

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY



BOARD MEMBERS

DAVID ALVAREZ
LAURIE BERMAN*
BRUCE R. BOLAND
GREG COX
JIM DESMOND
COL. JOHN FARNAM*
ROBERT H. GLEASON
LLOYD B. HUBBS
PAUL ROBINSON
MARY SESSOM
TOM SMISEK

* EX OFFICIO BOARD MEMBERS

PRESIDENT/CEO
THELLA F. BOWENS

BOARD

AGENDA

Thursday, June 6, 2013
9:00 A.M.

San Diego International Airport
Commuter Terminal – Third Floor
Board Room
3225 N. Harbor Drive
San Diego, California 92101

***Live webcasts of Authority Board meetings can be accessed at
http://www.san.org/airport_authority/boardmeetings.asp.***

This Agenda contains a brief general description of each item to be considered. The indication of a recommended action does not indicate what action (if any) may be taken. ***Please note that agenda items may be taken out of order.*** If comments are made to the Board without prior notice or are not listed on the Agenda, no specific answers or responses should be expected at this meeting pursuant to State law.

Staff Reports and documentation relating to each item of business on the Agenda are on file in Corporate Services and are available for public inspection.

NOTE: Pursuant to Authority Code Section 2.15, all Lobbyists shall register as an Authority Lobbyist with the Authority Clerk within ten (10) days of qualifying as a lobbyist. A qualifying lobbyist is any individual who receives \$100 or more in any calendar month to lobby any Board Member or employee of the Authority for the purpose of influencing any action of the Authority. To obtain Lobbyist Registration Statement Forms, contact the Corporate Services/Authority Clerk Department.

PLEASE COMPLETE A "REQUEST TO SPEAK" FORM PRIOR TO THE COMMENCEMENT OF THE MEETING AND SUBMIT IT TO THE AUTHORITY CLERK. ***PLEASE REVIEW THE POLICY FOR PUBLIC PARTICIPATION IN BOARD AND BOARD COMMITTEE MEETINGS (PUBLIC COMMENT) LOCATED AT THE END OF THE AGENDA.***

The Authority has identified a local company to provide oral interpreter and translation services for public meetings. If you require oral interpreter or translation services, please telephone the Corporate Services/Authority Clerk Department with your request at (619) 400-2400 at least three (3) working days prior to the meeting.

CALL TO ORDER:

PLEDGE OF ALLEGIANCE:

ROLL CALL:

PRESENTATION:

A. 2013 ENERGY SHOWCASE AWARD:

Presented by: Chris Brown, Senior Account Executive, SDG&E

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

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:**
Committee Members: Gleason, Hollingworth, Hubbs, Sessom, Smisek (Chair), Tartre, Van Sambeek
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**
Committee Members: Alvarez, Boland (Chair), Gleason, Hubbs, Robinson
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
Committee Members: Boland, Cox, Desmond (Chair), Hubbs, Smisek
- **FINANCE COMMITTEE:**
Committee Members: Alvarez, Cox (Chair), Hubbs, Robinson, Sessom

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:**
Liaison: Smisek
- **ART ADVISORY COMMITTEE:**
Committee Member: Gleason

LIAISONS

- **AIRPORT LAND USE COMPATIBILITY PLAN FOR SAN DIEGO INTERNATIONAL AIRPORT:**
Liaison: Robinson
- **CALTRANS:**
Liaison: Berman

- **INTER-GOVERNMENTAL AFFAIRS:**
Liaison: Cox
- **MILITARY AFFAIRS:**
Liaisons: Boland
- **PORT:**
Liaisons: Boland, Cox, Gleason (Primary), Smisek

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:**
Representatives: Hubbs, Smisek (Primary)
- **WORLD TRADE CENTER:**
Representatives: Alvarez, Gleason (Primary)

CHAIR'S REPORT:

PRESIDENT/CEO'S REPORT:

NON-AGENDA PUBLIC COMMENT:

Non-Agenda Public Comment is reserved for members of the public wishing to address the Board on matters for which another opportunity to speak **is not provided on the Agenda**, and which is within the jurisdiction of the Board. Please submit a completed speaker slip to the Authority Clerk. ***Each individual speaker is limited to three (3) minutes. Applicants, groups and jurisdictions referring items to the Board for action are limited to five (5) minutes.***

Note: Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board.

CONSENT AGENDA (Items 1-17):

The consent agenda contains items that are routine in nature and non-controversial. Some items may be referred by a standing Board Committee or approved as part of the budget process. The matters listed under 'Consent Agenda' may be approved by one motion. Any Board Member may remove an item for separate consideration. Items so removed will be heard before the scheduled New Business Items, unless otherwise directed by the Chair.

1. APPROVAL OF MINUTES:

The Board is requested to approve minutes of prior Board meetings.

RECOMMENDATION: Approve the minutes of the May 2, 2013, regular 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:

The Board is requested to accept the reports.

RECOMMENDATION: Accept the reports and pre-approve Board member attendance at other meetings, trainings and events not covered by the current resolution.

(Corporate Services: Tony Russell, Director/Authority Clerk)

3. AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM APRIL 8, 2013 THROUGH MAY 12, 2013 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM APRIL 8, 2013 THROUGH MAY 12, 2013:

The Board is requested to receive the report.

RECOMMENDATION: Receive the report.

(Procurement: Jana Vargas, Director)

4. JUNE 2013 LEGISLATIVE REPORT:

The Board is requested to approve the report.

RECOMMENDATION: Adopt Resolution No. 2013-0044, approving the June 2013 Legislative Report.

(Inter-Governmental and Community Relations: Michael Kulis, Director)

5. APPOINTMENT OF PUBLIC MEMBER TO THE AUDIT COMMITTEE:

The Board is requested to make an appointment.

RECOMMENDATION: Adopt Resolution No. 2013-0045, appointing Andrew Hollingworth as a public member to the Audit Committee.

(Corporate Services: Tony R. Russell, Director/Authority Clerk)

6. ADOPTION OF THE FIVE ORGANIZATIONAL STRATEGIES:

The Board is requested to adopt the five organizational strategies.

RECOMMENDATION: Adopt Resolution No. 2013-0046, memorializing the five strategies developed by the Board and staff to guide organizational decision making.

(Organizational Performance & Development: Jeffrey Lindeman, Senior Director)

CLAIMS

- 7. AUTHORIZE THE REJECTION OF THE CLAIM OF CAROLINE MCCREATH:**
The Board is requested to reject the claim.
RECOMMENDATION: Adopt Resolution No. 2013-0047, authorizing the rejection of the claim of Caroline McCreath.
(Legal: Breton Lobner, General Counsel)

COMMITTEE RECOMMENDATIONS

- 8. REQUIRED COMMUNICATIONS FROM THE EXTERNAL AUDITOR TO THE AUDIT COMMITTEE ON THE FISCAL YEAR ENDED JUNE 30, 2013, FINANCIAL AND COMPLIANCE AUDIT:**
The Board is requested to accept the information.
RECOMMENDATION: The Audit Committee recommends that the Board accept the information.
(Audit: Mark Burchyett, Chief Auditor)
- 9. FISCAL YEAR 2013 THIRD QUARTER AUDIT ACTIVITIES REPORT AND AUDIT RECOMMENDATIONS ISSUED BY THE OFFICE OF THE CHIEF AUDITOR:**
The Board is requested to accept the report.
RECOMMENDATION: The Audit Committee recommends that the Board accept the report.
(Audit: Mark Burchyett, Chief Auditor)
- 10. FISCAL YEAR 2014 PROPOSED AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:**
The Board is requested to approve the proposed audit plan.
RECOMMENDATION: The Audit Committee recommends that the Board approve the proposed audit plan.
(Audit: Mark Burchyett, Chief Auditor)
- 11. ANNUAL REVIEW AND APPROVAL OF AMENDMENTS TO AUTHORITY POLICY 4.40 – DEBT ISSUANCE AND MANAGEMENT POLICY:**
The Board is requested to approve the amendments.
RECOMMENDATION: The Finance Committee recommends that the Board adopt Resolution No. 2013-0048, approving amendments to Authority Policy 4.40 – Debt Issuance and Management Policy.
(Finance: Vernon Evans, Vice President/Treasurer)

12. ANNUAL REVIEW AND APPROVAL OF AMENDMENTS TO AUTHORITY POLICY 4.20 – GUIDELINES FOR PRUDENT INVESTMENTS, AND DELEGATION OF AUTHORITY TO INVEST AND MANAGE AUTHORITY FUNDS TO THE VICE PRESIDENT, FINANCE/TREASURER:

The Board is requested to approve the amendments, and delegate authority to invest and manage funds.

RECOMMENDATION: The Finance Committee recommends that the Board adopt Resolution No. 2013-0049, approving amendments to Authority Policy 4.20 - Guidelines for Prudent Investments, and delegation of authority to invest and manage Authority funds to the Vice President, Finance/Treasurer.

(Finance: Vernon Evans, Vice President/Treasurer)

CONTRACTS AND AGREEMENTS

13. AWARD A CONTRACT TO NUERA CONTRACTING & CONSULTING LP, FOR QUIETER HOME PROGRAM PHASE 6, GROUP 12A (27 EAST SIDE, NON-HISTORIC UNITS ON ONE MULTI-FAMILY PROPERTY):

The Board is requested to award a contract.

RECOMMENDATION: Adopt Resolution No. 2013-0050, awarding a contract to Nuera Contracting & Consulting LP, in the amount of \$380,732, for Phase 6, Group 12A, Project No. 380612A, of the San Diego County Regional Airport Authority's Quieter Home Program.

(Noise Mitigation: Dan Frazee, Director)

14. AWARD A CONTRACT TO NUERA CONTRACTING & CONSULTING LP, FOR QUIETER HOME PROGRAM PHASE 6, GROUP 12B (22 EAST SIDE AND FOUR WEST SIDE, NON-HISTORIC, MULTI AND SINGLE FAMILY PROPERTIES):

The Board is requested to award a contract.

RECOMMENDATION: Adopt Resolution No. 2013-0051, awarding a contract to Nuera Contracting & Consulting LP, in the amount of \$507,470.30 for Phase 6, Group 12B, Project No. 380612B, of the San Diego County Regional Airport Authority's Quieter Home Program.

(Noise Mitigation: Dan Frazee, Director)

15. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FIRST AMENDMENT TO THE ON-CALL MECHANICAL AND ELECTRICAL CONSULTANT SERVICES AGREEMENT WITH PBS ENGINEERS, INC.:

The Board is requested to approve the amendment.

RECOMMENDATION: Adopt Resolution No. 2013-0052, approving and authorizing the President/CEO to execute a First Amendment to the agreement with PBS Engineers, Inc., extending the term of the agreement by one year, to expire on July 31, 2014, to provide on-call professional mechanical and electrical consultant services for Capital Improvement and Major Maintenance projects.

(Facilities Development: Iraj Ghaemi, Director)

16. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A SECOND AMENDMENT TO THE ON-CALL SURVEY AND CIVIL ENGINEERING CONSULTANT SERVICES AGREEMENT WITH NOLTE ASSOCIATES, INC.:

The Board is requested to approve the amendment.

RECOMMENDATION: Adopt Resolution No. 2013-0053, approving and authorizing the President/CEO to execute a Second Amendment to the agreement with Nolte Associates, Inc., extending the term of the agreement by one (1) year, to expire on October 1, 2014, to provide on-call professional survey and civil engineering consultant services for Capital Improvement and Major Maintenance projects.

(Facilities Development: Iraj Ghaemi, Director)

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

17. AWARD A CONTRACT TO HAZARD CONSTRUCTION COMPANY, TO CONSTRUCT SAN PARK 2 PACIFIC HIGHWAY NORTH AT SAN DIEGO INTERNATIONAL AIRPORT:

The Board is requested to award a contract.

RECOMMENDATION: Adopt Resolution No. 2013-0054, awarding a contract to Hazard Construction Company, in the amount of \$8,639,836.50, for Project No. 104146, to Construct San Park 2 Pacific Highway North at San Diego International Airport.

(Facilities Development: Iraj Ghaemi, Director)

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

18. APPROVAL AND ADOPTION OF THE OPERATING BUDGET FOR FISCAL YEAR 2014 AND THE CAPITAL PROGRAM FOR FISCAL YEARS 2014-2018 AND CONCEPTUAL APPROVAL OF THE ANNUAL OPERATING BUDGET FOR FISCAL YEAR 2015:

The Board is requested to approve and adopt the operating budget and capital program.

RECOMMENDATION: Adopt Resolution No. 2013-0055, approving and adopting the Authority's Annual Operating Budget for Fiscal Year 2014 and the Capital Program for Fiscal Years 2014-2018 and conceptually approving the Annual Operating Budget for Fiscal Year 2015.

(Finance: Vernon Evans, Vice President/Treasurer)

19. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A COMMON USE SYSTEMS MAINTENANCE AGREEMENT:

The Board is requested to approve the agreement.

RECOMMENDATION: Adopt Resolution No. 2013-0056, approving and authorizing the President/CEO to execute an agreement with SITA, Inc. for a term of three years, with the option of two one-year extensions to be exercised at the discretion of the President/CEO, in an amount not-to-exceed \$5,639,085.33 to provide maintenance support services for the Airport Authority's Common Use Systems.

(Administration: Jeffrey Woodson, Vice President)

20. DISCUSSION AND POSSIBLE ACTION REGARDING AN EMPLOYEE PERFORMANCE COMPENSATION PROGRAM:

The Board is requested to approve an employee performance compensation program.

RECOMMENDATION: Adopt Resolution No. 2013-0057, approving an employee performance compensation program.

(Organizational Performance & Development: Jeffrey Lindeman, Senior Director)

21. APPROVAL OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY AND THE SAN DIEGO UNIFIED PORT DISTRICT REGARDING POLICE SERVICES COSTS:

The Board is requested to approve a Memorandum of Understanding.

RECOMMENDATION: Adopt Resolution No. 2013-0031, approving the Memorandum of Understanding between the San Diego County Regional Airport Authority and the San Diego Unified Port District regarding police services costs.

(Finance: Vernon Evans, Vice President/Treasurer)

CLOSED SESSION:

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. 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
- 24. 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
- 25. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**
(Cal. Gov. Code Section 54956.9(A))
Diego Concession Group, Inc. v. San Diego County Regional Airport Authority
S.D.S.C Case No. 37-2012-00088083-CU-BT-CTL
- 26. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
Initiation of litigation pursuant to subdivision (c) of §54956.9: (3 cases)
- 27. 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
- 28. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
Significant exposure to litigation (Cal. Gov. Code §§ 54956.9 (b) and 54954.5)
Number of potential cases: 1
Re: Investigative Order No. R9-2012-0009 by the California Regional Water Quality Control Board regarding submission of technical reports pertaining to an investigation of bay sediments at the Downtown Anchorage Area in San Diego

REPORT ON CLOSED SESSION:

NON-AGENDA PUBLIC COMMENT:

Non-Agenda Public Comment is reserved for members of the public wishing to address the Board on matters for which another opportunity to speak **is not provided on the Agenda**, and which is within the jurisdiction of the Board. Please submit a completed speaker slip to the Authority Clerk. ***Each individual speaker is limited to three (3) minutes. Applicants, groups and jurisdictions referring items to the Board for action are limited to five (5) minutes.***

Note: Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board.

GENERAL COUNSEL REPORT:

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:

ADJOURNMENT:

Policy for Public Participation in Board, Airport Land Use Commission (ALUC), and Committee Meetings (Public Comment)

- 1) Persons wishing to address the Board, ALUC, and Committees shall complete a "Request to Speak" form prior to the initiation of the portion of the agenda containing the item to be addressed (e.g., Public Comment and General Items). Failure to complete a form shall not preclude testimony, if permission to address the Board is granted by the Chair.
- 2) The Public Comment Section at the beginning of the agenda is limited to eighteen (18) minutes and is reserved for persons wishing to address the Board, ALUC, and Committees on any matter for which another opportunity to speak is not provided on the Agenda, and on matters that are within the jurisdiction of the Board. A second Public Comment period is reserved for general public comment later in the meeting for those who could not be heard during the first Public Comment period.
- 3) Persons wishing to speak on specific items listed on the agenda will be afforded an opportunity to speak during the presentation of individual items. Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board, ALUC and Committees. Public comment on specific items is limited to twenty (20) minutes – ten (10) minutes for those in favor and ten (10) minutes for those in opposition of an item. Each individual speaker will be allowed three (3) minutes, and applicants and groups will be allowed five (5) minutes.
- 4) If many persons have indicated a desire to address the Board, ALUC and Committees on the same issue, then the Chair may suggest that these persons consolidate their respective testimonies. Testimony by members of the public on any item shall be limited to **three (3) minutes per individual speaker and five (5) minutes for applicants, groups and referring jurisdictions.**
- 5) Pursuant to Authority Policy 1.33 (8), recognized groups must register with the Authority Clerk prior to the meeting.
- 6) After a public hearing or the public comment portion of the meeting has been closed, no person shall address the Board, ALUC, and Committees without first obtaining permission to do so.

Additional Meeting Information

NOTE: This information is available in alternative formats upon request. To request an Agenda in an alternative format, or to request a sign language or oral interpreter, or an Assistive Listening Device (ALD) for the meeting, please telephone the Authority Clerk's Office at (619) 400-2400 at least three (3) working days prior to the meeting to ensure availability.

For your convenience, the agenda is also available to you on our website at www.san.org.

For those planning to attend the Board meeting, parking is available in the public parking lot located directly in front of the Commuter Terminal. Bring your ticket to the third floor receptionist for validation.

You may also reach the Commuter Terminal by using public transit via the San Diego MTS system, Route 992. For route and fare information, please call the San Diego MTS at (619) 233-3004 or 511.

UPCOMING MEETING SCHEDULE

<i>Date</i>	<i>Day</i>	<i>Time</i>	<i>Meeting Type</i>	<i>Location</i>
July 11	Thursday	9:00 a.m.	Special	Board Room
August 1	Thursday	9:00 a.m.	Regular	Board Room
September 12	Thursday	9:00 a.m.	Special	Board Room

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**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, MAY 2, 2013
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 9:03 a.m. on Thursday, May 2, 2013, 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: Alvarez, Boland, Cox, Desmond, Farnam (Ex-Officio), Gleason, Hubbs, Robinson, Sessom, Smisek

ABSENT: Board Members: Berman (Ex-Officio)

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

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

Authority Clerk Tony R. Russell administered the Oath of Office to Ex-Officio Board Member Col. John Farnam.

PRESENTATIONS:

- A. PRESENTATION OF LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN (LEED) GOLD PLAQUE FROM U.S. GREEN BUILD COUNCIL FOR SDIA RECEIVING AND DISTRIBUTION CENTER:**
Kelsey Mullen, Assoc. AIA, LEED AP BD&C, representing U.S. Green Building Council, presented the Leadership In Energy And Environmental Design (LEED) Gold Plaque to Chair Gleason and President/CEO, Thella Bowens, for the SDIA Receiving and Distribution Center.
- B. FINANCIAL UPDATE FOR NINE MONTHS ENDED MARCH 31, 2013:**
Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the Financial Update for the Nine Months Ended March 31, 2013, which included, Operating Revenue, Operating Expenses, Nonoperating Revenue & Expenses, Financial Summary, and Balance Sheet (Unaudited) as of March 31, 2013.

*Board Member Robinson arrived at the meeting at 9:14 a.m.
The Board recessed at 9:14 a.m. and reconvened at 9:15 a.m.*

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

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:** None.
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**
Board Member Boland reported that all parking in Terminal 2 is now open. He also reported that the Green Build project is close to completion.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:** None.
- **FINANCE COMMITTEE:** None.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:** None.
- **ART ADVISORY COMMITTEE:**
Chair Gleason reported on the recent "Smart About Public Art" Meeting conducted at the Authority. He also reported that various new public art projects are on display with the opening of the new terminal space.

LIAISONS

- **AIRPORT LAND USE COMPATIBILITY PLAN FOR SAN DIEGO INTERNATIONAL AIRPORT:**
Board Member Robinson reported that ALUC staff provided a briefing to Todd Gloria's office regarding the SDIA Land Use Plan. He also reported that the Land Use Environmental Impact Report (EIR) Scoping meeting was held on March 27th.
- **CALTRANS:** None.

- **INTER-GOVERNMENTAL AFFAIRS:**
Board Member Cox reported that on April 17th, Authority staff met in Sacramento with the following state legislators to discuss AB 1058: Assembly members Katcho, Achadjian, Rocky Chavez, Brian Maienschein, and Senator Marty Block. He reported that Staff also met with staff from the following offices: Assemblymember Richard Gordon, Assemblymember Marc Levine, Assemblymember Marie Waldron, and Assemblymember Shirley Weber. He reported that Authority staff, along with Board member Alvarez, participated in the San Diego Regional Chamber of Commerce's Mission to Mexico from April 16-19th. He also reported that Authority staff briefed Council President Gloria's staff on the Airport Development Plan. He reported that on April 29th, the President nominated Charlotte, N.C. Mayor Anthony Foxx as Secretary of Transportation.
- **MILITARY AFFAIRS:** None.
- **PORT:** None.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:**
Board Member Smisek reported that at its last two meetings, discussions included the regional planning process, and the Downtown Bus Rapid Transit Station Mitigated Negative Declaration.
- **WORLD TRADE CENTER:**
Chair Gleason informed the Board of two new hires at the World Trade Centers' International Relations Office and the Asia Desk. He stated that a report would be forthcoming to the Board with regard to future opportunities in terms of the World Trade Center's relationship with the Authority.

CHAIR'S REPORT:

Chair Gleason reported that he will be providing the Board with a report regarding his attendance at the ACI Commissioner's Conference.

PRESIDENT/CEO'S REPORT:

Thella Bowens, President/CEO, reported that the planned closure of a number of air traffic control towers by the Federal Aviation Administration would be delayed until after the end of the fiscal year. She reported that Japan Airlines will resume service at San Diego International Airport with the 787 airliner on a seven day a week schedule commencing after June 1st. She reported that SeaPort Airlines has commenced service between San Diego and Imperial County. She reported on the success of the recent media event with regards to the Green Build opening of six new gates. She announced that the Authority was recently recognized as the City of San Diego Recycler of the Year, and received an award from the USO recognizing the Authority for its contributions to the USO. She announced that the grand opening celebration of the USO is scheduled for June 26, 2013.

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NON-AGENDA PUBLIC COMMENT: None.

Board Member Robinson left the dais.

CONSENT AGENDA (Items 1-10):

Chair Gleason reported that staff requested that Item 4 be pulled from the Consent Agenda to provide legislative updates.

ACTION: Moved by Board Member Smisek, and seconded by Board Member Alvarez to approve the Consent Agenda as amended. Motion carried by the following vote: YES – Alvarez, Boland, Cox, Desmond, Gleason, Hubbs, Sessom, Smisek; NO - None; ABSENT - Robinson. (Weighted Vote Points: YES - 92; NO - 0; ABSENT- 8).

1. **APPROVAL OF MINUTES:**
RECOMMENDATION: Approve the minutes of the March 21, 2013 special meeting, and the April 4, 2013 regular 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 11, 2013 THROUGH APRIL 7, 2013, AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM MARCH 11, 2013 THROUGH APRIL 7, 2013:**
RECOMMENDATION: Receive the report.
4. **MAY 2013 LEGISLATIVE REPORT:**
ACTION: This item was pulled from the Consent Agenda for an update from staff.

CLAIMS

5. **AUTHORIZE THE REJECTION OF THE CLAIM OF RANDY RICKS AND AUDREY RICKS:**
RECOMMENDATION: Adopt Resolution No. 2013-0040, authorizing the rejection of the claim of Randy Ricks and Audrey Ricks.

COMMITTEE RECOMMENDATIONS

6. **ACCEPT THE UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED MARCH 31, 2013:**
RECOMMENDATION: The Finance Committee recommends that the Board accept the report.

7. **ACCEPT THE AUTHORITY'S INVESTMENT REPORT AS OF MARCH 31, 2013:**
RECOMMENDATION: The Finance Committee recommends that the Board accept the report.

CONTRACTS AND AGREEMENTS

8. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A THIRD AMENDMENT TO THE ADVERTISING CONCESSION AGREEMENT WITH JCDECAUX AIRPORT, INC. TO ADD ADDITIONAL LOCATIONS IN TERMINAL 2 WEST:**
RECOMMENDATION: Adopt Resolution No. 2013-0041, approving and authorizing the President/CEO to execute a Third Amendment to the Agreement with JCDecaux Airport, Inc. to add additional locations in Terminal 2 West (Green Build).

9. **AWARD A CONTRACT TO S&L SPECIALTY CONTRACTING, INC. FOR QUIETER HOME PROGRAM PHASE 7, GROUP 1 (24 WEST SIDE, NON-HISTORIC CONDOMINIUM UNITS):**
RECOMMENDATION: Adopt Resolution No. 2013-0042, authorizing the President/CEO to award a contract to S&L Specialty Contracting, Inc., in the amount of \$833,550 for Phase 7, Group 1, Project No. 380701 of the San Diego County Regional Airport Authority's Quieter Homer Program.

10. **AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A THIRD AMENDMENT TO THE LEASE WITH SAN DIEGO AIR AND SPACE TECHNOLOGY CENTER, INC., REDUCING THE SIZE OF THE LEASEHOLD PREMISES BY A NET AMOUNT OF 9,666 SQUARE FEET OF LAND AREA:**
RECOMMENDATION: Adopt Resolution No. 2013-0043, authorizing the President/CEO to execute a Third Amendment to the Lease with the San Diego Air and Space Technology Center, Inc., reducing the size of the leasehold premises by a net amount of 9,666 square feet of land area necessary to construct the North Side development projects.

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

PUBLIC HEARINGS: None.

OLD BUSINESS: None.

Board Member Robinson returned to the dais.

ITEMS PULLED FROM THE CONSENT AGENDA:

4. MAY 2013 LEGISLATIVE REPORT:

Michael Kulis, Director, Inter-Governmental and Community Relations, provided an update on the legislative report.

RECOMMENDATION: Adopt Resolution No. 2013-0039, approving the May 2013 Legislative Report.

ACTION: Moved by Board Member Cox, and seconded by Board Member Robinson to approve staff's recommendation. Motion carried by the following vote: YES – Alvarez, Boland, Cox, Desmond, Gleason, Hubbs, Robinson, Sessom, Smisek; NO - None; ABSENT - None. (Weighted Vote Points: YES - 100; NO - 0; ABSENT- 0).

NEW BUSINESS:

11. UPDATE ON THE AIRPORT DEVELOPMENT PLAN FACILITY REQUIREMENTS:

Holland Young, Director, LeighFisher Management Consultants, and Gavin Duncan, Associate Director, LeighFisher Management Consultants, provided a presentation on the Airport Development Plan Facility Requirements, which included, Where Customers are Currently Parking, who the Authority Customers are, why Customers are important, the Authority's Parking needs, and the consequences of not providing sufficient parking.

Board Member Hubbs left the meeting at 9:51 a.m.

Board Member Desmond suggested that the message to the community for the rationale for additional parking revenue is needed to enhance Terminal 1.

Board Member Cox suggested that the Authority take a critical look at ways to channel traffic on Harbor Drive, to control traffic congestion.

Board Member Alvarez requested a summary of the customer satisfaction parking survey data.

Chair Gleason stated that it would be helpful if Board Members have all of the survey data gathered regarding this issue.

Board Member Sessom stated that there are also other ways to address congestion such as improvements to the roadways before getting to the airport, which is the responsibility of other jurisdictions.

Board Member Boland spoke in support of a parking structure, and he urged to point out to the community, that the benefits of a parking structure would decrease traffic on Harbor Drive, and improve pickup/drop-off activity at the airport.

Chair Gleason spoke regarding addressing customer complaints about parking availability. He stated that customer satisfaction is a priority, and the need to discuss providing a mechanism to meet customer parking demand.

In response to Chair Gleason's inquiry about the next steps moving forward, including costs, revenue, phasing, environmental review, and permitting, Thella Bowens, President/CEO stated that a proposal of the next steps can presented to the Capital Improvement Program Oversight Committee at its next meeting.

RECOMMENDATION: Receive the report and provide possible direction.

ACTION: No action taken.

12. APPROVAL OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY AND THE SAN DIEGO UNIFIED PORT DISTRICT REGARDING POLICE SERVICES COSTS:

RECOMMENDATION: Adopt Resolution No. 2013-0031, approving the Memorandum of Understanding between the San Diego County Regional Airport Authority and the San Diego Unified Port District regarding police services costs.

ACTION: This item was not heard.

000007

CLOSED SESSION: The Board recessed into Closed Session at 10:17 a.m. to discuss Items 17 and 18.

- 13. 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
- 14. 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
- 15. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Legal Authority: Real property negotiations pursuant to Cal. Gov. Code §54954.5(b) and §54956.8.
Property: 3312 Goldsmith Street, San Diego, CA 92106 (Assessor's parcel #450-142-13-00)
Agency Negotiators: Vernon Evans, Vice President, Finance/Treasurer and Troy Ann Leech, Director, Real Estate
Under Negotiation: Sale of property – terms and conditions
- 16. 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
- 17. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**
(Cal. Gov. Code Section 54956.9(A))
Diego Concession Group, Inc. v. San Diego County Regional Airport Authority S.D.S.C Case No. 37-2012-00088083-CU-BT-CTL
- 18. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
Initiation of litigation pursuant to subdivision (c) of §54956.9: (2 cases)

- 19. 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
- 20. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
Significant exposure to litigation (Cal. Gov. Code §§ 54956.9 (b) and
54954.5)
Number of potential cases: 1
Re: Investigative Order No. R9-2012-0009 by the California Regional
Water Quality Control Board regarding submission of technical reports
pertaining to an investigation of bay sediments at the Downtown
Anchorage Area in San Diego

REPORT ON CLOSED SESSION: The Board reconvened at 11:02 a.m. Chair
Gleason reported that there was no reportable action.

NON-AGENDA PUBLIC COMMENT:

MARGO TANGUAY, SAN DIEGO, complimented the Authority on its good work
with the Terminal 2 improvement project.

GENERAL COUNSEL REPORT: 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: None.

ADJOURNMENT: The meeting was adjourned at 11:05 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL
AIRPORT AUTHORITY BOARD THIS 6TH DAY OF JUNE, 2013.

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

000009

Revised 6/3/13



SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT

Item No.

2

Meeting Date: **JUNE 6, 2013**

Subject:

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.

Background/Justification:

Authority Policy 1.10 defines a "day of service" for Board Member compensation and outlines the requirements for Board Member attendance at meetings.

Pursuant to Authority Policy 1.10, Board Members are required to deliver to the Board a written report regarding their participation in meetings for which they are compensated. Their report is to be delivered at the next Board meeting following the specific meeting and/or training attended. The reports (Attachment A) were reviewed pursuant to Authority Policy 1.10 Section 5 (g), which defines a "day of service". The reports were also reviewed pursuant to Board Resolution No. 2009-0149R, which granted approval of Board Member representation for attending events and meetings.

The attached reports are being presented to comply with the requirements of Policy 1.10 and the Authority Act.

The Board is also being requested to pre-approve Board Member attendance at briefings by representatives of a local police department or a state or federal governmental agency regarding safety, security, immigration or customs affecting San Diego International Airport.

Fiscal Impact:

Board and Committee Member Compensation is included in the FY 2013 Budget.

000010

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended. 14 Cal. Code Regs. Section 15378. This Board action is not a "project" subject to CEQA. Pub. Res. Code Section 21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act, Pub. Res. Code Section 30106.

Equal Opportunity Program:

Not applicable.

Prepared by:

TONY RUSSELL
DIRECTOR, CORPORATE SERVICES/AUTHORITY CLERK

DAVID ALVAREZ

SDCRAA

MAY 28 2013

Corporate Services

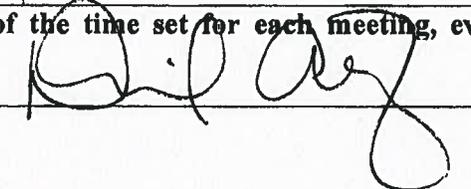
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary

Period Covered: May 2013

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT:
David Alvarez		May 28 2013
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: May 2, 2013 Time: 9:15 AM Location: SDCRAA	Board Meeting
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: May 23, 2013 Time: 9 AM Location: SDCRAA	Budget Workshop
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: May 28, 2013 Time: 9 AM Location: SDCRAA	Finance Committee
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: 

BRUCE BOLAND

SDCRAA

JUN 03 2013

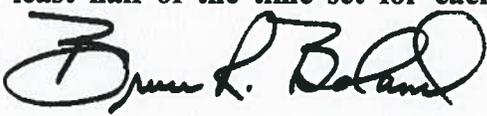
Corporate Services

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Period Covered: 1 May – 31 May 2013

Board Member Event/Meeting/Training Report Summary This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0007. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
Bruce R. Boland		June 3, 2013
Brown Act	5/2 0900 SDIA	BOD/Budget review
Brown Act	5/23 0900 SDIA	BOD/Budget Review
Brown Act	5/28 0900 SDIA	SDCRAA BOD Excom Mtg

I certify that I was present for at least half of the time set for each meeting, event and training listed herein. Signature: 

GREG COX

MAY 28 2013

Corporate Services

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary**

Period Covered: MAY 1-31, 2013

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT:
GREG COX		MAY 28, 2013
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: MAY 2, 2013 Time: 9am Location: SDCRAA	BOARD/ALUC MEETING
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: MAY 16, 2013 Time: 5:30pm. Location: SDCRAA	TURNER SCHOOL OF CONSTRUCTION MANAGEMENT GRADUATION SPEAKER
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: MAY 23, 2013 Time: 9am Location: SDCRAA	BOARD BUDGET WORKSHOP
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: MAY 28, 2013 Time: 9am Location: SDCRAA	SPECIAL EXECUTIVE / FINANCE COMMITTEE MEETING
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: _____

Greg Cox

ROBERT H. GLEASON

MAY 29 2013

Corporate Services

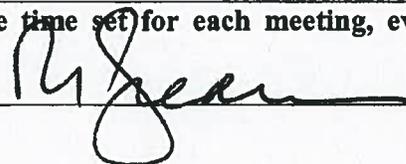
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary
 Period Covered: MAY 2013

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT
ROBERT H. GLEASON		May 24, 2013
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: May 2, 2013 Time: 9:00 am Location: SDCRAA offices	ALUC / Board meeting
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: May 10, 2013 Time: 9:00 am Location: SDCRAA offices	Art Advisory Committee meeting
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: May 13, 2013 Time: 9:00am Location: UCSD	EDC San Diego Export Initiative Press Conference & Forum; spoke on behalf of the Airport Authority
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input checked="" type="checkbox"/> Res. 2009-0149R	Date: May 21, 2013 Time: 7:30am Location: WTCSD	WTCSD Executive Committee meeting
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input checked="" type="checkbox"/> Res. 2009-0149R	Date: May 22, 2013 Time: 7:30 am Location: SDSU	WTCSD Board meeting
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: May 23, 2013 Time: 9:00 am Location: SDCRAA offices	Board Budget Workshop
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: May 28, 2013 Time: 9:00 am Location: SDCRAA offices	Executive / Finance Committee meeting
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: _____



**ANDREW
HOLLINGWORTH**

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary

Period Covered: MAY 2013

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT:
<i>ANDREW HOLLINGWORTH</i>		<i>5/13/2013</i>
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: <i>5/13/2013</i> Time: <i>10:00-12:00</i> Location: <i>BOARD ROOM</i>	<i>QUARTERLY Audit Cmte</i>
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: *Andrew Hollingworth*

LLOYD HUBBS

SDCRAA

MAY 28 2013

Corporate Services

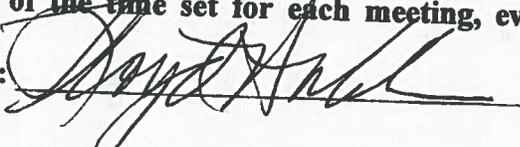
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary

Period Covered: May 2013

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT:
LLOYD HUBBS		5-28-13
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 5-2-13 Time: 9:00 - 11:00 Location: Authority Bd-Rm	Board Meeting
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 5-13-13 Time: 10:00 - 12:00 Location: Authority Bd. Rm	Audit Committee
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 5-23-13 Time: 9:00 - 12:00 Location: Authority Bd. Rm	Budget Workshop
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 5-28-13 Time: 9:00 - 12:00 Location: Authority Bd Rm	Exec. / Finance
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: 

PAUL ROBINSON

SDCRAA
MAY 28 2013
Corporate Services

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Board Member Event/Meeting/Training Report Summary

Period Covered: 5/30/13

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT:
PAUL ROBINSON		
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 5/2/13 Time: 9:00 - 11:30 Location: SDCRAA Bd Rm	SDCRAA Bd / ALVA mtgs.
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 5/23 Time: 9:00 - 12:30 Location: SDCRAA Bd Rm	Budget Workshop
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 5/25/13 Time: 9:00 - 11:15 Location: SDCRAA Bd Rm.	Exec / Finance Comm. mtgs
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: Paul E. Robinson

MARY SESSOM

MAY 02 2013

Corporate Services

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary

Period Covered: April 2013

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0007. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT:
MARY T. Sessom		4/30/2013
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 4/4 Time: 9:00 am Location: Board Room	Board & ALUC meeting
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 4/20 Time: 5-11 pm Location: 1380 Harbor Dr	USD SD Gala
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 4/22 Time: 9:00 am Location: Board Room	SDCRAA Executive/Finance
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 4/23 Time: 7:30 am Location: ADM Kidd Club	SDMAC
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: _____

Mary T. Sessom

TOM SMISEK

SDCRAA

MAY 28 2013

Corporate Services

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Board Member Event/Meeting/Training Report Summary

Period Covered: MAY 1-31, 2013

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0007. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT
Tom SMISEK		MAY 28, 2013
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
X Brown Act Pre-approved Res. 2009-0149R	Date: MAY 2, 2013 Time: 9:00AM Location: SDIA	SDCRAA BOARD MEETING
X Brown Act Pre-approved Res. 2009-0149R	Date: MAY 13, 2013 Time: 10:00 AM Location: SDIA	SDCRAA AUDIT COMMITTEE MEETING.
X Brown Act Pre-approved Res. 2009-0149R	Date: MAY 17, 2013 Time: 9:00 AM Location: SANDAG	SANDAG TRANSPORTATION COMMITTEE MEETING, SDCRAA REPRESENTATIVE
Y Brown Act Pre-approved Res. 2009-0149R	Date: MAY 23, 2013 Time: 9:00 AM Location: SDIA	SDCRAA BOARD MEETING BUDGET MEETING
Y Brown Act Pre-approved Res. 2009-0149R	Date: MAY 28, 2013 Time: 9:00 AM Location: SDIA	SDCRAA EXECUTIVE/FINANCIAL/SPECIAL BOARD MEETINGS.
Brown Act Pre-approved Res. 2009-0149R	Date: Time: Location:	
Brown Act Pre-approved Res. 2009-0149R	Date: Time: Location:	
Brown Act Pre-approved Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: Tom Smisek

DON TARTRE

MAY 13 2013

Corporate Services

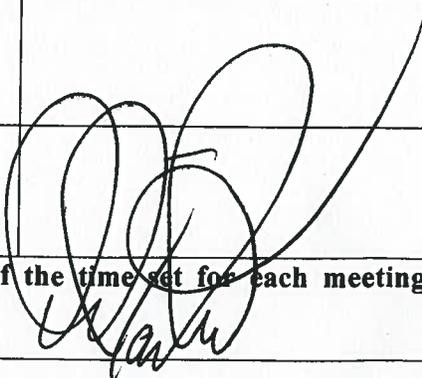
**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary**

Period Covered: 5/13-13

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT:
<u>Don Lantieri</u>		<u>5/13-13</u>
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: <u>5/13-13</u> Time: <u>10AM</u> Location: <u>Board Rm</u>	<u>AC Mtg</u>
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: 



**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT**

Item No.
3

Meeting Date: **JUNE 6, 2013**

Subject:

Awarded Contracts, Approved Change Orders from April 8, 2013 through May 12, 2013 and Real Property Agreements Granted and Accepted from April 8, 2013 through May 12, 2013

Recommendation:

Receive the report.

Background/Justification:

Policy Section Nos. 5.01, Procurement of Services, Consulting, Materials, and Equipment, 5.02, Procurement of Contracts for Public Works, and 6.01, Leasing Policy, require staff to provide a list of contracts, change orders, and real property agreements that were awarded and approved by the President/CEO or her designee. Staff has compiled a list of all contracts, change orders (Attachment A) and real property agreements (Attachment B) that were awarded, granted, accepted, or approved by the President/CEO or her designee since the previous Board meeting.

Fiscal Impact:

The fiscal impact of these contracts and change orders are reflected in the individual program budget for the execution year and on the next fiscal year budget submission. Amount to vary depending upon the following factors:

1. Contracts issued on a multi-year basis; and
2. Contracts issued on a Not-to-Exceed basis.
3. General fiscal impact of lease agreements reflects market conditions.

The fiscal impact of each reported real property agreements is identified as Consideration on Attachment B.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

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Environmental Review:

- A. This Board action is not subject to the California Environmental Quality Act (CEQA), as amended. The Board action is categorically excluded from CEQA because it is a class of project that has been determined not to have a significant effect on the environment. 14 cal. Code Regs. Section 15308. See also, Pub. Res. Code Section 21065 (Board action is not a "project" subject to CEQA).
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Pub. Res. Code Section 30106, 30108.6, and 30109.

Equal Opportunity Program:

Equal opportunities requirements were presented during the solicitation process on a case-by-case basis.

Prepared by:

JANA VARGAS
DIRECTOR, PROCUREMENT

Attachment "A"

AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN April 8, 2013 - May 12, 2013

New Contracts

	Date Signed	CIP #	Company	Description	Solicitation Method	Owner	Contract Value	End Date
	04/08/13	N/A	Denovo Ventures, LLC	The Contractor is pre-qualified and approved to bid on technical support services for JD Edwards EnterpriseOne (E-1) software system at the request of the Information Technology department by the issuance of a Task Order Request for Bid. The Contractor with the best overall bid, as determined by the Authority will be awarded the project.	RFQ	H. Kounik	\$ 900,000.00	03/01/16
	04/08/13	N/A	Apex Consulting Group, Inc.	The Contractor is pre-qualified and approved to bid on technical support services for JD Edwards EnterpriseOne (E-1) software system at the request of the Information Technology department by the issuance of a Task Order Request for Bid. The Contractor with the best overall bid, as determined by the Authority will be awarded the project.	RFQ	H. Kounik	\$ 900,000.00	03/01/16
	04/08/13	N/A	Profit Concepts International	The Contractor is pre-qualified and approved to bid on technical support services for JD Edwards EnterpriseOne (E-1) software system at the request of the Information Technology department by the issuance of a Task Order Request for Bid. The Contractor with the best overall bid, as determined by the Authority will be awarded the project.	RFQ	H. Kounik	\$ 900,000.00	03/01/16
	04/17/13	N/A	Vivid Commerce, Inc. dba Jacob Tyler Creative Group	The Contractor will provide website design services for San Diego International Airport's internet website.	Informal RFP	D. Lucero	\$ 25,000.00	09/30/13
	04/17/13	N/A	Kathleen Kelly, Inc.	The Contractor will provide on-site accountability training workshops for San Diego County Regional Airport Authority personnel.	Informal RFP	D. Wilson	\$ 35,000.00	03/06/16

New Contracts Approved by the Board

	Date Signed	CIP #	Company	Description	Solicitation Method	Owner	Contract Value	End Date
				No New Board Approved Contracts to Report.				

Amendments and Change Orders

Date Signed	CIP #	Company	Description of Change	Previous Contract Amount	Change Order Value (+ / -)	Change Order Value (%) (+ / -)	New Contract Value	New End Date
 04/08/13	N/A	Dell Marketing LP	The Change Order increases the purchase order value by \$207,718.66 for computer equipment, software, peripherals and related services authorized by the Information Technology department for San Diego County Regional Airport Authority.	\$ 685,000.00	\$ 207,718.66	30%	\$ 892,718.66	8/31/2014
04/29/13	N/A	Passer Aerospace, Inc.	The First Amendment exercises the Authority's first one-year extension option and revises Exhibit A "Scope of Work" and Exhibit B "Compensation & Payment Schedule" for real-time flight tracking data services for San Diego County Regional Airport Authority. There is no increase in compensation.	\$ 106,920.00	\$ -	0%	\$ 106,920.00	3/31/2014
05/03/13	N/A	Tetra Tech, Inc.	The First Amendment increases the maximum amount of compensation by \$25,000.00 for continued asbestos abatement services related to the Concessions Development Program at San Diego International Airport.	\$ 250,000.00	\$ 25,000.00	10%	\$ 275,000.00	10/14/2013
05/03/13	N/A	11 x 14, LLC	The First Amendment extends the term of the contract ninety days to complete the public artwork project entitled "Terminal 2 Pedestrian Bridges" at San Diego International Airport. There is no increase in the total compensation for this Art project.	\$ 596,000.00	\$ -	0%	\$ 596,000.00	3/30/2014
05/06/13	N/A	N E Fried and Associates, Inc.	The First Amendment extends the term of the contract by one year, revises Exhibit B "Compensation & Payment Schedule", and increases the maximum amount of compensation by \$40,000.00 for coaching services for Authority personnel.	\$ 48,000.00	\$ 40,000.00	83%	\$ 88,000.00	8/14/2014
Amendments and Change Orders - Approved by the Board								
 5/3/2013	N/A	Kone, Inc.	The First Amendment was approved by the Board at March 7, 2013 Board Meeting. The First Amendment extends the term of the Contract to December 31, 2013 and increases the maximum amount of compensation by \$1,778,839.00 for elevator and escalator maintenance and repair services at San Diego International Airport.	\$ 6,500,000.00	\$ 1,778,839.00	27%	\$ 8,278,839.00	12/31/2013

Attachment "B"

REAL PROPERTY AGREEMENTS EXECUTED FROM APRIL 8, 2013 TO MAY 12, 2013

Real Property Agreements

Begin/End Dates	Authority Doc. #	Tenant/Company	Agreement Type	Property Location	Use	Property Area (s.f.)	Consideration	Comments
4/15/2013	LE-0725	Seaport Airlines, Inc.	Airline Operating Agreement	Commuter Terminal	Scheduled Airline Passenger Service	556 s.f. of exclusive or shared use space, plus joint use holdrooms and bag claim areas.	An estimated \$7,456 in annual terminal rent, \$10,320 in security surcharges, and \$11,995 in landing fees annually (before incentives)	Essential Air Service, Imperial County Airport to San Diego International Airport
<u>Real Property Agreement Amendments and Assignments</u>								
Effective Date	Authority Doc. #	Tenant/Company	Agreement Type	Property Location	Use	Property Area (s.f.)	Consideration	Comments
5/7/2013	LE-0651	Mission Yogurt, Inc.	1st Amendment to Food & Beverage Concession Lease	Terminal 1	Food & Beverage Concession	2,376 square feet	No Change	Modifications to Assigned Premises during construction of new concessions

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SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT

Item No.

4

Meeting Date: **JUNE 6, 2013**

Subject:

June 2013 Legislative Report

Recommendation:

Adopt Resolution No. 2013-0044, approving the June 2013 Legislative Report.

Background/Justification:

The Legislative Advocacy Program Policy adopted by the Board on November 10, 2003, requires that Authority staff present the Board with monthly reports concerning the status of legislation with potential impact to the Authority. The June 2013 Legislative Report updates Board members on legislative activities that have taken place during the month of May. The Authority Board gives direction to staff on legislative issues by adoption of a monthly Legislative Report (Attachment A).

State Legislative Action

The Authority's legislative team does not recommend that the Board adopt any new positions on state legislation.

On May 20, 2013, the Assembly approved AB 1058, legislation sponsored by the Authority to "clean up" the Airport Authority Act. This bill has been received by the Senate and will next be considered by a Senate committee.

Governor Brown released his revisions to the Fiscal Year 2013-14 budget on May 14, 2013. This "May Revise" is based on a projected budget surplus of approximately \$4.5 billion. The revised budget would focus job creation credits on areas with high unemployment and poverty rates and it would expand an existing enterprise zone tax credit for purchases of manufacturing or biotech research and development equipment. The budget also includes the establishment of a fund to provide businesses with tax credits in exchange for investments and employment expansion in California. The Governor is also recommending that the State Legislature loan \$500 million in funding from the Cap and Trade auction program to the state's general fund.

Under the State Constitution, the budget is required to be approved by June 15.

Federal Legislative Action

The Authority's legislative team does not recommend that the Board adopt any new positions on federal legislation.

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On May 16, 2013, the House Homeland Security Appropriations Subcommittee approved the Fiscal Year 2014 Department of Homeland Security Appropriations Bill. This legislation would provide funding for 22,800 Customs and Border Protection officers and would cap the number of Transportation Security Administration screeners at 46,000. It is anticipated that there will be an attempt to add language to this bill preventing the TSA from moving forward with its proposal to shift its responsibility for staffing airport security exit lanes to airport operators.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Equal Opportunity Program:

Not applicable.

Prepared by:

MICHAEL KULIS
DIRECTOR, INTER-GOVERNMENTAL AND COMMUNITY RELATIONS

RESOLUTION NO. 2013-0044

A RESOLUTION OF THE BOARD OF THE SAN
DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
APPROVING THE JUNE 2013 LEGISLATIVE
REPORT

WHEREAS, the San Diego County Regional Airport Authority (Authority) operates San Diego International Airport as well as plans for necessary improvements to the regional air transportation system in San Diego County, including serving as the responsible agency for airport land use planning within the County; and

WHEREAS, the Authority has a responsibility to promote public policies consistent with the Authority's mandates and objectives; and

WHEREAS, Authority staff works locally and coordinates with legislative advocates in Sacramento and Washington, D.C. to identify and pursue legislative opportunities in defense and support of initiatives and programs of interest to the Authority; and

WHEREAS, under the Authority's Legislative Advocacy Program Policy, the Authority Board gives direction to Authority staff on pending legislation; and

WHEREAS, the Authority Board in directing staff may adopt positions on legislation that has been determined to have a potential impact on the Authority's operations and functions.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the June 2013 Legislative Report (Attachment A); and

BE IT FURTHER RESOLVED that the Board finds that this Board action is not a "project" as defined by the California Environmental Quality Act (CEQA), Pub. Res. Code §21065; and is not a "development" as defined by the California Coastal Act, Pub. Res. Code §30106.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6TH day of June, 2013, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY RUSSELL
DIRECTOR CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

000020

June 2013 Legislative Report

State Legislation

Legislation/Topic

AB 1092 (Levine) – Electric Charge Stations for New Construction Projects

Background/Summary

This bill would require the California Building Standards Commission to adopt, in its next update, mandatory building standards for the installation of future electric vehicle charging infrastructure for parking spaces in multifamily dwellings and nonresidential development.

Anticipated Impact/Discussion

Staff will continue to monitor this legislation to determine the eventual requirement of electric vehicle charging stations that could be applicable to the Authority in the future.

Status: 5/16/13 – Approved by Assembly Committee on Appropriations by a vote of 12 to 5

Position: Watch (4/4/13)

Legislation/Topic

AB 128 (Bradford) – Peace Officers, Airport Law Enforcement

Background/Summary

This bill would reclassify the Los Angeles World Airports law enforcement officers, providing them the authority to arrest and carry firearms on non-airport property.

Anticipated Impact/Discussion

This bill would not impact law enforcement at San Diego International Airport. Authority staff will continue to monitor the City of Los Angeles and Los Angeles World Airports' consideration of this legislation.

Status: 3/13/13 – Approved by the Assembly Committee on Public Safety by a vote of 6 to 0 and referred to the Committee on Appropriations

Position: Watch (4/4/13)

Legislation/Topic

SB 50 (Lieu) – Telecommunications and Pay Phones

Background/Summary

This bill would require the posting of the same notices for credit or debit card-activated telephones as are required for coin-operated phones. These notices would include information such as the name of the provider of operator-assisted services, applicable rates and charges for each available operator-assisted service, and that surcharges may apply to operator-assisted and calling card calls.

Anticipated Impact/Discussion

The Authority currently has pay phones that accept both coins and credit or debit cards throughout the airport. This legislation would require the posting of notices adjacent to these phones.

Status: 5/6/13 – Approved by the Senate by a vote of 32 to 0 and ordered to the Assembly

Position: Watch (4/4/13)

Legislation/Topic

AB 359 (Holden) - Vehicle Rental Agreements – Customer Facility Charge

Background/Summary

Under current law, any airport requiring car rental companies to collect a customer facility charge must complete an independent audit and submit it to the state legislature every three years. AB 359 was amended to require that an audit be conducted prior to any increase of customer facility charge, and every three years where the customer facility charge is used to operate a common-use transportation system or acquire vehicles for that system. The bill would also provide guidelines regarding the scope of the audit, and require that the audit be posted on the airport's website.

Anticipated Impact/Discussion

The Authority is currently collecting a customer facility charge to finance the construction of the rental car center and terminal roadway. Authority staff and the California Airports Council are currently working to amend the bill to delete the additional audit requirement.

Status: 5/9/13 – Amended and approved by the Assembly Committee on the Judiciary by a vote of 10 to 0

Position: Support (3/7/13)

Legislation/Topic

SB 758 (Block) – Airport Land Use Compatibility Plan: City of Coronado

Background/Summary

The Authority Board serves as the Airport Land Use Commission for San Diego County and is responsible for the preparation, adoption and amendment of airport land use compatibility plans (ALUCPs) for airports located in San Diego County. The legislation as currently amended changes the amount of time for the City of Coronado to implement or overrule the ALUCP for Naval Air Station North Island (NASNI) from 180 days to 540 days, or before January 1, 2017, whichever is earlier. An earlier version of the legislation required the creation of a joint land use study (JLUS) to be completed by the City of Coronado, the U.S. Navy, and the Airport Authority prior to the preparation of an ALUCP for the City of Coronado and NASNI. This proposed requirement was deleted in the most recent amendments.

Anticipated Impact/Discussion

There is no anticipated change in process due to this amendment, as jurisdictions often need longer than 180 days to implement the ALUCP into their General or Specific Plan. The only impact caused by this proposed delay is that projects would be sent to the Airport Land Use Commission for review until the City of Coronado implemented the ALUCP.

Status: 5/6/13 – Amended and approved by the Senate Committee on Governance and Finance by a vote of 6 to 0, and referred to the Senate Committee on Appropriations

Position: Watch (3/7/13)

Legislation/Topic

**AB 1058 (Chavez) - San Diego County Regional Airport Authority Act
“Clean Up” Bill**

Background/Summary

The legislation that created the Airport Authority, commonly known as the “Airport Authority Act” has undergone various changes since the agency’s establishment. As the Airport Authority continues to mature, however, several sections of the Airport Authority Act are now obsolete. In addition, staff has identified technical corrections/minor changes that would improve the Act. Therefore, staff recommends that the Authority seek legislation to make such changes to the Act.

Anticipated Impact/Discussion

Although this legislation would have no direct impact on SDIA functions, it would result in minor technical corrections and the deletion of outdated sections of the Airport Authority Act.

Status: 5/20/13 – Approved by the Assembly by a vote of 74 to 0, and ordered to the Senate

Position: Support (2/14/13)

Legislation/Topic

SCA 4/8 (Liu/ Corbett) – Local Government Transportation Tax

Background/Summary

This legislation would amend the California Constitution by lowering the threshold to levy a local transportation tax to 55% voter approval instead of the current 2/3 voter approval requirement. SCA 4 was amended to also prohibit a local government from expending any revenues derived from a special transportation tax approved by 55% of the voters at any time prior to the completion of a statutorily identified capital project funded by revenues derived from another special tax of the same local government that was approved by a two-thirds vote.

Anticipated Impact/Discussion

Although this legislation would have no direct impact to the Authority or SDIA, it could result in increased transportation funding for the region.

Status: 4/10/13 - SCA 4 – Scheduled to be considered by the Senate Committee on Governance and Finance on May 15, 2013
4/10/13 - SCA 8 - Scheduled to be considered by the Senate Committee on Governance and Finance on May 15, 2013

Position: Watch (2/14/13)

Federal Legislation

Legislation/Topic

S. 444/H.R. 933 (Collins/Rogers) – Department of Defense Appropriations Act of 2013

Background/Summary

This Continuing Resolution extends funding for operations for all federal agencies, programs and services until September 30, 2013. The funding is subject to sequestration, reducing the rate of spending to \$982 billion - \$65 billion below the discretionary spending limit set under the Budget Control Act.

The Continuing Resolution allows Customs and Border Protection (CBP) to maintain staffing levels at 21,775, allowing the agency to have some flexibility to offset the impact of sequestration on staffing levels. However, it does not address overtime pay. It also provides level funding for the airport improvement program (AIP) at \$3.35 billion.

Anticipated Impact/Discussion

The Authority is concerned about the elimination of overtime for CBP staff and possible impacts to the TSA, including furloughs which could increase wait times for passengers.

Status: 3/26/2013 - H.R. 933 – Signed into law by the President

Position: Watch (4/4/13)

Legislation/Topic

FY 2014 Department of Homeland Security Appropriations Act (Draft)

Background/Summary

The House draft proposes to cut DHS funding \$613 million below the FY 2013 level and \$35 million below the President's request for FY 2014. Proposed TSA funding is \$388 million below the FY 2013 level. The bill calls for continuing a cap on full-time TSA screening personnel at 46,000, and supports TSA's request to shift to more risk-based screening. Also included in the Act is \$333 million for airport baggage system upgrades. The House subcommittee has rejected proposals from the Administration to increase the \$2.50 passenger security fee. This draft bill also includes funding for 1,600 additional CBP officers to a record level of 22,800.

CBP's budget is proposed at \$10.6 billion overall, an increase of \$255 million above FY 2013 funding levels.

Anticipated Impact/Discussion

The Authority is particularly concerned about a proposal by TSA to eliminate TSA exit lane staffing by the end of the calendar year, which could cost the Authority a minimum of \$500,000 annually. Authority staff is working with the San Diego Congressional delegation, airport trade associations and our federal consultants to prevent and/or delay this proposal.

The House report includes positive language and direction to TSA in requesting that they "work in conjunction with airport operators to assess the impact of this change and to consider delaying or at least phasing in the shift of responsibility to airport operators until affordable, effective technological solutions are certified by TSA, which may then be utilized by the airport operators to successfully staff exit lanes."

Status: 5/22/13 – Approved by the House Appropriations Committee

Position: Watch

Legislation/Topic

S. 208/H.R. 456 (Feinstein/Schiff) – The Los Angeles Residential Helicopter Noise Relief Act of 2013

Background/Summary

This bill directs the Administrator of the FAA to create regulations for helicopter operations in Los Angeles County that include requirements for helicopter flight paths and altitudes to reduce helicopter noise pollution in residential areas, increase safety, and minimize scheduled commercial aircraft delays.

Helicopter operations related to emergency, law enforcement, or military activities would be exempt.

This bill also directs the Administrator to make reasonable efforts to consult with local communities and local helicopter operators to develop regulations that meet the needs of local communities, helicopter operators, and the FAA.

Anticipated Impact/Discussion

This legislation only applies to Los Angeles County but will be monitored by Authority staff for any future impact to SDIA.

Status: 2/4/13 – S. 208 – Introduced and referred to the Senate Committee on Commerce, Science, and Transportation
2/4/2013 - H.R. 456 – Introduced and referred to the House Committee on Transportation and Infrastructure

Position: Watch (3/7/13)



SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT

Item No.
5

Meeting Date: **JUNE 6, 2013**

Subject:

Appointment of Public Member to the Audit Committee

Recommendation:

Adopt Resolution No. 2013-0045, appointing Andrew Hollingworth as a public member to the Audit Committee.

Background/Justification:

Section 170018 of the Public Utilities Code requires that the Authority's Audit Committee include three members of the public who shall be voting members. This section also outlines the categories and requirements for the three public members. The Board initially appointed Andrew Hollingworth as a public member of the Audit Committee on September 1, 2011 to serve the remainder of the term of Kenneth Buck who resigned on April 1, 2011. That term will expire in June 2013. After consultation with the Board Chair, the Chair of the Audit Committee recommends that the Board appoint Mr. Hollingworth for a three (3) year term, commencing in July 2013. His areas of expertise are ***Category 4- a person with experience in managing construction of large-scale public works projects; and Category 6 – a person who resides within the airport influence area of the San Diego International Airport.***

Fiscal Impact:

State law limits compensation for Board and Committee Members to \$200 per day of service, with a maximum of eight (8) days of service per month. Funding is included in the Fiscal Years 2013 and 2014 Budgets.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

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Environmental Review:

- A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended. 14 Cal. Code Regs. Section 15378. This Board action is not a "project" subject to CEQA. Pub. Res. Code Section 21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act Pub. Res. Code Section 30106.

Equal Opportunity Program:

Not Applicable

Prepared by:

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/AUTHORITY CLERK

RESOLUTION NO. 2013-0045

A RESOLUTION OF THE BOARD OF THE SAN
DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
APPOINTING ANDREW HOLLINGWORTH AS A
PUBLIC MEMBER TO THE AUDIT COMMITTEE

WHEREAS, Section 170018 of the Public Utilities Code and Authority Policy 1.50 (5)(c)(ii) outline the requirements for the appointment of public members to the Audit Committee; and

WHEREAS, on September 1, 2011, the Board initially appointed Mr. Hollingworth as a public member of the Audit Committee to serve the remainder of the term of Kenneth Buck, who resigned, and which term expires in June, 2013; and

WHEREAS, Mr. Hollingworth's background and experience is consistent with Category 4 and Category 6 requirements outlined under Section 170018 of the Public Utilities Code; and

WHEREAS, the Board wishes to appoint Mr. Hollingworth as a public member to the Audit Committee for a three (3) year term, commencing in July 2013.

NOW, THEREFORE, BE IT RESOLVED THAT the Board hereby appoints Andrew Hollingworth as a public member to the Audit Committee to serve a three (3) year term commencing in July 2013 (Attachment A); and

BE IT FURTHER RESOLVED THAT the Board finds that this Board action is not a "project" as defined by the California Environmental Quality Act (CEQA), Pub. Res. Code Section 21065; and is not a "development" as defined by the California Coastal Act, Pub. Res. Code Section 30106.

