

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
EXECUTIVE COMMITTEE MINUTES
MONDAY, JANUARY 28, 2008
SHERATON SAN DIEGO HOTEL AND MARINA
WEST TOWER - CATALINA ROOM**

CALL TO ORDER:

Chairperson Bersin called the meeting of the Executive Committee to order at 9:00 a.m., Monday, January 28, 2008, at the Sheraton San Diego Hotel and Marina, West Tower, Catalina Room, 1590 Harbor Island Drive, San Diego, CA 92101.

ROLL CALL:

PRESENT: Committee Members: Bersin, Watkins, Zettel
 Board Members: Boland, Desmond, Finnila, Panknin

ABSENT: Committee Members: None

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

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

PUBLIC COMMENT: None

NEW BUSINESS:

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the December 7, 2007 Special Executive Committee meeting, and the December 19, 2007 Executive Committee meeting.

Chairperson Bersin requested that the minutes of December 7, 2007 be amended on Page 5; paragraph one, to change the word "complexity" to "critical nature".

ACTION: Moved by Board Member Zettel and seconded by Board Member Watkins to approve the minutes of the December 7, 2007, Special Executive Committee meeting as amended and to approve the minutes of the December 19, 2007, Executive Committee meeting. Motion carried unanimously.

2. CONSIDERATION OF A MEMORANDUM OF UNDERSTANDING WITH THE CITY OF SAN DIEGO AND SANDAG REGARDING THE AIRPORT MASTER PLAN:

Thella F. Bowens, President/CEO, stated that the Authority has been working with the City of San Diego and the San Diego Association of Governments (SANDAG) for several months to reach agreement relating to the Authority's Master Plan and Environmental Impact Report (EIR). She reported that both agencies have expressed concern regarding traffic issues, specifically in the area of North Harbor Drive. She stated that a presentation on behalf of the Authority was made by Board Member Desmond at the last SANDAG meeting. Ms. Bowens stated that the City of San Diego has also expressed additional concern about ensuring that the Authority is accountable for any mitigation that may arise on North Harbor Drive and other ancillary areas to SDIA as a result of the Master Plan project. Ms. Bowens stated that in an effort to alleviate the concerns raised, the Authority is proposing submitting a Memorandum of Understanding (MOU) to the City of San Diego and SANDAG that would memorialize the Authority's willingness to work with both agencies in good faith to ultimately reach mutual agreement about the issues raised.

Board Member Panknin arrived at the meeting at 9:15 a.m.

Chairperson Bersin stated that it is his understanding that the City of San Diego, due to its current fiscal status, ultimately wants assurance that any fiscal impacts that may arise because of the Master Plan project will be absorbed by the Authority.

Breton Lobner, General Counsel, stated that under the California Environmental Quality Act (CEQUA), the law requires that an agency that has a project is obligated to identify any significant environmental impacts of the project, and to mitigate them if needed. Mr. Lobner stated that the financial obligation of mitigating a project falls on the agency proposing the project.

In response to Board Member Zettel regarding how any federal mandates stemming from the National Environmental Policy Act (NEPA) may impact the Master Plan project, and whether it may possibly divert funds away from the project, Mr. Lobner stated that NEPA applies to federal agencies that have a federal project. He stated that the Master Plan has some portions that could trigger NEPA, such as changes to the Airport Layout Plan or taxiway. Mr. Lobner stated that the Federal government has set up some basic rules about how airport revenue may be used and it restricts using airport funds for non-airport projects.

In response to Board Member Zettel regarding what the Authority's exposure to liability may be as a result of issuing the MOU's, Breton Lobner, General Counsel, stated that the MOU will reflect the law and will cover the issue of revenue diversion. He stated that the MOU's will clearly specify what the restrictions are.

Thella Bowens, President/CEO, provided an overview of the process that would evolve should mitigation be required and gave options that could be explored with the FAA to address and resolve possible issues.

Chairperson Bersin requested that staff send a letter to the City of San Diego regarding the responsibility for the cost of mitigation caused by the Airport Master Plan.

Thella Bowens, President/CEO, stated that the Authority recognizes that regardless of whether the Master Plan comes to fruition, traffic issues would still be a concern in the area of Harbor Drive and SDIA; therefore the Authority has put forth great effort to disconnect any transit planning issues from traffic mitigation issues identified in the EIR.

In response to Board Member Finnilla's concern that all Board Members are briefed on what may have transpired at meetings held between the Authority and outside agencies, such as FAA and SANDAG, Chairperson Bersin requested that a written report of all meetings between the Authority and other agencies, similar to the meeting between the Authority, FAA and SANDAG regarding the use of airport revenue in regards to the AMP, be generated and forwarded to all Board Members.

Ms. Bowens stated that she will ensure that all Board Members are kept up to date in the future.

Board Member Boland expressed concern that some of the information presented to SANDAG by the California Independent Voter Project representative was erroneous and that no effort was made to correct the information. He stated that he was pleased to see that SANDAG is willing to consider a Memorandum of Understanding and that they will be having a joint meeting with the Authority on February 8.

