNATIONAL AIRPORT:

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation regarding the current and proposed Airline Operating Lease Agreement which defines the terms and conditions of how airlines operate at San Diego International Airport.

Breton Lobner, General Counsel, stated that the draft was provided to all of the air carriers, and their attorneys are currently reviewing the document. He stated that there may be minor changes, and he would recommend that the Board consider adding language to the Resolution that the President/CEO would have the ability to execute the contract substantially in the form approved by the Board to make the changes that are necessary.

In response to Board Member Orso-Delgado regarding what would happen if one of the airlines disagrees with the agreement, Mr. Lobner stated that a non-signature agreement is prepared for those carriers who chose not to participate.

Thella F. Bowens, President/CEO, stated that the percentage does not mean that the Authority is recovering the amount shown in the presentation. She stated that the Authority is only recovering one hundred percent of the space the airlines are occupying.

RECOMMENDATION: Adopt Resolution No. 2008-0093, authorizing the granting of authority to the President/CEO or her designee to execute Airline Operating and Lease Agreements.

ACTION: Moved by Board Member Panknin and seconded by Board Member Watkins to adopt Resolution No. 2008-0093 R adopting staff's recommendation and authorizing the President/CEO to execute the agreements substantially in the form approved by the Board. Motion carried by the following vote: YES - Boland, Finnilla, Miller, Panknin, Watkins, Young; NO – None; ABSTAIN – Desmond; ABSENT – Bersin, Zettel. (Weighted Vote Points: YES – 66; NO – 0; ABSTAIN - 12; ABSENT – 22)

19. AWARD OF CONTRACT TO KATZ AND ASSOCIATES FOR FACILITATION AND STRATEGIC PLANNING SERVICES FOR THE AIRPORT LAND USE COMPATIBILITY PLAN TECHNICAL ADVISORY GROUP:

Keith Wilschetz, Director, Airport Planning, stated that the firm of Katz and Associates and Steve Alexander were hired as facilitators for the Airport Technical Advisory Group (ATAG) and Subcommittee meetings. He stated that the contracts expired, and staff felt it prudent to re-bid for the services. He provided information on the process for the Request for Proposal and stated that responses from three bidders were received. He stated that the term of the contract is for two years with a one year option.

In response to Board Member Watkins regarding the role of The Alexander Group with Katz and Associates, Mr. Wilschetz stated that staff has found it helpful to have two facilitators at large meetings such as the ATAG. He stated that Steve Alexander and Louis Michelson have worked as a partnership, and either one have facilitated at the Subcommittee meetings. He stated that this time they are working as a team under one contract.

RECOMMENDATION: Adopt Resolution No. 2008-0094, authorizing the President/CEO to negotiate and award a contract, in an amount not to exceed \$600,000, to Katz and Associates for facilitation and strategic planning services in support of the Airport Land Use Compatibility Plan Technical Advisory Group.

ACTION: Moved by Board Member Watkins and seconded by Board Member Desmond to approve staff's recommendation. Motion carried by the following vote: YES - Boland, Desmond, Finnilla, Miller, Panknin, Watkins, Young; NO – None; ABSENT – Bersin, Zettel. (Weighted Vote Points: YES – 78; NO – 0; ABSENT – 22)

Vice Chair Finnila stated that Item 20 would be discussed in Closed Session.

Board Member Panknin recused himself from discussions on this item due to a potential conflict of interest.

20. AUTHORIZE AMENDMENT TO LEASE WITH JIMSAIR AVIATION SERVICES, INC.:

ACTION: This item was heard after the Closed Session.

CLOSED SESSION: The Board recessed into closed session at 9:32 a.m. to hear Items 20, 21, 22, 27, 28, 29, and 30.

- 21. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:
(Government Code Section 54956.9(a)):**
North v. San Diego County Regional Airport Authority,
San Diego Superior Court Case No. 37-2007-00066410-CU-PO-CTL
- 22. CONFERENCE WITH LABOR NEGOTIATOR:
(Government Code Section 54957.6)**
Authority 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 California Government Code Section 54956.9(c):
Number of potential cases: 1 (Nazbest-Pacific)
- 24. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION:**
Initiation of litigation pursuant to California Government Code Section 54956.9(c):
Number of potential cases: 1 (Galaxy)
- 25. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
(Government Code Section 54956.9(b)(d)):**
Number of potential cases: 4 (regarding environmental matters)
- 26. 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