PASSED, ADOPTED AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6th day of June, 2013, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

San Diego County Regional Airport Authority Board Committee, Liaison and Representative Appointments

STANDING COMMITTEES

Executive Committee		
<i>Hold Monthly Meetings</i>		
Name	Appointed	Term Expiration
Robert H. Gleason (Chair)	February 2012	
Paul Robinson (Vice Chair)	February 2013	February 2014
Tom Smisek	February 2013	February 2014
Finance Committee		
Greg Cox (Chair)	February 2013	February 2014
Paul Robinson (Vice Chair)	February 2013	February 2014
David Alvarez	February 2013	February 2014
Lloyd Hubbs	February 2013	February 2014
Mary Sessom	February 2013	February 2014
Audit Committee		
<i>Hold Quarterly Meetings</i>		
Name	Appointed	Term Expiration
Tom Smisek (Chair)	February 2013	February 2014
Lloyd Hubbs (Vice Chair)	February 2013	February 2014
Robert H. Gleason	February 2013	February 2014
Mary Sessom	February 2013	February 2014
Andrew Hollingworth*	July 2013	June 2016
Jack Van Sambeek*	July 2012	June 2015
Don Tartre*	July 2011	June 2014
<small>*Public Members Added Pursuant to SB 10</small>		
Executive Personnel and Compensation Committee		
<i>Hold Quarterly Meetings</i>		
Name	Appointed	Term Expiration
Jim Desmond (Chair)	February 2013	February 2014
Bruce Boland (Vice Chair)	February 2013	February 2014
Greg Cox	February 2013	February 2014
Lloyd Hubbs	February 2013	February 2014
Tom Smisek	February 2013	February 2014
Capital Improvement Program Oversight Committee		
<i>Hold Quarterly Meetings</i>		
Name	Appointed	Term Expiration
Bruce Boland (Chair)	February 2013	February 2014
Lloyd Hubbs (Vice Chair)	February 2013	February 2014
David Alvarez	February 2013	February 2014
Robert Gleason	February 2013	February 2014
Paul Robinson	February 2013	February 2014

REPRESENTATIVES (EXTERNAL)

SANDAG Transportation Committee		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Tom Smisek (Primary)	February 2013	February 2014
Lloyd Hubbs (Alternate)	February 2013	February 2014
World Trade Center		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Robert Gleason (Primary)	February 2013	February 2014
David Alvarez (Alternate)	February 2013	February 2014

REPRESENTATIVES (INTERNAL)

Authority Advisory Committee		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Tom Smisek	February 2013	February 2014
Art Advisory Committee		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Robert Gleason	June 2010	June 2013

LIAISONS

Military Affairs		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Bruce Boland (Primary)	February 2013	February 2014
Port		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Robert Gleason (Primary)	February 2013	February 2014
Bruce Boland (Alternate)	February 2013	February 2014
Greg Cox (Alternate)	February 2013	February 2014
Tom Smisek (Alternate)	February 2013	February 2014
Caltrans		
<u>Name</u>		
Laurie Berman		
Inter-Governmental Affairs		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Greg Cox	February 2013	February 2014
Airport Land Use Compatibility Plan for San Diego International Airport		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Paul Robinson	February 2013	February 2014

000032



**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT**

**Item No.
6**

Meeting Date: JUNE 6, 2013

Subject:

Adoption of the Five Organizational Strategies

Recommendation:

Adopt Resolution No. 2013-0046, memorializing the five strategies developed by the Board and staff to guide organizational decision making.

Background/Justification:

The San Diego County Regional Airport Authority ("Authority") operates on behalf of the county, its residents, and the millions of visitors to the region each year. The Authority is governed as a public entity and enterprise yet operates in many respects similar to a private sector business model receiving no tax dollars and relying instead on its ability to generate revenue and manage costs. This unique hybrid organizational approach requires focus in order to execute the Authority's mission and aspire to achieve its vision.

Through collaboration between the Board and staff, the Authority's business focus has evolved from eight strategic emphasis areas to five strategies that guide organizational decision making. These five strategies include:

- Financial Strategy, defined as enhancing the financial position of the Authority.
- Customer Strategy, defined as achieving the highest level of internal and external customer satisfaction.
- Operations Strategy, defined as operating our airport in a safe, secure, environmentally-sound, effective and efficient manner.
- Employee Strategy, defined as ensuring the highest level of employee commitment and performance.
- Community Strategy, defined as being a trusted and highly responsive regional agency.

Staff recommends that the Board formally adopt these five organizational strategies.

Fiscal Impact:

This action has no direct organizational cost. Rather, it guides Authority decision making and any costs associated with such decisions are outlined in the respective business case for the initiative(s) at the time it is proposed.

000033

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. CEQA: This Board action, as an administrative action, is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Equal Opportunity Program:

Not applicable.

Prepared by:

JEFF LINDEMAN
SENIOR DIRECTOR, ORGANIZATIONAL PERFORMANCE AND DEVELOPMENT

RESOLUTION NO. 2013-0046

A RESOLUTION OF THE BOARD OF THE
SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY, MEMORIALIZING THE FIVE
STRATEGIES DEVELOPED BY THE BOARD AND
STAFF TO GUIDE ORGANIZATIONAL DECISION
MAKING

WHEREAS, the San Diego County Regional Airport Authority ("Authority") is a local governmental entity of regional government with jurisdiction extending throughout the County of San Diego and operates in some respects as an enterprise making business decisions similar to a private sector firm; and

WHEREAS, the Authority requires focus to complement its mission and vision statements; and

WHEREAS, the Board and staff worked diligently to identify such areas of focus in the form of five organizational strategies; and

WHEREAS, the Board identifies the Financial Strategy as enhancing the financial position of the Authority; and

WHEREAS, the Board identifies the Customer Strategy as achieving the highest level of internal and external customer satisfaction; and

WHEREAS, the Board identifies the Operations Strategy as operating our airport in a safe, secure, environmentally-sound, effective and efficient manner; and

WHEREAS, the Board identifies the Employee Strategy as ensuring the highest level of employee commitment and performance; and

WHEREAS, the Board identifies the Community Strategy as being a trusted and highly responsive regional agency.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby adopts the five strategies developed by the Board and staff to guide organizational decision making; and

BE IT FURTHER RESOLVED by the Board that it finds that this Board action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (California Public Resources Code §21065); and is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106).

000033.2

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6TH day of June, 2013, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL



**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT**

Item No.
7

Meeting Date: **JUNE 6, 2013**

Subject:

Authorize the Rejection of the Claim of Caroline McCreath

Recommendation:

Adopt Resolution No. 2013-0047, authorizing the rejection of the claim of Caroline McCreath.

Background/Justification:

On April 29, 2013, Caroline McCreath ("McCreath") filed a claim (Attachment A), with the Authority alleging that on November 4, 2012, she slipped on a shiny wet patch on the floor as she transited through the U.S. Customs and Border Protection Federal Inspection Station ("FIS") holding area in Terminal Two at San Diego International Airport. McCreath claims unspecified damages in an unknown amount in excess of \$10,000.00.

McCreath alleges in her claim that after retrieving her luggage from the baggage carousel she slipped on a shiny wet patch on the floor, injuring her foot. She sought treatment for the injury the following day and later reported to the Harbor Police that she was diagnosed with a fracture of the 5th metatarsal by the treating physician.

McCreath's claim should be denied. An investigation into the incident revealed a witness who observed the claimant's fall and did not observe anything wet on the floor, only the scuff mark from the claimant's shoe. Further, the incident occurred within the FIS, which is under the exclusive control of U.S. Customs and Border Protection. By agreement, the area is maintained by the tenant.

Fiscal Impact:

Not applicable.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

000034

Environmental Review:

- A. CEQA: This Board action, as an administrative action, is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Equal Opportunity Program:

Not Applicable.

Prepared by:

SUZIE JOHNSON
PARALEGAL, OFFICE OF GENERAL COUNSEL



ATTACHMENT A
SDCRAA

APR 29 2013
Corporate Services

FOR AUTHORITY CLERK USE ONLY
Document No.: <u>CL-197</u>
Filed: <u>4-29-2013</u>

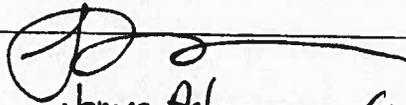
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
ACCIDENT OR DAMAGE CLAIM FORM

Please complete all sections.
Incomplete submittals will be returned, unprocessed.
Use typewriter or print in ink.

1) Claimant Name: <u>Caroline McCreath</u>	
2) Address to which correspondence regarding this claim should be sent: <u>C/O Kenneth C. Absalom</u> <u>Law Office of Kenneth C. Absalom</u> <u>275 Battery St., Suite 200</u> <u>San Francisco, CA 94111</u>	
Telephone No.: <u>415-392-5040</u>	Date: <u>April 25, 2013</u>
3) Date and time of incident: <u>November 4, 2012 at 7:45 p.m.</u>	
4) Location of incident: <u>Baggage claim area of FIS Terminal 2 Customs Holding Area, San Diego</u>	
5) Description of incident resulting in claim: <u>International Airport</u>	
<u>After retrieving my bags from the baggage carousel, I made my way toward the exit when I slipped on a shiny wet patch on the floor. In so doing, I fell over to my left as my shoe went from under me and rolled my left foot over my left shoe. I was helped up by a porter and a colleague's mother. While waiting for the crew bus, I was given some ice which I applied to my injured foot. It was at the hotel when i noticed a lump and bruising. The following day I went to the hospital where they x-rayed my foot. They found I had a fracture of the 5th metatarsal commonly known as a jones fracture. My foot was then strapped up and i was fitted with a boot and given crutches and instructed not to put weight on it.</u>	
6) Name(s) of the Authority employee(s) causing the injury, damage or loss, if known:	
7) Persons having firsthand knowledge of incident:	
Witness (es) <u>See Attachment</u>	Physician(s): <u>See Attachment</u>
Name:	Name:
Address:	Address:
Phone:	Phone:

ATTACHMENT A

8) Describe property damage or personal injury claimed:
See response to question 5
9) Owner and location of damaged property or name/address of person injured:
Claimant, Caroline McCreath
172 Moor Lane
Woodford, Stockport
UK - SK7 1PJ
(C/O Kenneth C. Absalom - see question 2)
10) Detailed list and amount of damages claimed as of date of presentation of claim, including prospective damages. If amount exceeds \$10,000.00, a specific amount need not be included.
Damages exceed \$10,000.00

Dated: 4/25/13 Claimant:  James Achermann Counsel for Claimant
(Signature)

Notice to Claimant:

Where space is insufficient, please use additional paper and identify information by proper section number.

Return completed form to:

Tony Russell, Director, Corporate Services/Authority Clerk
Corporate Services Department
P.O. Box 82776
San Diego, CA 92138-2776

ATTACHMENT A

In re: Claimant, Caroline McCreath

ATTACHMENT TO SAN DIEGO REGIONAL AIRPORT AUTHORITY
DAMAGE CLAIM FORM

Re: Question 7:

Witness: Sylvia Cook
70 Keith Park Road
Uxbridge, Middlesex UB10 0F9
UK
01895 256991

Charles Jones (porter employed by Huntleigh)
519 J Avenue
National City, CA 91950
(619) 623-2100

Huntleigh
3707 N. Harbor Dr.
San Diego, CA 92101
(619) 231-8111

Physician(s) University of California
San Diego Medical Center
200 West Arbor Drive
San Diego, CA 92103

Dr. Todd
Stepping Hill Hospital
Polar Grove
Stockport, Cheshire SK2 7JE
UK

000038

RESOLUTION NO. 2013-0047

A RESOLUTION OF THE BOARD OF THE
SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY, AUTHORIZING THE REJECTION OF
THE CLAIM OF CAROLINE MCCREATH.

WHEREAS, on April 29, 2013, Caroline McCreath filed a claim with the San Diego County Regional Airport Authority for damages she alleges were the result of falling on the floor in the FIS Customs Holding Area in Terminal Two at San Diego International Airport; and

WHEREAS, at its regular meeting on June 6, 2013, the Board considered the claim filed by Caroline McCreath, the report submitted to the Board, and found that the claim should be rejected.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby authorizes the rejection of the claim of Caroline McCreath.

BE IT FURTHER RESOLVED by the Board that it finds that this Board action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (California Public Resources Code §21065); and is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6TH day of June, 2013, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

000039



**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT**

**Item No.
8**

Meeting Date: **JUNE 6, 2013**

Subject:

Required Communications from the External Auditor to the Audit Committee on the Fiscal Year Ended June 30, 2013, Financial and Compliance Audit

Recommendation:

The Audit Committee recommends that the Board accept the information.

Background/Justification:

As outlined in the original Agreement between the San Diego County Regional Airport Authority and the external auditor, McGladrey LLP, an audit of the Authority's financial statements shall be performed following generally accepted auditing principles and government auditing standards, in conjunction with an assessment of the Authority's internal controls for fiscal years 2009, 2010, and 2011.

On April 12, 2012, the Board executed a first amendment to the Agreement with McGladrey, exercising both one-year options to extend the term of the Agreement to May 2014.

The Charter of the Audit Committee, and as specified in Statement on Auditing Standards (SAS) 114, requires that the external auditor communicate its planned scope and timing for conducting the audit of the Authority's financial statements, and to communicate an annual report on independence, a report on its quality control program and peer review, and other responsibilities of communication under generally accepted auditing standards, for review and approval by the Audit Committee.

A new McGladrey Partner, Mr. Jeffrey Alshuler, was assigned to the Fiscal Year Ended June 30, 2013, Financial and Compliance Audit. A letter to the Audit Committee from McGladrey LLP communicating matters pertaining to the FY13 audit is provided in Attachment A, and was formally presented by Mr. Alshuler and Mr. Peter George, Director, during the May 13, 2013, Audit Committee Meeting.

The Audit Committee voted unanimously to forward the information to the Board for acceptance.

000040

Fiscal Impact:

Adequate funding for the FY 13 audit is included in the adopted FY 13 budget and proposed FY 14 budget in the operating expense section, specifically in the consulting service line item for approximately \$148,000.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA, Cal. Pub. Res. Code §21065.
- B. This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Equal Opportunity Program:

Not applicable

Prepared by:

MARK A. BURCHYETT
CHIEF AUDITOR



April 30, 2013

To the Members of the Audit Committee
San Diego County Regional Airport Authority
San Diego, California

This letter is intended to communicate certain matters related to the planned scope and timing of our audit of the San Diego County Regional Airport Authority's (the Airport Authority) financial statements and compliance as of and for the year ended June 30, 2013.

Communication

Effective two-way communication between our Firm and the Audit Committee is important to understanding matters related to the audit and in developing a constructive working relationship.

Your insights may assist us in understanding the Airport Authority and its environment, in identifying appropriate sources of audit evidence, and in providing information about specific transactions or events. We will discuss with you your oversight of the effectiveness of internal control and any areas where you request additional procedures to be undertaken. We expect that you will timely communicate with us any matters you consider relevant to the audit. Such matters might include strategic decisions that may significantly affect the nature, timing, and extent of audit procedures, your suspicion or detection of fraud or abuse, or any concerns you may have about the integrity or competence of senior management.

We will timely communicate to you any fraud involving senior management and other fraud that causes a material misstatement of the financial statements, illegal acts, instances of noncompliance, or abuse that come to our attention (unless they are clearly inconsequential), and disagreements with management and other serious difficulties encountered in performing the audit. We also will communicate to you and to management any significant deficiencies or material weaknesses in internal control that become known to us during the course of the audit. Other matters arising from the audit that are, in our professional judgment, significant and relevant to you in your oversight of the financial reporting process will be communicated to you in writing after the audit.

Independence

Our independence policies and procedures are designed to provide reasonable assurance that our firm and its personnel comply with applicable professional independence standards. Our policies address financial interests, business and family relationships, and non-audit services that may be thought to bear on independence. For example, without our permission no partner or professional employee of McGladrey LLP is permitted to have any direct financial interest or a material indirect financial interest in a client or any affiliates of a client. Also, if an immediate family member or close relative of a partner or professional employee is employed by a client in a key position, the incident must be reported and resolved in accordance with Firm policy. In addition, our policies restrict certain non-audit services that may be provided by McGladrey LLP and require audit clients to accept certain responsibilities in connection with the provision of permitted non-attest services.

The Audit Planning Process

Our audit approach places a strong emphasis on obtaining an understanding of how the Airport Authority functions. This enables us to identify key audit components and tailor our procedures to the unique aspects of your operations. The development of a specific audit plan will begin by meeting with you and with management to obtain an understanding of business objectives, strategies, risks, and performance.

We will obtain an understanding of internal control over financial reporting and compliance with laws, regulations, and provisions of contracts and grant agreements to assess the impact of internal control on determining the nature, timing, and extent of audit procedures, and we will establish an overall materiality limit for audit purposes. We will conduct formal discussions among engagement team members to consider how and where your financial statements might be susceptible to material misstatement due to fraud or error or to instances of noncompliance.

We will use this knowledge and understanding, together with other factors, to first assess the risk that errors or fraud may cause a material misstatement at the financial statement level. The assessment of the risks of material misstatement at the financial statement level provides us with parameters within which to design the audit procedures for specific account balances and classes of transactions. Our risk assessment process at the account-balance or class-of-transactions level consists of:

- An assessment of inherent risk (the susceptibility of an assertion relating to an account balance or class of transactions to a material misstatement, assuming there are no related controls); and
- An evaluation of the design effectiveness of internal control over financial reporting and our assessment of control risk (the risk that a material misstatement could occur in an assertion and not be prevented or detected on a timely basis by the Airport Authority's internal control).

Similar assessments will also be made relative to compliance with laws, regulations, and provisions of contracts and grant agreements.

We will then determine the nature, timing, and extent of tests of controls and substantive procedures necessary given the risks identified and the controls as we understand them.

The Concept of Materiality in Planning and Executing the Audit

In planning the audit, the materiality limit is viewed as the maximum aggregate amount, which if detected and not corrected, would cause us to modify our opinion on the financial statements. The materiality limit is an allowance not only for misstatements that will be detected and not corrected but also for misstatements that may not be detected by the audit. Our assessment of materiality throughout the audit will be based on both quantitative and qualitative considerations. Because of the interaction of quantitative and qualitative considerations, misstatements of a relatively small amount could have a material effect on the current financial statements as well as financial statements of future periods. At the end of the audit, we will inform you of all individual unrecorded misstatements aggregated by us in connection with our evaluation of our audit test results.

Our Approach to Internal Control and Compliance Relevant to the Audit

Our audit of the financial statements will include obtaining an understanding of internal control sufficient to plan the audit and to determine the nature, timing, and extent of audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or

material weaknesses. Our review and understanding of the Airport Authority's internal control is not undertaken for the purpose of expressing an opinion on the effectiveness of internal control.

We will issue reports on internal control related to the financial statements and major programs. These reports describe the scope of testing of internal control and the results of our tests of internal controls. Our reports on internal control will include any significant deficiencies and material weaknesses in the system, of which we become aware as a result of obtaining an understanding of internal control and performing tests of internal control consistent with the requirements of the Government Auditing Standards issued by the Comptroller General of the United States, the Single Audit Act, and the U.S. Office of Management and Budget, (OMB) Circular No. A-133.

We will issue reports on compliance with laws, regulations, and the provisions of contracts or grant agreements. We will report on any noncompliance which could have a material effect on the financial statements and any noncompliance which could have a direct and material effect on each major program. Our reports on compliance will address material errors, fraud, abuse, violations of compliance requirements, and other responsibilities imposed by state and federal statutes and regulations and assumed contracts; and any state or federal grant, entitlement or loan program questioned costs of which we become aware, consistent with the requirements of the standards and circular identified above.

Using the Work of Internal Auditors

As part of our understanding of internal control, we will obtain and document an understanding of your internal audit function. We will read relevant internal audit reports issued during the year to determine whether such reports indicate a source of potential error or fraud that would require a response when designing our audit procedures. Because internal auditors are employees, they are not independent and their work can never be substituted for the work of the external auditor. We may, however, alter the nature, timing, and extent of our audit procedures, based upon the results of the internal auditor's work or use them to provide direct assistance to us during the performance of our audit.

Timing of the Audit

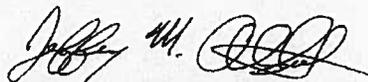
We have scheduled preliminary audit field work for the week of May 20, 2013 with final field work commencing the week of August 26, 2013. Management's adherence to its closing schedule and timely completion of information used by us in performance of the audit is essential to timely completion of the audit.

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to be of service to the Airport Authority.

This communication is intended solely for the information and use of the Audit Committee, Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties.

McGladrey LLP



Jeffrey M. Altshuler, Partner

000044



SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT

Item No.
9

Meeting Date: **JUNE 6, 2013**

Subject:

Fiscal Year 2013 Third Quarter Audit Activities Report and Audit Recommendations Issued by the Office of the Chief Auditor

Recommendation:

The Audit Committee recommends that the Board accept the report.

Background/Justification:

The Charter of the Office of the Chief Auditor (OCA), as approved by the Board, established the roles, responsibilities, and working relationship of the Chief Auditor with the Audit Committee and Authority management. The Charter directs the Office of the Chief Auditor to provide periodic communications and presentations to the Audit Committee with respect to management's systems of control, audit findings, management's responses, and including any steps adopted to resolve a noted issue.

The FY13 Third Quarter Report (Attachment A), hereby filed by the Chief Auditor, summarizes the activities and accomplishments of his office from January 1, 2013, through March 31, 2013.

During the Third Quarter, the Office of the Chief Auditor completed eight (8) audits and issued eleven (11) recommendations.

At the regularly scheduled Audit Committee Meeting on May 13, 2013, the Office of the Chief Auditor presented the FY13 Third Quarter Report, including a current status on the implementation of all outstanding audit recommendations.

Fiscal Impact:

None

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

000045

Environmental Review:

- A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA, Cal. Pub. Res. Code §21065.
- B. This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Equal Opportunity Program:

Not applicable

Prepared by:

MARK A. BURCHYETT
CHIEF AUDITOR



SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
OFFICE OF THE CHIEF AUDITOR

FY13 THIRD QUARTER REPORT



SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

April 29, 2013

FY13 Third Quarter Report

Tom Smisek, Chair
Audit Committee
San Diego County Regional Airport Authority
P.O. Box 82776
San Diego, California 92138-2776

Dear Mr. Smisek:

As requested by the Audit Committee, we present our Fiscal Year 2013 Third Quarter Report. The report details the audit and the administrative activities of the Office of the Chief Auditor (OCA) during the third quarter of FY13, and includes the resolutions of past audit findings and information regarding the future plans of the OCA.

The Third Quarter Report will be presented at the next Audit Committee meeting, scheduled for May 13, 2013.

Respectfully submitted,



Mark A. Burchyett
Chief Auditor

Audit Results

During the third quarter, the OCA continued to work on audits contained within the FY13 audit plan as authorized by the Audit Committee. In total, during the third quarter, the OCA completed eight (8) audits. For the month of March, we issued one (1) audit report, for which an audit snapshot is located in Appendix A. From that audit report we issued two (2) recommendations, bringing the total recommendations issued during the third quarter to eleven (11). The completed audits are listed in Figure 1 below and the status of recommendations is presented on Page 3.

Figure 1: Audits Completed During the Third Quarter of Fiscal Year 2013

Audit	Report No.	Date	Type of Audit
Lindbergh Parking Inc. - Close-out	13023	1/2/2013	Revenue Contract
JRM Consultants and Investigations Company	13016	1/8/2013	Expenditure Contract
Fox Rent A Car	13019	1/9/2013	Revenue Contract
Newport Beach Sales & Leasing, Inc. - Close-out	13034	1/15/2013	Revenue Contract
JCDecaux Airport, Inc.	13020	2/21/2013	Revenue Contract
Host International, Inc. - Close-out	13024	2/28/2013	Revenue Contract
Business and Travel Expenses	13005	2/28/2013	Internal Process
Triad International Maintenance Corporation	13035	3/7/2013	Revenue Contract

In addition to the completed audits, the Office of the Chief Auditor had 14 audits in progress as of March 31, 2013, as shown in Figure 2 below:

Figure 2: Audits In-Progress as of March 31, 2013

Audit	Type of Audit
Advantage Performance Group LLC	Expenditure Contract
AECOM Expenditures	Expenditure Contract
Aircraft Rescue & Fire Fighting (ARFF) Billing	Expenditure Contract
Avis Rent A Car Systems LLC	Revenue Contract
COLAB Studio LLC (Green Build Art)	Expenditure Contract
Emergency Medical Technician-Paramedic Services	Expenditure Contract
Energy Usage Performance	Internal Process
GAT Airline Ground Support Services, Inc.	Revenue Contract
Merriwhether Williams Insurance Services	Expenditure Contract
Procurement Card Program	Internal Process
Ricondo and Associates	Expenditure Contract
San Diego Unified Port District Billing	Expenditure Contract
The Hertz Corporation	Revenue Contract
Wier Construction Corporation	Expenditure Contract

Of the 14 in-progress audits above, four (4) had been completed and a draft audit report had been issued to the affected Departments for review and comment. Each of those audits will be issued in April.

Recommendation Follow-Up

To ensure that audit issues are addressed in a timely manner, the OCA tracks the status of its recommendations on an on-going basis. For the last month in the quarter, the OCA tracked the implementation status of 18 recommendations that were issued during FY13, or were outstanding as of June 30, 2012. As shown by Figure 3 below, six (6) of the recommendations have been completed or implemented, while twelve (12) remain outstanding.

See Appendix C for a complete listing of all outstanding recommendations and their status.

Figure 3: Status of Recommendations as of March 31, 2013

Recommendations:				
Tracked	Completed	In Progress	Open	Not Accepted
18	6	10	2	0

In tracking recommendations the OCA uses the following designations:

- **Completed:** This designation is used for recommendations that the OCA has determined to be adequately implemented or for recommendations where alternate action was taken that adequately addresses the risk identified.
- **In Progress:** These recommendations have been partially addressed or partial corrective action has been taken. If adequate progress is not being made, it will be noted as such.
- **Open:** This category of recommendations have not yet been addressed. Usually, this designation is used when there has not been adequate time between report issuance and recommendation follow-up.
- **Not Accepted:** This designation is used for recommendations that an auditee does not accept and, therefore, will not implement. This category can represent a failing on the part of the OCA, as all recommendations should be workable and acceptable to the affected departments.

It appears that adequate progress is being made with the majority of recommendations, and the OCA will continue its monthly updates of their status. Specifically, the non-completion of the "In Progress" recommendations should not have a material adverse effect on the Authority.

Non-Audit Activities

Along with the audit activities detailed above, the OCA continues its involvement in several non-audit projects and activities. Specifically, during the third quarter of FY13 the OCA was involved in the following:

Audit Committee:

The Audit Committee met on February 4, 2013. At that meeting the Committee received an update on the Construction Audit activity and an OCA Quarterly Activity Report. The next meeting is scheduled for May 13, 2013.

Construction Audit Activity:

For the third quarter of Fiscal Year 2013, the OCA continued its Construction Audit activity separate from its Annual Audit Plan. To this end R. W. Block Consulting, Inc. (RWBC) continued to provide assistance and expertise to the OCA and was issued Task Authorization #4 in November 2011. RWBC staff was on-site for a week in January 2013 for a review of the Green Build program documentation for compliance with Federal requirements over reimbursable costs, working with the Airport Design and Construction and Finance Departments. Task Authorization #4 is due to be completed in May 2013.

The OCA Construction Auditor is working on an audit of the AECOM contract, including expense, performance, and contract management reviews. Additionally, the OCA Construction Auditor is involved in reviewing multiple aspects of the North Side projects, including the Rental Car Center.

The OCA Construction Auditor remains involved with issues identified by Green Build and Authority Management, giving assistance and attending meetings specific to the Committee during all of their regularly scheduled meetings.

Ethics Compliance Program:

The OCA continues to man the Authority hotline system including e-mail and voicemail. See Appendix B, Ethics Hotline Call Summary, for a listing of calls received during the quarter.

Training:

During the quarter staff performed numerous training activities to both maintain professional licensures and stay up-to-date on current trends. Specifically:

- Three (3) staff members attended the San Diego Chapter of the Institute of Internal Auditors Seminar: Government Auditors.
- The Construction Auditor attended the San Diego Chapter of the Institute of Internal Auditors Seminar: Contracts and Construction Auditing.
- One staff member continued taking courses related to the Leading at all Levels program.
- Staff also participated in numerous free webinars touching on various subjects, including Office of Management and Budget (OMB) Grant reforms, planning integrated audits, data security, and risk management.

Performance Measures

The OCA establishes performance measures each year to provide a benchmark to gauge its success. The five (5) performance measures for FY13, along with their current status, are detailed below in Figure 4.

Figure 4: Status of Performance Measures as of March 31, 2013

Performance Measure	Goal	Progress as of March 31, 2013
Percentage of the audit plan completed annually	100%	60%
Additional revenue/cost savings identified through audits	n/a	\$565,298
Percentage of staff time spent on audit activities	80% ¹	82%
Percentage of audits completed within budgeted time	80%	89%
Implementation of Recommendations	90%	66%

Percentage of the audit plan completed annually: This measure provides information on what has been accomplished regarding the planned audit projects for the year. To date the OCA has completed 60% of the plan and an additional 33% of the audit plan is currently in-progress. We also have established quarterly goals for the completion of our audit plan. For the third quarter, we had a completion goal of 74% of the audit plan. We fell short of this goal due to going over budget on several audits. Regardless we should be able to meet our fourth quarter goal of completing 98% of the plan by June 30, 2013.

Additional revenue/cost savings identified: While the value of an audit cannot be adequately assessed by this performance measure, it does provide quantifiable values for completed audits. During the first three quarters we identified a net total of \$565,298, as shown in the figure below, and the Soft Savings estimate as of March 31, 2013, in Figure 6.

Figure 5: Additional Revenue and Cost Savings Identified through Audit Activity

Audit Report Number	Title	Amount Identified
13015	AirProjects, Inc.	\$10,296
11044	Aircraft Rescue & Fire Fighting – FY 2010	382,962
13018	Enterprise Holdings, Inc	22,404
13019	Fox RAC	415,534
13034	Newport Beach Sales & Leasing, Inc.	-48,029
12032	SD Unified Port District Billings – FY 2011	-287,941
13035	Triad International Maintenance Corporation	70,072
Total		\$565,298

¹ This percentage is the percentage of time staff spends on audit projects, construction audit activities, training, and the ethics program, vs. total staff time worked.

Figure 6: Soft Savings Estimate as of March 31, 2013

Audit	Type	Savings	Comments	Status
#12005 Vehicle Fleet Management	Annual	\$126,102	Current practice is to provide vehicle to individual departments. A review of the usage mileage for passenger vehicles compared to what the Authority would reimburse an employee for mileage on a personal vehicle, indicated that reducing and/or consolidating the vehicle fleet would provide significant costs savings. Annual cost for vehicles was estimated at \$140,382 (assuming 3 year depreciation) and cost of reimbursement was \$14,280.	Management rejected this recommendation stating that the operational nature and physical size of the airport does not lend itself to a standard Fleet Management model, and a pure financial analysis does not take into account the diversity of the Authority's mission.
#13005 Business and Travel Expenses	Annual	\$30,770	Authority employees can charge actual costs for meals when traveling on Authority business. We recommended that management should consider only allowing reimbursement for meals up to the GSA approved rate. We estimated that this could save 18% of on meal reimbursement.	Management is evaluating this observation, but there are no plans at this time to change the Authority meals reimbursement policy.
Total Soft Savings		<u>\$156,872</u>		

Percentage of staff time spent on audit activities: This measure helps ensure that the OCA spends an adequate amount of time on audit activities rather than administrative activities. To date, the OCA is over its current goal of 80%.

Percentage of audits completed within budgeted time: This category monitors how efficient audit staff is in performing their audits. Specifically, audit staff is held accountable to the internally prepared audit budgets for each project. However, it recognizes that budgets may need adjustment(s) as additional facts become known during an audit. For the fiscal year to date, the OCA has completed 89% of its projects within the budgeted amount of time, which was above the goal.

Implementation of Recommendations: This goal measures the value that the OCA is providing to the Authority by measuring how audit recommendations have impacted the Authority. For the fiscal year, 35 of 53 recommendations were implemented. Additionally, three (3) recommendations have been deemed "Not Accepted by Management" during the Fiscal Year. While the percentage of implemented recommendations appears under our goal, we are on track to achieve the goal, because we aim to have 90% of our recommendations implemented within the year.

Going Forward

During the fourth quarter of FY13 the OCA has targeted 13 of the audits currently in progress as well as three (3) additional audits for completion. The completion of these audits will result in the accomplishment of 98% of the FY13 audit plan. Unfortunately, it does not appear as if the San Diego Unified Port District Billings audit will be completed this Fiscal Year due to delays requested by the District's financial staff. Figure 7 identifies the audits scheduled for completion in the fourth quarter.

Figure 7: Audits Scheduled for Completion in the Fourth Quarter of Fiscal Year 2013

Audit	Type of Audit
Advantage Performance Group, LLC	Expenditure Contract
AECOM Expenditures	Expenditure Contract
Aircraft Rescue & Fire Fighting (ARFF) Billing	Expenditure Contract
Avis Rent A Car Systems, LLC	Revenue Contract
COLAB Studio LLC (Green Build Art)	Expenditure Contract
Consolidated Rental Car Facility (CONRAC) Fund	Internal Process
Emergency Medical Technician-Paramedic Services	Expenditure Contract
Energy Usage Performance	Internal Process
GAT Airline Ground Support Services, Inc.	Revenue Contract
Gate Gourmet, Inc.	Revenue Contract
Merriwhether Williams Insurance Services	Expenditure Contract
Nolte Associates, Inc.	Expenditure Contract
Procurement Card Program	Internal Process
Ricondo and Associates	Expenditure Contract
The Hertz Corporation	Revenue Contract
Wier Construction Corporation	Expenditure Contract

Triad International Maintenance Corporation
Report Number 13035, March 2013

Background

Triad International Maintenance Corporation (TIMCO) operated at San Diego International Airport (SDIA) under the direction of a Non-Exclusive License Agreement to Conduct Commercial Aviation Ground Handling and Support Services (Ground Handling Agreement) from July 1, 2007, to October 31, 2012. The Ground Handling Agreement requires licensees to remit a monthly license fee to the Authority, the greater of a monthly minimum of \$250 or 8% of total gross revenues from all operations at SDIA. During the audit period of July 1, 2007, to November 30, 2012, TIMCO paid \$808,558 in license fees to the Authority. The Aviation and Commercial Business Department manages the Ground Handling Agreements for the Authority.

Our review of
TIMCO found
that:

- TIMCO
underreported
gross revenue

The objective of the audit was to ensure that TIMCO was properly reporting, calculating, and remitting the correct license fees to the Authority, as required by the Ground Handling Agreement, and was operating in full compliance with the Ground Handling Agreement terms. We also reviewed the monitoring processes utilized by Authority personnel to ensure licensees compliance to Ground Handling Agreement terms.

Finding #1: TIMCO Under-reported Gross Revenue

During our review of TIMCO's accounts receivable records for airlines serviced at SDIA, we determined that TIMCO is passing the 8% license fee on to the both United and SkyWest, but they are excluding that sum from the gross revenue reported to the Authority. Our review determined that for the audit period, TIMCO reported gross revenue of \$10,106,978, but collected revenue of \$10,915,530 from the airlines. The consequential under-reporting of \$808,551 in gross revenue resulted in an underpayment of license fees in the sum of \$64,684.

Recommendation #1: The Aviation and Commercial Business Department should initiate a request to Accounting to invoice TIMCO for \$64,684 for underpayment of license fees due the underreporting of revenue from United and SkyWest.

Recommendation Status: Open

Finding #2: TIMCO Failed to Include All Revenue in Gross Revenue

We requested TIMCO provide accounts receivable records for their customers related to services provided by TIMCO at SDIA. TIMCO identified a revenue stream from services provided to AccuFleet that they had neglected to previously include in gross revenue reported to the Authority. During the audit period, TIMCO collected \$67,350 in revenue from AccuFleet, resulting in an underpayment of license fees in the amount of \$5,388.

Recommendation #2: The Aviation and Commercial Business Department should initiate a request to Accounting to invoice TIMCO for \$5,388 for underpayment of license fees due to the failure to include revenue from AccuFleet for the length of the audit period.

Recommendation Status: Open

**Ethics Hotline Call Summary
January – March 2013**

	Number of Reports Received	Number Received Anonymously	Details Support Potential Code Violation (Ethics or Workplace)	Investigation of Concern	Response (email or phone to non-anonymous reports)
Code of Ethics Concerns					
Potential Misuse of Public Funds					
<i>New Construction</i>	23	14	0	n/a	9
<i>Advertising</i>	9	7	0	n/a	2
Potential Misuse of Resources					
<i>Misuse of Time/Travel</i>	2	2	0	n/a	0
<i>Misuse of Position</i>	1	1	1	Yes (1)	0
<i>Employee Opinion Survey/Anonymity</i>	8	7	0	n/a	1
<i>Acceptance of Gifts</i>	1	0	1	Yes (2)	1
<i>Customer Strategy Sessions ~ Funds</i>	1	1	0	n/a	0
Non Ethics Related Concerns					
<i>TSA Practices and Behavior</i>	16	13	0	n/a	3
<i>ATO Practices and Behavior</i>	15	8	0	n/a	7
<i>Aircraft Noise</i>	10	10	0	n/a	0
Workplace Concerns					
<i>Workplace Practices/Behavior</i>	17	15	1	Yes (3)	2
<i>Workplace Equitability</i>	3	3	0	n/a	0

(1,3) Issue was investigated with no evidence of concern or violation found. Concerns were reported anonymously.

(2) Issue was investigated and concern was determined to not be a violation. Response was provided to individual who reported issue.

Rec. No.	Department Name	Audit Report Description	Risk Score	Risk	Recommendation	Status as of March 31, 2013	OCA's Assessment	Estimated Completion Date
11-10	GROUND TRANSPORTATION DEPARTMENT	Audit Report #11032 dated February 4, 2011, Taxicab Cost Recovery Program	20	Impact: 10 Probability: 10	To ensure the accurate recording of all ground transportation activities at SDIA, the Ground Transportation Department should upgrade or replace the Automated Vehicle Identification (AVI) system. Once the AVI system is updated or replaced, the trip fee payment process should be automated. The AVI system data would be uploaded daily to a website accessible to the taxicab operators to allow them to track and download the trip data per taxicab. Monthly, the Ground Transportation Department would lump sum bill the activity to the taxicab companies. This would eliminate an unnecessary risk of misappropriation of Authority assets and the reliance on LPI employees to properly record and account for the collections.	The Automated Vehicle Identification (AVI) system is currently on the proposed FY14 Capital Improvement Program (CIP). Once the project is approved Ground Transportation will move forward to implement. Estimated implementation is by fiscal year end June, 2014.	In Process	June 1, 2014
13-14	AVIATION & COMMERCIAL BUSINESS DEPARTMENT	Audit Report #13019 dated January 9, 2013, Fox Rent A Car	18	Impact: 10 Probability: 8	In order to address the concerns regarding under-reported gross revenue, we recommend that Aviation & Commercial Business (AvCom) request that the Accounting Department invoice Fox in the amount of \$288,169 for underpayment of license fees.	Fox has provided additional information regarding the audit findings. AvCom and Audit are working with Fox to validate the findings.	In Process	Unknown
12-17	AVIATION & COMMERCIAL BUSINESS DEPARTMENT	Audit Report #12023 dated October 19, 2011, Host International	17	Impact: 8 Probability: 9	Aviation & Commercial Business Department (AvCom) should develop and document a comprehensive and efficient monitoring program that specifically targets concessionaire revenue and sales activity prior to implementation of the new Concession Development Program. In addition, ACB should verify the accuracy of financial data provided by concessionaires, prior to input into the E1 financial system by the Accounting Department, and then in turn, verify that the E1 data is congruent with the concessionaire's monthly reports.	AvCom developed tools and process that address the specific concerns identified within the audit. As the OCA begins auditing the new concessionaire they will be re-evaluated.	Completed	N/A

NOTE: Risk Score is based upon the combined scores of Impact and Probability. Both Impact and Probability are ranked on a scale of 1-10, with maximum possible scores (highest risk) of 10, and a maximum possible combined score of 20.

Rec. No.	Department Name	Audit Report Description	Risk Score	Risk	Recommendation	Status as of March 31, 2013	OCA's Assessment	Estimated Completion Date
13-12	AIRSIDE OPERATIONS DEPARTMENT	Audit Report #11024 dated December 5, 2012, Aircraft Rescue & Fire Fighting Expense Billings - FY 2010	17	Impact: 10 Probability: 7	We recommend that the Airside Operations Department (OPS) notify the City concerning the Fiscal Year 2010 over-billing for ARFF services and determine the most appropriate method for the Authority to receive the additional \$222,823 owed to the Authority.	In February Accounting billed the City the \$222,823 for the over-billing. A copy of the audit report was presented to the City for their review. At this time the amount is still outstanding. Staff will call to determine status.	In Process	Unknown
13-11	AIRSIDE OPERATIONS DEPARTMENT	Audit Report #11024 dated December 5, 2012, Aircraft Rescue & Fire Fighting Expense Billings - FY 2010	16	Impact: 9 Probability: 7	We recommend that the Airside Operations Department (OPS) notify the City concerning the Fiscal Year 2010 over-billing for overhead costs and determine the most appropriate method for the Authority to receive the \$160,139 owed to the Authority.	In February Accounting billed the City the \$163,139 for the over-billing of overhead costs. A copy of the audit report was presented to the City for their review. At this time the amount is still outstanding. Staff will call to determine status.	In Process	Unknown
12-38	GROUND TRANSPORTATION DEPARTMENT	Audit Report #12001 dated April 25, 2012, Public Parking	15	Impact: 6 Probability: 7	Policies and procedures should be developed and instituted by Ground Transportation, the Planning and Operations division, and the Finance Division regarding all areas of public parking management.	Policies and procedures are still being developed and instituted and should be completed in June 2013.	In Process	June 1, 2013

NOTE: Risk Score is based upon the combined scores of Impact and Probability. Both Impact and Probability are ranked on a scale of 1-10, with maximum possible scores (highest risk) of 10, and a maximum possible combined score of 20.

Rec. No.	Department Name	Audit Report Description	Risk Score	Risk	Recommendation	Status as of March 31, 2013	OCA's Assessment	Estimated Completion Date
13-13	AIRSIDE OPERATIONS DEPARTMENT	Audit Report #11024 dated December 5, 2012, Aircraft Rescue & Fire Fighting Expense Billings - FY 2010	15	Impact: 8 Probability: 7	We recommend that the Airside Operations Department (OPS) review the invoice monthly, using the Excel spreadsheet support provided by the City, to calculate the totals of all pay types and fringe benefit types to ensure that the Authority is not billed for types that are included in the labor load or are unsupported by documentation of the service provided. Travel, training, and supply expenses should be totaled on the Excel sheets and verified to the supporting documentation for each charge. Additionally, the City should be required to provide a summary of the firefighters drill training when an invoice with training-related expenses is submitted. The summary should indicate the firefighter for which expenses are being submitted, and for each firefighter: the dates of the training, the expenses included in the current invoice, the expenses previously submitted for payment, and the estimate of outstanding expenses. OPS should maintain a record of the certificates of training received for each firefighter to ensure the training expense payments are supported by proof of training course completion.	The OCA is currently performing the Aircraft Rescue and Fire Fighting reconciliation audit. That audit will re-evaluate the processes utilized by the Authority and City surrounding billing and payment practices.	In Process	Unknown
13-15	AVIATION & COMMERCIAL BUSINESS DEPARTMENT	Audit Report #13018 dated January 9, 2013, Fox Rent A Car	15	Impact: 7 Probability: 8	In order to address the under-reported unique rental transactions, we recommend that Aviation & Commercial Business (AvCom) request that the Accounting Department invoice Fox in the amount of \$147,385 for underpayment of Customer Facility Charges (CFCs).	Fox has provided additional information regarding the audit findings. AvCom and Audit are working with Fox to validate the findings.	In Process	Unknown
11-02	FACILITIES MANAGEMENT DEPARTMENT	Audit Report #11014 dated December 1, 2010, Abhe & Svoboda, Inc.	13	Impact: 7 Probability: 6	Authority Management should ensure that any allowance for additional services included in an agreement should be directly related to the services provided in the agreement.	Facilities Management Department (FMD) will ensure that all work covered under FMDs contracts is related work as defined in the scope.	Completed	N/A

NOTE: Risk Score is based upon the combined scores of Impact and Probability. Both Impact and Probability are ranked on a scale of 1-10, with maximum possible scores (highest risk) of 10, and a maximum possible combined score of 20.

Rec. No.	Department Name	Audit Report Description	Risk Score	Risk	Recommendation	Status as of March 31, 2013	OCA's Assessment	Estimated Completion Date
13-21	LANDSIDE OPERATIONS AND FACILITIES MANAGEMENT DEPARTMENTS	Audit Report #13005 dated February 28, 2013, Business and Travel Expenses	13	Impact: 6 Probability: 7	Management of the Landside Operations and the Facilities Management Departments (FMD) should work to develop a procedure for the processing of meal reimbursement requests to ensure that the requests meet Memorandum of Understanding (MOU) requirements.	Landside Operations took corrective action when the audit report was being issued. FMDs response: The following procedures for processing of meal reimbursement requests to ensure that requests meet MOU requirements have been instituted. 1. It is now required that Maintenance Supervisors review and sign all meal reimbursement requests prior to submittal to the Senior Manager for signature. 2. A copy of the employee's time sheet is now required as supporting information to the petty cash reimbursement request. 3. Maintenance Supervisors will periodically conduct refresher training to their staff.	Completed	N/A
13-23	AVIATION & COMMERCIAL BUSINESS DEPARTMENT	Audit Report #13035 dated March 7, 2013, Triad International Maintenance Corporation (TIMCO)	13	Impact: 6 Probability: 7	The Aviation and Commercial Business Department should initiate a request to Accounting to invoice TIMCO for \$64,884 for underpayment of license fees due the underreporting of revenue from United and SkyWest.	This audit was completed during the month so no follow up was performed.	Open	Unknown
13-24	AVIATION & COMMERCIAL BUSINESS DEPARTMENT	Audit Report #13035 dated March 7, 2013, Triad International Maintenance Corporation (TIMCO)	12	Impact: 5 Probability: 7	The Aviation and Commercial Business Department should initiate a request to Accounting to invoice TIMCO for \$5,388 for underpayment of license fees due to the failure to include revenue from AccuFleet for the length of the audit period.	This audit was completed during the month so no follow up was performed.	Open	Unknown

NOTE: Risk Score is based upon the combined scores of Impact and Probability. Both Impact and Probability are ranked on a scale of 1-10, with maximum possible scores (highest risk) of 10, and a maximum possible combined score of 20.

Rec. No.	Department Name	Audit Report Description	Risk Score	Risk	Recommendation	Status as of March 31, 2013	OCA's Assessment	Estimated Completion Date
13-16	AVIATION & COMMERCIAL BUSINESS DEPARTMENT	Audit Report #13034 dated January 15, 2013, Newport Beach Sales & Leasing Inc.	12	Impact: 6 Probability: 6	Aviation & Commercial Business should request that the Accounting Department issue a credit to Newport in the amount of \$56,645 for the overpayment of license fees.	A net credit was processed on February 1, 2013.	Completed	N/A
13-17	AVIATION & COMMERCIAL BUSINESS DEPARTMENT	Audit Report #13034 dated January 15, 2013, Newport Beach Sales & Leasing Inc.	11	Impact: 6 Probability: 5	Aviation & Commercial Business should request that the Accounting Department issue an invoice to Newport in the amount of \$8,618 for the underpayment of Consolidated Facility Charges.	A net credit was processed on February 1, 2013.	Completed	N/A
13-22	LANDSIDE OPERATIONS AND FACILITIES MANAGEMENT DEPARTMENTS	Audit Report #13005 dated February 28, 2013, Business and Travel Expenses	11	Impact: 5 Probability: 6	Employees who received meal reimbursement that did not satisfy the requirements of the Memorandum of Understanding (MOU) should be asked to reimburse the Authority for those amounts.	Landside Operations and the Facilities Management Department took corrective action when the audit report was being issued.	Completed	N/A
13-18	ACCOUNTING DEPARTMENT	Audit Report #13005 dated February 28, 2013, Business and Travel Expenses	10	Impact: 6 Probability: 4	We recommend that the Accounting Department work to strengthen internal controls or procedures for Policy oversight. This should include Approving Administrator ownership for reviewing and approving reimbursement requests. Management should consider implementing a procedure that removes Approving Administrator authority for those who are found to have multiple instances of providing approval for non-reimbursable items.	Accounting is currently working with the accounting business analyst to set up tracking in E-1.	In Process	Unknown
13-20	ACCOUNTING DEPARTMENT	Audit Report #13005 dated February 28, 2013, Business and Travel Expenses	10	Impact: 5 Probability: 5	To address the disallowable items documented in this Audit Report that are violations of Authority Policy, we recommend Accounting retroactively disallow the reimbursements and the employees be notified that they are required to reimburse the Authority for such amounts.	All items were discussed with the appropriate directors and managers. A reprimand letter will be drafted to the responsible parties, formally addressing the violations. The policy will also be revised to align with the Authority's Fitness Focus program. Additionally, a more robust shoe reimbursement process will be developed by Human Resources.	In Process	Unknown

NOTE: Risk Score is based upon the combined scores of Impact and Probability. Both Impact and Probability are ranked on a scale of 1-10, with maximum possible scores (highest risk) of 10, and a maximum possible combined score of 20.

Rec. No.	Department Name	Audit Report Description	Risk Score	Risk	Recommendation	Status as of March 31, 2013	OCA's Assessment	Estimated Completion Date
13-19	HUMAN RESOURCES DEPARTMENT	Audit Report #13005 dated February 28, 2013, Business and Travel Expenses	9	Impact: 5 Probability: 4	We recommend that the Human Resources Department (HR) strengthen their policy for obtaining safety shoes, to either disallow purchases from vendors other than those on-site, or require all reimbursement requests for safety shoes to be reviewed and approved by HR.	Forms and procedures are being updated to ensure that the right safety equipment are pre approved for purchase by both the department head as well as the Employee Safety Analyst. This is expected to be completed and approved by end of May 2013. While the findings of the Audit did not identify a purchase that was outside of an employee's entitlement under current practices, the findings did identify that procedures could be updated to strengthen our practices to ensure that the equipment purchased are calibrated to the identified need. Pre-approval will provide the appropriate guidance and approval.	In Process	May 1, 2013

NOTE: Risk Score is based upon the combined scores of Impact and Probability. Both Impact and Probability are ranked on a scale of 1-10, with maximum possible scores (highest risk) of 10, and a maximum possible combined score of 20.



SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT

Item No.
10

Meeting Date: **JUNE 6, 2013**

Subject:

Fiscal Year 2014 Proposed Audit Plan of the Office of the Chief Auditor

Recommendation:

The Audit Committee recommends that the Board approve the proposed audit plan.

Background/Justification:

As directed in the Charter of the Office of the Chief Auditor (OCA), a one-year audit plan shall be submitted by the Chief Auditor to the Audit Committee at the beginning of each fiscal year for its review and approval.

The Fiscal Year 2014 Audit Plan was prepared by the Chief Auditor based on the following elements, as highlighted below, and detailed in Attachment A:

- a comprehensive risk assessment methodology and analysis;
- input from the Board;
- input from Authority management; and,
- on the basis of staff resources available.

During its May 13, 2013, Audit Committee Meeting, the proposed Fiscal Year 2014 Audit Plan (Attachment 1) was presented to the Committee for its examination. Public Member Don Tartre inquired as to the risk pertaining to the Airport's Lost and Found, and asked why an audit of Lost and Found was being performed every two years. Mark Burchyett, Chief Auditor, responded that the audit frequency is determined by the Authority's Lost and Found Property Policy 8.24(4), which states:

(4) Audit. The Office of the Chief Auditor shall audit the operation of the Facility for compliance with this policy, and the adequacy of the inventory and accounting methods employed to inventory and track lost property received by the Facility. Such audits shall take place not less than every two years.

Following further discussion with staff, the Audit Committee voted to recommend that the Board approve the proposed audit plan, with the understanding that revision(s) to the Airport's Lost and Found Policy pertaining to Audit may result in a change in the frequency of the Lost and Found facility being audited by the OCA.

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Fiscal Impact:

Adequate funding for the FY14 audit plan is included in the adopted FY 13 budget and proposed FY 14 budget in the personnel expense section, specifically in the salaries and wages and employee benefits line items in the amount of \$961,078 for FY 13 and \$1,016,637 for FY 14.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended. 14 Cal. Code Regs. Section 15378. This Board action is not a "project" subject to CEQA. Pub. Res. Code Section 21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Pub. Res. Code Section 30106.

Equal Opportunity Program:

Not applicable.

Prepared by:

MARK A. BURCHYETT
CHIEF AUDITOR

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PROPOSED FISCAL YEAR 2014 AUDIT PLAN

Introduction

This document is for the purpose of communicating to the San Diego County Regional Airport Authority (Authority) Board the process used for constructing the Office of the Chief Auditor's (OCA) Annual Audit Plan (Audit Plan) for Fiscal Year 2014.

The Audit Plan was developed utilizing a risk assessment methodology that considered specific impact and probability risks. Impact risk evaluates the effect resulting from a breakdown in an operation's environment, processes, and/or controls. Probability risk evaluates the likelihood that an incident will occur.

Utilizing a structured risk assessment methodology enables the OCA to quantify the level of risk related to the Authority's processes and business activities. On the basis of the risk scoring, the OCA can develop an appropriate audit schedule that will ensure adequate review of the Authority's operations.

The risk assessment methodology utilized by the OCA to construct the Fiscal Year 2014 Audit Plan is a five-part process consisting of:

1. Developing the risk assessment model;
2. Understanding department activities;
3. Scoring the process and business activity risks;
4. Ranking the auditable areas; and,
5. Developing the audit plan.

Developing the Risk Assessment Model

We have inventoried all Authority activities, segregating them into the following categories:

- Annual Ongoing Audits and Support
- Internal Business Process Audits
- Expense Contract Audits
- Revenue Contract Audits

These categories were segregated into auditable units, and estimated audit hours were then assigned to each auditable unit. Each audit unit's risk was scored using the impact and probability risk criteria, and then ranked based on the auditable unit's risk score. The final risk score for each auditable unit are detailed in Attachments 3, 4, 5, and 6.

To determine the annual amount of staff time available to complete audits, we estimated the amount of time each audit staff member would have to devote to audit projects, taking into consideration administrative, vacation, training, sick, and holiday hours. We estimated that a total of 9,318 staff hours are available during Fiscal Year 2014 to conduct assigned audits¹.

The next step was to determine the net hours available for non-annual audits that relate to business processes, expense contracts, and revenue contracts. This amount was calculated by subtracting the hours required to conduct annual ongoing audits, ethics program activities, and construction audit activities, from the total available hours. Table 1 below details this calculation.

¹ These hours include the assumption that one (1) new staff member will be added the last quarter of the fiscal year.

PROPOSED FISCAL YEAR 2014 AUDIT PLAN

**TABLE 1
Staff Hours Available to Conduct Non-Annual Audits**

Total Available Staff Hours Per Year (See Attachment 1)	9,318
Annual Ongoing Audits	(1,130)
Ethics Program Activity	(400)
Construction Audit and Monitoring Activity	(1,340)
Available Hours for Non-Annual Audits	6,448

The final step was to develop the Fiscal Year 2014 audit plan based on the available resources and risk scores. For each of the audit categories (business processes, expense contracts, and revenue contracts) we selected audit units with higher risk scores, taking into account the amount of resources that would be required of the internal audit staff.

The proposed Audit Plan for Fiscal Year 2014 is presented in Attachment 1. The expense contracts selected for review account for 31.5% of the total actual expenses over a 12-month period, and the revenue contracts (excluding airline revenues) accounting for 21.6% of the total collected revenues over the same 12-month period.

Further explanation of each of the audit units included in the Audit Plan is provided in Attachment 2. Subsequent attachments summarize the risk score details:

- Attachment 3: Business Processes – Descending Risk Scores
- Attachment 4: Expense Contracts – Descending Risk Scores
- Attachment 5: Car Rental Contracts – Descending Risk Scores
- Attachment 6: Other Lease and Concession Contracts – Descending Risk Scores

**San Diego County Regional Airport Authority
Proposed FY 2014 Audit Plan**

<u>BUSINESS PROCESS AUDITS (Attachment 3)</u>			
1	Debt Service Management	250	
2	Cloud Management and Performance	300	
3	Human Resources Services Performance	350	
4	Airport Lost and Found	200	
5	Timekeeping Payroll	250	
6	Social Media Control and Performance	250	
TOTAL BUSINESS PROCESS AUDIT HOURS		<u>1,600</u>	<u>17.2%</u>
<u>EXPENSE CONTRACT AUDITS (Attachment 4)</u>			
7	Bradford Airport Logistics	200	
8	Leigh Fisher & Associates	200	
9	SOLPAC Construction, Inc., dba Soltek Pacific Construction Company	150	
10	Abadjis Systems, Ltd.	200	
11	Ace Parking Management, Inc.	250	
12	Kimley-Horn and Associates, Inc.	200	
13	Porter Novelli, Inc.	150	
14	AMEC Environmental and Infrastructure, Inc.	150	
TOTAL EXPENSE CONTRACT AUDIT HOURS		<u>1,500</u>	<u>16.1%</u>
<u>REVENUE CONTRACT AUDITS (Attachments 5 and 6)</u>			
15	Budget Rent A Car Systems	250	
16	DTG Operations, Inc. dba Thrifty & Dollar	250	
17	Nevada Lease and Rental, Inc. dba Payless Car Rental System	250	
18	Simply Wheelz, LLC dba Advantage Rent-A-Car	250	
19	DAL Global Services, LLC	150	
20	Elite Line Services, Inc.	150	
21	Landmark Aviation GSO-SAN, LLC	150	
22	Sky Chef, Inc. dba LSG Sky Chefs	150	
23	Host International, Inc. (FSP 1)	250	
24	SSP America, Inc. (FSP 3)	250	
25	Smarte Carte, Inc.	150	
TOTAL REVENUE CONTRACT AUDIT HOURS		<u>2,250</u>	<u>24.1%</u>
<u>ANNUAL ONGOING AUDITS AND SUPPORT</u>			
26	Aircraft Rescue & Fire Fighting (ARFF)	150	
27	Board Member Expenditures	50	
28	CONRAC Fund Review	100	
29	Procurement Card Program	150	
30	Agreements with Expenditure Limits Not to Exceed \$100,000	100	
31	Bi-Annual Airline Landing Fees	250	
32	Emergency Medical Technician-Paramedic Services	80	
33	San Diego Unified Port District Billing	250	
ANNUAL ONGOING AUDITS AND SUPPORT HOURS		<u>1,130</u>	
34	Special Request Audits	798	
TOTAL ANNUAL ONGOING AUDITS AND SUPPORT HOURS		<u>1,928</u>	<u>20.7%</u>
35	QUALITY ASSESSMENT REVIEW	300	3.2%
36	ETHICS PROGRAM ACTIVITY	400	4.3%
37	CONSTRUCTION AUDIT AND MONITORING ACTIVITY	1,340	14.4%
TOTAL HOURS		<u>9,318</u>	<u>100.0%</u>
AVAILABLE AUDIT HOURS FROM OFFICE STAFF		<u>9,318</u>	
DIFFERENCE		<u>0</u>	

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Fiscal Year 2014 Audit Plan
Audit Unit Definitions

ATTACHMENT 2

#	Audit Unit	Explanation
Business Process Audits		
1	Debt Service Management	Analyze the Authority's debt service management performance, including the compliance with debt covenants and regulatory requirements.
2	Cloud Management and Performance	Evaluate internal control and performance deficiencies within the Authority, evaluate Information Technology's interface with the service provider, and the quality of and the Authority's ability to rely upon the service provider's attestations regarding internal controls.
3	Human Resources Services Performance	Evaluate the effectiveness of various HR policies and practices, evaluate service responsiveness and reliability of the HR function, analyze how well the Authority is complying with current federal, state and local laws and regulations, review internal controls for specific functional HR areas (e.g., payroll, performance management, records retention, etc.).
4	Airport Lost and Found	Review the Airport lost and found operations, including policies and procedures, inventory controls, and reporting compliance. This audit is required on a bi-annual basis by the Authority's Lost and Found Policy.
5	Timekeeping Payroll	Assess the effectiveness of accounting and administrative controls over timekeeping and payroll related processing, validated that controls over timekeeping and payroll include procedures and documents that assure the data used to generate payroll disbursements are adequate, evaluate whether the records and documentation for timekeeping and payroll related items are sufficient to establish an audit trail for all transactions involving employees' time, pay and deductions, analyze whether access to timekeeping and payroll data is controlled to maintain integrity of the data.
6	Social Media Control and Performance	Access the effectiveness of controls over the Authority's social media policies and processes, focusing on governance, policies, procedures, training and awareness functions related to social media.
Expense Contract Audits		
7	Bradford Airport Logistics	Review contract expenditures related operating the central receiving and distribution center, with a maximum contract amount of \$7,600,000 over a five year period.
8	Leigh Fischer & Associates	Review contract expenditures related to preparing a development plan for the next phase of airport construction, with a maximum contract amount of \$6,500,000 over a three year period.

**Fiscal Year 2014 Audit Plan
Audit Unit Definitions**

#	Audit Unit	Explanation
9	SOLPAC Construction, Inc. dba Soltek Pacific Construction Company	Review contract expenditures related to providing constructions services related to the expansion of Terminal 2 East building between Gates 24 and Gates 28, and between Gate 25 and 27, with a maximum contract amount of \$17,900,000 over a two year period.
10	Abadjis Systems, Ltd.	Review expenditures related to program management and support services for the Capital Improvement Program and major maintenance programs, with estimated maximum contract amounts of \$18,000,000 over a three year period.
11	Ace Parking Management, Inc.	Review contract expenditures related to providing parking and shuttle services at SDIA, with a maximum contract price of \$28,800,000 over a five year period.
12	Kimley-Horn and Associates, Inc.	Review expenditures related to program management and support services for the Capital Improvement Program and major maintenance programs, with estimated maximum contract amounts of \$18,000,000 over a three year period.
13	Porter Novelli, Inc.	Review contract expenditures related to providing public outreach services in support of the Terminal Development Program, Lindbergh Multimodal Transportation Plan, Regional Aviation Strategic Plan and other Authority initiatives, with a maximum contract amount of \$2,325,000.
14	AMEC Environmental and Infrastructure, Inc.	Review contract expenditures related to providing material testing, special inspection and geotechnical services for Capital Improvement Program, with estimated maximum contract amounts of \$3,500,000 over a three year.
Revenue Contract Audits		
15	Budget Rent A Car Systems	Review the accuracy of revenues received from a car rental company.
16	DTG Operations, Inc. dba Thrifty & Dollar	Review the accuracy of revenues received from a car rental company.
17	Nevada Lease and Rental, Inc., dba Payless Car Rental System	Review the accuracy of revenues received from a car rental company.
18	Simply Wheelz, LLC dba Advantage Rent-A-Car	Review the accuracy of revenues received from a car rental company.
19	DAL Global Services, LLC	Review the accuracy of revenues and related expenditures for providing ground handling and support services at SDIA.
20	Elite Line Services, Inc.	Review the accuracy of revenues and related expenditures for providing ground handling and support services at SDIA.

