

**DRAFT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, MARCH 1, 2012
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 10:45 A.M. on Thursday, March 1, 2012 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, Figge (Ex Officio), 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. CONSOLIDATED RENTAL CAR FACILITY STATUS REPORT:**
Vernon Evans, Vice President, Finance/Treasurer, and Bryan Enarson, Vice President, Development, provided an update of the San Diego International Airport, Consolidated Rental Car Center (CONRAC) facility which included a CONRAC Program Overview; Relevant Board Actions; Programmatic Layout; Project Delivery Methods Considered; CONRAC Risks/Challenges; Enabling Projects Update; Peer Review; Programmatic Cost Estimates; Financial Feasibility; CFC Eligible Costs; Project Cost and Funding; Bond Source and Uses of Funds; Required CFC Rates; and Target Dates.

Chair Gleason stated that use of the local work force should be part of future discussions.

In response to Board Member Desmond's suggestion to have a draft document for review that states the desire of the Board to encourage the participation of the local work force as much as possible, Mr. Lobner stated that General Counsel staff would provide this information for the Board at the next meeting.

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

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:**
Board Member Smisek reported that at the last Committee meeting two items were forwarded to the Board, and are on today's consent agenda.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:** None
- **FINANCE COMMITTEE:** None
- **TERMINAL DEVELOPMENT PROGRAM COMMITTEE:**
Board Member Boland reported that the Green Build program is one month away from the half-way point. He reported that the aircraft apron is 100% complete, and that the terminal glass curtain wall installation has begun. He also reported that TSA has installed four CTX9800 checked baggage screening units in the new baggage makeup area/first floor. He reported that the USO/PMO building has all floors in place, and that the exterior wall framing has begun. He also reported that the Elevated Departure Roadway is approximately twenty-five percent complete.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:** None
- **ART ADVISORY COMMITTEE:**
Chair Gleason reported that some dialogue has begun regarding possible art opportunities for the North Side project area.

LIAISONS

- **AIRPORT LAND USE COMPATIBILITY PLAN FOR SAN DIEGO INTERNATIONAL AIRPORT:**
Board Member Robinson reported that on February 24 staff met with Caltrans to discuss creation of a Caltrans memo addressing stakeholders' questions regarding Safety Compatibility Zones. He also reported that on February 27 staff met with the City of El Cajon Planning Commission and gave a presentation regarding airport land use planning that impacts El Cajon.
- **CALTRANS:** None

- **INTER-GOVERNMENTAL AFFAIRS:**
Board Member Cox reported that on February 22, Authority staff hosted a Regional Aviation Working Group to share information on regional aviation planning. Representatives from the City of San Diego, the County of San Diego, SANDAG, CALTRANS, and the Tijuana International Airport participated in this meeting. He also reported that on February 24 the U.S. Department of Transportation issued an Order requesting applications from airlines to apply for beyond-perimeter flights to and from Ronald Reagan Washington National Airport. He stated that staff is working with air carriers and others to position the Authority to compete for nonstop San Diego-National Airport service. He reported that Inter-Governmental Relations and Planning staff hosted 30 members of the LEAD San Diego Impact class on Friday, February 24, and that the date also marked the deadline for state legislation to be introduced this year. He also reported that Inter-Governmental Relations staff is continuing to work with Board Members to schedule and support presentations updating appointing jurisdictions on airport-related activities.

- **MILITARY AFFAIRS:**
Board Member Boland reported that on February 22 the President/CEO, Authority senior staff and he met and provided a tour of the new USO facility at SDIA for the National USO Vice President, and the President of the local USO.

- **PORT: None**

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:**
Board Member Smisek reported that the budget was amended to add funds for the Bay Shore Bikeway and the Coastal Trail near Oceanside.

- **WORLD TRADE CENTER:**
Board Member Panknin reported that at the last meeting, the Authority's President/CEO was recognized for the new non-stop service being provided from San Diego to Tokyo by Japan Airlines. He also reported that the World Trade Center provided our agency's press release along with that of Japan Airlines to their entire Japan data base to help promote the new flight.