- 27. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
(Government Code Section 54956.9(a)):**
Regarding the Application of San Diego County Regional Airport Authority, San Diego International Airport (SDIA), Before the Office of Administrative Hearings, State of California, OAH Case No. 2004120097
- 28. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
(Government Code Section 54956.9(a)):**
Hernandez v. San Diego County Regional Airport Authority, San Diego Superior Court Case No. GIC 871979
- 29. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
(Government Code Section 54956.9(a)):**
Jimsair Aviation Services, Inc. v. San Diego County Regional Airport Authority, San Diego Superior Court Case No. GIC 865099
- 30. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Property: 2722-2724 Truxtun Road APN 450-841-05-00
Agency Negotiator: Vernon D. Evans, Vice President, Finance/Treasurer and Eric Podnieks, Real Estate Manager
Negotiating Parties: Truxtun LLC and/or First National Bank
Under Negotiation: Perfecting a purchase agreement and terms of agreement and terms of payment

REPORT ON CLOSED SESSION: The Board reconvened into open session at 10:41 a.m. Breton Lobner, General Counsel reported that in regards to Item 21, that the Board authorized the acceptance of a \$5,000 offer to settle; In regards to Item 27, it was announced that the Airport has received a final variance from the State of California Division of Aeronautics; In regards to Item 28, that the matter has been settled in the amount of \$115,000; and in regards to Item 29, that it was discussed in Closed Session and the Board voted to take up Item 20 in Open Session.

- 20. AUTHORIZE AMENDMENT TO LEASE WITH JIMSAIR AVIATION SERVICES, INC.:**
Breton Lobner, General Counsel, reported that the agreement is entitled "Agreement for Amendment of Lease, Amendment No. 5, and Consent to Sale of the Controlling Interest in the Voting Stock of Jimsair Aviation Services, Inc. at San Diego International Airport, effective July 15, 2008."
- LEE BURDICK, SAN DIEGO, expressed appreciation to Authority staff for their dedication of resources, time and efforts, to consummate negotiations.

DON PRESCOTT, EXECUTIVE VICE PRESIDENT, LANDMARK AVIATION, provided an overview of their experience, and stated that Landmark is one of the oldest aviation companies in the United States. He stated that Landmark Aviation currently has 33 locations in the United States, three in Canada, and three in Europe.

RECOMMENDATION: Provide direction to staff.

ACTION: Moved by Board Member Desmond and seconded by Board Member Miller to adopt Resolution No. 2008-0103 authorizing the President/CEO to finalize and execute all agreements necessary to implement the above-described transaction with substantially the same terms and conditions with the following conditions precedent:

- Execution of the agreement as described within the report;
- Jimsair's execution of a Lease Agreement to conduct off-premises ground handling and support services;
- Jimsair's dismissal with prejudice of all pending litigation against the Authority; and
- Jimsair's full payment to the Authority of the California Superior Court, County of San Diego award of attorney's fees to the Authority and against Jimsair by July 31, 2008.

Motion carried by the following vote: YES - Boland, Desmond, Finnila, Miller, Watkins, Young; NO – None; ABSENT – Bersin, Panknin, Zettel. (Weighted Vote Points: YES – 70; NO – 0; ABSENT – 30)

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

CITIZEN COMMITTEES

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:** None
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
Board Member Watkins reported that the Committee met in Closed Session on June 19 and July 1, 2008. He reported that the Committee worked on issues related to performance objectives for the President/CEO, the General Counsel, and the Chief Auditor. He stated that during these meetings, presentations were also made by Linda Shoob, Center for Organizational Effectiveness. He reported that measurable performance goals and the criteria for discretionary bonuses will be presented in September. He stated that issues related to the upcoming labor and collective bargaining process

were also discussed, and a labor attorney has been retained to assist the Committee.

- **FINANCE COMMITTEE:** None

LIAISONS

- **AIRPORT MULTI-MODAL ACCESSIBILITY PLAN:** None
- **EXECUTIVE STEERING LIAISONS FOR MOA - CITY OF SAN DIEGO:**
None
- **EXECUTIVE STEERING LIAISONS FOR MOA - SANDAG:**
Board Member Desmond reported that at the June 27, 2008, meeting, the San Diego Association of Governments (SANDAG) agreed to the Memorandum of Agreement (MOA) for the Regional Aviation Strategic Plan (RASP) which is required by Senate Bill 10.
- **MILITARY AFFAIRS LIAISONS:** None
- **RASP LIAISONS:**
Board Member Miller stated that the Airport Multimodal Accessibility Plan (AMAP) was approved by the Board on June 5, 2008. He reported that a Request for Qualifications is being developed for a consultant to prepare the Regional Aviation Strategic Plan (RASP).
- **TERMINAL DEVELOPMENT PROGRAM:** None

