

**MINUTES  
BOARD OF PORT COMMISSIONERS  
SAN DIEGO UNIFIED PORT DISTRICT**

As previously posted, a special meeting of the Board of Port Commissioners of the San Diego Unified Port District was called to order by Chairman Cushman at 12:01 p.m., Tuesday, November 3, 2009, in the Board Room at 3165 Pacific Highway, San Diego, California.

**ROLL CALL**

Agenda Item 1.

Present: COMMISSIONERS Bixler, Burdick, Cushman, Peters, Spane, and Valderrama  
OFFICERS Wurster, Bennett and Liner.

Absent: No Commissioners absent.

Excused: Padilla until he arrived at 12:03 p.m.

Chairman Cushman announced that Consent Agenda item 13, to be discussed during the regular meeting that was scheduled to begin at 1 p.m., would be continued to a future Board meeting. Chairman Cushman announced that the Board would not be hearing Closed Session Agenda item 7 regarding the South Bay Power Plant property.

**PUBLIC COMMENTS**

Agenda Item 2. Laura Hunter, Environmental Health Coalition, addressed the Board with concerns regarding Closed Session Agenda item 7 and any future operation of the South Bay Power Plant. Ms. Hunter urged the Board to notify all of the interested parties that after February 1, 2010 the site was no longer available for energy generation. She also expressed her concerns regarding the California Independent System Operator Corporation (CAL-ISO) and the Reliability Must-Run (RMR) service designation. Ms. Hunter submitted a CAL-ISO Memorandum from Yakout Mansour, President and Chief Executive Officer, dated October 21, 2009 to the Clerk for inclusion into the record. (A copy of the memorandum is on file in the Office of the District Clerk.)

Steve Peace addressed the Board with a historical background regarding the formation of the CAL-ISO, Reliability Must-Run (RMR) service designation, and the continued operation of the South Bay Power Plant. He discussed what he characterized as financial subsidies that had been made to the District, San Diego Gas & Electric, and Dynegy/Duke Energy. He urged the Board to move forward with decommissioning the South Bay Power Plant to make the land available for public use.

**CLOSED SESSION**

Duane Bennett, Port Attorney, announced the closed session agenda as follows:

Agenda Item 3.

CONFERENCE WITH REAL PROPERTY NEGOTIATOR  
Government Code Section 54956.8

Property: Approximately 221,000 square feet of tideland area leased to Fifth Avenue Landing, LLC, and the adjacent District-owned roadway, all bayward of the San Diego Convention Center.

Negotiating Parties: Carol Wallace, CEO, San Diego Convention Center Corporation; Raymond Carpenter and Arthur Engel, Managing Members, Fifth Avenue Landing LLC; Ellen Corey Born, Karen Weymann, Shahriar Afshar, SDUPD.

Under Negotiation: Price and Terms

Agenda Item 4.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION  
Pursuant to Subdivision (a) of Government Code Section 54956.9:

SDUPD v. Argonaut Insurance Company, et al.  
San Diego Superior Court No. GIC 874394

Agenda Item 5a.

CONFERENCE WITH REAL PROPERTY NEGOTIATOR  
Government Code Section 54956.8

Property: District Property: Approximately 35 acres of property located within the Harbor District of the Chula Vista Bayfront. Located West of I-5, South of H Street, and North of J Street in Chula Vista, California

Pacifica Companies Property: Approximately 97 acres located within the Sweetwater District of the Chula Vista Bayfront. Located West of I-5, South of E Street, and North of F Street in Chula Vista, California

Negotiating Parties: Ashok Israni, President, Pacifica Companies; Ellen Corey Born, Dirk Mathiasen, Paul Fanfera, Chris Hargett, SDUPD; Charles E. Black, CB Urban Development

Under Negotiation: Price and Terms

Agenda Item 5b.

CONFERENCE WITH REAL PROPERTY NEGOTIATOR  
Government Code Section 54956.8

Property: Rohr: Approximately 4.082 acres in Chula Vista adjacent to the western boundary of Goodrich's north campus, bounded by G Street on the north and near the H Street extension right of way on the south.

Negotiating Parties: Robert George, Facilities Engineer; Rick Siordia, Environmental Engineer; Rohr, Inc., dba Goodrich Aerostructures Group; Ellen Corey Born, Dirk Mathiasen, Paul Fanfera, Chris Hargett, SDUPD; Charles E. Black, CB Urban Development

Under Negotiation: Price and Terms

Agenda Item 6.