**Fiscal Year 2014 Audit Plan
Audit Unit Definitions**

#	Audit Unit	Explanation
21	Landmark Aviation GSO-SAN, LLC	Review the accuracy of revenues and related expenditures for providing ground handling and support services at SDIA.
22	Sky Chef, Inc. dba LSG Sky Chefs	Review the accuracy of revenues received from providing in-flight catering at SDIA.
23	Host International, Inc. (FSP 1)	Review the accuracy of revenues and related expenditures for concession services at SDIA.
24	SSP America, Inc. (FSP 3)	Review the accuracy of revenues and related expenditures for concession services at SDIA.
25	Smarte Carte, Inc.	Review the accuracy of revenues and related expenditures for providing baggage cart rentals at SDIA.
Annual Ongoing Audits & Support		
26	Aircraft Rescue & Fire Fighting (ARFF) Billing	Ensure that the Authority is reimbursing the City for actual costs incurred to provide ARFF services, so that the Authority is in compliance with the FAA's revenue diversion requirements.
27	Board Member Expenditures	Review the appropriateness of Board Member expenditures, and compliance of these expenditures with Authority policy.
28	Consolidated Rental Car Facility (CONRAC) Fund	Review CONRAC Fund for compliance with Authority policies and State regulations.
29	Procurement Card Program	Review controls related to P-cards and appropriateness of expenditures.
30	Agreements with Expenditure Limits Not to Exceed \$100,000	Review sample of expenditures of contracts that are less than \$100,000 per year.
31	Bi-Annual Airline Landing Fees	Review the accuracy of revenues for commercial and cargo airline service from all air carriers servicing SDIA.
32	Emergency Medical Technician-Paramedic Services	Ensure that the Authority only reimburses the City for the actual costs of providing the emergency medical technician-paramedic services, so that the Authority is in compliance with the FAA's revenue diversion requirements.
33	San Diego Unified Port District Billing	Determine that payments made to the Port are reflective of the actual expenses incurred to provide those services, so that the Authority is in compliance with the FAA's revenue diversion requirements.
34	Special Request Audits	Perform close out audits (audits of vendors that terminate operations at SDIA) and audits requested by Board Members and/or management that were not included in the audit plan.

**Fiscal Year 2014 Audit Plan
Audit Unit Definitions**

#	Audit Unit	Explanation
<i>Other Audit Activity</i>		
35	Quality Assessment Review	Management and staff time related to a quality assessment review (QAR) that will be conducted in 2014. A QAR is a comprehensive review of the overall effectiveness of an internal audit function. It assesses the compliance with professional standards, the effectiveness and efficiency of function activities, organization, resource and skill capabilities, and the evaluation and fulfillment of stakeholder needs. It also identifies strengths and improvement opportunities that strategically position the internal audit function for ongoing success.
36	Ethics Program Activity	Develop and amend ethics policies, provide training, and investigate reported incidents.
37	Construction Audit and Monitoring Activity	Perform audits of construction activities related to the Capital Improvement Program and the Terminal Development Program.

**Fiscal Year 2014 Audit Plan
Business Processes – Descending Risk Scores**

ATTACHMENT 3

Business Process	Risk Score	Estimated Hours
Debt Service Management	4.44	250
Cloud Management and Performance	4.44	300
Human Resources Services Performance	4.38	350
Timekeeping Payroll	4.25	250
Social Media Control and Performance	4.25	250
Concessionaire Vending	4.13	200
Treasury/Cash Performance and Management	4.06	300
Transportation and Traffic Services	4.06	300
Revenue and Business Development	4.06	300
Information Technology Performance	4.06	350
Procurement Management	4.00	300
Contract Management	4.00	300
Capital and Maintenance Project Selection and Planning	4.00	300
Grant Revenue Procurement and Management	3.94	250
Environmental Compliance	3.94	300
Enterprise Risk Management	3.94	350
Sustainability Management	3.88	250
Public Parking	3.88	350
Airport Security Management	3.88	300
Property Management	3.81	300
Airport Noise Management	3.81	250
Small Business Development	3.75	300
Public Communications	3.75	350
Energy Usage Performance	3.75	300
Vehicle Fleet Management	3.69	300
Restricted Fund Accountability	3.69	200
Airline Route Sales and Management	3.69	250
Organizational Performance Measures	3.63	250
Attorney General MOU on Greenhouse Gases Compliance	3.63	200
Airport Lost and Found	3.63	250
Public Records Compliance	3.56	200
Business Continuity Management	3.50	300
Budget Management and Analysis	3.50	300
Airline Services Management	3.43	300
Airport Land Use Management	3.25	300
Business and Travel Expenses	3.19	350
Special Event Management	2.63	200
		<u>10,450</u>

**Fiscal Year 2014 Audit Plan
Expense Contract – Descending Risk Scores**

ATTACHMENT 4

Company	Risk Score	Hours
Bradford Airport Logistics	4.06	200
Leigh Fisher & Associates	4.06	200
SOLPAC Construction, Inc., dba Soltek Pacific Construction Company	4.06	150
Abadjis Systems, Ltd.	4.00	200
Ace Parking Management, Inc.	4.00	250
Kimley-Horn and Associates Inc.	4.00	200
Porter Novelli Inc.	4.00	150
AMEC Environmental and Infrastructure, Inc.	3.94	150
Charles King Company, Inc.	3.94	150
Jacobs Consultancy, Inc.	3.88	150
KONE, Inc.	3.86	150
Greenhaus Inc.	3.81	150
Hatch Mott MacDonald, LLC	3.81	150
Network Security Electronics, Inc.	3.81	150
Serco Management Services, Inc.	3.81	150
Abhe & Svoboda, Inc.	3.75	150
APEX Contracting & Restoration, Inc.	3.75	150
Built Pacific, Inc.	3.75	150
G & G Specialty Contractors, Inc.	3.75	150
GRID Solar, LLC	3.75	150
Hellmuth, Obata & Kassabaum (HOK), Inc.	3.75	150
HSS, Inc.	3.75	150
RGC Construction, Inc.	3.75	150
VA Consulting, Inc.	3.75	150
C&S Engineering, Inc.	3.69	150
Hazard Construction Company	3.69	150
Ninyo & Moore Geotechnical Consultants	3.69	150
PCL Construction Services, Inc.	3.69	150
William Nicholas Bodouva + Associates	3.69	150
Merriwether and Williams Insurance Services Inc.	3.64	150
Demattei Wong Architecture, Inc.	3.63	150
Erik J. Carlson	3.63	150
Frasca & Associates Inc.	3.63	150
Kleinfelder West Inc.	3.63	150
SOS Staffing Services, dba TOPS Staffing	3.63	150
TruGreen Landcare LLC	3.63	150
Unison Contracting Inc.	3.63	150
Willis Insurance Services of California, Inc.	3.63	150
AGBW Corporation, dba BPI Plumbing	3.56	150
DFS Flooring	3.56	150
Jones Payne Group	3.56	150
McBee Strategic Consulting	3.56	150
Ocean Blue Environmental Services	3.56	150
Robert Half International	3.56	150
Verizon Wireless	3.56	150
Waste Management of San Diego	3.56	150
American Steel Builders	3.50	150

**Fiscal Year 2014 Audit Plan
Expense Contract – Descending Risk Scores**

ATTACHMENT 4

Company	Risk Score	Hours
AT&T, CALNET 2 Contract	3.50	150
Campbell-Hill Aviation Group	3.50	150
CH2M Hill	3.50	150
CompuCom Systems Inc.	3.50	150
Flatiron West, Inc.	3.50	150
Marsh Risk & Insurance Service	3.50	150
Merge Conceptual Design (Green Build Art)	3.50	150
Ricondo and Associates	3.50	150
Siemens Industry Inc.	3.50	150
Aon Consulting and Insurance Services, Inc.	3.44	150
COR Security, Inc.	3.44	150
Pacific Rim Mechanical	3.44	150
PFM Asset Management	3.44	150
San Diego Office Interiors	3.44	150
SkillStorm Commercial Services, LLC	3.44	150
Zoological Society of San Diego	3.44	150
Marsh USA Inc.	3.43	150
Airport Concessions Consultants, Inc.	3.38	150
Carter & Burgess, Inc.	3.38	150
David Brush Consulting	3.38	150
Dynamic Contracting Services, Inc.	3.38	150
Epic Pest Control	3.38	150
General Ledger Resources	3.38	150
S&L Specialty Contracting, Inc.	3.38	150
Strong Tower Construction dba Koch Corporation	3.38	150
The Vasquez Company	3.38	150
WTS, Inc.	3.38	150
Cannon Pacific Services Inc.	3.31	150
Advantage Performance Group LLC	3.31	150
All Star Productions Inc.	3.31	150
Atkins North America, Inc.	3.31	150
Fluoresco Lighting - Sign Maintenance Corp.	3.31	150
Jacobsen/Daniels Associates LLC	3.31	150
Jason Bruges Studio Limited	3.31	150
Microsoft Licensing, GP	3.31	150
MW Construction	3.31	150
TLC Staffing	3.31	150
United Storm Water Inc.	3.31	150
Zuheir Inc., dba Comprehensive Glassworks	3.31	150
Christian Moeller and Amy Landesberg Partnership	3.25	150
CPS Human Resources	3.25	150
Epoch Universal, Inc.	3.25	150
Gilbert Angundaz Concrete	3.25	150
Hawthorne Machinery Co.	3.25	150
KRS, Inc., dba Kings Glass and Screen	3.25	150
McKenna, Long & Aldridge LLP	3.25	150
Neal Electric Inc.	3.25	150

**Fiscal Year 2014 Audit Plan
Expense Contract – Descending Risk Scores**

ATTACHMENT 4

Company	Risk Score	Hours
Nolte Associates Inc.	3.25	150
Packet Telcom Solution, Inc.	3.25	150
Paul Hobson	3.25	150
Seasonal Innovations Inc. dba Greenleaf Plant Solutions	3.25	150
SIGMAnet, Inc.	3.25	150
Sun Pacific Glazing, Inc.	3.25	150
Tower Glass, Inc.	3.25	150
Westgroup Designs, Inc.	3.25	150
Wier Construction Corporation	3.21	150
Aztec Landscaping	3.19	150
Best Contracting Services	3.19	150
DuWright Construction Inc.	3.19	150
Endless Summer Heating and Cooling, Inc.	3.19	150
Granite Construction Company	3.19	150
GTSI dba Government Technology Service Inc.	3.19	150
Helix Mechanical, Inc.	3.19	150
Koch-Armstrong General Engineering, Inc.	3.19	150
PC Specialists, Inc. dba Technology Integration Group (TIG)	3.19	150
RJC Architects, Inc.	3.19	150
Visionary Painting Services Corporation	3.19	150
Western Bay Sheet Metal, Inc.	3.19	150
Windco Painting Inc.	3.19	150
Wirtz Quality Installations, Inc.	3.19	150
Xtreme Floor Covering Specialists Inc.	3.19	150
The Bernard Johnson Group, Inc.	3.17	150
A Good Roofer, Inc.	3.13	150
Alliant Insurance Services, Inc.	3.13	150
EHMCKE Sheet Metal	3.13	150
Inland Flooring Contractors, Inc.	3.13	150
J.P. Witherow Roofing Company, Inc.	3.13	150
Laser Electric Inc.	3.13	150
Research Horizons LLC, dba Phoenix Marketing International	3.13	150
Sato Services LLC (Green Build Art)	3.13	150
Sheryl Oring	3.13	150
Simon Wong Engineering, Inc.	3.13	150
SITA Information Networking Computing USA	3.13	150
Tabizi Incorporated dba Raider Painting Company	3.13	150
Vector Resources, Inc.	3.13	150
Bruel & Kjeear EMS	3.07	150
Creative Nerve	3.06	150
DIIO, LLC formally Aviation Data Group, LLC	3.06	150
Ensley Electric, Inc.	3.06	150
Miki Iwasaki dba MI-Workshop	3.06	150
Phillips Painting, Inc.	3.06	150
Roger Buma	3.06	150
U.S. Bank National Association	3.06	150
Aircraft Service International, Inc.	3.00	150

**Fiscal Year 2014 Audit Plan
Expense Contract – Descending Risk Scores**

ATTACHMENT 4

Company	Risk Score	Hours
Anton's Service, Inc.	3.00	150
Aurora Industrial Hygiene, Inc.	3.00	150
Barney & Barney, LLC	3.00	150
CDM Smith, Inc.	3.00	150
Ted Sexton Consulting	3.00	150
UniFirst Corporation	3.00	150
All County Fire, Inc.	2.94	150
COLAB Studio LLC (Green Build Art)	2.94	150
IXL, LLC	2.94	150
Loren Smith Productions	2.94	150
Meyers Nave	2.94	150
Paul Plevin Sullivan & Connaughton LLP	2.94	150
Slayton Mechanical Contractors Inc.	2.94	150
Gatzke, Dillon & Balance LLP	2.93	150
Allsup Corporation	2.88	150
Ameri-Mex Plumbing Inc.	2.88	150
Idea Integration Corp. dba Idea	2.88	150
Manatt, Phelps & Phillips LLP	2.88	150
Planetbids, Inc.	2.88	150
Best, Best Krieger LLP	2.81	150
Morrison & Foerster LLP	2.81	150
Accurate Engineering ICS, Inc.	2.75	150
JRM Consultants & Investigations Company	2.75	150
United States Department of Agriculture	2.75	150
Are & R Plumbing Inc.	2.69	150
Calderon Builders, Inc.	2.69	150
Drain Medic Plumbing	2.69	150
LCP Tracker, Inc.	2.69	150
Quateman LLP	2.64	150
Kutak Rock LLP	2.63	150
Living Lenses (Green Build Art)	2.56	150
Sadler Electric, Inc.	2.56	150
Stuart Keeler (Green Build Art)	2.25	150
		<u>26,400</u>

**Fiscal Year 2014 Audit Plan
Car Rental Contracts – Descending Risk Scores**

ATTACHMENT 5

Company	Risk Score	Hours
Budget Rent A Car Systems	4.5	250
DTG Operations Inc dba Thrifty & Dollar	4.5	300
Nevada Lease and Rental Inc dba Payless Car Rental System	4.0	250
Simply Wheelz LLC dba Advantage Rent-A-Car	4.0	250
Pneuma Enterprises Inc. dba TravCar	3.6	150
Avis Rent A Car Systems LLC	3.5	300
Enterprise Rent A Car Company of Los Angeles	3.5	400
Fox Rent A Car	3.5	300
Gitibin dba Go Rental	3.5	150
The Hertz Corporation	3.5	300
EZ Rent A Car	3.0	150
Midway Rent A Car, Inc.	3.0	250
RLZ Corporation dba Pacific Rent-A-Car	3.0	150
South CA A1 Car Rental dba A1 Rent a Car	3.0	150
		<u>3,350</u>

**Fiscal Year 2014 Audit Plan
Other Lease and Concession Contracts –
Descending Risk Scores**

ATTACHMENT 6

Company	Risk Score	Hours
Landmark Aviation GSO-SAN, LLC	5.0	150
ABX Air Inc.	4.5	150
Aircraft Services International Inc.	4.5	150
DAL Global Services LLC	4.5	150
Elite Line Services Inc.	4.5	150
High Flying Foods San Diego (FSP 7)	4.5	250
Host International Inc. (FSP 1)	4.5	250
Hudson Group - CV - Epicure - Martinez San Diego (RP 2)	4.5	250
Smarte Carte Inc.	4.5	250
SSP America Inc. (FSP 3)	4.5	250
Advanced Wireless Group LLC	4.0	150
Airport Terminal Services Inc.	4.0	150
Bank of America NA a National Banking Association	4.0	300
Cargo Airport Services USA LLC	4.0	150
Duty Free Americans San Diego LLC	4.0	250
Flying Food Group LLC	4.0	150
Integrated Airline Services Inc.	4.0	150
New Zoom Inc. dba ZoomSystems (RP 6)	4.0	250
Paradies - San Diego LLC (RP1)	4.0	250
Primeflight Aviation Services	4.0	150
San Diego Air and Space Technology	4.0	150
Sky Chef Inc. dba LSG Sky Chefs	4.0	150
Steller Partners Inc. (RP 4)	4.0	250
US Aviation Services	4.0	250
US General Services Administration	4.0	250
ABM Services dba OneSource	3.5	150
Airline & Others (Ogden Aviation)	3.5	150
Aviation Port Services	3.5	150
Certified Aviation Services LLC	3.5	150
Certified Folder Display Services Inc.	3.5	150
Cloud 9 Wireless Inc.	3.5	150
GAT Airline Ground Support Inc.	3.5	150
Gate Gourmet Inc.	3.5	150
GGTW	3.5	150
Ground Equipment Services	3.5	150
Injai Corporation dba Stevie's Catering	3.5	150
Jaroth, Inc. dba Pacific Telemanagement Services	3.5	150
JCDecaux, Inc.	3.5	150
Jetstream Ground Services Inc.	3.5	150
Matrix Aviation Services Inc.	3.5	150
San Diego Convention Center	3.5	150
SCIS Air Security Corporation	3.5	150
Security Point Media LLC	3.5	150
SLB, Inc dba Goodfellows Shoeshine	3.5	150
Travelex America	3.5	150
Accufleet International	3.0	150



SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT

Item No.
11

Meeting Date: **JUNE 6, 2013**

Subject:

Annual Review and Approval of Amendments to Authority Policy 4.40 – Debt Issuance and Management Policy

Recommendation:

The Finance Committee recommends that the Board adopt Resolution No. 2013-0048, approving amendments to Authority Policy 4.40 – Debt Issuance and Management Policy.

Background/Justification:

The attached debt policy was developed in conjunction with the Authority's financial advisors and bond counsel and serves as the foundation of the Authority's debt issuance and management goals and priorities. The stated objectives are:

- Protect the assets and funds entrusted to the Authority
- Manage and monitor existing debt to optimize financial structure, control costs and ensure compliance with bond financing covenants;
- Oversee the issuance of new debt in order to maintain access to capital markets and other sources of capital financing at a reasonable cost;
- Obtain and maintain the highest possible credit ratings on debt consistent with the overall objectives of the Authority;
- Explore and implement prudent debt structuring ideas when consistent with the debt issuance and management goals described herein;
- Provide the required secondary market disclosure to the rating agencies and investors; and,
- Comply with all federal and state laws and regulations, as well as bond indenture, federal tax law compliance, and reimbursement agreement covenants

Page 2 of 2

On an annual basis staff reviews the policy with the Authority's financial advisors and bond counsel. After this year's review staff recommends the following changes to the policy:

- Clarification and enhancement of certain Authority debt affordability indicators;
- Improve the method of identifying economic savings for refundings;
- Revise the criteria for use of variable rate debt to reflect current best practice in the industry; and,
- Incorporate updates to SEC rule 15c2-12 governing certain disclosure obligations relating to municipal securities.

The existence of an approved and current debt policy demonstrates that the Authority Board and staff are fiducially responsible, thereby promoting trust and confidence from the public that it serves.

Fiscal Impact:

None.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy
 Customer Strategy
 Employee Strategy
 Financial Strategy
 Operations Strategy

Environmental Review:

- A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended. 14 Cal. Code Regs. Section 15378. This Board action is not a "project" subject to CEQA. Pub. Res. Code Section 21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Pub. Res. Code Section 30106.

Equal Opportunity Program:

Not Applicable

Prepared by:

VERNON D. EVANS
VICE PRESIDENT, FINANCE/TREASURER

RESOLUTION NO. 2013-0048

A RESOLUTION OF THE BOARD OF THE
SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY, APPROVING AMENDMENTS TO
AUTHORITY POLICY 4.40 – DEBT ISSUANCE AND
MANAGEMENT POLICY

WHEREAS, San Diego County Regional Airport Authority Policy 4.40 establishes a policy governing the debt issuance and management policies and practices of the San Diego County Regional Airport Authority (“Authority”); and

WHEREAS, this policy serves as the guideline for the Authority to ensure prudent management of its debt, having been submitted for review and adoption by the Authority Board in a public meeting; and

WHEREAS, Policy 4.40, as amended (Attachment A), has been reviewed and approved by the Authority’s financial advisors.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves Authority Policy 4.40, as amended, governing the debt issuance and management policies and practices of the Authority; and

BE IT FURTHER RESOLVED that the Board finds that this Board action is not a “project” as defined by the California Environmental Quality Act (CEQA), Cal Pub. Res. Code Section 21065; and is not a “development” as defined by the California Coastal Act, Cal Pub. Res. Code 30106.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6TH day of June, 2013, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

POLICIES

ARTICLE 4 - FINANCE AND ACCOUNTING

PART 4.4 - DEBT

SECTION 4.40 - DEBT ISSUANCE AND MANAGEMENT POLICY

PURPOSE: To establish a policy governing the debt issuance and management policies and practices of the San Diego County Regional Airport Authority (the “**Authority**”).

POLICY STATEMENT:

SECTION I. INTRODUCTION & EXECUTIVE SUMMARY

This comprehensive Debt Issuance and Management Policy (the “Policy”) contains the policies that govern existing and anticipated debt obligations. In addition, the Policy sets forth certain financial management practices in capital budgeting that will enhance the Authority’s ability to manage its projected debt issuance. It is expected that the Policy will be updated from time to time to reflect changes in law and market practices.

Debt plays an important role in meeting the financial needs of the Authority since it provides the funding for the Authority to build projects today which will subsequently be repaid from future revenues. While the issuance of debt is frequently an appropriate method of financing capital projects, prudent financial management requires careful monitoring of debt issuance to ensure there is not an excessive reliance on debt and to preserve the Authority’s access to borrowed capital at competitive borrowing rates, while always maintaining sufficient liquidity. The term “debt” is used in this Policy to describe numerous types of financial obligations of the Authority which may include Bonds, Subordinate Obligations, Special Facility Obligations and other financings of the Authority.

The Authority’s debt issuance and management objectives are to:

- Manage and monitor existing debt to optimize financial structure, control costs and ensure compliance with bond financing covenants;
- Oversee the issuance of new debt in order to maintain access to capital markets and other sources of capital financing at a reasonable cost;
- Obtain and maintain the highest possible credit ratings on debt consistent with the overall objectives of the Authority;
- Explore and implement prudent debt structuring ideas when consistent with the debt issuance and management goals described herein;

- Provide the required secondary market disclosure to the rating agencies and investors;
- Comply with all Federal and State laws and regulations, as well as bond indenture, federal tax law compliance, and reimbursement agreement covenants; and
- Protect the assets and funds entrusted to the Authority.

SECTION II. ROLES AND RESPONSIBILITIES

The roles and responsibilities of key parties in administering, monitoring, and ensuring on-going compliance with this Policy include:

- 1) Board: The Authority is governed by an appointed board of nine members who represent all areas of San Diego County and three *ex-officio* members. The Board approves all bond issuances as well as the policies and guidelines pursuant to which debt is incurred and issued.
- 2) President/CEO and Vice President, Finance/Treasurer: The Vice President, Finance/Treasurer, under the direction of the President/CEO, is (i) responsible for developing, evaluating, implementing and monitoring the financing plan and debt strategies for the Authority in compliance with this policy, subject to Board approvals; and (ii) is in charge of federal tax law post-issuance compliance with respect to all tax-exempt debt obligations.
- 3) Financial Professionals: All financial professionals performing services for the Authority's debt programs, such as its financial advisor, bond counsel, disclosure counsel, investment advisor and underwriters, must comply with the policies and procedures set forth herein.

SECTION III. CAPITAL IMPROVEMENTS AND FINANCIAL PLANNING

The Authority maintains a financing plan and model which projects the available sources and uses of funds and verifies the Authority's financial ability to deliver current and planned programs and services. The impact of the funding sources, particularly debt, on future commitments is a relevant consideration of this Policy. The financing plan is based on a set of assumptions developed through detailed collection and analysis of historical and forecasted data concerning revenues and expenses, economic forecasts and trend projections. The main sources of revenues include airline rates and charges, parking and concession revenues, lease revenues, and other revenues. Additionally, Passenger Facilities Charges (PFCs), Customer Facility Charges (CFCs), and federal grants-in-aid are included as a funding source for certain eligible projects.

The Authority's annual operating budget will ensure that sufficient resources are provided from current revenues to: 1) finance the current fiscal year's requirements for ongoing maintenance needs; 2) provide reserves for periodic replacement and renewal; 3) fund the annual requirements of the maintenance, operating and other reserves; and 4) meet any debt service coverage requirements.

Both the capital plan and the financing plan shall be updated periodically as part of the budget process. It is the goal of the Authority to adopt its capital plan on a rolling five year forward basis.

Both plans will comply with the Policy, paying particular attention to all relevant target debt affordability indicators.

SECTION IV. DEBT TARGETS

The President/CEO and the Vice President, Finance/Treasurer will recommend to the Board the amount, term and type of debt needed to meet the Authority's short-term and long-term financing requirements. In such determinations, issues of debt capacity, amortization period and affordability will be considered, guided by the use of target debt affordability indicators for measuring the affordability of additional borrowing.

The following are the target debt affordability indicators for the Authority.

1) Rate Covenants

The Authority has covenanted in the Master Indenture to comply with the senior lien Rate Covenant, as summarized below:

Bonds – Under the Master Indenture, the Authority has covenanted that it will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System so that Net Revenues, which are generally defined as Revenues less Operation and Maintenance Expenses for a given period, in each Fiscal Year will be at least equal to 125% of the aggregate annual debt service for all Bonds.

“Bonds” are generally defined by the Master Indenture to mean any debt obligation of the Authority including bonds, notes, bond anticipation notes, commercial paper notes and other instruments creating an indebtedness of the Authority, and obligations incurred through lease or installment purchase agreements, other agreements, certificates of participation, and bank repayment obligations. The term “Bonds” does not include Subordinate Obligations (which is defined hereinafter).

The Authority has covenanted in the Master Subordinate Indenture to comply with the subordinate lien Rate Covenant, as summarized below:

Subordinate Obligations – Under the Master Subordinate Indenture, the Authority has covenanted that it will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System so that Subordinate Net Revenues (which are generally defined as Revenues less Operation and Maintenance Expenses less senior lien Bond debt service for a given period) in each Fiscal Year will be at least equal to 110% of the annual debt service for all Subordinate Obligations for such Fiscal Year (excluding the principal amount of Commercial Paper reissued during the Fiscal Year).

“Subordinate Obligations” shall mean any debt obligation of the Authority issued under the Master Subordinate Indenture and are generally defined to mean a subordinate lien debt obligation including bonds, notes, bond anticipation notes, commercial paper notes and other instruments creating an indebtedness of the Authority, and obligations incurred through lease or installment purchase agreements or other agreements or certificates of participation therein and bank repayment obligations.

2) Additional Bonds Test and Additional Subordinate Obligations Test

In order to issue additional parity debt under the Master Indenture, the Authority must comply with one of the two prongs of the Additional Bonds Test, as summarized below:

(A) The Net Revenues for the last audited Fiscal Year or for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Bonds were at least equal to 125% of the sum of the Maximum Aggregate Annual Debt Service due and payable with respect to all Outstanding Bonds and the proposed Bonds to be issued for such applicable period; or

(B) Obtain a certificate prepared by a Consultant showing that the forecasted Net Revenues are expected to be at least 125% of the Aggregate Annual Debt Service due and payable with respect to all Outstanding Bonds and the proposed Bonds to be issued for each year of the forecast period.

In order to issue additional parity debt under the Master Subordinate Indenture, the Authority must comply with one of the two prongs of the Additional Subordinate Obligations Test, as summarized below:

(A) The Subordinate Net Revenues for the last audited Fiscal Year or for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Subordinate Obligations were at least equal to 110% of the sum of the Maximum Aggregate Annual Debt Service due and payable with respect to all Outstanding Subordinate Obligations and the proposed Subordinate Obligations to be issued for such applicable period; or

(B) Obtain a certificate prepared by a Consultant showing that the forecasted Subordinate Net Revenues are expected to be at least 110% of the Aggregate Annual Debt Service due and payable with respect to all Outstanding Subordinate Obligations and the proposed Subordinate Obligations to be issued for each year of the forecast period.

3) Annual Debt Service Coverage Targets

The Authority has established debt service coverage targets for its Bonds and Subordinate Obligations in order to maintain adequate financial margins to accommodate unexpected events given the volatile nature of the aviation industry, preserve financial capacity for future funding needs, and maintain strong credit ratings.

The current minimum Debt Service Coverage targets are:

Bonds: 1.75x (for only senior lien bonds)

Aggregate Debt Service:

- 1.50x, based upon Net Revenues divided by Aggregate Annual Debt Service on Bonds and Subordinate Obligations (for total debt service)

- 1.20x, based upon an alternative “revenue method” calculation utilized by rating agencies where PFCs are added to Net Revenues (rather than deducted from Debt Service) with the sum divided by Aggregate Annual Debt Service for Bonds and Subordinate Obligations

These debt service coverage targets will be reviewed at least annually by the Authority and its financial advisor to determine appropriate adjustments that may be necessary.

4) Airline Costs Per Enplaned Passenger

The Authority will compare its airline costs per enplaned passenger (“CPE”) with available sources of data, including the rating agencies’ median reports and a selected peer group of airports. Due to the different ways that airports set airline rates and charges, it is recognized that comparisons between airports can be misleading.

For The Green Build/TDP program, the Authority has established a CPE goal of no more than \$12 per enplaned passenger.

The Authority will regularly review and update this metric from time to time as may be necessary.

5) Debt Per O&D Enplaned Passenger

The Authority will compare its debt per O&D enplaned passenger with available sources of data, including the rating agencies’ median reports. Due to the different ways that airports finance their capital facilities, this measure is only one indicator of debt affordability.

For The Green Build/TDP program, the Authority has established a debt (excluding special facility financings) per O&D enplaned passenger goal of no more than \$150 per enplaned passenger.

The Authority will regularly review and update this metric from time to time as may be necessary.

~~2.~~ 6) Liquidity

Recognizing the inherently volatile nature of the aviation industry, the Authority will maintain prudent unrestricted reserves as a backstop to be able to fund its obligations if unforeseen events occur. The level of unrestricted reserves will be evaluated at least annually, as part of the Authority’s budgeting and capital planning process.

The Authority’s unrestricted reserves target (defined as the sum of unrestricted cash and investments, unrestricted cash designated for capital projects, unrestricted long-term investments, the O&M Reserve, and O&M Subaccount Reserve and the Renewal and Replacement Reserve) shall be at least ~~365-425~~ days of budgeted operating and maintenance expenses for the current fiscal year.

~~3.~~ 7) Credit Ratings

Credit ratings are assigned to the Authority's Senior Lien Airport Revenue Bonds. The Authority will seek to obtain the highest possible credit ratings on its debt, consistent with meeting the operational and long-term development needs of the Airport. At a minimum, the Authority seeks to maintain ratings in the category of "A1/A+/A+" from all three rating agencies for its Senior Lien Airport Revenue Bonds.

SECTION V. TYPES OF FINANCING – DESCRIPTION AND APPROACH

1) Bonds and Subordinate Obligations of the Authority

In general, issuing senior lien debt under the Authority's Master Indenture will achieve the lowest borrowing costs compared to other forms of borrowing. Under the Master Indenture, senior lien debt is defined as "Bonds". Under the Master Subordinate Indenture, subordinate lien debt is defined as "Subordinate Obligations".

Bonds issued for the Airport are limited obligations of the Authority payable solely from and secured by a pledge of Net Revenues generated by the Airport. Subordinate Obligations issued for the Airport are limited obligations of the Authority payable solely from and secured by a pledge of Subordinate Net Revenues generated by the Airport.

Revenues generally include all revenues, income, receipts, and money derived from the ownership and operation of the Airport and all gifts, grants, reimbursements, or payments received from governmental units or public agencies, which are not restricted by law or the payor to application for a particular purpose other than payment of bonds. Among other things, Revenues specifically exclude:

- (A) Passenger Facility Charges (PFCs)
- (B) Released Revenues, which are an identifiable portion of Revenues that have been excluded from Revenues after meeting certain requirements defined in the Master Indenture
- (C) State and/or federal Grants
- (D) Rental car Customer Facility Charges (CFCs)

2) PFC-Supported Bonds and Subordinate Obligations

The Authority intends to leverage PFCs to support investment in Airport infrastructure and facilities. In order to do this, the Authority may make an irrevocable pledge of PFCs to pay eligible debt service. The Authority will not include PFCs in estimates of future revenues pledged to support Annual Debt Service unless approval for their imposition has been obtained or is expected to be obtained from the FAA.

3) Special Facility Financings

Special Facilities Obligations may be issued by the Authority to finance capital projects and must be secured by a defined revenue stream derived from or relating to discrete facilities such as cargo terminals or maintenance facilities. Such facilities may be leased to one or more tenants.

The Authority may designate facilities at the Airport as Special Facilities and the revenues therefrom as Special Facilities Revenue if such facilities or revenues meet the following tests from the Master Indenture:

(A) The estimated Special Facilities Revenue pledged to the payment of Special Facilities Obligations relating to the Special Facility will be at least sufficient to pay the principal of and interest on such Special Facility Obligations as and when the same become due and payable, all costs of operating and maintaining such Special Facility not paid for by the operator thereof or by a party other than the Authority and all sinking fund, reserve or other payments required by the resolution authorizing the Special Facility Obligations as the same become due; and

(B) With respect to the designation of any separately identifiable existing Airport Facilities or Airport Facility as a “Special Facility” or “Special Facilities,” the estimated Net Revenues, calculated without including the new Special Facilities Revenue and without including any operation and maintenance expenses of the Special Facility as Operation and Maintenance Expenses of the Airport System, will be sufficient so that the Authority will be in compliance with the Rate Covenant; and

(C) No Event of Default then exists under the Indenture

If a facility meets these tests, the Special Facilities Revenues will not be Revenues for the period during which any Special Facilities Bonds are outstanding.

Special Facilities Obligations are limited obligations of the Authority to be repaid solely by Special Facilities Revenues derived from or relating to a discrete facility and are not secured by a lien on Revenues or PFC Revenues. Bonds and Subordinate Obligations are not secured by Special Facilities Revenues.

Special Facilities Obligations may be used in lieu of issuance of Bonds or Subordinate Obligations for financing of discrete airport facilities or airport projects that have an independent revenue stream.

The Authority may permit tenants to undertake Special Facilities Bonds under the following specified terms and conditions:

(A) The financing must comply with the Master Indenture limitations on this type of financing;

(B) A pledge of leasehold mortgage or security interest in the underlying asset may be granted to the trustee or Bondholders in certain circumstances, taking into account any value the Airport receives from the tenant in return;

(C) Terms of bonds will be consistent with the standard terms and the provisions of the Airport’s leasing policies;

(D) The Airport will not enhance the creditworthiness of Special Facilities Obligations (for example, through the granting of a re-letting provision),

unless the Authority determines it is in the best interests of the Airport, taking into account any value the Airport receives from the tenant in return;

(E) The Special Facilities Obligations are amortized over a period that does not exceed the lesser of: (a) 40 years; or (b) the useful life of the facility (80% of the useful life of the facility for projects that are considered to be “private activities” under Federal tax regulations, if tax-exempt financing is used). “Bullet” maturities may be considered if they do not exceed the lesser of: (a) the useful life of the facility; or (b) 25 years, and are amortized on a straight line basis for purposes of calculating amortized cost (see below);

(F) The Authority reserves the right to acquire the facility at its amortized cost and the right to require notices exercising early call redemption provisions for the Special Facilities Obligations;

(G) Any refinancing of assets financed with Special Facilities Obligations will not be permitted without the consent of the Board;

(H) The tenant will reimburse the Authority for all of its costs associated with the Special Facilities Obligations;

(I) The Authority may assess an annual fee for Special Facilities Obligations;

(J) Bond Counsel(s) for the Authority will review all Disclosure documents and prepare the financing documents;

(K) The tenant will satisfy Continuing Disclosure and arbitrage rebate requirements and will provide the Authority with indemnities covering any exposure the Authority may have arising from the financing;

(L) The proposed facility must be compatible with Airport System land and capital use plans; and

(M) The Authority may establish minimum threshold Credit Ratings for airlines and other parties wishing to participate in Special Facilities Obligation financed projects. These threshold Credit Ratings will be reviewed by the Authority from time to time.

4) Bond Anticipation Notes (“BANs”) and Grant Anticipation Notes (“GANs”)

Bond Anticipation Notes (“BANs”) are short-term debt instruments that will be repaid with proceeds of an upcoming bond issue.

Grant Anticipation Notes (“GANs”) are short-term instruments that will be repaid from expected future Federal AIP and TSA grants or other Federal or State grants accepted by the Authority. The FAA and TSA may issue Letters of Intent (“LOI”) to the Authority indicating their intent, although not their commitment, to fund “long term, high priority capacity projects” on a multi-year basis as appropriations become available. Once an LOI is in hand, notes may be issued that are secured by the grants

anticipated to be received from the FAA and/or TSA. However, there typically must be an ancillary source of repayment for the notes in the event grant funding is ultimately not received.

Notes may be considered Balloon Indebtedness under the Master Indenture, which specifies that, for purposes of calculating the Aggregate Annual Debt Service of Balloon Indebtedness, such Bonds shall be assumed to be amortized in substantially equal annual amounts for principal and interest over a period of 30 years at an interest rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, or if that index is no longer published, another similar index selected by the Authority. If the Authority fails to select a replacement index, the rate shall be the rate determined by a Consultant to be a reasonable market rate for fixed-rate Bonds of a corresponding term issued under the Master Indenture. Issuance of BANs and GANs should not occur in amounts or result in amortization that would result in the failure by the Authority of its ability to satisfy its rate covenants and the debt coverage goals contained in this Policy.

5) Capital Appreciation Bonds and Zero Coupon Bonds

The Authority will not issue capital appreciation bonds or zero coupon bonds unless the Authority has determined, quantified and demonstrated that there is a significant benefit over traditional structures.

6) Commercial Paper

Commercial Paper is a short-term obligation with maturities ranging from 1 to 270 days. The payment when due of principal and interest on each series of the Notes also is secured by separate irrevocable, direct-pay letters of credit.

The Authority may refinance, refund or purchase outstanding Commercial Paper by issuing new Commercial Paper, by issuing Bonds, or by using available Authority funds.

For purposes of calculating Aggregate Annual Debt Service for a Commercial Paper Program, the principal and interest shall be calculated as if the entire Authorized Amount of such Commercial Paper Program were to be amortized over a term of 35 years commencing in the year in which such Commercial Paper Program is implemented and with substantially level Annual Debt Service payments. The interest rate used for such computation shall be that rate quoted in The Bond Buyer 25 Revenue Bond Index, or such successor or replacement index, for the last week of the month preceding the date of calculation as published by The Bond Buyer, or if that index is no longer published, another similar index selected by the Authority, or if the Authority fails to select a replacement index, that rate determined by a Consultant to be a reasonable market rate for fixed rate Subordinate Obligations of a corresponding term issued under the Indenture on the date of such calculation, with no credit enhancement and taking into consideration whether such Subordinate Obligations bear interest which is or is not excluded from gross income for federal income tax purposes.

Any outstanding Commercial Paper anticipated to be paid off and not reissued within the current fiscal year shall be excluded from any calculations of variable rate exposure for internal debt management purposes.

The Authority may issue Commercial Paper as sources of interim construction financing for capital projects. Before issuing such Commercial Paper notes, the take out of such Commercial Paper must be anticipated in the financing plan and determined to be feasible and advantageous by the Authority.

7) Floating Rate Notes

Floating Rate Notes (FRNs) are notes that have a variable coupon, equal to a money market reference rate, such as SIFMA (Securities Industry and Financial Markets Association) or LIBOR (the London Interbank Offered Rate), plus a spread. The spread is a rate that remains constant. At the beginning of each coupon period, the coupon is calculated by taking the fixing of the reference rate for that day and adding the spread. Because the coupon resets based on a short-term index, the issuer is exposed to rising interest rates unless it has swapped the debt to a fixed rate. However, unlike variable rate demand obligations or Commercial Paper, FRNs are not supported by a bank liquidity facility, and therefore do not pose short-range liquidity/refinancing risk to the issuer.

The Authority may issue FRNs as a source of interim financing for capital projects.

4. 8) Equipment Leases

Equipment leases are basically loans pursuant to which the lender buys and owns certain equipment (e.g., jet bridges, baggage systems, flight and baggage information display systems) and then "rents" it to the Authority at a flat monthly rate for a specified number of months. At the end of the lease, the Authority may purchase the equipment for its fair market value (or a fixed or predetermined amount), continue leasing, lease new equipment or return the equipment. The Authority may explore equipment leases as a financing vehicle and alternative to debt if the terms and conditions of the lease (including the interest rate charged) are more favorable.

5. 9) Installment Payment Agreement

The Authority may also finance certain facilities under an agreement with a third-party whereby the third-party funds the investment in the facility and the Authority agrees to pay the third party as rental/payment for the use and occupancy of the facility specific installment payments. The installment payments would be made from the Authority's available funds after payment of all Operation and Maintenance Expenses, all funds necessary to pay debt service on and to fund the reserves for the Authority's Outstanding Senior and Subordinate Debt Obligations and amounts necessary to fund the Authority's Operation and Maintenance Reserve Subaccount and Renewal and Replacement Subaccount in accordance with the Master Trust Indenture.

SECTION VI. FEATURES OF LONG-TERM DEBT

The Vice President, Finance/Treasurer will recommend to the Board the structure and term of long-term debt according to the general policies described below.

1) Selection of Final Maturity and Amortization of Principal

The final maturity of borrowings should not exceed, and preferably be less than, the projected economic life of the improvements that are financed or such shorter period as required by Federal tax law, if tax-exempt debt has been used.

6.2) Use of Capitalized Interest

The Vice President, Finance/Treasurer will evaluate whether or not to capitalize the early years' interest cost in a bond issue by taking into account the impact this action would have on the size of the bond issue, future Annual Debt Service requirements, accounting treatments and budgetary impacts.

7.3) Tax Status

The Vice President, Finance/Treasurer will evaluate whether or not to issue taxable bonds in lieu of bonds that are subject to the Alternative Minimum Tax (AMT) for certain maturities for private activity financing needs. In some market conditions, the cost for taxable debt may be less than the cost for AMT bonds for certain maturities.

8.4) Sizing of Debt Service Reserve Funds

Except in limited circumstances, the Master Indenture and the Master Subordinate Indenture require either the funding of a common Debt Service Reserve Fund in an amount sufficient to satisfy the reserve requirement for all existing and proposed Bonds under the respective Indenture participating in such master reserve fund,

or the funding of a Debt Service Reserve Fund in an amount sufficient to satisfy the reserve requirement for only the proposed issue. With each issuance of Bonds or Subordinate Obligations, the Vice President, Finance/Treasurer will compare the costs of funding required increases to the reserve requirement from bond proceeds with the costs of satisfying the reserve requirement through the use of a reserve fund surety. The potential effect on credit ratings will also be considered when comparing reserve requirement funding alternatives.

9.5) Selection of Redemption Provisions

Redemption provisions will be established on a case-by-case basis, taking into consideration market conditions and the results of a call option analysis prior to the time of sale.

The issuance of non-callable Bonds or Subordinate Obligations should be considered only in special circumstances based upon the specific transaction. Because the issuance of non-callable debt may restrict future financial flexibility, cost will not be the sole determinant in the decision to issue non-callable bonds. The preference of the Authority is to issue debt with standard redemption provisions.

4.6) Use of Discount Bonds

Prior to issuing Bonds or Subordinate Obligations at a dollar price less than 97.0% of par, the Vice President, Finance/Treasurer will request from the financial advisor an analysis of the reduced option value resulting from the assignment of a lower interest coupon. The Authority will consider issuing the discount debt, where permissible under tax law, if the present value debt service savings provided by the lower interest coupon is greater than the reduction in Call Option value. Other benefits such as the participation of new investors will be an additional consideration.

4.7) Use of Premium Bonds

Prior to issuing Bonds at a dollar price greater than par, the Vice President, Finance/Treasurer will request from the Authority's financial advisor a brief cost/benefit analysis of the interest saved using premium debt versus other possible pricing structures.

4.8) Minimum Criteria for Debt Financing Equipment Items

The Authority will not issue long-term debt to finance individual items of equipment with a useful life less than five (5) years, except under a master lease program.

SECTION VII. REFUNDING OPPORTUNITIES

The Vice President, Finance/Treasurer and the Authority's financial advisor will monitor refunding opportunities for all outstanding debt obligations on a periodic basis applying established criteria in determining when to issue refunding bonds for debt service savings.

(It is acknowledged that refunding issues may be executed for reasons beyond economic purposes, such as to restructure debt service, to change the type of debt instruments being used, or to retire a bond issue and indenture in order to remove undesirable covenants.) The refunding criteria will include a comparison of expected present value savings with the option value of the existing callable bonds. Generally, the Authority will pursue refunding opportunities if the expected net present value savings provide sufficient compensation for the exercise of the optional redemption provision. Recommendations as to the sufficiency of the net present value savings will be provided by the Authority's financial advisor.

An Advance Refunding involves refunding tax-exempt bonds more than 90 days in advance of the bond's first optional redemption date. Currently, only Governmental Purpose tax-exempt bonds (as that term is defined in the Internal Revenue Code) may be advance refunded. An Advance Refunding is an important debt management tool for the Authority. Advance Refundings are commonly used to achieve interest cost savings, to remove or change burdensome bond covenants or to restructure future debt service payments. For bonds issued after December 31, 1985, only one Advance Refunding of Governmental Purpose tax-exempt bonds may occur under Federal tax law and thus the Authority must carefully evaluate the appropriateness of Advance Refunding when an opportunity arises. A current refunding involves issuing refunding bonds no earlier than ninety

(90) days prior to the bond’s optional redemption date. Federal tax law does not limit the number of current refundings of any bond.

The Authority will anticipate the potential for Advance Refundings when issuing new debt. Careful attention will be given to pricing considerations that will affect future Advance Refunding flexibility such as optional redemption provisions and interest characteristics.

The following considerations apply when the Authority considers refunding opportunities:

1) Monitor Potential Savings:

The Vice President, Finance/Treasurer, with the assistance of the Authority’s financial advisor, will monitor on an ongoing basis potential savings available by refinancing outstanding debt of the Authority. Savings will be analyzed on a present value basis by using ~~either a percent of maximum call option value or~~ a percentage of the refunded par amount. All costs and benefits of the refinancing will be taken into account.

2) Target Savings Amounts:

A present value analysis must be prepared to identify the economic effect of any proposed refunding. To proceed with a refinancing for economic savings, ~~either of two methodologies may be used to analyze the targeted savings. The first is that a minimum of ninety percent (90%) of the maximum call option value, as calculated by the Authority’s financial advisor, should generally be achieved. Alternatively, the second method that may be used is the more traditional methodology of measuring the net present value savings as a percentage of the refunded par amount with a minimum average savings of three percent (3%) for any one refunding transaction.~~ the Authority will evaluate the net present value savings as a percentage of the refunded par amount relative to the time to the first call date of the bonds and the maturity date of the bonds, using the following guidelines:

<u>Years from the date of first call to Maturity Date of the Bonds</u>	<u>Years to the first Call Date</u>		
	<u>After the First Call Date to Up to 1 Year Before</u>	<u>1 to 3 Years Before the First Call Date</u>	<u>More than 3 Years Before the First Call Date</u>
<u>0-5 Years</u>	<u>0.5%</u>	<u>1.0%</u>	<u>2.0%</u>
<u>6-10 Years</u>	<u>1.0%</u>	<u>2.5%</u>	<u>4.0%</u>
<u>11-20 Years</u>	<u>3.0%</u>	<u>4.0%</u>	<u>5.0%</u>

3) Other Considerations:

Some refundings may be executed for other than economic purposes, such as to restructure debt, to change the type of debt instrument, or to retire a bond issue and indenture for more desirable covenants. In addition, if the benefits outweigh the costs and the refunding opportunity would otherwise be lost, the Authority may proceed with a refunding that has economic benefit but does not meet the criteria stated above in the “Target Savings Amount” paragraph above.

4) Non-Traditional Refundings:

Refundings executed with non-traditional structures such as swaps, require a full analysis of the benefits and risks, and may require higher economic benefits.

SECTION VIII. ISSUANCE OF VARIABLE RATE DEBT

Variable Rate Debt typically is issued for a term of up to 30 years, although the interest rate on this debt instrument is reset daily, weekly, monthly or less commonly, periodically.

The Authority recognizes that variable rate securities are a useful debt management tool that traditionally has had lower interest rate costs than fixed rate debt. The Authority's current goal is to maintain a debt program which may include both fixed and variable rate debt, as well as Commercial Paper.

1) Purposes of Variable Rate Debt

The Vice President, Finance/Treasurer may recommend that variable rate securities be issued for the following purposes:

(A) Interim Financing Tool

The Authority may consider issuing Variable Rate Indebtedness or Commercial Paper (whose stated maturity cannot exceed 270 days) in connection with its major debt-financed capital projects, especially when interest rates associated with a fixed rate, long term borrowing far exceed the interest rates that can be earned on the construction and capitalized interest funds (resulting in a significant amount of negative arbitrage). Because Variable Rate Debt or Commercial Paper can be retired or redeemed without penalty, these instruments may better suit circumstances where a refunding or restructuring of a potential debt issue is likely for any reason, (for example, if a change in use of the facility to be funded may reasonably be anticipated, or if grant or another source of funds may be obtained to substitute for bond funding).

Certain variable rate products—most notably, Commercial Paper—can be issued incrementally as funds are needed to finance current construction, and can reduce the long-term cost of construction financing.

(B) Balance Sheet Management Tool

The maintenance of Variable Rate Indebtedness and Commercial Paper liabilities at a level that takes into consideration the amount of short-term assets maintained by the Authority prudently reduces the Authority's risk of exposure to changes in interest rates. Since the Authority invests its free cash balances in short term instruments, it is exposed to interest rate fluctuations at the short end of the yield curve. Conversely, a large portion of its liabilities are in the form of long term, fixed-rated debt. When interest rates fall, the Authority's assets earn less, while its liabilities are fixed.

Offsetting this exposure by better matching the variability of earnings on its assets with variable, rather than fixed, rate liabilities serve as a hedge against interest rate risk and reduces the overall cost of funds.

(C) Diversify Investor Base to Lower Costs

Typically, variable rate debt is sold to a different segment of investors than long-term fixed rate bonds. By tapping short-term investors, an issuer broadens and diversifies its investor base. By becoming a familiar and respected credit among short-term investors, the Authority will be in a better position to gain access to these buyers at those times when it is less advantageous to borrow in the fixed-rate market.

(D) Management of Negative Arbitrage

Issuing debt in a variable rate mode reduces or at times may even eliminate negative arbitrage in Construction, Capitalized Interest and Debt Service Reserve Funds. (See "A" above)

2) Criteria for Use of Variable Rate Debt

-The Authority's net variable rate debt composition (defined as variable rate debt less unrestricted cash reserves), excluding interim financings (defined as financings the Authority intends to take out with permanent long term financings), will not exceed the greater of 2515% in variable rate instruments of total debt or \$100 million.

Balance Sheet Risk Mitigation - In determining the appropriate amount of variable rate debt to be issued for risk mitigation purposes, the following factors should be taken into account, and analyzed on the basis of the funds that will be repaying the debt:

- (i) The historic average of cash balances analyzed over the course of several prior fiscal years.
- (ii) Projected cash balances based on known demands on the given fund.
- (iii) Any basis risk, such as differences in the performance or average life of the Authority's investment vehicle (e.g., swaps, as discussed in Section IX) and the variable rate debt instrument.

3) Diversification of Remarketing Agents and Counterparties

In selecting remarketing agents for variable rate debt, the Authority will seek to choose a diversity of remarketing agents to better foster competition. For similar reasons, the Authority will seek to diversify its counterparties when selecting institutions to provide liquidity or credit enhancement for Airport variable rate debt.

4) Budgeting

The Vice President, Finance/Treasurer will determine the appropriate method for budgeting the interest cost of variable rate debt by considering historic interest rates,

projected interest rates and the effect of risk mitigation products such as interest rate swaps or caps.

5) Monitoring and Reporting

The Vice President, Finance/Treasurer will monitor the performance of actual interest rates on variable rate debt and periodically report the results. Reports will be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and with rules promulgated by the General Accounting Standards Board (GASB). With the assistance of its financial advisor, the Vice President, Finance/Treasurer will regularly review the performance of the individual remarketing agents in relation to other remarketing agents, similar programs and market indices.

SECTION IX. DERIVATIVES

The Authority has adopted and will maintain a separate policy for derivatives (Policy 4.21 “Policy Regarding the Use and Management of Derivative Products”).

SECTION X – METHOD FOR SALE OF DEBT

There are two methods of issuing debt obligations: a Competitive Sale and a Negotiated Sale. In a Competitive Sale, Underwriters submit sealed bids, and the Underwriter or Underwriting Syndicate with the lowest True Interest Cost (TIC) is awarded the sale. In a Negotiated Sale, the Underwriter or Underwriting Syndicate is selected through a Request for Proposal (RFP) process. The interest rate and Underwriter’s fee are negotiated prior to the sale, based on market conditions.

It is usually not feasible to issue bonds through a Competitive Sale for certain types of financings, such as Variable Rate Debt, Commercial Paper and specialized financings like Special Facility Revenue Bonds. Further, there are factors (e.g., flexibility as to timing and the mix of the underwriting syndicate) that support the use of a Negotiated Sale. Still, a competitive process should be used to choose the appropriate Underwriter and financing team to ensure the most qualified firms are used for a specific financing. The current policy of the Authority establishes a preference for Negotiated Sales of its Bonds.

Role of Underwriters in Negotiated Sale

The Authority expects its underwriters to: 1) participate in a valuable and significant way with respect to the structuring and pricing of each debt issue and sales performance; 2) cooperate fully with other financing team members in a way that provides the maximum benefit to the Authority; and 3) attend meetings, when requested, related to the issuance of debt.

The book running senior manager, in conjunction with the financial advisor, is responsible for developing a time and responsibility schedule that will allow for the timely and successful completion of the financing. The book running senior manager is responsible for communicating the Authority’s plan of finance and timing to the other managing underwriters in the syndicate.

Underwriter Selection in Negotiated Sale

The Authority may select underwriters for an individual financing or to serve as part of a pre-qualified pool of underwriters available for appointment for anticipated financings. In either case, the Authority would conduct a competitive selection process, which should include:

- Developing an RFP that meets the financial and policy goals of the Authority.
- Meeting the Authority procurement requirements.
- Circulating the RFP to a wide range of large and small capially funded Underwriters.
- Diligently evaluating the Underwriters' proposals received in response to the RFP.
- Conducting follow-up interviews with any or all of the proposing firms (optional).
- Selecting candidates to be recommended for appointment to an individual financing or to an Underwriter pool.

Should the Board appoint underwriters to a pre-qualified pool after an RFP process, the Vice President, Finance/Treasurer may recommend such firms for appointment to specific financings, without a subsequent RFP process.

SECTION XI. INVESTMENT OF BOND PROCEEDS

The Authority shall invest proceeds generated through the issuance of debt in compliance with the terms of eligible investments under the relevant bond indenture and related bond documents; its Investment Policy; and applicable state laws.

SECTION XII. COMPLIANCE WITH FEDERAL TAX LAW AND MARKET DISCLOSURE OBLIGATIONS

1) Compliance with Federal Tax Law

The Vice President, Finance/Treasurer shall establish a system of record keeping and reporting to meet the arbitrage rebate compliance requirements of the Federal tax code and ensure compliance with other Federal tax regulations as required by Bond Counsel at the time of issuance of the debt. This effort shall include tracking expenditures of bond proceeds to ensure such expenditures comply with federal tax law requirements, tracking investment earnings on proceeds, retention of a rebate consultant to prepare and calculate rebate payments in compliance with tax law and remitting any earnings subject to rebate to the Federal government in a timely manner in order to preserve the tax-exempt status of the Authority's outstanding debt issues that have been issued on a tax-exempt basis.

The Authority will comply with all covenants contained in tax certificates.

Trustee banks have been appointed for the Authority's outstanding debt. The trustees shall perform all functions and duties required under the terms and conditions set forth

in the respective bond indentures and trust agreements, including maintaining records of fund balances and investments.

2) Initial Disclosure

The Authority acknowledges its responsibilities under the securities laws to avoid material misstatements and omissions in offering documents used in the marketing of Authority debt. The Vice President, Finance/Treasurer shall manage and coordinate the disclosure documentation preparation process and shall establish a system of procedures to ensure Authority shall coordinate the preparation of appropriate disclosure documentation when required, with assistance from the Authority's General Counsel and the Authority's Bond and/or Disclosure Counsel. When necessary, the Vice President, Finance/Treasurer shall provide training covering disclosure responsibilities to new staff members.

3) Continuing Disclosure

To assist Underwriters to comply with Securities and Exchange Commission ("SEC") Rule 15c2-12, except where exceptions apply, the Authority has entered into and expects in the future to enter into additional continuing Disclosure undertakings. Pursuant to current undertakings, the Authority is required to provide 1) Annual Reports, containing the Authority's audited financial statements as well as updates of operating and financial data included in the Authority's offering documents, and/or 2) notices of certain enumerated events, if material. The events that are required to be reported, if material, are

(i) Notice of the occurrence of any of the following events shall be given, or caused to be given by the Authority, with respect to any bonds, not later than ten business days after the occurrence of the event:

(A) Principal and interest payment delinquencies;

~~(B)~~ Non-payment related defaults;

~~(C)~~ (B) Unscheduled draws on the Debt Service Reserve Funds reflecting financial difficulties;

~~(D)~~ (C) Unscheduled draws on credit enhancements reflecting financial difficulties;

~~(E)~~ (D) Substitution of credit or liquidity providers, or their failure to perform;

~~(F)~~ (E) Adverse tax opinions or events adversely affecting the tax exempt status of any bonds with respect to the tax status of any bonds or the issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) with respect to any bonds;

~~(G)~~ Modifications to rights of securities holders;

~~(H)~~(F) Bond calls/Tender offers;

~~(I)~~(G) Defeasances;

~~(J)~~(H) Rating changes; or

~~(K)~~ Failure to provide annual financial information as required; and

~~(L)~~(I) Other material event notices/Bankruptcy, insolvency, receivership or similar event of the obligated person;

Note: for the purposes of the event identified in subparagraph (I), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(ii) Notice of the occurrence of any of the following events with respect to any bonds, if material, shall be given, or caused to be given by the Authority, not later than ten business days after the occurrence of the event:

(A) Unless described in paragraph 3(i)(E), adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of any bonds or other material events affecting the tax status of any bonds;

(B) Modifications to rights of the owners of any bonds;

(C) Optional, unscheduled or contingent bond calls;

(D) Release, substitution or sale of property securing repayment of any bonds;

(E) Non-payment related defaults;

(F) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or

(G) Appointment of a successor or additional trustee or the change of name of a trustee;

~~For debt obligations incurred after January 1, 2011, the Authority will be required to enter into continuing Disclosure undertakings that will require some of the events described above to be reported, even if not materials, and would further expand the list of events, if material, to be reported.~~

SECTION XIII. RATINGS AGENCIES AND INVESTOR RELATIONS

The Vice President, Finance/Treasurer shall be responsible for implementing and managing the Authority's Credit Rating agency relationship. The Authority recognizes the importance of immediate and timely Disclosure of relevant financial and program information concerning its debt programs to the rating agencies and pursuant to its continuing disclosure undertakings. This effort shall include periodic meetings with the rating agencies and shall provide the rating agencies with the Authority's annual budget projections, financial statements and other relevant information.

The Vice President, Finance/Treasurer shall be responsible for implementing and managing the Authority's investor relations program. The Authority shall attempt to promptly respond to any reasonable inquiry from an institutional or retail investor.

SECTION XIV. AMENDMENTS TO DEBT ISSUANCE AND MANAGEMENT POLICY

The Policy codifies and explains the guidelines and the policies that govern existing and anticipated debt obligations of the Authority. In addition, the Policy sets forth certain financial management practices in capital budgeting that will enhance the Authority's ability to manage its projected debt issuance. The Policy will require changes and modifications over time. The Vice President, Finance/Treasurer shall be responsible for ensuring the policy is current and will review the Policy annually, at a minimum. In the event that changes to the Policy are necessary, the Vice President, Finance/Treasurer shall propose such changes to the CEO. Upon CEO approval, the proposed amended Policy will be submitted to the Board requesting approval.

GLOSSARY

Additional Bonds Test: The earnings test which must be satisfied under the provisions of a revenue bond contract before bonds of an additional issue having the same lien on a pledged revenue source can be issued. Typically, the test required that historical or future estimated pledged revenues exceed total debt service (existing and proposed) by a certain ratio. The test provides protection to investors that the bond issuer will not issue additional parity bonds without providing ample security to the investors in the previous financing(s).

Advance Refunding: A refunding that occurs more than 90 days in advance of the first optional redemption date. Under current IRS regulations, Governmental Purpose tax-exempt bonds issued after December 31, 1985 are permitted only one advance refunding. Additionally, certain private activity bonds may not be advanced refunded.

Airline Costs per Enplaned Passenger (“CPE”): A comparative statistic used to demonstrate the affordability of airline operations at an airport. CPE is often used in the process of determining the credit quality of an issue. It is typically calculated as total passenger airline revenue divided by the number of enplaned passengers in any fiscal year.

Airport Revenue Bonds: Airport Revenue Bonds (also known as General Airport Revenue Bonds, or “GARBs”) are bonds issued pursuant to the terms of a trust indenture or ordinance which are secured either by a pledge of gross or net airport revenues.

Alternative Minimum Tax: Other than for certain private activity bonds issued during the AMT “waiver” period authorized by the American Recovery and Reinvestment Act of 2009 (“ARRA”), interest on tax-exempt private activity bonds issued after August 7, 1986 (other than bonds for 501(c)(3) organizations and refundings of pre-August 8, 1986 bonds) is generally subject to the Alternative Minimum Tax (“AMT”) as a specific item of tax preference. ARRA exempted new money and certain refundings of private activity bonds issued in 2009 and 2010 from the AMT penalty.

Amortization: The process of paying the principal amount of an issue of securities by periodic payments either directly to holders of the securities or to a sinking fund for the benefit of security holders.

Arbitrage: With respect to the issuance of municipal securities, arbitrage usually refers to the difference between the interest paid on tax-exempt bonds and the interest earned by investing the proceeds of the bonds in higher-yielding taxable securities. Federal income tax laws generally restrict the ability to earn arbitrage in connection with tax-exempt bonds.

Arbitrage Rebate: A payment made by an issuer to the federal government in connection with an issue of tax-exempt bonds. The payment represents the amount, if any, of arbitrage earnings on bond proceeds and certain other related funds, except for earnings that are not required to be rebated under limited exemptions provided under the Internal Revenue Code. An issuer generally is required to calculate, once every five years during the life of its bonds, whether or not an arbitrage rebate payment must be made.

Balloon Maturity: A bond structure wherein the principal amount becomes due and payable on one date, generally at the end of the bond term.

Basis Point: Yields on bonds are usually quoted in increments of basis points. One basis point is equal to 1/100 of one (1%) percent. For example, the difference between 6.00% and 6.50% is 50 basis points.

Bond Counsel: A law firm retained by the bond issuer to give a legal opinion that the bond issuer is authorized to issue proposed securities, the bond issuer has met all legal requirements necessary for issuance, and interest on the proposed securities will be exempt from federal income taxation and, where applicable, from state and local taxation. Usually, bond counsel will prepare authorizing resolutions and ordinances, trust indentures and other bond documents with the exception of the Official Statement.

Bondholder: The owner of a municipal bond. The owner of a bearer bond is the person having possession of it, while the owner of a registered bond is the person whose name is noted on the bond register.

Bond Insurance: Insurance which guarantees the timely payment of principal and interest of either an entire bond issue or specified maturities. In exchange for payment of the bond insurance premium, a higher credit rating (historically, AAA) is assigned to the insured bonds and a lower cost of funds is attained. With a competitive sale, generally the bidding dealer bears the cost of insurance to the benefit of the firm's bid. The bond issuer pays the cost of bond insurance from bond proceeds with a negotiated sale.

