

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD  
MINUTES  
THURSDAY, FEBRUARY 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 11:10 a.m. on Thursday, February 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: Boland, Cox, Desmond, Farnam (Ex Officio), Gleason, Hubbs, Robinson, Sessom, Smisek

**ABSENT:** Board Members: Alvarez, Berman (Ex Officio), Ortega (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:**

Chair Gleason announced that Item 14 would be heard at this time.

**WORKSHOP:**

**14. UPDATE ON GROUND TRANSPORTATION REGULATORY FRAMEWORK:**

Angela Shafer-Payne, Vice President, Operations, introduced the item and summarized the Ground Transportation Regulatory Framework, and the Next Steps.

David Boenitz, Director, Ground Transportation provided a presentation on the Update on Ground Transportation Regulatory Framework, which included Financial Overview – Vehicle Conversion Incentive-Based Program, Cost Allocation/Recovery, and Commercial Vehicle Permit Fees; Regulatory and Structural Challenges – Clean Vehicle Conversion Program, California Attorney General Memorandum of Understanding Compliance,

Board Member Hubbs requested that staff provide a comparison chart for Vehicle Conversions in order to track the vehicle conversion progress from year to year.

Chair Gleason requested that staff provide further information about permits for the Transportation Network Companies in accordance with the Authority's current business model. He also requested that the Car2Go issues be addressed in the next presentation to the Board.

Board Member Smisek spoke regarding alerting the California Attorney General about a petition to the Public Utilities Commission (PUC) by the Greater California Livery Association, to adopt a regulation that vehicle standards for limousine operators and other charter-party carriers are in the exclusive domain of the PUC and not in the domain of airport operators, which would substantially impact San Diego International Airport's ability to comply with the California Attorney General Memorandum of Understanding for Alternative Fuel Vehicles and Clean Air Vehicles.

ADRIAN KWIATKOWSKI, SAN DIEGO, representing Transportation Alliance Group (TAG), provided a presentation which included, TAG Members, TAG Business Members and Strategic Partners, TAG/Airport Authority Partnership, TAG Member Common Issues, TAG Member Mode Specific Issues, TAG Common Issues Proposals and Actions 2014, and Summary and Next Steps.

TONY HUESO, SAN DIEGO, spoke regarding the Car2Go issues and the challenges associated with this type of transportation at the Airport.

MARGO TANGUAY, SAN DIEGO, commented on Airport issues related to the fees charged by Uber transportation services.

Board Member Hubbs requested that staff include in its next report to the Board, the TAG issues that were presented by Mr. Kwiatkowski.

Chair Gleason requested that staff include in its next report to the Board, the incentives and disincentives that were extended for two fiscal years; how the disincentive on trip fees is applied and charged; clarification about the market players regarding the loan program, with the exception of limousines or charter carriers who are already permitted to operate at the Airport; and information about the position by the California Airports Council and other larger airports regarding permitting for Transportation Network Companies.

Board Member Cox suggested that staff explore the Carl Moyer Grant Program as a funding source for clean alternative fuel vehicle conversion for the Authority's bus and shuttle fleets.

RECOMMENDATION: Receive the update.

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

**BOARD BUSINESS:**

• **APPOINTMENT OF EXECUTIVE COMMITTEE MEMBERS AND ELECTION OF THE VICE CHAIR OF THE BOARD:**

**ACTION:** Moved by Chair Gleason and seconded by Board Member Desmond to appoint Board Members Smisek and Robinson to the Executive Committee, and to appoint Board Member Smisek as Vice Chair of the Board. Motion carried by the following vote: YES – Boland, Cox, Desmond, Gleason, Hubbs, Robinson, Sessom, Smisek; NO - None; ABSENT - Alvarez. (Weighted Vote Points: YES - 87; NO - 0; ABSENT- 13).

