

Revised 11/29/11

DRAFT

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES**

**THURSDAY, NOVEMBER 3, 2011
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 9:05 A.M. on Thursday, November 3, 2011 in the Board Room at the San Diego International Airport, Commuter Terminal, 3225 North Harbor Drive, San Diego, CA 92101.

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

ROLL CALL:

PRESENT: Board Members: Berman (Ex Officio), Boland, Cox, Desmond, Gleason, Hubbs, Panknin, Richie (Ex Officio), Robinson, Smisek, Young

ABSENT: Board Members: Reyes (Ex Officio)

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

NON-AGENDA PUBLIC COMMENT: None

PRESENTATIONS:

A. EMERGENCY PREPAREDNESS (EDUCATIONAL ITEM):

Susie Preiser, Manager, Emergency Preparedness and Public Safety, and Clint Welch, Manager, Aviation Security and Law Enforcement, provided an overview of the emergency preparedness plans and procedures at San Diego International Airport.

Chair Gleason requested future updates regarding information gathered by staff from their investigation of alternative emergency power sources.

B. GREEN BUILD PROGRAM UPDATE – LANDSIDE & TERMINAL 2W PHASING:

David Brush, Director, Terminal Development Program, Murray Bauer, Director, Landside Operations, and Diana Lucero, Director, Public, Community and Customer Relations, provided a program update which included Contract 1 and 2 Phasing; Customer Service Challenges; and Phased Opening Public Relations and Marketing Plan.

C. THE GREEN BUILD – SMALL BUSINESS UPDATE:

Bob Silvas, Director, Small Business Development, provided a presentation which included Diversity Analysis, Activities and Upcoming Events.

Board Member Young requested that staff prepare a document outlining the lessons learned for the Board.

Board Member Young requested to see the various trades that are represented by the various groups.

Chair Gleason stated that there is a similar topic scheduled for January 2012 and that an update on this item could be included.

Thella F. Bowens, President/CEO, stated that the Authority's commitment to diversity and the San Diego community began long before the Green Build. She expressed appreciation for the unwavering commitment of the Board and staff in this area. She also stated that the Disparity Study and Bonding Program were two of the crucial components in ensuring the successes achieved.

**D. FINANCIAL UPDATE FOR THE THREE MONTHS ENDED
SEPTEMBER 30, 2011:**

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the Authority's finances for the three months ended September 30, 2011, which included Revenues and Expenses, Balance Sheets with Assets, Liabilities and Net Assets, Operating and Non-Operating Revenue and Expenses, and a Financial Summary.

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

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:**
Board Member Smisek reported that there is a committee meeting scheduled for November 14.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:** None
- **FINANCE COMMITTEE:** None

- **TERMINAL DEVELOPMENT PROGRAM COMMITTEE:**
Board Member Boland reported that the Committee is working closely with staff on the phasing of the project. He reported that the next portion will involve working closely with the Audit Committee, and that a status report will be provided to the Board in January. He announced that tours are being provided and invited any interested Board Members to attend.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:**
Board Member Panknin reported that the first meeting of the Committee is scheduled for November 17.
- **PUBLIC ART ADVISORY COMMITTEE:**
Chair Gleason stated that as a follow up to the local preference for artists opportunity, adopted by the Board at the October meeting, that currently there are four art opportunities out that include a local preference for local artist.

LIAISONS

- **AIRPORT LAND USE COMPATIBILITY PLAN FOR SAN DIEGO INTERNATIONAL AIRPORT:**
Board Member Robinson stated that the County Implementation Plan and the Miramar Amendment, to allow electrical substations in APZ II, are being presented to the ALUC today. He reported that the City Council approved the City of San Diego Implementation Plan on October 31, and that Steering Committee meetings will be held on November 17 and December 8.
- **CALTRANS:**
Board Member Berman reported that the U.S. Highway 805-905 Interchange is expected to be open in December. She stated that the Interstate 15 project should be completed by the end of the year, which is one year ahead of schedule.
- **INTER-GOVERNMENTAL AFFAIRS:**
Board Member Cox reported that on October 18 the Authority hosted an FAA press conference announcing the award of the \$2 Million Voluntary Airport Low Emission (VALE) Program Grant. He also reported that the Authority submitted an application to the U.S. Department of Transportation for a Transportation Investment Generating Economic Recovery (TIGER) Grant which would assist with the planned improvements on the North Side of the airfield. He stated that several letters of support were expected from various entities to assist the Authority with this application.