Bond Purchase Agreement: The contract between the Syndicate and the bond issuer setting forth the final terms, prices and conditions upon which the Syndicate will purchase a new issue.

Book Running Senior Manager: The managing underwriter that controls the book of orders for the transaction and is primarily responsible for the successful execution of the transaction.

Broker-Dealer: A securities firm engaged in both buying and selling securities on behalf of customers and also buying and selling securities on behalf of its own account.

Build America Bonds ("BABs"): Taxable municipal bonds that carry special tax credits and federal subsidies for either the bond issuer or the bondholder. The most widely used version was authorized under the American Recovery and Reinvestment Act ("ARRA") that allowed BABs to be issued in 2009 and 2010 with a 35% of interest subsidy to the issuer received as direct payments from the federal government. The proceeds of BABs authorized under ARRA could only be used to fund non-private activity, governmental purposes.

Bullet Maturity: See Balloon Maturity.

Callable Bond: A bond where the bond issuer is permitted to redeem it before the stated maturity date at a specified price by giving notice of redemption in the manner specified in the bond document.

Capital Appreciation Bond: A municipal security on which the investment return on an initial principal amount is reinvested at a stated compounded rate until maturity, at which time the investor receives a single payment (the “maturity value”) representing both the initial principal amount and the total investment return. It differs from a Zero Coupon Bond in that only the initial principal amount is counted against an issuer’s statutory debt limit, rather than the total par value at maturity.

Capitalized Interest: A portion of the proceeds of an issue which is set-aside to pay interest on the bonds for a specified period of time. Interest is commonly capitalized during the construction period of a revenue-producing project.

Commercial Paper: Short-term (1 to 270 days) promissory notes usually issued to provide for interim financing of projects through the construction period and backed by a letter or line of credit from a commercial bank. Following the completion of the projects, principal and interest due on commercial paper is often redeemed through the issuance of long-term refunding bonds.

Competitive Sale: The sale of a new issue of bonds by an issuer through a bidding process where underwriters are awarded the bonds on the basis of offering the lowest cost of funds for the issuer usually as measured on a true interest cost (TIC) basis. The bid parameters for the public sale are established in the notice of sale or notice inviting bids.

Credit Enhancement: The use of the credit of an entity other than the issuer to provide additional security in a bond or note financing. This term typically is used in the context of bond insurance, letters of credit and other similar facilities.

Credit Ratings: Evaluations of the credit quality of bonds made by independent ratings services such as Moody’s Investors Service, Standard & Poor’s Ratings Group and Fitch. Credit ratings are intended to measure the probability of timely repayment of principal and interest on municipal securities. Credit ratings are assigned before issuance of the bonds and are periodically reviewed or may be amended to reflect changes in the issuer’s credit position. Bonds with investment grade ratings are assigned credit ratings between Baa3/BBB- and Aaa/AAA.

Current Refunding: A current refunding involves refunding bonds within 90 days of the bond’s first optional redemption. Federal tax law does not limit the number of current refundings of any tax-exempt bond.

Customer Facility Charge (CFC): A fee imposed by a car rental company upon a car rental customer arriving at the airport and renting a vehicle from an on-airport or off-airport car rental company serving the airport. The CFC is collected by the car rental company generally for use by the airport in funding rental car facility-related projects or debt associated with such projects.

Debt Ratios: Comparative statistics showing the relationship between a bond issuer’s outstanding debt and factors affecting repayment. Such ratios are often used in the process of determining the credit quality of an issue. Examples of debt ratios applied to airport bonds include: debt/revenues/costs per enplaned passenger, debt service coverage ratio, utilization per gate, operating ratio and net takedown.

Debt Service: The amount due for repayment of interest and principal on outstanding debt, including required contributions to a sinking fund for term bonds. Debt service may be computed on a bond year, fiscal year or calendar year basis.

Debt Service Coverage: The ratio of Net Revenues annually available to pay debt service on bonds to the annual debt service requirement. This ratio is one indicator of the credit quality of a bond issue. For example, a coverage ratio of “1.50x” means that for every \$1.00 of annual debt service, the bond issuer has \$1.50 of annual net revenues.

Debt Service Reserve Fund: The fund in which moneys are placed which may be used to pay debt service if Net Revenues are insufficient to satisfy the debt service requirements. The size of this fund is generally established by the reserve requirement, which is generally equal to the lesser of: (i) 10% of new issue par, (ii) maximum annual debt service (debt service is amount due on existing and proposed debt for a common debt service reserve fund), and (iii) 125% of average annual debt service (debt service is amount due on existing and proposed debt for a common debt service reserve fund).

Debt Service Reserve Fund Surety Policy: A debt service reserve fund insurance policy provided by a highly-rated municipal bond insurer or a letter of credit provided by a highly-rated commercial bank which guarantees the funding of the reserve requirement.

Defeasance: Bonds for which the payment of debt service has been assured through the structuring of a portfolio of government securities, the principal and interest on which will be sufficient to pay debt service on the outstanding bonds. The rights and interest of the bondholders and of their lien on pledged revenues is terminated in accordance with the bond documents through a defeasance. Defeasance usually occurs through the issuance of refunding bonds.

Disclosure: From the perspective of the bond issuer, it is taken to mean the dissemination of accurate and complete information material to an existing or proposed bond issuance which an investor is likely to consider important in making an investment decision. The material facts pertinent to a new bond offering are disclosed in the Official Statement.

Disclosure Counsel: A law firm retained by the bond issuer to prepare the Official Statement and provide a 10b-5 opinion.

Discount Bond: A bond sold for less than its face value as a result of the yield exceeding the coupon rate.

Financial Advisor: A consultant who advises the bond issuer on matters such as bond structure, timing, marketing, pricing, documentation and credit ratings. The consultant may also provide non-bond related advice relating to capital planning and investment management.

Fixed Rate Debt: Securities with an interest rate that is established for the life of the securities.

Forward Refunding: A Forward Refunding is an agreement, usually between an issuer and the underwriter, whereby the issuer agrees to issue bonds on a specified future date and an underwriter agrees to purchase such bonds on such date. The proceeds of such bonds, when issued, are generally used to refund the issuer's outstanding bonds.

Group Net Order: An order for bonds submitted by a Syndicate member in which the takedown is distributed to Syndicate members according to their respective liability shares in the issue.

Interest Rate Risk: The risk associated with changes in general interest rate levels or Yield Curves (see Yield Curves below).

Letter of Credit: A commitment usually made by a commercial bank to honor demands for timely payment of debt service upon compliance with pre-established conditions and/or the occurrence of certain events specified in the agreement between the bank and the issuer of the debt. Letters of credit are often issued as additional sources of security for issues of notes, commercial paper or bonds, with the bank issuing the letter of credit committing to pay debt service on the bonds. Debt issued with a letter of credit may be assigned the credit rating (short- and/or long-term) of the letter of credit provider. Letters of credit may also provide liquidity support for such debt issues.

Master Indenture: The Trust Indenture that governs all the senior lien bond obligations of the issuer.

Master Subordinate Indenture: The Trust Indenture that governs all the subordinate lien bond obligations of the issuer.

Negotiated Sale: The sale of a new issue of bonds by an issuer through an agreement with an underwriter or underwriting Syndicate selected by the issuer. Bonds are generally sold on a negotiated basis when market conditions, issue structure or issue credit quality indicate that a competitive sale would result in higher borrowing costs for the issuer.

Official Statement: A document published by the bond issuer, and often prepared by Disclosure Counsel, which discloses material information on a new bond issue including the purpose of the issue, source of repayment, bond covenants as well as financial, economic, demographic and legal characteristics of the bond issuer. The Official Statement is used by investors to determine the credit quality of the bond issue. An Official Statement is deemed preliminary prior to the determination of the interest rates on the bond issue.

Parity Bonds: Two or more subsequent issues of bonds which have the same priority of claim or lien against pledged revenues.

Passenger Facility Charge (PFC): A fee, in amounts up to \$4.50, assessed to enplaned passengers at commercial airports controlled by public agencies. Airports use these fees to fund FAA-approved projects that enhance safety, security, or capacity; reduce noise; or increase air carrier competition. Federal law limits use of PFC funds strictly to the above categories.

Premium Bond: A bond sold for greater than its face value as a result of the coupon rate exceeding the yield.

Redemption Provisions: Terms set out in the bond documents which give the bond issuer the right or requirement to redeem or “call” all or a portion of an outstanding issue of bonds prior to their stated dates of maturity at a specified price.

Remarketing Agent: A broker-dealer responsible for reselling to new investors securities (such as variable rate demand obligations and other tender option bonds) that have been tendered for purchase by their owner. The remarketing agent also typically is responsible for resetting the interest rate for a variable rate issue and also may act as tender agent.

Retail Order: An order for bonds placed by an individual or, as determined by the bond issuer, a retail order may also include an order placed by a bank trust department or an investment advisor for an individual.

Secondary Market Disclosure: Disclosure of information relating to outstanding municipal securities made following the end of the underwriting period by or on behalf of the issuer of the securities.

Securities and Exchange Commission (SEC): The Federal agency responsible for supervising and regulating the securities industry. In general, municipal securities are exempt from the SEC's registration and reporting requirements. Brokers and dealers in municipal securities, however, are subject to SEC regulation and oversight. The SEC also has responsibility for the approval of Municipal Securities Rulemaking Board (MSRB) rules, and has jurisdiction, pursuant to SEC Rule 10b-5, over fraud in the sale of municipal securities.

SEC Rule 15(c)2-12: A regulation of the SEC which requires underwriters participating in primary offerings of municipal securities of \$1,000,000 or more (i) to obtain, review, and distribute to investors copies of the issuer's disclosure documents; (ii) to obtain and review a copy of an Official Statement deemed final by an issuer of the securities, except for the omission of specified information; (iii) to make available upon request, in non-competitively bid offerings, the most recent preliminary official statement, if any; (iv) to contract with an issuer of the securities, or its agent, to receive, within specified time periods, sufficient copies of the issuer's final official statement, both to comply with this rule and any rules of the Municipal Securities Rulemaking Board; and (v) to provide, for a specified period of time, copies of final Official Statements to any potential customer upon request. The rule contains exemptions for underwriters participating in certain offerings of municipal securities issued in large denominations that are sold to no more than 35 sophisticated investors, have short-term maturities, or have short-term tender or put features. The release also modifies, in limited respects, a previously published interpretation of the legal obligations of municipal securities underwriters.

Senior Lien Bonds: Bonds which have a prior claim against pledged revenues.

Serial Bonds: Bonds of an issue in which principal is amortized in successive years without interruption.

Subordinate Lien Bonds: Bonds which have a subordinate, or junior, claim against pledged revenues.

Special Facility Bonds: The issuance of bonds by a governmental entity to finance a project with repayment secured by a defined revenue stream derived from or relating to the use of the completed project.

Syndicate: A group of underwriters formed to purchase and re-offer a bond issuer's bonds for sale to the public. The syndicate is organized for the purposes of sharing the risks of underwriting the issue, obtaining sufficient capital to purchase a bond issue and for broader distribution of the issue to the general public. Each syndicate member has a share in the liability of the issue.

Takedown: The total discount at which members of syndicates buy bonds from an issuer.

Tax Events Risk: Risk to the issuer of variable rate bonds created by either a change in the taxable equivalent yield of comparable investments or loss of tax-exempt status. For an issuer of variable rate bonds, a reduction in federal income tax rates would increase interest costs. Re-classification of outstanding variable rate bonds as taxable would also increase interest costs.

Term Bonds: Bonds comprising a large part of the issue which come due in a single maturity. The bond issuer usually makes periodic payments into a sinking fund for mandatory redemption of term bonds before maturity or for payment at maturity.

True Interest Cost: The rate, compounded semi-annually, necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received on the closing date of the bond issue.

Trust Indenture: A contract between a bond issuer and a trustee, for the benefit of bondholders. The trustee administers the funds specified in the indenture and implements the remedies provided in case of default.

Underwriter: A dealer which purchases a new issue of bonds for resale either by negotiation with the issuer or by award on the basis of a competitive bid.

Underwriter's Counsel: A law firm retained by the Underwriter to represent their interests in connection with the negotiated purchase of a new issue of bonds. The firm's duties may include review of all bond documents, preparation of the agreement among Underwriters and negotiation of the bond purchase contract between the Underwriter and the bond issuer.

Underwriter's Gross Spread: In a negotiated sale, the difference between the price the Underwriter pays the bond issuer and the original reoffering price to the public; includes the management fee, expenses, and sales commissions (takedown and concession).

Variable Rate Debt: Securities with an interest rate that changes at intervals according to an index or formula, or is periodically (daily, weekly or monthly) reset at the market clearing rate. Variable rate debt is also known as "floating rate debt".

Yield Curve: Refers to the graphical or tabular representation of interest rates across different maturities. The presentation often starts with the shortest-term rates and extends towards longer maturities. It reflects the market's views about implied inflation/deflation, liquidity, economic and financial activity, and other market forces.

Zero Coupon Bond: An original issue discount bond on which no periodic interest payments are made but which is issued at a deep discount from par, accreting (at the rate represented by the offering yield at issuance) to its full value at maturity.

[Amended by Resolution 2012-0060 dated June 7, 2012.]

[Amended by Resolution 2011-0078 dated July 7, 2011.]

[Adopted by Resolution. 2010-0046 dated May 6, 2010.]



**NEW ISSUES
BOOK-ENTRY ONLY**

Rating: See "RATINGS" herein.

In the opinion of *Kratik Rock LLP, Bond Counsel to the Authority, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and containing compliance with certain covenants, interest on San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2010B (the "Subordinate Series 2010B Bonds") is excluded from gross income for federal income tax purposes, except for interest on any Subordinate Series 2010A Bond for any period during which such Subordinate Series 2010A Bond is held by a "substantial user" of the facilities financed and refinanced by the Subordinate Series 2010A Bonds or a "related person" within the meaning of Section 147(c) of the Internal Revenue Code of 1986, as amended. Bond Counsel is further of the opinion that interest on the Subordinate Series 2010A Bonds and the Subordinate Series 2010B Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Interest on the Subordinate Series 2010C Bonds is included in gross income for federal income tax purposes. Bond Counsel is further of the opinion that interest on the Subordinate Series 2010 Bonds is exempt from State of California personal income taxes. See "TAX MATTERS" herein.*



\$572,565,000		
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY		
Subordinate Airport Revenue Bonds		
\$813,150,000	\$44,055,000	\$215,360,000
Series 2010A (Non-AMT)	Series 2010B (Non-AMT)	Series 2010C (Federally Taxable – Build America Bonds – Direct Payment to Issuer)

Dated: Date of Delivery

Date: July 1 as shown on the inside cover

The San Diego County Regional Airport Authority (the "Authority") is issuing its Subordinate Airport Revenue Bonds, Series 2010A (the "Subordinate Series 2010A Bonds"), Subordinate Airport Revenue Bonds, Series 2010B (the "Subordinate Series 2010B Bonds"), and Subordinate Airport Revenue Bonds, Series 2010C (the "Subordinate Series 2010C Bonds," and collectively with the Subordinate Series 2010A Bonds and the Subordinate Series 2010B Bonds, the "Subordinate Series 2010 Bonds"), to (a) finance certain capital improvements at San Diego International Airport, (b) fund a portion of the interest accruing on the Subordinate Series 2010 Bonds, (c) refund a portion of the Authority's outstanding Subordinate Commercial Paper Notes, which as of September 1, 2010 were outstanding in the aggregate principal amount of \$104,430,000 (including the Subordinate Commercial Paper Notes to be refunded with a portion of the proceeds of the Subordinate Series 2010 Bonds), and (d) pay the costs of issuance of the Subordinate Series 2010 Bonds. See "PLAN OF FINANCE AND APPLICATION OF THE SUBORDINATE SERIES 2010 BOND PROCEEDS" herein.

The Subordinate Series 2010 Bonds are special obligations of the Authority, payable solely from and secured by (a) a pledge of Subordinate Net Revenues, which include certain income and revenue received by the Authority from the operation of the Airport System less all amounts that are required to pay the Operation and Maintenance Expenses of the Airport System and less all amounts necessary to pay debt service on and fund the reserves for the Senior Bonds; and (b) certain funds and accounts held by the Subordinate Trustee under the Subordinate Indenture. The Subordinate Series 2010 Bonds are being issued with a pledge of and lien on Subordinate Net Revenues on a parity with the Authority's Subordinate Commercial Paper Notes, which as of September 1, 2010 were outstanding in the aggregate principal amount of \$104,430,000 (including the Subordinate Commercial Paper Notes to be refunded with a portion of the proceeds of the Subordinate Series 2010 Bonds), and the Authority's payment obligations under the CP Refinancing Agreement.

NONE OF THE PROPERTIES OF THE AIRPORT SYSTEM ARE SUBJECT TO ANY MORTGAGE OR OTHER LIEN FOR THE FULL FAITH AND CREDIT NOR THE TAKING POWER OF THE AUTHORITY, THE CITY OF SAN DIEGO, THE COUNTY OF SAN DIEGO, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATE OF CALIFORNIA IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SUBORDINATE SERIES 2010 BONDS. SEE "SECURITY AND SOURCES OF PAYMENT FOR THE SUBORDINATE SERIES 2010 BONDS."

The Subordinate Series 2010 Bonds will be issued as fully registered bonds in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company ("DTC"), New York, New York. Individual purchases and sales of the Subordinate Series 2010 Bonds may be made in book-entry form only in denominations of \$5,000 and integral multiples thereof. Interest on the Subordinate Series 2010 Bonds will be payable on January 1 and July 1, commencing on January 1, 2011. So long as the Subordinate Series 2010 Bonds are held by DTC, the principal of and interest on the Subordinate Series 2010 Bonds will be payable by wire transfer to DTC, which in turn will be required to remit such principal and interest to the DTC participants for subsequent disbursement to the beneficial owners of the Subordinate Series 2010 Bonds, as more fully described herein. See "APPENDIX F—BOOK-ENTRY-ONLY SYSTEM."

The Subordinate Series 2010 Bonds are subject to optional, extraordinary optional (Subordinate Series 2010C Bonds only) and mandatory sinking fund redemption prior to maturity, as more fully described herein. See "DESCRIPTION OF THE SUBORDINATE SERIES 2010 BONDS—Redemption Provisions."

Purchasers of the Subordinate Series 2010 Bonds will be deemed to have irrevocably consented to certain amendments to the Master Senior Indenture and the Master Subordinate Indenture. See "INTRODUCTION—Amendments to Master Senior Indenture" and "Amendments to Master Subordinate Indenture."

The purchase and ownership of Subordinate Series 2010 Bonds involve investment risk and may not be suitable for all investors. This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of the Subordinate Series 2010 Bonds. Investors are advised to read the entire Official Statement, including any portions hereof included by reference, to obtain information essential to the making of an informed decision, giving particular attention to the matters discussed under "CERTAIN INVESTMENT CONSIDERATIONS." Capitalized terms used on this cover page and not otherwise defined have the meanings set forth herein.

The Subordinate Series 2010 Bonds are offered when, as and if issued by the Authority, subject to the approval of rating by *Kratik Rock LLP, Bond Counsel to the Authority, and to certain other conditions. Certain matters will be passed upon for the Authority by its General Counsel and by *Kratik Rock LLP, Disclosure Counsel to the Authority. Certain legal matters will be passed upon for the Underwriters by their counsel, The Ullis Law Group, P.C., Franco & Associates, L.L.C. has served as Financial Advisor to the Authority. It is expected that the delivery of the Subordinate Series 2010 Bonds will be made through the facilities of DTC on or about October 5, 2010.**

Siebert Brandford Shank & Co., LLC **J.P. Morgan**
Cabrera Capital Markets, LLC **Chit** **Jefferies & Company** **Loop Capital Markets, LLC**

Date of Official Statement: September 23, 2010.

**NEW ISSUES
BOOK-ENTRY ONLY**

Rating: See "RATINGS" herein.

In the opinion of *Kratik Rock LLP, Bond Counsel to the Authority, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and containing compliance with certain covenants, interest on San Diego County Regional Airport Authority Senior Airport Revenue Bonds, Series 2013B (the "Senior Series 2013B Bonds") is excluded from gross income for federal income tax purposes, except for interest on any Senior Series 2013B Bond for any period during which such Senior Series 2013B Bond is held by a "substantial user" of the facilities financed or refinanced by the Senior Series 2013B Bonds or a "related person" within the meaning of Section 147(c) of the Internal Revenue Code of 1986, as amended. Bond Counsel is further of the opinion that (a) interest on the Senior Series 2013A Bonds is not a specific preference item for purposes of the federal alternative minimum tax, and (b) interest on the Senior Series 2013B Bonds is a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is further of the opinion that interest on the Senior Series 2013 Bonds is exempt from State of California personal income taxes. See "TAX MATTERS" herein.*



\$379,585,000	
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY	
Senior Airport Revenue Bonds	
\$107,285,000	\$272,300,000
Series 2013A (Non-AMT)	Series 2013B (AMT)

Dated: Date of Delivery

Date: July 1 as shown on the inside cover

The San Diego County Regional Airport Authority (the "Authority") is issuing its Senior Airport Revenue Bonds, Series 2013A (the "Senior Series 2013A Bonds"), and Senior Airport Revenue Bonds, Series 2013B (the "Senior Series 2013B Bonds," and together with the Senior Series 2013A Bonds, the "Senior Series 2013 Bonds"), to (a) finance certain capital improvements at San Diego International Airport, (b) fund a portion of the interest accruing on the Senior Series 2013 Bonds, (c) fund a reserve fund for the Senior Series 2013 Bonds, and (d) pay the costs of issuance of the Senior Series 2013 Bonds. See "PLAN OF FINANCE AND APPLICATION OF THE SENIOR SERIES 2013 BOND PROCEEDS" herein.

The Senior Series 2013 Bonds are special obligations of the Authority, payable solely from and secured by (a) a pledge of Net Revenues, which include certain income and revenue received by the Authority from the operation of the Airport System less all amounts that are required to pay the Operation and Maintenance Expenses of the Airport System; and (b) certain funds and accounts held by the Senior Trustee under the Senior Indenture.

NONE OF THE PROPERTIES OF THE AIRPORT SYSTEM ARE SUBJECT TO ANY MORTGAGE OR OTHER LIEN FOR THE BENEFIT OF THE OWNERS OF THE SENIOR SERIES 2013 BONDS, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAKING POWER OF THE AUTHORITY, THE CITY OF SAN DIEGO, THE COUNTY OF SAN DIEGO, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATE OF CALIFORNIA IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SENIOR SERIES 2013 BONDS. SEE "SECURITY AND SOURCES OF PAYMENT FOR THE SENIOR SERIES 2013 BONDS."

The Senior Series 2013 Bonds will be issued as fully registered bonds in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company ("DTC"), New York, New York. Individual purchases and sales of the Senior Series 2013 Bonds may be made in book-entry form only in denominations of \$5,000 and integral multiples thereof. Interest on the Senior Series 2013 Bonds will be payable on January 1 and July 1, commencing on July 1, 2013. So long as the Senior Series 2013 Bonds are held by DTC, the principal of and interest on the Senior Series 2013 Bonds will be payable by wire transfer to DTC, which in turn will be required to remit such principal and interest to the DTC participants for subsequent disbursement to the beneficial owners of the Senior Series 2013 Bonds, as more fully described herein. See "APPENDIX F—BOOK-ENTRY-ONLY SYSTEM."

Maturity Schedule on Inside Front Cover

The Senior Series 2013 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity, as more fully described herein. See "DESCRIPTION OF THE SENIOR SERIES 2013 BONDS—Redemption Provisions."

The purchase and ownership of Senior Series 2013 Bonds involve investment risk and may not be suitable for all investors. This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of the Senior Series 2013 Bonds. Investors are advised to read the entire Official Statement, including any portion hereof included by reference, to obtain information essential to the making of an informed decision, giving particular attention to the matters discussed under "CERTAIN INVESTMENT CONSIDERATIONS." Capitalized terms used on this cover page and not otherwise defined have the meanings set forth herein.

The Senior Series 2013 Bonds are offered when, as and if issued by the Authority, subject to the approval of rating by *Kratik Rock LLP, Bond Counsel to the Authority, and to certain other conditions. Certain matters will be passed upon for the Authority by its General Counsel and by *Kratik Rock LLP, Disclosure Counsel to the Authority. Certain legal matters will be passed upon for the Underwriters by their counsel, Nixon Peabody LLP, Franco & Associates, L.L.C. has served as Financial Advisor to the Authority. It is expected that the delivery of the Senior Series 2013 Bonds will be made through the facilities of DTC on or about January 30, 2013.**

Jefferies **Chitigroup**
Cabrera Capital Markets LLC **J.P. Morgan** **Loop Capital Markets** **Siebert Brandford Shank & Co. L.L.C.**

Date of Official Statement: January 17, 2013.

ANNUAL FINANCIAL APPROVAL AND COMMENTS

— AUTHORITY POLICY 440 —
 FINANCE AND MANAGEMENT POLICY

Presented by: Vernon D. Evans, CPA

Vice-President Finance/Treasurer and CFO



Debt Issuance and Management Policy - Overview

- Governs existing and anticipated debt obligations
- Sets forth certain financial management practices in capital budgeting that supports the Authority's ability to manage its projected debt issuance
- Policy is updated from time to time to reflect changes in law and market



Debt Issuance and Management Policy Objectives

- Protect the Authority's assets and funds
- Manage and monitor existing debt to:
 - Optimize financial structure
 - Control costs
 - Ensure compliance with bond financing covenants
- Oversee the issuance of new debt in order to maintain access to capital markets
- Obtain and maintain the highest possible credit ratings on debt



Debt Issuance and Management Policy Objectives

- Explore and implement prudent debt structuring
- Provide the required secondary market disclosure to the rating agencies & investors
- Comply with all federal and state laws and regulations as well as bond indenture federal tax law compliance



Debt Policy - Amendments

Section (IV)(4) Airline Cost per Enplaned Passenger: Added language to clarify Authority goal

“For The Green Build/TDP program, the Authority has established a CPE goal of no more than \$12 per enplaned passenger.”

Section (IV)(5) Debt per O&D Enplaned Passenger: Added language to clarify Authority goal

“For The Green Build/TDP program the Authority has established a debt (excluding special facility financings) per O&D enplaned passenger goal of no more than \$150 per enplaned passenger.”



Debt Policy - Amendments

Section (IV)(6) Liquidity: Added language recommended by our financial advisor to strengthen Authority goal

“...The Authority’s unrestricted reserves target (defined as the sum of unrestricted cash and investments, unrestricted cash designated for capital projects, unrestricted long-term investments, the O&M Reserve, and O&M Subaccount Reserve and the Renewal and Replacement Reserve) shall be at least ~~365~~ 425 days of budgeted operating and maintenance expenses for the current fiscal year.”



Debt Policy - Amendments

Section (VII)(1) Monitor Potential Savings: Removed Language relating to percent of the maximum call option method to revise and simplify the refunding savings financial thresholds.

“The Vice President, Finance/Treasurer, with the assistance of the Authority’s financial advisor, will monitor on an ongoing basis potential savings available by refinancing outstanding debt of the Authority. Savings will be analyzed on a present value basis by using ~~either a percent of maximum call option value or a~~ percentage of the refunded par amount. All costs and benefits of the refinancing will be taken into account.”

Debt Policy - Amendments

Section (VII)(2) Target Savings Amounts: Altered language to improve the standard threshold used to identify refunding candidates for economic savings

“Target Savings Amounts:

A present value analysis must be prepared to identify the economic effect of any proposed refunding. To proceed with a refinancing for economic savings, either of two methodologies may be used to analyze the targeted savings. The first is that a minimum of ninety percent (90%) of the maximum call option value, as calculated by the Authority’s financial advisor, should generally be achieved. Alternatively, the second method that may be used is the more traditional methodology of measuring the net present value savings as a percentage of the refunded par amount with a minimum average savings of three percent (3%) for any one refunding transaction the Authority will evaluate the net present value savings as a percentage of the refunded par amount relative to the time to the first call date of the bonds-and the maturity date of the bonds, using the following guidelines:”

<u>Years from the date of first Call to Maturity Date of the Bonds</u>	<u>Years to the first Call Date</u>		
	<u>After the First Call Date to Up to 1 Year Before</u>	<u>1 to 3 Years Before the First Call Date</u>	<u>More than 3 Years Before the First Call Date</u>
<u>0-5 Years</u>	<u>0.5%</u>	<u>1.0%</u>	<u>2.0%</u>
<u>6-10 Years</u>	<u>1.0%</u>	<u>2.5%</u>	<u>4.0%</u>
<u>11-20 Years</u>	<u>3.0%</u>	<u>4.0%</u>	<u>5.0%</u>

Examples

Assume the Authority had two refunding candidates:

- 1. \$10M of Bonds that mature in 2025, callable 7/1/14**
- 2. \$10M of Bonds that mature in 2035, callable 7/1/17**

On 7/1/13 an advance refunding of candidate 1 generates a net savings of \$350K or 3.5% which exceeds the minimum target per the guidelines

On 7/1/13 an advance refunding of candidate 2 generates a net savings of \$400K or 4.0% of which is below the threshold

<i>Years from the date of first call to Maturity Date of the Bonds</i>	Years to the first Call Date		
	After the First Call Date to Up to 1 Year Before	1 to 3 Years Before the First Call Date	More than 3 Years Before the First Call Date
0-5 Years	0.5%	1.0%	2.0%
6-10 Years	1.0%	2.5%	4.0%
11-20 Years	3.0%	4.0%	5.0%



Debt Policy - Amendments

Section (VIII)(2) Criteria for the Use of Variable Rate Debt: Added language to reflect current best practice in the industry:

“The Authority’s net variable rate debt composition (defined as variable rate debt less unrestricted cash reserves), excluding interim financings (defined as financings that the Authority intends to take out with permanent long term financings), will not exceed the greater of 25% in variable rate instruments 15% of total debt or \$100 million”



Example:

Total Debt: \$1,000M

Unrestricted Cash Reserves: \$200M

Allowable Variable Rate Debt

= 15% of \$1,000M plus \$200M = \$350M

Section (XII)(3) Continuing Disclosure: This section has been updated to reflect the latest requirements under SEC Rule 15c2-12 governing certain disclosure obligations relating to municipal securities :

- MSRB has updated the disclosure obligations to distinguish between events that require disclosure regardless of materiality and events that require notice only if considered material
 - Events that require disclosure regardless of Materiality e.g.
 - Unscheduled Draws on Debt Service Reserve funds
 - Adverse Tax opinions
 - Defeasance
 - Rating Changes

Section (XII)(3) Continuing Disclosure: This section has been updated to reflect the latest requirements under SEC Rule 15c2-12 governing certain disclosure obligations relating to municipal securities :

- Events that require notice only if considered material e.g.
 - Modifications to bond owners rights
 - Optional, unscheduled or contingent bond calls
 - Sale of property securing repayment of bonds
 - Non-payment related defaults



- Agenda item is requesting the following action:
 - Adopt Resolution No. 2013-_____ approving amendments to Authority Policy 4.40 – Debt Issuance and Management



SAN DIEGO
INTERNATIONAL
AIRPORT

Questions





SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT

Item No.
12

Meeting Date: **JUNE 6, 2013**

Subject:

Annual Review And Approval Of Amendments To Authority Policy 4.20 - Guidelines For Prudent Investments, And Delegation Of Authority To Invest And Manage Authority Funds To The Vice President, Finance/Treasurer

Recommendation:

The Finance Committee recommends that the Board adopt Resolution No. 2013-0049, approving amendments to Authority Policy 4.20 - Guidelines for Prudent Investments, and delegation of authority to invest and manage Authority funds to the Vice President of Finance/Treasurer.

Background/Justification:

The attached investment policy serves as the foundation of the Authority's investment goals and priorities. The Authority's internal policy guidelines compel the Authority's Treasurer to invest Authority funds in a manner that will provide the highest security of funds while meeting the daily cash flow demands. The foremost stated objective is safety, with the requirement that all transactions are structured to avoid capital losses from issuer or broker/dealer default, or erosion of market value.

State law requires that the objective of return on investment be subordinate to the objectives of safety and liquidity. Therefore, the investment policy requires that the Authority seek to achieve a return on funds throughout all economic cycles, taking into consideration the Authority's investment risk constraints and cash flow requirements.

The Investment Policy was developed in conjunction with the Authority's financial and investment advisors and it adheres to or exceeds the policies and requirements of investment types as authorized by the California Government Code §§16429.1 and 53600 et seq.

Section 53646(a) of the Government Code states that the treasurer or chief fiscal officer of any local agency may annually render to their legislative body and any oversight committee an investment policy, which the legislative body shall adopt at a public meeting.

While an annual review and adoption is not required by statute, both the Association of Public Treasurers of the United States and Canada and the Government Finance Officers Association have established policy standards recommending a review be conducted annually.

000110

Since this policy serves as the guidelines for prudent management of our investments, the attached resolution and accompanying policy are submitted to ensure a regular review and approval by the Authority Board.

In addition, the Board delegates the authority to invest and manage the funds of the Authority to the Authority's Treasurer. Such delegation is on a fiscal year basis and subject to renewal by the Board, at its option. Based on the investment record, the attached resolution requests reappointment of the Vice President of Finance/Treasurer to continue this role for another year.

As a result of the annual review, by staff, and the Authority's financial and investment advisors, certain changes to Policy 4.20 are recommended. The recommended changes to the policy include language that enhances consistency with the Government Code, removes references that do not apply to individual investments, extends the maximum maturity of Time Certificate of Deposits (TCDs) investments to three years, revises deposit limits on Local Government Investment Pools, provides guidance on handling investment downgrades and clarifies the controlling document, dollar limits and maturities relating to investments of Bond Proceeds.

The existence of an approved investment policy demonstrates that the Authority Board and staff are fiducially responsible; thereby, promoting trust and confidence from the public that it serves. This annual review is done to ensure the Authority Board's continued oversight and approval of the policies, rules, and performance regarding the investment of Authority funds.

Fiscal Impact:

None.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. CEQA Review: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Pub. Res. Code §30106.

Equal Opportunity Program:

Not Applicable.

Prepared by:

VERNON EVANS,
VICE PRESIDENT FINANCE/TREASURER

RESOLUTION NO. 2013-0049

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY APPROVING AMENDMENTS TO AUTHORITY POLICY 4.20 – GUIDELINES FOR PRUDENT INVESTMENTS, AND DELEGATION OF AUTHORITY TO INVEST AND MANAGE AUTHORITY FUNDS TO THE VICE PRESIDENT, FINANCE / TREASURER

WHEREAS, San Diego County Regional Airport Authority Policy 4.20 establishes a policy governing the investment policies and practices of the San Diego County Regional Airport Authority (“Authority”); and

WHEREAS, the Association of Public Treasurers of the United States and Canada and the Government Finance Officers Association established policy standards recommending a review of a local government’s investment policy be conducted annually; and

WHEREAS, this policy serves as the guideline for the Authority to ensure prudent management of its investments, having been submitted for regular review and adoption by the Authority Board in a public meeting; and

WHEREAS, Policy 4.20, as amended (Attachment A), has been reviewed and approved by the Authority’s financial and investment advisors; and

WHEREAS, the Board has reviewed the investment record and desires to continue its delegation of authority to invest and manage the funds of the Authority to the Vice President, Finance / Treasurer.

NOW, THEREFORE, BE IT RESOLVED that Authority Policy 4.20 governing the investment policies and practices of the Authority has been reviewed by the Board and the amendments to the policy are hereby approved; and

BE IT FURTHER RESOLVED that the Board delegates the authority to invest and manage the funds of the Authority to the Authority’s Vice President, Finance /Treasurer; and

BE IT FURTHER RESOLVED that the Board finds that this Board action is not a “project” as defined by the California Environmental Quality Act (CEQA), Cal Pub. Res. Code §21065; and is not a “development” as defined by the California Coastal Act, Cal Pub. Res. Code §30106.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6TH day of June, 2013, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

000114

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
POLICIES

ARTICLE 4 - FINANCE AND ACCOUNTING
PART 4.2 - INVESTMENTS
SECTION 4.20 - POLICY GUIDELINES FOR PRUDENT INVESTMENTS

PURPOSE: To establish a policy governing the investment policies and practices of the San Diego County Regional Airport Authority (the “**Authority**”), including risk management.

POLICY STATEMENT:

It is the policy of the Authority to invest public funds in a manner that will provide the highest security of the funds under management while meeting the daily cash flow demands of the Authority. The investment policies and practices of the Authority are based upon prudent money management and conform to all state and local statutes governing the investment of public funds.

This policy also addresses risk management because risk management is an integral part of managing a fixed income portfolio. To focus only on maximizing return is imprudent; therefore, policy issues will be directed to limiting the investment portfolio’s exposure to each issue and issuer of debt and criteria for establishing minimum credit requirements that firms must have in order to effect security transactions with the Authority.

(1) Scope. This investment policy applies to all the Authority’s investment activities, except for the Employees Retirement and Deferred Compensation funds, which are administered separately. In addition, in the event of a conflict between this policy and permitted investments of bond proceeds as defined by a master indenture or supplemental indenture (“**Indenture**”) associated with any Authority debt issuance, the more restrictive parameters of either Cal. Gov. Code or the Indenture will take precedence~~this Policy shall control~~. The financial assets of all other Authority funds shall also be administered in accordance with the provisions of this policy.

(2) Objectives.

(a) Safety of Principal. Safety of principal is the Authority’s foremost objective. To accomplish this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. Each investment transaction shall seek to ensure that capital losses are avoided, whether from issuer default, broker/dealer default or erosion of market value. The Authority shall seek to preserve principal by mitigating credit risk and market risk.

(i) Credit risk is the risk of loss due to failure of the issuer to repay an obligation and shall be mitigated by investing in only the highest quality credits and by

diversifying the investment portfolio so that the failure of any one issuer would not unduly harm the Authority's cash flows.

(ii) Market risk is the risk of market value fluctuations due to overall changes in the general level of interest rates and shall be mitigated by:

(A) structuring the portfolio so that securities mature at the same time as major cash outflows occur, thereby eliminating the need to sell securities prior to their maturity; and

(B) limiting the average maturity of the Authority's portfolio to three years. Furthermore, no investments will be made in any security with a ~~and the maximum~~ maturity of any one security in the portfolio to five years. maturity greater than five years unless the Board has granted its express authority to make such investment specifically or as a part of an investment program approved by the Board no less than three months prior to the investment.

It is explicitly recognized, however, that in a diversified portfolio occasional losses may be inevitable and must be considered within the context of overall investment return.

(b) Liquidity. The Authority's investment portfolio will be structured to provide sufficient liquidity to meet the operating requirements of the Authority.

(c) Return on Investment. State law requires that the objective of return on investment be subordinate to the objectives of safety and liquidity. Therefore, investment officials shall seek to achieve a return on the funds under their control throughout all economic cycles, taking into consideration the Authority's investment risk constraints and cash flow requirements.

(3) Authority to Invest Funds.

(a) Policy principles for investment of Authority funds. Monies entrusted to the Authority will be invested and actively managed pursuant to applicable California statutory limitations and the guidance and limitations set forth in the Authority's written policies. Authority for the management and investment of Authority funds rests with the Authority Board of Directors ("**Board**"). The Board promulgates the policy for investment and management of Authority funds and conducts periodic reviews to ensure compliance with policy and statutory requirements. All persons authorized to make investment decisions for the Authority are trustees of the Authority and owe the Authority a fiduciary duty. All trustees are bound by the prudent investor rule, which requires trustees in making decisions with regards to the Authority's funds to act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Trustees of Authority funds are relieved of personal responsibility for an individual security's risk or market price changes where the trustees at all times were acting in accordance with written procedures and this investment policy, exercising due diligence, taking timely and appropriate action to control adverse developments, and

provided timely appropriate reports to the Board regarding the adverse developments with an investment.

(b) Delegation of investment authority to Treasurer. The Board delegates the authority to invest and manage the funds of the Authority to the Authority's Treasurer. Such delegation shall be on a fiscal year basis and subject to renewal by the Board, at its option, after appropriate review of the investment record. The Board reserves the right to revoke the delegation of investment authority at its discretion. ~~On a monthly basis, the Treasurer shall report to the Board all investment transactions, whether purchases or sales, occurring since the last report. On a quarterly basis, t~~The Treasurer shall report to the board the status of Authority's investment portfolio in accordance with Sections (10)(a) and (b) of this policy. Whenever a security is sold at a loss, the Treasurer will record the loss as such in the Authority's accounting system. The Treasurer shall designate in writing an officer or employee of the Authority who shall have authority to execute or authorize execution of an investment trade on behalf of the Authority when the Treasurer is not reasonably available and circumstances require timely action.

(c) Treasurer's responsibility for investments. Investment and management of the Authority's funds shall be solely the responsibility of the Authority's Treasurer, who shall take necessary measures to be fully informed on current market conditions and market trends in general and the condition of the Authority's investment portfolio in particular. The Treasurer shall establish and periodically review for currency and adequacy a system of controls to ensure compliance with the applicable statutory requirements and the Authority's investment policies. The system of controls shall also provide for regulation of subordinate officers and employees as well as investment advisors under contract with the Authority.

(d) Execution of trades by authorized investment advisor. Where the Board has approved a contract for a registered independent investment advisor to assist the Treasurer in the discharge of investment responsibilities and where the chief financial advisor has approved in writing a strategy to guide the investment of Authority funds, the Treasurer may authorize the investment advisor to execute trades on behalf of the Authority to effectuate the approved investment strategy. The Treasurer shall make such delegation via a document that specifies the boundaries of the delegated authorization. An investment advisor designated to execute trades on behalf of the Authority shall be bound by applicable policies of the Authority, and the investment advisor shall not execute any trade through any security broker in whom the investment advisor holds an ownership interest or has a financial interest. Authorizing the investment advisor to execute trades on behalf of the Authority does not relieve the Treasurer of responsibility for management and oversight of all investment transactions involving Authority funds. The Treasurer or designated Authority officer or employee, as provided in Section 3(b), when the Treasurer is not reasonably available and circumstances require timely action, must approve in writing an investment transactions that exceed a market value of five million dollars (\$5,000,000) prior to execution of the trade. The investment advisor shall provide a written report of all trades made on behalf of the Authority to the Treasurer within twenty-four (24) hours of trade execution.

(4) Ethics and Conflicts of Interest. The Board, Authority officers or Authority employees involved in the investment process shall refrain from any activity that could conflict with proper execution of the investment program or which could impair the Authority's Treasurer's ability to make impartial investment decisions. Authority staff involved with the investment process shall disclose to the Authority's Treasurer any financial interest in financial institutions that conduct business with the Authority and they shall further disclose any personal financial and/or investment positions that could be related to the performance of the Authority's portfolio. Board members, Authority officials and Authority employees shall subordinate their personal investment transactions to those of the Authority, particularly with regard to the time of purchases and sales.

(5) Placement of Trade Execution Orders.

- (a) Whenever possible, investment transactions shall be made via a competitive process to ensure the Authority's security transactions are made on terms most favorable to the Authority. Trade execution shall be only through firms registered with the Financial Industry Regulatory Authority (FINRA) and approved by the Treasurer. To ensure security transactions are made via the most competitive process, solicitation of bids to transact a security trade shall be provided equally to all security dealers approved by the Treasurer pursuant to the section (5)(b) of this policy. This policy permits the Authority to purchase investments directly from approved issuers who require no competitive process (e.g., Local Agency Investment Fund (LAIF), the San Diego County Investment Pool (SDCIP), and Local Government Investment Pools (LGIPs).
- (b) The Treasurer shall maintain a list of security dealers approved to execute security trades on behalf of the Authority. Prior to approving a security dealer to execute security trades, the Treasurer shall determine that the dealer is fully qualified to execute security trades for the Authority. In evaluating whether a specific dealer is so qualified, the Treasurer shall evaluate, at a minimum, the dealer's security registration, financial condition, standing in the investment community, and experience with security trades of the nature to be executed on behalf of the Authority. To be qualified, all financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the following information on an annual basis: (1) audited financial statements; (2) proof of Financial Industry Regulatory Authority (FINRA) certification; (3) a trading resolution; (4) proof of California registration; and (5) a completed broker/dealer questionnaire.
- (c) Where the Board has approved a contract for a registered independent investment advisor to assist the Treasurer in the discharge of the investment responsibilities, the Treasurer may rely on the advisor's assurances that specific security dealers are fully qualified to execute trades on behalf of the Authority. The investment advisor shall provide such assurances in writing and shall renew the assurances based on an annual review of the financial condition and registrations of qualified bidders.

(6) Authorized Investments.

The Authority is authorized by the applicable sections of Cal. Gov. Code §16429.1, §53600 et seq. and §53630 et seq. to invest in the following types of securities, further limited herein:

(a) United States Treasury Bills, Bonds and Notes or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no limitation as to the percentage of the portfolio that can be invested in this category. Cal. Gov. Code §53601(b) and 53635.2

(b) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There is no limitation as to the percentage of the portfolio that can be invested in this category. Cal. Gov. Code §53601(f) and 53635.2

(c) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances which are eligible for purchase by the Federal Reserve System and are rated in the highest category by a nationally recognized statistical rating organization (NRSRO), may not exceed 180 days to maturity or 40% of the market value of the portfolio. No more than 10% of the market value of the portfolio may be invested in banker's acceptances issued by any one bank. Cal. Gov. Code §53601(g) and 53635.2

(d) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

(1) The entity meets the following criteria: (i) Is organized and operating in the United States as a general corporation. (ii) Has total assets in excess of five hundred million dollars (\$500,000,000). (iii) Has debt other than commercial paper, if any, that is rated "A" or higher by a NRSRO.

(2) The entity meets the following criteria: (i) Is organized within the United States as a special purpose corporation, trust, or limited liability company. (ii) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (iii) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a NRSRO.

Eligible commercial paper shall have a maturity of 270 days or less. No more than 25% of the market value of the portfolio may be invested in commercial paper. No more than 10% of the market value of the portfolio may be invested in the commercial paper of any single issuer. The amount invested in commercial paper of any one issuer in combination with any other securities from that issuer shall not exceed 10% of the market value of the portfolio. Cal. Gov. Code §53601(h) and 53635.2

(e) Negotiable Certificates of Deposit (NCDs) issued by a nationally or state-chartered bank, or a state or federal savings institution, or by a federally licensed or state-licensed branch of a foreign bank. Negotiable Certificates of Deposit (NCDs) together with Placement Service Certificates of Deposit (PSCDs) may not exceed 30% in aggregate of the market value of the portfolio. NCDs eligible for purchase shall be rated "A" or better by a NRSRO. NCDs with an "A" rating shall be limited to 24 months maximum maturity; "AA" rated NCDs shall be limited to 36 months. The amount invested in NCDs of any one issuer in combination with any other securities from that issuer shall not exceed 10% of the market value of the portfolio. Cal. Gov. Code §53601(i) ~~and 53635.2~~

(f) Placement Service Certificates of Deposit (PSCDs). Certificates of deposit placed through a deposit placement service that meet the requirements of Cal. Gov. Code §53601.8. The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by federal deposit insurance. The maximum term for PSCDs shall be three years. Placement Service Certificates of Deposits (PSCDs) together with Negotiable Certificates of Deposit (NCDs) may not exceed 30% in aggregate of the market value of the portfolio. The amount invested in PSCDs of any one issuer in combination with any other securities from that issuer shall not exceed 10% of the market value of the portfolio. Cal. Gov. Code §53601.8 and 53635.8

(g) Bank Deposits, including, but not limited to, demand deposit accounts, savings accounts, market rate accounts and time certificates of deposits ("TCDs") in financial institutions located in California. The Authority will invest in financial institutions with a net worth of ten million dollars and total assets in excess of \$50 million. Such deposits in each bank shall be limited to no more than 5% of the total assets of the bank. To be eligible to receive Authority deposits, the financial institution must have received a minimum overall satisfactory rating, under the Community Reinvestment Act, for meeting the credit needs of California Communities in its most recent evaluation. Bank deposits are required to be collateralized as specified under Cal. Gov. Code §53630 *et seq.* The Treasurer may waive the collateralization requirements for any portion that is covered by federal deposit insurance. The Authority shall have a signed agreement with any depository accepting Authority funds per Cal. Gov. Code §53649. The maximum maturity of TCDs is ~~1~~ three years. A maximum of 20% of the market value of the portfolio may be invested in TCDs. The amount invested in TCDs of any one issuer in combination with any other securities from that issuer shall not exceed 10% of the market value of the portfolio. Cal. Gov. Code §53630 *et seq.* ~~53649, 53653, and 53635.2~~

(h) Medium Term Notes (MTNs)-, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States and Long Term Notes (LTNs) with less than 5 years remaining until maturity shall be eligible for purchase if rated "A" or better by a NRSRO and be issued by a corporation organized and operating within the United States. MTNs ~~and LTNs~~ with an "A" rating shall be limited to 24 months maximum maturity; "AA" rated MTNs ~~and LTNs~~ shall be limited to 36 months. The aggregate total of all ~~purchased~~ MTNs ~~and LTNs~~ may not exceed 15% of the market value of the investment portfolio. The amount invested in MTNs ~~and LTNs~~ of any one issuer in combination with any other securities

from that issuer shall not exceed 10% of the market value of the portfolio. Cal. Gov. Code §53601(k) ~~and 53635.2~~

(i) Repurchase agreements (RPAs) shall only be made with financial institutions having a credit rating of not less than "A" by a NRSRO. The Security Industry and Financial Markets Association (SIFMA) master repurchase agreement shall be the Authority's master repurchase agreement.

The term of the agreement may not exceed one year.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities, as described in 6(a) and 6(b) above, will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to the Authority's custodian bank versus payment or be handled under a tri-party repurchase agreement. The total of all collateral for each Repurchase Agreement must equal or exceed, on the basis of market value plus accrued interest, 102% of the total dollar value of the money invested by the Authority for the term of the investment. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102% no later than the next business day. For any Repurchase Agreement with a term of more than one day, the value of the underlying securities must be reviewed on a regular basis.

Market value must be calculated each time there is a substitution of collateral.

The Authority or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to Repurchase Agreement. Cal. Gov. Code §53601(j), ~~and 53635.2~~

(j) The Local Agency Investment Fund ("LAIF"), established by the State Treasurer for the benefit of local agencies and identified under Cal. Gov. Code §16429.1 *et seq.*, ~~is authorized up to the maximum amount permitted by state law.~~ The market value of the Authority's investment in LAIF may not exceed the current deposit limit for regular LAIF accounts ~~LAIF statutory limit, if applicable.~~

(k) The San Diego County Investment Pool ("SDCIP") authorized by Cal. Gov. Code §53684. The market value of the Authority's investment in SDCIP may not exceed the current deposit limit for regular LAIF accounts ~~LAIF Statutory limit, if applicable.~~

(l) Shares of beneficial interest issued by the Investment Trust of California (CalTRUST), as authorized by California Government Code §53601(p). The market value of the Authority's investment in each of the CalTRUST funds may not exceed The current deposit limit for regular LAIF accounts ~~the LAIF statutory limit, if applicable.~~

(m) Shares of beneficial interest issued by a joint powers authority (Local Government Investment Pools or ("LGIPs")) organized pursuant to Cal. Gov. Code §6509.7 that meet the requirements of Cal. Gov. Code §53601(p). The market value of the Authority's investment in any LGIP may not exceed the LAIF statutory limit. Prior to investing, the Treasurer will complete a thorough investigation of the potential investment. Whenever the Authority has any funds so invested, the Treasurer shall maintain on-going monitoring including the following:

(i) Establish the investment is a legal investment under Cal. Gov. Code.

(ii) A description of eligible investment securities, and a written statement of investment policy and objectives. All investments must comply with the eligible investments outlined in this policy. In the event that any investments do not comply with the eligible investments outlined in this Policy, the Treasurer will assess the potential risk of a substantial investment loss related to the investment(s) not in compliance.

(iii) The issuer must have a current AAAm rating, provide a constant dollar pool with a stated objective of maintaining a \$1 net asset value, meet an asset size of \$1 billion at the time of investment, and provide for third-party custody of portfolio assets.

(iv) A description of interest calculations and how it is distributed, and how gains and losses are treated.

(v) A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.

(vi) A description of who may invest in the program, the type and number of governmental participants, investor concentrations, what size deposit and withdrawal are allowed, and what time restrictions are placed on these deposits and withdrawals.

(vii) A schedule for receiving statements and portfolio listings.

(viii) Determination of how reserves, retained earnings, etc. are utilized by the fund.

(ix) A fee schedule, and when and how it is assessed. Cal. Gov. Code §53601(p).

(n) The Authority may place funds in shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. §80a-1 *et seq.*); ~~investing in the securities and obligations.~~ Investment in money market funds may not exceed 20% of the market value of the portfolio with no more than 10% of the market value of the portfolio in any single fund. Additionally, each selected fund shall be large enough that the Authority's investment does not constitute more than 5% of the total fund balance. To be eligible for investment, these companies shall either:

(i) Attain the highest ranking or the highest letter and numerical rating provided by not less than two of the three largest nationally recognized rating services, or

(ii) Retain an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than 5 years' experience managing money market mutual funds ~~investing in the securities and obligation market as authorized by Cal. Gov. Code §53601, subdivision (a) to (m), inclusive and~~ with assets under management in excess of \$500,000,000. Cal. Gov. Code §53601(l)

(o) The Authority may invest in: (i) Registered state warrants or treasury notes or bonds of this state including bonds payable solely out of the revenues from a revenue-producing

property owned, controlled, or operated by a state or by a department, board, agency, or authority of this state; (ii) Registered treasury notes or bonds issued by any of the other 49 States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any state; and (iii) Bonds, notes, warrants or other evidence of debt issued by a local agency or municipality located within California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. Securities eligible for investment under this paragraph shall be rated at least "A" by a NRSRO. Purchase of securities authorized by this subdivision may not exceed 20% of the Authority's portfolio. The amount invested with any one issuer shall not exceed 5% of the portfolio. Cal. Gov. Code §53601 (c), (d), (e).

(p) Permitted Investment for Bond Proceeds. All investment types listed above are authorized investments for bond proceeds. The percentage or dollar limitations listed above do not apply to bond proceeds investments. In addition to the above investments, bond proceeds may be invested in-with the addition-of the following:

Investment agreement or guaranteed investment contract (a) with or guaranteed by a national or state chartered bank or savings and loan, an insurance company or other financial institution whose unsecured debt is rated in the highest short-term rating category (if the term of the Investment Agreement is less than three years) or in either of the two highest long-term Rating Categories (if the term of the Investment Agreement is three years or longer) by one or more of the Rating Agencies, or (b) which investment agreement or guaranteed investment contract is fully secured by obligations described in items (a) or (b) of this section which are the following:

- (i) Valued not less frequently than monthly and have a fair market value, exclusive of accrued interest, at all times at least equal to 103% of the principal amount of the investment, together with the interest accrued and unpaid thereon, and
- (ii) Held by any Federal Reserve Bank or a depository acceptable to the Treasurer or any Authority bond trustee, and
- (iii) Subject to a perfected first lien on behalf of the Authority or any bond trustee and free and clear from all third-party liens

The Board has expressly granted the Treasurer the authority to invest debt service reserve funds in U.S. Treasury, federal agency, municipal securities and investment agreements (which meet the requirements of this Investment Policy and the Indenture) with maturities exceeding 5 years if it is considered to be in the best interest of the Authority and if the maturity of such investments does not exceed the expected use of the funds. Reserve fund investments beyond 5 years are specifically excluded from the mathematical calculation of the average maturity of the Authority's portfolio.

(7) Prohibited Investments. Investments not described herein, including but not limited to, inverse floating rate notes, range notes, interest-only strips that are derived from a pool of mortgages, and common stocks are prohibited from use in this portfolio. The Authority shall not invest any funds in any security that could result in zero interest accrual and zero discount accretion if held to maturity. ~~Investments that exceed five years to maturity require authorization by the Board at least 30 days prior to purchase.~~—Cal. Gov. Code §53601.6.

(8) Safekeeping of Securities. To protect against potential losses by the collapse of individual securities dealers, all securities owned by the Authority shall be held in safekeeping by a third person bank trust department acting as agent for the Authority under the terms of a custody agreement executed by the bank and the Authority. All securities will be received and delivered using standard delivery versus payment procedures. The only exception to the foregoing shall be: (i) LAIF; (ii) the SDCIP; (iii) LGIPs; (iv) money market mutual funds, and (v) Certificates of Deposits (TCDs & PSCDs), since the purchased securities are not deliverable. A record of these investments shall be held by the Treasurer.

All investment officers shall be bonded and all investment accounts subject to surprise audits performed no less than on a quarterly basis.

(9) Portfolio Limitations. Percentage limits and credit criteria are applied at the time of purchase. If a percentage-of-portfolio limitation is exceeded due to reduction in portfolio size, the affected securities may be held to maturity to avoid losses. When no loss is indicated, the Authority's Treasurer shall consider restructuring the portfolio basing the decision in part on the expected length of time the portfolio will be imbalanced. The Treasurer shall report all such imbalances in the monthly report to the Board. In the event that an investment originally purchased within policy guidelines is downgraded below the policy requirements by any one of the NRSROs, the course of action to be followed by the Treasurer will then be decided on a case-by-case basis, considering such factors as the reason for the downgrade, prognosis for recovery or further rating downgrades, and the market price of the security.

(10) Reporting Requirements.

(a) In accordance with Cal. Gov. Code §53646, on a quarterly basis, the Authority's Treasurer shall prepare in accordance with GAAP and GASB 31 a report detailing investments and investment activity and transmit same to the Executive Officer, the Internal Auditor and the Board.

(i) The report shall be submitted within 30 days of the end of the quarter covered by the report.

(ii) The report shall include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and monies held by the Authority.

(iii) The report shall include a description of any funds, investments, or programs that are under the management of contracted persons.

(iv) The report shall also include a current market value on a market-to-market basis as of the report date using an established identified independent source for the valuation.

(v) The report shall state compliance of the portfolio to the statement of investment policy or the manner in which it is not in compliance.

(vi) The report shall state the Authority's ability to meet its budgeted expenditure requirements for the next six months or to explain why sufficient money may not be available.

(b) In accordance with Cal. Gov. Code §53607, the Authority's Treasurer shall make a monthly report of investment transactions to the Board.

(11) Internal Control. The development of internal controls is a function of management. The Authority's Treasurer shall establish and document a system of internal controls that will provide reasonable assurance regarding the achievement of objectives in the following categories:

- Safeguarding assets
- Ensuring validity of financial records and reports
- Promoting adherence to policies, procedures, regulations and laws
- Promoting effectiveness and efficiency of operations

In addition, the Authority's Treasurer shall:

(a) Establish an annual process of an independent review by an external examiner.

(b) Develop performance standards. Those performance standards will be reviewed by the Treasurer and presented as an information item to the President/CEO and the Board. On a quarterly basis, as part of the reporting requirements the Authority's Treasurer shall report actual compared to the performance standard and any substantial deviations shall be explained.

(c) Review the Authority's investment policy annually at a public meeting and obtain Board approval and adoption of the policy to ensure its consistency with the Authority's objectives of preservation of principal, liquidity, rate of return and the policy's relevance to current law and financial and economic trends. The Authority's Treasurer is responsible for maintaining guidance over the Authority's investment policy and ensuring that the Authority can adapt readily to changing market conditions and shall submit to the Board any modification to the investment policy prior to implementation.

(12) Glossary of Terms.

Asked: The price at which securities are offered (that is, the price at which a firm will sell a security to an investor).

Bankers' Acceptance (BA): A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

Bid: The price offered for securities (that is, the price at which a broker or dealer will pay to purchase a security an investor owns).

Broker: A broker brings buyers and sellers together for a commission paid by the initiator of the transaction or by both sides; he does not take a position. In the money market, brokers are active in markets in which banks buy and sell money and in interdealer markets.

Certificate of Deposit (CD): See: Time Certificate of Deposits, Placement Service Certificate of Deposits, Negotiable Certificates of Deposits.

Collateral: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Commercial Paper (CP) - An unsecured short-term promissory note issued by corporations and local governments, with maturities ranging from 1 to 270 days. Commercial paper is usually issued at a discount from par with a zero coupon. Highly-rated, or "Prime" commercial paper carries a Standard & Poor's rating of A1 or A1+, a Moody's rating of P1, and/or a Fitch rating of F1 or F1+.

Constant Maturity Treasury (CMT) – A calculated average released by the Federal Reserve of all Treasury yields along a specific maturity point. This calculation is frequently used as a benchmark for conservative government portfolios.

Coupon: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value; (b) A certificate attached to a bond evidencing interest due on a payment date.

Dealer: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his or her own account.

Debenture: A bond secured only by the general credit of the issuer.

Delivery versus Payment: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt (also called free delivery). Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

Discount: The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be selling at a discount.

Diversification: Dividing investment funds among a variety of securities offering independent returns.

Federal Farm Credit Bank (FFCB): The Federal Farm Credit Bank System is the oldest of the government sponsored enterprises, created by an act of Congress in 1916. Its mission is to provide a reliable and low cost source of funds to support agriculture in the United States. Unlike commercial banks, System banks do not take deposits. Instead, funds for loans are obtained through the issuance of debt securities. FFCB long-term senior debt ratings have traditionally mirrored those of the U.S. government.

Federal Home Loan Banks: Federal Home Loan Banks provide a source of low cost loan funding to U.S. banks. Within their collective membership, the FHLBank System represents the largest source of home mortgages in the United States. The System does not provide loans directly to individuals, only to other correspondent banks. System banks do not take deposits. Instead, funds for loans are obtained through the issuance of debt securities. FHLB long-term senior debt ratings have traditionally mirrored those of the U.S. government.

Federal Home Loan Mortgage Company (FHLMC or "Freddie Mac"): The Federal Home Loan Mortgage Corporation (FHLMC), commonly referred to as "Freddie Mac", was created in 1970 to assist its sister company, Fannie Mae, by purchasing mortgage loans in the secondary market, pooling them together, and selling them to investors in the form of mortgage-backed securities. By providing a secondary market for home loans, Freddie Mac increases the amount of money available for mortgage lending. In September 2008, Freddie was placed under Federal government conservatorship as a result of a decline in the underlying market value of the mortgage loans it held and guaranteed. Like Fannie Mae, Freddie Mac issues debt in maturity ranges from one-day to 30 years, and its long-term senior debt rating has traditionally mirrored U.S. Treasury debt due to its reliance on the U.S. government.

Federal National Mortgage Association (FNMA or "Fannie Mae"): The Federal National Mortgage Association (FNMA), commonly referred to as "Fannie Mae", was created in 1938 during the Great Depression to provide a secondary market for mortgage loans by purchasing groups of loans from lenders and packaging them into pools of mortgage-backed securities that can then be sold to investors. To facilitate this process, Fannie Mae also issues debt in maturity ranges from one-day to 30 years. The company's long-term senior debt rating has traditionally mirrored U.S. Treasury debt due to its reliance on the U.S. government. Although Fannie Mae had operated as a private company since 1968, it was placed under Federal government conservatorship in September 2008 as a result of a decline in the underlying market value of the mortgage loans it held and guaranteed.