BOARD REPRESENTATIVES

- **AD HOC AIRPORT REGIONAL POLICY COMMITTEE:** None
- **SANDAG TRANSPORTATION COMMITTEE REPRESENTATIVE:** None
- **SCAG AVIATION TASK FORCE:** None
- **CALTRANS:** 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
City/SANDAG/Port Collaboration

Thella F. Bowens, President/CEO, reported that the focus this month is on issues in the industry as related to San Diego International Airport. She also reported that this month staff developed a video in conjunction with the Transportation Security Administration (TSA) to demonstrate what people need to do at the security check points. She reported that the video includes mascots from San Diego attractions to make the security message entertaining.

Ms. Bowens reported that the Ad Hoc Regional Policy Committee met on June 12 and 26, 2008, to discuss issues related to Destination Lindbergh. She reported that at the Mayor's request, a workshop is scheduled for August 2, 2008, from 8:00 a.m. to 12:00 noon for the committee to have some more in-depth discussions on the project.

Ms. Bowens reported that the Technical Advisory Committee and the Airport Advisory Committee for Destination Lindbergh are continuing to meet to discuss issues related to traffic surrounding the airport, and on developing the air traffic forecast for that project. She stated that a Request for Qualifications was developed for technical proposals for the Terminal Development Program. She reported that at this point no projects have been approved for the Terminal Development Program. She reported that neighborhood meetings are scheduled to share the planning activities at Lindbergh Field with adjacent communities.

Ms. Bowens reported that CONVIS and the World Trade Center are planning events with Zoom to coincide with the San Diego Chargers game in London in late October.

Ms. Bowens reported that the Authority continues to work with the San Diego Port District on various collaborative issues such as cruise ship parking, and a temporary taxi shuttle lot.

Ms. Bowens reported on the signing of a five-year assumption of part of the World Trade Center License to formalize the Authority's partnership. She reported that this partnership would be important to our tourist and business community for future business ventures with the airport.

Board Member Watkins questioned if there would be any change in the fall flight schedule, recognizing fuel and airline operating costs, and if the information would be included in next month's financial statement.

Ms. Bowens stated that the Authority is working one-on-one with every carrier at SDIA regarding any changes in schedule before they occur. She stated that staff is trying to not only be a good partner with the airlines, but also trying to be a good partner with the community. She stated that staff will be coming back to the Board with information on what any possible reductions will be, and what will strategically happen in the future.

Ms. Bowens reported that Matt Harris, Senior Director, and Angela Shafer-Payne, Vice President, Planning and Operations, were at a convention in Washington called by industry organizations including airlines, regulatory agencies, and airports. She reported that a summit for Chief Executive Officers will be held in August to talk about issues relating to fuel, how airports are being affected, and what they can do to be proactive.

Ms. Bowens reported that Express Jet will be closing its program in every city. She reported that in September they will be flying under the Continental Express banner.

Board Member Watkins questioned if any attempts were made to contact a company like Volaris to provide service to Mexico.

Ms. Bowens reported that staff has been in contact with Volaris and others regarding service to Mexico. She stated that everyone is being affected by fuel prices, and that there is very little expansion except for Southwest Airlines. She stated that staff is working with international and domestic carriers to see which ones can come in and fill a void.

PUBLIC COMMENT: None

GENERAL COUNSEL REPORT:

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

Board Member Boland reported that on June 11, 2008, he and Vice Chair Finnilla met with Mayor Paul Glaab of Laguna Niguel, the newly designated Chairman of the Aviation Sub-Committee for the Southern California Association of Governments. He reported that Mayor Glaab has a substantial background in aviation, and in legislation in Sacramento, and looks more broadly at transportations demands. He reported that the mayor was informed of Destination Lindbergh, and the Terminal Development Plan.

ADJOURNMENT:

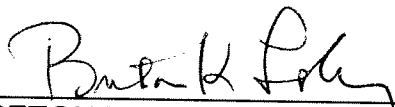
The meeting was adjourned at 11:08 a.m. The next regular meeting will be held on September 4, 2008 at 9:00 a.m., in the Board Room at the San Diego International Airport, Commuter Terminal, 3225 N. Harbor Drive, San Diego, CA 92101.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 4TH DAY OF SEPTEMBER, 2008.



TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:



BRETON K. LOBNER
GENERAL COUNSEL