

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, JANUARY 15, 2015
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM**

CALL TO ORDER: Chair Gleason called the regular meeting of the San Diego County Regional Airport Authority Board to order at 9:05 a.m. on Thursday, January 15, 2015, in the Board Room at the San Diego International Airport, Commuter Terminal, 3225 North Harbor Drive, San Diego, CA 92101.

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

ROLL CALL:

PRESENT: Board Members: Alvarez, Boling, Cox, Farnam (Ex Officio), Gleason, Hubbs, Robinson, Sessom, Smisek

ABSENT: Board Members: Berman (Ex Officio), Desmond, Ortega (Ex Officio)

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

Chair Gleason recognized and thanked Board Member Smisek for his service on the Authority Board.

PRESENTATION:

A. NORTHSIDE CARGO DEVELOPMENT PROJECT UPDATE:

Eric Podnieks, Real Estate Manager, Business and Financial Management, and Michael Sears, Director, Financial Management, provided a presentation on the Northside Cargo Development Project, which included Background – Northside Development Master Plan-EIR adopted May 2008, Northside Development-4th Quarter 2014, SAN Ranking for Cargo-North America, Air Cargo Market Share San Diego International Airport, General Site Plan (as of 4th Quarter 2014), Estimated Capital Cost; Financing Considerations; Project Feasibility and Assessment Project, and Schedule Target Dates.

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

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:**
Board Member Smisek announced that the next Committee Meeting is scheduled on February 9, 2015.
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**
Board Member Hubbs announced that the next Committee Meeting is scheduled on January 22, 2015.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
Chair Gleason announced that the next Committee Meeting is scheduled on January 21, 2015.
- **FINANCE COMMITTEE:** None

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:**
Board Member Smisek announced that the next Committee Meeting is scheduled for March 2015, to discuss the Airport Development Plan.
- **ART ADVISORY COMMITTEE:**
Chair Gleason reported that the Travel Desk display in Terminal 2 East is completed. He also provided an update on the temporary installations that are themed all about Balboa Park, noting that 15 of the 31 exhibits have been installed.

LIAISONS

- **AIRPORT LAND USE COMPATIBILITY PLAN FOR SAN DIEGO INTERNATIONAL AIRPORT:** None.
- **CALTRANS:** None.
- **INTER-GOVERNMENTAL AFFAIRS:**
Board Member Cox reported that on January 13th, Mayor Sessom provided an airport update to the El Cajon City Council, and that she is also scheduled to update the La Mesa City Council on January 27th. He reported that he, together with Authority Board Members Gleason, Robinson and Boling, attended Mayor Faulconer's first State of the City Address. He reported that Authority staff is scheduled to brief San Diego Councilman Mark Kersey on January 26th, and La Mesa Councilmember Kristine Allesio on January 27th. He reported that Chairman Bill Horn will deliver his State of the County Address on February 10th at the County Administration Center. He also reported that Authority staff is scheduled to provide an airport update and airfield tour to Assembly Member Shirley Weber on February 20th.

- **MILITARY AFFAIRS:**
Colonel Farnam reported that the Secretary of Defense, Chuck Hagel visited the Marine Corps Air Station Miramar and spoke to service members.
- **PORT:**
Chair Gleason reported that he attended the swearing in of the new Port Commission Officers on January 13, 2015, and spoke with Port Chair, Dan Malcolm, about his desire to continue joint Port/Airport leadership meetings.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:**
Board Member Smisek reported that the Committee met in December, 2014, to discuss transfer of funds to the Wi-Fi project for the Rapid Bus Service, the third phase of the TransNet Smart Growth Incentive Program, the Active Transportation Grant Program, and a Toolbox for Parking Management for Local Jurisdictions.
- **WORLD TRADE CENTER:** None.