- **MILITARY AFFAIRS:**
Board Member Boland reported that General Counsel and Real Estate staff continues to work with the Marine Corps Recruit Depot (MCRD) regarding the Washington Street gate.
- **PORT:**
Chair Gleason reported that staff continues to work with the Port regarding cost issues with the San Diego Harbor Police.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:**
Board Member Smisek reported that an update was received at the meeting regarding the Mid-Coast Corridor Transit Project. He stated that in September the Federal Transit Administration approved the project under the New Starts Program.
- **WORLD TRADE CENTER:**
Board Member Panknin reported that the membership meeting will be held in early December and he encouraged Board Members to attend.

CHAIR'S REPORT:

Chair Gleason reported that the Board and Committee meeting calendar for next year will be adopted at today's meeting. He also commended staff on hosting of the Airports Council International (ACI), North American Conference held in San Diego.

PRESIDENT/CEO'S REPORT:

Thella F. Bowens, President/CEO, reported that she attended the Airports Council International World Board Meeting in Marrakech. She reported that several items were discussed where San Diego has led the way, which includes Life Cycle Management and developing the work force regarding succession planning. She stated that another area of interest world-wide is environmental issues. She stated that an Environmental Summit will take place in February, 2012 and that it will be important to be a participant in the discussions because of the impact this area is making on the aviation industry.

NON-AGENDA PUBLIC COMMENT:

RICHARD LEDFORD, CHAIR, and DOUG SAWYER, SAN DIEGO UNITED WAY, expressed appreciation for the Authority's ongoing support of the United Way, and its yearly campaign efforts.

CONSENT AGENDA (Items 1-13):

Board Member Cox requested that Item 12 be pulled from the Consent Agenda for discussion.

ACTION: Moved by Board Member Desmond and seconded by Board Member Robinson to approve the Consent Agenda as amended. Motion carried by the following vote: YES- Boland, Cox, Desmond, Gleason, Hubbs, Panknin, Robinson, Smisek, Young; NO – None; ABSENT- None. (Weighted Vote Points: YES – 100; NO – 0; ABSENT – 0)

1. **APPROVAL OF MINUTES:**
RECOMMENDATION: Approve the minutes of the September 23, 2011 special meeting and the October 6, 2011 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 SEPTEMBER 12, 2011 THROUGH OCTOBER 9, 2011 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM SEPTEMBER 12, 2011 THROUGH OCTOBER 9, 2011:**
RECOMMENDATION: Receive the report.
4. **NOVEMBER 2011 LEGISLATIVE REPORT:**
RECOMMENDATION: Adopt Resolution No. 2011-0130, approving the November 2011 Legislative Report.
5. **AMEND AUTHORITY CODE 8.11 – AIRCRAFT FUELING OPERATIONS:**
RECOMMENDATION: Adopt Resolution No. 2011-0131, amending Authority Code 8.11 in order to better articulate its regulation of aircraft fueling operations.
6. **INDEMNITY ISSUES REGARDING CERTAIN GOVERNMENT ENTITIES:**
RECOMMENDATION: Adopt Resolution No. 2011-0140, precluding the Authority from indemnifying a government entity when that entity is precluded by law from indemnifying the Authority.

CLAIMS

7. **AUTHORIZE THE REJECTION OF THE CLAIM OF FERNANDO RODRIGUEZ MAEDA:**
RECOMMENDATION: Adopt Resolution No. 2011-0132, authorizing the rejection of the claim of Fernando Rodriguez Maeda.

COMMITTEE RECOMMENDATIONS

8. **ACCEPTANCE OF THE PROPOSED 2012 MASTER CALENDAR OF BOARD AND COMMITTEE MEETINGS:**
RECOMMENDATION: The Executive Committee recommends that the Board accept the 2012 Master Calendar.
9. **RECEIVE THE UNAUDITED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2011:**
RECOMMENDATION: The Finance Committee recommends that the Board receive the report.
10. **REVIEW OF THE AUTHORITY'S QUARTERLY INVESTMENT REPORT AS OF SEPTEMBER 30, 2011:**
RECOMMENDATION: The Finance Committee recommends that the Board receive the report.