CHAIR'S REPORT:

Chair Gleason reported that the Green Build Discovery Center opened this week in Terminal 2 West, and encouraged everyone to visit the Center for a comprehensive overview of the Green Build project. He reminded the Board that the retreat will be on March 9 -10, and stated that an agenda will be provided soon. He also reported that in celebration of this year's Black History Month, the City of San Diego honored and recognized Thella F. Bowens, President/CEO, and Board Member Young.

PRESIDENT/CEO'S REPORT:

Thella F. Bowens, President/CEO, reported that the opening of the Green Build Discovery Center was also beneficial because it provides points towards LEED certification specified under the "education" component. She also reported that the Authority received an award from the American Society of Civil Engineers that recognizes the agency's use of energy efficient LED's throughout the airfield. She stated that this award is significant because it acknowledges the Authority's commitment to sustainability; highlights the reduction of our carbon footprint; lowers our maintenance cost; and improves our operational efficiency. Ms. Bowens reported that the Authority is committed to supporting Japan Airlines with its new service from San Diego.

Board Member Young left the dais at 11:20 A.M.

NON-AGENDA PUBLIC COMMENT: None

CONSENT AGENDA (Items 1-12):

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

1. **APPROVAL OF MINUTES:**
RECOMMENDATION: Approve the minutes of the February 9, 2012 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 JANUARY 9, 2012 THROUGH FEBRUARY 5, 2012 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM JANUARY 9, 2012 THROUGH FEBRUARY 5, 2012:**
RECOMMENDATION: Receive the report.

4. **MARCH 2012 LEGISLATIVE REPORT:**
RECOMMENDATION: Adopt Resolution No. 2012-0025, approving the March 2012 Legislative Report.

CLAIMS

5. **AUTHORIZE THE REJECTION OF THE CLAIM OF BOBBY FIKES:**
RECOMMENDATION: Adopt Resolution No. 2012-0026, authorizing the rejection of the claim of Bobby Fikes.
6. **AUTHORIZE THE REJECTION OF THE CLAIM OF TAWNEE KNIGHT:**
Recommendation: Adopt Resolution No. 2012-0027, authorizing the rejection of the claim of Tawnee Knight.

COMMITTEE RECOMMENDATIONS

7. **QUARTERLY AUDIT ACTIVITIES REPORT – FISCAL YEAR 2012 SECOND QUARTER, AND REPORT ON AUDIT RECOMMENDATIONS ISSUED BY THE OFFICE OF THE CHIEF AUDITOR:**
RECOMMENDATION: The Audit Committee recommends that the Board accept the report.
8. **REVISION TO THE FISCAL YEAR 2012 AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:**
RECOMMENDATION: The Audit Committee recommends that the Board accept the audit plan.

CONTRACTS AND AGREEMENTS

9. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT FOR ENVIRONMENTAL LEGAL SERVICES WITH MEYERS NAVE:**
RECOMMENDATION: Adopt Resolution No. 2012-0028, approving and authorizing the President/CEO to execute an agreement for Environmental Legal Services with Meyers Nave for a term of three (3) years with two (2) additional one-year options to extend the term with a maximum amount payable not-to-exceed \$300,000.
10. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FIRST AMENDMENT TO THE AGREEMENT WITH ALLIANT INSURANCE SERVICES, INC.:**
RECOMMENDATION: Adopt Resolution No. 2012-0030, approving and authorizing the President/CEO to execute a First Amendment to the agreement with Alliant Insurance Services, Inc. increasing the amount payable by one hundred six thousand dollars (\$106,000), for a new maximum amount payable not-to-exceed three hundred six thousand dollars (\$306,000).