CHAIR'S REPORT:

Chair Gleason announced that the Board Retreat is scheduled on February 27th and 28th. He stated that a new Executive Committee Member representing the surrounding cities will have to be elected at the February Board Meeting. He stated that new Committee assignments will be made in February, and he encouraged Board members to let him know if anyone was interested in serving on other Committees, as well as interest in representation at upcoming conferences and delegations.

PRESIDENT/CEO'S REPORT:

Thella F. Bowens, President/CEO, reported that San Diego International Airport served a record 18.7 million passengers in 2014, the highest total since 2007. She also reported that during the holiday travel period, that there was a 5% year over year increase for the month of December. She announced the opening of three new concessions at the Airport; Pete's Coffee and Tea, Panda Express, and Jack-in-the-Box. She announced the upcoming Quieter Home Program 3,000 home celebration, and also reported that on January 14, 2015, the Airport and U.S. Customs and Border Protection introduced eight new Automated Passport Control kiosks, located in the Airport's Federal Inspection Services area, which will allow passengers to submit their customs declaration and personal information electronically. She reported that Senator Charles Schumer has proposed that the Transportation Security Administration conduct daily federal screenings of airport and airline workers for weapons, following recent arrests at New York and Atlanta airports. She stated

that she would keep the Board apprised on this issue. She also reported that the Airports Council International and American Association of Airports Executives, as well as the U.S. Travel Association have sent a letter to the House and Senate Committee leadership, asking for an increase in the Passenger Facility Charge as part of the Reauthorization Bill. She stated that this will have major implications on future funding for the Authority capital programs, and the Airport Development Plan.

NON-AGENDA PUBLIC COMMENT:

ALFRED BANKS, SAN DIEGO, distributed a handout for the Board, and expressed concerns with taxicab regulations, and not having a voice at monthly meetings.

Chair Gleason referred the matter to staff, to provide a response to the Board.

CONSENT AGENDA (Items 1-15):

Chair Gleason stated that he would be abstaining on item 8, due to a potential conflict of interest.

ACTION: Moved by Board Member Robinson and seconded by Board Member Smisek to approve the Consent Agenda. Motion carried by the following vote: YES – Alvarez, Boling, Cox, Gleason, Hubbs, Robinson, Sessom, Smisek; NO – None; ABSENT – Desmond. (Weighted Vote Points: YES – 88; NO – 0; ABSENT 12).

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the December 4, 2014, 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 NOVEMBER 10, 2014 THROUGH DECEMBER 7, 2014 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM NOVEMBER 10, 2014 THROUGH DECEMBER 7, 2014:

RECOMMENDATION: Receive the report.

4. JANUARY 2015 LEGISLATIVE REPORT:

RECOMMENDATION: Adopt Resolution No. 2015-0001, approving the January 2015 Legislative Report.

5. AMEND POLICY 5.13, LOCAL BUSINESS OPPORTUNITIES, TO INCREASE THE PERCENTAGE OF LOCAL WORKFORCE BASED IN THE LOCAL OFFICE:

RECOMMENDATION: Adopt Resolution No. 2015-0002, amending Policy 5.13, Local Business Opportunities, to increase the local workforce percentage based in the local office from twenty-five percent (25%) to a level exceeding fifty percent (50%).

CLAIMS

6. REJECT THE CLAIM OF JOANN AUSTIN:

RECOMMENDATION: Adopt Resolution No. 2015-0003, rejecting the claim of JoAnn Austin.

7. REJECT THE CLAIM OF ELLEN FRANGER:

RECOMMENDATION: Adopt Resolution No. 2015-0004, rejecting the claim of Ellen Franger.

COMMITTEE RECOMMENDATIONS

8. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH U.S. BANK NATIONAL ASSOCIATION FOR DEPOSITORY BANKING SERVICES AND MERCHANT CREDIT CARD SERVICES:

RECOMMENDATION: The Finance Committee recommends that the Board adopt Resolution No. 2015-0005, approving and authorizing the President/CEO to negotiate and execute an agreement with U.S. Bank National Association (U.S. Bank) for depository banking services and merchant credit card services for a term of three years with two one-year options to extend the term and a maximum amount payable not-to-exceed \$2,500,000.