**PRESENTATIONS:**

**A. PRESENTATION OF THE DISTINGUISHED BUDGET AWARD FOR THE FISCAL YEAR BEGINNING JULY 1, 2013:**

Lakshmi Kommi, Director of Debt Management, City of San Diego, presented the Budget Award to Vernon Evans, Vice President, Finance/Treasurer, who accepted it on behalf of the Authority.

**B. FINANCIAL UPDATE OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2013 AND 2012:**

Vernon Evans, Vice President, Finance/Treasurer provided a presentation on the Financial Update of the Unaudited Financial Statements for the Six Months Ended December 31, 2013 and 2012, which included Operating Revenues by Percentage for Six Months Ended December 31, 2013 (Unaudited), Operating Expenses by Percentage for Six Months Ended December 31, 2013 (Unaudited), Non-operating Revenue and Expenses (Unaudited), Financial Summary, and, Statement of Net Position as of December 31, 2013 (Unaudited).

He also provided a presentation on Financial Trends From the Inception June 2004 through 2013, which included Authority Total Operating Revenues and Percentage Change – Fiscal Years Ended June 30 (Audited), Authority Operating Expenses Before Depreciation and Percentage Change – Fiscal Years Ended June 30 (Audited), Authority Assets – Fiscal Years Ended June 30 (Audited), Authority Liability – Fiscal Years Ended June 30 (Audited), and Change in Authority Net Position – Fiscal Years Ended June 30 (Audited). He also provided a presentation of the Fiscal Year 2015 – 2016 Budget Calendar Timeline of Key Dates.

Mr. Evans also provided a presentation on the \$305,285,000 Series 2014 Customer Facility Charge (CFC) Bonds Consolidated Rental Car Facility, which included Overview, Successful Rating Strategy, Favorable Market Conditions, 2014 Bond Deal Structure, Strong Demand for SAN Bonds, and Conclusion.

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

**STANDING BOARD COMMITTEES**

- **AUDIT COMMITTEE:**  
Board Member Smisek reported that the Committee will meet on February 10, 2014.
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**  
Board Member Hubbs reported that the Green Build closeout is on target. He also reported that the North Side Rental Car Center project is progressing.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**  
Board Member Desmond reported that the Committee met on January 15, 2014, to discuss goals of the President/CEO, General Counsel, and Chief Auditor, and noted that the goals set by the Board are on target. He reported that the next meeting of the Committee is on June 25, 2014.
- **FINANCE COMMITTEE:** None.

**ADVISORY COMMITTEES**

- **AUTHORITY ADVISORY COMMITTEE:**  
Board Member Smisek reported that the Advisory Committee will meet during the month of February to discuss the Airport Development Plan.
- **ART ADVISORY COMMITTEE:**  
Chair Gleason provided an update on the Terminal art installations. He reported that the Commuter Terminal East wall art installation is delayed due to issues with permitting. He announced that Authority Staff will be offering Green Build Art Tours to the Rising Arts Leaders and the San Diego Museum of Arts, Artists Guild. 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. He announced that the Authority was recently awarded the Artie Award at the 30<sup>th</sup> Anniversary of the Mission Federal Art Walk event.

**LIAISONS**

- **AIRPORT LAND USE COMPATIBILITY PLAN FOR SAN DIEGO INTERNATIONAL AIRPORT:**  
Board Member Robinson reported that briefings were provided to several agencies and agency members regarding the draft San Diego International Airport Land Use Plan, which included Caltrans Aeronautics, City of San Diego, Civic San Diego, Corky McMillin Companies, and Councilmember Alvarez' office.