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

**11. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A
FOURTH AMENDMENT TO THE AGREEMENT WITH LUCE FORWARD
HAMILTON & SCRIPPS, LLP:**

RECOMMENDATION: Adopt Resolution No. 2012-0029, approving and authorizing the President/CEO to execute a Fourth Amendment to the Agreement for Professional Legal Services between the Authority and Luce, Forward, Hamilton & Scripps, LLP increasing the compensation by \$300,000 for a total not-to-exceed compensation amount of \$1,100,000 and extending the term for one year, to expire no later than July 31, 2013.

**12. AWARD A CONTRACT TO CHARLES KING COMPANY, INC. TO
REHABILITATE RUNWAY/TAXIWAY STORMWATER/AIRFIELD
DRAINAGE SYSTEM AT SAN DIEGO INTERNATIONAL AIRPORT:**

RECOMMENDATION: Adopt Resolution No. 2012-0031, (1) rejecting the apparent lowest bidder, Downstream Services, Inc., and (2) awarding a contract to Charles King Company, Inc., in the amount of \$4,985,470, for Project No. 104110, Rehabilitate Runway/Taxiway Stormwater/Airfield Drainage System at San Diego International Airport.

NEW BUSINESS:

**13. DISCUSSION REGARDING FISCAL YEAR 2013 AND FISCAL YEAR 2014
OPERATING BUDGETS:**

Vernon Evans, Vice President, Finance/Treasurer, provided an overview of the Fiscal Year 2013 and Fiscal Year 2014 Operating Budgets which included Organizational Strategies; Sustainability Goals; Budget Objectives; US Economic Update; Us Airline Industry Snapshot; SDIA Snapshot; Budget Challenges; Budget Guidelines; and Status and Timeline.

Thella F. Bowens, President/CEO, stated that it is important to note that the FY2013 budget reflects a significant increase due to the phasing in of the Green Build.

Board Member Desmond recommended that as new revenue sources are considered, an internal review be done to see how the agency can be more efficient in its processes.

RECOMMENDATION: Provide direction to staff.

ACTION: No action taken

CLOSED SESSION: The Board did not recess into Closed Session.

- 14. 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
- 15. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Real Property Negotiations Pursuant To Cal. Gov. Code Sections 54954.5(B) and 54956.8.
Property: 1.15 Acre Parcel Located At The Northern Terminus Of 13th Street In Imperial Beach, CA
Agency Negotiators: Vernon D. Evans, Vice President, Finance/Treasurer
Under Negotiation: Sale – Terms and Conditions
- 16. 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)
- 17. 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
- 18. 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
- 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:**
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]

21. **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
22. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
Initiation of litigation pursuant to subdivision (c) of Section 54956.9: (1 case)
23. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
Threatened litigation pursuant Section 54956.9(b)(3)(C): (1 case) - Claim by
Jacob Mojadam and others. Agency claimed against: San Diego County
Regional Airport Authority
24. **CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION**
(Cal.Gov.Code §54956.9(a))
Ann Marie Tejcek v. San Diego County Regional Airport Authority, et al.
LASC No. 37-2011-00102856-CU-PO-CTL

REPORT ON CLOSED SESSION: None.

NON-AGENDA PUBLIC COMMENT: 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

GENERAL COUNSEL REPORT: None

ADJOURNMENT: The Board adjourned at 11:48 A.M.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 12th DAY OF APRIL, 2012.

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

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DRAFT – Revised 4/10/12
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
FRIDAY, MARCH 9, 2012
JUNIOR ACHIEVEMENT AT BIZTOWN
BOARD ROOM

CALL TO ORDER: Chair Gleason called the special meeting of the San Diego County Regional Airport Authority Board to order at 2:05 P.M. on Friday, March 9, 2012 in the Board Room at Junior Achievement at Biztown, 4756 Mission Gorge Place, San Diego, CA 92120.

PLEDGE OF ALLEGIANCE:

ROLL CALL:

PRESENT: Board Members: Boland, Cox, Desmond, Gleason, Hubbs, Panknin, Robinson, Smisek

ABSENT: Board Members: Figge (Ex Officio), Richie (Ex Officio), Reyes (Ex Officio), Young

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

Chair Gleason thanked Joanne Pastula, President/CEO, Junior Achievement, for her hospitality and the use of the facility.