CONTRACTS AND AGREEMENTS

9. AWARD A CONTRACT TO EC CONSTRUCTORS, INC. FOR TERMINAL CONCESSIONS DIRECTORIES AT SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2015-0006, awarding a contract to EC Constructors, Inc., in the amount of \$598,315, for Project No. 104168A, Terminal Concessions Directories at San Diego International Airport.

10. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FIRST AMENDMENT TO THE STATE LEGISLATIVE CONSULTING SERVICES AGREEMENT WITH MANATT, PHELPS & PHILLIPS, LLP:

RECOMMENDATION: Adopt Resolution No. 2015-0007, approving and authorizing the President/CEO to execute a first amendment to the state legislative consulting services agreement with Manatt, Phelps & Phillips, LLP, extending the term of the agreement by nine months to expire October 31, 2015, and increasing the agreement amount by \$115,300, resulting in a revised total maximum amount payable of \$736,900.

11. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH MCBEE STRATEGIC CONSULTING, LLC, FOR FEDERAL LEGISLATIVE CONSULTING SERVICES:**
RECOMMENDATION: Adopt Resolution No. 2015-0008, approving and authorizing the President/CEO to execute an agreement with McBee Strategic Consulting, LLC, for Federal Legislative Consulting Services in an amount not-to-exceed \$887,000, for a term of three-years, with two one-year extensions, exercisable at the exclusive option of the President/CEO.
12. **AWARD A CONTRACT TO S&L SPECIALTY CONTRACTING, INC., FOR QUIETER HOME PROGRAM PHASE 8, GROUP 4, PROJECT NO. 380804 (24 HISTORIC AND NON-HISTORIC SINGLE AND MULTI-FAMILY UNITS ON 6 RESIDENTIAL PROPERTIES LOCATED EAST AND WEST OF THE AIRPORT):**
RECOMMENDATION: Adopt Resolution No. 2015-0009, awarding a contract to S&L Specialty Contracting, Inc., in the amount of \$764,050, for Phase 8, Group 4, Project No. 380804, of the San Diego County Regional Airport Authority's ("Authority's") Quieter Home Program.

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

13. **AWARD A CONTRACT TO ORION CONSTRUCTION CORPORATION TO CONSTRUCT THE NORTH SIDE UTILITY STORM DRAIN TRUNK AT SAN DIEGO INTERNATIONAL AIRPORT:**
RECOMMENDATION: Adopt Resolution No. 2015-0010, awarding a contract to Orion Construction Corporation in the amount of \$10,396,680, for Project No. 104118E, North Side Utility Storm Drain Trunk at San Diego International Airport.
14. **APPROVE AND AUTHORIZE AN INCREASE IN THE PRESIDENT/CEO'S CHANGE ORDER AUTHORITY FOR CONSTRUCT ELECTRICAL DISTRIBUTION SYSTEM (12KV) PROJECT AT SAN DIEGO INTERNATIONAL AIRPORT:**
RECOMMENDATION: Adopt Resolution No. 2015-0011, approving and authorizing an increase in the President/CEO's change order authority from \$650,280 to an amount not to exceed \$1,807,300, for Project No. 104136, Construct Electrical Distribution System (12kV) at San Diego International Airport.
15. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE A FIRST AMENDMENT TO THE SOLAR POWER PURCHASE AGREEMENT WITH LINDBERG FIELD SOLAR 1, LLC:**
RECOMMENDATION: Adopt Resolution No. 2015-0012, approving and authorizing the President/CEO to negotiate and execute a First Amendment to the Solar Power Purchase Agreement with Lindberg Field Solar 1, LLC, to implement a solar photovoltaic generating system at Terminal 2 West, San Diego International Airport.