CONTRACTS AND AGREEMENTS

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

11. **AWARD A CONTRACT TO SOLPAC CONSTRUCTION, INC. DBA SOLTEK PACIFIC CONSTRUCTION COMPANY TO EXPAND TERMINAL 2 EAST FACILITIES – TERMINAL BUILDING AT SAN DIEGO INTERNATIONAL AIRPORT:**
RECOMMENDATION: Adopt Resolution No. 2011-0133, awarding a contract to SOLPAC Construction, Inc. dba Soltek Pacific Construction Company, in the amount of \$5,958,000, for Project No. 104056, Expand Terminal 2 East Facilities: Terminal Building at San Diego International Airport.
12. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN ON-CALL ARCHITECTURAL AND ENGINEERING CONSULTANT SERVICES AGREEMENT IN SUPPORT OF THE QUIETER HOME PROGRAM:**
ACTION: This item was pulled from the Consent Agenda for discussion.

13. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE SECOND AMENDMENTS TO THREE ON-CALL MATERIAL TESTING, SPECIAL INSPECTION, AND GEOTECHNICAL SERVICE AGREEMENTS:

RECOMMENDATION:

Adopt Resolution No. 2011-0136, approving and authorizing the President/CEO to execute a Second Amendment to the agreement with Kleinfelder West, Inc., extending the term of the agreement by one year to expire on December 31, 2012, to provide on-call professional material testing, special inspection, and geotechnical services for Capital Improvement Projects.

Adopt Resolution No. 2011-0137, approving and authorizing the President/CEO to execute a Second Amendment to the agreement with MACTEC Engineering and Consulting, Inc., extending the term of the agreement by one year to expire on December 31, 2012, to provide on-call professional material testing, special inspection, and geotechnical services for Capital Improvement Projects.

Adopt Resolution No. 2011-0138, approving and authorizing the President/CEO to execute a Second Amendment to the agreement with Ninyo & Moore Geotechnical & Environmental Sciences Consultants, extending the term of the agreement by one year to expire on December 31, 2012, to provide on-call professional material testing, special inspection, and geotechnical services for Capital Improvement Projects.

ITEM PULLED FROM THE CONSENT AGENDA FOR DISCUSSION:

12. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN ON-CALL ARCHITECTURAL AND ENGINEERING CONSULTANT SERVICES AGREEMENT IN SUPPORT OF THE QUIETER HOME PROGRAM:

In response to Board Member Cox regarding staff's recommendation to award an agreement to a single consultant, instead of multiple ones as initially proposed, Iraj Ghaemi, Director, Facilities Development, stated that awarding only one agreement will keep costs down and provide flexibility. He stated that additional consultants could be retained in the future, if needed.

RECOMMENDATION: Adopt Resolution No. 2011-0134, approving and authorizing the President/CEO to execute an on-call architectural and engineering services agreement, with The Jones Payne Group, Inc. for an amount not to exceed \$19,000,000 for the first three years, with the option for two one-year extensions, in support of the Quieter Home Program.

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

The Board recessed at 10:15 A.M. and reconvened at 10:24 A.M.

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

14. AUTHORIZE THE ACCEPTANCE AND GRANT OF REAL PROPERTY RIGHTS NECESSARY TO EFFECT AIRPORT DEVELOPMENT INCLUDING THE REDESIGN OF CONTIGUOUS PORTIONS OF THE SAN DIEGO INTERNATIONAL AIRPORT (“SDIA”) WASHINGTON STREET ACCESS LOCATED SOUTH OF PACIFIC HIGHWAY ON MARINE CORPS RECRUIT DEPOT AND AUTHORITY PROPERTY AND STORM WATER DRAINAGE SYSTEMS SUPPORTING THE AUTHORITY’S NORTH SIDE AND TERMINAL DEVELOPMENT PROGRAMS:

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the San Diego International Airport (SDIA) and Marine Corps Recruit Depot (MCRD) Washington Street access and storm drainage agreements which included Transaction Purpose; Subject Properties; Overview of Agreements and Recommendation.