Government National Mortgage Association (GNMA or "Ginnie Mae"): Long-term mortgage-backed securities backed by FHA and VA loans guaranteed by the full faith and credit of the U.S. Treasury. The term "pass-through" is often used to describe Ginnie Mae securities as principal and interest payments from the underlying homeowners are passed along to investors.

Federal Open Market Committee (FOMC): A group of Federal Reserve Officials that meet eight times per year to set U.S. monetary policy (raises and lowers interest rates). The Committee must balance its two primary and often conflicting objectives of achieving stable economic growth and keeping inflation at acceptable levels

Fed or Federal Reserve Bank: The Central Bank of the U.S. responsible for supervising and regulating member banks, providing banking services, providing information, and setting monetary policy through the FOMC.

Inverse Floating Rate Note: A debt security with an interest rate stated as a fixed rate minus a variable rate index. This calculation causes the rate on the inverse floater to move in the opposite direction of general interest rates. This instrument generally performs well in a declining interest rate environment but will lose value if rates rise.

Liquidity: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between the bid and asked prices is narrow and reasonable size can be done at those quotes.

Local Government Investment Pools (LGIPs): Shares of beneficial interest issued by a joint powers authority organized pursuant to Cal. Gov. Code §6509.7. LGIPs offer a diversification alternative to LAIF and SDCIP for short-term cash management facilities.

Market Value: The price at which a security is trading and could presumably be sold.

Master Repurchase Agreement: A written contract covering all future transactions between counterparties to repurchase agreements and reverse repurchase agreements that establish each entity's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

Maturity: The date upon which the principal or stated value of an investment becomes due and payable.

Medium Term Notes: A class of debenture that is defined as all corporate and depository debt securities with a maximum remaining maturity of five years or less.

Money Market: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptance, etc.) are issued and traded.

Nationally Recognized Statistical Rating Organization (NRSRO): A credit rating agency (CRA) that issues credit ratings that the U.S. Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes.

Negotiable Certificate of Deposit (NCD): A type of CD that is at least \$100,000 and can also be traded on a highly liquid secondary market.

Placement Service Certificates of Deposit (PSCD): A type of CD that uses a deposit placement service. The placement service will allow the bank with which the investment is placed to split the initial deposit into multiple pieces that are then distributed among a network of banks, such that the full amount of the deposit is protected by the FDIC insurance of each participating bank.

Portfolio: Collection of securities held by an investor.

Primary Dealer: A group of government securities dealers that submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its oversight. Primary dealers include Securities and Exchange Commission (SEC) registered securities, broker/dealers, banks and a few unregulated firms.

Prudent Investor Standard: A legal doctrine that requires fiduciaries to make investments using the prudence, diligence, and intelligence that would be used by a prudent person in making similar investments.

Rate of Return: A standard performance measurement that considers the coupon interest a security or portfolio of securities receives, along with any realized gain or loss, along with any change in unrealized market gain or loss. Depending on market volatility, the rate of return could differ significantly from the average yield of a portfolio.

Rating Agency: Nationally recognized credit rating agency such as Fitch, Moody's or S&P.

Rating Category: A credit rating assignment by a Rating Agency shall mean (a) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier, and (b) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

Repurchase Agreement (RP or Repo): A type of financial agreement in which an investor exchanges cash for securities with a primary dealer or bank and earns a fixed rate of interest for a specified period. At the end of the period, securities are returned in exchange for the principal amount, along with accrued interest. Dealers and banks use repo proceeds to finance their inventory positions.

Safekeeping: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

Sec Rule 15C3-1: See Uniform Net Capital Rule.

Securities and Exchange Commission: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

Strip (Bonds): Brokerage-house practice of separating a bond into its principal and interest, which are then sold as zero coupon bonds.

Time Certificate of Deposit (CD): A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs are typically negotiable.

Treasurer: The Vice President of Finance/Treasurer of the Authority or the authorized designee or representative as designated by the President/Chief Executive Officer.

Treasury Bill: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

Treasury Bond: Long-term U.S. Treasury security having initial maturities of more than ten years.

Treasury Note: U.S. Treasury security having initial maturities between two and 10 years.

Uniform Net Capital Rule: Securities and Exchange Commission requirement that member firms as well as nonmember broker/dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

Yield: The rate of annual income return on an investment, expressed as a percentage.

(A) **Income Yield** is obtained by dividing the current dollar income by the current market price for the security. (B) **Net Yield or Yield to Maturity** is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

[Amended by Resolution No. 2012-0059 dated June 7, 2012]
[Amended by Resolution No. 2011-0064 dated June 2, 2011]
[Amended by Resolution No. 2010-0059 dated June 3, 2010]
[Amended by Resolution No. 2009-0123 dated October 1, 2009]
[Amended by Resolution No. 2008-0118 dated September 4, 2008]
[Amended by Resolution No. 2006-0010 dated February 6, 2006]
[Amended by Resolution No. 2005-0102 dated September 8, 2005]
[Amended by Resolution No. 2004-0133 dated December 6, 2004]
[Amended by Resolution No. 2004-0100 dated October 4, 2004]
[Amended by Resolution No. 2004-0032 dated April 5, 2004]
[Adopted Resolution No. 2002-02 dated September 20, 2002]



San Diego County Regional Airport Authority

ANNUAL REVIEW AND APPROVAL OF AMENDMENTS TO AUTHORITY POLICY 4.20

Guidelines for Prudent Investments, and Delegation of Authority to
Invest and Manage Authority Funds to the Vice President, Finance/Treasurer

Presented by: Vernon D. Evans, CPA

Vice-President-Finance/Treasurer and CFO



- Serves as the foundation of investment goals and objectives
- Mandates investing in a manner that provides the highest security while meeting Authority cash flow needs
- Demonstrates our fiduciary responsibility, thereby promoting trust and confidence from the public we serve
- Adheres to or exceed the requirements of California Government Code Section 53600 et seq.



Investment Policy Overview

- Adheres to state law requirements that return on investment be subordinate to objectives of safety and liquidity
- Developed and annually reviewed in conjunction with our financial and investment advisors
- Annual Board review is not required by State Code, but is an Authority practice
- Awarded Investment Policy Certificate of Excellence Award in 2008, 2010 and 2012 by Association of Public Treasurers of United States and Canada



Section (1) Scope: Added language to clarify the more restrictive terms of bond investments:

“In addition, in the event of a conflict between this policy and permitted investments of bond proceeds as defined by a master indenture or supplemental indenture (“Indenture”) associated with any Authority debt issuance, the more restrictive parameters of either Cal. Gov. Code or the indenture will take precedence this Policy shall control.”



Section (2) Objectives (a) Safety of Principal (ii) (B):

Added language to require prior approval at least three months ahead for investments with maturities of five years or longer, as required by code:

“limiting the average maturity of the Authority’s portfolio to three years. Furthermore, no investments will be made in any security with a ~~and the maximum maturity of any one security in the portfolio to five years.~~ maturity greater than five years unless the Board has granted its express authority to make such investment specifically or as a part of an investment program approved by the Board no less than three months prior to the investment.”



Section (3) Authority to Invest Funds (b) Delegation of investment authority to Treasurer: Eliminated a duplication within the policy:

~~“On a monthly basis, the Treasurer shall report to the Board all investment transactions, whether purchases or sales, occurring since the last report. On a quarterly basis, t~~
The Treasurer shall report to the board the status of Authority’s investment portfolio in accordance with Section s (10)(a) and (b) of this policy.”



Section (6) Authorized Investments: Added the Government Code section that refers to LAIF:

“The Authority is authorized by the applicable sections of Cal. Gov. Code §16429.1, §53600 et seq. and §53630 et seq. to invest in the following types of securities, further limited herein:”



Section (6) Authorized Investments (a), (b), (c), (d), (h) and (i): Removed Code references that do not apply to individual investments:

“There is no limitation as to the percentage of the portfolio that can be invested in this category. Cal. Gov. Code §53601(b) ~~and 53635.2~~”



Section (6) Authorized Investments (e): Added language to include federally licensed foreign banks, so as to conform with new code:

“Negotiable Certificates of Deposit (NCDs) issued by a nationally, or state-chartered bank, ~~or~~ a state or federal savings institution, or by a federally licensed or state-licensed branch of a foreign bank.”



Section (6) Authorized Investments (g): Added language to change the maximum length of investment, and corrected the Government Code reference:

“The maximum maturity of TCDs [Time Certificates of Deposits] is ~~1~~ three years~~s~~. A maximum of 20% of the market value of the portfolio may be invested in TCDs. The amount invested in TCDs of any one issuer in combination with any other securities from that issuer shall not exceed 10% of the market value of the portfolio. Cal. Gov. Code §53630 et seq.~~53649, 53653, and 53635.2~~”



Section (6) Authorized Investments (h) Medium Term Notes (MTNs): Adopted language to define Medium Term Notes to be consistent with Government Code:

“Medium Term Notes (MTNs), defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States and Long Term Notes (LTNs) with less than 5 years remaining until maturity shall be eligible for purchase if rated “A” or better by a NRSRO [Nationally Recognized Statistical Rating Organization] and be issued by a corporation organized and operating within the United States.”



Section (6) Authorized Investments (h) Medium Term Notes (MTNs)(cont.): Eliminated references to Long Term Notes:

“MTNs ~~and LTNs~~ with an “A” rating shall be limited to 24 months maximum maturity; “AA” rated MTNs ~~and LTNs~~ shall be limited to 36 months. The aggregate total of ~~all purchased~~ MTNs ~~and LTNs~~ may not exceed 15% of the market value of the investment portfolio. The amount invested in MTNs ~~and LTNs~~ of any one issuer in combination with any other securities from that issuer shall not exceed 10% of the market value of the portfolio. Cal. Gov. Code §53601(k)”



Section (6) Authorized Investments (i) : Added language that the rating must be made by a Nationally Recognized Statistical Rating Organization (NRSRO):

“Repurchase agreements (RPAs) shall only be made with financial institutions having a credit rating of not less than “A” by a NRSRO.”



Section (6) Authorized Investments (j): Adopted language to clarify the basis for the maximum allowable investment in the Local Agency Investment Fund ("LAIF"):

"The Local Agency Investment Fund ("LAIF"), established by the State Treasurer for the benefit of local agencies and identified under Cal. Gov. Code §16429.1 et seq., ~~is authorized up to the maximum amount permitted by state law.~~ The market value of the Authority's investment in LAIF may not exceed the current deposit limit for regular LAIF accounts ~~LAIF statutory limit, if applicable"~~



Section (6) Authorized Investments (k): Adopted language to clarify the basis for maximum allowable investment in the San Diego County Investment Pool (“SDCIP”):

“The market value of the Authority’s investment in SDCIP may not exceed the current deposit limit for regular LAIF accounts~~LAIF Statutory limit, if applicable~~”



Section (6) Authorized Investments (I): Adopted language to clarify the basis for maximum allowable investment in the Investment Trust of California (CalTRUST):

“The market value of the Authority’s investment in each of the CalTRUST funds may not exceed The current deposit limit for regular LAIF accounts~~the LAIF statutory limit, if applicable~~”



Section (6) Authorized Investments (n): removed unnecessary wording

“The Authority may place funds in shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. §80a-1 et seq.), ~~investing in the securities and obligations.~~”



Section (6) Authorized Investments (n) (ii): Adopted clarifying language to make policy consistent with code:

“Retain an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than 5 years’ experience managing money market mutual funds~~investing in the securities and obligation market as authorized by Cal. Gov. Code §53601, subdivision (a) to (m), inclusive and~~ with assets under management in excess of \$500,000,000. Cal. Gov. Code §53601(l)”



Section (6) Authorized Investments (p) Permitted Investment for Bond Proceeds: Added additional language to provide for clarification:

“All investment types listed above are authorized investments for bond proceeds. The percentage or dollar limitations listed above do not apply to bond proceeds investments. In addition to the above investments, bond proceeds may be invested in ~~with the addition of~~ the following:”



Section (6) Authorized Investments: Added language to provide clarification of maturity limits for Debt Service Reserve Funds:

"The Board has expressly granted the Treasurer the authority to invest debt service reserve funds in U.S. Treasury, federal agency, municipal securities and investment agreements (which meet the requirements of this Investment Policy and the Indenture) with maturities exceeding 5 years if it is considered to be in the best interest of the Authority and if the maturity of such investments does not exceed the expected use of the funds. Reserve fund investments beyond 5 years are specifically excluded from the mathematical calculation of the average maturity of the Authority's portfolio ."



Section (7) Prohibited Investments: Deleted language that is covered in an earlier section of the policy:

“The Authority shall not invest any funds in any security that could result in zero interest accrual and zero discount accretion if held to maturity.

~~Investments that exceed five years to maturity require authorization by the Board at least 30 days prior to purchase.~~ Cal. Gov. Code §53601.6.”



Section (9) Portfolio Limitations: Added language to provide guidance for handling downgraded investments:

“ In the event that an investment originally purchased within policy guidelines is downgraded below the policy requirements by any one of the NRSROs, the course of action to be followed by the Treasurer will be decided on a case-by-case basis, considering such factors as the reason for the downgrade, prognosis for recovery or further rating downgrades, and the market price of the security.”



Delegation of Investment Authority

- The board delegates the authority to invest and manage funds to the Vice President of Finance / Treasurer
- This delegation is on a fiscal year basis and subject to renewal by the Board



- Agenda item is requesting the following action:
 - Adopt Resolution No. 2013-_____ approving amendments to Authority Policy 4.20 - Guidelines for Prudent Investments, and
 - Delegation of authority to invest and manage Authority funds to the Vice President of Finance / Treasurer



SAN DIEGO
INTERNATIONAL
AIRPORT

Questions





**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT**

**Item No.
13**

Meeting Date: **JUNE 6, 2013**

Subject:

Award a Contract to Nuera Contracting & Consulting LP, for Quieter Home Program Phase 6, Group 12A (27 East Side, Non-Historic Units on one Multi-Family Property)

Recommendation:

Adopt Resolution No. 2013-0050, awarding a contract to Nuera Contracting & Consulting, LP, in the amount of \$380,732, for Phase 6, Group 12A, Project No. 380612A, of the San Diego County Regional Airport Authority's Quieter Home Program.

Background/Justification:

The Quieter Home Program ("Program") provides sound attenuation treatment to residences within the highest noise-impacted neighborhoods surrounding San Diego International Airport ("SDIA"). The Phase 6, Group 12A, project includes installation of new acoustical windows, doors, insulation, and ventilation improvements to reduce aircraft-related noise levels inside the homes. This project will provide sound attenuation to 27 east side, non-historic units on one multi-family property (refer to the red "shaded" area of Attachment A).

To date, the Program has completed 2,597 residences, of which 659 are historic and 1,938 are non-historic; 1,657 residences are located west of SDIA and 940 are located east of SDIA.

Project No. 380612A was advertised on April 2, 2013, and bids were opened on May 2, 2013. The following bids were received (refer to Attachment B):

Company	Total Bid
Nuera Contracting & Consulting LP	\$380,732.00
Martinez Adams Builders	\$436,129.95
Xing Inc.	\$449,032.00
G&G Specialty Contractors, Inc.	\$464,598.00

The Engineer's estimate is \$452,000.

The low bid of \$380,732 is considered responsive and Nuera Contracting and Consulting LP is considered responsible. Award to Nuera Contracting and Consulting LP is, therefore, recommended in the amount of \$380,732.

Fiscal Impact:

Adequate funds for FY2013 and FY2014 expenditures, under the Nuera Contracting and Consulting LP contract, are included within the operating budget in the Authority's Quieter Home Program. Sources of funding include federal Airport Improvement Program grants and Passenger Facility Charges.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. This Board action is a "project" subject to the California Environmental Quality Act ("CEQA"), Pub. Res. Code Section 21065. The individual projects under the Quieter Home Program are part of a class of projects that are categorically exempt from CEQA: 14 Cal. Code Regs. Section 15301 – "Existing Facilities: Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination."
- B. This Board action is a "development" as defined by the California Coastal Act, Pub. Res. Code Section 30106. The individual projects under the Quieter Home Program will consist of treatments to single-family and multi-family dwellings. Improvements to single-family homes are exempt from coastal permit requirements under Pub. Res. Code Section 30610(a) and 14 Cal. Code Regs. Section 13250 – "Improvements to Single-Family Residences." The proposed improvements to multi-family residences are exempt from coastal permit requirements under Pub. Res. Code Section 30610(b) and 14 Cal. Code Regs. Section 13253 – "Improvements to Structures Other than Single-Family Residences and Public Works Facilities that Require Permits."

Equal Opportunity Program:

The Authority's small business program promotes the use of small, local, disadvantaged, and other business enterprises, on all contracts, to provide equal opportunity for qualified firms. By providing education programs, making resources available, and communicating through effective outreach, the Authority strives for diversity in all contracting opportunities.

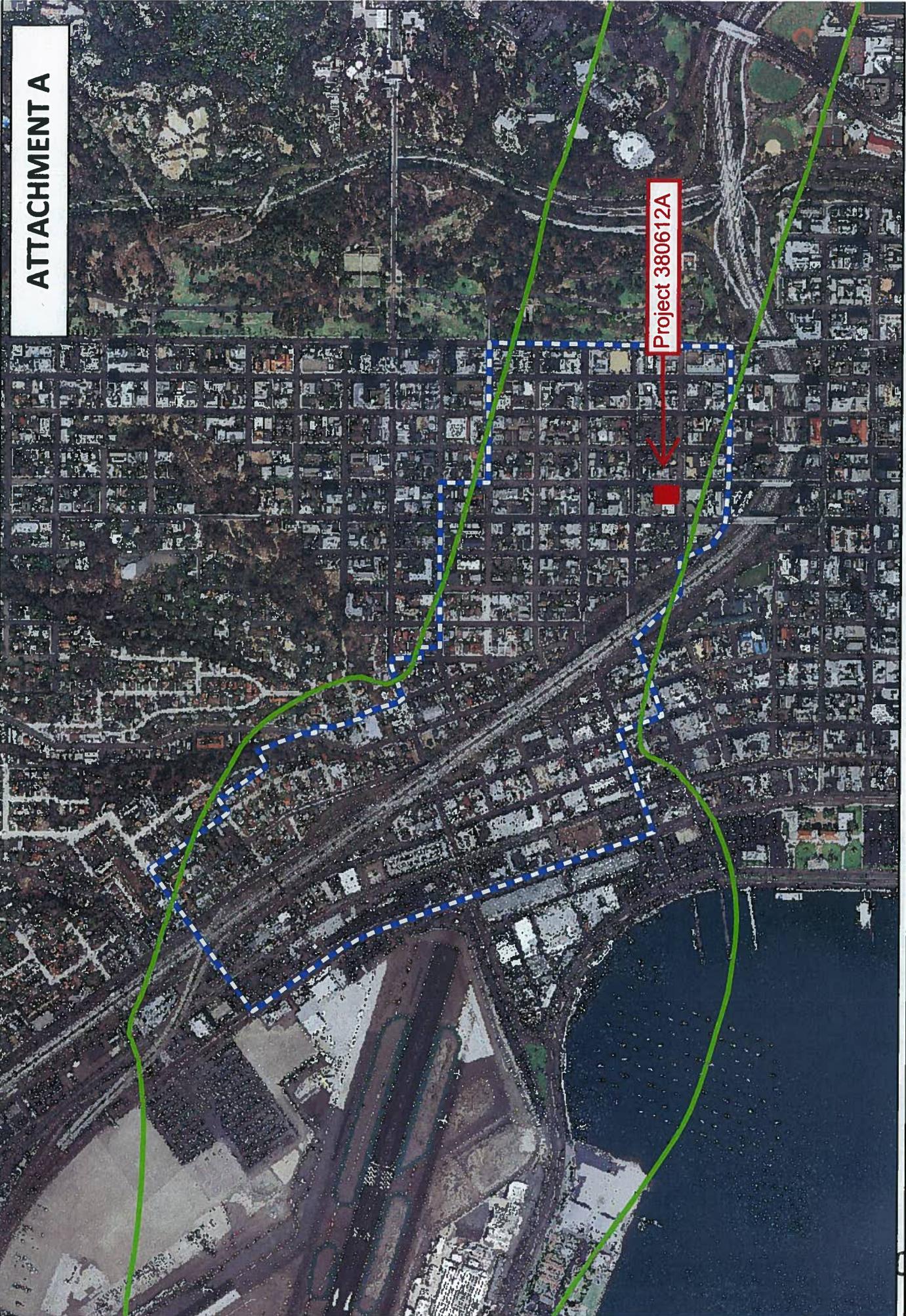
The Authority has a Disadvantaged Business Enterprise ("DBE") Plan as required by the Department of Transportation, 49 CFR Part 26. The DBE Plan calls for the Authority to submit an annual overall goal for DBE participation on all federally funded projects.

This project utilizes federal funds; therefore, it will be applied toward the Authority's overall DBE goal. Nuera Contracting and Consulting LP is proposing 0% DBE participation on QHP Phase 6, Group 12A.

Prepared by:

DAN FRAZEE
DIRECTOR, AIRPORT NOISE MITIGATION

ATTACHMENT A



San Diego County Regional Airport Authority
Quieter Home Program
Project 380612A

SanGIS 207

■ Single-Family Residential
■ Multi-Family Residential
■ Condominiums

■ QHP Completed
■ QHP Ineligible
 County Parcel

67 dB Boundary
 65 dB CNEL Contour
■ Address Point

■ 1 inch = 996 feet

Notes:
 Report Attachment A

000136
 11/11 - Print Date/04 23 2013

BCOMAC

SPECIFICATION NO. 380612A

TABULATION OF BIDS

ATTACHMENT B

TITLE: QUIETER HOME PROGRAM PROJECT NO. 380612A
 BIDS OPENED: May 2, 2013, 2:00 p.m.
 ENGINEER'S ESTIMATE: \$452,000.00

CONTRACTOR:		Nuera Contracting & Consulting LP 12975 Brookholler Place, Suite 160, Poway, CA 92064		Martinez Adams Builders Inc. 7710 Balboa Ave., Ste. 328, San Diego, CA 92111							
GUARANTEE OF GOOD FAITH:		State National Insurance Company, Inc.		American Safety Casualty Insurance Co.							
Res No.	Bid Item Number	Dwelling Units	Unit of Measure	General Construction (In Figures)	HVAC Construction (In Figures)	Electrical Construction (In Figures)	TOTAL (In Figures)	General Construction (In Figures)	HVAC Construction (In Figures)	Electrical Construction (In Figures)	TOTAL (In Figures)
380612.01	1922 2nd Ave., Unit 10	1	Lump Sum	18,752.00	1,126.00	169.00	20,047.00	10,291.85	2,500.00	600.00	13,391.85
380612.01	1922 2nd Ave., Unit 11	1	Lump Sum	8,498.00	1,126.00	169.00	9,783.00	10,291.85	2,500.00	600.00	13,391.85
380612.01	1924 Metro, LLC	1	Lump Sum	8,488.00	1,126.00	169.00	9,783.00	10,291.85	2,500.00	600.00	13,391.85
380612.01	1925 Metro, LLC	1	Lump Sum	8,488.00	1,126.00	169.00	9,783.00	10,291.85	2,500.00	600.00	13,391.85
380612.01	1925 Metro, LLC	1	Lump Sum	8,488.00	1,126.00	169.00	9,783.00	10,291.85	2,500.00	600.00	13,391.85
380612.01	1927 Metro, LLC	1	Lump Sum	10,873.00	1,126.00	169.00	12,168.00	10,291.85	2,500.00	600.00	13,391.85
380612.01	1928 Metro, LLC	1	Lump Sum	6,536.00	1,126.00	169.00	7,831.00	10,291.85	2,500.00	600.00	13,391.85
380612.01	1930 Metro, LLC	1	Lump Sum	6,536.00	1,126.00	169.00	7,831.00	10,291.85	2,500.00	600.00	13,391.85
380612.01	1931 Metro, LLC	1	Lump Sum	15,210.00	1,126.00	169.00	16,505.00	10,291.85	2,500.00	600.00	13,391.85
380612.01	1932 Metro, LLC	1	Lump Sum	18,155.00	1,126.00	169.00	19,450.00	10,291.85	2,500.00	600.00	13,391.85
380612.01	1933 Metro, LLC	1	Lump Sum	8,424.00	1,126.00	169.00	9,719.00	10,291.85	2,500.00	600.00	13,391.85
380612.01	1934 Metro, LLC	1	Lump Sum	8,424.00	1,126.00	169.00	9,719.00	10,291.85	2,500.00	600.00	13,391.85
380612.01	1935 Metro, LLC	1	Lump Sum	8,424.00	1,126.00	169.00	9,719.00	10,291.85	2,500.00	600.00	13,391.85
380612.01	1936 Metro, LLC	1	Lump Sum	8,424.00	1,126.00	169.00	9,719.00	10,291.85	2,500.00	600.00	13,391.85
380612.01	1937 Metro, LLC	1	Lump Sum	9,742.00	1,126.00	169.00	11,037.00	10,291.85	2,500.00	600.00	13,391.85
380612.01	1938 Metro, LLC	1	Lump Sum	6,472.00	1,126.00	169.00	7,767.00	10,291.85	2,500.00	600.00	13,391.85
380612.01	1939 Metro, LLC	1	Lump Sum	6,472.00	1,126.00	169.00	7,767.00	10,291.85	2,500.00	600.00	13,391.85
380612.01	1940 Metro, LLC	1	Lump Sum	15,146.00	1,126.00	169.00	16,441.00	10,291.85	2,500.00	600.00	13,391.85
380612.01	1941 Metro, LLC	1	Lump Sum	18,155.00	1,126.00	169.00	19,450.00	10,291.85	2,500.00	600.00	13,391.85
380612.01	1942 Metro, LLC	1	Lump Sum	8,424.00	1,126.00	169.00	9,719.00	10,291.85	2,500.00	600.00	13,391.85
380612.01	1943 Metro, LLC	1	Lump Sum	8,424.00	1,126.00	169.00	9,719.00	10,291.85	2,500.00	600.00	13,391.85
380612.01	1944 Metro, LLC	1	Lump Sum	8,424.00	1,126.00	169.00	9,719.00	10,291.85	2,500.00	600.00	13,391.85
380612.01	1945 Metro, LLC	1	Lump Sum	8,424.00	1,126.00	169.00	9,719.00	10,291.85	2,500.00	600.00	13,391.85
380612.01	1946 Metro, LLC	1	Lump Sum	9,742.00	1,126.00	169.00	11,037.00	10,291.85	2,500.00	600.00	13,391.85
380612.01	1947 Metro, LLC	1	Lump Sum	6,472.00	1,126.00	169.00	7,767.00	10,291.85	2,500.00	600.00	13,391.85
380612.01	1948 Metro, LLC	1	Lump Sum	15,138.00	1,126.00	169.00	16,433.00	10,291.85	2,500.00	600.00	13,391.85
				Subtotal	\$306,182.00	Subtotal	\$361,579.95				
				Allowance for Structural, HVAC, Electrical Repairs Building and Utility Permits and Fees	45,000.00	Allowance for Structural, HVAC, Electrical Repairs Building and Utility Permits and Fees	27,000.00				
				Allowance for 150 Required T-Shirts	2,550.00	Allowance for 150 Required T-Shirts	2,550.00				
				TOTAL BID	\$380,732.00	TOTAL BID	\$436,129.95				

Xing Inc. 8880 Gainsborough Ave., San Diego, CA 92129 State National Insurance Company, Inc.		G & G Specialty Contractors, Inc. 4833 S. 36th Street, Phoenix, AZ 85040 Hartford Fire Insurance Company					
General Construction (In Figures)	HVAC Construction (In Figures)	Electrical Construction (In Figures)	TOTAL (In Figures)	General Construction (In Figures)	HVAC Construction (In Figures)	Electrical Construction (In Figures)	TOTAL (In Figures)
10,937.68	2,425.11	706.43	14,069.22	17,562.00	2,089.00	525.00	20,176.00
10,937.68	2,425.11	706.43	14,069.22	10,585.00	2,089.00	525.00	13,199.00
10,937.68	2,425.11	706.43	14,069.22	10,585.00	2,089.00	525.00	13,199.00
10,937.68	2,425.11	706.43	14,069.22	12,196.00	2,089.00	525.00	14,810.00
10,937.68	2,425.11	706.43	14,069.22	12,206.00	2,089.00	525.00	14,820.00
10,937.68	2,425.11	706.43	14,069.22	7,650.00	2,089.00	525.00	10,264.00
10,937.68	2,425.11	706.43	14,069.22	7,650.00	2,089.00	525.00	10,264.00
10,937.68	2,425.11	706.43	14,069.22	19,878.00	2,089.00	525.00	22,492.00
10,937.68	2,425.11	706.43	14,069.22	16,892.00	2,089.00	525.00	19,506.00
10,937.68	2,425.11	706.43	14,069.22	10,420.00	2,089.00	525.00	13,034.00
10,937.68	2,425.11	706.43	14,069.22	10,420.00	2,089.00	525.00	13,034.00
10,937.68	2,425.11	706.43	14,069.22	11,665.00	2,089.00	525.00	14,479.00
10,937.68	2,425.11	706.43	14,069.22	10,921.00	2,089.00	525.00	13,535.00
10,937.68	2,425.11	706.43	14,069.22	7,567.00	2,089.00	525.00	10,181.00
10,937.68	2,425.11	706.43	14,069.22	7,567.00	2,089.00	525.00	10,181.00
10,937.68	2,425.11	706.43	14,069.22	19,126.00	2,089.00	525.00	21,740.00
10,937.68	2,425.11	706.43	14,069.22	16,892.00	2,089.00	525.00	19,506.00
10,937.68	2,425.11	706.43	14,069.22	10,420.00	2,089.00	525.00	13,034.00
10,937.68	2,425.11	706.43	14,069.22	10,420.00	2,089.00	525.00	13,034.00
10,937.68	2,425.11	706.43	14,069.22	11,665.00	2,089.00	525.00	14,479.00
10,937.68	2,425.11	706.43	14,069.22	11,091.00	2,089.00	525.00	13,705.00
10,937.68	2,425.11	706.43	14,069.22	7,567.00	2,089.00	525.00	10,181.00
10,937.68	2,425.11	706.43	14,069.22	7,567.00	2,089.00	525.00	10,181.00
5,550.74	2,425.11	706.43	8,682.28	19,133.00	2,089.00	525.00	21,747.00
Subtotal			\$374,492.00	Subtotal			390,048.00
Allowance for Structural, HVAC, Electrical Repairs Building and Utility Permits and Fees			45,000.00	Allowance for Structural, HVAC, Electrical Repairs Building and Utility Permits and Fees			45,000.00
Allowance for 150 Required T-Shirts			2,550.00	Allowance for 150 Required T-Shirts			2,550.00
TOTAL BID			\$449,032.00	TOTAL BID			\$464,598.00

RESOLUTION NO. 2013-0050

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY AWARDING A CONTRACT TO NUERA CONTRACTING & CONSULTING LP, IN THE AMOUNT OF \$380,732, FOR PHASE 6, GROUP 12A, PROJECT NO. 380612A, OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY'S QUIETER HOME PROGRAM

WHEREAS, the San Diego County Regional Airport Authority ("Authority") has established a residential sound insulation program, known as the Quieter Home Program ("Program") to reduce aircraft noise levels in the homes of residents living within the highest noise-impacted neighborhoods surrounding San Diego International Airport; and

WHEREAS, Phase 6, Group 12A, of the Program will include installation of new acoustical windows, doors, insulation, and ventilation improvements to reduce aircraft-related noise levels inside the homes; and

WHEREAS, Phase 6, Group 12A, of the Program provides sound attenuation to 27 east side, non-historic units on one multi-family property; and

WHEREAS, the Authority issued a Bid Solicitation Package for Phase 6, Group 12A, on April 2, 2013; and

WHEREAS, on May 2, 2013, the Authority opened sealed bids received in response to the Bid Solicitation Package; and

WHEREAS, the apparent low bidder, Nuera Contracting & Consulting LP, submitted a bid of \$380,732; and the Authority's staff has duly considered the bid and has determined Nuera Contracting & Consulting LP is responsible and that its bid is responsive in all material respects; and

WHEREAS, the San Diego County Regional Airport Authority Board ("Board") believes that it is in the best interest of the Authority and the public that it serves to award Nuera Contracting & Consulting LP, the lowest bidder, the contract for Phase 6, Group 12A, upon the terms and conditions set forth in the Bid Solicitation Package.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby awards a contract to Nuera Contracting & Consulting LP, in the amount of \$380,732, for Phase 6, Group 12A, Project No. 380612A, of the San Diego County Regional Airport Authority's Quieter Home Program; and

BE IT FURTHER RESOLVED that the Authority's President/CEO or designee is hereby authorized to execute and deliver such contract to Nuera Contracting & Consulting LP; and

BE IT FURTHER RESOLVED that the Authority and its officers, employees, and agents are hereby authorized, empowered, and directed to do and perform all such acts as may be necessary or appropriate in order to effectuate fully the foregoing; and

BE IT FURTHER RESOLVED that the Board of the San Diego County Regional Airport Authority FINDS that this is a "project" as defined by the California Environmental Quality Act ("CEQA"), Pub. Res. Code Section 21065; and is a "development," as defined by the California Coastal Act, Pub. Res. Code Section 30106 and that the individual Quieter Home Program projects are categorically exempt from the CEQA under Cal. Code Regs. Section 15301(f), "Existing Facilities," and are exempt from coastal permit requirements under Pub. Res. Code Sections 30610(a) and 30610(b) and 14 Cal. Code Regs. Section 13250 and 13253.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6TH day of June, 2013, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL



**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT**

Item No.

14

Meeting Date: **JUNE 6, 2013**

Subject:

Award a Contract to Nuera Contracting & Consulting LP, for Quieter Home Program Phase 6, Group 12B (22 East Side and four West Side, Non-Historic Multi and Single Family Properties)

Recommendation:

Adopt Resolution No. 2013-0051, awarding a contract to Nuera Contracting & Consulting LP, in the amount of \$507,470.30 for Phase 6, Group 12B, Project No. 380612B, of the San Diego County Regional Airport Authority's ("Authority's") Quieter Home Program.

Background/Justification:

The Quieter Home Program ("Program") provides sound attenuation treatment to residences within the highest noise-impacted neighborhoods surrounding San Diego International Airport ("SDIA"). The Phase 6, Group 12B, project includes installation of new acoustical windows, doors, insulation, and ventilation improvements to reduce aircraft-related noise levels inside the homes. This project will provide sound attenuation to 22 east side and four west side, non-historic multi and single family properties (refer to the blue and white boundary areas of Attachment A).

To date, the Program has completed 2,597 residences, of which 659 are historic and 1,938 are non-historic; 1,657 residences are located west of SDIA and 940 are located east of SDIA.

Project No. 380612B was advertised on April 9, 2013, and bids were opened on May 9, 2013. The following bids were received (refer to Attachment B):

Company	Total Bid
Nuera Contracting & Consulting LP	\$507,470.30
G&G Specialty Contractors, Inc.	\$605,826.00
Martinez Adams Builders	\$669,986.74

The Engineer's estimate is \$565,785.

The low bid of \$507,470.30 is considered responsive, and Nuera Contracting & Consulting LP is considered responsible. Award to Nuera Contracting & Consulting LP is, therefore, recommended in the amount of \$507,470.30.

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Fiscal Impact:

Adequate funds for FY2013 and FY2014 expenditures under the Nuera Contracting & Consulting LP contract, are included within the operating budget in the Authority's Quieter Home Program. Sources of funding include federal Airport Improvement Program grants and Passenger Facility Charges.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. This Board action is a "project" subject to the California Environmental Quality Act ("CEQA"), Pub. Res. Code Section 21065. The individual projects under the Quieter Home Program are part of a class of projects that are categorically exempt from CEQA: 14 Cal. Code Regs. Section 15301 – "Existing Facilities: Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination."
- B. This Board action is a "development" as defined by the California Coastal Act, Pub. Res. Code Section 30106. The individual projects under the Quieter Home Program will consist of treatments to single-family and multi-family dwellings. Improvements to single-family homes are exempt from coastal permit requirements under Pub. Res. Code Section 30610(a) and 14 Cal. Code Regs. Section 13250 – "Improvements to Single-Family Residences." The proposed improvements to multi-family residences are exempt from coastal permit requirements under Pub. Res. Code Section 30610(b) and 14 Cal. Code Regs. Section 13253 – "Improvements to Structures Other than Single-Family Residences and Public Works Facilities that Require Permits."

Equal Opportunity Program:

The Authority's small business program promotes the use of small, local, disadvantaged, and other business enterprises, on all contracts, to provide equal opportunity for qualified firms. By providing education programs, making resources available, and communicating through effective outreach, the Authority strives for diversity in all contracting opportunities.

The Authority has a Disadvantaged Business Enterprise ("DBE") Plan as required by the Department of Transportation, 49 CFR Part 26. The DBE Plan calls for the Authority to submit an annual overall goal for DBE participation on all federally funded projects.

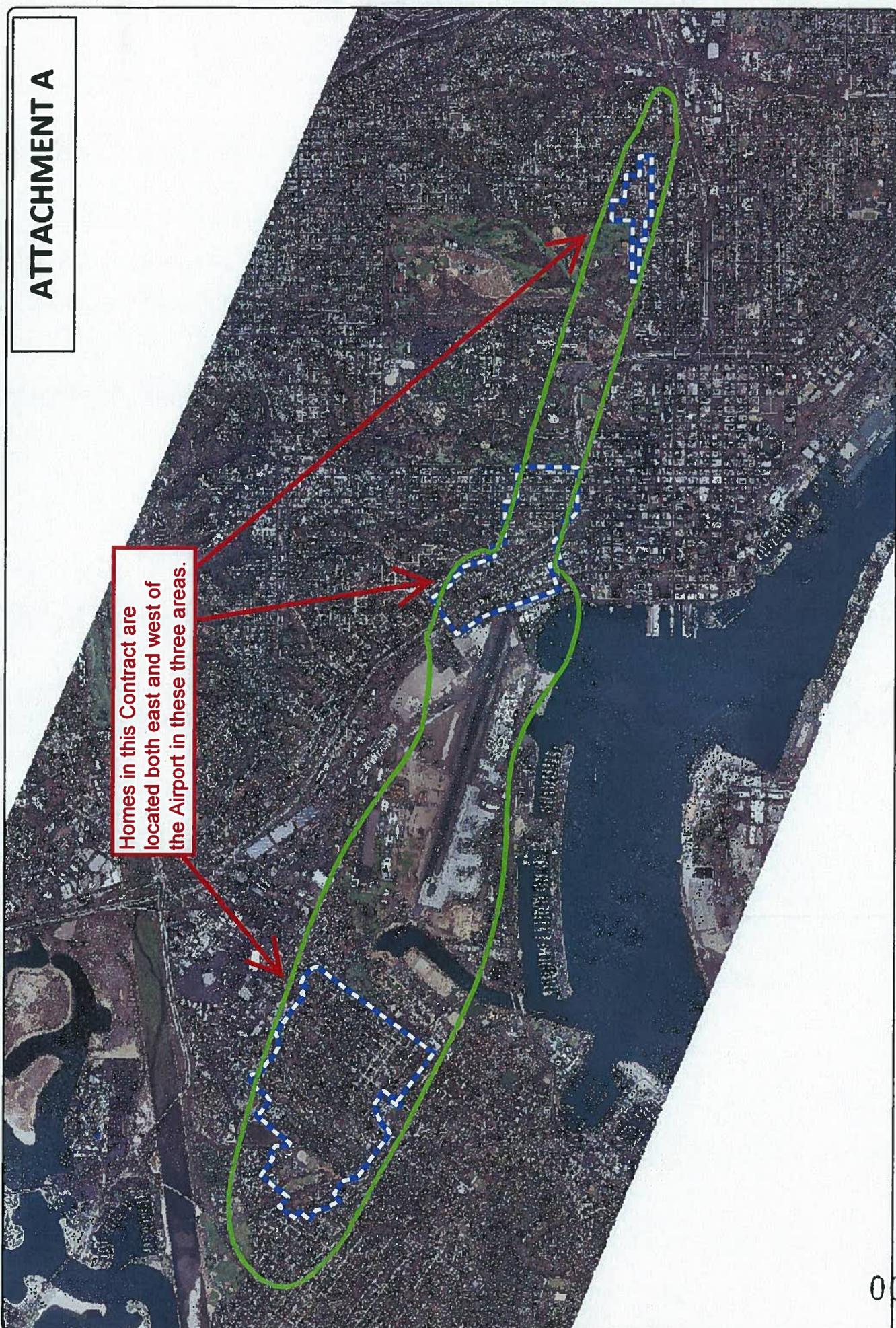
This project utilizes federal funds; therefore, it will be applied toward the Authority's overall DBE goal. Nuera Contracting & Consulting LP is proposing 1.8% DBE participation on QHP Phase 6, Group 12B.

Prepared by:

DAN FRAZEE
DIRECTOR, AIRPORT NOISE MITIGATION

ATTACHMENT A

Homes in this Contract are located both east and west of the Airport in these three areas.



00 44

Map Notes:
Staff Report Attachment A

1 inch = 3,896 feet

Land Use - SanGIS 2/07
 Single-Family Residential
 Multi-Family Residential
 Condominiums

QHP Completed
 QHP Ineligible
 County Parcel

67 dB Boundary
 65 dB CNEL Contour
 Address Point

San Diego County Regional Airport Authority
 Quieter Home Program
 Project 380612B

SPECIFICATION NO. 380612B

TABULATION OF BIDS

ATTACHMENT B

TITLE: QUIETER HOME PROGRAM PROJECT NO. 380612B
 BIDS OPENED: May 9, 2013, 2:00 p.m.
 ENGINEER'S ESTIMATE: \$665,785.00

CONTRACTOR:		Nuera Contracting & Consulting LP		G&G Specialty Contractors, Inc.		Martinez Adams Builders Inc.									
ADDRESS:		12875 Brookprinter Place, Suite 160, Poway, CA 92064		4633 S. 36th Street, Phoenix, AZ 85040		7710 Balboa Ave., Ste. 328, San Diego, CA 92111									
GUARANTEE OF GOOD FAITH:		State National Insurance Company, Inc.		Hardford Fire Insurance Company		American Safety Casualty Insurance Co.									
Res No.	Bid Item Number	Dwelling Units	Unit of Measure	General Construction (In Figures)	HVAC Construction (In Figures)	Electrical Construction (In Figures)	TOTAL (In Figures)	General Construction (In Figures)	HVAC Construction (In Figures)	Electrical Construction (In Figures)	TOTAL (In Figures)	General Construction (In Figures)	HVAC Construction (In Figures)	Electrical Construction (In Figures)	TOTAL (In Figures)
380612.02	Columbia Street Partners 2154 Columbia St.	1	Lump Sum	24,640.00	1,698.00	640.00	36,978.00	27,667.00	8,039.00	1,150.00	36,856.00	17,651.15	7,980.14	1,150.00	26,781.29
380612.03	Ferro 2230 Albatross St., Apt 1	1	Lump Sum	10,087.65	1,054.00	107.00	11,248.65	13,594.00	2,131.00	425.00	16,150.00	17,651.15	2,383.55	425.00	20,459.70
380612.03	Ferro 2231 Albatross St., Apt 2	1	Lump Sum	10,087.65	1,054.00	107.00	11,248.65	13,594.00	2,131.00	425.00	16,150.00	17,651.15	2,383.55	425.00	20,459.70
380612.03	Ferro 2232 Albatross St., Apt 3	1	Lump Sum	6,385.66	1,054.00	107.00	7,546.66	10,020.00	2,131.00	425.00	12,576.00	17,651.15	2,383.55	425.00	20,459.70
380612.03	Ferro 2233 Albatross St., Apt 4	1	Lump Sum	6,479.09	1,054.00	107.00	7,640.09	10,020.00	2,131.00	425.00	12,576.00	17,651.15	2,383.55	425.00	20,459.70
380612.03	Ferro 2234 Albatross St., Apt 5	1	Lump Sum	5,231.63	1,054.00	107.00	6,392.63	8,941.00	2,131.00	425.00	11,497.00	17,651.15	2,383.55	425.00	20,459.70
380612.03	Ferro 2235 Albatross St., Apt 6	1	Lump Sum	6,147.02	1,054.00	107.00	7,308.02	10,020.00	2,131.00	425.00	12,576.00	17,651.15	2,383.55	425.00	20,459.70
380612.03	Ferro 2236 Albatross St., Apt 7	1	Lump Sum	7,216.46	1,054.00	107.00	8,377.46	10,766.00	2,131.00	425.00	13,322.00	17,651.15	2,383.55	425.00	20,459.70
380612.03	Ferro 2237 Albatross St., Apt 8	1	Lump Sum	7,216.46	1,054.00	107.00	8,377.46	10,779.00	2,131.00	505.00	13,415.00	17,651.15	2,383.55	425.00	20,459.70
380612.03	Ferro 2238 Albatross St., Apt 9	1	Lump Sum	10,087.65	1,054.00	107.00	11,248.65	13,594.00	2,131.00	425.00	16,150.00	17,651.15	2,383.55	425.00	20,459.70
380612.03	Ferro 2239 Albatross St., Apt 10	1	Lump Sum	10,087.65	1,054.00	107.00	11,248.65	13,594.00	2,131.00	425.00	16,150.00	17,651.15	2,383.55	425.00	20,459.70
380612.03	Ferro 2240 Albatross St., Apt 11	1	Lump Sum	6,385.66	1,054.00	107.00	7,546.66	10,020.00	2,131.00	425.00	12,576.00	17,651.15	2,383.55	425.00	20,459.70
380612.03	Ferro 2241 Albatross St., Apt 12	1	Lump Sum	6,479.09	1,054.00	107.00	7,640.09	10,020.00	2,131.00	425.00	12,576.00	17,651.15	2,383.55	425.00	20,459.70
380612.03	Ferro 2242 Albatross St., Apt 13	1	Lump Sum	6,147.02	1,054.00	107.00	7,308.02	10,020.00	2,131.00	425.00	12,576.00	17,651.15	2,383.55	425.00	20,459.70
380612.03	Ferro 2243 Albatross St., Apt 14	1	Lump Sum	7,216.46	1,054.00	107.00	8,377.46	10,766.00	2,131.00	425.00	13,322.00	17,651.15	2,383.55	425.00	20,459.70
380612.03	Ferro 2244 Albatross St., Apt 15	1	Lump Sum	7,216.46	1,054.00	107.00	8,377.46	10,766.00	2,131.00	425.00	13,322.00	17,651.15	2,383.55	425.00	20,459.70
380612.03	Ferro 2245 Albatross St., Apt 16	1	Lump Sum	7,216.46	1,054.00	107.00	8,377.46	10,766.00	2,131.00	425.00	13,322.00	17,651.15	2,383.55	425.00	20,459.70
380612.03	Ferro 2246 Albatross St., Apt 17	1	Lump Sum	6,248.77	1,054.00	107.00	7,407.77	10,298.00	2,131.00	425.00	12,854.00	17,651.15	2,383.55	425.00	20,459.70
380612.03	Ferro 2247 Albatross St., Apt 18	1	Lump Sum	4,687.44	1,054.00	107.00	5,848.44	8,428.00	2,131.00	505.00	11,064.00	17,651.15	2,383.55	505.00	20,539.70
380612.03	Ferro 2248 Albatross St., Apt 19	1	Lump Sum	7,279.59	1,054.00	107.00	8,440.59	10,822.00	2,131.00	425.00	13,378.00	17,651.15	2,383.55	425.00	20,459.70
380612.03	Ferro 2249 Albatross St., Apt 20	1	Lump Sum	7,279.59	1,054.00	107.00	8,440.59	10,822.00	2,131.00	425.00	13,378.00	17,651.15	2,383.55	425.00	20,459.70
380612.06	Gonselves 3601 Kinsley St.	1	Lump Sum	26,052.13	15,480.00	2,240.00	43,772.13	29,644.00	8,039.00	2,690.00	40,373.00	17,651.15	7,980.14	2,690.00	28,321.29
380612.06	Stump 2966 B St.	1	Lump Sum	23,702.00	9,343.00	2,240.00	35,285.00	28,283.00	8,039.00	2,485.00	36,807.00	17,651.15	7,980.14	2,485.00	28,116.29
380612.07	Vrissimo 3009 Sewille St.	1	Lump Sum	36,552.53	14,064.00	2,240.00	52,858.53	41,519.00	8,039.00	2,565.00	52,123.00	17,651.15	7,980.14	2,565.00	28,196.29
380612.08	Wilcoxen 3645 Alcott St.	1	Lump Sum	28,508.23	11,733.00	2,240.00	42,481.23	36,941.00	8,039.00	2,565.00	47,545.00	17,651.15	7,980.14	2,565.00	28,196.29
380612.08	Brinkman 3751 Leland St.	1	Lump Sum	17,470.39	16,105.00	640.00	34,215.39	18,436.00	8,039.00	965.00	27,440.00	17,651.15	7,980.14	965.00	26,596.29
				Subtotal	\$412,920.30			Subtotal			\$511,276.00	Subtotal			\$575,436.74
				Allowance for Structural, HVAC, Electrical Building and Utility Permits and Fees	65,000.00			Allowance for Structural, HVAC, Electrical Building and Utility Permits and Fees			65,000.00	Allowance for Structural, HVAC, Electrical Building and Utility Permits and Fees			65,000.00
				Allowance for 150 Required T-Shirts	2,550.00			Allowance for 150 Required T-Shirts			2,550.00	Allowance for 150 Required T-Shirts			2,550.00
				TOTAL BID	\$507,470.30			TOTAL BID			\$605,826.00	TOTAL BID			\$669,986.74

RESOLUTION NO. 2013-0051

A RESOLUTION OF THE BOARD OF THE
SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY AWARDING A CONTRACT TO NUERA
CONTRACTING & CONSULTING LP, IN THE
AMOUNT OF \$507,470.30 FOR PHASE 6, GROUP
12B, PROJECT NO. 380612B, OF THE SAN DIEGO
COUNTY REGIONAL AIRPORT AUTHORITY'S
QUIETER HOME PROGRAM

WHEREAS, the San Diego County Regional Airport Authority ("Authority") has established a residential sound insulation program, known as the Quieter Home Program ("Program") to reduce aircraft noise levels in the homes of residents living within the highest noise-impacted neighborhoods surrounding San Diego International Airport; and

WHEREAS, Phase 6, Group 12B, of the Program will include installation of new acoustical windows, doors, insulation, and ventilation improvements to reduce aircraft-related noise levels inside the homes; and

WHEREAS, Phase 6, Group 12B, of the Program provides sound attenuation to 22 east side and four west side, non-historic multi and single family properties; and

WHEREAS, the Authority issued a Bid Solicitation Package for Phase 6, Group 12B, on April 9, 2013; and

WHEREAS, on May 9, 2013, the Authority opened sealed bids received in response to the Bid Solicitation Package; and

WHEREAS, the apparent low bidder, Nuera Contracting & Consulting LP, submitted a bid of \$507,470.30; and the Authority's staff has duly considered the bid and has determined Nuera Contracting & Consulting LP is responsible and that its bid is responsive in all material respects; and

WHEREAS, the San Diego County Regional Airport Authority Board ("Board") believes that it is in the best interest of the Authority and the public that it serves to award Nuera Contracting & Consulting LP, the lowest bidder, the contract for Phase 6, Group 12B, upon the terms and conditions set forth in the Bid Solicitation Package.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby awards a contract to Nuera Contracting & Consulting LP, in the amount of \$507,470.30, for Phase 6, Group 12B, Project No. 380612B, of the San Diego County Regional Airport Authority's Quieter Home Program; and

BE IT FURTHER RESOLVED that the Authority's President/CEO or designee is hereby authorized to execute and deliver such contract to Nuera Contracting & Consulting LP; and

BE IT FURTHER RESOLVED that the Authority and its officers, employees, and agents are hereby authorized, empowered, and directed to do and perform all such acts as may be necessary or appropriate in order to effectuate fully the foregoing; and

BE IT FURTHER RESOLVED that the Board of the San Diego County Regional Airport Authority FINDS that this is a "project" as defined by the California Environmental Quality Act ("CEQA"), Pub. Res. Code Section 21065; and is a "development," as defined by the California Coastal Act, Pub. Res. Code Section 30106 and that the individual Quieter Home Program projects are categorically exempt from the CEQA under Cal. Code Regs. Section 15301(f), "Existing Facilities," and are exempt from coastal permit requirements under Pub. Res. Code Sections 30610(a) and 30610(b) and 14 Cal. Code Regs. Section 13250 and 13253.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6TH day of June, 2013, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

000147



SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT

Item No.

15

Meeting Date: **JUNE 6, 2013**

Subject:

Approve and Authorize the President/CEO to Execute a First Amendment to the On-Call Mechanical and Electrical Consultant Services Agreement with PBS Engineers, Inc.

Recommendation:

Adopt Resolution No. 2013-0052, approving and authorizing the President/CEO to execute a First Amendment to the agreement with PBS Engineers, Inc., extending the term of the agreement by one year, to expire on July 31, 2014, to provide on-call professional mechanical and electrical consultant services for Capital Improvement and Major Maintenance projects.

Background/Justification:

The San Diego County Regional Airport Authority ("Authority") currently has an agreement with PBS Engineers, Inc. ("PBS") to provide on-call professional mechanical and electrical consultant services for Capital Improvement and Major Maintenance projects. The existing agreement commenced on August 2, 2010 and will expire on July 31, 2013. Authority staff proposes extending the term of the existing agreement by one year in order to maintain consistency and uniformity in design and administration of large, ongoing airport construction projects.

The existing agreement has a maximum on-call capacity of \$1,000,000. Because approximately 90% of the total funding for the existing agreement remains unexpended, no additional funds are requested for the extended term of the agreement. In addition, the compensation terms and conditions will remain the same.

Fiscal Impact:

Funds for the On-Call Mechanical and Electrical Consultant Services Agreement will be utilized by projects included in the proposed Authority FY2014-2018 Capital Improvement Program and Major Maintenance budgets. The funding source for capital projects is dependent on the project utilizing the on-call services and includes, but is not limited to, Federal Entitlement and Discretionary Grants, Passenger Facility Charges, Commercial Paper, Airport Cash, Customer Facility Charges, and General Airport Revenue bonds. The financial source for Major Maintenance projects is the Facilities Development operating budget, within the Major Maintenance line item.

000148

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. This San Diego County Regional Airport Authority Board ("Board") action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended, 14 Cal. Code Regs. Section 15378. This Board action is not a "project" subject to CEQA. Pub. Res. Code Section 21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act Pub. Res. Code Section 30106.

Equal Opportunity Program:

The Authority's small business program promotes the utilization of small, local, disadvantaged, and other business enterprises, on all contracts, to provide equal opportunity for qualified firms. By providing education programs, making resources available, and communicating through effective outreach, the Authority strives for diversity in all contracting opportunities.

The Authority has a Disadvantaged Business Enterprise ("DBE") Plan as required by the Department of Transportation, 49 CFR Part 26. The DBE Plan calls for the Authority to submit an annual overall goal for DBE participation on all federally funded projects.

PBS Engineers, Inc., is a certified DBE. From time to time this project will utilize federal funds; in those situations their participation will be applied toward the Authority's overall DBE goal.

Prepared by:

IRAJ GHAEMI
DIRECTOR, FACILITIES DEVELOPMENT

RESOLUTION NO. 2013-0052

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, APPROVING AND AUTHORIZING THE PRESIDENT/CEO TO EXECUTE A FIRST AMENDMENT TO THE AGREEMENT WITH PBS ENGINEERS, INC., EXTENDING THE TERM OF THE AGREEMENT BY ONE YEAR, TO EXPIRE ON JULY 31, 2014, TO PROVIDE ON-CALL PROFESSIONAL MECHANICAL AND ELECTRICAL CONSULTANT SERVICES FOR CAPITAL IMPROVEMENT AND MAJOR MAINTENANCE PROJECTS

WHEREAS, the San Diego County Regional Airport Authority ("Authority") currently has an agreement with PBS Engineers, Inc. ("PBS") to provide on-call professional mechanical and electrical consultant services for Capital Improvement and Major Maintenance Projects; and

WHEREAS, the existing agreement commenced on August 2, 2010 and will expire on July 31, 2013; and

WHEREAS, Authority staff proposes extending the term of the existing agreement by one year in order to maintain consistency and uniformity in design and administration of large, ongoing airport construction projects; and

WHEREAS, approximately ninety percent (90%) of the funding in the agreement remains unexpended; therefore, no additional funds are requested for the extended term of the existing agreement; and

WHEREAS, the agreement's compensation terms and conditions will remain the same; and

WHEREAS, this request is to extend the term of the existing agreement by one year to continue to provide on-call professional mechanical and electrical engineering consultant services to support Capital Improvement and Major Maintenance projects.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves and authorizes the President/CEO to execute a First Amendment to the agreement with PBS Engineers, Inc., extending the term of the agreement by one year to expire on July 31, 2014, to provide professional on-call mechanical and electrical consultant services for Capital Improvement and Major Maintenance projects; and

BE IT FURTHER RESOLVED that the Authority and its officers, employees, and agents hereby are authorized, empowered, and directed to do and perform all such acts as may be necessary or appropriate in order to fully effectuate the foregoing resolution; and

BE IT FURTHER RESOLVED that the Board finds that this Board action, as an administrative action, is not a "project" that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA); as amended, 14 Cal. Code Regs. §15378; and this Board action is not a "project" subject to CEQA. Pub. Res. Code §21065, and is not a "development" as defined by the California Coastal Act Pub. Res. Code §30106.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6TH day of June, 2013, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

000151



**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT**

**Item No.
16**

Meeting Date: **JUNE 6, 2013**

Subject:

Approve and Authorize the President/CEO to Execute a Second Amendment to the On-Call Survey and Civil Engineering Consultant Services Agreement with Nolte Associates, Inc.

Recommendation:

Adopt Resolution No. 2013-0053, approving and authorizing the President/CEO to execute a Second Amendment to the agreement with Nolte Associates, Inc., extending the term of the agreement by one (1) year, to expire on October 1, 2014, to provide on-call professional survey and civil engineering consultant services for Capital Improvement and Major Maintenance projects.

Background/Justification:

The San Diego County Regional Airport Authority ("Authority") currently has an agreement with Nolte Associates, Inc. ("Nolte") to provide on-call professional survey and civil engineering consultant services for Capital Improvement and Major Maintenance projects. This agreement commenced May 3, 2010 and had an original expiration date of October 1, 2012. On September 6, 2012 the Board authorized a first amendment to the agreement extending the term one (1) year resulting in a termination date of October 1, 2013 [Resolution No. 2012-0098]. In order to maintain consistency and uniformity in design and administration of large, ongoing airport construction projects, staff proposes extending the term by one (1) additional year. Nolte is currently working on the following listed major capital improvement projects that require professional survey and civil engineering consulting services:

- Project 104056 – Expand Terminal 2 East Facilities
- Project 104118 – North Side Interior Road Utilities
- Project 104159 – Fixed Based Operator ("FBO") Demolition

The existing agreement has a maximum on-call capacity of \$2,500,000. Because approximately 47% of the total funding for the existing agreement remains, no additional funds are requested for the proposed extended term of the agreement. In addition, the compensation terms and conditions will remain the same.

000152

Fiscal Impact:

Funds for the On-Call Mechanical and Electrical Consultant Services Agreement will be utilized by projects included in the proposed Authority FY2014-2018 Capital Improvement Program and Major Maintenance budgets. The funding source for capital projects is dependent on the project utilizing the on-call services and includes, but is not limited to, Federal Entitlement and Discretionary Grants, Passenger Facility Charges, Commercial Paper, Airport Cash, Customer Facility Charges, and General Airport Revenue bonds. The financial source for Major Maintenance projects is the Facilities Development operating budget, within the Major Maintenance line item.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended, 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act Pub. Res. Code §30106.

Equal Opportunity Program:

Not Applicable

Prepared by:

IRAJ GHAEMI
DIRECTOR, FACILITIES DEVELOPMENT

RESOLUTION NO. 2013-0053

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, APPROVING AND AUTHORIZING THE PRESIDENT/CEO TO EXECUTE A SECOND AMENDMENT TO THE AGREEMENT WITH NOLTE ASSOCIATES, INC., EXTENDING THE TERM OF THE AGREEMENT BY ONE (1) YEAR TO EXPIRE ON OCTOBER 1, 2014, TO PROVIDE ON-CALL PROFESSIONAL SURVEY AND CIVIL ENGINEERING CONSULTANT SERVICES FOR CAPITAL IMPROVEMENT AND MAJOR MAINTENANCE PROJECTS

WHEREAS, on May 3, 2010 the San Diego County Regional Airport Authority ("Authority") awarded an agreement to Nolte Associates, Inc. ("Nolte") to provide on-call professional survey and civil engineering consultant services for Capital Improvement and Major Maintenance projects for a term expiring October 1, 2012; and

WHEREAS, the agreement with Nolte provides for on-call professional survey and civil engineering services for Capital Improvement and Major Maintenance projects; and

WHEREAS, the Board authorized a first amendment to the agreement extending the term for one (1) year resulting in a termination date of October 1, 2013; and

WHEREAS, extending the existing the agreement by an additional one (1) year will allow Nolte to provide the necessary support for the Authority's ongoing Capital Improvement and Major Maintenance projects; and

WHEREAS, approximately forty-seven percent (47%) of the funding in the agreement remains unexpended; therefore, no additional funds are requested for the extended term of the existing agreement; and

WHEREAS, the agreement's compensation terms and conditions will remain the same.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves and authorizes the President/CEO to execute a Second Amendment to the agreement with Nolte Associates, Inc., extending the term of the agreement by one (1) year to expire on October 1, 2014, to provide on-call professional survey and civil engineering consultant services for Capital Improvement and Major Maintenance projects; and

BE IT FURTHER RESOLVED that the Authority and its officers, employees, and agents hereby are authorized, empowered, and directed to do and perform all such acts as may be necessary or appropriate in order to fully effectuate the foregoing resolution; and

BE IT FURTHER RESOLVED that the Board finds that this Board action, as an administrative action, is not a "project" that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA); is not a "development" as defined by the California Coastal Act Pub. Res. Code §30106, and exempt from coastal permit requirements under Pub. Res. Code §30610(b) and 14 Cal. Code Regs. §13253.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6TH day of June, 2013, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

000155



**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT**

**Item No.
17**

Meeting Date: **JUNE 6, 2013**

Subject:

Award a Contract to Hazard Construction Company, to Construct San Park 2 Pacific Highway North at San Diego International Airport

Recommendation:

Adopt Resolution No. 2013-0054, awarding a contract to Hazard Construction Company, in the amount of \$8,639,836.50, for Project No. 104146, to Construct San Park 2 Pacific Highway North at San Diego International Airport.

Background/Justification:

This project will relocate the existing Pacific Highway parking lot (known as "San Park Pacific Highway") from its present location to the northwest corner of the former General Dynamics property. (See Attachment A.)

Over the next two years, the lot will be relocated to accommodate development of the Rental Car Center and the Fixed Base Operator ("FBO") facility. Construction operations are currently ongoing to clear a portion of the San Park Pacific Highway site to allow the FBO development to commence. The new lot will provide approximately 1,967 parking stalls.