The Board recessed at 9:50 a.m. and reconvened at 9:51 a.m.

PUBLIC HEARINGS: None

OLD BUSINESS: None

NEW BUSINESS:

Chair Gleason announced that Item 17 would be taken out of order.

17. ADOPT POLICY 5.15 EQUAL BENEFITS FOR SPOUSES AND DOMESTIC PARTNERS:

Board Member Hubbs expressed concern about the potential for non-compliance of the policy by contractors, and that there will be significant problems with the implementation.

Breton Lobner, General Counsel, stated that the awardee of the contract will be required to comply with the terms and conditions of the contract. He further stated that staff is not aware of any problems with the 16 locations who have implemented similar programs, and that any issues that may arise will be reported to the Board

RECOMMENDATION: Adopt Resolution No. 2015-0013, approving the adoption of Policy 5.15 "Equal Benefits for Spouses and Domestic Partners", to ensure that contractors and lessees provide equal benefits between employees with spouses and employees with domestic partners, and between dependents and family members of spouses and dependents and family members of domestic partners.

ACTION: Moved by Board Member Alvarez and seconded by Board Member Cox to approve staff's recommendation. Motion carried by the following vote: YES – Alvarez, Boling, Cox, Gleason, Hubbs, Robinson, Sessom, Smisek; NO – None; ABSENT – Desmond. (Weighted Vote Points: YES – 88; NO – 0; ABSENT 12).

The Board recessed at 9:55 a.m., and reconvened at 10:10 a.m.

16. AIRPORT DEVELOPMENT PLAN CONCEPTS EVALUATION:

Keith Wilschetz, Director, Airport Planning, and Michael Sears, Director, Financial Management, provided a presentation on the Airport Development Plan (ADP) Concepts Evaluation, which included Public Stakeholder Outreach, Update on the ADP Process, Terminal Concepts Overview, Preliminary Cost Estimates/Financial Approach, Alternatives Evaluation Methodology, and Next Steps.

Board Member Cox left the meeting at 10:51 a.m.

Board Member Smisek reported that input provided by the Airport Advisory Committee on the plan was focused towards environmental impacts, and plan financing.

Board Member Alvarez requested that staff include what facilities are being replaced, in the Preliminary Phasing Plan.

Chair Gleason expressed the need to lobby members of the federal delegation about why increasing the Passenger Facility Charges (PFC's) is important to this airport.

Thella Bowens, President/CEO, stated that as staff moves forward with the ADP financing plan, it will address what will happen with PFC's in order to provide the Board with informed decisions on how to move forward. She also stated that staff will be inviting delegations to visit the airport, and encouraged the Board to be highly engaged with the California delegation, as well as any other delegation that the Board has access to, to address increasing PFC's.

Chair Gleason stated that owning the land at Laurel Street and Pacific Highway would be helpful and suggested that it be on the table as part of the conversation and requested that it be studied. Ms. Bowens stated that staff will provide a presentation to the Board, which will include the roadway system for that area.

ADRIAN KWIATKOWSKI, SAN DIEGO, representing the Transport Alliance Group (TAG), requested that TAG be included as part of the stakeholder group in the ADP planning process, and he suggested the establishment of a transportation stakeholder committee.

RECOMMENDATION: Receive the information.

Board Member Alvarez spoke in support of Alternatives 3 and 4, and expressed concern with the cost difference.

Board Member Sessom spoke in support of Alternative 4. She stated that she would also support wherever the remaining three alternatives fall. She expressed concern regarding the roadway.

Board Member Smisek spoke in support of Alternative 4, and stated that if another option was needed, he would prefer Alternative 1.

Board Member Robinson spoke in support of Alternative 4. He requested that staff coordinate a meeting with Port representatives to present Alternative 4 to them because they have not seen it. Chair Gleason stated that this would be scheduled as a topic for the first meeting of the year.

