

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY



BOARD MEMBERS

LAURIE BERMAN**
BRUCE R. BOLAND
GREG COX
JIM DESMOND
RAMONA FINNILA
ROBERT H. GLEASON
JIM PANKNIN
COL. FRANK A. RICHIE**
PAUL ROBINSON
TOM SMISEK
ANTHONY K. YOUNG
** EX OFFICIO BOARD MEMBERS
PRESIDENT/CEO
THELLA F. BOWENS

DRAFT ACTION MINUTES BOARD

AGENDA

Thursday, July 1, 2010
9:00 A.M.

San Diego International Airport
Commuter Terminal – Third Floor
Board Room
3225 N. Harbor Drive
San Diego, California 92101

*Live web casts of Authority Board meetings can be accessed at
http://www.san.org/airport_authority/boardmeetings.asp.*

CALL TO ORDER: Chair Gleason called the meeting to order at 9:00 a.m.

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

ROLL CALL: Board Members BERMAN and RICHIE were ABSENT.

REPORT FROM CITIZEN COMMITTEE:

PRESENTATION(S):

- A. **AIRPORT MINORITY ADVISORY COUNCIL'S "AWARD OF THE ORGANIZATION":**
Presented by Bob Silvas, Director, Small Business Development
- B. **OVERVIEW OF AIRCRAFT RESCUE AND FIRE FIGHTING (ARFF) AT SAN DIEGO INTERNATIONAL AIRPORT (EDUCATIONAL ITEM):**
Presented by George Condon, Director, Aviation Operations and Public Safety
- C. **COMPREHENSIVE GROUND TRANSPORTATION MANAGEMENT PLAN STATUS UPDATE:**
Presented by Vernon Evans, Vice President, Finance/Treasurer
- D. **REPORT ON THE AUTHORITY'S FINANCIAL CONDITION:**
Presented by Vernon Evans, Vice President, Finance/Treasurer

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

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:**
Committee Members: Finnila (Vice Chair), Gleason, Smisek (Chair), Young, Tartre, Buck, Van Sambeek
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
Committee Members: Boland (Vice Chair), Cox, Desmond (Chair), Smisek
- **FINANCE COMMITTEE:**
Committee Members: Cox (Chair), Finnila, Panknin, Young (Vice Chair)
- **TERMINAL DEVELOPMENT PROGRAM COMMITTEE:**
Committee Members: Boland (Chair), Finnila, Panknin (Vice Chair), Miller (Public Member)
- **REGIONAL AVIATION STRATEGIC PLAN COMMITTEE:**
Committee Members: Boland (Vice Chair), Desmond, Finnila (Chair), Panknin

LIAISONS

- **CALTRANS:**
Representative: Berman
- **MILITARY AFFAIRS:**
Liaisons: Boland (Primary), Panknin (Alternate)
- **PORT:**
Representatives: Boland, Gleason (Primary), Smisek

BOARD REPRESENTATIVES

- **SANDAG TRANSPORTATION COMMITTEE REPRESENTATIVE:**
Committee Representatives: Panknin (Alternate), Smisek (Primary)
- **SCAG AVIATION TASK FORCE:**
Task Force Representatives: Finnila (Alternate), Smisek (Primary)
- **WORLD TRADE CENTER:**
Representatives: Panknin (Primary), Young (Alternate)

CHAIR'S REPORT:

PRESIDENT/CEO REPORT:

NON-AGENDA PUBLIC COMMENT:

CONSENT AGENDA (Items 1-8):

Chair Gleason reported that Item 7 was removed from the agenda.

[ACTION: Items 1-6 and 8 were approved 9-0]

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the May 17, 2010 special meeting and the June 3, 2010 regular meeting.