CONFERENCE WITH REAL PROPERTY NEGOTIATOR  
Government Code Section 54956.8

Property: SDUPD - Approximately 12.42 Acres of Property located on the Southern Portion of the Former LNG Site, West of Interstate 5 and Bay Boulevard, Chula Vista.

Property: SDG&E - Approximately 17.69 Acres of Property occupied by SDG&E under an Easement in perpetuity for an Electric Substation and Adjacent Non-Exclusive Easement for Transmission and Distribution Facilities, both of which are located West of Interstate 5 and Bay Boulevard in Chula Vista

Negotiating Parties: Eugene Mitchell, Regional Vice President, External Affairs, SDG&E; Ellen Corey Born, Dirk Mathiasen, Randa Coniglio, Karen Weymann, Chris Hargett, SDUPD

Under Negotiation: Price and Terms

Mr. Bennett announced no closed session would be heard regarding Closed Session item 7.

Agenda Item 7.

CONFERENCE WITH REAL PROPERTY NEGOTIATOR  
Government Code Section 54956.8

Property: South Bay Power Plant consisting of approximately 115 acres of property located west of Interstate 5 and Bay Boulevard in Chula Vista

Negotiating Parties: Randall Hickok, Managing Director, Asset Management West, Dynegy, South Bay, LLC; Ellen Corey Born, Dirk Mathiasen, Randa Coniglio, Karen Weymann, Chris Hargett, SDUPD

Under Negotiation: Price and Terms

Agenda Item 8.

CONFERENCE WITH REAL PROPERTY NEGOTIATOR  
Government Code Section 54956.8

Property: Approximately 53,144 square feet of land located at  
4975 North Harbor Drive, San Diego

Negotiating Parties: John Grimstad, Point Loma Marina, LLC  
Ellen Corey Born, Randa Coniglio, Karen Weymann, SDUPD

Under Negotiation: Price and Terms

Agenda Item 9.

CONFERENCE WITH REAL PROPERTY NEGOTIATOR  
Government Code Section 54956.8

Property: City of Chula Vista/Redevelopment Agency of the City  
of Chula Vista: Approximately 5.67 acres located at  
965 Lagoon Drive, Chula Vista

District: Approximately 1.79 acres, described as Parcel H-17,  
in the Chula Vista Bayfront Master Plan, Harbor District

Negotiating Parties: Denny Stone, Economic Development Manager,  
Redevelopment Agency of the City of Chula Vista, and  
Eric Crockett, Redevelopment Manager, Community  
Development, City of Chula Vista;  
Ellen Corey Born, Paul Fanfera, Chris Hargett, SDUPD

Under Negotiation: Price and Terms

Agenda Item 10.

PUBLIC EMPLOYEE APPOINTMENT, PERSONNEL EVALUATION OR DISCIPLINE:  
EXECUTIVE DIRECTOR AND PORT ATTORNEY

Government Code Section 54957.6

Chairman Cushman announced that the Closed Session Agenda items would be heard in the following order: 8, 4, 3, and 6. He also stated that Closed Session Agenda items 5A, 5B and 9 would follow the regular meeting open session.

Commissioner Burdick disclosed what she characterized as a potential conflict and stated that she would recuse herself from the discussion regarding items 5a and 5b.

Chairman Cushman requested and received confirmation from Port Attorney Bennett that his office would prepare an opinion regarding Mr. Peace's public comments regarding the CAL-ISO.

As an employee of Bank of America, Commissioner Bixler announced that he would recuse himself from consideration of **Consent Agenda item 22**, a Resolution Authorizing the Extension of the District's Pool of Investment Banking and Underwriting Firms for a period not to exceed three years. Consent Agenda Item 22 was considered as part of the Consent Agenda at the regular meeting that commenced at 1 p.m.

As to Consent Agenda item 4, the Board, by a 7-0 vote, delegated settlement authority with respect to the Argonaut litigation to Chairman Cushman.

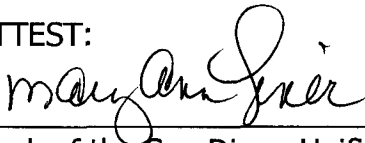
As to Consent Agenda item 10, the Board, by a 6-1 vote, with Commissioner Spane voting no, authorized a \$20,000 salary stipend for the Port Attorney for 2009.

There was no other formal or reportable action, pursuant to Government Code Section 54950 et seq to report from the closed session; whereupon, Chairman Cushman adjourned the meeting.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Secretary, Board of Port Commissioners  
San Diego Unified Port District

ATTEST:

A handwritten signature in black ink, appearing to read 'Marilyn J. ...' with a stylized flourish.

Clerk of the San Diego Unified Port District