- **CALTRANS:** None.
- **INTER-GOVERNMENTAL AFFAIRS:**  
Board Member Cox reported that on January 17<sup>th</sup>, President Obama signed into law the Fiscal Year 2014 Omnibus Appropriations bill, funding the federal government through September 30, 2014. He reported that State Legislators have until February 21<sup>st</sup> to introduce bills this year. He reported that on December 18<sup>th</sup>, Airport Authority representatives updated Senator Marty Block on several airport issues; on January 13<sup>th</sup>, the Authority's legislative team met with California Energy Commissioner Janea Scott and California Energy Commission (CEC) staff, to discuss changes to the CEC's Alternative and Renewable Fuel and Vehicle Technology Incentive Program, and; on January 16<sup>th</sup>, the mayors of the north county coastal cities met and reappointed Lloyd Hubbs as their representative on the Airport Authority Board. He also reported that he, together with Board Members Sessom and Berman, attended the annual SANDAG Board retreat on January 29-31<sup>st</sup>.
- **MILITARY AFFAIRS:** None.
- **PORT:**  
Chair Gleason reported that at the last monthly meeting with the Port, Authority representatives met to discuss moving forward with coordinating efforts between local agencies and the Authority concerning traffic, parking, circulation and alike. He announced that Authority representatives and other local agencies and community groups will meet on February 21, 2014 with Interim Mayor Todd Gloria's Office for further discussions.

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

- **SANDAG TRANSPORTATION COMMITTEE:**  
Board Member Smisek reported that the Committee met on January 17, 2014 regarding the Bike Early Action Plan, Transportation Improvement Program, and U.S. Army Corps of Engineers.
- **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 reported that the *Appointments To Board Committees, Liaison Positions, Other Representative And Alternate Positions*, is on the Consent Agenda for Board approval. He reported that the Board Retreat is scheduled on February 28, 2014 and March 1, 2014. He reported that Board Member's Hubbs and Robinson will be representing the Authority at the Chamber of Commerce delegation to Mexico in March, and Board Member Hubbs will be representing the Authority at the ACI Commissioners Conference in June. Chair Gleason announced that he will be attending the Smart Cities Initiative Conference in Seattle.

**PRESIDENT/CEO'S REPORT:**

Thella Bowens, President/CEO reported that the 2013 passenger numbers are at 17.7 million, a 2.7 percent increase and the highest increase since 2008. She announced Southwest Airlines non-stop service to Love Field Airport, Dallas. She recognized staff for its work on the Environmental Impact Report for the San Diego International Airport, Airport Land Use Compatibility Plan and Airport Land Use Compatibility Plan.

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

**CONSENT AGENDA (Items 1-13):**

Chair Gleason requested that Item 11, *Award of Contract to General Networks*, be deferred to a future meeting.

**ACTION: Moved by Board Member Robinson, and seconded by Board Member Cox to approve the Consent Agenda as amended. Motion carried by the following vote: YES – Boland, Cox, Desmond, Gleason, Hubbs, Robinson, Sessom, Smisek; NO - None; ABSENT - Alvarez. (Weighted Vote Points: YES - 87; NO - 0; ABSENT- 13).**

**1. APPROVAL OF MINUTES:**

RECOMMENDATION: Approve the minutes of the January 6, 2014, Special 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 DECEMBER 9, 2013, THROUGH JANUARY 12, 2014, AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM DECEMBER 9, 2013 THROUGH JANUARY 12, 2014:**

RECOMMENDATION: Receive the report.

**4. FEBRUARY 2014 LEGISLATIVE REPORT:**

RECOMMENDATION: Adopt Resolution No. 2014-0004, approving the February 2014 Legislative Report.

- 5. APPOINTMENTS TO BOARD COMMITTEES, LIAISON POSITIONS, OTHER REPRESENTATIVE AND ALTERNATE POSITIONS:**  
RECOMMENDATION: Adopt Resolution No. 2014-0005, making appointments to Board committees, liaison positions, the SANDAG Transportation Committee, and the World Trade Center Board.

