

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD  
MINUTES  
THURSDAY, MARCH 6, 2014  
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 9:04 a.m. on Thursday, March 6, 2014, 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, Berman (Ex Officio), Boland, Cox, Farnam (Ex Officio), Gleason, Hubbs, Robinson, Sessom, Smisek

**ABSENT:** Board Members: 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

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

*Board Member Alvarez arrived during the course of the meeting.*

**PRESENTATION:**

**A. RECOGNITION OF BOND TEAM:**

Vernon Evans, Vice President, Finance/Treasurer, provided a Presentation on The Bond Financing Team, which included 2010 Bond Deal Structure, 2013 Bond Deal Structure, 2014 Bond Deal Structure, and Financing Team.

The Board recognized and thanked Authority retiree, Vernon Evans, for his service to the Authority.

Chair Gleason announced that Item 16 would be heard at this time.

**WORKSHOP:**

**16. UPDATE ON GROUND TRANSPORTATION OPERATIONAL FRAMEWORK:**

Angela Shafer-Payne, Vice President, Operations; David Boenitz, Director, Ground Transportation; and Scott Brickner, Director, Financial Planning and Budget, provided an update on the Ground Transportation Operational Framework, which included Ground Transportation Cost Recovery Program - Cost Recovery Methodology, Ground Transportation Expenses Comparison, Cost Recovery Fee Calculation, Permit Fee Calculation – CSR Usage Calculation, Ground Transportation Permit And Trip Fees; Operational Challenges – Alternative Fuel Vehicle (AFV)/Clean Air Vehicle (CAV) Equipment Availability, Taxicab and Vehicle for Hire Memorandum of Agreement, Airport Taxicab Availability, Passenger Wait Times, Proposed Hold Lot Relocation, Airport Ground Transportation Passenger Satisfaction Survey, Taxicab Permit Transferability; Business/Operational Models – Consortium (open/limited) System, Concession (closed/restricted) System, and Summary and Next Steps.

Board Member Sessom expressed concerns with the assumptions as to when the conversion for the different modes will happen. She also questioned if it would be possible to have an electronic message board to display taxicab wait times and possibly provide options for access to alternative transportation that would be available immediately, and the need to relocate the hold lot due to possible changes in business models such as the Transportation Network Companies.

Board Member Alvarez questioned how the cost recovery fee allocations will be adjusted if the private Transportation Network Companies are permitted. He also expressed concern with taxicab wait times.

Chair Gleason questioned the calculation and presentation of the vehicle safety appearance inspection data and suggested that staff consult with the Audit Department to establish an audit plan that is more statistically valid.

*The Board recessed at 10:36 a.m. and reconvened at 10:53 a.m.*

ADRIAN KWIATKOWSKI, SAN DIEGO, representing Transportation Alliance Group (TAG) provided a presentation on the San Diego International Airport ground transportation issues. He also submitted a written communication by TAG regarding a proposed Vehicle Conversion Rebate Program, dated November 5, 2013.

LISA MCGHEE, expressed concern with the Cost Recovery Fee Calculation based upon vehicle mode, its impact on the amount of trips by each operator, and the method for collecting the fees.

KARAN MODY, SAN DIEGO, representing Prime Time Shuttle, spoke regarding his company's progress to convert their fleet and stated that he looked forward to expanding its opportunity to serve the Airport's transportation needs.

XEMA JACOBSON, SPRING VALLEY, representing Super Shuttle, requested that the Board consider changing to the concession model.

ALEX TEGEGNE, SAN DIEGO, requested consideration for fewer restrictions on taxicab sticker allocation. He also spoke in support of vehicle permit transferability privileges.

JACK HOGAN, NEWPORT BEACH, representing Clean Energy, stated its commitment to working with ground transportation providers to provide alternative fuel.

TONY HUESO, SAN DIEGO, representing USA Cab and San Diego Transport Association, spoke in support of vehicle permit transferability and, consideration of a dedicated taxi lane on Harbor Drive to alleviate issues associated with passenger taxicab wait times.

