

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, MARCH 19, 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 9:04 a.m. on Thursday, March 19, 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 Farnam led the Pledge of Allegiance.

ROLL CALL:

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

ABSENT: Board Members: 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

Board Member Hubbs arrived at 9:12 a.m.

PRESENTATION:

A. PILOT PROGRAM: INCENTIVES FOR NEW, CLEAN AIR TAXICABS AT SAN DIEGO AIRPORT:

Nick Cormier, Associate Air Resources Specialist, County of San Diego Air Pollution Control District, provided a presentation on Incentives for New, Clean Air Taxicabs at San Diego Airport, which included Existing Conditions, Pilot Replacement Program, Potential Results, Inspection Event, Progress To-Date, and Next Steps.

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 Hubbs announced that the next Committee Meeting is scheduled on April 30, 2015.

- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
Board Member Desmond announced that the next Committee Meeting is scheduled on June 17, 2015.
- **FINANCE COMMITTEE:** None.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:** None.
- **ART ADVISORY COMMITTEE:**
Chair Gleason reported that the "Balboa Park and the City" media event is scheduled for March 24, 2015, and the Parking Plaza Public Art Opportunity Request For Qualifications remains open.

LIAISONS

- **AIRPORT LAND USE COMPATIBILITY PLAN FOR SAN DIEGO INTERNATIONAL AIRPORT:** None.
- **CALTRANS:** None.
- **INTER-GOVERNMENTAL AFFAIRS:**
Board Member Cox reported that on March 4th, President Obama signed into law the Department of Homeland Security Appropriations Act of 2015. He reported that on February 20th, Authority staff provided an airport briefing to Assembly member Shirley Webber's staff. He reported that on March 3rd, Authority staff met with Congressman Duncan Hunter's staff, and also provided an update to the Lemon Grove City Council. He reported that on March 4th, Authority staff updated Federal Aviation Administration staff members Eddie Angeles, Associate Administrator for Airports and Ben DeLeon, Deputy Associate Administrator for Airports. He also reported that on March 17th and 18th, Authority staff participated in the San Diego Chamber of Commerce trip to Sacramento, where they met with members of San Diego's state legislative delegation and other legislative leaders.
- **MILITARY AFFAIRS:** None.
- **PORT:**
Chair Gleason reported that at a recent meeting with the new Port leadership, a presentation was provided on Alternative 4 of the Airport Development Plan, and that there was discussion regarding joint planning efforts.

In response to Board Member Desmond's request for an update on the Port's Plan for Harbor Island, Chair Gleason requested staff to provide an update to the Board on what the Port is considering for Harbor Island.

- **WORLD TRADE CENTER:** None.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:**
Board Member Alvarez reported that at its last meeting, Committee discussion included the Regional Transportation Plan.

CHAIR'S REPORT:

Chair Gleason thanked the Board for its participation at the Board Retreat on February 27th and 28th. He reported that several Board Members will be attending a number of upcoming conferences, including the ACI Conference, Mission to Mexico, and the National Geographic movie launch. He also announced that the next Coastal Commission meeting is scheduled in May, and will include discussion about the Airport Parking Plaza. He suggested that it would be beneficial to have a Board Member in attendance.

PRESIDENT/CEO'S REPORT:

Thella F. Bowens, President/CEO, reported that Fitch has affirmed the Authority's bond rating at "A+" with a stable outlook for Senior Debt, and an "A" bond rating and stable outlook for the Subordinate Debt. She reported that the Authority was the recipient of five awards at the recent Airport Revenue News Conference and Exhibition in San Diego. She announced the opening of the "Prado" concession at the Airport. She reported that the Authority recently participated in the Go Global San Diego Program on trade and export initiatives. She announced the opening of the Airspace Lounge in Terminal 2 on February 24th, and the recent Quieter Home Program 3,000th home celebration. She also announced new air service by Alaska Airlines to Kona Hawaii.

NON-AGENDA PUBLIC COMMENT:

MICHELLE GUTIERREZ, SAN DIEGO, stated that no bargaining date has been set by High Flying Foods with its employees regarding employee contracts, and she encouraged Board support on the issue.

ABU DOUMBIA, SAN DIEGO, stated that Airport employees should receive the best wages and healthcare.

KEITH JONES, SAN DIEGO, representing Ace Parking, distributed a letter and provided the Board with a performance update for ACE Parking in regards to their commitments as outlined within the agreement.

CONSENT AGENDA (Items 1-6):

ACTION: Moved by Board Member Desmond and seconded by Board Member Robinson to approve the Consent Agenda as amended, to include a compensation report for Board Member Alvarez in Item 2 related to his attendance at the February 9, 2015, February 19, 2015, February 27, 2015, and February 28, 2015 ALUC and Board meetings. Motion carried by the following vote: YES – Alvarez, Boling, Cox, Desmond, Gleason, Hubbs, Janney, Robinson, Sessom; NO – None; ABSENT – None. (Weighted Vote Points: YES – 100; NO – 0; ABSENT 0).

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the February 19, 2015, regular meeting, and the February 27 and 28, 2015, special meetings.

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 26, 2015 THROUGH FEBRUARY 22, 2015, AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM JANUARY 26, 2015 THROUGH FEBRUARY 22, 2015:

RECOMMENDATION: Receive the report.