Board Member Boling spoke in support of Alternatives 3 and 4 and expressed concerns with costs.

Board Member Hubbs spoke in support of Alternative 4, and agreed that Alternative 1 should stay in consideration. He expressed concerns with the costs and financing.

Chair Gleason stated that while he hears a clear preference for Alternative 4, he suggested keeping Alternative 1 for cost consideration, and to keep Alternatives 2 and 3 in the background.

ACTION: The Board received the information and provided some direction to staff.

CLOSED SESSION: The Board recessed into Closed Session at 12:13 p.m. to discuss Items 19, 24, and 27.

17. **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: Scott Brickner, Finance & Asset Management, Vice President/Treasurer.
Negotiating Parties: San Diego Gas & Electric, United States Fish and Wildlife Service, GGTW, LLC (current tenant) and/or other interested parties.
Under Negotiation: Sale – terms and conditions.
18. **CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**
(Cal. Gov. Code § 54956.9(a) and (d)(1).)
Diego Concession Group, Inc. v. San Diego County Regional Airport Authority,
San Diego Superior Court Case No. 37-2012-00088083-CU-BT-CTL
19. **CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**
(Cal. Gov. Code § 54956.9(a) and (d)(1).)
Dryden Oaks, LLC v. San Diego County Regional Airport Authority, et al.,
San Diego Superior Court, North County, Case No. 37-2014-00004077-CU-EI-NC
20. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Cal. Gov. Code § 54956.9(a) and (d)(1).)
Donna Wilson; John Wilson v. San Diego Port Authority; San Diego International Airport; San Diego County Regional Airport Authority
San Diego Superior Court Case No. 37-2014-00015326-CU-PO-CTL (Meyer)
22. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Cal. Gov. Code § 54956.9(a) and (d)(1).)
Jennifer Cain v. San Diego County Regional Airport Authority, et al
San Diego Superior Court Case No. 37-2014-00030402-CU-PO-CTL

- 23. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Cal. Gov. Code §54956.9(a) and (d)(1).)
Joan M. Ward v. San Diego County Regional Airport Authority, et al
San Diego Superior Court Case No. 37-2014-00022181-CU-WT-CTL
- 24. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Cal. Gov. Code § 54956.9(a) and (d)(1).)
Alice Boehm v. San Diego County Regional Airport Authority, et al,
San Diego Superior Court Case No. 37-2014-00022124-CU-PO-CTL
- 25. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION AND EXISTING LITIGATION:**
(Significant exposure to litigation pursuant to Cal. Gov. Code §§ 54956.9(a) and 54956.9(b).)
Jay A. Bass, et al v. San Diego City Employees' Retirement System, et al.,
San Diego Superior Court Case No. 37-2013-00077566-CU-OE-CTL
- 26. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to Cal. Gov. Code §§ 54956.9 (b) and 54954.5.)
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.
Number of potential cases: 1
- 27. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Initiation of litigation pursuant to Cal. Government Code § 54956.9(d).)
Number of cases: 2

REPORT ON CLOSED SESSION: The Board reconvened into Open Session at 12:55 p.m. There was no reportable action.

NON-AGENDA PUBLIC COMMENT: None.

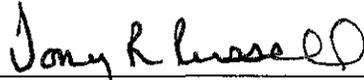
GENERAL COUNSEL REPORT: None.

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.

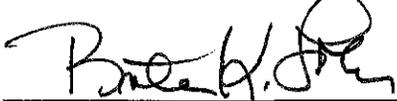
ADJOURNMENT: The meeting was adjourned at 12:56 p.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY BOARD THIS 19th DAY OF FEBRUARY, 2015.



TONY R. RUSSELL
DIRECTOR, CORPORATE &
INFORMATION GOVERNANCE /
AUTHORITY CLERK

APPROVED AS TO FORM:



BRETON K. LOBNER
GENERAL COUNSEL