This contract was advertised on April 16, 2013, and sealed bids were opened on May 21, 2013. The following bids were received (see Attachment B):

Company	Total Bid
Hazard Construction Company	\$8,639,836.50
West Coast General Corporation	\$8,848,943.20
PAL General Engineering Inc.	\$8,874,736.50
Granite Construction Co.	\$8,982,257.40
Marathon General Inc.	\$9,048,037.20
Flatiron West, Inc.	\$9,301,148.60
PCI Portillo Concrete Inc.	\$9,620,305.21
Stronghold Engineering Inc.	\$9,727,000
USS CAL Builders, Inc.	\$11,708,871.01

Engineer's estimate is \$10,988,176 (See Attachment B).

The requirements of Board Policy 5.14 ("Policy 5.14"), small business, local business and service disabled veteran owned small business goal and preference program, were

applied to this bid solicitation. Under Policy 5.14, for purposes of determining the lowest responsible bidder, bid amounts are reduced by a maximum of \$100,000 for bidders that meet or exceed the goals established in the bid solicitation.

The lowest bidder, Hazard Construction Company ("Hazard") submitted a bid in the amount of \$8,639,536.50. After evaluation of bids, one minor mathematical error was found resulting in a correct bid amount of \$8,639,836.50. With the corrected bid amount, Hazard is still considered the lowest bidder. Hazard met the 2% Service Disabled Veteran Owned Small Business goal and did not meet the requirements of the Small Business goal of 41% that was established for this Contract. Under Policy 5.14, Hazard is entitled to the full \$100,000 contract reduction for purposes of determining the lowest bidder, and as such, remains the lowest responsive and responsible bidder.

The low bid of \$8,639,836.50, is responsive, and Hazard Construction Company, is considered responsible. Award to Hazard Construction Company, is, therefore, recommended in the amount of \$8,639,836.50.

Fiscal Impact:

Adequate funds for the contract with Hazard Construction Company are included within the proposed FY2014-2018 Capital Improvement Program Budget for Project No. 104146, San Park 2 Pacific Highway North. Sources of funding for this project include Revenue Bonds.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy
- Customer Strategy
- Employee Strategy
- Financial Strategy
- Operations Strategy

Environmental Review:

- A. The proposed San Park 2 Pacific Highway North parking facility was evaluated subject to the CEQA, Pub. Res. Code Section 21065, as a project component of the San Diego International Airport Master Plan Final Environmental Impact Report (SCH #2005091105; SDCRAA #EIR-06-01) certified May 1, 2008, and the North Side Improvements Final Supplemental Environmental Impact Report (also SCH #2005091105; SDCRAA #EIR-10-01) certified by the San Diego County Regional Airport Authority on September 1, 2011.
- B. The proposed San Park 2 Pacific Highway North parking facility will require review by the California Coastal Commission in accordance with the California Coastal Act. An application for a coastal development permit was submitted to the California Coastal Commission and a coastal development permit will be obtained prior to the construction of the proposed project.

Equal Opportunity Program:

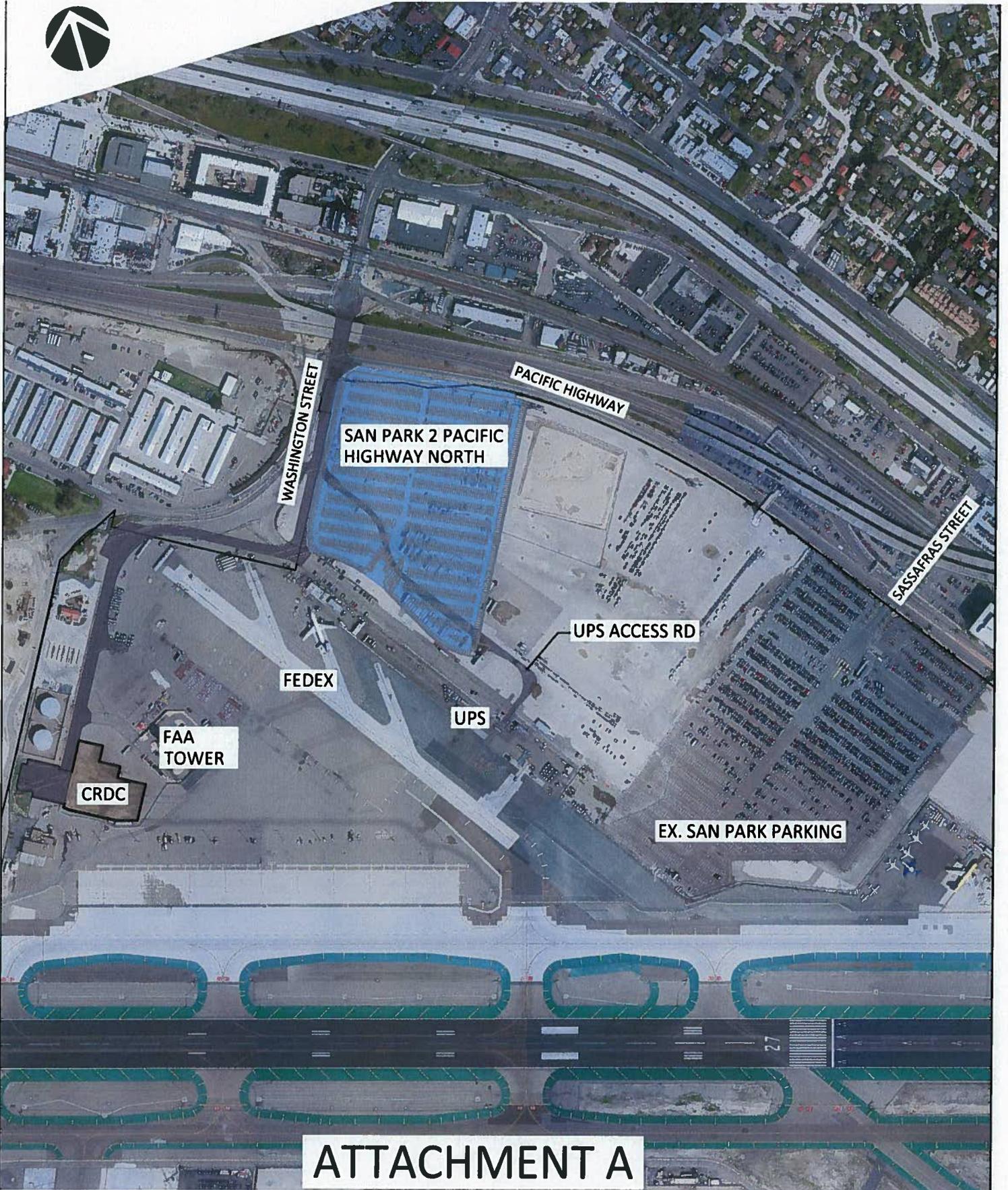
The Authority's small business program promotes the utilization of small, local, disadvantaged, and other business enterprises, on all contracts, to provide equal opportunity for qualified firms. By providing education programs, making resources available, and communicating through effective outreach, the Authority strives for diversity in all contracting opportunities.

The Authority has a Disadvantaged Business Enterprise ("DBE") Plan as required by the Department of Transportation, 49 CFR Part 26. The DBE Plan calls for the Authority to submit an annual overall goal for DBE participation on all federally funded projects.

This project does not utilize federal funds; therefore, it will not be applied toward the Authority's over-all DBE goal.

Prepared by:

IRAJ GHAEMI
DIRECTOR, FACILITIES DEVELOPMENT



ATTACHMENT A

CIP 104146 - San Park 2 Pacific Highway North
 Bid Tabulation Form

BID TABULATION
 CIP 104146 - San Park 2 Pacific Highway North

BOS OPENED: May 21, 2013 @ 3:00 PM
 ENGINEERS ESTIMATE: \$10,988,176

CONTRACTOR:

ADDRESS:

GUARANTEE OF GOOD FAITH:

Item	Title	Unit Items	Quantity	Estimated	ENGINEER'S ESTIMATE		1		2		3		4	
					Unit Cost In Figures	Total in Figures	Unit Cost In Figures	Total in Figures	Unit Cost In Figures	Total in Figures	Unit Cost In Figures	Total in Figures		
1	Machine/Drum/Installation	LS	1	\$ 222,762.26	\$ 222,762.26	\$ 224,000.00	\$ 224,000.00	\$ 135,037.00	\$ 135,037.00	\$ 226,481.00	\$ 226,481.00	\$ 175,000.00	\$ 175,000.00	
2	Traffic Control	LS	1	\$ 2,070.22	\$ 2,070.22	\$ 4,500.00	\$ 4,500.00	\$ 3,185.00	\$ 3,185.00	\$ 4,500.00	\$ 4,500.00	\$ 50,000.00	\$ 50,000.00	
3	Daily Overhead	Day	100	\$ 372,638.81	\$ 37,263,881.00	\$ 4,500.00	\$ 450,000.00	\$ 3,185.00	\$ 318,500.00	\$ 4,500.00	\$ 450,000.00	\$ 750,000.00	\$ 750,000.00	
4	Allowance for Permits and Fees (Exclude Allowance)	Allowance		\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	
5	Allowance for Unforeseen Miscellaneous	Allowance		\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	
6	Contributions from Donating	Allowance		\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	
7	Allowance for Environmental Procedures	Allowance		\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	
8	Health and Safety Plan	LS	1	\$ 50,000.00	\$ 50,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,148.00	\$ 2,148.00	\$ 2,500.00	\$ 2,500.00	\$ 5,000.00	\$ 5,000.00	
9	Soil Management Plan	LS	1	\$ 32,458.11	\$ 32,458.11	\$ 50,000.00	\$ 50,000.00	\$ 41,311.00	\$ 41,311.00	\$ 2,500.00	\$ 2,500.00	\$ 5,000.00	\$ 5,000.00	
10	2" AP & AV Valve	EA	1	\$ 1,554.02	\$ 1,554.02	\$ 4,500.00	\$ 4,500.00	\$ 4,392.00	\$ 4,392.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	
11	Countersinking, Demolishing Permits and Flow	LS	1	\$ 75,228.08	\$ 75,228.08	\$ 50,000.00	\$ 50,000.00	\$ 88,570.00	\$ 88,570.00	\$ 87,450.00	\$ 87,450.00	\$ 100,000.00	\$ 100,000.00	
12	Remove Existing AC Pavement	TON	1	\$ 260,768.06	\$ 260,768.06	\$ 2,000.00	\$ 2,000.00	\$ 21,480.00	\$ 21,480.00	\$ 15,000.00	\$ 15,000.00	\$ 5,000.00	\$ 5,000.00	
13	Remove Existing Storm Drain	TON	894	\$ 75,141.00	\$ 67,141.00	\$ 34,700.00	\$ 34,700.00	\$ 44,418.00	\$ 44,418.00	\$ 30.00	\$ 30.00	\$ 110.00	\$ 110.00	
14	Remove Chain Link Fence	LF	1,340	\$ 2.84	\$ 3,805.60	\$ 3.00	\$ 4,020.00	\$ 2.15	\$ 2,861.00	\$ 5.00	\$ 6,700.00	\$ 6.00	\$ 6,640.00	
15	Remove Existing Wall and Fence along	LF	495	\$ 13.78	\$ 6,821.10	\$ 10.00	\$ 4,950.00	\$ 4.13	\$ 2,044.35	\$ 39.00	\$ 19,305.00	\$ 8.00	\$ 3,960.00	
16	Concrete Road Utility	TON	84	\$ 748.02	\$ 62,853.68	\$ 50.00	\$ 3,500.00	\$ 107.00	\$ 8,980.00	\$ 30.00	\$ 2,520.00	\$ 700.00	\$ 58,800.00	
17	Remove Existing Miscellaneous Concrete	TON	600	\$ 3,072.00	\$ 1,843.20	\$ 25.00	\$ 1,500.00	\$ 32.00	\$ 19,200.00	\$ 1,450.00	\$ 8,700.00	\$ 11.00	\$ 6,600.00	
18	Adjust Existing Storm Drain Manholes to Grade	EA	1	\$ 592.61	\$ 592.61	\$ 500.00	\$ 500.00	\$ 537.00	\$ 537.00	\$ 700.00	\$ 700.00	\$ 800.00	\$ 800.00	
19	Washington St. - Remove Existing AC Pavement to 5' Below Existing Ground	EA	40	\$ 4,579.43	\$ 183,177.20	\$ 5,000.00	\$ 200,000.00	\$ 5,365.00	\$ 214,665.00	\$ 6,550.00	\$ 263,000.00	\$ 800.00	\$ 320,000.00	
20	Remove Existing AC Pavement to 10' Below Existing Ground	EA	40	\$ 576.31	\$ 23,052.40	\$ 40.00	\$ 1,600.00	\$ 224.00	\$ 8,960.00	\$ 700.00	\$ 28,000.00	\$ 100.00	\$ 4,000.00	
21	Remove Existing AC Pavement to 15' Below Existing Ground	EA	40	\$ 1,005.44	\$ 40,217.60	\$ 60.00	\$ 2,400.00	\$ 338.00	\$ 13,440.00	\$ 1,250.00	\$ 50,000.00	\$ 150.00	\$ 6,000.00	
22	Remove Existing AC Pavement to 15' Below Existing Ground	EA	40	\$ 3,723.25	\$ 148,930.00	\$ 140.00	\$ 5,600.00	\$ 590.00	\$ 22,400.00	\$ 2,500.00	\$ 100,000.00	\$ 250.00	\$ 10,000.00	
23	Remove Ballast Tracks	TON	45	\$ 4.41	\$ 198.45	\$ 50.00	\$ 2,500.00	\$ 428.00	\$ 1,926.00	\$ 88.00	\$ 3,704.00	\$ 140.00	\$ 6,300.00	
24	Remove ACP Pylons	TON	26	\$ 3,688.53	\$ 95,882.78	\$ 80.00	\$ 2,960.00	\$ 322.00	\$ 1,252.00	\$ 350.00	\$ 1,350.00	\$ 1,700.00	\$ 6,370.00	
25	Ballast	EA	30	\$ 663.50	\$ 19,905.00	\$ 300.00	\$ 1,980.00	\$ 574.00	\$ 17,220.00	\$ 450.00	\$ 13,500.00	\$ 300.00	\$ 9,000.00	
26	Pre-Cast Concrete Wheel Stop	EA	198	\$ 62.84	\$ 12,442.32	\$ 50.00	\$ 3,250.00	\$ 45.00	\$ 8,925.00	\$ 55.00	\$ 10,882.50	\$ 40.00	\$ 7,900.00	
27	Construct PCC Pads (Including Guard Rails)	EA	8	\$ 1,787.58	\$ 14,300.64	\$ 500.00	\$ 4,000.00	\$ 434.00	\$ 3,472.00	\$ 1,450.00	\$ 11,600.00	\$ 2,000.00	\$ 16,000.00	
28	Reconc Existing Office Trailer, Venting Machine and Shields	LS	1	\$ 33,679.30	\$ 33,679.30	\$ 20,000.00	\$ 20,000.00	\$ 23,070.00	\$ 23,070.00	\$ 19,233.00	\$ 19,233.00	\$ 7,000.00	\$ 7,000.00	
29	Pre-Installed Transit Shelter	EA	1	\$ 1,188.52	\$ 1,188.52	\$ 15,000.00	\$ 15,000.00	\$ 13,848.00	\$ 13,848.00	\$ 14,500.00	\$ 14,500.00	\$ 12,000.00	\$ 12,000.00	
30	Install # 4 Cleared	EA	4	\$ 677.78	\$ 2,711.12	\$ 650.00	\$ 2,600.00	\$ 429.00	\$ 1,716.00	\$ 1,250.00	\$ 5,000.00	\$ 600.00	\$ 2,400.00	
31	12" DIP Gas Manholes	EA	1	\$ 1,711.72	\$ 1,711.72	\$ 3,500.00	\$ 3,500.00	\$ 4,292.00	\$ 4,292.00	\$ 6,255.00	\$ 6,255.00	\$ 5,000.00	\$ 5,000.00	
32	18" DIP Gas Manholes	EA	1	\$ 2,729.47	\$ 2,729.47	\$ 2,000.00	\$ 2,000.00	\$ 2,281.00	\$ 2,281.00	\$ 2,100.00	\$ 2,100.00	\$ 2,800.00	\$ 2,800.00	
33	12" PVC Fire Water C-800 DR14 with Restrained Joints	LF	1,226	\$ 76.49	\$ 93,717.60	\$ 60.00	\$ 4,800.00	\$ 64.00	\$ 78,940.00	\$ 110.00	\$ 135,650.00	\$ 60.00	\$ 74,100.00	
34	17" DIP 80' Bend w/Thrust Blocks	EA	2	\$ 3,654.97	\$ 7,309.94	\$ 600.00	\$ 3,600.00	\$ 1,073.00	\$ 4,284.00	\$ 600.00	\$ 2,400.00	\$ 1,200.00	\$ 4,800.00	
35	17" DIP 45' Bend w/Thrust Blocks	EA	2	\$ 6,632.87	\$ 13,265.74	\$ 800.00	\$ 6,400.00	\$ 2,148.00	\$ 8,548.00	\$ 600.00	\$ 2,400.00	\$ 1,200.00	\$ 4,800.00	
36	17" DIP 30' Bend w/Thrust Blocks	EA	1	\$ 3,451.85	\$ 3,451.85	\$ 800.00	\$ 800.00	\$ 1,073.00	\$ 4,284.00	\$ 600.00	\$ 2,400.00	\$ 1,200.00	\$ 4,800.00	
37	17" DIP 15' Bend w/Thrust Blocks	EA	1	\$ 3,451.85	\$ 3,451.85	\$ 800.00	\$ 800.00	\$ 1,073.00	\$ 4,284.00	\$ 600.00	\$ 2,400.00	\$ 1,200.00	\$ 4,800.00	
38	17" DIP 12" DIP Restrained Joint Tee w/Thrust Blocks	EA	1	\$ 4,038.66	\$ 4,038.66	\$ 600.00	\$ 600.00	\$ 1,073.00	\$ 4,284.00	\$ 540.00	\$ 2,160.00	\$ 1,400.00	\$ 5,600.00	
39	17" DIP Blind Flange	EA	2	\$ 2,683.47	\$ 5,366.94	\$ 600.00	\$ 1,200.00	\$ 537.00	\$ 2,148.00	\$ 1,800.00	\$ 7,200.00	\$ 700.00	\$ 2,800.00	
40	18" PVC Fire Water C-800 DR14 with Restrained Joints	EA	448	\$ 49.82	\$ 22,319.36	\$ 40.00	\$ 1,600.00	\$ 39.00	\$ 17,520.00	\$ 100.00	\$ 44,800.00	\$ 50.00	\$ 22,400.00	
41	18" PVC Fire Water C-800 DR14 with Restrained Joints	EA	1	\$ 2,170.23	\$ 2,170.23	\$ 800.00	\$ 800.00	\$ 428.00	\$ 1,748.00	\$ 150.00	\$ 600.00	\$ 60.00	\$ 240.00	
42	Connect to Sewer Laterals and Extended 4"	EA	53	\$ 61.08	\$ 3,237.24	\$ 60.00	\$ 3,600.00	\$ 27.00	\$ 1,431.00	\$ 180.00	\$ 7,200.00	\$ 65.00	\$ 3,445.00	
43	PVC SDR 35	LF	888	\$ 70.50	\$ 62,604.00	\$ 55.00	\$ 48,840.00	\$ 43.00	\$ 38,164.00	\$ 80.00	\$ 71,600.00	\$ 55.00	\$ 48,840.00	
44	1-1/4" PVC SCH 80 Water Line Gled Joint	LF	1,110	\$ 27.35	\$ 30,358.50	\$ 14.00	\$ 15,540.00	\$ 16.00	\$ 17,760.00	\$ 42.00	\$ 46,620.00	\$ 9.00	\$ 9,990.00	

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CIP 104148 - San Park 2 Pacific Highway North
 Bid Tabulation Form

BID TABULATION
 CIP 104148 - San Park 2 Pacific Highway North
 BIDS OPENED: May 21, 2013 @ 3:00 PM
 ENGINEER'S ESTIMATE: \$10,884,178

CONTRACTOR:		ENGINEER'S ESTIMATE		QUANTITIES OF GOOD FAITH:	
ADDRESS:		UNIT COST IN FIGURES		TOTAL IN FIGURES	
GUARANTEE OF GOOD FAITH:		UNIT COST IN FIGURES	TOTAL IN FIGURES	UNIT COST IN FIGURES	TOTAL IN FIGURES
BID SCHEDULE A		UNIT COST IN FIGURES	TOTAL IN FIGURES	UNIT COST IN FIGURES	TOTAL IN FIGURES
Item	Title	Estimated Quantity	Unit	Unit Cost In Figures	Total In Figures
45	2" PVC SCH 80 Water Line Guard Joint	3180	LF	\$ 4.00	\$ 12,720.00
46	Cable and 1.5" x 1.5" PVC SCH 80	10	EA	\$ 30.00	\$ 300.00
47	Low-Voltage Electrical Power Conductors and Cables	1	LS	\$ 6,232.96	\$ 6,232.96
48	Grounding and Bonding for Electrical Systems	1	LS	\$ 47,483.67	\$ 47,483.67
49	Wires and Supports for Electrical Systems	1	LS	\$ 6,384.63	\$ 6,384.63
50	Receivers and Boxes for Electrical Systems	1	LS	\$ 1,294.15	\$ 1,294.15
51	Underground Ducts and Raceways for Electrical Systems	1	LS	\$ 148,531.83	\$ 148,531.83
52	Receivers and Cabinets for Electrical Systems	1	LS	\$ 6,074.92	\$ 6,074.92
53	Identification for Electrical Systems	1	LS	\$ 4,897.44	\$ 4,897.44
54	Lighting Control Devices	1	LS	\$ 18,284.37	\$ 18,284.37
55	Low Voltage Transformers	1	LS	\$ 6,830.51	\$ 6,830.51
56	Substations	1	LS	\$ 29,418.13	\$ 29,418.13
57	Electricity Meters	1	LS	\$ 3,970.14	\$ 3,970.14
58	Wiring Devices	1	LS	\$ 17,681.60	\$ 17,681.60
59	Wiring Devices	1	LS	\$ 655,168.99	\$ 655,168.99
60	Pathways for Communications Systems	1	LS	\$ 202,818.22	\$ 202,818.22
61	Wiring Devices	1	LS	\$ 36,138.34	\$ 36,138.34
62	Wiring Devices	1	LS	\$ 107,581.61	\$ 107,581.61
63	Wiring Devices	1	LS	\$ 58,811.33	\$ 58,811.33
64	Unidentified Enclosure	2,835	TON	\$ 42,318.10	\$ 120,000.00
65	Surplus Material Export	27,295	TON	\$ 6.97	\$ 190,000.00
66	Unidentified Enclosure	1	LS	\$ 13,137.48	\$ 13,137.48
67	Temporary Erosion/Seepage Control	68,780	SY	\$ 897,348.30	\$ 61,600,000.00
68	Temporary Erosion/Seepage Control	3,188	TON	\$ 18,477.33	\$ 58,800.00
69	Subgrade Bridge Material, 3 in. Minus	6,600	TON	\$ 171,725.40	\$ 1,135,390.00
70	Import	26,322	CY	\$ 2.13	\$ 56,075.86
71	Crush 1-1/2" Minus (PCC Material)	13,568	TON	\$ 5.54	\$ 75,169.72
72	Crush 3/4" Minus (PCC Material)	45,000	TON	\$ 0.32	\$ 14,400.00
73	Crush 3/4" Minus (PCC Material)	15,334	TON	\$ 68.97	\$ 1,055,333.34
74	HMA Class A	315	SF	\$ 1.24	\$ 390.60
75	Cold Plans Existing Pavement	1,106	LF	\$ 3.75	\$ 4,147.50
76	Reinwood Header	10	TN	\$ 68.57	\$ 685.70
77	Washington St. - HMA Class A	648	SF	\$ 1.07	\$ 693.36
78	Washington St. - Edge of Pavement	1,218	LF	\$ 20.52	\$ 24,991.56
79	4" Wide Concrete Valley Gutter	3,019	LF	\$ 28.50	\$ 86,041.50
80	6" PCC Median Curve Type 3b-1	332	LF	\$ 11.13	\$ 3,696.16
81	6" PCC Median Curve Type 3b-1	6,941	LF	\$ 11.13	\$ 77,253.33
82	Edge of Curb Transition With Local Depression	2	EA	\$ 467.86	\$ 935.72
83	Curb Ramp	1,008	SF	\$ 1,008.78	\$ 1,018.78
84	4" Flareout	567	SF	\$ 3.24	\$ 1,837.08
85	Washington St. - PCC Curb & Gutter	162	LF	\$ 20.52	\$ 3,324.24
86	Washington St. - PCC Shoulder	972	SF	\$ 60.12	\$ 58,436.64
87	Washington St. - PCC Shoulder	3,000	LF	\$ 4,688.58	\$ 14,065.74
88	Signal Modification	1	LS	\$ 3,000.00	\$ 3,000.00

1		2		3		4	
Unit Cost In Figures	Total In Figures	Unit Cost In Figures	Total In Figures	Unit Cost In Figures	Total In Figures	Unit Cost In Figures	Total In Figures
\$ 15.00	\$ 45,000.00	\$ 18.00	\$ 54,000.00	\$ 24.00	\$ 72,000.00	\$ 10.00	\$ 30,000.00
\$ 10.00	\$ 30,000.00	\$ 16.00	\$ 48,000.00	\$ 30.00	\$ 90,000.00	\$ 30.00	\$ 90,000.00
\$ 1,500.00	\$ 1,500.00	\$ 55,796.00	\$ 55,796.00	\$ 93,500.00	\$ 93,500.00	\$ 6,800.00	\$ 6,800.00
\$ 2,000.00	\$ 2,000.00	\$ 7,268.00	\$ 7,268.00	\$ 16,500.00	\$ 16,500.00	\$ 6,800.00	\$ 6,800.00
\$ 3,000.00	\$ 3,000.00	\$ 3,756.00	\$ 3,756.00	\$ 22,500.00	\$ 22,500.00	\$ 3,500.00	\$ 3,500.00
\$ 940,000.00	\$ 940,000.00	\$ 330,464.00	\$ 330,464.00	\$ 210,000.00	\$ 210,000.00	\$ 308,000.00	\$ 308,000.00
\$ 1,500.00	\$ 1,500.00	\$ 288.00	\$ 288.00	\$ 2,900.00	\$ 2,900.00	\$ 250.00	\$ 250.00
\$ 2,000.00	\$ 2,000.00	\$ 2,250.00	\$ 2,250.00	\$ 5,500.00	\$ 5,500.00	\$ 2,500.00	\$ 2,500.00
\$ 7,000.00	\$ 7,000.00	\$ 1,717.00	\$ 1,717.00	\$ 8,500.00	\$ 8,500.00	\$ 1,800.00	\$ 1,800.00
\$ 2,000.00	\$ 2,000.00	\$ 3,218.00	\$ 3,218.00	\$ 1,250.00	\$ 1,250.00	\$ 3,000.00	\$ 3,000.00
\$ 12,000.00	\$ 12,000.00	\$ 40,774.00	\$ 40,774.00	\$ 44,000.00	\$ 44,000.00	\$ 38,000.00	\$ 38,000.00
\$ 10,000.00	\$ 10,000.00	\$ 3,648.00	\$ 3,648.00	\$ 22,000.00	\$ 22,000.00	\$ 3,400.00	\$ 3,400.00
\$ 10,000.00	\$ 10,000.00	\$ 537.00	\$ 537.00	\$ 850,000.00	\$ 850,000.00	\$ 500.00	\$ 500.00
\$ 600,000.00	\$ 600,000.00	\$ 562,597.00	\$ 562,597.00	\$ 100,000.00	\$ 100,000.00	\$ 625,000.00	\$ 625,000.00
\$ 150,000.00	\$ 150,000.00	\$ 128,760.00	\$ 128,760.00	\$ 12,500.00	\$ 12,500.00	\$ 120,000.00	\$ 120,000.00
\$ 10,000.00	\$ 10,000.00	\$ 18,241.00	\$ 18,241.00	\$ 350,000.00	\$ 350,000.00	\$ 17,000.00	\$ 17,000.00
\$ 100,000.00	\$ 100,000.00	\$ 118,542.00	\$ 118,542.00	\$ 118,640.00	\$ 118,640.00	\$ 102,000.00	\$ 102,000.00
\$ 45.00	\$ 45.00	\$ 52.00	\$ 52.00	\$ 12.00	\$ 12.00	\$ 40.00	\$ 40.00
\$ 5.50	\$ 5.50	\$ 118,575.00	\$ 118,575.00	\$ 3.00	\$ 3.00	\$ 81,884.00	\$ 81,884.00
\$ 50,000.00	\$ 50,000.00	\$ 37,813.00	\$ 37,813.00	\$ 14,685.00	\$ 14,685.00	\$ 25,000.00	\$ 25,000.00
\$ 8.50	\$ 8.50	\$ 448,745.00	\$ 448,745.00	\$ 4.50	\$ 4.50	\$ 205,539.00	\$ 205,539.00
\$ 5.00	\$ 5.00	\$ 15,800.00	\$ 15,800.00	\$ 38.00	\$ 38.00	\$ 123,240.00	\$ 123,240.00
\$ 25.00	\$ 25.00	\$ 226,500.00	\$ 226,500.00	\$ 28.00	\$ 28.00	\$ 75,440.00	\$ 75,440.00
\$ 3.00	\$ 3.00	\$ 67,986.00	\$ 67,986.00	\$ 8.00	\$ 8.00	\$ 254,976.00	\$ 254,976.00
\$ 25.00	\$ 25.00	\$ 339,200.00	\$ 339,200.00	\$ 5.00	\$ 5.00	\$ 162,816.00	\$ 162,816.00
\$ 0.30	\$ 0.30	\$ 22,500.00	\$ 22,500.00	\$ 0.60	\$ 0.60	\$ 1,950.00	\$ 1,950.00
\$ 70.00	\$ 70.00	\$ 1,075,300.00	\$ 1,075,300.00	\$ 128.00	\$ 128.00	\$ 1,750.00	\$ 1,750.00
\$ 5.00	\$ 5.00	\$ 1,575.00	\$ 1,575.00	\$ 5.00	\$ 5.00	\$ 1,316,630.00	\$ 1,316,630.00
\$ 100.00	\$ 100.00	\$ 1,000.00	\$ 1,000.00	\$ 4.00	\$ 4.00	\$ 3,871.00	\$ 3,871.00
\$ 1.50	\$ 1.50	\$ 872.00	\$ 872.00	\$ 2.00	\$ 2.00	\$ 2,000.00	\$ 2,000.00
\$ 13.00	\$ 13.00	\$ 18,847.00	\$ 18,847.00	\$ 5.00	\$ 5.00	\$ 1,263.00	\$ 1,263.00
\$ 15.00	\$ 15.00	\$ 45,265.00	\$ 45,265.00	\$ 18.00	\$ 18.00	\$ 324,000.00	\$ 324,000.00
\$ 12.00	\$ 12.00	\$ 85,282.00	\$ 85,282.00	\$ 18.00	\$ 18.00	\$ 324,000.00	\$ 324,000.00
\$ 50.00	\$ 50.00	\$ 100.00	\$ 100.00	\$ 450.00	\$ 450.00	\$ 500.00	\$ 500.00
\$ 750.00	\$ 750.00	\$ 750.00	\$ 750.00	\$ 448.00	\$ 448.00	\$ 2,750.00	\$ 2,750.00
\$ 8.00	\$ 8.00	\$ 3,562.00	\$ 3,562.00	\$ 6.00	\$ 6.00	\$ 4,716.00	\$ 4,716.00
\$ 25.00	\$ 25.00	\$ 4,950.00	\$ 4,950.00	\$ 28.00	\$ 28.00	\$ 4,688.00	\$ 4,688.00
\$ 8.00	\$ 8.00	\$ 5,832.00	\$ 5,832.00	\$ 6.00	\$ 6.00	\$ 3,726.00	\$ 3,726.00
\$ 38,000.00	\$ 38,000.00	\$ 72,650.00	\$ 72,650.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00
\$ 3,000.00	\$ 3,000.00	\$ 10,726.00	\$ 10,726.00	\$ 6,500.00	\$ 6,500.00	\$ 10,000.00	\$ 10,000.00

West Coast General Corporation		PAAL General Engineering, Inc.		Granite Construction Co.	
13700 Stove Drive, Suite 100 Poway, CA 92064		5374 Emigra Mall San Diego, CA 92121		440 S. Main St., Ste. 200 Vista, CA 92081	
Fidelity and Deposit Company of Maryland		The Hanover Insurance Company		Federal Insurance Company	
\$ 18.00	\$ 54,000.00	\$ 24.00	\$ 72,000.00	\$ 10.00	\$ 30,000.00
\$ 16.00	\$ 48,000.00	\$ 30.00	\$ 90,000.00	\$ 30.00	\$ 90,000.00
\$ 55,796.00	\$ 55,796.00	\$ 93,500.00	\$ 93,500.00	\$ 6,800.00	\$ 6,800.00
\$ 7,268.00	\$ 7,268.00	\$ 16,500.00	\$ 16,500.00	\$ 6,800.00	\$ 6,800.00
\$ 3,756.00	\$ 3,756.00	\$ 22,500.00	\$ 22,500.00	\$ 3,500.00	\$ 3,500.00
\$ 330,464.00	\$ 330,464.00	\$ 210,000.00	\$ 210,000.00	\$ 308,000.00	\$ 308,000.00
\$ 288.00	\$ 288.00	\$ 2,900.00	\$ 2,900.00	\$ 250.00	\$ 250.00
\$ 2,250.00	\$ 2,250.00	\$ 5,500.00	\$ 5,500.00	\$ 2,500.00	\$ 2,500.00
\$ 1,717.00	\$ 1,717.00	\$ 8,500.00	\$ 8,500.00	\$ 1,800.00	\$ 1,800.00
\$ 3,218.00	\$ 3,218.00	\$ 1,250.00	\$ 1,250.00	\$ 3,000.00	\$ 3,000.00
\$ 40,774.00	\$ 40,774.00	\$ 44,000.00	\$ 44,000.00	\$ 38,000.00	\$ 38,000.00
\$ 3,648.00	\$ 3,648.00	\$ 22,000.00	\$ 22,000.00	\$ 3,400.00	\$ 3,400.00
\$ 537.00	\$ 537.00	\$ 850,000.00	\$ 850,000.00	\$ 500.00	\$ 500.00
\$ 562,597.00	\$ 562,597.00	\$ 100,000.00	\$ 100,000.00	\$ 625,000.00	\$ 625,000.00
\$ 128,760.00	\$ 128,760.00	\$ 12,500.00	\$ 12,500.00	\$ 120,000.00	\$ 120,000.00
\$ 18,241.00	\$ 18,241.00	\$ 350,000.00	\$ 350,000.00	\$ 17,000.00	\$ 17,000.00
\$ 118,542.00	\$ 118,542.00	\$ 118,640.00	\$ 118,640.00	\$ 102,000.00	\$ 102,000.00
\$ 52.00	\$ 52.00	\$ 12.00	\$ 12.00	\$ 40.00	\$ 40.00
\$ 118,575.00	\$ 118,575.00	\$ 3.00	\$ 3.00	\$ 81,884.00	\$ 81,884.00
\$ 37,813.00	\$ 37,813.00	\$ 14,685.00	\$ 14,685.00	\$ 25,000.00	\$ 25,000.00
\$ 448,745.00	\$ 448,745.00	\$ 4.50	\$ 4.50	\$ 205,539.00	\$ 205,539.00
\$ 15,800.00	\$ 15,800.00	\$ 38.00	\$ 38.00	\$ 123,240.00	\$ 123,240.00
\$ 33.00	\$ 33.00	\$ 28.00	\$ 28.00	\$ 75,440.00	\$ 75,440.00
\$ 2.15	\$ 2.15	\$ 65,042.35	\$ 65,042.35	\$ 7.00	\$ 205,247.00
\$ 12.00	\$ 12.00	\$ 162,816.00	\$ 162,816.00	\$ 12.00	\$ 162,816.00
\$ 0.58	\$ 0.58	\$ 24,750.00	\$ 24,750.00	\$ 0.65	\$ 1,950.00
\$ 128.00	\$ 128.00	\$ 1,750.00	\$ 1,750.00	\$ 260.00	\$ 3,570.00
\$ 5.00	\$ 5.00	\$ 1,580,975.00	\$ 1,580,975.00	\$ 2.00	\$ 1,316,630.00
\$ 7.00	\$ 7.00	\$ 7,424.00	\$ 7,424.00	\$ 3.50	\$ 3,871.00
\$ 181.00	\$ 181.00	\$ 1,610.00	\$ 1,610.00	\$ 200.00	\$ 2,000.00
\$ 2.88	\$ 2.88	\$ 1,798.88	\$ 1,798.88	\$ 2.00	\$ 1,263.00
\$ 13.00	\$ 13.00	\$ 15,447.00	\$ 15,447.00	\$ 25.00	\$ 324,000.00
\$ 15.00	\$ 15.00	\$ 45,265.00	\$ 45,265.00	\$ 34.00	\$ 102,840.00
\$ 12.00	\$ 12.00	\$ 85,282.00	\$ 85,282.00	\$ 14.00	\$ 4,648.00

CIP 104146 - San Park 2 Pacific Highway North
Bid Tabulation Form

BID TABULATION
CIP 104146 - San Park 2 Pacific Highway North

BCOS OPENED: May 21, 2013 @ 3:00 PM
ENGINEERS ESTIMATE: \$10,888,178

CONTRACTOR:

ADDRESS:

GUARANTEE OF GOOD FAITH:

Item	Quantity	Title	Unit	ENGINEER'S ESTIMATE		1		2		3		4	
				Unit Cost In Figures	Total In Figures	Unit Cost In Figures	Total In Figures	Unit Cost In Figures	Total In Figures	Unit Cost In Figures	Total In Figures		
01	218	Temporary Fence	LF	\$ 14.97	\$ 3,256.46	\$ 15.00	\$ 3,270.00	\$ 15.00	\$ 3,270.00	\$ 15.00	\$ 3,270.00	\$ 15.00	\$ 3,270.00
02	1	LF	EA	\$ 3,256.46	\$ 3,256.46	\$ 3,270.00	\$ 3,270.00	\$ 3,270.00	\$ 3,270.00	\$ 3,270.00	\$ 3,270.00	\$ 3,270.00	\$ 3,270.00
03	41,401	Irrigation System	SF	\$ 3.64	\$ 150,888.18	\$ 3.64	\$ 150,888.18	\$ 3.64	\$ 150,888.18	\$ 3.64	\$ 150,888.18	\$ 3.64	\$ 150,888.18
04	1	Irrigation Controller (1/2 Stations)	EA	\$ 4,143.00	\$ 4,143.00	\$ 4,143.00	\$ 4,143.00	\$ 4,143.00	\$ 4,143.00	\$ 4,143.00	\$ 4,143.00	\$ 4,143.00	\$ 4,143.00
05	145	Canopy Trees	EA	\$ 1,000.00	\$ 145,000.00	\$ 1,000.00	\$ 145,000.00	\$ 1,000.00	\$ 145,000.00	\$ 1,000.00	\$ 145,000.00	\$ 1,000.00	\$ 145,000.00
06	1	Palm Trees	EA	\$ 32.00	\$ 32.00	\$ 32.00	\$ 32.00	\$ 32.00	\$ 32.00	\$ 32.00	\$ 32.00	\$ 32.00	\$ 32.00
07	3,574	Stumps	EA	\$ 0.50	\$ 1,787.00	\$ 0.50	\$ 1,787.00	\$ 0.50	\$ 1,787.00	\$ 0.50	\$ 1,787.00	\$ 0.50	\$ 1,787.00
08	41,401	Soil Amendments	SF	\$ 32,707.87	\$ 1,354,178.13	\$ 32,707.87	\$ 1,354,178.13	\$ 32,707.87	\$ 1,354,178.13	\$ 32,707.87	\$ 1,354,178.13	\$ 32,707.87	\$ 1,354,178.13
09	1	Maintenance Period	EA	\$ 61.71	\$ 61.71	\$ 61.71	\$ 61.71	\$ 61.71	\$ 61.71	\$ 61.71	\$ 61.71	\$ 61.71	\$ 61.71
10	293	Decomposed Granite	CY	\$ 2,554.61	\$ 748,290.73	\$ 2,554.61	\$ 748,290.73	\$ 2,554.61	\$ 748,290.73	\$ 2,554.61	\$ 748,290.73	\$ 2,554.61	\$ 748,290.73
101	23	Grass Seeds	CY	\$ 86.12	\$ 1,988.76	\$ 86.12	\$ 1,988.76	\$ 86.12	\$ 1,988.76	\$ 86.12	\$ 1,988.76	\$ 86.12	\$ 1,988.76
102	1	Sealers	EA	\$ 2,250.84	\$ 2,250.84	\$ 2,250.84	\$ 2,250.84	\$ 2,250.84	\$ 2,250.84	\$ 2,250.84	\$ 2,250.84	\$ 2,250.84	\$ 2,250.84
103	1	Alkali Grade	EA	\$ 862.40	\$ 862.40	\$ 862.40	\$ 862.40	\$ 862.40	\$ 862.40	\$ 862.40	\$ 862.40	\$ 862.40	\$ 862.40
104	1	1/2" x 1/2" x 1/2" MGS GFI	EA	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00
105	1	1/2" x 1/2" x 1/2" MGS GFI	EA	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00
106	649	8" PVC SDR 35 Subgrade	LF	\$ 38.58	\$ 24,940.22	\$ 38.58	\$ 24,940.22	\$ 38.58	\$ 24,940.22	\$ 38.58	\$ 24,940.22	\$ 38.58	\$ 24,940.22
107	17	Storm Drain Cleanout Type A	EA	\$ 6,887.38	\$ 117,085.46	\$ 6,887.38	\$ 117,085.46	\$ 6,887.38	\$ 117,085.46	\$ 6,887.38	\$ 117,085.46	\$ 6,887.38	\$ 117,085.46
108	300	8" PVC Pipe with Rubber Gaskets	LF	\$ 59.53	\$ 17,859.00	\$ 59.53	\$ 17,859.00	\$ 59.53	\$ 17,859.00	\$ 59.53	\$ 17,859.00	\$ 59.53	\$ 17,859.00
109	1	RCP Storm Drain 18 in. Dia. D-Load per Phen with Rubber Gasket Joint	EA	\$ 110.29	\$ 110.29	\$ 110.29	\$ 110.29	\$ 110.29	\$ 110.29	\$ 110.29	\$ 110.29	\$ 110.29	\$ 110.29
110	630	RCP Storm Drain 30 in. Dia. D-Load per Phen with Rubber Gasket Joint	EA	\$ 229.01	\$ 144,186.30	\$ 229.01	\$ 144,186.30	\$ 229.01	\$ 144,186.30	\$ 229.01	\$ 144,186.30	\$ 229.01	\$ 144,186.30
111	1,735	Storm Drain Cleanout Type A with TRIR	EA	\$ 5,800.48	\$ 10,058,113.20	\$ 5,800.48	\$ 10,058,113.20	\$ 5,800.48	\$ 10,058,113.20	\$ 5,800.48	\$ 10,058,113.20	\$ 5,800.48	\$ 10,058,113.20
112	4	Stacks	EA	\$ 22,401.92	\$ 89,607.68	\$ 22,401.92	\$ 89,607.68	\$ 22,401.92	\$ 89,607.68	\$ 22,401.92	\$ 89,607.68	\$ 22,401.92	\$ 89,607.68
113	1	Castal Submittals	EA	\$ 6,548.38	\$ 6,548.38	\$ 6,548.38	\$ 6,548.38	\$ 6,548.38	\$ 6,548.38	\$ 6,548.38	\$ 6,548.38	\$ 6,548.38	\$ 6,548.38
114	11	Chain Drains Type G-3	EA	\$ 5,408.83	\$ 59,497.13	\$ 5,408.83	\$ 59,497.13	\$ 5,408.83	\$ 59,497.13	\$ 5,408.83	\$ 59,497.13	\$ 5,408.83	\$ 59,497.13
115	2	12" x 12" Precast Cement Beam	EA	\$ 3,008.98	\$ 6,017.96	\$ 3,008.98	\$ 6,017.96	\$ 3,008.98	\$ 6,017.96	\$ 3,008.98	\$ 6,017.96	\$ 3,008.98	\$ 6,017.96
116	1	Concrete Lug	EA	\$ 2,472.00	\$ 2,472.00	\$ 2,472.00	\$ 2,472.00	\$ 2,472.00	\$ 2,472.00	\$ 2,472.00	\$ 2,472.00	\$ 2,472.00	\$ 2,472.00
117	185	8" PVC Connection to Existing Inlet Wetland System	LF	\$ 48.71	\$ 8,990.35	\$ 48.71	\$ 8,990.35	\$ 48.71	\$ 8,990.35	\$ 48.71	\$ 8,990.35	\$ 48.71	\$ 8,990.35
118	270	8" PVC Pipe Connection to the Modular Wetland System	LF	\$ 54.41	\$ 14,690.70	\$ 54.41	\$ 14,690.70	\$ 54.41	\$ 14,690.70	\$ 54.41	\$ 14,690.70	\$ 54.41	\$ 14,690.70
119	3	Block and Mortar Plug	EA	\$ 975.33	\$ 2,925.99	\$ 975.33	\$ 2,925.99	\$ 975.33	\$ 2,925.99	\$ 975.33	\$ 2,925.99	\$ 975.33	\$ 2,925.99
120	1	Modular Subsurface Flow Wetland System	EA	\$ 459,833.23	\$ 459,833.23	\$ 459,833.23	\$ 459,833.23	\$ 459,833.23	\$ 459,833.23	\$ 459,833.23	\$ 459,833.23	\$ 459,833.23	\$ 459,833.23
121	1	Storm Drainage Water Underground Detention System	EA	\$ 1,080,841.00	\$ 1,080,841.00	\$ 1,080,841.00	\$ 1,080,841.00	\$ 1,080,841.00	\$ 1,080,841.00	\$ 1,080,841.00	\$ 1,080,841.00	\$ 1,080,841.00	\$ 1,080,841.00
122	1	RCS Equipment	EA	\$ 494,509.73	\$ 494,509.73	\$ 494,509.73	\$ 494,509.73	\$ 494,509.73	\$ 494,509.73	\$ 494,509.73	\$ 494,509.73	\$ 494,509.73	\$ 494,509.73
TOTAL BID SCHEDULE A =				\$ 10,888,178.13	\$ 10,888,178.13	\$ 10,888,178.13	\$ 10,888,178.13	\$ 10,888,178.13	\$ 10,888,178.13	\$ 10,888,178.13	\$ 10,888,178.13	\$ 10,888,178.13	\$ 10,888,178.13
Notes													
Addendum No. 1													
Addendum No. 2													
Addendum No. 3													

Points	Bid Adjustment Amount Based on Low Bid or Max. \$100,000	CONTRACTOR'S Submitted Bid Amount		Policy 5.14 Bid Adjustment Amount	Adjusted Bid Amount	Adjusted Bid Amount (Enter Amount from Table Based on Number of Points)	Adjusted Bid Amount
		Points	Amount				
5 or 5%	\$431,991.83	1	\$ 8,874,390.50	1	\$ 8,874,390.50	\$ 8,874,390.50	\$ 8,874,390.50
4 or 4%	\$345,539.46	2	\$ 9,030,536.50	2	\$ 9,030,536.50	\$ 9,030,536.50	\$ 9,030,536.50
3 or 3%	\$259,087.10	3	\$ 9,186,682.50	3	\$ 9,186,682.50	\$ 9,186,682.50	\$ 9,186,682.50
2 or 2%	\$172,634.73	4	\$ 9,342,828.50	4	\$ 9,342,828.50	\$ 9,342,828.50	\$ 9,342,828.50
1 or 1%	\$86,182.37	5	\$ 9,500,000.00	5	\$ 9,500,000.00	\$ 9,500,000.00	\$ 9,500,000.00

CIP 104148 - San Park 2 Pacific Highway North
Bid Tabulation Form

BID TABULATION
CIP 104148 - San Park 2 Pacific Highway North

BEGS OPENED: May 21, 2015 @ 3:00 PM
ENGINEER ESTIMATE: \$10,288,178

CONTRACTOR:

ADDRESS:

GUARANTEE OF GOOD FAITH:

Item	Title	Estimated Quantity	Unit	5		6		7		8		9	
				Unit Cost In Figures	Total In Figures	Unit Cost In Figures	Total In Figures	Unit Cost In Figures	Total In Figures	Unit Cost In Figures	Total In Figures	Unit Cost In Figures	Total In Figures
1	Mechanical/Depreciation	1	LS	\$ 481,000.00	\$ 481,000.00	\$ 800.00	\$ 800.00	\$ 300,000.00	\$ 300,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00	\$ 250,000.00
2	Traffic Control	1	LS	\$ 10,000.00	\$ 10,000.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
3	Daily Overhead	180	Day	\$ 2,000.00	\$ 360,000.00	\$ 2,000.00	\$ 360,000.00	\$ 500.00	\$ 90,000.00	\$ 1,000.00	\$ 180,000.00	\$ 2,000.00	\$ 360,000.00
4	Allowance for Permits and Fees (Excludes Demolition)	Allowance	Allowance	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
5	Allowance for Unknown Miscellaneous	Allowance	Allowance	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00
6	Allowance for Extra Demolition	Allowance	Allowance	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00
7	Allowance for Environmental Procedures	Allowance	Allowance	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00
8	Health and Safety Plan	1	LS	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
9	Soil Management Plan	1	LS	\$ 85,000.00	\$ 85,000.00	\$ 85,000.00	\$ 85,000.00	\$ 85,000.00	\$ 85,000.00	\$ 85,000.00	\$ 85,000.00	\$ 85,000.00	\$ 85,000.00
10	2" Air E.V. Valve	1	EA	\$ 4,400.00	\$ 4,400.00	\$ 4,400.00	\$ 4,400.00	\$ 4,400.00	\$ 4,400.00	\$ 4,400.00	\$ 4,400.00	\$ 4,400.00	\$ 4,400.00
11	2" Air E.V. Valve	1	EA	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
12	Remove Existing AC Pavement	1	LS	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
13	Remove Existing Storm Drain	684	TON	\$ 83.00	\$ 56,802.00	\$ 83.00	\$ 56,802.00	\$ 83.00	\$ 56,802.00	\$ 83.00	\$ 56,802.00	\$ 83.00	\$ 56,802.00
14	Remove Chain Link Fence	1,340	LF	\$ 10.00	\$ 13,400.00	\$ 10.00	\$ 13,400.00	\$ 10.00	\$ 13,400.00	\$ 10.00	\$ 13,400.00	\$ 10.00	\$ 13,400.00
15	Remove Existing Wall and Fence along	485	LF	\$ 20.00	\$ 9,700.00	\$ 20.00	\$ 9,700.00	\$ 20.00	\$ 9,700.00	\$ 20.00	\$ 9,700.00	\$ 20.00	\$ 9,700.00
16	Remove Existing Utility	64	TON	\$ 250.00	\$ 16,000.00	\$ 250.00	\$ 16,000.00	\$ 250.00	\$ 16,000.00	\$ 250.00	\$ 16,000.00	\$ 250.00	\$ 16,000.00
17	Remove Existing Miscellaneous Concrete	800	TON	\$ 100.00	\$ 80,000.00	\$ 100.00	\$ 80,000.00	\$ 100.00	\$ 80,000.00	\$ 100.00	\$ 80,000.00	\$ 100.00	\$ 80,000.00
18	Adjust Existing Storm Drain Manhole to	1	EA	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00
19	Remove Existing Storm Drain Manhole to	1	EA	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00
20	Pile Removal to 5' Below Existing Ground	40	EA	\$ 800.00	\$ 32,000.00	\$ 800.00	\$ 32,000.00	\$ 800.00	\$ 32,000.00	\$ 800.00	\$ 32,000.00	\$ 800.00	\$ 32,000.00
21	Pile Removal to 10' Below Existing Ground	40	EA	\$ 900.00	\$ 36,000.00	\$ 900.00	\$ 36,000.00	\$ 900.00	\$ 36,000.00	\$ 900.00	\$ 36,000.00	\$ 900.00	\$ 36,000.00
22	Surface	40	EA	\$ 1,000.00	\$ 40,000.00	\$ 1,000.00	\$ 40,000.00	\$ 1,000.00	\$ 40,000.00	\$ 1,000.00	\$ 40,000.00	\$ 1,000.00	\$ 40,000.00
23	Surface	45	EA	\$ 500.00	\$ 22,500.00	\$ 500.00	\$ 22,500.00	\$ 500.00	\$ 22,500.00	\$ 500.00	\$ 22,500.00	\$ 500.00	\$ 22,500.00
24	Remove Railroad Tracks	28	TON	\$ 3,000.00	\$ 84,000.00	\$ 3,000.00	\$ 84,000.00	\$ 3,000.00	\$ 84,000.00	\$ 3,000.00	\$ 84,000.00	\$ 3,000.00	\$ 84,000.00
25	Remove ACP Pilecaps	30	EA	\$ 800.00	\$ 24,000.00	\$ 800.00	\$ 24,000.00	\$ 800.00	\$ 24,000.00	\$ 800.00	\$ 24,000.00	\$ 800.00	\$ 24,000.00
26	Bullheads	100	EA	\$ 300.00	\$ 30,000.00	\$ 300.00	\$ 30,000.00	\$ 300.00	\$ 30,000.00	\$ 300.00	\$ 30,000.00	\$ 300.00	\$ 30,000.00
27	Pre-Cast Concrete Wharf Stop	6	CY	\$ 500.00	\$ 3,000.00	\$ 500.00	\$ 3,000.00	\$ 500.00	\$ 3,000.00	\$ 500.00	\$ 3,000.00	\$ 500.00	\$ 3,000.00
28	Relocate Existing Office Trailer, Venting	1	LS	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
29	Machine and Shop	1	LS	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
30	Prefabricated Transit Shelter	4	EA	\$ 1,400.00	\$ 5,600.00	\$ 1,400.00	\$ 5,600.00	\$ 1,400.00	\$ 5,600.00	\$ 1,400.00	\$ 5,600.00	\$ 1,400.00	\$ 5,600.00
31	Water C. Guard	1	EA	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00
32	8" DIP Gate Valve	1	EA	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00
33	12" PVC Fire Water C-800 DR14 with	1,205	LF	\$ 75.00	\$ 90,375.00	\$ 75.00	\$ 90,375.00	\$ 75.00	\$ 90,375.00	\$ 75.00	\$ 90,375.00	\$ 75.00	\$ 90,375.00
34	12" DIP 80' Bend w/Thrust Blocks	2	EA	\$ 4,000.00	\$ 8,000.00	\$ 4,000.00	\$ 8,000.00	\$ 4,000.00	\$ 8,000.00	\$ 4,000.00	\$ 8,000.00	\$ 4,000.00	\$ 8,000.00
35	12" DIP 90' Bend w/Thrust Blocks	2	EA	\$ 1,500.00	\$ 3,000.00	\$ 1,500.00	\$ 3,000.00	\$ 1,500.00	\$ 3,000.00	\$ 1,500.00	\$ 3,000.00	\$ 1,500.00	\$ 3,000.00
36	12" DIP 22.5' Bend w/Thrust Blocks	1	EA	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
37	12" DIP 11.25' Bend w/Thrust Blocks	1	EA	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00
38	12"x12" DIP Restrainted Joint Tee	1	EA	\$ 2,100.00	\$ 2,100.00	\$ 2,100.00	\$ 2,100.00	\$ 2,100.00	\$ 2,100.00	\$ 2,100.00	\$ 2,100.00	\$ 2,100.00	\$ 2,100.00
39	w/Thrust Blocks	2	EA	\$ 1,400.00	\$ 2,800.00	\$ 1,400.00	\$ 2,800.00	\$ 1,400.00	\$ 2,800.00	\$ 1,400.00	\$ 2,800.00	\$ 1,400.00	\$ 2,800.00
40	8" PVC Fire Water C-800 DR14 with	448	LF	\$ 60.00	\$ 26,880.00	\$ 60.00	\$ 26,880.00	\$ 60.00	\$ 26,880.00	\$ 60.00	\$ 26,880.00	\$ 60.00	\$ 26,880.00
41	8" DIP Blind Flange	1	EA	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
42	Connect to Sewer Lateral and Extend 4'	53	LF	\$ 65.00	\$ 3,445.00	\$ 65.00	\$ 3,445.00	\$ 65.00	\$ 3,445.00	\$ 65.00	\$ 3,445.00	\$ 65.00	\$ 3,445.00
43	PVC SDR 35	888	LF	\$ 52.00	\$ 46,176.00	\$ 52.00	\$ 46,176.00	\$ 52.00	\$ 46,176.00	\$ 52.00	\$ 46,176.00	\$ 52.00	\$ 46,176.00
44	8" FPVC Sch 80 Sewer Line	1,110	LF	\$ 18.00	\$ 19,980.00	\$ 18.00	\$ 19,980.00	\$ 18.00	\$ 19,980.00	\$ 18.00	\$ 19,980.00	\$ 18.00	\$ 19,980.00
	1-1/4" PVC SCH 80 Water Line Guard Joint	1,110	LF	\$ 3.00	\$ 3,330.00	\$ 3.00	\$ 3,330.00	\$ 3.00	\$ 3,330.00	\$ 3.00	\$ 3,330.00	\$ 3.00	\$ 3,330.00

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CIP 104146 - San Park 2 Pacific Highway North
Bid Tabulation Form

BID TABULATION
CIP 104146 - San Park 2 Pacific Highway North

BIDS OPENED: May 21, 2013 @ 3:00 PM
ENGINEER ESTIMATE: \$10,800,178

CONTRACTOR:

ADDRESS:

QUANTITIES OF GOOD FAITH:

BID SCHEDULE A

Item	Title	Estimated Quantity	Unit Items
46	2" PVC 50% MINIMUM RIGIDITY	3,890	LF
47	1/2" PVC 50% MINIMUM RIGIDITY	10	EA
48	Low Voltage Electrical Power Conductors and Cables	1	LS
49	Grounding and Bonding for Electrical Systems	1	LS
50	Trunks and Supports for Electrical Raceways and Boxes for Electrical Systems	1	LS
51	Underground Ducts and Raceways for Electrical Systems	1	LS
52	Boxes and Sleeve Joints for Electrical Systems	1	LS
53	Identification for Electrical Systems	1	LS
54	Lighting Control Devices	1	LS
55	Low Voltage Transformers	1	LS
56	Switchboards	1	LS
57	Electric Metering	1	LS
58	Wireless Lighting	1	LS
59	Pathways for Communications Systems	1	LS
60	Communications Cabling	1	LS
61	Power Substation Material Export	1	TON
62	Surfactant Material Export	2,635	TON
63	Unclassified Excavation	27,296	CY
64	Temporary Erosion/Reedment Control	99,730	SF
65	1/2" Soil Cement Stabilization	3,185	TON
66	Subgrade Bracing Material 3 in. Minus Import	6,620	TON
67	Place Engineered Fill	26,322	CY
68	Crush 1-1/2" Minus (PCC Material)	13,569	TON
69	Place Geogrid Stabilization Layer	45,000	SF
70	Crush 1/2" Minus (PCC Material) - Cells 2 Aggregate Base	15,534	TON
71	HMA Class A	3,115	SF
72	Cold Plan Existing Pavement	315	SF
73	Redwood Header	1,106	LF
74	Washington St. - HMA Class A	10	TN
75	Washington St. - Edge of Pavement	646	SF
76	PCC Curb and Gutter Type "G"	1,218	LF
77	4" White Concrete Valley Gutter	3,019	LF
78	6" PCC Median Curb Type "B-1"	332	LF
79	PCC Curb Only	6,941	EA
80	6" or 8" Edge of Curb Transition With Local Curb Rains	2	EA
81	4" Fiberglass	597	SF
82	Washington St. - 6" PCC Curb & Gutter	182	LF
83	Washington St. - 4" PCC Subbase	972	SF
84	Signage and Striping	1	LS
85	Signal Installation	1	LS