RECOMMENDATION: Adopt Resolution No. 2011-0139, authorizing the President/CEO to take appropriate actions necessary to grant and accept certain property rights between the Authority and the United States Navy by and through the Marine Corps Recruit Depot (“MCRD”) and the Naval Facilities Engineering Command Southwest (“NAVFAC-SW”) necessary to effect the implementation of Authority’s North Side and Terminal Development Programs, including the redesign of the SDIA Washington Street access and storm water drainage systems on the north and south sides of SDIA; including the simultaneous execution of the following and any related agreements: (1) an Exclusive Use Agreement; (2) an Agreement for Exchange of Easements; (3) an Agreement for Use of Easements; (4) an easement for street purposes granted by the Authority to MCRD/NAVFAC-SW; (5) two easements for street purposes granted by MCRD/NAVFAC-SW to the Authority; (6) a utility easement for storm water drainage purposes granted by MCRD/NAVFAC-SW to the Authority; (7) a utility easement granted by MCRD/NAVFAC-SW to the Authority for storm water drainage purposes to accommodate the two existing airport storm water drainage pipelines that are currently covered by a 20-foot wide leasehold interest and a right of entry; and (8) a quitclaim by the Authority in favor of MCRD/NAVFAC-SW to facilitate the replacement of the 20-foot-wide leasehold interest and the right of entry that is currently covering the two existing storm drains.

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

CLOSED SESSION: The Board recessed into Closed Session at 10:31 A.M. to discuss Items 15, 19, 20, and 23. Also, Breton K. Lobner, General Counsel, advised of the need to add an item involving arbitration with former employees Xavier Mayo and Marcus Edwards. He stated that the need for action on this issue came to staff's attention after the posting of the agenda.

ACTION: Moved by Board Member Cox and seconded by Board Member Smisek to add to the Closed Session agenda a briefing regarding arbitration with the former employees. Motion carried by the following vote: YES- Boland, Cox, Desmond, Gleason, Hubbs, Panknin, Robinson, Smisek, Young; NO – None; ABSENT- None. (Weighted Vote Points: YES – 100; NO – 0; ABSENT – 0)

- 15. CONFERENCE WITH LABOR NEGOTIATOR:**
Labor negotiations pursuant to Cal. Gov. Code §54957.6:
Authority Designated Negotiators: Thella F. Bowers, President/CEO; and Jeffrey Woodson, Vice President, Administration
Employee Organization: Teamsters 911
- 16. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Real property negotiations pursuant to Cal. Gov. Code §54954.5(b) and §54956.8:
Property: Salt Plant – 17 acre parcel located at 1470 Bay Boulevard, San Diego
Agency Negotiators: Vernon D. Evans, Vice President, Finance/Treasurer
Negotiating Parties: United States Fish and Wildlife Service, GGTW, LLC (current tenant) and/or other interested parties
Under Negotiation: Sale – terms and conditions
- 17. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Cal. Gov. Code §54956.9 (a)):
San Diego Unified Port District v. TDY Industries, Inc., et al., and related cross-actions. U.S. District Court, Southern District Case No. 03 CV 1146-B (POR)
- 18. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Cal. Gov. Code §54956.9(a)):
City of San Diego, Historical Resources Board: In re: Western Salt Company Salt Works, Report No. HRB-08-005

19. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Cal.Gov. Code §54956.9(a)):
West Tech, Inc. v. San Diego County Regional Airport Authority, et al.,
L.A.S.C 37-2010-00106565-CU-BC-CTL
20. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
Initiation of litigation pursuant to subdivision (c) of §54956.9: (1 case)
21. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
Significant exposure to litigation pursuant to Cal. Gov. Code §54956.9(b)
[Number of cases: 1] and §54956.9(b)(3)(C) [Liability claim against Authority
by Theresa, Warren & Carl Hopkins]
22. **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
23. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
Initiation of litigation pursuant to subdivision (c) of Section 54956.9: (1 case)

REPORT ON CLOSED SESSION: The Board reconvened into open session at 11:50 A.M. Breton K. Lobner, General Counsel, reported that there was no reportable action.

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 11:51 A.M.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY BOARD THIS 1ST DAY OF DECEMBER, 2011.

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