2. ACCEPTANCE OF BOARD AND COMMITTEE MEMBERS' WRITTEN REPORTS ON 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 attendance at other meetings, trainings and events not covered by the current resolution.
(Corporate Services: Tony Russell, Director/Authority Clerk)

3. APPOINTMENTS TO THE FINANCE AND TERMINAL DEVELOPMENT PROGRAM COMMITTEES:

RECOMMENDATION: Adopt Resolution No. 2010-0068, making appointments to the Finance and Terminal Development Program Committees.
(Corporate Services: Tony Russell, Director/Authority Clerk)

4. AMEND THE AIRPORT AUTHORITY'S RECORDS RETENTION SCHEDULE:

RECOMMENDATION: Adopt Resolution No. 2010-0069, approving amendments to the Authority's Records Retention Schedule.
(Corporate Services: Tony Russell, Director/Authority Clerk)

5. JULY 2010 LEGISLATIVE REPORT:

RECOMMENDATION: Adopt Resolution No. 2010-0070, approving the July 2010 Legislative report.
(Inter-Governmental Relations: Michael Kulis, Director)

CLAIMS

COMMITTEE RECOMMENDATIONS

CONTRACTS AND AGREEMENTS

6. **AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM MAY 10, 2010 THROUGH JUNE 6, 2010 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM MAY 10, 2010 THROUGH JUNE 6, 2010:**

The Board is requested to receive the report.

RECOMMENDATION: Receive the report.

(Procurement: Jana Vargas, Director)

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

7. **AUTHORIZE THE PRESIDENT/CEO TO AWARD A CONSTRUCTION CONTRACT FOR THE SAN PARK PACIFIC HIGHWAY PAVEMENT PROJECT, AT SAN DIEGO INTERNATIONAL AIRPORT:**

[ACTION: This item was removed from the agenda.]

8. **APPROVE THE SECOND AMENDMENT TO AGREEMENT 203361OS WITH UNIVERSAL PROTECTION SERVICES, LP FOR SECURITY SERVICES:**

RECOMMENDATION: Adopt Resolution No. 2010-0072, approving the Second Amendment to Agreement 203361OS with Universal Protection Services, LP to increase the compensation by Five Hundred Thousand Dollars (\$500,000) resulting in a not-to-exceed amount of compensation of Six Million Seven Hundred and Forty Thousand Dollars (\$6,740,000).

(Operations & Public Safety: George Condon, Director)

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

9. **PROPOSED AMENDMENT OF THE COST RECOVERY FEE STRUCTURE AND IMPLEMENTATION DATES IN THE COMPREHENSIVE GROUND TRANSPORTATION MANAGEMENT PLAN ADOPTED MARCH 4, 2010:**

RECOMMENDATION: Provide direction to staff.

(Finance: Vernon Evans, Vice President/Treasurer)

[ACTION #1: The Board approved by a vote of 6-3, with Board Members BOLAND, DESMOND and FINNILA voting NO, Option B, which phases in ground transportation fees over four years, and to set the administration costs at \$200 minimum for all permits.]

[ACTION #2: The Board directed, by a vote of 9-0, to advocate with all regulatory agencies that the taxicab fee increases be programmed on the meter flag drop.]

10. RENEWAL OF THE EMPLOYEE BENEFIT PROGRAM FOR 2011:

RECOMMENDATION: Adopt Resolution No. 2010-0078, approving the renewal of the employee benefit programs for 2011.

(Human Resources: Jeff Lindeman, Director)

[ACTION: This item was approved 7-0 noting Board Members ROBINSON and YOUNG as ABSENT.]

11. RECONSIDERATION OF THE OPERATING BUDGET FOR FISCAL YEAR 2011 AND THE CAPITAL IMPROVEMENT PROGRAM FOR FISCAL YEARS 2011-2015; AND CONCEPTUAL APPROVAL OF THE OPERATING BUDGET FOR FISCAL YEAR 2012, APPROVED JUNE 21, 2010:

RECOMMENDATION: Adopt Resolution No. 2010-0081, adopting the Operating Budget for Fiscal Year 2011 and the Capital Improvement Program for Fiscal Years 2011-2015; and Conceptual Approval of the Operating Budget for Fiscal Year 2012.

(Finance: Vernon Evans, Vice President/Treasurer)

[ACTION: Approved 7-0 to reconsider this item, noting Board Members ROBINSON and YOUNG as ABSENT.]

[ACTION: Option B that was presented was approved 7-0, noting Board Members ROBINSON and YOUNG as ABSENT.]

12. PROVIDE DIRECTION TO STAFF ON STRUCTURE, COMPOSITION, AND WORK PLAN FOR AUTHORITY ADVISORY COMMITTEE:

RECOMMENDATION: Provide direction to staff.