5			6			7			8			9		
Unit Cost In Figures	Total In Figures		Unit Cost In Figures	Total In Figures		Unit Cost In Figures	Total In Figures		Unit Cost In Figures	Total In Figures		Unit Cost In Figures	Total In Figures	
\$ 12.00	\$ 47,880.00		\$ 10.00	\$ 38,800.00		\$ 13.50	\$ 53,745.00		\$ 50.00	\$ 188,000.00		\$ 8.00	\$ 31,840.00	
\$ 38.00	\$ 380.00		\$ 28.00	\$ 280.00		\$ 8.00	\$ 80.00		\$ 100.00	\$ 1,000.00		\$ 120.00	\$ 1,200.00	
\$ 55,000.00	\$ 55,000.00		\$ 90,000.00	\$ 90,000.00		\$ 9,950.00	\$ 9,950.00		\$ 70,000.00	\$ 70,000.00		\$ 100,000.00	\$ 100,000.00	
\$ 76,300.00	\$ 76,300.00		\$ 18,500.00	\$ 18,500.00		\$ 18,500.00	\$ 18,500.00		\$ 6,000.00	\$ 6,000.00		\$ 17,000.00	\$ 17,000.00	
\$ 700.00	\$ 700.00		\$ 5,200.00	\$ 5,200.00		\$ 5,500.00	\$ 5,500.00		\$ 1,500.00	\$ 1,500.00		\$ 6,000.00	\$ 6,000.00	
\$ 3,800.00	\$ 3,800.00		\$ 21,000.00	\$ 21,000.00		\$ 22,000.00	\$ 22,000.00		\$ 46,000.00	\$ 46,000.00		\$ 24,000.00	\$ 24,000.00	
\$ 330,000.00	\$ 330,000.00		\$ 200,000.00	\$ 200,000.00		\$ 215,000.00	\$ 215,000.00		\$ 380,000.00	\$ 380,000.00		\$ 200,000.00	\$ 200,000.00	
\$ 270.00	\$ 270.00		\$ 2,000.00	\$ 2,000.00		\$ 2,200.00	\$ 2,200.00		\$ 2,500.00	\$ 2,500.00		\$ 2,300.00	\$ 2,300.00	
\$ 2,200.00	\$ 2,200.00		\$ 5,200.00	\$ 5,200.00		\$ 5,500.00	\$ 5,500.00		\$ 1,500.00	\$ 1,500.00		\$ 1,500.00	\$ 1,500.00	
\$ 1,800.00	\$ 1,800.00		\$ 6,500.00	\$ 6,500.00		\$ 6,800.00	\$ 6,800.00		\$ 5,000.00	\$ 5,000.00		\$ 5,000.00	\$ 5,000.00	
\$ 3,200.00	\$ 3,200.00		\$ 1,100.00	\$ 1,100.00		\$ 1,100.00	\$ 1,100.00		\$ 5,000.00	\$ 5,000.00		\$ 1,200.00	\$ 1,200.00	
\$ 40,000.00	\$ 40,000.00		\$ 42,000.00	\$ 42,000.00		\$ 44,000.00	\$ 44,000.00		\$ 80,000.00	\$ 80,000.00		\$ 48,000.00	\$ 48,000.00	
\$ 3,800.00	\$ 3,800.00		\$ 21,000.00	\$ 21,000.00		\$ 22,000.00	\$ 22,000.00		\$ 2,500.00	\$ 2,500.00		\$ 24,000.00	\$ 24,000.00	
\$ 530.00	\$ 530.00		\$ 4,200.00	\$ 4,200.00		\$ 4,400.00	\$ 4,400.00		\$ 1,500.00	\$ 1,500.00		\$ 5,000.00	\$ 5,000.00	
\$ 660,000.00	\$ 660,000.00		\$ 700,000.00	\$ 700,000.00		\$ 660,000.00	\$ 660,000.00		\$ 825,000.00	\$ 825,000.00		\$ 1,000,000.00	\$ 1,000,000.00	
\$ 128,000.00	\$ 128,000.00		\$ 99,000.00	\$ 99,000.00		\$ 104,000.00	\$ 104,000.00		\$ 60,000.00	\$ 60,000.00		\$ 113,000.00	\$ 113,000.00	
\$ 25,000.00	\$ 25,000.00		\$ 18,000.00	\$ 18,000.00		\$ 19,000.00	\$ 19,000.00		\$ 75,000.00	\$ 75,000.00		\$ 21,000.00	\$ 21,000.00	
\$ 110,000.00	\$ 110,000.00		\$ 108,000.00	\$ 108,000.00		\$ 112,000.00	\$ 112,000.00		\$ 75,000.00	\$ 75,000.00		\$ 130,000.00	\$ 130,000.00	
\$ 41.00	\$ 41.00		\$ 172,000.00	\$ 172,000.00		\$ 172,000.00	\$ 172,000.00		\$ 35.00	\$ 35.00		\$ 20.00	\$ 20.00	
\$ 73.00	\$ 73.00		\$ 30.00	\$ 30.00		\$ 47,430.00	\$ 47,430.00		\$ 35.00	\$ 35.00		\$ 20.00	\$ 20.00	
\$ 9.00	\$ 9.00		\$ 163,788.00	\$ 163,788.00		\$ 17,288.00	\$ 17,288.00		\$ 6.00	\$ 6.00		\$ 46.82	\$ 46.82	
\$ 30,000.00	\$ 30,000.00		\$ 45,000.00	\$ 45,000.00		\$ 7,500.00	\$ 7,500.00		\$ 20,000.00	\$ 20,000.00		\$ 150,000.00	\$ 150,000.00	
\$ 5.40	\$ 5.40		\$ 7,700.00	\$ 7,700.00		\$ 448,745.00	\$ 448,745.00		\$ 6.00	\$ 6.00		\$ 412,960.00	\$ 412,960.00	
\$ 14.00	\$ 14.00		\$ 1.00	\$ 1.00		\$ 15.00	\$ 15.00		\$ 35.00	\$ 35.00		\$ 15.00	\$ 15.00	
\$ 15.00	\$ 15.00		\$ 30.00	\$ 30.00		\$ 73.00	\$ 73.00		\$ 12.00	\$ 12.00		\$ 35.00	\$ 35.00	
\$ 2.00	\$ 2.00		\$ 264,600.00	\$ 264,600.00		\$ 4.00	\$ 4.00		\$ 4.00	\$ 4.00		\$ 20.00	\$ 20.00	
\$ 10.00	\$ 10.00		\$ 122,112.00	\$ 122,112.00		\$ 15.00	\$ 15.00		\$ 5.00	\$ 5.00		\$ 36.00	\$ 36.00	
\$ 0.50	\$ 0.50		\$ 36,000.00	\$ 36,000.00		\$ 22,500.00	\$ 22,500.00		\$ 0.80	\$ 0.80		\$ 1.00	\$ 1.00	
\$ 80.00	\$ 80.00		\$ 1,118,382.00	\$ 1,118,382.00		\$ 1,448,230.00	\$ 1,448,230.00		\$ 92.00	\$ 92.00		\$ 79.00	\$ 79.00	
\$ 4.00	\$ 4.00		\$ 3,244.56	\$ 3,244.56		\$ 1,150.00	\$ 1,150.00		\$ 10.00	\$ 10.00		\$ 10.00	\$ 10.00	
\$ 4.00	\$ 4.00		\$ 5,530.00	\$ 5,530.00		\$ 5,300.00	\$ 5,300.00		\$ 10.00	\$ 10.00		\$ 5.00	\$ 5.00	
\$ 110.00	\$ 110.00		\$ 1,298.00	\$ 1,298.00		\$ 250.00	\$ 250.00		\$ 250.00	\$ 250.00		\$ 250.00	\$ 250.00	
\$ 3.00	\$ 3.00		\$ 1,844.00	\$ 1,844.00		\$ 2.50	\$ 2.50		\$ 5.00	\$ 5.00		\$ 3.00	\$ 3.00	
\$ 18.00	\$ 18.00		\$ 21,842.00	\$ 21,842.00		\$ 27.05	\$ 27.05		\$ 35.00	\$ 35.00		\$ 15.00	\$ 15.00	
\$ 20.00	\$ 20.00		\$ 45,266.00	\$ 45,266.00		\$ 7.54	\$ 7.54		\$ 12.00	\$ 12.00		\$ 17.00	\$ 17.00	
\$ 20.00	\$ 20.00		\$ 6,840.00	\$ 6,840.00		\$ 25.00	\$ 25.00		\$ 35.00	\$ 35.00		\$ 17.00	\$ 17.00	
\$ 18.00	\$ 18.00		\$ 111,056.00	\$ 111,056.00		\$ 124,038.00	\$ 124,038.00		\$ 150.00	\$ 150.00		\$ 13.00	\$ 13.00	
\$ 300.00	\$ 300.00		\$ 1,900.00	\$ 1,900.00		\$ 750.00	\$ 750.00		\$ 1,500.00	\$ 1,500.00		\$ 150.00	\$ 150.00	
\$ 1,800.00	\$ 1,800.00		\$ 2,500.00	\$ 2,500.00		\$ 2,000.00	\$ 2,000.00		\$ 3,000.00	\$ 3,000.00		\$ 1,000.00	\$ 1,000.00	
\$ 6.00	\$ 6.00		\$ 7,164.00	\$ 7,164.00		\$ 10.00	\$ 10.00		\$ 15.00	\$ 15.00		\$ 7.00	\$ 7.00	
\$ 25.00	\$ 25.00		\$ 5,022.00	\$ 5,022.00		\$ 6,050.00	\$ 6,050.00		\$ 25.00	\$ 25.00		\$ 32.00	\$ 32.00	
\$ 5.30	\$ 5.30		\$ 7,776.00	\$ 7,776.00		\$ 1,515.60	\$ 1,515.60		\$ 15.00	\$ 15.00		\$ 35.00	\$ 35.00	
\$ 15,000.00	\$ 15,000.00		\$ 50,000.00	\$ 50,000.00		\$ 71,200.00	\$ 71,200.00		\$ 45,000.00	\$ 45,000.00		\$ 40,000.00	\$ 40,000.00	
\$ 31,860.00	\$ 31,860.00		\$ 31,860.00	\$ 31,860.00		\$ 11,050.00	\$ 11,050.00		\$ 10,000.00	\$ 10,000.00		\$ 12,000.00	\$ 12,000.00	

USS CAL BUILDERS
8051 Main Street
Stanton, CA 90680
Arch Insurance Company

Stronghold Engineering Inc.
2000 Market Street
Riverside, CA 92501
Liberty Mutual Insurance Company

PCI Portland Concrete Inc
3827 Citrus St
Lemon Grove, CA 91945
The Ohio Casualty Insurance Company

Fastron West, Inc.
6485 Marquardt Place
San Diego, CA 92121
Travelers Casualty and Surety Company of America

Merathon General Ins.
2317 Auto Parkway
Escondido, CA 92029
The Hanover Insurance Company

RESOLUTION NO. 2013-0054

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY AWARDING A CONTRACT TO HAZARD CONSTRUCTION COMPANY, IN THE AMOUNT OF \$8,639,836.50, FOR PROJECT NO. 104146, TO CONSTRUCT SAN PARK 2 PACIFIC HIGHWAY NORTH AT SAN DIEGO INTERNATIONAL AIRPORT

WHEREAS, this project will relocate the existing Pacific Highway parking lot (known as "San Park Pacific Highway") from its present location to the northwest corner of the former General Dynamics property; and

WHEREAS, over the next two years, the lot will be relocated to accommodate development of the Rental Car Center and the Fixed Base Operator ("FBO") facility; and

WHEREAS, construction operations are currently ongoing to clear a portion of the San Park Pacific Highway site to allow the FBO development to commence; and

WHEREAS, the new lot will provide approximately 1,967 parking stalls; and

WHEREAS, the San Diego County Regional Airport Authority ("Authority") issued a Bid Solicitation Package for this contract on April 16, 2013; and

WHEREAS, on May 21, 2013, the Authority opened sealed bids received in response to the Bid Solicitation Package; and

WHEREAS, the requirements of Board Policy 5.14 ("Policy 5.14"), small business, local business and service disabled veteran owned small business goal and preference program, were applied to this bid solicitation; and

WHEREAS, the apparent low bidder, Hazard Construction Company ("Hazard"), submitted a bid in the amount of \$8,639,536.50; and

WHEREAS, after evaluation of bids, one minor mathematical error was found resulting in a correct bid amount of \$8,639,836.50; and

WHEREAS, Hazard met the 2% of the Service Disabled Veteran Owned Small Business and did not meet the requirements of the Small Business goal of 41% that was established for this Contract; and

WHEREAS, under Policy 5.14, Hazard remains the lowest bidder; and

WHEREAS, the apparent low bidder, Hazard, submitted a bid of \$8,639,836.50; and the Authority's staff has duly considered the bid, and has determined Hazard is responsible, and that its bid is responsive in all material respects; and

WHEREAS, the San Diego County Regional Airport Authority Board ("Board") believes that it is in the best interest of the Authority and the public that it serves for the Board to award Hazard Construction Company, the contract for Project No. 104146, San Park 2 Pacific Highway North upon the terms and conditions set forth on the Bid Solicitation Package.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby awards a contract to Hazard Construction Company, in the amount of \$8,639,836.50 for Project No. 104146, to contract San Park 2 Pacific Highway North at San Diego International Airport; and

BE IT FURTHER RESOLVED that Authority's President/CEO or designee hereby is authorized to execute and deliver such contract to Hazard Construction Company; and

BE IT FURTHER RESOLVED that the San Diego County Regional Airport Authority and its officers, employees, and agents hereby are authorized, empowered, and directed to do and perform all such acts as may be necessary or appropriate in order to effectuate fully the foregoing resolution; and

BE IT FURTHER RESOLVED that the Board finds that the San Park 2 Pacific Highway parking facility was evaluated subject to the California Environmental Quality Act ("CEQA"), Pub. Res. Code Section 21065, as a project component of the San Diego International Airport Master Plan Final Environmental Impact Report (SCH #2005091105; SDCRAA #EIR-06-01) certified May 1, 2008 and the North Side Improvements Final Supplemental Environmental Impact Report (also SCH #2005091105; SDCRAA #EIR-10-01) certified by the San Diego County Regional Airport Authority on September 1, 2011; and

BE IT FURTHER RESOLVED that the proposed project will require review by the California Coastal Commission in accordance with the California Coastal Act before commencement of any construction.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6TH day of June, 2013, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

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**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT**

**Item No.
18**

Meeting Date: JUNE 6, 2013

Subject:

Approval and Adoption of the Operating Budget for Fiscal Year 2014 and the Capital Program for Fiscal Years 2014-2018 and Conceptual Approval of the Annual Operating Budget for Fiscal Year 2015

Recommendation:

Adopt Resolution No. 2013-0055, approving and adopting the Authority's Annual Operating Budget for Fiscal Year 2014 and the Capital Program for Fiscal Years 2014-2018 and conceptually approving the Annual Operating Budget for Fiscal Year 2015.

Background/Justification:

On May 23, 2013, and May 28, 2013, the Board participated in workshops regarding the proposed FY 2014 and FY 2015 Operating Budgets and FY 2014 – FY 2018 Capital Program. After an in-depth presentation and discussion, the proposed FY 2014 Operating Budget and FY 2014 – FY 2018 Capital Program were forwarded for Board approval and adoption at the June 6, 2013 Board meeting. In addition, the proposed FY 2015 Operating Budget was forwarded for conceptual approval at the June 6, 2013 Board meeting. Per Authority Policy 4.01, the Authority's Board of Directors has determined that the preparation and adoption of an annual budget will assist in (a) determining the Authority's short-term and long-term strategic and financial planning needs, and (b) effectively managing the facilities and airports under the jurisdiction of the Authority.

The proposed FY 2014 Operating Budget ("Budget") of \$213,078,000 marks the Authority's eleventh fiscal year operating budget. The Budget reflects major programs becoming operational (e.g. The Green Build, Concession Development Program), operational and environmental challenges, and continued economic and industry uncertainty. It ensures that the Authority can execute major programs and fulfill both its operational requirements and considerable regional responsibilities and expectations.

Once approved and adopted by the Board, the Budget will become the spending plan (and spending limit) for the Authority for FY 2014. Actual revenues and expenditures will be monitored during the year and reported to the Board at least quarterly. The Budget may be modified by the Board to reflect new assumptions or events based on periodic reporting and good cause.

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The FY2014 Budget Expenses are comprised of the following divisional expenditure levels:

Division	FY 2014
Executive	\$ 7,441,761
Administration	19,452,242
Finance	20,052,916
Development	44,645,510
Debt Service	58,027,215
Planning & Operations	63,458,356
Total	<u>\$213,078,000</u>

This operating budget reflects a total increase of \$21.55 million, or 11.2%, over the FY 2013 Budget. The increase over the FY 2013 Budget is mostly attributed to a \$10.38 million increase in debt service costs, an increase of \$10.05 million in non-personnel operating expenses, and an increase of \$2.49 million in personnel costs. These increases were partially offset by a decrease of \$1.37 million in equipment outlay costs.

On the revenue side, the budgeted operating and non-operating revenue of \$293.80 million is an increase of \$33.09 million, or 12.7%, over the FY 2013 Budget. The increase over the FY 2013 Budget reflects an increase of \$17.18 million in non-operating revenue, an increase of \$7.96 million associated with airline revenue, an increase of \$7.86 million in non-airline revenue, and an increase of \$0.09 million in interest income.

The net increase of \$17.18 million in non-operating revenue consists of an increase of \$10.10 million in Customer Facility Charges (CFC), \$5.80 million in Capital Grant contributions, \$1.53 million in Passenger Facility Charges (PFC) partially offset by a decrease of \$0.25 million in Build America Bonds (BAB) rebates.

Total FY 2014 airline revenue is projected to be \$97.92 million as compared to \$89.96 million in the FY 2013 Budget, a \$7.96 million increase. The projected landing fee rate is increasing from \$1.96 to \$1.98 per thousand pound units and the terminal gross rental rate is decreasing from \$134.69 to \$120.12. In consultation with the airlines, rates, fees, and charges will be monitored and adjusted, if necessary.

The net increase of \$7.86 million in non-airline revenue predominantly consists of an increase of \$3.19 million in concession revenue, \$2.99 million in parking revenue, \$1.03 million in car rental license fee revenue, \$0.42 million in license fees other revenue, and \$0.22 million in ground rental revenue.

The projected FY 2014 revenues will cover the FY2014 proposed budgeted expenses and debt service requirements, and will also provide for adequate working capital.

The Capital Program includes the Capital Improvement Program (CIP) and the Green Build/Terminal Development Program (Green Build). The Capital Improvement Program (CIP) is a rolling five year program.

The CIP provides for critical improvements and asset preservation for the Authority. The program includes projects that address airfield safety and capacity, environmental protection, terminal enhancements and, landside infrastructure and access improvements. The proposed total is \$731.8 million.

The Green Build provides for 10 additional passenger gates, a new dual-level roadway at Terminal 2, and additional aircraft Remain Overnight parking areas. The budget for the Green Build is \$820.0 million.

Funding sources for the projects include Airport Improvement Program (AIP) grants, TSA grants, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), airport cash, airport system revenue bonds, and may include short-term borrowing using commercial paper. The FY 2014 – FY 2018 proposed Capital Program total is \$1,551.8 million.

Use of Funds (in millions):

Airside	\$ 131.0
Terminal	105.5
Administrative	12.0
Landside	483.3
Green Build	<u>820.0</u>
Total Use of Funds	\$1,551.8

Source of Funds (in millions):

Federal Grants	\$ 153.7
PFC Revenues	178.7
Airport System Revenue Bonds	791.1
Airport Cash	54.7
CFC Revenues	<u>373.6</u>
Total Use of Funds	\$1,551.8

In summary, the Operating Budget and Capital Program as presented are consistent with Board policy and were developed under the guidance of the Authority's President/CEO and Chief Financial Officer. The budget reflects the revenues available to the Authority, and how these funds will be spent to support the Authority's strategies for FY 2014.

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The Authority also embarked on its fourth year of preparing a biennial budget. As such, a budget for FY 2015 was developed and proposed for conceptual approval.

The proposed FY 2015 Budget Expenses total \$226,429,000 and are comprised of the following divisional expenditure levels:

Division	FY 2015
Executive	\$ 7,335,506
Administration	20,177,650
Finance	20,225,684
Development	46,521,432
Debt Service	64,640,770
Planning & Operations	67,527,958
Total	\$226,429,000

This operating budget reflects a total increase of \$13.35 million, or 6.3%, above the proposed FY 2014 Budget. This increase is mostly attributed to a \$6.61 million increase in debt service costs, an increase of \$3.84 million in non-personnel operating expenses, an increase of \$2.75 million in personnel costs, and an increase of \$0.16 million in equipment outlay costs.

On the revenue side, the budgeted operating and non-operating revenues of \$307.02 million are an increase of \$13.22 million, or 4.5%, over the proposed FY 2014 Budget. This net increase reflects an increase of \$12.21 million in non-airline revenue, an increase of \$5.97 million associated with airline revenue, an increase of \$3.54 million in Customer Facility Charges, an increase of \$0.70 million in Passenger Facility Charges, and an increase of \$0.29 million in interest income, partially offset by a decrease of \$9.49 million in Capital Grant contributions.

The conceptually approved FY 2015 budget will be brought back to the board next year for review, revisions, and adoption in June 2014.

Fiscal Impact:

If the proposed FY 2014 Budget is approved and adopted and the proposed FY 2015 Budget is conceptually approved, funding of \$213,078,000 will be authorized for FY 2014 and funding of \$226,429,000 will be established as the framework for the FY 2015 Budget, which will be brought back to the board next year for review, revisions, and adoption in June 2014. If the Capital Program is approved, \$1,551,752,693 will become the authorized spending level.

Environmental Review:

A. CEQA Review: This Board action, as an administrative action, is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.

B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act Cal. Pub. Res. Code §30106.

Equal Opportunity Program:

Not Applicable

Prepared by:

VERNON D. EVANS
VICE PRESIDENT, FINANCE/TREASURER

RESOLUTION NO. 2013-0055

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY APPROVING AND ADOPTING THE AUTHORITY'S ANNUAL OPERATING BUDGET FOR FISCAL YEAR 2014, AND THE CAPITAL PROGRAM FOR FISCAL YEARS 2014 - 2018, AND CONCEPTUALLY APPROVING THE ANNUAL OPERATING BUDGET FOR FISCAL YEAR 2015

WHEREAS, Authority management prepared and presented the Proposed Fiscal Year 2014 and 2015 Operating Budgets and the Capital Program to the Authority Board for review at duly noticed public workshops on May 23 and May 28, 2013; and

WHEREAS, the Board provided opportunities at its meetings for members of the public to comment on and ask questions concerning the Proposed Fiscal Year 2014 and 2015 Operating Budgets and Capital Program; and

WHEREAS, the Proposed Fiscal Year 2014 and 2015 Operating Budgets present a financial operating budget of \$213,078,000 and \$226,429,000, respectively, and a Capital Program for the next five (5) years of \$1,551,752,693, providing adequate resources to address the operating and infrastructure requirements of San Diego International Airport and the regional responsibilities of the Authority for Fiscal Years 2014 and 2015; and

WHEREAS, the Proposed Fiscal Year 2014 and 2015 Operating Budgets present forecasted operating revenues and other funding to meet a balanced budget and other financial requirements as outlined under the Authority's Bond Master Trust Indenture; and

WHEREAS, the Board has reviewed the Proposed Fiscal Year 2014 and 2015 Operating Budgets and the Capital Program and believes that the approval and adoption of the Fiscal Year 2014 Operating Budget and Capital Program and conceptual approval of the Fiscal Year 2015 Operating Budget in the form presented to the Board at the public meeting on June 6, 2013, is in the best interests of the Authority and the public that it serves.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves and adopts the Annual Operating Budget for Fiscal Year 2014 and the Capital Program for Fiscal Years 2014-2018 and conceptually approves the Annual Operating Budget for Fiscal Year 2015.

000169.5

BE IT FURTHER RESOLVED that the Authority and all of its officers, employees and agents are hereby authorized, empowered and directed to do and perform all such acts as may be necessary or appropriate to implement the Adopted Annual Operating Budget for Fiscal Year 2014 and the Capital Program.

BE IT FURTHER RESOLVED that the Board of the San Diego County Regional Airport Authority finds that this Board action is not a "project" as defined by the California Environmental Quality Act (CEQA) Cal. Pub. Res. Code Section 21065; and is not a "development" as defined by the California Coastal Act Cal. Pub. Res. Code Section 30106.

PASSED, ADOPTED AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6TH day of June, 2013 by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

000169.6



SAN DIEGO
INTERNATIONAL
AIRPORT

Item 18



San Diego County Regional Airport Authority

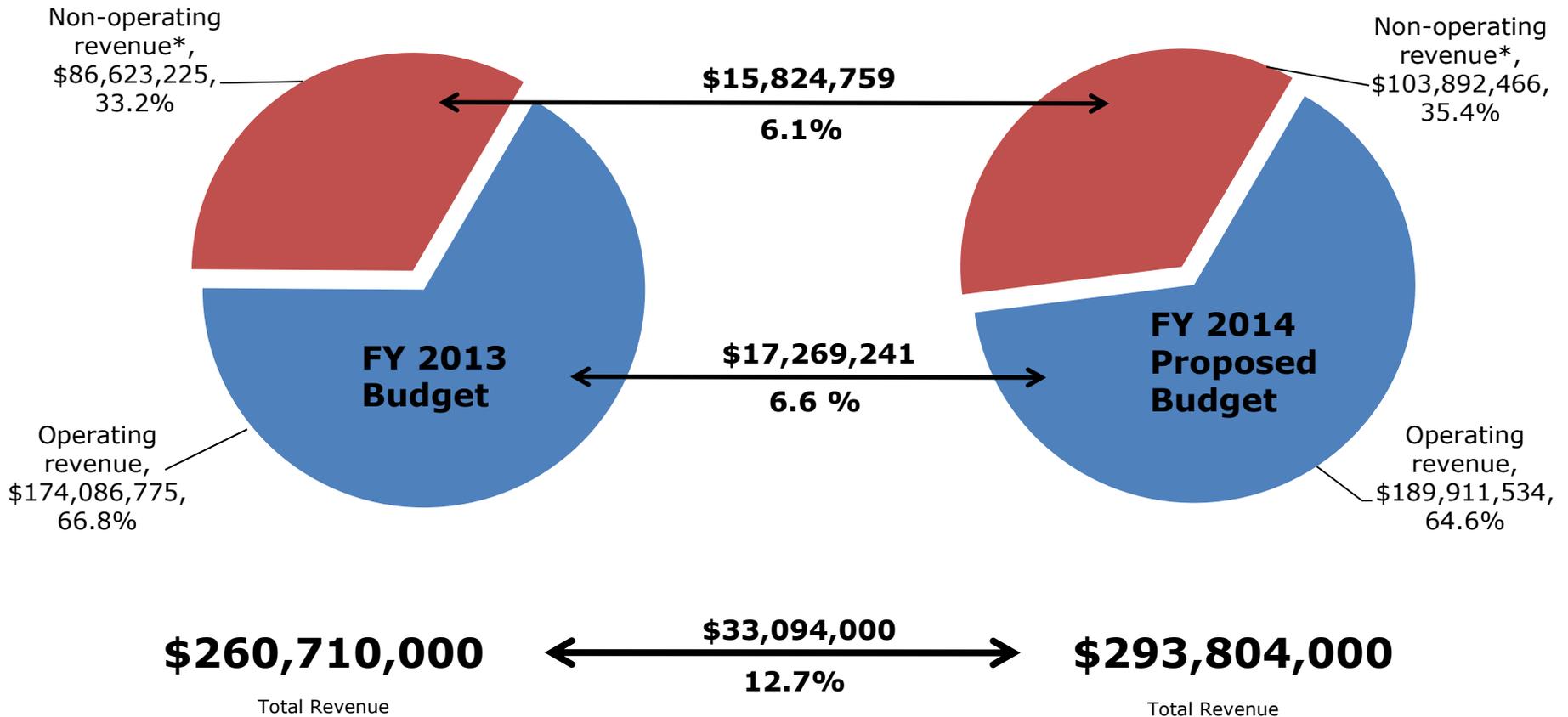
FY 2014 Proposed Budget & FY 2015 Proposed Conceptual Budget

Finance Division

Financial Planning and Budget

Revenue Budget Overview

FY 2013 Revenue Budget vs. FY 2014 Proposed Revenue Budget



* Non-Operating revenue includes Interest Income, PFC, CFC, QHP, Capital Grant Contributions and BAB Interest Rebate

FY 2014 Proposed Budget Total Increase
\$33.1M, 12.7%

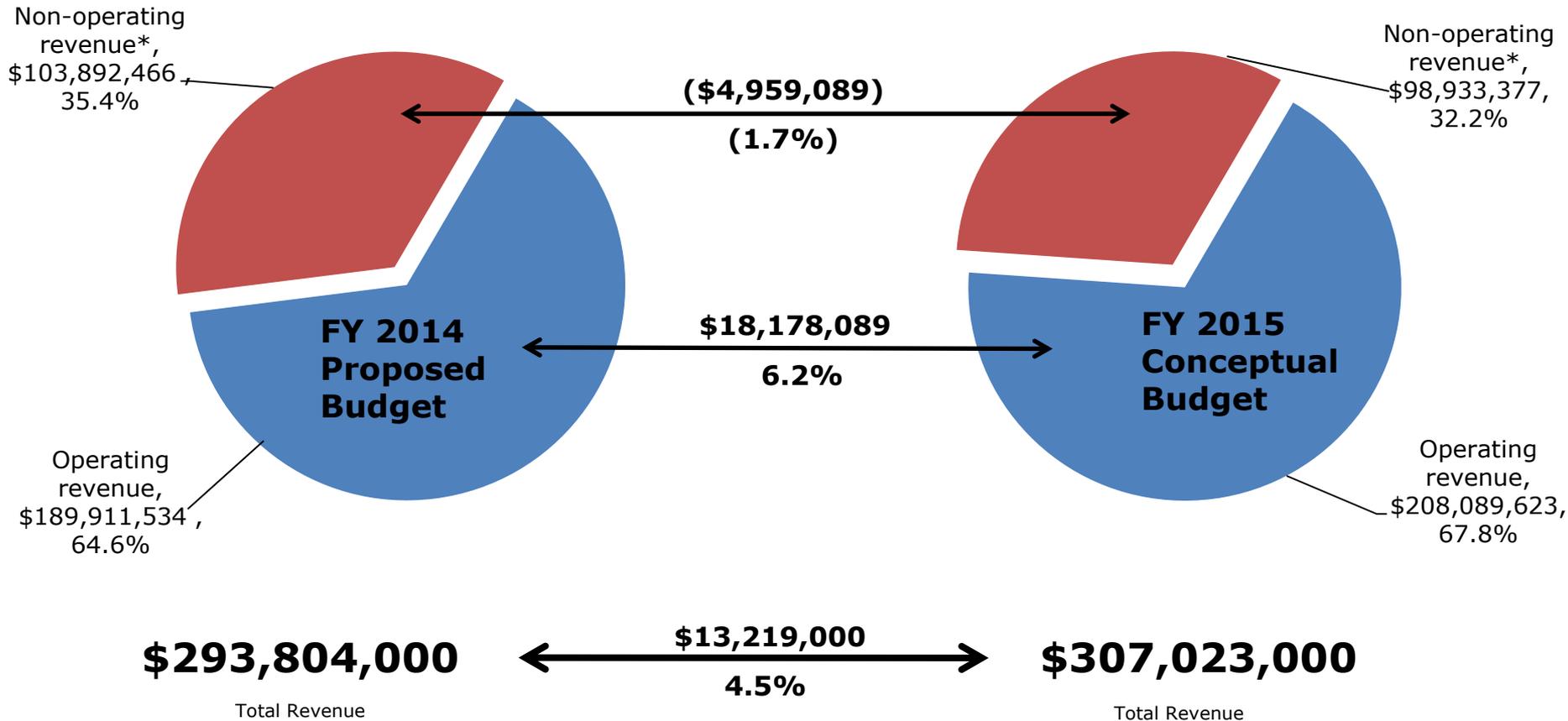
Increase in Airline Revenue
\$8.0M, 3.1%

Increase in Non-Airline Revenue
\$7.9M, 3.0%

Increase in Non-Operating Revenue *
\$17.2M, 6.6%

* Non-Operating revenue includes Interest Income, PFC, CFC, QHP, Capital Grant Contributions and BAB Interest Rebate

FY 2014 Proposed Revenue Budget vs. FY 2015 Conceptual Revenue Budget



* Non-Operating revenue includes Interest Income, PFC, CFC, QHP, Capital Grant Contributions and BAB Interest Rebate

FY 2015 Proposed Budget Total Increase
\$13.2M, 4.5%

Increase in Airline Revenue
\$6.0M, 2.0%

Increase in Non-Airline Revenue
\$12.2M, 4.2%

Decrease in Non-Operating Revenue *
(\$5.0M), (1.7%)

* Non-Operating revenue includes interest Income, PFC, CFC, QHP, Capital Grant Contributions and BAB Interest Rebate

Revenue Budget Overview

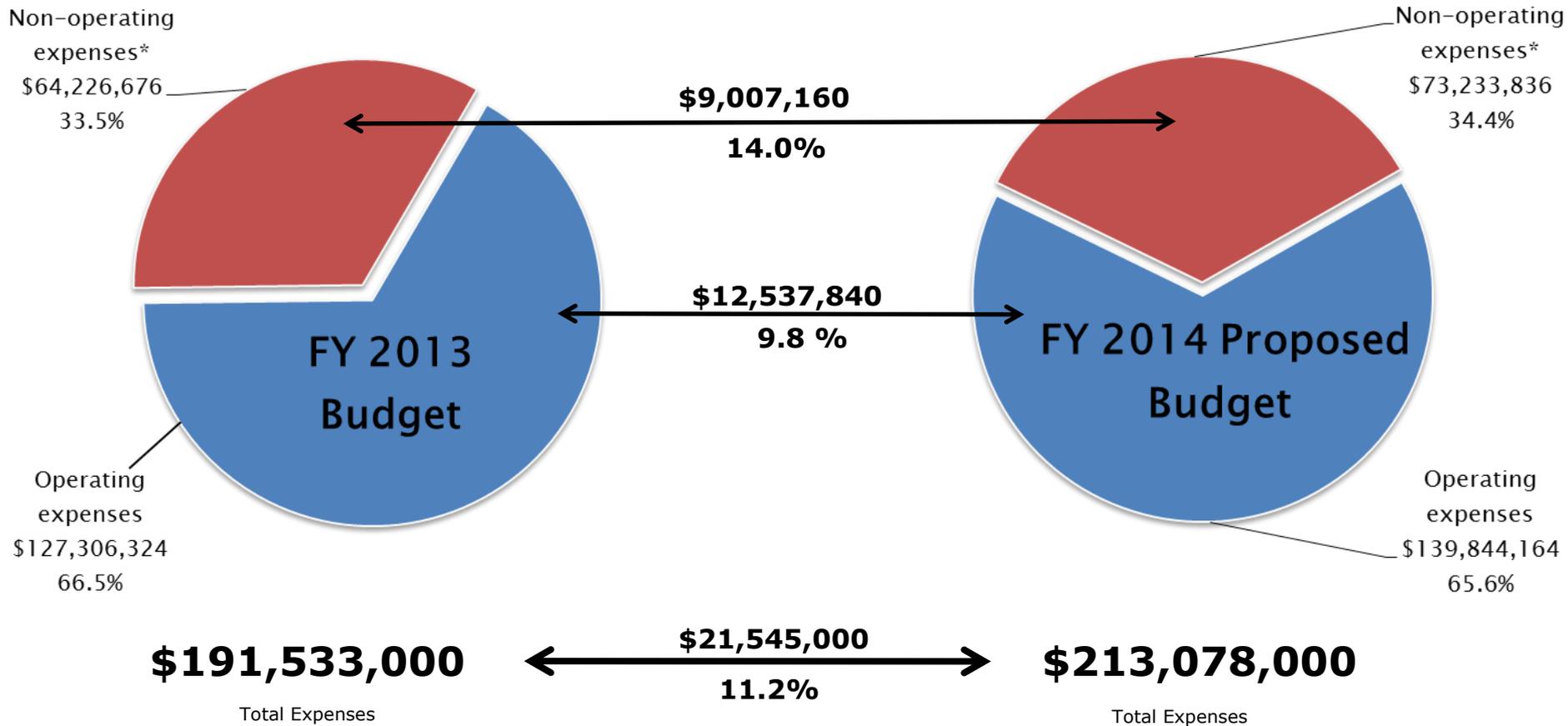
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	FY 2013 Budget	FY2014 Proposed Budget	Inc/(Dec) FY14 Proposed vs FY13 Budget	% Change	FY2015 Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Proposed	% Change
Operating Revenue:							
Airline Revenue							
Landing Fees	\$ 21,092,400	\$ 21,814,724	\$ 722,324	3.4%	\$ 24,055,014	\$ 2,240,290	10.3%
Aircraft Parking Fees	3,299,900	2,559,493	(740,407)	-22.4%	2,799,267	239,773	9.4%
Building Rentals	43,356,900	45,869,700	2,512,800	5.8%	47,237,652	1,367,951	3.0%
Common Use System Support Charges	-	1,116,900	1,116,900	-	1,116,900	-	-
Other Aviation Revenue	1,584,300	1,592,288	7,988	0.5%	1,595,586	3,298	0.2%
Security Surcharge	20,629,100	24,969,500	4,340,400	21.0%	27,091,200	2,121,700	8.5%
Total Airline Revenue	89,962,600	97,922,606	7,960,006	8.8%	103,895,618	5,973,012	6.1%
Non-Airline Revenue							
Terminal rent non-Airline	959,811	1,024,234	64,423	6.7%	1,069,154	44,920	4.4%
Terminal concessions	14,028,738	17,216,343	3,187,605	22.7%	19,475,281	2,258,939	13.1%
Rental Car License Fees	24,028,200	25,061,200	1,033,000	4.3%	26,073,700	1,012,500	4.0%
License Fees Other	2,860,000	3,277,200	417,200	14.6%	3,299,800	22,600	0.7%
Parking Revenue	31,301,505	34,290,532	2,989,027	9.5%	38,492,545	4,202,013	12.3%
Ground Transportation Permits and Citations	2,199,787	2,261,247	61,461	2.8%	3,545,439	1,284,191	56.8%
Ground Rentals	7,974,794	8,193,071	218,278	2.7%	11,558,786	3,365,715	41.1%
Grant Reimbursements	218,800	223,200	4,400	2.0%	227,700	4,500	2.0%
Other Operating Revenue *	552,540	441,900	(110,640)	-20.0%	451,600	9,700	2.2%
Total Non-Airline Revenue	84,124,175	91,988,928	7,864,753	9.3%	104,194,005	12,205,077	13.3%
Total Operating Revenue	174,086,775	189,911,534	15,824,759	9.1%	208,089,623	18,178,089	9.6%
Interest Income	5,204,220	5,290,220	86,000	1.7%	5,583,586	293,366	5.5%
Non-Operating Revenue							
Passenger facility charges	33,624,500	35,155,100	1,530,600	4.6%	35,858,200	703,100	2.0%
Customer facility charges (Rental Car Center)	16,422,631	26,528,528	10,105,896	61.5%	30,065,665	3,537,137	13.3%
Quieter Home Program	12,073,700	12,069,400	(4,300)	0.0%	12,069,700	300	0.0%
BAB Interest Rebate	4,995,921	4,741,129	(254,792)	-5.1%	4,741,129	-	0.0%
Capital grant contributions	14,302,252	20,108,089	5,805,837	40.6%	10,615,097	(9,492,992)	-47.2%
Total Non-Operating Revenue	81,419,005	98,602,246	17,183,241	21.1%	93,349,791	(5,252,455)	-5.3%
Total Revenue	\$ 260,710,000	\$ 293,804,000	\$ 33,094,000	12.7%	\$ 307,023,000	\$ 13,219,000	4.5%

* Other Operating Revenue includes finger printing fees, utilities reimbursements, service charges, equipment rental and miscellaneous revenues

Expense Budget Overview

FY 2013 Expense Budget vs. FY 2014 Proposed Expense Budget



*Non-Operating Expenses include Debt Service, Quieter Home Program, & Equipment Outlay

FY 2014 Proposed Expense Budget vs. FY 2013 Expense Budget

**FY 2014 Proposed Budget Total Increase
\$21.5M, 11.2%**

Increase in Debt Service, QHP and decrease Equipment
Outlay

\$9.6M, 5.0%

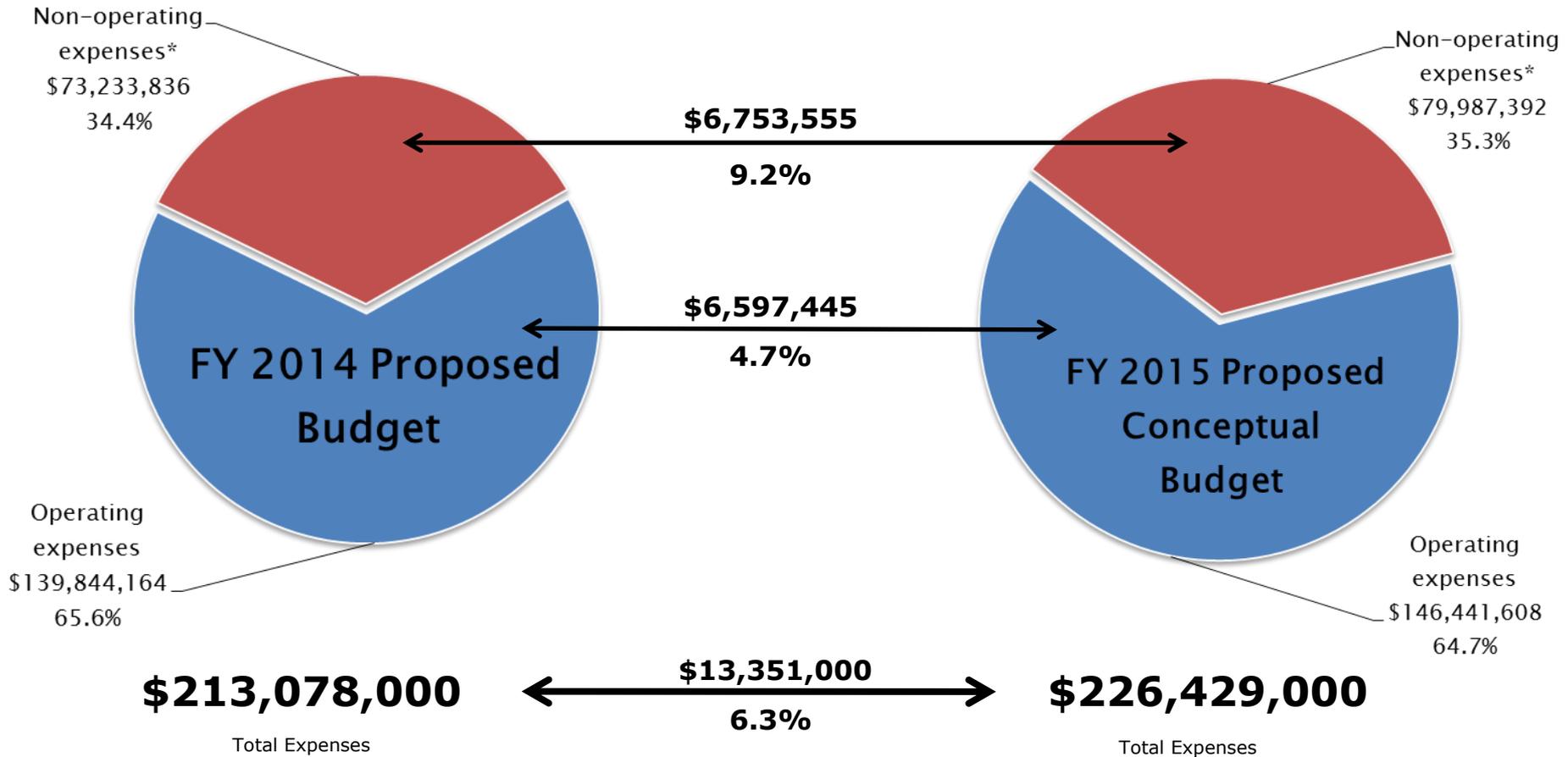
Increase in Green Build and Concession Development
Program

\$7.7M, 4.0%

Increase in general activity operating expenses

\$4.2M, 2.2%

FY 2014 Proposed Expense Budget vs. FY 2015 Conceptual Expense Budget



*Non-Operating Expenses include Debt Service, Quieter Home Program, & Equipment Outlay

FY 2015 Conceptual Expense Budget vs. FY 2014 Proposed Expense Budget

**FY 2015 Conceptual Budget Total Increase
\$13.4M, 6.3%**

Increase in Debt Service, Equipment Outlay and decrease
in QHP

\$6.8M, 3.2%

Increase in Green Build, Concession Development Program
and North Side Development

\$2.1M, 1.0%

Increase in general activity operating expenses

\$4.5M, 2.1%

FY 2014 – 2015 Expense Summary by Category

	FY 2013 Budget	FY 2014 Proposed Budget	Inc/(Dec) FY14 Proposed Budget vs FY13 Budget	% Change	FY 2015 Proposed Conceptual Budget	Inc/(Dec) FY15 Conceptual vs FY14 Proposed Budget	% Change
Operating Expenses:							
Personnel Expenses							
Salaries and Wages	\$ 29,065,130	\$ 31,169,886	\$ 2,104,757	7.2%	\$ 33,004,041	\$ 1,834,155	5.9%
Premium Overtime	818,500	867,400	48,900	6.0%	865,700	(1,700)	-0.2%
Employee Benefits	15,198,202	16,319,513	1,121,311	7.4%	17,701,713	1,382,200	8.5%
Subtotal	45,081,832	48,356,799	3,274,968	7.3%	51,571,454	3,214,654	6.6%
Less: Capitalized Labor	(4,958,440)	(5,749,016)	(790,576)	15.9%	(6,180,522)	(431,506)	7.5%
Less: QHP - Labor/Burden/Labor Overhead	(708,766)	(703,804)	4,962	-0.7%	(732,944)	(29,140)	4.1%
Total Personnel Expenses	39,414,626	41,903,979	2,489,353	6.3%	44,657,988	2,754,009	6.6%
Non-Personnel Expenses							
Contractual Services	29,365,241	33,279,133	3,913,892	13.3%	34,052,611	773,478	2.3%
Safety and Security	22,408,160	24,975,465	2,567,305	11.5%	27,111,790	2,136,326	8.6%
Space Rental	11,416,345	10,378,412	(1,037,933)	-9.1%	10,324,952	(53,460)	-0.5%
Utilities	7,753,075	8,566,650	813,575	10.5%	8,943,750	377,100	4.4%
Maintenance	8,234,743	11,661,347	3,426,604	41.6%	12,017,693	356,346	3.1%
Operating Equipment & Systems	459,048	456,779	(2,269)	-0.5%	500,468	43,689	9.6%
Operating Supplies	349,722	374,352	24,630	7.0%	431,444	57,092	15.3%
Insurance	872,318	1,253,579	381,261	43.7%	1,546,084	292,505	23.3%
Employee Programs	1,186,464	1,259,598	73,134	6.2%	1,425,213	165,615	13.1%
Business Development	3,584,933	2,943,753	(641,180)	-17.9%	2,860,045	(83,708)	-2.8%
Equipment Rentals & Repairs	1,744,849	2,431,217	686,368	39.3%	2,569,571	138,353	5.7%
Tenant Improvements	516,800	359,900	(156,900)	-30.4%	-	(359,900)	-100.0%
Total Non-Personnel Expenses	87,891,698	97,940,185	10,048,487	11.4%	101,783,621	3,843,436	3.9%
Total Operating Expenses	127,306,324	139,844,164	12,537,840	9.8%	146,441,608	6,597,445	4.7%
Non-Operating Expenses:							
Joint Studies/Sound Attenuation	15,181,596	15,176,621	(4,975)	0.0%	15,176,621	-	0.0%
Debt Service	47,643,080	58,027,215	10,384,135	21.8%	64,640,770	6,613,555	11.4%
Legal Settlements Expense	20,000	20,000	-	0.0%	-	(20,000)	-100.0%
Total Non-Operating Expenses	62,844,676	73,223,837	10,379,160	16.5%	79,817,391	6,593,555	9.0%
Total Expenses	190,151,000	213,068,000	22,917,000	12.1%	226,259,000	13,191,000	6.2%
Equipment Outlay	1,382,000	10,000	(1,372,000)	-99.3%	170,000	160,000	1600.0%
Total Authority Expenses incl Equip Outlay	\$ 191,533,000	\$ 213,078,000	\$ 21,545,000	11.2%	\$ 226,429,000	\$ 13,351,000	6.3%



SAN DIEGO
INTERNATIONAL
AIRPORT

Proposed Capital Program FY 2014–FY 2018

(In thousands)

FY 2013 Capital Improvement Program	\$	596,084
FY 2013 Project Closeouts		(2,834)
FY 2013 Project Cancellations		(180)
FY 2013 Project Adjustments		50,810
FY 2013 Capital Improvement Program Balance	\$	643,880
Proposed New Projects		57,273
Proposed RCC Projects		30,600
The Green Build		820,000
Proposed FY 2014 Capital Program ¹	\$	<u>1,551,753</u>

¹Does not include financing costs of \$117M

Proposed FY2014–2018 Capital Projects

(In thousands)

	<u>Description</u>		<u>Estimated Cost</u>
1)	Upgrade Ground Transportation Systems	\$	2,400
2)	Cargo Taxiways		9,545
3)	Construct Apron Blast Fence at Commuter Terminal		990
4)	Construct FAA Waterline		470
5)	Construct Rental Car Center Restaurant Warm Shell		4,955
6)	Cargo Development Oversight		1,550
7)	Sky Club Conversion		1,495
8)	Terminal Flight Information Display System Update		3,022
9)	Replace Passenger Loading Bridges in Terminal 1		3,120
10)	T1 Baggage Claim Area Enhancements/T2E Ceiling Upgrade		4,056
11)	Wayfinding Signage/Directories (Terminal/Road/Parking)		4,940

Proposed FY2014–2018 Capital Projects

(In thousands)

	<u>Description</u>	<u>Estimated Cost</u>
12)	Acquire Zero Emission Vehicle Buses	\$ 2,500
13)	T2E CUPPS Expansion	4,000
14)	North Side Additional Landscaping	2,500
15)	Reconstruct Aprons at Cargo Terminal and Terminal 1	1,169
16)	Pre-conditioned Air Installation at T1W & T2E (VALE)	4,800
17)	Capital Project Allowance	5,000
18)	Public Art Allowance Increase for New Projects	760
	Total FY14–18 Proposed CIP Projects	\$ 57,273
1)	Acquire Rental Car Center Buses	16,100
2)	Construct Bus Parking/Fueling Facility	14,500
	Total FY14–16 Proposed RCC Supplemental Projects	\$ 30,600

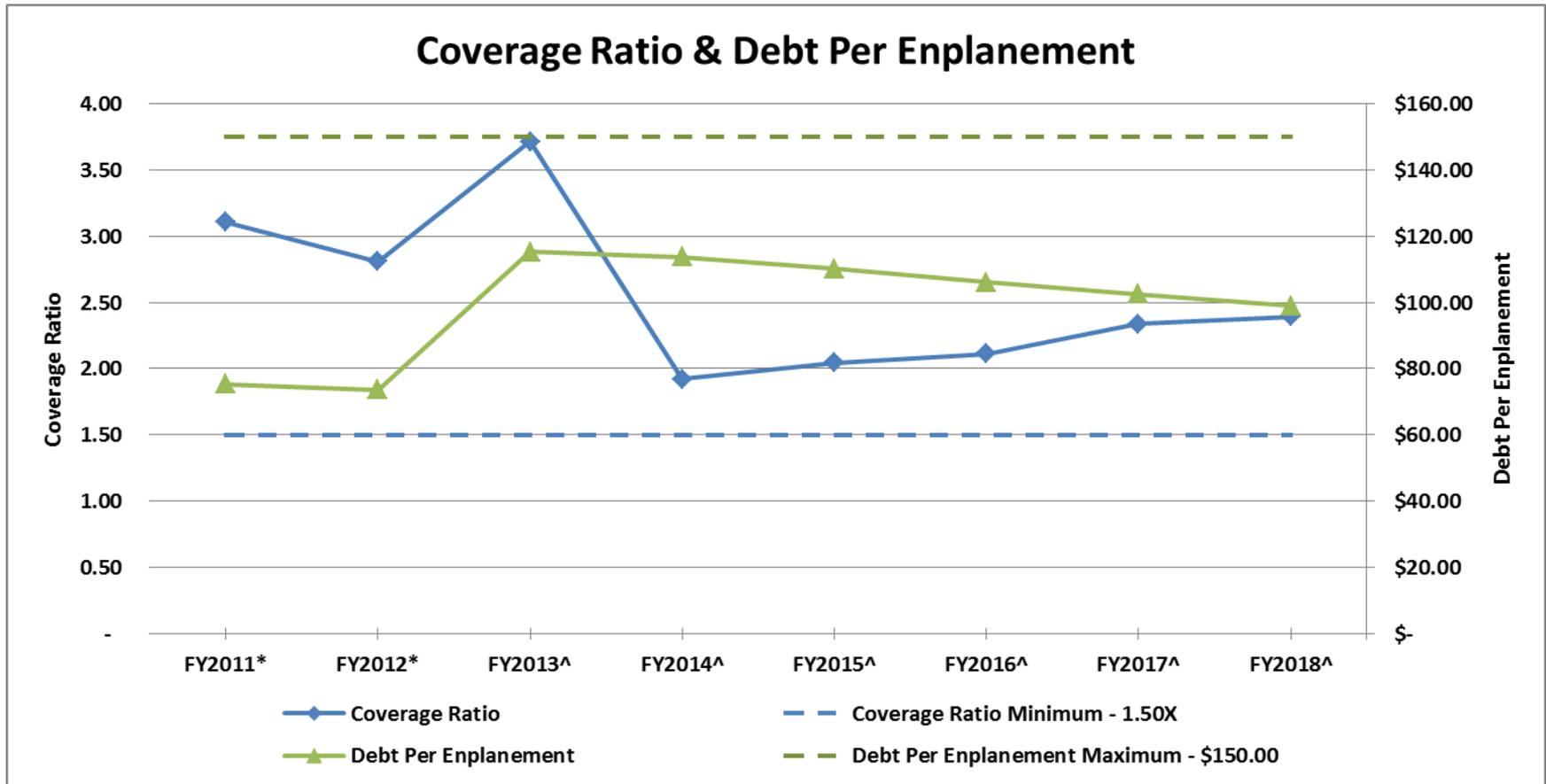
Plan of Finance

FY 2014 – FY 2018

Uses and Sources of Funds

<u>Total Use of Funds</u>							
<i>(in thousands)</i>	Pre FY2014	FY2014	FY2015	FY2016	FY2017	FY2018	Total
Green Build / TDP	\$ 705,672	\$ 114,328	\$ -	\$ -	\$ -	\$ -	\$ 820,000
CIP	119,396	224,208	235,496	76,339	32,267	44,046	731,753
Finance Costs	117,770	-	-	-	-	-	117,770
Total	\$ 942,839	\$ 338,535	\$ 235,496	\$ 76,339	\$ 32,267	\$ 44,046	\$ 1,669,523

<u>Total Sources of Funds</u>							
<i>(in thousands)</i>	Pre FY2014	FY2014	FY2015	FY2016	FY2017	FY2018	Total
Airport Revenue Bonds	\$ 722,334	\$ 179,226	\$ 6,779	\$ 502	\$ -	\$ -	\$ 908,840
Customer Facility Charges	19,270	105,712	192,688	55,929	-	-	373,599
Passenger Facility Charges	128,362	18,178	8,401	5,671	9,666	8,374	178,652
Federal Grants	68,459	14,005	10,615	4,992	20,876	34,770	153,717
Airport Cash	4,414	21,416	17,013	9,246	1,724	902	54,715
TOTAL SOURCES OF FUNDS	\$ 942,839	\$ 338,535	\$ 235,496	\$ 76,339	\$ 32,267	\$ 44,046	\$ 1,669,523



* Actuals

^ Forecast

Conclusion

SDCRAA FY 2014 Proposed Budget & FY 2015 Proposed Conceptual Budget

- Enhances the financial position of the Authority during continued economic uncertainty
- Meets mandated airport safety and security requirements
- Honors the Authority's legislative and regulatory mandates
- Maintains competitive rates for airline tenants and airport users
- Is supported by airport users...no local taxpayer dollars



SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT

Item No.
19

Meeting Date: **JUNE 6, 2013**

Subject:

Approve and Authorize the President/CEO to Execute a Common Use Systems Maintenance Agreement

Recommendation:

Adopt Resolution No. 2013-0056, approving and authorizing the President/CEO to execute an agreement with SITA, Inc. for a term of three years, with the option for two one-year extensions to be exercised at the discretion of the President/CEO, in an amount not-to-exceed \$5,639,085.33 to provide maintenance support services for the Airport Authority's Common Use Systems.

Background/Justification:

For decades, most airports leased specific gates and ticket counters to airlines serving the airport. Under this approach, airlines would then install proprietary equipment at the ticket counters and gates to conduct passenger check-in and boarding processes. In recent years, led by airports in Europe and Asia, many airports around the world adopted a different model: employing "common use" systems. The common use approach gives airports and airlines more flexibility during irregular operations (*e.g.*, delayed flights -- departing or arriving, broken jet bridges, temporary closures for construction and airline mergers). Common use systems also provide the airport greater utilization of its limited gate and counter resources. For example, at San Diego International Airport (SDIA), common use systems are used in Terminal 2 East (T2E) by American Airlines to process passengers for alliance partners British Airways (BA) and Japan Airlines (JAL). American Airlines would be unable to perform these functions without the common use systems. Due to SDIA's limited number of international gates and ticket counter space in T2E, the only practical solution that allows multiple international airlines to be served is the Authority's common use passenger processing system.

Authority staff seeks to award a sole source agreement with SITA, Inc. (SITA) to provide maintenance for the Authority's common use systems throughout the Airport. The common use systems consist of the following: Common Use Passenger Processing System (CUPPS), Common Use Self-Service Kiosks (CUSS), Local Departure Control System (LDCS), Baggage Messaging System (BMS), Flight Information Display System (FIDS), Airport Operational Database (AODB), and Resource Management System (RMS), which were all designed and installed at SDIA by SITA.

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SITA is the sole authorized provider of maintenance for the SITA common use systems. This agreement will provide continued maintenance coverage with no break in system maintenance. SITA has serviced the FIDS portion of the common use systems since 2003, and the Common Use Terminal Equipment (CUTE) system since its installation in 2008. Within the last year, SITA, Inc., as a subcontractor to the Green Build airside joint venture (Turner/PCL/Flatiron) performed an upgrade of the airport-wide FIDS, and upgraded the previously-installed CUTE system to CUPPS. (CUPPS was developed through a collaborative approach by vendors, airlines and airports – and is now the industry common use recommended practice.) Since these upgrades, SITA has been under contract with Turner/PCL/Flatiron to maintain the upgraded SITA systems. This agreement will enable the Authority to retain maintenance coverage on these systems when the Turner/PCL/Flatiron agreement with SITA expires on July 31, 2013.

The proposed maintenance agreement with SITA, Inc. covers the:

- Common Use Passenger Processing System (CUPPS);
- Common Use Self Service Kiosks (CUSS);
- Local Departure Control System (LDCS);
- Baggage Messaging System (BMS) - (supports the baggage handling system);
- Airport Management Solution (AMS): (includes the Airport Operational Database (AODB) and Resource Management System (RMS), which are the underlying database and application that support gate management, FIDS, and other electronic signs); and,
- an On-Site Technical Site Manager (a technical support lead at SDIA to ensure that common use systems are maintained and operational).

The agreement provides for keeping the core software up-to-date, and working with airlines to implement airline changes to their software as needed. It will also ensure access to software trouble call support and maintenance support for the significantly expanded common use systems throughout the Airport.

As stated above, SITA, Inc., is the sole authorized provider of the necessary maintenance services for the Authority's Common Use Systems. Therefore, staff recommends that the Board approve an agreement with SITA, Inc. for Common Use Systems Maintenance, for a period of three years with the option for two one-year extensions, in an amount not-to-exceed \$5,639,085.33.

Fiscal Impact:

Adequate funding for this Common Use Systems Maintenance Agreement is included in the proposed FY 2014 and conceptual FY 2015 O&M budgets within the Repairs Office Equipment and Systems; Maintenance Agreements line item. Funding for the subsequent years of the agreement will be included in the IT Department's FY 2016 through FY 2018 O&M budgets.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. CEQA: This Board action, as an administrative action, is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Equal Opportunity Program:

Not applicable.

Prepared by:

HOWARD KOURIK
DIRECTOR, IT DEPARTMENT

RESOLUTION NO. 2013-0056

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, APPROVING AND AUTHORIZING THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH SITA, INC. FOR A TERM OF THREE YEARS, WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS TO BE EXERCISED AT THE DISCRETION OF THE PRESIDENT/CEO, IN AN AMOUNT NOT-TO-EXCEED \$5,639,085.33 TO PROVIDE MAINTENANCE SUPPORT SERVICES FOR THE AIRPORT AUTHORITY'S COMMON USE SYSTEMS.

WHEREAS, the Authority has implemented the SITA, Inc. Common Use System; and

WHEREAS, SITA, Inc., in accordance with Authority Policy 5.01 (6) is the only authorized service provider for the SITA, Inc. Common Use Systems; and

WHEREAS, SITA, Inc., has successfully maintained the Common Use Systems at the Airport to date, under the Green Build Joint Venture contract; and

WHEREAS, Staff has determined SITA, Inc., to be qualified to perform the maintenance support services for the Authority's Common Use Systems.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves and authorizes the President/CEO to execute a Sole Source agreement with SITA, Inc., for a term of three years, with the option for two one-year extensions to be exercised at the discretion of the President/CEO, in an amount not-to-exceed \$5,639,085.33 to provide maintenance support services for the airport Authority's Common Use Systems; and

BE IT FURTHER RESOLVED that the Authority's President/CEO or designee hereby is authorized to execute and deliver such contract to SITA Inc.; and

BE IT FURTHER RESOLVED that the Authority and its officers, employees, and agents hereby are authorized, empowered, and directed to do and perform all such acts as may be necessary or appropriate in order to effectuate fully the foregoing resolutions; and

BE IT FURTHER RESOLVED by the Board that it finds that this Board action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (California Public Resources Code §21065); and is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6TH day of June, 2013, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

San Diego County Regional Airport Authority



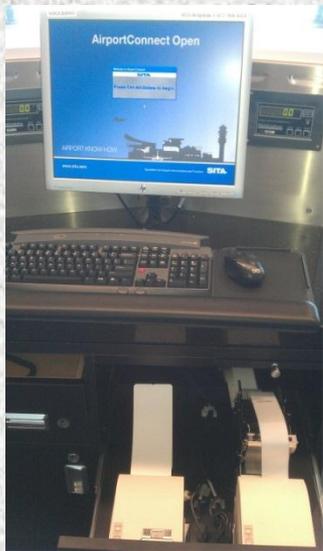
Common Use Systems Maintenance Agreement

Presented By:
Howard Kourik
Director, Information Technology

June 6, 2013

Common Use Systems Maintenance Agreement

- *Recommendation: Award a maintenance agreement to SITA, Inc. for maintenance of the SITA common use systems at San Diego International Airport (SDIA)*
- Common use systems are those systems, provided by the airport, and used by multiple airlines to conduct their normal business. Common use systems, such as CUPPS, CUSS, and FIDS (later defined) enable the Authority to maximize the use of SDIA's gates and ticket counters to serve multiple airlines with shared displays, counters or gates.



CUPPS



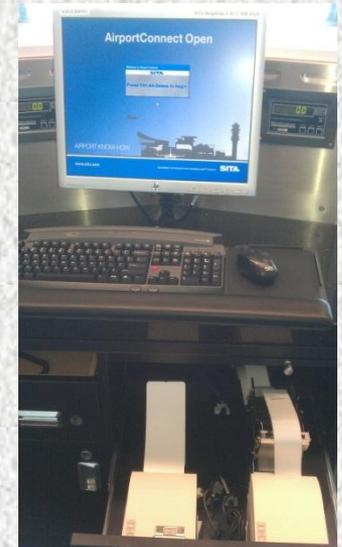
CUSS



FIDS

Common Use Systems Maintenance Agreement

- The common use systems are:
 - Common Use Passenger Processing System (CUPPS)



Common Use Systems Maintenance Agreement

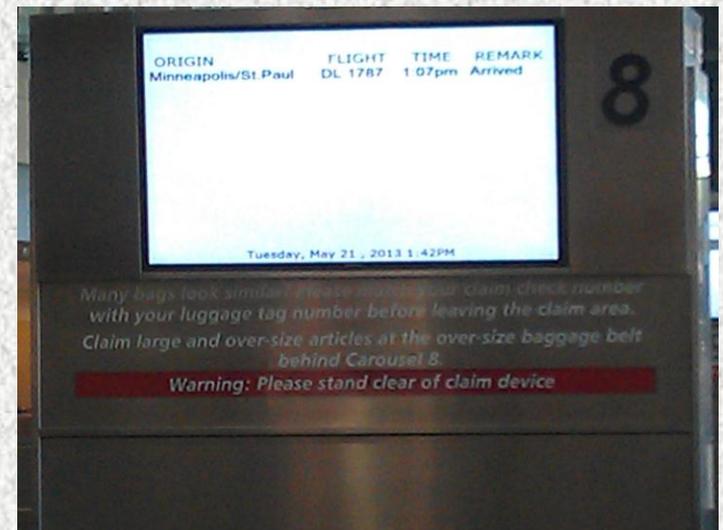
- The Common Use Systems are: (Cont.)
 - Common Use Self-Service Kiosks (CUSS)



Common Use Systems Maintenance Agreement

- The Common Use Systems are: (Cont.)
 - AMS (FIDS, AODB, RMS)

FIDS = Flight Information Display System



Common Use Systems Maintenance Agreement

- The Common Use Systems are: (Cont.)
 - AMS (FIDS, AODB, RMS)
 - AODB = Airport Operational Database
 - Stores the data for the FIDS and RMS
 - RMS = Resource Management System
 - Serves multiple roles:
 - Can control / assign any resource
 - » Assign ticket counters
 - » Assign gate slots (Gate Management System)
 - » Assign bag carousels
 - The Authority currently uses it for Gate Management
 - BMS = Baggage Messaging System
 - Used to provide bag messages to properly operate the Baggage Handling and Sortation system

Common Use Systems Maintenance Agreement

- The Common Use Systems are: (Cont.)
 - LDCS (Local Departure Control System)
 - Used to provide automated check-in services for small carriers and/or charter flights
 - Technical Site Service Manager
 - Provides on-site support for highest level technical functions

QUESTIONS ?