BOARD WORKSHOP:

Trudy Sopp, Ph.D., Co-Director, the Centre for Organization Effectiveness, provided an overview of the workshop agenda.

1. INDUSTRY UPDATE AND DISCUSSION:

Steve Van Beek, Ph.D., Executive Director, Leigh Fisher, provided a presentation on the Aviation Industry, Policy and San Diego, which included Economic Trends and the Airline Industry, Fuel Prices, Airline and Airport Traffic: Passengers and Seats, Aviation Growth: Modest Growth and Future Uncertainty, U.S. Inbound Travel - Top 15 Markets, Three Evolving Airline Models, The Changing Southwest Business Model, Federal Policy and the San Diego International Airport (SDIA), Options for Future Funding, Airports Role in Developing a National Aviation Policy, Implications for SDIA and Airports, and Airports' Position Today in the Aviation System.

Ms. Sopp facilitated a Board discussion regarding the economic trends and the aviation industry and how they impact San Diego International Airport.

Board Member Boland requested to know the objective of the annual meetings regarding the Regional Aviation Strategic Plan.

The Board recessed at 3:45 p.m. and resumed at 4:00 p.m.

Board Member Desmond left the dais at 4:25 p.m.

Board Member Boland left the dais at 4:50 p.m.

ADJOURNMENT: The meeting was recessed at 5:00 p.m. to March 10, 2012, at 9:00 a.m. in the Orville and Wilbur Conference Rooms at the San Diego International Airport, 3225 N. Harbor Drive, San Diego, CA 92101.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 12th DAY OF APRIL, 2012.

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

DRAFT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
SATURDAY, MARCH 10, 2012
SAN DIEGO INTERNATIONAL AIRPORT
ORVILLE AND WILBUR WRIGHT CONFERENCE ROOM

CALL TO ORDER: Chair Gleason called the special meeting of the San Diego County Regional Airport Authority Board to order at 9:05 A.M. on Saturday, March 10, 2012 in the Orville and Wilbur Conference Wright Room at the San Diego International Airport, 3225 N. Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE:

ROLL CALL:

PRESENT: Board Members: Boland, Cox, Desmond, Gleason, Hubbs, Panknin, Robinson, Smisek

ABSENT: Board Members: Figge (Ex Officio), Richie (Ex Officio), Reyes (Ex Officio), Young

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

BOARD WORKSHOP:

1. **BOARD DISCUSSION REGARDING THE AUTHORITY'S LONG TERM PRIORITIES, INCLUDING POSSIBLE BUDGET IMPLICATIONS:**
Thella F. Bowens, President/CEO, provided a presentation on the Authority's Long Term Priorities, which included the Plan of Finance, Key Financial Metrics, Organizational Strategies, Sustainability Goals, The 7 Priorities, Budget Objectives, Budget Challenges, Budget Breakdown, Budget Guidelines, Revenue Assumptions, and Expense Assumptions.

Trudy Sopp, Ph.D., Co-Director, the Centre for Organizational Effectiveness, facilitated a Board discussion regarding the Authority's long term priorities and possible budget implications.

The Board recessed at 11:10 a.m. and reconvened at 11:20 a.m.

2. **ORGANIZATIONAL STRATEGIC ENGAGEMENT DISCUSSION:**
Ms. Sopp and Gary Magenta, Root Learning, facilitated a group discussion regarding the strategic engagement effort.

3. DISCUSSION OF BOARD WORK PLAN:

Thella F. Bowens, President/CEO, led a discussion regarding the Board Work Plan, which included the Work Plan Purpose and Scope, Strategic Issues / Challenge, Scope, Objective and Key Milestones, Stakeholders and/or Interested Partners, Key Board Actions, and Decisions.

ADJOURNMENT: The meeting was adjourned at 12:30 p.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY BOARD THIS 12th DAY OF APRIL, 2012.

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

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