(Executive Office: Matt Harris, Senior Director)

[ACTION: Approved 7-0, noting Board Members ROBINSON and YOUNG as ABSENT, to direct staff to prepare a revised Policy 1.21, based on the recommendations presented.]

13. AUTHORIZE THE PRESIDENT/CEO TO EXECUTE TASK AUTHORIZATIONS FOR CONSTRUCTION PHASE SERVICES AND MANAGEMENT SERVICES, AND WORK AUTHORIZATIONS FOR CONSTRUCTION PHASE SERVICES; AND AUTHORIZE PROGRAM FUNDING FOR THE TERMINAL DEVELOPMENT PROGRAM (“GREEN BUILD”):

RECOMMENDATION: The Terminal Development Program Committee recommends that the Board:

1. Adopt Resolution No. 2010-0073, authorizing the President/CEO to execute Work Authorizations for construction phase management services and release funding, in an amount not-to-exceed one hundred twenty-four million dollars (\$124,000,000) under Contract 1 (Terminal 2 West Building and Airside Expansion at San Diego International Airport); and
2. Adopt Resolution No. 2010-0074, authorizing the President/CEO to execute Task Authorizations for construction-phase services and release funding, in an amount not-to-exceed eighteen million dollars (\$18,000,000) under Contract 2 (Terminal 2 Elevated Departure Curb / Transit Plaza and Landside Modifications at San Diego International Airport); and
3. Adopt Resolution No. 2010-0075, authorizing the President/CEO to execute Work Authorizations for construction-phase services and release funding, in an amount not-to-exceed fourteen million dollars (\$14,000,000) under Contract 2 (Terminal 2 Elevated Departure Curb / Transit Plaza and Landside Modifications at San Diego International Airport); and
4. Adopt Resolution No. 2010-0076, authorizing funding for Program Management and Related Services/Projects associated with the execution of the work related to this Board Action through the end of calendar year 2010, in an amount not-to-exceed twelve million, nine hundred fifty-five thousand, three hundred forty-two dollars (\$12,955,342).
(Terminal Development Program: Bob Bolton, Acting Director)

[ACTION: This item was approved 7-0, noting Board Members ROBINSON and YOUNG as ABSENT.]

14. APPROVE THE AWARD OF A WORK AUTHORIZATION TO TURNER/PCL/FLATIRON, A JOINT VENTURE FOR THE TERMINAL DEVELOPMENT PROGRAM (“GREEN BUILD”), TO ALLOW THE JOINT VENTURE TO SELF PERFORM THE PROJECT TO CONSTRUCT TERMINAL 2 WEST APRON AND ANCILLARY FACILITIES AT SAN DIEGO INTERNATIONAL AIRPORT:

RECOMMENDATION: Adopt Resolution No. 2010-0077, approving the award of a Work Authorization to Turner/PCL/Flatiron, a Joint Venture for the Terminal Development Program (“Green Build”), in an amount not-to-exceed \$24,348,280.00, for Project No. 201201B, to allow the Joint Venture to Self-Perform the Project to Construct Terminal 2 West Apron and Ancillary Facilities at San Diego International Airport.
(Development: Bryan Enarson, Vice President)

[ACTION: This item was approved 7-0, noting Board Members ROBINSON and YOUNG as ABSENT.]

15. DISCUSSION OF OPTIONS FOR NORTH SIDE PROJECT DEVELOPMENT AND FINANCING (INCLUDING THIRD PARTY AGREEMENTS):

RECOMMENDATION: Receive the information.

(Finance: Vernon Evans, Vice President/Treasurer)

[No Action Taken.]

16. BOARD POLICY DISCUSSION AND POSSIBLE DIRECTION REGARDING POLICIES RELATING TO CONTRACTOR WORKER RETENTION AND WAGES/BENEFITS:

RECOMMENDATION: To seek direction from the Board on policies relating to contractor worker retention and wages/benefits.

(Procurement: Jana Vargas, Director)

[ACTION: Approved 8-0 noting Board Member ROBINSON as ABSENT, to direct staff to create a policy related to worker retention for the Authority for Board consideration, and to schedule a workshop on this issue regarding concessions.]