4. MARCH 2015 LEGISLATIVE REPORT:

RECOMMENDATION: Adopt Resolution No. 2015-0021, approving the March 2015 Legislative Report.

CLAIMS

5. REJECT THE CLAIM OF DANNY BRINKLEY:

RECOMMENDATION: Adopt Resolution No. 2015-0022, rejecting the claim of Danny Brinkley.

COMMITTEE RECOMMENDATIONS

CONTRACTS AND AGREEMENTS

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

6. **AWARD A CONTRACT TO G&G SPECIALTY CONTRACTORS, INC. FOR QUIETER HOME PROGRAM PHASE 8, GROUP 5, PROJECT NO. 380805 (28 HISTORIC AND NON-HISTORIC SINGLE AND MULTI-FAMILY UNITS ON 27 RESIDENTIAL PROPERTIES LOCATED EAST AND WEST OF THE AIRPORT):**

RECOMMENDATION: Adopt Resolution No. 2015-0023, awarding a contract to G&G Specialty Contractors, Inc. in the amount of \$1,486,584, for Phase 8, Group 5, Project No. 380805, of the San Diego County Regional Airport Authority's ("Authority's") Quieter Home Program.

PUBLIC HEARINGS:

The Board recessed at 9:41 a.m., and reconvened at 9:43 a.m.

OLD BUSINESS:

7. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A PROGRAM MANAGEMENT AND SUPPORT SERVICES AGREEMENT (CONTINUED FROM THE FEBRUARY 19, 2015 MEETING):**

Board Member Robinson announced his recusal on this item, due to a potential conflict of interest. He left the dais at 9:44 a.m.

Iraj Ghaemi, Director, Facilities Development, provided a presentation on the Program Management and Support Services Agreement, which included Concept of Program Management, Authority Program Management History, Inclusionary Approach, Authority Program Management Moving Forward, Projected Program Management Budget Requirements, Program Management Selection Process, Request For Qualifications (RFQ) Evaluation Panel, and RFQ Evaluation Criteria.

In response to Board Member Alvarez regarding what is AECOM's philosophy and track record with its outreach and inclusionary approach to doing business with the Authority, Sunnie House, Vice President, AECOM, and Local Transportation Manager, stated that AECOM's past record for this contract with the Authority, is reflective of its work with small and local business engagement, which resulted in 66 sub-consultants hired. Additionally, she stated that AECOM conducts mentor programs with the Federal Government, and has a hiring program for Veterans. She further stated that AECOM staff will track the proposed contract for its engagement with small and local businesses, and provide a report to the Authority.

RECOMMENDATION: Adopt Resolution No. 2015-0020, approving and authorizing the President/CEO to negotiate and execute a Program Management and Support Services Agreement with AECOM Technical Services, Inc., for a term of three years, with the option for two one-year extensions, in an amount not-to-exceed \$60,000,000, in support of the Capital Improvement and Major Maintenance Programs, at the San Diego International Airport.

ACTION: Moved by Board Member Hubbs and seconded by Board Member Cox to approve staff's recommendation. Motion carried by the following vote: YES – Alvarez, Boling, Cox, Desmond, Gleason, Hubbs, Janney, Sessom; NO – None; ABSENT – Robinson. (Weighted Vote Points: YES – 92; NO – 0; ABSENT 8).

Board Member Robinson returned to the dais at 9:58 a.m.

The Board recessed at 9:59 a.m. and reconvened at 10:10 a.m.

NEW BUSINESS: None

WORKSHOP:

8. DISCUSSION REGARDING THE PARAMETERS FOR THE FISCAL YEAR 2016 AND FISCAL YEAR 2017 OPERATING BUDGETS:

Scott Brickner, Vice President, Finance and Asset Management/Treasurer, provided a presentation on the Parameters for the Fiscal Year 2016 and Fiscal Year 2017 Operating Budgets, which included Economic Update, Moody's Report, Budget Objectives, Authority Financial Snapshot, Budget Challenges, Budget Guidelines, and Budget Calendar.

Board Member Boling pointed out that within the retirement plan contribution is debt service, and that the Authority is paying 7-1/4 percent interest in unfunded liability. She stated that this could be misleading, and cautioned staff to keep this in mind.

RECOMMENDATION: Provide direction to staff.

ACTION: No action taken.

CLOSED SESSION: The Board recessed into Closed Session at 10:37 a.m. to discuss Item 10.

9. **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.
10. **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
11. **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
12. **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)
13. **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
14. **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
15. **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

- 16. 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
- 17. 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
- 18. 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 at 11:10 a.m. There was no reportable action.

NON-AGENDA PUBLIC COMMENT: None.

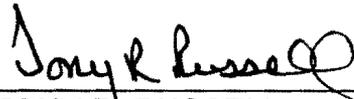
GENERAL COUNSEL REPORT: None.

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.

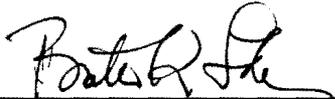
ADJOURNMENT: The meeting was adjourned at 11:11 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY BOARD THIS 23rd DAY OF APRIL, 2015.



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

APPROVED AS TO FORM:



BRETON K. LOBNER
GENERAL COUNSEL