***CLAIMS***

- 6. REJECT THE CLAIM OF JOANNA MCKIM:**  
RECOMMENDATION: Adopt Resolution No. 2014-0006, rejecting the claim of Joanna McKim.
- 7. DENY THE APPLICATION FOR LEAVE TO PRESENT A LATE CLAIM OF GUADALUPE VALENZUELA:**  
RECOMMENDATION: Adopt Resolution No. 2014-0007, denying the application for Leave to Present a Late Claim by Guadalupe Valenzuela.
- 8. REJECT THE CLAIM OF DENNIS ROMERO:**  
RECOMMENDATION: Adopt Resolution No. 2014-0008, rejecting the claim of Dennis Romero.

***COMMITTEE RECOMMENDATIONS***

- 9. ACCEPT THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2013:**  
RECOMMENDATION: The Finance Committee recommends that the Board accept the report.
- 10. ACCEPT THE AUTHORITY'S INVESTMENT REPORT AS OF DECEMBER 31, 2013:**  
RECOMMENDATION: The Finance Committee recommends that the Board accept the report.

***CONTRACTS AND AGREEMENTS***

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

- 11. 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"):**  
ACTION: This item was deferred to a future meeting.

- 12. AWARD A CONTRACT TO S&L SPECIALTY CONTRACTING, INC. FOR QUIETER HOME PROGRAM PHASE 7, GROUP 9 (1 NON-HISTORIC AND 11 HISTORIC SINGLE FAMILY RESIDENCES, AND 27 UNITS IN 1 HISTORIC MULTI-FAMILY BUILDING LOCATED BOTH EAST AND WEST OF THE AIRPORT):**

RECOMMENDATION: Adopt Resolution No. 2014-0010, awarding a contract to S&L Specialty Contracting, Inc., in the amount of \$1,238,550, for Phase 7, Group 9, Project No. 380709, of the San Diego County Regional Airport Authority's ("Authority's") Quieter Home Program.

- 13. AUTHORIZE THE PRESIDENT/CEO TO AWARD A CONTRACT TO RICONDO & ASSOCIATES, AND TO URS CORPORATION dba URS CORPORATION AMERICAS TO PROVIDE ON-CALL PROFESSIONAL AIRPORT PLANNING CONSULTING SERVICES:**

RECOMMENDATION:

Adopt Resolution No. 2014-0011, authorizing the President/CEO to award a three-year contract to Ricondo & Associates in an amount not-to-exceed \$3,000,000, to provide on-call professional consulting services in Airport Planning; and

Adopt Resolution No. 2014-0012, authorizing the President/CEO to award URS Corporation dba URS Corporation Americas a three-year contract in an amount not-to-exceed \$500,000, to provide on-call professional consulting services in Airport Planning.

**PUBLIC HEARINGS:** None.

**OLD BUSINESS:** None.

**NEW BUSINESS:** None.

**WORKSHOP:**

- 14. UPDATE ON GROUND TRANSPORTATION REGULATORY FRAMEWORK:**

**ACTION:** This item was heard as the first order of business on the Agenda.



**CLOSED SESSION:** The Board recessed into Closed Session at 12:35 p.m. to discuss Items 16, 17, 19 and 21.

- 15. 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
- 16. 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.
- 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-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
- 19. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**  
Initiation of litigation pursuant to subdivision (c) of §54956.9: (1 case)
- 20. 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

**21. 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 1:41 p.m. Chair Gleason reported that in regards to Items 16 and 21, that the Board provided direction to staff. There was no other reportable action.

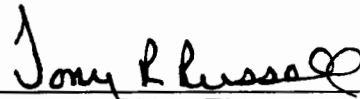
**GENERAL COUNSEL REPORT:** None.

**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.

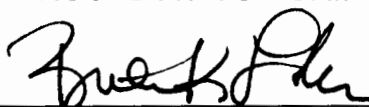
**ADJOURNMENT:** The meeting was adjourned at 1:42 p.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 6<sup>th</sup> DAY OF MARCH, 2014.



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

APPROVED AS TO FORM:



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BRETON K. LOBNER  
GENERAL COUNSEL