MARGO TANGUAY, SAN DIEGO, suggested an educational process regarding the issue of vehicle permit transferability, that City taxicabs be considered during peak times, and spoke in support of continuation of the Memorandums of Agreement.

KAMRAN HAMIDI, SAN DIEGO, representing San Diego Taxi Association, provided a copy of the Association's response to the San Diego International Airport Commercial Ground Transportation SWOT Analysis, to address needed ground transportation and commercial vehicle improvements. He also spoke in support of the proposed Taxi Hold Lot Relocation.

Board Member Alvarez suggested that the premium being assessed to those who have not converted, could be utilized to incentivize conversions.

Board Member Sessom questioned if a concession can be used for only one mode of ground transportation. She suggested that the Authority consider go to concessions if they are better and that shuttles be considered.

Chair Gleason requested staff to include performance metrics in the Memorandums of Agreement if the Authority continues to use them. He also suggested that the Authority consider ways to improve technology and facilities for ground transportation improvements. He also suggested that staff consider shuttles as the way to pilot a concessions program. Board Member Alvarez suggested that the Authority should be active in discussions with the Public Utilities Commission regarding the Greater California Livery Association (GCLA) Petition.

Board Member Smisek suggested that staff investigate whether the Authority can take part in the GCLA Petition.

Chair Gleason requested that staff provide the Board with an update on the status of upgrading ground transportation technology and facilities. He also stated that the Authority needs to find ways to help drivers comply with the conversion mandate.

RECOMMENDATION: Receive the update.

**ACTION: Moved by Board Member Robinson and seconded by Board Member Sessom to extend the Taxicab and Vehicle for Hire Memorandum of Agreements to October 31, 2014, to allow staff time to develop performance measures related to customer satisfaction, taxi availability, and vehicle appearance and driver professionalism; direct staff to come back with the pros and cons and a timeframe for a concessions model for shuttles only; direct General Counsel to investigate whether the Authority can participate in the California Public Utilities Commission Petition regarding the Greater California Livery Association; direct staff to plan for an incentive conversion program that is workable and legal; and that staff provide clarification and a timeframe for increasing and/or enhancing the technology and facilities associated with ground transportation, including the proposed taxicab hold lot relocation. The Board also directed staff to provide a comprehensive update in September, 2014 regarding these directives, and to report back in May, 2014 regarding the feasibility of a concession for shuttles. Motion carried by the following vote: YES – Alvarez, Boland, Cox, Gleason, Hubbs, Robinson, Sessom, Smisek; NO - None; ABSENT - Desmond. (Weighted Vote Points: YES - 88; NO - 0; ABSENT- 12).**

*The Board recessed at 12:11 p.m. and reconvened at 12:13 p.m.*

**CONSENT AGENDA (Items 1-12):**

Board Member Robinson requested that Item 10 be pulled from the Consent Agenda to abstain from the vote, due to a potential conflict of interest.

**ACTION: Moved by Board Member Robinson, and seconded by Board Member Smisek to approve the Consent Agenda as amended. Motion carried by the following vote: YES – Alvarez, Boland, 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 February 6, 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 JANUARY 13, 2014 THROUGH FEBRUARY 9, 2014 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM JANUARY 13, 2014 THROUGH FEBRUARY 9, 2014:**  
RECOMMENDATION: Receive the report.
4. **MARCH 2014 LEGISLATIVE REPORT:**  
RECOMMENDATION: Adopt Resolution No. 2014-0013, approving the March 2014 Legislative Report.
5. **ANNUAL REVIEW AND NOTIFICATION OF BOARD MEMBER WEIGHTED VOTE POINT ALLOCATION AS REQUIRED BY SECTION 170014 OF THE CALIFORNIA PUBLIC UTILITIES CODE:**  
RECOMMENDATION: Adopt Resolution No. 2014-0020, accepting the Board Member Weighted Vote Point Allocation as required by Section 170014 of the California Public Utilities Code.
6. **DISPOSITION OF SURPLUS PROPERTY:**  
RECOMMENDATION: Adopt Resolution No. 2014-0014, authorizing the Disposition of Surplus Property (Materials and/or Equipment) by; 1) donating electronic surplus to San Diego Futures Foundation (SDFF), 2) sale to the highest bidder, and 3) recycling.