**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT**

**Item No.
20**

Meeting Date: **JUNE 6, 2013**

Subject:

**Discussion and Possible Action Regarding an Employee Performance
Compensation Program**

Recommendation:

Adopt Resolution No. 2013-0057, approving an employee performance compensation program.

Background/Justification:

The organization wishes to ensure ongoing financially strong performance of the San Diego County Regional Airport Authority ("Authority") and to recognize the contributions of employees' collective high performance. The Board is requested to approve an Employee Performance Compensation Program component, commonly referred to as a Gainsharing Plan, to the Authority's unrepresented, non-contracted, employees' compensation commencing in fiscal year 2015.

Over the past 10 years, the Authority has been a prudent steward of its financial resources with award winning budgeting and financial reporting as well as with exemplary financial performance. These accomplishments have allowed the organization to continue to invest in infrastructure and efficiency improvements resulting in high customer service standards and performance on behalf of the county's 3.1 million residents and the 17+ million users of the San Diego International Airport (SDIA).

The proposed incentive model, which provides employee performance compensation specifically for eligible employees when there are measurable improvements in efficiency and productivity achieved, exists in multiple governmental entities throughout the United States. For instance, the County of San Diego offers an employee pay for performance incentive program called the Quality First program. It is a component of their compensation program which offers a monetary incentive to teams or individuals who bring added value to the organization (e.g., efficiencies, productivity, etc.). The Hillsborough County Aviation Authority (FL), owner and operator of Tampa International Airport (SDIA's closest comparable airport in size and demographics) provides an Employee Incentive Program which closely matches the model being presented to the Authority's Board. The performance metrics triggering payout in their plan are specific to the Hillsborough County Aviation Authority. In addition, the Dallas Ft Worth Airport (TX) and the Port of Portland (OR) offer what would be a typical private sector incentive programs, differentiated at various levels of the organization, that provide compensation only when greater organizational outcomes are achieved.

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Eligible participants in the Authority's proposed employee performance compensation program will include all full-time employees not currently subject to an employment contract or a collective bargaining agreement. Eligible employees will need to have maintained an overall performance rating equal to or greater than 'meeting expectations' (currently rated in the employee performance evaluation as "On Target") in order to be eligible. In recent years, this performance qualifier would have disqualified approximately five (5) unrepresented employees each year due to Needs Improvement performance ratings (2010, 7 employees; 2011, 4 employees; and 2012, 5 employees), or anywhere from 1%-3% of eligible employees.

Debt service becomes an increasingly more important metric in the Authority's future financials over the next 10 years. As such, and in an effort to substantively increase the likelihood that the organization exceeds its debt obligations, the Employee Performance Compensation Program [Gainsharing program] becomes an important addition to the organization's unrepresented pay for performance compensation model. For reference, projected Debt Service is outlined below:

(\$ millions)

	FY 2012	FY 2013	FY 2014	FY2015	FY 2016	FY 2017	FY 2018	FY 2019
Gross Annual Debt Service*	\$ 19.0	\$ 40.4	\$ 61.1	\$ 67.6	\$ 68.4	\$ 68.4	\$ 68.4	\$ 68.4
Offset for PFCs and BAB Subsidy	(5.0)	(25.5)	(32.3)	(34.7)	(34.8)	(34.8)	(34.8)	(34.8)
Net Annual Debt Service	\$ 14.0	\$ 14.9	\$ 28.8	\$ 32.9	\$ 33.6	\$ 33.6	\$ 33.6	\$ 33.6

* Cash Principal and Interest Payments Due Annually

The attached guidelines (Attachment A) establish the parameters of the Employee Performance Compensation Program. Additionally, Attachment B shows the past five years' audited financial results and any potential payout that would have been available along with the corresponding variables for each year. This proposal is for unrepresented employees only as the Authority is obligated to meet and confer with represented employees on any compensation proposals.

Fiscal Impact:

The Employee Performance Compensation Program will have a de minimis impact on the Authority's adopted budget because any payout will be funded by the excess actual financial performance over the budgeted financial performance achieved through effective budget management and meeting established financial parameters. The payout will also be recorded in the financial statements in the same fiscal year the excess actual financial performance is determined. Thus, it will not be included within the annual budget. Attachment B shows the past five years' audited financial results and any potential payout that would have been available for payment from excess funds in each year. There is a high potential upside of increasing employee line of sight to the variables (financial performance, days cash on hand, debt service coverage, and cost

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per enplaned passenger) which increases the likelihood of enhanced employee productivity and engagement.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. CEQA: This Board action, as an administrative action, is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Equal Opportunity Program:

Not Applicable.

Prepared by:

JEFF LINDEMAN
SENIOR DIRECTOR, ORGANIZATIONAL PERFORMANCE AND DEVELOPMENT

ATTACHMENT B

Revised 5/30/13

San Diego Regional Airport Authority Employee Performance Compensation Program Modeling

Maximum Award per Employee	\$2,500.0
Maximum Employee Share of Gain	10%

Gainsharing Modeling Projections

Performance Criteria	Fiscal Year 2008		Fiscal Year 2009		Fiscal Year 2010		Fiscal Year 2011		Fiscal Year 2012	
	Target	Actual								
Financial Performance	\$27.2	\$35.1	\$28.4	\$25.1	\$18.4	\$23.1	\$29.2	\$32.6	\$38.9	\$39.9
Days Cash on Hand	365	444	365	385	365	537	365	494	365	522
Debt Service Coverage	1.50	3.20	1.50	3.57	1.50	3.60	1.50	3.11	1.50	2.81
Cost Per Enplaned Passenger	\$6.78	\$6.26	\$6.69	\$6.36	\$7.45	\$6.73	\$7.61	\$7.54	\$8.32	\$8.33

Award Determination

Gain Above Target (Actual - Target)	\$7,929,000	-\$3,267,000	\$4,700,000	\$3,400,000	\$1,000,000
Was Days Cash on Hand Met?	Yes	Yes	Yes	Yes	Yes
Was Debt Service Ratio Met?	Yes	Yes	Yes	Yes	Yes
Was Cost Per Enplanement Met?	Yes	Yes	Yes	Yes	No

Award Pool

Total # of Employees	258	260	260	263	254
Max pool Based on Participation	\$645,000	\$650,000	\$650,000	\$657,500	\$635,000
Actual Award Pool	\$792,900	\$0	\$470,000	\$340,000	\$0
Award per Participant	\$2,500	\$0	\$1,808	\$1,293	\$0

- Financial Performance equals income from operations before depreciation and amortization plus interest income.
- Days Cash on Hand is generally defined as unrestricted cash & investments divided by annual operating expenses.
- Debt Service Coverage is generally defined as operating income before depreciation, plus interest income, divided by debt principal & interest (net of pledged Passenger Facility Charges (PFCs) and the Build America Bond (BAB) subsidy), as defined in Authority's Master Trust Indenture.
- CPE is generally defined as airline revenue divided by annual expenditures.

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RESOLUTION NO. 2013-0057

A RESOLUTION OF THE BOARD OF THE
SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY, APPROVING AN EMPLOYEE
PERFORMANCE COMPENSATION PROGRAM

WHEREAS, the San Diego County Regional Airport Authority ("Authority") wishes to greatly increase the likelihood of continued strong financial performance; and

WHEREAS, in fiscal year 2015 the Authority will experience gross annual debt service costs of approximately \$68 million; and

WHEREAS, the Authority wishes to greatly increase the likelihood that employees at every level of the organization will contribute to the Authority's operational and fiscal success; and

WHEREAS, the Authority wishes to implement an employee performance compensation program for all employees not covered by an employment contract or a collective bargaining agreement as it should meet and confer with such employees rather than impose a compensation component; and

WHEREAS, the Authority's management and Board have a strong desire to maintain fiscal and operational prudence which can be enhanced with such an employee performance compensation program.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves an Employee Performance Compensation Program as outlined in the San Diego County Regional Airport Authority Employee Performance Compensation Program Guidelines (Attachment A); and

BE IT FURTHER RESOLVED that such program will commence in fiscal year 2015, with potential employee bonus compensation to be paid, if earned and as applicable, after the Board adopts the audited financials for the year; and

BE IT FURTHER RESOLVED that throughout fiscal year 2014, staff will communicate the performance measures to staff as if the employee performance compensation program were in effect; and

BE IT FURTHER RESOLVED that the President/CEO is granted the power to take all actions necessary to implement the program; and

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BE IT FURTHER RESOLVED by the Board that it finds that this Board action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (California Public Resources Code §21065); and is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6TH day of June, 2013, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

000175.5

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
EMPLOYEE PERFORMANCE COMPENSATION PROGRAM
GUIDELINES**

Effective July 1, 2014

(Revised 6/4/2013)

PROGRAM OBJECTIVES

The Employee Performance Compensation Program is a Gainsharing program designed to provide incentive compensation for all eligible employees of the San Diego County Regional Airport Authority (“Authority”). Specifically, the Program is designed to:

- Align individual contribution to organizational performance and success
- Encourage attainment of organizational goals
- Encourage revenue enhancement and expense reduction
- Reinforce organizational culture
- Motivate job performance at all levels
- Be clearly communicated and understood
- Be perceived as fair by employees

DEFINITION OF GAINSHARING

A variable, at-risk, component of compensation that provides financial awards to all eligible employees contingent upon achieving quantifiable benchmarks in operating performance directly related to the success of the Authority.

PLAN YEAR

The Program will run for a period of one year, concurrent with the Authority’s fiscal year commencing on July 1, 2014 (July 1, 2014 through June 30, 2015).

ELIGIBILITY AND PARTICIPATION

All full-time employees of the Authority not subject to any type of employment contract or collective bargaining agreement may participate in the Program. If an employee becomes eligible and approved in accordance with the Program during a Plan Year, then such employee may be eligible for participation in the Program on a pro-rated basis.

To be eligible for the incentive payment, an employee must be employed as of the end of the Plan Year. Furthermore, an employee must be employed as of the payment date and his/her overall performance rating must be equal to

or greater than meeting expectations (currently graded as On Target) to receive the incentive payment.

AWARD DETERMINATION

Payouts are based on actual financial performance exceeding budgeted financial performance, measured by comparing operating revenue minus operating expenses plus interest income for both budget and actuals.

In addition, certain qualifying financial metrics must be met as well, including:

- Debt Service Coverage at least equal to the minimum specified within the Authority's Debt Issuance and Management Policy 4.40; Debt Service Coverage is generally defined as operating income before depreciation, plus interest income, divided by debt, principal & interest (net of pledged Passenger Facility Charges (PFCs) and the Build America Bond (BAB) subsidy), as defined in Authority's Master Trust Indenture.
- Airline Cost per Enplanement (CPE) no greater than budgeted CPE: CPE is generally defined as airline revenue divided by annual enplanements
- Days Cash on Hand at least equal to the minimum specified within the Authority's Debt Issuance and Management Policy 4.40: Days Cash on Hand is generally defined as unrestricted cash & investments divided by annual operating expenses.

Once actual financial performance has been determined to have exceeded budgeted financial performance and the qualifying criteria are met, 10% of the excess "gain" will be recorded in the same fiscal year as determined. The qualifying financial metrics described above must be met after recording the excess gain for payouts to be eligible. If eligible, the amount of gain to be shared with employees, if any, is subject to the approval by the Authority's Board of Directors.

Payouts will be made annually, after audited financials are approved by the Board of Directors.

Participants are eligible for up to a maximum of \$2,500 per Plan Year, with a minimum payout determined at the beginning of each fiscal year by Authority management, when funding allows. All eligible employees will share equally in the available pool. Those employees hired after the beginning of the Plan Year will participate on a pro-rated basis.

NON ASSIGNABILITY

No incentive or any benefit under the Plan shall be assignable or transferable by the participant during the participant's lifetime except as otherwise approved by the Board of Directors.

NO RIGHT TO CONTINUED EMPLOYMENT

Nothing in the Plan shall confer upon any employee any right to continue in the employ of the Authority or shall interfere with or restrict in any way the right of the Authority to discharge an employee at any time for any reason whatsoever, with or without good cause.



Proposal for Employee Performance Compensation (Gainsharing) Program

Discussion Document

June 6, 2013



- Outline of proposed approach
- Discuss financial considerations to Authority based on gain sharing approach
- Agree on next steps

Proposed gain sharing approach



Below is an overview of the proposed gain sharing approach ...

Elements	Description
Objectives	<ul style="list-style-type: none">• Align individual and organizational performance• Encourage attainment of organizational goals• Reinforce organizational culture• Motivate job performance• Objectively recognize employee contribution• Be clearly communicated and understood by those participating in and administering the program• Be easy to calculate and correlate to specific goals• Be perceived as fair by employees• Provide competitive compensation that is available to everyone• Encourage eligible employees to participate with a fair, motivating compensation program
Participation	<ul style="list-style-type: none">• All full-time unrepresented Authority employees would be eligible
Metrics	<ul style="list-style-type: none">• Financial Performance (Net income (adjusted to include interest income))• Debt service coverage• Cost per enplanement• Days cash on hand
Mechanics	<ul style="list-style-type: none">• Payout eligibility is based on the pre-established threshold for each metrics being met• If targets are reached, payout is based on a derivative of net income vs. budget
Frequency	<ul style="list-style-type: none">• Annual payout, after financials are prepared and approved by the Authority• Performance against goal will be communicated to the staff periodically throughout the year
Award Distribution	<ul style="list-style-type: none">• All eligible participants would share equally in the available pool• Maximum award is \$2,500 per participant

Below we summarize how the plan would have performed based on historical financials ...

San Diego Regional Airport Authority Employee Performance Compensation Program Modeling

Revised 5/30/13

Maximum Award per Employee	\$2,500.0
Maximum Employee Share of Gain	10%

Gainsharing Modeling Projections

Performance Criteria	Fiscal Year 2008		Fiscal Year 2009		Fiscal Year 2010		Fiscal Year 2011		Fiscal Year 2012	
	Target	Actual								
Financial Performance	\$27.2	\$35.1	\$28.4	\$25.1	\$18.4	\$23.1	\$29.2	\$32.6	\$38.9	\$39.9
Days Cash on Hand	365	444	365	385	365	537	365	494	365	522
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Was Days Cash on Hand Met?	Yes	Yes	Yes	Yes	Yes
Was Debt Service Ratio Met?	Yes	Yes	Yes	Yes	Yes
Was Cost Per Enplanement Met?	Yes	Yes	Yes	Yes	No

Award Pool

Total # of Employees	258	260	260	263	254
Max pool Based on Participation	\$645,000	\$650,000	\$650,000	\$657,500	\$635,000
Actual Award Pool	\$792,900	\$0	\$470,000	\$340,000	\$0
Award per Participant	\$2,500	\$0	\$1,808	\$1,293	\$0

- Financial Performance equals income from operations before depreciation and amortization plus interest income.
- Days Cash on Hand is generally defined as unrestricted cash & investments divided by annual operating expenses.
- Debt Service Coverage is generally defined as operating income before depreciation, plus interest income, divided by debt principal & interest (net of pledged Passenger Facility Charges (PFCs) and the Build America Bond (BAB) subsidy), as defined in Authority's Master Trust Indenture.
- CPE is generally defined as airline revenue divided by annual enplanements.

The Program Works for All Stakeholders

- If the proposed program had been in effect for each of the past 5 fiscal years, the employees would have been provided an incentive to deliver even greater results which would fund future Authority Programs:

Fiscal Year	Employee Incentive	Reinvested in Authority Programs	Total Gain
2012	\$0	\$1,000,000	\$1,000,000
2011	\$340,000	\$3,060,000	\$3,400,000
2010	\$470,000	\$4,230,000	\$4,700,000
2009	\$0	\$0 (no gain)	(\$3,267,000)
2008	\$645,000	\$7,284,000	\$7,929,000

ITEM 21

**APPROVAL OF A MEMORANDUM OF
UNDERSTANDING BETWEEN THE SAN
DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY AND THE SAN DIEGO
UNIFIED PORT DISTRICT
REGARDING POLICE SERVICES
COSTS:**

There are no back up materials
for this item.



**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY**

Meeting Date: **JUNE 6, 2013**

Subject:

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

Recommendation:

For information only.

Background/Justification:

Authority Policy 3.30 (2)(b) and (4)(b) require that business expenses reimbursements of Board Members, the President/CEO, the Chief Auditor and the General Counsel be approved by the Executive Committee and presented to the Board for its information at its next regularly scheduled meeting.

Authority Policy 3.40 (2)(b) and (3)(b) require that travel expense reimbursements of Board Members, the President/CEO, the Chief Auditor and the General Counsel be approved by the Executive Committee and presented to the Board for its information at its next regularly scheduled meeting.

The attached reports are being presented to comply with the requirements of Policies 3.30 and 3.40.

Fiscal Impact:

Funds for Business and Travel expenses are included in the FY 2013 Budget.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

- Community Strategy Customer Strategy Employee Strategy Financial Strategy Operations Strategy

Environmental Review:

- A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Equal Opportunity Program:

Not applicable.

Prepared by:

TONY RUSSELL
DIRECTOR, CORPORATE SERVICES/AUTHORITY CLERK

EXPENSE REPORTS

ROBERT GLEASON

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
TRAVEL EXPENSE REPORT - Board Members**
(To be completed within 30 days from travel return date)

Board member name: Robert H. Gleason
 Departure Date: 4/10/2013 Return Date: 4/16/2013 Report Due: 5/16/13
 Destination: Biloxi, MS

Please refer to the Authority Travel and Lodging Expense Reimbursement Policy, Article 3, Part 3.4, Section 3.40, outlining appropriate reimbursable expenses and approvals. Please attach all required supporting documentation. All receipts must be detailed, (credit card receipts do not provide sufficient detail). Any special items should be explained in the space provided below.

³ Business Expense Reimbursement Policy 3.30

⁴ Travel and Lodging Expense Reimbursement Policy 3.40

	Authority Expenses (Prepaid by Athly)	Board Member Expenses							TOTALS
		SUNDAY 4/14/13	MONDAY 4/15/13	TUESDAY 4/16/13	WEDNESDAY 5/19/00	THURSDAY	FRIDAY	SATURDAY	
Daily PerDiem Limitations:									
**GSA Daily Hotel Rate or Conference Hotel Rate	140.77		140.77						
**GSA Daily Meals, Entertainment & Incidentals (ME&I)		42.00	58.00	42.00					
Air Fare, Railroad, Bus (attach copy of itinerary w/charges)	544.59								0.00
Conference Fees (provide copy of flyer/registration expenses)	690.00								0.00
Rental Car									0.00
Gas and Oil									0.00
Garage/Parking									0.00
Mileage - attach mileage form									0.00
Taxi/Shuttle Fare (include tips pd.) To/From meetings, airport, etc.				56.93					56.93
Hotel - Actual Expense Paid - Excluding Taxes			119.00						
Allowable Hotel (Lessor of Actual or GSA Allowance)		0.00	119.00	0.00	0.00	0.00	0.00	0.00	119.00
Hotel Taxes Paid			21.77						21.77
Telephone, Internet and Fax									0.00
Laundry									0.00
Meals, Entertainment & Incidentals (M,E&I):									
Meals (include tips pd.)	Breakfast								
	Lunch								
	Dinner								
	Other Meals								
Entertainment (Hospitality) ¹									
Tips Paid to Maids, Bellhops and other hotel servers									
Taxi/Shuttle Fare (include tips pd.) To/From meal destinations									
Total Meals, Entertainment & Incidentals		0.00	0.00	0.00	0.00	0.00	0.00	0.00	
GSA Allowance for M,E&I (from above)		42.00	58.00	42.00	0.00	0.00	0.00	0.00	
Allowable M,E&I (Lessor of Actual or GSA Allowance)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Alcohol is a non-reimbursable expense</i>									0.00
Miscellaneous: Baggage fees		25.00		25.00					50.00
									0.00
									0.00
Total Expenses	1,234.59	25.00	140.77	81.93	0.00	0.00	0.00	0.00	247.70

Add any additional details as needed for explanation (attach add'l sheet if needed):
 First night's lodging of \$140.77 charged to P-Card. Chair Gleason reimbursed \$165.41 for cost of personal travel.
Alcohol is a non-reimbursable expense
¹Give names and business affiliations of all persons whose meals were paid by traveler.
 Failure to attach required documentation will result in the delay of processing reimbursement. If you have any

Grand Trip Total	1,482.29
Less Cash Advance (attach copy of Authority ck)	
Less Expenses Prepaid by Authority	1,234.59
Due Traveler - if positive amount, prepare check request	
Due Authority - if negative, attach check payable to SDCRAA	247.70

Note: Send this report to Accounting even if the amount is \$0.

I as traveler or administrator acknowledge that I have read, understand and agree to Authority policies 3.40 - Travel and Lodging Expense Reimbursement Policy⁴ and 3.30 - Business Expense Reimbursement Policy⁵ and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of travel expenses were incurred in connection with official Authority business and is true and correct.

Prepared By: Anne Warren
 Print/Type Name
 Traveler Signature: [Signature]
 Administrator's signature: [Signature]

Ext.: 2408
 Date: 4.22.13
 Date: 4/22/13

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE (To be completed by Clerk)

I, _____ hereby certify that this document was approved by the Executive Committee at it's meeting on _____
 Clerk Signature: _____ Date: _____

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST**

GENERAL INSTRUCTIONS:

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

1. TRAVELER:

Travelers Name: Robert H. Gleason Dept: Board/02

Position: Board Member President/CEO Gen. Counsel Chief Auditor

All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 1/31/13 PLANNED DATE OF DEPARTURE/RETURN: 4/10/13 / 4/16/13

3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip— continue on extra sheets of paper as necessary):

Destination: Biloxi, MI Purpose: Attend conference
 Explanation: Attending ACI Airport Board and Commissioners Conference April 14-16 (personal travel prior to conference)

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:

- AIRFARE \$ 515
- OTHER TRANSPORTATION (Taxi, Train, Car Rental) \$ 50

B. LODGING \$ 260

C. MEALS \$

D. SEMINAR AND CONFERENCE FEES \$ 690

E. ENTERTAINMENT (If applicable) \$

F. OTHER INCIDENTAL EXPENSES \$ 50

TOTAL PROJECTED TRAVEL EXPENSE \$ 1565

CERTIFICATION BY TRAVELER By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature: [Signature] Date: 2/1/13

CERTIFICATION BY ADMINISTRATOR (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: [Signature] Date: 2/1/13

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE

I, Tony R Russell, Authority Clerk, hereby certify that this document was approved
 (Please leave blank. Whoever clerk's the meeting will insert their name and title.)

by the Executive Committee at its 2/25/13 meeting.
 (Leave blank and we will insert the meeting date.)



TRAVELTRUST SCRIPPS RANCH
 Phone: 1-800-792-4662

Electronic Invoice

Prepared For:
 GLEASON/ROBERT

SALES PERSON	E4
INVOICE NUMBER	1201108
INVOICE ISSUE DATE	01 Feb 2013
RECORD LOCATOR	AORRZC
CUSTOMER NUMBER	0000SDCRAA

Client Address

SAN DIEGO COUNTY REG AIRPORT AUTHORITY
 PO BOX 82776
 SAN DIEGO CA 92138-2776

Notes

YOUR UNITED ETICKET CONFIRMATION IS ** JP3JKN **
 YOUR USAIRWAYS ETICKET CONFIRMATION IS ** FLM9R1 **
 -----INVOICE/ITINERARY ACCOUNTING DOCUMENT-----
 *****TICKETLESS TRAVEL INSTRUCTIONS*****
 THIS IS AN E-TICKET RESERVATION.
 A GOVERNMENT ISSUED PHOTO ID IS NEEDED AT CHECK IN
 THIS TICKET IS NON-REFUNDABLE AND MUST BE USED FOR
 THE FLIGHTS BOOKED. IF THE RESERVATION IS NOT USED
 OR CANCELLED BEFORE THE DEPARTURE OF YOUR FLIGHTS
 IT MAY HAVE NO VALUE. CONTACT TRAVELTRUST BEFORE
 YOUR OUTBOUND FLIGHT IF CHANGE IS NECESSARY.

 *****TSA GUIDANCE FOR PASSENGERS*****
 PLEASE ALLOW EXTRA TIME FOR SCREENING AND BOARDING
 INTERNATIONAL-MINIMUM 3 HOUR CHECK-IN PRIOR TO DEPARTURE
 DOMESTIC-MINIMUM 2 HOUR CHECK-IN PRIOR TO DEPARTURE
 FOR ADDITIONAL SECURITY INFORMATION VISIT WWW.TSA.GOV

DATE: Wed, Apr 10

Flight: UNITED AIRLINES 1552

From	SAN DIEGO, CA	Departs	6:36am
To	NEWARK, NJ	Arrives	3:00pm
Departure Terminal	2	Arrival Terminal	C
Duration	05hr(s) :24min(s)	Class	United Economy
Type	BOEING 737-800 JET	Meal	Food for Purchase
Stop(s)	Non Stop		
Seat(s) Details	GLEASON/ROBERT	Seat(s) - 27C	UA - XXXXXXXXX 14

DATE: Sun, Apr 14

Flight: US AIRWAYS 1697

From	NEWARK, NJ	Departs	1:15pm
To	CHARLOTTE, NC	Arrives	3:01pm
Departure Terminal	A		
Duration	01hr(s) :46min(s)	Class	Coach
Type	AIRBUS INDUSTRIE A320 JET	Meal	
Stop(s)	Non Stop		
Seat(s) Details	GLEASON/ROBERT	Seat(s) - 16C	UA - XXXXXXXXX 14

DATE: Sun, Apr 14

Flight: US AIRWAYS 2332

From	CHARLOTTE, NC	Departs	4:05pm
To	GULFPORT/BILOXI, MS	Arrives	4:55pm
Duration	01hr(s) :50min(s)	Class	Coach
Type	CRJ-CANADAIR REGIONAL JET	Meal	
Stop(s)	Non Stop		
Seat(s) Details	GLEASON/ROBERT	Seat(s) - 06D	UA - XXXXXXXXX 14

DATE: Tue, Apr 16

Flight: UNITED AIRLINES 4262

From	GULFPORT/BILOXI, MS	Departs	3:38pm
To	HOUSTON GEO BUSH, TX	Arrives	4:59pm
Duration	01hr(s) :21min(s)	Arrival Terminal	B
Type	EMBRAER JET	Class	United Economy
Stop(s)	Non Stop	Meal	
Seat(s) Details	GLEASON/ROBERT	Seat(s) - 14A	UA - XXXXXXXXX 14

DATE: Tue, Apr 16

Flight: UNITED AIRLINES 681

From	HOUSTON GEO BUSH, TX	Departs	5:55pm
To	SAN DIEGO, CA	Arrives	7:31pm
Departure Terminal	C	Arrival Terminal	2
Duration	03hr(s) :36min(s)	Class	United Economy
Type	AIRBUS INDUSTRIE A320 JET	Meal	Food for Purchase
Stop(s)	Non Stop		
Seat(s) Details	GLEASON/ROBERT	Seat(s) - 28C	UA - XXXXXXXXX 14

DATE: Sun, Oct 13

Others

RESERVATION
RETAINED FOR
180 DAYS

Ticket Information

Ticket Number	UA 7202696108	Passenger	GLEASON ROBERT		
		Billed to:	AX XXXXXXXXXXXX	USD	* 680.01
Service Fee	XD 0586399506	Passenger	GLEASON ROBERT		
		Billed to:	AX XXXXXXXXXXXX	USD	* 30.00
			SubTotal		USD 710.01
			Net Credit Card Billing		* USD 710.01
			Total Amount Due		USD 0.00

Warren Anne

From: Scott Mackerley <smackerley@Traveltrust.com>
Sent: Friday, February 01, 2013 3:51 PM
To: Warren Anne
Subject: RE: Itinerary for Robert Gleason

Yes, I'm getting \$165.41 as well.

-----Original Message-----

From: Warren Anne [mailto:awarren@san.org]
Sent: Friday, February 01, 2013 3:33 PM
To: Scott Mackerley
Subject: RE: Itinerary for Robert Gleason

If my numbers are correct (please confirm), Robert will owe \$165.41 for the Newark portion. Thanks, Anne

90-4217/1222 2710

DATE 2.1.13

PAY TO THE ORDER OF SDCRAA \$165.41

One hundred sixty five & 4/100 DOLLARS

NORTHERN TRUST, NA NORTHERN TRUST ANCHOR ACCOUNT

Northern Trust

MEMO air ticket reimbursement

MP

02710

San Diego County Regional Airport Authority OFFICIAL RECEIPT NO. - -

RECEIVED FROM Robert Gleason ADDRESS _____

AMOUNT One hundred sixty five and 4/100 \$ 165.41

DESCRIPTION OF Check # 2710
Travel Reimbursement
*Personal Travel fr. Newark, NJ to Biloxi

BUSINESS UNIT LOCATION CODE	ACCOUNT NUMBER	WORK ORDER NUMBER	RECEIVED BY	DEPARTMENT	DATE
<u>2. 66308.107</u>			<u>Karen Tidwell</u>	<u>Accounting</u>	<u>2/07/13</u>

Warren Anne

From: cgroup@aci-na.org
Sent: Wednesday, February 06, 2013 12:01 PM
To: Warren Anne
Subject: 2013 Airport Board Member & Commissioners Conference - Confirmation

02/06/2013



Meeting Confirmation Notice

Please review your **CONTACT** information below as it will be used for rosters and badges. Any changes should be sent to cgroup@aci-na.org immediately.

Please note: The company name listed is per your Official Representative to ACI-NA. No changes to Company name is permitted.

Mr. Robert H. Gleason
Board Chair
Nick Name: Robert
San Diego County Regional Airport Authority
PO Box 82776 San Diego, CA 92138-2776

PH: (619) 400-2408
FX: (619) 400-2406
EM: awarren@san.org

You are registered for the following:

2013 Airport Board Member & Commissioners Conference
From Sunday, April 14, 2013 through Tuesday, April 16, 2013

Description	UnitPrice	Quantity	Price
		Total	690.00
		Payments	0.00
		Balance	690.00

Thank you for registering for the 2013 Airport Board Members & Commissioners Conference. The event will be held April 14 -16, 2013 at the Beau Rivage hotel in Biloxi, MS. Dress for the conference is business casual. Registration fees for the conference include all conference materials and handouts. Sunday; a beverage break, and the Welcome Reception. Monday; continental breakfast, lunch and 2 beverage breaks. Tuesday; a continental breakfast and a beverage break. Dress for the meeting is business casual.

HOTEL RESERVATIONS

Call the Beau Rivage hotel directly at (228) 386-7444 or toll free at 888-567-6677. Identify yourself as an ACI-NA conference attendee to receive the special group rate of \$119.00 USD single/double occupancy plus applicable taxes and fees. The last day to receive this rate is March 22, 2013. Rooms may sell out before this date.

Rooms may sell out before this date so make your reservation early!

U.S. AIRWAYS

A STAR ALLIANCE MEMBER
GLEASON/ROBERT

1000A EXCESS BAG FEE US 9957 Y 14APR

E-TICKET RECEIPT
ARRIVAL
1130A FEE FEE

FROM TO
EBC FEE

Bag fee to GPT

FP VIXXXXXXXXXXXXX/XXXX/014104 /FC BAGGAGE FEE (1B) 01 25.00(2B) 00 IF ONE OF YOUR FLIGHTS IS ON A
0000(3B) 00 0000 (4B) 00 0000 (OW) 00 0000 (OZ) 00 0000 (SE) 00 0000 (CU PARTNER AIRLINE, PARTNER FEES
) 00 0000 USD TTL 25.00END 0167202696108201302012201304141697EWR.CLT.GPT.(MAY APPLY. PLEASE GO TO
FLM9R1)

USAIRWAYS.COM/PARTNERBAGFEES
FOR MORE INFO

FARE USD 25.00 DOCUMENT NUMBER 0372309948918

TAX US 0.00

TAX 0.00

TOTAL USD 25.00
NO CASH VALUE
NOT VALID FOR TRAVEL

THANK YOU FOR FLYING
US AIRWAYS

UNITED

Baggage Receipt

Issue Date: 16 APR 2013 GPT ATO

Baggage Document 0162607933864 Description First Bag Fee Qty 1 Fees \$25.00

Ticket Number 0167202696108

GPT -> SAN

BAGGAGE FEES Total Fees USD 25.00

Excess Baggage Terms and Conditions:

- All excess baggage is subject to space availability.
- Receipt for payment must be presented at bag check.
- For refunds or adjustments, see a United representative.

U.S. AIRWAYS

A STAR ALLIANCE MEMBER

A STAR ALLIANCE MEMBER

Method of Payment
Via XXXXXXXXXXXX

Cardholder Name
ROBERT H GLEASON

Confirmation: JP3JKN

Carrier Routing
IA GPT - IAH
IA IAH - SAN

AGENT REFERENCE: GC ESC BAG

Beau Rivage

RESORT & CASINO

Mr. Robert Gleason
 PO Box 82776
 San Diego, CA 92138-2776

ROOM # : 23063
 CONF # : 444456798
 ARRIVAL : 04/14/13
 DEPARTURE : 04/16/13

DATE	DESCRIPTION	CHARGES	CREDITS
04/14/13	Deposit Applied		140.77
04/14/13	BR Room Service Food	22.00	
04/14/13	BR Room Service Bev	15.00	
04/14/13	BR Room Service Service Charge	2.00	
04/14/13	BR Room Service Tax	3.73	
04/14/13	BR Room Service Tip	7.88	
04/14/13	BR Room	119.00	
04/14/13	BR Room Tax - 12%	14.28	
04/14/13	BR Resort Fee (includes Internet)	7.00	
04/14/13	BR Resort Fee Tax	0.49	
04/15/13	BR Room	119.00	
04/15/13	BR Room Tax - 12%	14.28	
04/15/13	BR Resort Fee	7.00	
04/15/13	BR Resort Fee Tax	0.49	
04/16/13	Visa XXXXXXXXXXXXXXXXXXXX		189.52
Total		330.29	330.29
Balance		0.00	

paid by SDCRAA

paid by RTB

*Reimburse to RTB \$140.77
 for one night; one night
 already paid by SDCRAA*

Taxi from hotel to
airport
 228-385-7777

GCTS
228-385-7777

TERMINAL: 4129
DRIVER : 7944
04/16/13 13:23:06

VISA XXXXXXXXXXXX
EXPIRY : XXXX
REF #100313652345337
AUTH #: 316132

FARE : \$ 49.50
TIP : \$ 7.43

TOTAL : \$ 56.93

X _____
TRANS. APPROVED

IMPORTANT: Retain a
copy for your records

DAVID ALVAREZ

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
TRAVEL EXPENSE REPORT - Board Members**
(To be completed within 30 days from travel return date)

Board member name: David Alvarez
 Departure Date: 4/15/2013 Return Date: 4/17/2013 Report Due: 5/17/13
 Destination: _____

Please refer to the Authority Travel and Lodging Expense Reimbursement Policy, Article 3, Part 3.4, Section 3.40, outlining appropriate reimbursable expenses and approvals. Please attach all required supporting documentation. All receipts must be detailed, (credit card receipts do not provide sufficient detail). Any special items should be explained in the space provided below.

³ Business Expense Reimbursement Policy 3.30 ⁴ Travel and Lodging Expense Reimbursement Policy 3.40

	Authority Expenses (Prepaid by Authy)	Board Member Expenses							TOTALS
		SUNDAY 4/14/13	MONDAY 4/15/13	TUESDAY 4/16/13	WEDNESDAY 4/17/13	THURSDAY	FRIDAY	SATURDAY 4/13/13	
Daily PerDiem Limitations:									
**GSA Daily Hotel Rate or Conference Hotel Rate									
**GSA Daily Meals, Entertainment & Incidentals (ME&I)									
Air Fare, Railroad, Bus (attach copy of itinerary w/charges)									0.00
Conference Fees (provide copy of flyer/registration expenses)	1,000.00								0.00
Rental Car									0.00
Gas and Oil									0.00
Garage/Parking									0.00
Mileage - attach mileage form									0.00
Taxi/Shuttle Fare (include tips pd.) To/From meetings, airport, etc.									0.00
Hotel - Actual Expense Paid - Excluding Taxes									0.00
Allowable Hotel (Lessor of Actual or GSA Allowance)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Hotel Taxes Paid									0.00
Telephone, Internet and Fax									0.00
Laundry									0.00
Meals, Entertainment & Incidentals (M,E&I):									
Meals (include tips pd.)	Breakfast								
	Lunch								
	Dinner								
	Other Meals								
Entertainment (Hospitality) ¹									
Tips Paid to Maids, Bellhops and other hotel servers									
Taxi/Shuttle Fare (include tips pd.) To/From meal destinations									
Total Meals, Entertainment & Incidentals		0.00	0.00	0.00	0.00	0.00	0.00	0.00	
GSA Allowance for M,E&I (from above)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Allowable M,E&I (Lessor of Actual or GSA Allowance)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Alcohol is a non-reimbursable expense									0.00
Miscellaneous:									0.00
									0.00
									0.00
Total Expenses	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Add any additional details as needed for explanation (attach add'l sheet if needed):

Alcohol is a non-reimbursable expense
¹Give names and business affiliations of all persons whose meals were paid by traveler.
 Failure to attach required documentation will result in the delay of processing reimbursement. If you have any

Grand Trip Total	1,000.00
Less Cash Advance (attach copy of Authority ck)	
Less Expenses Prepaid by Authority	1,000.00
Due Traveler - if positive amount, prepare check request	
Due Authority - if negative, attach check payable to SDCRAA	0.00

Note: Send this report to Accounting even if the amount is \$0.

I as traveler or administrator acknowledge that I have read, understand and agree to Authority policies 3.40 - Travel and Lodging Expense Reimbursement Policy⁴ and 3.30 - Business Expense Reimbursement Policy⁵ and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of travel expenses were incurred in connection with official Authority business and is true and correct.

Prepared By: Anne Warren
 Traveler Signature: David Alvarez
 Administrator's signature: _____

Ext.: 2408
 Date: 5-3-2013
 Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE (To be completed by Clerk)

I, _____ hereby certify that this document was approved by the Executive Committee at it's meeting on _____.

Clerk Signature: _____ Date: _____

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST**

GENERAL INSTRUCTIONS:

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

1. TRAVELER:

Travelers Name: David Alvarez Dept: _____
 Position: Board Member President/CEO Gen. Counsel Chief Auditor
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 3/26/13 PLANNED DATE OF DEPARTURE/RETURN: 4/15/13 / 4/17/13

3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip— continue on extra sheets of paper as necessary):

Destination: Mexico City, Mexico Purpose: To meet with Mexican Officials and Business leaders on issues of concern to the border region.

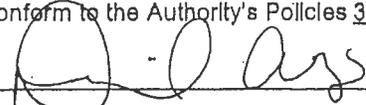
Explanation: The Eighth Annual San Diego / Baja California Mission to Mexico City provides the opportunity to discuss with Federal Officials topics such as: trade facilitation, business opportunities, and border crossing issues. Meetings are also coordinated with federal government offices such as the Departments of Communications & Transportation, Economy, Energy, Foreign Relations, Governance, Health and Tourism In addition to the Embassies of the United States and Canada, the Presidency of Mexico and both houses of the Federal Congress.

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:

• AIRFARE	\$ _____
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$ _____
B. LODGING	\$ _____
C. MEALS	\$ _____
D. SEMINAR AND CONFERENCE FEES	\$ <u>1,000</u>
E. ENTERTAINMENT (If applicable)	\$ _____
F. OTHER INCIDENTAL EXPENSES	\$ _____
TOTAL PROJECTED TRAVEL EXPENSE	\$ <u>1,000</u>

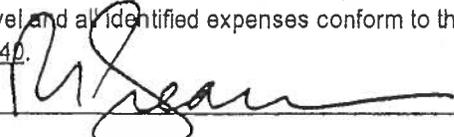
CERTIFICATION BY TRAVELER By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature:  Date: 3/28/2013

CERTIFICATION BY ADMINISTRATOR (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature:  Date: 4.1.13

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE

I, Tony R. Russell, Authority Clerk, hereby certify that this document was approved
(Please leave blank. Whoever clerk's the meeting will insert their name and title.)

by the Executive Committee at its 4/22/13 meeting.
(Leave blank and we will insert the meeting date.)



Invoice

way, Suite 1000
92101
(619) 544-1374 Fax: (619) 744-7474

INVOICE

Member

David Alvarez
City of San Diego
City Administration Building
202 C Street
San Diego, CA 92101

Invoice Number: 9323292
Date: 03/28/2013
Account No.: 13844
Date Due: 03/28/2013

Qty	Description	AMOUNT
1	SAN DIEGO/BAJA CALIFORNIA MISSION TO MEXICO VIII-Governmental Fee	\$1,000.00
		\$-1,000.00
	REGISTRATION ONLY: OTHER EXPENSES TO BE PAID BY CITY OF SAN DIEGO	(paid via Authority purchase card)

Payment Details

Check MC Visa Discover/Novus Amex

Name _____

CC # _____

Expires _____

Total Amount Due **\$0.00**

Office Use Only

Please Make Check or Money Order Payable to the San Diego Regional Chamber of Commerce

Eighth Annual

SAN DIEGO BAJA CALIFORNIA MISSION TO MEXICO VIII



MEXICO CITY • APRIL 15-18, 2013

DELEGATION RESERVATION FORM

PARTICIPATION OPTIONS (Please Select)

(1,000)

- Options for participation rates: \$1,290 per person (checked) and \$1,000 for Optional Spouse/Companion.

EARLY BIRD RATE ENDS MARCH 1ST

Final payment must be made no later than April 1, 2013. No refunds after April 1st.

Please make your hotel and air reservations as soon as possible to secure the best possible rates

HOTEL:

Hotel Presidente InterContinental Mexico, Campos Eliseos 218, Col. Polanco, México, D. F.

- Special Rate: \$157 + tax. Optional Hotel Services \$18 per day Fee.

AIRFARE:

Tijuana International Airport. AeroMexico, Interjet and Volaris offer frequent daily nonstop flights between Tijuana and Mexico City.

San Diego International Airport. Volaris offers daily nonstop service between San Diego and Mexico City.

Check airline websites for schedule and fares.

Handwritten form fields: Name(s) David Alvarez, Company City of San Diego, Address 202 'C' Street, 10th Floor, San Diego, CA 92101, Telephone (619) 236-6688, E-mail DavidAlvarez@san-diego.gov, Citizenship U.S.A., Arrival Date April 14, 2013, Departure Date April 17, 2013

Credit Card (AX, MC, VI) Number [redacted] Expiration Date: 2/15

Check Payable to San Diego Regional Chamber of Commerce. [] Check Enclosed

NAME ON CARD: KIM AYERS

THELLA F. BOWENS

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST**

GENERAL INSTRUCTIONS:

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
 B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

1. TRAVELER:

Travelers Name: Thella F. Bowers Dept: 06 Exec Office
 Position: Board Member President/CEO Gen. Counsel Chief Auditor
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 03/12/13 PLANNED DATE OF DEPARTURE/RETURN: 04/13/13 / 04/16/13

3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip- continue on extra sheets of paper as necessary):

Destination: Biloxi, MS Purpose: 2013 Airport Board Members & Commissioners Conference
 Explanation: _____

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:

- AIRFARE \$ 550.00
- OTHER TRANSPORTATION (Taxi, Train, Car Rental) \$ 100.00

B. LODGING \$ 565.00

C. MEALS \$ 200.00

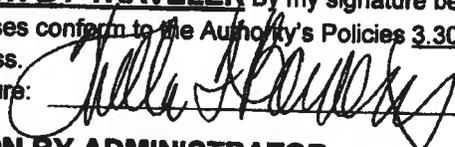
D. SEMINAR AND CONFERENCE FEES \$ 690.00

E. ENTERTAINMENT (If applicable) \$

F. OTHER INCIDENTAL EXPENSES \$

TOTAL PROJECTED TRAVEL EXPENSE \$ 2105.00

CERTIFICATION BY TRAVELER By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature:  Date: 13 Mar 2013

CERTIFICATION BY ADMINISTRATOR (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: _____ Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE

I, Tony R. Russell, Authority Clerk, hereby certify that this document was approved by the Executive Committee at its 3/21/2013 meeting.
(Please leave blank. Whoever clerk's the meeting will insert their name and title.)
(Leave blank and we will insert the meeting date.)



AIRPORTS COUNCIL
INTERNATIONAL

Meeting Confirmation

Please review your **CONTACT** information below as it will be used for rosters and badges. Any changes should be sent to meetings@aci-na.org immediately.

Please note: The company name listed is per your Official Representative to ACI-NA. No changes to Company name are permitted.

Ms. Thella F. Bowens
President/CEO
Nickname: Thella
San Diego County Regional Airport Authority
PO Box 82776
San Diego, CA 92138

PH: (619) 400-2445
FX: (619) 400-2448
EM: [REDACTED]

You are registered for the following:

2013 Airport Boards & Commissioners Conference
Sunday, April 14, 2013 through Tuesday, April 16, 2013

Beau Rivage Resort
875 Beach Boulevard
Biloxi, MS 39530

Function	Quantity	Rate	Amount
Conference Registration Fee	1	\$790.00	\$790.00
		Total	\$790.00
		Payment	\$790.00
		Balance	\$0.00



TRAVELTRUST SCRIPPS RANCH
 Phone: 1-800-792-4662

Electronic Invoice

Prepared For:
BOWENS/THELLA

Ref: **DEPT 6**

SALES PERSON	E4
INVOICE NUMBER	1202794
INVOICE ISSUE DATE	05 Apr 2013
RECORD LOCATOR	DHIFMM
CUSTOMER NUMBER	0000SDCRAA

Client Address

SAN DIEGO COUNTY REG AIRPORT AUTHORITY
 PO BOX 82776
 SAN DIEGO CA 92138-2776

Notes

YOUR UNITED ETICKET CONFIRMATION IS ** GYKTRB **
 -----INVOICE/ITINERARY ACCOUNTING DOCUMENT-----
 *****TICKETLESS TRAVEL INSTRUCTIONS*****
 THIS IS AN E-TICKET RESERVATION.
 A GOVERNMENT ISSUED PHOTO ID IS NEEDED AT CHECK IN
 A PORTION OF THIS TRIP MAY BE REFUNDABLE. PLEASE RETURN
 UNUSED PORTIONS TO TRAVELTRUST FOR POSSIBLE REFUND.

 *****TSA GUIDANCE FOR PASSENGERS*****
 PLEASE ALLOW EXTRA TIME FOR SCREENING AND BOARDING
 INTERNATIONAL-MINIMUM 3 HOUR CHECK-IN PRIOR TO DEPARTURE
 DOMESTIC-MINIMUM 2 HOUR CHECK-IN PRIOR TO DEPARTURE
 FOR ADDITIONAL SECURITY INFORMATION VISIT WWW.TSA.GOV

Flight was actually from San Diego. Error corrected w/airline - no add'l fee/charge.

DATE: Sat, Apr 13

Flight: UNITED AIRLINES 352

From	SANTA ANA, CA	Departs	1:03pm
To	HOUSTON GEO BUSH, TX	Arrives	6:20pm
Duration	03hr(s) :17min(s)	Arrival Terminal	C
Type	AIRBUS INDUSTRIE A320 JET	Class	United Economy
Stop(s)	Non Stop	Meal	Food for Purchase
Seat(s) Details	BOWENS/THELLA	Seat(s) - 10F	UA - XXXXXX 58

DATE: Sat, Apr 13

Flight: UNITED AIRLINES 4450

From	HOUSTON GEO BUSH, TX	Departs	8:32pm
To	GULFPORT/BILOXI, MS	Arrives	9:46pm
Departure Terminal	B		
Duration	01hr(s) :14min(s)	Class	United Economy
Type	EMBRAER JET	Meal	
Stop(s)	Non Stop		
Seat(s) Details	BOWENS/THELLA	Seat(s) - 08A	UA - XXXXXX 58

DATE: Mon, Apr 15

Flight: UNITED AIRLINES 4262

From	GULFPORT/BILOXI, MS	Departs	3:38pm
To	HOUSTON GEO BUSH, TX	Arrives	4:59pm
Duration	01hr(s) :21min(s)	Arrival Terminal	B
Type	EMBRAER JET	Class	United Economy
Stop(s)	Non Stop	Meal	
Seat(s) Details	BOWENS/THELLA	Seat(s) - 02A	UA - XXXXXX 58

DATE: Mon, Apr 15

Flight: UNITED AIRLINES 517

From	HOUSTON GEO BUSH, TX	Departs	5:55pm
To	SAN DIEGO, CA	Arrives	7:31pm
Departure Terminal	C	Arrival Terminal	2
Duration	03hr(s) :36min(s)	Class	United Economy
Type	AIRBUS INDUSTRIE A320 JET	Meal	Food for Purchase
Stop(s)	Non Stop		
Seat(s) Details	BOWENS/THELLA	Seat(s) - 08A	UA - XXXXXX 58

DATE: Sat, Oct 12

Others

RESERVATION
RETAINED FOR
180 DAYS

Ticket Information

Ticket Number	UA 7217854886	Passenger Exchange	BOWENS THELLA UA 7151739555		
Service Fee	XD 0588734200	Billed to:	AX XXXXXXXXXXXX	USD	245.10
		Passenger Billed to:	BOWENS THELLA AX XXXXXXXXXXXX	USD	* 30.00
				SubTotal	USD 275.10
				Net Credit Card Billing	* USD 275.10
				Total Amount Due	USD 0.00

*Used \$558 United Airlines credit from cancelled trip in January (minus \$130 change fee). \$408.00 credit
245.10
True Ticket 653.10*

TRAVELTRUST IS OPEN MONDAY - FRIDAY FROM 5AM-530PM PST AND SATURDAY FROM 9AM-1PM PST - 760-635-1700. FOR EMERGENCY AFTERHOURS SERVICE IN THE US PLEASE CALL 888-221-8062 AND USE YOUR VIT CODE - S7NS0 PLEASE NOTE THIS IS OUR NEW EMERGENCY NUMBER EACH EMERGENCY CALL IS BILLABLE AT A MINIMUM 25.00 THANK YOU FOR CHOOSING TRAVELTRUST...SCOTT MACKERLEY

Your travel arranger provides the information contained in this document. If you have any questions about the content, please contact your travel arranger. For Credit Card Service fees, please see eTicket receipt for total charges.

RECEIPTS FROM TRAVEL TO BILOXI, MS
April 13 - 15, 2013—THELLA F. BOWENS

BANKCARD SALES SLIP 397
FORM SD-59083M
6582G

DO NOT WRITE

Thanks, ABOVE THIS LINE melissa, ☺

CASH

SIGN HERE

X

The issuer of the card identified on this item is authorized to pay the amount shown as TOTAL upon proper presentation. I promise to pay such TOTAL (together with any other charges due thereon) subject to and in accordance with the agreement governing the use of such card.

ABOVE THIS LINE

↑ PLEASE DO NOT WRITE ABOVE THIS LINE ↑					
QTY.	CLASS	DESCRIPTION	PRICE	AMOUNT	
		Beach to Airport		50	—
		Hospitality Tax	TIP	10	—
DATE 4/15/2013			AUTHORIZATION		SUB TOTAL 60
REFERENCE NO. 15			SERVER		TAX
FOLIO / CHECK NO. / LIC. NO. STATE			REG. / DEPT.	CLERK	TIP
				MISC.	
5497791				TOTAL	60

SALES SLIP
MERCHANT COPY

4/15 hotel to airport

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
TRAVEL EXPENSE REPORT**

(To be completed within 30 days from travel return date)

TRAVELER: Thella Bowens DEPT. NAME & NO. Executive Office BU6
 DEPARTURE DATE: 4/21/2013 RETURN DATE: 4/21/2013 REPORT DUE: 5/21/13
 DESTINATION: Portland, OR

Please refer to the Authority Travel and Lodging Expense Reimbursement Policy, Article 3, Part 3.4, Section 3.40, outlining appropriate reimbursable expenses and approvals. Please attach all required supporting documentation. All receipts must be detailed, (credit card receipts do not provide sufficient detail). Any special items should be explained in the space provided below.

	Authority Expenses (Prepaid by Authority)	Employee Expenses							TOTALS
		SUNDAY 4/21/13	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	
Air Fare, Railroad, Bus (attach copy of itinerary w/charges)	628.80								0.00
Conference Fees (provide copy of flyer/registration expenses)									0.00
Rental Car*									0.00
Gas and Oil*									0.00
Garage/Parking*									0.00
Mileage - attach mileage form*									0.00
Taxi and/or Shuttle Fare (include tips pd.)*		55.00							55.00
Hotel*									0.00
Telephone, Internet and Fax*									0.00
Laundry*									0.00
Tips - separately paid (maids, bellhop, other hotel srvs.)									0.00
Meals (include tips pd.)	Breakfast*	22.00							22.00
	Lunch*								0.00
	Dinner*								0.00
	Other Meals*								0.00
Alcohol is a non-reimbursable expense									
Hospitality ¹ *									0.00
Miscellaneous: Baggage Fees									0.00
									0.00
*Provide detailed receipts									0.00
Total Expenses prepaid by Authority	628.80	77.00	0.00	0.00	0.00	0.00	0.00	0.00	77.00

Explanation:	Total Expenses Prepaid by Authority	628.80
	Total Expenses Incurred by Employee (including cash advances)	77.00
	Grand Trip Total	705.80
	Less Cash Advance (attach copy of Authority ck)	
	Less Expenses Prepaid by Authority	628.80
	Due Traveler (positive amount)²	
	Due Authority (negative amount)³	77.00
<i>Note: Send this report to Accounting even if the amount is \$0.</i>		

I as traveler or administrator acknowledge that I have read, understand and agree to Authority policies 3.40 - Travel and Lodging Expense Reimbursement Policy⁴ and 3.30 - Business Expense Reimbursement Policy⁵ and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of travel expenses were incurred in connection with official Authority business and is true and correct.

⁴ Travel and Lodging Expense Reimbursement Policy 3.40 ⁵ Business Expense Reimbursement Policy 3.30

Prepared By: _____ A Caldera
 Traveler Signature: Thella Bowens Ext.: X2445
 Approved By: _____ Date: 4/21/2013

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE (To be certified if used by President/CEO, Gen. Counsel, or Chief Auditor)

I, _____ hereby certify that this document was approved by the Executive Committee at its _____ meeting.
 (Please leave blank. Whoever clerk's the meeting will insert their name and title.)
 (Leave blank and we will insert the meeting date.)

Failure to attach required documentation will result in the delay of processing reimbursement. If you have any questions, please see your department Administrative Assistant or call Accounting at ext. 2806.

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST**

GENERAL INSTRUCTIONS:

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
 B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

1. TRAVELER:

Travelers Name: Thella F. Bowens Dept: 6/Exec Office
 Position: Board Member President/CEO Gen. Counsel Chief Auditor
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 04/11/13 PLANNED DATE OF DEPARTURE/RETURN: 04/21/13 / 04/21/13

3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip— continue on extra sheets of paper as necessary):

Destination: Portland, OR Purpose: ACI-NA Associates/World Business Partners Board of Directors meeting (serve as ACI-NA Board Liaison to this Board)

Explanation: _____

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:	
• AIRFARE	\$ 850.00
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$ 100.00
B. LODGING	\$
C. MEALS	\$ 75.00
D. SEMINAR AND CONFERENCE FEES	\$
E. ENTERTAINMENT (If applicable)	\$
F. OTHER INCIDENTAL EXPENSES	\$
TOTAL PROJECTED TRAVEL EXPENSE	<u>\$ 1025.00</u>

CERTIFICATION BY TRAVELER By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature: *Thella Bowens* Date: 11 April 2013

CERTIFICATION BY ADMINISTRATOR (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

- I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
- The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
- The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: _____ Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE

I, Tony R. Russell, Authority Clerk, hereby certify that this document was approved by the Executive Committee at its 4/22/13 meeting.
(Please leave blank. Whoever clerk's the meeting will insert their name and title.)
(Leave blank and we will insert the meeting date.)



TRAVELTRUST SCRIPPS RANCH
Phone: 1-800-792-4662

Electronic Invoice

Prepared For:
BOWENS/THELLA

SALES PERSON	E4
INVOICE NUMBER	1203013
INVOICE ISSUE DATE	12 Apr 2013
RECORD LOCATOR	AZJNRF
CUSTOMER NUMBER	0000SDCRAA

Client Address

SAN DIEGO COUNTY REG AIRPORT AUTHORITY
 PO BOX 82776
 SAN DIEGO CA 92138-2776

Notes

YOUR ALASKA ETICKET CONFIRMATION IS ** IBWZFY **
 -----INVOICE/ITINERARY ACCOUNTING DOCUMENT-----
 *****TICKETLESS TRAVEL INSTRUCTIONS*****
 THIS IS AN E-TICKET RESERVATION.
 A GOVERNMENT ISSUED PHOTO ID IS NEEDED AT CHECK IN
 A PORTION OF THIS TRIP MAY BE REFUNDABLE. PLEASE RETURN
 UNUSED PORTIONS TO TRAVELTRUST FOR POSSIBLE REFUND.

 *****TSA GUIDANCE FOR PASSENGERS*****
 PLEASE ALLOW EXTRA TIME FOR SCREENING AND BOARDING
 INTERNATIONAL-MINIMUM 3 HOUR CHECK-IN PRIOR TO DEPARTURE
 DOMESTIC-MINIMUM 2 HOUR CHECK-IN PRIOR TO DEPARTURE
 FOR ADDITIONAL SECURITY INFORMATION VISIT WWW.TSA.GOV

DATE: Sun, Apr 21

Flight: ALASKA AIRLINES 573

From	SAN DIEGO, CA	Departs	6:40am
To	PORTLAND OR, OR	Arrives	9:18am
Departure Terminal	1		
Duration	02hr(s) :38min(s)	Class	Economy
Type	BOEING 737-700	Meal	Food for Purchase
	JET		
Stop(s)	Non Stop		

DATE: Sun, Apr 21

Flight: ALASKA AIRLINES 574

From	PORTLAND OR, OR	Departs	8:32pm
To	SAN DIEGO, CA	Arrives	10:57pm
		Arrival Terminal	1
Duration	02hr(s) :25min(s)	Class	Standard
Type	BOEING 737-800	Meal	Food for Purchase
	JET		
Stop(s)	Non Stop		

DATE: Fri, Oct 18

Others

RESERVATION

RECEIPTS FROM TRAVEL TO PORTLAND, OR
April 21, 2013—THELLA F. BOWENS

HILTON PORTLAND
BISTRO 921
(503) 220-2685
22y

1 1574 GST
APR21'13 10:03AM ✓

JFFET 19.00
*Food Sales 19.00
ayment Due 19.00

HOTEL GUEST ROOM CHARGES
\$3 Total: 22.00

Room #: _____
Print Name: _____
Signature: _____
Thank You For Joining Us !!!

RECEIPT

DATE: 4/21
FROM: Hotel
TO: airport
FOR: _____
FARE AMOUNT: \$14.00 + tip
TOTAL PAID: \$16
SIGNED: _____

THANK YOU



www.bluestarbus.com
1-800-247-2272
P.O. Box 56351
Portland, OR 97238

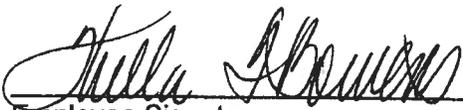
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

MISSING RECEIPT FORM

Employee/Department Head must complete form below.

Date of Purchase/Event: 4/21/2013
Description of Item/Event: Taxi Fare from Airport to Downtown
Vendor/Event Name: Board of Directors Mtg
Dollar Amount: \$ 39.00
Reason for Missing Receipt: Misplaced receipt

I hereby certify that the original receipt in question was lost or none was issued to me.


Employee Signature

15 May 2013
Date

Department Head Signature

Date

Form must be attached to Petty Cash Voucher for Reimbursement

TRAVEL REQUESTS

THELLA F. BOWENS

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST**

GENERAL INSTRUCTIONS:

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

1. TRAVELER:

Travelers Name: Thella F. Bowens Dept: 06
 Position: Board Member President/CEO Gen. Counsel Chief Auditor
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 05/02/13 PLANNED DATE OF DEPARTURE/RETURN: 07/18/13 / 07/19/13

3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip-- continue on extra sheets of paper as necessary):

Destination: Burbank, CA Purpose: California Airports Council Board of Directors meeting
 Explanation: _____

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:

• AIRFARE	\$	
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$	150.00
B. LODGING	\$	185.00
C. MEALS	\$	75.00
D. SEMINAR AND CONFERENCE FEES	\$	
E. ENTERTAINMENT (If applicable)	\$	
F. OTHER INCIDENTAL EXPENSES	\$	
TOTAL PROJECTED TRAVEL EXPENSE	\$	410.00

CERTIFICATION BY TRAVELER By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature: _____ Date: _____

CERTIFICATION BY ADMINISTRATOR (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: Thella F. Bowens Date: 3 May 2013

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE

I, _____, hereby certify that this document was approved
 (Please leave blank. Whoever clerk's the meeting will insert their name and title.)
 by the Executive Committee at its _____ meeting.
 (Leave blank and we will insert the meeting date.)

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST**

GENERAL INSTRUCTIONS:

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

1. TRAVELER:

Travelers Name: Thella F. Bowens Dept: 06 Exec Office

Position: Board Member President/CEO Gen. Counsel Chief Auditor

All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 05/20/13 PLANNED DATE OF DEPARTURE/RETURN: 06/23/13 / 06/25/13

3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip— continue on extra sheets of paper as necessary):

Destination: Dallas, TX

Purpose: Attend Special Joint Executive Committee Meetings of Airports Council International - North America and American Association of Airport Executives

Explanation: _____

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:

- AIRFARE \$ 600.00
- OTHER TRANSPORTATION (Taxi, Train, Car Rental) \$ 100.00

B. LODGING \$ 400.00

C. MEALS \$ 100.00

D. SEMINAR AND CONFERENCE FEES \$

E. ENTERTAINMENT (If applicable) \$

F. OTHER INCIDENTAL EXPENSES \$ 100.00

TOTAL PROJECTED TRAVEL EXPENSE \$ 1300.00

CERTIFICATION BY TRAVELER By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature: Thella F. Bowens Date: 20 May 2013

CERTIFICATION BY ADMINISTRATOR (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: _____ Date: _____

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE

I, _____, hereby certify that this document was approved
(Please leave blank. Whoever clerk's the meeting will insert their name and title.)

by the Executive Committee at its _____ meeting.

(Leave blank and we will insert the meeting date.)