Chairperson Bersin stated that negotiating a MOU will be a significant step towards meeting the requirements of a Regional Aviation Strategic Plan (RASP) and the Inter-Modal Transit Plan.

Board Member Panknin suggested that the Board adopt a vision to look at developing the North side of SDIA.

Breton Lobner, General Counsel, stated that the MOU will be broken down in several sections and he provided copies of a draft MOU for review by the Committee.

The Committee recessed at 9:50 a.m. and reconvened at 10:05 a.m.

Chairperson Bersin stated that due to Board Member Zettel's need to depart for a trip to Sacramento, the committee would hear Item 5 and Item 6 at this time, and then continue the discussion regarding the MOU.

REVIEW OF FUTURE AGENDAS

5. **REVIEW OF THE DRAFT FEBRUARY 7, 2008 AIRPORT LAND USE COMMISSION AGENDA:**
Thella F. Bowens, President/CEO, presented the draft February 7, 2008 Airport Land Use Commission agenda.

ACTION: Moved by Board Member Zettel and seconded by Board Member Watkins to approve the February 7, 2008 Airport Land Use Commission agenda as presented. Motion carried unanimously.

6. **REVIEW OF THE DRAFT FEBRUARY 7, 2008 BOARD AGENDA:**
Thella F. Bowens, President/CEO, presented the draft February 7, 2008 Board agenda.

In response to Board Member Watkins regarding whether there would be a recommendation from the Parking Committee on the parking structure, Ms. Bowens stated that she would confirm with Board Member Miller whether a recommendation was made by the committee and if so, a presentation will be made at the February 7, 2008 Board meeting.

In response to Board Member Boland, referencing Item 14, regarding whether the Memorandum of Understanding was being presented jointly to SANDAG and the City of San Diego, Chairperson Bersin stated that he will recommend that a separate Memorandum of Understanding confirming mitigation costs will be submitted to each agency.

Ms. Bowens recommended that Item 13, Update on the Airport Master Plan Parking Structure, be removed from the agenda.

Breton Lobner, General Counsel, requested that Item 16 and Item 18 be removed from Closed Session due to the completion of these matters.

ACTION: Moved by Board Member Watkins and seconded by Board Member Zettel to approve the February 7, 2008 Board agenda as amended. Motion carried unanimously.

2. CONSIDERATION OF A MEMORANDUM OF UNDERSTANDING WITH THE CITY OF SAN DIEGO AND SANDAG REGARDING THE AIRPORT MASTER PLAN (Continued):

Breton Lobner, General Counsel, provided an overview of the draft Memorandum of Understanding that his office has prepared for the City of San Diego and SANDAG.

Board Member Finnila suggested that the word "possible" be used in lieu of "acquisition" wherever possible to indicate the Authority's willingness to be flexible.

Board Member Watkins suggested that he would like more expansive concepts expressed when referring to the north side and the gate areas.

Board Member Zettel left the meeting at 10:50 a.m.

Chairperson Bersin stated that the Authority cannot address the gates on the North side until negotiations with the U. S. Marines have commenced.

Board Member Boland stated that it is important to include the U. S. Marines in the planning stage to ensure their understanding of the issues.

In regard to the February 8, 2008 joint SANDAG and Authority Board meeting, Chairperson Bersin requested that clarification be received on whether the meeting will address solely the MOU and that Board Members be informed in advance.

BUDGET AND FINANCE ITEMS

3. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2007:

Vernon Evans, Vice President, Finance/Treasurer, presented a review of the Unaudited Financial Statements for the six months ended December 31, 2007, which included balance sheets, revenues and expenses, and a financial summary.

Board Member Watkins requested that a 12-month projected budget be provided by staff.

RECOMMENDATION: Forward the report to the Board for information.

ACTION: No Action Taken

**4. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF
DECEMBER 31, 2007:**

Vernon Evans, Vice President, Finance/Treasurer, presented a review of the Authority's Investment Report as of December 31, 2007.

Chairperson Bersin requested that staff provide an update on hedging in the presentation.

RECOMMENDATION: Forward the report to the Board for information.

ACTION: No Action Taken.

PUBLIC HEARINGS: None

CLOSED SESSION:

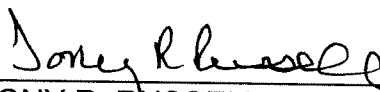
GENERAL COUNSEL REPORT:

BOARD COMMENT:

ADJOURNMENT:

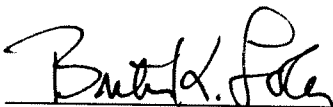
The meeting was adjourned at 11:22 a.m. The next regular meeting will be held on Monday, February 25, 2008 at 9:00 a.m., at the San Diego Marriott Hotel & Marina, Santa Rosa Room, 333 West Harbor Drive, San Diego, CA 92101

APPROVED BY A MOTION OF THE EXECUTIVE COMMITTEE OF THE
AIRPORT AUTHORITY THIS 25TH DAY OF FEBRUARY, 2008.



TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:



BRETON K. LOBNER
GENERAL COUNSEL