17. RESPONSE TO THE GRAND JURY REPORT ON EFFICIENCY IN GOVERNMENT:

RECOMMENDATION: Adopt Resolution No. 2010-0079, approving the response to the Grand Jury Report on Efficiency in Government.

(Administration: Jeffrey Woodson, Vice President)

[ACTION: This item was approved 7-0, noting Board Members ROBINSON and YOUNG as ABSENT.]

18. RESPONSE TO THE GRAND JURY REPORT REGARDING ETHICS IN GOVERNMENT:

RECOMMENDATION: Adopt Resolution No. 2010-0080, approving the response to the Grand Jury Report regarding Ethics in Government.

(Audit: Mark Burchyett, Chief Auditor)

[ACTION: This item was approved 7-0, noting Board Members ROBINSON and YOUNG as ABSENT.]

CLOSED SESSION: The Board recessed into Closed Session at 12:02 pm to discuss Items 19-22, and Items 24, 26, 27, 29 and 30.

19. THREAT TO PUBLIC SERVICES OR FACILITIES:

(Cal. Gov. Code section 54957):

Consultation with Transportation Security Administration, Michael J. Aguilar, Federal Security Director.

23. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION:

(Government Code Section 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).

24. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:

Real Property Negotiations pursuant to Cal. Gov. Code sections 54954.5(b) and section 54956.8.

Property: 1.15 acre parcel located at the northern terminus of 13th Street in Imperial Beach

Agency Negotiators: Vernon D. Evans, Vice President, Finance/Treasurer

Under Negotiation: Sale – Terms of Payment and Conditions.

25. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:

Real property negotiations pursuant to Cal. Gov. Code sections 54954.5(b) and section 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.

26. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:

Pursuant to Government Code section 54956.9(a):

Save Our Heritage Organization v. San Diego Unified Port District, et al.,

San Diego Superior Court Case No. 37-2009-00097828-CU-TT-CTL

27. CONFERENCE WITH LEGAL COUNSEL--EXISTING LITIGATION:

(Cal. Gov. Code Section 54956.9(a)):

San Diego Unified Port District v. Argonaut Insurance Company, et al, L.A.S.C.

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28. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:

Real Property Negotiations pursuant to Cal Gov. Code §§ 54954.5(b) 54956.8

Property: 3.76 acre easement across MCRD property located on the Washington Street extension south of Pacific Highway, in the City of San Diego, CA.

Agency negotiators: Vernon Evans, Vice President, Finance/Treasurer and Troy Leech, Director, Real Estate Management.

Under Negotiation: Consideration of MCRD's request for exclusive use of portion of the easement.

29. CONFERENCE WITH LEGAL COUNSEL--EXISTING LITIGATION:

(Cal. Gov. Code Section 54956.9(a)):

City of San Diego, Historical Resources Board: In re: Western Salt Company Salt Works, Report No. HRB-08-005

30. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:

Real Property Negotiations pursuant to Cal. Gov. Code sections 54954.5(b) and 54956.8.

Property: 2701 & 2535 Midway Drive, City of San Diego

Agency Negotiators: Vernon D. Evans, Vice President, Finance/Treasurer

Under Negotiation: Purchase – Price, Terms of Payment and Conditions.

REPORT ON CLOSED SESSION: The Board reconvened into open session at 2:00 pm. The General Counsel reported that in regards to Item 24, The Board gave direction to the President/CEO to continue negotiations. In regards to Item 27, the General Counsel reported that there was a confidential settlement dated June 7, 2010.

[ACTION #1: In regards to Item 20, Approved 7-0, noting Board Members ROBINSON and YOUNG as ABSENT to approve a 3% Bonus for FY 2009-2010 for the President/CEO.]

[ACTION #2: In regards to Item 21, Approved 7-0, noting Board Members ROBINSON and YOUNG as ABSENT to approve a 3% Bonus for FY 2009-2010 for the General Counsel.]

[ACTION #3: In regards to Item 22, Approved 7-0, noting Board Members ROBINSON and YOUNG as ABSENT to approve a 3% Bonus for FY 2009-2010 for the Chief Auditor.]

NON-AGENDA PUBLIC COMMENT: None

GENERAL COUNSEL REPORT:

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:

ADJOURNMENT: The meeting was adjourned at 3:39 pm.