#### **CLAIMS**

7. **REJECT THE CLAIM OF JENNIFER CAIN:**  
RECOMMENDATION: Adopt Resolution No. 2014-0015, rejecting the claim of Jennifer Cain.

#### **COMMITTEE RECOMMENDATIONS**

8. **QUARTERLY AUDIT ACTIVITIES REPORT – FISCAL YEAR 2014 SECOND QUARTER, AND AUDIT RECOMMENDATIONS ISSUED BY THE OFFICE OF THE CHIEF AUDITOR:**  
RECOMMENDATION: The Audit Committee recommends that the Board accept the report.

9. **REVISION TO THE FISCAL YEAR 2014 AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:**  
**RECOMMENDATION:** The Audit Committee recommends that the Board accept the information.

**CONTRACTS AND AGREEMENTS**

10. **AWARD A CONTRACT TO HAZARD CONSTRUCTION COMPANY TO RELOCATE CELL PHONE LOT PROJECT AT SAN DIEGO INTERNATIONAL AIRPORT:**  
**ACTION:** This item was pulled from the Consent Agenda to be voted on separately.
11. **AWARD A CONTRACT TO G&G SPECIALTY CONTRACTORS, INC., FOR QUIETER HOME PROGRAM PHASE 7, GROUP 8 (34 NON-HISTORIC UNITS ON 1 RESIDENTIAL PROPERTY LOCATED WEST OF THE AIRPORT):**  
**RECOMMENDATION:** Adopt Resolution No. 2014-0017, awarding a contract to G&G Specialty Contractors, Inc., in the amount of \$693,900, for Phase 7, Group 8, Project No. 380708, of the San Diego County Regional Airport Authority's Quieter Home Program.

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

12. **AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH GENERAL NETWORKS CORPORATION FOR THE PURCHASE AND IMPLEMENTATION OF AN ENTERPRISE CONTENT MANAGEMENT SYSTEM ("ECMS"):**  
**RECOMMENDATION:** Adopt Resolution No. 2014-0009, authorizing the President/CEO to negotiate and execute an agreement with General Networks Corporation in an amount not-to-exceed \$1,500,000 for a three (3) year term, with an option for two (2) one-year extensions, which may be exercised at the sole discretion of the President/CEO, for the purchase and implementation of an ECMS.

**ITEM(S) REMOVED FROM THE CONSENT AGENDA**

10. **AWARD A CONTRACT TO HAZARD CONSTRUCTION COMPANY TO RELOCATE CELL PHONE LOT PROJECT AT SAN DIEGO INTERNATIONAL AIRPORT:**  
**RECOMMENDATION:** Adopt Resolution No. 2014-0016, awarding a contract to Hazard Construction Company, in the amount of \$584,122, for Project No. 104174, Relocate Cell Phone Lot at San Diego International Airport.
- ACTION:** Moved by Board Member Boland, and seconded by Board Member Smisek to approve staff's recommendation. Motion carried by the following vote: YES – Alvarez, Boland, Cox, Gleason, Hubbs, Sessom, Smisek; NO - None; ABSENT – Desmond, Robinson.  
(Weighted Vote Points: YES - 80; NO - 0; ABSENT- 20).

**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 the Committee will meet on April 15, 2014. He reported that he recently toured the Airport's north side for the proposed Rental Car Center and Landmark FBO.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**  
None.
- **FINANCE COMMITTEE:**  
None.

***ADVISORY COMMITTEES***

- **AUTHORITY ADVISORY COMMITTEE:**  
Board Member Smisek reported that the Committee met on February 26, 2014 to discuss the Airport Development Plan.
- **ART ADVISORY COMMITTEE:**  
Chair Gleason reported that the Commuter Terminal east wall art installation is complete. He reported that the pedestrian bridge sculptures in the Green Build installations are complete. He also announced the upcoming Art and Culture Symposium on March 7<sup>th</sup> through 9<sup>th</sup>, titled "Aesthetics and Authenticity", at the new Central Library.

***LIAISONS***

- **AIRPORT LAND USE COMPATIBILITY PLAN FOR SAN DIEGO INTERNATIONAL AIRPORT:**  
Board Member Robinson reported that the Airport Land Use Compatibility Plan (ALUC) staff is evaluating the City of San Diego Proposal presented at the February Board meeting regarding limitations on residential units within mixed use projects, with a report of findings anticipated to be presented at the April 6, 2014 ALUC Meeting.
- **CALTRANS:**  
None.

- **INTER-GOVERNMENTAL AFFAIRS:**  
Board Member Cox reported that on March 4<sup>th</sup>, the Obama Administration released its Fiscal Year 2015 budget, and has proposed raising the Passenger Facility Charge cap from the current level of \$4.50 to \$8.00. He reported that the Administration has also proposed eliminating entitlements for large hub airports and reducing Airport Improvement Program funding from the current level of \$3.25 billion to \$2.9 billion. He further reported that the Administration's budget also proposes increasing the number of Customs and Border Protection officers by 2000 and that the President's budget would also provide \$1.25 billion to continue the Transportation Investment Generating Economic Recovery (TIGER) grant program.
- **MILITARY AFFAIRS:**  
None.
- **PORT:**  
None.

#### ***BOARD REPRESENTATIVES (EXTERNAL)***

- **SANDAG TRANSPORTATION COMMITTEE:**  
Board Member Smisek reported that the Committee met on February 21, 2014 regarding budget amendments to the Finance Plan, estimated growth in revenue and expenses for Fiscal Year 2015-2019 for Transnet, Interstate 805 Trolley Station plan at 47<sup>th</sup> Street in San Diego, and performance measurements on successes for the regional plan in to the future.
- **WORLD TRADE CENTER:**  
Chair Gleason reported that discussions are ongoing with the World Trade Center regarding the use of the building on Pacific Highway.

#### **CHAIR'S REPORT:**

Chair Gleason thanked the Board for its participation at the Board Retreat on February 28<sup>th</sup> and March 1<sup>st</sup>. He reported that Board Member's Cox and Robinson will be attended the upcoming Chamber Mission to Mexico, along with Board Member Alvarez who will be representing the City of San Diego.

#### **PRESIDENT/CEO'S REPORT:**

Thella Bowens, President/CEO reported that the Green Build closeout is on target. She reported that San Diego International Airport was the recent recipient of three awards by the *Airport Revenue News* Best Airports and Concessions.

**NON-AGENDA PUBLIC COMMENT:** None.

**CONSENT AGENDA (Items 1-12):**

**PUBLIC HEARINGS:** None.

**OLD BUSINESS:** None.

*Board Member Alvarez left the meeting at 12:24 p.m.*

**NEW BUSINESS:**

13. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A HEATING, VENTILATION, AND AIR CONDITIONING MAINTENANCE AND REPAIR SERVICE AGREEMENT WITH PACIFIC RIM MECHANICAL CONTRACTORS, INC.:**

Murray Bauer, Director, Facilities Management, provided an overview of the Staff Report.

RECOMMENDATION: Adopt Resolution No. 2014-0018, approving and authorizing the President/CEO to execute a Heating, Ventilation and Air Conditioning Maintenance and Repair Service agreement with Pacific Rim Mechanical Contractors, 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, for a total not-to-exceed amount of \$8,074,308, to provide heating, ventilation and air conditioning maintenance and repair services at San Diego International Airport.

**ACTION: Moved by Board Member Cox, and seconded by Board Member Sessom to approve staff's recommendation. Motion carried by the following vote: YES – Boland, Cox, Gleason, Hubbs, Robinson, Sessom, Smisek; NO - None; ABSENT – Alvarez, Desmond. (Weighted Vote Points: YES - 75; NO - 0; ABSENT- 25).**

14. **RESCIND BOARD RESOLUTION 2013-0017; AND APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE A SITE LEASE AGREEMENT AND SOLAR POWER PURCHASE AGREEMENT TO FINANCE, DESIGN, INSTALL, OPERATE, AND MAINTAIN A SOLAR PHOTOVOLTAIC GENERATING SYSTEM WITH BORREGO SOLAR SYSTEMS, INC., AT SAN DIEGO INTERNATIONAL AIRPORT:**

Bob Bolton, Director, Airport Design & Construction, provided a presentation on the Site Lease Agreement and Solar Power Agreement for a Solar Photovoltaic Generating System at San Diego International Airport, which included Project History, Proposed Solar Implementation Plan, Solar Generating System Proposal, Solar Generating System Comparison, and Present & Future Demand.

**RECOMMENDATION:** Adopt Resolution No. 2014-0019, rescinding Resolution 2013-0017 and approving and authorizing the President/CEO to negotiate and execute: (1) a site lease agreement with Borrego Solar Systems, Inc., for the development and installation of a solar photovoltaic ("PV") generating system, for a maximum term of 20 years; and (2) a solar power purchase agreement with Borrego Solar Systems, Inc., to finance, design, install, operate, and maintain the solar PV generating system for an amount not-to-exceed \$15,000,000 and a maximum term limit of 20 years, at San Diego International Airport.

**ACTION: Moved by Board Member Cox, and seconded by Board Member Boland to approve staff's recommendation. Motion carried by the following vote: YES – Boland, Cox, Gleason, Hubbs, Robinson, Sessom, Smisek; NO - None; ABSENT – Alvarez, Desmond. (Weighted Vote Points: YES - 75; NO - 0; ABSENT- 25).**

**15. NUMBER NOT USED**

**CLOSED SESSION:** The Board recessed in to Closed Session at 12:34 p.m. to discuss Items 19, 20, and 21.

**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: Vernon D. Evans, Vice President, Finance/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 REAL PROPERTY NEGOTIATORS:**

Real Property negotiations pursuant to Cal. Gov. Code §54954.5(b) and §54956.8:

Property: 2980 Pacific Highway, San Diego, California

Agency Negotiators: Vernon D. Evans, Vice President, Finance/Treasurer and Troy Ann Leech, Director, Aviation & Commercial Business

Negotiating Party: President/CEO, San Diego World Trade Center

Under Negotiation: New or amended lease.

19. **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
20. **CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**  
(Cal. Gov. Code §54956.9(a))  
Melvin R. McFarlin v. San Diego County Regional Airport Authority, et al., San Diego Superior Court Case No. 37-2013-00066152-CU-OE-CTL
21. **CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**  
(Cal. Gov. Code §54956.9(a))  
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
22. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**  
Initiation of litigation pursuant to subdivision (c) of §54956.9: (1 case)
23. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION AND EXISTING LITIGATION:**  
Significant exposure to litigation pursuant to Cal. Gov. Code §54956.9(b) and Cal. Gov. Code § 54956.9(a): Jay A. Bass, et al v. San Diego City Employees' Retirement System, et al., San Diego Sup. Court Case No. 37-2013-00077566-CU-OE-CTL  
Number of cases: 1
24. **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 into Open Session at 1:10 p.m. There was not 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 1:11p.m.

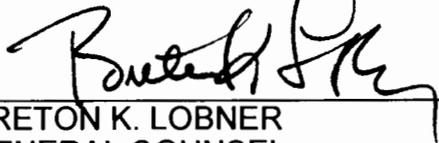
APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL  
AIRPORT AUTHORITY BOARD THIS 3<sup>rd</sup> DAY OF APRIL, 2014.



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

APPROVED AS TO FORM:



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BRETON K. LOBNER  
GENERAL COUNSEL